BEFORE THE PUBLIC UTILITIES COMMISSION

OF THE STATE OF HAWAIʻI

In the Matter of the Application of HAWAIʻI ELECTRIC LIGHT COMPANY, INC. For approval to modify the RBA Rate Adjustment in its Revenue Balancing Account Provision Tariff and approval of the Measured Performance and Calculation of the PIM Financial Incentives and Performance Incentive Adjustment	Transmittal No. 19-02 (Decoupling) Effective Date: June 1, 2019

I

In accordance with the Final Decision and Order in Docket No. 2008-0274, Hawaiʻi Electric Light Company, Inc. ("Hawaiʻi Electric Light" or "Company") files its annual transmittal to revise paragraph E (Tariff Revised Sheet No. 91D) of its Revenue Balancing Account ("RBA") Provision tariff ("RBA Tariff") to revise the RBA Rate Adjustment by \$0.001408 from the current rate of \$0.010006 per kilowatt-hour ("kWh") to the new rate of \$0.011414 per kWh, effective June 1, 2019 through May 31, 2020. The RBA Rate Adjustment is based on the Company's RBA balance at the end of 2018 and the Company's Rate Adjustment Mechanism ("RAM") Revenue Adjustment for calendar year 2019.

II

Hawaiʻi Electric Light, whose executive office is located at 1200 Kilauea Avenue, Hilo, Hawaiʻi, is a corporation duly organized under laws of the Republic of Hawaiʻi on or about December 5, 1894, and now exists under and by virtue of the laws of the State of Hawaiʻi. Hawaiʻi Electric Light is an operating public utility engaged in the production, purchase, transmission, distribution and sale of electricity on the island of Hawaiʻi.

III

Correspondence and communications in regard to this Transmittal No. 19-02 are to be addressed to:

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IV

Hawaiʻi Electric Light seeks Commission authorization of this tariff transmittal pursuant to Sections 16-601-111, 16-601-74, 16-601-75, and 16-601-86 of the *Rules of Practice and Procedure before the Public Utilities Commission*, Hawaiʻi Administrative Rules ("HAR"), Title 16, Chapter 601. The proposed tariff revisions are in accordance with the Final Decision and Order in Docket No. 2008-0274, Order Nos. 32735 and 34514 in Docket No. 2013-0141 and other orders as explained herein.

V

Pursuant to HAR §16-601-76, Hawai‘i Electric Light incorporates by reference its latest available balance sheet and income statement for the twelve months ending December 31, 2018 filed with the Commission on February 28, 2019.

VI

On August 31, 2010, the Commission issued its *Final Decision and Order* in Docket No. 2008-0274, approving the decoupling mechanism for the Hawaiian Electric Companies.[1] Beginning in 2012, Hawai‘i Electric Light filed tariff transmittals to annually establish an RBA Rate Adjustment, which the Commission subsequently approved.[2]

On February 7, 2014, the Commission issued Decision and Order No. 31908 on the Schedule A issues in Docket No. 2013-0141, which directed the modification of certain provisions of the decoupling mechanisms. These modifications included use of the short term debt rate, as established in deriving the consolidated cost of capital in each of the Companies' last full rate case, to compute interest on the outstanding RBA balance.

On March 31, 2015, the Commission issued Order No. 32735 in Docket No. 2013-0141, which directed the Companies to make certain modifications to their decoupling mechanisms to be applied beginning with the Companies' 2015 decoupling filings. Among the modifications to

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[1] The "Hawaiian Electric Companies" or "Companies" are Hawaiian Electric Company Inc. ("Hawaiian Electric"), Hawai‘i Electric Light, and Maui Electric Company, Limited ("Maui Electric").

[2] Refer to Transmittal Nos. 12-03, 13-02, 14-04, 15-04, 16-02, 17-03, and 18-02 filed April 11, 2012, March 28, 2013, March 31, 2014, March 31, 2015, March 31, 2016, March 31, 2017, and March 29, 2018 respectively, and approved in *Order No. 30435 Approving HELCO's Tariff Transmittal Filed on April 11, 2012, as Revised on April 18, 2012, Order No. 31287 Consolidating Proceedings and Approving Multiple Tariff Transmittals*, *Order No. 32112 Consolidating Proceedings and Approving Tariff Transmittals*, *Order No. 32883 Consolidating Proceedings and Approving Amended Tariff Transmittals, as revised on June 3, 2015, Order No.33724 Consolidating Proceedings, Providing Clarifications, and Approving Tariff Transmittals As Amended, Order No. 34581 Providing Clarifications and Approving Tariff Transmittals as Amended, and Order No. 35493 Approving Tariff Transmittals as Amended,* respectively. For information on past years' filings as well as additional background information on decoupling, refer to the transmittals cited here.

the RAM, the Commission amended the RAM Revenue Adjustment to be the lesser of (a) the RAM Revenue Adjustment determined according to tariffs and procedures "existing" at the time of issuance of Order No. 32735 ("Original RAM Methodology") or (b) a RAM Revenue Adjustment Cap ("RAM Cap"). The RAM Cap shall be based on the target revenues[3] determined in accordance with the RBA and RAM tariffs times the cumulative annually compounded increase(s) in GDPPI for intervening years, adjusted to include applicable revenue taxes.[4]

On April 27, 2017, the Commission issued Order No. 34514 in Docket No. 2013-0141, which, among other things, established initial Performance Incentive Mechanisms ("PIMs") to ensure that costs savings between general rate cases are not attained by measures that result in reduced reliability or customer service quality. Regarding reliability PIMs, the Commission found that a System Average Interruption Duration Index ("SAIDI") PIM and a System Average Interruption Frequency Index ("SAIFI") PIM would be reasonable and beneficial mechanisms for each of the Hawaiian Electric Companies.[5] [6] Regarding a customer service quality PIM, the Commission found that a service level/call center performance PIM is reasonable and beneficial for each of the Hawaiian Electric Companies to implement.[7] The Commission ordered the financial incentives for the PIMs to be in terms of basis points on earnings and the initial maximum financial incentives for SAIDI and SAIFI reliability PIMs should be based on twenty

[3] Order No. 32735 at 95-96.
[4] Order No. 32735 at 94.
[5] Order No. 34514 at 32.
[6] The Commission implemented the SAIDI and SAIFI reliability PIMs with asymmetrical incentives as proposed by the Consumer Advocate. See Order No. 34514 at 55.
[7] Order No. 34514 at 38.

(20) basis points, and maximum incentives for the customer service PIM should be eight (8) basis points.[8]

In addition, Order No. 34514 established a Major Project Interim Recovery ("MPIR") adjustment mechanism. The MPIR adjustment mechanism is a reconciled cost recovery mechanism to provide opportunity for reasonable recovery of specifically allowed revenues for the net costs of approved eligible projects placed in service between general rate cases under circumstances wherein cost recovery is limited by a revenue cap and is not provided for by other effective recovery mechanisms. Projects and costs that may be eligible for recovery through the MPIR adjustment mechanism are Major Projects subject to review and approval in accordance with the applicable provisions of General Order No. 7.[9]

On December 29, 2017, the Commission issued Order No. 35165 in Docket No. 2013-0141, which ordered the Hawaiian Electric Companies to file revised PIM and RBA tariff sheets to become effective January 1, 2018, consistent with the amended tariff language provided by the Commission in Order No. 35075. The amended PIM tariff language ordered the Hawaiian Electric Companies to file, on or before March 31 of the year following an evaluation period, a transmittal documenting the Measured Performance and calculation of the PIM Financial Incentives and Performance Incentive Adjustment for the Evaluation Period[10]. The review of the annual PIM Provision transmittal will be conducted concurrent with and in conjunction with the annual RBA review transmittal (also referred to as the "annual decoupling transmittal" or "annual decoupling filing").[11]

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[8] Order No. 34514 at 51-52.
[9] Order No. 34514, Attachment A at 3.
[10] 2018 is the first year that the PIMs are in effect. The evaluation period is calendar year 2018.
[11] See Order No. 35075 filed on December 1, 2017, in Docket No. 2013-0141.

On April 6, 2018, the Commission issued Order No. 35405 in Docket No. 2017-0352, which established a PIM for procurement of qualified variable renewable dispatchable generation in phase 1 of the Companies' Final Variable Request for Proposals ("Phase 1 Renewable Energy RFP PIM"). In its Order, the Commission stated that for the Purchased Power Agreements ("PPAs") submitted by the end of 2018, the Companies shall receive a performance incentive equivalent to 20% of the estimated first year savings compared to the applicable benchmark, up to a cap of $3,500,000. This performance design does not include a penalty for failure to successfully execute the procurement process. The Commission determined that a reasonable benchmark for renewable energy projects paired with storage is 11.5 cents per kWh, and 9.5 cents per kWh for renewable energy-only projects. [12]

Order No. 35405 further noted that the allocation of the total amount of the PIM to the Companies will occur over two periods. The first allocation of 50% of the total PIM will occur shortly after the approval of the PPAs and that the performance incentive would be awarded to the Companies through their respective RBA tariffs. The second 50% allocation would occur following the first year of commercial operations of each project and the Companies submitting a report of the actual energy utilized by the Companies for each of the PPAs approved by the Commission. If the Companies do not utilize the full amount of energy forecasted, the second incentive award will be prorated in proportion to the actual amount of energy utilized by the Companies.[13]

On March 11, 2019, the Commission issued Decision and Order No. 36212 ("D&O 36212") in Docket No. 2017-0102 (Recovery of Implementation Costs Related to the On-Bill Financing Program), which ordered the Companies to recover On-Bill Financing Program

[12] Order No. 35405 at 11-12.
[13] Order No. 35405 at 14-15.

("OBF") implementation costs over a period of two years, starting with the 2019 RBA Rate Adjustment.[14] In addition, D&O 36212 ordered that the Companies may propose allocating the total OBF implementation costs for each utility proportionally based on the number of customers for each utility. One half of the allocated OBF implementation costs, with appropriate adjustment for revenue taxes, will be allowed as an upward adjustment to target revenues used in the determination of each Company's RBA Rate Adjustment for each of the twelve-month periods commencing with June 1, 2019, and June 1, 2020. The OBF costs and appropriately associated revenue taxes shall not be subject to limitation by the RAM Cap and shall not be included in the basis for determining the RAM Cap. The Companies may recover the outstanding monthly OBF costs through the RBA Rate Adjustment in accordance with the normal interest rate and operation of the RBA Provision, but shall not otherwise collect a return on OBF implementation costs.[15]

VII

By this Transmittal, Hawai'i Electric Light proposes to revise its decoupling RBA Rate Adjustment from the current rate of $0.010006 per kWh to the new rate of $0.011414 per kWh, effective June 1, 2019 through May 31, 2020.

The Company calculated its RBA Rate Adjustment according to its RBA and RAM tariff provisions[16] and the provisions of Order Nos. 32735, 32866[17], 34514, 35709, 36212, and 35405. The 2019 RBA Rate Adjustment includes the recovery of the RBA balance at year end 2018, the calculated RAM revenue adjustment for calendar year 2019, recovery of the OBF implementation costs for year one of two, the calculated PIMs revenue adjustment at year end

[14] D&O 36212 at 18.
[15] D&O 36212 at 19.
[16] Refer to Tariff Revised Sheet Nos. 89, 89A – 89H, 91 and 91A – 91D.
[17] See Order No. 32866 in Transmittal Nos. 15-03, 15-04, and 15-05 (consolidated).

2018, and a refund related to the final Decision and Order in the Hawai‘i Electric Light 2016 test year rate case[18].

In total, Hawai‘i Electric Light’s 2019 RBA Revenue Adjustment is $12.1 million, consisting of $2.1 million for the RBA balance for year-end 2018, $10.1 million in RAM revenue adjustment for 2019, ($0.02) million for the net PIM revenue adjustment, and ($0.07) million for the 2016 test year refund .

Approximately 17% of the RBA Rate Adjustment includes the recovery of the RBA balance at year end 2018, which includes recovery of one-half of the OBF Program Implementation Cost Recovery; 83% corresponds to the 2019 RAM Revenue Adjustment (which was limited to the RAM Cap), and -0.7% for the PIM revenue adjustment and Hawai‘i Electric Light 2016 test year refund. There are no adjustments to the RBA Rate Adjustment for earnings sharing revenue credits or for Commission-ordered major capital project credits or baseline capital project credits. (Refer to Schedule A of Attachment 2 described in Section VIII of this tariff transmittal.) Based on the revised rate, a monthly bill for a Hawai‘i Electric Light residential customer using 500 kWh of electricity would increase by $0.71.[19]

The 2019 RBA Rate Adjustment will replace the 2018 RBA Rate Adjustment in the Company’s Revenue Balancing Account Provision tariff and, as more fully discussed below, reflects the RBA balance as of the end of 2018, the RAM Revenue Adjustment subject to the

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[18] In accordance with HRS § 269-16(d), Hawai‘i Electric Light will refund to customers with interest the interim revenues collected in excess of the final increase authorized by Final Decision and Order No. 35559. The Company has calculated a refund amount of $74,000 including interest. See Hawai‘i Electric Light’s Reply Statement of Position on Refund, Exhibit 1, revised and filed July 25, 2018, and approved by the Commission in Order No. 35709, filed September 21, 2018.

[19] The monthly bill impact for a household using 500 kWh with the revised rate would be $5.71 as compared to $5.00, based on the current rate. See Schedule A, line 12 of this transmittal.

RAM Cap and adjustments as described above. The following sections explain the amounts that make up the 2019 RBA Revenue Adjustment.

1. <u>RBA Balance</u>

The RBA revenue balance results from the sales decoupling component of the Commission-approved decoupling mechanism which breaks the linkage between the Company's sales and total electric revenue.[20] The approved RBA tariff allows Hawai'i Electric Light to record revenues only at target revenue levels (i.e., those authorized in the Hawai'i Electric Light 2016 test year rate case[21], plus the effective RAM Revenue Adjustments, less any applicable earnings sharing and/or major or baseline capital project credits), independent of the level of sales experienced. The approved RBA tariff also requires interest to be recorded monthly to the RBA at the short-term interest rate[22] applied to the net-of deferred income tax balance[23].

In 2018, the Company revised its interest calculation based on the statutory language of Internal Revenue Code §451(b) retroactive to January 2018, when an accumulated deferred income tax ("ADIT") adjustment as a result of the 2017 Tax Cuts & Jobs Act began. The interest rate applied to net of ADIT RBA balances continued to be the approved short term interest rate according to each respective Company's final rate orders.

The cumulative RBA balance at the end of 2018 was $1.7 million, and consisted of revenues recorded in the RBA as a result of decoupling, net of the amounts previously recovered through the RBA Rate Adjustment. This is a decrease of $1.9 million from the RBA balance at

[20] Decision and Order No. 30168, issued February 8, 2012 in Docket No. 2009-0164, page 97.
[21] See Final Decision and Order No. 35559, filed on June 29, 2018, in Docket No. 2015-0170 ("Hawai'i Electric Light 2016 Final D&O").
[22] In accordance with Order No. 32001, dated March 28, 2014, in Docket No. 2013-0141, the annual rate used to calculate interest on the RBA balance is the short term debt rate as established in computing the consolidated cost of capital in the Company's last full rate case.
[23] Additionally, based on Decision and Order No. 31908 in Docket No. 2013-0141 and pursuant to IRS approval to change the tax treatment of its RBA revenues, effective January 1, 2014, the Company changed its basis for computing interest from a gross to a net-of-deferred income tax RBA balance.

the end of 2017 of $3.6 million, and was the result of Hawai‘i Electric Light recovering $3.5 million of the RBA balance through the RBA Rate Adjustment and recording $1.5 million in revenues,[24] adjustments, and interest for 2018. Therefore, the 2018 year-end balance of $1.7 million represents the unrecovered cumulative RBA balance and additional amounts due to a shortfall in revenues[25]. Because the revenues associated with the RBA balance have already been recorded, they have already been reflected in the Company's net income and will not contribute to the Company's earnings in 2019.

The total RBA balance (including the OBF Program Implementation Cost Recovery for year 1 of 2) of $1.9 million is grossed-up to $2.1 million to include revenue taxes.

New items in the 2019 RBA Revenue Adjustment are: 1) PIM adjustments, 2) OBF cost recovery, and 3) the refund for the 2016 test year rate case. These items are discussed in the sections below.

1.1. Performance Incentive Mechanism Provision

In accordance with Order Nos. 35165, 35405, and its Performance Incentive Mechanism Provision tariff,[26] Hawai‘i Electric Light has included in this transmittal the 2018 measured PIM performance and calculation of the PIM financial incentives and performance incentive adjustment for the 2018 evaluation period. The table below provides a summary of the Company's 2018 PIM performance and the calculated 2018 financial incentives:

[24] This represents the difference between target revenues and recorded adjusted revenues, plus any adjustments for 2018.
[25] That is, "recorded adjusted revenue" as defined in the RBA Tariff.
[26] See Hawai‘i Electric Light, Performance Incentive Mechanism Provision tariff, Sheet No. 95, effective January 1, 2018.

2018[27]	2018 Performance Score	2018 Performance Target	2018 Standard Deviation	Maximum $ reward (penalty)	2018 Calculated reward (penalty)
SAIFI	1.615	1.396	0.247	($546,017)	
SAIDI	209.14	137.74	24.74	($546,017)	($546,017)
Call Center Performance	83.60%	85.83%	3.00%	$218,407	
Phase 1 Renewable Energy RFP					$530,582
Total					**($15,435)**

The 2018 total net penalty of $15,435 has been incorporated into Schedule A of the Company's decoupling template, as shown in Attachment 2, Schedule A, line 6, of this transmittal. For more details regarding the calculation of the 2018 performance and financial incentive, see Attachment 2, Schedule M of this transmittal.

1.1.1. Reliability PIMs

Hawai‘i Electric Light's 2018 SAIDI and SAIFI year-end results were higher than their respective PIM targets—SAIDI was significantly higher, while SAIFI was within one standard deviation of its PIM target. This was due in large part to the amount of SAIDI attributable to weather-caused service interruptions being significantly higher than the 10-year historical averages on which the PIM targets are based. The amount of SAIDI due to weather for 2018 (71 minutes) was more than six times the 10-year historical average, of which over 20 minutes were attributed to the effects of Hurricane Lane but not large enough to exclude due to it spanning multiple days. The amounts of SAIDI due to public-caused interruptions for 2018 (33 minutes)

[27] The 2018 PIMs target, deadband, and maximum penalty amount were determined using a weighted average calculation based on the effective dates of interim and final orders issued in the Company's 2016 test year rate case (Docket No. 2015-0170). See Company's Tariff Sheet No. 95A which states, "the Performance Targets, Deadbands and the amount of Maximum Financial Incentives used to determine the PIM Financial Incentive levels for each of the PIMs shall be re-determined upon issuance of an interim or final order in a general rate case for each Company and shall remain constant in interim periods, unless otherwise amended, as necessary, by order of the Commission."

was nearly twice that of the previous 10-year average with a single incident in January contributing over 9 minutes of SAIDI. Hawai‘i Electric Light also had to deal with the damaging effects of the Kilauea Volcano eruption in 2018 (lava event) that added about 21 minutes to its SAIDI and 0.3 interruptions to its SAIFI—none of which was excludable as Major Event Days by following IEEE Standard 1366 2.5 Beta methodology. The amounts of SAIDI for 2018 due to equipment failures, vegetation, and system maintenance were lower than their 10-year historical averages. However, they were not enough to offset the higher SAIDI amount in 2018 due to weather, public, and lava-event related interruptions.[28]

1.1.2. Phase 1 Renewable Energy RFP PIM

On March 25, 2019, the Commission approved two PPAs related to the Company’s purchase of renewable dispatchable generation. The two awarded projects were:

1. AES Waikoloa Solar- Decision and Order No. 36233 in Docket No. 2018-0430
2. Hale Kuawehi Solar- Decision and Order No. 36234 in Docket No. 2018-0432

As shown in HELCO-WP-M-004 to this transmittal, the Company calculated its shared savings incentive for these two PPAs to total $5.3 million. In accordance with Order No. 35405, the Company’s Phase 1 Renewable Energy RFP PIM incentive in this transmittal is equal to one-half of 20% of the savings from each PPA, for a total of $0.5 million[29].

In total, the Companies are requesting to recover $1.7 million in the 2019 annual decoupling filings for the Phase 1 Renewable Energy RFP PIMs, which is below the total $3.5

[28] The Companies will be providing a more detailed explanation regarding 2018 reliability PIM results at the upcoming 2019 decoupling meeting on April 5, 2019. The Companies also intend to file, as soon as next month (April 2019), a proposal for modifications to the existing SAIDI and SAIFI PIMs.
[29] AES Waikoloa Solar- $2,893,169 + Hale Kuawehi Solar- $2,412,654 = ($5,305,823 x 20%) / 2 = $530,582. See HELCO-WP-M-004 for more details.

million cap approved by the Commission in Order No. 35405. Please see the table below for a breakdown.

Phase 1 Renewable Energy RFP PIM	**PIM Reward**	**Reference**
Hawaiian Electric	$591,854	Transmittal No. 19-01, HECO-WP-M-005
Hawai‘i Electric Light	$530,582	Transmittal No. 19-02, HELCO-WP-M-004
Maui Electric	$610,017	Transmittal No. 19-03, MECO-WP-M-004
Total	**$1,732,453**	

1.2. <u>On Bill Financing (“OBF”)</u>

In accordance with D&O 36212, the Company has added recovery of OBF implementation costs of $215,780 to the RBA prior calendar year-end balance, as shown on Schedule A in Attachment 2 to this filing. The amount of $215,780 represents year one of Hawai‘i Electric Light’s portion of the OBF implementation costs (net of revenue taxes) that were approved in D&O 36212. The detailed support and calculations can be found in Schedule N in Attachment 2 to this filing.

1.3. <u>2016 Test Year Refund</u>

In Order No. 35709, the Commission approved the Company’s refund calculation of $74,000, including interest and revenue taxes, for the amount of refund due to customers as a result of Final Decision and Order No. 35559 in the Hawai‘i Electric Light 2016 test year rate case. The Company reflected this refund as a credit to customers through the RBA Rate Adjustment effective June 1, 2019, including interest for the period from the original interim order through May 31, 2019. The Company will include the 2016 test year rate case refund as an adjustment to decrease the RBA Rate Adjustment at Schedule A along with Target Revenues at Schedule B1.

1.4. Sales

Hawai‘i Electric Light’s 2018 recorded sales totaled 1,064.1 gigawatt-hours (“GWh”), which was 23.4 GWh, or 2.2% higher than the 1,040.7 GWh 2016 test year amount (based on the March 2016 forecast update) adopted in the Hawai‘i Electric Light 2016 test year rate case.

The higher than forecasted sales in 2018 include sales gains in the residential sector which was 56.0 GWh or 15.4% above the 2016 test year levels. (see Table 1 below). This resulted from an increased number of customers combined with a higher monthly average use per customer. A portion of the increase was due to a one-time transfer of approximately 1,300 accounts from commercial rate schedule G to residential rate schedule R that occurred in late 2017 representing 6-7 GWh annually. The transfers resulted from a change in the process for converting a temporary electric service account to qualify for residential service. The higher average use from the test year estimates was due in part to the warmer than average weather assumed in the forecast. The higher residential sales were offset by lower sales in the commercial sector in 2018, with a shortfall of 32.6 GWh or 4.8%.

Table 1
Comparison of 2018 Actuals to TY2016

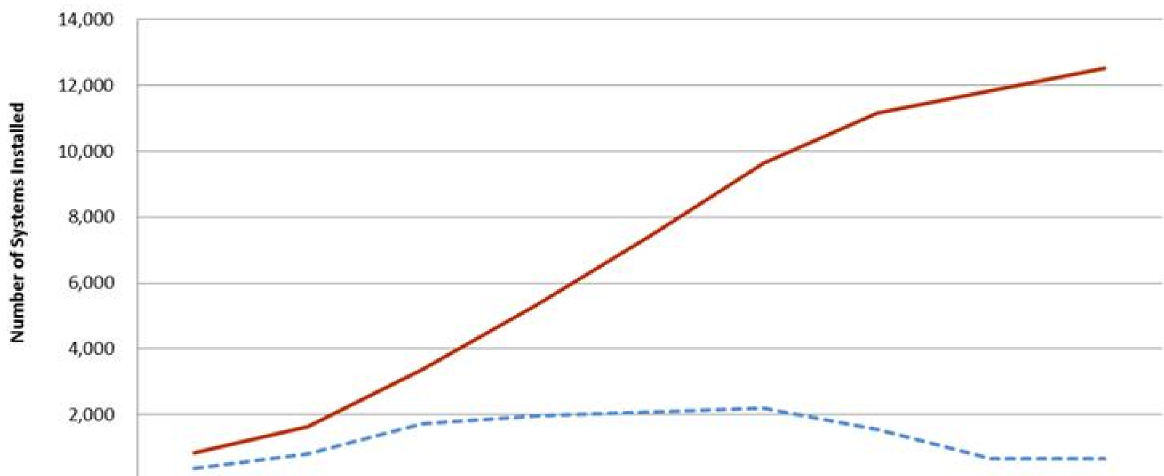
	TY2016	2016 Actuals	2017 Actuals	2018 Actuals	Difference 2018 & TY2016	% Diff
Residential Sector						
Sales (GWh)	363.9	386.0	392.0	419.9	56.0	15.4%
Customers	71,533	71,518	72,494	74,289	2,756	3.9%
Average Monthly Use (kWh/Customer)	424	450	451	471	47	11.1%
Renewable Generation GWh Impacts [1]	74.9	75.0	82.7	84.4	9.5	12.7%
Energy Efficiency Impacts (GWh) [2]	68.6	69.3	75.8	82.0	13.4	19.5%
Electricity Price (Nominal) ¢/kWh [3]	30.3	31.5	34.2	37.1	6.8	22.4%
Commercial Sector						
Sales (GWh)	676.8	681.4	654.9	644.2	(32.6)	-4.8%
Customers	13,166	13,090	12,896	11,522	(1,644)	-12.5%
Renewable Generation GWh Impacts [1]	38.7	35.6	43.3	47.1	8.4	21.6%
Energy Efficiency Impacts (GWh) [2]	52.8	55.6	65.6	72.3	19.5	36.8%
Electricity Price (Nominal) ¢/kWh [3]	26.8	27.6	30.2	33.5	6.8	25.2%
Total Sales (GWh)	1,040.7	1,067.4	1,046.9	1,064.1	23.4	2.2%
% Difference		2.6%	-1.9%	1.6%		
Weather [4]						
Cooling Degree Days [5] Hilo	3,412	3,991	3,529	3,914		
Cooling Degree Days [5] Kona	4,814	5,272	4,922	4,950		
Average Dew Point Temperatures Hilo (degrees)		67.0	66.3	68.3		
Average Dew Point Temperatures Kona (degrees)		67.7	65.4	66.8		

[1] Cumulative impacts are from systems installed under the NEM, SIA, CGS, CSS, GSP and ISE Tariffs.
[2] TY2016 estimates are based on short-term projections received in 2016 from Hawaii Energy and EnerNOC Utility Solution's 2013 potential study.
Actuals include impacts provided by Hawaii Energy. Data subject to change.
[3] Actual average annual electricity price excluding Schedule F. TY2016 reflects February 2016 YTD electricity prices.
[4] TY2016 Cooling Degree Days reflect 30-year averages (1985-2014).
[5] A cooling degree day is a measurement designed to reflect the demand for energy to cool a home or business.
It is calculated by subtracting 65 from the day's average temperature.

Both residential and commercial sales were impacted by higher penetrations of customer-sited renewable generation systems installed under Net Energy Metering ("NEM"), Standard Interconnection Agreements ("SIA"), Customer Grid-Supply ("CGS"), Customer Self-Supply ("CSS"), Customer Grid-Supply Plus ("GSP"), and Smart Export ("ISE"). The cumulative 2018 impacts of systems installed under NEM, SIA, CGS, CSS, GSP, and ISE were higher than the 2016 test year assumed impacts by 12.7% for the residential sector and 21.6% for the commercial sector. As shown in the 2017 Net Energy Metering Status Report filed January 29, 2018, page 2 and the Distributed Energy Resources Quarterly Compliance Filings in Docket

No. 2014-0192, page 15, the cumulative number of NEM, CGS, CSS, GSP and ISE installed systems on Hawai‘i Electric Light’s grid jumped from 846 in 2010 to 12,512 in 2018, a 1,379% increase over eight years, with a 30.0% increase from 2015 to 2018 alone. Refer to the graph below for the number of NEM, CGS, CSS, GSP and ISE systems installed by year.

Hawaii Electric Light NEM, CGS, CSS, GSP and ISE Systems Installed by Year



	2010	2011	2012	2013	2014	2015	2016	2017	2018
Incremental	371	804	1,734	1,952	2,080	2,210	1,545	666	675
Cumulative	846	1,650	3,384	5,336	7,416	9,626	11,171	11,837	12,512

Sources: Hawaiian Electric Companies 2017 Net Energy Metering Status Report, filed 1/29/2018, page 3, Hawaiian Electric Companies Docket No. 2014-0192 - Distributed Energy Resource Policies Investigation Decision and Order No. 33258 Compliance Filing 1/31/17, 1/31/18 and 1/31/19, page 15.

Also, the estimated impact to sales from the installation of energy efficient technologies was greater than the 2016 test year rate case forecast. Impacts consistent with Hawai‘i Energy’s short-term projections for Public Benefit Fund Administrator’s energy efficiency programs and codes and standards impacts from EnerNOC Utility Solutions’ State of Hawai‘i Energy Efficiency Potential Study, were used to develop the 2016 test year rate case forecast.

2. RAM Revenue Adjustment

In accordance with Order No. 32735, the RAM Revenue Adjustment is the lesser of (a) the RAM Revenue Adjustment calculated according to the Original RAM Methodology or (b) the RAM Cap. For the 2019 decoupling annual filing, the Company calculated the RAM Revenue Adjustment to be higher using the Original RAM Methodology, thereby triggering the use of the RAM Cap for the 2019 RAM Revenue Adjustment. See Schedule A1 and the summary table below.

	RAM Cap[30]	Original RAM Methodology[31]
2019 RAM Revenue Adjustment	$10.1 million	$10.6 million

The sections below further explain the calculations of both RAM Revenue Adjustment methodologies.

2.1. RAM Revenue Adjustment Cap

In calculating the 2019 RAM Cap, the basis, as shown in Schedule J in Attachment 2, is the Hawai‘i Electric Light 2016 Final D&O Target Annual Revenues of $146.0 million (See Schedule B1 in Attachment 2). The Commission approved 2017 RAM Cap increase amount of $2.9 million and 2018 RAM Cap increase amount of $3.1 million is added to the Target Annual Revenues to total 2018 Adjusted Target Revenues (before escalation) of $151.6 million. To determine the 2019 RAM Cap increase, the 2018 Adjusted Target Annual Revenues amount of $151.6 million is then multiplied by the 2019 GDPPI of 2.10% to calculate a 2019 RAM Cap increase (excluding Exceptional & Other Matters) of $3.2 million. The 2019 RAM Cap increase is then added to the 2017 and 2018 RAM Cap increases to total a 2019 RAM Cap of $9.2 million

30 2019 RAM Cap is calculated as $10,112,835. See Schedule A1.
31 2019 RAM Under Existing Tariffs $10,592,084 calculated as: O&M RAM ($3,579,136) plus Rate Base RAM-Return on Investment ($3,624,867) + Depreciation and Amortization Expense ($4,765,288) less Joint Pole Revenues (-$1,377,208). See Schedule A1.

(net of revenue tax). This amount is then multiplied by the revenue tax factor of 1.0975 to calculate a 2019 RAM Cap Revenue Adjustment of $10.1 million.

2.2. RAM Revenue Adjustment- Original RAM Methodology

The RAM Revenue Adjustment determined under the Original RAM Methodology totaled $10.6 million. Hawai‘i Electric Light's 2016 Final D&O is the basis for its 2019 Original RAM Methodology calculation. Below is a description of the four components: 1) O&M RAM, 2) Rate Base RAM, 3) Depreciation and Amortization RAM Expense, and 4) joint pole revenue reduction. In 2018, the Rate Base RAM and Depreciation and Amortization Expense were adjusted to reflect contributions in aid of construction ("CIAC") net in plant in service.

Because the total of the four components is higher than the 2019 RAM Cap shown above, the RAM Cap is applied for the 2019 RAM Revenue Adjustment.

2.2.1. O&M RAM Adjustment

Based on the Hawai‘i Electric Light 2016 Final D&O, the O&M RAM calculations reflect such increases in utility bargaining unit labor and non-labor costs. The 2019 O&M RAM adjustment of $3.6 million includes the 2019 bargaining unit wage increases as provided for in the current Collective Bargaining Agreement[32] with labor productivity offsets, plus applicable payroll taxes, and the GDPPI to escalate certain non-labor base expenses. (Refer to Attachment 2, Schedule C of this tariff transmittal.) Non-bargaining unit labor is not subject to escalation in the O&M RAM adjustment. Further, the non-labor cost escalation rate does not apply to any fuel, purchased power, Integrated Resource Planning ("IRP")/DSM, pension, Other Post-Employment Benefits ("OPEB"), Clean Energy/Renewable Energy Infrastructure or any costs

[32] The current Collective Bargaining Agreement was ratified by the IBEW, Local 1260, on July 31, 2018 and reflects a 3.00% increase effective January 1, 2019, January 1, 2020, January 1, 2021, based on January 1, 2018 rates.

that are subject to recovery through separate rate tracking mechanisms. The 2019 O&M RAM adjustment amount covers three years of inflation and wage increases since the 2016 test year.

2.2.2. Rate Base RAM and Depreciation and Amortization RAM

The rate base RAM return on investment adjustment ("Rate Base RAM Adjustment") totals $3.6 million, and the depreciation and amortization RAM expense is $4.8 million, as calculated under the Original RAM Methodology. The rate base RAM adjustment calculation of approximately $3.6 million is the result of the Company's investments in plant to support reliability of the Company's electrical infrastructure and preventively replace aging plant.[33] Based on the Hawai'i Electric Light 2016 Final D&O rate base for December 31, 2016, the Company updated the components of plant in service, ADIT, accumulated depreciation, and CIAC for 2016 test year balances.

The 2019 rate base RAM incorporates 2019 baseline plant additions (net of CIAC) based on an historical five-year average totaling $43.5 million. (Refer to Attachment 2, Schedule D2, line 33 and Schedule D1, line 25 of this tariff transmittal.). Since the 2019 RAM Projected Amount includes CIAC activity related to plant in service, CWIP and Developer Advances, recorded balances of Unamortized CIAC and Developer Advances as of December 31, 2018 are not adjusted (Refer to Attachment 3 and Attachment 2, HELCO-WP-D1-001 of this transmittal for further discussion).

The Depreciation and Amortization calculated RAM adjustment of approximately $4.8 million reflects a corresponding increase to depreciation and amortization expense above

[33] For more details, please see the *Exemption From and Modification of General Order No. 7, Paragraph 2.3(g), Relating to Capital Improvements, Capital Projects Completed in 2018* ("2018 G.O. 7 Report") in Docket No. 03-0257, dated March 27, 2019.

amounts in current revenue due to the net plant additions in 2018. (Refer to Attachment 2, Schedule E, line 99 of this transmittal.)

2.2.3. Joint Pole Agreement Adjustments

In accordance with Decision and Order No. 35768 in Docket No. 2018-0075, the transfer of all assets agreed to between Hawaiian Telcom and the Hawaiian Electric Companies was approved on October 16, 2018. Therefore, the assets transferred to the Hawaiian Electric Companies were added to each Company's respective rate base as of October 16, 2018 and is included in the 2018 end of year net cost of plant in service.[34] As described in its Application, Exhibit E[35], in Docket No. 2018-0075, the Companies' annual attachment fees received from Hawaiian Telcom are recorded as other operating revenue and costs to maintain the poles will be included as normal maintenance expenses of the utility, and incremental pole maintenance costs will be off set with attachment revenues. Therefore, to avoid cost recovery of joint pole assets from both the attachment revenues received from Hawaiian Telcom as well as a return on the assets in the Company's rate base, Hawai'i Electric Light's allocation of $1.4 million in attachment revenue reduces the Company's Original RAM Methodology calculation. The RAM Cap is based on net revenues from the last rate case which did not include the Joint Pole transaction, therefore no adjustment for attachment fee revenues is needed for the RAM Cap. See Attachment 2, Schedule A1 for more details.

[34] See HELCO-2222 in Docket No. 2018-0368 for a summary of the joint pole agreement impact on revenue requirements in the Hawai'i Electric Light 2019 test year rate case.

[35] Upon the Effective Date of the proposed asset transfer, the Hawaiian Electric Companies will receive attachment revenues from Hawaiian Telcom for use of the poles. Such attachment revenues are $2,371,930 per year for Hawaiian Electric, $1,377,208 per year for Hawai'i Electric Light, and $650,862 per year for Maui Electric (for a total of $4,400,000 per year for the Hawaiian Electric Companies) over a ten-year period. See Decision and Order No. 35768, at 19-20, in Docket No. 2018-0075, filed on October 16, 2018.

2.2.4. CIAC Adjustments

Attachment 3 of this transmittal describes the treatment of CIAC for book purposes and proposed modifications to Schedules D1, D2, D3, E, and the G series as a result of the approval from the Commission to change to the Federal Energy Regulatory Commission's ("FERC") Uniform System of Accounts ("USOA") beginning with the implementation of the Companies' new ERP/EAM, in Decision and Order No. 31757, issued December 19, 2013 in Docket No. 2013-0007. The 2019 annual decoupling filing incorporates CIAC within Plant in Service, Construction Work in Progress ("CWIP") or Developer Advances consistent with FERC guidelines and 2016 test year treatment. In this filing, there is no impact to the calculation of rate base as a result of adoption of the FERC guidelines. However, as explained in Attachment 3 of this transmittal, and as documented in Mr. Paul Franklin's T-12 direct testimony in Hawai'i Electric Light's 2019 test year rate case, the Companies propose to exclude the CIAC associated with CWIP in its calculation of rate base in the rate base RAM filings. Should the commission approve Hawai'i Electric Light's proposal, Hawai'i Electric Light will implement this change in the annual decoupling filing in the year following the Commission's approval to set electric rates.

VIII

List of Attachments and Schedules

In Attachment 1 of this tariff transmittal, Hawai'i Electric Light submits its proposed revisions to its Revenue Balancing Account Provision tariff, including the proposed RBA Rate Adjustment rate in Section E of Revised Sheet No. 91D, the change in annual target revenue in Revised Sheet No. 91E, and additional language on Revised Sheet Nos. 91A and 91D clarifying the allowance of future Commission approved adjustments that will be flowed through the RBA

Rate Adjustment. In addition, the Company is proposing to add to its tariff Sheet No. 91F, which summarizes historical changes in target revenue that were previously in effect. Attachment 1 also includes proposed revisions to the Company's PIM Provision tariff on Revised Sheet No. 95D to allow the Company to incorporate the establishment and implementation of any future Commission approved PIMs. Attachment 1A provides the tariff sheets for the RBA and PIM Provision tariff in blackline version.

Attachment 2 provides the calculation of the RBA Rate Adjustment in the following schedules, along with supporting workpapers:

Schedule A – Determination of 2019 RBA Rate Adjustment (Summary)

Schedule A1 – Determination of Total RAM Revenue Adjustment Allowed

Schedule B – Summary of Accumulated Revenue Balancing Account

Schedule B1 – Determination of Target Revenues

Schedule B2 – Determination of Recorded Adjusted Revenues

Schedule C – Determination of O&M RAM Adjustment

Schedule C1 – Summary of Operations and Maintenance Labor and Non-Labor Expense

Schedule C2 – Non-Labor Exclusion Adjustment for O&M RAM

Schedule D – Determination of Rate Base RAM Adjustment – Return on Investment

Schedule D1 – Determination of Rate Base RAM Adjustment – Change in Rate Base

Schedule D2 – Determination of Baseline Capital Projects Additions, Net of CIAC

Schedule D3 – Determination of Major Capital Project Additions, Net of CIAC

Schedule D4 – Determination of Adjusted Recorded Deferred Income Taxes

Schedule D5 – Determination of Adjusted Recorded Excess ADIT Regulatory Liability

Schedule E – Determination of Depreciation and Amortization RAM Adjustment

Schedule F – Determination of Change in Deferred Income Taxes

Schedule F1 – Determination of Tax Depreciation

Schedule F2 – Tax Depreciation on Major Capital Projects Additions

Schedule G – CIAC Summary

Schedule H – Earnings Sharing Calculations[36]

Schedule I – PUC-Ordered Major or Baseline Capital Projects Credits

Schedule J – Determination of RAM Cap

Schedule K – Exceptional & Other Matters

Schedule L – MPIR Adjustment Mechanism

Schedule M – PIM Provision

Schedule N – On-Bill Financing Recovery

Attachment 3 of this transmittal describes the treatment of CIAC within the 2019 Annual Decoupling Filing as a result of the adoption of FERC USOA.

The Hawaiian Electric Companies and the Consumer Advocate jointly developed the format of the schedules in Attachment 2, which the Companies have used for their annual RBA Rate Adjustment submissions since 2012.

WHEREFORE, Hawai‘i Electric Light, consistent with the advance notice required by law, hereby respectfully requests that its proposed revisions to the Revenue Balancing Account Provision and Rate Adjustment Mechanism Provision tariffs be allowed to become effective on June 1, 2019.

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[36] The Company has provided its calculated ratemaking return on equity for year 2018 in Schedule H of this tariff transmittal as required by the Commission in its *Final Decision and Order* in the decoupling proceeding (Docket No. 2008-0274) on August 31, 2010.

DATED: Honolulu, Hawai'i, March 29, 2019.

Brian Y. Hiyane
Attorney for
HAWAI'I ELECTRIC LIGHT COMPANY,
INC.

ATTACHMENT 1

RATE SCHEDULES (Continued)

Sheet	Schedule	Effective Date	Character of Service
89F	"RAM"	June 1, 2018	Rate Adjustment Mechanism Provision
89G	"RAM"	June 1, 2018	Rate Adjustment Mechanism Provision
89H	"RAM"	June 1, 2018	Rate Adjustment Mechanism Provision
89I	"RAM"	June 8, 2015	Rate Adjustment Mechanism Provision
90	"PPAC"	March 1, 2019	Purchased Power Adjustment Clause
90A	"PPAC"	March 1, 2019	Purchased Power Adjustment Clause
90B	"PPAC"	April 9, 2012	Purchased Power Adjustment Clause
91	"RBA"	January 1, 2018	Revenue Balancing Account Provision
91A	"RBA"	June 1, 2019	Revenue Balancing Account Provision
91A.1	"RBA"	June 1, 2019	Revenue Balancing Account Provision
91B	"RBA"	August 31, 2017	Revenue Balancing Account Provision
91C	"RBA"	January 1, 2018	Revenue Balancing Account Provision
91D	"RBA"	June 1, 2019	Revenue Balancing Account Provision
91E	"RBA"	June 1, 2019	Revenue Balancing Account Provision
91F	"RBA"	June 1, 2019	Revenue Balancing Account Provision
92	"TOU-RI"	October 18, 2018	Residential Interim Time-of-Use Service
92A	"TOU-RI"	February 1, 2019	Residential Interim Time-of-Use Service
92B	"TOU-RI"	October 18, 2018	Residential Interim Time-of-Use Service
92C	"TOU-RI"	February 1, 2019	Residential Interim Time-of-Use Service
93	"EV-F"	February 1, 2019	Commercial Public Electric Vehicle Charging Facility Service Pilot
93A	"EV-F"	February 1, 2019	Commercial Public Electric Vehicle Charging Facility Service Pilot
93B	"EV-F"	December 12, 2017	Commercial Public Electric Vehicle Charging Facility Service Pilot

RATE SCHEDULES (Continued)

Sheet	Schedule	Effective Date	Character of Service
94	“EV-U”	December 12, 2017	Commercial Public Electric Vehicle Charging Service Pilot
94A	“EV-U”	December 12, 2017	Commercial Public Electric Vehicle Charging Service Pilot
95	“PIM”	January 1, 2018	Performance Incentive Mechanism Provision
95A	“PIM”	January 1, 2018	Performance Incentive Mechanism Provision
95B	“PIM”	October 1, 2018	Performance Incentive Mechanism Provision
95C	“PIM”	October 1, 2018	Performance Incentive Mechanism Provision
95D	“PIM”	June 1, 2019	Performance Incentive Mechanism Provision
95E	“PIM”	October 1, 2018	Performance Incentive Mechanism Provision

REVENUE BALANCING ACCOUNT ("RBA") PROVISION

Supplement To:

Schedule R - Residential Service
Schedule G - General Service - Non-Demand
Schedule J - General Service – Demand
Schedule P - Large Power Service
Schedule F - Street Light Service
Schedule U - Time-of-Use Service
Schedule TOU-R – Residential Time-of-Use Service
Schedule TOU-G – Small Commercial Time-of-Use Service
Schedule TOU-J – Commercial Time-of-Use Service
Schedule TOU-P – Large Power Time-of-Use Service
Schedule SS - Standby Service
Schedule TOU EV- Residential Time-of-Use Service with Electric Vehicle Pilot
Schedule EV-F - Commercial Public Electric Vehicle Charging Facility Service Pilot
Schedule TOU-RI- Residential Interim Time-of-Use Service

All terms and provisions of the above listed rate schedules are applicable except that the total base rate charges for each billing period shall be adjusted by the Revenue Balancing Account Rate Adjustments shown below:

A: PURPOSE:

The purpose of the Revenue Balancing Account ("RBA") is to record: 1) the difference between the Hawaii Electric Light Company's target revenue and recorded adjusted revenue, and 2) monthly interest applied to the simple average of the beginning and ending month balances in the RBA. In addition, the recovery provision of this tariff provides for collection or return of the calendar year-end balance in the RBA and recovery or refund of the RAM Revenue Adjustment, Earnings Sharing Revenue Credits, Major Capital Projects Credits, and Baseline Capital Projects Credits provided in the Rate Adjustment Mechanism ("RAM") Provision, and any revenue adjustment provided in accordance with the Performance Incentive Mechanism Provision, over the subsequent June 1st through May 31st period. Tracking of target revenue and recorded adjusted revenue commenced on the effective date of the tariff that implemented the Final Decision and Order in Hawaii Electric Light Company's 2010 test year rate case, Docket No. 2009-0164, consistent with the Final Decision and Order in the Decoupling case, Docket No. 2008-0274.

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

B: TARGET REVENUE:

For the purpose of the RBA, the target revenue is the annual electric revenue approved by the Public Utilities Commission in the last issued Decision & Order in the Company's most recent test year general rate case, excluding revenue for fuel and purchased power expenses that are recovered either in base rates or in a purchased power adjustment clause; excluding revenue being separately tracked or recovered through any other surcharge or rate tracking mechanism; and excluding amounts for applicable revenue taxes;

Plus: Any effective RAM Revenue Adjustment calculated under the RAM provision for years subsequent to the most recent rate case test year for which the Commission has issued a Decision & Order; and any Performance Incentive Adjustment provided for in accordance with the Performance Incentive Mechanism Provision; and

Less: Any applicable Earnings Sharing Revenue Credits, Major Capital Projects Credits, and Baseline Capital Projects Credits calculated under the RAM provision.

Adjusted by: Other adjustments, as applicable, in accordance with Commission's Order authorizing such adjustment. Other adjustments, if any, are shown in the table *Target Revenue Currently in Effect*, provided in section H.

The target revenue shall be revised to correct for any errors in the calculation of the RAM Revenue Adjustment, Performance Incentive Adjustment, recorded adjusted revenues or other RBA accounting determinations (collectively "target revenue determinations") for any previous period and for revisions to RAM Revenue Adjustments or Performance Incentive Adjustments as a result of subsequent Commission orders that change the basis of previously calculated RAM Revenue Adjustments and/or Performance Incentive Adjustments. For any corrections of errors in previously calculated target revenue determinations, the target revenue shall be adjusted as of the date that the correct determinations would have been reflected in target revenue. For changes in the RAM Revenue Adjustment and/or Performance Incentive Adjustments as a result of subsequently issued Commission orders, the target revenue shall be adjusted as of the effective date of changes that are implemented pursuant to the subsequently issued Commission order.

REVENUE BALANCING ACCOUNT (“RBA”) PROVISION (continued)

The Commission and the Consumer Advocate will be notified of the target revenue revisions or corrections prior to implementation by the Company. There is no presumption that the target revenue changes are ultimately warranted or correct. In the annual RBA review transmittal (“RBA Review Transmittal”) filed on or before March 31 of each year, the utility will have the burden to demonstrate that the interim changes for the previous calendar year are warranted and correctly applied. The Consumer Advocate will provide comments regarding the changes with its Statement of Position. The RBA balance and RBA Rate Adjustment for the following year will reflect any appropriate modifications to the change made by the utility in the prior year if necessary.

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

Monthly Allocation Factors for the Target Revenue are as follows:

January	8.437%
February	7.898%
March	8.410%
April	8.072%
May	8.292%
June	8.081%
July	8.630%
August	8.764%
September	8.213%
October	8.548%
November	8.263%
December	8.392%
Total	100.000%

These factors are based on the MWH sales forecast that is approved by the Commission in Hawaii Electric Light Company's 2016 test year rate case and shall be updated in any subsequent test year rate case.

C: BALANCING ACCOUNT ENTRIES:

Entries to the RBA will be recorded monthly. A debit entry to the RBA will be made equal to the target revenue as defined in Section B. above, times the appropriate monthly allocation factor in the table above. A credit entry to the RBA will be made equal to the recorded adjusted revenue. The recorded adjusted revenue is defined to include the electric sales revenue from authorized base rates, plus revenue from any authorized interim rate increase, plus revenue from any RBA rate adjustment, but excluding revenue for fuel and purchased power expenses, IRP/DSM, any Commission Ordered one-time rate refunds or credits or other surcharges, and adjusted to remove amounts for applicable revenue taxes.

Interest will be recorded monthly to the RBA by multiplying the simple average of the beginning and ending month balance in the RBA times the Interest Rate divided by 12. The Interest Rate shall be the short term debt rate as established in deriving the consolidated cost of capital in the Company's last full rate case. The Interest Rate prior to March 1, 2014 shall be 6 percent.

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

D: RECOVERY OF BALANCING ACCOUNT AMOUNTS:

In its annual RBA Review Transmittal, the Company will file with the Commission a statement of the previous calendar year-end balance in the RBA and the RAM Revenue Adjustment for the current calendar year, along with supporting calculations.

Both an amortization of the previous calendar year-end balance in the RBA, adjusted for any Earnings Sharing Revenue Credits or Major Capital Projects Credits, Baseline Capital Projects Credits or corrections, any Performance Incentive Adjustment provided in accordance with the Performance Incentive Mechanisms Provision and the RAM Revenue Adjustment will be recovered through a per-kWh RBA rate adjustment, over the 12 months from June 1 of the 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.

On or before March 31 of each year, the Company shall file with the Commission, the Consumer Advocate, and each party to the Company's most recent rate case proceeding, an RBA Review Transmittal supporting the implementation of the RBA Provision, including RBA reconciliation, implementation of applicable components of the RAM Provision and Performance Incentive Mechanism Provision, determination and adjustments of target revenues, determination of the RBA Rate Adjustment; and documenting any errors, corrections and adjustments to Target Revenues in the preceding calendar year and prior to the transmittal date.

Complete, indexed workpapers and electronic files supporting the previous year-end balance in the RBA and target revenue determinations 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,as part of the annual RBA Review Transmittal 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 that may propose any adjustments necessary to bring the schedules into compliance with the above provisions and will work collaboratively to reach agreement on any proposed adjustments.

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

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 .... 1.1414 ¢/kWh

F. 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 RBA Review Transmittal filing pursuant to this tariff. The notice to customers shall include the following information:

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.

G: COMMISSION'S AUTHORITY

The Commission may modify or suspend any or all parts of this Revenue Balancing Account Provision. Such suspension shall remain in place until removed by Commission Order.

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

H: TARGET REVENUE CURRENTLY IN EFFECT

Hawaii Electric Light Company, Inc.
Annual Target Revenue ($000s)

	Description	Amount
1	Electric Sales Revenue (Unadjusted)	$291,358
2	Tax Act implementation Lag	($1,587)
3	Electric Sales Revenue (Adjusted for lag)	$289,771
	Less:	
4	Fuel Expense	($45,996)
5	Purchase Power Expense	($72,438)
6	Revenue Tax on Electric Sales Revenue	($25,746)
7	Last Rate Order Target Revenues	$145,591
8	Authorized RAM Revenues	$10,113
9	Revenue Tax	($899)
10	Net RAM Adjustment	$9,214
11	Authorized MPIR Revenues	$0
12	Revenue Tax	$0
13	Net MPIR Adjustment	$0
14	Earnings Sharing Revenue Credits	$0
15	Revenue Tax	$0
16	Net Earnings Sharing Revenue Credits	$0
17	Performance Incentive Mechansim (PIM)	($15)
18	Revenue Tax	$1
19	Net PIM Reward (Penalty)	($14)
20	2016 Test Year Final D&O Refund	($74)
21	Revenue Tax	$7
22	Net 2016 Test Year Final D&O Refund	($67)
23	On-Bill Financing Pgm Implementation Costs	$237
24	Revenue Tax	($21)
25	Net On-Bill Financing Adjustment	$216
26	Effective Target Revenue	$154,940

Notes:

Totals may not add, due to rounding.

Lines 1,4,5:	Final Decision and Order No. 35559, issued June 29, 2018 in Docket No. 2015-0170.
Line 2:	Hawaii Electric Light Revision to Exhibits in Motion to Adjust Interim Increase, Exhibit 11. Filed April 10, 2018 in Docket No. 2015-0170.
Lines 6,9,12,15,18,21,24:	Revenue Tax based on 8.885% statutory rates.
Lines 8,11,14,17,20,23,26	Transmittal No. 19-02 Schedule B1, filed March 29, 2019.

REVENUE BALANCING ACCOUNT (“RBA”) PROVISION (continued)

I: HISTORICAL REFERENCE

Category	Effective Period	Effective Target Revenue ($000)	Change in Target Revenue ($000)	Source
2016 Test Year Rate Case(Interim)	8/31/2017 thru 4/30/2018	$157,655	N/A (1/1/2018 Baseline)	Schedule B1 filed in Docket No. 2015-0170 on 9/5/2017.
2016 Test Year Rate Case(Interim)	5/1/2018 thru 5/31/2018	$148,545	($9,110)	Schedule B1 filed in Docket No. 2015-0170 on 4/10/2018.
Annual Decoupling Filing	6/1/2018 thru 5/31/2019	$151,583	$3,038	Schedule B1 filed in Transmittal No. 18-02 on 3/29/2018.
Annual Decoupling Filing	6/1/2019 (current)	$154,940	$3,357	Schedule B1 filed in Transmittal No. 19-02 on 3/29/2019.

PERFORMANCE INCENTIVE MECHANISM PROVISION

Introduction

This Performance Incentive Mechanism (“PIM”) Provision provides for the determination of a PIM Financial Incentive for each approved PIM for each Evaluation Period, based on Measured Performance compared to an established Performance Target for each PIM, as specified below.

The sum of the PIM Financial Incentives determined for all PIMs for the Evaluation Period will be the Performance Incentive Adjustment, which will be applied as an adjustment to the effective Target Revenue and will be recovered from or credited to customers through the RBA Rate Adjustment, as defined by and in accordance with the terms of the Revenue Balancing Account (“RBA”) Provision.

Annual PIM Provision Transmittal

On or before March 31 of the year following an Evaluation Period, the Company shall file with the Commission, the Consumer Advocate, and each party to the Company’s most recent rate case proceeding, a transmittal documenting the Measured Performance and calculation of the PIM Financial Incentives and Performance Incentive Adjustment for the Evaluation Period. Complete, indexed schedules, workpapers and electronic files supporting the transmittal shall be provided with the transmittal. 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 that may propose any adjustments necessary to bring the schedules into compliance with the above provisions and will work collaboratively to reach agreement on any proposed adjustments.

The review of the annual PIM Provision transmittal will be conducted concurrent with and in conjunction with the annual RBA Review Transmittal. The Performance Incentive Adjustment will be determined annually based on the PIM Provision transmittal and, after review and subject to explicit approval by the Commission, will become effective on June 1 of the year following the Evaluation Period, concurrent and in conjunction with determination of Target Revenues and the RBA Rate Adjustment in accordance with the RBA Provision. Any approved Performance Incentive Adjustment will be applied as monthly adjustments to Target Revenues for the twelve month period commencing June 1 of the year following the Evaluation Period in accordance with the Monthly Allocation Factors identified in the RBA Provision.

PERFORMANCE INCENTIVE MECHANISM PROVISION (continued)

The Performance Targets, Deadbands and the amount of Maximum Financial Incentives used to determine the PIM Financial Incentive levels for each of the PIMs shall be re-determined upon issuance of an interim or final order in a general rate case for each Company, and shall remain constant in interim periods, unless otherwise amended, as necessary, by order of the Commission.

In the event that Performance Targets, Deadbands or the amounts of Maximum Financial Incentives are updated or amended by order of the Commission during the Evaluation Period, the Performance Targets, Deadbands and the amounts of Maximum Financial Incentives used in determining the amount of PIM Financial Incentives shall be a pro-rated weighted average based on the number of days of the Evaluation Period each parameter was effective.

Any revenue adjustments approved in accordance with this PIM Provision shall be excluded from the determination of Earnings Sharing Credits provided for in the Rate Adjustment Mechanism Provision ("RAM Provision").

The Performance Incentive Adjustment, and any prior year Performance Incentive Adjustment, shall be recalculated for errors in prior calculations and for subsequent Commission orders that change the basis for prior calculations. The effect of such changes shall be implemented as described in the RBA Provision, except that, the Performance Target, Deadband and Maximum Financial Incentive amounts determined in this PIM Provision shall not be recalculated based on errors in the calculation of these parameters and shall remain as specified unless and until changed by order of the Commission.

<u>Evaluation Period</u>

The Evaluation Period is defined as the annual twelve month calendar year period ending December 31, over which Measured Performance is determined and compared to the established Performance Target for each PIM described below. The first Evaluation Period shall begin January 1, 2018.

<u>PIM Financial Incentive Calculation</u>

For each PIM below, a Performance Target is specified, developed based on historical performance data. A Deadband is specified for each Performance Target in order to provide a satisfactory range of performance within which no reward or penalty amount is assessed.

Decision and Order No. 35165; Approving, With Modifications, Proposed Revisions To RBA Tariffs, Filed December 29, 2017.
Transmittal Letter dated January 11, 2018.

PERFORMANCE INCENTIVE MECHANISM PROVISION (continued)

A Maximum Financial Incentive amount is specified for each PIM with separate identification of a Maximum Reward Amount and a Maximum Penalty Amount.

Measured Performance for the Evaluation Period is compared to the Performance Target for each PIM. If the difference between Measured Performance and the Performance Target is less than or equal to the Deadband amount, no reward or penalty is awarded and the amount of the PIM Financial Incentive is zero. If the difference between Measured Performance and the Performance Target exceeds the Deadband amount, a reward or penalty ratio is calculated where the difference between Measured Performance and the Performance Target, less the Deadband amount, is the numerator and the Deadband amount is the denominator. This ratio is multiplied by either the Maximum Reward Amount or Maximum Penalty Amount, as applicable, to determine the PIM Financial Incentive for each PIM. The magnitude of the PIM Financial Incentive for each PIM shall not exceed 100% of the magnitude of the applicable Maximum Reward Amount or Maximum Penalty Amount established for each PIM.

Reliability Performance Incentive Mechanisms

There are two reliability PIMs: 1) System Average Interruption Frequency Index ("SAIFI"); and 2) System Average Interruption Duration Index ("SAIDI"). SAIFI is a measure of the average frequency of outages, defined as the annual total number of customer interruptions divided by the total number of customers served. SAIDI is a measure of the average duration of outage, defined as the sum of all customer interruption durations (in minutes) divided by the total number of customers served. The SAIFI and SAIDI Measured Performance and Performance Targets are determined using the IEEE Standard 1366 methodology.

For the Reliability Performance Incentive Mechanisms, the 2008-2017 record of historical performance data was used to establish the Performance Target and the Deadband. The Deadband was calculated as ±1 standard deviation of the historical performance data. Accordingly, 100% of the penalty is achieved when Measured Performance is equal to or greater than 2 standard deviations from the Performance Target.

SAIFI:

Performance Target: 1.374 interruptions per customer during the one-year Evaluation Period

Deadband: ± 0.251 interruptions (1 Standard Deviation)

PERFORMANCE INCENTIVE MECHANISM PROVISION (continued)

Range for no penalty: 1.123 interruptions to 1.625 interruptions per customer (± 1 Standard Deviation from Target)

Rewards: Not Applicable
Penalties for greater than 1.625 interruptions per customer

Maximum Reward Amount: Not Applicable
Maximum Penalty Amount: $545,708.

The Maximum Penalty Amount was determined to be equal to 0.20% of Common Equity Share of Approved Average Test Year Rate Base determined in the most recent interim or final order in a general rate case for each Company.

SAIDI:

Target: 134.13 minutes per outage

Deadband: ± 21.32 minutes (1 Standard Deviation)

Range for no penalty: 112.81 minutes to 155.46 minutes per outage (± 1 Standard Deviation from Target)

Rewards: Not Applicable
Penalties for greater than 155.46 minutes per outage

Maximum Reward Amount: Not Applicable
Maximum Penalty Amount: $545,708.

The Maximum Penalty Amount was determined to be equal to 0.20% of Common Equity Share of Approved Average Test Year Rate Base determined in the most recent interim or final order in a general rate case for each Company.

PERFORMANCE INCENTIVE MECHANISM PROVISION (continued)

Call Center Performance Incentive Mechanism

The Call Center Performance PIM measures the performance of the utility call center in terms of the percentage of calls answered within thirty (30) seconds. The calculation of the call center performance shall exclude blocked calls from the denominator.

The Performance Target for the Call Center Performance Incentive Mechanism was calculated based on the average of quarterly data from Quarter 3 of 2016 to Quarter 2 of 2018.

Call Center Performance:

Performance Target: 84.22% of calls answered within 30 seconds

Deadband: +/- 3.00% of calls answered within 30 seconds

Range for no reward or penalty: 81.22% of calls answered to 87.22% of calls answered.

Rewards apply for greater than 87.22% of calls answered
Penalties apply for less than 81.22% of calls answered

Maximum Reward Amount: $218,283.
Maximum Penalty Amount: $218,283.

The magnitude of the Maximum Reward Amount and Maximum Penalty Amount were determined to be equal to 0.08% of Common Equity Share of Approved Average Test Year Rate Base determined in the most recent interim or final order in a general rate case for each Company.

Additional PIMs:

The Commission may order the establishment of one or more PIMs, and the targets, deadbands, rewards, penalties, and allocations for that PIM, as applicable, shall be implemented as specified in the Commission's order that approved the applicable PIM, and the applicable PIM Financial Incentive shall be included in the Performance Incentive Adjustment.

Commission's Authority

The Commission may suspend any or all parts of this PIM Provision. Such suspension shall remain in place until removed by Commission order.

PERFORMANCE INCENTIVE MECHANISM PROVISION (continued)

Historical Reference

The following table summarizes the prior PIMs in effect, as these values may be applicable during certain portions of the Evaluation Period.

PIM:	Effective Period:	Performance Target:	Deadband:	Maximum Reward:	Maximum Penalty:
SAIFI	1/1/2018 thru 4/30/2018	1.403 interruptions per customer	+/- 0.245	N/A	$546,647
SAIFI	5/1/2018 thru 9/30/2018	1.403 interruptions per customer	+/- 0.245	N/A	$545,708
SAIDI	1/1/2018 thru 4/30/2018	138.96 minutes Per outage	+/- 25.89	N/A	$546,647
SAIDI	5/1/2018 thru 9/30/2018	138.96 minutes Per outage	+/- 25.89	N/A	$545,708
Call Center	1/1/2018 thru 4/30/2018	88.51% of calls answered within 30 sec.	+/- 3.00%	$218,659	$218,659
Call Center	5/1/2018 thru 9/30/2018	84.70% of calls answered within 30 sec.	+/- 3.00%	$218,283	$218,283

ATTACHMENT 1A

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RATE SCHEDULES (Continued)

Sheet	Schedule	Effective Date	Character of Service
89F	"RAM"	June 1, 2018	Rate Adjustment Mechanism Provision
89G	"RAM"	June 1, 2018	Rate Adjustment Mechanism Provision
89H	"RAM"	June 1, 2018	Rate Adjustment Mechanism Provision
89I	"RAM"	June 8, 2015	Rate Adjustment Mechanism Provision
90	"PPAC"	March 1, 2019	Purchased Power Adjustment Clause
90A	"PPAC"	March 1, 2019	Purchased Power Adjustment Clause
90B	"PPAC"	April 9, 2012	Purchased Power Adjustment Clause
91	"RBA"	January 1, 2018	Revenue Balancing Account Provision
91A	"RBA"	June 1, 2019	Revenue Balancing Account Provision
91A.1	"RBA"	June 1, 2019	Revenue Balancing Account Provision
91B	"RBA"	August 31, 2017	Revenue Balancing Account Provision
91C	"RBA"	January 1, 2018	Revenue Balancing Account Provision
91D	"RBA"	June 1, 2019	Revenue Balancing Account Provision
91E	"RBA"	June 1, 2019	Revenue Balancing Account Provision
91F	"RBA"	June 1, 2019	Revenue Balancing Account Provision
92	"TOU-RI"	October 18, 2018	Residential Interim Time-of-Use Service
92A	"TOU-RI"	February 1, 2019	Residential Interim Time-of-Use Service
92B	"TOU-RI"	October 18, 2018	Residential Interim Time-of-Use Service
92C	"TOU-RI"	February 1, 2019	Residential Interim Time-of-Use Service
93	"EV-F"	February 1, 2019	Commercial Public Electric Vehicle Charging Facility Service Pilot
93A	"EV-F"	February 1, 2019	Commercial Public Electric Vehicle Charging Facility Service Pilot
93B	"EV-F"	December 12, 2017	Commercial Public Electric Vehicle Charging Facility Service Pilot

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RATE SCHEDULES (Continued)

Sheet	Schedule	Effective Date	Character of Service
94	"EV-U"	December 12, 2017	Commercial Public Electric Vehicle Charging Service Pilot
94A	"EV-U"	December 12, 2017	Commercial Public Electric Vehicle Charging Service Pilot
95	"PIM"	January 1, 2018	Performance Incentive Mechanism Provision
95A	"PIM"	January 1, 2018	Performance Incentive Mechanism Provision
95B	"PIM"	October 1, 2018	Performance Incentive Mechanism Provision
95C	"PIM"	October 1, 2018	Performance Incentive Mechanism Provision
95D	"PIM"	June 1, 2019	Performance Incentive Mechanism Provision
95E	"PIM"	October 1, 2018	Performance Incentive Mechanism Provision

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REVENUE BALANCING ACCOUNT ("RBA") PROVISION

Supplement To:

Schedule R	- Residential Service
Schedule G	- General Service - Non-Demand
Schedule J	- General Service – Demand
Schedule P	- Large Power Service
Schedule F	- Street Light Service
Schedule U	- Time-of-Use Service
Schedule TOU-R	– Residential Time-of-Use Service
Schedule TOU-G	– Small Commercial Time-of-Use Service
Schedule TOU-J	– Commercial Time-of-Use Service
Schedule TOU-P	– Large Power Time-of-Use Service
Schedule SS	- Standby Service
Schedule TOU EV-	Residential Time-of-Use Service with Electric Vehicle Pilot
Schedule EV-F	- Commercial Public Electric Vehicle Charging Facility Service Pilot
Schedule TOU-RI-	Residential Interim Time-of-Use Service

All terms and provisions of the above listed rate schedules are applicable except that the total base rate charges for each billing period shall be adjusted by the Revenue Balancing Account Rate Adjustments shown below:

A: PURPOSE:

The purpose of the Revenue Balancing Account ("RBA") is to record: 1) the difference between the Hawaii Electric Light Company's target revenue and recorded adjusted revenue, and 2) monthly interest applied to the simple average of the beginning and ending month balances in the RBA. In addition, the recovery provision of this tariff provides for collection or return of the calendar year-end balance in the RBA and recovery or refund of the RAM Revenue Adjustment, Earnings Sharing Revenue Credits, Major Capital Projects Credits, and Baseline Capital Projects Credits provided in the Rate Adjustment Mechanism ("RAM") Provision, and any revenue adjustment provided in accordance with the Performance Incentive Mechanism Provision, over the subsequent June 1st through May 31st period. Tracking of target revenue and recorded adjusted revenue commenced on the effective date of the tariff that implemented the Final Decision and Order in Hawaii Electric Light Company's 2010 test year rate case, Docket No. 2009-0164, consistent with the Final Decision and Order in the Decoupling case, Docket No. 2008-0274.

Decision and Order No. 35165; Approving, With Modifications, Proposed Revisions To RBA Tariffs, Filed December 29, 2017.
Transmittal Letter Dated January 11, 2018.

Deleted: August 31, 2017

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

B: TARGET REVENUE:

For the purpose of the RBA, the target revenue is the annual electric revenue approved by the Public Utilities Commission in the last issued Decision & Order in the Company's most recent test year general rate case, excluding revenue for fuel and purchased power expenses that are recovered either in base rates or in a purchased power adjustment clause; excluding revenue being separately tracked or recovered through any other surcharge or rate tracking mechanism; and excluding amounts for applicable revenue taxes;

Plus: Any effective RAM Revenue Adjustment calculated under the RAM provision for years subsequent to the most recent rate case test year for which the Commission has issued a Decision & Order; and any Performance Incentive Adjustment provided for in accordance with the Performance Incentive Mechanism Provision; and

Less: Any applicable Earnings Sharing Revenue Credits, Major Capital Projects Credits, and Baseline Capital Projects Credits calculated under the RAM provision.

Adjusted by: Other adjustments, as applicable, in accordance with Commission's Order authorizing such adjustment. Other adjustments, if any, are shown in the table *Target Revenue Currently in Effect,* provided in section H.

The target revenue shall be revised to correct for any errors in the calculation of the RAM Revenue Adjustment, Performance Incentive Adjustment, recorded adjusted revenues or other RBA accounting determinations (collectively "target revenue determinations") for any previous period and for revisions to RAM Revenue Adjustments or Performance Incentive Adjustments as a result of subsequent Commission orders that change the basis of previously calculated RAM Revenue Adjustments and/or Performance Incentive Adjustments. For any corrections of errors in previously calculated target revenue determinations, the target revenue shall be adjusted as of the date that the correct determinations would have been reflected in target revenue. For changes in the RAM Revenue Adjustment and/or Performance Incentive Adjustments as a result of subsequent Commission orders, the target revenue shall be adjusted as of the effective date of changes that are implemented pursuant to the subsequently issued Commission order.

Deleted: Decision and Order No. 35165; Approving, With Modifications, Proposed Revisions To RBA Tariffs, Filed December 29, 2017.¶

Deleted: January 11, 2018

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

The Commission and the Consumer Advocate will be notified of the target revenue revisions or corrections prior to implementation by the Company. There is no presumption that the target revenue changes are ultimately warranted or correct. In the annual RBA review transmittal ("RBA Review Transmittal") filed on or before March 31 of each year, the utility will have the burden to demonstrate that the interim changes for the previous calendar year are warranted and correctly applied. The Consumer Advocate will provide comments regarding the changes with its Statement of Position. The RBA balance and RBA Rate Adjustment for the following year will reflect any appropriate modifications to the change made by the utility in the prior year if necessary.

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

Monthly Allocation Factors for the Target Revenue are as follows:

January	8.437%
February	7.898%
March	8.410%
April	8.072%
May	8.292%
June	8.081%
July	8.630%
August	8.764%
September	8.213%
October	8.548%
November	8.263%
December	8.392%
Total	100.000%

These factors are based on the MWH sales forecast that is approved by the Commission in Hawaii Electric Light Company's 2016 test year rate case and shall be updated in any subsequent test year rate case.

C: BALANCING ACCOUNT ENTRIES:

Entries to the RBA will be recorded monthly. A debit entry to the RBA will be made equal to the target revenue as defined in Section B. above, times the appropriate monthly allocation factor in the table above. A credit entry to the RBA will be made equal to the recorded adjusted revenue. The recorded adjusted revenue is defined to include the electric sales revenue from authorized base rates, plus revenue from any authorized interim rate increase, plus revenue from any RBA rate adjustment, but excluding revenue for fuel and purchased power expenses, IRP/DSM, any Commission Ordered one-time rate refunds or credits or other surcharges, and adjusted to remove amounts for applicable revenue taxes.

Interest will be recorded monthly to the RBA by multiplying the simple average of the beginning and ending month balance in the RBA times the Interest Rate divided by 12. The Interest Rate shall be the short term debt rate as established in deriving the consolidated cost of capital in the Company's last full rate case. The Interest Rate prior to March 1, 2014 shall be 6 percent.

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

D: RECOVERY OF BALANCING ACCOUNT AMOUNTS:

In its annual RBA Review Transmittal, the Company will file with the Commission a statement of the previous calendar year-end balance in the RBA and the RAM Revenue Adjustment for the current calendar year, along with supporting calculations.

Both an amortization of the previous calendar year-end balance in the RBA, adjusted for any Earnings Sharing Revenue Credits or Major Capital Projects Credits, Baseline Capital Projects Credits or corrections, any Performance Incentive Adjustment provided in accordance with the Performance Incentive Mechanisms Provision and the RAM Revenue Adjustment will be recovered through a per-kWh RBA rate adjustment, over the 12 months from June 1 of the 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.

On or before March 31 of each year, the Company shall file with the Commission, the Consumer Advocate, and each party to the Company's most recent rate case proceeding, an RBA Review Transmittal supporting the implementation of the RBA Provision, including RBA reconciliation, implementation of applicable components of the RAM Provision and Performance Incentive Mechanism Provision, determination and adjustments of target revenues, determination of the RBA Rate Adjustment; and documenting any errors, corrections and adjustments to Target Revenues in the preceding calendar year and prior to the transmittal date.

Complete, indexed workpapers and electronic files supporting the previous year-end balance in the RBA and target revenue determinations 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,as part of the annual RBA Review Transmittal 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 that may propose any adjustments necessary to bring the schedules into compliance with the above provisions and will work collaboratively to reach agreement on any proposed adjustments.

Decision and Order No. 35165; Approving with Modifications, Proposed Revisions To RBA Tariffs, Filed December 29, 2017.
Transmittal Letter Dated January 11, 2018.

Deleted: January 1, 2018

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

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 .... 1.1414 ¢/kWh

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F. 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 RBA Review Transmittal filing pursuant to this tariff. The notice to customers shall include the following information:

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.

G: COMMISSION'S AUTHORITY

The Commission may modify or suspend any or all parts of this Revenue Balancing Account Provision. Such suspension shall remain in place until removed by Commission Order.

HAWAII ELECTRIC LIGHT COMPANY, INC.

Transmittal Letter Dated March 29, 2019.

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

H: TARGET REVENUE CURRENTLY IN EFFECT

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Hawaii Electric Light Company, Inc.
Annual Target Revenue ($000s)

	Description	Amount
1	Electric Sales Revenue (Unadjusted)	$291,358
2	Tax Act implementation Lag	($1,587)
3	Electric Sales Revenue (Adjusted for lag)	$289,771
	Less:	
4	Fuel Expense	($45,996)
5	Purchase Power Expense	($72,438)
6	Revenue Tax on Electric Sales Revenue	($25,746)
7	Last Rate Order Target Revenues	$145,591
8	Authorized RAM Revenues	$10,113
9	Revenue Tax	($899)
10	Net RAM Adjustment	$9,214
11	Authorized MPIR Revenues	$0
12	Revenue Tax	$0
13	Net MPIR Adjustment	$0
14	Earnings Sharing Revenue Credits	$0
15	Revenue Tax	$0
16	Net Earnings Sharing Revenue Credits	$0
17	Performance Incentive Mechansim (PIM)	($15)
18	Revenue Tax	$1
19	Net PIM Reward (Penalty)	($14)
20	2016 Test Year Final D&O Refund	($74)
21	Revenue Tax	$7
22	Net 2016 Test Year Final D&O Refund	($67)
23	On-Bill Financing Pgm Implementation Costs	$237
24	Revenue Tax	($21)
25	Net On-Bill Financing Adjustment	$216
26	Effective Target Revenue	$154,940

Notes:
Totals may not add, due to rounding.

Lines 1,4,5:	Final Decision and Order No. 35559, issued June 29, 2018 in Docket No. 2015-0170.
Line 2:	Hawaii Electric Light Revision to Exhibits in Motion to Adjust Interim Increase, Exhibit 11. Filed April 10, 2018 in Docket No. 2015-0170.
Lines 6,9,12,15,18,21,24:	Revenue Tax based on 8.885% statutory rates.
Lines 8,11,14,17,20,23,26	Transmittal No. 19-02 Schedule B1, filed March 29, 2019.

Deleted: Docket No. 2015-0170; Order No. 35709, Filed on September 21, 2018. ¶

Deleted: September 28, 2018

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

I: HISTORICAL REFERENCE

Category	Effective Period	Effective Target Revenue ($000)	Change in Target Revenue ($000)	Source
2016 Test Year Rate Case(Interim)	8/31/2017 thru 4/30/2018	$157,655	N/A (1/1/2018 Baseline)	Schedule B1 filed in Docket No. 2015-0170 on 9/5/2017.
2016 Test Year Rate Case(Interim)	5/1/2018 thru 5/31/2018	$148,545	($9,110)	Schedule B1 filed in Docket No. 2015-0170 on 4/10/2018.
Annual Decoupling Filing	6/1/2018 thru 5/31/2019	$151,583	$3,038	Schedule B1 filed in Transmittal No. 18-02 on 3/29/2018.
Annual Decoupling Filing	6/1/2019 (current)	$154,940	$3,357	Schedule B1 filed in Transmittal No. 19-02 on 3/29/2019.

PERFORMANCE INCENTIVE MECHANISM PROVISION

Introduction

This Performance Incentive Mechanism ("PIM") Provision provides for the determination of a PIM Financial Incentive for each approved PIM for each Evaluation Period, based on Measured Performance compared to an established Performance Target for each PIM, as specified below.

The sum of the PIM Financial Incentives determined for all PIMs for the Evaluation Period will be the Performance Incentive Adjustment, which will be applied as an adjustment to the effective Target Revenue and will be recovered from or credited to customers through the RBA Rate Adjustment, as defined by and in accordance with the terms of the Revenue Balancing Account ("RBA") Provision.

Annual PIM Provision Transmittal

On or before March 31 of the year following an Evaluation Period, the Company shall file with the Commission, the Consumer Advocate, and each party to the Company's most recent rate case proceeding, a transmittal documenting the Measured Performance and calculation of the PIM Financial Incentives and Performance Incentive Adjustment for the Evaluation Period. Complete, indexed schedules, workpapers and electronic files supporting the transmittal shall be provided with the transmittal. 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 that may propose any adjustments necessary to bring the schedules into compliance with the above provisions and will work collaboratively to reach agreement on any proposed adjustments.

The review of the annual PIM Provision transmittal will be conducted concurrent with and in conjunction with the annual RBA Review Transmittal. The Performance Incentive Adjustment will be determined annually based on the PIM Provision transmittal and, after review and subject to explicit approval by the Commission, will become effective on June 1 of the year following the Evaluation Period, concurrent and in conjunction with determination of Target Revenues and the RBA Rate Adjustment in accordance with the RBA Provision. Any approved Performance Incentive Adjustment will be applied as monthly adjustments to Target Revenues for the twelve month period commencing June 1 of the year following the Evaluation Period in accordance with the Monthly Allocation Factors identified in the RBA Provision.

PERFORMANCE INCENTIVE MECHANISM PROVISION (continued)

The Performance Targets, Deadbands and the amount of Maximum Financial Incentives used to determine the PIM Financial Incentive levels for each of the PIMs shall be re-determined upon issuance of an interim or final order in a general rate case for each Company, and shall remain constant in interim periods, unless otherwise amended, as necessary, by order of the Commission.

In the event that Performance Targets, Deadbands or the amounts of Maximum Financial Incentives are updated or amended by order of the Commission during the Evaluation Period, the Performance Targets, Deadbands and the amounts of Maximum Financial Incentives used in determining the amount of PIM Financial Incentives shall be a pro-rated weighted average based on the number of days of the Evaluation Period each parameter was effective.

Any revenue adjustments approved in accordance with this PIM Provision shall be excluded from the determination of Earnings Sharing Credits provided for in the Rate Adjustment Mechanism Provision ("RAM Provision").

The Performance Incentive Adjustment, and any prior year Performance Incentive Adjustment, shall be recalculated for errors in prior calculations and for subsequent Commission orders that change the basis for prior calculations. The effect of such changes shall be implemented as described in the RBA Provision, except that, the Performance Target, Deadband and Maximum Financial Incentive amounts determined in this PIM Provision shall not be recalculated based on errors in the calculation of these parameters and shall remain as specified unless and until changed by order of the Commission.

Evaluation Period

The Evaluation Period is defined as the annual twelve month calendar year period ending December 31, over which Measured Performance is determined and compared to the established Performance Target for each PIM described below. The first Evaluation Period shall begin January 1, 2018.

PIM Financial Incentive Calculation

For each PIM below, a Performance Target is specified, developed based on historical performance data. A Deadband is specified for each Performance Target in order to provide a satisfactory range of performance within which no reward or penalty amount is assessed.

PERFORMANCE INCENTIVE MECHANISM PROVISION (continued)

A Maximum Financial Incentive amount is specified for each PIM with separate identification of a Maximum Reward Amount and a Maximum Penalty Amount.

Measured Performance for the Evaluation Period is compared to the Performance Target for each PIM. If the difference between Measured Performance and the Performance Target is less than or equal to the Deadband amount, no reward or penalty is awarded and the amount of the PIM Financial Incentive is zero. If the difference between Measured Performance and the Performance Target exceeds the Deadband amount, a reward or penalty ratio is calculated where the difference between Measured Performance and the Performance Target, less the Deadband amount, is the numerator and the Deadband amount is the denominator. This ratio is multiplied by either the Maximum Reward Amount or Maximum Penalty Amount, as applicable, to determine the PIM Financial Incentive for each PIM. The magnitude of the PIM Financial Incentive for each PIM shall not exceed 100% of the magnitude of the applicable Maximum Reward Amount or Maximum Penalty Amount established for each PIM.

Reliability Performance Incentive Mechanisms

There are two reliability PIMs: 1) System Average Interruption Frequency Index ("SAIFI"); and 2) System Average Interruption Duration Index ("SAIDI"). SAIFI is a measure of the average frequency of outages, defined as the annual total number of customer interruptions divided by the total number of customers served. SAIDI is a measure of the average duration of outage, defined as the sum of all customer interruption durations (in minutes) divided by the total number of customers served. The SAIFI and SAIDI Measured Performance and Performance Targets are determined using the IEEE Standard 1366 methodology.

For the Reliability Performance Incentive Mechanisms, the 2008-2017 record of historical performance data was used to establish the Performance Target and the Deadband. The Deadband was calculated as ±1 standard deviation of the historical performance data. Accordingly, 100% of the penalty is achieved when Measured Performance is equal to or greater than 2 standard deviations from the Performance Target.

SAIFI:

Performance Target: 1.374 interruptions per customer during the one-year Evaluation Period

Deadband: ± 0.251 interruptions (1 Standard Deviation)

PERFORMANCE INCENTIVE MECHANISM PROVISION (continued)

Range for no penalty: 1.123 interruptions to 1.625 interruptions per customer (± 1 Standard Deviation from Target)

Rewards: Not Applicable
Penalties for greater than 1.625 interruptions per customer

Maximum Reward Amount: Not Applicable
Maximum Penalty Amount: $545,708.

The Maximum Penalty Amount was determined to be equal to 0.20% of Common Equity Share of Approved Average Test Year Rate Base determined in the most recent interim or final order in a general rate case for each Company.

SAIDI:

Target: 134.13 minutes per outage

Deadband: ± 21.32 minutes (1 Standard Deviation)

Range for no penalty: 112.81 minutes to 155.46 minutes per outage (± 1 Standard Deviation from Target)

Rewards: Not Applicable
Penalties for greater than 155.46 minutes per outage

Maximum Reward Amount: Not Applicable
Maximum Penalty Amount: $545,708.

The Maximum Penalty Amount was determined to be equal to 0.20% of Common Equity Share of Approved Average Test Year Rate Base determined in the most recent interim or final order in a general rate case for each Company.

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PERFORMANCE INCENTIVE MECHANISM PROVISION (continued)

Call Center Performance Incentive Mechanism

The Call Center Performance PIM measures the performance of the utility call center in terms of the percentage of calls answered within thirty (30) seconds. The calculation of the call center performance shall exclude blocked calls from the denominator.

The Performance Target for the Call Center Performance Incentive Mechanism was calculated based on the average of quarterly data from Quarter 3 of 2016 to Quarter 2 of 2018.

Call Center Performance:

Performance Target: 84.22% of calls answered within 30 seconds

Deadband: +/- 3.00% of calls answered within 30 seconds

Range for no reward or penalty: 81.22% of calls answered to 87.22% of calls answered.

Rewards apply for greater than 87.22% of calls answered
Penalties apply for less than 81.22% of calls answered

Maximum Reward Amount: $218,283.
Maximum Penalty Amount: $218,283.

The magnitude of the Maximum Reward Amount and Maximum Penalty Amount were determined to be equal to 0.08% of Common Equity Share of Approved Average Test Year Rate Base determined in the most recent interim or final order in a general rate case for each Company.

Additional PIMs:

The Commission may order the establishment of one or more PIMs, and the targets, deadbands, rewards, penalties, and allocations for that PIM, as applicable, shall be implemented as specified in the Commission's order that approved the applicable PIM, and the applicable PIM Financial Incentive shall be included in the Performance Incentive Adjustment.

Commission's Authority

The Commission may suspend any or all parts of this PIM Provision. Such suspension shall remain in place until removed by Commission order.

Deleted: Docket No. 2015-0170; Order No. 35709, Filed on September 21, 2018. ¶
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PERFORMANCE INCENTIVE MECHANISM PROVISION (continued)

Historical Reference

The following table summarizes the prior PIMs in effect, as these values may be applicable during certain portions of the Evaluation Period.

PIM:	Effective Period:	Performance Target:	Deadband:	Maximum Reward:	Maximum Penalty:
SAIFI	1/1/2018 thru 4/30/2018	1.403 interruptions per customer	+/- 0.245	N/A	$546,647
SAIFI	5/1/2018 thru 9/30/2018	1.403 interruptions per customer	+/- 0.245	N/A	$545,708
SAIDI	1/1/2018 thru 4/30/2018	138.96 minutes Per outage	+/- 25.89	N/A	$546,647
SAIDI	5/1/2018 thru 9/30/2018	138.96 minutes Per outage	+/- 25.89	N/A	$545,708
Call Center	1/1/2018 thru 4/30/2018	88.51% of calls answered within 30 sec.	+/- 3.00%	$218,659	$218,659
Call Center	5/1/2018 thru 9/30/2018	84.70% of calls answered within 30 sec.	+/- 3.00%	$218,283	$218,283

ATTESTATION

Tayne S. Y. Sekimura, is the Senior Financial Vice President of Hawai'i Electric Light Company, Inc., and says that she certifies that the attached Schedules supporting the proposed changes in customer rates pursuant to the Revenue Balancing Account ("RBA") Provision have been prepared in compliance with the Rate Adjustment Mechanism Provision and the RBA Provision, and prior Commission rate orders are true, correct and complete to the best of her knowledge and belief.

Tayne S. Y. Sekimura

Tayne S. Y. Sekimura

Attachment 2 – List of Schedules and Workpapers

Schedule A	HELCO-WP-A-001
Schedule A1	HELCO-WP-B-001
Schedule B	HELCO-WP-C-001
Schedule B1	HELCO-WP-C-002
Schedule B2	HELCO-WP-C-003
Schedule C	HELCO-WP-D1-001
Schedule C1	HELCO-WP-D2-001
Schedule C2	HELCO-WP-D2-003
Schedule D	HELCO-WP-D2-004
Schedule D1	HELCO-WP-D4-001a
Schedule D2	HELCO-WP-D4-001b
Schedule D3	HELCO-WP-F-001
Schedule D4	HELCO-WP-F1-001
Schedule D5	HELCO-WP-F1-002
Schedule E	HELCO-WP-F1-003
Schedule F	HELCO-WP-H-001
Schedule F1	HELCO-WP-H-002
Schedule F2	HELCO-WP-H-003
Schedule G	HELCO-WP-H-004
Schedule H	HELCO-WP-H-005
Schedule I	HELCO-WP-H-006
Schedule J	HELCO-WP-H-007
Schedule K	HELCO-WP-H-008
Schedule L	HELCO-WP-H-009
Schedule M	HELCO-WP-M-001
Schedule N	HELCO-WP-M-002
	HELCO-WP-M-003
	HELCO-WP-M-004

HAWAII ELECTRIC LIGHT COMPANY, INC.
DECOUPLING CALCULATION WORKBOOK
DETERMINATION OF 2019 REVENUE BALANCING ACCOUNT RATE ADJUSTMENT

Line No.	Description	Reference	Amount	6/1/2019 Rate Amount	6/1/2018	Incremental
	(a)	(b)	(c)	(d)		
	RECONCILIATION OF RBA BALANCE:					
1	RBA Prior calendar year-end balance	Schedule B	1,704,462			
1a	OBF Program Implementation Cost Recovery - Year 1 of 2	Schedule N	215,780			
			1,920,242			
2	Revenue Tax Factor	Schedule C	1.0975			
3	Revenue for RBA Balance			2,107,465		
	RATE ADJUSTMENT MECHANISM "RAM" AMOUNT:					
4	Total RAM Revenue Adjustment Allowed (Note 2)	Schedule A1		$ 10,112,835		
5	EARNINGS SHARING REVENUE CREDITS - 2019 ROE:	Schedule H		-		
6	PERFORMANCE INCENTIVE MECHANISM REWARD (PENALTY)	Schedule M		(15,435)		
7	2016 TEST YEAR RATE CASE FINAL D&O REFUND	HELCO-WP-H-007		(74,000)		
8	PUC-ORDERED MAJOR OR BASELINE CAPITAL PROJECTS CREDITS:	Schedule I		-		
9	TOTAL RBA REVENUE ADJUSTMENT	Sum Col. (d)		$ 12,130,866		
10	GWH SALES VOLUME ESTIMATE JUNE 2019 - MAY 2020	HELCO-WP-A-001		1,062.800		
11	RBA RATE ADJUSTMENT - cents per kWh	Note 1		**1.1414**	**1.0006**	**0.1408**
12	MONTHLY BILL IMPACT @ 500 KWH			**$ 5.71**	**$ 5.00**	**$ 0.71**

Note 1: 2019 RBA Rate Adjustment Breakdown

	Col. (d)	Rate Adjustment cents per kWh	Percentage Share
RBA Balance	$ 2,107,465	0.19829369	17.3728%
RAM Amount	$ 10,112,835	0.95152756	83.3645%
Earnings Sharing Revenue Credits	$ -	0.00000000	0.0000%
Performance Incentive Mechanism Reward (Penalty)	$ (15,435)	-0.00145227	-0.1272%
2016 Test Year Rate Case Final D&O Refund	$ (74,000)	-0.00696274	-0.6100%
Major or Baseline Capital Projects Credits	$ -	0.00000000	0.0000%
	$ 12,130,866	1.14140624	100.0000%

Note 2: Total RAM Revenue Adjustment Allowed is the sum of the RAM Cap + Exceptional and Other Projects. See 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.

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

Line No.	Description	Reference	Amount
	(a)	(b)	(c)
	RAM REVENUE ADJUSTMENT DETERMINED ACCORDING TO EXISTING TARIFFS AND PROCEDURES		
1	O&M RAM	Schedule C	$ 3,579,136
2	Rate Base RAM - Return on Investment (Note 2)	Schedule D	$ 3,624,867
3	Depreciation & Amortization RAM Expense	Schedule E	$ 4,765,288
4	Joint Pole Revenues	Note 3	$ (1,377,208)
5	Total RAM Revenue Adjustment		$ 10,592,084
	RAM REVENUE ADJUSTMENT CAP		
6	RAM Cap for 2019 RAM Revenue Adjustment	Schedule J	$ 10,112,835
7	Plus: Exceptional and Other Matters	Schedule K	-
8	2019 Cap - Total RAM Revenue Adjustment		**$ 10,112,835**
9	**Total RAM Revenue Adjustment Allowed** (Note 1)	Lesser of Line 5 or Line 9	**$ 10,112,835**
			To Sch A

Note 1: RAM Revenue Adjustment Allowed:
See 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: Total RAM Cap:
See 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."

Note 3: See Decision and Order No. 35768, Docket No. 2018-0075 filed October 16, 2018. Commission approved the Asset Transfer, Pole Licensing and Amended Joint Pole Agreements and the accounting and ratemaking treatment described in Exhibit E of the Application. The negotiated settlement over a ten year period for attachment fees, inclusive of revenue taxes, is $1,377,208 per year.

For ratemaking purposes, attachment and ancillary revenues received from Hawaiian Telcom and other third party attachers for use of the poles are reflected in other operating revenue and will offset depreciation costs of transferred poles and related equipment, and the authorized return to the Companies shareholders.

HAWAII ELECTRIC LIGHT 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	RBA Balance Before ADIT	ADIT Related to RBA Revenues	Net Ending Balance	Average Balance Subject to Interest	Interest at 3.25%/year 1.50%/year	Ending Balance
		(a)	(b)	(c)	(d)	(e)	(f)	(g)	(h)	(i)	(j)	(k)	(l)
	Monthly RBA Balance and Activity (Monthly PUC Rpt., Pg. 9A)												
1	2017	December	$ 3,128,648	$ 13,230,418	$ 12,492,192	$ 738,226	$ (253,086)				$ 2,059,477	$ 5,578	$ 3,619,366
2		December - Revised						$ 3,619,366	$ (932,055)	$ 2,687,311			
3													
4	2018	January	$ 3,619,366	$ 13,301,362	$ 12,835,840	$ 465,522	$ (258,886)	$ 3,826,002	$ (912,637)	$ 2,913,365	$ 2,800,338	$ 7,584	$ 3,833,586
5		February	$ 3,833,586	$ 12,451,601	$ 11,560,335	$ 891,266	$ (235,377)	$ 4,489,475	$ (893,219)	$ 3,596,256	$ 3,258,603	$ 8,825	$ 4,498,300
6		March	$ 4,498,300	$ 13,258,795	$ 12,733,942	$ 524,853	$ (257,906)	$ 4,765,247	$ (873,801)	$ 3,891,446	$ 3,748,264	$ 10,152	$ 4,775,399
7		April	$ 4,775,399	$ 12,725,921	$ 12,731,188	$ (5,267)	$ (258,997)	$ 4,511,135	$ (854,383)	$ 3,656,752	$ 3,779,175	$ 10,235	$ 4,521,370
8		May	$ 4,521,370	$ 12,317,361	$ 12,005,643	$ 311,718	$ (257,627)	$ 4,575,461	$ (834,965)	$ 3,740,496	$ 3,703,742	$ 10,031	$ 4,585,492
9		June	$ 4,585,492	$ 12,249,452	$ 11,937,887	$ 311,565	$ (296,111)	$ 4,600,946	$ (815,547)	$ 3,785,399	$ 3,767,963	$ 10,205	$ 4,611,151
10		July	$ 4,611,151	$ 13,081,645	$ 12,872,216	$ 209,429	$ (323,761)	$ 4,496,819	$ (796,129)	$ 3,700,690	$ 3,748,147	$ 4,685	$ 4,501,504
11		August	$ 4,501,504	$ 13,284,767	$ 13,043,681	$ 241,086	$ (330,384)	$ 4,412,206	$ (776,711)	$ 3,635,495	$ 3,670,435	$ 4,588	$ 4,416,794
12		September	$ 4,416,794	$ 12,449,542	$ 12,252,488	$ 197,054	$ (308,685)	$ 4,305,163	$ (757,293)	$ 3,547,870	$ 3,593,977	$ 4,492	$ 4,309,655
13		October	$ 4,309,655	$ 12,957,347	$ 13,673,359	$ (716,012)	$ (323,713)	$ 3,269,930	$ (737,875)	$ 2,532,055	$ 3,042,209	$ 3,803	$ 3,273,733
14		November	$ 3,273,733	$ 12,525,334	$ 12,989,338	$ (464,004)	$ (300,900)	$ 2,508,829	$ (718,457)	$ 1,790,372	$ 2,163,115	$ 2,704	$ 2,511,533
15		December	$ 2,511,533	$ 12,720,877	$ 13,224,782	$ (503,905)	$ (304,914)	$ 1,702,714	$ (699,039)	$ 1,003,675	$ 1,398,376	$ 1,748	**$ 1,704,462**
16		Total		$ 153,324,004	$ 151,860,699	$ 1,463,305	$ (3,457,261)					$ 79,052	***To Sch A***
17													
18	2019	January	$ -	$ 12,789,089	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
19		February	$ -	$ 11,972,055	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
20		March	$ -	$ 12,748,162	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
21		April	$ -	$ 12,235,810	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
22		May	$ -	$ 12,569,293	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
22a		OBF Recovery	$ 431,561										
23		June	$ -	$ 12,520,669	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
24		July	$ -	$ 13,371,287	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
25		August	$ -	$ 13,578,906	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
26		September	$ -	$ 12,725,189	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
27		October	$ -	$ 13,244,237	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
28		November	$ -	$ 12,802,659	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
29		December	$ -	$ 13,002,531	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
30				$ 153,559,887									
	Sources of Data:			*Sch B1*	*Sch B2*	Col (c) - (d)	Note 1	Cols (b)+(e)+(f)	Note 2	Note 2 & 3 Cols (g)+(h)	Curr Col (i)+ Prior Col (i)+(k) /2	Note 4	Col (g)+(k)

Note 1: Amounts represent recovery of prior years' RBA balance through the RBA rate adjustment effective June 1, 2017 for the period June 2017 through May 2018 and June 1, 2018 for the period June 2018 through May 2019. See HELCO WP-B-001.

Note 2: On December 22, 2017, the 2017 Tax Cuts & Jobs Act was signed into law to be effective for tax years ending after December 31, 2017. In accordance with IRC §451(b), "…the all events test with respect to any item of gross income (or portion thereof) shall not be treated as met any later than when such item (or portion thereof) is taken into account as revenue in... an applicable financial statement of the taxpayer...". This change would supersede the RBA tax accounting treatment (deferred until received in rates) the IRS approved for the Companies on April 21, 2014 and adopted in Decision & Order No. 31908 on Schedule A of the Decoupling Investigation, issued in Docket No. 2013-0141 on February 7, 2014.

IRC §451(b) would eliminate the book tax temporary difference for which ADIT was provided and accordingly, would reduce to zero the tax adjustment to the basis for calculating RBA interest. This change imposed by IRC §451(b) should allow for the deferred RBA income (on which the RBA ADIT balance at December 31, 2017 is based) to be amortized into taxable income over the next 4 years (straight-line basis) with the effect of reducing the tax adjustment balance down to zero by the end of 2021.

RBA Regulatory Asset Balance at 12/31/2017	3,619,366
Composite Federal & State Income Tax Rate	25.75%
RBA ADIT Balance at 12/31/2017	932,055
Years	4
Annual amortization for years 2018 through 2021	233,014
Monthly ADIT amortization	19,418

Note 3: In April 2018, the Companies adjusted the March 31, 2018 RBA balance for the change in accounting methodology identified in Note 2. The January to March 2018 RBA balance subject to interest was recalculated and the RBA Balance was trued-up in April 2018 for $1,394.

Note 4: On June 29, 2018, the Commission issued the Final Decision & Order No. 35559 for the Hawaii Electric Light 2016 tear year rate case (Dkt No. 2015-0170). As the pro-rated RBA interest of 1 day (06/30/18) in June is immaterial, Hawaii Electric Light will use the short term debt rate of 3.25% to calculate the RBA interest for June. Beginning July 1, 2018, Hawaii Electric Light will use the approved short term debt rate of 1.50% to calculate the RBA interest as approved by the Commission in Docket No. 2015-0170.

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

Line No.	Description (a)	Reference (b)		Docket No. 2015-0170 Amounts (c)	Docket No. 2015-0170 Amounts (d)	Docket No. 2015-0170 Amounts (e)	Docket No. 2015-0170 Amounts (f)	Docket No. 2015-0170 Amounts (g)	Docket No. 2015-0170 Amounts (h)
1	Last Rate Case Annual Electric Revenue at Approved Rate Levels	Note 1	$000s	$ 299,770	$ 289,771	$ 289,771	$ 289,771	$ 289,771	$ 289,771
2	Less: Fuel Expense	Note 1	$000s	$ (45,996)	$ (45,996)	$ (45,996)	$ (45,996)	$ (45,996)	$ (45,996)
3	Purchased Power Expense	Note 1	$000s	$ (72,438)	$ (72,438)	$ (72,438)	$ (72,438)	$ (72,438)	$ (72,438)
4	Revenue Taxes on Line 1 (8.885% statutory rates)		$000s	$ (26,635)	$ (25,746)	$ (25,746)	$ (25,746)	$ (25,746)	$ (25,746)
5	Last Rate Order Target Annual Revenues	Sum Lines 1 thru 4	$000s	$ 154,701	$ 145,591	$ 145,591	$ 145,591	$ 145,591	$ 145,591
6	Add: Authorized RAM Revenues - Incremental 2017 RAM	Note 3	$000s	$ 3,242	$ 3,242	$ -	$ -	$ -	$ -
7	Less: Revenue Taxes on Line 6 at 8.885%		$000s	$ (288)	$ (288)	$ -	$ -	$ -	$ -
8	Net RAM Adjustment - Test Year +6	Line 6 + 7	$000s	$ 2,954	$ 2,954	$ -	$ -	$ -	$ -
9	Authorized RAM Revenues - Transmittal No. 18-02	Note 3a	$000s	$ -	$ -	$ 6,577	$ 6,577	$ -	$ -
10	Less: Revenue Taxes on Line 9 at 8.885%		$000s	$ -	$ -	$ (584)	$ (584)	$ -	$ -
11	Net RAM Adjustment - Test Year +2	Line 9 + 10	$000s	$ -	$ -	$ 5,992	$ 5,992	$ -	$ -
12	Authorized RAM Revenues - Transmittal No. 18-02	Schedule A, Line 4	$000s	$ -	$ -	$ -	$ -	$ 10,113	$ 10,113
13	Less: Revenue Taxes on Line 9 at 8.885%		$000s	$ -	$ -	$ -	$ -	$ (899)	$ (899)
14	Net RAM Adjustment - Test Year +3	Line 12 + 13	$000s	$ -	$ -	$ -	$ -	$ 9,214	$ 9,214
15	Authorized MPIR Revenues	Schedule L	$000s	$ -	$ -	$ -	$ -	$ -	$ -
16	Less: Revenue Taxes on Line 12 at 8.885%		$000s	$ -	$ -	$ -	$ -	$ -	$ -
17	Net MPIR Adjustment	Line 15 + 16	$000s	$ -	$ -	$ -	$ -	$ -	$ -
18	Less: EARNINGS SHARING REVENUE CREDITS	Schedule A, Line 5	$000s	$ -	$ -	$ -	$ -	$ -	$ -
19	Less: Revenue Taxes on Line 15 at 8.885%		$000s	$ -	$ -	$ -	$ -	$ -	$ -
20	Net Earnings Sharing Revenue Credits	Line 18 + 19	$000s	$ -	$ -	$ -	$ -	$ -	$ -
21	Less: PERFORMANCE INCENTIVE MECHANISM REWARD (PENALTY)	Schedule A, Line 6	$000s	$ -	$ -	$ -	$ -	$ (15)	$ (15)
22	Less: Revenue Taxes on Line 24 at 8.885%		$000s	$ -	$ -	$ -	$ -	$ 1	$ 1
23	Net Performance Incentive Mechanism	Lines 21 + 22	$000s	$ -	$ -	$ -	$ -	$ (14)	$ (14)
24	Less: 2016 TEST YEAR FINAL D&O REFUND	Schedule A, Line 7	$000s	$ -	$ -	$ -	$ -	$ (74)	$ (74)
25	Less: Revenue Taxes on Line 27 at 8.885%		$000s	$ -	$ -	$ -	$ -	$ 7	$ 7
26	Net 2016 Test Year Final D&O Refund	Lines 24 + 25	$000s	$ -	$ -	$ -	$ -	$ (67)	$ (67)
27	Add: OBF PROGRAM IMPLEMENTATION COSTS	Schedule A, Line 1a * 1.0975	$000s	$ -	$ -	$ -	$ -	$ 237	$ 237
28	Less: Revenue Taxes on Line 21 at 8.885%		$000s	$ -	$ -	$ -	$ -	$ (21)	$ (21)
29	Net Earnings Sharing Revenue Credits	Lines 27 + 28	$000s	$ -	$ -	$ -	$ -	$ 216	$ 216
30	PUC-ORDERED MAJOR OR BASELINE CAPITAL CREDITS:	Sch A, Line 8	$000s	$ -	$ -	$ -	$ -	$ -	$ -
31	Total Annual Target Revenues								
32	HELCO TY 2016 Interim+2017 Incrmntal RAM Annized Revs	Lines (5+8)	$000s	$ 157,655					
33	June 1, 2018 Annualized Revenues + RAM Increase	Lines (5+8+11)	$000s		$ 148,545	$ 151,583	$ 151,583		
34	June 1, 2019 Annualized Revenues + RAM Increase	Lines (5+11+14+17+20+ 23+26+29+30)	$000s					$ 154,940	$ 154,940
				Note 4	Note 4				
35	Distribution of Target Revenues by Month:		Note 2	**2018**	**2018**	**2018**	**2019**	**2019**	**2020**
36	January		8.437%	$ 13,301,362			$ 12,789,089		$ 13,072,254
37	February		7.898%	$ 12,451,601			$ 11,972,055		$ 12,237,129
38	March		8.410%	$ 13,258,795			$ 12,748,162		$ 13,030,420
39	April		8.072%	$ 12,725,921			$ 12,235,810		$ 12,506,724
40	May		8.292%	$ -	$ 12,317,361		$ 12,569,293		$ 12,847,591
41	June		8.081%			$ 12,249,452		$ 12,520,669	
42	July		8.630%			$ 13,081,645		$ 13,371,287	
43	August		8.764%			$ 13,284,767		$ 13,578,906	
44	September		8.213%			$ 12,449,542		$ 12,725,189	
45	October		8.548%			$ 12,957,347		$ 13,244,237	
46	November		8.263%			$ 12,525,334		$ 12,802,659	
47	December		8.392%			$ 12,720,877		$ 13,002,531	
48	Total Distributed Target Revenues		100.00%	$ 51,737,679	$ 12,317,361	$ 89,268,964	$ 62,314,409	$ 91,245,478	$ 63,694,118

Note 1: Col. c: Interim Decision and Order No. 34766, Exhibit A, page 1, issued August 21, 2017, in Docket No. 2015-0170.
Col. d, e, f, g, h: Order No. 35419 Granting Motion to Adjust Interim Increase, issued on April 24, 2018 in Docket No. 2015-0170. Target Revenue calculation is provided in HELCO Revision to Exhibits in Motion to Adjust Interim Increase, Exhibit 14, page 2 of 2 filed April 10, 2018. Approved in Final Decision and Order No. 35559, filed June 29, 2018.

Note 2: HELCO RBA Provision Tariff effective August 31, 2017 based on 2016 test year, filed on July 30, 2018 in Docket No. 2015-0170. The Comission approved the final tariff sheets in Order No. 35709 of Docket No. 2015-0170 on September 21, 2018.

Note 3: See Letter to Commission, Subject: Interim Increase Tariff Sheets, Exhibit E, Line 4 filed August 23, 2017. See also Exhibit 1, page 95 of the Settlement Agreement filed on July 11, 2017 for details explaining this incremental increase to the 2016 test year related to the 2017 RAM Revenue Adjustment.

Note 3a: Transmittal 18-02 filed May 29, 2018, establishing 2018 target revenue effective June 1, 2018.

Note 4: For the month of the initial implementation (2nd Interim), adjust the monthly allocation by the number of effective days in the month over the total num. of days: 1.00000

HAWAII ELECTRIC LIGHT COMPANY,INC.
DECOUPLING CALCULATION WORKBOOK
DETERMINATION OF RECORDED ADJUSTED REVENUES

Line No.	Description	January 2018	February 2018	March 2018	April 2018	May 2018	June 2018	July 2018	August 2018	September 2018	October 2018	November 2018	December 2018	Total	
	(a)	(b)	(c)	(d)	(e)	(f)	(g)	(h)	(i)	(j)	(k)	(l)	(m)		
	BILLED REVENUES:														
1	Current month's billed revenues (SAP014w)	29,854,791	29,873,025	30,143,306	31,163,504	28,622,938	30,496,203	32,594,297	32,719,288	33,351,283	33,781,727	33,605,103	33,297,728	379,503,193	
2	Remove PBF revenues	(240,181)	(235,369)	(235,068)	(242,221)	(225,869)	(232,208)	(254,727)	(276,131)	(286,045)	(277,527)	(267,844)	(262,681)	(3,035,870)	
3	Remove Solar Saver non-revenues	-	-	179	22,586	26,107	(37)	(6)	(45)	-	-	-	-	48,783	
4 = sum 1-3	**BILLED REVENUES**	**29,614,610**	**29,637,656**	**29,908,417**	**30,943,869**	**28,423,175**	**30,263,957**	**32,339,565**	**32,443,112**	**33,065,238**	**33,504,200**	**33,337,259**	**33,035,047**	**376,516,106**	
	UNBILLED REVENUES														
5	Current month's unbilled revenues (Unbilled Sales and Revenue Est)	16,267,000	13,887,749	15,192,250	13,979,142	14,852,469	15,254,660	16,692,057	17,480,045	15,822,864	16,841,393	16,404,463	17,067,775	189,741,867	
6	Reverse prior month's unbilled revenues (Unbilled Sales and Revenue Est)	(15,947,182)	(16,267,000)	(13,887,749)	(15,192,250)	(13,979,142)	(14,852,469)	(15,254,660)	(16,692,057)	(17,480,045)	(15,822,864)	(16,841,393)	(16,404,463)	(188,621,273)	
7 = 5+6	Unbilled revenues per Unbilled Sales and Revenue Estimate	319,818	(2,379,251)	1,304,501	(1,213,108)	873,328	402,190	1,437,397	787,988	(1,657,181)	1,018,530	(436,931)	663,313	1,120,593	
8	Recovery of 12-31-16 RBA balance through RBA Rate Adjustment beginning 6-1-17	(284,131)	(258,330)	(283,055)	(284,253)	(282,749)	-	-	-	-	-	-	-	(1,392,518)	***HELCO-WP-B-001 page 1 of 2***
9	Recovery of 12-31-17 RBA balance through RBA Rate Adjustment beginning 6-1-18						(324,986)	(355,332)	(362,601)	(338,786)	(355,280)	(330,242)	(334,647)	(2,401,874)	***HELCO-WP-B-001 page 2 of 2***
10	Accrual of Performance Incentive Mechanism	-	-	-	-	-	-	-	-	-	-	-	(546,017)	(546,017)	
11	Accrual of Test Year Rate Case Refund	-	-	-	-	-	-	(74,000)	-	-	-	-	-	(74,000)	
12	Accrual of ECAC adjustment	(206,400)	(356,700)	(703,300)	(559,300)	711,300	(920,200)	(850,100)	(427,100)	270,700	(270,000)	(627,900)	(1,954,400)	(5,893,400)	
13	Reversal of ECAC accrual	261,266	301,834	301,834	301,832	422,134	422,134	422,132	256,066	256,066	256,068	335,500	335,500	3,872,366	
14	Accrual of PPAC adjustment	79,200	146,000	(8,200)	(54,400)	(355,800)	217,700	(3,700)	70,300	166,700	(46,500)	13,400	99,200	323,900	
15	Reversal of PPAC accrual	55,200	7,532	7,532	7,536	(72,334)	(72,334)	(72,332)	64,166	64,166	64,168	(77,767)	(77,767)	(102,234)	
16	Tax Reform Act adjustment	(577,268)	(540,389)	(667,943)	(595,200)	99,200	99,200	198,401	132,267	132,267	132,267	132,267	132,267	(1,322,664)	
17	Other unbilled adjustments	(58,034)	(58,034)	(58,034)	(58,034)	81,597	22,522	22,522	22,522	22,522	22,522	22,522	22,522	7,115	
18	Accrual of current month's RBA (PUC Monthly Financial Report)	465,522	891,266	524,853	(5,267)	311,718	311,565	209,429	241,086	197,054	(716,012)	(464,004)	(503,905)	1,463,305	
19	RBA gross up for revenue taxes	45,395	86,911	51,181	(514)	30,397	30,382	20,422	23,509	19,216	(69,821)	(45,247)	(49,138)	142,693	
20 = sum 8-19	Miscellaneous unbilled accruals	(219,250)	220,090	(835,132)	(1,247,600)	945,463	(214,017)	(482,558)	20,215	789,905	(982,588)	(1,041,471)	(2,876,385)	(5,923,328)	
21 = 7+20	**UNBILLED REVENUES**	**100,568**	**(2,159,161)**	**469,369**	**(2,460,708)**	**1,818,791**	**188,173**	**954,839**	**808,203**	**(867,276)**	**35,942**	**(1,478,402)**	**(2,213,072)**	**(4,802,735)**	
22 = 4+21	**TOTAL REVENUES PER G/L (PUC Monthly Financial Report)**	**29,715,178**	**27,478,496**	**30,377,786**	**28,483,161**	**30,241,966**	**30,452,131**	**33,294,404**	**33,251,315**	**32,197,962**	**33,540,141**	**31,858,857**	**30,821,975**	**371,713,371**	
	Billed Adjustments to Determine Adjusted Revenues for RBA:														
23	Remove ECAC revenues	965,791	580,489	(139,383)	61,599	570,570	(795,497)	(2,336,179)	(2,083,839)	(1,756,415)	(4,935,256)	(7,734,637)	(7,944,648)	(25,547,405)	
24	Remove PPAC revenues	(1,900,630)	(1,898,863)	(1,882,645)	(1,965,008)	(1,896,180)	(1,744,967)	(1,512,134)	(1,464,038)	(1,446,363)	(1,466,882)	(1,538,213)	(1,577,004)	(20,292,928)	
25	Remove DSM revenues	(70)	(347)	(41)	(196)	(60)	-	(24)	(50)	-	(1)	-	-	(789)	
26	Remove revenue taxes of PBF revenues	(16,381)	(16,053)	(16,033)	(16,521)	(15,405)	(15,838)	(17,374)	(18,833)	(19,510)	(18,929)	(18,268)	(17,916)	(207,061)	
27	Remove Solar Saver revenues	52	18	12	907	1,048	(2)	(0)	(2)	8	(8)	5	5	2,044	
28	Remove revenue taxes on billed revenues	(2,546,741)	(2,514,713)	(2,476,279)	(2,578,840)	(2,406,338)	(2,461,825)	(2,529,902)	(2,565,664)	(2,651,547)	(2,406,336)	(2,136,500)	(2,087,574)	(29,362,259)	
29	Remove base fuel (adjusted for revenue taxes)	(6,308,831)	(6,249,279)	(6,141,138)	(6,409,119)	(6,044,486)	(6,237,369)	(6,379,402)	(6,523,670)	(6,730,229)	(5,405,179)	(3,938,826)	(3,832,034)	(70,199,561)	
30	Remove power purchase energy (adjusted for revenue taxes)	(6,732,481)	(6,668,930)	(6,553,528)	(6,839,504)	(6,450,385)	(6,656,221)	(6,807,792)	(6,961,747)	(7,182,177)	(5,853,795)	(4,379,328)	(4,260,592)	(75,346,482)	
31	Other operating revenues - EV-U revenue net or revenue tax	1,328	1,250	1,254	1,101	1,168	1,522	1,855	1,407	1,281	-	-	5,084	17,248	
32	Other operating revenues - SMNP revenue net or revenue tax	3,113	3,259	3,420	3,458	3,530	3,597	3,896	4,447	3,915	3,847	3,740	3,896	44,117	
33	Other operating revenues - Customer Courtesy Credit	-	-	-	-	-	-	-	-	(11,784)	(3,130)	(7,322)	(242)	(22,479)	
	Unbilled Adjustments to Determine Adjusted Revenues for RBA:														
34	Remove Accrual of Performance Incentive Mechanism	-	-	-	-	-	-	-	-	-	-	-	546,017	546,017	
35	Remove Accrual of Test Year Rate Case Refund	-	-	-	-	-	-	74,000	-	-	-	-	-	74,000	
36	Remove ECAC revenues	(323,777)	(114,791)	(587,826)	729,648	(176,044)	(1,189,216)	(329,578)	470,321	(70,355)	(2,899,255)	(65,940)	(288,313)	(4,845,126)	
37	Remove ECAC accrual	(54,866)	54,866	401,466	257,468	(1,133,434)	498,066	427,968	171,034	(526,766)	13,932	292,400	1,618,900	2,021,034	
38	Remove PPAC revenues	434	144,845	(49,129)	29,140	(106,400)	301,008	(57,746)	1,353	85,566	(71,561)	(38,155)	(22,189)	217,166	
39	Remove PPAC accrual	(134,400)	(153,532)	668	46,864	428,134	(145,366)	76,032	(134,466)	(230,866)	(17,668)	64,367	(21,433)	(221,666)	
40	Remove Tax Reform Act adjustment	577,268	540,389	667,943	595,200	(99,200)	(99,200)	(198,401)	(132,267)	(132,267)	(132,267)	(132,267)	(132,267)	1,322,664	
41	Remove other unbilled adjustments	58,034	58,034	58,034	58,034	(81,597)	(22,522)	(22,522)	(22,522)	(22,522)	(22,522)	(22,522)	(22,522)	(7,115)	
42	Remove RBA accruals	(465,522)	(891,266)	(524,853)	5,267	(311,718)	(311,565)	(209,429)	(241,086)	(197,054)	716,012	464,004	503,905	(1,463,305)	
43	Remove RBA gross up for revenue taxes	(45,395)	(86,911)	(51,181)	514	(30,397)	(30,382)	(20,422)	(23,509)	(19,216)	69,821	45,247	49,138	(142,693)	
44	Remove revenue taxes on unbilled revenues	25,558	231,679	(34,162)	65,622	(27,378)	72,058	(61,728)	(79,704)	175,990	205,027	77,412	(1,614)	648,760	
45	Remove base fuel (adjusted for revenue taxes)	8,794	513,603	(155,017)	97,910	(223,375)	154,548	(253,153)	(292,576)	379,670	1,183,750	92,472	(54,829)	1,451,798	
46	Remove power purchase energy (adjusted for revenue taxes)	9,384	548,092	(165,427)	104,485	(238,375)	164,926	(270,152)	(312,223)	405,166	1,173,618	102,814	(60,961)	1,461,348	
47 = sum 23-46	Total billed and unbilled adjustments to determine adjusted revenues for RBA	(16,879,338)	(15,918,161)	(17,643,844)	(15,751,973)	(18,236,323)	(18,514,244)	(20,422,188)	(20,207,634)	(19,945,474)	(19,866,782)	(18,869,518)	(17,597,193)	(219,852,672)	
48 = 22+47	**RECORDED ADJUSTED REVENUES FOR RBA DETERMINATION**	**12,835,840**	**11,560,335**	**12,733,942**	**12,731,188**	**12,005,643**	**11,937,887**	**12,872,216**	**13,043,681**	**12,252,488**	**13,673,359**	**12,989,338**	**13,224,782**	**151,860,699**	***Sch B***

Note: Amounts may not add exactly due to rounding.

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

Line No.	Description	Reference	Docket No. 2015-0170 Approved	Note 4 Previously Approved RAM	O&M Subject to Escalation	Note 2 Net Inflation Indices	2019 O&M RAM Adjustment
	(a)	(b)	(c)	(d)	(e)=(c) +(d)	(f)	(g) = (e) * (f)
1	Base BU Labor Expense	Schedule C1	$ 10,052		$ 10,052	6.27%	$ 630
2	Base Non-Labor Expense	Schedule C2	$ 40,778		$ 40,778	6.33%	$ 2,581
3	Payroll Taxes	Note 1	$ 805		$ 805	6.27%	$ 50
4	Subtotal Expense Increase - RAM Adjustment before revenue taxes						$ 3,261
5	Revenue Tax Factor (Note 3)						1.0975
6	O&M RAM (Subtotal Expenses x Rev Tax Factor)						**$ 3,579**
							To Sch A1

Note 1: Docket No. 2015-0170 - Hawai'i Electric Light 2016 Test Year Rate Case, Final Decision and Order No. 35559 filed June 29, 2018 (which approved Payroll Tax per HELCO Interim Decision and Order No. 34766, Exhibit A, page 3, filed August 21, 2017). $ 1,256

Less: Portion of payroll taxes related to non-BU labor[A] (35.90% * 1,256)	$ (451)
Payroll Taxes related to Bargaining Unit labor	$ 805

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

Note 2: Escalation Rates

Labor:	2017	2018	2019	
Bargaining Unit Wage Increase	2.75%	2.67%	3.00%	(See HELCO-WP-C-001)
Less: Labor Productivity Offset	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	1.99%	1.91%	2.24%	

Calculation of 2019 Compounded Labor Cost Escalation:

2017 Labor Cost Escalation	1.0199	A (2017 labor escalation plus 1)
2018 Labor Cost Escalation	1.0191	B (2018 labor escalation plus 1)
2019 Labor Cost Escalation	1.0224	C (2019 labor escalation plus 1)
2018-2019 Compounded Labor Cost Escalation	1.0627	D = A * B * C
2018-2019 Compounded Labor Cost %	0.0627	E = D - 1

Non-Labor:	2017	2018	2019	
GDP Price Index	2.00%	2.10%	2.10%	(See HELCO-WP-C-002)

Calculation of 2019 Compounded Non-Labor Cost Escalation:

2017 Non-Labor Cost Escalation	1.0200	F (2017 non-labor escalation plus 1)
2018 Non-Labor Cost Escalation	1.0210	G (2018 non-labor escalation plus 1)
2019 Non-Labor Cost Escalation	1.0210	H (2019 non-labor escalation plus 1)
2018-2019 Compounded Non-Labor Cost Escalation	1.0633	I = F * G * H
2018-2019 Compounded Non-Labor Cost %	0.0633	J = I - 1

Note 3: Computation of Revenue Tax Factor

Public Service Tax Rate	0.05885	
PUC Fees Rate	0.00500	Revenue Tax Factor
Franchise Tax Rate	0.02500	= 1 / (1 - Total Revenue Tax Rate)
Total Revenue Tax Rate	0.08885	1.0975 ***To Sch A***

Note 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 Note 2.

HAWAII ELECTRIC LIGHT 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. 2015-0170
($ in Thousands)

Line No.	Description	Note 2 BU Labor	Note 2 Non-BU Labor	Total Labor	Note 1 Non-Labor	Note 1 Total
		(a)	(b)	(c)=(a)+(b)	(d)	(e)
1	Production	5,801	1,848	7,649	10,802	18,451
2	Transmission	1,377	132	1,509	2,858	4,367
3	Distribution	2,768	199	2,967	9,151	12,118
4	Customer Accounts	34	11	46	7,691	7,737
5	Allowance for Uncoll Accounts	-	-	-	446	446
6	Customer Service	-	380	380	836	1,216
7	Administrative & General	72	3,059	3,132	15,513	18,644
8	**Operation and Maintenance**	**10,052**	5,630	15,681	**47,297**	62,979
		To Sch C			***Sch C2***	
	Percentage of Total O&M Labor	64.10%	35.90%	100%		

* Amounts may not add due to rounding

Note 1: Docket No. 2015-0170 - Hawai'i Electric Light 2016 Test Year Rate Case, Final Decision and Order No. 35559 filed June 29, 2018 (which approved Interim Decision and Order No. 34766, Exhibit A, page 1 filed August 21, 2017). The amortization of contributions in excess of NPPC was removed from the amounts shown above. See HELCO Revision to Exhibits in Motion to Adjust Interim Increase, Exhibit 5A, filed April 10, 2018.

Administrative & General per Exhibit 5A	18,374
Refund of amortization included in rates from Aug. 31, 2017 to May 1, 2018	(270)
Administrative & General Total	18,644

Note 2: Docket No. 2015-0170 - Hawai'i Electric Light 2016 Test Year Rate Case, Final Decision and Order No. 35559 filed June 29, 2018 (which approved HELCO-1140, for BU and Non-BU Labor cost breakdown in Direct Testimony, filed September 19, 2016. See HELCO Revision to Exhibits in Motion to Adjust Interim Increase, Exhibit 5A, filed April 10, 2018 for adjustment C-23).

BU Labor	10,052	
Non-BU Labor	5,720	
Total	15,771	HELCO-1140 Ln: 20
Settlement Adj C-23	(90)	Exhibit 5A, page 2
Total Labor D&O	15,681	

HAWAII ELECTRIC LIGHT COMPANY, INC.
DECOUPLING CALCULATION WORKBOOK
NON-LABOR EXCLUSION
ADJUSTMENT FOR O&M RAM
($ in Thousands)

Line No.	Description	Amount	Reference
	(a)	(b)	(c)
1	Pension Expense	11,913	Note 1
2			
3			
4	OPEB Expense	(416)	Note 1
5			
6			
7	Total before amounts transferred	11,497	
8			
9	O&M %	56.70%	Note 2
10	(1- transfer rate of 43.30%)		
11			
12			
13	Adjustment to Non-Labor O&M Expense		
14	for O&M RAM base	6,519	
15			
16			
17	Non-Labor O&M Expense	47,297	*Sch C1*
18			
19			
20	Non-Labor O&M Expense Base for		
21	O&M RAM base	**40,778**	***To Sch C***

Note 1: Docket No. 2015-0170 - Hawai'i Electric Light 2016 Test Year Rate Case, Final Decision and Order No. 35559 filed June 29, 2018 (which approved Stipulated Settlement Letter, filed July 11, 2017, Exhibit 1, page 55. The amortization of contributions in excess of NPPC was removed from the amounts shown above. See HELCO Revision to Exhibits in Motion to Adjust Interim Increase, Exhibit 5A, filed April 10, 2018.)

Note 2: Docket No. 2015-0170 - Hawai'i Electric Light 2016 Test Year Rate Case, Final Decision and Order No. 35559 filed June 29, 2018 (which approved Stipulated Settlement Letter, filed July 11, 2017, Exhibit 1, page 75.)

HAWAII ELECTRIC LIGHT COMPANY, INC.
DECOUPLING CALCULATION WORKBOOK
DETERMINATION OF RATE BASE RAM ADJUSTMENT - RETURN ON INVESTMENT
($ in Thousands)

Line No.	Description	Amount $0	Percent of Total	Cost Rate	Post Tax Weighted Earnings Requirements	Note 1 Income Tax Factor	Pretax Weighted Earnings Requirements
	(a)	(b)	(c)	(d)	(e)	(f)	(g)
1	PUC APPROVED CAPITAL STRUCTURE & COSTS (Note 2):						
2	Short-Term Debt	$ -	0.00%	1.50%	0.00%	1.00000	0.00%
3	Long-Term Debt	204,912	40.13%	5.40%	2.17%	1.00000	2.17%
4	Hybrid Securities	9,515	1.86%	7.21%	0.13%	1.00000	0.13%
5	Preferred Stock	6,713	1.31%	8.18%	0.11%	1.34684	0.14%
6	Common Equity	289,453	56.69%	9.50%	5.39%	1.34684	7.25%
7	Total Capitalization	$ 510,593	100.00%		7.79%		**9.70%**
8	RAM CHANGE IN RATE BASE (From Sch D1)						**$ 34,049**
9	PRETAX RATE OF RETURN (Line 7, Col g)						9.70%
10	PRETAX RETURN REQUIREMENT						$ 3,302.8
11	REVENUE TAX FACTOR (1/(1-8.885%))						1.0975
12	RATE BASE RAM - RETURN ON INVESTMENT						**$ 3,624.9**
							To Sch A1

Note 1: Composite Federal & State Income Tax Rate 25.75% *See HELCO-WP-F-001*
Income Tax Factor (1 / 1-tax rate) 1.346835

Note 2: Per Interim Decision and Order No. 34766, issued in Docket No. 2015-0170 dated August 21, 2017. For purposes of interim rate relief, the Commission accepted the Consumer Advocate's recommended ROE of 9.50% and the remaining components of the Parties' stipulated capital structure per the Stipulated Settlement Agreement dated July 11, 2017, Exhibit 1, page 88, See also Rebuttal Testimonies, Exhibits and Workpapers - Book 2 in Docket No. 2015-0170, HELCO-R-2101. Approved in Final Decision and Order No. 35559, filed June 29, 2018.

HAWAII ELECTRIC LIGHT COMPANY, INC.
DECOUPLING CALCULATION WORKBOOK
DETERMINATION OF RATE BASE RAM ADJUSTMENT - CHANGE IN RATE BASE
($ in Thousands)

Line No.	Description	HELCO 2016 Test Year Rate Base (Note 2) Beg Balance 12/31/16	Budgeted Balance 12/31/2016	HELCO 2019 RAM Rate Base Adjusted Recorded at 12/31/2018	RAM Projected Amounts	Estimated at 12/31/2019	
	(a)	(b)	(c)	(d)	(e)	(f)	
				Note 1	See Detail Below		
1	Net Cost of Plant in Service, Net of CIAC	$ 649,484	$ 667,682	$ 611,214	$ 127	$ 611,341	
2	Property Held for Future Use	987	755				
3	Fuel Inventory	6,021	6,021		These Elements		
4	Materials & Supplies Inventories	7,082	7,082		of Rate Base are		
5	Unamort Net ASC 740 Reg Asset	11,463	11,477		Not Updated for		
6	Pension Tracking Regulatory Asset	22,912	26,421		RAM Purposes		
7	Contribution in Excess of NPPC	1,524	1,524				
8	Pension Tracking Regulatory Asset	-	-				
9	Deferred System Development System	4,848	4,169				(Note 5)
10	Total Additions	$ 704,321	$ 725,131	$ 667,357	$ 127	$ 667,484	
11	Unamortized CIAC	$ (95,298)	$ (97,211)	$ (3,160)	$ -	$ (3,160)	(Note 3)
11a	Developer Advances	-	-	$ (3,308)	$ -	$ (3,308)	(Note 3)
12	Customer Advances	(11,172)	(11,259)				(Note 3)
13	Customer Deposits	(3,224)	(2,788)		Not Updated		
14	Accumulated Def Income Taxes	(101,743)	(110,377)	(57,663)	(385)	(58,048)	(Note 4), Sch D4
15	ADIT Excess Reg Liability	-	-	(56,685)	98	(56,587)	(Note 4), Sch D5
16	Unamortized State ITC (Gross)	(15,184)	(15,787)				
17	Pension Reg Liability (Prepaid)	(496)	(1,370)		Not Updated		
18	OPEB Reg Liability	(1,548)	(2,080)				
19	Total Deductions	$ (228,665)	$ (240,872)	$ (153,270)	$ (287)	$ (153,557)	
20	Working Cash	$ 1,351	$ 1,351	$ 1,351	Not Updated	$ 1,351	
21	Rate Base at Proposed Rates	$ 477,007	$ 485,610	$ 515,438		$ 515,278	
22	Average Rate Base		$ 481,309			$ 515,358	
23	**Change in Rate Base**					**$ 34,049**	***To Sch D***

Line No.	Column (e) Projected Changes to Rate Base:	Reference	Amount $000
25	Plant - Baseline Capital Project Additions, Net of CIAC	Schedule D2	$ 43,457
26	Major Capital Project Additions, Net of CIAC	Schedule D3	-
27	Accumulated Depreciation/Amortization Change	Schedule E	(43,330)
28	Net Plant	Sum: Lines 25-27	$ 127
29	ADIT - Baseline and Major Capital Projects	Schedule F	$ (385)
30	Excess ADIT Reg Liability Amortization	Schedule D5	98

(Line 24 is the heading "Column (e) Projected Changes to Rate Base:".)

Note 1: Amounts are recorded, except for the following adjustments:

		Plant in Service	Acc. Depr.
[A]	Unadjusted Balance	$ 1,265,150	$ (550,869)
	Add:		
[A]	Asset Retirement Obligation		$ (2,006)
[A]	Reg Liab-Cost of Removal (net salvage)		$ (104,082)
[A]	Retirement Work In Progress		$ 3,021
	Unbilled Pole Credits (HELCO-WP-H-001)	$ (937)	
	Major Project Adjustments:		
	N/A		
	Total Adjustments	$ -	$ -
	Adjusted Balance	$ 1,265,150	$ (653,936)

[A] SOURCE: Hawaii Electric Light Company, Inc. Monthly Financial Report - December 2018, filed February 28, 2019.

Note 2: See Final Decision and Order No. 35559, For Approval of Rate Increases and Revised Rate Schedules and Rules, in Docket No. 2015-0170, filed June 29, 2018, Exhibit B, Page 1.

Note 3: Per PowerPlan extract. Effective October 2018, the Company reclassified CIAC to Plant in Service or CWIP consistent with FERC guidelines. As of December 2018, Cash CIAC received from Developers, subject to refund, were reclassified to Customer Advances for financial statement purposes. Starting 2018, CIAC has been netted with either Plant in Service or CWIP and Developer Advances which has been included as a reduction to rate base. See further discussion of the Company's treatment of CIAC at HECO-WP-D1-001.

Note 4: As a result of the 2017 Tax Reform Act, Regulatory Liability accounts were created to isolate the impact of the 2017 excess accumulated deferred taxes effective in actuals as of December 2017. These Regulatory Liabilities will be included as a reduction to Rate Base in the future. The ADIT balance shown in this revenue requirement is the composite of the ADIT and the Regulatory Liabilities for Deferred Taxes. See further discussion at Schedule F.

Note 5: HELCO 2016 Test Year Rate Base includes CIS Deferred Costs in Unamortized System Development Costs. See detail in July 11, 2017 Stipulated Settlement Letter, HELCO T-11, page 2.

HAWAII ELECTRIC LIGHT COMPANY, INC.
DECOUPLING CALCULATION WORKBOOK
DETERMINATION OF BASELINE CAPITAL PROJECTS ADDITIONS, NET OF CIAC

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

Line No.	Description	Dkt No.	Item No.	3/27/2015	3/29/2016	3/29/2017	3/27/2018	Note 1	
				2014	2015	2016	2017	2018	
	(a)			(b)	(c)	(d)	(e)	(f)	
1	**Total Plant Additions**			$ 51,615,842	$ 51,663,728	$ 52,675,304	$ 55,208,465	$ 72,479,908	
2	Less: Non-Utility Plant Additions			-	-	-	-	-	
3	**Adjusted Total Plant Additions**			**51,615,842**	**51,663,728**	**52,675,304**	**55,208,465**	**72,479,908**	
4									
5	Less Major Projects: (+$2.5 Million)	Dkt No.	Item No.						
6									
7	2014 In-Service								
8	Keamuku-Keahole 6800 kV Line Recon Ph 1 (Note 3)	2012-0392	H0002509	(2,730,442)	141,116	10			
9	Keahole CT-4 Major Overhaul (Note 4)	2013-0144	H0002725	(1,622,930)	(19,335)	-			
10									
11	2015 In-Service								
12	None								
13									
14	2016 In-Service								
15	Keamuku-Keahole 6800 69 kV Line Recon Phase 2	2012-0392	H0002612			(2,961,593)			
16	Keamuku-Keahole 6800 69 kV Line Recon Phase 3	2012-0392	H0002668			(2,703,182)	(32,940)	(408)	
17	Keahole CT-5 Major Overhaul	2013-0144	H0002724			(3,333,467)			
18									
19	2017 In-Service								
20	Keamuku-Keahole 6800 69 kV Line Recon Phase 4	2012-0392	H0002669				(945,457)	21,751	
21									
22	2018 In-Service								
23	Joint Pole Capital Transfer Price							(19,108,221)	
24									
25	**Total Net Plant Additions (excluding major projects)**			**47,262,470**	**51,785,509**	**43,677,072**	**54,230,068**	**53,393,030**	
26									
27	**Last Five-Year Average - Plant Additions**							**$ 50,069,630**	***To Sch F1***
28									
29	Less: CIAC, including Developer Advances (excluding major projects)		Note 2	(7,666,771)	(3,965,158)	(5,145,023)	(6,153,388)	(10,131,146)	
30									
31	**Total Net Plant Additions, Net of CIAC (excluding major projects)**			**$ 39,595,699**	**$ 47,820,351**	**$ 38,532,049**	**$ 48,076,680**	**$ 43,261,884**	
32									
33	**Last Five-Year Average - Plant Additions, Net of CIAC**							**$ 43,457,333**	***To Sch D1***

Note 1: Amounts per 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 2018, in Docket No. 03-0257, filed on March 27, 2019.

Note 2: See HELCO-WP-D2-003 for 2018 CIAC Additions and HELCO-WP-D2-004 for 2014 to 2017 CIAC Additions.

Note 3: Docket No. 2012-0392, Keamuku-Keahole 6800 kV Line Reconstruction Phase 1 Final Cost Report filed September 29, 2014, $2,659,753 plus straggling costs of $70,689 in 2014, less straggling credits of $141,116 in 2015 and $10 in 2016.

Note 4: Docket No. 2013-0144, Keahole CT-4 Major Overhaul Final Cost Report filed January 29, 2015, $1,622,930 plus straggling costs of $19,335.

HAWAII ELECTRIC LIGHT COMPANY, INC.
DECOUPLING CALCULATION WORKBOOK
DETERMINATION OF MAJOR CAPITAL PROJECT ADDITIONS, NET OF CIAC

Line No.	Description	PUC Docket Reference	Estimated In Service Date	Amount
	(a)	(b)	(c)	(d)
1	None			$ -
2				
3				
4	**Total Major Capital Project Qualifying for 2019 RAM, Net of CIAC**			**$ -**
5				***To Sch D1***

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

Line No.	NARUC Account	Reference	DR/(CR) Federal ADIT	DR/(CR) State ADIT	DR/(CR) Total ADIT
	(a)	(b)	(c)	(d)	(e)
1	Recorded Deferred Income Tax Balances December 31, 2018 Recorded Balances				
2	Depreciation Related Account 282	HELCO-WP-D4-001	$ (51,359,627)	$ (9,061,307)	$ (60,420,934)
3	Other Deferred Income Taxes	HELCO-WP-D4-001	1,990,916	767,093	2,758,009
4	Total Recorded Deferred Income Taxes - Utility		(49,368,711)	(8,294,214)	**(57,662,925)**
					To Sch D1
					To HELCO-WP-H-001

HAWAII ELECTRIC LIGHT COMPANY, INC.
DECOUPLING CALCULATION WORKBOOK
DETERMINATION OF ADJUSTED RECORDED EXCESS ADIT REGULATORY LIABILITY

Line No.	NARUC Account	Reference	DR/(CR) Balance at 12/31/17	DR/(CR) Adjustments	DR/(CR) Amortization	DR/(CR) Balance at 12/31/18	Life	Amortization	Est Bal at 12/31/19
	(a)	(b)	(c)	(d)	(e)	(f) =(c) + (d) + (e)	(g)	(h) = (c) / (g)	(i) = (f) + (h)
1	Recorded Excess ADIT Regulatory Liability Balances December 31, 2018 Recorded Balances								
2	Plant 282 - protected		(54,306,715)	(1,714,011)		(56,020,726)	0		(56,020,726)
3	Plant 283 - unprotected		(362,017)		16,093	(345,924)	15	24,140	(321,784)
4	Nonplant 283 - unprotected		(367,786)		49,038	(318,748)	5	73,557	(245,191)
5	Total Excess ADIT Regulatory Liability		(55,036,518)	(1,714,011)	65,131	**(56,685,398)**		**97,697**	**(56,587,701)**
			Note 1		Note 2	***To Sch D1***		***To Sch D1*** ***To Sch E*** ***To Sch F***	***To Sch D1***

Note 1: The 12/31/17 balances represent the amortization base presented in Docket 2015-0170 Hawai'i Electric Light Motion to Adjust Interim Increase, filed March 27, 2018, Exhibit 9. However, this amortization base inadvertently excluded reclassifications recorded at December 31, 2017 between the 2017 unprotected plant 283 excess net regulatory liability and the portion of ASC 740 regulatory assets/liabilities offsetting the related excess deferred income taxes. Please refer to HELCO 2019 Test Year Rate Case, Docket No. 2018-0368, CA-IR-70 for the detailed explanation and required reclassification.

Note 2: Amortization began 5/1/2018.

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

Line No.	NARUC Account	Recorded Depreciable/Amort. Balance (Note 2)	Adjustments (Note 3)	Adjusted Depreciable/Amort. Balance	PUC Approved Accrual Rate in Dkt No. 2009-0321	Annual Accrual
	(a)	(b)	(c)	(d)	(e)	(f)
1	**Plant Accounts**					
2	311	$ 18,580,389		$ 18,580,389	0.02900	$ 538,831
3	312	70,585,608	(1,680,000)	68,905,608	0.03080	2,122,293
4	314	48,549,063		48,549,063	0.02540	1,233,146
5	315	9,926,459		9,926,459	0.03350	332,536
6	Tot - Steam	147,641,520	(1,680,000)	145,961,520	0.02896	4,226,808
7						
8	331	117,720		117,720	0.00940	1,107
9	332	6,211,000		6,211,000	0.02030	126,083
10	333	2,091,309		2,091,309	0.02130	44,545
11	334	774,630		774,630	0.00620	4,803
12	336	121,311		121,311	0.00000	-
13	Tot - Hydro	9,315,969	-	9,315,969	0.01895	176,537
14						
15	341	24,728,472		24,728,472	0.02640	652,832
16	342	13,136,399		13,136,399	0.01990	261,414
17	343	69,597,123		69,597,123	0.02220	1,545,056
18	344	54,181,904		54,181,904	0.01910	1,034,874
19	345	7,919,237		7,919,237	0.01710	135,419
20	Tot - Other Prod	169,563,135	-	169,563,135	0.02141	3,629,595
21						
22	Tot - Prod	326,520,624	(1,680,000)	324,840,624		8,032,941
23						
24	350.1	3,505,139		3,505,139	0.01460	51,175
25	352	4,553,638		4,553,638	0.00890	40,527
26	353	65,561,840		65,561,840	0.01980	1,298,124
27	354	60,041		60,041	0.02120	1,273
28	355	66,493,564		66,493,564	0.01750	1,163,637
29	356	46,097,852		46,097,852	0.04430	2,042,135
30	357	305,800		305,800	0.00000	-
31	358	678,423		678,423	0.00180	1,221
32	359	128,935		128,935	0.01350	1,741
33	Tot - Transm	187,385,232	-	187,385,232	0.02455	4,599,834
34						
35	360.1	675,771		675,771	0.01990	13,448
36	361	3,927,549		3,927,549	0.01600	62,841
37	362	73,903,383		73,903,383	0.01820	1,345,042
38	363	311,321		311,321	0.03960	12,328
39	364	133,439,423	(734)	133,438,689	0.03780	5,043,982
40	365	101,035,790	(1,428)	101,034,362	0.03400	3,435,168
41	366	34,569,685		34,569,685	0.02870	992,150
42	367	104,592,330		104,592,330	0.04080	4,267,367
43	368	96,928,091	(22,601)	96,905,491	0.06870	6,657,407
44	369.1	38,968,378		38,968,378	0.03470	1,352,203
45	369.2	29,339,581		29,339,581	0.02850	836,178
46	370	24,634,583		24,634,583	0.04840	1,192,314
47	Tot - Distr	642,325,886	(24,763)	642,301,123	0.03925	25,210,428
48						
49	Tot - T & D	829,711,118	(24,763)	829,686,355		29,810,262
50						
51	390	22,414,014		22,414,014	0.01290	289,141
52	Tot - General	22,414,014	-	22,414,014	0.01290	289,141
53						
54	Sub-Total	1,178,645,756	(1,704,763)	1,176,940,994		38,132,344
55						
56	390.2 (Kanoelehua)	793,494		793,494	0.01540	12,220
57	Tot - LH Impr	793,494	-	793,494	0.01540	12,220
58						
59	392.1	7,540,415		7,540,415	0.15120	1,140,111
60	392.2	17,609,065		17,609,065	0.02720	478,967
61	Tot - Vehicles	25,149,480	-	25,149,480	0.06438	1,619,078
62						
63						
64	Utility Total Depreciation	$ 1,204,588,731	$ (1,704,763)	$ 1,202,883,968	0.03306	**$ 39,763,642**

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

Line No.	NARUC Account	Recorded Depreciable/Amort. Balance (Note 2)	Adjustments (Note 3)	Adjusted Depreciable/Amort. Balance	PUC Approved Accrual Rate in Dkt No. 2009-0321	Annual Accrual	
	(a)	(b)	(c)	(d)	(e)	(f)	
65	**Amortization Amounts**						
66							
67	316	$ 1,940,004		$ 1,940,004	0.05000	$ 97,000	
68	Tot - Steam	1,940,004	-	1,940,004	0.05000	97,000	
69							
70	335	132,698		132,698	0.05000	6,635	
71	Tot - Hydro	132,698	-	132,698	0.05000	6,635	
72							
73	346	3,439,497		3,439,497	0.05000	171,975	
74	Tot - Other Prod	3,439,497	-	3,439,497	0.05000	171,975	
75							
76	Tot - Prod	5,512,199	-	5,512,199	0.05000	275,610	
77							
78	391.1	2,415,799		2,415,799	0.20000	483,160	
79	391.2	605,254		605,254	0.10000	60,525	
80	391.3	700,948		700,948	0.06670	46,753	
81	393	831,088		831,088	0.04000	33,244	
82	394	12,255,662		12,255,662	0.04000	490,226	
83	395	291,059		291,059	0.06670	19,414	
84	396	39,008		39,008	0.05560	2,169	
85	397	27,955,170		27,955,170	0.06670	1,864,610	
86	398	4,357,929		4,357,929	0.06670	290,674	
87	Tot - General	$ 49,451,916	$ -	$ 49,451,916	0.06654	$ 3,290,775	
88	Utility Total Amortization	$ 54,964,115	$ -	$ 54,964,115	0.06489	**$ 3,566,385**	
89	TOTAL RAM DEPRECIATION / AMORTIZATION				Line 64 + Line 88	**$ 43,330,027**	***To Sch D1***
90	LESS: Vehicle Depreciation (A/C 392 above)				Line 61	$ (1,619,078)	
91	LESS: ADIT Excess Amortization				Schedule D5	$ (97,697)	
92	LESS: Depreciation & Amortization in Current Revenues				Note 1	$ (37,271,303)	
93							
94	RAM Adjustment for Depreciation & Amortization					$ 4,341,948	
95	RAM Adjustment for CIAC Amortization				Note 4	$ -	
96	Total RAM Adjustment for Depreciation & Amortization					**$ 4,341,948**	
97	Times: Factor for Revenue Taxes				Schedule C Line 5	1.0975	
98							
99	RAM DEPRECIATION & AMORTIZATION				Line 96 x Line 97	**$ 4,765,288**	***To Sch A1***

Note 1:

Depreciation & Amortization in Current Revenues*:		2016 Test Year
Total Depreciation		$ 42,106,000
LESS: Vehicle Depreciation (A/C 392)		(1,505,000)
LESS: Amortization of ADIT Excess Amortization	Line 91	(97,697)
Total Depreciation in Current Revenues		40,503,303
ADD: CIAC Amortization	Note 4	(3,232,000)
Total Depreciation and Amortization in Current Revenues		$ 37,271,303
		To Line 92

*See Hawaii Electric Light Company, Inc. Docket No. 2015-0170 HELCO-1601; Revision to Exhibits in Motion to Adjust Interim Increase, Exhibit 3D, page 1 of 13, filed April 10, 2018 and PUC Order No. 35419, Granting Motion to Adjust Interim Increase, Exhibit A, page 1 of 4, filed April 24, 2018. Approved in Final Decision and Order No. 35559, filed June 29, 2018.

Note 2:

Utility Total Depreciable Plant Balance	Line 64	$ 1,204,588,731
Utility Total Amortizable Plant Balance	Line 88	54,964,115
Total Utility Depreciation and Amortization Plant Balance		$ 1,259,552,846
Total Utility Plant in Service	RONE28	$ 1,265,149,706
Less: Land	(i)	(5,596,859)
Total Depreciable Plant in Service		$ 1,259,552,846

SOURCE:
(i): Accounting records.

Note 3:

ARO Assets included in Depreciable Plant	GL# 10100001	$ (1,702,601)
Unitization Adjustment	Line 39 + 40	(2,162)
		$ (1,704,763)

Note 4: Effective October 2018, the Company reclassified CIAC to Plant in Service or CWIP consistent with FERC guidelines. Amounts shown in this Schedule represent balances net of CIAC.

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

Line No.	NARUC Account	Reference	Projected ADIT Change
	(a)	(b)	(c)
1	State Tax Depreciation	Schedule F1	1,598,369
2	Amortization of Excess Deferreds	Schedule D5	97,697
3	Subtotal		1,696,066
4	Effective Federal Tax Rate	HELCO-WP-F-001	19.7368%
5	Federal Deferred Tax on State Tax Depreciation		334,750
6	Addback State Tax Depreciation		(1,598,369)
7	Federal Tax Depreciation	Schedule F1	1,598,369
8	Federal/State Difference		-
9	Tax Rate on Federal Only Adjustment	HELCO-WP-F-001	21%
10	Federal Deferred Tax Adjustment		-
11	Total Federal Deferred Taxes Before Proration		334,750
12	Proration Adjustment	HELCO-WP-F1-003	(52,086)
13	Total Federal Deferred Taxes After Proration		282,664
	STATE DEFERRED TAXES		
14	State Tax Depreciation		1,598,369
15	Amortization of Excess Deferreds	Schedule D5	97,697
16	Subtotal		1,696,066
17	Effective State Tax Rate	HELCO-WP-F-001	6.0150%
18	Total State Deferred Taxes		102,019
19	TOTAL FED AND STATE DEFERRED TAXES		**384,683**
			To Sch D1

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.

NOTE 2: The change in ADIT includes the tax effect of the amortization of the regulatory liability associated with the excess deferred taxes resulting from the tax rate change in the Tax Cuts and Jobs Act of 2017. This is consistent with the inclusion of the regulatory liability and the related amortization in rate base RAM.

HAWAII ELECTRIC LIGHT COMPANY, INC.
DECOUPLING CALCULATION WORKBOOK
DETERMINATION OF TAX DEPRECIATION

Line No.		Life (a)	HELCO-WP-F1-002 Projects (b)	Programs (c)	Total (d)	Projects (e)	Programs (f)	Total (g)
1	Information Systems/Data Handling	5	$ 403,384	$ -	$ 403,384	0.81%	-	0.81%
2	Communication	20	3,067,706	-	3,067,706	6.13%	-	6.13%
3	Office Furniture	7	425,457	-	425,457	0.85%	-	0.85%
4	Distribution	20	37,037,582	-	37,037,582	73.97%	-	73.97%
5	Land	-	145,015	-	145,015	0.29%	-	0.29%
6	Other Production	15	730,490	-	730,490	1.46%	-	1.46%
7	Steam & Hydraulic Production	20	774,683	-	774,683	1.55%	-	1.55%
8	Structural	39	1,751,666	-	1,751,666	3.50%	-	3.50%
9	Transmission	15	3,221,103	-	3,221,103	6.43%	-	6.43%
10	Transmission	20	278,075	-	278,075	0.56%	-	0.56%
11	Vehicles	-	2,234,470	-	2,234,470	4.46%	-	4.46%
12	Baseline Plant Additions		$ 50,069,630	$ -	$ 50,069,630	100%	-	100%

Projects and Program % Totals by Depreciable Life:

	Projects	Programs	Total
5 yr	0.81%	-	0.81%
7 yr	0.85%	-	0.85%
15 yr	7.89%	-	7.89%
20 yr	82.20%	-	82.20%
39 yr	3.50%	-	3.50%
Land	0.29%	-	0.29%
Vehicles	4.46%	-	4.46%
Total	100.00%	-	100.00%

Note 1 Basis subject to bonus depreciation

	Projects	Programs	Total
Basis subject to bonus depreciation	0.00%	0.00%	0.00%
5 yr	0.00%	-	0.00%
7 yr	0.00%	-	0.00%
15 yr	0.00%	-	0.00%
20 yr	0.00%	-	0.00%
39 yr	n/a	n/a	n/a
Land	n/a	n/a	n/a
Vehicles	n/a	n/a	n/a
Total	0.00%	0.00%	0.00%

Vintage 2018 - Bonus Depreciation

	BASIS	FED YR 1 DEPR RATE	FED YR 1 TAX DEPR	STATE YR 1 DEPR RATE	STATE YR 1 TAX DEPR
5 yr	-	60.000%	-	20.00%	-
7 yr	-	57.145%	-	14.29%	-
15 yr	-	52.500%	-	5.00%	-
20 yr	-	51.875%	-	3.75%	-

Basis subject to regular depreciation (Total less amounts subject to bonus)

	Projects	Programs	Total
5 yr	0.81%	-	0.81%
7 yr	0.85%	-	0.85%
15 yr	7.89%	-	7.89%
20 yr	82.20%	-	82.20%
39 yr	3.50%	-	3.50%
Land	n/a	n/a	n/a
Vehicles	n/a	n/a	n/a
Total	95.25%	-	95.25%
TOTAL ASSETS	95.25%	-	95.25%

Vintage 2018 - Regular Depreciation

	BASIS	FED YR 1 DEPR RATE	FED YR 1 TAX DEPR	STATE YR 1 DEPR RATE	STATE YR 1 TAX DEPR
5 yr	$ 338,793	20.00%	$ 67,759	20.00%	$ 67,759
7 yr	357,331	14.29%	51,063	14.29%	51,063
15 yr	3,318,853	5.00%	165,943	5.00%	165,943
20 yr	34,567,704	3.75%	1,296,289	3.75%	1,296,289
39 yr	1,471,184	1.18%	17,316	1.18%	17,316
Net Depreciable Baseline Plant Adds	$ 40,053,865		$ 1,598,369		$ 1,598,369
Major Capital Projects (From Sch F2)	-		-		-
Total Depreciable Plant Adds	$ 40,053,865		$ 1,598,369		$ 1,598,369
			Fed Tax Depreciation To Sch F		***St. Tax Depreciation To Sch F***

Reconciliation from Baseline Plant Adds to Net Depreciable Plant Adds

Baseline Capital Projects Plant Adds		$ 50,069,630	Sch D2
Less: Repairs deduction	**HELCO-WP-F1-001, pg. 1**	(8,017,290)	<<supported by Special Study each year.
Net plant add basis		42,052,340	
Less: Land and Vehicles (4.75% x $42,052,340)		(1,998,475)	
		$ 40,053,865	

Note 1: The 2017 Tax Cuts and Jobs Act (TCJA) precludes public utility companies from utilizing bonus depreciation on qualified property acquired and placed in service after September 27, 2017.

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

Line No.	Description		PUC Docket	Estimated In Service Date	Amount	
	(a)	(b)	(c)	(d)	(e)	
1	Assumed Value of 2018 Major Capital Projects - Plant Items				$ -	
2	Assumed Value of 2018 Major Capital Projects - CIAC nontaxable				$ -	
3	Assumed Value of 2018 Major Capital Projects - Total				**$ -**	***Sch D3***

Line No.		Tax Basis Distribution	FED YR 1 DEPR RATE	FED YR 1 TAX DEPR	STATE YR 1 DEPR RATE	STATE YR 1 TAX DEPR
4	Tax Classification of Major Capital Project Additions					
5	5 yr	$ -	20.00%	$ -	20.00%	$ -
6	7 yr	-	14.29%	-	14.29%	-
7	15 yr - Transmission	-	5.00%	-	5.00%	-
8	20 yr		3.75%	-	3.75%	-
9	39 yr	n/a				
10	Land	n/a				
11	Vehicles	n/a				
12	Total	**$ -**		**$ -**		**$ -**
		To Sch F1		***To Sch F1***		***To Sch F1***

HAWAII ELECTRIC LIGHT COMPANY, INC.
DECOUPLING CALCULATION WORKBOOK
CIAC SUMMARY

Line No.	Description	Reference	Unamortized CIAC	CIAC Amortization
	(a)	(b)	(c)	(d)

Schedule not applicable.

See HELCO-WP-D1-001 for further discussion on the Company's treatment of CIAC within the Annual Decoupling filing.

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

Line No.	Description	Reference		Ratemaking Basis Return on Equity: Operating Income	Rate Base	Rate of Return
	(a)	(b)		(c)	(d)	(e)
1	Reported Operating Income before ratemaking adj.	HELCO-WP-H-009 & HELCO-WP-H-001		$ 34,306	$ 504,502	
2	Ratemaking Adjustments to Line 1:					
2a	Incentive Compensation Expenses (net of tax)	HELCO-WP-H-002		489		
2b	Discretionary and Other Expenses Not Recoverable (net of tax)	HELCO-WP-H-002		61		
2c	Amortization of investment income differential	HELCO-WP-H-003		24		
2d	Income tax on items to be replaced by synchronized interest	HELCO-WP-H-003		(2,966)		
2e	Special Medical Needs Program Discount (net of tax)	HELCO-WP-H-005		33		
2f	Performance Incentive Mechanism (net of tax)	HELCO-WP-H-006		369		
2g	Test Year Refund (net of tax)	HELCO-WP-H-007		50		
3	Ratemaking Basis Amounts - Post Tax	Sum Lines 1 & 2		$ 32,366	$ 504,502	
4	Ratemaking Capitalization		Balances	Ratios	Cost Rate	Weighted Cost
5	Short-Term Debt (12 mo. Avg)		$ 808	0.16%	4.19%	0.01%
6	Long-Term Debt (Simple Avg)		$ 204,748	39.90%	5.38%	2.15%
7	Hybrid Securities (Simple Avg)		$ 9,588	1.87%	7.16%	0.13%
8	Preferred Stock (Simple Avg)		$ 6,743	1.31%	8.14%	0.11%
9	Common Equity (Simple Avg)		$ 291,321	56.76%	9.50%	5.39%
10	Total Capitalization	HELCO-WP-H-004	$ 513,208	100.00%		7.79%
11	Line 3 Rate Base Amount				$ 504,502	
12	Weighted Cost of Debt (Sum Lines 5-7)				2.29%	
13	Synchronized Interest Expense				$ 11,553	
	Income Tax Factor (Note 1)				1.346835443	
13a	Synchronized Interest Expense, net of tax				$ 8,578	
14	Post Tax Income Available for Preferred & Common (Line 3 - Line 13a)					$ 23,788
15	Less: Preferred Income Requirement (Line 8 Weighted Cost times Rate Base)					$ 555
16	Income Available for Common Stock					$ 23,233
17	Ratemaking Equity Investment (Line 9 Ratio times Rate Base)					$ 286,379
18	Return on Equity for Decoupling Earnings Sharing (Line 16/Line 17)					8.11%
19	Earnings Sharing Revenue Credits:		Basis Points			
20	Achieved ROE (basis points)		811			
21	Authorized Return (basis points) (PUC Final D&O 35559 in Dkt No. 2015-0170, filed on 06/29/18)		950			
22	ROE for sharing (basis points)		-			
23	Sharing Grid per RAM Provision		First 100 bp	Next 200 bp	All over 300 bp	Ratepayer Total
24	Distribution of Excess ROE (basis points)		0	0	0	
25	Ratepayer Share of Excess Earnings		25%	50%	90%	
26	Ratepayer Earnings Share - Basis Points		-	-	-	-
27	Revenue Credit per Basis Point (Note 2)					$ 42
28	Earnings Sharing Revenue Credits (thousands)					**$ -**
						To Sch A

Note 1:	Composite Federal & State Income Tax Rate	25.75%
	Income Tax Factor (1 / 1-tax rate)	1.346835443
Note 2:	Ratemaking Equity Investment (line 19)	$ 286,379
	Basis Point = 1/100 of a percent	0.01%
	Earnings Required per Basis Point (thousands)	$ 28.64
	Times: Income Tax Conversion Factor	1.346835443
	Pretax Income Required per Basis Point (thousands)	$ 39
	Times: Revenue Tax Conversion Factor	1.0975
	Revenue Requirement per Basis Point (thousands)	$ 42

HAWAII ELECTRIC LIGHT COMPANY, INC.
DECOUPLING CALCULATION WORKBOOK
PUC-ORDERED MAJOR OR BASELINE CAPITAL PROJECTS CREDITS

Line No.	Description	Reference	Amount $000
	(a)	(b)	(c)

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

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

Line No.	Description (a)	Reference (b)	Amount $000 (c)
1	Last Rate Order Target Annual Revenues	Schedule B1	$ 145,591
2	2017 RAM Cap Increase excluding Exceptional & Other Matters	5/21/18 Decoupling, Sch J	2,912
3	2018 RAM Cap Increase excluding Exceptional & Other Matters	↓	3,119
4	2018 Target Revenues subject to escalation	Sum: Line 1 to 3	$ 151,621
5	2019 GDP Price Index	HELCO-WP-C-002	2.10%
6	2019 RAM Cap Increase excluding Exceptional & Other Matters	Line 4 x Line 5	$ 3,184
7	RAM Cap for 2017 RAM Revenue Adjustment	Line 2	2,912
8	RAM Cap for 2018 RAM Revenue Adjustment	Line 3	3,119
9	RAM Cap for 2019 RAM Revenue Adjustment excluding Exceptional & Other Matters	Sum: Line 6 to 8	$ 9,214
10	Revenue Tax Factor (1/(1-8.8885%))		1.0975
11	RAM Cap for 2019 RAM Revenue Adjustment (including Rev Tax)	Line 9 x Line 10	$ 10,113
			To Sch A1

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."

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 interim or final rate case decision.

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

Line No.	Description	Reference	Amount $000
	(a)	(b)	(c)
1	*None*		-
2	2019 Revenue Adjustment for Exceptional & Other Matters		**$ -**
			To Sch A1

Note 1: Exceptional and Other Matters:
See 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.

HAWAII ELECTRIC LIGHT COMPANY, INC.
DECOUPLING CALCULATION WORKBOOK
MAJOR PROJECT INTERIM RECOVERY

Line No.	Description	Reference	Amount $000
	(a)	(b)	(c)
1	*None*		$ -
2	Revenue Tax Factor (1/(1-8.885%))		1.0975
3	Major Project Interim Recovery Total		**$ -**
			To Sch B1

HAWAII ELECTRIC LIGHT COMPANY, INC.
DECOUPLING CALCULATION WORKBOOK
2018 PERFORMANCE INCENTIVE MECHANISMS

	2018 Annual Total *	2018 Target **	Variance	Deadband **	Maximum $ **	(Penalty)/ Reward Amount
	(a)	(b)	(c)=(a)-(b)	(d)	(e)	1.0 * (((b - a) / d) * e + e)
Service Quality:						
Normalized T&D SAIFI	1.615	1.396	0.219	0.247	$ 546,017	$ -
Normalized T&D SAIDI	209.14	137.74	71.396	24.74	$ 546,017	$ (546,017)
Call Center Performance (Excludes Blocked Calls)	83.60%	85.83%	-2.23%	3.00%	$ 218,407	$ -
Phase 1 Renewable Energy PIM First Allocation ***						$ 530,582
					Total	**$ (15,435)**
						To Sch A

Notes:
* See HELCO-WP-M-002
** See HELCO-WP-M-001
*** See HELCO-WP-M-004

HAWAII ELECTRIC LIGHT COMPANY, INC.
DECOUPLING CALCULATION WORKBOOK
ON-BILL FINANCING COST RECOVERY

		Note 1		Cost Recovery (excluding Rev tax)			Cost Recovery (including Rev tax)		
Line	Company	Customer Count	Allocation	Total Recovery	2019 Recovery	2020 Recovery	Total with Rev Tax	2019 Recovery with Rev Tax	2020 Recovery with Rev Tax
		a	b = a/total a	c = $2,330,408 allowed x b				d = c * 1.0975	
1	HE	305,456	66%	1,537,150	768,575	768,575	1,687,022	843,511	843,511
2	HL	85,758	19%	431,561	215,780	215,781	473,638	236,819	236,819
				To Sch B	**To Sch A**			**To Sch B1**	
3	ME	71,875	16%	361,697	180,849	180,848	396,963	198,481	198,482
4	Total	463,089	100%	2,330,408	1,165,204	1,165,204	2,557,623	1,278,811	1,278,812

Note 1: Statistical Report as of December 31, 2018.

See Decision and Order No. 36212, Docket No. 2017-0102 filed March 11, 2019, pages 18 - 19. The Commission allowed the Companies to recover Program implmeentation costs over a period of two years, commencing with the 2019 RBA Rate Adjustment which will, if there are no major issues with the standard RBA Review Transmittal process, become effective on June 1, 2019.

Hawaii Electric Light Company, Inc.
Sales Forecast for June 2019 to May 2020
in GWh

	2019							2020					
	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	Total
R	32.6	35.7	36.3	33.1	35.0	33.9	37.8	36.2	31.0	34.2	31.9	31.4	409.1
G/J	31.2	33.8	34.2	32.9	34.2	31.7	31.5	29.8	30.5	31.5	31.3	32.8	385.2
P	22.4	22.9	23.3	22.7	22.7	22.0	21.5	21.7	21.7	21.6	22.0	21.8	266.1
F	0.2	0.2	0.2	0.2	0.2	0.2	0.2	0.2	0.2	0.2	0.2	0.2	2.4
Total	86.4	92.5	94.0	88.8	92.0	87.8	91.0	87.9	83.4	87.4	85.5	86.2	1,062.8
													To Sch A

Source: Hawaii Electric Light Company's June 2018 Sales Forecast Update.

Hawaii Electric Light Company, Inc.
Adjustment For Prior Year RBA Accrual
Recovery of 12/31/16 RBA Balance

Line No.			2018 January	February	March	April	May	Total
1	Billed RBA Revenues	Note 1	562,398	556,937	546,556	571,072	539,190	2,776,153
2	Net Unbilled Revenues	Note 1	(166)	(45,760)	13,547	(8,600)	20,307	(20,672)
3	Total billed + Unbilled		562,231	511,177	560,103	562,473	559,497	2,755,481
4	x % Share for RBA	Note 2	50.5363%	50.5363%	50.5363%	50.5363%	50.5363%	
5	RBA Revenues (Recovery of 12/31/16 RBA balance)		284,131	258,330	283,055	284,253	282,749	1,392,518
6			←		Schedule B2			→
7	Less: Revenue Taxes	0.08885	(25,245)	(22,953)	(25,149)	(25,256)	(25,122)	(123,725)
8	RBA Revenues (Recovery of 12/31/16 RBA balance),		258,886	235,377	257,906	258,997	257,627	1,268,793
9	net of Revenue Taxes		←		Schedule B		→	

* Differences are due to rounding

Note 1: RBA rate adjustment revenues per the Billed reports and Unbilled reports include both RBA and RAM revenues. Therefore, an allocation % is utilized to determine RBA revenues.

Note 2: RBA Rate Adjustment Allocation for June 1, 2017 - May 31, 2018 is per Docket No. 2015-0170, HELCO 2016 TY Rate Case Interim Increase Tariff Sheets (Filed 8/23/17), Exhibit E, Note (1).

Hawaii Electric Light Company, Inc.
Adjustment for Prior Year RBA Accrual
Recovery of 12/31/17 RBA Balance

Line No.			2018 June	July	August	September	October	November	December	Total
1	Billed RBA Revenues	Note 1	717,768	907,255	922,482	953,011	936,267	899,614	875,737	6,212,134
2	Net Unbilled Revenues	Note 1	145,284	36,386	40,464	(53,311)	7,235	(22,604)	12,971	166,426
3	Total billed + Unbilled		863,052	943,642	962,945	899,701	943,502	877,010	888,708	6,378,560
4	x % Share for RBA	Note 2	37.6554%	37.6554%	37.6554%	37.6554%	37.6554%	37.6554%	37.6554%	
5	RBA Revenues (Recovery of 12/31/17 RBA balance)		324,986	355,332	362,601	338,786	355,280	330,242	334,647	2,401,874
6			**Schedule B2**							
7	Less: Revenue Taxes	0.08885	(28,875)	(31,571)	(32,217)	(30,101)	(31,567)	(29,342)	(29,733)	(213,407)
8	RBA Revenues (Recovery of 12/31/17 RBA Balance),		296,111	323,761	330,384	308,685	323,713	300,900	304,914	2,188,467
9	net of Revenue Taxes		**Schedule B**							

* Differences are due to rounding

Note 1: RBA rate adjustment revenues per the Billed reports and Unbilled reports include both RBA and RAM revenues. Therefore, an allocation % is utilized to determine RBA revenues.

Note 2: RBA Rate Adjustment Allocation for June 1, 2018 - December 31, 2018 is per Transmittal No. 18-02 (Decoupling) - RBA Rate Adjustment (Filed May 21, 2018), Schedule A, Note (1).

Wage Increases:	1/1/2014	3.00%	Note 1
(non-compounded)	1/1/2015	3.00%	Note 1
	1/1/2016	3.25%	Note 1
	1/1/2017	3.00%	Note 1
	1/1/2018	3.00%	Note 1
	1/1/2019	3.00%	Note 2
	1/1/2020	3.00%	Note 2
	1/1/2021	3.00%	Note 2

	Increase effective		Increase Amount (a)	Wage Rate With Increase (b) prev (b) + (a)	Labor Cost Escalation Rate (c) (b) / prev (b) - 1	
1.00	3.00%	1/1/2014	0.0300	1.0300		
	3.00%	1/1/2015	0.0300	1.0600	0.0291	2.91%
	3.25%	1/1/2016	0.0325	1.0925	0.0307	3.07%
	3.00%	1/1/2017	0.0300	1.1225	0.0275	2.75%
	3.00%	1/1/2018	0.0300	1.1525	0.0267	2.67%
1.00	3.00%	1/1/2019	0.0300	1.0300		
	3.00%	1/1/2020	0.0300	1.0600	0.0291	2.91%
	3.00%	1/1/2021	0.0300	1.0900	0.0283	2.83%

Note 1: Agreement ratified by the IBEW, Local 1260 on November 1, 2012, reflects a 3.00% increase effective 1/1/2014, 1/1/2015, 1/1/2017 and 1/1/2018 and a 3.25% increase effective 1/1/2016, based on 1/1/2013 rates.

Note 2: Agreement ratified by the IBEW, Local 1260 on July 31, 2018, reflects a 3.00% increase effective 1/1/2019, 1/1/2020 and 1/1/2021 based on 1/1/2018 rates. See also HELCO-WP-C-003.

Blue Chip Economic Indicators®

Top Analysts' Forecasts of the U.S. Economic Outlook for the Year Ahead

Vol. 44, No. 2, February 10, 2019

Wolters Kluwer

2019 Real GDP Forecast Drops to 2.5%

FEBRUARY 2019 Forecast For 2019 SOURCE:	Percent Change 2019 From 2018 (Full Year-Over-Prior Year)									Average For 2019			Total Units-2019		2019
	1	2	3	4	5	6	7	8	9	10	11	12	13	14	15
	Real GDP (Chained) (2012$)	GDP Price Index	Nominal GDP (Cur.$)	Consumer Price Index	Indust. Prod. (Total)	Dis. Pers. Income (2012$)	Personal Cons. Exp. (2012$)	Non-Res. Fix. Inv. (2012$)	Corp. Profits (Cur.$)	Treas. Bills 3-mo.	Treas. Notes 10-Year	Unempl. Rate (Civ.)	Housing Starts (Mil.)	Auto&Light Truck Sales (Mil.)	Net Exports (2012$)
Action Economics	2.9 H	2.0	5.0	1.9	3.5	2.8	3.1 H	4.9	7.5	2.7	3.0	3.7	1.28	17.1	-967.9
Amherst Pierpont Securities	2.9 H	2.4	5.4 H	2.5 H	3.5	2.8	3.1 H	4.8	7.5	2.6	3.2	3.6	1.29	16.9	-960.0
MUFG Union Bank	2.9 H	2.4	5.3	1.8	3.2	na	2.9	3.8	5.5	2.4	3.0	3.7	1.29	17.2 H	-960.0
Barclays, US*	2.8	1.9	4.8	1.4	2.8	na	2.9	5.1	na	na	na	3.7	na	na	-1024.5
RDQ Economics	2.8	2.0	4.9	2.1	3.7 H	2.5	2.9	5.6	8.5 H	2.7	3.1	3.5	1.30	17.2 H	-1021.6
SOM Economics, Inc.	2.8	2.0	4.8	2.0	3.1	2.5	2.5	4.2	5.0	2.6	2.9	3.6	1.25	16.8	-938.0
U.S. Chamber of Commerce	2.8	2.1	4.9	2.1	3.2	2.6	2.9	5.2	4.5	2.6	2.9	3.9	1.30	na	-932.7
Credit Suisse	2.7	2.0	4.7	1.8	na	na	2.9	3.0	na	na	na	3.7	na	na	-966.2
Moody's Analytics, US	2.7	2.3	5.1	2.1	2.9	2.2	2.8	5.3	6.1	2.6	3.1	3.6	1.38 H	17.0	-1080.7 L
NatWest Markets	2.7	2.0	4.8	1.8	2.4	2.5	3.0	5.8 H	5.0	2.7	2.8	3.5	1.20	16.5	-980.0
PNC Financial Services Group	2.7	1.7	4.4	1.8	2.9	1.3 L	2.7	4.6	na	2.5	2.9	3.6	1.30	17.0	-1013.0
RBC Capital Markets	2.7	2.1	4.8	1.7	na	na	2.9	5.2	na	na	3.1	3.6	1.28	17.0	-980.0
The Conference Board, US*	2.7	na	4.8	2.1	na	2.5	2.8	4.4	6.2	2.5	2.8	3.7	1.24	17.2 H	-1020.3
Comerica**	2.6	2.0	4.6	1.9	3.5	2.9	2.6	4.1	na	2.5	2.9	3.7	1.24	16.6	-942.4
Georgia State University*	2.6	2.4	5.0	2.0	2.6	2.5	2.8	5.1	4.4	2.5	3.2	4.1	1.24	16.3	-1021.3
High Frequency Economics	2.6	2.0	4.7	1.9	2.8	2.9	3.0	3.3	1.7	2.4	2.9	3.8	1.22	16.9	-953.1
Naroff Economic Advisors*	2.6	2.1	4.8	2.0	2.6	2.3	2.6	2.9	4.3	2.8	3.2	3.7	1.30	16.7	-977.0
Point72 Asset Management*	2.6	1.9	4.5	1.9	3.1	2.3	2.8	5.4	6.2	2.5	2.8	3.7	1.20	16.7	-1058.8
Regions Financial Corporation	2.6	2.5 H	5.1	1.7	2.9	2.3	3.0	4.4	4.5	2.6	2.8	3.7	1.25	16.9	-954.4
Turning Points (Micrometrics)	2.6	2.4	5.0	2.1	2.6	2.4	2.7	4.5	2.8	2.8	3.4 H	3.8	1.18 L	16.7	-985.0
ACT Research	2.5	2.0	4.5	1.9	2.8	3.0	2.7	5.0	na	2.4	2.8	3.7	1.31	16.6	-1012.7
Bank of America-Merrill Lynch, US**	2.5	2.0	4.6	1.6	2.7	na	2.6	3.4	na	2.4	2.8	3.7	1.29	16.6	-969.1
Eaton Corporation	2.5	2.3	4.8	2.0	2.5	2.7	2.6	4.1	na	2.6	3.0	3.7	1.30	16.8	-1006.2
Econoclast	2.5	2.0	4.5	2.0	2.8	2.2	2.8	3.5	5.2	2.4	2.8	3.8	1.25	16.3	-989.0
Fannie Mae	2.5	2.3	4.8	2.0	2.5	2.4	2.6	3.9	1.5	2.5	2.7	3.7	1.26	16.7	-1020.9
FedEx Corporation, US	2.5	2.1	4.5	1.9	2.7	2.5	2.6	4.6	3.9	2.6	3.0	3.6	1.27	16.8	-1008.0
Ford Motor Company*	2.5	2.1	4.5	2.2	2.6	2.5	2.5	3.9	na	na	2.7	3.7	1.27	na	-1003.0
General Motors Corporation, US	2.5	2.1	4.6	2.0	2.8	2.6	2.7	3.8	1.8	2.6	2.9	3.6	1.28	na	-857.3
Inforum - Univ. of Maryland	2.5	2.1	4.7	2.0	2.7	2.4	2.6	4.3	4.5	2.7	3.0	3.7	1.27	16.7	-980.4
Moody's Capital Markets, US*	2.5	1.9	4.5	1.6	3.5	2.6	2.8	3.8	4.3	2.4	2.8	3.6	1.28	16.9	-967.7
National Assn. of Home Builders	2.5	2.3	4.5	2.0	1.7 L	2.6	2.6	4.0	na	2.7	3.0	3.6	1.27	16.8	-1020.0
UCLA Business Forecasting Proj.*	2.5	2.2	4.7	2.2	2.5	2.5	2.6	4.3	4.0	2.5	3.0	3.6	1.31	16.6	-1035.0
Wells Fargo, US	2.5	1.9	4.4	2.1	3.0	2.9	2.9	3.8	4.4	2.6	3.0	3.7	1.30	16.7	-1010.7
AIG	2.4	2.3	4.7	2.0	2.5	2.7	2.5	3.8	4.8	2.4	2.8	3.5	1.27	16.7	-1009.2
BMO Capital Markets*	2.4	2.1	4.5	2.0	3.3	2.1	2.7	3.3	5.9	2.5	2.8	3.6	1.24	16.4	-1009.0
Daiwa Capital Markets America	2.4	2.0	4.5	1.9	2.5	2.2	2.9	3.6	5.0	2.4	2.8	3.8	1.19	16.7	-1012.0
Goldman Sachs & Co.**	2.4	2.0	4.3	1.8	1.7 L	3.4 H	2.8	3.3	na	2.7	2.9	3.7	1.27	na	-975.5
Macroeconomic Advisers by IHS Markit**	2.4	2.1	4.5	2.0	2.7	2.5	2.6	3.6	1.5	2.6	2.9	3.6	1.28	16.8	-1021.1
MacroFin Analytics & Rutgers Bus School	2.4	2.2	4.6	2.0	3.1	2.3	2.5	3.8	4.7	2.6	2.9	3.9	1.26	16.8	-943.8
Nomura Securities, US	2.4	2.3	4.7	1.7	2.7	2.1	2.9	2.7	na	na	2.7	3.4 L	1.25	16.9	-1044.3
Northern Trust Company*	2.4	1.8	4.2	2.0	2.7	2.2	2.7	3.1	4.1	2.7	3.2	3.6	1.28	16.6	-989.9
Oxford Economics, US	2.4	1.7	4.2	1.7	2.9	2.4	2.8	3.3	-2.4 L	2.5	2.8	3.7	1.29	17.0	-996.9
Societe Generale	2.4	1.9	4.3	1.6	na	2.5	2.8	4.1	3.2	2.6	2.8	3.6	1.23	16.7	-1011.4
UBS	2.4	2.0	4.5	1.5	2.4	3.2	2.4	3.0	na	2.5	na	3.7	1.33	na	-1010.9
Economist Intelligence Unit, UK	2.3	1.8	4.1	2.2	2.6	2.0	2.3	3.0	na	2.6	2.7	4.1	1.26	16.2	-915.0
Grant Thorton/Diane Swonk	2.3	2.1	4.4	1.9	2.6	2.5	2.6	3.4	1.2	2.4	2.8	3.7	1.24	16.6	-1010.4
JP MorganChase, US	2.3	1.8	4.1	1.4	2.0	2.7	2.9	3.4	3.5	na	3.1	3.7	1.28	17.0	-1058.0
MacroPolicy Perspectives	2.3	1.7	4.0	1.3 L	na	na	2.9	3.6	2.0	2.6	2.8	3.8	1.22	16.7	-1051.0
Morgan Stanley, US**	2.3	2.0	4.3	1.8	3.4	2.6	2.5	2.6	na	2.9 H	2.5	3.5	1.28	na	-988.4
S&P Global, US*	2.3	2.1	4.4	2.2	2.5	1.8	2.6	3.5	0.7	2.7	3.0	3.6	1.30	16.8	-1006.3
Swiss Re	2.2	1.6 L	3.8 L	1.9	2.4	2.8	2.7	3.2	4.5	2.5	3.0	3.9	1.27	16.9	-1019.1
BNP Paribas North America	2.1	na	na	1.4	2.4	2.6	2.5	3.0	na	2.8	3.4 H	3.6	na	na	-1008.0
ACIMA Private Wealth, US	1.7 L	2.1	3.8 L	1.8	2.0	1.5	1.5 L	1.6 L	na	2.1 L	2.3 L	4.2 H	1.20	15.7 L	-832.5 H
2019 Consensus: February Avg.	**2.5**	**2.1**	**4.6**	**1.9**	**2.8**	**2.5**	**2.7**	**3.9**	**4.1**	**2.6**	**2.9**	**3.7**	**1.27**	**16.7**	**-991.1**
Top 10 Avg.	2.8	2.4	5.1	2.2	3.4	2.9	3.0	5.3	6.4	2.8	3.2	3.9	1.31	17.1	-922.9
Bottom 10 Avg.	2.2	1.8	4.1	1.5	2.2	2.0	2.4	2.8	1.4	2.4	2.7	3.5	1.21	16.4	-1041.6
January Avg.	2.6	2.1	4.7	1.9	2.7	2.5	2.7	4.1	4.6	2.6	3.0	3.6	1.27	16.8	-989.7
Historical data 2015	2.9	1.0	4.0	0.1	-1.0	4.1	3.7	1.8	-2.9	0.1	2.1	5.3	1.11	17.4	-724.9
2016	1.6	1.1	2.7	1.3	-1.9	1.7	2.7	0.5	-1.1	0.3	1.8	4.9	1.17	17.5	-786.2
2017	2.2	1.9	4.2	2.1	1.6	2.6	2.5	5.3	3.2	0.9	2.3	4.4	1.20	17.1	-858.7
2018	2.9 f	2.2 f	5.2 f	2.4	4.1	2.8 f	2.7 f	6.8 f	7.8 f	2.0	2.9	3.9	1.26 f	17.2	-908.4 f

f=Dec 2018 Consensus Forecasts

Number of Forecasts Changed From a Month Ago:

	1	2	3	4	5	6	7	8	9	10	11	12	13	14	15
Down	18	17	26	18	10	8	14	19	12	25	26	6	9	13	14
Same	28	24	14	17	13	26	31	20	16	16	15	23	30	23	21
Up	3	6	8	14	22	11	4	9	3	2	2	20	6	1	13
February Median	2.5	2.0	4.6	1.9	2.7	2.5	2.7	3.8	4.5	2.6	2.9	3.7	1.27	16.8	-1006.2
February Diffusion Index	35 %	38 %	31 %	46 %	63 %	53 %	40 %	40 %	35 %	23 %	22 %	64 %	47 %	34 %	49 %

***Former winner of annual Lawrence R. Klein Award for Blue Chip Forecast Accuracy. **Denotes two-time winner.**

HAWAII ELECTRIC LIGHT COMPANY, INC.

EXHIBIT A

JOB CODE		JOB TITLE		1/1/2019	1/1/2020	1/1/2021
				3.00%	3.00%	3.00%
C62		CLERK TYPIST				
		1st 6 mos.		22.48	23.13	23.78
		Next 6 mos.		23.98	24.68	25.38
		Next 6 mos.		25.44	26.18	26.92
		Next 6 mos.		26.98	27.77	28.56
		Next 6 mos.		28.49	29.32	30.15
		Thereafter		29.98	30.85	31.72
E74		MAPPER				
		1st 3 mos.		21.35	21.97	22.59
		Next 3 mos.		22.46	23.11	23.76
		Next 3 mos.		23.59	24.28	24.97
		Next 6 mos.		25.95	26.71	27.47
		Next 6 mos.		27.20	27.99	28.78
		Next 6 mos.		28.55	29.38	30.21
		Thereafter		29.99	30.86	31.73
CL5		CASHIER				
CL49		DISTRICT CLERK I				
		1st 3 mos.		24.19	24.89	25.59
		Next 3 mos.		25.31	26.05	26.79
		Next 3 mos.		26.60	27.37	28.14
		Next 6 mos.		27.91	28.72	29.53
		Next 6 mos.		29.26	30.11	30.96
		Thereafter		30.71	31.60	32.49
T8	(S)	BOILER OPERATOR TRAINEE				
T55	(S)	COMBUSTION TURBINE OPERATOR TRAINEE				
		1st 12 mos.		27.81	28.62	29.43
		Thereafter		31.31	32.22	33.13
E39		PLANNER AID				
		1st 3 mos.		22.46	23.11	23.76
		Next 3 mos.		23.59	24.28	24.97
		Next 3 mos.		24.71	25.43	26.15
		Next 6 mos.		27.20	27.99	28.78
		Next 6 mos.		28.55	29.38	30.21
		Next 6 mos.		29.99	30.86	31.73
		Thereafter		31.40	32.31	33.22
CL7		METER READER				
CL21		METER READER	1/1/2018			
		1st 3 mos.	23.99	24.71	25.43	26.15
		Next 3 mos.	25.19	25.95	26.71	27.47
		Next 6 mos.	27.72	28.55	29.38	30.21
		Next 6 mos.	29.12	29.99	30.86	31.73
		Next 6 mos.	30.49	31.40	32.31	33.22
		Thereafter	32.03	32.99	33.95	34.91
				x 1.03	x 1.0291	x 1.0283

CIAC Treatment
Resulting from FERC Adoption

Adoption of FERC USOA required a change in presentation change to Contributions in Aid of Construction (CIAC)

Prior to October 2018, and in establishing rates in previous test year rate cases, the Company's presentation of contributions in aid of construction ("CIAC") followed the guidelines of the National Associate of Regulatory Utility Commissioners Uniform System of Accounts (NARUC USOA). Under the NARUC reporting system, CIAC is reported under an exclusive account, account 271, which includes donations or contributions in cash, services or property from states, municipalities, or other governmental agencies, individuals and others for construction purposes. All CIAC was incorporated as a deduction in the calculation of rate base in part because the Companies' systems did not facilitate on-going reporting of CIAC related to plant in service separate from CIAC related to construction work in progress ("CWIP").

The Commission approved the Companies' request to change to Federal Energy Regulatory Commission Uniform System of Accounts (FERC USOA), beginning with the implementation of the Companies' new ERP/EAM, in Decision and Order No. 31757, issued December 19, 2013 in Docket No. 2013-0007.

Beginning in October 2018 with the transition to FERC, the net balance of CIAC in account 271 less the CIAC amortization to be recorded for October to December 2018, was credited against the account balances charged with the cost of construction, i.e., gross plant in service and CWIP, resulting in the account becoming zero (i.e. "0") at December 31, 2018.

Ratemaking treatment for CIAC

The Company's ratemaking treatment of contributions in aid of construction is summarized below:

- *CIAC associated with Plant in Service* – When a utility capital project is placed into service, the plant in service net of the associated CIAC is included as net cost of plant in service in rate base. The plant in service net of the CIAC is included as part of the basis for the depreciation accrual the year after it is placed into service (i.e. January 1 of the year after it is placed into service).

- *CIAC associated with CWIP* – For book purposes, CIAC that is received while projects are still under construction (i.e. in CWIP) will offset the costs incurred and is presented net in CWIP. The CWIP net of the associated CIAC is subject to the AFUDC accrual if there is a net CWIP balance. In the next rate case, the Company will request CIAC associated with CWIP be excluded from the rate base calculation since CWIP net of

CIAC earns AFUDC. CIAC associated with CWIP is however, included in rate base in this RAM calculation for consistency with the 2017 Test Year treatment. See further discussion of Company's requested treatment of CIAC associated with CWIP below.

- *Developer Advances* - Cash contributions received in advance of construction of a utility capital project that are temporarily not classified as CIAC because the funds received are in excess of the specific project expenditures. The balance of developer advances is presented as funds from non-investors, included in its own exclusive account, and deducted in the calculation of rate base. As project costs are incurred for a utility capital project, an equal portion of developer advances associated with the project will be reclassified as CIAC and credit the accounts charged with the cost of construction. Developer Advances were included as a part of CIAC as a reduction to rate base in the 2017 Test Year.

Treatment of CIAC within the 2019 Annual Decoupling Filing

For the 2019 Decoupling Filing, the Company treated CIAC consistently with prior filings resulting in no impact to rate base.

Schedule D1, Determination of Rate Base RAM Adjustment – Change in Rate Base

Plant in Service - There is no change in rate base for plant in service and CIAC associated with plant in service. Under NARUC, in rate base, plant in service was the gross cost of plant (net of accumulated depreciation), and CIAC was a separate reduction to rate base. Under FERC, the plant in service amounts are net of (i.e., already reduced by) CIAC, and presented net of accumulated depreciation in the calculation of rate base. There is no separate CIAC line item reducing rate base because it is already net in utility plant. Therefore, there is no net rate base impact. The difference between NARUC and FERC for plant in service is a matter of where the costs are classified in rate base, and not a matter of inclusion or exclusion of costs in rate base.

CIAC associated with CWIP - There is no change in rate base for CIAC associated with CWIP. Previously, presentation of CIAC aligned with NARUC and all CIAC, including amounts associated with projects in CWIP, were included as a reduction to rate base under account 271. The 2019 estimated balance continues the treatment of including the CIAC in CWIP to be consistent with the recorded balance at 2018 year-end because all 2019 estimated CIAC additions have been included at Schedule D2 and included as part of net cost of plant at Schedule D1. Although the treatment described above was used in the 2019 annual decoupling filing, see Company's requested treatment to exclude CIAC associated with CWIP from rate base in future filings in the discussion below.

Developer Advances - With the transition to FERC, CIAC is credited when received against the related project costs in CWIP. To the extent funds are not yet expended for a project in

CWIP, the CIAC will be classified as developer advances and deducted in the calculation of rate base at Schedule D1. The recorded balance at 2018 year-end is not adjusted for 2019 activity as it is incorporated in Schedule D2.

Schedule D2, Determination of Baseline Capital Projects Additions

Schedule D2 was revised to incorporate the baseline and major project CIAC (including Developer Advances) for 2014 to 2017 into the baseline average calculation of net plant in service, consistent with the presentation of rate base. The 2018 CIAC additions calculated at HECO-WP-D2-003 includes additions to CIAC from all sources, i.e. Plant, CWIP and Developer Advances, which were used in the 5-year baseline calculation. As a result, the estimated 2019 additions to CIAC in CWIP and Developer Advances balances at Schedule D1 for the Change in Rate Base are not required as they are already included in the net cost of plant line item.

Schedule E, Determination of Depreciation & Amortization RAM Adjustment

FERC Uniform System of Accounts Electric Plant Instructions, 2. Electric Plant To Be Recorded at Cost. D. states, “The electric plant accounts shall not include the cost or other value of electric plant contributed to the company.” Therefore, the Recorded Depreciable/ Amortizable Balances at December 31, 2018 in Schedule E represents plant in service net of CIAC which is used as the basis to estimate the 2019 annual accrual amount. In calculating the 2019 RAM Depreciation and Amortization, Depreciation and Amortization in Current Revenues also includes CIAC amortization approved in the 2017 Test Year.

Schedule F & F1, Determination of Change in Deferred Income Taxes & Tax Depreciation

The methodology for computing the deferred taxes related to RAM year tax depreciation was not changed within the 2019 annual decoupling filing. Gross plant additions are used as the basis for calculating tax depreciation. However, see the CIAC impact to ADIT section below for the Company’s preferred treatment considering the effects of netting CIAC against plant in service.

Schedule G-series, CIAC

Schedule G, G1 and G2 were removed from the Decoupling filings and instead incorporated into either Plant in Service, CIAC in CWIP or Developer Advances. The December 31, 2018 balances for CIAC associated with CWIP and Developer Advances were extracted from PowerPlan. Additionally, as noted above, the calculation of the 5-year baseline average of CIAC and amortization was incorporated within Schedule D2 and Schedule E, respectively.

The Company will continue to include CIAC associated with CWIP and Developer Advances as a reduction to rate base until the FERC presentation of rate base is approved in the Company’s next rate case.

Company's requested CIAC treatment

The Company requests to reflect the following changes to the treatment of CIAC within the annual decoupling filings.

CIAC associated with CWIP

In Mr. Franklin's T-12 direct testimony in Hawaii Electric Light's 2019 Test Year rate case, the Company proposes to remove CIAC associated with CWIP from the calculation of rate base due to the fact that CWIP net of associated CIAC earns AFUDC, therefore the CWIP and its associated CIAC should be excluded from rate base.

Excluding CWIP net of CIAC, to better align the source of funds with its use (i.e. the CIAC funds received were applied against the costs incurred for the project) and is therefore properly excluded from the calculation of rate base. In addition, and as mentioned previously, any material CIAC received in advance of construction expenditures will continue to be deductions in the calculation of rate base as Developer Advances.

CIAC impact to ADIT

ADIT associated with CIAC in CWIP should be divided between nontaxable and taxable CIAC. Nontaxable CIAC (primarily interconnection CIAC) is treated as a reduction in basis for both book and tax purposes. On the other hand, although taxable CIAC is also a reduction in basis for book purposes, for tax purposes, the receipt of taxable CIAC creates tax basis by way of the recognition of taxable income and reverses by way of tax depreciation.

Nontaxable CIAC does not create ADIT since there is no book tax difference. Consequently, the regulatory netting of nontaxable CIAC against the plant assets should not create any issue with respect to the ADIT beginning balance for the rate base RAM calculation

Taxable CIAC generates a Deferred Tax Asset (DTA) as it is received and recorded into CWIP under the new FERC accounting. Prior NARUC accounting treatment with account 271 created DTA as CIAC was booked to 271, which is equivalent to what is now booked to CWIP. The origination and timing of the DTA under the FERC method will be equivalent to the NARUC method. However, under the old method, the DTA was immediately recognized as part of rate base, consistent with the treatment of the account 271 inclusion. However, under the FERC method, the generation of the DTA must be inventoried and tracked to match up with the amount of CIAC in CWIP and the amounts closed to plant in service. This tracking is necessary to ensure that the amount of DTA related to CWIP is excluded from rate base. Once CWIP costs are closed to plant, the related DTA will be included in rate base and will begin reversal through tax depreciation taken on the CIAC tax basis.

FERC accounting imbeds the book treatment of CIAC within CWIP and the ultimate plant and related depreciation. The separation will disappear and the Company asserts that the ADIT effects will be the same with respect to the beginning balance of ADIT for the annual decoupling filing except to the extent CIAC is still in CWIP. This issue will be addressed along with the rate base treatment of CIAC associated with CWIP as mentioned above.

FERC accounting nets CIAC against Plant in Service for purposes of computing baseline and major plant additions. For RAM year tax depreciation and the related ADIT calculated for the change in RAM year ADIT, adopting the net plant additions as the RAM year tax additions will be a change that will result in a smaller amount of tax depreciation and ADIT "change" since the Company previously has assumed the gross additions to be the RAM year tax depreciable base. The Company asserts this is reasonable for the following reasons:

1) Under the old method, to the extent nontaxable CIAC was included in the RAM year numbers (through major projects or baseline projects), tax depreciable basis was overstated since there is no tax basis for assets funded by nontaxable CIAC.
2) With respect to taxable CIAC, the funded assets do have depreciable tax basis and it is accounted for in the RAM year additions tax depreciation. However, the receipt of taxable CIAC generates taxable income and deferred tax assets that increase rate base. The effect of this DTA from taxable CIAC was never recognized in the RAM tariff, which resulted in an overstatement of RAM year ADIT change, as it related to the projected plant additions.

For purposes of the 2019 RAM calculation, ADIT has been calculated on gross plant additions, consistent with the 2017 Test Year treatment and prior decoupling filings, however the Company is requesting treatment of CIAC in deferred tax to follow FERC accounting.

Summary

In summary, Hawaii Electric Light prepared the 2019 annual decoupling filings in accordance with the historical treatment of CIAC. Historically, due to system constraints, CIAC records were not maintained with matching of the separate components (plant in service, CWIP, developer advances). As a result, the entire amount of CIAC was treated as a reduction to rate base and the Return on Investment was understated. As stated in Mr. Franklin's T-12 direct testimony in Hawaii Electric Light's 2019 Test Year rate case, the Companies propose to exclude the CIAC associated with CWIP in its calculation of rate base in the rate base RAM filings. Should the Commission approve Hawaii Electric Light's proposal, the Company will implement this change in the annual decoupling filing in the year following the Commission's approval.

Hawaii Electric Light Company, Inc.
Revenue Decoupling - Rate Base RAM
2018 Major Projects and Other Plant Additions, Net of CIAC

				NET CALCULATION							
					[1] 2018 Plant Additions, Net of CIAC				[2]		
	Project #	Project	Plant Addition Date	Net Plant Adds Thru 12/31/17	Total Project Cost	CIAC & Adjs	Net Project Cost	Net Plant Adds Thru 12/31/18	Net PUC Approved	Over/(Under) Net PUC Approved	Functional Plant Category
				(A)	(B)	(C)	(D) = (B) + (C)	(E) = (A) + (D)	(F)	(G) = (E) - (F)	
2018 Major Projects											
1	H0002668	6800 Line Record Ph3	201611	2,736,122	408	-	408	2,736,530	4,933,614	(2,197,084)	Transmission
2	H0002669	6800 Line Record Ph4	201709	945,457	(21,751)		(21,751)	923,706	1,206,833	(283,127)	Transmission
3	HE.005077	Joint Pole Capital Transfer Price	201812	-	19,108,221	-	19,108,221	19,108,221	19,108,221	-	Distribution

[1] 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 2018,* in Docket No. 03-0257, filed on March 27, 2019. See HELCO-WP-D2-002.

[2] Per the *Final Decision & Order and Dissenting Opinion of Leslie H. Kondo, Commissioner* , filed on August 31, 2010, in Docket No. 2008-0274, on page 54, "for purposes of calculating the Rate Base for the RAM, the costs on Major Capital Projects shall be limited to those amounts most recently approved, e.g., when authorized in the commission's decision approving the HECO Companies' application in compliance with General Order No. 7 or in an interim or final decision and order issued by the commission in the HECO companies' rate cases."

[3] Decision & Order No. 32930 in Docket No. 2013-0153, page 2, Keamuku-Keahole 6800 kV Line Reconstruction Phase 3 & 4, filed June 24, 2015.

Hawaii Electric Light Company, Inc.
CIAC Reconciliation
As of December 31, 2018

Line No.	Description	Reference	CIAC, Including Developer Advances	
	(a)	(b)	(c)	
1	12/31/17 Balance	2018 Decoupling, Sch G1	(96,884,021)	
2	Exclude: Non-Utility CIAC		-	
3	Add: Developer Advances		(3,122,203)	
4	12/31/17 Balance - Utility CIAC	Line 1+2+3	(100,006,224)	
5	9/30/18 Balance	GL #271	(99,180,711)	
6	Exclude: Non-Utility CIAC	Line 2	-	
7	Add: Developer Advances	GL# 25203000	(3,988,477)	
8	9/30/18 Balance - Utility CIAC	Line 5+6+7	(103,169,188)	
9	CIAC Change Thru 9/30/18 - Utility	Line 8 - Line 4		(3,162,964)
10	Add Back: 2018 CIAC Amortization thru 9/30/18	2018 Decoupling, Sch G3 (3,431,646 x 9/12)	3,431,646	(2,573,735)
11	CIAC Additions Thru 9/30/18			(5,736,699)
12	**Oct to Dec 2018 Activity**			
13	CIAC-Cash Tax	GL #60005200	(126,125)	
14	CIAC-Cash Non-Tax	GL #60005201	(1,498,913)	
15	CIAC-Settlement	GL #60050221	381,354	
16	CIAC-In-Kind	GL #60005206	(3,150,763)	
17				(4,394,447)
18	**2018 CIAC Additions, included within Plant in Service, CWIP, and Developer Advances**			**(10,131,146)** **To Sch D2**

Purpose: Starting October 1, 2018, the Company adopted FERC guidelines resulting in CIAC being netted with Plant via Plant Additions or CWIP. This workpaper calculates the 2018 CIAC additions by summing the CIAC activity from January 1 to September 30, 2018 (per Ellipse) with the CIAC activity from October 1 to December 31, 2018 (per SAP and Powerplan WBS) for inclusion in the Baseline Plant Additions calculation at Schedule D2. Beginning with calendar year 2019, Baseline Plant Additions will be shown net of CIAC.

Note 1: See HECO-WP-D1-001 for documentation on the treatment of CIAC in the 2019 Decoupling Filing.

SCHEDULE G1
PAGE 1 OF 1

Excerpt from Transmittal 18-02, Schedule G1, filed May 21, 2018

HAWAII ELECTRIC LIGHT 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		Dkt No.	Item No.	2/21/2014 2013	2/26/2015 2014	2/23/2016 2015	2/23/2017 2016	3/1/2018 2017	
	(a)				(b)	(c)	(d)	(e)	(f)	
1	CIAC Balance, January 1 (Dec Rpt. pg. 10)				$ (84,799,042)	$ (89,762,888)	$ (94,474,624)	$ (95,297,753)	$ (97,210,550)	
2	Less: CIAC Amortization (Dec Rpt. pg. 2)				2,766,490	2,955,035	3,142,029	3,232,226	3,357,714	
3	Less: CIAC Balance, December 31 (Dec Rpt. pg. 10)				89,762,888	94,474,624	95,297,753	97,210,550	96,884,021	*To Sch G*
4										
5	**Total CIAC Additions**				**$ 7,730,336**	**$ 7,666,771**	**$ 3,965,158**	**$ 5,145,023**	**$ 3,031,185**	
6										
7	Add Developer Advances:	Note 1			-	-	-	-	3,122,203	*To Sch G*
8	**Total CIAC & Developer Advance Additions**				**7,730,336**	**7,666,771**	**3,965,158**	**5,145,023**	**6,153,388**	Schedule D2
9										
10	Less Major Projects:		Dkt No.	Item No.						
11										
12	2013 In-service:									
13	None									
14										
15	2014 In-Service:									
16	Keamuku-Keahole 6800 69 kV Line Phase 1		2012-0392	H0002509		-	-	-	-	
17	Keahole CT-4 Major Overhaul		2013-0144	H0002725		-	-	-	-	
18										
19	2015 In-service:									
20	None									
21										
22	2016 In-service:									
23	Keamuku-Keahole 6800 69 kV Line Phase 2		2012-0392	H0002612				-	-	
24	Keamuku-Keahole 6800 69 kV Line Phase 3		2012-0392	H0002668				-	-	
25	Keahole CT-5 Major Overhaul		2013-0144	H0002724				-	-	
26										
27	2017 In-service:									
28	Keamuku-Keahole 6800 69 kV Line Phase 4		2012-0392	H0002669					-	
29										
30										
	Total Net CIAC & Developer Advance Additions				**$ 7,730,336**	**$ 7,666,771**	**$ 3,965,158**	**$ 5,145,023**	**$ 6,153,388**	
	Last Five-Year Average								**$ 6,132,135**	To Sch G

GENERAL NOTE:

The CIAC amounts of the major projects are from the respective year's GO7 plant addition annual reports. Refer to the Baseline Plant Additions Calculation workpaper for the dates of the report filings. The total CIAC additions reflect actual contributions received in the year, and therefore may not include the total major project CIAC from the GO 7 report to the extent that the CIAC was received in advance, or in multiple payments over a span of more than one year.

Note 1: In 2017, the Company reclassed the portion of CIAC for projects where the cash balance received was in excess of total incurred costs since the project agreements include provisions which allow for instances that unapplied funds received in advance would be subject to refunds. The true-up provision allows for any excess funds not expended to be refunded back to the developer. Furthermore, between the timing of the cash receipt to the project completion date, the project could be terminated, which would then result in refund of the unapplied funds. See below for a reconciliation of the Customer Advance balance at December 31, 2017:

Customer Advances	(12,737,827)	
Developer Advances (#25203000)	(3,122,203)	
Customer Advances	(15,860,030)	SOURCE: HELC Monthly Financial Report - December 2017, page 10, filed March 1, 2018.

The unapplied developer funds received in advance (Developer Advances) are excluded from the CIAC balance subject to amortization until they are reclassified to CIAC as costs are incurred. Developer Advances are included in the calculation of the Last Five-Year Average because they represent funds received in advance and are expected to be reclassified to CIAC as costs are incurred in the current year.

Hawaii Electric Light Company, Inc.
Accumulated Deferred Income Taxes by Activity
FEDERAL
DR(CR)

	Description	Federal 12/31/18
	ACCOUNT 282.01:	
1	Accelerated Depreciation	(62,386,162)
2	Excess AccDep	3,447
3	Deficit AccDep	(33,640)
4	Reg Liability - 2017 Excess Def Acc Dep	11,057,383
5	Reg Asset - 2017 Excess Def Acc Dep	(654)
6	TOTAL ACCOUNT 282.01 UTILITY	(51,359,627)
	ACCOUNT 283.01:	
7	ACRS Retirements Gain/(Loss)	(3,802,843)
8	Bad Debts	110,077
9	Bonuses - Non-executives (fka Rewards; TIP)	39,099
10	Cap to Construction	(141,747)
11	Capital loss carryforward	-
12	Capitalized Interest	1,390,307
13	Capitalized Interest §481(a) D&T Adj	(44,440)
14	CIAC	10,786,343
15	Cost of Removal	20,589,062
16	Customer Advances	1,623,431
17	CWIP Debt / (AFUDC Debt Incurred)	(1,542,223)
18	CWIP Debt Transition	14,952
19	Exec Comp - EICP, LTIP	86,490
20	Exec Comp - Deferred Comp (Rest Stock, RSU)	18,280
21	Emissions Fees	63,367
22	Energy Services	-
23	FIN 48 - Tax Component	48,523
24	FIN 48 - Interest Component	6,776
25	Franchise Taxes	208,235
26	General Liability Reserve	27,197
27	HT Joint Pole Revenue	185,020
28	Interest - CIS	(6,230)
29	Interest - Nondeductible (RAR)	(0)
30	Legal/Consulting Fees (PPA)	323,489
31	OPEB	(196,462)
32	OPEB - Reg Asset	(279,571)
33	OPEB Trackers	860,715
34	OPEB Executive Life	285,057
35	Pension (Qualified)	(0)
36	Pension Tracker (& Prepaid asset amort)	(3,953,763)
37	Pension Excess (Non-qualified)	17,310
38	Percentage Repair Allowance (D&T)	(321,195)
39	Prepaid Expenses	0
40	Project Costs - Geothermal RFP	(9,424)
41	PSC & PUC	442,523
42	PSC & PUC - §481(a) Adjustment	967,471
43	Rate Case Costs	(215,345)
44	Reg Liab - TRA Revenues	261,052
45	Repairs	(20,734,019)
46	RBA Revenues - §481(a) Adjustment	(1,289,618)
47	RBA Revenues	753,857
48	Rev Bond Differential	(32,723)
49	Rev Bond Redemption Prem/Amort	(162,364)
50	Software - CIS	(59,899)
51	Software - ERP	(163,827)
52	Software - IVR	(83,363)
53	Software - All Others	(120,389)
54	Solar Saver	121,973
55	State ITC	3,158,408

Hawaii Electric Light Company, Inc.
Accumulated Deferred Income Taxes by Activity
FEDERAL
DR(CR)

	Description	Federal 12/31/18	
56	SunPower for Schools	4,630	
57	Vacation Accrual	(46,072)	
58	Workers Compensation	92,498	
	FAS 109: Regulatory Assets/Liabilities		
59	Reg Asset - SFAS 109 Flow Through	(132,776)	
60	Reg Asset - Plant Transition (AFUDC)	(306,366)	
61	Reg Asset - CWIP Equity Transition	(20,455)	
62	Reg Asset - CWIP Eqty Gr Up/(AFUDC Eqty Gr	(1,655,657)	
63	Reg Asset - CWIP Equity Net/(AFUDC Eqty Inc	(2,588,598)	
64	Fed ITC amort	(460,015)	
65	Fed ITC - Reg Liability	500,854	
66	Fed Energy Credit Amort	(513)	
67	Fed Energy Credit - Reg Liability	17,137	
68	Reg Asset - Deficit Def - Oth	-	
69	Reg Liab - Excess Def - Oth	4,942	
70	Reg Asset - RAR 88-89	-	
71	Reg Asset - 2017 Excess Def - Oth	(2,830,959)	
72	Reg Liability - 2017 Excess Def - Oth	1,950,624	
73	TOTAL ACCOUNT 283.01 UTILITY	3,758,841	
74	TOTAL FEDERAL ADIT BEFORE RATE BASE	(47,600,786)	
	RATE BASE ADJUSTMENTS:		
75	TOTAL ACCOUNT 283.01	3,758,841	
76	Bad Debts	110,077	
77	Bonuses - Non-executives (fka Rewards)	39,099	
78	Exec Comp - EICP, LTIP	86,490	
79	Exec Comp - Deferred Comp (Rest Stock, RSU)	18,280	
80	Energy Services	-	
81	FIN48 Tax and Interest	55,299	
82	Franchise Taxes	208,235	
83	General/Legal Liability Reserve	27,197	
84	Interest - CIS (Full Debt Portion)	(3,631)	
85	Interest - Nondeductible (RAR)	(0)	
86	OPEB - Exec Life	285,057	
87	Pension (Supplemental - Non-qualified)	17,310	
88	PSC & PUC	442,523	
89	PSC & PUC - §481(a) Adjustment	967,471	
90	Rate Case Costs	(215,345)	
91	Reg Liab - TRA Revenues	261,052	
92	RBA Revenues - §481(a) Adjustment	(1,289,618)	
93	RBA Revenues	753,857	
94	Software - ERP	(163,827)	
95	Software - IVR	-	
96	Solar Saver	121,973	
97	Vacation Accrual	(46,072)	
98	Workers Comp Reserve	92,498	
99	Total Adjustments Account 283	1,767,925	
100	TOTAL ACC 283.01 AFTER ADJUSTMENTS	1,990,916	***To Sch D4***
101	TOTAL ACC 282.01 - UTIL	(51,359,627)	
102	TOTAL FEDERAL ADIT AFTER RATE BASE A	(49,368,711)	

Hawaii Electric Light Company, Inc.
Accumulated Deferred Income Taxes by Activity
STATE
DR(CR)

	Description	State 12/31/18
	ACCOUNT 282.01:	
1	Accelerated Depreciation	(12,421,777)
2	Excess AccDep	1,050
3	Deficit AccDep	(10,253)
4	Reg Liability - 2017 Excess Def Acc Dep	3,369,871
5	Reg Asset - 2017 Excess Def Acc Dep	(199)
6	TOTAL ACCOUNT 282.01 UTILITY	(9,061,307)
	ACCOUNT 283.01:	
7	ACRS Retirements Gain/(Loss)	(1,434,144)
8	Bad Debts	33,546
9	Bonuses - Non-executives (fka Rewards)	11,916
10	Cap to Construction	(43,067)
11	Capital Loss Carryforwards	-
12	Capitalized Interest	505,975
13	Capitalized Interest §481(a) D&T Adj	(34,559)
14	CIAC	3,736,038
15	Cost of Removal	6,274,762
16	Customer Advances	494,761
17	CWIP Debt / (AFUDC Debt Incurred)	(470,011)
18	CWIP Debt Transition	4,557
19	Exec Comp - EICP, LTIP	26,359
20	Exec Comp - Deferred Comp (Rest Stock, RSU)	5,571
21	Emissions Fees	19,313
22	Energy Services	-
23	FIN 48 - Tax Component	77,194
24	FIN 48 - Interest Component	2,065
25	Franchise Taxes	63,461
26	General/Legal Liability	8,289
27	HT Joint Pole Revenue	56,387
28	Interest - CIS	(1,899)
29	Interest - Nondeductible (RAR)	0
30	Legal/Consulting Fees (PPA)	98,588
31	OPEB	(59,874)
32	OPEB - Reg Asset	(85,202)
33	OPEB Trackers	262,313
34	OPEB Executive Life	87,378
35	Pension (Qualified)	(0)
36	Pension Tracker (& Prepaid asset amort)	(1,204,957)
37	Pension Excess (Non-qualified)	4,667
38	Percentage Repair Allowance (D&T)	(150,821)
39	Prepaid Expenses	-
40	Project Costs - Geothermal RFP	(2,872)
41	PSC & PUC	134,864
42	PSC & PUC - §481(a) Adjustment	294,848
43	Rate Case Costs	(65,629)
44	Reg Liab - TRA Revenues	79,559
45	Repairs	(6,319,861)
44	RBA Revenues - §481(a) Adjustment	(393,027)
45	RBA Revenues	229,747
46	Rev Bond Differential	(9,972)
47	Rev Bond Redemption Prem/Amort	(49,481)
48	Software - CIS	(18,255)
49	Software - ERP	(49,928)
50	Software - IVR	(25,405)
51	Software - All Others	(57,468)
52	Solar Saver	37,173
53	State ITC	962,562

Hawaii Electric Light Company, Inc.
Accumulated Deferred Income Taxes by Activity
STATE
DR(CR)

	Description	State 12/31/18	
54	SunPower for Schools	1,411	
55	Vacation Accrual	(14,042)	
56	Workers Compensation	28,189	
	FAS 109: Regulatory Assets/Liabilities		
57	Reg Asset - SFAS 109 Flow Through	(40,465)	
58	Reg Asset - Plant Transition (AFUDC)	(93,368)	
59	Reg Asset - CWIP Equity Transition	(6,234)	
60	Reg Asset - CWIP Eqty Gr Up/(AFUDC Eqty Gr	(505,033)	
61	Reg Asset - CWIP Equity Net/(AFUDC Eqty Inc	(788,453)	
62	Fed ITC amort	(140,196)	
63	Fed ITC - Reg Liability	152,642	
64	Fed Energy Credit Amort	(156)	
65	Fed Energy Credit - Reg Liability	5,222	
66	Reg Asset - Deficit Def - Oth	-	
67	Reg Liab - Excess Def - Oth	1,506	
68	Reg Asset - RAR 88-89	-	
69	Reg Asset - 2017 Excess Def - Oth	(862,768)	
70	Reg Liability - 2017 Excess Def - Oth	594,473	
71	TOTAL ACCOUNT 283.01	1,368,185	
72	TOTAL STATE ADIT BEFORE RATE BASE AD	(7,693,121)	
	RATE BASE ADJUSTMENTS:		
73	TOTAL ACCOUNT 283.01	1,368,185	
74	Bad Debts	33,546	
75	Bonuses - Non-executives (fka Rewards)	11,916	
76	Exec Comp - EICP, LTIP	26,359	
77	Exec Comp - Deferred Comp (Rest Stock, RSU)	5,571	
78	Energy Services	-	
79	FIN48 Tax and Interest	79,259	
80	Franchise Taxes	63,461	
81	General/Legal Liability Reserve	8,289	
82	Interest - CIS (Full Debt Portion)	(1,107)	
83	Interest - Nondeductible (RAR)	0	
84	OPEB - Exec Life	87,378	
85	Pension (Supplemental - Non-qualified)	4,667	
86	PSC & PUC	134,864	
87	PSC & PUC - §481(a) Adjustment	294,848	
88	Rate Case Costs	(65,629)	
89	Reg Liab - TRA Revenues	79,559	
90	RBA Revenues - §481(a) Adjustment	(393,027)	
91	Rate Case Costs	229,747	
92	Software - ERP	(49,928)	
93	Software - IVR	-	
94	Solar Saver	37,173	
95	Vacation Accrual	(14,042)	
96	Workers Comp Reserve	28,189	
97	Total Adjustments Account 283	601,092	
98	TOTAL ACC 283.01 AFTER ADJUSTMENTS	767,093	***To Sch D4***
99	TOTAL ACC 282.01 - UTIL	(9,061,307)	
100	TOTAL STATE ADIT AFTER RATE BASE ADJ	(8,294,214)	

Composite Federal and State Effective Income Tax Rate

	Eff 1/1/2018		*2017 & Prior*
Federal Effective Income Tax Rate	19.7368421%	**Sch F**	32.8947368%
State Effective Income Tax Rate	6.0150376%	**Sch F**	6.0150376%
	25.7518797%		38.9097744%
	Sch D		

Calculation of Effective Rates

Assumptions:

	Eff 1/1/2018		*2017 & Prior*
ST = State Income Tax Expense			
FT = Federal Income Tax Expense			
Pre-Tax Income = $1.00			
State Statutory Income Tax Rate*	6.4%		6.4%
Federal Statutory Income Tax Rate**	21.0%	**Sch F**	35.0%

Calculation of State Effective Income Tax Rate

State Income Tax Expense = Statutory Rate x (Pre-Tax Income - State Income Tax Expense)
ST = .064 x (1 - ST)
ST = .064 - .064(ST)
1.064(ST) = .064
ST = .060150376 or 6.0150376% of Pre-Tax Income

Calculation of Federal Effective Income Tax Rate

ederal Income Tax Expense = Statutory Rate x (Pre-Tax Income - State Income Tax Expense)

Effective 1/1/18

FT = .21 x (1 - ST)
FT = .21 x (1 - .060150376)
FT = .21 - .01263157896
FT = .197368421 or 19.7368421% of Pre-Tax Income

2017 & Prior

FT = .35 x (1 - ST)
FT = .35 x (1 - .060150376)
FT = .35 - .01263157896
FT = .328947368 or 32.8947368% of Pre-Tax Income

* Hawaii Revised Statutes §235.71 was amended for tax years beginning after 1986.

** The Tax Cuts and Jobs Act changed the Federal tax rate for tax years ending after December 31, 2017.

HAWAII ELECTRIC LIGHT COMPANY, INC.
TAX REPAIRS ADJUSTMENT
2019

				A	B	C = A x B	D = A - C
		HELCO-WP-F1-002	NOTE 2		*HELCO-WP-F1-001, pg. 2*		
	Life	5-Year Average	5-Year Avg Allocation	Allocated Plant Adds	Repairs Allocation	Repairs Deduction	Depreciable Basis
Information Systems/Data Handling	5	$ 403,384					
Communication	20	3,067,706					
Office Furniture	7	425,457					
Distribution	20	37,037,582		37,037,582	17.36%	6,430,875	30,606,707
Land	-	145,015					
Other Production	15	730,490		730,490	27.29%	199,348	531,142
Steam & Hydraulic Production	20	774,683		774,683	50.24%	389,187	385,496
Structural	39	1,751,666					
Transmission	15	3,221,103		3,221,103	28.52%	918,580	2,302,524
Transmission	20	278,075		278,075	28.52%	79,300	198,775
Vehicles	-	2,234,470					
TOTAL		$ 50,069,630	0.00%	$ 42,041,934		$ 8,017,290	$ 34,024,643
						to F1	

NOTE 1> This schedule computes the estimated amount of deductible tax repairs related to the baseline plant additions for the RAM year. The deductible tax repairs amounts are carried forward to Schedule F1 and serve to reduce the depreciable tax basis for the baseline plant additions. The repairs percentages (Column B) are calculated on HELCO-WP-F1-001, page 2.

NOTE 2> This allocation is no longer required because the 5 year average of additions is only baseline plant additions (excluding major additions). Previously we began with total plant additions, computed the allocation percentages, and then applied these percentages to the total RAM year baseline additions. By starting with the average baseline plant additions, the need for this allocation is eliminated.

HAWAII ELECTRIC LIGHT COMPANY, INC.
REPAIRS DEDUCTION
5-Year Average
2014-2018

			Distribution	Non Steam	Steam & Hydro	Transmission
Repairs %:						
	Total Book Basis Repairs					
1	2014		5,551,920	451,747	237,001	1,218,983
2	2015		5,831,339	1,056,949	826,065	2,126,712
3	2016		7,194,256	215,336	-	990,757
4	2017		9,353,084	220,881	761,548	2,135,817
5	2018		7,541,559	409,688	121,321	1,143,922
6	Total		$ 35,472,158	$ 2,354,601	$ 1,945,935	$ 7,616,191
	Total Book Additions					
7	2014	HELCO-WP-F1-002	35,487,268	2,841,126	685,561	7,086,972
8	2015	HELCO-WP-F1-002	30,082,060	2,253,685	1,689,649	4,336,494
9	2016	HELCO-WP-F1-002	41,652,441	1,126,439	33,463	4,379,968
10	2017	HELCO-WP-F1-002	39,884,477	893,038	1,016,434	5,127,282
11	2018	HELCO-WP-F1-002	57,189,886	1,513,894	448,310	5,776,319
12	Total		$ 204,296,132	$ 8,628,182	$ 3,873,417	$ 26,707,035
AVERAGE % (Line 6 / Line 12)			**17.36%**	**27.29%**	**50.24%**	**28.52%**
			to HELCO-WP-F1-001, pg. 1	to HELCO-WP-F1-001, pg. 1	to HELCO-WP-F1-001, pg. 1	to HELCO-WP-F1-001, pg. 1

NOTE 1> Price Waterhouse Coopers assisted HELCO in its analysis of identifying deductible repairs for tax accounting purposes. The repairs percentage for each functional group represents the five year weighted average of repairs costs included in book additions.

NOTE 2> 2018 amounts are estimates. A complete analysis identifying deductible repairs for for 2018 has not yet been completed.

HAWAII ELECTRIC LIGHT COMPANY, INC
2014-2018 PLANT ADDITIONS
5-YEAR AVERAGE

	LIFE	2014	2015	2016	2017	2018	Less: Major Projects	Total	5-Year Average	
							From D2			
Info Systems/Data Handling	5	599,976	288,951	30,904	491,969	605,120		2,016,919	403,384	F1, WP-F1-001
Communication	20	949,629	4,580,511	2,484,612	3,481,459	3,842,317		15,338,528	3,067,706	
Office Furniture	7	35,123	305,681	1,224,720	530,304	31,455		2,127,283	425,457	
Distribution	20	35,487,268	30,082,060	41,652,441	39,884,477	57,189,886	(19,108,221)	185,187,912	37,037,582	
Land	-	6,476	2,100	232,084	487,946	(3,532)		725,074	145,015	
Other Production	15	2,841,126	2,253,685	1,126,439	893,038	1,513,894	(4,975,732)	3,652,450	730,490	
Steam & Hydraulic Productio	20	685,561	1,689,649	33,463	1,016,434	448,310		3,873,417	774,683	
Structural	39	1,920,479	4,627,515	412,950	1,004,508	792,876		8,758,328	1,751,666	
Transmission	15	7,086,972	2,993,419	4,342,052	5,117,898	5,776,319	(9,211,145)	16,105,516	3,221,103	
Transmission	20		1,343,075	37,916	9,384	-		1,390,375	278,075	
Vehicles	-	2,003,232	3,497,083	1,097,722	2,291,048	2,283,263		11,172,349	2,234,470	
								-		
TOTAL		51,615,842	51,663,728	52,675,304	55,208,465	72,479,908	(33,295,098)	250,348,150	50,069,630	
		D2	D2	D2	D2	D2	D2		D2	

Hawaiian Electric Light Company, Inc.
Proration Adjustment for Normalization Compliance
FEDERAL ADIT DR/(CR)

ADIT account 282 -- Federal accelerated depreciation		Federal ADIT DR/(CR)	January	February	March	April	May	June	July	August	September	October	November	December
Beginning balance	WP-D4-001a	(51,359,627)												
Effective date of rates--6/1/19														
Federal Tax Depreciation	Sch F	(1,598,369)												
Effective Federal Tax Rate	HELCO-WP-F-001	19.7368%												
Federal ADIT accrued		(315,467)												
Monthly Accrued evenly over 12 month		(26,289)												

WITHOUT PRORATION		Beg of Yr	January	February	March	April	May	June	July	August	September	October	November	December	End of Yr
Federal 282 ADIT Balance		(51,359,627)													
Monthly Additions			(26,289)	(26,289)	(26,289)	(26,289)	(26,289)	(26,289)	(26,289)	(26,289)	(26,289)	(26,289)	(26,289)	(26,289)	(315,467)
Cumulative Balance		(51,359,627)	(51,385,916)	(51,412,205)	(51,438,494)	(51,464,783)	(51,491,072)	(51,517,360)	(51,543,649)	(51,569,938)	(51,596,227)	(51,622,516)	(51,648,805)	(51,675,094)	(51,675,094)
														Simple Year Average - Without Proration	**(51,517,360)**
WITH PRORATION															
Days new rates in effect	6/1/2019	214													
Prorated additions			(26,289)	(26,289)	(26,289)	(26,289)	(26,289)	(22,726)	(18,918)	(15,110)	(11,425)	(7,616)	(3,931)	(123)	(211,294)
Cumulative ADIT balance with proration		(51,359,627)	(51,385,916)	(51,412,205)	(51,438,494)	(51,464,783)	(51,491,072)	(51,513,798)	(51,532,716)	(51,547,826)	(51,559,251)	(51,566,867)	(51,570,798)	(51,570,921)	(51,570,921)
														Simple Year Average - With Proration	**(51,465,274)**
														Adjustment to rate base ADIT	**52,086**
															To Schedule F
Days new rate in effect			335	307	276	246	215	185	154	123	93	62	32	1	
Days in the month			31	28	31	30	31	30	31	31	30	31	30	31	365

Note: Methodology based on IRS Private Letter Ruling 9313008

Note 1 Per letter to the Public Utilities Commission dated January 31, 2018 for Docket No. 2016-0328 - Hawaiian Electric 2017 Test Year Rate Case - Hawaiian Electric Estimated Tax Impacts Arising from the Tax Reform Act, the tax effects of the Act are incorporated in the RAM Revenue Adjustment for the 2019 RAM Period effective June 1, 2019. The "With Proration" calculation is based on the number of days the rates will be effective from June 1, 2019 through December 31, 2019.

HAWAII ELECTRIC LIGHT COMPANY, INC.
AVERAGE RATE BASE AND RATE OF RETURN
($ Thousands)

RATE BASE	MONTH-END DEC 2017	MONTH-END DEC 2018	REFERENCE
INVESTMENTS IN ASSETS			
NET COST OF PLANT IN SERVICE			
Total Utility Plant	789,731	821,998	RONE28/29, Note 1
Adjustments:			
Construction Work in Progress	(11,922)	(104,696)	RONE28/29, Note 1
Regulatory Asset - ARO	236	455	GL# 18670151
Asset Retirement Obligation	(1,916)	(2,006)	GL# 25301000
Regulatory Liability for Cost of Removal	(96,967)	(104,082)	GL# 25400001
Unbilled Pole Credits	-	(937)	within GL#25300000
	679,162	610,732	
PROPERTY HELD FOR FUTURE USE	276	9	RONE19, Note 1
FUEL INVENTORY	8,698	11,027	RONE11, Note 1
MATERIALS & SUPPLIES INVENTORIES (excl Stores Expense)	8,127	7,649	GL# 90154000, Note 2
UNAMORT NET ASC 740 REG ASSET	22,733	20,537	Note 1
PENSION TRACKING REG ASSET	25,111	21,080	GL# 18676040
PENSION NON-SERVICE COST REG ASSET	-	273	GL# 18676045
CONTRIBUTION IN EXCESS OF NPPC	3,047	-	GL# 18676030
DEFERRED SYSTEM DEVELOPMENT COSTS			
HR Suites-Phase 1	776	675	GL# 18606004
HR Suites-Phase 2	(270)	(304)	GL# 18606104
Budget System Replacement Project	188	157	GL# 18607704
IVR	477	422	GL# 18670400
CIS	1,583	1,370	Acctg Dept Amort Sch
Geothermal RFP	1,144	899	GL# 18670500
TOTAL INVESTMENTS IN ASSETS	**751,052**	**674,526**	
FUNDS FROM NON-INVESTORS			
UNAMORTIZED CIAC	96,884	3,117	Note 2
CUSTOMER ADVANCES			
Customer Advances	12,738	12,978	RONE56 less 25203000
Developer Advances	3,122	3,308	Note 3
CUSTOMER DEPOSITS	2,670	2,518	GL# 23501000
ACCUMULATED DEF INCOME TAXES	58,174	57,663	Schedule D4
EXCESS ACCUMULATED DEF INCOME TAXES	66,373	65,907	GL#25400023/24, Note 4
UNAMORTIZED STATE ITC (GROSS)	15,924	16,000	GL# 25520000
UNAMORTIZED FEDERAL EV CREDIT	67	63	GL# 25503000
OPEB TRACKING REG LIAB	1,974	1,552	GL# 25400002
UNBILLED POLE CREDITS	-	937	within GL# 25300000
TOTAL DEDUCTIONS	**257,926**	**164,043**	
WORKING CASH	1,969	3,425	HELCO-WP-H-008
RATE BASE	**495,095**	**513,908**	
SIMPLE AVERAGE RATE BASE		**504,502**	***To Sch H, Line 1***

* Amounts may not add up due to rounding.

Note 1: See Hawaii Electric Light Company Inc. PUC Monthly Financial Report - December 2018, filed February 28, 2019.

Note 2: For 2018, CIAC is netted with Plant In Service & CWIP, resulting from the Company's transition to FERC treatment in October 2018. See further discussion of the Company's treatment of CIAC at HELCO-WP-D1-001. Materials & Supplies inventory includes an adjustment of $(438) and $(272) representing payment lag in 2017 and 2018, respectively.

Note 3: The Company reclassified cash received from Developers, subject to refund, to Customer Advances. Amount has been isolated for greater transparency within the rate base calculation. See further discussion at Schedule G.

Note 4: As a result of the 2017 Tax Reform Act, Regulatory Liability accounts were created to isolate the impact of the 2017 excess accumulated deferred taxes effective in actuals as of December 2017. These Regulatory Liabilities have been included as a reduction to Rate Base. Deferred tax asset related to excess accumulated deferred taxes is included in Unamortized Net ASC 740 Reg Asset.

HAWAII ELECTRIC LIGHT COMPANY, INC.
RATEMAKING ADJUSTMENTS FOR INCENTIVE COMPENSATION AND OTHER NON-RECOVERABLE EXPENSES

Line No.	Account No.	Description	2018	Tax @ 25.75%	Net of Tax	Rounded 000s
1	**Executive Compensation and Incentive Compensation**					
2	60003110	LTIP and EICP expense	$ 352,263			
3	60003110/60004000	Other incentive awards	255,355			
4	Provided by HEI	HEI charges for incentive compensation	51,579			
5			659,196	169,755	489,441	**$ 489**
						To Sch H, Line 2a
6	**Discretionary and Other Expenses Not Recoverable**					
7	18605000	Executive life insurance (COLI) expense (credit) ***not tax deduct***	(28,954)			
8	Provided by HEI	EEI Dues (allowed portion) ***not tax deduct***	10,227			
9	60004038	OPEB (Executive life portion only)	53,162			
10	AD001026/27	HEIRS	13,378			
11	Provided by HEI	HEI charges for non-incentive compensation and outside services (plan admin, legal fees, audit fees) - Executives	14,545			
12	60004035	Non-qualified pension expense	11,710			
13	60018015	Payroll taxes related to incentive compensation	14,482			
14		Service awards program	-			
15			88,550	27,626	60,924	**$ 61**
						To Sch H, Line 2b
16	**Total Adjustments to Operating Income**		747,746	197,381	550,365	
				To HELCO-WP-H-008		

HAWAII ELECTRIC LIGHT COMPANY, INC.
INCOME TAX ON ITEMS TO BE REPLACED BY SYNCHRONIZED INTEREST
2018

Description	Source	YTD	Rounded 000s	
Total Interest Charges	GL# RONE70	$ 11,836,335		
Remove: RBA Interest Income	GL# 41900002	86,761		
Less: Int on Customer Deposits	GL# 60016050	(153,901)		
AFUDC-Debt	GL# RONE69	(275,658)		
Amort of Inv Inc Differential	within GL# 60001010	23,536	**$ 24**	***To Sch H, Line 2c***
Total		$ 11,517,073		
	Tax rate	25.75%		
		$ 2,965,863	**$ (2,966)**	***To Sch H, Line 2d***

HAWAII ELECTRIC LIGHT COMPANY, INC.
RATEMAKING CAPITALIZATION
2018
($ in Thousands)

	Simple Average Balance*	Ratios	Cost Rate	Weighted Cost of Debt
Short-Term Debt	808	0.16%	4.19%	0.01%
Long-Term Debt	204,748	39.90%	5.38%	2.15%
Hybrid Securities	9,588	1.87%	7.16%	0.13%
Preferred Stock	6,743	1.31%	8.14%	0.11%
Common Equity	291,321	56.76%	9.50%	5.39%
	513,208	100.00%		7.79%
	To Sch H, Line 10			

	GL Code	Dec 2018	Rounded ($000s)		Cost Rate
Short-Term Debt:					
Interest on Debt Assoc Co	60016060/61	709,517			
Less: Interest on QUIDS	QUDS (see below)	(650,000)			
Int Exp-Commercial Paper	within 60016100	-			
Int Exp-SCF Loans		-			
Int Inc-Assoc Cos.	41908000	(25,666)			
		33,851	34		4.19%
Long-Term Debt:					
Amort of Debt Disc & Exp	60002100	393,635			
Less: Hybrid Sec Amort of Iss Exp	See (a) below	(36,334)			
Interest on Long-Term Debt	60016000	10,628,716			
Amort Inv Inc Differential	within 60001010	23,536			
		11,009,553	11,010		5.38%
Hybrid Securities:					
Interest on QUIDS	60016060	650,000			
Amort Exp-QUID1 Iss Exp	within 60002100	13,395			
Amort Exp-QUID2 Iss Exp	within 60002100	12,573	sum = 36,334	(a)	
Amort Exp-QUID3 Iss Exp	within 60002100	10,366			
Equity in Net Inc of Trust	42107000	-			
		686,334	686		7.16%
Preferred Stock:					
Amort of Pfd Stk Iss Exp	60002000	14,974			
Preferred Stock dividends	60016501	533,750			
		548,724	549		8.14%

* Short-Term Debt based on a 12 month average.

HAWAII ELECTRIC LIGHT COMPANY, INC.
SPECIAL MEDICAL NEEDS PROGRAM DISCOUNT (NET OF TAX)
2018
Amounts in ($000s)

Special Medical Needs Program Discount	48	
Revenue Taxes @ 8.885%	(4)	
	44	
Income Taxes @ 25.75%	(11)	
Reduction to operating income	**33**	***To Sch H, Line 2e***

Source: CIS Special Medical Needs (SMN) report

HAWAII ELECTRIC LIGHT COMPANY, INC.
PERFORMANCE INCENTIVE MECHANISM
2018
Amounts in ($000s)

Gross (Reward) / Penalty Amount	Schedule M	546	
Revenue Taxes @ 8.885%		(49)	
		497	
Income Taxes @ 25.75%		(128)	
Reduction to operating income		**369**	***To Sch H, Line 2f***

HAWAII ELECTRIC LIGHT COMPANY, INC.
FINAL TEST YEAR REFUND
2018
Amounts in ($000s)

2016 Test Year Rate Case Final D&O Refund	Note 1	74	
Revenue Taxes @ 8.885%		(7)	
		67	
Income Taxes @ 25.75%		(17)	
Reduction to operating income		**50**	***To Sch H, Line 2g***

Note 1:

Docket No. 2015-0170, Hawaii Electric Light 2016 Test Year Rate Case, Hawaii Electric Light Company's Reply Statement of Position on Refund, Exhibit 1, revised and filed July 25, 2018, and approved by the Commission in Order No. 35709, filed September 21, 2018.

HAWAII ELECTRIC LIGHT COMPANY, INC.
WORKING CASH
2018

Line No.	Working Cash Items		2018		Note 1 Net Collection Lag (Days)	Amount
	(a)		(b)		(c)	(d) = (b)/365*(c)
1	Fuel		90,773	B1	22.2	5,521
2	Purchased Power		95,838	B2	-0.4	(105)
3	O&M Labor		22,441	B3	27.1	1,666
4	O&M Non-Labor		45,667	B4	6.3	788
5	Revenue Taxes		33,312	B5	-48.4	(4,417)
6	Income Taxes		8,653	B6	-1.2	(28)
7	Working Cash					**3,425**
						To HECO-WP-H-001
8	***Fuel Oil***	B1	**90,773**		RONE73	
9	***Purchased Power***	B2	**95,838**		RONE74	
10	***O&M Labor***	B3	**22,441**		Acct. Dept. O&M report	
11	***O&M Non-Labor***					
12	O&M Expense		70,745		PUC Monthly Report	
13	O&M Labor Excl Fuel Labor		(22,441)		(see O&M Labor above)	
14	Bad Debt Expense		(600)		GL #60010000	
15	Pension Reg Asset/Liab Amort		(2,701)		HELCO-WP-H-008, page 2	
16	OPEB Reg Asset/Liab Amort		222		HELCO-WP-H-008, page 2	
17	System Develop Amort		(1,188)		HELCO-WP-H-008, page 2	
18	Payroll Tax		1,476		GL #60018000/001/015, 60019100, 60050001/238/242/245/251, 70000010/20/30	
19	Interest on Customer Deposits		154		GL #60016050	
20	Total	B4	**45,667**			
21	***Revenue Taxes***					
22	Franchise		9,279		GL #60017000	
23	PSC		22,150		GL #60017002	
24	PUC Fee		1,883		GL #60017001	
25	Total	B5	**33,312**			
26	***Current Income Taxes***					
27	Income Tax		7,262		Dec. 2018 PUC Monthly Report	
28	Income Tax on Disallowed Items		197		HELCO-WP-H-002	
29	Reversal of Tax Related to Int Synch Replacement		2,966		Sch H, Line 2d	
30	Income Tax Adjustments		1,203		HEI worksheet	
31	Tax Related to Int Synch		(2,975)		Sch H, Line 13 - 13a	
32	Total	B6	**8,653**			

Note 1: See Docket No. 2015-0170, Order No. 34766, Exhibit B, page 2, filed August 21, 2017.

HAWAII ELECTRIC LIGHT COMPANY, INC.
O&M NON-LABOR AMORTIZATION
2018

Pension Regulatory Asset Amortization

		Total	*Note 1* O&M % Portion 52.60%	Annual 2018	**Rounded 000s**
Pension Asset Amort	GL# 60002200	(229,492)			
Pension Reg Asset Amort	GL# 60002200	5,366,036			
		5,136,544	2,701,822	2,701,822	2,701
					To page 1

OPEB Regulatory Asset Amortization

		Total	*Note 1* O&M % Portion 52.60%	Annual 2018	**Rounded 000s**
OPEB Reg Asset/Liab Amort	GL# 60002200	(421,344)	(221,627)	(221,627)	(222)
					To page 1

System Development Amortization

HRS Amort 186060	HRS Amort 186061	Bud Sys Amort 186077 (*Note 2*)	CIS Amort 18605005/ (*Note 2*)	IVR Amort 18670400 (*Note 2*)	Geothermal Amort 18670500 (*Note 2*)	RC Costs Amort 18672500 (*Note 3*)	Annual 2018 Total	**Rounded 000s**
101,313	33,733	30,861	213,463	54,500	245,124	509,401	1,188,395	1,188
								To page 1

Note 1: See Docket No. 2015-0170, Rebuttal Testimonies, Exhibits, and Workpapers Book 2, HELCO-RWP-1910, page 1 of 2, filed June 23, 2017.
Note 2: See Docket No. 2015-0170, Hawaii Electric Light 2016 Test Year Rate Case Parties' Stipulated Settlement Letter, HELCO T-11, Attachment 2, Final Settlement.
Note 3: See Docket No. 2015-0170, Hawaii Electric Light 2016 Test Year Rate Case Parties' Stipulated Settlement Letter, Exhibit 1, page 58 - 59. In the interest of simplifying the issues and expediting the regulatory process, the company excluded amortization of rate case costs from the working cash calculation.

HAWAII ELECTRIC LIGHT CO., INC.
MONTHLY FINANCIAL REPORT
December 2018

TO THE PUBLIC UTILITIES COMMISSION OF THE STATE OF HAWAII
OPERATING INCOME BEFORE RATEMAKING ADJUSTMENTS TO BE USED FOR THE EARNINGS SHARING CALCULATION
(in thousands)

Operating income per Monthly Financial Report, page 2	35,663	*2
Less: Interest on Customer Deposits	(154)	
Operating income before ratemaking adjustments & synchronized interest - earnings sharing calculation	35,509	*1
Income Tax Adjustments	(1,203)	
Adjusted Operating income before ratemaking adjustments & synchronized interest - earnings sharing calculation	34,306	To Sch H

*1 Amounts may not add up due to rounding.

*2 Starting October 2018, Operating Income per the Monthly Financial Report includes income tax on AFUDC Equity.

Note:
Included to support Operating Income on Schedule H since PUC Page 2a was excluded from the December 2018 Monthly PUC Report submitted on February 27, 2019.

HAWAII ELECTRIC LIGHT COMPANY, INC.
2018 WEIGHTED AVERAGE PIM TARGET, DEADBAND, INCENTIVE CALCULATIONS

	Period	# of Days	Max Penalty	2018 Target	Deadband	Range for No Penalty Lower	Range for No Penalty Upper	2018 Annual Total	Delta vs Target	(Penalty)
	(a)	(b)	(c)	(d)	(e)	(f)	(g)	(h)	(i) = (h) - (d)	(j)
								HELCO-WP-M-002		
SAIFI	1/1/18-4/30/18	120	546,647	1.403	0.245	1.158	1.648	1.615	0.212	
	5/1/18-9/30/18	153	545,708	1.403	0.245	1.158	1.648	1.615	0.212	
	10/1/18-12/31/18	92	545,708	1.374	0.251	1.123	1.625	1.615	0.241	
	Annual Totals	365	546,017	1.396	0.247	1.149	1.642	1.615	0.219	-
										To Sch M
								HELCO-WP-M-002		
SAIDI	1/1/18-4/30/18	120	546,647	138.960	25.890	113.070	164.850	209.14	70.179	
	5/1/18-9/30/18	153	545,708	138.960	25.890	113.070	164.850	209.14	70.179	
	10/1/18-12/31/18	92	545,708	134.130	21.320	112.810	155.450	209.14	75.009	
	Annual Totals	365	546,017	137.743	24.738	113.004	162.481	209.14	71.396	(546,017)
										To Sch M
								HELCO-WP-M-003		
Call Center	1/1/18-4/30/18	120	218,659	88.51%	3.00%	85.51%	91.51%	83.60%		
	5/1/18-9/30/18	153	218,283	84.70%	3.00%	81.70%	87.70%	83.60%		
	10/1/18-12/31/18	92	218,283	84.22%	3.00%	81.22%	87.22%	83.60%		
	Annual Totals	365	218,407	85.83%	3.00%	82.83%	88.83%	83.60%	-2.23%	-
										To Sch M

Reference: See Hawaii Electric Light Proposed PIM Tariff Revisions, filed on July 30, 2018 in Docket No. 2015-0170. The PIM Tariff Revisions were approved by the Commission in Order No. 35709, filed on September 21, 2018.

HAWAII ELECTRIC LIGHT COMPANY, INC.
2018 SAIDI and SAIFI CALCULATIONS

	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	YTD	
Hours Interrupted	18,467.42	13,807.12	30,016.61	28,768.77	42,805.45	15,440.39	10,100.96	49,759.53	10,180.72	10,886.33	45,887.51	21,581.30	297,702.10	
Customer Interruptions	8,557	7,235	9,178	6,194	28,782	14,658	7,040	23,252	2,725	2,993	21,755	5,528	137,897	
SAIDI (Minutes)	12.97	9.70	21.09	20.21	30.07	10.85	7.10	34.96	7.15	7.65	32.24	15.16	209.14	*HELCO-WP-M-001*
SAIFI (Occurrences)	0.100	0.085	0.107	0.073	0.337	0.172	0.082	0.272	0.032	0.035	0.255	0.065	1.615	*HELCO-WP-M-001*

Note:

	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	YTD
Total Customer Minutes Interrupted	1,108,045	828,427	1,800,997	1,726,126	2,568,327	926,424	606,058	2,985,572	610,843	653,180	2,753,251	1,294,878	**17,862,126**

HAWAII ELECTRIC LIGHT COMPANY, INC.
CALL CENTER PERFORMANCE (SERVICE LEVEL) RESULTS
2018

Call Center Performance (Service Level) Excludes Blocked Calls					
Month	**Total Calls Accepted ***	**Calls Answered Within 30 Seconds**	**Service Level**	**Weighted Total**	**Weighted Service Level**
Jan-18	9,411	8,348	88.70%	9.11%	8.08%
Feb-18	7,994	6,919	86.55%	7.74%	6.70%
Mar-18	8,342	6,878	82.45%	8.07%	6.66%
Apr-18	8,874	6,867	77.38%	8.59%	6.65%
May-18	8,855	7,220	81.53%	8.57%	6.99%
Jun-18	8,940	7,199	80.53%	8.65%	6.97%
Jul-18	8,741	7,271	83.18%	8.46%	7.04%
Aug-18	8,668	7,153	82.52%	8.39%	6.92%
Sep-18	7,844	6,658	84.88%	7.59%	6.44%
Oct-18	9,486	8,024	84.59%	9.18%	7.77%
Nov-18	8,302	7,082	85.30%	8.04%	6.85%
Dec-18	7,863	6,758	85.95%	7.61%	6.54%
				Total	**83.60%**

To HELCO-WP-M-001

* All customer calls handled by a Customer Service Representative (including abandoned calls)

Source: Generated from Genesys Interactive Insights system.

HAWAII ELECTRIC LIGHT COMPANY, INC.
Phase 1 Renewable Energy RFP PIM
2018

	Awarded projects	Reference	BAFO Levelized Price ($/MWh)	Net Energy Potential (MWh)	PIM Calculation (Total)	(Note 1) PIM Calculation (20% utility share) Filed in 12/2018
			a	b	c = (x or y-a)*b	d = c * 20%
1	AES Waikoloa Solar (H-4) (paired with storage)	Docket No. 2018-0430 D&O No. 36233	79.46	81,406	$ 2,893,169	$578,634
2	Hale Kuawehi Solar (H-15) (paired with storage)	Docket No. 2018-0432 D&O No. 36234	87.40	87,415	$ 2,412,654	$482,531
3					Total Procurement RFP Calculation	$1,061,165
4					First Allocation - 50% Year 1 (Note 2)	$530,582
						To Sch M

PIM benchmark	(Note 1) cents/kWh	**$/MWh**	
Energy only	9.5	95.00	x
Paired with storage	11.5	115.00	y

Note 1 Per Order No. 35405, Docket No. 2017-0352, filed April 6, 2018, PIM benchmarks per pages 11 and 12.

Language from Order 35405:
The Companies share would be 20% of the estimated first-year savings compared to the applicable benchmark up to a cap of $3,500,000.

The estimated first-year savings will be calculated by multiplying the forecasted first-year energy production (in kWh) of the project by the difference between the applicable benchmark price and the equivalent price (in cents per kWh).

The equivalent PPA price will be established by the levelized cost of the project computed by the Companies during the evaluation and selection process in the Phase I procurement effort.

Similarly, the forecasted first-year energy production will be determined by using the energy production estimated in the evaluation and selection process.

Per Order No. 35664, Docket No. 2017-0352, filed September 6, 2018:
The Commission ruled on the treatement of the Additional PPAs proposed in the Companies' June 20, 2018 Letter indicating that the additional PIM for these PPAs will function in a similar manner to the original PIM. The Companies shall receive a performance incentive equialent to 20% of the estimated first-year savings compared to the applicable benchmark, up to a cap of $3,000,000, for the Additional PPAs filed with the commission by December 31, 2018. For any Additional PPAs submitted after December 31, 2018, until March 31, 2019, the Companies' share of the savings pursuant to the PIM will be reduced in accordance with the proposal in the Companies' June 20, 2018 Letter.

Note 2 Per Decision and Order No. 35405, Docket No. 2017-0352, filed April 6, 2018, Timing of Incentive Award, p 14

First Allocation: The first allocation of the PIM will be shortly after the approval of the PPAs. At that time, the commission will allocate the first 50% of the total PIM to the Companies, based on the equivalent PPA prices and the forecasted first-year energy production.
The commission intends that the applicable performance incentive would be awarded to the Companies through their respsective Revenue Balancing Account Provision tariffs.

Second Allocation: Following the first year of commercial operations for each project, the Companies shall submit a report of the actual energy utilized for each of the PPAs approved by the Commission. The Commission will provide the Companies with a portion, or all, of the remaining 50% of the PIM, dependent upon the actual amount of energy output utilized.

CIAC Treatment
Resulting from FERC Adoption

Adoption of FERC USOA required a change in presentation change to Contributions in Aid of Construction (CIAC)

Prior to October 2018, and in establishing rates in previous test year rate cases, the Company's presentation of contributions in aid of construction ("CIAC") followed the guidelines of the National Associate of Regulatory Utility Commissioners Uniform System of Accounts (NARUC USOA). Under the NARUC reporting system, CIAC is reported under an exclusive account, account 271, which includes donations or contributions in cash, services or property from states, municipalities, or other governmental agencies, individuals and others for construction purposes. All CIAC was incorporated as a deduction in the calculation of rate base in part because the Companies' systems did not facilitate on-going reporting of CIAC related to plant in service separate from CIAC related to construction work in progress ("CWIP").

The Commission approved the Companies' request to change to Federal Energy Regulatory Commission Uniform System of Accounts (FERC USOA), beginning with the implementation of the Companies' new ERP/EAM, in Decision and Order No. 31757, issued December 19, 2013 in Docket No. 2013-0007.

Beginning in October 2018 with the transition to FERC, the net balance of CIAC in account 271 less the CIAC amortization to be recorded for October to December 2018, was credited against the account balances charged with the cost of construction, i.e., gross plant in service and CWIP, resulting in the account becoming zero (i.e. "0") at December 31, 2018.

Ratemaking treatment for CIAC

The Company's ratemaking treatment of contributions in aid of construction is summarized below:

- *CIAC associated with Plant in Service* – When a utility capital project is placed into service, the plant in service net of the associated CIAC is included as net cost of plant in service in rate base. The plant in service net of the CIAC is included as part of the basis for the depreciation accrual the year after it is placed into service (i.e. January 1 of the year after it is placed into service).

- *CIAC associated with CWIP* – For book purposes, CIAC that is received while projects are still under construction (i.e. in CWIP) will offset the costs incurred and is presented net in CWIP. The CWIP net of the associated CIAC is subject to the AFUDC accrual if there is a net CWIP balance. In the next rate case, the Company will request CIAC associated with CWIP be excluded from the rate base calculation since CWIP net of

CIAC earns AFUDC. CIAC associated with CWIP is however, included in rate base in this RAM calculation for consistency with the 2017 Test Year treatment. See further discussion of Company's requested treatment of CIAC associated with CWIP below.

- *Developer Advances* - Cash contributions received in advance of construction of a utility capital project that are temporarily not classified as CIAC because the funds received are in excess of the specific project expenditures. The balance of developer advances is presented as funds from non-investors, included in its own exclusive account, and deducted in the calculation of rate base. As project costs are incurred for a utility capital project, an equal portion of developer advances associated with the project will be reclassified as CIAC and credit the accounts charged with the cost of construction. Developer Advances were included as a part of CIAC as a reduction to rate base in the 2017 Test Year.

Treatment of CIAC within the 2019 Annual Decoupling Filing

For the 2019 Decoupling Filing, the Company treated CIAC consistently with prior filings resulting in no impact to rate base.

Schedule D1, Determination of Rate Base RAM Adjustment – Change in Rate Base

Plant in Service - There is no change in rate base for plant in service and CIAC associated with plant in service. Under NARUC, in rate base, plant in service was the gross cost of plant (net of accumulated depreciation), and CIAC was a separate reduction to rate base. Under FERC, the plant in service amounts are net of (i.e., already reduced by) CIAC, and presented net of accumulated depreciation in the calculation of rate base. There is no separate CIAC line item reducing rate base because it is already net in utility plant. Therefore, there is no net rate base impact. The difference between NARUC and FERC for plant in service is a matter of where the costs are classified in rate base, and not a matter of inclusion or exclusion of costs in rate base.

CIAC associated with CWIP - There is no change in rate base for CIAC associated with CWIP. Previously, presentation of CIAC aligned with NARUC and all CIAC, including amounts associated with projects in CWIP, were included as a reduction to rate base under account 271. The 2019 estimated balance continues the treatment of including the CIAC in CWIP to be consistent with the recorded balance at 2018 year-end because all 2019 estimated CIAC additions have been included at Schedule D2 and included as part of net cost of plant at Schedule D1. Although the treatment described above was used in the 2019 annual decoupling filing, see Company's requested treatment to exclude CIAC associated with CWIP from rate base in future filings in the discussion below.

Developer Advances - With the transition to FERC, CIAC is credited when received against the related project costs in CWIP. To the extent funds are not yet expended for a project in

CWIP, the CIAC will be classified as developer advances and deducted in the calculation of rate base at Schedule D1. The recorded balance at 2018 year-end is not adjusted for 2019 activity as it is incorporated in Schedule D2.

Schedule D2, Determination of Baseline Capital Projects Additions

Schedule D2 was revised to incorporate the baseline and major project CIAC (including Developer Advances) for 2014 to 2017 into the baseline average calculation of net plant in service, consistent with the presentation of rate base. The 2018 CIAC additions calculated at HECO-WP-D2-003 includes additions to CIAC from all sources, i.e. Plant, CWIP and Developer Advances, which were used in the 5-year baseline calculation. As a result, the estimated 2019 additions to CIAC in CWIP and Developer Advances balances at Schedule D1 for the Change in Rate Base are not required as they are already included in the net cost of plant line item.

Schedule E, Determination of Depreciation & Amortization RAM Adjustment

FERC Uniform System of Accounts Electric Plant Instructions, 2. Electric Plant To Be Recorded at Cost. D. states, "The electric plant accounts shall not include the cost or other value of electric plant contributed to the company." Therefore, the Recorded Depreciable/ Amortizable Balances at December 31, 2018 in Schedule E represents plant in service net of CIAC which is used as the basis to estimate the 2019 annual accrual amount. In calculating the 2019 RAM Depreciation and Amortization, Depreciation and Amortization in Current Revenues also includes CIAC amortization approved in the 2017 Test Year.

Schedule F & F1, Determination of Change in Deferred Income Taxes & Tax Depreciation

The methodology for computing the deferred taxes related to RAM year tax depreciation was not changed within the 2019 annual decoupling filing. Gross plant additions are used as the basis for calculating tax depreciation. However, see the CIAC impact to ADIT section below for the Company's preferred treatment considering the effects of netting CIAC against plant in service.

Schedule G-series, CIAC

Schedule G, G1 and G2 were removed from the Decoupling filings and instead incorporated into either Plant in Service, CIAC in CWIP or Developer Advances. The December 31, 2018 balances for CIAC associated with CWIP and Developer Advances were extracted from PowerPlan. Additionally, as noted above, the calculation of the 5-year baseline average of CIAC and amortization was incorporated within Schedule D2 and Schedule E, respectively.

The Company will continue to include CIAC associated with CWIP and Developer Advances as a reduction to rate base until the FERC presentation of rate base is approved in the Company's next rate case.

Company's requested CIAC treatment

The Company requests to reflect the following changes to the treatment of CIAC within the annual decoupling filings.

CIAC associated with CWIP

In Mr. Franklin's T-12 direct testimony in Hawaii Electric Light's 2019 Test Year rate case, the Company proposes to remove CIAC associated with CWIP from the calculation of rate base due to the fact that CWIP net of associated CIAC earns AFUDC, therefore the CWIP and its associated CIAC should be excluded from rate base.

Excluding CWIP net of CIAC, to better align the source of funds with its use (i.e. the CIAC funds received were applied against the costs incurred for the project) and is therefore properly excluded from the calculation of rate base. In addition, and as mentioned previously, any material CIAC received in advance of construction expenditures will continue to be deductions in the calculation of rate base as Developer Advances.

CIAC impact to ADIT

ADIT associated with CIAC in CWIP should be divided between nontaxable and taxable CIAC. Nontaxable CIAC (primarily interconnection CIAC) is treated as a reduction in basis for both book and tax purposes. On the other hand, although taxable CIAC is also a reduction in basis for book purposes, for tax purposes, the receipt of taxable CIAC creates tax basis by way of the recognition of taxable income and reverses by way of tax depreciation.

Nontaxable CIAC does not create ADIT since there is no book tax difference. Consequently, the regulatory netting of nontaxable CIAC against the plant assets should not create any issue with respect to the ADIT beginning balance for the rate base RAM calculation

Taxable CIAC generates a Deferred Tax Asset (DTA) as it is received and recorded into CWIP under the new FERC accounting. Prior NARUC accounting treatment with account 271 created DTA as CIAC was booked to 271, which is equivalent to what is now booked to CWIP. The origination and timing of the DTA under the FERC method will be equivalent to the NARUC method. However, under the old method, the DTA was immediately recognized as part of rate base, consistent with the treatment of the account 271 inclusion. However, under the FERC method, the generation of the DTA must be inventoried and tracked to match up with the amount of CIAC in CWIP and the amounts closed to plant in service. This tracking is necessary to ensure that the amount of DTA related to CWIP is excluded from rate base. Once CWIP costs are closed to plant, the related DTA will be included in rate base and will begin reversal through tax depreciation taken on the CIAC tax basis.

FERC accounting imbeds the book treatment of CIAC within CWIP and the ultimate plant and related depreciation. The separation will disappear and the Company asserts that the ADIT effects will be the same with respect to the beginning balance of ADIT for the annual decoupling filing except to the extent CIAC is still in CWIP. This issue will be addressed along with the rate base treatment of CIAC associated with CWIP as mentioned above.

FERC accounting nets CIAC against Plant in Service for purposes of computing baseline and major plant additions. For RAM year tax depreciation and the related ADIT calculated for the change in RAM year ADIT, adopting the net plant additions as the RAM year tax additions will be a change that will result in a smaller amount of tax depreciation and ADIT "change" since the Company previously has assumed the gross additions to be the RAM year tax depreciable base. The Company asserts this is reasonable for the following reasons:

1) Under the old method, to the extent nontaxable CIAC was included in the RAM year numbers (through major projects or baseline projects), tax depreciable basis was overstated since there is no tax basis for assets funded by nontaxable CIAC.
2) With respect to taxable CIAC, the funded assets do have depreciable tax basis and it is accounted for in the RAM year additions tax depreciation. However, the receipt of taxable CIAC generates taxable income and deferred tax assets that increase rate base. The effect of this DTA from taxable CIAC was never recognized in the RAM tariff, which resulted in an overstatement of RAM year ADIT change, as it related to the projected plant additions.

For purposes of the 2019 RAM calculation, ADIT has been calculated on gross plant additions, consistent with the 2017 Test Year treatment and prior decoupling filings, however the Company is requesting treatment of CIAC in deferred tax to follow FERC accounting.

Summary

In summary, Hawaii Electric Light prepared the 2019 annual decoupling filings in accordance with the historical treatment of CIAC. Historically, due to system constraints, CIAC records were not maintained with matching of the separate components (plant in service, CWIP, developer advances). As a result, the entire amount of CIAC was treated as a reduction to rate base and the Return on Investment was understated. As stated in Mr. Franklin's T-12 direct testimony in Hawaii Electric Light's 2019 Test Year rate case, the Companies propose to exclude the CIAC associated with CWIP in its calculation of rate base in the rate base RAM filings. Should the Commission approve Hawaii Electric Light's proposal, the Company will implement this change in the annual decoupling filing in the year following the Commission's approval.

VERIFICATION

STATE OF HAWAI'I)
) ss.
CITY AND COUNTY OF HONOLULU)

Brian Y. Hiyane, being first duly sworn, deposes and says: That he is the attorney for Hawai'i Electric Light Company, Inc., Applicant in the above proceeding; that he makes this verification for and on behalf of Hawai'i Electric Light Company, Inc., and is authorized so to do; that he has read the foregoing Application, and knows the contents thereof; and that the same are true of his own knowledge except as to matters stated on information or belief, and that as to those matters he believes them to be true.

Brian Y. Hiyane

DEBORAH ICHISHITA NOTARY 04-409 PUBLIC STATE OF HAWAII

Subscribed and sworn to before me this 29th day of March, 2019.

Deborah Ichishita

DEBORAH ICHISHITA
Notary Public, State of Hawai'i

My Commission expires July 18, 2020

STATE OF HAWAI'I NOTARY CERTIFICATION

Doc. Date: 3/29/2019 # of pages 131

Notary Name: DEBORAH ICHISHITA First Circuit

Doc. Description: Hawaii Electric Light Transmittal No. 19-02 (Decoupling)

Deborah Ichishita 3/29/19
Notary Signature Date

DEBORAH ICHISHITA NOTARY 04-409 PUBLIC STATE OF HAWAII

<u>CERTIFICATE OF SERVICE</u>

I hereby certify that the foregoing Transmittal No. 19-02 was served on the date of filing by hand delivery, 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 via Hand Delivery

Dated: Honolulu, Hawai'i, March 29, 2019.

HAWAIIAN ELECTRIC COMPANY, INC.

Michael Chu