

BEFORE THE PUBLIC UTILITIES COMMISSION
OF THE STATE OF HAWAI'I

In The Matter of)	
)	
HAWAIIAN ELECTRIC COMPANY, INC.))	Transmittal No. 19-01
)	
Notice Transmittal to Update Target)	Effective Date: June 1, 2019
Revenue for Schofield Generating Station)	
through the Major Project Interim Recovery)	
Adjustment Mechanism.)	
_____)	

HAWAIIAN ELECTRIC COMPANY, INC.'S
NOTICE TRANSMITTAL

ATTACHMENTS 1-2

and

CERTIFICATE OF SERVICE

FILED

2019 FEB -7 P 3:33

PUBLIC UTILITIES
COMMISSION

Marissa L.L. Owens
Associate General Counsel
Hawaiian Electric Company, Inc.
P. O. Box 2750
Honolulu, Hawai'i 96840

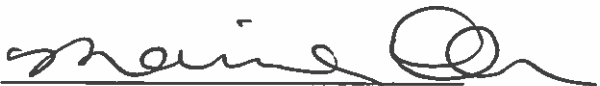
BEFORE THE PUBLIC UTILITIES COMMISSION
OF THE STATE OF HAWAII

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NOTICE TRANSMITTAL

Hawaiian Electric Company, Inc. (“Hawaiian Electric” or the “Company”) respectfully submits this non-docketed, notice transmittal (“Notice Transmittal”), which incorporates the Company’s updated Schedule B1, Schedule L, associated supporting workpapers, and Sheet 92E as ordered by the Commission. This Notice Transmittal is submitted pursuant to Decision and Order No. 35556, issued June 27, 2018 in Docket No. 2017-0213.¹

DATED: Honolulu, Hawai‘i, February 7, 2019.

By 
Marissa L.L. Owens
Associate General Counsel
Hawaiian Electric Company, Inc.

¹ See Decision and Order No. 35556, Section IV, (7) at 71-72 (“Specifically, on or before February 28 of each year prior to an interim order in HECO’s next general rate case, HECO shall file an updated “Schedule L” exhibit, as described above, and additional supporting exhibits, that clearly identify and support the amount and calculation of the adjustments to target revenues, consistent with the determinations in this Decision and Order.”).

ATTACHMENT 1

Schedule B1, Schedule L and
Supporting Workpapers

HAWAIIAN ELECTRIC COMPANY, INC.

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

Line No.	Description (a)	Reference (b)	Docket No. 2010-0080 Amounts (e)	Docket No. 2010-0080 Amounts (f)	Docket No. 2010-0080 Amounts (g)	Docket No. 2010-0080 Amounts (h)	Docket No. 2016-0328 Amounts (i)	Docket No. 2016-0328 Amounts (j)	Docket No. 2016-0328 Amounts (k)	Docket No. 2016-0328 Amounts (l)	Docket No. 2016-0328 Amounts (m)	Docket No. 2016-0328 Amounts (n)
1	Least Rate Cases Annual Electric Revenues at Approved Rate Levels	Note (1), (5), (7), (7a)	\$ 1,765,954	\$ 1,765,954	\$ 1,765,954	\$ 1,765,954	\$ 1,529,709	\$ 1,529,709	\$ 1,529,709	\$ 1,529,709	\$ 1,529,709	\$ 1,529,709
1a	Less: Hookback of Interim Revenues	Note (6)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
1b	Less: Customer Benefit Adjustment	Note (5)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
2	Less: Fuel Expense	Note (1), (5), (7), (7a)	\$ (658,172)	\$ (658,172)	\$ (658,172)	\$ (658,172)	\$ (327,609)	\$ (327,609)	\$ (327,609)	\$ (327,609)	\$ (327,609)	\$ (327,609)
3	Purchased Power Expense	Note (1), (5), (7), (7a)	\$ (438,707)	\$ (438,707)	\$ (438,707)	\$ (438,707)	\$ (468,211)	\$ (468,211)	\$ (468,211)	\$ (468,211)	\$ (468,211)	\$ (468,211)
4	Revenues Taxes on Line 1 to 1b (8.885% statutory rates)	Note (1), (5), (7), (7a)	\$ (156,895)	\$ (156,895)	\$ (156,895)	\$ (156,895)	\$ (135,915)	\$ (135,915)	\$ (135,915)	\$ (135,915)	\$ (135,915)	\$ (135,915)
5	Least Rate Order Target Annual Revenues	Sum Lines 1...4	\$ 512,170	\$ 512,170	\$ 512,170	\$ 512,170	\$ 599,974	\$ 599,974	\$ 599,974	\$ 599,974	\$ 599,974	\$ 599,974
6	Authorized RAM Revenues	Note (2)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
7	Less: Revenue Taxes on Line 6 at 8.885%		\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
8	Net RAM Adjustment - Test Year +6	Lines 6 + 7	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
9	Authorized RAM Revenues	Note (9)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
10	Less: Revenue Taxes on Line 9 at 8.885%		\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
11	Net RAM Adjustment - Test Year +1	Lines 9 + 10	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
12	Authorized MPRI Revenues	Schedule L	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
13	Less: Revenue Taxes on Line 12 at 8.885%	Lines 12 + 13	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
14	Net MPRI Adjustment	Lines 12 + 13	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
15	EARNINGS SHARING REVENUE CREDITS	Note (2), (9)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
16	Less: Revenue Taxes on Line 15 at 8.885%	Lines 15 + 16	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
17	Net Earnings Sharing Revenue Credits	Note (2), (9)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
18	ENCUMBERED MAJOR OR BASELINE CAPITAL CREDITS:		\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
19	Total Annual Target Revenues		\$ 512,170	\$ 512,170	\$ 512,170	\$ 512,170	\$ 599,974	\$ 599,974	\$ 599,974	\$ 599,974	\$ 599,974	\$ 599,974
20	June 1, 2017 Annualized Revenues w/ RAM Increase	Col (g), lines (5-8+17+18)	\$ 604,302	\$ 604,302	\$ 604,302	\$ 604,302	\$ 637,077	\$ 637,077	\$ 612,574	\$ 618,587	\$ 620,374	\$ 630,624
21	February 10, 2018 Annualized Revenues w/ Interim Increase	Col (f), lines (5-8+17+18)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
22	April 13, 2018 Annualized Revenues w/ 2nd Interim Increase	Col (f), lines (5-8+17+18)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
23	June 1, 2018 Annualized Revenues w/ RAM Increase & MPRI, eff 7/1/18	Col (f), lines (5-8+17+18)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
24	June 1, 2018 Annualized Revenues w/ RAM Increase & MPRI, eff 10/1/18	Col (m), lines (5-11+14+17+18)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
25	June 1, 2018 Annualized Revenues w/ RAM Increase & MPRI, eff 11/14/17+18	Col (m), lines (5-11+14+17+18)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
26	June 1, 2018 Annualized Revenues w/ RAM Increase & MPRI, eff 11/14/17+18	Col (m), lines (5-11+14+17+18)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
27	MPRI, eff 11/18		\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
28	Distribution of Target Revenues by Month:											
29	January	Note (3)	2017	2018	2019	2018	2019	2018	2019	2018	2019	2019
30	February	Note (3)	\$48,059,623	\$48,945,443	\$48,059,623	\$48,945,443	\$22,450,132	\$22,450,132	\$22,450,132	\$22,450,132	\$22,450,132	\$22,450,132
31	March	Note (3)	\$49,060,846	\$49,060,846	\$49,060,846	\$49,060,846	\$51,603,222	\$51,603,222	\$51,603,222	\$51,603,222	\$51,603,222	\$51,603,222
32	April	Note (3)	\$48,468,873	\$48,468,873	\$48,468,873	\$48,468,873	\$20,335,492	\$20,335,492	\$20,335,492	\$20,335,492	\$20,335,492	\$20,335,492
33	May	Note (3)	\$50,024,842	\$50,024,842	\$50,024,842	\$50,024,842	\$49,434,694	\$49,434,694	\$49,434,694	\$49,434,694	\$49,434,694	\$49,434,694
34	June	Note (3)	\$50,202,656	\$50,202,656	\$50,202,656	\$50,202,656	\$53,817,090	\$53,817,090	\$53,817,090	\$53,817,090	\$53,817,090	\$53,817,090
35	July	Note (3)	\$51,980,790	\$51,980,790	\$51,980,790	\$51,980,790	\$55,301,700	\$55,301,700	\$55,301,700	\$55,301,700	\$55,301,700	\$55,301,700
36	August	Note (3)	\$53,561,111	\$53,561,111	\$53,561,111	\$53,561,111	\$53,507,797	\$53,507,797	\$53,507,797	\$53,507,797	\$53,507,797	\$53,507,797
37	September	Note (3)	\$51,447,350	\$51,447,350	\$51,447,350	\$51,447,350	\$54,815,328	\$54,815,328	\$54,815,328	\$54,815,328	\$54,815,328	\$54,815,328
38	October	Note (3)	\$52,040,061	\$52,040,061	\$52,040,061	\$52,040,061	\$49,915,328	\$49,915,328	\$49,915,328	\$49,915,328	\$49,915,328	\$49,915,328
39	November	Note (3)	\$48,057,802	\$48,057,802	\$48,057,802	\$48,057,802	\$304,152,243	\$304,152,243	\$304,152,243	\$304,152,243	\$304,152,243	\$304,152,243
40	December	Note (3)	\$48,915,328	\$48,915,328	\$48,915,328	\$48,915,328	\$162,626,587	\$162,626,587	\$162,626,587	\$162,626,587	\$162,626,587	\$162,626,587
41	Total Distributed Target Revenues	Note (4)	\$357,167,892	\$357,167,892	\$357,167,892	\$357,167,892	\$394,388,846	\$394,388,846	\$394,388,846	\$394,388,846	\$394,388,846	\$394,388,846

Exhibits:

- 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 17-02 filed March 31, 2017, establishing 2017 target revenue effective June 1, 2017.
- RBA Tariff Revised July 26, 2018 to reflect 2011 test year.
- Test Year 2017 Interim Increase provided for in Interim Decision and Order 35100, issued December 15, 2016 in Docket No. 2016-0328.
- RBA Tariff Effective February 16, 2018 to reflect 2011 test year.
- Test Year 2017 Interim Increase provided for in Order No. 35335, issued March 9, 2018 in Docket No. 2018-0328.
- Test Year 2017 2nd Interim Increase provided for in Order No. 35335, issued March 9, 2018 in Docket No. 2018-0328.
- Reduction for Tax Act Implementation Lag (March 2018 Settlement Tariff Sheets, Attachment 3, filed March 16, 2018, in accordance with Order No. 35335).
- For the month of the initial implementation (April 2018), adjust the monthly allocation by the number of effective days in the month over the total number of days.
- Transmittal 18-01 filed May 25, 2018, establishing 2018 target revenue effective June 1, 2018.
- MPRI Revenues effective July 1, 2018 approved in Order No. 35647, issued August 15, 2018 in Docket No. 2017-0213.
- MPRI Revenues effective October 1, 2018 approved in Order No. 35953, issued December 14, 2018 in Docket No. 2017-0213.
- MPRI Revenues effective January 1, 2019 filed in Transmittal 19-01 on February 7, 2019.

SCHEDULE L
(REVISED 02/07/19)
PAGE 1 OF 1

HAWAIIAN ELECTRIC COMPANY, INC.
DECOUPLING CALCULATION WORKBOOK
REVENUE REQUIREMENT AND DETERMINATION OF MAJOR PROJECT INTERIM RECOVERY
MPIR PROJECT
\$ In thousands

Line No.	Description (a)	Reference (b)	Recorded at 12/31/2018 (c)	2019 Activity (d)	Ending Balance as of 12/31/19 (e)	Average Balance (f) = ((c)+(e))/2	MPIR (g)
<u>Return on Investment - Schofield Generating Station</u>							
1	Gross Plant in Service (not to exceed PUC approved amount)	HECO-WP-L-001	141,570	-	141,570	141,570	
2	Accum Depreciation	HECO-WP-L-001	-	(4,586)	(4,586)	(2,293)	
3	Net Cost of Plant in Service		141,570	(4,586)	136,984	139,277	
4	Fuel Inventory - Avoided	Note 3	(1,534)	-	(1,534)	(1,534)	
5	M&S Inventory	Note 3	100	-	100	100	
6	Total Additions		(1,434)	-	(1,434)	(1,434)	
7	CIAC	Not Applicable	-	-	-	-	
8	ADIT	HECO-WP-L-002	(8,653)	(1,540)	(10,193)	(9,423)	
9	State ITC	HECO-WP-L-002	(4,124)	412	(3,712)	(3,918)	
10	Total Deductions		(12,777)	(1,128)	(13,905)	(13,341)	
11	Total Rate Base		\$ 127,359	\$ (5,713)	\$ 121,646	124,502	
12	Average Rate Base					\$ 124,502	
13	Rate of Return (grossed-up for income taxes, before revenue taxes)	Note 4				8.47%	
14	Annualized Return on Investment (before revenue taxes)						\$ 11,790
15	Depreciation Expense (Note 1)	HECO-WP-L-001				4,586	
16	Operating & Maintenance Expense	Note 2				2,087	
16a	Prior year reconciliation of O&M to actuals	Note 2				-	
17	Amortization of State ITC	see line 6				(412)	
18	Lease Rent Expense	Not Applicable				-	
19	Other Expense	Not Applicable				-	
20	Total Expenses						\$ 6,260
21	Total Major Project Interim Recovery						\$ 16,051
22	Revenue Tax Factor (1/(1-8.885%))						1.0975
23	Annualized Revenue for Major Project Interim Recovery						\$ 19,810.8

To Sch B & B1

Reconciliation to Schedule B1 (Info Only)			
	Jul - Sep 2018	Oct - Dec 2018	2019
Annualized Revenue for MPIR	\$ 6,800	\$ 8,581	\$ 19,811
Rev Tax Adj	\$ (586)	\$ (781)	\$ (1,760)
Prorated MPIR for Year 1 excl Rev Tax	\$ 6,014	\$ 7,800	\$ 18,051
Incremental	\$ 6,014	\$ 1,787	\$ 10,250
	Note 5	Note 6	

Note 1: Depreciation expense is recorded beginning in the year after an asset is placed in service, therefore, depreciation expense is zero in year 1. The revenue requirement for year 2 and thereafter will include depreciation expense at existing, approved depreciation accrual rates at the time of filing.

Note 2: Total O&M expense is estimated to cost \$1,787 million annually for year 1 (\$2,087 million annually during the interim period thereafter), as referenced within Attachment 1 - SGS Business Case Revenue Requirement Update and approved in Order No. 35953, filed December 14, 2018.

Note 3: Decision and Order No. 35558 dated June 27, 2018 in Docket No. 2017-0213.

Note 4: Transmittal No. 18-01 (Decoupling) - Hawaiian Electric's RBA Rate Adjustment, Schedule D, filed May 29, 2018.

Note 5: MPIR Revenues effective July 1, 2018 approved in Order No. 35847, issued August 15, 2018 in Docket No. 2017-0213.

Note 6: MPIR Revenues effective October 1, 2018 filed December 21, 2018 in Docket No. 2017-0213.

Schofield Generating Station
Plant Addition
As of December 31, 2018

HECO-WP-L-001
PAGE 1 OF 1

Utility Account	(Note 1)	Balance at 12/31/18	Depreciation 2019	Allocation %	(Note 2)	Depreciation 2019 (at Cap)
	PUC Approved Accrual Rate				Subject to Cap	
	a	b	c = a x b	d	e = d x Cap	f = a x e
343	0.03260	142,147,612	4,634,012	98.2%	139,030,987	4,532,410
352	0.01600	2,003,490	32,056	1.4%	1,959,563	31,353
353	0.01860	352,190	6,551	0.2%	344,468	6,407
397	0.06670	240,250	16,025	0.2%	234,983	15,673
		<u>144,743,542</u>	<u>4,688,643</u>	<u>100.0%</u>	<u>141,570,000</u>	<u>4,585,844</u>

Source: SAP and Powerplan WBS.

Note 1:

Depreciation rates approved in Docket No. 2010-0053, Decision and Order, filed May 12, 2011.

Note 2:

Decision and Order No. 33178, p. 84-85, Docket No. 2014-0113, For Approval to Commit Funds in Excess of \$2,500,000 (excluding customer contributions) for the Purchase and Installation of Item P0001576, Schofield Generating Station Project, filed 09/29/2015. The Commission approved a cap on the amount of the total costs that may be recovered through any cost recovery mechanism other than base rates at 90% of the \$167 million cap. The \$167 million cap shall further be adjusted downward due to a reduction in the foreign exchange rate.

In the Letter to Commission Re: Docket No. 2014-0113, Schofield Generating Station; Notification of Euro Exchange Rate and Adjusted Project Cap, filed 01/27/2016, the Company locked in the foreign exchange rate at \$1.0928/euro which adjusted the project cap down from \$167 million to \$157.3 million. Revised cap on the amount of total costs allowed to be recovered through any cost recovery mechanism other than base rates is \$141.57 million (\$157.3 million x 90%).

HAWAIIAN ELECTRIC CO., INC.
SCHOFIELD GENERATING STATION - WITH BONUS
DECEMBER 31, 2019

	2018 Total	2019 Add		2019 Total
		Book/Tax	State ITC	
FEDERAL DEFERRED TAXES				
1				
2				
3				
4				
5				
6				
7				
8				
9				
10				
11				
12				
STATE DEFERRED TAXES				
13				
14				
15				
16				
17				
18				

source

HECO-WP-L-001

Line 1 + Line 2

Line 3 + Line 4

Line 3

Line 2

Line 6 + 7 + 8

Line 9 + Line 10

Line 5 + Line 11

Line 1

Line 2

Line 1 + Line 2

Line 15 + Line 16

Line 12 + Line 17

FEDERAL DEFERRED TAXES

STATE DEFERRED TAXES

TOTAL DEFERRED TAXES

	Tax Depreciation	AFUDC	Tax Cap Interest	State ITC	Removal	2018 Total	Book/Tax	Depr	State ITC	2019 Total
1 State Book/Tax Difference	(6,706,173)	(11,702,627)	7,507,036	4,124,152	(185,002)	(6,962,615)	(12,753,951)			(19,716,566)
2 Book Depreciation	(6,706,173)	(11,702,627)	7,507,036	4,124,152	(185,002)	(6,962,615)	4,585,844		(412,415)	4,173,428
3 Subtotal							(8,168,107)		(412,415)	(15,543,137)
4 Effective Federal Tax Rate	19.7368%	19.7368%	19.7368%	19.7368%	19.7368%	19.7368%	19.7368%		19.7368%	19.7368%
5 Federal Def Tax on State Book/Tax Diff	(1,323,584)	(2,309,724)	1,481,649	813,976	(36,513)	(1,374,197)	(1,612,123)		(81,398)	(3,067,718)
6 Addback State Book/Tax Difference	6,706,173	11,702,627	(7,507,036)	(4,124,152)	185,002	6,962,615	8,168,107		412,415	15,543,137
7 Federal Book/Tax Difference	(39,373,231)	(11,702,627)	7,507,036	4,124,152	(185,002)	(39,629,673)	(9,565,463)			(49,195,136)
8 Book Depreciation							4,585,844		(412,415)	4,173,428
9 Federal State Difference	(32,667,058)	-	-	-	-	(32,667,058)	3,188,488		-	(29,478,570)
10 Tax Rate on Federal Only Adjustment	21%	21%	21%	21%	21%	21%	21%		21%	21%
11 Federal Deferred Tax Adjustment	(6,860,082)	-	-	-	-	(6,860,082)	669,582		-	(6,190,500)
12 Total Federal Deferred Taxes	(8,183,666)	(2,309,724)	1,481,649	813,976	(36,513)	(8,234,279)	(942,541)		(81,398)	(9,258,218)
STATE DEFERRED TAXES										
13 State Book/Tax Difference	(6,706,173)	(11,702,627)	7,507,036	4,124,152	(185,002)	(6,962,615)	(12,753,951)			(19,716,566)
14 Book Depreciation							4,585,844		(412,415)	4,173,428
15 Subtotal	(6,706,173)	(11,702,627)	7,507,036	4,124,152	(185,002)	(6,962,615)	(8,168,107)		(412,415)	(15,543,137)
16 Effective State Tax Rate	6.0150376%	6.0150376%	6.0150376%	6.0150376%	6.0150376%	6.0150376%	6.0150376%		6.0150376%	6.0150376%
17 Total State Deferred Taxes	(403,379)	(703,917)	451,551	248,069	(11,128)	(418,804)	(491,315)		(24,807)	(934,926)
18 TOTAL DEFERRED TAXES	(8,587,045)	(3,013,641)	1,933,200	1,062,045	(47,641)	(8,653,083)	(1,433,856)		(106,205)	(10,193,144)

**HAWAIIAN ELECTRIC CO., INC.
TAX DEPRECIATION
SCHOFIELD GENERATION STATION**

Project No.	Description	Book Basis	Less: AFUDC	Add: TCI	Tax Basis	Plant Acct	Life	Bonus	2018	2019	Net Book Value
FEDERAL											
P0001576	Schofield Generation Station	64,076,545	(5,275,285)	3,384,005	62,185,266	Oth Prod	15	50%	32,647,265	2,953,800	28,475,480
P0001576	Schofield Generation Station	64,076,545	(5,275,285)	3,384,005	62,185,266	Oth Prod	15	0%	3,109,263	5,907,600	55,059,682
P0001576	Schofield Generation Station	5,625,855	(510,973)	327,780	5,442,663	Trans	20	50%	2,823,381	196,453	2,606,021
P0001576	Schofield Generation Station	5,625,855	(510,973)	327,780	5,442,663	Trans	20	0%	204,100	392,906	5,028,849
P0001576	Schofield Generation Station	1,082,599	(65,056)	41,732	1,059,276	Comm	20	50%	549,499	38,235	494,865
P0001576	Schofield Generation Station	1,082,599	(65,056)	41,732	1,059,276	Comm	20	0%	39,723	76,469	966,407
Total		141,570,000	(11,702,627)	7,507,036	137,374,409				39,373,231	9,565,463	92,631,306
Cumulative										48,938,694	
HAWAII											
P0001576	Schofield Generation Station	128,153,091	(10,550,569)	6,768,010	124,370,532	Oth Prod	15	0	6,218,527	11,815,201	110,119,363
P0001576	Schofield Generation Station	11,251,710	(1,021,945)	655,561	10,885,325	Trans	20	0	408,200	785,812	10,057,698
P0001576	Schofield Generation Station	2,165,199	(130,112)	83,465	2,118,551	Comm	20	0	79,446	152,938	1,932,815
Total		141,570,000	(11,702,627)	7,507,036	137,374,409				6,706,173	12,753,951	122,109,876
Cumulative										19,460,124	

Hawaiian Electric Company, Inc.
Breakdown of SGS Costs by Major Area
Actuals through December 2018

TOTAL PLANT ADDITIONS:							(Note 1)	
Expense Element	A	B	C	D	E=SUM(B:D)	F=A+E	Allocation %	Subject to Cap
	Generating Station and Switchyard	46kV Line	Telecom	Wahiawa Substation	Total Interconnection	Total Project		
Labor	2,293,428	1,712,982	305,919	741,234	2,760,135	5,053,564	3.5%	4,942,763
Materials	32,932,285	1,523,772	545,040	512,566	2,581,378	35,513,663	24.5%	34,735,016
Vehicles	2,062	117,109	187	563	117,859	119,921	0.1%	117,292
Overheads	12,885,912	2,456,221	544,975	928,736	3,929,932	16,815,844	11.6%	16,447,152
AFUDC	10,787,079	703,160	133,029	341,694	1,177,883	11,964,962	8.3%	11,702,627
Outside Services-Construction	69,147,360	614,746	59,095	80,179	754,019	69,901,379	48.3%	68,368,772
Outside Services-Other	2,550,389	1,421,977	621,195	348,999	2,392,171	4,942,560	3.4%	4,834,193
Other	427,354	-	4,296	-	4,296	431,650	0.3%	422,186
	131,025,869	8,549,966	2,213,736	2,953,971	13,717,673	144,743,542	100.0%	141,570,000

BREAKDOWN SUBJECT TO CAP:							(Note 1)	
Expense Element	A1	B1	C1	D1	E1=SUM(B1:D1)	F1=A1+E1	State ITC	
	Generating Station and Switchyard	46kV Line	Telecom	Wahiawa Substation	Total Interconnection	Total Project		
Labor	2,243,144	1,675,424	299,212	724,982	2,699,618	4,942,763		
Materials	32,210,236	1,490,363	533,090	501,328	2,524,781	34,735,016	34,735,016	
Vehicles	2,017	114,541	183	551	115,275	117,292		
Overheads	12,603,385	2,402,368	533,026	908,373	3,843,767	16,447,152		
AFUDC	10,550,569	687,743	130,112	334,202	1,152,058	11,702,627		
Outside Services-Construction	67,631,285	601,267	57,799	78,421	737,487	68,368,772	68,368,772	
Outside Services-Other	2,494,471	1,390,800	607,576	341,347	2,339,722	4,834,193		
Other	417,984	-	4,202	-	4,202	422,186		
	128,153,091	8,362,506	2,165,199	2,889,204	13,416,909	141,570,000		
Amount subject to bonus	50%	50%	50%	50%	50%	50%	103,103,789	
	64,076,545	4,181,253	1,082,599	1,444,602	6,708,455	70,785,000	4%	4,124,152
								5,625,855
Tie out of TCI:								
AFUDC	10,550,569	687,743	130,112	334,202	1,152,058	11,702,627		
ratio - 5 year average	64.15%	64.15%	64.15%	64.15%	64.15%	64.15%		
TCI	6,768,010	441,175	83,465	214,385	739,025	7,507,036		655,561

Source: Ellipse & SAP

Note 1:
Allocated 12/31/18 Plant Addition subject to the cap of \$141.57M. See further discussion at HECO-WP-L-001.

Hawaiian Electric Company, Inc.
Annual - TCI Closed to AFUDC Closed Ratio

	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>5 Yr Ave</u>
TCI	3,820,695	4,825,860	4,299,588	4,056,549	5,041,274	22,043,966
AFUDC	5,511,275	7,365,025	6,668,924	6,540,575	8,278,273	34,364,072
Ratio	0.693251	0.655240	0.644720	0.620213	0.608977	0.641483

Hawaiian Electric Company, Inc.
MPIR Removal Costs
Actuals Through December 31, 2018

Row Labels	Sum of amount
Labor	90,530
Materials	46
Overheads	94,426
Grand Total	185,002

SOURCE: Ellipse & SAP

ATTACHMENT 2

Updated Revised Sheet No. 92E
(Clean and Blackline)

HAWAIIAN ELECTRIC COMPANY, INC.

REVENUE BALANCING ACCOUNT ("RBA") PROVISION (continued)

H: TARGET REVENUES CURRENTLY IN EFFECT

Hawaiian Electric Company, Inc.
Annual Target Revenue (\$000s)

	<u>Description</u>	<u>Amount</u>
1	Electric Sales Revenue (Unadjusted)	\$1,531,852
2	Tax Act Implementation Lag	<u>(\$2,143)</u>
3	Electric Sales Revenue (Adjusted)	\$1,529,709
	Less:	
4	Fuel Expense	(\$327,609)
5	Purchase Power Expense	(\$466,211)
6	Revenue Tax on Electric Sales Revenue	<u>(\$135,915)</u>
7	Last Rate Order Target Revenues	\$599,974
8	Authorized RAM Revenues	\$13,828
9	Revenue Tax	<u>(\$1,229)</u>
10	Net RAM Adjustment	\$12,599
11	Authorized MPIR Revenues	\$19,811
12	Revenue Tax	<u>(\$1,760)</u>
13	Net MPIR Adjustment	\$18,051
14	Earnings Sharing Revenue Credits	\$0
15	Revenue Tax	<u>\$0</u>
16	Net Earnings Sharing Revenue Credits	\$0
17	Effective Target Revenue	\$630,624

Notes:

Totals may not add, due to rounding.

Lines 1,4,5: Final Decision and Order No. 35545, issued June 22, 2018 in Docket No. 2016-0328. Exhibit A.

Line 2: Hawaiian Electric March 2018 Settlement Tariff Sheets, Attachment 1, Line 2. Filed March 16, 2018 in Docket No. 2016-0328.

Lines 6,9,12: Revenue Tax based on 8.885% statutory rates.

Lines 8,14: Transmittal No. 18-01 Schedule A, filed March 29, 2018.

Lines 11,17: Schedule B1, filed February 7, 2019 as Transmittal No. 19-01.
Change in Effective Target Revenue for MPIR is effective January 1, 2019.
See Order 35556, filed June 27, 2018 in Docket No. 2017-0213.

HAWAIIAN ELECTRIC COMPANY, INC.

Docket No. 2017-0213; Order No. 35556, issued June 27, 2018.
Transmittal Letter Dated February 7, 2019.

Superseding REVISED SHEET NO. 92E
Effective January 1, 2019

REVISED SHEET NO. 92E
Effective June 1, 2019

Deleted: August 17, 2018

Deleted: January 1, 2019

REVENUE BALANCING ACCOUNT ("RBA") PROVISION (continued)

H: TARGET REVENUES CURRENTLY IN EFFECT

Hawaiian Electric Company, Inc.
Annual Target Revenue (\$000s)

	<u>Description</u>	<u>Amount</u>
1	Electric Sales Revenue (Unadjusted)	\$1,531,852
2	Tax Act Implementation Lag	<u>(\$2,143)</u>
3	Electric Sales Revenue (Adjusted)	\$1,529,709
	Less:	
4	Fuel Expense	(\$327,609)
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Deleted: 35953

Deleted: December 14, 2018

Deleted: December 21, 2018

HAWAIIAN ELECTRIC COMPANY, INC.

Docket No. 2017-0213; Order No. 35556, issued June 27, 2018.
Transmittal Letter Dated February 7, 2019.

BEFORE THE PUBLIC UTILITIES COMMISSION
OF THE STATE OF HAWAI'I

In The Matter of)
)
HAWAIIAN ELECTRIC COMPANY, INC.) Transmittal No. 19-01
)
Notice Transmittal to Update Target) Effective Date: June 1, 2019
Revenue for Schofield Generating Station)
through the Major Project Interim Recovery)
Adjustment Mechanism.)

CERTIFICATE OF SERVICE

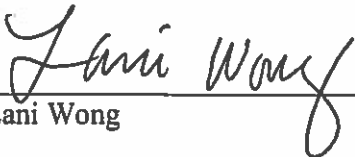
I hereby certify that the foregoing Transmittal No. 19-01 was served on the date of filing by hand delivery, and/or by electronic service, as indicated below.

Dean Nishina
Executive Director
Division of Consumer Advocacy
Department of Commerce and Consumer Affairs
335 Merchant Street, Room 326
Honolulu, Hawai'i 96813

2 Copies
Hand Delivery

DATED: Honolulu, Hawai'i, February 7, 2019.

HAWAIIAN ELECTRIC COMPANY, INC.



Lani Wong