



JOSEPH P. VIOLA
Vice President
Regulatory Affairs

June 3, 2015

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PUBLIC UTILITIES
COMMISSION

The Honorable Chair and Members of
the Hawai'i Public Utilities Commission
Kekuanaoa Building, 1st Floor
465 South King Street
Honolulu, Hawai'i 96813

Dear Commissioners:

Subject: Transmittal No. 15-03 (Decoupling)
Hawaiian Electric's 2015 RBA Rate Adjustment Tariff Filing
Final Revised RBA Rate Adjustment

In accordance with Order No. 32866, enclosed for filing is Hawaiian Electric Company, Inc.'s ("Hawaiian Electric" or "Company") final revised RBA Rate Adjustment of 2.1078¢ per kilowatt-hour ("kWh"), effective June 8, 2015.

This filing includes the following attachments:

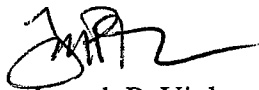
1. Summary of revisions in compliance with Order No. 32866 in Attachment 1;
2. Revised tariff sheets (in clean and blacklined versions) in compliance with Order No. 32866 including the Company's final revised RBA Rate Adjustment rate in Attachment 2; and
3. Final Revised 2015 Decoupling Calculation Workbook and support (revised pages are noted and changes highlighted) in Attachment 3.

Based on the revised calculations, Hawaiian Electric's 2015 RBA Rate Adjustment of 2.1078¢ per kWh is 0.0191¢ lower than the 2014 RBA Rate Adjustment that was previously in effect. The impact of the 2015 RBA Rate Adjustment on a typical residential customer's 500 kWh bill is a reduction of \$0.09 from the impact of the 2014 RBA Rate Adjustment.

The Honorable Chair and Members of
the Hawai'i Public Utilities Commission
June 3, 2015
Page 2

If you have any questions, please call Dean Matsuura at 543-4622.

Very truly yours,

A handwritten signature in black ink, appearing to read 'J. Viola', with a stylized flourish extending to the right.

Joseph P. Viola
Vice President
Regulatory Affairs

Attachments

cc: Division of Consumer Advocacy

TRANSMITTAL NOS. 15-03, 15-04 AND 15-05 (DECOUPLING)
2015 RBA RATE ADJUSTMENT TARIFFS
HAWAIIAN ELECTRIC COMPANIES' REVISIONS PER ORDER NO. 32866

In accordance with Order No. 32866, the Companies have made the following revisions to their 2015 Amended RBA Rate Adjustment calculations and tariffs filed April 15, 2015.

Depreciation and Amortization Expenses (Order No. 32866, pages 7-9)

As the Commission ordered, the Companies adjusted their RAM Cap calculation as stated in their May 11, 2015 and May 21, 2015 filings in order to reduce the RAM Cap for the amount in excess of the 2015 Depreciation and Amortization expense. The effect of this adjustment is a reduction of \$2.2 million to the RAM Cap for all three Companies: \$1.45 million for Hawaiian Electric, \$0.29 million for Maui Electric and \$0.47 million for Hawai'i Electric Light.¹

Elimination of 90% Factor (Order No. 32866, pages 10-11)

The Commission ordered no further revisions.

Allocation of Energy Delivery and Power Supply On-Costs (Order No. 32866, pages 11-15)

In accordance with Order No. 32866, paragraph 18, the Companies adjusted the 2015 RAM Revenue Adjustment to reflect the O&M expense reduction impacts associated with the change in on-cost clearing allocation identified by the Companies in their response to CA-IR-1(b). These adjustments can be found on Schedule A, Note (3) for each of the three Companies, and are equal to the amounts shown in footnote 14 in Order No. 32866, grossed up by a factor of 1.0975 for revenue taxes. The adjustments result in a decrease to 2015 Total RAM Revenue Adjustment Allowed of \$9.09 million for Hawaiian Electric, \$1.33 million for Maui Electric and \$0.52 million for Hawaii Electric Light.

Sales Forecast (Order No. 32866, page 15)

The Companies used the updated December 2014 sales forecasts as the Consumer Advocate recommended in its Statement of Position and as the Companies agreed to in their response to CA-IR-15. There were no further revisions ordered.

Forecasted Versus Historical GDPPI (Order No. 32866, page 16)

There were no further revisions ordered.

Bonus Depreciation (Order No. 32866, pages 16-21)

In accordance with Order No. 32866, paragraph 31, the Companies made a one-time adjustment related to the extension of 2014 bonus depreciation in the 2014 RAM period. The one-time adjustment is reflected on Schedule A – Note (3), and results in a decrease to RAM revenues of

¹ Transmittal Nos. 15-03, 15-04 and 15-05 (Decoupling) Amended RBA Rate Adjustment Tariff Filing, May 11, 2015, page 9; Transmittal Nos. 15-03, 15-04 and 15-05 (Decoupling) Response to the Consumer Advocate's Statement of Position and Revised RBA Rate Adjustment, May 21, 2015, Attachment 1, page 5; and Order No. 32866, page 9.

\$1.67 million for Hawaiian Electric, \$0.43 million for Hawaii Electric Light and \$0.30 million for Maui Electric.

RBA Accounting for Billing Adjustments (Order No. 32866, page 21)

No adjustments are necessary at this time. The Companies will work with the Consumer Advocate on this issue on a prospective basis.

RAM Tariff Amendments (Order No. 32866, pages 21-23)

The Companies have made two modifications to their proposed RAM tariffs filed April 15, 2015: 1) from the proposed new section “RAM Revenue Adjustment Cap”, the Companies have removed the proposed addition in the last sentence “...plus the adjusted calculation of the 2014 RAM Revenue Adjustment described above” and have ended the sentence with a period after the immediately preceding word “taxes”; and 2) the proposed new section “Provision for Recovery of Major Projects and Consolidated Baseline Projects” has been deleted entirely.

June 8, 2015 Effective Date (Order No. 32866, page 24)

In order to comply with Order No. 32866 and file the revised transmittals with a June 8, 2015 effective date and comply with their current tariffs which had an RBA Rate Adjustment rate from June 1, 2014 to May 31, 2015, the Companies on May 29, 2015 filed tariff sheets that reflected an RBA Rate Adjustment of 0.0¢ per kWh, effective June 1, 2015 through June 7, 2015. Therefore, the Companies made adjustments in this filing to reflect the collection of the revised Total RBA Revenue Adjustment over the period June 8, 2015 to May 31, 2016.

Based on the foregoing, the Companies have revised their 2015 RBA Rate Adjustment filings in accordance with Order No. 32866. The Companies have incorporated these changes in Attachments 2 and 3 of this filing, and provided a summary of the impact of these adjustments in Attachment 1A.

Summary of Amended Decoupling Tariff Filing
Comparison of 4/15/15 and 6/3/15 Filing

	Company 4/15/15 Filing (Order No. 32735)	Company 6/3/15 Filing (Order No. 32866)	Difference
Hawaiian Electric			
RBA	\$63,439,943	\$63,439,943	\$0
RAM	\$89,586,893	\$77,369,535	(\$12,217,358)
Total	\$153,026,836	\$140,809,478	(\$12,217,358)
Sales, GWh	6,892.800	6,680.400	(212.400)
Rate Adj, cents per kWh	2.2201	2.1078	(0.1123)
Monthly bill impact (600 kWh)	\$13.32	\$12.65	(\$0.67)
Monthly bill impact (500 kWh)		\$10.54	
Hawaii Electric Light			
RBA	\$8,234,363	\$8,234,363	\$0
RAM	\$7,178,993	\$6,231,665	(\$947,328)
Total	\$15,413,356	\$14,466,029	(\$947,328)
Sales, GWh	1,068.581	1,035.400	(33.181)
Rate Adj, cents per kWh	1.4424	1.3971	(0.0453)
Monthly bill impact (500 kWh)	\$7.21	\$6.99	(\$0.22)
Maui Electric			
RBA	\$7,451,513	\$7,451,513	\$0
RAM	\$12,038,517	\$10,122,159	(\$1,916,358)
Earnings Sharing Credit	(\$520,522)	(\$520,522)	\$0
Total	\$18,969,507	\$17,053,150	(\$1,916,358)
Sales, GWh	1,101.025	1,066.700	(34.325)
Rate Adj, cents per kWh	1.7229	1.5987	(0.1242)
Monthly bill impact (600 kWh)			
Maui (600 kWh)	\$10.34	\$9.59	(\$0.75)
Maui (500 kWh)		\$7.99	
Molokai/Lanai (400 kWh)	\$6.89	\$6.39	(\$0.50)

The difference column above reflects the following four adjustments made since the Companies' April 15, 2015 revised annual decoupling filings, and incorporate the changes directed in the Commission's Order No. 32866.

(1) Adjustment For On-Cost Methodology Change

In accordance with Order No. 32866, paragraph 18, the Companies adjusted the 2015 RAM Revenue Adjustment to reflect the O&M expense reduction impacts associated with the change in on-cost clearing allocation identified by the Companies in response to CA-IR-1(b). These

adjustments can be found on Schedule A, Note (3) for each of the three Companies, and agree to footnote 14 in Order No. 32866. The adjustments result in a decrease to 2015 Total RAM Revenue Adjustment Allowed of \$9.09 million for Hawaiian Electric, \$1.33 million for Maui Electric and \$0.52 million for Hawaii Electric Light.

(2) Adjustment To Remove GDPPI On 2015 Depreciation

As discussed on page 9 of the Companies' May 11, 2015 letter, the Companies made downward adjustments to the RAM Cap for the amounts in excess of 2015 depreciation and amortization expense that resulted from GDDPI escalation of 2015 depreciation and amortization expense used in the 2014 target revenue base. Paragraph 7 of Order No. 32866 also directs the Companies to make these adjustments. The adjustments can be found on Schedule J and WP-J-003, and result in a decrease to RAM revenues of \$1.45 million for Hawaiian Electric and \$0.29 million for Maui Electric. Hawaii Electric Light's RAM calculation per the "existing tariff" remains less than the RAM Cap; therefore, no change to the RAM Allowed was made for Hawaii Electric Light.

(3) Adjustment To Sales Forecast and RAM Revenue Allocation Percentages For Recovery Starting June 8, 2015

In their May 11, 2015 filings, the Companies submitted revised sales forecast in Schedule A to reflect updated information as stated in the Companies' response to CA-IR-15. The previously submitted sales forecasts have been adjusted on WP-A-001 and Schedule A for all Companies to reflect recovery over the period June 8, 2015 to May 31, 2016. The monthly revenue allocation percentages on Schedule B1 have also been adjusted to reflect recovery of the Net RAM Adjustment amount and for MECO, the Net Earnings Sharing Revenue Credits, over the period June 8, 2015 to May 31, 2016. The monthly allocation percentages used for the Last Rate Order Target Annual Revenues remain unchanged.

(4) One Time Adjustment For Bonus Depreciation

In accordance with Order No. 32866, paragraph 31, the Companies made a one-time adjustment related to the extension of 2014 bonus depreciation in the 2014 RAM period. The one-time adjustment is reflected on Schedule A – Note (3), and results in a decrease to RAM revenues of \$1.67 million for Hawaiian Electric, \$0.43 million for Hawaii Electric Light and \$0.30 million for Maui Electric.

ATTACHMENT 2

Superseding Revised Sheet No. 50D
Effective June 1, 2015

REVISED SHEET NO. 50D
Effective June 8, 2015

RATE SCHEDULES (continued)

<u>Sheet</u>	<u>Schedule</u>	<u>Date Effective</u>	<u>Character of Service</u>
87	TOU-R	September 1, 2012	Residential Time-Of-Use Service
88	TOU-R	September 1, 2012	Residential Time-Of-Use Service
89	Residential TOU EV	October 1, 2014	Residential Time-Of-Use Service with Electric Vehicle Pilot
89A	Residential TOU EV	October 1, 2014	Residential Time-Of-Use Service with Electric Vehicle Pilot
89B	Residential TOU EV	October 1, 2014	Residential Time-Of-Use Service with Electric Vehicle Pilot
90	Residential EV-R	October 1, 2014	Residential Electric Vehicle Charging Service Pilot
90A	Residential EV-R	October 1, 2014	Residential Electric Vehicle Charging Service Pilot
90B	Residential EV-R	October 1, 2014	Residential Electric Vehicle Charging Service Pilot
91	Commercial EV-C	October 1, 2014	Commercial Electric Vehicle Charging Service Pilot
91A	Commercial EV-C	October 1, 2014	Commercial Electric Vehicle Charging Service Pilot
91B	Commercial EV-C	October 1, 2014	Commercial Electric Vehicle Charging Service Pilot
92	"RBA"	June 1, 2013	Revenue Balancing Account Provision
92A	"RBA"	January 1, 2014	Revenue Balancing Account Provision
92B	"RBA"	March 1, 2014	Revenue Balancing Account Provision
92C	"RBA"	June 8, 2015	Revenue Balancing Account Provision

HAWAIIAN ELECTRIC COMPANY, INC.

Transmittal Letter dated June 3, 2015.

REVENUE BALANCING ACCOUNT ("RBA") PROVISION

current calendar year to May 31 of the succeeding calendar year. The recovery through the RBA Rate Adjustment of a RAM Revenue Adjustment calculated for a calendar year that is also a rate case test year shall terminate on the effective date of tariff rates that implement a Commission approved base revenue level authorized in the Company's test year rate case.

Revisions to Target Revenue based on corrections for errors and subsequently issued Commission orders, described in Section B above, will not be reflected in the RBA Rate Adjustment until a succeeding June 1 to May 31 period, unless otherwise ordered or approved by the Commission.

Complete, indexed workpapers and electronic files supporting the previous year-end balance in the RBA shall be provided to the Commission, the Consumer Advocate and all other parties to the Utility's most recent rate case proceeding ("Other Rate Case Parties"), if any, coincident with the Annual Evaluation Date filing. The Company will be prepared to provide information as may be requested to ensure adequate review by the Commission, Consumer Advocate, Other Rate Case Parties, and other interested persons. The Consumer Advocate, Other Rate Case Parties, and other interested persons may propose any adjustments determined to be required to bring the schedules into compliance with the above provisions and will work collaboratively to reach agreement on any proposed adjustments.

As described in Sections 6-61-61 and 6-61-111 of the Hawaii Administrative Rules, Title 6, Chapter 61, based upon the Company's filed schedules and in the absence of any protests submitted by the Consumer Advocate, Other Rate Case Parties, or other interested persons, not later than 15 days before June 1st, the RBA Rate Adjustment shall go into effect on June 1st, and the Commission shall confirm the commencement of the RBA Rate Adjustment in its monthly Tariff Order.

E: REVENUE BALANCING ACCOUNT RATE ADJUSTMENT:

The RBA Rate Adjustment is comprised of the calculated values from Section D above, adjusted to include amounts for applicable revenue taxes, and calculated based on the Company's forecast of mWh sales over the RBA Rate Adjustment recovery period.

The RBA Rate Adjustment shall remain unchanged during the recovery period unless further modification is required by order or approval of the Commission, except as specifically provided above.

RBA Rate Adjustment

All Rate Schedules 2.1078 ¢/kWh

F. NOTICE

HAWAIIAN ELECTRIC COMPANY, INC.

Transmittal Letter dated June 3, 2015.

Superseding Sheet No. 50E
Effective June 1, 2015

REVISED SHEET NO. 50E
Effective June 8, 2015

<u>Sheet</u>	<u>Schedule</u>	<u>RATE SCHEDULES (continued)</u>	
		<u>Date Effective</u>	<u>Character of Service</u>
92D	"RBA"	June 1, 2013	Revenue Balancing Account Provision
93	"RAM"	June 1, 2013	Rate Adjustment Mechanism Provision
93A	"RAM"	June 1, 2013	Rate Adjustment Mechanism Provision
93B	"RAM"	June 8, 2015	Rate Adjustment Mechanism Provision
93C	"RAM"	June 8, 2015	Rate Adjustment Mechanism Provision
93D	"RAM"	March 1, 2011	Rate Adjustment Mechanism Provision
93E	"RAM"	June 8, 2015	Rate Adjustment Mechanism Provision
93F	"RAM"	June 1, 2013	Rate Adjustment Mechanism Provision
93G	"RAM"	June 8, 2015	Rate Adjustment Mechanism Provision
93H	"RAM"	June 8, 2015	Rate Adjustment Mechanism Provision
93I	"RAM"	June 8, 2015	Rate Adjustment Mechanism Provision
94	"PPAC"	June 1, 2015	Purchased Power Adjustment Clause
94A	"PPAC"	June 1, 2015	Purchased Power Adjustment Clause
94B	"PPAC"	June 1, 2015	Purchased Power Adjustment Clause
95	EV-F	July 4, 2013	Commercial Public Electric Vehicle Charging Facility Service Pilot
95A	EV-F	July 4, 2013	Commercial Public Electric Vehicle Charging Facility Service Pilot
95B	EV-F	July 4, 2013	Commercial Public Electric Vehicle Charging Facility Service Pilot
96	EV-U	July 4, 2013	Commercial Public Electric Vehicle Charging Service Pilot
96A	EV-U	July 4, 2013	Commercial Public Electric Vehicle Charging Service Pilot

HAWAIIAN ELECTRIC COMPANY, INC.

Transmittal Letter Dated June 3, 2015.

RATE ADJUSTMENT MECHANISM PROVISION

Rate Adjustment Mechanism ("RAM") Provision

Purpose

This mechanism is subject to review and continuation, termination or modification in the utility's next base rate case proceeding, upon a showing by the utility and finding by the Commission that continuation or modification is appropriate. As part of its submitted testimony in the base rate case, the Company will include a summary report on the status of certain HCEI initiatives. The RAM mechanism is designed to determine the change in annual utility base revenue levels, recognizing certain estimated changes in the utility's cost to provide service. If, through the application of this mechanism, it is determined that annual utility base revenues should be decreased or increased, then the RAM Revenue Adjustment will be applied within the Revenue Balancing Account Provision. The RAM Revenue Adjustment established for a RAM Period calendar year that is also a rate case test year shall terminate on the effective date of tariff rates that are implemented pursuant to a Commission Decision & Order for that test year, unless otherwise specified below.

Definitions

- a) The Annual Evaluation Date shall be the Date the Company will make its annual filing under this mechanism. The Annual Evaluation Date shall be no later than March 31st of each year, commencing March 31, 2011.
- b) The Evaluation Period is defined as the historical twelve month period ending December 31, of each calendar year preceding the Annual Evaluation Date. The Evaluation Period is used solely to determine achieved earnings and any sharing of such earnings above the Authorized Return on Equity.
- c) The RAM Period is defined as the calendar year containing the Annual Evaluation Date.
- d) The Labor Cost Escalation Rate shall be the applicable annual percentage general wage rate increase provided for in currently effective union labor agreements for use in escalating wage and salary Base Expenses for union employees to determine the RAM Revenue Adjustment for each RAM Period. In the event no union labor agreement exists for a RAM Period, the most recently effective annual general percentage increase rate shall apply.

HAWAIIAN ELECTRIC COMPANY, INC.

RATE ADJUSTMENT MECHANISM PROVISION

e) The Non-labor Cost Escalation Rate shall be the consensus estimated annual change in the Gross Domestic Product Price Indicator ("GDPPI") to escalate non-labor Base Expenses to determine the RAM Revenue Adjustment for each RAM Period. The GDPPI escalation rate shall be the consensus projection published by the Blue Chip Economic Indicators (Aspen Publishing) each February for the current RAM Period. In the event that the Blue Chip Economic Indicators forecast of the GDPPI is not available, the Consumer Advocate, Company, and other parties to the most recent rate case, with approval of the Commission, shall jointly select an alternative data source, or national economic index similar to GDPPI, as appropriate.

f) The annual Labor Productivity Offset shall be fixed at 0.76 percent (76/100 of one percent) and will be subtracted from the Labor Cost Escalation Rates applicable to Base Expenses to determine the authorized RAM Revenue Adjustment for each RAM Period.

g) The Base Expenses shall be the labor and non-labor operations and maintenance expense amounts approved by the Commission in the last issued Decision & Order in the Company's most recent test year general rate case. Base Expenses shall not include any fuel, purchased power, IRP/DSM, pension, Other Post-Employment Benefits ("OPEB"), or Clean Energy/Renewable Energy Infrastructure or any costs that are subject to recovery through separate rate tracking mechanisms.

h) The Major Capital Projects shall be those capital investment projects that require an application before and approval by the Commission under the Commission's General Order No. 7, but excluding those projects included in the Clean Energy Infrastructure Surcharge.

i) The Baseline Capital Projects shall be the total amounts of capital investment completed and closed to Plant in Service, excluding amounts related to Major Capital Projects.

j) The Return on Investment shall be the overall weighted percentage rate of return on debt and equity capital approved by the Commission in the last issued Decision & Order in the Company's most recent test year general rate case.

HAWAIIAN ELECTRIC COMPANY, INC.

RATE ADJUSTMENT MECHANISM PROVISION (continued)

k) The Authorized Return on Equity shall be the percentage rate of return on equity capital approved by the Commission in the last issued Decision & Order in the Company's most recent test year general rate case.

l) The Exogenous Tax Changes shall be the changes in tax laws or regulations that are estimated to impact RBA Target Revenues by two million dollars (\$2,000,000) or more.

m) The Rate Base shall be the average net investment estimated for the RAM Period, including each of the elements of rate base reflected within the most recent rate case Decision & Order issued by the Commission, quantified in the manner prescribed in part (f) of Section 2 of the Rate Adjustment Mechanism.

n) The RAM Revenue Adjustment to be applied to determine effective Target Revenues will be the lesser of a) the RAM Revenue Adjustment Calculation or b) the RAM Revenue Adjustment Cap.

o) The RAM Revenue Adjustment Calculation shall be the change in the annual amount of revenue required for the utility to recover the sum of the O&M RAM Adjustment, Depreciation & Amortization RAM Adjustment, and Rate Base RAM - Return on Investment Adjustment, using the ratemaking conventions and calculations reflected within the most recent rate case Decision & Order issued by the Commission, quantified in the manner prescribed herein.

p) The RAM Revenue Adjustment Cap shall be based on the Target Revenues determined in accordance with the RBA and RAM tariffs as provided below.

q) The RAM Revenue Adjustment determined by this RAM Provision is to be recovered through the RBA Provision commencing on June 1 and over the subsequent 12 months after June 1.

r) Earnings Sharing Revenue Credits shall be the amounts to be returned to customers as credits through the Revenue Balancing Account ("RBA") Provision, so as to implement the earnings sharing percentages and procedures described herein, commencing on June 1 of the calendar year containing the Annual Evaluation Date and over the subsequent 12 months after June 1.

s) Major Capital Projects Credits shall be the amounts to be returned to customers through the Revenue Balancing Account Provision, to reduce a preceding year's RAM Revenue Adjustment (including interest at the rate described in the RBA Provision) for specific major capital projects that were not placed into service within the first nine months of the preceding RAM Period

HAWAIIAN ELECTRIC COMPANY, INC.

RATE ADJUSTMENT MECHANISM PROVISION (continued)

as expected. Because the Commission's review of the Major Capital Projects' actual costs incurred may not occur until the rate case after the RAM Revenue Adjustment for these Major Capital Projects is collected, Major Capital Projects Credits (including interest) will be returned to customers for the amount of Major Capital Projects costs that the Commission disallows for cost recovery. The Major Capital Projects Credits are to be refunded through the RBA Provision, commencing on June 1 of the calendar year containing the Annual Evaluation Date and over the subsequent 12 months after June 1.

t) Baseline Capital Projects Credits shall be the amounts to be returned to customers through the RBA Provision, to reduce a preceding year's RAM Revenue Adjustment (including interest at the rate described in the RBA Provision) for specific baseline capital projects that are disallowed by the Commission in a subsequent rate case if the disallowance reduces actual Baseline Capital Projects costs below the Baseline Capital Projects cost estimate derived using the method identified in part (f)ii. of Section 2 of the Rate Adjustment Mechanism below. Because the Commission's review of baseline capital projects may not occur until the rate case after such baseline capital projects are included in one or more RAM Revenue Adjustment filings, Baseline Capital Projects Credits shall be used to refund to customers any prior collections (i.e., Return on Investment on Rate Base and Depreciation, plus interest) relating to the amount of Baseline Capital Projects costs that the Commission subsequently disallows for cost recovery. The Baseline Capital Projects Credits are to be refunded through the RBA Provision, commencing on June 1 of the calendar year containing the Annual Evaluation Date and over the subsequent 12 months after June 1.

Rate Adjustment Mechanism

The Company shall file with the Commission, the Consumer Advocate and each party to the Company's most recent rate case proceeding, the schedules specified below:

Evaluation Period Earnings Sharing:

1. For the twelve month period ending December 31, of each year (the "Evaluation Period"), with the filing to be made no

HAWAIIAN ELECTRIC COMPANY, INC.

RATE ADJUSTMENT MECHANISM PROVISION (continued)

later than March 31, of the year following the conclusion of the Evaluation Period. The schedules will include the following:

- a) Company's recorded actual average net plant in service, accumulated deferred income taxes, inventory, working capital, and other rate base components. The schedules shall also show the utility's depreciation expense, operating and maintenance expense, income taxes, taxes other than income taxes, and other components of income for return, revenues, and capital structure, cost of debt, overall cost of capital, and return on common equity in the format set forth in the final order establishing the Company's latest effective rates.
- b) All applicable accounting and pro forma adjustments historically required in annual reports filed with the Commission.
- c) Pro-forma adjustments to remove from recorded revenues any out-of-period Earnings Sharing Revenue Credits or Major Capital Projects Credits recorded during the Evaluation Period, and
- d) A calculation comparing the achieved return on average common equity to the following earnings sharing grid, and indicating the Earnings Sharing Revenue Credit that should be recorded within the Revenue Balancing Account to effect the prescribed sharing of earnings above authorized levels:

ROE at or below the Authorized ROE	Retained entirely by shareholders - no customer credits
First 100 basis points (one percent) over Authorized ROE	25% share credit to customers
Next 200 basis points (two percent) over Authorized ROE	50% share credit to customers
All ROE exceeding 300 basis points (three percent) over Authorized ROE	90% share credit to customers

HAWAIIAN ELECTRIC COMPANY, INC.

RATE ADJUSTMENT MECHANISM PROVISION (continued)

RAM Period RAM Revenue Adjustment Calculation:

- 2) The Company shall provide additional schedules indicating the following proposed RAM Revenue Adjustment Calculation applicable for the RAM Period using the methodology set forth below:
 - a) The O&M RAM Adjustment shall adjust Base Expenses segregated between labor and non-labor components and treated as follows:
 - i. The labor component shall be quantified for the RAM Period by application of the Labor Cost Escalation Rate, reduced to account for the Productivity Offset to labor expenses, including payroll taxes. The part of Base Expenses that represents labor costs for merit employees shall not be subject to application of the Labor Cost Escalation rate, nor be reduced by the Productivity Offset.
 - ii. The Non-labor components shall be quantified for the RAM Period by application of the Non-labor Escalation Rate to non-labor Base Expenses. Non-labor components shall exclude fuel, purchased power, pension/OPEBs, IRP/DSM or other rate adjustment provisions.
 - b) Depreciation and Amortization RAM Adjustment shall be quantified for the RAM Period by application of Commission-approved accrual rates and methods to the actual recorded Plant in Service balances at the end of the Evaluation Period.
 - c) The Rate Base RAM - Return on Investment Adjustment shall be determined by multiplying the applicable Pretax Rate of Return times the change in Rate Base. The Pretax Rate of Return shall include related income taxes on the equity components of the Return on Investment rate approved by the Commission in the last issued Decision & Order in the Company's most recent test year general rate case. The quantification of Rate Base is specified in greater detail in part (f) of this Section 2.
 - d) The revenue impact of any Exogenous Tax Changes shall be included in the RAM Period calculation of the RAM Revenue Adjustment.
 - e) Revenue taxes shall be adjusted to account for the change in parts (a) through (e) of this Section 2.
 - f) Rate Base for the RAM Period shall be quantified as follows:

HAWAIIAN ELECTRIC COMPANY, INC.

Transmittal Letter dated June 3, 2015.

RATE ADJUSTMENT MECHANISM PROVISION (continued)

- i. Plant in Service, Accumulated Depreciation, Accumulated Deferred Income Taxes and Contributions in Aid of Construction ("CIAC") shall be a two-point average of actual recorded balance sheet data at December 31 of the Evaluation Period, plus projected values at December 31 of the RAM Period determined as prescribed in parts (ii) through (v), below.
- ii. Plant in Service shall be quantified by adding to the recorded balances at December 31 of the Evaluation Period, the simple average of Baseline Capital Projects plant additions recorded in the immediately preceding five calendar years, plus the estimated cost of completed Major Capital Projects that are anticipated to be in service by September 30 of the RAM Period. The cost of Major Capital Projects shall be limited to the dollar amounts previously approved by the Commission, and shall be included at the level of recorded costs if recorded costs are lower than the budget amounts approved by the Commission, and the Commission has not yet reviewed the project costs in a rate case.
- iii. Accumulated Depreciation at December 31 of the RAM Period shall be quantified by increasing the recorded balances at December 31 of the Evaluation Period by the amount set forth in Section 2 part (b) above, consistent with rate-making treatment.
- iv. CIAC shall be quantified by adding to the recorded balance at December 31 of the Evaluation Period an estimate of the net change for the RAM Period. The net change shall be based on a simple average of cash and in-kind CIAC for the immediately preceding five calendar years for programs (i.e., numerous low cost capital projects) plus specific engineering estimates of any contributions for the Major Capital Projects anticipated to be in service by September 30 of the RAM Period.
- v. Accumulated Deferred Income Taxes shall be quantified by adding to the recorded balances at December 31 of the Evaluation Period the estimated tax effect of the depreciation timing difference (i.e., difference between book depreciation and tax depreciation) on the Baseline Capital Projects and Major Capital Projects added to rate base during the RAM Period.
- vi. Working Cash and all other elements of rate base not specifically addressed above shall be fixed at the dollar amount approved by the Commission in the last issued Decision & Order in the Company's most recent test year general rate case. These elements of rate base shall be held constant until revised by a future Commission Decision & Order in a general rate case.

HAWAIIAN ELECTRIC COMPANY, INC.

RATE ADJUSTMENT MECHANISM PROVISION (continued)

g) See also Settlement Agreement section below.

RAM REVENUE ADJUSTMENT CAP

The RAM Basis for the calculation of the RAM Revenue Adjustment Cap shall be the target revenues determined in accordance with the RBA tariff based on the results of the Company's most recent final rate case decision. The RAM Basis shall be adjusted 1) as described below in the determination of the 2014 Rate Base RAM - Return on Investment Adjustment and the 2014 Depreciation and Amortization RAM Adjustment, and 2) to exclude or otherwise appropriately account for adjustments for the recovery of revenues for previously explicitly stipulated and approved exceptional matters or other matters specifically ordered by the Commission, which shall, in any event, be recovered fully without respect to any limitations resulting from application of the RAM Revenue Adjustment Cap.

The RAM Revenue Adjustment Cap shall be calculated as the RAM Basis, multiplied by the cumulative annually compounded increase(s) in the GDPPI for the years between the rate case calendar test year that established the RAM Basis and the RAM Period, adjusted to include applicable revenue taxes.

The RAM Revenue Adjustment Cap will apply to the entire RAM Revenue Adjustment, which includes the O&M RAM Adjustment, Depreciation and Amortization RAM Adjustment, and Rate Base RAM - Return on Investment Adjustment.

Exception to the calculation of the RAM Revenue Adjustment Cap:

For the calculation of the RAM Revenue Adjustment Cap for the 2015 RAM Revenue Adjustment and for each subsequent year's calculation of RAM Revenue Adjustment until the issuance of a final decision and order in the next rate case, the Target Revenues that will serve as the RAM Basis will be the 2014 annualized target revenues adjusted as described below. The 2014 RAM Revenue Adjustment used to determine the adjusted 2014 target revenues will be adjusted to use recorded 2014 end-of-year actuals for plant in service, accumulated depreciation and amortization, CIAC and accumulated deferred income taxes in the determination of the 2014 Rate Base RAM - Return on Investment Adjustment. For the determination of the 2014 Depreciation and Amortization RAM Adjustment, the Company applies the Commission-approved accrual rates and methods to the 2014 end of year balances calculated above. There is no impact to the O&M RAM Adjustment. The RAM Basis shall be adjusted to exclude or otherwise appropriately account for adjustments for the recovery of revenues for previously explicitly stipulated and approved exceptional matters or other matters specifically order by the Commission, as described above.

HAWAIIAN ELECTRIC COMPANY, INC.

Transmittal Letter dated June 3, 2015.

RATE ADJUSTMENT MECHANISM PROVISION (continued)

The RAM Revenue Adjustment Cap for year 2015 and for each subsequent year until the issuance of a final decision and order in the next rate case shall be calculated as the RAM Basis, multiplied by the cumulative annually compounded increase(s) in the GDPPI for the years between 2014 and the RAM Period, adjusted to include applicable revenue taxes.

Evaluation Procedures

Complete, indexed workpapers and electronic files supporting the RAM Adjustment, Earnings Sharing Revenue Credits, and Major and Baseline Capital Projects Credits Schedules shall be provided to the Commission, the Consumer Advocate and all other parties to the Utility's most recent rate case proceeding ("Other Rate Case Parties"), if any, coincident with the Annual Evaluation Date filing. The Company will be prepared to provide information as may be requested to ensure adequate review by the Commission, Consumer Advocate, Other Rate Case Parties, and other interested persons. The Consumer Advocate, Other Rate Case Parties, and other interested persons may propose any adjustments determined to be required to bring the schedules into compliance with the above provisions and will work collaboratively to reach agreement on any proposed adjustments.

The RAM Revenue Adjustment, and any prior year RAM Revenue Adjustments, shall be recalculated for errors in prior calculations and for subsequent Commission orders that change the basis of prior calculations. The effect of such changes to the RAM Revenue Adjustment shall be implemented as described in the Revenue Balancing Account Provision.

As described in Sections 6-61-61 and 6-61-111 of the Hawaii Administrative Rules, Title 6, Chapter 61, based upon the Company's filed schedules and in the absence of any protests submitted by the Consumer Advocate, Other Rate Case Parties, or other interested persons, not later than 15 days before the June 1 effective date of the RBA Rate Adjustment described in the RBA Provision tariff, the RBA Rate Adjustment incorporating the RAM Revenue Adjustment, Earnings Sharing Revenue Credits, and Major and Baseline Capital Projects Credits shall go into effect on the June 1 effective date, and the Commission shall confirm the commencement of the RBA Rate Adjustment in its monthly Tariff Order.

Notice

Notice of the annual Revenue Balancing Account Rate Adjustment filing shall be provided to all affected customers of the Utility in accordance with the provisions of this section by publication in newspapers of general circulation within 14 days and by including notification with its billing statements within 60 days after the Company makes its annual filing pursuant to this tariff. The notice to customers shall include the following information:

HAWAIIAN ELECTRIC COMPANY, INC.

RATE ADJUSTMENT MECHANISM PROVISION (continued)

- a) A description of the proposed revision of revenues, Earnings Sharing Credits, and Major or Baseline Capital Projects Credits;
- b) The effect on the rates applicable to each customer class and on the typical bill for residential customers; and
- c) The Company's address, telephone number and website where information concerning the proposed Revenue Balancing Account Rate Adjustment may be obtained.

SETTLEMENT AGREEMENT

The provisions in this section are for the sole and limited purpose of implementing the *Stipulated Settlement Agreement between the Hawaiian Electric Companies and the Division of Consumer Advocacy regarding Certain Regulatory Matters*, filed in Docket No. 2008-0083, which the Commission approved in Order No. 31126, issued on March 19, 2013.

The Company will include in the Rate Base RAM - Return on Investment Adjustment and the Depreciation and Amortization RAM Expense Adjustment, in 2013 and subsequent years, the recoverable costs of the Campbell Industrial Park Combustion Turbine Unit 1 ("CIP CT-1") and the Customer Information System ("CIS") projects, net of the Stipulated and Commission approved project cost write-downs and as otherwise provided for in the Stipulated Settlement Agreement. Recovery of the CIS costs through the RAM Revenue Adjustment is for the sole purpose of this settlement agreement and does not constitute a precedent for the recovery of any other software or regulatory asset deferred costs through the RAM Revenue Adjustment.

In accordance with the Stipulated Settlement Agreement and for only the 2014, 2015, and 2016 RAM Periods, Hawaiian Electric will be allowed to record the 2014, 2015, and 2016 RAM Revenue Adjustments, effective January 1 through December 31 of the calendar year (once the Company is able to determine the amount). The Company shall be allowed to collect the accrued RAM Revenue Adjustment amounts, pursuant to this provision, through the RBA Rate Adjustment from June 1 of each year to May 31 of the following year.

When the Company implements a Commission Decision & Order for any rate case test year within 2014, 2015, or 2016, the accrual of RAM Revenue Adjustment amounts for that test year, if still in progress, shall terminate. The Company will adjust the RBA Rate Adjustment to collect any accrued but unrecovered RAM Revenue Adjustment amounts for that year.

COMMISSION'S AUTHORITY

The Commission may suspend any or all parts of this Rate Adjustment Mechanism Provision. Such suspension shall remain in place until removed by Commission Order.

HAWAIIAN ELECTRIC COMPANY, INC.

Transmittal Letter dated June 3, 2015.

ATTACHMENT 2A

Superseding Revised Sheet No. 50D
Effective ~~October 1, 2014~~ June 1, 2015
June 8, 2015

REVISED SHEET NO. 50D
Effective ~~June 1, 2015~~

RATE SCHEDULES (continued)

<u>Sheet</u>	<u>Schedule</u>	<u>Date Effective</u>	<u>Character of Service</u>
87	TOU-R	September 1, 2012	Residential Time-Of-Use Service
88	TOU-R	September 1, 2012	Residential Time-Of-Use Service
89	Residential TOU EV	October 1, 2014	Residential Time-Of-Use Service with Electric Vehicle Pilot
89A	Residential TOU EV	October 1, 2014	Residential Time-Of-Use Service with Electric Vehicle Pilot
89B	Residential TOU EV	October 1, 2014	Residential Time-Of-Use Service with Electric Vehicle Pilot
90	Residential EV-R	October 1, 2014	Residential Electric Vehicle Charging Service Pilot
90A	Residential EV-R	October 1, 2014	Residential Electric Vehicle Charging Service Pilot
90B	Residential EV-R	October 1, 2014	Residential Electric Vehicle Charging Service Pilot
91	Commercial EV-C	October 1, 2014	Commercial Electric Vehicle Charging Service Pilot
91A	Commercial EV-C	October 1, 2014	Commercial Electric Vehicle Charging Service Pilot
91B	Commercial EV-C	October 1, 2014	Commercial Electric Vehicle Charging Service Pilot
92	"RBA"	June 1, 2013	Revenue Balancing Account Provision
92A	"RBA"	January 1, 2014	Revenue Balancing Account Provision
92B	"RBA"	March 1, 2014	Revenue Balancing Account Provision
92C	"RBA"	June 1 <u>8</u> , 2015	Revenue Balancing Account Provision

HAWAIIAN ELECTRIC COMPANY, INC.

Transmittal Letter dated ~~April 28~~ June 3, 2015.

REVENUE BALANCING ACCOUNT ("RBA") PROVISION

current calendar year to May 31 of the succeeding calendar year. The recovery through the RBA Rate Adjustment of a RAM Revenue Adjustment calculated for a calendar year that is also a rate case test year shall terminate on the effective date of tariff rates that implement a Commission approved base revenue level authorized in the Company's test year rate case.

Revisions to Target Revenue based on corrections for errors and subsequently issued Commission orders, described in Section B above, will not be reflected in the RBA Rate Adjustment until a succeeding June 1 to May 31 period, unless otherwise ordered or approved by the Commission.

Complete, indexed workpapers and electronic files supporting the previous year-end balance in the RBA shall be provided to the Commission, the Consumer Advocate and all other parties to the Utility's most recent rate case proceeding ("Other Rate Case Parties"), if any, coincident with the Annual Evaluation Date filing. The Company will be prepared to provide information as may be requested to ensure adequate review by the Commission, Consumer Advocate, Other Rate Case Parties, and other interested persons. The Consumer Advocate, Other Rate Case Parties, and other interested persons may propose any adjustments determined to be required to bring the schedules into compliance with the above provisions and will work collaboratively to reach agreement on any proposed adjustments.

As described in Sections 6-61-61 and 6-61-111 of the Hawaii Administrative Rules, Title 6, Chapter 61, based upon the Company's filed schedules and in the absence of any protests submitted by the Consumer Advocate, Other Rate Case Parties, or other interested persons, not later than 15 days before June 1st, the RBA Rate Adjustment shall go into effect on June 1st, and the Commission shall confirm the commencement of the RBA Rate Adjustment in its monthly Tariff Order.

E: REVENUE BALANCING ACCOUNT RATE ADJUSTMENT:

The RBA Rate Adjustment is comprised of the calculated values from Section D above, adjusted to include amounts for applicable revenue taxes, and calculated based on the Company's forecast of mWh sales over the RBA Rate Adjustment recovery period.

The RBA Rate Adjustment shall remain unchanged during the recovery period unless further modification is required by order or approval of the Commission, except as specifically provided above.

RBA Rate Adjustment

All Rate Schedules ~~0.0000~~ 2.1078 ¢/kWh

F. NOTICE

HAWAIIAN ELECTRIC COMPANY, INC.

Transmittal Letter dated ~~May 29~~ June 3, 2015.

Superseding Sheet No. 50E
Effective ~~May 1, 2015~~ June 1, 2015

REVISED SHEET NO. 50E
Effective June ~~18~~, 2015

RATE SCHEDULES (continued)			
<u>Sheet</u>	<u>Schedule</u>	<u>Date Effective</u>	<u>Character of Service</u>
92D	"RBA"	June 1, 2013	Revenue Balancing Account Provision
93	"RAM"	June 1, 2013	Rate Adjustment Mechanism Provision
93A	"RAM"	June 1, 2013	Rate Adjustment Mechanism Provision
93B	"RAM"	March 30, 2014 <u>June 8, 2015</u>	Rate Adjustment Mechanism Provision
93C	"RAM"	March 30, 2014 <u>June 8, 2015</u>	Rate Adjustment Mechanism Provision
93D	"RAM"	March 1, 2011	Rate Adjustment Mechanism Provision
93E	"RAM"	March 30, 2014 <u>June 8, 2015</u>	Rate Adjustment Mechanism Provision
93F	"RAM"	June 1, 2013	Rate Adjustment Mechanism Provision
93G	"RAM"	March 30, 2014 <u>June 8, 2015</u>	Rate Adjustment Mechanism Provision
93H	"RAM"	June 18 , 2013 <u>2015</u>	Rate Adjustment Mechanism Provision
<u>93I</u>	<u>"RAM"</u>	<u>June 8, 2015</u>	<u>Rate Adjustment</u> <u>Mechanism Provision</u>
94	"PPAC"	June 1, 2015	Purchased Power Adjustment Clause
94A	"PPAC"	June 1, 2015	Purchased Power Adjustment Clause
94B	"PPAC"	June 1, 2015	Purchased Power Adjustment Clause
95	EV-F	July 4, 2013	Commercial Public Electric Vehicle Charging Facility Service Pilot
95A	EV-F	July 4, 2013	Commercial Public Electric Vehicle Charging Facility Service Pilot
95B	EV-F	July 4, 2013	Commercial Public Electric Vehicle Charging Facility Service Pilot
96	EV-U	July 4, 2013	Commercial Public Electric Vehicle Charging Service Pilot
96A	EV-U	July 4, 2013	Commercial Public Electric Vehicle Charging Service

HAWAIIAN ELECTRIC COMPANY, INC.

Transmittal Letter Dated ~~June 1, 2015~~ June 3, 2015.

RATE ADJUSTMENT MECHANISM PROVISION

Rate Adjustment Mechanism ("RAM") Provision

Purpose

This mechanism is subject to review and continuation, termination or modification in the utility's next base rate case proceeding, upon a showing by the utility and finding by the Commission that continuation or modification is appropriate. As part of its submitted testimony in the base rate case, the Company will include a summary report on the status of certain HCEI initiatives. The RAM mechanism is designed to determine the change in annual utility base revenue levels, recognizing certain estimated changes in the utility's cost to provide service. If, through the application of this mechanism, it is determined that annual utility base revenues should be decreased or increased, then the RAM Revenue Adjustment will be applied within the Revenue Balancing Account Provision. The RAM Revenue Adjustment established for a RAM Period calendar year that is also a rate case test year shall terminate on the effective date of tariff rates that are implemented pursuant to a Commission Decision & Order for that test year, unless otherwise specified below.

Definitions

- a) The Annual Evaluation Date shall be the Date the Company will make its annual filing under this mechanism. The Annual Evaluation Date shall be no later than March 31st of each year, commencing March 31, 2011.
- b) The Evaluation Period is defined as the historical twelve month period ending December 31, of each calendar year preceding the Annual Evaluation Date. The Evaluation Period is used solely to determine achieved earnings and any sharing of such earnings above the Authorized Return on Equity.
- c) The RAM Period is defined as the calendar year containing the Annual Evaluation Date.
- d) The Labor Cost Escalation Rate shall be the applicable annual percentage general wage rate increase provided for in currently effective union labor agreements for use in escalating wage and salary Base Expenses for union employees to determine the RAM Revenue Adjustment for each RAM Period. In the event no union labor agreement exists for a RAM Period, the most recently effective annual general percentage increase rate shall apply.

HAWAIIAN ELECTRIC COMPANY, INC.

RATE ADJUSTMENT MECHANISM PROVISION

e) The Non-labor Cost Escalation Rate shall be the consensus estimated annual change in the Gross Domestic Product Price Indicator ("GDPPI") to escalate non-labor Base Expenses to determine the RAM Revenue Adjustment for each RAM Period. The GDPPI escalation rate shall be the consensus projection published by the Blue Chip Economic Indicators (Aspen Publishing) each February for the current RAM Period. In the event that the Blue Chip Economic Indicators forecast of the GDPPI is not available, the Consumer Advocate, Company, and other parties to the most recent rate case, with approval of the Commission, shall jointly select an alternative data source, or national economic index similar to GDPPI, as appropriate.

f) The annual Labor Productivity Offset shall be fixed at 0.76 percent (76/100 of one percent) and will be subtracted from the Labor Cost Escalation Rates applicable to Base Expenses to determine the authorized RAM Revenue Adjustment for each RAM Period.

g) The Base Expenses shall be the labor and non-labor operations and maintenance expense amounts approved by the Commission in the last issued Decision & Order in the Company's most recent test year general rate case. Base Expenses shall not include any fuel, purchased power, IRP/DSM, pension, Other Post-Employment Benefits ("OPEB"), or Clean Energy/Renewable Energy Infrastructure or any costs that are subject to recovery through separate rate tracking mechanisms.

h) The Major Capital Projects shall be those capital investment projects that require an application before and approval by the Commission under the Commission's General Order No. 7, but excluding those projects included in the Clean Energy Infrastructure Surcharge.

i) The Baseline Capital Projects shall be the total amounts of capital investment completed and closed to Plant in Service, excluding amounts related to Major Capital Projects.

j) The Return on Investment shall be the overall weighted percentage rate of return on debt and equity capital approved by the Commission in the last issued Decision & Order in the Company's most recent test year general rate case.

HAWAIIAN ELECTRIC COMPANY, INC.

RATE ADJUSTMENT MECHANISM PROVISION (continued)

k) The Authorized Return on Equity shall be the percentage rate of return on equity capital approved by the Commission in the last issued Decision & Order in the Company's most recent test year general rate case.

l) The Exogenous Tax Changes shall be the changes in tax laws or regulations that are estimated to impact RBA Target Revenues by two million dollars (\$2,000,000) or more.

m) The Rate Base shall be the average net investment estimated for the RAM Period, including each of the elements of rate base reflected within the most recent rate case Decision & Order issued by the Commission, quantified in the manner prescribed in part ~~(g)~~ (f) of Section 2 of the Rate Adjustment Mechanism.

n) The RAM Revenue Adjustment to be applied to determine effective Target Revenues will be the lesser of a) the RAM Revenue Adjustment Calculation or b) the RAM Revenue Adjustment Cap.

~~no)~~ The RAM Revenue Adjustment Calculation shall be the change in the annual amount of revenue required for the utility to recover the sum of the O&M RAM Adjustment, Depreciation & Amortization RAM Adjustment, and Rate Base RAM - Return on Investment Adjustment, using the ratemaking conventions and calculations reflected within the most recent rate case Decision & Order issued by the Commission, quantified in the manner prescribed herein.

p) The RAM Revenue Adjustment Cap shall be based on the Target Revenues determined in accordance with the RBA and RAM tariffs as provided below.

~~eq)~~ The RAM Revenue Adjustment determined by this RAM Provision is to be recovered through the RBA Provision commencing on June 1 and over the subsequent 12 months after June 1.

~~pr)~~ Earnings Sharing Revenue Credits shall be the amounts to be returned to customers as credits through the Revenue Balancing Account ("RBA") Provision, so as to implement the earnings sharing percentages and procedures described herein, commencing on June 1 of the calendar year containing the Annual Evaluation Date and over the subsequent 12 months after June 1.

HAWAIIAN ELECTRIC COMPANY, INC.

~~Decision and Order No. 31908, Filed on February 7, 2014.~~
Transmittal Letter dated ~~February 28, 2014~~ June 3, 2015.

RATE ADJUSTMENT MECHANISM PROVISION (continued)

~~qs~~) Major Capital Projects Credits shall be the amounts to be returned to customers through the Revenue Balancing Account Provision, to reduce a preceding year's RAM Revenue Adjustment (including interest at the rate described in the RBA Provision) for specific major capital projects that were not placed into service within the first nine months of the preceding RAM Period as expected. Because the Commission's review of the Major Capital Projects' actual costs incurred may not occur until the rate case after the RAM Revenue Adjustment for these Major Capital Projects is collected, Major Capital Projects Credits (including interest) will be returned to customers for the amount of Major Capital Projects costs that the Commission disallows for cost recovery. The Major Capital Projects Credits are to be refunded through the RBA Provision, commencing on June 1 of the calendar year containing the Annual Evaluation Date and over the subsequent 12 months after June 1.

~~rt~~) Baseline Capital Projects Credits shall be the amounts to be returned to customers through the RBA Provision, to reduce a preceding year's RAM Revenue Adjustment (including interest at the rate described in the RBA Provision) for specific baseline capital projects that are disallowed by the Commission in a subsequent rate case if the disallowance reduces actual Baseline Capital Projects costs below the Baseline Capital Projects cost estimate derived using the method identified in part ~~sf~~ii. of Section 2 of the Rate Adjustment Mechanism below. Because the Commission's review of baseline capital projects may not occur until the rate case after such baseline capital projects are included in one or more RAM Revenue Adjustment filings, Baseline Capital Projects Credits shall be used to refund to customers any prior collections (i.e., Return on Investment on Rate Base and Depreciation, plus interest) relating to the amount of Baseline Capital Projects costs that the Commission subsequently disallows for cost recovery. The Baseline Capital Projects Credits are to be refunded through the RBA Provision, commencing on June 1 of the calendar year containing the Annual Evaluation Date and over the subsequent 12 months after June 1.

Rate Adjustment Mechanism

The Company shall file with the Commission, the Consumer Advocate and each party to the Company's most recent rate case proceeding, the schedules specified below:

Evaluation Period Earnings Sharing:

1. For the twelve month period ending December 31, of each year (the "Evaluation Period"), with the filing to be made no

HAWAIIAN ELECTRIC COMPANY, INC.

RATE ADJUSTMENT MECHANISM PROVISION (continued)

later than March 31, of the year following the conclusion of the Evaluation Period. The schedules will include the following:

- a) Company's recorded actual average net plant in service, accumulated deferred income taxes, inventory, working capital, and other rate base components. The schedules shall also show the utility's depreciation expense, operating and maintenance expense, income taxes, taxes other than income taxes, and other components of income for return, revenues, and capital structure, cost of debt, overall cost of capital, and return on common equity in the format set forth in the final order establishing the Company's latest effective rates.
- b) All applicable accounting and pro forma adjustments historically required in annual reports filed with the Commission.
- c) Pro-forma adjustments to remove from recorded revenues any out-of-period Earnings Sharing Revenue Credits or Major Capital Projects Credits recorded during the Evaluation Period, and
- d) A calculation comparing the achieved return on average common equity to the following earnings sharing grid, and indicating the Earnings Sharing Revenue Credit that should be recorded within the Revenue Balancing Account to effect the prescribed sharing of earnings above authorized levels:

ROE at or below the Authorized ROE	Retained entirely by shareholders - no customer credits
First 100 basis points (one percent) over Authorized ROE	25% share credit to customers
Next 200 basis points (two percent) over Authorized ROE	50% share credit to customers
All ROE exceeding 300 basis points (three percent) over Authorized ROE	90% share credit to customers

HAWAIIAN ELECTRIC COMPANY, INC.

RATE ADJUSTMENT MECHANISM PROVISION (continued)
RAM Period RAM Revenue Adjustment Calculation:

2) The Company shall provide additional schedules indicating the following proposed RAM Revenue Adjustment Calculation ~~calculations~~ applicable for the RAM Period using the methodology set forth below:

a) The O&M RAM Adjustment shall adjust Base Expenses segregated between labor and non-labor components and treated as follows:

i. The labor component shall be quantified for the RAM Period by application of the Labor Cost Escalation Rate, reduced to account for the Productivity Offset to labor expenses, including payroll taxes. The part of Base Expenses that represents labor costs for merit employees shall not be subject to application of the Labor Cost Escalation rate, nor be reduced by the Productivity Offset.

ii. The Non-labor components shall be quantified for the RAM Period by application of the Non-labor Escalation Rate to non-labor Base Expenses. Non-labor components shall exclude fuel, purchased power, pension/OPEBs, IRP/DSM or other rate adjustment provisions.

b) Depreciation and Amortization RAM Adjustment shall be quantified for the RAM Period by application of Commission-approved accrual rates and methods to the actual recorded Plant in Service balances at the end of the Evaluation Period.

~~c) The Rate Base RAM - Return on Investment Adjustment shall be equal to the prior RAM Period's Rate Base RAM - Return on Investment Calculation plus 90% of the amount that the current RAM Period's Rate Base RAM - Return on Investment Calculation exceeds the prior RAM Period's Rate Base RAM - Return on Investment Calculation. If the prior RAM Period is a rate case test year, then the Rate Base RAM - Return on Investment Adjustment shall be equal to 90% of the current RAM Period's Rate Base RAM - Return on Investment Calculation.~~

~~c) The Rate Base RAM - Return on Investment Calculation~~ Adjustment shall be determined by multiplying the applicable Pretax Rate of Return times the change in Rate Base. The Pretax Rate of Return shall include related income taxes on the equity components of the Return on Investment rate approved by the Commission in the last issued Decision & Order in the Company's most recent test year general rate case. The quantification of Rate Base is specified in greater detail in part (gf) of this Section 2.

HAWAIIAN ELECTRIC COMPANY, INC.

RATE ADJUSTMENT MECHANISM PROVISION (continued)

- | ~~e)~~d) The revenue impact of any Exogenous Tax Changes shall be included in the RAM Period calculation of the RAM Revenue Adjustment.
- | ~~f)~~e) Revenue taxes shall be adjusted to account for the change in parts (a) through (e) of this Section 2.
- | f) Rate Base for the RAM Period shall be quantified as follows:

HAWAIIAN ELECTRIC COMPANY, INC.

Transmittal Letter dated February 24, 2012.

RATE ADJUSTMENT MECHANISM PROVISION (continued)

- i. Plant in Service, Accumulated Depreciation, Accumulated Deferred Income Taxes and Contributions in Aid of Construction ("CIAC") shall be a two-point average of actual recorded balance sheet data at December 31 of the Evaluation Period, plus projected values at December 31 of the RAM Period determined as prescribed in parts (ii) through (v), below.
- ii. Plant in Service shall be quantified by adding to the recorded balances at December 31 of the Evaluation Period, the simple average of Baseline Capital Projects plant additions recorded in the immediately preceding five calendar years, plus the estimated cost of completed Major Capital Projects that are anticipated to be in service by September 30 of the RAM Period. The cost of Major Capital Projects shall be limited to the dollar amounts previously approved by the Commission, and shall be included at the level of recorded costs if recorded costs are lower than the budget amounts approved by the Commission, and the Commission has not yet reviewed the project costs in a rate case.
- iii. Accumulated Depreciation at December 31 of the RAM Period shall be quantified by increasing the recorded balances at December 31 of the Evaluation Period by the amount set forth in Section 2 part (b) above, consistent with rate-making treatment.
- iv. CIAC shall be quantified by adding to the recorded balance at December 31 of the Evaluation Period an estimate of the net change for the RAM Period. The net change shall be based on a simple average of cash and in-kind CIAC for the immediately preceding five calendar years for programs (i.e., numerous low cost capital projects) plus specific engineering estimates of any contributions for the Major Capital Projects anticipated to be in service by September 30 of the RAM Period.
- v. Accumulated Deferred Income Taxes shall be quantified by adding to the recorded balances at December 31 of the Evaluation Period the estimated tax effect of the depreciation timing difference (i.e., difference between book depreciation and tax depreciation) on the Baseline Capital Projects and Major Capital Projects added to rate base during the RAM Period.
- vi. Working Cash and all other elements of rate base not specifically addressed above shall be fixed at the dollar amount approved by the Commission in the last issued Decision & Order in the Company's most recent test year general rate case. These elements of rate base shall be held constant until revised by a future Commission Decision & Order in a general rate case.

HAWAIIAN ELECTRIC COMPANY, INC.

RATE ADJUSTMENT MECHANISM PROVISION (continued)

~~gh~~) See also Settlement Agreement section below.

RAM REVENUE ADJUSTMENT CAP

The RAM Basis for the calculation of the RAM Revenue Adjustment Cap shall be the target revenues determined in accordance with the RBA tariff based on the results of the Company's most recent final rate case decision. The RAM Basis shall be adjusted 1) as described below in the determination of the 2014 Rate Base RAM - Return on Investment Adjustment and the 2014 Depreciation and Amortization RAM Adjustment, and 2) to exclude or otherwise appropriately account for adjustments for the recovery of revenues for previously explicitly stipulated and approved exceptional matters or other matters specifically ordered by the Commission, which shall, in any event, be recovered fully without respect to any limitations resulting from application of the RAM Revenue Adjustment Cap.

The RAM Revenue Adjustment Cap shall be calculated as the RAM Basis, multiplied by the cumulative annually compounded increase(s) in the GDPPI for the years between the rate case calendar test year that established the RAM Basis and the RAM Period, adjusted to include applicable revenue taxes.

The RAM Revenue Adjustment Cap will apply to the entire RAM Revenue Adjustment, which includes the O&M RAM Adjustment, Depreciation and Amortization RAM Adjustment, and Rate Base RAM - Return on Investment Adjustment.

Exception to the calculation of the RAM Revenue Adjustment Cap:

For the calculation of the RAM Revenue Adjustment Cap for the 2015 RAM Revenue Adjustment and for each subsequent year's calculation of RAM Revenue Adjustment until the issuance of a final decision and order in the next rate case, the Target Revenues that will serve as the RAM Basis will be the 2014 annualized target revenues adjusted as described below. The 2014 RAM Revenue Adjustment used to determine the adjusted 2014 target revenues will be adjusted to use recorded 2014 end-of-year actuals for plant in service, accumulated depreciation and amortization, CIAC and accumulated deferred income taxes in the determination of the 2014 Rate Base RAM - Return on Investment Adjustment. For the determination of the 2014 Depreciation and Amortization RAM Adjustment, the Company applies the Commission-approved accrual rates and methods to the 2014 end of year balances calculated above. There is no impact to the O&M RAM Adjustment. The RAM Basis shall be adjusted to exclude or otherwise appropriately account for adjustments for the recovery of revenues for previously explicitly stipulated and approved exceptional matters or other matters specifically order by the Commission, as described above.

HAWAIIAN ELECTRIC COMPANY, INC.

RATE ADJUSTMENT MECHANISM PROVISION (continued)

The RAM Revenue Adjustment Cap for year 2015 and for each subsequent year until the issuance of a final decision and order in the next rate case shall be calculated as the RAM Basis, multiplied by the cumulative annually compounded increase(s) in the GDPPI for the years between 2014 and the RAM Period, adjusted to include applicable revenue taxes.

Evaluation Procedures

Complete, indexed workpapers and electronic files supporting the RAM Adjustment, Earnings Sharing Revenue Credits, and Major and Baseline Capital Projects Credits Schedules shall be provided to the Commission, the Consumer Advocate and all other parties to the Utility's most recent rate case proceeding ("Other Rate Case Parties"), if any, coincident with the Annual Evaluation Date filing. The Company will be prepared to provide information as may be requested to ensure adequate review by the Commission, Consumer Advocate, Other Rate Case Parties, and other interested persons. The Consumer Advocate, Other Rate Case Parties, and other interested persons may propose any adjustments determined to be required to bring the schedules into compliance with the above provisions and will work collaboratively to reach agreement on any proposed adjustments.

The RAM Revenue Adjustment, and any prior year RAM Revenue Adjustments, shall be recalculated for errors in prior calculations and for subsequent Commission orders that change the basis of prior calculations. The effect of such changes to the RAM Revenue Adjustment shall be implemented as described in the Revenue Balancing Account Provision.

As described in Sections 6-61-61 and 6-61-111 of the Hawaii Administrative Rules, Title 6, Chapter 61, based upon the Company's filed schedules and in the absence of any protests submitted by the Consumer Advocate, Other Rate Case Parties, or other interested persons, not later than 15 days before the June 1 effective date of the RBA Rate Adjustment described in the RBA Provision tariff, the RBA Rate Adjustment incorporating the RAM Revenue Adjustment, Earnings Sharing Revenue Credits, and Major and Baseline Capital Projects Credits shall go into effect on the June 1 effective date, and the Commission shall confirm the commencement of the RBA Rate Adjustment in its monthly Tariff Order.

Notice

HAWAIIAN ELECTRIC COMPANY, INC.

Superseding SHEET NO. 93G
Effective June 1, 2013

REVISED SHEET NO. 93G
Effective March 30, 2014

RATE ADJUSTMENT MECHANISM PROVISION (continued)

Notice of the annual Revenue Balancing Account Rate Adjustment filing shall be provided to all affected customers of the Utility in accordance with the provisions of this section by publication in newspapers of general circulation within 14 days and by including notification with its billing statements within 60 days after the Company makes its annual filing pursuant to this tariff. The notice to customers shall include the following information:

HAWAIIAN ELECTRIC COMPANY, INC.

Decision and Order No. 31908; Filed on February 7, 2014.
Transmittal Letter dated February 28, 2014.

RATE ADJUSTMENT MECHANISM PROVISION (continued)

- a) A description of the proposed revision of revenues, Earnings Sharing Credits, and Major or Baseline Capital Projects Credits;
- b) The effect on the rates applicable to each customer class and on the typical bill for residential customers; and
- c) The Company's address, telephone number and website where information concerning the proposed Revenue Balancing Account Rate Adjustment may be obtained.

SETTLEMENT AGREEMENT

The provisions in this section are for the sole and limited purpose of implementing the *Stipulated Settlement Agreement between the Hawaiian Electric Companies and the Division of Consumer Advocacy regarding Certain Regulatory Matters*, filed in Docket No. 2008-0083, which the Commission approved in Order No. 31126, issued on March 19, 2013.

The Company will include in the Rate Base RAM - Return on Investment Adjustment and the Depreciation and Amortization RAM Expense Adjustment, in 2013 and subsequent years, the recoverable costs of the Campbell Industrial Park Combustion Turbine Unit 1 ("CIP CT-1") and the Customer Information System ("CIS") projects, net of the Stipulated and Commission approved project cost write-downs and as otherwise provided for in the Stipulated Settlement Agreement. Recovery of the CIS costs through the RAM Revenue Adjustment is for the sole purpose of this settlement agreement and does not constitute a precedent for the recovery of any other software or regulatory asset deferred costs through the RAM Revenue Adjustment.

In accordance with the Stipulated Settlement Agreement and for only the 2014, 2015, and 2016 RAM Periods, Hawaiian Electric will be allowed to record the 2014, 2015, and 2016 RAM Revenue Adjustments, effective January 1 through December 31 of the calendar year (once the Company is able to determine the amount). The Company shall be allowed to collect the accrued RAM Revenue Adjustment amounts, pursuant to this provision, through the RBA Rate Adjustment from June 1 of each year to May 31 of the following year.

When the Company implements a Commission Decision & Order for any rate case test year within 2014, 2015, or 2016, the accrual of RAM Revenue Adjustment amounts for that test year, if still in progress, shall terminate. The Company will adjust the RBA Rate Adjustment to collect any accrued but unrecovered RAM Revenue Adjustment amounts for that year.

HAWAIIAN ELECTRIC COMPANY, INC.

Transmittal Letter dated ~~May 1, 2013~~ June 3, 2015.

Superseding SHEET NO. 93G
Effective June 1, 2013

REVISED SHEET NO. 93G
Effective March 30, 2014

RATE ADJUSTMENT MECHANISM PROVISION (continued)

COMMISSION'S AUTHORITY

The Commission may suspend any or all parts of this Rate Adjustment Mechanism Provision. Such suspension shall remain in place until removed by Commission Order.

ATTACHMENT 3

HAWAIIAN ELECTRIC COMPANY, INC.
DECOUPLING CALCULATION WORKBOOK
DETERMINATION OF 2015 REVENUE BALANCING ACCOUNT RATE ADJUSTMENT

Line No.	Description (a)	Reference (b)	Amount (c)	Rate Amount (d)
RECONCILIATION OF RBA BALANCE:				
1	RBA Prior calendar year-end balance	Schedule B	\$ 57,804,048	
2	Revenue Tax Factor	Schedule C	1.0975	
3	Revenue for RBA Balance			\$ 63,439,943
RATE ADJUSTMENT MECHANISM "RAM" AMOUNT:				
4	Total RAM Revenue Adjustment Allowed (Note 2)	Note (3)		\$ 77,369,535
5	<u>EARNINGS SHARING REVENUE CREDITS - 2014 ROE:</u>	Schedule H		\$ -
6	<u>PUC-ORDERED MAJOR OR BASELINE CAPITAL PROJECTS CREDITS:</u>	Schedule I		\$ -
7	TOTAL RBA REVENUE ADJUSTMENT - Revised	Sum Col. (d)		\$ 140,809,478
8	GWH SALES VOLUME ESTIMATE JUNE 2015 - MAY 2016 (see HECO-WP-A-001)			6,680,400
9	RBA RATE ADJUSTMENT - cents per kWh - Revised	Note (1)		2.1078
10	MONTHLY BILL IMPACT @ 600 KWH - Revised			\$ 12.65
	MONTHLY BILL IMPACT @ 500 KWH			\$ 10.54

Note (1): 2015 RBA Rate Adjustment Breakdown

	Col. (d)	Rate Adjustment cents per kWh	Percentage Share
RBA Balance	\$ 63,439,943	0.94964287	45.0537%
RAM Amount	\$ 77,369,535	1.15815722	54.9463%
Earnings Sharing Revenue Credits	\$ -	0.00000000	0.0000%
Major or Baseline Capital Projects Credits	\$ -	0.00000000	0.0000%
	\$ 140,809,478	2.10780010	100.0000%

Note (2): Total RAM Revenue Adjustment Allowed is the sum of the RAM Cap + Exceptional and Other Projects. See Decision and Order No. 32735, filed March 31, 2015, paragraph 107, page 94, which states that the Total RAM Revenue Adjustment is to be comprised of the RAM Cap plus recovery of Exceptional And Other Matters.

Note (3): Total RAM Revenue Adjustment Allowed

Total RAM Revenue Adjustment Allowed before Adjustments per Order No. 32866	Schedule A1		88,132,879
Less:			
O&M Expense Impact of Change in On-cost Clearing Allocation	Note (3a)	(8,282,105)	
Revenue Tax Factor	Schedule C	1.0975	
Adjustment for Change in On-cost Clearing Allocation			(9,089,610)
Adjustment for 2014 Bonus Tax Depreciation	Note (3b)		(1,673,734)
Total RAM Revenue Adjustment Allowed			77,369,535

(a) Per Order No. 32866, para. 18, "the Companies shall adjust the 2015 RAM Revenue Adjustment for each Company to reflect the O&M expense reduction impacts associated with the accounting changes identified by the Companies in response to CA-IR-1(b)." As noted in footnote 14 to the Order, the expense impact for Hawaiian Electric is (\$8,282,105).

(b) The Company is making a one-time adjustment related to the extension of 2014 bonus depreciation in the 2014 RAM period per Order No. 32866, para. 31, which states: "The HECO Companies shall adjust the target revenues calculated for the 2014 RAM Period and applied to the twelve month period of June 2014 through May 2015, so as to pass through to customers the benefits of the full 2014 RAM benefit of the bonus depreciation target revenue impacts estimated by the Companies and enumerated in the SOP. The Companies shall make appropriate adjustments to target revenues, RBA accounts and associated regulatory asset accounts to ensure that the 2014 bonus depreciation benefits accrue to customers." The adjustment above includes revenue tax and agrees to footnote 30 of the Order. The adjustment accrues to customers through the RBA rate adjustment and will be reflected in 2015 target revenues that are utilized in RBA accounting.

Additionally, paragraph 30 of Order No. 32866 states the following: "the Commission recognizes that the inclusion of the ADIT adjustment for bonus depreciation at the end of 2014 effects and lowers the 2015 RAM Cap and 2015 RAM Revenue Adjustment. This adjustment, however, affects the determination of 2015 target revenues and does not constitute an adjustment to 2014 target revenues as agreed by the Companies on May 14, 2014." Therefore, the adjustment to target revenues calculated for the 2014 RAM Period is a one-time adjustment and will not be reflected in the target revenue base carried forward and subject to escalation in future years since the basis used to calculate the RAM Cap for 2015 and subsequent years already includes the impact of 2014 bonus depreciation.

HAWAIIAN ELECTRIC COMPANY, INC.
DECOUPLING CALCULATION WORKBOOK
DETERMINATION OF TOTAL RAM REVENUE ADJUSTMENT ALLOWED

Line No.	Description (a)	Reference	
RAM REVENUE ADJUSTMENT DETERMINED ACCORDING TO EXISTING TARIFFS AND PROCEDURES			
1	O&M RAM	3/31/15 Decoupling Filing, Sch A	\$ 14,746,949
2	Rate Base RAM - Return on Investment (Note 2)	3/31/15 Decoupling Filing, Sch A - Note 2	\$ 49,227,808
3	Depreciation & Amortization RAM Expense	3/31/15 Decoupling Filing, Sch A	\$ 31,142,599
4	Total Adjusted RAM Revenue Adjustment		\$ 95,117,357
RAM REVENUE ADJUSTMENT CAP			
5	RAM Cap for 2015 RAM Revenue Adjustment	Schedule J	\$ 84,333,622
6	Plus: Exceptional and Other Matters	Schedule K	\$ 3,799,257
7	2015 Cap - Total Adjusted RAM Revenue Adjustment (Note 3)		\$ 88,132,879
8	Total RAM Revenue Adjustment Allowed (Note 1)	Lesser of Line 4 or Line 7	\$ 88,132,879 To Sch A, Note (3)

- Note 1 RAM Revenue Adjustment Allowed:
 See Decision and Order No. 32735, filed March 31, 2015, paragraph 106, page 94:
 "The RAM Revenue Adjustment to be applied to determine effective Target Revenues will be the **lesser of** (a) the RAM Revenue Adjustment determined according to existing tariffs and procedures or (b) a RAM Revenue Adjustment Cap ("RAM Cap) to be calculated as specified."
- Note 2 See Decision and Order No. 32735, filed March 31, 2015, paragraph 79, page 82:
 "The amendments to the RAM implemented by this Order replace and terminate the previous interim limitations on RAM year Rate Base RAM adjustments required pursuant to Order No. 31908,"
 and paragraph 3, page 6:
 "The 90% adjustment shall be removed in favor of the GDPP1 cap."
 Therefore, the 10% reduction pursuant to Order No. 31908 has been eliminated from the calculation of 2014's Rate Base RAM- Return on Investment.
- Note 3 Total RAM Cap:
 See Decision and Order No. 32735, filed March 31, 2015, paragraph 110, page 96:
 "The RAM Cap will apply to the entire RAM Revenue Adjustment including the O&M RAM, Rate Base RAM (including Major Capital Projects and Baseline Projects), and the Depreciation and Amortization RAM."

HAWAIIAN ELECTRIC COMPANY, INC.
DECOUPLING CALCULATION WORKBOOK
SUMMARY OF ACCUMULATED REVENUE BALANCING ACCOUNT

Line No.	Month	Beginning Balance	Target Revenues	Recorded Adjusted Revenue	Variance to RBA	Adjustment for prior year RBA accrual	Adjustment	Tax-effected Balance Subject to Interest	Interest at 6% or 1.75%/year	Ending Balance
	(a)	(b)	(c)	(d)	(e)	(f)	(g)	(h)	(i)	(j)
Monthly RBA Balance and Activity (Monthly PUC Rpt., Pg. 9A)										
1	2013 December	\$ 66,080,670	\$ 45,001,122	\$ 41,178,802	\$ 3,822,320	\$ (4,255,258)	\$ 150,274	n/a	\$ 330,072	\$ 66,128,079
2	January 2014 Adjustment - Note (1)									
3	REVISED 2013 December									
4										\$ 56,927
5	2014 January	\$ 66,128,079	\$ 44,129,429	\$ 40,155,441	\$ 3,973,988	\$ (3,925,516)	\$ 56,927	n/a	\$ 331,046	\$ 66,564,524
6	February	\$ 66,564,524	\$ 39,553,044	\$ 37,871,094	\$ 1,681,950	\$ (3,761,214)	\$ -	n/a	\$ 327,624	\$ 64,812,884
7	March	\$ 64,812,884	\$ 44,129,429	\$ 40,445,741	\$ 3,683,688	\$ (3,910,640)	\$ 17,678	n/a	\$ 94,379	\$ 64,697,989
8	April	\$ 64,697,989	\$ 42,712,929	\$ 39,888,701	\$ 2,824,228	\$ (3,873,501)	\$ 2,887	n/a	\$ 93,590	\$ 63,745,193
9	May	\$ 63,745,193	\$ 45,981,776	\$ 41,326,526	\$ 4,655,250	\$ (4,160,513)	\$ (84,319)	\$ 39,041,545	\$ 56,936	\$ 64,212,547
10	June	\$ 64,212,547	\$ 48,725,408	\$ 43,277,375	\$ 5,448,033	\$ (5,518,592)	\$ -	\$ 39,205,893	\$ 57,175	\$ 64,199,163
11	July	\$ 64,199,163	\$ 50,451,219	\$ 45,900,584	\$ 4,550,635	\$ (5,956,735)	\$ -	\$ 38,789,775	\$ 56,568	\$ 62,849,631
12	August	\$ 62,849,631	\$ 52,004,449	\$ 46,563,655	\$ 5,440,794	\$ (6,117,873)	\$ 11,211	\$ 38,194,875	\$ 55,701	\$ 62,239,464
13	September	\$ 62,239,464	\$ 49,933,476	\$ 45,456,699	\$ 4,476,777	\$ (6,024,188)	\$ 27,963	\$ 37,566,514	\$ 54,785	\$ 60,774,801
14	October	\$ 60,774,801	\$ 50,508,746	\$ 46,193,856	\$ 4,314,890	\$ (6,133,236)	\$ 73,457	\$ 36,616,787	\$ 53,399	\$ 59,083,311
15	November	\$ 59,083,311	\$ 47,517,340	\$ 43,033,461	\$ 4,483,879	\$ (5,514,770)	\$ 122,490	\$ 35,853,938	\$ 52,287	\$ 58,227,197
16	December	\$ 58,227,197	\$ 47,517,340	\$ 42,808,961	\$ 4,708,379	\$ (5,430,235)	\$ 227,834	\$ 35,489,687	\$ 51,756	\$ 57,784,931
17	January 2015 Adjustment - Note (1)									
18	February 2015 Adjustment - Note (1)									
19	REVISED 2014 December									
20										\$ 12,479
21	2015 January	\$ -	\$ 46,596,907	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 6,638
22	February	\$ -	\$ 41,764,635	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 12,479
23	March	\$ -	\$ 46,596,907	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
24	April	\$ -	\$ 45,101,204	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
25	May	\$ -	\$ 48,552,827	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
26	June	\$ -	\$ 48,047,584	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
27	July	\$ -	\$ 51,226,633	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
28	August	\$ -	\$ 52,792,780	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
29	September	\$ -	\$ 50,702,234	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
30	October	\$ -	\$ 51,284,900	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
31	November	\$ -	\$ 48,247,991	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
32	December	\$ -	\$ 48,247,991	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -

Sources of Data: Sch. B1 Sch B2 Cols (c)-(d) Note (2) Note (1) Cols ((b)+(g)+(e)+(f))/2/(l) Note (3), (4) Cols (b)+(e)+(f)+(g)+(i)

Composite Federal & State Income Tax Rate 38.91% (k)
Income Tax Factor (1 / 1-tax rate) 1.636829121 (l)
(See HECO-WP-F-001)

Note (1): Adjustment Summary:

Year	Month	Workpaper Reference	RBA True-up Adjustment Sch B2, Line 18	RBA Interest Adjustments	Total Adjustment	Adjustment Description
2014	January	HECO-WP-B-002	55,522	1,405	56,927	Adj. for out of period billing adjustments
2014	March	HECO-WP-B-003	17,678	-	17,678	Adj. for out of period billing adjustments
2014	April	HECO-WP-B-004	2,887	-	2,887	Adj. for out of period billing adjustments
2014	May	HECO-WP-B-005	-	(330,311)	(330,311)	Adj. to reflect interest calculated on RBA bal, net of def taxes, for January to April 2014
2014	May	HECO-WP-B-006	245,812	180	245,992	Adj. for out of period billing adjustments
2014	August	HECO-WP-B-007	11,211	-	11,211	Adj. for out of period billing adjustments for multiple customers
2014	September	HECO-WP-B-007	27,963	-	27,963	Adj. for out of period billing adjustments for multiple customers
2014	October	HECO-WP-B-007	73,457	-	73,457	Adj. for out of period billing adjustments for multiple customers
2014	November	HECO-WP-B-007	122,490	-	122,490	Adj. for out of period billing adjustments for multiple customers
2014	December	HECO-WP-B-007	204,852	22,982	227,834	Adj. for out of period billing adjustments for multiple customers
2015	January	HECO-WP-B-008	6,141	497	6,638	Adj. for out of period billing adjustments
2015	February	HECO-WP-B-009	12,479	-	12,479	Adj. for out of period billing adjustments

Note (2):

Amounts represent recovery of prior years' RBA balance through the RBA rate adjustment effective June 1, 2013 for the period June 2013 through May 2014 and June 1, 2014 for the period June 2014 through May 2015.

Note (3):

In Decision and Order No. 31908 in Docket No. 2013-0141, filed on February 7, 2014, the Commission ordered the Company to utilize the short term debt rate as established in deriving the consolidated cost of capital in the last full rate case in computing interest on the outstanding RBA balance. The Commission approved the RBA tariff amendments for the Company implementing the revised interest rate effective as of March 1, 2014 in Decision and Order No. 32001 filed March 28, 2014. As a result, the interest rate used to compute the RBA interest was changed from 6% to 1.75% as of March 1, 2014.

Note (4):

In connection with Decision and Order No. 31908 on Schedule A of the Decoupling Investigation, issued on February 7, 2014, the Company received approval on April 28, 2014 from the Internal Revenue Service to change its tax treatment of RBA revenues from the book accrual method of revenue balancing account ("RBA") revenue recognition to a recognition method based on when rates are adjusted and revenues are collected, effective January 1, 2014. Accordingly, in May 2014, the Company made an adjustment of <\$330,311>, as reflected in Note 1 to the RBA balance for the interest on a net-of-income tax RBA balance for the period January 1 - April 30, 2014. Starting with May 2014, Schedule B has been updated to calculate interest based on a net-of-income tax RBA balance.

HAWAIIAN ELECTRIC COMPANY, INC.
DECOUPLING CALCULATION WORKBOOK
DETERMINATION OF TARGET REVENUES

Line No.	Description (a)	Reference (b)	Docket No. 2010-0080 Amounts (c)	Docket No. 2010-0080 Amounts (d)	Docket No. 2010-0080 Amounts (e)	Docket No. 2010-0080 Amounts (f)	Docket No. 2010-0080 Amounts (g)	Docket No. 2010-0080 Amounts (h)	
1	Last Rate Case Annual Electric Revenue at Approved Rate Levels	Note (1)	\$000s \$ 1,765,954	\$ 1,765,954	\$ 1,765,954	\$ 1,765,954	\$ 1,765,954	\$ 1,765,954	
2	Less: Fuel Expense	Note (1)	\$000s \$ (658,172)	\$ (658,172)	\$ (658,172)	\$ (658,172)	\$ (658,172)	\$ (658,172)	
3	Purchased Power Expense	Note (1)	\$000s \$ (438,707)	\$ (438,707)	\$ (438,707)	\$ (438,707)	\$ (438,707)	\$ (438,707)	
4	Revenue Taxes on Line 1 (8.885% statutory rates)		\$000s \$ (156,905)	\$ (156,905)	\$ (156,905)	\$ (156,905)	\$ (156,905)	\$ (156,905)	
5	Last Rate Order Target Annual Revenues	Sum Lines 1...4	\$000s \$ 512,170	\$ 512,170	\$ 512,170	\$ 512,170	\$ 512,170	\$ 512,170	
6	Add: Authorized RAM Revenues	Note (2)	\$000s \$ 38,407	\$ 38,407	\$ -	\$ -	\$ -	\$ -	
7	Less: Revenue Taxes on Line 6 at 8.885%		\$000s \$ (3,412)	\$ (3,412)	\$ -	\$ -	\$ -	\$ -	
8	Net RAM Adjustment - Test Year +2	Lines 6+7	\$000s \$ 34,994	\$ 34,994	\$ -	\$ -	\$ -	\$ -	
9	Authorized RAM Revenues	Note (3)	\$000s \$ -	\$ -	\$ 69,254	\$ 69,254	\$ -	\$ -	
10	Less: Revenue Taxes on Line 9 at 8.885%		\$000s \$ -	\$ -	\$ (6,153)	\$ (6,153)	\$ -	\$ -	
11	Net RAM Adjustment - Test Year +3	Lines 9+10	\$000s \$ -	\$ -	\$ 63,100	\$ 63,100	\$ -	\$ -	
12	Authorized RAM Revenues - Revised	Sch. A, Line 4	\$000s \$ -	\$ -	\$ -	\$ -	\$ 77,370	\$ 77,370	
13	Less: Revenue Taxes on Line 12 at 8.885%		\$000s \$ -	\$ -	\$ -	\$ -	\$ (6,874)	\$ (6,874)	
14	Net RAM Adjustment - Test Year +4	Lines 12+13	\$000s \$ -	\$ -	\$ -	\$ -	\$ 70,495	\$ 70,495	
15	Less: EARNINGS SHARING REVENUE CREDITS	Note (2)	\$000s \$ (2,586)	\$ (2,586)	\$ -	\$ -	\$ -	\$ -	
16	Less: Revenue Taxes on Line 15 at 8.885%		\$000s \$ 230	\$ 230	\$ -	\$ -	\$ -	\$ -	
17	Net Earnings Sharing Revenue Credits	Lines 15 + 16	\$000s \$ (2,356)	\$ (2,356)	\$ -	\$ -	\$ -	\$ -	
18	PUC-ORDERED MAJOR OR BASELINE CAPITAL CREDITS:	Sch. A, Line 6	\$000s \$ -	\$ -	\$ -	\$ -	\$ -	\$ -	
19	Total Annual Target Revenues								
20	June 1, 2013 Annualized Revenues w/RAM Increase	Col (e),lines (5+8+17)	\$000s \$ 544,808	\$ 544,808					
21	June 1, 2014 Annualized Revenues w/RAM Increase	Col (g),lines (5+11+17)	\$000s		\$ 575,270	\$ 575,270			
22	June 1, 2015 Annualized Revenues w/RAM Increase	Col (g),lines (5+14+17)	\$000s				\$ 582,665	\$ 582,665	
23	Distribution of Target Revenues by Month:	Note (4)	Note (5)	2013	2014	2014	2015	2016	
24	January	8.10%	8.26%		\$44,129,429		\$46,596,907	\$47,308,677	
25	February	7.26%	7.41%		\$39,553,044		\$41,764,635	\$42,407,239	
26	March	8.10%	8.26%		\$44,129,429		\$46,596,907	\$47,308,677	
27	April	7.84%	8.00%		\$42,712,929		\$45,101,204	\$45,793,747	
28	May	8.44%	8.61%		\$45,981,776		\$48,552,827	\$49,296,788	
29	June- effective date of RAM Change is June 8, 2015	8.47%	6.62%	\$46,145,218		\$48,725,408	\$48,047,584		
30	July	8.77%	8.95%	\$47,779,642		\$50,451,219	\$51,226,633		
31	August	9.04%	9.21%	\$49,250,622		\$52,004,449	\$52,792,780		
32	September	8.68%	8.86%	\$47,289,315		\$49,933,476	\$50,702,234		
33	October	8.78%	8.96%	\$47,834,122		\$50,508,746	\$51,284,900		
34	November	8.26%	8.43%	\$45,001,122		\$47,517,340	\$48,247,991		
35	December	8.26%	8.43%	\$45,001,122		\$47,517,340	\$48,247,991		
36	Total Distributed Target Revenues	100.00%	100.00%	\$328,301,163	\$216,506,607	\$346,657,978	\$228,612,480	\$350,550,113	\$232,115,128

Footnotes:

- Docket No. 2010-0080 amounts derived from Order No. 30576, filed August 9, 2012, effective September 1, 2012, which implemented Decision and Order No. 30505, Exhibit A, page 1, filed June 29, 2012.
- Transmittal 13-03 filed July 16, 2013, revising 2013 target revenue effective June 1, 2013.
- Transmittal 14-03 filed May 22, 2014, revising 2014 target revenue effective June 1, 2014.
- RBA Tariff Revised July 26, 2011 to reflect 2011 test year.

5 Derivation of RAM Revenue Allocation, for June 8, 2015 to May 31, 2016		Scale all months to total 100.00% (then use for lines 24-35, above)	
January	8.10%	8.26%	
February	7.26%	7.41%	
March	8.10%	8.26%	
April	7.84%	8.00%	
May	8.44%	8.61%	
June- effective date of RAM Change is June 8, 2015	6.49%	6.62%	
July	8.77%	8.95%	
August	9.04%	9.21%	
September	8.68%	8.86%	
October	8.78%	8.96%	
November	8.26%	8.43%	
December	8.26%	8.43%	
Total Distributed Target Revenues	98.02%	100.00%	

HAWAIIAN ELECTRIC COMPANY, INC.
DECOUPLING CALCULATION WORKBOOK
DETERMINATION OF O&M RAM ADJUSTMENT
(\$ in Thousands)

Line No.	Description (a)	Reference (b)	Docket No. 2010-0080 Approved (c)	Footnote 4 Previously Approved RAM (d)	O&M Subject to Escalation Col (c) + (d) (e)	Net Inflation Indices Footnote 2 (f)	2015 O&M RAM Adjustment Col (e) * (f) (g)	
1	Base BU Labor Expenses	Schedule C1	\$ 51,224		\$ 51,224	8.47%	\$ 4,336	
2	Base Non-Labor Expense	Schedule C2	\$ 139,463		\$ 139,463	6.24%	\$ 8,702	
3	Payroll Taxes	Footnote 1	\$ 4,708		\$ 4,708	8.47%	\$ 399	
4	Subtotal Expense Increase - RAM Adjustment before revenue taxes						\$	13,437
5	Revenue Tax Factor (Footnote 3)							1.0975
6	O&M RAM (SubTotal Expenses x Rev Tax Factor)						\$	14,747

Footnotes:

1: Payroll Taxes per Interim D&O in Docket No. 2010-0080, Exhibit A, page 3	\$ 8,905
Less: Portion of payroll taxes related to non-BU labor ^A (47.14% * 8,905)	\$ (4,197)
Payroll Taxes related to Bargaining Unit labor	\$ 4,708

^A See Schedule C1 for calculation of percentage related to non-BU labor.

2: Escalation Rates

Labor:	2012	2013	2014	2015	
Bargaining Unit Wage Increase	2.46%	2.88%	3.00%	2.91%	(See HECO-WP-C-001)
Less: Labor Productivity Offset	0.76%	0.76%	0.76%	0.76%	Approved in Final D&O in Docket No. 2008-0274, page 51, filed on August 31, 2010
Labor Cost Escalation Rate	1.70%	2.12%	2.24%	2.15%	

Calculation of 2012-2015 Compounded Labor Cost Escalation

2012 Labor Cost Escalation	1.0170	A (2012 labor escalation plus 1)
2013 Labor Cost Escalation	1.0212	B (2013 labor escalation plus 1)
2014 Labor Cost Escalation	1.0224	C (2014 labor escalation plus 1)
2015 Labor Cost Escalation	1.0215	D (2015 labor escalation plus 1)
2012-2015 Compounded Labor Cost Escalation	1.0847	E = A * B * C * D
2012-2015 Compounded Labor Cost %	0.0847	F = E - 1

Non-Labor:	2012	2013	2014	2015	
GDP Price Index	1.70%	1.70%	1.60%	1.10%	(See HECO-WP-C-002)

Calculation of 2012-2015 Compounded Non-Labor Cost Escalation

2012 Non-Labor Cost Escalation	1.0170	A (2012 non-labor escalation plus 1)
2013 Non-Labor Cost Escalation	1.0170	B (2013 non-labor escalation plus 1)
2014 Non-Labor Cost Escalation	1.0160	C (2014 non-labor escalation plus 1)
2015 Non-Labor Cost Escalation	1.0110	D (2015 non-labor escalation plus 1)
2012-2015 Compounded Non-Labor Cost Escalation	1.0624	E = A * B * C * D
2012-2015 Compounded Non-Labor Cost %	0.0624	F = E - 1

3: Computation of Revenue Tax Factor

Public Service Tax Rate	0.05885
PUC Fees Rate	0.00500
Franchise Tax Rate	0.02500
Total Revenue Tax Rate	0.08885

Revenue Tax Factor
= 1 / (1 - Total Revenue Tax Rate) 1.0975

4: Column d "Previously Approved RAM" is not used as the labor and non-labor escalation is accomplished through the use of a compounded escalation rate in column f, as shown in footnote 2.

HAWAIIAN ELECTRIC COMPANY, INC.

DECOUPLING CALCULATION WORKSHEET
RATE ADJUSTMENT MECHANISM
SUMMARY OF
OPERATIONS AND MAINTENANCE LABOR AND NON-LABOR EXPENSE
BY BLOCK OF ACCOUNTS
Final D&O - Docket No. 2010-0080
(‘000)

Line No.	DESCRIPTION	Footnote 1		Footnote 2		
		(a) BU LABOR	(b) NON-BU LABOR	(c)=(a)+(b) TOTAL LABOR	(d) NON-LABOR	(e) TOTAL
1	Production	26,585	12,400	38,985	52,838	91,823
2	Transmission	3,519	2,373	5,892	10,103	15,995
3	Distribution	12,559	4,838	17,397	24,148	41,545
4	Customer Accounts	6,136	2,357	8,492	6,119	14,611
5	Allowance for Uncoll Accounts	-	-	-	1,463	1,463
6	Customer Service	152	3,238	3,390	3,197	6,587
7	Administrative & General	2,273	20,484	22,757	63,621	86,378
8	Operation and Maintenance	51,224	45,690	96,913	161,489	258,402

Percentage of Total O&M Labor	52.86%	47.14%	100%
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* amounts may not add due to rounding

Footnotes:

1 See Letter dated October 4, 2011, Subject: Hawaiian Electric Supplemental and Revised Responses, filed in Docket No. 2010-0080, Attachment, page 1: Worksheet showing the breakdown of the 2011 test year labor expenses between BU and non-BU.

O&M breakdown above excludes fuel from original schedule. Refer to O&M recalculation below which includes fuel component.

	BU LABOR	MERIT	NON-BU LABOR OTHER	TOTAL	BU+NON BU TOTAL
FUEL	333	829	11	840	1,173
PRODUCTION	26,585	12,370	30	12,400	38,985
TRANSMISSION	3,519	2,373	-	2,373	5,892
DISTRIBUTION	12,559	4,838	-	4,838	17,397
CUSTOMER ACCOUNTS	6,136	2,357	-	2,357	8,493
CUSTOMER SERVICE	152	3,238	-	3,238	3,390
ADMIN & GENERAL	2,273	20,462	22	20,484	22,757
TOTAL	51,557	46,467	63	46,530	98,087
% of TOTAL BU/NON BU LABOR	52.56%			47.44%	100.00%
% of TOTAL BU/NON BU LABOR (excluding fuel)	52.86%			47.14%	100.00%

2 See Letter dated December 14, 2012, Subject: Docket No. 2010-0080 - Hawaiian Electric 2011 Test Year Rate Case Hawaiian Electric Worksheet Showing Updated Labor/Non-Labor Expense Split for RAM Calculation, Attachment 1, pages 1-3.

Hawaiian Electric Company, Inc.
Non-Labor Exclusion
Adjustment for O&M RAM
(\$ thousands)

<u>Line No.</u>	<u>Description</u> (a)	<u>Amount</u> (b)	<u>Reference</u> (c)
1	Pension Expense	31,617	See Parties' Stipulated Settlement Letter, filed July 5, 2011, in Docket No. 2010-0080, HECO T-15 Attachment 1, page 1
2			
3			
4	OPEB Expense	(463)	See Parties' Stipulated Settlement Letter, filed July 5, 2011, in Docket No. 2010-0080, HECO T-15 Attachment 1, page 1
5			
6			
7	Total before amounts transferred	31,154	
8			
9	O&M %	70.70%	See Parties' Stipulated Settlement Letter, filed July 5, 2011, in Docket No. 2010-0080, HECO T-15 Attachment 1, page 1
10	(1- transfer rate of 29.3%)		
11			
12			
13	Adjustment to Non-Labor O&M Expense		
14	for O&M RAM base	22,026	
15			
16			
17	Non-Labor O&M Expense per Interim D&O	161,489	Schedule C1
18			
19			
20	Non-Labor O&M Expense Base for		
21	O&M RAM base	<u>139,463</u>	

HAWAIIAN ELECTRIC COMPANY, INC.
DECOUPLING CALCULATION WORKBOOK
DETERMINATION OF RATE BASE RAM ADJUSTMENT - RETURN ON INVESTMENT

Line No.	Description (a)	AMOUNTS IN THOUSANDS (b)	PERCENT OF TOTAL (c)	COST RATE (d)	POST TAX WEIGHTED EARNINGS REQMTS (e)	INCOME TAX FACTOR Note (1) (f)	PRETAX WEIGHTED EARNINGS REQMTS (g)
1	<u>PUC APPROVED CAPITAL STRUCTURE & COSTS (Note (2)):</u>						
2	Short-Term Debt	\$ 38,210	2.35%	1.75%	0.04%	1.000000	0.04%
3	Long-Term Debt	624,620	38.36%	5.86%	2.25%	1.000000	2.25%
4	Hybrid Securities	27,994	1.72%	7.36%	0.13%	1.000000	0.13%
5	Preferred Stock	20,806	1.28%	5.46%	0.07%	1.63693	0.11%
6	Common Equity	916,533	56.29%	10.00%	5.63%	1.63693	9.21%
7	Total Capitalization	<u>\$ 1,628,163</u>	<u>100.00%</u>		<u>8.11%</u>		<u>11.74%</u>
8	RAM CHANGE IN RATE BASE \$000 (From Schedule D1)						<u>\$ 382,066</u>
9	PRETAX RATE OF RETURN (Line 7, Col g)						<u>11.74%</u>
10	PRETAX RETURN REQUIREMENT						<u>\$ 44,854.5</u>
11	REVENUE TAX FACTOR (1/(1-8.885%))						<u>1.0975</u>
12	RATE BASE RAM - RETURN ON INVESTMENT \$000						<u>\$ 49,227.8</u>

Footnotes:

1 Composite Federal & State Income Tax Rate 38.91% See HECO-WP-F-001
Income Tax Factor (1 / 1-tax rate) 1.636929121

2 See Decision and Order No. 30505, Page 127, filed June 29, 2012, in which the commission accepted the proposed capital structure set forth in the Parties' Stipulated Settlement Letter, filed July 5, 2011, in Docket No. 2010-0080, Exhibit 1, Page 125 of 132.

HAWAIIAN ELECTRIC COMPANY, INC.
DECOUPLING CALCULATION WORKBOOK
DETERMINATION OF RATE BASE RAM ADJUSTMENT - CHANGE IN RATE BASE
\$ in thousands

Line No.	Description (a)	HECO 2011 Test Year Rate Base (Note 2)		HECO 2015 RAM Rate Base		
		Beg. Balance 12/31/2010 (b)	Budgeted Balance 12/31/2011 (c)	Adjusted Recorded at 12/31/2014 (d)	RAM Projected Amounts (e)	Estimated at 12/31/2015 (f)
1	Net Cost of Plant in Service	\$ 1,608,932	\$ 1,710,082	\$ 2,286,362	\$ 73,000	\$ 2,359,362
2	Property Held for Future Use	4,090	4,090	0	0	0
3	Fuel Inventory	93,229	93,229			
4	Materials & Supplies Inventories	18,229	18,229			
5	Unamort Net SFAS 109 Reg Asset	62,723	64,246			
6	Unamort EOTP Reg Asset	523	2,136			
7	CIP CT-1 Reg Asset			4,215	(954)	3,261
8	CIS Def Cost			12,705	(1,220)	11,486
9						
10						
11						
12	Unamort Sys Dev Costs	9,253	8,297			
13	RO Pipeline Reg Asset	5,587	5,473			
14	Contrib in Excess of NPPC	-	19,411			
15	Total Additions	\$ 1,802,566	\$ 1,925,193	\$ 2,503,565	\$ 70,826	\$ 2,574,390
16	Unamortized CIAC	\$ (189,314)	\$ (206,279)	\$ (283,740)	\$ (22,873)	\$ (306,613)
17	Customer Advances	(1,879)	(1,855)			
18	Customer Deposits	(10,245)	(13,554)			
19	Accumulated Def Income Taxes	(213,833)	(271,014)	(436,608)	(2,937)	(439,544)
20	Unamortized State ITC (Gross)	(32,171)	(35,088)			
21	Unamortized Gain on Sale	(800)	(516)			
22	Pension Reg Liability	(3,996)	(2,522)			
23	OPEB Reg Liability	(6,376)	(8,749)			
24	Total Deductions	\$ (458,614)	\$ (539,577)	\$ (779,223)	\$ (25,810)	\$ (805,033)
25	Working Cash	21,047	21,047	21,047	Not Updated	21,047
26	Rate Base at Proposed Rates	\$ 1,364,999	\$ 1,406,663	\$ 1,745,388		\$ 1,790,405
27	Average Rate Base		\$ 1,385,831			\$ 1,767,897
28	Change in Rate Base					\$ 382,066
29	<u>Column (e) Projected Changes to Rate Base:</u>					
30	Plant - Baseline Capital Project Additions			Reference	Amount \$000	
31	Major Project Additions			Schedule D2	194,492	
32	Accumulated Depreciation/Amortization Change			Schedule D3	1,029	
33	Net Plant			Schedule E	(122,522)	
				Sum: Lines 30-32	73,000	
34	Accum. Deferred Income Taxes - Baseline and Major Capital Projects			Schedule F	(2,937)	
35	Projected CIAC Additions - Baseline			Schedule G	(25,797)	
36	Projected CIAC Additions - Major CIP			Schedule G2	(3,847)	
37	Less: Amortization of CIAC			Schedule G	6,771	
38	Total Change in CIAC in Rate Base			Sum: Lines 35-37	(22,873)	

Footnotes:

1 Amounts are recorded, except for the following adjustments:

	Plant in Service	Acc. Depr.	CIAC Net	ADIT
[A] Unadjusted Balance	\$ 3,826,257	\$ (1,269,062)	\$ (283,740)	\$ (437,905)
[A] Add: Asset Retirement Obligation		\$ (28,954)		
[A] Reg Liab-Cost of Removal (net salvage)		\$ (227,390)		
Major Project Adjustments:	HECO-WP-D2-001	HECO-WP-E-001		HECO-WP-D4-002
Waiau 8 Boiler Cits Upgrade	(1,074)	62		217
Waiau 8 Main Transformer Replace	(243)	20		48
Kahuku Wind Power	(7)	6		1
W7 Controls Upgrade	(424)	11		81
Kakaako Makai-Iwilei	(3,519)	152		632
Kakaako Makai-Kewalo/DOT Queen-Cook	(1,737)			318
Tenant Improvement Allowance (Sch E)	(12,894)	5,158		
Total Adjustments	\$ (19,898)	\$ 5,409	\$ -	\$ 1,297
Adjusted Balance	\$ 3,806,359	\$ (1,519,997)	\$ (283,740)	\$ (436,608)

2 See Hawaiian Electric Company, Inc. Decision and Order No. 30505, EXHIBIT B, Page 1 of 2,

For Approval of Rate Increases and Revised Rate Schedules and Rules, filed June 29, 2012, in Docket No. 2010-0080.

3 In Transmittal No. 13-03 (Decoupling, Hawaiian Electric's RBA Rate Adjustment Tariff Filing, Hawaiian Electric's Response to the Division of Consumer Advocacy's Statement of Position and Revised RBA Rate Adjustment), Schedule D1, filed on May 14, 2013, these amounts were not updated for RAM purposes. However, in 2012 and 2013, the entire balance of Property Held for Future Use (PHFFU) was transferred to Plant in Service, resulting in a zero balance in PHFFU. Leaving these amounts unchanged from the balance at 12/31/11 would result in an overstatement of rate base by \$4,090.

Balance PHFFU at 12/31/11	\$ 4,090	
Less transfers to Plant in Service:		
CIP 1 Unit Addition - Land	(1,810)	Schedule D2: Amount transferred in 2013
Kaloii Substation Land	(2,276)	Schedule D2: Amount transferred in 2013
Kapolei Substation	(4)	Amount transferred in 2012
Balance PHFFU at 12/31/13	\$ -	[A]

[A] SOURCE: Hawaiian Electric Company, Inc. Monthly Financial Report - December 2014, pages 8 and 10, filed February 26, 2015.

HAWAIIAN ELECTRIC COMPANY, INC.
DECOUPLING CALCULATION WORKBOOK
DETERMINATION OF BASELINE CAPITAL PROJECTS ADDITIONS

Source: Docket No. 03-0257 General Order No. 7 Plant Additions Annual Reports filed with the PUC dated:

Line No.	Description (a)			5/28/2010	3/30/2012	3/22/2013	3/28/2014	NOTE (2)
				2010 (b)	2011 (c)	2012 (d)	2013 (e)	2014 (f)
1	Total Plant Additions			170,051,118	169,625,057	255,978,908	272,820,344	269,326,250
2								
3	<u>Less Major Projects: (+\$2.5 Million)</u>	<u>Dkt No.</u>	<u>Item No.</u>					
4								
5	<u>2005 In-service:</u>							
6	New Dispatch Center	03-0360	Y00030	(914)				
7								
8	<u>2007 In-service:</u>							
9	Kahe 3 Boiler Controls Upgrade	02-0206	P9539000	(24,522)				
10								
11	<u>2008 In-service:</u>							
12	KoOlina Substation	05-0056	Y00044					
13	CIP Generating Unit	05-0145	Y49000	(1,693,198)	(207,519)		(1,809,875)	
14	Air Quality Monitoring Station	05-0146	P0001170	(361,926)	198,549			
15								
16	<u>2009 In-service:</u>							
17	CIP0 Kahe RO Water Project	05-0146	P0001169	(373,480)	55,867			
18	Barbers Point Fuel Oil Tank	2007-0409	P0001534					
19	Whitmore Substation	2008-0132	P0001390	(212,825)				
20								
21	<u>2010 In-Service:</u>							
22	Beckoning Point 46kv Line Ext	2008-0321	P0001497	(1,506,538)	(8,796)			
23	Beckoning Point Substation - NOTE (1)	2008-0321	P0001498	(948,191)	(575)			
24	Kamoku 46kv UG Alt Ph 1 (EOTP)	03-0417	Y48500	(58,502,483)	(210,956)	(69)		
25	K3 Biofuel Co-Firing	2009-0155	P0001577	(4,957,351)	(303,872)		(4,608)	
26	Kahuku Wind Power - NOTE (3)	2009-0176		NA	NA	NA	NA	NA
27								
28	<u>2011 In-Service:</u>							
29	W8 Boiler Controls Upgrade	2007-0365	P7650000		(6,165,261)	(118,460)	(45,384)	
30	EOTP Ph. 2 (Subs/Switch Stations)	2010-0062	Y48500		(8,070,051)	(6,607,578)	(184,448)	(7,357)
31	W7 Controls Upgrade	2009-0195	P7590000		(5,009,888)	(119,081)	(308,336)	(8,237)
32	W8 Main Transformer Replace		P0001399		(2,627,959)	(19,800)	47,320	18,503
33								
34	<u>2012 In-Service:</u>							
35	K1 Condenser Tube Replace	2010-0126	P0000681			(4,910,700)	(1,850)	
36	BPT Tank 132 Improvements	2010-0286	P0000899			(5,513,984)	(547)	
37	Mobile Radio Replacement	2010-0162	P0001595			(2,502,181)	(61,573)	
38	Kapolei Substation	2011-0026	Y00127			(6,217,064)	(780,700)	(6,459)
39								
40	<u>2013 In-Service:</u>							
41	Pukele 80MVA Tsf #3	2011-0156	P0001494				(4,299,560)	(28,327)
42	Kakaako Makai-Iwilei 25kV DL	2009-0042	Y00038				(6,661,331)	(485,650)
43	KaloI Substation - Land	2008-0070	Y00119				(2,276,439)	
44	North South Road 46kV Line	2008-0070	Y00119				(2,099,046)	
45								
46	<u>2014 In-Service:</u>							
47	KaloI Substation	2008-0070	Y00119					(6,548,755)
48	KaloI Sub 46kV & 12kV Distr	2008-0070	Y00119					(1,218,895)
49	KaloI Telecomm	2008-0070	Y00119					(171,237)
50	KaloI Sub 12kV Work	2008-0070	Y00119					(25,906)
51	Kakaako Makai-Kewalo 25kV DL	2009-0042	Y00038					(4,958,840)
52	Kakaako Makai DOT Queen-Cook	2009-0042	Y00038					(1,961,600)
53	BPT Tank 133 Improvements	2010-0318	P0000900					(6,095,787)
54	Pukele 80MVA Tsf #2	2011-0156	P0001492					(3,449,859)
55	DOT Airport DSG	2008-0329	P0001370					(4,965,396)
56								
57	Total Net Plant Additions (excluding major projects)			101,469,689	147,274,596	229,969,991	254,333,967	239,412,448
58								
59	Last Five-Year Average							\$ 194,492,138

NOTE (1):
2010 cost is net of customer advance of \$777,838. See Hawaiian Electric Transmittal No. 11-02, Attachment 4.5 page 20, filed May 10, 2011.

NOTE (2):
Amounts per HECO-WP-D2-002 and the Hawaiian Electric Companies' *Exemption From and Modification of General Order No. 7 Paragraph No. 2.3(g), Relating to Capital Improvements Capital Projects Completed in 2014*, in Docket No. 03-0257, filed on March 27, 2015.

NOTE (3):
In Hawaiian Electric Transmittal No. 11-02, Attachment 4.1, page 3 (Revised 5/10/11), filed May 10, 2011, the Company reflected the removal of the Kahuku Wind Power project, due to approval for recovery through the REIP surcharge (Decision and Order and Dissenting Opinion of Leslie H. Kondo, Commissioner, Docket No. 2009-0176, filed on May 12, 2010). However, because these costs were included as part of the 2010 and 2011 plant additions in Hawaiian Electric's 2011 rate case (Docket No. 2010-0080), the Company did not seek to recover these costs through the REIP surcharge (see the Renewable Energy Infrastructure Program ("REIP") - Annual Report, p.2, footnote 3, filed in Docket No. 2007-0416, dated January 31, 2012). The recorded cost of this project is \$2,132,812 as shown on HECO-WP-E-001.

HAWAIIAN ELECTRIC COMPANY, INC.
DECOUPLING CALCULATION WORKBOOK
DETERMINATION OF MAJOR CAPITAL PROJECT ADDITIONS

Line No.	Description (a)	PUC Docket Reference (b)	Estimated In Service Date (c)	Amount (d)
1	DOT Airport DSG	Docket No. 2008-0329 (D&O dated 6/25/2009)	Aug-14	81,914
2	2015 Straggling costs	UI Planner Budget files		
3	Pukele 80MVA Tsf #2	Docket No. 2011-0156 (D&O dated 10/12/2012)	May-14	50,132
4	2015 Straggling costs	UI Planner Budget files		
5	Kaloi Substation	Docket No. 2008-0070 (D&O dated 8/14/2008)	Various	4,413
6	2015 Straggling costs	UI Planner Budget files	2013 & 2014	
7	EOTP Phase 2	Docket No. 2010-0062 (D&O dated 10/19/2010)	Aug-12	8,814
8	2015 Straggling costs	UI Planner Budget files		
9	BPT Tank 133 Improvements	Docket No. 2010-0318 (D&O dated 10/6/2011)	Dec-14	899,795
10	2015 Straggling costs	UI Planner Budget files		
11	Pukele 80MVA Tsf#3	Docket No. 2011-0156 (D&O dated 10/12/2012)	Apr-13	(15,782)
12	2015 Straggling costs	UI Planner Budget files		
13	Total Major Capital Projects Qualifying for 2015 RAM (See HECO-WP-D3-001)			<u>\$ 1,029,286</u>

See Schedule G2 for related CIAC (if applicable)

HAWAIIAN ELECTRIC COMPANY, INC.
DECOUPLING CALCULATION WORKBOOK
DETERMINATION OF ADJUSTED RECORDED DEFERRED INCOME TAXES

Line No.	NARUC Account (a)	Reference (b)	DR/(CR) Federal ADIT (c)	DR/(CR) State ADIT (d)	DR/(CR) Total ADIT (e)
1	Recorded Deferred Income Tax Balances December 31, 2014 Recorded Balances				
2	Depreciation Related Account 282	HECO-WP-D4-001	(216,951,519)	(9,787,098)	(226,738,617)
3	Other Deferred Income Taxes	HECO-WP-D4-001	(175,813,670)	(35,352,386)	(211,166,056)
4	Total Recorded Deferred Income Taxes		<u>(392,765,189)</u>	<u>(45,139,484)</u>	<u>(437,904,673)</u>
5	<u>Adjustments to Recorded Balances:</u>				
6	ADIT on Major Project excess depreciation	HECO-WP-D4-002	1,264,469	32,187	1,296,656
7	Total Adjustments to Recorded ADIT Balances		<u>1,264,469</u>	<u>32,187</u>	<u>1,296,656</u>
8	Adjusted Recorded ADIT Balances -12/31/14		<u>(391,500,720)</u>	<u>(45,107,297)</u>	<u>\$ (436,608,017)</u>

HAWAIIAN ELECTRIC COMPANY, INC.
DECOUPLING CALCULATION WORKBOOK
DETERMINATION OF DEPRECIATION & AMORTIZATION RAM ADJUSTMENT

Line No.	NARUC Account	Recorded Depreciable/Amort. Balance (Footnote 3)	Adjustments (Footnote 1)	Adjusted Depreciable/Amort. Balance	PUC Approved Accrual Rate	Annual Accrual
	(a)	(b)	(c)	(d)	(e)	(f)
1	Depreciable Plant					
2	311	89,072,912		89,072,912	0.01600	1,425,167
3	312	369,276,855	(1,498,566)	367,778,289	0.02030	7,465,899
4	314	182,448,297		182,448,297	0.01540	2,809,704
5	315	73,540,758	(243,014)	73,297,744	0.02430	1,781,135
6	Tot - Steam	714,338,822	(1,741,580)	712,597,242	0.01887	13,481,905
7						
8	341	38,039,920		38,039,920	0.00770	292,907
9	342	16,257,068		16,257,068	0.02580	419,432
10	343	65,150,372		65,150,372	0.03260	2,123,902
11	344	27,710,730		27,710,730	0.01010	279,878
12	345	34,501,242		34,501,242	0.02510	865,981
13	Tot - Gas Turb	181,659,332	-	181,659,332	0.02192	3,982,101
14						
15	Tot - Prod	895,998,154	(1,741,580)	894,256,574		17,464,006
16						
17	3501	3,042,698		3,042,698	-	-
18	352	39,198,124		39,198,124	0.01600	627,170
19	353	290,040,187		290,040,187	0.01860	5,394,747
20	354	19,145,585		19,145,585	0.01480	283,355
21	355	280,419,552		280,419,552	0.03240	9,085,593
22	356	147,876,362		147,876,362	0.03270	4,835,557
23	357	53,223,009		53,223,009	0.01590	846,246
24	358	54,101,473		54,101,473	0.01730	935,955
25	359	3,201,408		3,201,408	0.01490	47,701
26	Tot - Transm	890,248,398	-	890,248,398	0.02478	22,056,325
27						
28	3601	554,327		554,327	0.02340	12,971
29	361	24,476,393		24,476,393	0.01080	264,345
30	362	225,061,391		225,061,391	0.02020	4,546,240
31	364	181,575,630	(37,788)	181,537,842	0.03390	6,154,133
32	365	112,117,242	(27,345)	112,089,897	0.04190	4,696,567
33	366	241,891,265	(10,746)	241,880,519	0.02190	5,297,183
34	367	376,113,270	(4,843,482)	371,269,788	0.04980	18,489,235
35	368	205,094,071	(336,839)	204,757,232	0.05200	10,647,376
36	369.1	53,432,169		53,432,169	0.05250	2,805,189
37	369.2	180,572,056		180,572,056	0.04070	7,349,283
38	370	35,262,462		35,262,462	0.02660	937,981
39	Tot - Distr	1,636,150,276	(5,256,200)	1,630,894,076	0.03741	61,200,504
40						
41	Tot - T & D	2,526,398,674	(5,256,200)	2,521,142,474		83,256,829
42						
43	390	61,994,682		61,994,682	0.02450	1,518,870
44	Tot - General	61,994,682	-	61,994,682	0.02450	1,518,870
45						
46	Sub-Total	3,484,391,510	(6,997,780)	3,477,393,730		102,239,705
47						
48	3902 (King)	7,818,022		7,818,022	0.02296	179,502
49	3902 (CPP)	2,187,853		2,187,853	0.15092	330,191
50	3902 (Waterhouse)	1,517,450		1,517,450	0.42522	645,250
51	3902 (Hon CI)	306,065		306,065	0.19550	59,836
52	3902 (ASB)	1,454,250		1,454,250	0.21737	316,110
53	3902 (Shinco)	654,853		654,853	0.33658	220,410
54	3902 (Tenant Allowance)	12,893,864	(12,893,864)	-	-	-
55	Tot - LH Impr	26,832,357	(12,893,864)	13,938,493		1,751,299
56						
57	392	50,548,812		50,548,812	0.06130	3,098,642
58						
59	Utility Total Depreciation	3,561,772,679	(19,891,644)	3,541,881,035	0.03007	107,089,646

Line No.	NARUC Account (a)	Recorded Depreciable/Amort. Balance (Footnote 3) (b)	Adjustments (Footnote 1) (c)	Adjusted Depreciable/Amort. Balance (d)	PUC Approved Accrual Rate (e)	Annual Accrual (f)
60	Amortizable Plant					
61	316	21,630,439		21,630,439	0.05000	1,081,522
62	Tot - Steam	21,630,439	-	21,630,439	0.05000	1,081,522
63						
64	346	18,224,141		18,224,141	0.05000	911,207
65	Tot - Gas Turb	18,224,141	-	18,224,141	0.05000	911,207
66						
67	Tot - Prod	39,854,580	-	39,854,580	0.05000	1,992,729
68						
69	3911	23,065,999		23,065,999	0.20000	4,613,200
70	3912	4,205,877		4,205,877	0.10000	420,588
71	3913	14,154,814		14,154,814	0.06670	944,126
72	393	1,159,596		1,159,596	0.04000	46,384
73	394	26,323,322		26,323,322	0.04000	1,052,933
74	395	573,848		573,848	0.06670	38,276
75	396	13,078		13,078	0.05560	727
76	397	105,964,465	(7,161)	105,957,304	0.06670	7,067,352
77	398	5,349,565		5,349,565	0.06670	356,816
78	Tot - General	180,810,564	(7,161)	180,803,403	0.08042	14,540,401
79						
80						
81						
82						
83						
84						
85	Net Unrecovered Amortization					(1,101,041)
86						
87	Utility Total Amortization	220,665,144	(7,161)	220,657,983	0.06993	\$ 15,432,089
88						
89	TOTAL RAM DEPRECIATION / AMORTIZATION					\$ 122,521,735
90	LESS: Vehicle Depreciation (A/C 392 above)					\$ (3,098,642)
91	LESS: Depreciation & Amortization in Current Revenues				Footnote 2	\$ (94,237,000)
92						
93	RAM Adjustment for Depreciation & Amortization					\$ 25,186,093
94	RAM Adjustment for CIAC Amortization				Sch. G	\$ 1,015,852
95	RAM Adjustment for CIP CT-1 Reg Asset Amortization				HECO-WP-D1-001A	954,000
96	RAM Adjustment for CIS Def Cost Amortization				HECO-WP-D1-001B	1,220,000
97	Total RAM Adjustment for Depreciation & Amortization					\$ 28,375,945
98	Times: Factor for Revenue Taxes					1.09750
99						
100	RAM DEPRECIATION & AMORTIZATION					\$ 31,142,599

Footnotes:

1	Amounts are recorded (in \$000s), except for the following adjustments (see HECO-WP-D2-001):	Plant in Service From D1
	Waiau 8 Boiler Ctls Upgrade	\$ (1,074)
	Waiau 8 Main Transformer Replace	(243)
	Kahuku Wind Power	(7)
	W7 Controls Upgrade	(424)
	Kakaako Makai-Iwilei	(3,519)
	Kakaako Makai-Kewalo/DOT Queen-Cook	(1,737)
	Tenant Improvement Allowance (see Footnote 4)	(12,894)
	Total	\$ (19,898)
2	Depreciation & Amortization in Current Revenues*:	Depr/Amort Expense
	Total Depreciation	\$ 97,297,000
	LESS: Vehicle Depreciation (A/C 392)	(2,292,000)
	LESS: CIP CT-1 excess depreciation	(603,000)
	LESS: EOTP excess depreciation	(1,171,000)
	ADD: Revised EOTP excess depreciation **	1,006,000
	Net Depreciation in Current Revenues	\$ 94,237,000

*Amounts are per page 90 of Exhibit 1 to the Parties' Stipulated Settlement Letter dated July 5, 2011 in HECO's 2011 test year rate case (Docket No. 2010-0080).

**Amount is per page 1 of Exhibit 2, Attachment 3 to the Stipulated Supplement to the Parties' July 5, 2011 Stipulated Settlement Letter with respect to East Oahu Transmission Project Phase 1 Costs, dated February 3, 2012. Depreciation added in EOTP interim was based on 2010 plant adds and the 2010 actual depreciation rates (blended rate in 2010). The 2012 depreciation is based on additional plant adds made in 2011 included in the February 3, 2012 stipulation supplement, offset by the write-down of \$9.5M of costs and the lower depreciation rates in 2012 (full year of the lower depreciation rates).

3 Does not include land amounting to \$43,819,606 as of December 31, 2014.

4 Amount represents tenant improvement allowances paid by the lessors and excluded from the RAM calculation.

HAWAIIAN ELECTRIC COMPANY, INC.
DECOUPLING CALCULATION WORKBOOK
DETERMINATION OF CHANGE IN DEFERRED INCOME TAXES

Line No.	NARUC Account (a)	Reference (b)	Projected ADIT Change (c)
1	State Tax Depreciation	Schedule F1	7,547,599
2	Effective Federal Tax Rate	HECO-WP-F-001	32.8947%
3	Federal Deferred Tax on State Tax Depreciation		<u>2,482,763</u>
4	Addback State Tax Depreciation		(7,547,599)
5	Federal Tax Depreciation	Schedule F1	<u>7,547,599</u>
6	Federal/State Difference		-
7	Tax Rate on Federal Only Adjustment	HECO-WP-F-001	35%
8	Federal Deferred Tax Adjustment		<u>-</u>
9	Total Federal Deferred Taxes		<u><u>2,482,763</u></u>
	STATE DEFERRED TAXES		
10	State Tax Depreciation		7,547,599
11	Effective State Tax Rate	HECO-WP-F-001	6.0150%
12	Total State Deferred Taxes		<u>453,991</u>
13	TOTAL FED AND STATE DEFERRED TAXES		<u><u>2,936,754</u></u>

NOTE: In accordance with the tariff, the change in ADIT in the RAM year is based on the temporary book/tax depreciation differences associated with the RAM year plant additions (major capital projects and baseline plant additions). It does not include any estimated ADIT related to the repairs deduction or CIAC on RAM year plant additions.

**HAWAIIAN ELECTRIC COMPANY, INC.
DECOUPLING CALCULATION WORKBOOK
DETERMINATION OF TAX DEPRECIATION**

Line No.	HECO-WP-F1-002			PROJECTS (e)	PROGRAMS (f)	TOTAL (g)		
	LIFE	PROJECTS	PROGRAMS				TOTAL	
	(a)	(b)	(c)				(d)	
1	Computers/PV	5	836	4,698	5,534	0.43%	2.42%	2.85%
2	Communication	20	2,045	1,393	3,438	1.05%	0.72%	1.77%
3	Off/Furn/Tools	7	2,546	3,506	6,052	1.31%	1.80%	3.11%
4	Distribution	20	22,636	66,906	89,542	11.64%	34.40%	46.04%
5	Land	-	1,296	150	1,446	0.67%	0.08%	0.74%
6	Non-Steam Production	15	2,495	-	2,495	1.28%	0.00%	1.28%
7	Steam Production	20	26,966	3,183	30,149	13.86%	1.64%	15.50%
8	Structural	39	2,769	363	3,132	1.42%	0.19%	1.61%
9	Transmission	20	8,623	8,270	16,893	4.43%	4.25%	8.69%
10	Transmission	15	18,804	9,459	28,263	9.67%	4.86%	14.53%
11	Vehicles	-	-	7,548	7,548	0.00%	3.88%	3.88%
12	TOTAL		89,016	105,476	194,492	45.77%	54.23%	100.00%

5 yr	0.43%	2.42%	2.85%
7 yr	1.31%	1.80%	3.11%
15 yr	10.95%	4.86%	15.81%
20 yr	30.99%	41.01%	71.99%
39 yr	1.42%	0.19%	1.61%
Land	0.67%	0.08%	0.74%
Vehicles	0.00%	3.88%	3.88%
Total	45.77%	54.23%	100.00%

BASIS	FED YR 1 TAX RATE	FED YR 1 TAX DEPR	STATE YR 1 TAX RATE	STATE YR 1 TAX DEPR
-------	-------------------------	-------------------------	---------------------------	---------------------------

NOTE (1) Vintage 2014 - 50% Bonus Depreciation

Basis subject to 50% bonus depreciation	0.00%	0.00%	
5 yr	0.00%	0.00%	0.00%
7 yr	0.00%	0.00%	0.00%
15 yr	0.00%	0.00%	0.00%
20 yr	0.00%	0.00%	0.00%
39 yr			
Land			
Vehicles			
Total	0.00%	0.00%	0.00%

5 yr	-	60.000%	-	20.00%	-
7 yr	-	57.145%	-	14.29%	-
15 yr	-	52.500%	-	5.00%	-
20 yr	-	51.875%	-	3.75%	-

Vintage 2014 - Regular Depreciation

Basis subject to regular depreciation	(Total less amounts subject to 50% bonus)		
5 yr	0.43%	2.42%	2.85%
7 yr	1.31%	1.80%	3.11%
15 yr	10.95%	4.86%	15.81%
20 yr	30.99%	41.01%	71.99%
39 yr	1.42%	0.19%	1.61%
TOTAL ASSETS	45.10%	50.27%	95.38%

5 yr	4,722,986	20.00%	944,597	20.00%	944,597
7 yr	5,165,073	14.29%	738,089	14.29%	738,089
15 yr	26,250,382	5.00%	1,312,519	5.00%	1,312,519
20 yr	119,501,627	3.75%	4,481,311	3.75%	4,481,311
39 yr	2,673,002	1.177%	31,461	1.177%	31,461

Net Depreciable Baseline Plant Adds	158,313,070	7,507,977	7,507,977
Major Capital Projects from Schedule F2	1,029,286	39,622	39,622
Total Depreciable Plant Adds	159,342,356	7,547,599	7,547,599
		<i>Fed Tax Depreciation to Schedule F</i>	<i>St. Tax Depreciation to Schedule F</i>

Reconciliation from Baseline Plant Adds to Net Depreciable Plant Adds :			
Baseline Capital Projects Plant Adds (rounded)	194,492,000	Schedule D2	
Less: Repairs deduction	28,503,010	HECO-WP-F1-001 page 1	<<supported by Special Study each year.
Net plant add basis	165,988,990		
Less: Land and Vehicles (4.62% x 165,988,990)	7,675,920		
	158,313,070		

NOTE (1) The Tax Increase Prevention Act of 2014 allows 50% bonus depreciation for assets placed in service before January 1, 2015. Consequently, the entire basis of vintage 2015 is subject to regular depreciation.

NOTE (2) The numbers in columns b, c, d are rounded to the nearest thousand.

NOTE (3) A new line was created for Transmission - 15 year property.

HAWAIIAN ELECTRIC COMPANY, INC.
DECOUPLING CALCULATION WORKBOOK
TAX DEPRECIATION ON MAJOR CAPITAL PROJECTS ADDITIONS

Line No.	Description (a)	(b)	PUC Docket (c)	Estimated In Service Date (d)	Amount (e)	
1	Assumed Value of 2015 Major Capital Projects Plant Items				\$ 1,029,286	Schedule D3
2	Assumed Value of 2015 Major Capital Projects - CIAC nontaxable					Schedule G2 *
3	Assumed Value of 2015 Major Capital Projects - Total				<u>\$ 1,029,286</u>	
			FED YR 1	FED YR 1	STATE YR 1	STATE YR 1
4	Tax Classification of Major Capital Project Additions	Tax Basis Distribution	TAX RATE	TAX DEPR	TAX RATE	TAX DEPR
5	5 yr		20.000%	-	20.00%	-
6	7 yr	-	14.29%	-	14.29%	-
7	15 yr	81,914	5.00%	4,096	5.00%	4,096
8	20 yr	947,372	3.75%	35,526	3.75%	35,526
9	39 yr	-				
10	Land	-				
11	Vehicles	-				
	Total	<u>\$ 1,029,286</u>		<u>\$ 39,622</u>		<u>\$ 39,622</u>

* Adjustment only for non-taxable CIAC. CIAC for 2015 Major Capital Project Additions are taxable.

HAWAIIAN ELECTRIC COMPANY, INC.
DECOUPLING CALCULATION WORKBOOK
CIAC SUMMARY

Line No.	Description (a)	Reference (b)	Unamortized CIAC (c)	CIAC Amortization (d)
1	12/31/14 Beginning Balance	Sch. G1	\$ (283,739,660)	
2				
3	<u>2015 CIAC Additions:</u>			
4	Baseline 5-Yr Average	Sch. G1	(25,796,723)	
5	Major Projects	Sch. G2	<u>(3,847,195)</u>	
6	Net Additions		<u>(29,643,918)</u>	
7				
8	<u>2015 CIAC Amortization:</u>			
9	Estimated Amortization	Sch. G3	<u>6,771,148</u>	<u>\$ (6,771,148)</u>
10				
11	12/31/15 Ending Balance		<u>\$ (306,612,430)</u>	(6,771,148)
12				
13	LESS: CIAC Amortization in Current Revenues - NOTE (1)			<u>(7,787,000)</u>
14				
15	RAM Adjustment for CIAC Amortization			<u>\$ 1,015,852</u>

Note (1) - Per page 90 of Exhibit 1 to the Parties' Stipulated Settlement Letter dated July 5, 2011 in HECO's 2011 test year rate case (Docket No. 2010-0080).

**HAWAIIAN ELECTRIC COMPANY, INC.
DECOUPLING CALCULATION WORKBOOK
BASELINE CAPITAL PROJECTS CIAC ADDITIONS**

Source of CIAC balance and amort.: December Monthly Reports filed (non-confidential basis) with the PUC dated:

Line No.	Description (a)	2/22/2011	3/30/2012	2/19/2013	2/21/2014	2/26/2015
		2010 (b)	2011 (c)	2012 (d)	2013 (e)	2014 (f)
1	CIAC Balance, January 1 (Dec Rpt. pg. 10)	(179,585,120)	(189,314,529)	(204,795,271)	(238,510,104)	(258,084,169)
2	Less: CIAC Amortization (Dec Rpt. pg. 2)	9,614,759	7,786,468	4,895,840	5,652,912	6,147,559
3	Less: CIAC Balance, December 31 (Dec Rpt. pg. 10)	189,314,529	204,795,271	238,510,104	258,084,169	283,739,660
4						
5	Total CIAC Additions	19,344,168	23,267,210	38,610,673	25,226,977	31,803,050
6						
7	<u>Less Major Projects:</u>					
8						
9	<u>2005 In-service:</u>					
10	New Dispatch Center	03-0360	Y00030			
11						
12	<u>2007 In-service:</u>					
13	Kahe 3 Boiler Controls Upgrade	02-0206	P9539000			
14						
15	<u>2008 In-service:</u>					
16	KoOlina Substation	05-0056	Y00044			
17	CIP Generating Unit	05-0145	Y49000			
18	Air Quality Monitoring Station	Transfer from HELCO				
19						
20	<u>2009 In-service:</u>					
21	Kahe Reverse Osmosis	05-0146	P0001169			
22	Barbers Point Fuel Oil Tank	2007-0409	P0001534			
23	Whitmore Substation	2008-0132	P0001390			
24						
25	<u>2010 In-service:</u>					
26	Beckoning Point 46kv Line Ext	2008-0321	P0001497			
27	Beckoning Point Substation	2008-0321	P0001498			
28	Kamoku 46kv UG Alt Ph 1 (EOTP)	03-0417	Y48500			
29	K3 Biofuel Co-Firing	2009-0155	P0001577			
30	Kahuku Wind Power - NOTE (1)	2009-0176		NA	NA	NA
31						
32	<u>2011 In-Service:</u>					
33	W8 Boiler Controls Upgrade	2007-0365	P7650000			
34	EOTP Ph. 2 (Subs/Switch Stations)	2010-0062	Y48500	(61,977)	(2,750,528)	(2,157,239)
35	W7 Controls Upgrade	2009-0195	P7590000			(87,994)
36	W8 Main Transformer Replace		P0001399			(43,725)
37						
38	<u>2012 In-Service:</u>					
39	K1 Condenser Tube Replace	2010-0126	P0000681			
40	BPT Tank 132 Improvements	2010-0286	P0000899			
41	Mobile Radio Replacement	2010-0162	P0001595			
42	Kapolei Substation	2011-0026	Y00127			
43						
44	<u>2013 In-Service:</u>					
45	Pukele 80MVA Tsf #3	2011-0156	P0001494			
46	Kakaako Makai-Iwilei 25kV DL	2009-0042	Y00038			
47	Kaloi Substation - Land - NOTE (2)	2008-0070	Y00119		(2,173,999)	
48	North South Road 46kV Line	2008-0070	Y00119			
49						
50	<u>2014 In-Service:</u>					
51	Kaloi Substation	2008-0070	Y00119			
52	Kaloi Sub 46kV & 12kV Distr	2008-0070	Y00119			
53	Kaloi Telecomm	2008-0070	Y00119			
54	Kaloi Sub 12kV Work	2008-0070	Y00119			
55	Kakaako Makai-Kewalo 25kV DL	2009-0042	Y00038			
56	Kakaako Makai DOT Queen-Cook	2009-0042	Y00038			
57	BPT Tank 133 Improvements	2010-0318	P0000900			
58	Pukele 80MVA Tsf #2	2011-0156	P0001492			
59	DOT Airport DSG - NOTE (2)	2008-0329	P0001370		(1,993,000)	
60						
61	Total Net CIAC Additions	19,282,191	18,523,682	34,279,435	25,138,983	31,759,325
62						
63	Last Five-Year Average					25,796,723

GENERAL NOTE:

The CIAC amounts of the major projects are reflected in the year that they were received. In previous Decoupling filings these amounts were from the respective year's GO7 plant addition annual reports which reports the CIAC in the year the project closed to plant. In the past, the total CIAC additions, which reflect actual contributions received in the year, may not have included the total major project CIAC from the GO7 report to the extent that the CIAC was received in advance, or in multiple payments over a span of more than one year. Source: UI Planner files: Actuals Scenario.

NOTE (1):

In Hawaiian Electric Transmittal No. 11-02, Attachment 4.1, page 3 (Revised 5/10/11), filed May 10, 2011, the Company reflected the removal of the Kahuku Wind Power project, due to approval for recovery through the REIP surcharge (Decision and Order and Dissenting Opinion of Leslie H. Kondo, Commissioner, Docket No. 2009-0176, filed on May 12, 2010). However, because these costs were included as part of the 2010 and 2011 plant additions in Hawaiian Electric's 2011 rate case (Docket No. 2010-0080), the Company did not seek to recover these costs through the REIP surcharge (see the Renewable Energy Infrastructure Program ("REIP") - Annual Report, p.2, footnote 3, filed in Docket No. 2007-0416, dated January 31, 2012). The recorded cost of this project is \$2,132,182 as shown on HECO-WP-E-001.

NOTE (2):

CIAC received for these projects were not reflected in the 2012 and 2013 Decoupling filings as previous filings reported the CIAC amounts of the major projects from the respective year's GO7 plant addition annual report which reports the CIAC in the year the project closed to plant. See NOTE (1).

HAWAIIAN ELECTRIC COMPANY, INC.
DECOUPLING CALCULATION WORKBOOK
MAJOR CAPITAL PROJECT CIAC ADDITIONS

Line No.	Description (a)	PUC Docket Reference (b)	Estimated In Service Date (c)	Amount (d)
1	<u>2015 Major Project CIAC Additions by Project:</u>			
2	Kakaako Makai DOT Queen-Cook Amount Qualifying for 2015 RAM	Docket No. 2009-0042 (D&O dated 8/7/2009) UI Planner Budget files	Apr-14	3,847,195
3	Total Major Project CIAC Additions for 2015 RAM (See HECO-WP-G2-001)			<u>\$ 3,847,195</u>
	See Schedule D3 for related plant additions.			

HAWAIIAN ELECTRIC COMPANY, INC.
DECOUPLING CALCULATION WORKBOOK
CIAC AMORTIZATION

Line No.	Description	2013		2014		2015	
		Balance (b)	Amortization (c)	Balance (d)	Amortization (e)		
1	<u>CIAC by Vintage:</u>						
2	1981	\$ 33,790	\$ 1,778	\$ 32,012	\$ 1,778		
3	1982	107,026	5,351	101,675	5,351		
4	1983	222,585	10,599	211,986	10,599		
5	1984	227,957	10,362	217,595	10,362		
6	1985	300,118	13,049	287,069	13,049		
7	1986	443,349	18,473	424,876	18,473		
8	1987	885,706	35,428	850,278	35,428		
9	1988	1,298,118	49,928	1,248,190	49,928		
10	1989	1,109,397	41,089	1,068,308	41,089		
11	1990	6,230,914	222,533	6,008,381	222,533		
12	1990 - Land	1,303,408	-	1,303,408	-		
13	1991	3,068,580	105,813	2,962,767	105,813		
14	1992	2,829,035	94,301	2,734,734	94,301		
15	1993	6,219,730	200,637	6,019,093	200,637		
16	1994	4,592,804	143,525	4,449,279	143,525		
17	1995	3,558,336	107,828	3,450,508	107,828		
18	1996	2,792,924	82,145	2,710,779	82,145		
19	1997	2,127,434	60,784	2,066,650	60,784		
20	1998	3,131,174	86,977	3,044,197	86,977		
21	1999	3,526,723	95,317	3,431,406	95,317		
22	2000	2,373,215	62,453	2,310,762	62,453		
23	2001	2,997,391	76,856	2,920,535	76,856		
24	2002	4,248,477	106,212	4,142,265	106,212		
25	2003	4,611,068	112,465	4,498,603	112,465		
26	2004	3,207,783	76,376	3,131,407	76,376		
27	2005	10,682,767	248,436	10,434,331	248,436		
28	2006	9,191,248	208,892	8,982,356	208,892		
29	2007	9,766,150	217,026	9,549,124	217,026		
30	2008	8,993,069	195,502	8,797,567	195,502		
31	2009	7,262,600	154,523	7,108,077	154,523		
32	2010	13,585,269	283,026	13,302,243	283,026		
33	2011	17,464,999	356,429	17,108,570	356,429		
34	2012	34,332,459	686,649	33,645,810	686,649		
35	2013	22,586,143	442,866	22,143,277	442,866		
36	2014			30,766,315	603,261		
37							
38							
39	<u>CIAC GET Adjustment:</u>						
40	-adj 92-96 GET	(133,422)	(3,924)	(129,498)	(3,924)		
41	-adj 97 GET	(49,090)	(1,403)	(47,687)	(1,403)		
42	-adj 98 GET	(61,101)	(1,697)	(59,404)	(1,697)		
43	-adj 99 GET	(80,260)	(2,169)	(78,091)	(2,169)		
44	-adj 00 GET	(77,090)	(2,029)	(75,061)	(2,029)		
45	-adj 01 GET	(114,670)	(2,940)	(111,730)	(2,940)		
46	-adj 02 GET	(124,428)	(3,111)	(121,317)	(3,111)		
47	-adj 03 GET	(169,021)	(4,122)	(164,899)	(4,122)		
48	-adj 04 GET	(118,045)	(2,811)	(115,234)	(2,811)		
49	-adj 05 GET	(242,347)	(5,636)	(236,711)	(5,636)		
50	-adj 06 GET	(530,631)	(12,060)	(518,571)	(12,060)		
51	-adj 07 GET	(427,305)	(9,496)	(417,809)	(9,496)		
52	-adj 08 GET	(349,417)	(7,596)	(341,821)	(7,596)		
53	-adj 09 GET	(324,881)	(6,912)	(317,969)	(6,912)		
54	-adj 10 GET	(489,388)	(10,196)	(479,192)	(10,196)		
55	-adj 11 GET	(421,752)	(8,607)	(413,145)	(8,607)		
56	-adj 12 GET	(529,936)	(10,599)	(519,337)	(10,599)		
57	-adj 13 GET	(699,363)	(13,713)	(685,650)	(13,713)		
58	-adj 14 GET			(701,332)	(13,752)		
59							
60							
61	<u>In - Kind CIAC:</u>						
62	1988	358,968	13,806	345,162	13,806		
63	1989	405,046	15,002	390,044	15,002		
64	1990	210,674	7,524	203,150	7,524		
65	1991	451,371	15,565	435,806	15,565		
66	1992	1,271,408	42,380	1,229,028	42,380		
67	1993	1,089,264	35,138	1,054,126	35,138		
68	1994	1,826,160	57,068	1,769,092	57,068		
69	1995	3,669,774	111,205	3,558,569	111,205		
70	1996	1,909,280	56,155	1,853,125	56,155		
71	1997	996,453	28,470	967,983	28,470		
72	1998	1,926,410	53,511	1,872,899	53,511		
73	1999	1,522,509	41,149	1,481,360	41,149		
74	2000	3,140,155	82,636	3,057,519	82,636		
75	2001	1,305,910	33,485	1,272,425	33,485		
76	2002	2,859,935	71,498	2,788,437	71,498		
77	2003	4,336,068	105,758	4,230,310	105,758		
78	2004	2,662,899	63,402	2,599,497	63,402		
79	2005	4,546,633	105,736	4,440,897	105,736		
80	2006	4,076,819	92,655	3,984,164	92,655		
81	2007	8,060,950	179,132	7,881,818	179,132		
82	2008	1,204,294	26,180	1,178,114	26,180		
83	2009	2,217,970	47,191	2,170,779	47,191		
84	2010	4,962,820	103,392	4,859,428	103,392		
85	2011	5,311,524	108,398	5,203,126	108,398		
86	2012	4,051,079	81,022	3,970,057	81,022		
87	2013	3,340,196	65,494	3,274,702	65,494		
88	2014			1,738,067	34,080		
89							
90	Total CIAC Amortization for 2015 RAM	\$ 258,084,168	\$ 6,147,559	\$ 283,739,659	\$ 6,771,148		

HAWAIIAN ELECTRIC COMPANY, INC.
DECOUPLING CALCULATION WORKBOOK
EARNINGS SHARING CALCULATIONS
All Amounts \$000 (Except %)

Line No.	Description (a)	Reference (b)	Ratemaking Basis Return on Equity			
			Operating Income (c)	Rate Base (d)	Rate of Return (e)	
1	Reported Operating Income before ratemaking adjustment	Dec 2014 Mo. PUC rpt, pg 2A filed 2/26/15 & HECO-WP-H-001	\$ 132,224	\$ 1,756,212		
2	<u>Ratemaking Adjustments to Line 1:</u>					
2a	Incentive Compensation Expenses (net of tax)	HECO-WP-H-002	4,552			
2b	Discretionary and Other Expenses Not Recoverable (net of tax)	HECO-WP-H-002	543			
2c	Amortization of investment income differential	HECO-WP-H-003	185			
2d	Income tax on items to be replaced by synchronized interest	HECO-WP-H-003	(16,253)			
2e	Remove Accrued Earnings Sharing Refund	HECO-WP-H-005	0			
3	Ratemaking Basis Amounts - Post Tax	Sum Lines 1 & 2	\$ 121,251	\$ 1,756,212		
4	<u>Ratemaking Capitalization</u>		Balances	Ratios	Cost Rate	Weighted Cost
5	Short-Term Debt (12 mo. Avg)		\$ 42,893	2.16%	0.63%	0.01%
6	Long-Term Debt (Simple Avg)		\$ 784,273	39.54%	5.29%	2.09%
7	Hybrid Securities (Simple Avg)		\$ 28,322	1.43%	7.27%	0.10%
8	Preferred Stock (Simple Avg)		\$ 20,972	1.06%	5.41%	0.06%
9	Common Equity (Simple Avg)		\$ 1,107,140	55.81%	10.00%	5.58%
10	Total Capitalization	HECO-WP-H-004	\$ 1,983,600	100.00%		7.84%
11	Line 3 Rate Base Amount				\$ 1,756,212	
12	Weighted Cost of Debt (Sum Lines 5-7)				2.20%	
13	Synchronized Interest Expense				\$ 38,637	
	Income Tax Factor (Note 1)				1.636929121	
13a	Synchronized Interest Expense, net of tax				\$ 23,603	
14	Post Tax Income Available for Preferred & Common (Line 3 - Line 13a)					\$ 97,648
17	Less: Preferred Income Requirement (Line 8 Weighted Cost times Rate Base)					1,054
18	Income Available for Common Stock					\$ 96,594
19	Ratemaking Equity Investment (Line 9 Ratio times Rate Base)					980,224
20	Return on Equity for Decoupling Earnings Sharing (Line 18/Line 19)					9.85%
21	<u>Earnings Sharing Revenue Credits:</u>		Basis Points			
22	Achieved ROE (basis points)		985			
23	Authorized Return (basis points) (D&O 30505 in Dkt No. 2010-0080, filed on June 29, 2012)		1,000			
24	ROE for sharing (basis points)		-			
25	Sharing Grid per RAM Provision		First 100 bp	Next 200 bp	All over 300 bp	Ratepayer Total
26	Distribution of Excess ROE (basis points)		0	0	0	
27	Ratepayer Share of Excess Earnings		25%	50%	90%	
28	Ratepayer Earnings Share - Basis Points		-	-	-	-
29	Revenue Credit per Basis Point (Note 2)					\$ 176
30	Earnings Sharing Revenue Credits (thousands)					\$ -

Footnotes:

1	Composite Federal & State Income Tax Rate	38.91%
	Income Tax Factor (1 / 1-tax rate)	1.636929121
2	Ratemaking Equity Investment (line 19)	\$ 980,224
	Basis Point = 1/100 of a percent	0.01%
	Earnings Required per Basis Point (thousands)	\$ 98.02
	Times: Income Tax Conversion Factor	1.636929121
	Pretax Income Required per Basis Point (thousands)	\$ 160
	Times: Revenue Tax Conversion Factor	1.0975
	Revenue Requirement per Basis Point (thousands)	\$ 176

HAWAIIAN ELECTRIC COMPANY, INC.
DECOUPLING CALCULATION WORKBOOK
PUC-ORDERED ADJUSTMENTS

Line No.	Description	Reference		
	(a)	(b)	(c)	(d)

This Schedule has not been developed yet and will be developed only when/as needed.

HAWAIIAN ELECTRIC COMPANY, INC.
DECOUPLING CALCULATION WORKBOOK
DETERMINATION OF RAM CAP

Line No.	Description (a)	Reference (b)	Amount \$000 (c)	
1	Adjusted 2014 Target Revenues	HECO-WP-J-001	640,845	
2	GDP Price Index	HECO-WP-C-002	0.011	
3	RAM Cap Increase	Line 1 x 2	7,049	
4	Adjusted 2014 RAM Revenue Adjustment	HECO-WP-J-001	78,738	
5	RAM Cap for 2015 RAM Revenue Adjustment	Line 3 + 4	85,788	
6	LESS: 2015 Depreciation and Amortization in excess of Actual	HECO-WP-J-003	(1,454)	Note 2
7	RAM Cap for 2015 RAM Revenue Adjustment, Adjusted	Line 5 + 6	<u>84,334</u>	

Note 1 Target Revenues:
 See Decision and Order No. 32735, filed March 31, 2015, paragraph 107, page 94:
 "The RAM Cap shall be based on the Target Revenues determined in accordance with the RBA and RAM tariffs as provided below ("Basis"), times the cumulative annually compounded increase(s) in GDPPI for intervening years, adjusted to include applicable revenue taxes."

Note 2 As stated on page 9 of the Companies' May 11, 2015 letter to the Commission and in Attachment 1 of the Companies Reply to the Consumer Advocate's Statement of Position, filed on May 21, 2015, the Companies are making an adjustment to reduce the 2015 RAM Cap by the amount in excess of the 2015 Depreciation and Amortization expense.

HAWAIIAN ELECTRIC COMPANY, INC.
DECOUPLING CALCULATION WORKBOOK
EXCEPTIONAL & OTHER MATTERS

<u>Line No.</u>	<u>Description</u> (a)	<u>Reference</u> (b)	<u>Amount \$000</u> (c)
1	CIP CT-1 Reg Asset	Schedule K1, pg. 1	\$ 1,437.7
2	CIS Deferred Cost	Schedule K1, pg. 2	<u>2,361.6</u>
3	2015 Revenue Adjustment for Exceptional & Other Matters		<u><u>\$ 3,799.3</u></u>

Note 1 Exceptional and Other Matters:
See Decision and Order No. 32735, filed March 31, 2015, paragraph 107, page 94 - 95:
"The Basis used in determining the RAM Cap shall be adjusted to exclude or otherwise appropriately account for adjustments for the recovery of revenues for previously explicitly stipulated and approved exceptional matters or other matters specifically ordered by the commission, which shall, in any event, be recovered fully without respect to any limitations resulting from application of the RAM Cap."

Footnote 149 stipulates that such applicable matters include adjustments accounting for CT-1 costs (for the HECO Companies) and CIS costs (for all of the HECO Companies) as provided in a stipulated agreement approved by the commission as amended in Order No. 31126 in Docket No. 2008-0083.

HAWAIIAN ELECTRIC COMPANY, INC.
DECOUPLING CALCULATION WORKBOOK
EXCEPTIONAL & OTHER MATTERS - CIP CT-1
\$ in thousands

Line No.	Description (a)	Reference (b)	HECO 2011 Test Year Rate Base		HECO 2015 RAM Rate Base (Note 1)		
			Beg. Balance 12/31/2010 (c)	Budgeted Balance 12/31/2011 (d)	Recorded at 12/31/2014 (e)	RAM Projected Amounts (f)	Estimated at 12/31/2015 (g)
1	CIP CT-1 Regulatory Asset	HECO-WP-D1-001A	\$ -	\$ -	\$ 4,215	\$ (954)	\$ 3,261
2	CIP CT-1 ADIT		-	-			
3	28598 - CIP Interest	Note 2	-	-	(1,215)	275	(940)
4	Adjustment	HECO-WP-D4-003/ HECO-WP-K1-001	-	-	419	(95)	324
5	Total	Sum Line 1 - 4	\$ -	\$ -	\$ 3,419	\$ (774)	\$ 2,645
6	2015 Average Balance						\$ 3,032.2
7	Change in Rate Base						\$ 3,032.2
8	Pretax Rate of Return	Schedule D					11.74%
9	Pretax Return Requirement	Line 7 x 8					\$ 356
10	CIP CT-1 Reg Asset Amortization	HECO-WP-D1-001A					954
11		Sum Line 9 + 10					\$ 1,310
12	Revenue Tax Factor (1/(1-8.885%))	Schedule D					1.0975
13	Return Requirement	Line 11 x 12					\$ 1,437.7

Note 1 See Decision and Order No. 32735, paragraph 107, Page 94 - 95, filed March 31, 2015, in which the commission noted that the basis used in determining the RAM Cap shall be adjusted to exclude or otherwise appropriately account for adjustments for the recovery of revenues for previously explicitly stipulated and approved exceptional matters or other matters specifically ordered by the commission, which shall, in any event, be recovered fully without respect to any limitations resulting from application of the RAM Cap. Accordingly, adjustments for CT-1 costs (for the HECO Companies) and CIS costs (for all of the HECO Companies) as provided in a stipulated agreement approved by the commission as amended in Order No. 31126 in Docket No. 2008-0083 are being treated as Exceptional & Other Matters not subject to the RAM Cap.

Note 2 #28598 - CIP Interest

	Reference	Federal	State	Total
Balance at 12/31/14	HECO-WP-D4-001	(1,026,847)	(187,766)	(1,214,613)
Monthly Amortization:				
Depreciation	HECO-WP-D1-001A, Page 2	20,944	20,944	
AFUDC Debt	HECO-WP-D1-001A, Page 2	17,647	17,647	
AFUDC Full Debt	HECO-WP-D1-001A, Page 2	20,308	20,308	
Total Monthly Amortization		58,898	58,898	
Number of Months		12	12	
Annual Amortization		706,782	706,782	
Tax Rate		32.8947%	6.0150%	
2015 Deferred Taxes		232,494	42,513	275,007
Balance at 12/31/15		(794,354)	(145,253)	(939,607)

HAWAIIAN ELECTRIC COMPANY, INC.
DECOUPLING CALCULATION WORKBOOK
EXCEPTIONAL & OTHER MATTERS - CIS
\$ in thousands

Line No.	Description	Reference	HECO 2011 Test Year Rate Base		HECO 2015 RAM Rate Base (Note 1)		
			Beg. Balance 12/31/2010	Budgeted Balance 12/31/2011	Recorded at 12/31/2014	RAM Projected Amounts	Estimated at 12/31/2015
(a)	(b)	(c)	(d)	(e)	(f)	(g)	
1	CIS Def Cost	HECO-WP-D1-001B	\$ -	\$ -	12,705	(1,220)	11,486
2	CIS ADIT						
3	28532 - CIS Project & 28612 CIS Interest	Note 2	-	-	(4,559)	352	(4,207)
4	Adjustment	HECO-WP-D4-003/ HECO-WP-K1-001	-	-	236	(23)	213
5	Total	Sum Line 1 - 4	\$ -	\$ -	\$ 8,382	\$ (890)	\$ 7,491
6	2015 Average Balance						\$ 7,936.6
7	Change in Rate Base						\$ 7,936.6
8	Pretax Rate of Return	Schedule D					11.74%
9	Pretax Return Requirement	Line 7 x 8					\$ 931.8
10	CIS Def Cost Amortization	HECO-WP-D1-001B					\$ 1,220.0
11		Sum Line 9 + 10					\$ 2,151.8
12	Revenue Tax Factor (1/(1-8.885%))	Schedule D					1.0975
13	Return Requirement	Line 11 x 12					\$ 2,361.6

Note 1 See Decision and Order No. 32735, paragraph 107, Page 94 - 95, filed March 31, 2015, in which the commission noted that the basis used in determining the RAM Cap shall be adjusted to exclude or otherwise appropriately account for adjustments for the recovery of revenues for previously explicitly stipulated and approved exceptional matters or other matters specifically ordered by the commission, which shall, in any event, be recovered fully without respect to any limitations resulting from application of the RAM Cap. Accordingly, adjustments for CT-1 costs (for the HECO Companies) and CIS costs (for all of the HECO Companies) as provided in a stipulated agreement approved by the commission as amended in Order No. 31126 in Docket No. 2008-0083 are being treated as Exceptional & Other Matters not subject to the RAM Cap.

Note 2 #28532 - CIS Project costs & #28612 - CIS Interest

	Reference	Federal	State	Total
1	Balance at 12/31/14	(1,523,643)	(263,902)	(1,787,545)
2	AFUDC ADIT Adjustment	(2,343,396)	(428,505)	(2,771,901)
3	Balance at 12/31/14 As Adjusted	(3,867,039)	(692,407)	(4,559,446)
4	2015 Tax Amortization	(220,307)	(440,616)	
5	State Tax Deduction	26,503		
6	Tax Rate	35.000%	6.0150%	
7	2015 Deferrred Taxes	(67,831)	(26,503)	(94,334)
8	Book Amortization	1,147,497	1,147,497	
9	Tax Rate	32.8947%	6.0150%	
10	2015 Deferred Taxes	377,466	69,022	446,488
11	Balance at 12/31/15	(3,557,404)	(649,888)	(4,207,293)

Note 2a ADIT on originating AFUDC was recorded to AFUDC Debt and Equity in the years incurred. This ADIT was properly included in rate base in the past,

Hawaiian Electric Company, Inc.

Sales Forecast for June 2015 to May 2016
in GWh

	2015							2016					Total
	<u>Jun</u>	<u>Jul</u>	<u>Aug</u>	<u>Sep</u>	<u>Oct</u>	<u>Nov</u>	<u>Dec</u>	<u>Jan</u>	<u>Feb</u>	<u>Mar</u>	<u>Apr</u>	<u>May</u>	
R	124.1	129.7	131.1	127.0	134.2	128.8	132.6	140.2	117.9	126.9	118.2	125.3	1,536.0
G	26.6	28.1	28.4	27.1	28.2	26.1	25.8	25.7	25.2	26.5	25.9	27.7	321.3
J	166.9	171.9	179.6	175.2	178.1	166.1	163.9	159.8	159.5	165.7	162.0	173.1	2,021.8
P	237.3	249.7	254.8	245.0	255.4	238.7	239.3	236.7	226.2	236.7	229.6	246.2	2,895.6
F	<u>2.9</u>	<u>2.9</u>	<u>3.0</u>	<u>2.9</u>	<u>3.1</u>	<u>3.0</u>	<u>3.1</u>	<u>3.1</u>	<u>3.0</u>	<u>3.0</u>	<u>2.9</u>	<u>3.0</u>	<u>35.9</u>
Total (A)	557.8	582.3	596.9	577.2	599.0	562.7	564.7	565.5	531.8	558.8	538.6	575.3	6,810.6
													(Full 12-months)
Scaling													
Factor (B)	0.76667	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	
Adjusted													
Total	<u>Jun</u>	<u>Jul</u>	<u>Aug</u>	<u>Sep</u>	<u>Oct</u>	<u>Nov</u>	<u>Dec</u>	<u>Jan</u>	<u>Feb</u>	<u>Mar</u>	<u>Apr</u>	<u>May</u>	<u>Total</u>
(C = AxB)	427.6	582.3	596.9	577.2	599.0	562.7	564.7	565.5	531.8	558.8	538.6	575.3	6,680.4
													(Adjusted for partial month of June, 23 out of 30 days)

Source: December 2014 Sales Update

HAWAIIAN ELECTRIC COMPANY, INC.
DECOUPLING CALCULATION WORKBOOK
DETERMINATION OF ADJUSTED 2014 TARGET REVENUES

Line No.	Description (a)	Reference (b)	Amount \$000 (c)	
1	O&M RAM	5/22/14 Decoupling Filing, Sch A	11,576	
2	Rate Base RAM - Return on Investment	HECO-WP-J-002, pg. 1	38,405	
3	Depreciation & Amortization RAM Expense	HECO-WP-J-002, pg. 5	28,757	
4	2014 Adjusted RAM Revenue Adjustment		78,738	Sch J
5	Last Rate Order Target Annual Revenues	Schedule B1	\$ 512,170	
6	Revenue Tax Factor (1/(1-8.885%))		1.0975	
7	Last Rate Order Target Annual Revenues plus Revenue Taxes	Line 5 x 6	\$ 562,107	
8	2014 Adjusted Target Revenues subject to GDPPI Escalation	Line 4 + 7	\$ 640,845	Sch J

Note 1 See Decision and Order No. 32735, paragraph 108, Page 95, filed March 31, 2015, in which the commission noted that, "... the target revenues that will serve as the Basis for the incremented cap will be the 2014 annualized target revenues adjusted to use recorded 2014 end-of-year actuals (plant in service, depreciation and amortization, CIAC, and ADIT) rather than 2014 RAM year projects in determination of the 2014 Depreciation and Amortization RAM Expense and average rate base in the 2014 Rate Base RAM. This provision will include in the determination of the average 2014 effective rate base used in determining the RAM Cap for the 2015 RAM Revenue Adjustment, the actual end-of-year net plant in service, including all baseline projects installed in 2014, rather than the five year moving average of baseline project expenditures used in the determination of the 2014 Rate Base RAM. The adjusted 2014 target revenues will be incremented by the GDPPI index to determine the RAM Cap as provided above."

HAWAIIAN ELECTRIC COMPANY, INC.
DECOUPLING CALCULATION WORKBOOK
DETERMINATION OF RATE BASE RAM ADJUSTMENT - RETURN ON INVESTMENT

Line No.	Description (a)	AMOUNTS IN THOUSANDS (b)	PERCENT OF TOTAL (c)	COST RATE (d)	POST TAX WEIGHTED EARNINGS REQMTS (e)	INCOME TAX FACTOR Note (1) (f)	PRETAX WEIGHTED EARNINGS REQMTS (g)
1	<u>PUC APPROVED CAPITAL STRUCTURE & COSTS (Note (2)):</u>						
2	Short-Term Debt	\$ 38,210	2.35%	1.75%	0.04%	1.000000	0.04%
3	Long-Term Debt	624,620	38.36%	5.86%	2.25%	1.000000	2.25%
4	Hybrid Securities	27,994	1.72%	7.36%	0.13%	1.000000	0.13%
5	Preferred Stock	20,806	1.28%	5.46%	0.07%	1.636929	0.11%
6	Common Equity	916,533	56.29%	10.00%	5.63%	1.636929	9.21%
7	Total Capitalization	<u>\$ 1,628,163</u>	<u>100.00%</u>		<u>8.11%</u>		<u>11.74%</u>
8	RAM CHANGE IN RATE BASE \$000 (From HECO-WP-J-002, pg. 2)						<u>\$ 310,798</u>
9	PRETAX RATE OF RETURN (Line 7, Col g)						<u>11.74%</u>
10	PRETAX RETURN REQUIREMENT						<u>\$ 36,487.7</u>
11	REVENUE TAX FACTOR (1/(1-8.885%))						<u>1.0975</u>
12	RATE BASE RAM - RETURN ON INVESTMENT \$000						<u>\$ 40,045.2</u>
13	Less: Exceptional and Other Matters (From HECO-WP-J-002, p. 3)						<u>(1,639.8)</u>
14	RATE BASE RAM - RETURN ON INVESTMENT \$000						<u><u>38,405.4</u></u>

HECO-WP-J-001

Footnotes:

1 Composite Federal & State Income Tax Rate 38.91% See HECO-WP-F-001
 Income Tax Factor (1 / 1-tax rate) 1.636929121

2 See Decision and Order No. 30505, Page 127, filed June 29, 2012, in which the commission accepted the proposed capital structure set forth in the Parties' Stipulated Settlement Letter, filed July 5, 2011, in Docket No. 2010-0080, Exhibit 1, Page 125 of 132.

HAWAIIAN ELECTRIC COMPANY, INC.
DECOUPLING CALCULATION WORKBOOK
DETERMINATION OF RATE BASE RAM ADJUSTMENT - CHANGE IN RATE BASE
\$ in thousands

Line No.	Description (a)	HECO 2011 Test Year Rate Base (Note 2)		HECO 2014 RAM Rate Base						
		Beg. Balance 12/31/2010 (b)	Budgeted Balance 12/31/2011 (c)	Adjusted Recorded at 12/31/2013 (d) Note (1)	RAM Projected Amounts (e)=(f)-(d)	Actual Adjusted Recorded at 12/31/2014 (f)				
1	Net Cost of Plant in Service	\$ 1,608,932	\$ 1,710,082	\$ 2,099,668	\$ 186,694	\$ 2,286,362	Note (4)			
2	Property Held for Future Use	4,090	4,090	0	-	0	Note (3)			
3	Fuel Inventory	93,229	93,229	These Elements of Rate Base are Not Updated for RAM Purposes						
4	Materials & Supplies Inventories	18,229	18,229							
5	Unamort Net SFAS 109 Reg Asset	62,723	64,246							
6	Unamort EOTP Reg Asset	523	2,136							
7	CIP CT-1 Reg Asset						5,169	(954)	4,215	Note (4) & (5)
8	CIS Def Cost						13,925	(1,220)	12,705	Note (4) & (5)
12	Unamort Sys Dev Costs	9,253	8,297	These Elements of Rate Base are Not Updated for RAM Purposes						
13	RO Pipeline Reg Asset	5,587	5,473							
14	Contrib in Excess of NPPC	-	19,411							
15	Total Additions	\$ 1,802,566	\$ 1,925,193	\$ 2,319,045	\$ 184,520	\$ 2,503,565				
16	Unamortized CIAC	\$ (189,314)	\$ (206,279)	\$ (258,084)	\$ (25,656)	\$ (283,740)	Note (4)			
17	Customer Advances	(1,879)	(1,855)	Not Updated						
18	Customer Deposits	(10,245)	(13,554)							
19	Accumulated Def Income Taxes	(213,833)	(271,014)				(375,263)	(61,345)	(436,608)	Note (4)
20	Unamortized State ITC (Gross)	(32,171)	(35,088)	Not Updated						
21	Unamortized Gain on Sale	(800)	(516)							
22	Pension Reg Liability	(3,996)	(2,522)							
23	OPEB Reg Liability	(6,376)	(8,749)							
24	Total Deductions	\$ (458,614)	\$ (539,577)	\$ (692,223)	\$ (87,001)	\$ (779,223)				
25	Working Cash	21,047	21,047	21,047	Not Updated	21,047				
26	Rate Base at Proposed Rates	\$ 1,364,999	\$ 1,406,663	\$ 1,647,869		\$ 1,745,388				
27	Average Rate Base		\$ 1,385,831			\$ 1,696,629				
28	Change in Rate Base					\$ 310,798	HECO-WP-J-002, p. 1			
29	<u>Column (e) Projected Changes to Rate Base:</u>		<u>Reference</u>	<u>Amount \$000</u>						
30	Plant - Baseline Capital Project Additions		Schedule D2	165,333						
31	Major Project Additions		Schedule D3	27,102						
32	Accumulated Depreciation/Amortization Change		Schedule E	(113,685)						
33	Net Plant		Sum: Lines 30-32	78,750						
34	Accum. Deferred Income Taxes - Baseline and Major Capital Projects		Schedule F	(2,748)						
35	Projected CIAC Additions - Baseline		Schedule G	(21,477)						
36	Projected CIAC Additions - Major CIP		Schedule G2	(3,888)						
37	Less: Amortization of CIAC		Schedule G	6,148						
38	Total Change in CIAC in Rate Base		Sum: Lines 35-37	(19,218)						

Footnotes:

1 Amounts are recorded, except for the following adjustments:

	Plant in Service	Acc. Depr.	CIAC Net	ADIT
[A] Unadjusted Balance	\$ 3,601,976	\$ (1,235,606)	\$ (258,084)	\$ (365,465)
[A] Add: Asset Retirement Obligation	\$	\$ (42,649)		
[A] Reg Liab-Cost of Removal (net salvage)	\$	\$ (211,551)		
Major Project Adjustments:	HECO-WP-D2-001	HECO-WP-E-001	HECO-WP-D4-002	
Waiau 8 Boiler Cts Upgrade	(1,093)	40		214
Waiau 8 Main Transformer Replace	(243)	14		48
Kahuku Wind Power	(7)	6		1
W7 Controls Upgrade	(416)	2		77
Kakaako Makai-Iwilei	(3,034)			555
Tenant Improvement Allowance (Sch E)	(11,711)	3,940		
Total Adjustments	\$ (16,504)	\$ 4,002	\$ -	\$ 895
CIS, CIP Adjustments - ADIT	HECO-WP-D4-003			Schedule D4
NOL Adjustment - ADIT	Sch D4, Footnote 1			\$ 772
ADIT on IVR				\$ (11,488)
ADIT on ERP				\$ (360)
ADIT on Big Wind				\$ (405)
				\$ 788
Adjusted Balance	\$ 3,585,472	\$ (1,485,804)	\$ (258,084)	\$ (375,263)

2 See Hawaiian Electric Company, Inc. Decision and Order No. 30505, EXHIBIT B, Page 1 of 2, For Approval of Rate Increases and Revised Rate Schedules and Rules, filed June 29, 2012, in Docket No. 2010-0080.

3 In Transmittal No. 13-03 (Decoupling, Hawaiian Electric's RBA Rate Adjustment Tariff Filing, Hawaiian Electric's Response to the Division of Consumer Advocacy's Statement of Position and Revised RBA Rate Adjustment), Schedule D1, filed on May 14, 2013, these amounts were not updated for RAM purposes. However, in 2012 and 2013, the entire balance of Property Held for Future Use (PHFFU) was transferred to Plant in Service, resulting in a zero balance in PHFFU. Leaving these amounts unchanged from the balance at 12/31/11 would result in an overstatement of rate base by \$4,090.

Balance PHFFU at 12/31/11	\$ 4,089,920		
Less transfers to Plant in Service:			
CIP 1 Unit Addition - Land	(1,809,875)	Schedule D2; HECO-WP-D2-002 Page 1 of 1	
Kaloi Substation Land	(2,276,439)	Schedule D2; HECO-WP-D2-002 Page 1 of 1	
Kapolei Substation	(3,606)	Amount transferred in 2012	
Balance PHFFU at 12/31/13	\$ -	[A]	

4 See Adjusted Recorded at 12/31/14 for the respective line items per Schedule D1 of Transmittal No. 15-03 (Decoupling) filed on March 31, 2015.

5 The revenue requirement impact of the CIP CT-1 Regulatory Asset and CIS Deferred Cost balances are separately calculated on WP-J-002, page 3, therefore, there are no adjustments of this balance reflected on this workpaper.

[A] SOURCE: Hawaiian Electric Company, Inc. Monthly Financial Report - December 2013, pages 8 and 10, filed February 21, 2014.

HAWAIIAN ELECTRIC COMPANY, INC.
DECOUPLING CALCULATION WORKBOOK
EXCEPTIONAL & OTHER MATTERS - RETURN ON/OFF INVESTMENT
\$ in thousands

Line No.	Description	Reference	HECO 2014 RAM Rate Base (Note 1)		
			Adjusted Recorded at 12/31/2013	RAM Projected Amounts	Actual Adjusted Recorded at 12/31/2014
	(a)	(b)	(c)	(d)	(e)
1	CIP CT-1 Reg Asset	HECO-WP-J-002, p.2	5,169	(954)	4,215
2	CIP CT-1 ADIT				
3	28598 - CIP Interest	3/31/14 HECO-WP-D4-001	(1,490)	275	(1,215)
4	Adjustment	3/31/14 HECO-WP-D4-003	514	(95)	419
5		Sum Line 1 - 4	4,193	(774)	3,419
6	CIS Def Cost	HECO-WP-J-002, p.2	13,925	(1,220)	12,705
7	CIS ADIT				
	AFUDC ADIT Adjustment	Note 2	(2,772)	-	(2,772)
8	28532 - CIS Project & 28612 - CIS Interest	3/31/14 HECO-WP-D4-001	(1,951)	164	(1,788)
9	Adjustment	3/31/14 HECO-WP-D4-003	258	(23)	236
10		Sum Line 6 - 9	9,460	(1,079)	8,381
11	CIP CT-1 & CIS	Line 5 + 10	13,653	(1,853)	11,800
12	2014 Average Balance				\$ 12,726.9
13	Change in Rate Base				\$ 12,726.9
14	Pretax Rate of Return	Schedule D			11.74%
15	Pretax Return Requirement	Line 13 x 14			\$ 1,494.1
16	Revenue Requirement \$000	Line 15 x 21			\$ 1,639.8 HECO-WP-J-002 (1)
17	CIP CT-1 Amortization	3/31/14 HECO-WP-D1-001A			\$ 954.0
18	CIS Amortization	3/31/14 HECO-WP-D1-001B			\$ 1,220.0
19	Total Amortization for Exceptional & Other Matters				\$ 2,174.0
20	Revenue Requirement \$000	Line 19 x 21			\$ 2,386.0
21	Revenue Tax Factor (1/(1-8.885%))	Schedule D			1.0975
22	Total Return on/of Investment \$000	Line 16 + 20			\$ 4,025.8

Note 1 See Decision and Order No. 32735, paragraph 107, Page 94 - 95, filed March 31, 2015, in which the commission noted that the basis used in determining the RAM Cap shall be adjusted to exclude or otherwise appropriately account for adjustments for the recovery of revenues for previously explicitly stipulated and approved exceptional matters or other matters specifically ordered by the commission, which shall, in any event, be recovered fully without respect to any limitations resulting from application of the RAM Cap. Accordingly, adjustments for CT-1 costs (for HECO) and CIS costs (for all of the HECO Companies) as provided in a stipulated agreement approved by the commission as amended in Order No. 31126 in Docket No. 2008-0083 are being treated as Exceptional & Other Matters not subject to the RAM Cap.

Note 2 ADIT on originating AFUDC was recorded to AFUDC Debt and Equity in the years incurred. This ADIT was properly included in rate base in the past, but there was no need to separate this until the RAM Cap was instituted. The ADIT is calculated as follows:

Base	32.8947%		6.0150%		Total
	Federal	State	Federal	State	
AFUDC on CIS deferred costs	(7,123,933)	(2,343,396)	(428,505)	(2,771,901)	

HAWAIIAN ELECTRIC COMPANY, INC.
DECOUPLING CALCULATION WORKBOOK
DETERMINATION OF DEPRECIATION & AMORTIZATION RAM ADJUSTMENT

Line No.	NARUC Account	Recorded Depreciable/Amort. Balance (Footnote 3)	Adjustments (Footnote 1)	Adjusted Depreciable/Amort. Balance	PUC Approved Accrual Rate	Annual Accrual
	(a)	(b)	(c)	(d)	(e)	(f)
1	Depreciable Plant					
2	311	89,072,912		89,072,912	0.01600	1,425,167
3	312	369,276,855	(1,498,566)	367,778,289	0.02030	7,465,899
4	314	182,448,297		182,448,297	0.01540	2,809,704
5	315	73,540,758	(243,014)	73,297,744	0.02430	1,781,135
6	Tot - Steam	714,338,822	(1,741,580)	712,597,242	0.01887	13,481,905
7						
8	341	38,039,920		38,039,920	0.00770	292,907
9	342	16,257,068		16,257,068	0.02580	419,432
10	343	65,150,372		65,150,372	0.03260	2,123,902
11	344	27,710,730		27,710,730	0.01010	279,878
12	345	34,501,242		34,501,242	0.02510	865,981
13	Tot - Gas Turb	181,659,332	-	181,659,332	0.02192	3,982,101
14						
15	Tot - Prod	895,998,154	(1,741,580)	894,256,574		17,464,006
16						
17	3501	3,042,698		3,042,698	-	-
18	352	39,198,124		39,198,124	0.01600	627,170
19	353	290,040,187		290,040,187	0.01860	5,394,747
20	354	19,145,585		19,145,585	0.01480	283,355
21	355	280,419,552		280,419,552	0.03240	9,085,593
22	356	147,876,362		147,876,362	0.03270	4,835,557
23	357	53,223,009		53,223,009	0.01590	846,246
24	358	54,101,473		54,101,473	0.01730	935,955
25	359	3,201,408		3,201,408	0.01490	47,701
26	Tot - Transm	890,248,398	-	890,248,398	0.02478	22,056,325
27						
28	3601	554,327		554,327	0.02340	12,971
29	361	24,476,393		24,476,393	0.01080	264,345
30	362	225,061,391		225,061,391	0.02020	4,546,240
31	364	181,575,630	(37,788)	181,537,842	0.03390	6,154,133
32	365	112,117,242	(27,345)	112,089,897	0.04190	4,696,567
33	366	241,891,265	(10,746)	241,880,519	0.02190	5,297,183
34	367	376,113,270	(4,843,482)	371,269,788	0.04980	18,489,235
35	368	205,094,071	(336,839)	204,757,232	0.05200	10,647,376
36	369.1	53,432,169		53,432,169	0.05250	2,805,189
37	369.2	180,572,056		180,572,056	0.04070	7,349,283
38	370	35,262,462		35,262,462	0.02660	937,981
39	Tot - Distr	1,636,150,276	(5,256,200)	1,630,894,076	0.03741	61,200,504
40						
41	Tot - T & D	2,526,398,674	(5,256,200)	2,521,142,474		83,256,829
42						
43	390	61,994,682		61,994,682	0.02450	1,518,870
44	Tot - General	61,994,682	-	61,994,682	0.02450	1,518,870
45						
46	Sub-Total	3,484,391,510	(6,997,780)	3,477,393,730		102,239,705
47						
48	3902 (King)	7,818,022		7,818,022	0.02296	179,502
49	3902 (CPP)	2,187,853		2,187,853	0.15092	330,191
50	3902 (Waterhouse)	1,517,450		1,517,450	0.42522	645,250
51	3902 (Hon Cl)	306,065		306,065	0.19550	59,836
52	3902 (ASB)	1,454,250		1,454,250	0.21737	316,110
53	3902 (Shinco)	654,853		654,853	0.33658	220,410
54	3902 (Tenant Allowance)	12,893,864	(12,893,864)	-	-	-
55	Tot - LH Impr	26,832,357	(12,893,864)	13,938,493		1,751,299
56						
57	392	50,548,812		50,548,812	0.06130	3,098,642
58						
59	Utility Total Depreciation	3,561,772,679	(19,891,644)	3,541,881,035	0.03007	107,089,646

Line No.	NARUC Account	Recorded Depreciable/Amort. Balance (Footnote 3)	Adjustments (Footnote 1)	Adjusted Depreciable/Amort. Balance	PUC Approved Accrual Rate	Annual Accrual
	(a)	(b)	(c)	(d)	(e)	(f)
60	Amortizable Plant					
61	316	21,630,439		21,630,439	0.05000	1,081,522
62	Tot - Steam	21,630,439	-	21,630,439	0.05000	1,081,522
63						
64	346	18,224,141		18,224,141	0.05000	911,207
65	Tot - Gas Turb	18,224,141	-	18,224,141	0.05000	911,207
66						
67	Tot - Prod	39,854,580	-	39,854,580	0.05000	1,992,729
68						
69	3911	23,065,999		23,065,999	0.20000	4,613,200
70	3912	4,205,877		4,205,877	0.10000	420,588
71	3913	14,154,814		14,154,814	0.06670	944,126
72	393	1,159,596		1,159,596	0.04000	46,384
73	394	26,323,322		26,323,322	0.04000	1,052,933
74	395	573,848		573,848	0.06670	38,276
75	396	13,078		13,078	0.05560	727
76	397	105,964,465	(7,161)	105,957,304	0.06670	7,067,352
77	398	5,349,565		5,349,565	0.06670	356,816
78	Tot - General	180,810,564	(7,161)	180,803,403	0.08042	14,540,401
79						
80						
81						
82						
83						
84						
85	Net Unrecovered Amortization					(1,101,041)
86						
87	Utility Total Amortization	220,665,144	(7,161)	220,657,983	0.06993	\$ 15,432,089
88						
89	TOTAL RAM DEPRECIATION / AMORTIZATION					\$ 122,521,735
90	LESS: Vehicle Depreciation (A/C 392 above)					\$ (3,098,642)
91	LESS: Depreciation & Amortization in Current Revenues				Footnote 2	\$ (94,237,000)
92						
93	RAM Adjustment for Depreciation & Amortization					\$ 25,186,093
94	RAM Adjustment for CIAC Amortization				Sch. G	\$ 1,015,852
95	RAM Adjustment for CIP CT-1 Reg Asset Amortization				HECO-WP-D1-001A	954,000
96	RAM Adjustment for CIS Def Cost Amortization				HECO-WP-D1-001B	1,220,000
97	Total RAM Adjustment for Depreciation & Amortization					\$ 28,375,945
98	Times: Factor for Revenue Taxes					1.09750
99						
100	RAM DEPRECIATION & AMORTIZATION					\$ 31,142,599
101						
102	RAM Adjustment for CIP CT-1 Reg Asset Amortization (from Line 95)					(954,000)
103	RAM Adjustment for CIS Def Cost Amortization (from Line 96)					(1,220,000)
104	Depreciation and Amortization for Exceptional and Other Matters					(2,174,000)
105	Times: Factor for Revenue Taxes					1.09750
106	Total Depreciation and Amortization for Exceptional and Other Matters					(2,385,965)
107						
108	ADJUSTED RAM DEPRECIATION & AMORTIZATION (Line 100 - 106)					\$ 28,756,634

HECO-WP-J-001

Footnotes:

Amounts are recorded (in \$000s), except for the following adjustments

1 (see HECO-WP-D2-001):

	Plant in Service From D1
Waiau 8 Boiler Ctl's Upgrade	\$ (1,074)
Waiau 8 Main Transformer Replace	(243)
Kahuku Wind Power	(7)
W7 Controls Upgrade	(424)
Kakaako Makai-Iwilei	(3,519)
Kakaako Makai-Kewalo/DOT Queen-Cook	(1,737)
Tenant Improvement Allowance (see Footnote 4)	(12,894)
Total	\$ (19,898)

2 Depreciation & Amortization in Current Revenues*:

	Depr/Amort Expense
Total Depreciation	\$ 97,297,000
LESS: Vehicle Depreciation (A/C 392)	(2,292,000)
LESS: CIP CT-1 excess depreciation	(603,000)
LESS: EOTP excess depreciation	(1,171,000)
ADD: Revised EOTP excess depreciation **	1,006,000
Net Depreciation in Current Revenues	\$ 94,237,000

*Amounts are per page 90 of Exhibit 1 to the Parties' Stipulated Settlement Letter dated July 5, 2011 in HECO's 2011 test year rate case (Docket No. 2010-0080).

**Amount is per page 1 of Exhibit 2, Attachment 3 to the Stipulated Supplement to the Parties' July 5, 2011 Stipulated Settlement Letter with respect to East Oahu Transmission Project Phase 1 Costs, dated February 3, 2012. Depreciation added in EOTP interim was based on 2010 plant adds and the 2010 actual depreciation rates (blended rate in 2010). The 2012 depreciation is based on additional plant adds made in 2011 included in the February 3, 2012 stipulation supplement, offset by the write-down of \$9.5M of costs and the lower depreciation rates in 2012 (full year of the lower depreciation rates).

3 Does not include land amounting to \$43,819,606 as of December 31, 2014.

4 Amount represents tenant improvement allowances paid by the lessors and excluded from the RAM calculation.

HAWAIIAN ELECTRIC COMPANY, INC.
DECOUPLING CALCULATION WORKBOOK
DETERMINATION OF DEPRECIATION & AMORTIZATION RAM ADJUSTMENT

Excess 2015 Depreciation due to GDPPI escalation

Line No.	Description	Reference	Amount
1	Depreciation & Amortization in Current Revenues (not including RAM), grossed up for rev tax	Sch E x 1.0975	\$ 103,426,427
2	2015 Depreciation & Amortization RAM, as filed on 3/31/15	Sch E, WP-J-002	\$ 31,142,599
3	Less: Depreciation & Amortization related to CIS Def Cost and CT-1 Reg Asset	WP-J-002	(2,385,965)
4	2015 Depreciation & Amortization Revenues Adjusted	Lines 1 - 3	<u>\$ 132,183,061</u>
5	GDPPI escalator		1.10%
6	2015 Depr & Amort RAM per RAM Cap in excess of actual Adjusted 2015 Depreciation & Amortization	Line 4 x 5	<u>\$ 1,454,014</u>

HAWAIIAN ELECTRIC CO., INC.
ADJUSTMENT TO RATE BASE FOR REG ASSET ON EOTP, CIP, CIS

	+ = addback - = deduct						DR / (CR)	DR / (CR)	DR / (CR)	
	2011	2012	2013	2014	2015	Cumulative	32.8947%	6.0150%	Total	
	Add'l Debt	Add'l Debt	Add'l Debt	Add'l Debt	Add'l Debt	Add'l Debt	Def Fed	Def State	Def Tax	
EOTP interest (7/11 - 3/12)	450,028	140,706				590,734	194,320	35,533	229,853	
EOTP amort beg 4/12		(73,845)	(98,460)	(98,460)	(98,460)	(369,225)	(121,455)	(22,209)	(143,664)	
Total EOTP	450,028	66,861	(98,460)	(98,460)	(98,460)	221,509	72,865	13,324	86,189	
CIP interest (7/11 - 5/13)	415,582	726,147	320,463			1,462,192	480,984	87,951	568,935	
CIP amort beg 6/13			(142,158)	(243,699)	(243,699)	(629,556)	(207,091)	(37,868)	(244,959)	
Total CIP	415,582	726,147	178,305	(243,699)	(243,699)	832,636	273,893	50,083	323,976	Sch K1 pg.1
CIS interest (5/12 - 5/13)		545,064	152,938			698,002	229,606	41,985	271,591	
CIS amort beg 6/13			(33,931)	(58,167)	(58,167)	(150,265)	(49,429)	(9,038)	(58,467)	
Total CIS	-	545,064	119,007	(58,167)	(58,167)	547,737	180,177	32,947	213,124	Sch K1 pg.2
TOTAL	865,610	1,338,072	198,852	(400,326)	(400,326)	1,601,882	526,935	96,354	623,289	

The GL balance includes the AFUDC debt and the AFUDC additional debt.
 The Rate base balance includes just the AFUDC debt.
 The difference between GL and Rate base balance is the AFUDC additional debt.

HAWAIIAN ELECTRIC CO., INC.
 CIS PROJECT BASIS

		Basis				ADIT			
		Book	Fed Tax	State Tax	Fed Book - Tax Diff	State Book - Tax Diff	Federal 35.00000%	State 6.01504%	Total
CIS Book Basis	#186050	38,927,304	38,927,304	38,927,304					
	#18670201	2,474,707	2,474,707	2,474,707					
	#18670202	1,019,491	1,019,491	1,019,491					
	#18670203	65,648	65,648	65,648					
Total Book Basis		42,487,150	42,487,150	42,487,150					
AFUDC			(7,123,933)	(7,123,933)					
Writedown of CIS Costs		(29,000,000)	(29,000,000)	(29,000,000)					
		13,487,150	6,363,217	6,363,217					
Book / Tax Bases Differences			(2,400,052)	(2,400,052)					
Post Go Live carrying charge		282,815							
Amortization - 2012		-	(2,421,934)	(880,703)					
Amortization - 2013		(669,373)	(660,462)	(1,320,923)					
Balance as of 12/31/13		13,100,592	880,769	1,761,539	12,219,823	11,339,053	(4,038,221)	(682,048)	(4,720,269)
Amortization - 2014		(1,147,497)	(660,462)	(1,320,923)					
Balance as of 12/31/14		11,953,095	220,307	440,616	11,732,788	11,512,479	(3,864,108)	(692,480)	(4,556,588)
Amortization - 2015	Note 1	(1,147,497)	(220,307)	(440,616)					
Balance as of 12/31/15		10,805,598	-	-	10,805,598	10,805,598	(3,554,473)	(649,961)	(4,204,434)

Note 1 > For tax purposes, CIS costs are amortized over 36 months and are fully amortized in 2015.