BEFORE THE PUBLIC UTILITIES COMMISSION

OF THE STATE OF HAWAI‘I

In the Matter of PUBLIC UTILITIES COMMISSION Instituting a Proceeding to Investigate Performance-Based Regulation.	DOCKET NO. 2018-0088

HAWAIIAN ELECTRIC COMPANIES' AND ULUPONO INITIATIVE LLC'S JOINT ALTERNATIVE REBASING PROPOSAL

ATTACHMENT 1 ULUPONO JOINDER AND EXHIBITS 1-12

EXHIBITS A-K

AND

CERTIFICATE OF SERVICE

MICHAEL COLÓN
Director, Energy
Ulupono Initiative LLC
999 Bishop Street, #1202
Honolulu, Hawaii 96813

DOUGLAS A. CODIGA
MARK F. ITO
Schlack Ito
Limited Liability Law Company
Topa Financial Center
745 Fort Street, Suite 1500
Honolulu, Hawaii 96813
Telephone: (808) 523-6040
Facsimile: (808) 523-6030

Attorneys for
ULUPONO INITIATIVE LLC

ROD S. AOKI
ATTORNEY-AT-LAW, A LAW CORPORATION

303 Twin Dolphin Drive
Suite 600
Redwood City, California 94065
Telephone: (808) 294-6971
Facsimile: (650) 931-2301

Attorney for
HAWAIIAN ELECTRIC COMPANY, INC.
HAWAI‘I ELECTRIC LIGHT COMPANY, INC.
MAUI ELECTRIC COMPANY, LIMITED

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<u>JOINT ALTERNATIVE REBASING PROPOSAL</u>

The Hawaiian Electric Companies[1] and Ulupono Initiative LLC ("Ulupono") (collectively "Joint Parties") respectfully submit this Joint Alternative Rebasing Proposal ("Joint Proposal") for the Commission's review, consideration and approval. This Joint Proposal is submitted pursuant to Order No. 42351, *Granting, in Part, Hawaiian Electric's Third Extension Request to File a Re-basing Proposal Filed on January 30, 2026*, issued on February 24, 2026, in Docket No. 2018-0088 ("Order 42351").[2] As discussed in Section IV.F. of this filing, Ulupono supports and recommends that the Joint Proposal be approved by the Commission.

[1] Hawaiian Electric Company, Inc. ("Hawaiian Electric" or "HE"), Hawai‘i Electric Light Company, Inc. ("Hawai‘i Electric Light" or "HL"), and Maui Electric Company, Limited ("Maui Electric" or "ME"), are collectively referred to as the "Hawaiian Electric Companies," "Companies," or simply "Hawaiian Electric."
[2] Order 42351, Ordering Paragraph 1, at 6.

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JOINT ALTERNATIVE REBASING PROPOSAL

I. INTRODUCTION AND EXECUTIVE SUMMARY

This Joint Alternative Rebasing Proposal ("Joint Proposal") advances an unprecedented stakeholder-driven, non-traditional approach to utility rate adjustments that is fully consistent with the fundamental principles of Performance-Based Regulation ("PBR").

In December 2020, the Commission established the PBR Framework governing the Hawaiian Electric Companies.[1] This Framework was an innovation and evolution of utility regulation, representing a shift away from traditional cost of service ratemaking; it introduced incentives for cost control through a multi-year rate period ("MRP") that includes a five-year rate case moratorium. Under PBR, customers are guaranteed savings; during the current MRP ("MRP1"), the Companies will have provided more than $100 million in revenue reductions to offset other costs. The Framework also incorporates Performance Incentive Mechanisms ("PIMs") that link revenues to performance on priority outcomes by imposing penalties for underperformance and providing rewards for superior results. MRP1 is scheduled to expire in mid-2026.

Rate rebasing is a core component of PBR,[2] and most PBR Working Group parties ("PBR WG" or "WG") support rebasing in some form.[3] The Companies' most recent base rate adjustments were based on 2017, 2018, and 2019 test years for Hawaiian Electric, Maui Electric, and Hawaiʻi Electric Light, respectively, resulting in a combined increase of approximately 0.5 percent over then-effective rates.[4] During MRP1, the Companies have consistently earned returns below Commission authorized levels, an established indicator of financial integrity.[5]

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[1] *See* Decision and Order No. 37507 ("D&O 37507"), issued on December 23, 2020, in Docket No. 2018-0088.
[2] *See* Hawaiian Electric Companies' Brief, filed in Docket No. 2018-0088 on December 5, 2024 ("Rebasing Brief") at 5-7.
[3] Order No. 41575 ("Order 41575"), issued on February 27, 2025, in Docket No. 2018-0088, at 24.
[4] Rebasing Brief at 2, 4.
[5] Rebasing Brief at 8.

Accordingly, as part of its recent comprehensive PBR review, the Commission determined that rates should be rebased before the next MRP ("MRP2") begins in 2027 and that a general rate case type proceeding could be used for that purpose.[6]

The Commission subsequently approved the Companies' request to pursue an alternative, stakeholder driven process to develop a rebasing proposal and related PBR framework changes.[7] This Joint Proposal is the result of extensive engagement with PBR WG parties over a three month period, including meetings, presentations, information exchanges, data analysis, and efforts to balance competing interests.[8] Although submitted by the Companies and Ulupono, the Joint Proposal reflects input from other WG participants, several of whom may support aspects of the proposal.

The Joint Proposal is consistent with PBR objectives. Aside from the implementation of previously approved depreciation rates, nearly two-thirds of the proposed rebasing amount is unrelated to projected Company costs. Cost-informed components are limited to areas where material changes in the business environment have occurred since the start of MRP1. Ultimately, Hawaiian Electric's financial condition will still be significantly tied to its ability to realize cost savings and efficiencies during MRP2 and its performance on customer and state energy policy objectives.

The Joint Proposal would result in reasonable base rates. Multiple financial analyses, including methodologies intentionally distinct from traditional cost of service reviews, support the proposal as a reasonable outcome. It recommends a consolidated base rate increase of

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[6] Order 41575 at 2, 23-24, 28, 31-32.
[7] *See* Order No. 41963 ("Order 41963"), issued on September 29, 2025, in Docket No. 2018-0088.
[8] The fact that the Joint Proposal has already been previewed to and shaped by stakeholder input significantly distinguishes it from a typical general rate case application. In a rate case proceeding, refinement and adjustments to the revenue requirements request normally comes at the end of a long review process.

approximately 5.3 percent above current effective rates, implemented over two years to moderate customer impacts. This corresponds to an incremental revenue increase of $170 million, with $125 million implemented in 2027 and $45 million in 2028. The proposal also includes a process to ensure public participation and opportunities for intervention before the Commission renders a decision.

Because PIMs are essential to PBR, but development of actual PIMs for MRP2 has not yet been completed, the Joint Proposal recommends that an amount and rough allocation of total PIMs be established now to guide the work in Phase 6. To that end, the Joint Proposal recommends that a total of 200 basis points ("bps") of PIMs be available, comprised of 150 bps of award potential and 50 bps of penalty potential, as discussed below.

Finally, the Joint Parties recommend that, beginning in Year 1 of MRP2, the PBR WG be convened to work on a potential proposal to standardize a process to rebase rates before the beginning of an MRP3.

II. RELEVANT PROCEDURAL BACKGROUND

In Order 41575, the Commission found that "Hawaiian Electric's Target Revenues should be re-based ahead of MRP2 and that a general rate case-type proceeding is the most efficient means for achieving this under these circumstances."[9] In doing so, the Commission acknowledged that this is a "matter of first impression and represents a significant milestone in Hawaii's adoption of PBR."[10] The Commission also noted that "as stated previously throughout this docket, the PBR Framework is ever evolving, and this Order today represents one of the many steps forward to further refining and improving its effectiveness at regulating Hawaiian

[9] Order 41575 at 2.
[10] *Id.*

Electric and achieving policy goals" and "is intended to evolve and continually seek improvement as the Commission and Parties gain experience with implementing PBR in Hawaii."[11]

The Commission also found that "re-basing Target Revenues ahead of MRP2 offers the opportunity to address some of the outstanding issues that the PBR Framework does not explicitly address, such as the examination and possible amendments to various cost trackers, determinations regarding disposition of deferred accounts, amortization of outstanding balances in regulatory asset and liability accounts, and disposition of 'Other Revenues' earned by the Companies. Addressing these matters at this time may support efficiencies going forward by clarifying how treatment of these mechanisms and accounts may be handled in the future. Relatedly, Hawaiian Electric has indicated that re-basing Target Revenues will support its ongoing ability to utilize deferred accounting under ASC 980. The Commission agrees that the qualifying restrictions and resulting provisions of utilizing accounting under ASC 980 should be carefully considered before making any significant decisions that could affect its applicability. Re-basing also offers opportunities to: (1) re-assess prior rate case results based on global settlements that assumed a three-year cycle; and (2) establish new results that contemplate extended MRP periods and potentially new methods for re-basing Target Revenues in future MRP cycles."[12] According to the Commission this "should help address legacy issues that linger from Hawaiian Electric's pre-PBR days, place Hawaiian Electric in a better position to respond to the incentives under the PBR Framework, and reduce the need for (or magnitude of) re-basing Target Revenues in the future."[13]

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[11] *Id.* at 3 and 26.
[12] *Id.* at 26-27 (footnotes omitted).
[13] *Id.* at 27.

The Commission explained further that "as the PBR Framework is composed of a complex suite of interlocking mechanisms, this re-basing offers an opportunity to re-assess the initial 'base' Target Revenues' relationship with PBR's companion revenue adjustment mechanisms and their interaction during MRP2. In tandem with the re-basing proceeding, the Commission will be re-examining certain PBR mechanisms as part of Phase 6 of this proceeding to determine if they should be modified for MRP2. This offers an opportunity to consider not just whether these mechanisms are 'working' by incentivizing desired behavior from the Companies, but also to re-examine their relationship to base rate schedule revenue, ARA-determined revenue and how they should interact during MRP2. As noted by Hawaiian Electric, the determinations of re-based revenues, the X-Factor and provisions for EPRM recovery are interrelated."[14] Importantly, the Commission noted that although it "has decided to utilize a rate case-like proceeding to re-base Target Revenues ahead of MRP2, this does not mean that the proceeding must prescriptively follow a traditional COSR rate case proceeding. There is consensus among the Parties that the re-basing process should seek to mine efficiencies and reduce the overall expenditure of time and resources."[15]

On August 28, 2025, the Companies filed a letter with the Commission stating that they "would like to create a window of time in which the PBR WG parties continue to collaborate on developing an alternative rate re-basing proposal that could make the need for a general rate case application and process (and the associated time, cost and resources) unnecessary. The Companies believe that a non-rate case re-basing proposal could be developed and submitted for Commission review and approval in time to be implemented at the beginning of MRP2 in January 2027, similar to the current rate case re-basing schedule. Effectively, this alternative

[14] *Id.* at 30 (footnotes omitted).
[15] *Id.* at 31.

process would pick up on previous PBR WG re-basing discussions. This would also mean, however, that the Companies would not file their rate case application in December 2025 as planned."[16] Hawaiian Electric further stated "[t]his alternative approach could also address concern that re-basing and consideration of other PBR Framework modifications be done in a more synchronized manner. More specifically, the Parties can work towards a package proposal to address re-basing and PBR Framework modifications."[17]

Upon review and consideration of the record and circumstances, the Commission granted Hawaiian Electric's Letter Request in Order 41963 issued on September 29, 2025, subject to certain conditions. Specifically, the Commission confirmed that it would "allow Hawaiian Electric to collaborate with the Parties on an Alternative Proposal for the remainder of the year. Any Alternative Proposal shall be submitted to the Commission no later than January 7, 2026."[18] The Commission emphasized that it "is open to alternative re-basing processes and has consistently attempted to solicit Party input on such processes. To the extent Parties believe they can build off on prior efforts to develop a reasonable process that can avoid the need for a rate case-like proceeding, the Commission will entertain this effort."[19] The Commission also stated that "[i]f there are any Parties who do not agree with the Alternative Proposal, they shall file a statement noting their opposition and their reasons by January 14, 2026. The Commission will then investigate any Alternative Proposal and any opposing statements before issuing a decision which may approve, modify, or reject the Alternative Proposal."[20]

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[16] *Hawaiian Electric Companies' Request to Extend Time to File Rate Case* at 1.
[17] *Id.* at 5.
[18] Order 41963 at 7.
[19] *Id.* at 9 (footnotes omitted).
[20] *Id.* at 7.

To accommodate this, the Commission clarified that it may modify the timeline for Phase 6 and the beginning of MRP2. "Depending on the nature of any Alternative Proposal that may be approved, or based on the submission of a Re-Basing Application utilizing a 2027 test year filed in the second half of 2026, completing the re-basing of Hawaiian Electric's Target Revenues by January 1, 2027 may not be practicable. Accordingly, based on the circumstances, the Commission may modify the start of MRP2 beyond January 2027 to accommodate sufficient time to complete whatever re-basing method is utilized."[21]

The Commission also stated that "in the event that the Parties are able to develop and submit an Alternative Proposal to re-base Target Revenues and/or modify specific PBR mechanisms, this may streamline Phase 6, thereby saving Commission and Party time and resources. A more efficient re-basing process can also serve as a foundation for re-basings that may occur as part of future MRPs, if appropriate."[22] And "although there is the potential that the Parties' collaborative efforts may be unsuccessful and thereby push back the start date for MRP2 beyond January 2027, the PBR Framework can accommodate any such delay. The biannual review cycle of the Spring and Fall Revenue Reports can continue to adjust Hawaiian Electric's Target Revenues until they are ultimately re-based. Thus, while this may result in MRP1 lasting beyond the five-year period initially envisioned, it also affords the Parties their desired additional time to explore alternative solutions."[23]

Since the issuance of Order 41963, Hawaiian Electric convened a total of eight two-hour and one one-hour working group meetings with the Parties to discuss and develop an alternative

[21] *Id.* at 8.
[22] *Id.* at 9-10.
[23] *Id.* at 10-11.

rebasing proposal.[24] Each meeting was attended by the majority of the Parties with active and constructive engagement, information sharing, discussion and responses to questions taking place. The Working Group meetings together with the topics discussed at each meeting, are summarized in the Table attached hereto as Exhibit A to this filing.

In Order 42176, in response to the Companies' December 8, 2025 extension request, the Commission extended the deadline to submit an Alternative Proposal from January 7, 2026, to February 6, 2026.[25] In doing so, the Commission stated that it "expects that the additional time provided by this Order will be used to not just reach conceptual agreement, but develop an actionable proposal for the Commission's review. To the extent that any Alternative Proposal is lacking in key details, this may be a basis for rejecting the Proposal."[26] In Order 42351, the Commission extended the deadline to submit an Alternative Proposal to March 6, 2026.[27]

III. ALTERNATE REBASING PROPOSAL DEVELOPMENT PROCESS

During the course of the PBR WG meetings, Hawaiian Electric presented an initial rebasing proposal for consideration and discussion. The amount of the initial proposal was greater than the amount sought in this Joint Proposal. Hawaiian Electric also noted that the amount it would seek in an alternative process rebasing proposal would be less than it believed it would seek, and potentially recover, if it filed a consolidated 2026 test year rate case. Hawaiian Electric explained that starting the alternative process with a proposed rebasing amount significantly less than what it would seek in a rate case was intended to convey Hawaiian Electric's willingness and desire to achieve a solution as soon as possible through collaboration

[24] Meetings were held on October 22, 2025, October 29, 2025, November 5, 2025, November 12, 2025, November 19, 2025, November 26, 2025, December 3, 2025, December 9, 2025, and January 23, 2026.
[25] *See* Order 42176 at 8.
[26] *Id.* at 10 (footnotes omitted).
[27] *See* Order 42351, issued on February 24, 2026, at 6.

and compromise upfront. Overall, Hawaiian Electric conveyed that a rebasing result must consider customer bill impact while providing Hawaiian Electric a reasonable opportunity to begin to approach earning its authorized return on equity ("ROE") with efficient and effective operations and quality performance (PIM reward achievement). Hawaiian Electric subsequently refined their proposal based on party questions and feedback.

In early December 2025, Ulupono presented to the PBR WG a conceptual alternative proposal. Based upon Ulupono's presentation and discussion, and due to the pending holidays, it was decided that the most effective use of time would be for Hawaiian Electric and Ulupono to consider and further explore Ulupono's proposal outside of the usual WG meetings, with an intent to subsequently report back any progress to the WG. Hawaiian Electric and Ulupono continued work on developing and revising their respective proposals through the holidays.

Additional meetings were held by the Companies with Ulupono on January 5, 2026, January 8, 2026, January 13, 2026, January 20, 2026, and January 22, 2026. During this period, counter proposals were shared, responses to data requests were provided, discussions were held with regard to details of proposals and how they would work in practice, analyses of positions were undertaken, and refined discussions took place.[28] Through this process, Hawaiian Electric and Ulupono were able to agree upon a joint and actionable alternative rebasing proposal, which was presented to the PBR WG on January 23, 2026.

IV. THE JOINT ALTERNATIVE REBASING PROPOSAL

The Joint Proposal rebasing amount consists of three main adjustment elements: (1) A true-up amount to adjust base rates for the difference between forecasted and actual Gross Domestic Product Price Index ("GDPPI") during MRP1; (2) implementation of approved

[28] At the same time, data was provided in response to additional Life of the Land requests.

depreciation rates for steam generating units; and (3) an adjustment for exceptional O&M (insurance) expense increases. A reduction amount was then applied to lower the rebasing amount request total to manage customer bill impact.

The final proposed rebasing amount reflects a balancing of many interests. Utility financial integrity is one of the three PBR Guiding Principles.[29] The Companies need sufficient revenues to improve credit metrics and ratings, which in turn allow them to serve customer interests and advance state energy policy goals at the lowest reasonable cost. Balanced against this is the priority outcome of affordability. As explained below, the Joint Parties believe the Joint Proposal rebasing amount strikes a reasonable balance of interests.

A. Components and Overview of Proposed Rebasing Adjustment

The proposed rebasing adjustment would provide a consolidated revenue requirement increase of $170.0 million, allocated as follows across the Companies.

- Hawaiian Electric: $112.2 million
- Hawaiʻi Electric Light: $28.4 million
- Maui Electric: $29.3 million

The components of the proposed rebasing and allocations thereof are as follows:

#	Proposed Components of Rebasing	Revenue Requirement Increase ($ in millions)			
		HE	**HL**	**ME**	**Consolidated**
1	Adjustment to Actual GDPPI	56.0	13.7	13.5	83.2
2	Adjustment for Approved Depreciation Rates for Steam Generating Units	33.2	6.2	5.5	44.8
3	Adjustment for Exceptional O&M (Insurance) Expense Increases	26.6	9.3	11.1	46.9
4	Reductions to O&M Expense Increases to Manage Bill Impact Total	(3.5)	(0.8)	(0.8)	(5.1)
5	***TOTAL PROPOSED INCREASE***	***112.2***	***28.4***	***29.3***	***170.0***

(Note: Totals may not tie due to rounding.)

[29] *See* D&O 37507 at 10-11.

Each of these components is further described and discussed in the following sections.

1. Adjustment to Actual GDPPI – One-Time Inflation True-up Adjustment

The largest component of the proposed rebasing amount represents the difference between forecasted and actual inflation (as measured by GDPPI) experienced during MRP1. This proposed true-up is objectively verifiable by external sources and is not based on any actual or forecasted Hawaiian Electric costs. In essence, this adjustment would compensate for what was originally intended but not realized during MRP1.

Actual GDPPI during MRP1 exceeded the forecasted GDPPI used as the I-factor in the Annual Revenue Adjustment ("ARA") formula. The Companies propose to increase the consolidated revenue requirement by $83.2 million, reflecting the difference between forecasted GDPPI and actual GDPPI and the resulting effect on customer dividend in the ARA formula.

This true up is not a retroactive adjustment. It does not seek recovery of any historical variances between forecasted and actual GDPPI. Instead, by applying this true-up solely on a forward-looking basis, the proposed adjustment ensures that the initial target revenues established in D&O 37507 and the compounded portion of the ARA authorized by the Commission through the annual Fall and Spring Revenue Reports for MRP1 are reconciled to reflect actual GDPPI changes experienced during that period, thereby establishing an appropriate foundation for determining rebased target revenues for MRP2.

The I-factor applies a forward-looking projection of annual GDPPI changes as a compounding factor to target revenues determined in prior periods. Currently, there is no mechanism to reconcile these projections with actual GDPPI changes or to ensure that repeated compounding does not materially diverge from the actual cumulative GDPPI during the MRP.

An evaluation of the compounded portion of the ARA inputs shows significant differences between the forecasted GDPPI (based on the October Blue Chip Economic Indicators estimate[30] for the upcoming year) and the actual GDPPI, as reported by the U.S. Department of Commerce, Bureau of Economic Analysis ("BEA")[31] in the subsequent year, during MRP1.

#		2021	2022	2023	2024	2025
1	Forecasted GDPPI	1.90%	3.00%	3.90%	2.40%	2.20%
2	Actual GDPPI	4.50%	7.10%	3.70%	2.50%	2.70%[32]
3	Difference	2.60%	4.10%	(0.20%)	0.10%	0.50%

The Companies, therefore, analyzed the impact on the ARA by comparing ARA revenues calculated using forecasted GDPPI applied as the I-factor with ARA revenues calculated using actual GDPPI. This analysis is provided in Exhibit B to this filing, and the table below summarizes the resulting ARA revenue shortfalls for each year of MRP1 for each Company.

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30 *See* October Blue Chip Economic Indicators, filed as WP-C-001 for each Company in the 2021 Decoupling Filing and in the 2022–2024 Fall Revenue Report filings, for the forecasted GDPPI for 2021-2025.

31 U.S. Department of Commerce, Bureau of Economic Analysis, National Data, National Income and Product Accounts, Interactive Data, Table 1.1.7 Percent Change From Preceding Period in Prices for Gross Domestic Product, available at: https://apps.bea.gov/iTable/?reqid=19&step=3&isuri=1&1921=survey&1903=11&_%E2%80%8Cgl=1*pb3vae*_ga*OTI4NTYxNTYyLjE3MjM2ODUxMjI.*_ga#eyJhcHBpZCI6MTksInN0ZXBzIjpbMSwyLDMsM10sImRhdGEiOltbIk5JUEFfVGFibGVfTGlzdCIsIjExIl0sWyJDYXRlZ29yaWVzIiwiU3VydmV5Il0sWyJGaXJzdF9ZZWFyIiwiMjAyMSJdLFsiTGFzdF9ZZWFyIiwiMjAyNCJdLFsiU2NhbGUiLCIwIl0sWyJTZXJpZXMiLCJBIl1dfQ==.

32 Actual GDPPI for 2025 is estimated at 2.70% based on the October 2025 Blue Chip Economic Indicators, which was filed as WP-C-001 for each Company in the 2025 Fall Revenue Report.

#	$ in millions	HE	HL	ME	Total
1	2021	16.6	4.1	4.0	24.7
2	2022	27.8	6.8	6.7	41.3
3	2023	0.2	0.0	0.0	0.3
4	2024	1.7	0.4	0.4	2.5
5	2025 (est.)	4.7	1.2	1.1	7.0
6	Cumulative, excluding revenue taxes	51.0	12.5	12.3	75.8
7	***Cumulative, including revenue taxes***	***56.0***	13.7	13.4	83.2

(Note: Totals may not tie due to rounding.)

The analysis shows a cumulative ARA revenue shortfall of approximately $83.2 million, including revenue taxes, representing the amount the Companies "would have" received through the ARA had actual GDPPI been used for the I-factor instead of forecasted GDPPI. Stated differently, if a true-up mechanism had been in place, the target revenue baseline would have increased by approximately $75.8 million, excluding revenue taxes.

In calculating the difference, the Companies also included the impact of the I-factor on the X-factor, currently set at zero percent, the multiplicative CD-factor of -0.22%, and prior years' compounded portions of the ARA, as changes in the I-factor affect these components of the compounded portion of the ARA calculation. The actual GDPPI for 2025 is estimated at 2.70%, pending the release of the final GDPPI for 2025 in 2026.

As noted in D&O 37507 (at 30-31), the PBR Framework established a five-year MRP under which the Companies' annual target revenues are adjusted through the ARA mechanism, including an I-factor designed to allow revenues to keep pace with inflation, along with X-factor, Z-factor, and CD-factor.

Consistent with the intent of the I-factor, the Joint Proposal includes a one-time inflation true-up of $75.8 million (or $51.0 million for Hawaiian Electric, $12.5 million for Hawai‘i

Electric Light, and $12.3 million for Maui Electric), excluding revenue taxes, to adjust for the revenue shortfall caused by differences between forecasted GDPPI used during MRP1 and actual GDPPI. Revenues under the ARA have been insufficient in light of cost increases far above the I-factor (*i.e.*, the forecasted GDPPI as well as actual GDPPI) and the Companies' need to make significant expenditures and capital investments in public safety and other necessary utility purposes. This adjustment will update Target Revenues and establish the basis for calculating the 2027 ARA under MRP2. The Companies are not seeking to recover the under-recovery in GDPPI that occurred during MRP1.

<u>Inflation has materially outpaced the GDPPI forecasts embedded in revenues</u>

Under the existing ARA mechanism, the Company's annual target revenue increases have been based on forecasted GDPPI. Those forecasts significantly understated the inflationary environment actually experienced during the current MRP, especially in the immediate post-pandemic years.

During MRP1, actual GDPPI exceeded the forecasted GDPPI used to adjust the Company's target revenues in most years, with particularly large gaps in 2021 and 2022 when inflation was most acute. In those years, actual GDPPI exceeded the forecast by several hundred basis points. Over multiple years, this compounding shortfall has eroded the Company's ability to recover its rapidly rising input costs that in numerous cases even outpaced actual GDPPI.

Importantly, the GDPPI forecast was intended to be a broad, neutral economic index, not a precise predictor of the actual inflation affecting the Companies' costs. The proposed rebasing does not retroactively seek recovery of the shortfall, rather, the proposal reasonably resets revenues going forward so that the Companies can continue to meet their service obligations in light of the higher, sustained cost levels experienced.

GDPPI is a broad national index that understates Hawaiʻi-specific cost pressures

GDPPI reflects nationwide, broad-based price trends across the U.S. economy, while the Company operates in a unique island environment characterized by:

- Geographic isolation and supply chain dependence on ocean and air transport, which increase costs and volatility for materials, equipment, and specialized services.
- Smaller scale and fragmented system operations, including five separate island grids, which limit economies of scale and require duplicative investments in infrastructure, operations, and planning that a larger interconnected mainland utility can spread over a broader customer base.
- Limited vendor and contractor competition in Hawaiʻi, which constrains bargaining power and often results in higher unit costs and longer lead times for critical work.

These structural characteristics mean that the Company's underlying cost inflation, particularly for construction, operations, maintenance, IT/telecom, and professional services, has been materially higher than the nationwide average captured in GDPPI. The proposed rebasing adjustment reasonably, though not entirely, recognizes these Hawaiʻi-specific conditions.

2. Adjustment for Approved Depreciation Rates

On June 28, 2024, the Companies filed their application requesting approval of new depreciation and amortization rates in Docket No. 2024-0199. On September 2, 2025, the Commission approved new consolidated depreciation and amortization rates for the Companies in Decision and Order No. 41909 in Docket No. 2024-0199 ("D&O 41909"). D&O 41909 also states that the Companies shall propose the timing and method of implementation of the approved depreciation and amortization rates in a future rate case, rate proceeding or other request.

The rebasing proposal incorporates revenues for higher depreciation expense based on implementing the approved depreciation rates for steam-generating units in Year 2 of MRP2 (2028), resulting in a revenue increase of $44.8 million. Depreciation rates for the steam generation assets increased from a composite of 4.51% to 8.20% to adjust for the shorter remaining lives expected in light of the planned retirements to support the State's energy policy to transition to renewables and decarbonize over time. The Companies' proposed revenue adjustment for depreciation is limited solely to steam generating units and no changes are being made to the depreciation rates for any other asset classes. The intent is to update certain depreciation while avoiding broader changes that would increase costs to customers during MRP2. D&O 41909 issued in Docket No. 2024-0199 states that "while [the Parties' settlement agreement] results in an increase in the Companies' depreciation expense, it is significantly less than originally proposed and is largely driven by shortened service lives and more negative net salvage estimates associated with steam production units. As discussed above, the accelerated retirement of these steam units is expected to result in benefits to customers, including reduction in greenhouse gas emissions and greater protection from price volatility and reliance on imported fossil fuels, as well as mitigate harm to the utility caused by potentially stranded costs."[33]

Implementation of Depreciation Rates for Steam Units Only

The depreciation calculations are provided in Exhibit C to this filing, and the table below summarizes the resulting expense difference for each Company.

#	**$ in millions**	**HE**	**HL**	**ME**	**Total**
1	Steam generation plant balances at December 31, 2025	819.2	150.5	134.1	1,103.8
2	Depreciation expense at existing rates	36.9	6.8	6.1	49.8
3	Depreciation expense at revised rates (implementing change from D&O 41909)	67.2	12.4	11.1	90.6
4	Difference in depreciation expense (line 3 minus line 2)	30.2	5.6	5.0	40.8
5	***Difference in Revenue Requirement***	33.2	6.2	5.5	44.8

(Note: Totals may not tie due to rounding.)

[33] D&O 41909 at 30.

3. Adjustment for Exceptional O&M Expense Increases – Change in Business Conditions

a) Insurance Premium Expenses

This category of the proposed O&M rebasing adjustment (totaling $46.9 million for 2025 on a consolidated basis) reflects exceptional increases in insurance premium expenses since base rates were last set in a rate case – that is, these increases have significantly outpaced annual GDPPI. These increases arise from a materially changed business environment broadly experienced in Hawai‘i which were beyond the Companies' reasonable ability to control. This adjustment for higher insurance costs is driven primarily by wildfire-related risk and broader trends affecting the utility insurance market.

Exhibit D to this filing provides the calculation of the adjustment for the insurance expense increases impacting the Companies, which is summarized in the table below.

#	Total Insurance Expense ($ in millions)	HE	HL	ME	Total
1	Last approved rate case	5.7	1.6	1.7	8.9
2	Escalation using actual ARA inflation rates through 2025	1.6	0.4	0.4	2.4
3	Escalated through 2025 (line 1 plus line 2)	7.2	2.0	2.1	11.3
4	2025 Actual Expense	31.4	10.5	12.2	54.0
5	Difference in Expense (line 4 minus line 3)	24.2	8.5	10.1	42.7
6	***Difference in Revenue Requirement***	***26.6***	***9.3***	***11.1***	***46.9***

(Note: Totals may not tie due to rounding.)

The significant increase in insurance premiums was primarily driven by the 2023 Maui wildfire event that created a challenging insurance renewal environment, bringing Hawai‘i into the spotlight as a high wildfire risk area within the insurance and reinsurance markets. As a result of ongoing multiple wildfire events across the U.S., insurers drastically reduced wildfire coverage, particularly for electric and gas utilities in the Western United States.[34]

A review of past premium expenses highlights the volatility of the insurance marketplace following the wildfire. Premiums were influenced not only by the Companies' wildfire exposure but also by the expectation of large claim payouts across multiple lines of insurance across the Executive Risk, Property, and Casualty insurance renewals.

The wildfire event significantly altered the Companies' risk profile, prompting insurers to adopt a more risk-averse stance. However, their perception of the Companies' wildfire risk has gradually improved as the Companies implement their Immediate Action Plan, Wildfire Safety Strategy, and strengthen their financial standing with credit rating agencies.[35] Despite these efforts, the Companies anticipate the premiums to remain elevated due to the residual wildfire exposure following the Maui wildfire, particularly in the absence of mitigating mechanisms that have been implemented yet, such as a wildfire recovery fund.

For 2026, the Companies forecast total insurance expense to increase to [redacted] from $54.0 million in 2025, a [redacted] or [redacted] year over year increase. These increases reflect cost trends discussed above, as well as an additional [redacted] in Wildfire coverage. The Companies expect annual insurance increases to continue to exceed the amounts recovered under the ARA mechanism in the foreseeable future. The proposed rebasing adjustment will partially cover increases through 2025, while the remaining increases will need to be covered by O&M reductions discussed below.

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[34] Energy Insurance Mutual Members Report January 2024, Volume 38, Issue 1 (January 2024), page 4, available at https://eimltd.com/wp-content/uploads/EIM_MR_38_1.pdf.
[35] The Companies' credit ratings and credit rating history are available at their website at https://www.hawaiianelectric.com/about-us/performance-scorecards-and-metrics/capital-formation.

4. Reductions to O&M Expense Increases to Manage Bill Impact Total

The Companies' rebasing objective included balancing customer bill impact and utility financial integrity. To manage customer bill impact, the Companies agreed to reduce the amount of O&M costs they believe they could justify in a rate case proceeding. This is reflected in the proposal as a blanket $5.1 million reduction to the exceptional O&M element of the Proposal. Including the forecasted 2026 insurance expense increases, this value increases by [redacted] to a total of [redacted] in reductions. The Companies note that, in order to achieve these additional O&M reductions, they will need to realize significant cost savings and efficiencies in MRP2 to offset this reduction.[36]

5. Authorized cost of capital remains unchanged

The authorized cost of capital for each of the Companies is based on an authorized ROE of 9.5% and an authorized equity capitalization ratio (preferred and common stock) of 58%.[37] No changes to the authorized cost of capital are included in this Joint Proposal.

<u>Increase Over Current Effective Revenues</u>

The Companies' $170 million rebasing request represents an overall, consolidated increase of 5.3% compared to total operating revenues at current effective rates,[38] allocated as follows across the Companies:

- Hawaiian Electric: 4.9%
- Hawaiʻi Electric Light: 5.8%
- Maui Electric: 6.4%

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[36] *See* Section IV.H.2.b) for further discussion regarding efficiencies going forward.
[37] Exhibit E to this filing provides the authorized cost of capital for each Company.
[38] Total Operating Revenues at Current Effective Rates includes revenues from base rates, the RBA rate adjustment (which includes certain revenues from the PBR mechanisms), the Energy Cost Recovery Clause, the Purchase Power Adjustment, and Other Operating Revenues.

#	Proposed Increase in Revenues	Revenue Requirement Increase ($ in millions)			
		HE	**HL**	**ME**	**Consolidated**
1	2026 Total Operating Revenues at Current Effective Rates	2,283.5	490.1	460.3	3,233.9
2	Proposed Rebasing Increase	112.2	28.4	29.3	170.0
3	***Percent Increase over Revenues at Current Effective Rates***	***4.9%***	***5.8%***	***6.4%***	***5.3%***

(Note: Totals may not tie due to rounding.)

2026 Total Operating Revenues at Current Effective Rates is derived from the Companies' initial 2026 test year rate case calculation and is based on 2026-2028 sales forecast and production simulations prepared for the budget process for calendar year 2026 completed in August 2024.

Proposal to Phase-In Implementation of Rebasing Increase

The Companies propose to implement the requested revenue requirement increase through a two-year phase-in to moderate the impact on customer bills. Although the total requested increase is $170 million, the Companies seek approval to place $125 million into revenues in the first year of MRP2 (1/1/2027) with the remaining $45 million implemented in the second year of MRP2 (1/1/2028).

The portion of the increase deferred to the second year corresponds to the adjustment associated with implementing revised approved depreciation rates for the steam generating units. By delaying this component, the Companies reduce the immediate bill impact on customers while still ensuring that necessary revenue adjustment occurs within a reasonable and transparent timeframe. All other components of the revenue requirement increase would take effect in the first year.

Under this phased approach, the revenue requirement increase in Year 1 (1/1/2027) represents an overall, consolidated increase of 3.9% relative to revenues at current effective rates, allocated as follows across the Companies:

- Hawaiian Electric: 3.5%
- Hawaiʻi Electric Light: 4.5%
- Maui Electric: 5.2%

The overall, consolidated revenue requirement increase of 1.4% in Year 2 (1/1/2028) relative to revenues at current effective rates, allocated as follows across the Companies:

- Hawaiian Electric: 1.5%
- Hawaiʻi Electric Light: 1.3%
- Maui Electric: 1.2%

This proposed approach provides customers with a more gradual transition to the updated revenue requirement compared to implementing the full $170 million in the first year of MRP2. The Companies believe that this phased-in implementation appropriately balances the need for timely and adequate revenue adjustment with the objective of mitigating rate impacts for customers.

B. The Proposed Rebasing Adjustment is Reasonable

The Joint Parties' proposed rebasing adjustment is reasonable. From Hawaiian Electric's perspective, rebasing is also necessary to support the continued provision of safe, reliable, and resilient electric service in Hawaiʻi. The rebasing adjustment will allow the Companies to partially recover prudently incurred, largely non-discretionary costs that have grown substantially faster than the broad inflation measure used in the current framework.

For context, the Companies' rates are among most stable in the country. Hawai'i is one of only four states where 2025 residential electric rates have fallen since 2024.[39] According to U.S. Energy Information Administration ("EIA") data, U.S. residential rates were on average up 5% from 2024 to 2025; correspondingly, rates for all Hawai'i electric utilities were down 5.3% for that same period.[40]

From January 2019 to January 2026, the change in O'ahu residential typical bills was below Honolulu inflation for the same period as measured by the change in the Consumer Price Index for All Urban Consumers for Urban Hawaii (CPI-U Honolulu area index).[41] Although there is no specific inflation index for Maui and Hawai'i island, the change in the typical residential bills for those islands over the same time period also remained below Honolulu inflation levels. If this rebasing proposal is approved and the projected O'ahu typical residential bill impact were added to the O'ahu February 2026 typical residential bill, the subsequent change in the typical residential bill from January 2019 to February 2026, including the estimated bill impact of the rebasing proposal, would still be comparable with the inflation over this period that is indicated by the change in the CPI-U Honolulu area index from January 2019 to January 2026.

1. Legal considerations on rates

The Companies note that when examining potential rates, the Commission must abide by the constitutional mandates articulated by the U.S. Supreme Court in Bluefield Water Works v. Public Service Comm'n, 262 U.S. 679 (1923), and FPC v. Hope Natural Gas Co., 320 U.S. 591

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39 U.S. Energy Information Administration ("EIA"), Form EIA-861M, Table 5.6.B Average Price of Electricity to Ultimate Customers by End Use Sector, by State, 2024 and 2025 annual averages (2025 data is preliminary).
40 *Id.*
41 U.S. Bureau of Labor Statistics, Consumer Price Index for All Urban Consumers (CPI-U), not seasonally adjusted, https://data.bls.gov/timeseries/CUURS49FSA0?amp%253bdata_tool=XGtable&output_view=data&include_graphs=true.

(1944). These cases hold that utility rates must be just and reasonable and provide an opportunity for the utility to earn a reasonable return on the present value of property used and useful. In any rate review, the Commission must balance considerations of cost control, efficiencies, and affordability with the utility's entitlement to an opportunity to recover prudently incurred costs and earn a fair return. The Bluefield and Hope cases uphold the fundamental requirement that rates must be just and reasonable rather than confiscatory, and must provide a reasonable opportunity for the utility to maintain its financial integrity and attract capital.

Further, Haw. Rev. Stat. §269-16 authorizes the Commission to, "[d]o all things that are necessary and in the exercise of the commission's power and jurisdiction, all of which as so ordered, regulated, fixed, and changed are just and reasonable, and provide a fair return on the property of the utility used and useful for public utility purposes." And with respect to ratemaking, the Supreme Court of Hawai'i has stated that "the reasonableness of rates is not determined by a fixed formula but is a fact question requiring the exercise of sound discretion by the Commission." In re Hawai'i Electric Light Co., 60 Haw. 625, 636, 594 P.2d 612, 621 (1979) (citations omitted). The court further stated, "[u]nder the statutory standard of 'just and reasonable' it is the result reached and not the method employed which is controlling …. It is not theory but the impact of the rate order which counts. If the total effect of the rate order cannot be said to be unjust [or] unreasonable, judicial inquiry … is at an end." *Id.*, 60 Haw. At 637, 594 P.2d at 621 (quoting Federal Power Commission v. Hope Natural Gas Co., 320 U.S. 591, 602) (1944)).

2. Affordability perspective – energy burden view

When establishing the current PBR Framework, the Commission identified affordability as a priority outcome.[42] While affordability can be viewed from many perspectives, the Commission identified burden on Low to Moderate Income ("LMI") customers as one important metric.[43] This metric is defined as how much of a low-income household's annual income is spent on electricity.[44] Hawaiian Electric includes the LMI impact as part of a broader household energy burden perspective. Overall energy burden as a metric has the advantage of considering nuances of Hawaiʻi's energy landscape and its broader social, economic, and environmental goals (e.g., second most electrified state, highest penetration of rooftop PV in the U.S., renewable energy transition). See below for more information on Hawaiian Electric's methodology in calculating energy burden. Hawaiian Electric's objective is to reduce energy burden if possible, but at least not have electric rates materially increase it.

The Hawaiʻi energy burden perspective reveals:

- Based on the Hawaiʻi Department of Business, Economic Development & Tourism's 2025 study, Hawaiʻi ranks in the bottom one-third (16th lowest among all U.S. states) for household energy burden in U.S. in 2022.[45]
    - When accounting for all forms of energy use (electricity, gas, and other fuels), Hawaiʻi's energy burden of 2.3% is in line with the national average of 2.3% in 2022.[46]
- According to Hawaiian Electric's analysis, which includes an estimated levelized cost of PV, but does not include other less common fuels (home heating oil, wood fired heating) and fuel savings from EV adoption, Hawaiʻi's energy burden ranks 14th lowest among all U.S. states at 2.56%, below the national average of 2.96% in 2024.

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[42] *See* "Staff Proposal for Updated Performance-Based Regulations," issued on February 7, 2019, in Docket No. 2018-0088.
[43] *See* Decision and Order No. 37787, issued on May 17, 2021, in Docket No. 2018-0088, at 65.
[44] *Id.* at 65-67.
[45] Hawaiʻi Department of Business, Economic Development & Tourism ("DBEDT"). "Electricity Burdens on Hawaiʻi Households: 2022 Update." Hawaiʻi DBEDT, January 2025, Electricity_Burdens_on_Hawai'i_Households_Jan_2025.pdf.
[46] *Id.*

- Hawaiian Electric’s analysis calculates a state’s household energy burden as follows:

$$Household\ Energy\ Burden = \frac{\dfrac{Electricity\ Sales + Natural\ Gas\ Sales + Levelized\ Cost\ of\ PV}{Number\ of\ Households}}{Household\ Income}$$

  - Electricity Sales: Revenue from residential retail sales of electricity (U.S. EIA)
  - Natural Gas Sales: Residential natural gas price (EIA) x residential natural gas consumption (EIA)
  - Levelized Cost of PV: Small scale solar PV generation (EIA) x levelized cost of electricity before incentives (Solar Energy Technologies Office of the U.S. Department of Energy) x [1-0.30] (30% federal residential clean energy investment tax credit)
  - Number of Households: Total households (U.S. Census American Community Survey)
  - Household Income: Median household income (U.S. Census American Community Survey)

- In 2024, Hawaiian Electric’s most common electric bill of $110 per month was below the $173 per month national average electric bill – this was less than average cell phone ($130 per month)[47] and Wi-fi ($120 per month)[48] bills in Hawai‘i.
- In 2024, while Hawai‘i ranks among the highest in electricity rates and electric bill and home energy costs, it ranks much lower per household and per capita due to smaller residences and higher occupancy per residence. See in below figure.
  - Cost per meter state rankings below are calculated using the same sales and cost data in the household energy burden formula above (Electricity Sales, Natural Gas Sales, Levelized Cost of PV) but dividing by the number of residential electrical meters (EIA) instead of dividing by the number of households. Hawai‘i and New York are the only two states with more households than electrical meters, which may be due to a large number of master metered residential buildings in both states. Accordingly, Hawaiian Electric does not believe cost per meter data to be pertinent to a comprehensive affordability perspective but are including the data in the interest of completeness and transparency.

[47] Pacific Business News. “Hawaii mobile phone bills 7% higher than U.S. average.” Pacific Business News, November 13, 2024, https://www.bizjournals.com/pacific/news/2024/11/13/hawaii-mobile-phone-bills-higher-us.html.
[48] HiEstates. “Hawaii Utility Costs – Adding Up the Cost of Living In Hawaii.” Scott Startsman, March 15, 2025, https://www.hiestates.com/blog/hawaii-utility-costs-adding-up-the-cost-of-living-in-hawaii/.

- Cost per capita state rankings below are calculated using the same sales and cost data in the household energy burden formula above (Electricity Sales, Natural Gas Sales, Levelized Cost of PV) but dividing by the total population (U.S. Census American Community Survey) instead of dividing by the number of households.

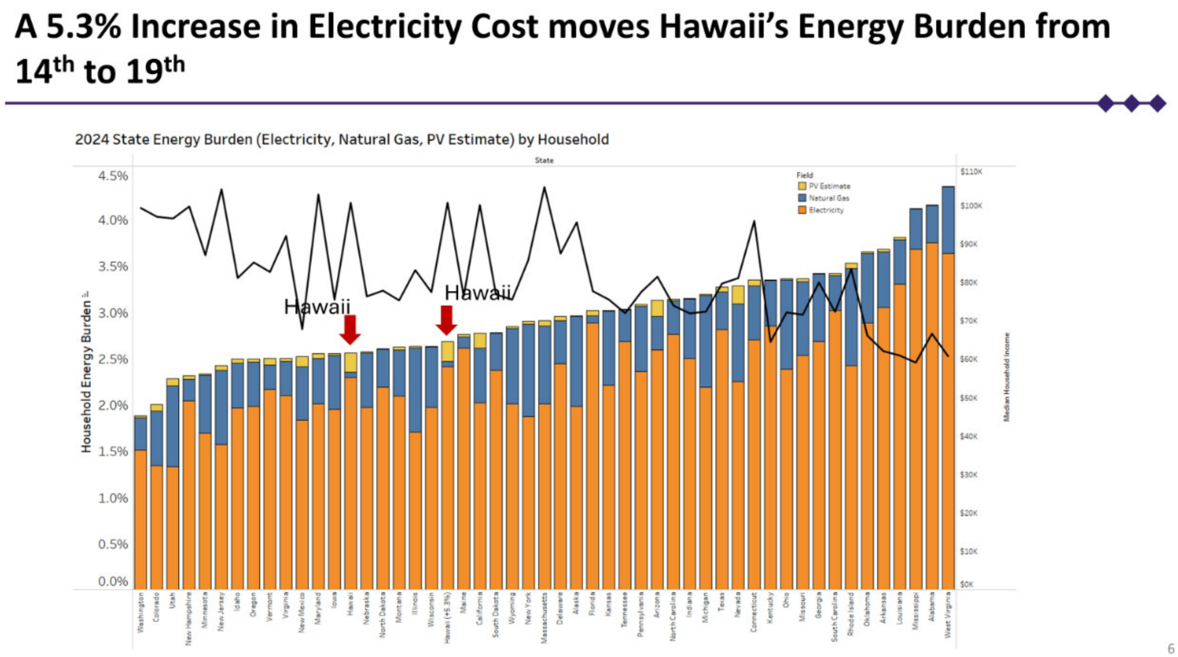
Hawaii residential averages vs. other U.S. states in 2024

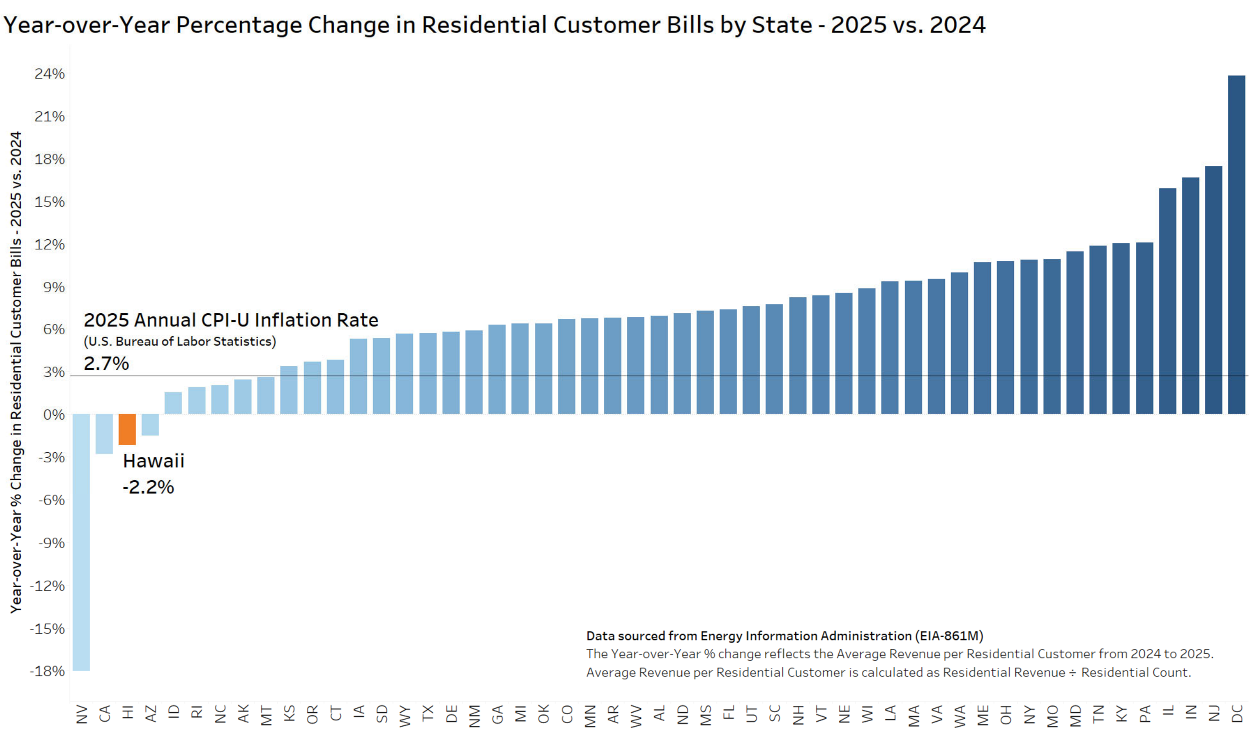
	Per meter	Per household	Per capita
$ per kWh	50th (highest)		
Electric bill	50th (highest)	48th	33rd
Electricity & gas	47th	29th	9th
Home energy cost*	49th	38th	18th
Home energy burden*		14th	

** Home Energy Cost includes 2024 cost for electricity, home gas, and customer sited PV levelized cost. It does not include other home energy needs such as home heating oil, wood fired heating, private propane (due to lack of reporting sources) and transportation fuels that will be increasingly become home electricity.*

If Hawaiian Electric's proposed rebasing amount is approved, it will not significantly affect Hawai'i's household energy burden, which would increase from 2.56% to 2.68% or from 14th lowest to 19th lowest among all U.S. states, which is still below the national average of 2.96% in 2024. This relative ranking among U.S. states assumes no rate or bill increases for any other state, except Hawai'i. See in first chart below. Of course, rates and bills in many other states have been increasing since 2024.[49] See in second chart below.

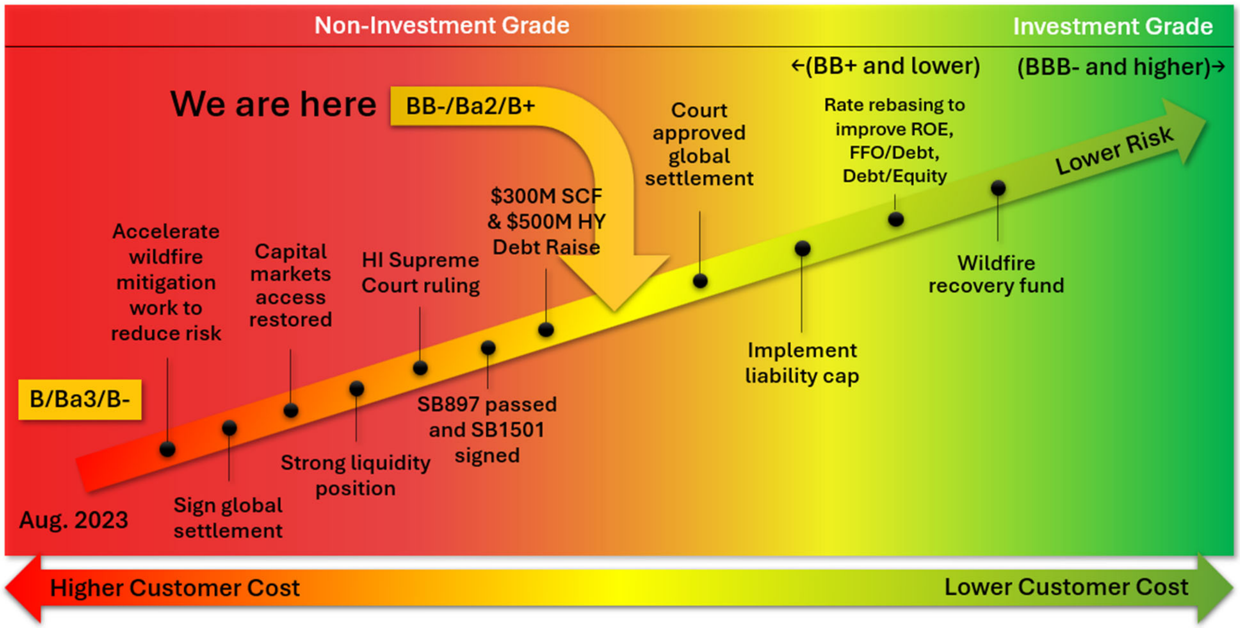
[49] U.S. EIA, Form EIA-681M, Table 5.6.B Average Price of Electricity to Ultimate Customers by End Use Sector, by State, 2024 and 2025 annual averages (2025 data is preliminary).





3. Financial integrity perspective

As shown in the chart below, the Companies have made good progress in improving its financial health. However, to restore their investment grade ratings, critical key steps remain, including finalizing the global settlement, implementing a liability cap, establishing a wildfire recovery fund, and implementing a rebasing of rates to improve credit metrics and earn a market competitive ROE.



The proposed rebasing of rates is essential to restoring and maintaining the Companies' financial integrity. Financial integrity of the Companies is "…essential to its basic obligation to provide safe and reliable electric service for its customers and a PBR framework is intended to preserve the utility's opportunity to earn a fair return on its business and investments, while maintaining attractive utility features, such as access to low-cost capital."[50] Key benefits of financial integrity include:

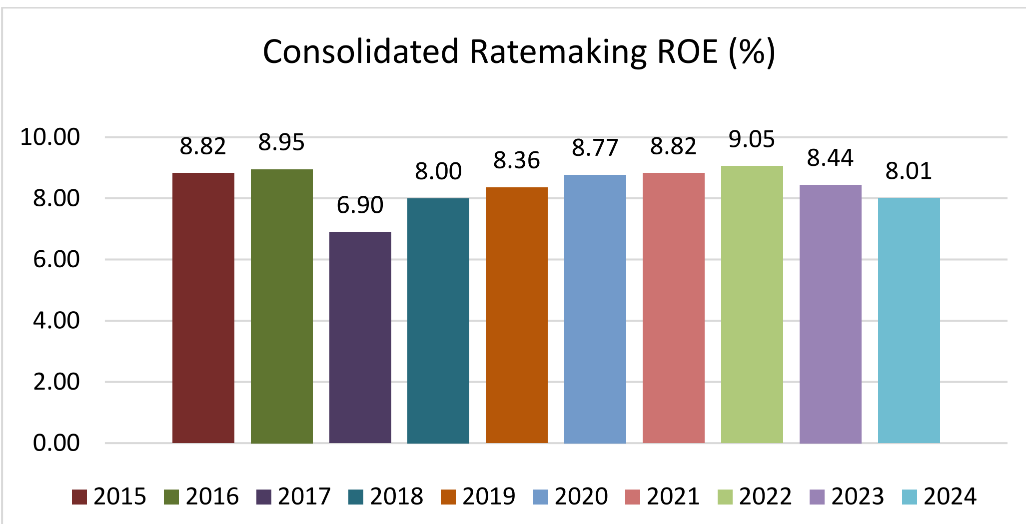
- *Safe & reliable service* – a financially sound utility has the financial resources to maintain and upgrade infrastructure to avoid deferred maintenance issues and ensure safe, reliable and resilient service
- *Access to lower cost capital* – strong financial standing allows the utility to attract diverse sources of capital to finance investments at reasonable cost and terms

[50] D&O 37507 at 10-11.

- *Supports strong credit ratings* – strong financial integrity helps sustain or improve credit ratings, which lowers borrowing costs and benefits customers

Rebasing is needed to restore financial integrity after prolonged under-recovery

Under the current framework, actual inflation in recent years has significantly exceeded the forecasted inflation embedded in revenues. Over multiple years, this persistent gap between forecast and actual inflation has increased the Company's costs much faster than its authorized revenues, weakening key financial metrics such as Funds from Operations ("FFO") to debt, interest coverage and ROE. As shown in the chart below, the Companies have consistently under-earned their authorized ROEs.[51] On a consolidated basis, the average ratemaking ROE over 10 years was nearly 110 bps below authorized.



By comparison, the Companies' consolidated book (GAAP) ROE, which is a key metric monitored by investors and rating agencies, over the same period is presented below.

[51] Exhibit F to this filing provides historical ratemaking and book (GAAP) ROE on a consolidated basis and by Company.

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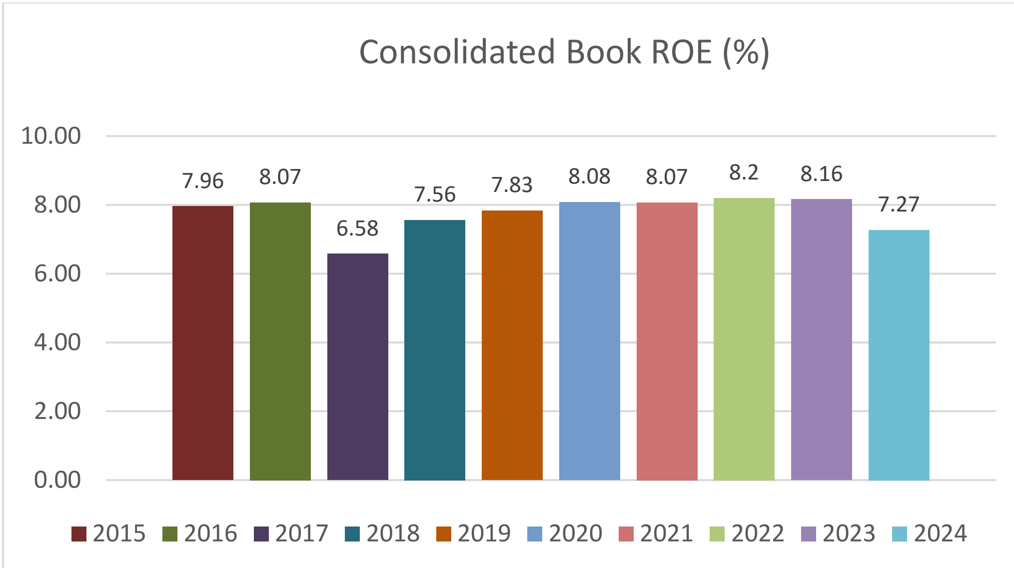

When this under recovery is sustained over several years, it directly threatens the Companies' ability to fund necessary operations and grid investments that impact reliability and pressures their credit metrics. Rebasing is necessary to realign authorized revenues with the obligations the Companies must deliver after an extended period in which inflation and other cost drivers have materially outpaced the GDPPI based adjustments.

As previously noted by the Companies, a recent Fitch report has stated:

> We expect HECO's earnings and cash flow to be pressured by materially higher operating and maintenance (O&M) expenses, well above inflation adjusted levels allowed under its regulatory construct. The expenses are mainly driven by higher operating costs related to wildfire mitigation, increased insurance premiums and inflationary increases in certain operating costs that have exceeded the inflation adjustment provided in the utility's annual revenue adjustment-. <u>However, without a rate case filing to provide recovery for the higher O&M, we expect HECO to materially underearn its allowed return on equity (ROE) over the forecast period</u>.[52]

Without a rebasing, the Companies project a consolidated GAAP ROE of [redacted], approximately [redacted] authorized ROE (less non-recoverable items) which does not

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[52] *See* Hawaiian Electric Companies' Brief ("Companies' Brief"), filed on December 5, 2024 in Docket No. 2018-0088 at 8. *See also Fitch Ratings – Hawaiian Electric Industries, inc. and Hawaiian Electric Companies, Inc.*, dated November 27, 2024, which was provided as Exhibit 2 to the Companies' Brief.

provide a reasonable opportunity to earn on its investments. With a rebasing that provides incremental revenues of $170 million, the Companies project a consolidated GAAP ROE of [redacted].

Financial integrity is prerequisite to safe, reliable, and resilient service

Maintaining strong financial integrity is fundamental to the Company's ability to fulfill its statutory obligation to provide safe and reliable service. In practical terms, having sufficient financial resources enables the Company to:

- *Fund day-to-day operations and maintenance* at appropriate levels, including inspection, preventive maintenance, vegetation management, and timely repairs.
- *Replace and modernize aging infrastructure* such as substations, underground facilities, poles, lines, protection systems, and control systems to reduce outage frequency and duration, and to maintain public and worker safety.
- *Invest in safety and resilience* to address growing climate and wildfire risks, including hardening facilities, enhancing situational awareness, and improving emergency response capabilities.
- *Integrate higher levels of renewable energy and new technologies* while maintaining grid stability and power quality.

If revenues are not rebased to align with the Companies' long-term obligations and operating needs under the PBR framework, the Company's ability to sustain these essential activities could be compromised. Over time, this misalignment can lead to deferred maintenance, underinvestment in critical assets, and increased operational risk—outcomes that are inconsistent with the Commission's and the State's goals for safety, reliability, and resilience while making the transition to increased renewables.

Financial integrity underpins access to capital and the cost of capital

Electric utilities are capital intensive businesses that must continually access long-term debt and equity markets to fund infrastructure and resilience investments. A financially sound utility with stable cash flows and balanced credit metrics is able to:

- *Access capital markets consistently and on reasonable terms*, even during periods of financial market volatility.
- *Obtain longer term financing and a broader investor base*, which supports more stable and predictable financing costs over time.

As explained in the Companies' prior cost of capital testimonies in their rate cases,[53] maintaining at least an investment grade credit rating is critical because many institutional investors are restricted, by policy or regulation, to investing only in securities rated investment grade. Companies with ratings below investment grade ("non-investment grade" or "high yield") can face significantly higher interest rates on new debt issuances, potentially limited or no access to capital during stressed market conditions, and shorter tenors and more restrictive terms, including tighter covenants and collateral requirements.

The Companies must also compete with other investment alternatives available to investors. As referenced earlier, the Companies have underearned their authorized ROEs, and on a GAAP ROE measure, which is the measure investors focus on, the consolidated average ROE for 2024 was 7.3%,[54] approximately 220 bps below authorized.

In contrast, investment grade utilities generally enjoy broader market access and lower financing costs. The Company's expert in Phase 1 of this proceeding emphasized that maintaining at least an investment grade rating, targeting ratings in at least the "A" range over

[53] *See, e.g.*, Testimony of Tayne S.Y. Sekimura, filed as HECO T-26, filed on August 21, 2019 in Docket No. 2019-0085 (Hawaiian Electric 2020 test year rate case), at 35-37.
[54] Adjusted for tort settlement accrual and state indemnification settlement costs.

the longer term, is appropriate for a utility with Hawaiian Electric's responsibilities and capital needs.[55]

Improving credit ratings from below investment grade to investment grade benefits customers

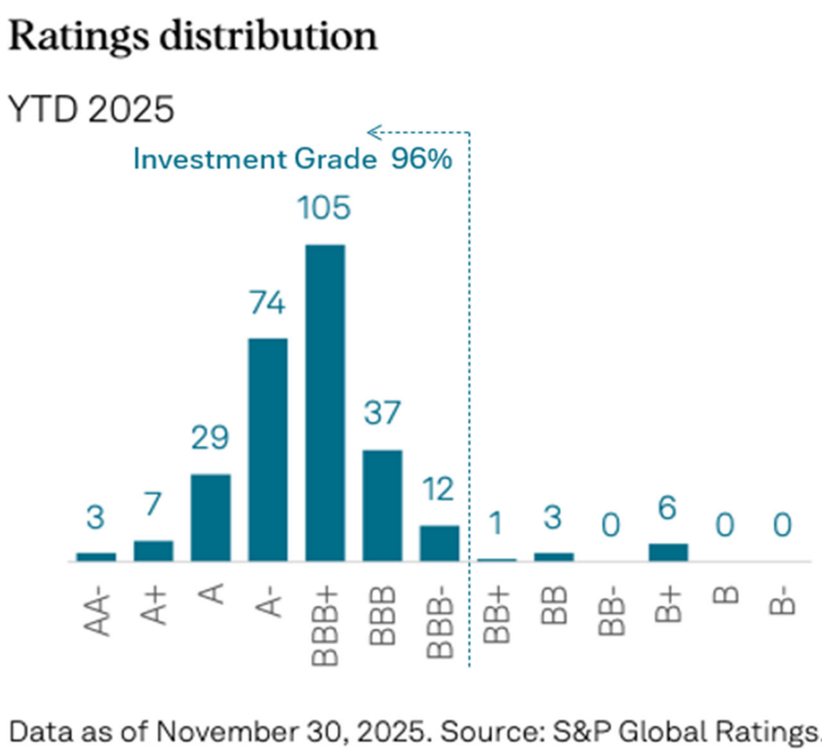
Given the Company's current below investment grade ratings, a key objective of restoring financial integrity through rebasing is to support an improvement in the Company's credit profile toward an investment grade profile. Improving the Company's ratings is not simply a matter of shareholder interest; it directly benefits customers in several ways:

- *Lower long-term financing costs*
    - Every reduction in borrowing costs, from moving closer to, and ultimately into, the investment grade category, reduces interest expense on both new and refinanced debt.
    - Authorized cost of capital, including actual interest expense, is reflected in customer rates through the revenue requirement, and as a result, lower financing costs flow through to customers over time.
- *Reduced risk of large, abrupt rate increases*
    - A financially weaker, noninvestment grade utility may be forced to delay necessary investments or rely on shorter term, higher cost financing. When these projects are eventually undertaken, the associated costs must be recovered, which can lead to step changes in rates and revenue requirements.
    - Stronger credit quality supports steady, planned investment and smoother rate trajectories, which is better for customers and the broader Hawaiʻi economy.
- *Greater resilience in stressed markets*
    - In adverse market or economic conditions, non-investment grade issuers may find it difficult, or even impossible, to issue new debt on acceptable terms.
    - An investment grade profile significantly reduces this risk, helping ensure that the Company can continue to fund critical reliability and resilience projects when they are needed most, not just when markets are most favorable.
- *Alignment with regulatory expectations and best practices*
    - As recognized by credit rating agencies and regulatory experts, a stable, investment grade utility is better positioned to implement long-term policy

[55] Todd A. Shipman, *The Effect of Major Regulatory Reform on Utility Credit Ratings*, dated October 24, 2018, at 6, a copy of which is attached as Appendix 3 to Exhibit 7 of the Companies' Regulatory Assessment Brief, filed on October 25, 2018, in Docket No. 2018-0088.

objectives, including decarbonization, grid modernization, and resilience, at the lowest reasonable cost to customers.

Through November 2025, the ratings distribution of North American regulated utilities indicated 96% of all utilities are investment grade. The Companies' ratings remain among the lowest of rated North American regulated utilities at B+ by S&P Global Ratings, which is non-investment grade rating.



The credit rating of a utility reflects the risks that it faces. A publication developed in partnership with the National Association of Regulatory Utility Commissioners ("NARUC"), entitled *Cost of Capital and Capital Markets: A Primer for Utility Regulators,* stated, "The risks faced by utility investors are important to utility customers because risks to investors get reflected in the capital costs to the utility which are ultimately paid for by customers. Regulatory risk as perceived by investors impacts the availability and cost of capital. When investors perceive higher risk, the corresponding costs of debt and equity increase. If investors are less willing to provide capital, capital is less cost-effective for customers..."[56]

Rebasing is a reasonable and targeted step to support financial integrity and credit improvement[57]

The proposed rebasing adjustment is a targeted and efficient method to reset revenues for the next MRP and are designed to:

- *Restore a reasonable opportunity to earn its allowed return* after multiple years in which actual inflation and other exogenous cost drivers substantially exceeded the forecasted GDPPI-based revenue adjustments.
- *Strengthen key credit metrics*, such as FFO to debt and interest coverage, that are monitored by rating agencies in assessing the Company's credit quality. Strengthened credit metrics are expected to be significantly pressured by new PPAs under the Stage 3 RFP and IGP RFP because S&P Global Ratings treat these PPAs as imputed debt[58] since they subject the utilities to operational risk and long-term payment obligations, but with no offsetting revenues to compensate for such risks.
- *Support a path from below investment grade to investment grade ratings*, thereby improving market access and reducing long-term financing costs for the benefit of customers.
- *Ensure the Company can continue to meet its obligation to provide safe, reliable, and resilient service*, including necessary investments to replace aging infrastructure and address emerging wildfire and climate-related risks.

For these reasons, the rebasing of rates is critical to improving the Company's financial health and integrity. In turn, strong financial integrity is essential to fulfilling the Company's public service obligations and to securing capital on the most favorable terms available—outcomes that ultimately benefit customers through safer, more reliable service and lower financing costs over the long-term.

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[56] NARUC, *Cost of Capital and Capital Markets: A Primer for Utility Regulators*, at 9, which is available at: https://pubs.naruc.org/pub.cfm?id=CAD801A0-155D-0A36-316A-B9E8C935EE4D.
[57] The Companies' credit ratings are a PBR financial integrity metric.
[58] *See* S&P Ratings Direct, *Standard & Poor's Methodology of Imputing Debt for U.S. Utilities' Power Purchase Agreements*, dated May 7, 2007, filed as HECO-2223 on July 30, 2010 in Docket No. 2010-0080 (Hawaiian Electric 2010 test year rate case), and most recently filed as Attachment 16 to CA-RIR-34, filed on July 10, 2017, in Docket No. 2017-0150 (Maui Electric 2018 test year rate case).

While the rebasing is expected to improve financial integrity, the Companies also recognize that their risk profile has increased, making it more difficult to compete for capital at reasonable cost.

The proposed rebasing adjustments are incremental changes that the Companies are seeking to (1) provide additional financial capacity to allow the Companie to continue to meet their standards in the provision of safe, reliable, and resilient power, while making necessary investments in aging infrastructure, (2) support the Company's financial integrity, (3) partially offset the effects of significant imputed debt expected in the future as calculated by S&P, and (4) make continued investment in the Company reasonably attractive to investors who have a wide range of alternative opportunities, particularly in light of the increased risk profile following the Maui wildfires.

Equity ratio and imputed debt: aligning regulatory capital structure with rating agency metrics

The Commission has historically recognized the importance of aligning the authorized capital structure with how credit rating agencies view the Company's overall financial risk. The Companies have maintained that the 58 percent total equity target (preferred plus common) was established specifically to take into account the significant adjustments that rating agencies make for "imputed debt" related to purchased power agreements (PPAs), pension obligations, and lease commitments.

On a pre-adjusted basis, the Companies' consolidated debt ratio was approximately 38 percent at the end of 2024, prior to adjusting for imputed debt, which is at the low end of the range observed for peer operating utilities. However, once S&P's imputed debt adjustments are reflected, primarily from PPAs, pensions, and operating leases, the Company's adjusted debt ratio could increase substantially. For example, based on expected, known future PPAs, the amount of imputed debt is estimated to increase by $459 million once those projects are placed into service. If this imputed debt was added to the Companies' balance sheet as of December 31, 2024, the Companies' FFO to debt would decrease from 19.7% to 15.9%, which would be below the Companies' investment grade downgrade threshold of 17%.

Because rating agencies evaluate credit quality based on these adjusted metrics for imputed debt, the Company must target a higher nominal equity ratio (i.e., a lower reported debt ratio) simply to keep its economic leverage, as seen by investors, aligned with peers. The previously established 58 percent equity (common stock plus preferred stock) / 42 percent debt capital structure was found reasonable precisely because, after S&P's imputed debt is incorporated, it yields an adjusted debt ratio that is broadly similar to the peer group. However, as more PPAs are expected under the Stage 3 and IGP RFPs, it will be increasingly difficult to maintain investment grade FFO to debt metrics. Accordingly, the Companies believe it is prudent to maintain the overall 58% equity capitalization.

<u>ROE and financial integrity: supporting credit quality and capital access</u>

Credit rating agencies and investors focus heavily on the Company's actual earned returns, cash flows, and balance sheet strength in assessing its credit quality. S&P generally focuses on whether utilities consistently earn returns at or above the level needed to support a strong regulatory assessment and credit profile.

As previously referenced, the Companies' earned ROE has trailed the returns of its peer utilities, with an average book ROE of 7.8% for the Companies. According to S&P Capital IQ data as of October 28, 2025, the average requested ROE of vertically integrated electric utilities was 10.7%, which reflects general market expectations of required returns relative to the risks of investment in electric utilities. The Companies' low earned ROE, combined with the Company's elevated imputed debt, constrains credit metrics and weakens financial flexibility, making it more difficult to raise capital and increases capital costs.

Strong credit ratings are a means of ensuring that the Company can raise capital on a timely basis and at reasonable cost, particularly when market conditions are volatile or adverse. This is critical in Hawaiʻi, where the Company must finance substantial investments to achieve the State's 100 percent renewable portfolio standard and to enhance system reliability and resilience.

<u>Increased risk following the Maui wildfires</u>

The Maui wildfires have materially increased the Company's business and financial risk profile, as well as its costs. While the full long-term impacts are still evolving, several factors are already evident to investors:

- Heightened litigation and regulatory risk;
- Increased expectations for wildfire mitigation, system hardening, and vegetation management investments;
- Higher insurance costs, larger retentions, or reduced availability of coverage; and
- Greater uncertainty around future cash flows and cost recovery.

From an investor's perspective, these developments increase the risk side of the risk–return equation. To continue to attract capital under these circumstances, especially when investors can allocate funds to utilities in lower-risk jurisdictions or to non-utility sectors, the Companies must reasonably provide a compelling investment opportunity, within the bounds of what remains just and reasonable for customers.

The Joint Proposal is designed to ensure that:

- The Company retains the financial strength needed to address wildfire and resilience risks proactively, instead of deferring necessary work;
- Credit rating agencies can maintain or improve the Company's ratings, and place its rating's trajectory on a path toward investment grade, which lowers long-term financing costs for customers; and
- Equity investors view continued and incremental investment in the Company as competitive, despite the higher perceived risk.

Competing for capital in a global market

The Company operates in a global capital market in which investors can choose among numerous opportunities—including other regulated utilities, infrastructure funds, and corporate and government securities—each with different combinations of risk and expected return. Investors evaluate:

- The stability and predictability of cash flows;
- The regulatory environment and track record of timely cost recovery;
- The issuer's credit ratings and adjusted leverage (including imputed debt); and
- The nominal return available compared to alternatives of similar risk.

As prior testimony has emphasized, the Company must be able to raise capital on a timely basis and at reasonable terms and rates, particularly when market conditions are poor, in order to fund the investments required to meet Hawaiʻi's renewable energy and reliability objectives. This is especially critical in a performance-based regulatory environment, where the Company's opportunity to earn its allowed return will depend on its operational and financial performance.

4. Other considerations

Aging infrastructure and resilience requirements are driving higher maintenance and capital support costs

The Company must maintain, harden, and modernize an aging electric system to meet customer expectations, interconnect new renewable resources, and support State energy and climate policy goals. Many critical assets, including generating assets, transmission and distribution lines, substations, and control systems, are well into or beyond their original design lives, and in almost all cases the cost to replace these assets are far in excess of their original cost, leading to higher amounts of investments to maintain a baseline level of service. As these assets age:

- Maintenance and repair costs increase, including more frequent inspections, corrective work, and component replacements.
- Outage risk and consequence grow, requiring targeted resilience investments and enhanced vegetation management, inspection, and monitoring programs.
- Modernization becomes more complex and expensive, as new equipment must be integrated with legacy systems that were not designed for high penetrations of variable renewable resources or advanced grid technologies.

Maintenance costs are not discretionary costs – they are essential to maintain public safety, reliability, and compliance with standards, while enabling the transition to a renewable energy portfolio. The rebasing adjustment is a reasonable and measured step to ensure that revenues keep pace with the cost of managing and replacing aging infrastructure, rather than deferring necessary work and increasing long-term risk and cost to customers.

Risk has been repriced in Hawaiʻi following the wildfire event

Recent wildfire events in Hawaiʻi and elsewhere have materially changed how insurers, reinsurers, and capital providers view electric utility risk. As a result:

- Insurance premiums, deductibles, and self-insured retentions have increased, particularly for property, wildfire, and liability coverages.[59]
- Risk-mitigation expectations have expanded, requiring additional spending on vegetation management, system hardening, situational awareness and continuous monitoring, and emergency response capabilities.
- Perceived business and financial risk have risen, which, if not addressed, could adversely further affect the Company's credit profile and ultimately increase the cost of capital that will result in higher costs to customers.

These developments are outside of the Company's control and are directly tied to maintaining essential coverage and prudent risk management for the benefit of customers, communities, and the State's economy. A reasonable rebasing adjustment is necessary to reflect the higher ongoing cost of risk of operating an electric utility in Hawaiʻi, thereby enabling the Company to maintain adequate coverage and access to capital markets at reasonable terms.

<u>Employee and healthcare costs have increased due to labor shortages and higher benefit costs</u>

The Company's workforce is specialized and must meet rigorous safety, operational, and regulatory requirements. In recent years, Hawaiʻi has experienced:

- Severe labor shortages in skilled trades[60], engineering[61], IT[62], and other critical functions.
- Strong competition for talent, including from mainland employers offering higher compensation and benefits, including signing bonuses and housing allowances.[63]
- Rising healthcare and benefit costs, which have outpaced general inflation.[64]

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[59] *See* Section IV.A.3. for the discussion on insurance costs.
[60] Associated Builders and Contractors Hawaii. "Solving the Hawaii Construction Workforce Shortage." Associated Builders and Contractors Hawaii, October 29, 2025, https://www.abchawaii.org/solving-the-hawaii-construction-workforce-shortage.
[61] Hawaii Public Radio. "Pearl Harbor dry dock project prepares for lots of workers, concrete and steel." Hawaii Public Radio, March 20, 2024, https://www.hawaiipublicradio.org/the-conversation/2024-03-20/pearl-harbor-dry-dock-project-workers-concrete-steel-hawaiian-dredging.
[62] Hawaii Public Radio. "Local cybersecurity expert warns cyberattacks will likely become frequent." Hawaii Public Radio, December 20, 2021, https://www.hawaiipublicradio.org/the-conversation/2021-12-20/local-cybersecurity-expert-warns-cyberattacks-will-likely-become-frequent.
[63] Interviews conducted in July-August 2025 with mainland utility operations employees who are former Hawaiian Electric employees.
[64] The Companies' actual 2026 health and welfare benefit premium renewals increased at rates up to 7.5%.

To recruit and retain the qualified workforce required to operate and modernize the grid, the Company has had to increase wages, benefits, and investments in training. These costs are largely unavoidable if the Company is to maintain safe, reliable operations and deliver on the State's clean energy objectives. The sustained increases in employee related costs are not included in the proposed rebasing adjustment nor fully captured by the broad forecasted GDPPI index, and therefore, require the Companies to find O&M savings to address these rising costs.

The adjustment balances customer interests and supports long-term affordability

Even after rebasing, the Company will continue to operate under a performance-based regulatory framework and other mechanisms designed to promote efficiency, align incentives with performance, and share benefits with customers. The proposed rebasing is reasonable because it:

- Does not seek to recover imprudent or extraordinary costs, but instead aligns revenues needed to provide safe and reliable service under current conditions.
- Reduces the risk of service degradation, deferred maintenance, or under-investment that could result if revenues are insufficient to cover increases in costs.
- Helps support financial strength and credit quality, which is critical to financing substantial infrastructure and clean energy investment needed at the lowest reasonable cost to customers.
- Moderates future rate impacts, by addressing the inflation and cost gap now, rather than allowing cost pressures to accumulate and necessitate larger, more significant increases later.
- The rebasing amount is less than the Companies would seek under a cost-of-service rate case, and the lower recovery under this rate rebasing process serves as a strong incentive for the Companies to continue their ongoing initiatives to identify efficiencies.

It is appropriate to increase revenues to align with changes in depreciation rates

The Companies propose to increase revenue for higher depreciation expense and implement approved revised depreciation rates (for steam generation assets) at the same time. This is consistent with the approach the Companies have taken in past general rate cases where the implementation of approved depreciation rates from a depreciation study coincides with the implementation of revenue adjustments that are intended, in part, to align with the resulting revised depreciation expense. The Companies propose that the rebasing process serve in a role similar to that of the general rate case in implementing steam generating asset depreciation rates from an updated depreciation study that have been previously approved by the Commission.

For the foregoing reasons, the Companies believe proposed rebasing adjustment is a reasonable and necessary step to ensure that the Companies can continue to provide safe, reliable, and resilient electric service at just and reasonable rates, while advancing the State's energy policy goals.

C. Rebasing Implementation

The Companies have proposed phased in rebasing revenue requirement increases by Company for Year 1 and Year 2 as shown in the table below. The proposed changes to Target Revenues are the rebasing revenue requirement increase amounts reduced by the revenue taxes on those amounts. As further discussed below, the rebased target revenue for MRP2 will also incorporate the Major Project Interim Recovery ("MPIR")/Exceptional Project Recovery Mechanism ("EPRM") revenue requirements, net of cost savings and benefits, for the projects that existed in 2024. The Companies will terminate the MPIR/EPRM revenue requirements for these projects and exclude these elements from PBR cost recovery beginning in MRP2.

The Companies propose recovering the Year 1 rebased revenue requirement amounts at the beginning of MRP2, which the Companies anticipate being January 1, 2027. The Companies propose implementing the Year 2 further change to rebased revenue requirement amounts at the beginning of Year 2 in MRP2.

	Rebasing Adjustments Summary ($ in Millions)	HE	HL	ME	Consolidated
Revenue Adjustment (including revenue taxes)					
1	Year 1	79.0	22.2	23.8	125.1
2	Year 2	33.2	6.2	5.5	44.8
3	***Total Revenue Adjustment***	***112.2***	***28.4***	***29.3***	***170.0***
Target Revenue Adjustment					
4	Year 1	72.0	20.3	21.7	114.0
5	Year 2	30.3	5.6	5.0	40.9
6	***Total Target Revenue Adjustment***	**102.3**	**25.9**	**26.7**	**155.0**

(Note: Totals may not tie due to rounding.)

In addition, the target revenue portion of the rebasing revenue requirement increase for Year 1 of MRP2 will be included in each respective Company calculation of the ARA that is applicable and that is proposed for recovery in Year 1 of MRP2. In a similar manner, the target revenue portion of the rebasing revenue requirement increase for Year 2 of MRP2 is included in each respective Company calculation of the ARA that is applicable and that is proposed for recovery in Year 2 of MRP2.

The Companies will provide draft tariff modifications for the ARA provision and RBA provision necessary for the implementation described above.

All rebasing impacts that result in changes in target revenue are proposed to be recovered through the RBA Rate Adjustment and would continue until the Commission approves a revised rate design that revises base rates and adjusts the RBA Rate Adjustment to align with the revenue recovered by the approved revised base rates.

The table below illustrates the increases in the RBA Rate Adjustment that implement the $170 million rebasing across the three Companies over two years.

	Illustrative RBA Rate Adjustment Impact		
	HE	**HL**	**ME**
Year 1	9.45%	10.46%	12.42%
Year 2	3.97%	2.92%	2.87%

(Note: Based on RBA Rate Adjustments effective January 1, 2026)

The following table illustrates the impact of the rebasing adjustment for the typical residential bill for each island:

Illustrative Typical Residential Bill Increase for Proposed Rebasing Adjustment

	1/1/2027	**1/1/2028**
Oʻahu	$8	$3
Hawaiʻi	$12	$3
Maui	$11	$3
Lānaʻi	$9	$2
Molokaʻi	$9	$2

(Note: Based on 500 kWh, except 400 kWh for Lānaʻi and Molokaʻi)

Roll-In of MPIR/ EPRM Adjustments to Rebased Target Revenues

The Companies propose to incorporate into the re-based target revenues, effective at the commencement of MRP2, the following MPIR/EPRM revenue for the projects that were completed and placed into service as of December 31, 2024.[65] The amount incorporated would

[65] The Companies' *Notice Transmittal to Update Target Revenue through the Major Project Interim Recovery Adjustment Mechanism, Exceptional Project Recovery Mechanism, and Calculation of 2023 Performance Incentive Mechanism and Shared Savings Mechanism Financial Incentives*, filed on February 28, 2024, in Non-Docketed Case No. 2023-04666, Transmittal No. 24-01, at 2.

reflect the MPIR/EPRM revenue adjustments that are in effect at the time the re-based target revenues are implemented.

	HE	HL	ME
MPIR (Established in Docket No. 2013-0141)	Schofield Generating Station	None	None
	West Loch PV Generating System ("West Loch PV")	None	None
	Grid Modernization Strategy Phase 1	Grid Modernization Strategy Phase 1	Grid Modernization Strategy Phase 1
EPRM (Established in Docket No. 2018-0088)	Waiawa Under Frequency Load Shed	None	None
	None	None	Waena Switchyard

The Companies propose that, upon implementation of the rebased target revenues for MRP2, the revenue requirements associated with these MPIR/EPRM projects—including the return on investment, depreciation and amortization expenses, and incremental O&M expenses, as well as related savings and benefits—shall be deemed embedded in the rebased target revenues. The incorporation of these revenue requirements into rebased target revenues will be based on the actual project costs incurred and approved in the 2026 Spring Revenue Report, consistent with the cost recovery amounts approved by the Commission in the respective project dockets.

Upon implementation of the rebased target revenues, the separate MPIR/EPRM revenue adjustment accruals for these projects shall cease, as the associated revenue requirements, net of cost savings and benefits, will be considered fully incorporated into the rebased target revenues going forward.

The proposed incorporation of MPIR/EPRM revenue adjustments into rebased target revenues will have no impact on the total target revenue amount. This treatment ensures seamless cost recovery without duplication, as the revenue requirements previously recovered through the MPIR/EPRM mechanism will transition to recovery through the rebased target revenues.

For any EPRM projects for which recovery started subsequent to 2024 that will not be rolled into the rebased target revenues,[66] the Companies propose to continue accruing EPRM revenue adjustments in accordance with the EPRM Guidelines until such time as the recovery for these EPRM projects are reflected in base rates, including through inclusion in the implementation of rebased target revenues similar to the process proposed herein.

This proposed treatment is consistent with D&O 37507 and the MPIR and EPRM Guidelines, which contemplate that MPIR/EPRM adjustments continue until "the recovery of net costs is incorporated in base rates" or "until new rates become effective that provide cost recovery for the Eligible Project."[67]

D. Performance Incentive Mechanisms Framework

As noted above, the Joint Parties propose the following framework for Performance Incentive Mechanisms to be approved as part of the Joint Proposal. Specific PIM performance areas, metrics, rewards and penalty mechanics are proposed to be determined in the PBR Phase 6 process.

During MRP1, unfortunately, through design issues for some PIMs, and an unrealized promise of higher reward opportunities (the 150-200 basis point reward originally contemplated when MRP1 was established), the Companies' potential and earned rewards for PIMs have been meager. As noted by the Companies in 2025, actual PIM award potential from 2021 through 2024 ranged between 45-62 bps of ROE, while penalty potentials during that period ranged from

[66] The Companies expect to continue to recover through the EPRM mechanism the Climate Adaptation Transmission and Distribution Resilience Program, approved in Docket No. 2022-0135.
[67] EPRM Guidelines, III.C.2.f., III.C.4.f.; MPIR Guidelines, III.C.2.f., III.C,4.f.

32-42 bps of ROE.[68] During MRP1, the Hawaiian Electric Companies have paid $8.5 million more in penalties than they have earned in rewards. This Joint Proposal seeks to fulfill an aspect of the PBR promise by proposing that a high-level framework be endorsed to guide development of PIMs in PBR Phase 6.

Specifically, the proposed framework recommends a 200 bps incentive pool made up of: (1) for the general category of service quality, 100 bps of authorized ROE tied to utility performance, with 50 bps of penalties potential and 50 bps of award potential. Some or all of these PIMs should have a range of incentive results, with, for example, incentive rewards or penalties impacted by performance to minimum, target and maximum levels. To qualify for positive incentives, performance must be higher than the average of a representative benchmark, preferably an external utility benchmark, but it can also encompass Company past performance; and (2) for the general category of acceleration of priority goals, 100 bps of authorized ROE reward potential tied to utility performance on emergent or key policy outcomes. These could include RPS-A and other state energy policy goals such as wildfire mitigation, public safety and resilience. While the actual initiatives are to be determined in Phase 6, it is recommended that these PIMs should include some emphasis on climate/the environment and should have incentive awards that are allocated primarily to initiatives that have benefit-cost ratios greater than 1.5.

Although the starting point of rebased target revenues (the Joint Proposal) should allow the Companies the reasonable opportunity, with efficient operations, to move closer towards earning their authorized ROEs, the performance incentive mechanisms will modulate earnings up or down from there based on performance on selected priority outcomes.

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[68] *See* the table titled "Hawaiian Electric Companies (Consolidated) Max Potential and Actual PIM Reward/(Penalty), in the Companies' Phase 5 Opening Brief, filed on May 5, 2025, at 12.

E. Recommendation for Process for Rebasing in Advance of MRP3

The Joint Parties recommend that, beginning in Year 1 of MRP2, the PBR WG be convened to work on a potential proposal to standardize a process to rebase rates before the beginning of an MRP3.

F. Ulupono Joinder in the Proposal

Ulupono's support for approval of this Joint Proposal is provided in Attachment 1, *Ulupono Joinder*, and its associated Exhibits. In its Joinder, Ulupono expresses its position on policy and other matters relating to PBR, the PBR Framework and potential future process and procedure. Hawaiian Electric Company's views or positions may not always match Ulupono's, as the extensive prior record in this docket will demonstrate. Nevertheless, Hawaiian Electric and Ulupono are aligned on many matters, the most important of which is that this Joint Proposal is reasonable and should be approved.

G. Companies' Statement Regarding Joint Proposal Process

The Companies acknowledge the Commission's right, authority and discretion to approve, reject or propose modifications to the Joint Proposal. However, the Companies' position is that this Joint Proposal represents the end product of a Commission-authorized process involving months of PBR WG meetings, data sharing, discussions, analysis, and adjustments. Accordingly, the Companies respectfully reserve the right to consider any material modification or condition placed on any Commission approval of the Joint Proposal, unless expressly accepted by the Companies, to be a *de facto* rejection of the Joint Proposal, which will result in the Companies reverting to the filing of a rate case-type proceeding as previously recognized by the Commission.[69]

H. Order No. 41963 Requirements

Order 41963 required in pertinent part that any Alternative Proposal from the Parties address, at a minimum, the following issues, questions, and concerns:

> 1. Ensure reasonable compliance with applicable statutes and rules (e.g., relevant portions of HRS Chapter 269 and HAR Chapter 16-601), including steps to incorporate procedural requirements such as the opportunity for new entities to seek intervention or participation in the re-basing proceeding, public hearings in affected service territories, the opportunity for an evidentiary hearing, and compliance with applicable statutory deadlines.
>
> 2. Describe how the proposal will seek to capture any operational efficiencies or other cost savings that may have occurred since the start of MRP1, as well as identify plans for controlling, if not reducing, costs during MRP2.
>
> 3. Address how deferred and other tracked accounts will be addressed and potentially incorporated into Target Revenues.
>
> 4. Describe the extent to which the proposed process and methodology will save time and resources as compared to a traditional rate case proceeding. For example, any proposal might include an outline of the proposed procedural steps, including time intervals, to allow a comparison with a traditional rate case proceeding timeline.
>
> 5. Explain how rate design will be incorporated into the proposed process and how that rate design will facilitate future MRP cycles.
>
> 6. Discuss how the proposed process and methodology is intended to promote flexibility in determining rebasing issues in future MRP cycles. (Order 41963 at 11-14.)

1. Reasonable Compliance with Applicable Statutes and Rules

As noted by the Commission, the applicable statutes and rules are within HRS Chapter 269 and HAR Chapter 16-601. Because the Joint Proposal involves an increase in rates, the

[69] *See* Order No. 41963, at 15 ("If the Parties are unsuccessful at developing an Alternative Proposal for the Commission's review or if the Commission ultimately rejects any submitted Alternative Proposal, Hawaiian Electric will resume work on its Re-Basing Application utilizing a 2027 test year, which shall be filed in the second half of 2026.")

overarching governing statute is HRS §269-16, which provides that all rates charged by any public utility "shall be just and reasonable and shall be filed with the public utilities commission." Haw. Rev. Stat. §269-16. The statute provides that a contested case hearing shall be held in connection with any increase in rates, and the hearing "shall be preceded by a public hearing as prescribed in section 269-12(c), at which the consumers or patrons of the public utility may present testimony to the commission concerning the increase." *Id.* To the extent the contested case hearing is required in a rate proceeding "to ensure fairness and to provide due process to parties that may be affected by rates approved by the commission, the evidentiary hearings shall be conducted expeditiously and shall be conducted as part of the ratemaking proceeding." *Id.*

The Companies do not interpret the applicable constitutional requirements and statutory provisions to mean that the rebasing proceeding for MRP2 under the PBR Framework must prescriptively follow a traditional cost-of-service rate case proceeding.[70] Rather, the proposed process meets the legal requirements of due process because it includes procedural steps such as notice, public hearings, and the opportunity for a contested case hearing. Accordingly, the Joint Proposal reasonably complies with applicable statutes and rules for utility rate increases.

The Commission's authority to utilize and approve the Joint Proposal is inherent in the express powers that the Hawai'i State Legislature has conferred upon the Commission to regulate rates and supervise public utilities operating within the State. HRS §269-6(a) vests the Commission with "the general supervision ... over all public utilities...." In addition, HRS §269-7(a) provides, "The public utilities commission and each commissioner shall have power to

[70] *See* HAR §16-601-92 ("The commission may in its discretion modify the requirements of this subchapter, if the requirements of this subchapter would impose a financial hardship on the applicant or be unjust or unreasonable.")

examine into the condition of each public utility, ... and all matters of every nature affecting the relations and transactions between it and the public or persons or corporations."

The Companies note that the Hawai'i Supreme Court recognized the broad scope of the Commission's authority over electric utilities in In re Kauai Electric Division of Citizens Utilities Company, 60 Haw. 166, 590 P.2d 524 (1978). In the Kauai Electric case, the County of Kauai (an intervenor) appealed a number of the Commission's rulings in Kauai Electric's 1975 test year rate case, including the Commission's approval of certain interim rate increases (conditioned on a refund provision) for Kauai Electric's residential, general light and power, street lighting and large power consumers.

In challenging this ruling, the County of Kauai argued that the Commission had no power under HRS §269-16(c) to issue interim orders, or that if it did have such power, the power constituted an impermissible delegation of legislative power. *See id.* at 168, 590 P.2d at 528. The supreme court disagreed, holding that, "The Commission's authority to grant interim rate increases conditioned on a refund provision is necessarily implied from the express authority to regulate rates and supervise public utilities operating within the State." *Id.* at 166, 590 P.2d at 527. As explained by the supreme court, "The language of the statute grants to the Commission broad discretionary power in the area of rate regulation, **providing that the procedural mandates of notice and public hearings are met, and providing that rates set are "just and reasonable.**" *Id.* at 179, 590 at 534 (emphasis added). *See also*, Mauna Kea Anaina Hou v. Bd. of Land & Nat. Res., 136 Hawai'i 376, 389 (2015) ("The most basic element of due process is 'an opportunity to be heard at a meaningful time and in a meaningful manner.")

With respect to ratemaking, the Supreme Court of Hawai'i has stated that "the reasonableness of rates is not determined by a fixed formula but is a fact question requiring the exercise of sound discretion by the Commission." In re Hawai'i Electric Light Co., 60 Haw. 625, 636, 594 P.2d 612, 621 (1979)(citations omitted). The court further stated, "Under the statutory standard of "just and reasonable" **it is the result reached and not the method employed which is controlling** …. It is not theory but the impact of the rate order which counts. If the total effect of the rate order cannot be said to be unjust [or] unreasonable, judicial inquiry … is at an end." *Id.*, 60 Haw. At 637, 594 P.2d at 621 (quoting Federal Power Commission v. Hope Natural Gas Co., 320 U.S. 591, 602) (1944))(emphasis added).

The issue, therefore, is not whether the rebasing must be done by a traditional cost-of-service rate case, but rather, whether the rebased rates charged to customers are just and reasonable under the circumstances, and provide an opportunity for the Companies to earn a fair return on their investment. Because the process in the Joint Proposal complies with statutes and rules applicable to a proceeding for a rate increase, there is nothing to indicate that the Joint Proposal (as opposed to a traditional cost-of-service rate case) would undermine the Commission's ability to determine that the rates are "just and reasonable."

Further, as detailed below, the Joint Rebasing Proposal will propose process that is administratively efficient and legally sufficient to meet all of the applicable public interest protections of HRS Ch. 269 and HAR Ch. 16-601. The proposed procedural schedule will recommend public hearings on O'ahu, Hawai'i, Maui, Lana'i, and Moloka'i, after notice is provided pursuant to HRS §269-12. These public hearings will be followed by an intervention period. As previously established by the Commission, PBR WG parties would be made Parties to the rebasing proceeding without the need to file motions to intervene,[71] so the intervention

[71] The City and County of Honolulu was consistently invited but never appeared at any of the PBR WG meetings. The Companies therefore respectfully submit that the City and County of Honolulu should not automatically be made a party to the rebasing review process and should instead be required, if it so chooses, to move for intervention

period is to allow non-PBR Parties to seek to intervene or participate in the rebasing proceeding as provided for in HAR §§16-601-55, -56, and -57.

After the Commission rules on any motions to intervene or participate, there will be a discovery period. Because the Companies have already responded to data requests from the PBR Parties during this alternative process, and this information will also be provided to new Parties, discovery should not need to be as extensive as it would be in a traditional cost-of-service rate case proceeding.

Following the completion of discovery, the Parties and Companies would file statements of position, as applicable. A contested case hearing, during which testimony may be presented, would be scheduled following the filing of the position statements. It should be noted that the contested case hearing may be modified or waived, or disposed of by stipulation or settlement under HRS §91-9(e).

Based on the foregoing, and with due respect, the process objections of the Division of Consumer Advocacy stated in its letter regarding the Hawaiian Electric Companies' Request for 90-Day Extension of Time to Finalize Joint and Actionable Rebasing Proposal and Further Develop Performance Incentive Mechanisms, filed on January 30, 2026, are misguided. In its letter, the Consumer Advocate expressed strong concerns about a rebasing process that it views as "outside the view of the general public and the Commission," without sufficient opportunity to review and transparently conduct discovery.[72] The Consumer Advocate reiterated its position that it is "strongly opposed to any alternative revenue re-basing process that does not provide an

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or participation and perhaps should be required to seek the Commission's approval to remain a PBR WG member. *See,* Order No. 41963, at 11-12 ("Second, the Commission will require participation by all Parties in this effort. … Any Party that fails to take a position, either in support of or against a submitted proposal, may be limited in or removed from this proceeding.")

[72] *See,* Division of Consumer Advocacy's Letter Regarding the Hawaiian Electric Companies' Request for 90-Day Extension of Time to Finalize Joint and Actionable Rebasing Proposal and Further Develop Performance Incentive Mechanisms, filed on January 30, 2026, at 3.

opportunity to undertake sufficient scrutiny of [the Companies'] request," and that it views a "rate-case like review process" as necessary for any alternative rebasing proposal.[73] However, as noted in the Companies' February 12, 2026 letter, and above, the public and other parties will have due process and the opportunity to weigh in on the Joint Proposal.

The Consumer Advocate also recommended that the Commission "take the opportunity to refocus this proceeding on enhancing the PBR Framework to improve the Companies' performance rather than rebasing their Target Revenues."[74] The Companies note that their third request for extension of time, which the Consumer Advocate opposed, was based on a plan to submit a more comprehensive package of rebasing and PIM modifications. Nevertheless, Commission Order No. 42351 makes clear that the alternative rebasing proposal is "just the first of many steps towards completing the rebasing and supporting the commencement of MRP2," and found it prudent to promptly proceed with its review of the alternative rebasing proposal.[75] The Commission further confirmed that it intends to resume Phase 6 following resolution of the alternative rebasing proposal.[76]

Finally, contrary to the Consumer Advocate's contentions, the Joint Proposal was developed with the full participation and input of the PBR WG parties. As explained above, the Companies held eight two-hour and one one-hour WG meetings with the Parties in which the proposal was discussed and explained, questions were asked and answered, and Information Requests were responded to. The Consumer Advocate was in attendance at all of the WG meetings, and was offered the opportunity, along with all of the WG parties, to ask IRs regarding the alternative proposal. The Joint Proposal was developed and modified over the course of the

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[73] *Id.*, at 2.
[74] *Id.*, at 5.
[75] Order No. 42351, at 3-4.
[76] *Id.*, at 5.

PBR WG meetings as the Companies responded to input from the parties. In the months of December and January, the Companies worked closely with Ulupono to develop the details and refine the Joint Proposal which was presented to the PBR WG on January 23, 2026.

Therefore, the procedural steps outlined in the Joint Proposal are in reasonable compliance with all applicable statutes and rules governing rate increase proceedings. The process established by the Joint Proposal is both efficient and legally sound, aligning with the PBR framework mandated by HRS §269-16.1. Importantly, the Joint Proposal's process upholds due process for customers by providing meaningful opportunities for participation and review. It equips the Commission with the necessary tools to conduct a thorough examination and to determine whether the resulting rates are just and reasonable, as required by law.

2. Operational Efficiencies

a) Savings & Benefits Returned to Customers During MRP1

During MRP1, the Companies delivered substantial, guaranteed savings and benefits to customers through multiple mechanisms embedded in the PBR framework and through prior commitments approved by the Commission. Collectively, these measures will have provided customers with more than $100 million in reductions in target revenues over the MRP1 period.[77] These savings were not contingent on actual performance outcomes; rather, they were guaranteed reductions that customers received, while the Companies were responsible for achieving the associated efficiencies.

[77] Exhibit G provides the calculation of the savings and benefits returned to customers for the 2021-2026 period.

#	Savings & Benefits (Consolidated) ($ in millions)	2021[78]	2022	2023	2024	2025	2026	Total
1	Multiplicative CD (0.22%)	(1.3)	(4.6)	(7.0)	(9.5)	(12.0)	(14.6)	(49.2)
2	Management Audit Savings Commitment	(6.6)	(6.6)	(6.6)	(6.6)	(6.6)	(6.6)	(39.6)
3	ERP Benefits (HL and ME only)	(3.9)	-	-	(1.9)	(3.2)	(3.3)	(12.3)
4	***Total Savings & Benefits***	***(11.8)***	***(11.2)***	***(13.6)***	***(18.0)***	***(21.9)***	***(24.5)***	***(101.1)***

(Note: Totals may not tie due to rounding.)

- Customer Dividend: The ARA formula includes a negative adjustment of 0.22% of adjusted revenue requirements compounded annually, representing the "Day 1" savings that customers receive each year through a reduction in target revenues. This multiplicative Customer Dividend reflects the Companies' opportunity to realize operational efficiencies during MRP1. Although the Companies are responsible for identifying and achieving the efficiencies implied by this reduction, customers receive the full benefit annually through lower target revenues. During MRP1 and the interim period through the end of 2026, the multiplicative Customer Dividend is estimated to provide approximately $49 million in cumulative savings to customers.

- Management Audit Savings Commitment: The Companies committed to a management audit savings of $6.6 million per year (including revenue taxes) for the three Companies, flowing through to customers as a subtractive component of the ARA formula. The Management Audit of the Hawaiian Electric Companies was ordered by the Commission in the Hawaiian Electric 2020 test year rate case, Docket No. 2019-0085. This savings commitment represents a stretch target and constitutes the full savings commitment required of the Company as a result of the audit.[79] The Management Audit Savings Commitment is estimated to provide approximately $40 million in cumulative savings to customers over MRP1 and the interim period through the end of 2026.

- ERP Benefits: Prior to the implementation of the PBR framework, the Commission approved the Companies' Enterprise Resource Planning ("ERP") system application filed in Docket No. 2014-0170 subject to a commitment that customers receive guaranteed benefits from operational efficiencies enabled by the new system. Hawaiian Electric's ERP benefits to customers have been separately addressed as part of the Hawaiian Electric 2020 test year rate case.[80] The ERP benefits for Hawaiʻi Electric Light and Maui Electric are estimated to provide approximately $12 million in cumulative savings to customers during MRP1 and the interim period through the end of 2026.

[78] The savings and benefits for 2021 were returned to customers for the period from June through December 2021.
[79] *See* Management Audit of the Hawaiian Electric Company (HECO) Final Report dated May 12, 2020, issued on May 13, 2020 in Docket No. 2019-0085, at 203-204. *See also* Companies' *Motion for Partial Clarification and/or Reconsideration of Decision and Order No. 37507*, filed on January 4, 2021 in Docket No. 2018-0088.
[80] *See* the Parties' Joint Stipulated Settlement Letter, filed in Docket No. 2019-0085, Exhibit 1, at 4 and 15-16.

The Companies' proposed rebased target revenues for MRP2 reflect the embedded cost reductions achieved through these benefits and savings. The rebased target revenues incorporate the operational efficiencies and cost savings realized during MRP1, ensuring that customers retain the benefit of these improvements on an ongoing basis.[81]

b) Efficiencies Going Forward

In accordance with the Commission's Order 41963,[82] the Companies are sharing their plans for controlling or reducing costs during MRP2.

Efficiency and affordability have long been core objectives for the Companies, with continuous improvement firmly embedded as a key component of their corporate culture. Following the August 2023 windstorm and wildfires event, the Companies were forced to reduce spending to "bare bones" levels as a result of limited liquidity following the Companies' credit ratings downgrade and focused on a set of 12- to 18-month priorities, with the top priority being wildfire risk mitigation (related to public safety). After making significant progress on these priorities, the Companies established their 2025-2027 Strategic Reset, which is a three-year strategic plan designed to strengthen our core and reaffirm our identity as a company "of and for Hawaiʻi." This plan continues to prioritize wildfire safety, reliability, and also places a strong emphasis on efficiency and affordability. Specifically, it includes two broad focus areas: 1) direct efficiency improvements, which are planned for the next three to five years; and 2) other efforts to improve the Companies' financial health to reduce customer costs, while making the necessary investments in their grid and operations to improve safety, reliability and resilience. These efficiencies are expected to be realized in MRP2.

[81] In Phase 6, the Companies will propose that both the management audit savings commitment and the return of the ERP benefits through the Subtractive Customer Dividends should terminate to begin MRP2.

[82] *See* Order No. 41963 "Addressing Hawaiian Electric's Letter Request to Modify Target Revenues Re-basing Schedule, Filed On August 28, 2025," issued on September 29, 2025 at 13.

(1) **Direct Efficiency Improvements**

As further discussed below, multiple efforts are underway to realize significant savings over time by bringing certain core critical work in-house and executing on process improvements in critical areas across the Companies. Realizing efficiencies and cost savings during MRP2 (along with earning PIM rewards) will be necessary for the Companies to approach earning their authorized ROEs.

Sustainable Workforce of and for Hawai'i

The Companies are focused on cultivating a workforce deeply rooted in Hawai'i's values and that delivers consistent results. Over the last several years, workforce challenges have resulted in an overreliance on utilizing contractors for the Companies' critical core positions (i.e., engineers, lineman, substation technicians, and other core (non-A&G) functions), which has increased the risk of losing institutional knowledge. In addition to statewide challenges in Hawai'i (e.g., high cost of living, limited workforce availability), the Companies have encountered additional workforce challenges that have contributed to increased reliance on utilizing contractors; these challenges have included competition for linemen with Mainland utilities, local competition for engineers and tradespeople, and staffing challenges driven by the COVID-19 pandemic and the August 2023 windstorm and wildfires event.

In the second half of 2025, the Companies developed and begun executing on eight initiatives to drive their sustainable workforce strategy by increasing the number of in-house employees for critical core positions. In a few years, this could result in a [redacted] savings per year, while creating high-quality jobs for local communities in Hawai'i.

1. **Rapid Hiring Taskforce –** The Companies have implemented a taskforce to fill critical core positions, which has resulted in measurable results, including a 50% reduction in Time to Offer and was 60% ahead in their plan for hiring in critical core positions at year-end 2025.

2. **Employee Value Proposition ("EVP")** – The Companies have updated their EVP (which established why someone should work or continue to work for the Companies – of and for Hawaiʻi, help your community, a ladder of growth, stability, and living wage in Hawaiʻi).

3. **Hawaiian Electric Academy** – The Companies are developing a centralized framework for identifying and maintaining training needs, training status, and training curriculum mapped to positions and people.

4. **Military Partnerships** – The Companies are partnering with the Military on their service bridge programs and are proactively identifying good fit equivalent positions in the Military that have affinity to positions within the utility. The Companies are using targeted LinkedIn campaigns to fill critical core positions.

5. **"Kamaaina Come Home" Campaign** – The Companies launched a campaign which is focused on reaching out to Hawaiʻi expats and connecting with Hawaiʻi clubs at mainland universities.

6. **Vendor Partnerships** – The Companies also looked at ways to structure future contracts that will enable more 'contract to hire' arrangements and partnerships where appropriate.

7. **Workforce Supply and Demand Model** – The Companies developed a workforce supply and demand model to enable planning, contractor workforce tracking, and improved governance.

8. **Apprenticeship and bench improvement** – The Companies are enhancing the apprenticeship program and partnering with the International Brotherhood of Electrical Workers Local Union 1260 to establish a workforce bench, under which the union would maintain lineman positions that the Companies or their contractors could draw upon during periods of high demand.

Executing on these initiatives thus far has resulted in meaningful improvements to the Companies' workforce. As of February 2026, the Companies are having historically high applicant volumes, are having the lowest time-to-offer in the past five years, and are hiring for critical core positions ahead of initial projections. This progress will accelerate the replacement of contracted work with internal resources, which will lower costs for customers, strengthen institutional knowledge and operational efficiency, and create high-quality jobs for local communities in Hawaiʻi.

End to End Process Improvement (Continuous Improvement)

As part of a continuous improvement culture, the Companies are focused on improving end to end processes to drive greater efficiencies and productivity with their resources. In 2025, the Companies completed a five-month effort to identify opportunities for process improvements, pilot solutions, and develop a plan for enterprise-wide implementation. This effort built on a host of other process improvements in the preceding years. The Companies' analysis identified the highest value improvement opportunities – starting with Energy Delivery operations (i.e., Transmission, Distribution, and Substations) as their highest priority. Across the Energy Delivery work management processes the Companies identified and piloted more than 20 specific improvements that improve throughput and efficiency by:

1. **Improving and accelerating the strategic planning and prioritization process** (selecting the necessary work as early in the process as possible) – ensures the appropriate work, while balancing objectives (safety, customer service, renewable integration, reliability, cost, etc.), gets done first, and enables the Companies to accelerate the prioritization process. The Companies' improved approach for prioritization increases the use of data and metrics to design a portfolio within execution constraints that best supports the Companies' overall strategic objectives. Prioritizing work in rolling three-year cycles improves the Companies' downstream resource planning and scheduling of labor and materials, which helps the Companies avoid cost premiums associated with short-term contracting.

2. **Improved workflow handoffs (e.g., from prioritization and planning to program management, engineering and operations)** – For each key work type, the Companies defined handover data and documentation requirements, standard timelines, and responsibilities at each step to streamline and accelerate information flows.

3. **Improved quality standards for job packages** (design, materials, permits, safety crew scheduling, and contractor scheduling) for engineers, resource planning (schedule and dispatch), warehouse, and crews. This effort defined a common set of standards for each job package type and implemented a quality assurance process across the Companies and contractor resources. Improved job package quality ensures that the information the crews get in the field is accurate and executable, which reduces rework, improves safety performance, and increases throughput.

4. **Established new KPIs and improved data capture & quality**, that help drive better monitoring and control of job status and throughput, improve customer service, and provide better feedback to planning and engineering.

These results align with the 2025-2027 Strategic Reset objective to achieve measurable value improvement on selected end-to-end processes and to manage O&M costs through improved execution. By improving data quality, increasing throughput, and reducing rework, the Companies will be able to improve cost efficiency and support timely delivery of critical infrastructure projects.

(2) **Improved Financial Health**

Strengthening the Companies' financial health and lowering their cost of capital is essential to improving affordability for customers. Prior to the August 2023 windstorm and wildfires event, the Companies' highest credit rating was A- with a share price of approximately $37. After the August 2023 windstorm and wildfires event, the Companies' credit rating fell to non-investment grade and the lowest of all investor-owned utilities in North America, with a share price of approximately $8.

The Companies' key strategies for improving their financial health include pursuing federal grants and low-cost loans for infrastructure projects, seeking $500 million in securitization to finance wildfire and resiliency projects, and supporting eventual creation of a wildfire recovery fund and implementation of an aggregate liability cap for catastrophic wildfires.

Grants and Loans

As done in prior years, the Companies have continued to purse federal grants and low-cost loans, which will reduce the costs of infrastructure projects to customers. In the past three years, the Companies have pursued 16 federal grants, totaling approximately $670 million, and was awarded $95 million, resulting in direct customer savings. Currently, the results of one of the submitted applications is pending and the Companies are monitoring for additional grant opportunities. Additionally, the Companies are pursuing federal loans for a portion of key infrastructure projects at the lowest possible cost of capital.

Securitization

Act 258 (SLH 2025) allows for the Companies to request $500 million of securitization financing to address wildfire mitigation, grid resilience, and other improvements.[83] Securitization provides a way for the Companies to issue bonds with a AAA credit rating, despite the Companies' otherwise low credit rating.

Wildfire Recovery Fund and Limitation of Liability

On December 31, 2025, the Commission issued *Report to the 2026 Legislature on The Establishment and Implementation of a Wildfire Recovery Fund* as required by Act 258 discussing the potential for a wildfire recovery fund as a mechanism to balance interests of utility financial integrity and victims need for prompt compensation.[84] In the Report, the Commission found that, while a wildfire recovery fund is likely warranted in the future, it is closely intertwined with the determination of a utility liability cap and needs additional analysis.[85] In that regard, Act 258 also directs the Commission to conduct a rulemaking process to establish an amount for an aggregate cap on utility liability for catastrophic wildfires.[86] According to S&P

[83] Hawaiʻi Legislature. "Senate Bill 897 SD3 HD2 CD1: Relating to Energy." 33rd Legislature, Regular Session. Enacted July 1, 2025. www.capitol.hawaii.gov/session/archives/measure_indiv_Archives.aspx?billtype=SB&billnumber=897&year=2025.

[84] Hawaiʻi Public Utilities Commission. "Report to the 2026 Legislature on The Establishment and Implementation of a Wildfire Recovery Fund." Hawaiʻi Public Utilities Commission, December 31, 2025, *https://puc.hawaii.gov/wp-content/uploads/2025/12/Wildfire-Recovery-Fund-Study-December-2025.pdf*.

[85] *Id.*

[86] Hawaiʻi Legislature. "Senate Bill 897 SD3 HD2 CD1: Relating to Energy." 33rd Legislature, Regular Session. Enacted July 1, 2025. www.capitol.hawaii.gov/session/archives/measure_indiv_Archives.aspx?billtype=SB&billnumber=897&year=2025.

Global Ratings,[87] wildfire risks were never intended to be borne by the utility industry and the industry lacks the financial flexibility to absorb large liabilities from increasingly frequent and severe wildfires. Accordingly, both of these developments are critically important and have the potential to positively impact the Companies' credit ratings, but they will take time to come to fruition. In the meantime, the Companies continue to evaluate and pursue all appropriate measures to mitigate customer impacts from their poor credit rating and reduce physical wildfire risk.

The Companies are acutely aware of the issue of affordability for our customers and communities. As discussed above, it is ingrained in the Companies' corporate culture to drive continuous improvement and seek ways to reduce costs and improve affordability while making the necessary investments in our grid and operations to improve safety, reliability and resilience. Given the Companies' financial condition after the August 2023 windstorm and wildfires event, there is urgency to make significant improvements.

As noted above, in the context of the proposed rebasing, it will be essential to the Companies' financial integrity that these efforts come to fruition during MRP2.

3. Deferred and Other Tracked Accounts

The Companies propose to continue the amortization of regulatory assets and liabilities that are not associated with pension or OPEB tracking mechanisms, as well as other deferred costs, consistent with the treatment approved in their respective most recent rate cases. Such amortization would continue until the underlying balances are fully amortized.

[87] S&P Global Ratings. "Industry Credit Outlook 2026: North America Regulated Utilities." S&P Global Ratings, January 14, 2026, www.spglobal.com/ratings/en/regulatory/article/industry-credit-outlook-2026-north-america-regulated-utilities-s101665577.

In addition, the Companies propose the following accounting and ratemaking treatment for deferred costs that have been updated since their last rate cases or that were not previously addressed in those proceedings.

a) Pension/OPEB Tracking Mechanisms

The Consumer Advocate first introduced the concept of pension and other post-employment benefits ("OPEB") tracking mechanisms in its testimony in Hawaiʻi Electric Light 2006 test year rate case, Docket No, 05-0315. In the Hawaiian Electric 2007 test year rate case, Docket No. 2006-0386, the Consumer Advocate, Hawaiian Electric and the Department of Defense agreed on the establishment of the pension and OPEB tracking mechanisms, which the Commission approved in its final decision and order in that proceeding. The Commission also approved the implementation of the pension and OPEB tracking mechanisms for Maui Electric and Hawai'i Electric Light, and the three Companies have used these tracking mechanisms since that time.

For pension and OPEB tracking mechanisms, the components that should be reset in a rate case include: Net periodic pension costs ("NPPC"), amortization of prior regulatory asset/liability, return on regulatory asset/liability. The table below summarizes the pension and OPEB estimates for 2026:[88]

[88] *See* Exhibits H through I3 to this filing for further details on the pension and OPEB estimates.

#	Pension and OPEB estimates ($ in millions)[89]	HE	HL	ME	Total
Expenses – Pension					
1	Estimated NPPC	[redacted]			
2	Pension tracking regulatory liability amortization				
3	Non-service regulatory asset amortization				
	Total pension expense				
Expenses – OPEB					
4	Estimated NPBC	[redacted]			
5	OPEB tracking regulatory liability amortization				
	Total OPEB expense				

(Note: Totals may not tie due to rounding.)

The estimated NPPC expense is actuarially determined for the assumptions for 2026. Consistent with the requirements of the pension and OPEB tracking mechanisms, the Companies propose to reset these mechanisms upon implementation of rebased target revenues based on the estimated 2026 year-end balances with amortization of the pension tracking liability, the OPEB tracking liability and the non-service cost regulatory asset/liabilities beginning over a five-year period. The revenue requirement for the return on the pension/OPEB related regulatory balances are deemed to be embedded in the rebased target revenues upon implementation.

b) Generating Units Honolulu 8 & 9 and Waiau 3 & 4

On December 22, 2023, and September 30, 2024, the Commission issued Decision and Order No. 40458 in Docket No. 2022-0243 ("D&O 40458") and D&O 41074 in Docket No. 2023-0418 ("D&O 41074"), respectively, approving Hawaiian Electric's requests to establish regulatory assets for the remaining net book value of fossil fuel generating units Honolulu 8 and 9 (retired December 31, 2023) and Waiau 3 and 4 (retired December 31, 2024), with

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[89] Amounts in the table above represent the gross expense amount. The amount that is transferred to O&M is reduced but the amount calculated by the transfer to capital %.

amortization over approximately nine years.[90, 91] The Commission ruled that the Company may seek to include these regulatory assets in rate base and recover the amortization expense and a return on the unamortized balances in the next rate case or rate re-setting proceeding. As of December 31, 2025, Hawaiian Electric has recorded $23.4 million and $12.7 million in regulatory assets for Honolulu units 8 and 9 and Waiau units 3 and 4, respectively.

The Companies propose that the unamortized balance at the time of implementing the rebased target revenues be treated as incorporated into rate base, with the corresponding amortization and any associated benefits from the retired assets reflected in the O&M expense,[92] and all such amounts included in the re-based target revenues. This accounting treatment would have no impact on customer rates since the retired assets are already being recovered in existing rates and the amortization expense of the regulatory asset would equal the current depreciation expense of those assets.

c) Deferred Maui Windstorm and Wildfires Response and Restoration Costs

The Commission issued Decision and Order No. 40467 ("D&O 40467") on December 27, 2023 in Docket No. 2023-0349, authorizing the Companies' request for deferred accounting treatment of their incremental non-labor costs associated with the August 2023 Maui windstorm and wildfires event.[93] Subsequent to the Commission approval, the Companies established a regulatory asset account to defer the eligible costs incurred from August 8, 2023 through December 31, 2024 that are not already a part of base rates.

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[90] D&O 40458 at 1-2, and Ordering Paragraph 1 at 47.
[91] D&O 41074 at 1-2, and Ordering Paragraph 1 at 32.
[92] Annual cost savings for Honolulu 8 and 9 is $181,642 of O&M expenses currently being collected from customers in base rates less $33,132 of estimated O&M expenses after Honolulu 8 & 9 are retired. *See* response to CA-IR-6 filed in Docket No. 2022-0243). Annual cost savings for Waiau 3 and 4 is $975,838 of O&M expenses currently being collected from customers in base rates less $0 of estimated O&M expenses after Waiau 3 & 4 are retired. *See* response to CA-IR-12 filed in Docket No. 2023-0418.
[93] D&O 40467, at 13-14, Ordering Paragraph at 18.

On February 12, 2025, the Commission issued Order No. 41545 ("Order 41545") granting the Companies' letter request to extend deferral accounting treatment for increases to their wildfire insurance coverage premiums and for outside service and legal costs to arrange the A/R Facility through December 31, 2025.[94] As of December 31, 2025, the Companies have recorded $80.5 million in regulatory assets for the incremental costs incurred related to the Maui windstorm and wildfires event.

A request for approval to recover these deferred costs will be the subject of a separate future application and decision by the Commission. Recovery may be proposed through the PBR Z-factor mechanism. For clarity, none of the deferred costs are reflected in the Joint Proposal rebasing amount.

d) Deferred Regulatory Commission Expense

In 2025, the Companies incurred regulatory commission expenses (e.g., outside attorney fees, outside consultant fees) in preparation for filing a 2026 test year rate case. However, following Commission approval of the Companies' August 29, 2025 letter request to extend the time to file their application to rebase their target revenues, the Companies ceased work on the 2026 test year rate case. Notwithstanding the change in regulatory approach, the regulatory commission expenses prudently incurred through the date of cessation represent legitimate costs associated with the Companies' efforts to establish appropriate target revenues and rates for the benefit of customers. As of December 31, 2025, the Companies recorded $405,000 in such expenses ($274,000 for Hawaiian Electric, $66,000 each for Hawai‘i Electric Light and Maui Electric).

[94] Order 41545 at 7, Ordering Paragraph 1, at 14.

Consistent with the regulatory treatment of similar expenses in prior rate case proceedings, the Companies propose to amortize the regulatory commission expenses incurred for the 2026 test year rate case over a five-year period to coincide with the MRP2 control period. The annual amortization expense of the unamortized balance shall be deemed embedded in the rebased target revenues upon implementation of the rebased target revenues, and the remaining unamortized regulatory commission expense will not be included in rate base as a regulatory asset.

e) Unamortized Gain on Sale of Iolani Court Plaza Residential Leased Fee Interests

In December 2025, Hawaiian Electric sold the leased fee interest in the remaining two residential units of the Iolani Court Plaza Condominium Project, together with the limited common elements appurtenant to the units.[95]

In accordance with D&O 16833, Ordering Paragraphs 2 and 4, Hawaiian Electric will amortize the net gain realized from the sale of the two units over a period of five years, beginning the month after the sale of each of the residential leased fee interests (i.e., January 2026), and deduct from rate base the unamortized balance of the net gain from the sale. Both the unamortized balance and the associated amortization deemed incorporated in the rebased target revenue effective upon implementation of rebased target revenues.

[95] In Application in Docket No. 98-0170, filed on June 12, 1998, Hawaiian Electric requested Commission approval to sell the leased fee interest in 30 residential units and 5 commercial units, together with the limited common elements appurtenant to those units in the Iolani Court Plaza Condominium Project, in accordance with the provisions of Hawai‘i Revised Statutes §269-19. In Decision and Order No. 16833 (“D&O 16833”), issued on February 16, 1999, the Commission approved Hawaiian Electric’s request. The Company reported sales of the units by letters filed in Docket No. 98-0170, with the most recent report submitted on December 10, 2025.

4. How the proposed process and methodology will save time and resources as compared to a traditional rate case proceeding

Order 41963 states:

> For example, any proposal might include an outline of the proposed procedural steps, including time intervals, to allow a comparison with a traditional rate case proceeding timeline.[96]

Rate case filings are complex undertakings and require considerable technical, operational, financial, regulatory and legal resources. These resources primarily include the witnesses (typically executives or managers/directors), key functional area managers or directors, other subject matter experts, and the departmental fiscal administrators and budget analysts. The length of time it takes to litigate a rate case proceeding (i.e., from the time the application is filed until a final decision and order is issued) typically takes approximately 18 months based on the Hawaiian Electric Companies' previous rate cases in the below table and depends on the scope and complexity of the issues in the case. The rate case witnesses and their support teams, among other things, prepare a test year rate case budget, develop the necessary testimonies, exhibits, and workpapers, prepare or assist in the preparation of responses to information requests, develop discovery questions on the testimonies filed by the parties in the proceeding, provide support for settlement discussions, testify and provide assistance during the evidentiary hearing process if it occurs, and support the drafting of opening and reply briefs.

Docket No.	2016-0328	2017-0150	2018-0368
Company and Test Year	HECO 2017	MECO 2018	HELCO 2019
Application Filed	12/16/2016	10/12/2017	12/14/2018
Interim Decision and Order Issued	12/15/2017	8/9/2018	11/13/2019
Final Decision and Order Issued	6/22/2018	3/18/2019	7/28/2020
Months from Application to Interim D&O	12.1	10.0	11.1

96 Order 41963 at 14.

Months from Application to Final D&O	18.4	17.4	19.7
# Direct Testimonies	31	25	24
# Rebuttal Testimonies	17	10	13
# Supplemental Testimonies	21	N/A	7
# Direct Testimonies Pages	12,207	11,259	7,670
# Rebuttal Testimonies Pages	2,222	1,029	510
# Supplemental Testimonies Pages	544	N/A	238
Number of Parties and Participants	7	3	5
# IRs issued to Company	894	541	768
# IRs (subparts included)	3,116	1,664	2,370

The Companies' previous rate cases presented above were for each Company, whereas Order 41575 states that "The Companies shall file a single, consolidated application that presents their requested adjustment to Target Revenues for all three Companies based on a forward-looking test year."[97] The complexity of a consolidated rate case application would be much greater than any single company rate case.

As compared to the resource-intensive and time-consuming rate case process summarized above and in Exhibit J to this filing, the rebasing process being proposed by the Companies is focused on specific issues (as opposed to, for example, a single company rate case with a minimum of approximately twenty-five witnesses) and utilizes a more efficient and streamlined process that would take approximately six to seven months. The Companies would propose the following as a possible procedural schedule for review and adjudication of the rebasing proposal:

[97] Order 41575 at 33.

Traditional Rate Case Procedural Steps	Joint Proposal Steps[98]
	3/6/26 Joint Rebasing Proposal filed
	3/13/26 Working Group Parties file oppositions, if applicable
	Commission preliminary ruling on whether the Joint Rebasing Proposal meets requirements of Order 41963 and may thus proceed for further public, party and Commission review and final adjudication.[99] *[Beginning April]*
Notice of Intent (HAR §16-601-85): File at least two months before Rate Case Application	N/A[100]
Application (HAR § 16-601-85 through -87), with Direct Testimonies, Exhibits, and Workpapers (HAR §16-601-87(11))	N/A
Public Hearings HRS §269-16: Per notice under HRS §269-12(c) not less than once in each of three weeks in the counties in which the utility provides utility service, the first notice being not less than twenty-one days before the public hearing and the last notice being not more than two days before the scheduled hearing.	Public Hearings Per HRS §269-12(c) (requires at least 21 days notice before hearing) O‘ahu, Hawai‘i, Maui, Lana‘i, Moloka‘i *[Hold 4 weeks after PUC D&O on Alternative Proposal process: Early May]*

[98] Traditional rate case procedural steps are provided for comparative purposes. These dates are tentative and preliminary, and can be discussed further with parties and the Commission. However, striving for a Commission D&O on the Joint Proposal no later than the September/October 2026 timeframe would be the objective, to allow MRP2 to start on January 1, 2027.

[99] In Order 41963, the Commission stated that after the Companies submit their Alternative Proposal, any Parties who do not agree with the Alternative Proposal shall file a statement noting their opposition a week later, and "[t]he Commission will then investigate any Alternative Proposal and any opposing statements before issuing a decision which may approve, modify, or reject the Alternative Proposal." *Id.* at 7. The Companies interpret this step referring to the Commission approving, modifying, or rejecting the overall process and/or procedural steps for any Alternative Proposal, and have proposed the illustrative procedural schedule accordingly.

[100] Unless the Commission denies the Joint Proposal process and/or Companies decide to proceed with a rate case.

Traditional Rate Case Procedural Steps	Joint Proposal Steps[98]
Intervention period, motions to intervene/participate (HAR §16-601-57(1): Shall be filed not later than ten days after last public hearing held pursuant to the published notice of the hearing)	Intervention period, motions to intervene/participate: All PBR WG parties[101] shall be named as parties/participants to this new proceeding without the need to file motions to intervene or participate. Order 41575 at 33. Non-PBR WG Parties may seek to intervene or participate in the new rebasing proceeding as provided for in HAR §16-601-57. Order 41575 at 33. *[Motions filed end of May]*
Oppositions to motions to intervene/participate (HAR § 16-601-41(c))	Oppositions to motions to intervene/participate
Commission order on motions to intervene/participate	Commission order on motions to intervene/participate + statement of issues *[Order issued mid-June]*
Commission Procedural Order stating statement of issues and procedural schedule	*See*, step above.
Deadline for Consumer Advocate and Participants' IRs to Hawaiian Electric	Discovery period *[Discovery June to mid-July]*
Deadline for Hawaiian Electric responses to IRs	Deadline for Hawaiian Electric responses to IRs *[Hawaiian Electric responses due 2 weeks after receipt]*
Consumer Advocate and Participants' Direct Testimonies, Exhibits, and Workpapers	Any party or participant may file a Statement of Position (allows any party/participant to voice opinion and make their record) *[Early August]*
Deadline for Hawaiian Electric IRs to Consumer Advocate and Participants	N/A
Deadline for Consumer Advocate and Participants' responses to Hawaiian Electric IRs	N/A
Settlement Proposal to the Consumer Advocate	N/A
Settlement discussions	N/A
Filing of Parties' Joint Settlement Letter	N/A

[101] Per fn. 71, *infra*, given the City and County of Honolulu's lack of participation in the PBR WG process, the Companies respectfully submit that the City and County of Honolulu should not be deemed a PBR WG party, and should be required, if it so chooses, to move for intervention or participation in this rebasing process.

Traditional Rate Case Procedural Steps	Joint Proposal Steps[98]
Statements or Joint Statement of Probable Entitlement (HRS § 269-16(c) – doesn't require but allows Commission, after public hearing and showing of probable entitlement and financial need, to authorize temporary increase)	N/A
	Companies' Reply Statement of Position, if applicable *[Early August]*
Hawaiian Electric Rebuttal Testimonies, Exhibits, Workpapers	N/A
Deadline for Consumer Advocate and Participants' Rebuttal IRs to Hawaiian Electric	N/A
Deadline for Hawaiian Electric's responses to Consumer Advocate and Participants' Rebuttal IRs	N/A
Interim D&O Per HRS §269-16(d), within one month after the expiration of the nine-month period (from filing the application), the Commission shall render an interim decision allowing the increase in rates, fares and charges, if any, to which the commission, based on the evidentiary record before it, believes the public utility is probably entitled.	N/A
Preconference hearing (can be waived)	Preconference hearing (can be waived)
Evidentiary hearing (can be waived) HRS 269-16(b) … A contested case hearing shall be held in connection with any increase in rates, and the hearing shall be preceded by a public hearing as prescribed in section 269-12(c), at which the consumers or patrons of the public utility may present testimony to the commission concerning the increase.	Evidentiary/contested case hearing (can be waived, but must provide opportunity) *[If not waived, mid-August]*
Opening Briefs by Parties and Participants (unnecessary if no hearing)	*[If not waived, 1 week after hearing: August]*
Reply Briefs by Parties and Participants (unnecessary if no hearing)	*[If not waived, 1 week after opening briefs: late August]*
Final D&O	Final D&O: Request D&O by September/October 2026[102]

[102] If necessary, it may be possible for the Commission to issue an interim decision on the rebasing proposal.

5. Rate Design

Similar to the Companies' request for a second separate track for rate design that the Commission approved in Order 41575,[103] the Companies propose a separate track for rate design in this rebasing process. The Companies propose to file a rate design for all islands approximately four to five months after a rebased target revenue / new revenue requirement determination is approved in the Alternate Rebasing proposal process. The rate design would be evaluated in a separate track of the rebasing process. Revised base rates would be implemented after Commission approval, but no earlier than after the implementation of the second phase of the approved rebasing increase in revenue. The Companies intend for rate design to be a separate and subsequent track to revenues re-determination in future MRP cycles.

6. How the proposed process and methodology is intended to promote flexibility in determining rebasing issues in future MRP cycles

Order 41963 states:

> Prior to the establishment of the PBR Framework, general rate cases for Hawaiian Electric were done on regular cycles, which often resulted in stipulations and settlements on certain costs, which were not developed with long-term sustainability in mind and assumed they would be addressed within a few years in the next rate case. Consistent with the goal of moving away from a cost-of-service paradigm, any Alternative Proposal should strive to avoid similar agreements, which may offer efficient resolution in the short-term but bind the Parties and Commission into a regular pattern of re-visiting them.[104]

In response to the Commission's guidance to avoid short-term stipulations and settlements characteristic of the former cost-of-service paradigm, the Companies propose an approach designed to promote long-term sustainability, transparency, and regulatory stability under the PBR Framework. This approach is intended to reduce recurring re-litigation of cost

[103] *See* Order 41575 at 33-34.
[104] Order 41963 at 14n21.

recovery and implementation issues, limit reliance on temporary or interim agreements, and provide predicable regulatory outcomes across MRP periods.

Consistent with this objective, all existing regulatory assets, liabilities, and tracking mechanisms, including pension and OPEB tracking mechanisms and deferred costs that have been authorized by the Commission, will be comprehensively identified, documented, and addressed in the re-basing proceeding. The rebasing proceeding will establish a durable treatment for these items for the subsequent MRP, rather than deferring resolution to future proceedings. To the extent practicable and where not previously authorized, such items will be incorporated, or deemed incorporated, into rebased target revenues with clearly defined amortization periods aligned with the control period, minimizing the need for subsequent adjustments, stipulations, or interim true-ups during the MRP.

For future proceedings involving requests for deferral accounting or specific regulatory treatment of costs and transactions, the Companies will seek upfront and definitive resolution of material cost recovery and implementation issues within the initiating proceeding, rather than deferring such determinations to future rebasing or rate cases. Deferred cost recovery will be structured in a transparent and predictable manner, with amortization periods aligned with the applicable control period(s), where feasible. Where amortization extends beyond a single control period or is shorter than five years, the proceeding will explicitly specify how any remaining unamortized balance, including return on the unamortized balance, will be incorporated into target revenues in subsequent periods. Similarly, depreciation study proceedings will address not only approved depreciation rates but also their timing, implementation, and recovery mechanisms.

Where practicable, deferral applications will include both the proposed deferral treatment and the associated recovery mechanism at the outset. Where the deferral period or recovery approach cannot be fully determined initially, a structured, phased approach designed to avoid open-ended deferrals can be employed:

- Phase One: Approval of deferral treatment, including a clear description of the nature of the deferred costs, eligibility criteria, and documentation requirements.
- Phase Two: Approval of the recovery mechanism, including amortization period, implementation timing, and total recovery amount, to ensure predictable regulatory treatment and manageable customer rate impacts.

Through this framework, the Companies seek to advance the Commission's objective of transitioning away from a cost-of-service framework toward a sustainable, performance-based regulatory model that emphasizes upfront resolution, defined recovery parameters, transparency, and long-term regulatory stability, while avoiding the cycle of short-term agreements and recurring re-litigation identified in Order 41963.

7. Addressing Act 258 and Act 191 Issues

Order 41963 states:

> Third, this additional time will allow the Parties to better understand and potentially incorporate recent developments that arose from the recent legislative session, including Act 258 (providing for, inter alia, rulemaking liability cap and access to securitization for certain infrastructure capital improvements) and Act 191 (providing for the State to step-in to fulfill payments for certain purchased power agreements should Hawaiian Electric enter bankruptcy).[105]

Act 258 (SLH 2025) is expected to help offset the costs for major wildfire mitigation efforts. The costs for the approved Wildfire Safety Strategy ("WSS") implementation are not included in the proposed rebased revenues. The Companies have proposed to recover these costs

[105] Order 41963 at 10.

through the EPRM in Docket No. 2025-0263. The Companies now intend to seek securitization financing approval under Act 258 for eligible WSS costs.

Act 191 (SLH 2025), which provides for the State to step-in to fulfill payments for certain purchased power agreements should Hawaiian Electric enter bankruptcy, does not impact the rebasing proposal. Financial impacts to customers from Act 191 will be implemented through the Purchased Power Adjustment Clause, as approved in Order No. 41888, issued on August 25, 2025, in Non-Docketed Case No. PC-200673.

V. CONCLUSION

Based on the foregoing, the Joint Parties respectfully request approval of the Joint Proposal.

DATED: Honolulu, Hawai‘i, March 6, 2026.

/s/ Rod S. Aoki
ROD S. AOKI

Attorney for
HAWAIIAN ELECTRIC COMPANY, INC.
HAWAI‘I ELECTRIC LIGHT COMPANY, INC.
MAUI ELECTRIC COMPANY, LIMITED

/s/ Michael Colon
MICHAEL COLÓN
Director, Energy
Ulupono Initiative LLC

DOUGLAS A. CODIGA
MARK F. ITO

Attorneys for
ULUPONO INITIATIVE LLC

JOINDER OF ULUPONO INITIATIVE LLC

Ulupono Initiative LLC ("Ulupono"), by and through this joinder ("Joinder"), hereby joins the Hawaiian Electric[1] and Ulupono Initiative LLC Joint Alternative Rebasing Proposal ("Joint Proposal").

I. SCOPE OF JOINDER

For the reasons explained below, Ulupono strongly supports Commission approval of the Joint Proposal and this Joinder is intended to be complementary to and mutually supportive of the Joint Proposal. The scope of the joinder is limited to the statements, positions and content set forth in this Joinder and may not necessarily include all discussions and conclusions in the Joint Proposal. To the extent the Joint Proposal discusses or addresses matters outside the scope of this Joinder, Ulupono takes no position and reserves comment. Relatedly, Ulupono's support for the Joint Proposal should be understood in the context of its non-waiver and reservation of rights in the event that future material changes to Joint Proposal are proposed in this or any other related regulatory proceeding.

II. THE JOINT PROPOSAL IS ALIGNED WITH PBR POLICY

A. Ulupono Supports the Joint Proposal Based on Key Considerations.

Ulupono supports approval of the Joint Proposal, including (i) the revenue adjustment amount of $170 million for the second Multi-Year Rate Period ("MRP"), (ii) the commitment to a Performance Incentive Mechanism ("PIM") structure with a total amount of 200 basis points for MRP2, (iii) the commitment to a process for determining the rebasing process for MRP3 and subsequent MRPs, and (iv) other related aspects of the Joint Proposal.

The Joint Proposal is aligned and consistent with regulatory, policy and legal considerations regarding the Hawai'i Performance-Based Regulation ("PBR") framework. Ulupono submits that utility regulation should serve the public interest by aligning utility incentives with customer outcomes, not by rewarding cost accumulation. Consistent with that understanding, the PBR framework implements the 2018 Hawai'i Ratepayer Protection Act ("Act"), Hawai'i Revised Statutes § 269-16.1, which represents a meaningful departure from the traditional cost-of-service model.[2]

Ulupono supports the Joint Proposal for several related reasons. The Joint Proposal focuses on the central importance of utility performance, affirming that PIMs are essential to PBR. As explained in the Joint Proposal, it will promote administrative efficiency and avoid the time-consuming, costly and burdensome requirements of a traditional cost-of-service rate case.

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[1] Hawaiian Electric Company, Inc., Hawaii Electric Light Company, Inc. and Maui Electric Company, Limited (collectively, "Hawaiian Electric" or "Companies").

[2] For example, under § 269-16.1(a), the mandated "performance incentives and penalty mechanisms . . . shall apply to the regulation of electric utility rates under section 269-16."

Rebasing as proposed in this Joint Proposal is necessary to continued provision of safe, reliable, and resilient electric service in Hawai'i, while advancing the State's energy policy goals. It will also result in reasonable base rates and thereby balances consumer interests and supports long-term affordability.

Ulupono has long championed an aggressive pursuit of performance-based regulation as an innovative and necessary change to the more than century old paradigm that has been in place for electric utility regulation. This shift in law and policy – and even philosophical and cultural shift – reflects the needs of a modern society with technologies and consumer expectations that can both threaten and complement the traditional utility business model. Due to the unique circumstances that a collection of isolated island grids present, Hawaiian Electric has stood on the precipice of business and performance model challenges for decades, weathering policy mandates and technology changes. At the same time, Hawai'i's electricity customers pay some of the highest electricity bills in the country, forcing many customers to make difficult financial decisions, or seek self-supply alternatives, if feasible. This is a familiar story to all who pay electric bills in Hawai'i and sets an important backdrop for why PBR is mandated by statute and holds so much promise.

Progress under the PBR framework should be not only protected but also advanced based on the experience of MRP1. As the Commission approaches the end of MRP1, Ulupono proposes that the central question is not how to replicate a traditional rate case, but how to rebase revenues in a manner that preserves the integrity of the PBR framework, reflects genuine cost drivers rather than cost accumulation, and continues to advance Hawai'i's energy goals while striving to keep rates affordable for customers. Ulupono supports the Joint Proposal insofar as it offers a viable path to achieve these important objectives.

In short, through the Working Group process the conversation evolved from pathways that would have relied on an older cost-of-service models to a rebasing approach is not confined by a full cost-of-service rate case. The Joint Proposal reflects this and demonstrates that rebasing under Hawai'i's PBR framework can be implemented using PBR-aligned tools and decision criteria, while still enabling full Commission review and scrutiny of the resulting revenue adjustment.

B. The Joint Proposal Aligns with Ulupono's Position and Approach Regarding the PBR Framework.

The Legislature's directive to implement performance-based regulation pursuant to the Hawai'i Ratepayer Protection Act was clear: utility financial incentives must be aligned with public policy goals, including affordability, reliability, renewable integration, and customer empowerment. As the Commission is aware, the PBR framework was subsequently established in Docket No. 2018-0088, culminating in its Phase 2 Decision and Order adopting a comprehensive multi-year rate plan, performance incentive mechanisms (PIMs), and earnings adjustment mechanisms.[3]

For Ulupono, PBR was never about the novelty of "doing something different" for its own sake. It has always been about modernizing the regulatory compact so that utility success would be tied directly to measurable progress toward state policy goals. That includes reducing customer costs by accelerating renewable energy deployment, improving system efficiency, moderating long-term cost growth, and enhancing transparency and accountability. The goal has always been foundational structural changes – not incremental tinkering.

In early 2025, the Companies requested, and the Commission approved, a return to a traditional cost of service rate case framework. Ulupono recognizes that circumstances evolve. However, a temporary or partial reversion to traditional cost-of-service regulation underscores precisely why legislative clarity and guardrails remain essential. Legislation seeking to reinforce these types of guardrails may be necessary.[4] Without firm adherence to statutory intent, the gravitational pull of traditional ratemaking can reassert itself, even when the law calls for a different trajectory.

As such, Ulupono supports the Joint Proposal insofar as it represents the best available alternative to the already approved cost of service rate case that will be the fall back de facto approach to this rebasing exercise (unless the Commission were to reverse its prior decision). A return to traditional pure cost of service ratemaking – where earnings are primarily tied to capital expenditure and there is no breaking of the direct link – does not comport with legislative policy intent, nor does it adequately address affordability, performance accountability, or rapid decarbonization.

Further, the Joint Proposal is consistent with Ulupono's longstanding preference for structural reform over adhering to the status quo. The Joint Proposal maintains a performance-based alignment which will provide the most viable pathway to align shareholder incentives with public interest outcomes. Under this proposed approach, Hawaiian Electric's performance will more critically determine whether they achieve their desired return on equity, as contemplated under the legislative mandate of HRS § 269-16.1. That consistency has defined Ulupono's engagement since the PBR docket was first opened. Ulupono views this proposal as part of an iterative process toward fuller realization of the Legislature's mandate, especially given that PBR is not a static construct but rather is refined through implementation, evaluation, and adjustment. The Hawai'i Ratepayer Protection Act does not require perfection – it requires forward movement and structural alignment.

It should be noted that review of the Joint Proposal would not foreclose careful scrutiny of the proposed rebasing and the Commission will continue to retain regulatory oversight. The

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[3] *See* Decision and Order No. 37507 filed Dec. 23, 2020 (Docket No. 2018-0088) ("D&O 37507").
[4] *See, e.g.,* Senate Bill 2487 (2026).

rebasing process could allow the Consumer Advocate and the PBR docket parties to analyze, evaluate, and challenge the Companies' proposals. This could include testing the Company's analyses and assessing risk allocation. Accordingly, Ulupono recognizes the Commission's role in ensuring proper procedures are followed in the parties' review of the Joint Proposal.

As usual, the Commission retains full discretion to determine the appropriate outcome based on the evidentiary record. In short, Ulupono's participation reflects confidence in the Commission's authority and responsibility to weigh evidence and balance competing considerations. The existence of a negotiated or proposed figure should not constrain the Commission's independent judgment in any manner, and established procedural and other safeguards should alleviate any such concerns with regard to the Joint Proposal.

Ulupono takes very seriously any proposed increase to electricity rates, recognizing that families and businesses in Hawai'i already face significant financial burdens. In the context of this proceeding, however, Ulupono supports the Joint Proposal because it represents an outcome that preserves the core benefits of the performance-based regulation framework for utility customers. At the same time, Ulupono emphasizes that the Commission has a fundamental obligation to carry out the Legislature's directive to implement performance-based regulation under the Hawai'i Ratepayer Protection Act. These statutory provisions are not aspirational – they are mandatory. The regulatory framework must therefore continue to evolve in a manner consistent with that directive, even when short-term pressures arise. Maintaining PBR as the governing paradigm, rather than allowing it to become a temporary experiment, is essential to protecting both ratepayers and the long-term integrity of Hawai'i's clean energy transition.

III. THE $170 MILLION REVENUE ADJUSTMENT IS SUPPORTED BY TECHNICAL ANALYSES

The $170 million revenue requirement set forth in the Joint Proposal is supported by technical and financial analyses.

After extensive discussions with the Companies and the parties in the Working Group process, including careful consideration of multiple potential rebasing proposals, Ulupono has concluded that it strongly supports the Joint Proposal, including the revenue requirement adjustment of $170 million during the rebasing process and for MRP2. This adjustment achieves an appropriate balance between utility financial integrity, customer cost minimization, and the ability of the utility and the State to advance key energy policy priorities.

In reaching this conclusion, Ulupono examined the following areas:

- Whether any Annual Revenue Adjustment ("ARA") mechanisms did not function as intended in MRP1, therefore requiring correction;
- Whether a material change in business circumstances or rate fundamentals warranted a financial adjustment; and

- If a financial adjustment is warranted, whether it falls within a reasonable range of the amount of adjustment that a cost-of-service analysis would support.

Through further extensive discussions in the Working Group process, Ulupono identified three items that justify the proposed revenue adjustment, which may be summarized as follows: (1) an adjustment to account for the true cost of inflation, (2) an adjustment for material changes in depreciation for the steam units, and (3) an adjustment to account for changes in the insurance environment facing the company. The combined estimate of these three adjustments is $170 million. As explained below, a rough cost-of-service analysis, based on 2024 data with reasonable pro forma adjustments, yields a comparable figure of $180 million.

A. PBR Adjustments – Inflation

Notwithstanding wildfire mitigation-related obligations and expenses that arose during MRP1, earnings sharing was not triggered under the PBR framework during MRP1, and customers continued to benefit from the consumer dividend, the management audit, and the rate freeze.[5] In addition, it is Ulupono's understanding that all of the parties in the PBR docket support continuation of the PBR framework, including the transition to MRP2.

The Working Group process, however, identified a structural issue concerning the inflation factor used to set rates. For MRP1, rates were established using forecasted rather than actual inflation. The significant and largely unforeseen spike in inflation that occurred during MRP1 was not reflected in those forecasts, and the resulting discrepancy was never trued up to actual experience, nor did it reverse over time. As a consequence, the revenue adjustments that were intended to track inflation fell short of what the PBR framework contemplated. Ulupono supports correction of this on two separate but related fronts. First, there should be a one-time true-up to align allowed revenues with the actual inflation experienced during MRP1. Second, there should be a prospective policy change for MRP2 to base the inflation adjustment on actual rather than forecasted inflation, which should be discussed in Phase 6.

The one-time true-up amount would result in an $83 million increase in rates to begin MRP2.

B. Business Circumstance Change – Fossil Unit Phase Out

At the time rates were set for MRP1, there were no adjustments to depreciation rates. During MRP1, however, the Companies filed for adjusted depreciation rates in Docket 2024-0199. The docket was settled with the Consumer Advocate and the settlement was approved by the Commission in Decision and Order No. 41909 filed September 2, 2025. These adjusted

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[5] By Order No. 40222, the Commission suspended the earnings sharing mechanism for the Hawaiian Electric Companies effective October 1, 2023. That mechanism remains suspended.

depreciation rates have not been implemented to date (and are typically implemented during rate cases).

Using 2023 plant balances, Order No. 41909 included a $60.9 million change to depreciation rates. The majority of this change was due to an increase in the steam production plant depreciation rates from 4.5% to 8.2%. It is noted that pursuant to Executive Order No. 25-01, issued by Gov. Green, "It shall be the policy of the state to accelerate Hawai'i's energy transition to achieve 100% renewable electricity production in the counties of Hawai‘i, Kaua‘i, and Maui by 2035." In alignment with this policy, the change in the depreciation rates will result in paying off the fossil units much closer to 2035. As of 2023, the net plant of the steam units was over one billion dollars (specifically, $1,055,145,150). At the current depreciation rate, the units will be paid off in 22 years, or roughly by 2045. With the new depreciation rate pursuant to Order No. 41909, the units will be paid off roughly a decade earlier.

Accelerated Depreciation of Fossil Units

Reference Year 2023	Annual depreciation rate	Annual depreciation amount ($ million)	Years to Depreciate (assuming 2024 start)	Year fully depreciated
Current depreciation rates	4.51%	$47.595	22	2045
Approved new depreciation rates	8.20%	$86.531	12	2035

The effect of this change in depreciation in MRP2, including applicable taxes, is $45 million.

C. Business Circumstance Change – Insurance Environment

The insurance environment has changed since rates were originally set in the 2019 timeframe. Because of the number of storms, wildfires and other events nationally, rates offered by the insurance industry have risen considerably more than at the rate of inflation. Many utilities – especially in wildfire-prone areas – have seen large increases. Some utilities are simply unable to obtain coverage as insurers exit the market. As has been reported in the media, this is a regional issue:

> Western utilities and beyond are finding it prohibitively expensive, if not impossible, to insure against potential fire-related claims. The trouble comes after power companies from Hawaii to Texas

> have collectively faced tens of billions of dollars in damages from wind-driven wildfires linked to their equipment. The issue will become more pressing as climate change makes droughts more intense and frequent, heightening the chances of more destructive infernos.[6]

In the Working Group process, the Companies shared information from insurance providers demonstrating outsize increases in insurance premiums, which are expected to be ten times the level prior to the Maui wildfires. There is also a concern that increased insurance coverage would not adequately cover a future wildfire event. As additional research in support of the Joint Proposal, Ulupono examined a report by the National Labs which noted that PGE had a 16 times increase in premiums and PacifiCorp had a 35 times increase in cost.[7] This further supports the conclusion that large premium increases are not unusual in wildfire zones, and increased levels of insurance coverage is warranted.

Given this environment, Ulupono submits extreme cost pressure will continue to raise insurance premiums, and increased premiums may be the new normal even if the Maui wildfires had not occurred. After extensive discussions in the Working Group process, Ulupono ultimately supports the amount of $42 million to partially compensate the Companies for the increase in insurance premiums.

This alternative rebasing approach fundamentally assumes that rates were originally set fairly and that the drivers of rebasing are corrections to the PBR framework and significant industry changes that have a financial impact on the utility. The sum of these three changes is $170 million.

Alternative Rebasing Proposal

Item	Description	Value
Insurance	New insurance environment since when rates were last reset	Up to $67 million Reduced to $42 million
Fossil unit phase out	Steam assets accelerated depreciation	$45 million
Inflation correction	Adjustment for actual inflation from 2021 to 2024	$83 million
Total		$170 million

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[6] Financial Times (June 24, 2024).
[7] DOE, Battelle, Pacific Northwest National Laboratory
Wildfire Risk: Review of Utility Industry Trends; July 2025, Barlow et al., *available at*
https://www.pnnl.gov/sites/default/files/media/file/Wildfire%20Risk%20Review%20of%20Utility%20Industry%20Trends_PNNL_July%202025.pdf

D. Verification of Revenue Adjustment with Rough Cost-of-Service Method

To verify the resulting revenue adjustment of $170 million, Ulupono also conducted a rough cost-of-service analysis based on known 2024 historical data and pro-forma adjustments. The objective was not to determine an exact cost-of-service figure, but to determine if the alternative rebasing amount (i.e., the proposed $170 million) was reasonable. The verification also serves as a tool to ensure that a net change is warranted and to guard against cherry-picking only those issues that cause increases, and excluding issues that do not result in increases.

Ulupono used publicly available data from annual reports filed with the Commission and data provided by the Companies in discovery. The total figure based on this rough cost-of-service analysis is in the range of $180 million. Key assumptions on the analysis are noted below.

It is submitted that the fact that two separate methodologies (i.e., the rebasing methodology discussed above and in the Joint Proposal, as well as this rough cost-of-service analysis) result in practically the same revenue adjustment figure in the $170 million range strongly supports the conclusion that the adjustment amount is reasonable and supported by robust analyses.

Cost of Service Verification of Rebasing Amount

Item	Description	Value
2024 Cost of Service	Rough 80% effort cost of service based on known data	$53 million
Inflation	2025 inflation ARA	$8 million
Insurance	Pro forma adjustment for insurance change since 2024	$54 million
Depreciation	Pro forma adjustment for steam unit depreciation rates	$45 million
Estimated 2025 and 2026 rate base changes	Pro forma changes for revenue requirements for "typical" ARA annual increase in rate base	$20 million
Total		$180 million

The rough "80% effort" cost-of-service analysis is based on the following data and information. The year 2024 served as the test year, which due to the focus on wildfires at the time and with those costs removed, the resulting costs were more sparse than usual.[8] The latest

[8] The Companies also experienced difficulty in accessing the capital markets at this time.

available annual returns, with 2024 historical data, were used. The analysis included Major Project Interim Recovery ("MPIR") costs and revenues in 2024, the management audit was removed, regulatory assets and liabilities were refreshed, and an adjustment was made to remove wildfire claims from operations and management ("O&M") expenses. ROE and the hypothetical equity layer were unchanged. The resulting figures and the ARA amounts were adjusted to 2026 dollars with inflation amounts of 2.7% and 2.0%.

Four pro-forma adjustments were included, as follows: (1) the insurance change discussed earlier, which is a known and measurable change in insurance since 2024; (2) incorporation of the effect of the Commission-approved depreciation rates for the steam facilities; (3) adjustment for 2025 ARA rate base, based on a "typical" year, with the methodology described below; and (4) an adjustment for 2026 ARA rate based, also based on a "typical" year.

For the pro forma adjustments for 2025 and 2026, these are based on historical trends to determine a "typical" revenue requirement, based on a level of smoothed rate base additions. Looking at a five-year average from 2020 to 2024 of rate base changes due to net plant (for both ARA plant and Exceptional Project Recovery Mechanism ("EPRM")), we found that, on average, net plant increased $85 million per year, and that rate base associated with the change in net plant is roughly $76 million per year.

Changes in Net Plant and Rate Base

($ Million)	Total	ARA	Non-ARA
Average change in net plant from 2020-2024	$85.4	$65.7	$19.7
Estimated typical annual change in rate base due to net plant change	$76.0	$58.5	$17.5

We converted these estimated typical rate base numbers to revenue requirements using ratios. The revenue requirement from depreciation was calculated using a depreciation-to-net-plant ratio and the revenue requirement for capital was calculated using a cost-of-capital-after-taxes-to-rate-base ratio. The average revenue requirement for ARA plant was approximately $10 million per year.

The figures from both methods – the alternative rebasing and the rough cost-of-service – are fairly close to each other even though they have been derived from different thought patterns. This provides a further basis for Ulupono's support for the rebasing amount of $170 million, as set forth in the Joint Proposal.

The following exhibits provide additional detail and analysis in support of this Joinder and the Joint Proposal.

List of Exhibits

Exhibit Number	Exhibit Name	Description
UI Exhibit 1	Rebasing Verification	Summary of all the items in the cost-of-service method rebasing analysis
UI Exhibit 2	HECO 2024 Revenue Requirement Calculation	2024 revenue deficiency of \$5.8 million
UI Exhibit 3	MECO 2024 Revenue Requirement Calculation	2024 revenue deficiency of \$36.3 million
UI Exhibit 4	HELCO 2024 Revenue Requirement Calculation	2024 revenue deficiency of \$9.0 million
UI Exhibit 5	Rate base adjustments	Workpaper: Specific adjustments to rate base made by the company sourced from discovery
UI Exhibit 6	Capital structure reconciliations	Workpaper: Reconciliation of annual report numbers to rate making numbers for capital structure
UI Exhibit 7	2025 ROE	List of electric utility ROEs awarded for 2025
UI Exhibit 8	Pro-forma revenue requirement on rate base	Calculation of a typical change in rate base due to net plant additions and approximate resulting revenue requirement
UI Exhibit 9	HECO Form 1	Workpaper: Raw historical Form 1 data used as the basis for the analysis
UI Exhibit 10	MECO Form 1	Workpaper: Raw historical Form 1 data used as a basis for the analysis
UI Exhibit 11	HELCO Form 1	Workpaper: Raw historical Form 1 data used as a basis for the analysis
UI Exhibit 12	Regulatory Assets	Workpaper: 2024 regulatory assets provided in discovery

IV. THE PIM POOL IS CRITICAL TO ENSURING UTILITY PERFORMANCE REMAINS A CENTRAL FOCUS IN MRP2

Consistent with the Joint Proposal, for MRP2 Ulupono recommends a more robust PIM total available amount, or "pool," with up to 200 basis points at risk, with a downside of 50 basis points and an upside of 150 basis points ("PIM pool").

A. The 200 Basis Points PIM Pool Is Aligned with the 2018 Hawai'i Ratepayer Protection Act.

A robust performance-based ratemaking structure follows the statutory mandate of the 2018 Ratepayer Protection Act. This Act explicitly requires the Commission to establish "performance incentive and penalty mechanisms that directly tie electric utility revenues to a utility's achievement on performance metrics and break the direct link between allowed revenues and investment levels." It was enacted based in part on affordability and cost concerns, misaligned incentives, and the necessity to comply with statutory mandates guiding Hawai'i's energy transition.

By creating meaningful financial consequences for both underperformance and superior achievement, the Joint Proposal helps to further fulfill the Act's transformative intent. The Legislature specifically found that prior performance incentives had not been transformative in urgently moving electric utilities toward the State's ambitious energy policy goals. A 200 basis points PIM pool provides sufficient magnitude to continue to fundamentally reshape utility behavior, while the asymmetric design – offering three times more upside than downside – appropriately balances the dual legislative objectives of protecting ratepayers through penalties while incentivizing exceptional performance in renewable energy integration, customer service, and grid modernization that Hawai'i's clean energy future demands.

B. The 200 Basis Points Structure Is in Line with Commission Staff's Prior Proposal.

The proposed 200 basis points structure directly implements the Commission staff's original recommendation for "between three and six PIMs that, in total, would provide the HECO Companies with incentives that would increase or decrease earnings by 150-200 basis points."[9] Staff determined this amount "reflects a sufficient fraction of the utility's income in order to motivate meaningful improvements in performance." Ulupono agrees and views this as providing an important additional basis in the record for Commission approval of the Joint Proposal.

[9] Staff Proposal for Updated Performance-Based Regulations, filed on February 7, 2019 in Docket No. 2018-0088, at 34.

C. The MRP1 PIM Rewards Were Plainly Deficient.

Experience with MRP1 plainly demonstrates that deficient PIM rewards are unable to deliver the necessary transformational results. Although Commission staff originally proposed a PIM portfolio of 150-200 basis points, the Commission adopted a "more conservative" initial portfolio to "accommodate future PIMs and/or SSMs that may be developed in the Post-D&O Working Group and/or in other proceedings."[10] The result, as illustrated in the table below, was that earned PIMs constituted only a minimal fraction of total utility earnings. This was insufficient to capture investor attention or meaningfully influence utility decision-making and resource allocation. Performance incentives that represent mere rounding errors in earnings statements cannot drive the fundamental behavioral change that Hawai'i's renewable energy transformation requires.

Importance of PIM Rewards to Companies' Earnings Per Share

Year	PIM Rewards as Percent of Earnings Per Share
2022	1.5%
2023	0.5%
2024	-(0.4)%

D. The PIM Pool Rewards Will Create Benefits for Utility Customers.

Ulupono appreciates the view that all utility regulation is fundamentally incentive regulation. The only question is whether the incentives align with customer interests and policy goals. Traditional cost-of-service regulation systematically incentivizes utilities to invest in capital expenditures, extend the operational life of fossil-fuel generation, and maintain utility ownership of generation assets, regardless of whether these choices deliver the lowest-cost energy solutions. A PBR framework that brings to bear robust financial consequences helps reverse these perverse incentives.

In brief summary, Ulupono affirms that performance incentives should drive selection of the lowest (net present value) price solution capable of achieving the stated goal, should be agnostic as to utility or non-utility ownership (make versus buy), and also should not favor any specific technology.

Achieving these outcomes requires incentives powerful enough to overcome decades of embedded institutional bias. Ulupono submits that a 200 basis points PIM pool, as featured in the Joint Proposal, is capable of delivering these results. The customer benefits are tangible and

[10] D&O 37507 at 94 n. 164.

measurable, as demonstrated by the benefits to utility customers of low cost renewable energy from utility scale solar plus storage projects procured by the Companies during MRP1. The real-world benefits from these projects further evidence that when utilities are properly incentivized to procure least-cost resources regardless of ownership structure, customers win.

E. The PIM Pool Incentive Range Is Reasonable.

The 200 basis points proposed for the PIM pool falls well within established regulatory norms for return on equity ("ROE") awarded to electric utilities. Across the United States, awarded ROEs in 2025 have ranged from 9.25% to 10.95%, with a median of 9.78%. The cases most comparable to Hawai'i's electric utilities are the very recent decisions on cost of capital for California electric utilities, since the Companies are also dealing with extreme wildfire risk, an energy transition, and affordability concerns. The California Public Utilities Commission ("CPUC") recently awarded Pacific Gas & Electric an ROE of 9.98%, an ROE of 10.03% to Southern California Edison, and an ROE of 9.93% to San Diego Gas & Electric for their respective upcoming multi-year plans. By keeping the target ROE at 9.5%, the Joint Proposal is on the lower side of the range. The 200 basis points PIM pool would be equivalent to a potential ratemaking ROE range of 9.0% to 11.0% for the Companies, which compares very favorably to the ROEs awarded to both of the California utilities noted above, and the range of electric ROEs awarded nationally.

This spread of approximately 170-basis-points for ROEs in other parts of the country reflects judgments by regulators concerning risk, operational excellence, and market conditions. Regulators nationwide are comfortable with a 170 basis points differential in baseline authorized returns unconnected to performance outcomes. The 200 basis points PIM pool, which is explicitly tied to measurable achievement of critical policy goals and customer benefits, represents conservative and prudent regulatory design.

Moreover, the asymmetric structure – capping downside exposure at 50 basis points while allowing 150 basis points of upside – provides meaningful protection against financial distress while creating substantial headroom for exceptional performance. In this manner the Joint Proposal appropriately balances ratepayer protection with the need to attract capital and reward transformational results in renewable integration, grid modernization and customer service excellence.

F. PIM Pool Allocation: 100 Basis Points for Utility Service Quality.

Consistent with the Joint Proposal, Ulupono recommends the following PIM pool structure as tied to utility service quality.

1. Value: 100 basis points of authorized ROE tied to utility performance, with 50 basis points of penalties potential and 50 basis points of award potential

2. Anticipated Metrics (TBD): Performance metrics and priority outcomes. Some or all of these PIMs should have a range of incentive results, with, for example, incentive rewards or penalties impacted by performance to minimum, target, and maximum. The metrics can vary and include items relating to improved customer experience or improved utility performance.

3. Qualification: To qualify for positive incentives, performance must be higher than the average of a representative benchmark, preferably an external utility benchmark with past performance allowable.

G. Symmetric Risk allows for Balanced Service Quality Accountability.

Allocating 100 basis points of the performance pool to service quality metrics – with 50 basis points of downside risk and 50 basis points of upside opportunity – establishes appropriate symmetric accountability that exceeds typical utility regulation. Unlike traditional cost-of-service frameworks that provide no financial consequences for service deterioration, this structure ensures that customers receive tangible protection against degraded reliability or responsiveness during MRP2. Multi-year rate plans inherently create tension between utility cost management and service quality. Absent performance monitoring and consequences, utilities could face pressure to achieve savings through deferred maintenance, reduced staffing, or other measures that compromise customer experience. Symmetric service PIMs resolve this tension by providing financial rewards for demonstrable service improvements while imposing penalties for backsliding.

The graduated range structure offers critical advantages over binary pass-fail metrics. Rather than creating cliff effects where utilities either fully achieve targets or receive nothing, a performance range recognizes incremental progress and proportional consequences. A utility that improves reliability by 8% when the target is 10% earns partial credit; conversely, modest service degradation triggers measured penalties rather than relatively harsh financial impacts. The proposed PIM pool design encourages sustained effort across the performance spectrum and provides regulatory stability.

Critically, any service-based earnings must be benchmarked against robust performance standards to ensure that utility financial gains correlate with genuine customer benefits. Appropriate PIM design requires baseline metrics reflecting historical performance, peer utility comparisons, and customer satisfaction data, with upside earnings available only when service demonstrably exceeds these benchmarks. Customers should never subsidize utility profits for merely maintaining the status quo – earned incentives must reflect measurable, verified improvements in reliability, outage duration, customer service responsiveness, or other quantifiable service dimensions that enhance the customer experience.

H. PIM Pool Allocation: 100 Basis Points for Acceleration of Priority Policy Goals.

Consistent with the Joint Proposal, Ulupono recommends the following PIM pool structure as tied to acceleration of priority policy goals

1. Value: 100 basis points of authorized ROE reward potential tied to utility performance on emergent or key policy outcomes

2. Anticipated Metrics (TBD): These can include the Renewable Portfolio Standard - Accelerated PIM and other PIMs aligned with Hawai'i energy statutory mandates and policy goals. These could also include wildfire public safety and resilience. Initiatives are to be determined in Phase 6, but must include some emphasis on decarbonization and climate resiliency.

3. Qualification: Incentive awards are allocated primarily to initiatives that have benefit-cost ratios greater than 1.5.

I. Customers Benefit from Measurable Value Through Cost-Effective Acceleration of Priority Policy Goals/

Performance incentives targeting priority policy outcomes with benefit-cost ratios exceeding 1.5 allow customers and the utility to both obtain benefits. Bounding the total maximum value of the PIMs improves customer protection.

Policy-focused PIMs provide a complementary and more agile mechanism to legislative mandates for advancing Hawai'i's energy transformation in a forward-looking manner. While statutes establish requirements and deadlines, performance incentives create real-time financial motivation to exceed minimums and accelerate timelines. Legislative changes generally operate on multi-year cycles and apply broad directives. In a complementary manner, PIMs allow recalibration, target specific bottlenecks and outcomes, and reward incremental progress. This dual approach, with legislative floors and incentives for performance-based acceleration, strengthens and helps to timely achieve the identified policy priorities.

Equally important, the collaborative process of developing and refining policy PIMs creates structured dialogue among utilities, regulators, consumer advocates, environmental stakeholders, and other constituencies about priority goals and implementation pathways. This stakeholder engagement builds consensus on what matters most, establishes shared definitions of success, and increases transparency around tradeoffs. When diverse parties participate in crafting performance metrics, the resulting targets reflect community values rather than utility preferences alone, strengthening public confidence and regulatory legitimacy.

V. THE COMMITMENT TO A FUTURE PBR REBASING PROCESS IS INTEGRAL TO THE JOINT PROPOSAL

With regard to entering into the Joint Proposal, a continuing and primary focus for Ulupono has been ensuring that the regulatory process for electric utility rate rebasing continues to transition away from traditional cost of service ratemaking and toward rebasing that is fully aligned with the tenets of the PBR framework. As Ulupono has emphasized throughout its extensive involvement in the PBR docket since its inception in 2018, the PBR framework represents and indeed establishes a paradigm shift toward performance-based processes and procedures, including (but certainly not limited to) rebasing and ratemaking procedures.

Accordingly, Ulupono strongly supports the commitment by the Joint Parties, and the recommendation as set forth in the Joint Proposal, for the Companies, Ulupono and all parties to further investigate PBR-supportive rebasing for future MRPs. Specifically, beginning in Year 1 of MRP2, the PBR Working Group will be convened to work on a potential proposal to standardize a process to rebase rates before the beginning of MRP3. For clarity, the process developed through the Working Group efforts would be a rebasing methodology intentionally and expressly aligned with the PBR framework.

VI. CONCLUSION

For all of the reasons set forth in this Joinder, Ulupono supports Commission approval of the Joint Proposal.

		Currency year			
	($ thousands)	2024	2025	2026	Reference
1	Inflation factor		2.70%	2.00%	Estimate
2					
3	**2024 Cost of Service (Rough, done at 80% effort)**				
4					
5	HECO rev requirement, after rev tax	5,810			Exhibit 2, Page 3, line 23
6	MECO rev requirement, after rev tax	36,281			Exhibit 3, Page 3, line 23
7	HELCO rev requirement, after rev tax	9,038			Exhibit 4, Page 3, line 23
8	Total	51,129			Sum of lines 1 to 3
9	Inflate to 2025, 2026		52,510	53,560	Line 8 times line 1
10					
11	**Pro-forma net plant adjustments**				
12	Pro-forma adjustment for 2025 ARA rate base, based on "typical" year	9,748			Exhibit 8, Page 1, line 36
13	Pro-forma adjustment for 2026 ARA rate base, based on "typical" year	9,748			Exhibit 8, Page 1, line 36
14	Total	19,497			
15	Inflate to 2025, 2026		20,023	20,424	Line 14 times line 1
16					
17	**Pro-forma known and measureable adjustments**				
18	Pro-forma adjustment for insurance		52,594		Provided by HECO (Confidential attachments)
19	Inflate to 2026			53,646	
20					
21	Pro-forma adjustment for depreciation				
22	Depreciation for steam plant at current rates	86,531			Docket No. 2024-0199, HECO-S-100, Page 1
23	Depreciation for steam plant at settlement rates	47,595			Docket No. 2024-0199, HECO-S-100, Page 2
24		38,936			Line 22- Line 23
25	Add 9.75% revenue tax	42,732			Line 24 * (1.0975)
26	Inflate to 2025, 2026		43,886	44,764	Line 25 times line 1
27					
28	**ARA adjustment to actuals for 2025**		7,597		Page 2
29	Inflate to 2026			7,749	
30					
31	Total			180,142	

Actual inflation adjustment			
	Infation	Cons. Div	Net
Forecasted 2025 GDPPI	2.20%	-0.22%	1.98%
Actual 2025 GDPPI	2.70%	-0.22%	2.48%
Difference	0.50%	0	0.50%
	ARA	Factor	Result
2024 ARA Amount built from forecasts	1,051,525	1.98%	20,820
2024 ARA Amount built from actuals	1,120,365	2.48%	27,785
Difference			6,965
With revenue tax of 9.075%			7,597

Insurance Adjustment (based on confidential attachments)

1		HECO	MECO	HELCO	Total
2	Property Insurance				
3	TY Forecasted expense	[redacted]			
4	2024 actual				
5	Increase				
6					
7	Liability Insurance				
8	TY Forecasted expense	[redacted]			
9	2024 actual				
10	Increase				
11					
12	Executive Risk and Cyber				
13	TY Forecasted expense	[redacted]			
14	2024 actual				
15	Increase				
16					
17	Total Insurance				
18	TY Forecasted expense	[redacted]			
19	2024 actual				
20	Increase	35,259	6,167	6,496	47,922
21					
22	With revenue tax of 9.075%	38,697	6,768	7,129	52,594

HECO 2024 Revenue Requirement Calculation - Ulupono Estimate
Income Statement
$ thousands

		2024	Less ECRC & PPAC	Net 2024	Reference 2024 AFR
1	Base Revenues	817,036		817,036	Page 300 line 15- line 10-line 8
2	Other Operating Revenue	32,871		32,871	Page 300 line 38
3	Gain on Sale of Land	51		51	Page 114 line 20
4	Total Operating excluding ECRC and PPAC revenues	849,958		849,958	Sum of lines 1 to 3
5	Energy Cost and Purchase Power revenues	1,429,559	1,429,559	-	Page 304/450 Footnote 1 (Total Billed ECAC Revenue)
6	**Total Operating Revenues**	**2,279,517**	**1,429,559**	**849,958**	Sum of lines 4 and 5; Page 114 line 2
7					
8	Fuel	790,004	790,004	-	Notes to Financial Statements 2024 (page 123-26)
9	Purchased Power	517,583	517,583	-	Page 327 line 14; consolidated statement of income
10	Production	89,342		89,342	Page 321 line 83 less line 13 and line 14
11	Transmission	23,367		23,367	Page 321 line 116
12	Distribution	66,439		66,439	Page 321 line 163
13	Customer Accounts (less allowance)	20,780		20,780	Page 321 line 171 less line 21
14	Allowance for Uncoll. Accts	2,640		2,640	Page 321 line 169
15	Customer Service	24,499		24,499	Page 321 line 178
16	Admin & General (less injuries and damages)	106,256		106,256	Page 321 line 205
17	Injuries and damages	15,256		15,256	*Page 321 line 194 of $1,547 million less $1,532 million for tort claims (DR15)*
18					
19	**Total Operation and Maintenance**	**1,656,167**	**1,307,587**	**348,580**	Sum lines 8 to 17; Also Page 323 line 206 -Page 322 line 185
20					
21	Depreciation & Amortization	169,505		169,505	Page 114 line 6
22	Amortization of new regulatory assets	5,406		5,406	*New reg assets: Response/restoration costs, 5 year life*
23	Amortization of new regulatory liabilities				
24	Amort of State ITC	(0)		(0)	Page 114 line 19
25	Taxes other than Income Tax	214,755	127,016	87,739	Page 114 line 14, taxes on purchaced power and fuel of 8.885%
26	Interest on Customer Deposits	613		613	Page 340 Line 29
27	Income Taxes	37,843		37,843	Page 261
28	Total Operating Expenses	2,084,289	1,434,603	649,686	Sum of lines 19 to 27
29				-	
30	**Total Operating Income**	**195,228**	**(5,044)**	**200,272**	*Line 6 minus line 28*

Since ECRC and PPAC do not net to zero, use total for total revenues

HECO 2024 Revenue Requirement Calculation - Ulupono Estimate
Rate Base Calculation
$ thousands

	Rate Base Calculation	Beginning	End	Average	
1	Net Cost of Plant in Service				
2	Net Utility Plant	3,676,430	3,752,918	3,714,674	Page 110 line 10
3	Less: Construction Work in Progress	(247,836)	(282,150)	(264,993)	Page 200 Line 11
4	Less: Plant Held for Future Use	(316)	(316)	(316)	Page 200 Line 10
5	Less: Property under capital leases	(335,318)	(367,365)	(351,342)	Page 200 Line 4
6	Add: Net ARO Reg Asset, ARO, net tenant allowance	(4,767)	(4,373)	(4,570)	Provided by Company, Discovery Set 1-4 Att 1
7	**Total Plant**	**3,088,192**	**3,098,714**	**3,093,453**	Sum of Lines 1 to 6
8					
9	Fuel Inventory	108,228	70,800	89,514	Page 110 line 36
10	Materials and Supplies Inventories	61,736	66,909	64,323	Page 110 line 39
11	Reg Assets - Income taxes SFAS 109	62,672	62,845	62,759	Page 232, line 29
12	Other Qualifying Regulatory assets			-	
13	Retired Generation Assets - NBV Reg Asset	29,930	40,953	35,442	Provided by Company, Discovery Set 1-4 Att 1
14	Pension Non-Service Cost Reg Asset	932	550	741	Provided by Company, Discovery Set 1-4 Att 1
15	RO Water Pipeline Reg Asset	4,143	4,027	4,085	Provided by Company, Discovery Set 1-4 Att 1
16	Deferred System Development Costs				
17	Budget System Replacement Project	12	-	6	Provided by Company, Discovery Set 1-4 Att 1
18	IVR	301	184	243	Provided by Company, Discovery Set 1-4 Att 1
19	CIS	1,728	508	1,118	Provided by Company, Discovery Set 1-4 Att 1
20	ERP/EAM	31,747	28,152	29,950	Provided by Company, Discovery Set 1-4 Att 1
21	GMS-Phase 1	9,399	8,414	8,907	Provided by Company, Discovery Set 1-4 Att 1
22					
23					
24	Other Hawaii specific adjustments to assets	(2,549)	(1,995)	(2,272)	Differences from Form 1 Provided by Company, Discovery
25					
26	**Total investment in Assets**	**3,396,471**	**3,380,061**	**3,388,266**	Sum of Lines 7 to 24
27					
28	Developer Advances	9,293	9,219	9,256	Provided by Company, Discovery Set 1-4 Att 1
29	Customer Advances	29,015	31,850	30,433	Page 113 line 55
30	Customer Deposits	10,568	12,481	11,524	Page 112 line 40
31	Accum Deferred Income Taxes, Account 282	296,902	307,980	302,441	Page 275A line 7
32	Unamort. ASC 740 Reg Liab - Excess ADIT	207,939	200,621	204,280	Page 278 line 13+14
33	Unamort State ITC (Gross)	47,463	42,022	44,743	Page 266 Line 7
34	Other Deductions				
35	Unamortized Federal EV Credit	13,466	12,812	13,139	Provided by Company, Discovery Set 1-4 Att 1
36	Unamortized Gain on Sale	94	43	69	Provided by Company, Discovery Set 1-4 Att 1
37	ERP Regulatory Liability	2,610	1,186	1,898	Provided by Company, Discovery Set 1-4 Att 1
38	Long-term payable to army	14,362	14,245	14,304	Provided by Company, Discovery Set 1-4 Att 1
39	Pension Tracking Reg. Liability	66,627	117,441	92,034	Provided by Company, Discovery Set 1-4 Att 1
40	OPEB Tracking Reg Liability	266	36	151	Provided by Company, Discovery Set 1-4 Att 1
41	Other Hawaii specific adjustments to deductions	22,620	11,196	16,908	Provided by Company, Discovery
42	**Total Deductions**	**698,605**	**749,935**	**724,270**	Sum of Lines 28 to 41
43					
44	Working cash	25,325	20,416	22,871	Provided by Company, Discovery Set 1-4 Att 1
45					
46	**Rate Base**	**2,723,191**	**2,650,542**	**2,686,867**	Line 26 - Line 42 + Line 44

HECO 2024 Revenue Requirement Calculation - Ulupono Estimate
Capitalization
$ thousands

	Capitalization					
			Beginning	**End**	**Average**	
1	Short-term debt					
2	Long-term debt		1,222,189	1,217,212	1,219,701	Page 112 Line 23 plus adjustments (WP D-04)
3	Preferred Stock		21,495	21,550	21,522	Page 112 line 3, plus adjustments (WP D-04)
4	Common Equity		1,689,420	1,746,025	1,717,723	Page 112 line 15 less preferred, plus adjustments (WP D-04)
5	**Total**		**2,933,104**	**2,984,788**	**2,958,946**	Sum of Lines 1 to 4
6						
7	Actual weighting		% of Total	Rate	Weighted	
8	Short-term debt		0.0%	0.00%	0.0%	Rate from UI-HECO DR 11 Att 1
9	Long-term debt		41.2%	4.51%	1.9%	Rate from UI-HECO DR 11 Att 1
10	Preferred Stock		0.7%	5.27%	0.0%	Rate from UI-HECO DR 11 Att 1
11	Common Equity		58.1%	9.50%	5.5%	*Existing ROE*
12	**Total**		**100.0%**		**7.41%**	Sum of lines 7 to 11
13						
14						
15						
16	**Revenue Requirement**	Rate %	**Beginning**	**End**	**Average**	
17	Return on rate base (actual)		201,852	196,467	199,159	Page 2 Line 46 times Line 12
18	Operating Income		195,228	195,228	195,228	Page 1 line 30
19	Deficiency		6,623	1,238	3,931	Line 17 - Line 18
20	Deficiency (after fed/state tax)	25.75%	8,920	1,668	5,294	Line 19/ (1-effective tax rate)
21	Deficiency (after revenue tax)	1.098	**9,790**	**1,830**	**5,810**	Line 20* revenue tax gross up

MECO 2024 Revenue Requirement Calculation - Ulupono Estimate

Income Statement

$ thousands

		2024	Less ECRC & PPAC	Net 2024	Reference 2024 AFR
1	Base Revenues	193,099		193,099	Page 300 line 15- line 10-line 8
2	Other Operating Revenue	5,622		5,622	Page 300 line 38
3	Gain on Sale of Land	-		-	Page 114 line 20
4	Total Operating excluding ECRC and PPAC revenues	198,721		198,721	Sum of lines 1 to 3
5	Energy Cost and Purchase Power revenues	241,710	241,710	-	Page 304/450 Footnote 1 (Total Billed ECAC Revenue)
6	**Total Operating Revenues**	**440,432**	**241,710**	**198,721**	Sum of lines 4 and 5; Page 114 line 2
7					
8	Fuel	166,322	166,322	-	Notes to Financial Statements 2024 (page 123-26)
9	Purchased Power	53,702	53,702	-	Page 327 line 14; consolidated statement of income
10	Production	37,656		37,656	Page 321 line 83 less line 13 and line 14
11	Transmission	7,918		7,918	Page 321 line 116
12	Distribution	25,472		25,472	Page 321 line 163
13	Customer Accounts (less allowance)	7,167		7,167	Page 321 line 172 less line 170
14	Allowance for Uncoll. Accts	1,261		1,261	Page 321 line 170
15	Customer Service	4,502		4,502	Page 321 line 178
16	Admin & General (less injuries and damages)	29,595		29,595	Page 321 line 205
17	Injuries and damages	3,441		3,441	*Page 323 line 195 of $194.9 million less $191.5 million for tort claims (DR15)*
18					
19	**Total Operation and Maintenance**	**337,036**	**220,024**	**117,012**	Sum lines 8 to 17; Also Page 323 line 206 -Page 322 line 185
20					
21	Depreciation & Amortization	39,596		39,596	Page 114 line 6
22	Amortization of new regulatory assets	4,819		4,819	*New reg assets: Response/restoration costs, 5 year life*
23	Amortization of new regulatory liabilities				
24	Amort of State ITC	-		-	Page 114 line 19
25	Taxes other than Income Tax	41,128	21,476	19,652	Page 114 line 14
26	Interest on Customer Deposits	63		63	Page 340 Line 29
27	Income Taxes	(5,297)		(5,297)	Page 261 times 21%
28	Total Operating Expenses	417,344	241,500	175,844	Sum of lines 19 to 27
29					
30	**Total Operating Income**	**23,088**	**211**	**22,877**	*Line 6 minus line 28*
					Since ECRC and PPAC do not net to zero, use total for total revenues

MECO 2024 Revenue Requirement Calculation - Ulupono Estimate

Rate Base Calculation

$ thousands

	Rate Base Calculation	Beginning	End	Average	
1	Net Cost of Plant in Service				
2	Net Utility Plant	781,259	884,291	832,775	Page 110 line 10
3	Less: Construction Work in Progress	(38,899)	(52,218)	(45,559)	Page 200 Line 11
4	Less: Plant Held for Future Use	(2,756)	(2,717)	(2,736)	Page 200 Line 10
5	Less: Property under capital leases	(9,551)	(56,308)	(32,930)	Page 200 Line 4
6	Add: ARO, Reg Asset for ARO, unbilled pole credits	(1,742)	(1,640)	(1,691)	Provided by Company, Discovery Set 1-4 Att 1, also MECO-WP-D-001
7	**Total Plant**	**728,311**	**771,408**	**749,860**	Sum of Lines 1 to 6
8					
9	Fuel Inventory	22,041	14,339	18,190	Page 110 line 36
10	Materials and Supplies Inventories	34,476	32,739	33,608	Page 110 line 39
11	Regulatory Assets - Income taxes SFAS 109	9,129	8,645	8,887	Page 232, line 22
12	Other Qualifying Regulatory assets				
13	Pension Tracking reg asset				Provided by Company, Discovery Set 1-4 Att 3
14	Pension non-service cost Reg Asset	313	323	318	Provided by Company, Discovery Set 1-4 Att 3
15	OPEB Tracking reg asset	218	793	506	Provided by Company, Discovery Set 1-4 Att 3
16	Deferred System Development Costs				
17	Budget System Replacement Project	3	-	1	Provided by Company, Discovery Set 1-4 Att 3
18	IVR	60	37	49	Provided by Company, Discovery Set 1-4 Att 3
19	CIS	330	97	214	Provided by Company, Discovery Set 1-4 Att 3
20	GMS-Phase 1	2,036	1,822	1,929	Provided by Company, Discovery Set 1-4 Att 3
21					
22					
23					
24	Other Hawaii specific adjustments to assets	(3,302)	(1,036)	(2,169)	Differences from Form 1 Provided by Company, Discovery
25					
26	**Total Investment in Assets**	**793,614**	**829,169**	**811,392**	Sum of Lines 7 to 24
27					
28	Developer Advances	1,930	3,005	2,468	Provided by Company, Discovery Set 1-4 Att 3
29	Customer Advances	18,301	20,627	19,464	Page 113 line 55
30	Customer Deposits	1,767	832	1,299	Page 112 line 40
31	Accum Deferred Income Taxes, Account 282	62,017	65,353	63,685	Page 275A line 5
32	Unamort. ASC 740 Reg Liab - Excess ADIT	45,685	43,214	44,450	Page 278 line 13
33	Unamort State ITC (Gross)	11,408	10,866	11,137	Page 266 Line 7
34	Other Deductions				
35	Unamortized CIAC	9,850	8,726	9,288	Provided by Company, Discovery Set 1-4 Att 3
36	Unamortized federal EV credit	99	91	95	Provided by Company, Discovery Set 1-4 Att 3
37					
38					
39	Pension tracking reg liablity	9,906	19,991	14,949	Provided by Company, Discovery Set 1-4 Att 3
40					
41	Other Hawaii specific adjustments to deductions	6,943	6,908	6,926	Provided by Company, Discovery
42	**Total Deductions**	**167,905**	**179,615**	**173,760**	Sum of Lines 28 to 41
43					
44	Working cash	6,481	4,972	5,726	Provided by Company, Discovery Set 1-4 Att 3
45					
46	**Rate Base**	**632,190**	**654,525**	**643,358**	*Line 26 - Line 42 + Line 44*

MECO 2024 Revenue Requirement Calculation - Ulupono Estimate
Capitalization
$ thousands

			Beginning	End	Average	
	Capitalization					
1	Short-term debt		70,500	62,200	66,350	Amount from UI-HECO DR 11 Att 3, DR 36
2	Long-term debt		257,821	256,775	257,298	Page 112 Line 23, plus adjustments
3	Preferred Stock		4,859	4,869	4,864	Page 112 line 3, plus adjustments
4	Common Equity		361,841	427,715	394,778	Page 112 line 15 less preferred
5	Total		695,021	751,559	723,290	Sum of Lines 1 to 4
6						
7	Actual weighting		% of Total	Rate	Weighted	
8	Short-term debt		9.2%	6.92%	0.6%	Rate from UI-HECO DR 11 Att 3, DR 36
9	Long-term debt		35.6%	4.30%	1.5%	Rate from UI-HECO DR 11 Att 3
10	Preferred Stock		0.7%	8.04%	0.1%	Rate from UI-HECO DR 11 Att 3
11	Common Equity		54.6%	9.50%	5.2%	*Existing ROE*
12	Total		100.0%		7.40%	Sum of lines 7 to 11
13						
14						
15						
16	**Revenue Requirement**	Rate %	**Beginning**	**End**	**Average**	
17	Return on rate base (actual)		46,805	48,459	47,632	Page 2 Line 46 times Line 12
18	Operating Income		23,088	23,088	23,088	Page 1 line 30
19	Deficiency		23,718	25,372	24,545	Line 17 - Line 18
20	Deficiency (after fed/state tax)	25.75%	31,944	34,171	33,058	Line 19/ (1-effective tax rate)
21	Deficiency (after revenue tax)	1.098	**35,059**	**37,503**	**36,281**	Line 20* revenue tax gross up

HELCO 2024 Revenue Requirement Calculation - Ulupono Estimate
Income Statement
$ thousands

		2024	Less ECRC & PPAC	Net 2024	Reference 2024 AFR
1	Base Revenues	195,667		195,667	Page 300 line 15- line 10-line 8
2	Other Operating Revenue	8,159		8,159	Page 300 line 38
3	Gain on Sale of Land	-		-	Page 114 line 20
4	Total Operating excluding ECRC and PPAC revenues	203,826		203,826	Sum of lines 1 to 3
5	Energy Cost and Purchase Power revenues	279,889	279,889	-	Page 304/450 Footnote 1 (Total Billed ECAC Revenue)
6	**Total Operating Revenues**	**483,715**	**279,889**	**203,826**	Sum of lines 4 and 5; Page 114 line 2
7					
8	Fuel	121,719	121,719	-	Notes to Financial Statements 2024 (page 123-26)
9	Purchased Power	132,086	132,086	-	Page 327 line 14; consolidated statement of income
10	Production	29,714		29,714	Page 321 line 83 less line 13 and line 14
11	Transmission	13,891		13,891	Page 321 line 116
12	Distribution	18,607		18,607	Page 321 line 163
13	Customer Accounts (less allowance)	7,901		7,901	Page 321 line 171 less line 21
14	Allowance for Uncoll. Accts	334		334	Page 321 line 169
15	Customer Service	3,286		3,286	Page 321 line 178
16	Admin & General (less injuries and damages)	19,366		19,366	Page 321 line 205
17	Injuries and damages	4,186		4,186	Page 323 line 194 of $195.7 million less $191.5 million for tort claims (DR15)
18					
19	**Total Operation and Maintenance**	**351,089**	**253,805**	**97,285**	Sum lines 8 to 17; Also Page 323 line 206 -Page 322 line 185
20					
21	Depreciation & Amortization	44,100		44,100	Page 114 line 6
22	Amortization of new regulatory assets	924		924	*New reg assets: Response/restoration costs, 5 year life*
23	Amortization of new regulatory liabilities				
24	Amort of State ITC	-		-	Page 114 line 19
25	Taxes other than Income Tax	44,937	24,868	20,069	Page 114 line 14
26	Interest on Customer Deposits	195		195	Page 340 Line 29
27	Income Taxes	5,531		5,531	Page 261
28	Total Operating Expenses	446,775	278,673	168,103	Sum of lines 19 to 27
29				-	
30	**Total Operating Income**	**36,940**	**1,216**	**35,724**	*Line 6 minus line 28*

Since ECRC and PPAC do not net to zero, use total for total revenues

HELCO 2024 Revenue Requirement Calculation - Ulupono Estimate
Rate Base Calculation
$ thousands

	Rate Base Calculation	Beginning	End	Average	
1	Net Cost of Plant in Service				
2	Net Utility Plant	766,845	773,227	770,036	Page 110 line 10
3	Less: Construction Work in Progress	(33,488)	(31,341)	(32,414)	Page 110 line 3
4	Less: Plant Held for Future Use	(9)	(9)	(9)	Page 200 line 10
5	Less: Property under capital leases	(62,582)	(56,342)	(59,462)	Page 200 line 5
6	Add: Net ARO Reg Asset, ARO	(905)	(775)	(840)	Provided by Company, Discovery Set 1-4 Att 2
7	**Total Plant**	**669,861**	**684,760**	**677,310**	Sum of Lines 1 to 6
8					
9	Fuel Inventory	17,968	13,764	15,866	Page 110 line 36
10	Materials and Supplies Inventories	13,663	14,838	14,250	Page 110 line 39
11	Regulatory Assets - Income taxes SFAS 109	9,819	9,612	9,715	Page 232 line 21
12	Other Qualifying Regulatory assets				
13	Pension Non-Service Cost Reg Asset	138	36	87	Provided by Company, Discovery Set 1-4 Att 2
14	OPEB Tracking Reg Asset	-	54	27	Provided by Company, Discovery Set 1-4 Att 2
15	Deferred System Development Costs				
16	HR Suites-Phase 1	405	405	405	Provided by Company, Discovery Set 1-4 Att 2
17	HR Suites-Phase 2	(405)	(405)	(405)	Provided by Company, Discovery Set 1-4 Att 2
18	Budget System Replacement Project	3	-	1	Provided by Company, Discovery Set 1-4 Att 2
19	IVR	150	95	123	Provided by Company, Discovery Set 1-4 Att 2
20	CIS	302	89	196	Provided by Company, Discovery Set 1-4 Att 2
21	ERP/EAM	5,558	4,863	5,210	Provided by Company, Discovery Set 1-4 Att 2
22	GMS-Phase 1	2,061	1,845	1,953	Provided by Company, Discovery Set 1-4 Att 2
23					
24	Other Hawaii specific adjustments to assets	(4,447)	(3,717)	(4,082)	Differences from Form 1 Provided by Company, Discovery
25					
26	**Total Investment in Assets**	**715,075**	**726,239**	**720,657**	Sum of Lines 7 to 24
27					
28	Developer Advances	4,098	4,579	-	Provided by Company, Discovery Set 1-4 Att 2
29	Customer Advances	13,857	16,947	15,402	Page 113 line 55
30	Customer Deposits	2,951	4,142	3,547	Page 112 line 40
31	Accum Deferred Income Taxes	64,211	66,006	65,109	Page 275A line 8
32	Unamort. ASC 740 Reg Liab - Excess ADIT	49,602	48,201	48,901	Page 278 line 13
33	Unamort State ITC (Gross)	11,565	10,691	11,128	Page 266 Line 7
34	Other Adjustments				
35	Unamortized federal EV credit	59	57	58	Provided by Company, Discovery Set 1-4 Att 2
36	Unbilled pole credit	(0)	-	(0)	Provided by Company, Discovery Set 1-4 Att 2
37	ERP reg liability	3,918	4,559	4,239	Provided by Company, Discovery Set 1-4 Att 2
38	blank				
39	Pension tracking reg liability	603	9,512	5,057	Provided by Company, Discovery Set 1-4 Att 2
40	OPEB tracking reg liab	184	-	92	Provided by Company, Discovery Set 1-4 Att 2
41	Other Hawaii specific adjustments to deductions	(10,578)	(12,386)	(11,482)	Provided by Company, Discovery
42	**Total Deductions**	**140,469**	**152,306**	**146,388**	Sum of Lines 28 to 41
43					
44	Working cash	5,396	6,492	5,944	Provided by Company, Discovery Set 1-4 Att 2
45					
46	**Rate Base**	**580,002**	**580,425**	**580,214**	*Line 26 - Line 42 + Line 44*

HELCO 2024 Revenue Requirement Calculation - Ulupono Estimate
Capitalization
$ thousands

	Capitalization					
			Beginning	**End**	**Average**	
1	Short-term debt					
2	Long-term debt		248,563	248,234	248,399	Page 112 Line 23, plus adjustments
3	Preferred Stock		6,825	6,840	6,833	Page 112 line 3, plus adjustments
4	Common Equity		359,632	384,196	371,914	Page 112 line 15 less preferred
5	**Total**		**615,021**	**639,270**	**627,145**	Sum of Lines 1 to 4
6						
7	Actual weighting		% of Total	Rate	Weighted	
8	Short-term debt		0.0%	0.00%	0.0%	Rate from UI-HECO DR 11 Att 2
9	Long-term debt		39.6%	4.29%	1.7%	Rate from UI-HECO DR 11 Att 2
10	Preferred Stock		1.1%	8.03%	0.1%	Rate from UI-HECO DR 11 Att 2
11	Common Equity		59.3%	9.50%	5.6%	*Existing ROE*
12	Total		100.0%		7.4%	Sum of lines 7 to 11
13						
14						
15						
16	**Revenue Requirement**	Rate %	**Beginning**	**End**	**Average**	
17	Return on rate base (actual)		43,039	43,070	43,054	Page 2 Line 46 times Line 12
18	Operating Income		36,940	36,940	36,940	Page 1 line 30
19	Deficiency		6,099	6,130	6,114	Line 17 - Line 18
20	Deficiency (after fed/state tax)	25.75%	8,214	8,256	8,235	Line 19/ (1-effective tax rate)
21	Deficiency (after revenue tax)	1.098	**9,015**	**9,061**	**9,038**	Line 20* revenue tax gross up

Hawaiian Electric Company, Inc. and Subsidiaries
Rate Base Adjustments
($000s)

	HECO	Reference	Dec 2023	Dec 2024
1	Net Plant Adjustments			
2	Regulatory Asset - ARO	HECO-WP-D-001	2,955	3,503
3	Asset Retirement Obligation	HECO-WP-D-001	(7,509)	(7,797)
4	Net Tenant Allowance	HECO-WP-D-001	(213)	(79)
5	Total Net Plant Adjustments		(4,767)	(4,373)
6				
7	Other Hawaii specific adjustments to Assets			
8	Materials and Supplies Adjustment	UI-HECO-DR-27	(2,549)	(1,995)
9				
10				
11	Total Hawaii specific adjustment to assets		(2,549)	(1,995)
12				
13	Other Hawaii specific adjustments to deductions			
14	Customer Advances - Excess CIAC in CWIP	UI-HECO-DR-30	(8,280)	(6,779)
15	Customer Advances - Excess CIAC in Prelim Engr	UI-HECO-DR-30	(11,308)	(16,046)
16	Customer Deposits - Billed/Upaid	UI-HECO-DR-31	(1,597)	(622)
17	ADIT, Account 282 - Adjustments, joint pole	UI-HECO-DR-32	43,805	34,643
18				
19				
20				
21	Total Hawaii specific adjustments to deductions		22,620	11,196

	MECO	Reference	Dec 2023	Dec 2024	
1	Net Plant Adjustments				
2	Regulatory Asset - ARO	MECO-WP-D-001	1,268	1,448	
3	Asset Retirement Obligation	MECO-WP-D-001	(1,981)	(2,059)	
4	Net Tenant Allowance	MECO-WP-D-001	(1,028)	(1,028)	
5	Total Net Plant Adjustments		(1,742)	(1,640)	
6					
7	Other Hawaii specific adjustments to Assets				
8	Hana fuel Inventory	UI-HECO-DR-28	(25)	(20)	
9	Materials and Supplies Adjustment	UI-HECO-DR-27	(3,277)	(1,016)	
10	Reg Asset-2017 Excess Def Tax	UI-HECO-DR-29	(2,791)	(1,923)	* offset
11	Total Hawaii specific adjustment to assets		(3,302)	(1,036)	
12					
13	Other Hawaii specific adjustments to deductions				
14	Customer Advances - Excess CIAC in CWIP	UI-HECO-DR-30	(223)	(1,822)	
15	Customer Advances - Excess CIAC in Prelim Engr	UI-HECO-DR-30	(3,830)	(4,789)	
16	Customer Deposits - Billed/Upaid	UI-HECO-DR-31	(166)	(209)	
17	Customer Deposits - FIT Res Fee	UI-HECO-DR-31	(23)	(23)	
18	Rate Base Adjustments (per HEI)	UI-HECO-DR-32	11,389	13,973	
19	Joint Pole costs excluded from Rate Base	UI-HECO-DR-32	(204)	(222)	
20	Reg Asset-2017 Excess Def Tax	UI-HECO-DR-33	(2,791)	(1,923)	* offset
21	Total Hawaii specific adjustments to deductions		6,943	6,908	

	HELCO	Reference	Dec 2023	Dec 2024	
1	Net Plant Adjustments				
2	Regulatory Asset - ARO	HELCO-WP-D-001	(2,519)	(2,636)	
3	Asset Retirement Obligation	HELCO-WP-D-001	1,614	1,860	
4					
5	Total Net Plant Adjustments		(905)	(775)	
6					
7	Other Hawaii specific adjustments to Assets				
8	Materials and Supplies Adjustment	UI-HECO-DR-27	(914)	(501)	
9	Reg Asset-2017 Excess Def Tax	UI-HECO-DR-29	(3,533)	(3,216)	* offset
10					
11	Total Hawaii specific adjustment to assets		(4,447)	(3,717)	
12					
13	Other Hawaii specific adjustments to deductions				
14	Customer Advances - Excess CIAC in CWIP	UI-HECO-DR-30	(4,098)	(4,104)	
15	Customer Advances - Excess CIAC in Prelim Engr	UI-HECO-DR-30	(1,781)	(3,560)	
16	Customer Advances - Developer Advances Reclass	UI-HECO-DR-30	-	(475)	
17	Customer Deposits - Billed/Upaid	UI-HECO-DR-31	(299)	(155)	
18	Customer Deposits - FIT Res Fee	UI-HECO-DR-31	(128)	(128)	
19	ADIT - Rate Base Adjustments (per HEI)	UI-HECO-DR-32	(738)	(748)	
20	Excess ADIT -Reg Asset-2017 Excess Def Tax	UI-HECO-DR-33	(3,533)	(3,216)	* offset
21	Total Hawaii specific adjustments to deductions		(10,578)	(12,386)	

HECO-UI- DR, 37, 38, 39
Hawaiian Electric Company, Inc.
Capital Structure Reconciliations
Ratemaking vs. Annual Report (FERC Form 1)
($000s)

		HAWAIIAN ELECTRIC COMPANY, INC.			
1	**a. LONG TERM DEBT (SIMPLE AVERAGE)**	Reference	Dec 2023	Dec 2024	Simple Average
2	Annual Report (FERC Form 1)	p112, Ln 23	$ 1,432,000	$ 1,358,000	
3					
4	Ratemaking Adjustments:				
5	Remove Wildfire related SCF	#22421000	$ (200,000)	$ (166,000)	
6	LT Debt - Current portion	#23900000	$ -	$ 40,000	
7	Unamortized Costs - Revenue bonds, SCF	Note 1	$ (9,811)	$ (14,788)	
8			$ (209,811)	$ (140,788)	
9					
10	Ratemaking (Spring Revenue Report)	WP-D-004	$ 1,222,189	$ 1,217,212	**$ 1,219,701**
11					
12	**b. PREFERRED STOCK (SIMPLE AVERAGE)**	Reference	Dec 2023	Dec 2024	Simple Average
13	Annual Report (FERC Form 1)	p112, Ln 3	$ 22,293	$ 22,293	
14					
15	Ratemaking Adjustments:				
16	Preferred Stock Expense	#21423000 - $21436000	$ (395)	$ (395)	
17	Preferred Stock Expense - HELCO	#21435000	$ (57)	$ (57)	
18	Preferred Stock Expense MECO	#21436000	$ (71)	$ (71)	
19	Reg Asset - Preferred Stock expense	#18674100	$ (275)	$ (220)	
20			$ (798)	$ (743)	
21					
22	Ratemaking (Spring Revenue Report)	WP-D-004	$ 21,495	$ 21,550	**$ 21,522**
23					
24	**c. COMMON EQUITY (SIMPLE AVERAGE)**	Reference	Dec 2023	Dec 2024	Simple Average
25	Annual Report (FERC Form 1)				
26	Total Proprietary Capital	p112, Ln 15	$ 2,431,402	$ 1,179,246	
27	Preferred Stock Issued	p112, Ln 3	$ (22,293)	$ (22,293)	
28			$ 2,409,109	$ 1,156,953	
29	Ratemaking Adjustments:				
30	Investment in Assoc Co - HELCO	#12302000	$ (359,791)	$ (243,964)	
31	Investment in Assoc Co - MECO	#12301000	$ (362,342)	$ (282,873)	
32	Investment in Renewable Hawaii Inc.	#12306000	$ (77)	$ (77)	
33	Investment in Assoc Co - INTR	#12310750	$ -	$ (153,497)	
34	BRWR	BRWR F/S	$ -	$ (633)	
35	Wildfire-related adjustments	Note 2	$ -	$ 1,121,239	
36	Remove AR Facility Day 1 investment	#12310750	$ -	$ 150,215	
37	Preferred Stock Expense	#21423000 - #21436000	$ 395	$ 395	
38	Preferred Stock Expense - Series HELCO	#21435000	$ 57	$ 57	
39	Preferred Stock Expense - Series MECO	#21436000	$ 71	$ 71	
40	AOCI NON-qualified	#21101000	$ (1,560)	$ 1,983	
41	Tax on AOCI-NQ	#21102000	$ 402	$ (511)	
42	AOCI-OPEB Exec Life	#21109000	$ 4,251	$ (4,489)	
43	Tax on AOCI-OPEB Exec Life	#21110000	$ (1,095)	$ 1,156	
44			$ (719,689)	$ 589,072	
45					
46	Ratemaking (Spring Revenue Report)	WP-D-004	$ 1,689,420	$ 1,746,025	**$ 1,717,723**
47					
48	Note 1: Consists of:				
49		Reference	Dec 2023	Dec 2024	
50	Unamortized Debt Expense	#18101000 - #18145300	$ (5,486)	$ (11,085)	
51	Unamortized Debt Expense	#18671110 - #18671800	$ (2,417)	$ (1,942)	
52	Investment Income Differential	#25348000	$ (1,188)	$ (1,142)	
53	Unamortized Inv Inc Differential	#18675000 - #18675190	$ (720)	$ (618)	
54			$ (9,811)	$ (14,788)	
55	Note 2: Consists of settlement costs offset by insurance proceeds.				

HECO-UI- DR, 37, 38, 39
Maui Electric Company, Ltd.
Capital Structure Reconciliations
Ratemaking vs. Annual Report (FERC Form 1)
($000s)

		MAUI ELECTRIC COMPANY, LTD.			
1	**a. LONG TERM DEBT (SIMPLE AVERAGE)**	Reference	Dec 2023	Dec 2024	Simple Average
2	Annual Report (FERC Form 1)	p112, Ln 23	$ 259,500	$ 257,500	
3					
4	Ratemaking Adjustments:				
5	LT Debt - Current portion	#23900000	$ -	$ 2,000	
6	Unamortized Costs - Revenue bonds, SCF	Note 1	$ (1,679)	$ (2,725)	
7			$ (1,679)	$ (725)	
8					
9	Ratemaking (Spring Revenue Report)	WP-D-004	$ 257,821	$ 256,775	**$ 257,298**
10					
11	**b. PREFERRED STOCK (SIMPLE AVERAGE)**	Reference	Dec 2023	Dec 2024	Simple Average
12	Annual Report (FERC Form 1)	p112, Ln 3	$ 5,000	$ 5,000	
13					
14	Ratemaking Adjustments:				
15	Preferred Stock Expense	#21428000	$ (90)	$ (90)	
16	Reg Asset - Preferred Stock expense	#18674100	$ (50)	$ (40)	
17			$ (141)	$ (131)	
18					
19	Ratemaking (Spring Revenue Report)	WP-D-004	4,859	4,869	**4,864**
20					
21	**c. COMMON EQUITY (SIMPLE AVERAGE)**	Reference	Dec 2023	Dec 2024	Simple Average
22	Annual Report (FERC Form 1)				
23	Total Proprietary Capital	p112, Ln 15	$ 367,342	$ 287,873	
24	Preferred Stock Issued	p112, Ln 3	$ (5,000)	$ (5,000)	
25			$ 362,342	$ 282,873	
26	Ratemaking Adjustments:				
27	Wildfire-related adjustments	Note 2	$ -	$ 145,363	
28	Preferred Stock Expense	#21428000	$ 90	$ 90	
29	AOCI NON-qualified	#21101000	$ 4	$ 4	
30	Tax on AOCI-NQ	#21102000	$ (1)	$ (1)	
31	AOCI-OPEB Exec Life	#21109000	$ (801)	$ (828)	
32	Tax on AOCI-OPEB Exec Life	#21110000	$ 206	$ 213	
33			$ (501)	$ 144,842	
34					
35	Ratemaking (Spring Revenue Report)	WP-D-004	$ 361,841	$ 427,715	**$ 394,778**
36					
37	Note 1: Consists of:				
38		Reference	Dec 2023	Dec 2024	
39	Unamortized Debt Expense	#18101000 - #18145300	$ (1,079)	$ (2,287)	
40	Unamortized Debt Expense	#18671110 - #18671800	$ (597)	$ (436)	
41	Investment Income Differential	#25348000	$ -	$ -	
42	Unamortized Inv Inc Differential	#18675000 - #18675190	$ (3)	$ (2)	
43			$ (1,679)	$ (2,725)	

44 Note 2: Consists of settlement costs offset by insurance proceeds.

Hawaii Electric Light Company, Inc.
Capital Structure Reconciliations
Ratemaking vs. Annual Report (FERC Form 1)
($000s)

	HAWAII ELECTRIC LIGHT COMPANY, INC.			
a. LONG TERM DEBT (SIMPLE AVERAGE)	Reference	Dec 2023	Dec 2024	Simple Average
Annual Report (FERC Form 1)	p112, Ln 23	$ 250,500	$ 245,500	
Remove Wildfire related SCF	#22421000	$ -	$ -	
LT Debt - Current portion	#23900000	$ -	$ 5,000	
Unamortized Costs - Revenue bonds, SCF	Note 1	$ (1,937)	$ (2,266)	
		$ (1,937)	$ 2,734	
Ratemaking (Spring Revenue Report)	WP-D-004	$ 248,563	$ 248,234	**$ 248,399**
b. PREFERRED STOCK (SIMPLE AVERAGE)	Reference	Dec 2023	Dec 2024	Simple Average
Annual Report (FERC Form 1)	p112, Ln 3	$ 7,000	$ 7,000	
<u>Ratemaking Adjustments:</u>				
Preferred Stock Expense	#21420000	$ (100)	$ (100)	
Reg Asset - Preferred Stock expense	#18674100	$ (75)	$ (60)	
		$ (175)	$ (160)	
Ratemaking (Spring Revenue Report)	WP-D-004	$ 6,825	$ 6,840	**$ 6,833**
c. COMMON EQUITY (SIMPLE AVERAGE)	Reference	Dec 2023	Dec 2024	Simple Average
Annual Report (FERC Form 1)				
Total Proprietary Capital	p112, Ln 15	$ 366,791	$ 250,964	
Preferred Stock Issued	p112, Ln 3	$ (7,000)	$ (7,000)	
		$ 359,791	$ 243,964	
<u>Ratemaking Adjustments:</u>				
Wildfire-related adjustments	Note 2	$ -	$ 140,445	
Preferred Stock Expense	#21420000	$ 100	$ 100	
AOCI NON-qualified	#21101000	$ 43	$ 36	
Tax on AOCI-NQ	#21102000	$ (11)	$ (9)	
AOCI-OPEB Exec Life	#21109000	$ (391)	$ (458)	
Tax on AOCI-OPEB Exec Life	#21110000	$ 101	$ 118	
		$ (159)	$ 140,232	
Ratemaking (Spring Revenue Report)	WP-D-004	$ 359,632	$ 384,196	**$ 371,914**
Note 1: Consists of:				
	Reference	Dec 2023	Dec 2024	
Unamortized Debt Expense	#18101000 - #18145300	$ (1,162)	$ (1,599)	
Unamortized Debt Expense	#18671110 - #18671800	$ (690)	$ (590)	
Investment Income Differential	#25348000	$ -	$ -	
Unamortized Inv Inc Differential	#18675000 - #18675190	$ (85)	$ (77)	
		$ (1,937)	$ (2,266)	
Note 2: Consists of settlement costs offset by insurance proceeds.				

Electric Utility ROE's Allowed by Commissions in 2025

	State	Company	Docket	Rate Case	Decision Type	Return on Equity (%)	Equity Layer (%)	Note
1	California	Bear Valley Electric Svc Inc	A-22-08-010	Electric	Settled	10.00%	57.0%	
2	California	Pacific Gas & Electric	A-25-03-010	Electric	Fully Litigated	9.93%	52.0%	
3	California	Southern California Edison Company	A-25-03-012	Electric	Fully Litigated	9.98%	52.0%	
4	California	San Diego Gas & Electric	A-25-03-013	Electric	Fully Litigated	9.88%	52.0%	
5	Colorado	Black Hills Colorado Electric	24AL-0275	Electric	Fully Litigated	9.40%	48.0%	
6	Connecticut	The United Illuminating Co.	24-10-04	Electric	Fully Litigated	9.25%	51.0%	2
7	Florida	Florida Public Utilities Co.	20240099	Electric	Fully Litigated	10.15%	50.0%	
8	Florida	Tampa Electric Co.	20240026	Electric	Fully Litigated	10.50%	54.0%	
9	Florida	Florida Power & Light	20250011	Electric	Settled	10.95%	59.6%	
10	Idaho	Avista Corp.	AVU-E-25-01	Electric	Settled	9.60%	50.0%	
11	Indiana	Southern Indiana Gas & Electric Co.	45990	Electric	Settled	9.80%	48.3%	
12	Indiana	Duke Energy Indiana LLC	46038	Electric	Fully Litigated	9.75%	43.3%	
13	Indiana	Northern Indiana Public Svc Co. LLC	46120	Electric	Settled	9.75%	53.0%	
14	Kentucky	Duke Energy Kentucky Inc.	2024-00354	Electric	Fully Litigated	9.80%	52.7%	1
15	Maine	Versant Power	2023-00336	Electric	Fully Litigated	9.35%	50.0%	
16	Michigan	Consumers Energy Co.	U-21585	Electric	Fully Litigated	9.90%	41.7%	
17	Michigan	DTE Electric Co.	U-21534	Electric	Fully Litigated	9.90%	50.0%	
18	New Hampshire	Public Service Company of New Hampshire d/b/a Eversource Energy	DE 24-070	Electric	Fully Litigated	9.50%	52.0%	
19	New Mexico	Public Service Co. of NM	24-00089-UT	Electric	Settled	9.45%	51.0%	
20	New York	Orange & Rockland Utlts Inc.	24-E-0060	Electric	Settled	9.50%	48.0%	
21	New York	Central Hudson Gas & Electric	24-E-0461	Electric	Settled	9.50%	48.0%	
22	New York	Niagara Mohawk Power Corp.	24-E-0322	Electric	Settled	9.50%	48.0%	
23	North Dakota	Otter Tail Power Co.	PU-23-342	Electric	Settled	10.10%	53.5%	
24	Ohio	The Dayton Power & Light Co.	24-1009-EL-AIR	Electric	Settled	10.00%	53.9%	
25	Ohio	Ohio Edison Co., The Cleveland Electric Illuminating and Toledo Edison Co	24-0468-EL-AIR	Electric	Fully Litigated	9.63%	51.2%	
26	Ohio	The Cleveland Electric Illumin	24-0468-EL-AIR	Electric	Fully Litigated	9.63%	51.2%	
27	Ohio	The Toledo Edison Co.	24-0468-EL-AIR	Electric	Fully Litigated	9.63%	51.2%	
28	Oklahoma	Public Service Co. OK	PUD2023-000086	Electric	Settled	9.50%	51.1%	
29	Oregon	PacifiCorp	UE-433	Electric	Fully Litigated	9.50%	50.0%	
30	Oregon	Portland General Electric Co.	UE-435	Electric	Fully Litigated	9.34%	50.0%	
31	Texas	CenterPoint Energy Houston	56211	Electric	Settled	9.65%	43.3%	
32	Utah	Rocky Mountain Power	24-035-04	Electric	Fully Litigated	9.38%	44.4%	
33	Vermont	Green Mountain Power Corp.	25-1069-TF	Electric	Fully Litigated	9.94%	50.0%	
34	Virginia	Kentucky Utilities Co.	PUR-2024-00052	Electric	Settled	9.95%		
35	Washington	Puget Sound Energy Inc.	UE-240004	Electric	Fully Litigated	9.90%	50.0%	
36	Washington	Avista Corp.	UE-240006	Electric	Fully Litigated	9.80%	48.5%	
37	Wisconsin	Wisconsin Electric Power Co.	5-UR-111	Electric	Fully Litigated	9.80%	56.5%	
38	Wisconsin	WI Public Service Corp.	6690-UR-128	Electric	Fully Litigated	9.80%	54.2%	

Average	**9.76%**	**50.56%**
Max	10.95%	59.60%
Min	9.25%	41.73%
25th percentile	9.50%	48.39%
50th percentile	**9.78%**	**51.00%**
75th percentile	9.93%	52.37%

Notes

1. Trackers. Note for lower ROE for tracker in Kentucky rate case

Kentucky	Duke Energy Kentucky Inc.	2024-00354	Electric	For trackers	9.70%	
Virginia	Virginia Electric & Power Co.	PUR-2024-00097	Electric	Fully Litigated	9.70%	52.0%
Virginia	Virginia Electric & Power Co.	PUR-2024-00137	Electric	Fully Litigated	9.70%	52.0%
Virginia	Virginia Electric & Power Co.	PUR-2024-00147	Electric	Fully Litigated	9.70%	52.0%
Virginia	Virginia Electric & Power Co.	PUR-2024-00180	Electric	Fully Litigated	9.70%	52.0%
Virginia	Virginia Electric & Power Co.	PUR-2025-00058	Electric	Fully Litigated	9.80%	52.0%

2. ROE reduced from 9.45% to 9.25% due to performance issues

Determination of Revenue Requirement for a "Typical" Year
($ thousands)

		Total	ARA	Non-ARA	
1	Average Change in Net plant from 2020 to 2024	85,395	65,697	19,698	Page 2 line 25 from 2020 to 2024; Page 2 line 32 from 2020 to 2024
2					
3	Average ending ADIT from 2020 to 2024	469,596			Page 2 line 27 from 2020 to 2024; Page 2 line 34 from 2020 to 2024
4	Average ending net plant from 2020 to 2024	4,286,153			Page 2 line 24 from 2020 to 2024; Page 2 line 31 from 2020 to 2024
5	ADIT as % of net plant	11.0%			Line 3/Line 4
6					
7	*Assume ADIT for net plant change is approximately constant and same proportion as total*				
8	Estimated ADIT for change in net plant	9,356	7,198	2,158	Line 5 * Line 1
9	Estimated typical annual change in rate base	**76,039**	**58,499**	**17,540**	Line 1 less Line 8
10					
11	**A - Revenue requirement from depreciation**				
12	*Assume depreciation as proportion of plant is relatively constant*				
13	Annual Depreciation	243,332			Hawaiian Electric 2023 Book Depreciation Study Docket No. 2024-0199, HECO-S-101
14	2023 Depreciable gross plant	7,768,191			Hawaiian Electric 2023 Book Depreciation Study Docket No. 2024-0199, HECO-S-101
15	Depreciation as % of gross plant		3.13%		Line 13/Line 14
16	2023 Year end gross electric plant	8,281,827			Page 2 line 5
17	2023 Year end net electric plant	4,387,621			Page 2 line 24
18	Depreciation as % of net electric plant		5.91%		Line 15 * Line 16/ line 17
19					
20	Apply factor to typical annual change in rate base	**Total**	**ARA**	**Non-ARA**	
21	Typical annual change in rate base	76,039	58,499	17,540	Line 9
22	Depreciation Factor	5.9%	5.9%	5.9%	Line 18
23	Typical depreciation from annual change in rate base	4,496	3,459	1,037	Line 9 times line 18
24	Typical depreciation from annual change in rate base (after rev tax)	4,934	3,796	1,138	Add revenue tax of 9.75%
25					
26	**B - Revenue requirement from cost of capital**				
27	*Assume debt and equity return on rate base is relatively constant*				
28	Estimated pre-tax composite cost of capital		10.18%		Source Page 2; Last rate case final results
29					
30	Apply cost of capital factor to typical annual change in rate base	**Total**	**ARA**	**Non-ARA**	
31	Typical annual change in rate base	76,039	58,499	17,540	Line 9
32	Cost of capital factor (after rev tax)	10.18%	10.18%	10.18%	Line 28
33	Typical return from annual change in rate base (after rev tax)	7,737	5,952	1,785	Line 9 * Line 28
34					
35	**C - Revenue requirement from cost of capital**				
36	Total revenue requirement from typical annual change in rate base	12,671	9,748	2,923	Line 24 + Line 33
37					

Docket No. 2019-0085 Hawaiian Electric 2020 Test Year Rate Case
Hawaiian Electric Final Tariffs
Filed 11/6/2020

Hawaiian Electric Company, Inc.

Revenues at Current Effective Rates
COMPOSITE EMBEDDED COST OF CAPITAL
Estimated 2020 Average

See Exhibit 2 for the 2020 test year Composite Cost of Capital.

In Decision & Order No. 37387 issued on October 22, 2020 in Docket No. 2019-0085, the Commission approved the Settlement Letter, whereby the Parties agreed on the weights and earnings requirements for short-term debt, long-term debt, and preferred stock, and that Hawaiian Electric's ROE and equity ratio for Hawaiian Electric should mirror HELCO's 2019 test year rate case.
The Settlement Agreement rate of return applied an ROE of 9.50% and total equity ratio of 58.00% based on Final Decision and Order No. 37237 issued on July 28, 2020, in Docket No. 2018-0368).

	A	B	C	D	E	F
	Capitalization					
	Amount in Thousands	Percent of Total	Earnings Reqmts	Weighted Earnings Reqmts (B) x (C)	INCOME TAX FACTOR (Note 1)	PRETAX WEIGHTED EARNINGS REQMTS
Short-Term Debt	14,690	0.58	2.50%	0.01%	1.0000	0.0100%
Long-Term Debt	1,044,127	41.42	4.55%	1.88%	1.0000	1.8800%
Preferred Stock	21,302	0.85	5.33%	0.05%	1.3468	0.0673%
Common Equity	1,440,676	57.15	9.50%	5.43%	1.3468	7.3133%
Total	2,520,795	100.00				
Estimated Composite Cost of Capital				7.37%		9.27%
						1.0975
Estimated Pretax Composite Cost of Capital						10.175%

Source: Exhibit 2 and Settlement Agreement, Exhibit 1

Note 1: Composite Federal & State Income Tax Rate 25.75%
Income Tax Factor (1 / 1-tax rate) 1.3468354

HECO, MECO and HELCO Combined Capital balances
($ thousands)

		2016 Actual	2017 Actual	2018 Actual	2019 Actual	2020 Actual	2021 Actual	2022 Actual	2023 Actual	2024 Actual	Reference
	Electric plant										
1	Beginning balance	6,366,200	6,656,827	6,998,161	6,858,027	7,290,792	7,559,661	7,785,048	8,028,699	8,281,827	Page 3 line 1 + Page 4 line 1 + Page 5 line 1
2	Additions	332,040	381,217	460,798	478,955	327,887	296,782	295,871	381,703	302,732	Page 3 line 2 + Page 4 line 2 + Page 5 line 2
3	Retirements	41,277	43,239	58,724	48,068	59,018	71,394	52,221	128,681	114,081	Page 3 line 3 + Page 4 line 3 + Page 5 line 3
4	Adjustments	(136)	3,357	(542,208)	1,878	-	-	0	106	-	Page 3 line 4 + Page 4 line 4 + Page 5 line 4
5	Ending balance	6,656,827	6,998,162	6,858,027	7,290,792	7,559,661	7,785,048	8,028,699	8,281,827	8,470,478	Page 3 line 5 + Page 4 line 5 + Page 5 line 5
6											
7	**Accumulated Deprediation**										
8											
9	Beginning balance	2,695,671	2,805,969	2,978,652	3,118,000	3,287,376	3,426,832	3,577,385	3,756,439	3,894,206	Page 3 line 9 + Page 4 line 9 + Page 5 line 9
10	Add:										
11	Depreciation & Amortization Accrual	127,819	135,478	143,692	141,147	221,239	228,697	235,768	244,074	251,597	Page 3 line 11 + Page 4 line 11 + Page 5 line 11
12	Salvage					812	623	568	427	276	Page 3 line 12 + Page 4 line 12 + Page 5 line 12
13	Dep for asset retirement					384	384	389	389	389	Page 3 line 13 + Page 4 line 13 + Page 5 line 13
14	Transport expense clearing					6,720	6,738	6,556	6,754	6,683	Page 3 line 14 + Page 4 line 14 + Page 5 line 14
15	Other accounts					2,173	2,692	1,772	1,510	1,540	Page 3 line 15 + Page 4 line 15 + Page 5 line 15
16	Less:					-	-	-	-	-	Page 3 line 16 + Page 4 line 16 + Page 5 line 16
17	Retirements					(59,018)	(71,394)	(52,221)	(98,434)	(99,809)	Page 3 line 17 + Page 4 line 17 + Page 5 line 17
18	Cost of Removal					(32,852)	(17,191)	(13,781)	(16,955)	(14,792)	Page 3 line 18 + Page 4 line 18 + Page 5 line 18
19	Book or Asset Retirements Retired					-	-	4	2	-	Page 3 line 19 + Page 4 line 19 + Page 5 line 19
20	Ending balance	2,805,969	2,978,652	3,118,000	3,287,376	3,426,832	3,577,381	3,756,439	3,894,206	4,040,090	Page 3 line 20 + Page 4 line 20 + Page 5 line 20
21											
22	**Net Electric plant**										
23	Beginning net electric plant balance	3,670,530	3,850,858	4,019,510	3,740,027	4,003,416	4,132,828	4,207,664	4,272,260	4,387,622	Page 3 line 23 + Page 4 line 23 + Page 5 line 23
24	Ending net electric plant balance	3,850,858	4,019,510	3,740,027	4,003,416	4,132,828	4,207,668	4,272,260	4,387,621	4,430,388	Page 3 line 24 + Page 4 line 24 + Page 5 line 24
25	Net change	180,329	168,652	(279,483)	263,390	129,412	74,839	64,596	115,362	42,766	Page 3 line 25 + Page 4 line 25 + Page 5 line 25
26											
27	**ADIT**					447,775	468,907	465,609	478,087	487,604	Page 3 line 27 + Page 4 line 27 + Page 5 line 27
28											
29	**Net Electric plant - Non ARA**										
30	Beginning net electric plant balance - Non ARA					195,792	191,259	205,034	235,333	291,933	Page 3 line 30 + Page 4 line 30 + Page 5 line 30
31	Ending net electric plant balance - Non Ara					191,259	205,034	235,333	291,933	294,282	Page 3 line 31 + Page 4 line 31 + Page 5 line 31
32	Net Change					(4,533)	13,775	30,299	56,600	2,349	Page 3 line 32 + Page 4 line 32 + Page 5 line 32
33											
34	ADIT - Non ARA					14,789	24,985	33,137	43,120	52,824	Page 3 line 34 + Page 4 line 34 + Page 5 line 34
35											
36											
37	Source: Supporting pages for HECO, MECO and HELCO										

HECO Capital balances
($ thousands)

		2016 Actual	2017 Actual	2018 Actual	2019 Actual	2020 Actual	2021 Actual	2022 Actual	2023 Actual	2024 Actual	Reference
	Electric plant										
1	Beginning balance	4,069,635	4,285,017	4,536,540	4,496,539	4,807,960	5,002,881	5,139,770	5,303,545	5,440,824	Page 206 line 107 col b
2	Additions	241,295	276,754	341,420	345,072	236,967	188,005	199,914	239,038	171,150	Page 206 line 107 col c
3	Retirements	25,810	28,099	30,131	35,440	42,046	51,116	36,139	101,759	67,233	Page 207 line 107 col d
4	Adjustments	(103)	2,869	(351,290)	1,788		-	0	-	-	Page 207 line 107 col e & f
5	Ending balance	4,285,017	4,536,541	4,496,539	4,807,960	5,002,881	5,139,770	5,303,545	5,440,824	5,544,741	Page 207 line 107 col g
6											
7	**Accumulated Deprediation**										
8											
9	Beginning balance	1,630,718	1,696,375	1,821,604	1,923,912	2,032,626	2,122,000	2,220,207	2,341,082	2,430,252	Page 219 line 1 col c
10	Add:										
11	Depreciation & Amortization Accrual	127,819	135,478	143,692	141,147	149,889	154,922	158,956	164,521	168,376	Page 219 line 3 col c
12	Salvage	166	309	296	198	407	136	278	81	16	Page 219 line 14 col c
13	Dep for asset retirement	-	-	198	218	255	255	260	260	260	Page 219 line 4 col c
14	Transport expense clearing	3,518	3,590	3,774	3,621	3,910	3,954	3,889	4,016	3,936	Page 219 line 6 col c
15	Other accounts	2,440	1,696	1,583	1,583	2,173	2,692	1,772	1,510	1,501	Page 219 line 8 col c
16	Less:										
17	Retirements	(25,810)	(28,100)	(30,131)	(35,440)	(42,046)	(51,116)	(36,139)	(71,513)	(52,960)	Page 219 line 12 col c
18	Cost of Removal	(42,477)	12,271	(17,104)	(2,613)	(25,214)	(12,639)	(8,144)	(9,706)	(8,905)	Page 219 line 13 col c
19	Book or Asset Retirements Retired		(17)					4	2		Page 219 line 18 col c
20	Ending balance	1,696,375	1,821,604	1,923,912	2,032,626	2,122,000	2,220,203	2,341,082	2,430,252	2,542,474	Page 219 line 19 col c
21											
22	**Net Electric plant**										
23	Beginning net electric plant balance	2,438,917	2,588,642	2,714,936	2,572,627	2,775,334	2,880,881	2,919,563	2,962,463	3,010,572	Line 1 - line 9
24	Ending net electric plant balance	2,588,642	2,714,937	2,572,627	2,775,334	2,880,881	2,919,567	2,962,463	3,010,572	3,002,267	Line 5 - line 20
25	Net change	149,724	126,295	(142,309)	202,707	105,547	38,686	42,900	48,109	(8,305)	Line 24- line 23
26											
27	**ADIT**					321,891	335,187	331,928	340,674	342,494	Discovery UI-HECO DR7 Att 1, Line 198
28											
29	**Net Electric plant - Non ARA**										
30	Beginning net electric plant balance - Non ARA				141,570	195,390	190,307	196,751	210,232	233,872	UI-HECO-DR-13 Att 1 line 13
31	Ending net electric plant balance - Non Ara				195,390	190,307	196,751	210,232	233,872	233,457	UI-HECO-DR-13 Att 1 line 13
32	Net Change				53,820	(5,083)	6,444	13,481	23,640	(415)	Line 31- line 30
33											
34	ADIT - Non ARA			8,653	9,479	14,695	24,189	29,803	36,339	42,995	UI-HECO-DR-13 Att 1 line 21
35											
36											
37	Source: Hawaiian Electric Company Inc., Form 1 (page 207,219), UI-HECO-DR-13 Att 1										

MECO Capital balances
($ thousands)

		2016 Actual	2017 Actual	2018 Actual	2019 Actual	2020 Actual	2021 Actual	2022 Actual	2023 Actual	2024 Actual	Reference
	Electric plant										
1	Beginning balance	1,079,138	1,111,200	1,155,789	1,096,338	1,163,508	1,198,298	1,249,321	1,294,115	1,375,728	Page 206 line 107 col b
2	Additions	38,070	48,062	55,635	74,298	42,075	60,213	51,135	94,279	76,180	Page 206 line 107 col c
3	Retirements	6,008	3,474	15,143	7,128	7,285	9,189	6,341	12,772	33,753	Page 207 line 107 col d
4	Adjustments			(99,944)		-	-	-	106	-	Page 207 line 107 col e & f
5	Ending balance	1,111,200	1,155,789	1,096,338	1,163,508	1,198,298	1,249,321	1,294,115	1,375,728	1,418,154	Page 207 line 107 col g
6											
7	**Accumulated Deprediation**										
8											
9	Beginning balance	494,473	510,452	529,404	539,136	562,249	584,701	607,728	635,263	656,616	Page 219 line 1 col c
10	Add:										
11	Depreciation & Amortization Accrual					32,462	33,724	35,560	37,092	39,450	Page 219 line 3 col c
12	Salvage					1	191	50	71	82	Page 219 line 14 col c
13	Dep for asset retirement										Page 219 line 4 col c
14	Transport expense clearing					1,060	1,022	1,043	1,081	1,103	Page 219 line 6 col c
15	Other accounts									39	Page 219 line 17 col c
16	Less:										
17	Retirements					(7,285)	(9,189)	(6,341)	(12,772)	(33,753)	Page 219 line 12 col c
18	Cost of Removal					(3,785)	(2,721)	(2,777)	(4,119)	(2,702)	Page 219 line 13 col c
19	Book or Asset Retirements Retired										Page 219 line 18 col c
20	Ending balance	510,452	529,404	539,136	562,249	584,701	607,728	635,263	656,616	660,834	Page 219 line 19 col c
21											
22	**Net Electric plant**										
23	Beginning net electric plant balance	584,665	600,748	626,384	557,201	601,259	613,596	641,593	658,852	719,112	Line 1 - line 9
24	Ending net electric plant balance	600,748	626,384	557,201	601,259	613,596	641,593	658,852	719,112	757,320	Line 5 - line 20
25	Net change	16,084	25,636	(69,183)	44,058	12,337	27,997	17,259	60,260	38,208	Line 24- line 23
26											
27	**ADIT**					65,283	70,293	70,970	73,202	79,104	Discovery UI-HECO DR7 Att 3
28											
29	**Net Electric plant - Non ARA**										
30	Beginning net electric plant balance - Non ARA					122	405	3,941	11,057	38,784	UI-HECO-DR-13 Att 3 line 13
31	Ending net electric plant balance - Non Ara					405	3,941	11,057	38,784	39,544	UI-HECO-DR-13 Att 3 line 13
32	Net Change					283	3,536	7,116	27,727	760	Line 31- line 30
33											
34	ADIT - Non ARA				10	36	406	1,659	3,450	5,079	UI-HECO-DR-13 Att 3 line 21
35											
36											
37	Source: Maui Electric Company, Form 1 (page 207,219), UI-HECO-DR-13 Att 1										

HELCO Capital balances
($ thousands)

		2016 Actual	2017 Actual	2018 Actual	2019 Actual	2020 Actual	2021 Actual	2022 Actual	2023 Actual	2024 Actual	Reference
	Electric plant										
1	Beginning balance	1,217,428	1,260,611	1,305,833	1,265,150	1,319,324	1,358,482	1,395,958	1,431,039	1,465,276	Page 206 line 107 col b
2	Additions	52,675	56,401	63,743	59,584	48,845	48,564	44,822	48,386	55,403	Page 206 line 107 col c
3	Retirements	9,459	11,667	13,450	5,500	9,687	11,088	9,741	14,149	13,096	Page 207 line 107 col d
4	Adjustments	(33)	488	(90,975)	90						Page 207 line 107 col e & f
5	Ending balance	1,260,611	1,305,833	1,265,150	1,319,324	1,358,482	1,395,958	1,431,039	1,465,276	1,507,583	Page 207 line 107 col g
6											
7	**Accumulated Deprediation**										
8											
9	Beginning balance	570,480	599,142	627,643	654,951	692,501	720,131	749,450	780,094	807,338	Page 219 line 1 col c
10	Add:										
11	Depreciation & Amortization Accrual					38,887	40,051	41,252	42,462	43,772	Page 219 line 3 col c
12	Salvage					404	297	240	276	179	Page 219 line 14 col c
13	Dep for asset retirement					129	129	129	129	129	Page 219 line 4 col c
14	Transport expense clearing					1,750	1,762	1,624	1,657	1,645	Page 219 line 6 col c
15	Other accounts										Page 219 line 8 col c
16	Less:										
17	Retirements					(9,687)	(11,088)	(9,741)	(14,149)	(13,096)	Page 219 line 12 col c
18	Cost of Removal					(3,853)	(1,831)	(2,860)	(3,130)	(3,185)	Page 219 line 13 col c
19	Book or Asset Retirements Retired										Page 219 line 18 col c
20	Ending balance	599,142	627,643	654,951	692,501	720,131	749,450	780,094	807,338	836,782	Page 219 line 19 col c
21											
22	**Net Electric plant**										
23	Beginning net electric plant balance	646,948	661,468	678,189	610,198	626,823	638,351	646,508	650,945	657,938	Line 1 - line 9
24	Ending net electric plant balance	661,468	678,189	610,198	626,823	638,351	646,508	650,945	657,938	670,801	Line 5 - line 20
25	Net change	14,521	16,721	(67,991)	16,625	11,528	8,157	4,437	6,993	12,863	Line 24- line 23
26											
27	**ADIT**					60,601	63,427	62,710	64,211	66,006	Discovery UI-HECO DR7 Att 2
28											
29	**Net Electric plant - Non ARA**										
30	Beginning net electric plant balance - Non ARA					280	547	4,342	14,044	19,277	UI-HECO-DR-13 Att 2 line 13
31	Ending net electric plant balance - Non Ara					547	4,342	14,044	19,277	21,281	UI-HECO-DR-13 Att 2 line 13
32	Net Change					267	3,795	9,702	5,233	2,004	Line 31- line 30
33											
34	ADIT - Non ARA				21	58	390	1,675	3,331	4,750	UI-HECO-DR-13 Att 2 line 21
35											
36											
37	Source: Hawaiian Electric Light Company Inc., Form 1 (page 207,219), UI-HECO-DR-13 Att 1										

Hawaiian Electric Company **HECO**

Balance Sheet and Income Statement

Balance Sheet	Page	Line	**2018**	**2019**	**2020**	**2021**	**2022**	**2023**	**2024**
Utility Plant	110	2	4,496,539,106	4,807,959,684	5,002,881,219	5,139,769,712	5,303,544,653	5,776,458,468	5,912,692,871
Construction Work in Progress	110	3	172,332,533	165,136,949	143,615,791	159,854,321	215,559,597	247,836,002	282,150,401
Total Utility Plant	110	4	4,668,872,639	4,973,096,633	5,146,497,010	5,299,624,033	5,519,104,250	6,024,294,470	6,194,843,272
(Less) Accum. Provis for Depr Amort Depl.	110	5	1,880,787,659	1,971,750,888	2,069,682,324	2,163,571,197	2,271,921,950	2,347,864,798	2,441,924,866
Net Utility Plant	110	10	2,788,083,980	3,001,345,744	3,076,814,685	3,136,052,836	3,247,182,300	3,676,429,672	3,752,918,406
Plant Materials & Supplies	110	39	29,442,039	33,808,484	37,364,394	40,060,984	40,608,082	61,736,405	66,908,685
Prepayments	110	48	17,850,023	22,392,530	31,185,548	23,018,708	20,064,664	37,952,708	67,622,497
Fuel Stock	110	36	54,261,782	69,003,672	38,777,446	71,184,169	153,342,042	108,227,733	70,800,393
Other Reg Assets	111	63	598,972,870	506,000,966	536,675,464	398,494,095	202,962,914	251,291,538	212,279,066
Held for Future use	200	10						316,238	316,238
Property Under Capital Leases	200	4						335,318,390	367,365,244
Plant in Service	200	3	4,496,539,106	4,807,959,684	5,002,881,219	5,139,769,712	5,303,544,653	5,773,142,230	5,912,376,633
Accum Prov for Depr Amort & Depl	200	14	1,880,787,659	1,971,750,888	2,069,682,324	2,163,571,197	2,271,921,950	2,313,720,238	2,441,924,866
Total Proprietary Capital	112	15	1,979,934,480	2,069,645,554	2,164,211,059	2,284,192,129	2,366,462,896	2,431,401,968	1,179,246,226
Total Long Term Debt	112	23	1,005,546,400	1,012,000,000	1,122,000,000	1,142,000,000	1,132,000,000	1,432,000,000	1,358,000,000
Other Reg Liab	113	59	307,982,061	299,669,019	285,456,419	312,813,450	327,466,044	398,530,257	444,753,802
Customer Deposits	112	40	10,851,534	11,223,045	9,534,999	5,049,328	7,648,428	10,568,082	12,480,822
Customer Advances for Construction	113	55	6,391,992	25,000,312	27,542,832	32,476,203	29,903,793	29,015,287	31,849,915
Total Assets	111	75	4,401,554,757	4,819,859,499	4,874,847,072	4,841,726,342	4,986,757,237	5,616,778,338	5,469,314,259
Common	112	2	111,696,200	113,678,167	115,515,454	118,376,500	119,048,134	119,048,134	119,048,134
Preferred	112	3	22,293,140	22,293,140	22,293,140	22,293,140	22,293,140	22,293,140	22,293,140
Premium on Capital Stock	112	5	685,276,386	718,794,419	750,957,133	802,496,086	814,925,453	814,925,453	814,925,453
Other Paid in Capital	112	6							269,977
Less Capital stock expense	112	10	3,971,353	3,971,353	3,971,353	3,971,353	3,971,353	3,971,397	3,971,353
Retained Earnings	112	11	833,006,512	878,173,919	923,021,131	973,310,140	1,020,446,102	1,065,038,946	60,680,181
Unappropriated Undistributed Sub Earnings	112	12	331,534,631	341,955,512	359,314,492	374,967,863	390,860,450	411,219,117	163,215,499
Accumulated Other Comprehensive Income	112	14	98,964	(1,278,250)	(2,918,938)	(3,280,247)	2,860,970	2,848,575	2,785,195
Total Capital	112	15	1,979,934,480	2,069,645,554	2,164,211,059	2,284,192,129	2,366,462,896	2,431,401,968	1,179,246,226
Accumulated Deferred Investment Tax Credits (255)	113	57							
ADIT-Account 282	274	9	250,970,878	267,603,690.0	275,784,550.0	282,273,627.0	288,069,408.0	296,522,827.0	(105,209,137.0)
ADIT- Account 283	276	19	20,467,015	(1,739,560.0)	6,900,768.0	8,753,171.0	(16,835,601.0)	(16,493,669.0)	

Income Statement

Operating Revenues	114	2	1,801,439,279	1,801,613,235	1,607,359,061	1,792,972,640	2,454,325,675	2,355,705,462	2,279,517,403
Operation Expenses (401)	114	4	1,263,917,847	1,238,223,381	1,046,622,397	1,184,756,075	1,756,708,123	1,653,503,633	3,096,021,049
Maintenance Expenses (402)	114	5	69,617,280	71,505,816	66,337,609	74,452,225	85,168,145	85,793,412	92,146,138
Depreciation expense (403)	114	6	144,946,755	144,354,738	152,387,809	156,979,434	160,171,773	165,669,813	169,505,020
Amor & Dep of Utility Plant	114	8	1,187,624						0
Taxes other than Income	114	14	170,260,204	170,965,438	154,155,283	170,565,925	228,789,060	221,318,460	214,755,380
Income taxes - fed	114	15	22,343,421	9,565,198	17,934,284	22,471,816	26,918,992	31,539,961	31,500,570
Income tax other	114	16	9,723,233	2,993,896	8,993,430	9,959,388	10,736,485	7,559,552	7,943,095
Provision for Def Inc Tax	114	17	(34,153,757)	(14,975,901)	(2,544,144)	(2,682,581)	(2,935,678)	(2,459,833)	(394,674,333)
(Less) Prov for Def Inc tax	114	18	(23,445,472)			0		0	0
Income tax Credit	114	19	(83,152)	27,277,233	1,550,719	239,220	185,155	11,248	(348)
(Less) Gain from Dsp of Utility Plant	114	20	7,899,319	88,006	113,442	51,287	51,287	51,287	51,287
Total Utility Operating Expenses	114	25	1,663,305,608	1,649,821,793	1,445,323,944	1,616,690,215	2,265,690,768	2,162,884,959	3,217,145,284
Net Utility Operating Income	114	26	138,133,671	151,791,442	162,035,117	176,282,425	188,634,907	192,820,503	(937,627,881)
Net Income	117	74	144,732,841	157,919,591	170,420,487	178,722,287	190,008,456	195,031,418	(1,225,282,476)

Hawaiian Electric Company **HECO**

Revenue, O&M and Capital Additions

Revenue Detail	Page	Line	2018	2019	2020	2021	2022	2023	2024
Total Revenues Net of Provision for Refunds (billed and unbilled)		15	1,789,526,577	1784982332	1592463229	1,772,183,374	2,422,231,964	2,324,043,548	2,246,646,224
Billed	304	39	1,807,186,468	1,828,453,918	1,603,335,535	1,718,119,001	2,388,206,868	2,322,450,027	2,264,844,370
Unbilled	304	40	(17,659,891)	-43,471,586	-10,872,306	54,064,373	34,025,196	1,592,521	(18,198,146)
Total	304	41	1,789,526,577	1,784,982,332	1,592,463,229	1,772,183,374	2,422,232,064	2,324,042,548	2,246,646,224
Fuel adjustment - ECAC revenue									
Billed	304	Footn	286,228,934	1,058,500,052	898,079,203	1,012,791,129	1,623,705,657	1,543,947,205	1,441,842,091
Unbilled			14,752,672	29,956,063	(19,000,971)	27,795,764	40,442,467	(9,355,345)	(12,282,834)
Total			300,981,606	1,088,456,115	879,078,232	1,040,586,893	1,664,148,124	1,534,591,860	1,429,559,257
Other Operating Revenue	300	38	11,863,284	16,630,904	14,895,832	20,789,266	30,093,711	31,661,914	32,871,179

Salary Detail									
Total Salaries and Wage Op & Main	355	65	116,522,050	132,729,458	121,415,420	120,966,503	121,551,559	128,361,368	134,856,183
Total Salaries- Construction		71	40,117,422	47,190,685	36,637,995	34,172,330	30,989,550	33,443,585	28,156,920
Total Salaries Removal		76	6,131,010	2,874,772	2,264,627	2,395,374	4,885,204	5,490,200	4,787,462
Total Salaries Other		98	68,893,491	68,415,101	77,602,471	79,198,810	87,609,259	98,435,668	98,084,903
Total Salaries and Wages		99	231,663,973	251,210,016	237,920,513	236,733,019	245,035,574	265,730,824	265,885,468

O&M Detail									
(555) Purchased Power	327	14	494,450,407	494215035	446671924	508,641,622	601,234,889	478,315,857	483,009,417
(555.1) Power Purchased for Storage Operations	321	79						7,751,952	34,573,624
Production	321	83	1,093,361,481	1067318585	879691244	1,028,351,226	1,608,006,610	1,486,115,051	1,396,929,271
Transmission	321	116	16,291,499	16129534	17444041	20,048,990	18,976,939	20,233,402	23,367,435
Distribution	321	163	48,989,483	50995654	41666119	42,327,614	48,590,894	56,469,567	66,439,120
Customer Accounts	321	171	20,609,270	23479735	24357446	22,516,256	26,062,433	26,984,853	23,419,925
Customer Service	321	178	14,462,479	15187444	15420666	16,080,123	16,164,254	21,392,508	24,499,447
Sales Expense	321	186	1,226,535	87804	3510	628	471	-	-
Admin & General	321	205	138,594,378	136,530,441	134,376,980	129,883,463	124,074,667	128,101,664	1,653,511,989
Total Check									
Allowance for Uncoll. Accts	321	169	1,388,160	1,290,817	991,429	1,102,160	4,003,252	5,352,370	2,639,999
Injuries and Damages	321	194	7,155,118	4,084,831	6,001,159	5,764,289	6,159,070	6,730,433	1,547,256,413
Other interest									
Interest Expense - Customer Deposit	340	28							612,687

Capital Additions			**2018**	**2019**	**2020**	**2021**	**2022**	**2023**	**2024**
Steam Production Plant	204	16	18,690,882	32,050,682	13,055,511	21,564,536	12,609,221	28,424,551	9,285,550
Other Production Plant	206	46	3,975,372	44,942,731	3,217,904	7,711,965	679,243	10,772,708	20,315,716
Transmission Plant	206	60	173,872,751	56,018,533	54,889,069	42,514,000	36,871,578	58,339,609	19,600,194
Distribution Plant	206	77	121,632,364	175,973,145	137,623,996	85,051,422	111,208,150	113,799,207	100,802,296
General Plant	206	102	23,248,745	36,086,876	25,550,174	31,163,068	38,545,790	27,702,417	21,146,359
Electric Plant in Service	206	107	341,420,114	345,071,967	234,336,654	188,004,991	199,913,982	239,038,492	171,150,115

Hawaiian Electric Company **HECO**

Regualory Assets and Liabilities

Regulatory Assets (Account 182.3)			**2018**	**2019**	**2020**	**2021**	**2022**	**2023**	**2024**
Income taxes (SFAS 109)	232	29		70,752,538	69,197,265			62,671,989	62,845,426

Miscellaneous Deferred Debits (186)			**2018**	**2019**	**2020**	**2021**	**2022**	**2023**	**2024**
TOTAL			15,471,827	15,348,980	17,056,243	14,526,995	36,799,605	26,189,892	36,722,412

Hawaiian Electric Company **HECO**

Account 253 Other Deferred Credits	0	0	**2018**	**2019**	**2020**	**2021**	**2022**	**2023**	**2024**
Total									

Regulory Liabilities Account 254									
Excess ADIT - Depreciation	278	11	278,155,753	220,048,148	214,460,504			197,697,572	192,109,928
Exceess ADIT - Other	278		0	43,420,143	32,373,317			10,240,997	8,510,812
Total ADIT (AC 254)	113	59	307,982,061	299,669,019	285,456,419	312,813,450	327,466,044	398,530,257	444,753,802

Hawaiian Electric Company **HECO**

Tax impacts on Regulatory Assets and Liabilities

Account 283 - Accumulated Deferred Income Taxes - Other			**2018**	**2019**	**2020**	**2021**	**2022**	**2023**	**2024**
Total Account 283	274A		(20,467,017)	1,739,563	(6,900,767)			16,493,669	412,861,480
Federal Income Tax	276A								
State Income Tax	276A								
Taxable Income	261				160,746,839				180,204,295
Income taxes					33,756,836				37,842,902
Account 282	274A								
Utility	274A								
Non Utility	274A		821,144	728,928	641,361			378,699	327,407
Total	274A	7	(251,792,021)	(268,332,621)	(276,425,912)			(296,901,526)	(307,979,750)
Account 255 Investment Tax Credits									
Energy Credits	266	6		371,434	15,050,126			13,465,957	12,812,149
State Tax credits	266	7		8,172,551	66,966,994			47,463,270	42,021,784

Maui Electric Company **MECO**

Balance Sheet and Income Statement

Balance Sheet	Page	Line	2018	2019	2020	2021	2022	2023	2024
Utility Plant	110	2	1,099,425,402	1,166,596,012	1,201,367,141	1,253,968,489	1,298,762,305	1,389,819,694	1,478,964,007
Construction Work in Progress	110	3	30,363,982	17,943,655	31,682,833	27,585,520	35,803,821	38,899,127	52,218,251
Total Utility Plant	110	4	1,129,789,384	1,184,539,667	1,233,049,974	1,281,554,009	1,334,566,126	1,428,718,821	1,531,182,258
(Less) Accum. Provis for Depr Amort Depl.	110	5	537,415,951	559,098,931	581,917,408	603,466,168	627,906,455	647,460,315	646,891,183
Net Utility Plant	110	10	592,373,433	625,440,736	651,132,566	678,087,841	706,659,671	781,258,506	884,291,075
Plant Materials & Supplies	110	39	16,892,907	18,009,841	18,633,251	19,657,878	21,668,458	34,476,112	32,739,132
Prepayments	110	48	2,539,283	3,627,129	4,049,927	6,646,871	3,460,288	11,318,160	28,424,873
Fuel Stock	110	36	14,645,796	14,032,625	10,990,301	20,079,864	21,223,973	22,041,052	14,339,353
Other Reg Assets	111	63	111,950,974	100,779,381	115,755,679	85,167,810	18,809,787	28,388,923	46,904,258
Held for Future use	200	10	1,302,500	1,302,500	1,284,181	2,862,132	2,862,132	2,755,841	2,716,587
Property Under Capital Leases	200	4	0	0	0	0	0	9,551,020	56,308,194
Plant in Service	200	3	1,096,337,754	1,163,508,374	1,198,297,822	1,249,321,219	1,294,115,035	1,375,727,695	1,418,154,088
Accum Prov for Depr Amort & Depl	200	14	537,415,951	559,098,931	581,917,408	603,466,168	627,906,455	647,460,315	646,891,183
Total Proprietary Capital	112	15	285,863,385	297,870,403	314,361,474	348,260,162	362,036,233	367,342,132	287,872,868
Total Long Term Debt	112	23	202,000,000	189,500,000	229,500,000	254,500,000	234,500,000	259,500,000	257,500,000
Other Reg Liab	113	59	74,356,593	73,694,289	65,402,492	59,529,757	71,910,201	80,457,900	96,145,775
Customer Deposits	112	40	2,548,744	2,454,684	2,094,336	1,174,238	1,529,058	1,766,758	831,936
Customer Advances for Construction	113	55	10,705,927	13,365,926	14,327,175	21,328,524	18,930,668	18,300,975	20,627,172
Total Assets	111	75	807,612,590	845,389,267	862,493,635	895,770,544	903,004,221	1,008,129,806	1,133,660,386
Common	112	2	17,273,640	17,568,920	18,219,190	19,633,630	19,802,610	19,802,610	24,202,610
Preferred	112	3	5,000,000	5,000,000	5,000,000	5,000,000	5,000,000	5,000,000	5,000,000
Premium on Capital Stock	112	5	99,408,490	104,013,210	114,362,940	137,548,500	140,402,520	140,402,520	191,002,520
Other Paid in Capital	112	6	0	0	0	0	0	0	381,250
Less Capital stock expense	112	10	154,509	155,834	155,834	155,834	155,834	155,834	155,834
Retained Earnings	112	11	163,970,600	171,252,803	176,877,688	185,949,566	196,425,905	201,701,058	66,830,755
Unappropriated Undistributed Sub Earnings	112	12	0	0	0	0	0	0	0
Accumulated Other Comprehensive Income	112	14	365,164	191,304	57,490	284,300	561,032	591,778	611,567
Total Capital	112	15	285,863,385	297,870,403	314,361,474	348,260,162	362,036,233	367,342,132	287,872,868
Accumulated Deferred Investment Tax Credits (255)	113	57	15,034,086	14,819,828	13,988,764	13,532,445	12,535,813	11,531,827	10,969,097
ADIT-Account 282	274	9	52,940,672	55,472,618	57,276,506	58,249,562	59,950,867	62,686,223	66,022,441
ADIT- Account 283	276	19	3,882,281	2,279,556	3,728,174	6,059,765	2,630,401	4,624,606	(37,765,421)

Income Statement

Operating Revenues	114	2	368,184,936	376,956,203	322,446,459	364,646,065	470,097,729	448,882,443	440,431,534
Operation Expenses (401)	114	4	246,784,721	246,549,538	197,474,862	230,479,586	322,087,966	308,889,935	498,016,499
Maintenance Expenses (402)	114	5	26,511,754	28,596,024	29,264,066	26,646,021	27,023,464	31,457,178	30,519,415
Depreciation expense (403)	114	6	28,556,599	30,695,773	32,479,996	33,848,355	35,491,722	37,220,722	39,596,190
Amor & Dep of Utility Plant	114	8	0	0	0	0	0	0	0
Taxes other than Income	114	14	34,685,749	35,356,610	30,443,433	34,231,450	43,637,409	42,082,914	41,127,567
Income taxes - fed	114	15	2,128,807	5,715,669	3,257,034	4,456,162	5,167,463	805,804	(5,598,772)
Income tax other	114	16	1,285,570	1,129,507	381,147	792,623	1,976,414	(183,097)	(2,137,839)
Provision for Def Inc Tax	114	17	(3,461,891)	(695,108)	1,247,751	1,046,092	(420,251)	2,379,430	(41,267,620)
(Less) Prov for Def Inc tax	114	18	(5,403,070)	0	0	0	0	0	0
Income tax Credit	114	19	(2,276)	(4,620)	0	84,780	9,800	0	0
(Less) Gain from Dsp of Utility Plant	114	20	2,378,538	958,000	958,000	615,489	0	0	0
Total Utility Operating Expenses	114	25	339,513,565	346,385,393	293,590,289	330,969,580	434,973,987	422,652,886	560,255,440
Net Utility Operating Income	114	26	28,671,371	30,570,810	28,856,170	33,676,485	35,123,742	26,229,557	(119,823,906)
Net Income	117	74	21,292,846	22,730,491	20,390,508	24,553,118	26,057,579	16,681,392	(134,489,063)

Maui Electric Company **MECO**

Revenue, O&M and Capital Additions

Revenue Detail	Page	Line	2018	2019	2020	2021	2022	2023	2024
Total Revenues Net of Provision for Refunds (billed and unbilled)		15	364,967,025	372,033,790	317,871,627	359,647,910	464,822,998	443,017,216	434,809,500
Billed	304	41	365,473,082	381,144,492	312,411,867	355,503,378	469,989,353	440,843,173	429,645,207
Unbilled	304	42	(506,057)	(9,110,701)	5,459,760	4,144,532	(5,166,355)	2,174,043	5,164,293
Total	304	43	364,967,025	372,033,791	317,871,627	359,647,910	464,822,998	443,017,216	434,809,500
Fuel adjustment - ECAC revenue									
Billed	304	Footn	(44,295,049)	48,166,275	152,527,172	186,016,080	284,439,911	259,589,693	239,290,074
Unbilled			1,685,931	1,028,726	(1,128,983)	3,707,568	3,689,899	(950,563)	2,420,411
Total			(42,609,118)	49,195,001	151,398,189	189,723,648	288,129,810	258,639,130	241,710,485
Other Operating Revenue	300	38	3,217,911	4,922,412	4,574,832	4,998,155	5,274,731	5,865,227	5,622,034

Salary Detail			2018	2019	2020	2021	2022	2023	2024
Total Salaries and Wage Op & Main	355	65	22,659,784	25,652,780	23,326,876	23,189,867	22,865,173	26,415,826	26,653,605
Total Salaries- Construction		71	6,150,383	6,159,288	5,533,859	5,654,429	5,198,433	7,209,176	6,456,151
Total Salaries Removal		76	1,099,852	450,669	299,686	224,917	840,017	1,003,957	981,996
Total Salaries Other		98	5,659,629	4,958,736	6,522,241	7,083,783	8,450,757	9,961,109	10,113,612
Total Salaries and Wages		99	35,569,648	37,221,473	35,682,662	36,152,996	37,354,380	44,590,068	44,205,364
			0	0	0	0	0	0	0

O&M Detail			2018	2019	2020	2021	2022	2023	2024
(555) Purchased Power	321	78	49,019,342	48,052,441	48,957,523	52,855,440	48,712,793	42,865,003	50,608,016
(555.1) Power Purchased for Storage Operations	321	79	0	0	0	0	0	0	3,093,738
Production	321	83	229,553,213	225,731,751	174,585,404	207,257,826	296,451,003	273,997,865	257,679,640
Transmission	321	116	3,989,306	4,980,176	4,628,919	5,351,954	4,631,224	6,659,642	7,917,512
Distribution	321	164	9,772,958	12,719,621	12,107,650	11,935,626	15,516,234	20,933,839	25,471,976
Customer Accounts	321	171	6,150,591	5,786,106	7,542,190	7,526,042	7,691,326	7,844,815	8,428,724
Customer Service	321	179	3,080,290	3,340,150	2,689,974	2,831,929	2,972,958	3,693,277	4,501,546
Sales Expense	321	186	335,385	-	-	-	-	-	-
Admin & General	321	205	20,414,732	22,587,757	25,184,791	22,222,230	21,848,685	27,217,675	224,536,516
Total Check			273,296,475	275,145,561	226,738,928	257,125,607	349,111,430	340,347,113	528,535,914
			-	-	-	-	-	-	-
Allowance for Uncoll. Accts	321	169	216,613	416,827	352,333	341,175	784,151	1,231,308	1,261,393
Injuries and Damages	321	194	1,157,806	1,716,952	3,148,782	2,024,345	1,264,541	1,550,820	194,941,436
Other interest									
Interest Expense - Customer Deposit	340	28						87109	62,568

Capital Additions			**2018**	**2019**	**2020**	**2021**	**2022**	**2023**	**2024**
Steam Production Plant	204	16	587,617	2,527,966	320,826	100,358	362,148	1,406,483	1,136,898
Other Production Plant	206	46	6,749,774	9,289,264	6,053,143	8,627,881	6,034,686	7,874,155	8,609,320
Transmission Plant	206	60	3,938,533	4,559,535	5,710,036	9,374,878	9,987,518	33,990,279	20,806,150
Distribution Plant	206	77	39,144,580	52,559,157	20,841,079	30,714,855	26,292,522	42,970,176	40,976,121
General Plant	206	102	5,214,671	5,362,392	9,149,774	11,394,732	8,457,890	8,037,424	4,651,036
Electric Plant in Service	206	107	55,635,175	74,298,314	42,074,858	60,212,704	51,134,764	94,278,517	76,179,525

Maui Electric Company **MECO**

Regualory Assets and Liabilities

Regulatory Assets (Account 182.3)			**2018**	**2019**	**2020**	**2021**	**2022**	**2023**	**2024**
Reg Asset - Other	232		0	2,536,137	4,280,519	5,064,873	922,754	540,687	1,241,349
Pilot Process	232		0	0	0	17,336	86,940	531,713	586,102
EPRM/MPIR	232		0	0	0	9,607	144,135	338,442	432,299
Pandemic Deferred Costs (including Pandemic Collections)	232		0	0	0	0	1,867,507	1,484,189	1,168,504
Reg Asst - Disconnected Suspensions	232		0	0	0	0	0	592,458	2,839,056
RA-Response/RestoCost	232		0	0	0	0	0	10,858,739	21,254,296
Postemployment Benefits (SFAS 112)	232		296,248	229,587	159,379	78,385	20,690	0	0
Asset Retirement Obligation	232		161,552	0	748,824	918,792	1,091,824	1,268,056	1,447,626
DSM Costs < Revenues (Exclude SH inc & LM)	232		0	0	0	0	76,827	150,301	30,224
CISDef Post Go-live	232		30,418	25,677	20,937	16,196	11,456	6,716	1,976
CIS O&M Post Go-live	232		178,840	150,969	123,098	95,227	67,356	39,485	11,614
Reserve CIS Deferred	232		(178,840)	(150,969)	(123,098)	(95,227)	(67,356)	(39,485)	(11,614)
PPAC CCE	232		161,282	386,235	1,098,323	1,406,223	1,270,912	292,020	263,385
PIMS - Performance Incentive Mechanisms	232		0	0	0	451,187	708,586	577,938	523,609
Interactive Voice Response (IVR)	232		176,945	0	130,278	106,945	83,612	60,279	36,946
Vacation Earned by Employees, But Not Yet taken	232		1,228,570	1,199,511	1,570,001	1,399,504	1,302,168	1,378,065	1,356,447
NPP vs Rates	232		0	8,716,590	7,544,125	0	178,684	0	0
Reg-A Pen N/S Cost	232		260,976	271,332	281,692	0	302,412	312,772	323,132
OPEB Min Liab ility (SFAS 158)	232		3,591,837	4,020,941	4,293,220	2,562,712	0	0	0
RBA - Revenue Balancing Account	232		6,084,579	0	4,296,300	2,896,770	0	0	2,092,482
Unamortized Debt Expense on Retired Issuances	232		1,735,866	1,600,156	1,317,811	1,086,501	856,374	646,919	475,797
Income taxes (SFAS 109)	232		16,073,741	14,467,075	12,833,675	11,290,984	9,878,353	9,128,646	8,645,266
Investment income differential	232		40,451	29,607	19,105	12,739	6,553	2,973	2,459
NPBC vs Rates	232		12,672,691	0	0	4,467,837	0	218,010	793,011
RBA Rev-Tax Gross-Up	232		593,332	153,611	418,949	282,473	0	0	204,039
Deferred rate case costs	232		835,481	534,381	213,528	0	0	0	0
Pension min liability (SFAS 158)	232		68,007,005	66,026,758	76,529,013	52,806,694	0	0	0
Reg-A Pen N/S Cost	232		0	0	0	292,052	0	0	0
Cost of Removal / Salvage	232		0	581,783	0	0	0	0	0
ECRC	0		0	0	0	0	0	0	3,085,700
Reg Asset - EPRM o&m Cost Recovery-Resilience	232		0	0	0	0	0	0	100,553
Total	0		111,950,974	100,779,381	115,755,679	85,167,810	18,809,787	28,388,923	46,904,258

Miscellaneous Deferred Debits (186)			**2018**	**2019**	**2020**	**2021**	**2022**	**2023**	**2024**
Other	233		1,429,008	1,180,294	1,194,419	1,251,865	1,277,674	665,236	506,702
Other CWIP = Non Utility	233		1,098	1,098	1,098	1,098	1,098	1,098	1,098
Lease Receivable - non current	233		3,819,829	3,406,573	2,997,865	0	0	0	0
LT Pension Asset	233		0	0	939,115	726,485	513,855	301,225	88,595
Budget system project	233		157,958	126,884	95,810	64,736	33,663	2,589	0
ERP EAM Project	233		8,350,059	8,483,495	8,633,152	8,784,763	8,939,748	9,097,467	9,257,968
Grid Modernization	233		0	390,291	1,829,333	2,462,208	2,248,958	2,035,708	1,822,458
Nalu Frequency	233		0	0	917,400	917,400	917,400	917,400	917,400
West Loch USPV	233		0	0	0	0	0	0	0
Pension Qualified AOCI rcls Debit to asset	233		0	0	0	0	5,784,562	0	0
OPEB Asset	233		0	0	0	0	4,799,828	8,492,995	11,517,015
LT Pension Asset	233		0	0	0	0	0	4,676,174	12,611,176
CIS Project	233		1,364,375	1,151,745	0	0	0	0	0
HR Suite project	0		349,500	222,236	94,972	1	0	0	0
Deferred Project Costs - HR Suites	233		0	0	0	0	0	0	0
ROU Assets	233		0	386,364	353,079	318,439	12,282,819	0	0
TOTAL			**15,471,827**	**15,348,980**	**17,056,243**	**14,526,995**	**36,799,605**	**26,189,892**	**36,722,412**

Account 253 Other Deferred Credits			**2018**	**2019**	**2020**	**2021**	**2022**	**2023**	**2024**
Non Current Lease Liability	269		0	359,521	326,574	291,105	9,848,559	0	0
Other Miscellaneous	269		2,189,174	1,374,346	2,290,040	1,472,390	1,416,041	1,362,378	1,143,994
Unclaimed refund checks	269		0	0	0	0	78	75	1,604
Fin48 Tax Liability	269		285,216	323,601	261,047	279,748	258,493	310,134	49,464
SFAS 112 Liability	269		296,248	229,587	159,379	78,385	20,690	0	0
Deferred Rental Rev	269		0	72,848	0	58,506	391,180	536,934	558,397
LTIP Accrual	269		235,458	156,639	78,373	50,693	28,644	0	0
Liability Reserves	269		3,393,245	3,628,229	5,553,115	4,937,296	5,320,350	4,839,808	3,065,727
Contingent Liability	269		0	0	0	0	0	0	143,625,000
Unearned Interest Liability	269		1,441,938	1,192,238	960,940	0	0	0	0
Solar Saver Surcharge	269		16,232	(8,260)	(24,958)	0	0	0	0
Asset Retirement Obligation	269		1,640,625	0	0	0	0	0	0
Total		Total	9,498,136	7,328,749	9,604,510	7,168,123	17,284,035	7,049,329	148,444,186

Regulory Liabilities Account 254									
OPEB Tracker	278		2,656,989	2,081,989	1,506,989	931,989	356,989	9,906,316	19,991,316
Revenue Balancing Account	278		0	0	0	0	4,848,134	851,302	0
OPEB (SFAS 158)	278		0	0	0	0	1,734,607	4,518,442	6,464,063
PBF True-up	278		299,250	395,200	39,800	143,200	462,356	231,432	174,210
Regulatory Liability Other	278		0	0	2,400,228	1,920,141	9,667,234	5,880,847	6,824,718
Energy Cost Recovery\	278		0	936,286	1,670,064	151,166	1,101,600	1,921,534	0
Purchase Power Adjustment Clause	278		2,432,366	2,516,432	380,689	383,290	380,332	1,478,791	579,398
OPEB Negatve NPBC	278		184,284	118,813	2,857,084	3,627,158	4,227,537	5,112,664	6,184,441
Pension Negative NPBC	278		0	0	0	0	0	358,607	709,131
Excess ADIT - Depreciation	278		1,512,108	2,227,259	47,149,000	45,921,688	44,694,376	43,467,064	42,239,752
Exceess ADIT - Other	278		0	0	8,343,861	6,108,861	3,873,861	2,217,597	974,721
Reg Liab - RBA Rev tax	278		0	0	0	0	472,766	83,017	0
Reg Liab - Pens SFAS 158	278		0	0	0	0	0	4,317,566	11,902,044
DRAC- Commercial	278		0	0	39,385	120,618	90,409	112,721	101,981
DRAC - Commercial	278		141,429	176,650	0	0	0	0	0
DEF Gain Iolani Court Plaza	278		2,531,489	1,573,489	615,489	0	0	0	0
IRP/DSM	278		487,534	7,776	139,284	155,937	0	0	0
CHP Energy Tax Credit	278		(5,480)	0	60,369	65,709	0	0	0
Performance Incentive Mechanisms PIM	278		1,007,124	658,847	200,249	0	0	0	0
CHP Investment	278		0	3,991,345	0	0	0	0	0
Earning Sharings Mechanism	278		49,689	55,029	0	0	0	0	0
OPEB Non Service	278		61,906,105	48,376,312	0	0	0	0	0
2017 Ex ADIT Other	278		0	10,578,861	0	0	0	0	0
Tax Reform Act Benefit	278		1,153,705	0	0	0	0	0	0
Total	278		74,356,592	73,694,288	65,402,491	59,529,757	71,910,201	80,457,900	96,145,775

Maui Electric Company **MECO**

Tax impacts on Regulatory Assets and Liabilities

Account 283 - Accumulated Deferred Income Taxes - Other			**2018**	**2019**	**2020**	**2021**	**2022**	**2023**	**2024**
AFUDC Debt	276A		(1,689,383)	(1,772,931)	(1,794,707)	(1,807,361)	(1,854,149)	(1,963,867)	(2,100,204)
Bad Debts	276A		0	0	1,958,703	627,867	967,717	341,966	898,614
Capitalized Interest	276A		1,652,662	1,633,978	0	1,965,209	1,962,191	2,144,433	2,129,792
CIAC	276A		10,779,868	9,740,395	11,030,304	10,674,970	10,387,845	10,771,372	11,611,127
Contingent Liability (New 2024)	276A		0	0	0	0	0	0	5,720
Cost of Removal	276A		7,738,270	7,694,427	8,414,841	9,326,430	10,095,720	11,003,319	11,231,499
Customer Advances	276A		859,670	1,135,032	1,263,802	1,135,790	1,082,529	1,676,235	1,763,627
Gain/Loss on Abandonments	276A		(2,287,493)	(2,494,255)	(3,071,411)	(3,059,828)	(3,435,014)	(3,354,805)	(3,627,104)
Liability Reserves – Brownfield	276A		769,801	727,491	710,829	710,829	704,106	772,819	673,594
OPEB	276A		0	0	0	(601,232)	(799,540)	(1,182,086)	(1,458,089)
OPEB Trackers	276A		874,446	1,073,619	1,109,711	1,123,829	1,174,063	1,260,463	1,388,394
Pension (Qualified)	276A		0	0	(25,582)	(1,702,028)	(1,110,765)	(117,928)	(208,195)
Pension Tracker	276A		(3,266,285)	(3,263,456)	(2,244,686)	(1,942,754)	(1,150,552)	2,551,063	5,148,140
Reg Asset – Response/RestoCost	276A		0	0	0	0	0	(2,796,329)	(5,473,380)
PSC PUC – 481(a) Adj.	276A		(1,748,434)	1,136,788	2,273,576	3,410,364	4,547,152	(1)	(1)
PSC PUC Accrual	276A		0	618,373	0	(126,807)	659,113	6,606,745	6,478,576
RBA Revenue	276A		0	320,667	0	0	(818,715)	0	0
RBA Revenue - 481a Adjustment	0		0	(1,391,492)	0	0	0	0	0
Reg Asset – AFUDC Equity Gr Up	276A		(1,861,693)	(1,917,316)	(1,962,435)	(1,367,315)	(1,428,307)	(1,615,601)	(1,716,001)
Reg Asset – AFUDC Equity Net	276A		(2,922,820)	(3,083,194)	(3,213,282)	(3,942,340)	(4,118,192)	(4,658,203)	(4,947,678)
Reg Asset – COVID-19	276A		0	0	0	(656,322)	(1,081,290)	(382,207)	(300,912)
Reg Asset – Excess ADIT 2017	276A		(3,143,089)	(2,875,469)	(2,416,693)	(1,957,916)	(1,499,139)	(718,742)	(495,089)
Reg Liab – ERP Benefits	276A		0	0	0	603,626	1,098,098	1,514,429	1,751,916
Reg Liability – Excess ADIT 2017	276A		3,635,552	3,299,813	2,724,260	2,148,708	1,573,155	571,085	251,022
Repairs -S481 Adjustment	276A		(3,422,307)	(3,422,307)	(3,422,307)	(3,422,307)	0	0	0
Repairs Allowance	276A		(13,998,275)	(16,323,039)	(18,028,579)	(18,453,524)	(25,612,017)	(27,699,422)	(31,772,480)
Software – ERP	276A		0	(161,355)	(1,228,803)	(1,841,812)	(2,311,884)	(2,392,412)	(2,433,744)
State ITC	276A		3,772,428	3,750,412	3,715,667	3,526,389	3,402,723	2,936,595	2,798,255
Other	276A		(404,830)	1,011,783	1,280,524	1,267,883	1,036,076	(256,215)	(2,466,858)
0	0		0	0	0	0	0	0	0
Subtotal Utility	276A		(4,661,911)	(4,562,036)	(2,926,268)	(4,359,652)	(6,529,076)	(4,987,294)	37,409,595
0	276A		(1)	0	0	0	0	0	(48,279,054)
Software – CIS (Non-utility)	276A		255,570	255,570	255,570	255,570	255,570	255,570	255,570
Software – ERP (Non-utility)	276A		284,519	268,978	186,646	136,010	98,033	98,033	98,033
Manele CHP (Non-utility)	276A		292,837	281,827	270,816	259,805	214,281	214,301	214,301
Pension/OPEB AOCI – Excess Plan	276A		1,404	1,444	61,745	108,156	109,087	107,844	107,844
OPEB AOCI Exec Life	276A		(45,064)	(128,064)	(128,064)	(128,063)	(207,660)	(313,060)	(319,922)
Subtotal Non-utility	276A		789,267	679,755	646,713	631,478	469,311	362,688	355,826
rounding	276A		(1)	0	0	0	0	0	0
Total Account 283	276A		(3,872,643)	(3,882,281)	(2,279,556)	(3,728,174)	(6,059,765)	(4,624,606)	37,765,421
rounding	276A		(1)	0	1	0	0	0	0
Federal Income Tax	276A		(3,751,674)	(3,666,680)	(2,448,465)	(3,372,105)	(5,013,135)	(3,738,394)	28,836,082
State Income Tax	276A		(120,970)	(215,601)	168,909	(356,069)	(1,046,630)	(886,212)	8,929,339
									0
Net Income Per Books(Federal Form M3)	261A								(134,489,063)
Federal Income Taxes	261A								37,320,502
Excess Capital Loss over Capital Gains	261A								0
Income Subject to Tax Not Recorded on Books This Year	261A								10,594,704
Expenses recorded on books this year not deducted in this return	261A								201,914,148
Total lines 1 through 5	261A								40,699,287
Income recorded on books this year not included in this return	261A								(4,856,372)
Deductions in this tax return not charged against book income this year	261A								(61,066,389)
Total of lines 7 & 8	261A								(65,922,761)
Taxable Income (line 6 less line 9)	261A								(25,223,474)
Special deductions	261A								0
Taxable Income	261A								(25,223,474)
Account 282	274A								
Utility	274A							(62,017,248)	(65,353,466)
Non Utility	274A							(668,975)	(668,975)
Total	274A							(62,686,223)	(66,022,441)
Account 255 Investment Tax Credits									
State Tax Credits	267							11,407,557	10,865,732

Hawaiian Electric Light Company **HELCO**

Balance Sheet and Income Statement

Balance Sheet	Page	Line	**2018**	**2019**	**2020**	**2021**	**2022**	**2023**	**2024**
Utility Plant	110	2	1,265,159,106	1,319,333,168	1,358,491,127	1,395,966,959	1,431,048,348	1,527,867,496	1,563,933,610
Construction Work in Progress	110	3	5,515,367	9,993,297	13,043,367	17,129,178	23,989,483	33,487,823	31,340,710
Total Utility Plant	110	4	1,270,674,473	1,329,326,465	1,371,534,494	1,413,096,137	1,455,037,831	1,561,355,319	1,595,274,320
(Less) Accum. Provis for Depr Amort Depl.	110	5	651,930,062	686,249,754	714,035,609	741,727,653	770,315,491	794,509,838	822,047,446
Net Utility Plant	110	10	618,744,411	643,076,711	657,498,885	671,368,484	684,722,340	766,845,481	773,226,874
Plant Materials & Supplies	110	39	7,920,643	9,220,293	9,696,987	9,107,039	9,938,261	13,662,792	14,837,500
Prepayments	110	48	2,721,424	2,437,561	4,191,753	4,346,173	4,422,863	6,513,182	10,539,561
Fuel Stock	110	36	11,026,695	8,900,622	8,470,589	12,813,903	16,963,778	17,968,128	13,763,529
Other Reg Assets	111	63	124,014,669	111,480,315	117,318,401	85,830,716	25,622,533	20,959,379	28,946,111
Held for Future use	200	10	9,400	9,400	9,400	9,400	9,400	9,400	9,400
Property Under Capital Leases	200	4						62,582,453	56,341,539
Plant in Service	200	3						1,465,275,643	1,563,924,210
Accum Prov for Depr Amort & Depl	200	14						794,509,838	822,047,446
Total Proprietary Capital	112	15						366,790,935	250,963,687
Total Long Term Debt	112	23						250,500,000	245,500,000
Other Reg Liab	113	59						80,403,977	101,441,900
Customer Deposits	112	40						2,950,989	4,142,172
Customer Advances for Construction	113	55						13,856,725	16,946,503
Total Assets	111	75						950,174,244	944,612,386
Common	112	2						25,844,760	25,844,760
Preferred	112	3						7,000,000	7,000,000
Premium on Capital Stock	112	5						123,578,662	123,578,662
Other Paid in Capital	112	6						0	533,750
Less Capital stock expense	112	10						113,475	113,431
Retained Earnings	112	11						210,222,291	93,807,115
Unappropriated Undistributed Sub Earnings	112	12						0	0
Accumulated Other Comprehensive Income	112	14						258,697	312,831
Total Capital	112	15						366,790,935	250,963,687
Accumulated Deferred Investment Tax Credits (255)	113	57							
ADIT-Account 282	274	9						(129,897,704)	(66,753,752)
ADIT- Account 283	276	19						13,287,733	61,386,095

Income Statement

Operating Revenues	114	2						464,161,313	483,715,454
Operation Expenses (401)	114	4						304,816,861	510,405,372
Maintenance Expenses (402)	114	5						27,568,625	32,183,926
Depreciation expense (403)	114	6						42,777,834	44,100,018
Amor & Dep of Utility Plant	114	8						12,186	12,186
Taxes other than Income	114	14						43,005,731	44,936,775
Income taxes - fed	114	15						6,753,740	4,709,507
Income tax other	114	16						1,611,779	966,181
Provision for Def Inc Tax	114	17						-545,746	-47,807,287
(Less) Prov for Def Inc tax	114	18						0	0
Income tax Credit	114	19						10,895	0
(Less) Gain from Dsp of Utility Plant	114	20						0	0
Total Utility Operating Expenses	114	25						426,011,905	589,506,678
Net Utility Operating Income	114	26						38,149,408	-105,791,224
Net Income	117	74						29,042,263	-115,881,428

Hawaiian Electric Light Company **HELCO**

Revenue, O&M and Capital Additions

Revenue Detail	Page	Line	2018	2019	2020	2021	2022	2023	2024
Total Revenues Net of Provision for Refunds (billed and unbilled)		15					479,566,409	458,157,325	475,556,003
Billed	304	41						455,169,276	472,648,715
Unbilled	304	42						2,988,049	2,907,288
Total	304	43						458,157,325	475,556,003
Fuel adjustment - ECAC revenue									
Billed	304	Footnote 1						267,428,086	280,344,809
Unbilled								4,267,260	(455,456)
Total								271,695,346	279,889,353
Other Operating Revenue	300	38						6,003,988	8,159,451

Salary Detail									
Total Salaries and Wage Op & Main	355	65							
Total Salaries- Construction		71							
Total Salaries Removal		76							
Total Salaries Other		98							
Total Salaries and Wages		99							

O&M Detail									
(555) Purchased Power	327	14							132,085,752
(555.1) Power Purchased for Storage Operations	321	79							
Production	321	83						272,699,325	283,518,608
Transmission	321	116						9,304,716	13,891,361
Distribution	321	164						17,426,578	18,607,448
Customer Accounts	321	171						9,167,504	8,234,761
Customer Service	321	179						3,192,677	3,285,786
Sales Expense	321	186						-	-
Admin & General	321	205						20,594,686	215,051,334
Total Check									
Allowance for Uncoll. Accts	321	169						1,290,746	333,732
Injuries and Damages	321	194						1,570,113	195,685,500
Other interest									
Interest Expense - Customer Deposit	340	28							195,045

Capital Additions			**2018**	**2019**	**2020**	**2021**	**2022**	**2023**	**2024**
Steam Production Plant	204	16							
Other Production Plant	206	46							
Transmission Plant	206	60							
Distribution Plant	206	77							
General Plant	206	102							
Electric Plant in Service	206	107							

Hawaiian Electric Light Company **HELCO**

Regualory Assets and Liabilities

Regulatory Assets (Account 182.3)			2018	2019	2020	2021	2022	2023	2024
Reg Asset - Other	232								
Pilot Process	232								
EPRM/MPIR	232								
Pandemic Deferred Costs (including Pandemic Collections)	232								
Reg Asst - Disconnected Suspensions	232								
RA-Response/RestoCost	232								
Postemployment Benefits (SFAS 112)	232								
Asset Retirement Obligation	232								
DSM Costs < Revenues (Exclude SH inc & LM)	232								
CISDef Post Go-live	232								
CIS O&M Post Go-live	232								
Reserve CIS Deferred	232								
PPAC CCE	232								
PIMS - Performance Incentive Mechanisms	232								
Interactive Voice Response (IVR)	232								
Vacation Earned by Employees, But Not Yet taken	232								
NPP vs Rates	232								
Reg-A Pen N/S Cost	232								
OPEB Min Liab ility (SFAS 158)	232								
RBA - Revenue Balancing Account	232								
Unamortized Debt Expense on Retired Issuances	232								
Income taxes (SFAS 109)	232								
Investment income differential	232								
NPBC vs Rates	232								
RBA Rev-Tax Gross-Up	232								
Deferred rate case costs	232								
Pension min liability (SFAS 158)	232								
Reg-A Pen N/S Cost	232								
Cost of Removal / Salvage	232								
ECRC	0								
Reg Asset - EPRM o&m Cost Recovery-Resilience	232								
Total	0							9,818,889	9,611,701

Miscellaneous Deferred Debits (186)			2018	2019	2020	2021	2022	2023	2024
Other	233								
Other CWIP = Non Utility	233								
Lease Receivable - non current	233								
LT Pension Asset	233								
Budget system project	233								
ERP EAM Project	233								
Grid Modernization	233								
Nalu Frequency	233								
West Loch USPV	233								
Pension Qualified AOCI rcls Debit to asset	233								
OPEB Asset	233								
LT Pension Asset	233								
CIS Project	233								
HR Suite project	0								
Deferred Project Costs - HR Suites	233								
ROU Assets	233								
TOTAL			**15,471,827**	**15,348,980**	**17,056,243**	**14,526,995**	**36,799,605**	**26,189,892**	**36,722,412**

Hawaiian Electric Light Company **HELCO**

Account 253 Other Deferred Credits			**2018**	**2019**	**2020**	**2021**	**2022**	**2023**	**2024**
Total	269								

Regulory Liabilities Account 254									
Excess ADIT - Depreciation	278	11						49,601,700	48,201,180
Total	278	41	74,356,592	73,694,288	65,402,491	59,529,757	71,910,201	80,403,977	101,441,900

Hawaiian Electric Light Company **HELCO**

Tax impacts on Regulatory Assets and Liabilities

Account 283 - Accumulated Deferred Income Taxes - Other			**2018**	**2019**	**2020**	**2021**	**2022**	**2023**	**2024**
Federal Income Tax	276A								
State Income Tax	276A								

Taxable Income	261							34,723,376	26,336,382
Income taxes								7,291,909	5,530,640
Account 282	274A								
Utility	274A								
Non Utility	274A								
Total	274A								
Account 255 Investment Tax Credits									
Energy Credits	266	6						59,186	56,941
State Tax credits	266	7						11,564,846	10,690,565

Other Regulatory Assets
Form 1, page 232

	HECO 2024	HELC 2024	MECO 2024	2024 Total
Fully amortized prior to MRP2[1]				
Reg Asst - Other (CIP BESS Write Off)	699,463	-	-	699,463
IVR system[2]	184,459	95,375	36,945	316,778
CIS O&M expenses	9,820	2,049	1,975	13,844
Fully amortized In MRP2[1]				
Pandemic Deferred Costs (including Pandemic Collections)[3]	4,563,851	982,750	1,168,504	6,715,105
Other				
Reg Asset - Retirement of Assets (Hon 8&9 & Waiau 3&4)[4]	40,952,790	-	-	40,952,790
Unamortized Debt Expense on Retired Issuances[5]	2,161,945	650,073	475,797	3,287,815
EPRM/MPIR O&M Expense Cost Recovery[6]	1,593,410	337,089	432,301	2,362,800
Investment income differential[5]	618,209	76,825	2,459	697,493
Pension Non Service Cost tracker[7]	549,517	36,472	323,132	909,121
Reg Asset - EPRM O&M Cost Recovery-Resilience[8]	100,603	100,558	100,553	301,714
OPEB tracking - Asset[7]	-	54,382	793,011	847,393
Other - amortization to be determined				
RA-Response/RestoCost[9]	26,779,421	4,618,343	21,254,296	52,652,060
Reg Asset - Disconnect Suspensions[9]	-	-	2,839,056	2,839,056
Deferred rate case costs[10]	251,849	-	-	251,849
Other - not considered in target revenue[11]				
Income Taxes	62,845,426	9,611,702	8,645,266	81,102,394
Reg Asst - lease tracker (purchased power exp vs. lease exp)	16,183,781	1,733,788	1,241,350	19,158,920
Pension SFAS 158 AOCI	11,998,377	-	-	11,998,377
Vacation liability	10,982,503	1,611,427	1,356,447	13,950,378
ECRC/PPAC	9,681,070	3,502,266	3,085,700	16,269,036
Revenue Balancing Account	7,532,192	-	2,296,521	9,828,713
Reverse osmosis pipeline costs	4,026,791	-	-	4,026,791
Asset retirement obligations	3,502,544	1,860,305	1,447,626	6,810,475
PIMS	3,091,791	3,167,590	523,609	6,782,990
Pilot Process	2,023,211	491,949	586,102	3,101,262
PPAC Compensable Curtailment Expense	885,216	-	263,385	1,148,602
Public Benefits Fund Surcharge True-Up	764,500	-	-	764,500
DSM costs < revenues (exclude SH inc & LM)	174,655	13,168	30,224	218,047
Postemployment Benefits (Long-term Disability SFAS 112)	120,502	-	-	120,502
REIP	1,170	-	-	1,170
Total regulatory assets (Reported per Annual PUC Report)	**212,279,066**	**28,946,111**	**46,904,258**	**288,129,435**
Reclassed to reg liabilities (ARO to COR)	(3,502,544)	(1,860,305)	(1,447,626)	(6,810,475)
Total adjusted reg assets (Reported per 10-K)	**208,776,522**	**27,085,806**	**45,456,632**	**281,318,960**

[1] Assumption: MRP2 starts from January 1, 2027 through December 31, 2031.
[2] Will be fully amortized by July 2026.
[3] Will be fully amortized by May 2027 and recover via Z-factor and will not be included in re-based target revenue.
[4] Reg Asset - Retirement of Hon 8 & 9 and Reg Asset - Retirement of Waiau 3 & 4 will be fully amortized in March 2033 and April 2034, respectively.
[5] Unamortized Debt Expense on Retired Issuances & Investment income differential : included in the determination of the cost of capital for ratemaking purposes.
[6] O&M deferred to regulatory asset that is recovered through the EPRM/MPIR mechanism.
The Companies plan to propose moving the EPRM/MPIR revenues for the completed project from the EPRM/MPIR revenue to the new re-based target revenue.
[7] Refer to the response to Ulupono Data Request 50.
[8] New in 2024. Continue to recover through the EPRM mechanism during MRP2.
[9] The amount represents costs that the Commission has authorized the Companies to defer. Recovery of these costs requires the Companies to submit separate applications for Commission approval.
As these costs remain deferred, the Companies have not yet submitted such applications, and accordingly, the applicable cost recovery mechanism and amortization method have not been established.
deferred, the Companies have not yet submitted such applications, and accordingly, the applicable cost recovery mechanism and amortization method have not been established.
[11] Regulatory assets in this category do not need to be considered for setting target revenue for MRP2.

Other Regulatory Liabilities
Form 1, page 278

	HECO 2024	HELC 2024	MECO 2024	2024 Total
Fully amortized prior to MRP2[1]				
Deferred gain on sale of utility properties[2]	42,739	-	-	42,739
Other				
Pension tracker[3]	117,440,508	9,511,507	19,991,316	146,943,331
OPEB Tracker[3]	36,487	-	-	36,487
Reg Liab - Pension Non Service Cost[3]	-	-	-	-
Other - amortization to be determined[4]				
Reg Liab - Other (ERP benefits)	1,186,420	4,559,109	6,803,061	12,548,590
Other - Not considered in target revenue[5]				
2017 Excess ADIT Depreciation	192,109,928	48,201,180	42,239,752	282,550,860
Reg Liab - OPEB SFAS 158 AOCI	44,384,521	4,291,469	6,464,063	55,140,053
Reg Liab - Clearway	40,355,292	-	-	40,355,292
OPEB Negative NPBC	31,184,934	7,901,366	6,184,441	45,270,741
2017 Excess ADIT Other	8,510,812	-	974,721	9,485,533
Reg Liab - Waianae Solar Tax Credit	6,305,376	-	-	6,305,376
ECRC/PPAC	2,402,922	1,314,133	579,398	4,296,453
Reg Liab - DRAC - Comm	744,583	-	101,983	846,566
Reg Liab - DRAC - Resid	36,973	-	-	36,973
Reg Liab - Pacific Current Affiliate	12,307	-	-	12,307
Pension Negative NPPC	-	1,544,946	709,131	2,254,077
Reg Liab - FIT	-	-	21,656	21,656
PBF surcharge true-up	-	78,146	174,210	252,356
Reg Liab - RBA Rev Tax	-	536,097	-	536,097
Reg Liab-Restoration/Restoration – Property insur claims	-	-	-	-
Revenue Balancing Account	-	5,497,687	-	5,497,687
Reg Liab - Pension SFAS 158 AOCI	-	18,006,260	11,902,044	29,908,304
Total regulatory liabilities (Reported per Annual PUC Report)	**444,753,802**	**83,435,640**	**84,243,731**	**612,433,174**
Cost of removal (Reported per Annual PUC Report Pg 110 Ln 5)	434,708,488	133,291,292	40,552,019	608,551,799
Reclassed from reg assets (ARO to COR)	(3,502,544)	(1,860,305)	(1,447,626)	(6,810,475)
Total adjusted reg liabilities (Reported per 10K)	**875,959,747**	**214,866,628**	**123,348,124**	**1,214,174,498**

[1] Assumption: MRP2 starts from January 1, 2027 through December 31, 2031.

[2] Was fully amortized by October 2025.

[3] The pension tracker liability has been estimated based on the actuarial NPPC vs. NPPC in rates, and the associated amortization will be updated in MRP 2 as part of the proposed rebasing efforts. See Ulupono Data Request 51. Additional detail on the year-end 2020–2025 (estimated) pension tracker regulatory balances and related annual activities can be found in Attachment 1 to Ulupono Data Request 40.

[4] See response to Ulupono Data Request 23 for further details.

[5] Regulatory liabilities in this category do not need to be considered for setting target revenue requirement for MRP2.

PBR Working Group Meetings

Meeting Date	Topics Discussed	Attendees
October 22, 2025	• Order No. 41963 Requirements • Hawaiian Electric Proposed Process and Timeline • Party Comments and Recommendations	• Hawaiian Electric Companies • Hawai‘i Public Utilities Commission • Consumer Advocate • County of Hawai‘i • Blue Planet Foundation • Life of the Land • Hawaii PV Coalition • Hawaii Solar Energy Association • Ulupono Initiative LLC
October 29, 2025	• Cost Drivers Discussion • Potential Inflation Adjustment • Depreciation Adjustment Discussion • Feedback and Further Discussion	• Hawaiian Electric Companies • Consumer Advocate • County of Hawai‘i • Blue Planet Foundation • Life of the Land • Hawaii PV Coalition • Hawaii Solar Energy Association • Ulupono Initiative LLC
November 5, 2025	• Follow-Ups from Prior Meeting • Review the Companies’ PBR Re-basing Proposal Thus Far • Feedback and Further Discussion	• Hawaiian Electric Companies • Consumer Advocate • County of Hawai‘i • Blue Planet Foundation • Life of the Land • Hawaii PV Coalition • Hawaii Solar Energy Association • Ulupono Initiative LLC

Meeting Date	Topics Discussed	Attendees
November 12, 2025	• Follow-Ups from Prior Meeting • Recap of HECO's PBR Rebasing Proposals Thus Far • Review of Insurance Premium Increases • Review of Waiau and Archer Substations • Review of Employee Benefits and 401k Costs • Review of Pension Liability Balances • Initial PIMs Discussion	• Hawaiian Electric Companies • Consumer Advocate • County of Hawaiʻi • Blue Planet Foundation • Life of the Land • Hawaii PV Coalition • Hawaii Solar Energy Association • Ulupono Initiative LLC

November 19, 2025	• Company Perspective on ROE
	• PBR Framework Modifications Discussion
	  ○ ARA Adjustment Modifications
	  ○ Retirement Benefit Tracker Adjustment
	  ○ EPRM Scope Modification
	  ○ Follow-up on PIMs
		• Hawaiian Electric Companies
		• Consumer Advocate
		• County of Hawaiʻi
		• Blue Planet Foundation
		• Life of the Land
		• Hawaii PV Coalition
		• Hawaii Solar Energy Association
		• Ulupono Initiative LLC

November 26, 2025	• MRP1 Savings and Benefits • Operational Efficiencies and Affordability Perspective • Pre-Final PBR Re-Basing Comprehensive Proposal	• Hawaiian Electric Companies • Consumer Advocate • County of Hawaiʻi • Blue Planet Foundation • Life of the Land • Hawaii PV Coalition • Hawaii Solar Energy Association • Ulupono Initiative LLC
December 3, 2025	• Working Group Meeting Follow Up Items • Regulatory Procedures Presentation • Ulupono Presentation • Expanded Bill Impacts	• Hawaiian Electric Companies • Consumer Advocate • County of Hawaiʻi • Blue Planet Foundation • Life of the Land • Hawaii PV Coalition • Hawaii Solar Energy Association • Ulupono Initiative LLC

Meeting Date	Topics Discussed	Attendees
December 9, 2025	• Life of the Land Presentation • Consumer Advocate Presentation	• Hawaiian Electric Companies • Consumer Advocate • County of Hawai‘i • Life of the Land • Hawaii PV Coalition • Hawaii Solar Energy Association • Ulupono Initiative LLC
January 23, 2026	• Ulupono Presentation	• Hawaiian Electric Companies • Consumer Advocate • County of Hawai‘i • Life of the Land • Hawaii PV Coalition • Ulupono Initiative LLC

HAWAIIAN ELECTRIC COMPANIES
ONE-TIME INFLATION TRUE-UP ADJUSTMENT to 2026 TARGET REVENUE
($ in thousands)

Ln		Reference	A	B	C = B - A	D	E	F = E - D	G	H	I = H - G	J	K	L = K - J
			Hawaiian Electric			Hawaii Electric Light			Maui Electric			CONSOLIDATED		
	Net of Revenue Taxes													
1	Adjusted Last Rate Order Target Revenue		$ 601,927	$ 601,927		$ 154,025	$ 154,025		$ 147,575	$ 147,575		$ 903,528	$ 903,528	
2	RAM		$ 37,346	$ 37,346		$ 2,926	$ 2,926		$ 5,962	$ 5,962		$ 46,234	$ 46,234	
3	Initial Revenue for MRP1	Ln 1 + Ln 2	$ 639,273	$ 639,273		$ 156,952	$ 156,952		$ 153,537	$ 153,537		$ 949,762	$ 949,762	
	Prior Years' Compounded Portion of ARA		Forecast	Actual	Diff	Forecast	Actual	Diff	Forecast	Actual	Diff	Forecast	Actual	Diff
4	2021		$ 10,740	$ 27,361	$ 16,621	$ 2,637	$ 6,718	$ 4,081	$ 2,579	$ 6,571	$ 3,992	$ 15,956	$ 40,650	$ 24,694
5	2022		$ 18,070	$ 45,864	$ 27,794	$ 4,437	$ 11,261	$ 6,824	$ 4,340	$ 11,016	$ 6,676	$ 26,847	$ 68,141	$ 41,294
6	2023		$ 24,585	$ 24,795	$ 210	$ 6,036	$ 6,087	$ 51	$ 5,905	$ 5,956	$ 51	$ 36,526	$ 36,838	$ 312
7	2024		$ 15,100	$ 16,810	$ 1,710	$ 3,707	$ 4,127	$ 420	$ 3,627	$ 4,037	$ 410	$ 22,434	$ 24,974	$ 2,540
8	2025		$ 14,014	$ 18,702	$ 4,688	$ 3,441	$ 4,592	$ 1,151	$ 3,366	$ 4,492	$ 1,126	$ 20,821	$ 27,786	$ 6,965
9	Cumulative Compounded Portion of ARA	sum of Ln 4 - 8	$ 82,509	$ 133,532	$ 51,023	$ 20,258	$ 32,785	$ 12,527	$ 19,817	$ 32,072	$ 12,255	$ 122,584	$ 198,389	$ 75,805
10	w/ revenue taxes	Ln9 x [x]			$ 55,998			$ 13,749			$ 13,450			$ 83,197

ASSUMPTIONS
The above calculation reflects *actual* GDPPI for 2025 and 2026 from the Blue Chip Economic Indicators, issued October 10, 2025, estimated at 2.7% and 2.8%, respectively.

NOTES
1 - Amounts may not add exactly due to rounding.
2 - Blue indicates assumptions made in calculations or amounts derived based on the assumptions.
Ln 1 - Amounts exclude ECRC and PPAC revenues and associated revenue taxes.
Ln 4-8, Col A, D, G, J: See Pages 2-3. The Compounded Portion of ARA is calculated based on the following I-Factor (i.e., forecasted GDPPI %), X-Factor, and Multiplicative Customer Dividend ("CD") Factor.

TABLE 1:	2021	2022	2023	2024	2025	2026
I-Factor (Forecasted GDPPI %)	1.90%	3.00%	3.90%	2.40%	2.20%	2.80%
X-Factor	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
Multiplicative CD-Factor	-0.22%	-0.22%	-0.22%	-0.22%	-0.22%	-0.22%
	1.68%	**2.78%**	**3.68%**	**2.18%**	**1.98%**	**2.58%**

Ln 4-8, Col B, E, H, K: See Pages 4-5. The Compounded Portion of ARA is calculated based on the following I-Factor (i.e., actual GDPPI %), X-Factor, and Multiplicative CD Factor.

TABLE 2:	2021	2022	2023	2024	2025	2026
I-Factor (Actual GDPPI %)	4.50%	7.10%	3.70%	2.50%	2.70%	2.80%
X-Factor	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
Multiplicative CD-Factor	-0.22%	-0.22%	-0.22%	-0.22%	-0.22%	-0.22%
	4.28%	**6.88%**	**3.48%**	**2.28%**	**2.48%**	**2.58%**

Ln 8, Col B, E, H - Estimated using the 2025 GDPPI of 2.7% from the Blue Chip Economic Indicators, issued on October 10, 2025; this estimate will be updated based on the 2025 GDPPI to be released by the U.S. Department of Commerce, Bureau of Economic Analysis ("BEA") in the first quarter of 2026.
Ln 10 - Amounts are grossed up for revenue taxes using the revenue tax factor: 1.097514 **[x]**

SOURCE
Ln 1-2, Col A-B, D-E, G-H & Ln 4-8, Col A, D, G: 2025 Fall Revenue Report, Schedules B1, C and C1, filed on October 31, 2025 in Non-Docketed Case No. 2023-04666, Transmittal No. 25-05.

HAWAIIAN ELECTRIC COMPANIES

Compounded Portion of ARA (I-Factor Based on Forecasted GDPPI %)

($ in thousands)

	MRP1 (6/1/21 to 5/31/26)						INTERIM	Total
	6/1/21 to 12/31/21	2022	2023	2024	2025	1/1/26 to 5/31/26	6/1/26 to 12/31/26	2026 (1/1-12/31)
I-Factor (Forecasted GDPPI %) (Sch C, WP-C-001)	1.90%	3.00%	3.90%	2.40%	2.20%			2.80%
X-Factor (Sch C)	0.00%	0.00%	0.00%	0.00%	0.00%			0.00%
Multiplicative CD-Factor (Sch C)	-0.22%	-0.22%	-0.22%	-0.22%	-0.22%			-0.22%
Revenue Tax Factor	1.097514	1.097514	1.097514	1.097514	1.097514	1.097514	1.097514	1.097514
HAWAIIAN ELECTRIC								
Basis for Compd Portion of ARA Adj. (Sch C, C1)	$ 639,273	$ 650,013	$ 668,083	$ 692,668	$ 707,768			$ 721,782
I-Factor (Forecasted GDPPI %) (Sch C)	$ 12,146	$ 19,500	$ 26,055	$ 16,624	$ 15,571			$ 20,210
X-Factor (Sch C)	$ -	$ -	$ -	$ -	$ -			$ -
Multiplicative CD-Factor (Sch C)	$ (1,406)	$ (1,430)	$ (1,470)	$ (1,524)	$ (1,557)			$ (1,588)
Compd Portion of ARA Adj. (Sch B1)	$ 10,740	$ 18,070	$ 24,585	$ 15,100	$ 14,014			$ 18,622
Compd Portion of ARA Adj. incl. rev. taxes (Sch B1, C)	$ 11,787	$ 19,832	$ 26,982	$ 16,572	$ 15,381			$ 20,438
Accrued Target Revenue: Compd Portion of ARA Adj.								
Current Year ("CY")	$ 10,740							
Distribution % for Jun-Dec 2021	58.63%							
Current Year (Sch A1 for 2021, Sch B1)	$ 6,297	$ 18,070	$ 24,585	$ 15,100	$ 14,014	$ 7,704	$ 10,918	$ 18,622
Prior Years ("PYs")								
2021		$ 10,740	$ 10,740	$ 10,740	$ 10,740	$ 4,443	$ 6,297	$ 10,740
2022			$ 18,070	$ 18,070	$ 18,070	$ 7,476	$ 10,594	$ 18,070
2023				$ 24,585	$ 24,585	$ 10,171	$ 14,414	$ 24,585
2024					$ 15,100	$ 6,247	$ 8,853	$ 15,100
2025						$ 5,798	$ 8,216	$ 14,014
Total PYs (Sch C1)	$ -	$ 10,740	$ 28,810	$ 53,395	$ 68,495	$ 34,135	$ 48,374	$ 82,509
Total CY & PYs (excl. rev. taxes) (Sch A1 or B1 Ln 11-15)	$ 6,297	$ 28,810	$ 53,395	$ 68,495	$ 82,509	$ 41,839	$ 59,292	$ 101,131
Total CY & PYs (incl. rev. taxes) (Sch A Ln 5a or 5-6a)	$ 6,911	$ 31,619	$ 58,602	$ 75,174	$ 90,555	$ 45,919	$ 65,074	$ 110,993
Cumulative Total CY & PYs (excl. rev. taxes)	$ 6,297	$ 35,107	$ 88,502	$ 156,997	$ 239,506	$ 281,345	$ 340,637	$ 340,637
Cumulative Total CY & PYs (incl. rev. taxes)	$ 6,911	$ 38,530	$ 97,132	$ 172,306	$ 262,861	$ 308,780	$ 373,854	$ 373,854
HAWAII ELECTRIC LIGHT								
Basis for Compd Portion of ARA Adj. (Sch C, C1)	$ 156,952	$ 159,589	$ 164,026	$ 170,062	$ 173,769			$ 177,210
I-Factor (Forecasted GDPPI %) (Sch C)	$ 2,982	$ 4,788	$ 6,397	$ 4,081	$ 3,823			$ 4,962
X-Factor (Sch C)	$ -	$ -	$ -	$ -	$ -			$ -
Multiplicative CD-Factor (Sch C)	$ (345)	$ (351)	$ (361)	$ (374)	$ (382)			$ (390)
Compd Portion of ARA Adj. (Sch B1)	$ 2,637	$ 4,437	$ 6,036	$ 3,707	$ 3,441			$ 4,572
Compd Portion of ARA Adj. incl. rev. taxes (Sch B1, C)	$ 2,894	$ 4,870	$ 6,625	$ 4,068	$ 3,777			$ 5,018
Accrued Target Revenue: Compd Portion of ARA Adj.								
Current Year ("CY")	$ 2,637							
Distribution % for Jun-Dec 2021	58.63%							
Current Year (Sch A1 for 2021, Sch B1)	$ 1,546	$ 4,437	$ 6,036	$ 3,707	$ 3,441	$ 1,891	$ 2,681	$ 4,572
Prior Years ("PYs")								
2021		$ 2,637	$ 2,637	$ 2,637	$ 2,637	$ 1,091	$ 1,546	$ 2,637
2022			$ 4,437	$ 4,437	$ 4,437	$ 1,836	$ 2,601	$ 4,437
2023				$ 6,036	$ 6,036	$ 2,497	$ 3,539	$ 6,036
2024					$ 3,707	$ 1,534	$ 2,173	$ 3,707
2025						$ 1,424	$ 2,017	$ 3,441
Total PYs (Sch C1)	$ -	$ 2,637	$ 7,074	$ 13,110	$ 16,817	$ 8,381	$ 11,877	$ 20,258
Total CY & PYs (excl. rev. taxes) (Sch A1 or B1 Ln 11-15)	$ 1,546	$ 7,074	$ 13,110	$ 16,817	$ 20,258	$ 10,272	$ 14,558	$ 24,830
Total CY & PYs (incl. rev. taxes) (Sch A Ln 5a or 5-6a)	$ 1,697	$ 7,764	$ 14,388	$ 18,457	$ 22,233	$ 11,274	$ 15,977	$ 27,251
Cumulative Total CY & PYs (excl. rev. taxes)	$ 1,546	$ 8,620	$ 21,730	$ 38,547	$ 58,805	$ 69,077	$ 83,635	$ 83,635
Cumulative Total CY & PYs (incl. rev. taxes)	$ 1,697	$ 9,461	$ 23,849	$ 42,306	$ 64,539	$ 75,813	$ 91,791	$ 91,791

	MRP1 (6/1/21 to 5/31/26)						INTERIM	Total
	6/1/21 to 12/31/21	2022	2023	2024	2025	1/1/26 to 5/31/26	6/1/26 to 12/31/26	2026 (1/1-12/31)
I-Factor (Forecasted GDPPI %) (Sch C, WP-C-001)	1.90%	3.00%	3.90%	2.40%	2.20%			2.80%
X-Factor (Sch C)	0.00%	0.00%	0.00%	0.00%	0.00%			0.00%
Multiplicative CD-Factor (Sch C)	-0.22%	-0.22%	-0.22%	-0.22%	-0.22%			-0.22%
Revenue Tax Factor	1.097514	1.097514	1.097514	1.097514	1.097514	1.097514	1.097514	1.097514
MAUI ELECTRIC								
Basis for Compd Portion of ARA Adj. (Sch C, C1)	$ 153,537	$ 156,116	$ 160,456	$ 166,361	$ 169,988			$ 173,354
I-Factor (Forecasted GDPPI %) (Sch C)	$ 2,917	$ 4,683	$ 6,258	$ 3,993	$ 3,740			$ 4,854
X-Factor (Sch C)	$ -	$ -	$ -	$ -	$ -			$ -
Multiplicative CD-Factor (Sch C)	$ (338)	$ (343)	$ (353)	$ (366)	$ (374)			$ (381)
Compd Portion of ARA Adj. (Sch B1)	$ 2,579	$ 4,340	$ 5,905	$ 3,627	$ 3,366			$ 4,473
Compd Portion of ARA Adj. incl. rev. taxes (Sch B1, C)	$ 2,830	$ 4,763	$ 6,481	$ 3,981	$ 3,694			$ 4,909
Accrued Target Revenue: Compd Portion of ARA Adj.								
Current Year ("CY")	$ 2,579							
Distribution % for Jun-Dec 2021	58.63%							
Current Year (Sch A1 for 2021, Sch B1)	$ 1,512	$ 4,340	$ 5,905	$ 3,627	$ 3,366	$ 1,851	$ 2,622	$ 4,473
Prior Years ("PYs")								
2021		$ 2,579	$ 2,579	$ 2,579	$ 2,579	$ 1,067	$ 1,512	$ 2,579
2022			$ 4,340	$ 4,340	$ 4,340	$ 1,796	$ 2,544	$ 4,340
2023				$ 5,905	$ 5,905	$ 2,443	$ 3,462	$ 5,905
2024					$ 3,627	$ 1,501	$ 2,126	$ 3,627
2025						$ 1,393	$ 1,973	$ 3,366
Total PYs (Sch C1)	$ -	$ 2,579	$ 6,919	$ 12,824	$ 16,451	$ 8,198	$ 11,619	$ 19,817
Total CY & PYs (excl. rev. taxes) (Sch A1 or B1 Ln 11-15)	$ 1,512	$ 6,919	$ 12,824	$ 16,451	$ 19,817	$ 10,049	$ 14,241	$ 24,290
Total CY & PYs (incl. rev. taxes) (Sch A Ln 5a or 5-6a)	$ 1,659	$ 7,594	$ 14,075	$ 18,055	$ 21,749	$ 11,029	$ 15,630	$ 26,659
Cumulative Total CY & PYs (excl. rev. taxes)	$ 1,512	$ 8,431	$ 21,255	$ 37,706	$ 57,523	$ 67,572	$ 81,813	$ 81,813
Cumulative Total CY & PYs (incl. rev. taxes)	$ 1,659	$ 9,253	$ 23,328	$ 41,383	$ 63,132	$ 74,161	$ 89,791	$ 89,791
CONSOLIDATED								
Basis for Compd Portion of ARA Adj. (Sch C, C1)	$ 949,762	$ 965,718	$ 992,565	$ 1,029,091	$ 1,051,525			$ 1,072,346
I-Factor (Forecasted GDPPI %) (Sch C)	$ 18,045	$ 28,971	$ 38,710	$ 24,698	$ 23,134			$ 30,026
X-Factor (Sch C)	$ -	$ -	$ -	$ -	$ -			$ -
Multiplicative CD-Factor (Sch C)	$ (2,089)	$ (2,124)	$ (2,184)	$ (2,264)	$ (2,313)			$ (2,359)
Compd Portion of ARA Adj. (Sch B1)	$ 15,956	$ 26,847	$ 36,526	$ 22,434	$ 20,821			$ 27,667
Compd Portion of ARA Adj. incl. rev. taxes (Sch B1, C)	$ 17,512	$ 29,465	$ 40,088	$ 24,622	$ 22,851			$ 30,365
Accrued Target Revenue: Compd Portion of ARA Adj.								
Current Year ("CY")	$ 15,956							
Distribution % for Jun-Dec 2021	58.63%							
Current Year (Sch A1 for 2021, Sch B1)	$ 9,355	$ 26,847	$ 36,526	$ 22,434	$ 20,821	$ 11,446	$ 16,221	$ 27,667
Prior Years ("PYs")								
2021		$ 15,956	$ 15,956	$ 15,956	$ 15,956	$ 6,601	$ 9,355	$ 15,956
2022			$ 26,847	$ 26,847	$ 26,847	$ 11,107	$ 15,740	$ 26,847
2023				$ 36,526	$ 36,526	$ 15,111	$ 21,415	$ 36,526
2024					$ 22,434	$ 9,281	$ 13,153	$ 22,434
2025						$ 8,614	$ 12,207	$ 20,821
Total PYs (Sch C1)	$ -	$ 15,956	$ 42,803	$ 79,329	$ 101,763	$ 50,714	$ 71,870	$ 122,584
Total CY & PYs (excl. rev. taxes) (Sch A1 or B1 Ln 11-15)	$ 9,355	$ 42,803	$ 79,329	$ 101,763	$ 122,584	$ 62,160	$ 88,091	$ 150,251
Total CY & PYs (incl. rev. taxes) (Sch A Ln 5a or 5-6a)	$ 10,267	$ 46,977	$ 87,065	$ 111,686	$ 134,538	$ 68,222	$ 96,681	$ 164,903
Cumulative Total CY & PYs (excl. rev. taxes)	$ 9,355	$ 52,158	$ 131,487	$ 233,250	$ 355,834	$ 417,994	$ 506,085	$ 506,085
Cumulative Total CY & PYs (incl. rev. taxes)	$ 10,267	$ 57,244	$ 144,309	$ 255,995	$ 390,533	$ 458,754	$ 555,435	$ 555,435

ASSUMPTIONS: See page 1.
SOURCES: 2021 Annual Decoupling filing and 2021-2025 Fall Revenue Reports.

HAWAIIAN ELECTRIC COMPANIES
Compounded Portion of ARA (I-Factor Based on Actual GDPPI %)
($ in thousands)

		MRP1 (6/1/21 to 5/31/26)						INTERIM	Total
		6/1/21 to 12/31/21	2022	2023	2024	2025	1/1/26 to 5/31/26	6/1/26 to 12/31/26	2026 (1/1-12/31)
I-Factor (Actual GDPPI %)		4.50%	7.10%	3.70%	2.50%	2.70%			2.80%
X-Factor		0.00%	0.00%	0.00%	0.00%	0.00%			0.00%
Multiplicative CD-Factor		-0.22%	-0.22%	-0.22%	-0.22%	-0.22%			-0.22%
Revenue Tax Factor		1.097514	1.097514	1.097514	1.097514	1.097514	1.097514	1.097514	1.097514

HAWAIIAN ELECTRIC									
Basis for Compd Portion of ARA Adj. (Sch C1 for 2021)		$ 639,273	$ 666,634	$ 712,498	$ 737,293	$ 754,103			$ 772,805
I-Factor (Actual GDPPI %)		$ 28,767	$ 47,331	$ 26,362	$ 18,432	$ 20,361			$ 21,639
X-Factor		$ -	$ -	$ -	$ -	$ -			$ -
Multiplicative CD-Factor		$ (1,406)	$ (1,467)	$ (1,567)	$ (1,622)	$ (1,659)			$ (1,700)
Compd Portion of ARA Adj.		$ 27,361	$ 45,864	$ 24,795	$ 16,810	$ 18,702			$ 19,939
Compd Portion of ARA Adj. incl. rev. taxes		$ 30,029	$ 50,336	$ 27,213	$ 18,449	$ 20,526			$ 21,883
Accrued Target Revenue: Compd Portion of ARA Adj.									
Current Year ("CY")		$ 27,361							
Distribution % for Jun-Dec 2021		58.63%							
Current Year		$ 16,041	$ 45,864	$ 24,795	$ 16,810	$ 18,702	$ 8,249	$ 11,690	$ 19,939
Prior Years ("PYs")									
	2021		$ 27,361	$ 27,361	$ 27,361	$ 27,361	$ 11,320	$ 16,041	$ 27,361
	2022			$ 45,864	$ 45,864	$ 45,864	$ 18,974	$ 26,890	$ 45,864
	2023				$ 24,795	$ 24,795	$ 10,258	$ 14,537	$ 24,795
	2024					$ 16,810	$ 6,954	$ 9,856	$ 16,810
	2025						$ 7,737	$ 10,965	$ 18,702
Total PYs		$ -	$ 27,361	$ 73,225	$ 98,020	$ 114,830	$ 55,244	$ 78,288	$ 133,532
Total CY & PYs (excl. rev. taxes)		$ 16,041	$ 73,225	$ 98,020	$ 114,830	$ 133,532	$ 63,492	$ 89,979	$ 153,471
Total CY & PYs (incl. rev. taxes)		$ 17,606	$ 80,365	$ 107,578	$ 126,028	$ 146,553	$ 69,684	$ 98,753	$ 168,437
Cumulative Total CY & PYs (excl. rev. taxes)		$ 16,041	$ 89,266	$ 187,286	$ 302,116	$ 435,648	$ 499,141	$ 589,119	$ 589,119
Cumulative Total CY & PYs (incl. rev. taxes)		$ 17,606	$ 97,971	$ 205,550	$ 331,577	$ 478,130	$ 547,814	$ 646,567	$ 646,567

HAWAII ELECTRIC LIGHT									
Basis for Compd Portion of ARA Adj. (Sch C1 for 2021)		$ 156,952	$ 163,670	$ 174,931	$ 181,018	$ 185,145			$ 189,737
I-Factor (Actual GDPPI %)		$ 7,063	$ 11,621	$ 6,472	$ 4,525	$ 4,999			$ 5,313
X-Factor		$ -	$ -	$ -	$ -	$ -			$ -
Multiplicative CD-Factor		$ (345)	$ (360)	$ (385)	$ (398)	$ (407)			$ (417)
Compd Portion of ARA Adj.		$ 6,718	$ 11,261	$ 6,087	$ 4,127	$ 4,592			$ 4,896
Compd Portion of ARA Adj. incl. rev. taxes		$ 7,373	$ 12,359	$ 6,681	$ 4,529	$ 5,040			$ 5,373
Accrued Target Revenue: Compd Portion of ARA Adj.									
Current Year ("CY")		$ 6,718							
Distribution % for Jun-Dec 2021		58.63%							
Current Year		$ 3,939	$ 11,261	$ 6,087	$ 4,127	$ 4,592	$ 2,026	$ 2,870	$ 4,896
Prior Years ("PYs")									
	2021		$ 6,718	$ 6,718	$ 6,718	$ 6,718	$ 2,779	$ 3,939	$ 6,718
	2022			$ 11,261	$ 11,261	$ 11,261	$ 4,659	$ 6,602	$ 11,261
	2023				$ 6,087	$ 6,087	$ 2,518	$ 3,569	$ 6,087
	2024					$ 4,127	$ 1,707	$ 2,420	$ 4,127
	2025						$ 1,900	$ 2,692	$ 4,592
Total PYs		$ -	$ 6,718	$ 17,979	$ 24,066	$ 28,193	$ 13,563	$ 19,222	$ 32,785
Total CY & PYs (excl. rev. taxes)		$ 3,939	$ 17,979	$ 24,066	$ 28,193	$ 32,785	$ 15,589	$ 22,092	$ 37,681
Total CY & PYs (incl. rev. taxes)		$ 4,323	$ 19,732	$ 26,413	$ 30,942	$ 35,982	$ 17,109	$ 24,246	$ 41,355
Cumulative Total CY & PYs (excl. rev. taxes)		$ 3,939	$ 21,918	$ 45,984	$ 74,177	$ 106,962	$ 122,551	$ 144,643	$ 144,643
Cumulative Total CY & PYs (incl. rev. taxes)		$ 4,323	$ 24,055	$ 50,468	$ 81,410	$ 117,392	$ 134,501	$ 158,747	$ 158,747

	MRP1 (6/1/21 to 5/31/26)						INTERIM	Total
	6/1/21 to 12/31/21	2022	2023	2024	2025	1/1/26 to 5/31/26	6/1/26 to 12/31/26	2026 (1/1-12/31)
I-Factor (Actual GDPPI %)	4.50%	7.10%	3.70%	2.50%	2.70%			2.80%
X-Factor	0.00%	0.00%	0.00%	0.00%	0.00%			0.00%
Multiplicative CD-Factor	-0.22%	-0.22%	-0.22%	-0.22%	-0.22%			-0.22%
Revenue Tax Factor	1.097514	1.097514	1.097514	1.097514	1.097514	1.097514	1.097514	1.097514
MAUI ELECTRIC								
Basis for Compd Portion of ARA Adj. (Sch C1 for 2021)	$ 153,537	$ 160,108	$ 171,124	$ 177,080	$ 181,117			$ 185,609
I-Factor (Actual GDPPI %)	$ 6,909	$ 11,368	$ 6,332	$ 4,427	$ 4,890			$ 5,197
X-Factor	$ -	$ -	$ -	$ -	$ -			$ -
Multiplicative CD-Factor	$ (338)	$ (352)	$ (376)	$ (390)	$ (398)			$ (408)
Compd Portion of ARA Adj.	$ 6,571	$ 11,016	$ 5,956	$ 4,037	$ 4,492			$ 4,789
Compd Portion of ARA Adj. incl. rev. taxes	$ 7,212	$ 12,090	$ 6,537	$ 4,431	$ 4,930			$ 5,256
Accrued Target Revenue: Compd Portion of ARA Adj.								
Current Year ("CY")	$ 6,571							
Distribution % for Jun-Dec 2021	58.63%							
Current Year	$ 3,853	$ 11,016	$ 5,956	$ 4,037	$ 4,492	$ 1,981	$ 2,808	$ 4,789
Prior Years ("PYs")								
2021		$ 6,571	$ 6,571	$ 6,571	$ 6,571	$ 2,718	$ 3,853	$ 6,571
2022			$ 11,016	$ 11,016	$ 11,016	$ 4,557	$ 6,459	$ 11,016
2023				$ 5,956	$ 5,956	$ 2,464	$ 3,492	$ 5,956
2024					$ 4,037	$ 1,670	$ 2,367	$ 4,037
2025						$ 1,858	$ 2,634	$ 4,492
Total PYs	$ -	$ 6,571	$ 17,587	$ 23,543	$ 27,580	$ 13,269	$ 18,803	$ 32,072
Total CY & PYs (excl. rev. taxes)	$ 3,853	$ 17,587	$ 23,543	$ 27,580	$ 32,072	$ 15,250	$ 21,611	$ 36,861
Total CY & PYs (incl. rev. taxes)	$ 4,228	$ 19,302	$ 25,839	$ 30,269	$ 35,199	$ 16,737	$ 23,719	$ 40,455
Cumulative Total CY & PYs (excl. rev. taxes)	$ 3,853	$ 21,440	$ 44,983	$ 72,563	$ 104,635	$ 119,884	$ 141,496	$ 141,496
Cumulative Total CY & PYs (incl. rev. taxes)	$ 4,228	$ 23,530	$ 49,369	$ 79,638	$ 114,838	$ 131,575	$ 155,293	$ 155,293
CONSOLIDATED								
Basis for Compd Portion of ARA Adj. (Sch C1 for 2021)	$ 949,762	$ 990,412	$ 1,058,553	$ 1,095,391	$ 1,120,365			$ 1,148,151
I-Factor (Actual GDPPI %)	$ 42,739	$ 70,320	$ 39,166	$ 27,384	$ 30,250			$ 32,149
X-Factor	$ -	$ -	$ -	$ -	$ -			$ -
Multiplicative CD-Factor	$ (2,089)	$ (2,179)	$ (2,328)	$ (2,410)	$ (2,464)			$ (2,525)
Compd Portion of ARA Adj.	$ 40,650	$ 68,141	$ 36,838	$ 24,974	$ 27,786			$ 29,624
Compd Portion of ARA Adj. incl. rev. taxes	$ 44,614	$ 74,786	$ 40,430	$ 27,409	$ 30,496			$ 32,513
Accrued Target Revenue: Compd Portion of ARA Adj.								
Current Year ("CY")	$ 40,650							
Distribution % for Jun-Dec 2021	58.63%							
Current Year	$ 23,833	$ 68,141	$ 36,838	$ 24,974	$ 27,786	$ 12,256	$ 17,368	$ 29,624
Prior Years ("PYs")								
2021		$ 40,650	$ 40,650	$ 40,650	$ 40,650	$ 16,817	$ 23,833	$ 40,650
2022			$ 68,141	$ 68,141	$ 68,141	$ 28,191	$ 39,950	$ 68,141
2023				$ 36,838	$ 36,838	$ 15,240	$ 21,598	$ 36,838
2024					$ 24,974	$ 10,332	$ 14,642	$ 24,974
2025						$ 11,495	$ 16,291	$ 27,786
Total PYs	$ -	$ 40,650	$ 108,791	$ 145,629	$ 170,603	$ 82,076	$ 116,313	$ 198,389
Total CY & PYs (excl. rev. taxes)	$ 23,833	$ 108,791	$ 145,629	$ 170,603	$ 198,389	$ 94,331	$ 133,682	$ 228,013
Total CY & PYs (incl. rev. taxes)	$ 26,157	$ 119,400	$ 159,830	$ 187,239	$ 217,735	$ 103,530	$ 146,718	$ 250,247
Cumulative Total CY & PYs (excl. rev. taxes)	$ 23,833	$ 132,624	$ 278,253	$ 448,856	$ 647,245	$ 741,576	$ 875,258	$ 875,258
Cumulative Total CY & PYs (incl. rev. taxes)	$ 26,157	$ 145,556	$ 305,386	$ 492,625	$ 710,360	$ 813,890	$ 960,608	$ 960,608

ASSUMPTIONS: See page 1.
SOURCE for Basis for Compounded Portion of ARA Adjustment: Schedule C1 filed in the 2021 Annual Decoupling filing for each Company.
NOTE: Blue indicates assumptions made in calculations or amounts derived based on the assumptions.

Hawaiian Electric Companies

Adjustment for Approved Depreciation Rates

Implementation of Depreciation Rates for Steam Units Only

($ in Thousands)

		A	B	C	D = A+B+C
		Hawaiian Electric	Hawaii Electric Light	Maui Electric	Consolidated
1	Actual Steam generation plant balances at December 31, 2025	$ 819,150	$ 150,533	$ 134,068	$ 1,103,751
	Depreciation at existing rates				
2	Existing depreciation rates	4.51%	4.51%	4.51%	4.51%
3	Depreciation expense at existing rates [1 x 2]	36,944	6,789	6,046	49,779
	Depreciation at revised rates				
4	Revised depreciation rates approved in D&O 41909	8.20%	8.20%	8.20%	8.20%
5	Depreciation expense at revised rates [1 x 4]	67,170	12,344	10,994	90,508
6	Difference in depreciation expense [5 - 3]	30,227	5,555	4,947	40,728
7	Revenue tax factor	1.0975	1.0975	1.0975	1.0975
8	Difference in revenue requirement [6 x 7]	33,174	6,096	5,430	44,700

Note:

- Totals may not add or tie exactly due to rounding and use of the composite rate.

Hawaiian Electric Companies
Adjustment for Insurance Premiums
($ in Millions)

		A	B	C	D = A+B+C
		Hawaiian Electric	Hawaii Electric Light	Maui Electric	Consolidated
1	Insurance Premium Expense included in Last Approved Rate Cases	$ 5.659	$ 1.583	$ 1.701	$ 8.943
	Escalation of Approved Expense to 2025 using Actual GDPPI (less Customer Dividend where applicable)				
2	2018 Escalation (2.10%)	0.119	N/A	N/A	0.119
3	2019 Escalation (2.10%)	0.121	N/A	0.036	0.157
4	2020 Escalation (1.40%)	0.083	0.022	0.024	0.129
5	2021 Escalation (4.50% less 0.22%)	0.256	0.069	0.075	0.400
6	2022 Escalation (7.10% less 0.22%)	0.429	0.115	0.126	0.670
7	2023 Escalation (3.70% less 0.22%)	0.232	0.062	0.068	0.362
8	2024 Escalation (2.50% less 0.22%)	0.157	0.042	0.048	0.247
9	2025 Escalation (2.70% less 0.22%)	0.175	0.047	0.052	0.274
10	Escalation using Actual ARA Inflation Rates through 2025 (Sum of line 2 to 9)	1.572	0.357	0.427	2.356
11	Approved Insurance Premium Expense - Escalated to 2025	7.231	1.940	2.128	11.299
12	Actual 2025 Insurance Premium Expense	31.355	10.486	12.207	54.048
13	Difference in Depreciation Expense [12 - 11]	24.124	8.546	10.079	42.749
14	Revenue Tax Factor	1.0975	1.0975	1.0975	1.0975
15	Difference in Revenue Requirement [13 x 14]	26.476	9.379	11.062	46.918

Note:
- Totals may not add or tie exactly due to rounding

Hawaiian Electric Companies
Authorized Cost of Capital

	Percent of Total Capitalization	Earnings Requirement	Weighted Earnings Requirement
	Hawaiian Electric 2020 Test Year Rate Case (D&O 37387)*		
Short-Term Debt	0.58%	2.50%	0.01%
Long-Term Debt	41.42%	4.55%	1.88%
Preferred Stock	0.85%	5.33%	0.05%
Common Equity	57.15%	9.50%	5.43%
Total	100.00%		**7.37%**

* Decision and Order No. 37387, issued on October 22, 2020, in Docket No. 2019-0085, at 41-42.

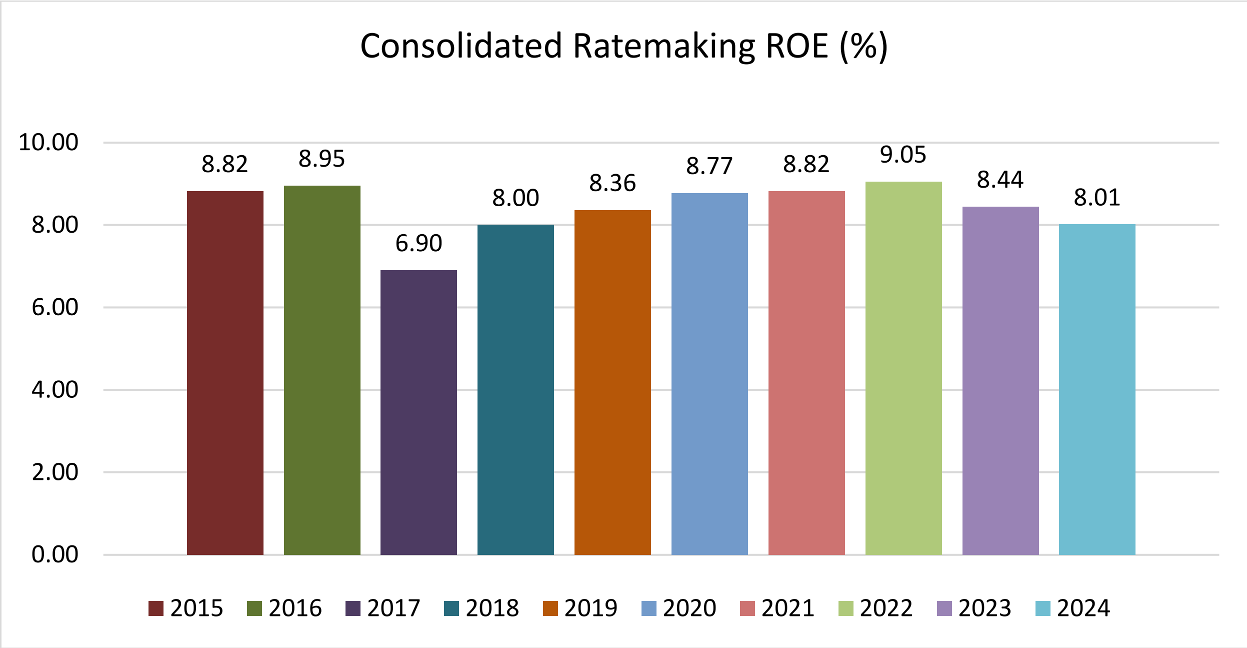
Hawaii Electric Light	Percent of Total Capitalization	Earnings Requirement	Weighted Earnings Requirement
	Hawaii Electric Light 2019 Test Year Rate Case (D&O 37237)**		
Short-Term Debt	0.61%	3.75%	0.0229%
Long-Term Debt	40.59%	4.79%	1.9443%
Hybrid Securities	0.80%	7.83%	0.0626%
Preferred Stock	1.17%	8.12%	0.0950%
Common Equity	56.83%	9.50%	5.3989%
Total	100.00%		**7.524%**

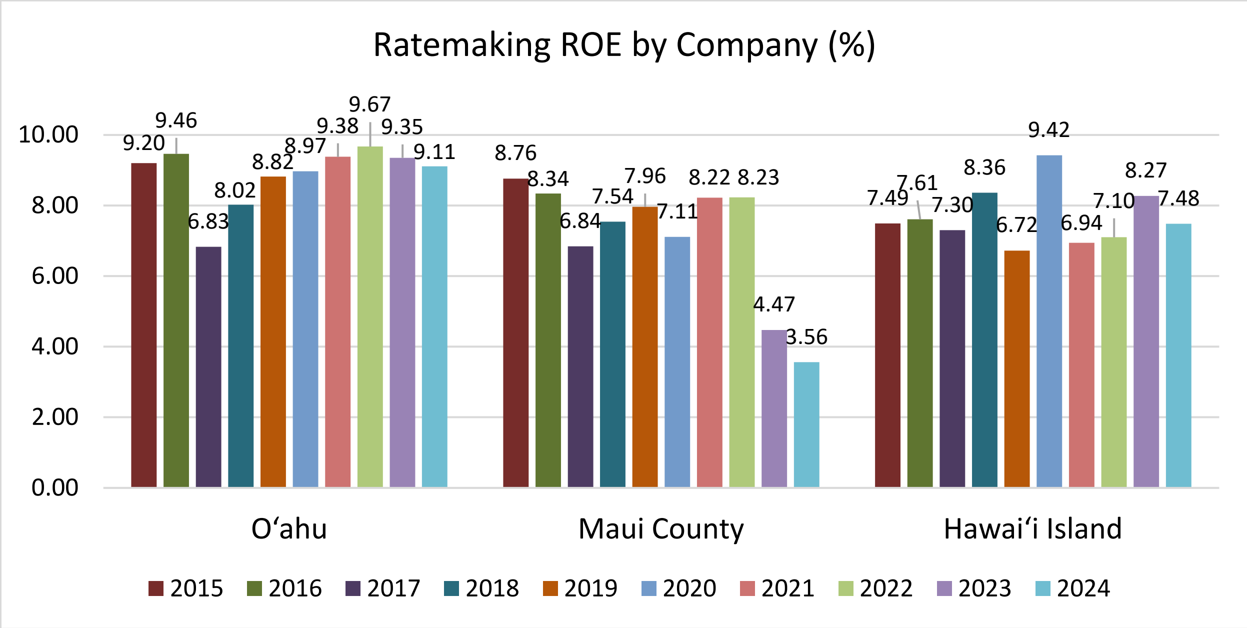
** Decision and Order No. 37237, issued on July 28, 2020, in Docket No. 2018-0368, at 22, 26-28.

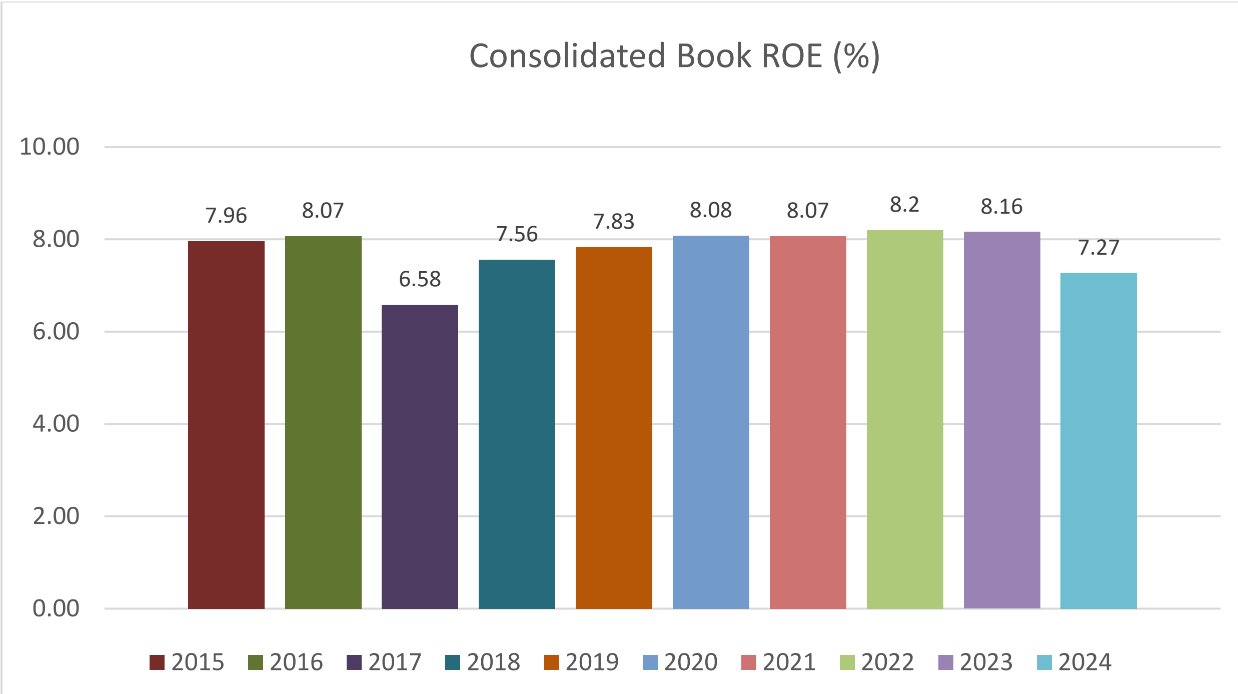
Maui Electric	Percent of Total Capitalization	Earnings Requirement	Weighted Earnings Requirement
	Maui Electric 2018 Test Year Rate Case (D&O 36219)***		
Short-Term Debt	1.37%	3.00%	0.04%
Long-Term Debt	38.68%	4.54%	1.76%
Hybrid Securities	1.96%	7.16%	0.14%
Preferred Stock	0.98%	8.15%	0.08%
Common Equity	57.02%	9.50%	5.42%
Total	100.00%		**7.43%**

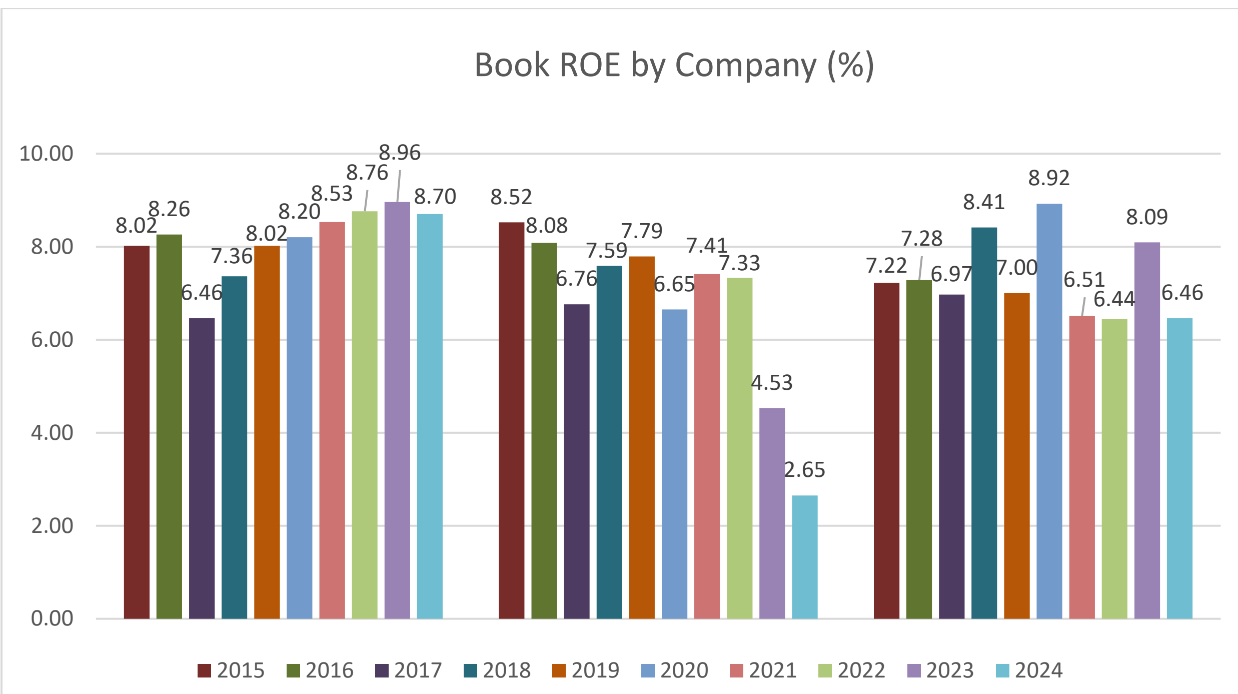
*** Decision and Order No. 36219, issued on March 18, 2019, in Docket No. 2017-0150, at 26.

Hawaiian Electric Companies
Historical ROE






Consolidated Book ROE (%)
10.00
8.00
6.00
4.00
2.00
0.00
7.96
8.07
6.58
7.56
7.83
8.08
8.07
8.2
8.16
7.27
2015 2016 2017 2018 2019 2020 2021 2022 2023 2024


Book ROE by Company (%)
10.00
8.00
6.00
4.00
2.00
0.00
8.02 8.26 6.46 7.36 8.02 8.20 8.53 8.76 8.96 8.70
8.52 8.08 6.76 7.59 7.79 6.65 7.41 7.33 4.53 2.65
7.22 7.28 6.97 8.41 7.00 8.92 6.51 6.44 8.09 6.46
2015 2016 2017 2018 2019 2020 2021 2022 2023 2024

HAWAIIAN ELECTRIC COMPANIES
2021-2026 Customer Dividend, Management Audit Savings, ERP Benefits ($000s)

		6/1/21 to 12/31/21	Calendar Year				
			2022	2023	2024	2025	2026
Revenue Tax Factor		1.097514	1.097514	1.097514	1.097514	1.097514	1.097514
HAWAIIAN ELECTRIC							
Multiplicative CD (0.22%)							
Current Year		(1,406)					
Distribution % for Jun-Dec 2021		58.63%					
Current Year (Recorded)		(824)	(1,430)	(1,470)	(1,524)	(1,557)	(1,588)
Prior Years							
	2021		(1,406)	(1,406)	(1,406)	(1,406)	(1,406)
	2022			(1,430)	(1,430)	(1,430)	(1,430)
	2023				(1,470)	(1,470)	(1,470)
	2024					(1,524)	(1,524)
	2025						(1,557)
	Total	-	(1,406)	(2,836)	(4,306)	(5,830)	(7,387)
Total Multiplicative CD, excl. revenue taxes		(824)	(2,836)	(4,306)	(5,830)	(7,387)	(8,975)
Total Multiplicative CD, incl. revenue taxes		(905)	(3,113)	(4,726)	(6,399)	(8,107)	(9,850)
Subtractive CD							
Management Audit Savings Commitment		(4,618)	(4,618)	(4,618)	(4,618)	(4,618)	(4,618)
ERP Benefit Liability		-	-	-	-	-	-
Total Subtractive CD		(4,618)	(4,618)	(4,618)	(4,618)	(4,618)	(4,618)
Total CD		**(5,523)**	**(7,731)**	**(9,344)**	**(11,017)**	**(12,726)**	**(14,468)**
Cumulative CD		**(5,523)**	**(13,254)**	**(22,598)**	**(33,614)**	**(46,340)**	**(60,808)**
HAWAII ELECTRIC LIGHT							
Multiplicative CD (0.22%)							
Current Year		(345)					
Distribution % for Jun-Dec 2021		58.63%					
Current Year (Recorded)		(202)	(351)	(361)	(374)	(382)	(390)
Prior Years							
	2021		(345)	(345)	(345)	(345)	(345)
	2022			(351)	(351)	(351)	(351)
	2023				(361)	(361)	(361)
	2024					(374)	(374)
	2025						(382)
	Total	-	(345)	(696)	(1,057)	(1,431)	(1,813)
Total Multiplicative CD, excl. revenue taxes		(202)	(696)	(1,057)	(1,431)	(1,813)	(2,203)
Total Multiplicative CD, incl. revenue taxes		(222)	(764)	(1,160)	(1,571)	(1,990)	(2,418)
Subtractive CD							
Management Audit Savings Commitment		(995)	(995)	(995)	(995)	(995)	(995)
ERP Benefit Liability		(1,551)	-	-	(744)	(1,291)	(1,328)
Total Subtractive CD		(2,546)	(995)	(995)	(1,739)	(2,286)	(2,323)
Total CD		**(2,768)**	**(1,759)**	**(2,155)**	**(3,310)**	**(4,276)**	**(4,741)**
Cumulative CD		**(2,768)**	**(4,527)**	**(6,682)**	**(9,992)**	**(14,268)**	**(19,008)**

		6/1/21 to 12/31/21	Calendar Year				
			2022	2023	2024	2025	2026
MAUI ELECTRIC							
Multiplicative CD (0.22%)							
Current Year		(338)					
Distribution % for Jun-Dec 2021		58.63%					
Current Year (Recorded)		(198)	(343)	(353)	(366)	(374)	(381)
Prior Years							
	2021		(338)	(338)	(338)	(338)	(338)
	2022			(343)	(343)	(343)	(343)
	2023				(353)	(353)	(353)
	2024					(366)	(366)
	2025						(374)
	Total	-	(338)	(681)	(1,034)	(1,400)	(1,774)
Total Multiplicative CD, excl. revenue taxes		(198)	(681)	(1,034)	(1,400)	(1,774)	(2,155)
Total Multiplicative CD, incl. revenue taxes		(217)	(747)	(1,135)	(1,537)	(1,947)	(2,365)
Subtractive CD							
Management Audit Savings Commitment		(992)	(992)	(992)	(992)	(992)	(992)
ERP Benefit Liability		(2,344)	-	-	(1,126)	(1,945)	(1,983)
Total Subtractive CD		(3,336)	(992)	(992)	(2,118)	(2,937)	(2,975)
Total CD		**(3,554)**	**(1,739)**	**(2,127)**	**(3,654)**	**(4,884)**	**(5,341)**
Cumulative CD		**(3,554)**	**(5,293)**	**(7,420)**	**(11,074)**	**(15,958)**	**(21,299)**
CONSOLIDATED							
Multiplicative CD (0.22%)							
Current Year		(2,089)					
Distribution % for Jun-Dec 2021		58.63%					
Current Year (Recorded)		(1,225)	(2,124)	(2,184)	(2,264)	(2,313)	(2,359)
Prior Years							
	2021		(2,089)	(2,089)	(2,089)	(2,089)	(2,089)
	2022			(2,124)	(2,124)	(2,124)	(2,124)
	2023				(2,184)	(2,184)	(2,184)
	2024					(2,264)	(2,264)
	2025						(2,313)
	Total	-	(2,089)	(4,213)	(6,397)	(8,661)	(10,974)
Total Multiplicative CD, excl. revenue taxes		(1,225)	(4,213)	(6,397)	(8,661)	(10,974)	(13,333)
Total Multiplicative CD, incl. revenue taxes		(1,344)	(4,624)	(7,021)	(9,506)	(12,044)	(14,633)
Subtractive CD							
Management Audit Savings Commitment		(6,605)	(6,605)	(6,605)	(6,605)	(6,605)	(6,605)
ERP Benefit Liability		(3,895)	-	-	(1,870)	(3,236)	(3,311)
Total Subtractive CD		(10,500)	(6,605)	(6,605)	(8,475)	(9,841)	(9,916)
Total CD		**(11,844)**	**(11,229)**	**(13,626)**	**(17,981)**	**(21,885)**	**(24,550)**
Cumulative CD		**(11,844)**	**(23,073)**	**(36,700)**	**(54,680)**	**(76,565)**	**(101,115)**

SOURCE: Page 3.

HAWAIIAN ELECTRIC COMPANIES
2021 - 2026 ARA ($000s)

			A	B	C	D	E	F	G	H	I	J	K
			2021 Decoupling	2021 Fall	2022 Spring	2022 Fall	2023 Spring	2023 Fall	2024 Spring	2024 Fall	2025 Spring	2025 Fall	2026 Spring
			(eff. 6/1/21)	(eff. 1/1/22)	(eff. 6/1/22)	(eff. 1/1/23)	(eff. 6/1/23)	(eff. 1/1/24)	(eff. 6/1/24)	(eff. 1/1/25)	(eff. 6/1/25)	(eff. 1/1/26)	(eff. 6/1/26)
1	I-Factor (Forecasted GDPPI %)		1.90%	3.00%		3.90%		2.40%		2.20%		2.80%	
2	X-Factor		0.00%	0.00%		0.00%		0.00%		0.00%		0.00%	
3	Multiplicative CD-Factor		-0.22%	-0.22%		-0.22%		-0.22%		-0.22%		-0.22%	
4	Revenue Tax Factor		1.097514	1.097514	1.097514	1.097514	1.097514	1.097514	1.097514	1.097514	1.097514	1.097514	1.097514
	HAWAIIAN ELECTRIC												
5	Basis for Compd Portion of ARA Adj.		639,273	650,013	650,013	668,083	668,083	692,668	692,668	707,768	707,768	721,782	721,782
6	I-Factor (Forecasted GDPPI %)		12,146	19,500	19,500	26,055	26,055	16,624	16,624	15,571	15,571	20,210	20,210
7	X-Factor		-	-	-	-	-	-	-	-	-	-	-
8	Multiplicative CD-Factor		(1,406)	(1,430)	(1,430)	(1,470)	(1,470)	(1,524)	(1,524)	(1,557)	(1,557)	(1,588)	(1,588)
9	Compd Portion of ARA Adj.	sum of Ln 6 -8	10,740	18,070	18,070	24,585	24,585	15,100	15,100	14,014	14,014	18,622	18,622
10	Compd Portion of ARA Adj. incl. rev. taxes	Ln 4 x Ln 9	**11,787**	**19,832**	**19,832**	**26,982**	**26,982**	**16,572**	**16,572**	**15,381**	**15,381**	**20,438**	**20,438**
11	Z-Factor		-	-	-	-	-	-	2,183	2,183	2,183	2,183	2,183
	Subtractive CD Component												
12	Management Audit Savings Commitment		(4,618)	(4,618)	(4,618)	(4,618)	(4,618)	(4,618)	(4,618)	(4,618)	(4,618)	(4,618)	(4,618)
13	ERP Benefit Liability to be returned		-	-	-	-	-	-	-	-	-	-	-
14	Non-Compounded Portion of ARA Adj.	sum of Ln 11 -13	(4,618)	(4,618)	(4,618)	(4,618)	(4,618)	(4,618)	(2,435)	(2,435)	(2,435)	(2,435)	(2,435)
15	**ARA, incl. rev. tax**	Ln 10 + Ln 14	**7,169**	**15,214**	**15,214**	**22,364**	**22,364**	**11,954**	**14,137**	**12,945**	**12,945**	**18,002**	**18,002**
	HAWAII ELECTRIC LIGHT												
16	Basis for Compd Portion of ARA Adj.		156,952	159,589	159,589	164,026	164,026	170,062	170,062	173,769	173,769	177,210	177,210
17	I-Factor (Forecasted GDPPI %)		2,982	4,788	4,788	6,397	6,397	4,081	4,081	3,823	3,823	4,962	4,962
18	X-Factor		-	-	-	-	-	-	-	-	-	-	-
19	Multiplicative CD-Factor		(345)	(351)	(351)	(361)	(361)	(374)	(374)	(382)	(382)	(390)	(390)
20	Compd Portion of ARA Adj.	sum of Ln 17 -19	2,637	4,437	4,437	6,036	6,036	3,707	3,707	3,441	3,441	4,572	4,572
21	Compd Portion of ARA Adj. incl. rev. taxes	Ln 4 x Ln 20	**2,894**	**4,870**	**4,870**	**6,625**	**6,625**	**4,068**	**4,068**	**3,777**	**3,777**	**5,018**	**5,018**
22	Z-Factor		-	-	-	-	-	-	463	463	463	463	463
	Subtractive CD Component												
23	Management Audit Savings Commitment		(995)	(995)	(995)	(995)	(995)	(995)	(995)	(995)	(995)	(995)	(995)
24	ERP Benefit Liability to be returned		(1,551)	-	-	-	-	-	(1,269)	(1,269)	(1,306)	(1,306)	(1,343)
25	Non-Compounded Portion of ARA Adj.	sum of Ln 22 -24	(2,546)	(995)	(995)	(995)	(995)	(995)	(1,802)	(1,802)	(1,838)	(1,838)	(1,876)
26	**ARA, incl. rev. tax**	Ln 21 + Ln 25	**348**	**3,875**	**3,875**	**5,629**	**5,629**	**3,073**	**2,267**	**1,975**	**1,938**	**3,180**	**3,142**
	MAUI ELECTRIC												
27	Basis for Compd Portion of ARA Adj.		153,537	156,116	156,116	160,456	160,456	166,361	166,361	169,988	169,988	173,354	173,354
28	I-Factor (Forecasted GDPPI %)		2,917	4,683	4,683	6,258	6,258	3,993	3,993	3,740	3,740	4,854	4,854
29	X-Factor		-	-	-	-	-	-	-	-	-	-	-
30	Multiplicative CD-Factor		(338)	(343)	(343)	(353)	(353)	(366)	(366)	(374)	(374)	(381)	(381)
31	Compd Portion of ARA Adj.	sum of Ln 28 -30	2,579	4,340	4,340	5,905	5,905	3,627	3,627	3,366	3,366	4,473	4,473
32	Compd Portion of ARA Adj. incl. rev. taxes	Ln 4 x Ln 31	**2,830**	**4,763**	**4,763**	**6,481**	**6,481**	**3,981**	**3,981**	**3,694**	**3,694**	**4,909**	**4,909**
33	Z-Factor		-	-	-	-	-	-	543	543	543	543	543
	Subtractive CD Component												
34	Management Audit Savings Commitment		(992)	(992)	(992)	(992)	(992)	(992)	(992)	(992)	(992)	(992)	(992)
35	ERP Benefit Liability to be returned		(2,344)	-	-	-	-	-	(1,920)	(1,920)	(1,963)	(1,963)	(1,998)
36	Non-Compounded Portion of ARA Adj.	sum of Ln 33 -35	(3,336)	(992)	(992)	(992)	(992)	(992)	(2,369)	(2,369)	(2,412)	(2,412)	(2,447)
37	**ARA, incl. rev. tax**	Ln 32 + Ln 36	**(506)**	**3,771**	**3,771**	**5,489**	**5,489**	**2,989**	**1,611**	**1,325**	**1,283**	**2,498**	**2,462**
	CONSOLIDATED												
38	Basis for Compd Portion of ARA Adj.		949,762	965,718	965,718	992,565	992,565	1,029,091	1,029,091	1,051,525	1,051,525	1,072,346	1,072,346
39	I-Factor (Forecasted GDPPI %)		18,045	28,971	28,971	38,710	38,710	24,698	24,698	23,134	23,134	30,026	30,026
40	X-Factor		-	-	-	-	-	-	-	-	-	-	-
41	Multiplicative CD-Factor		(2,089)	(2,124)	(2,124)	(2,184)	(2,184)	(2,264)	(2,264)	(2,313)	(2,313)	(2,359)	(2,359)
42	Compd Portion of ARA Adj.	sum of Ln 39 -41	15,956	26,847	26,847	36,526	36,526	22,434	22,434	20,821	20,821	27,667	27,667
43	Compd Portion of ARA Adj. incl. rev. taxes	Ln 4 x Ln 42	**17,512**	**29,465**	**29,465**	**40,088**	**40,088**	**24,622**	**24,622**	**22,851**	**22,851**	**30,365**	**30,365**
44	Z-Factor		-	-	-	-	-	-	3,188	3,188	3,188	3,188	3,188
	Subtractive CD Component												
45	Management Audit Savings Commitment		(6,605)	(6,605)	(6,605)	(6,605)	(6,605)	(6,605)	(6,605)	(6,605)	(6,605)	(6,605)	(6,605)
46	ERP Benefit Liability to be returned		(3,895)	-	-	-	-	-	(3,189)	(3,189)	(3,268)	(3,268)	(3,341)
47	Non-Compounded Portion of ARA Adj.	sum of Ln 44 -46	(10,500)	(6,605)	(6,605)	(6,605)	(6,605)	(6,605)	(6,606)	(6,606)	(6,685)	(6,685)	(6,758)
48	**ARA, incl. rev. tax**	Ln 43 + Ln 47	**7,012**	**22,860**	**22,860**	**33,482**	**33,482**	**18,016**	**18,015**	**16,245**	**16,166**	**23,680**	**23,607**

SOURCES:

Col A-J: Schedules C and C1 for each Company included in the Hawaiian Electric Companies' 2021 Decoupling filing and 2021-2025 Spring and Fall Revenue Reports.

Col K: Schedules C and C1 for each Company included in the Hawaiian Electric Companies' 2025 Fall Revenue Reports, adjusted for the ERP benefit liability to be returned from June 1, 2026 to May 31, 2025.

NOTE: The amounts may not exactly add due to rounding.

Confidential Information Deleted Pursuant To Protective Order No. 36261.

Hawaiian Electric Companies

Pension

Summary of Pension Related Regulatory Assets/Liabilities and Expenses

($ in Thousands)

		A	B	C	D
					= A+B+C
		Exhibit H1	Exhibit H2	Exhibit H3	
	Expenses	Hawaiian Electric	Hawaii Electric Light	Maui Electric	Consolidated
1	Net Periodic Pension Cost ("NPPC")	[redacted]			
	Amortizations:				
2	Pension reg asset/liability				
3	Non-service cost regulatory asset				
4	Total pension expense				

		E	F	G	H
					= E+F+G
		Exhibit H1	Exhibit H2	Exhibit H3	
	Regulatory Assets (Liabilities), Net	Hawaiian Electric	Hawaii Electric Light	Maui Electric	Consolidated
	Average 2026 balance				
5	Pension tracking	[redacted]			
6	Non-service cost ("NSC")				

Note:

- Amounts may not add or tie exactly due to rounding.

Confidential Information Deleted Pursuant To Protective Order No. 36261.

Hawaiian Electric Company, Inc.
Pension
Calculation of Pension Regulatory Asset/Liability
($ in Thousands)

			Pension Tracking Regulatory Asset/Liability						
		Fraction of Year	NPPC in rates	Actual NPPC	in Asset (Liability)	Amortization Basis	Amortization Period	Balance	
1	Balance as of 12/31/19							55,088	
2	Tracker	10/12	50,983	51,717	734			612	
3	Amortization					1,913	10	(19,130)	
4	Tracker	2/12	50,839	51,717	878			146	
5	Amortization					726	2	(1,452)	
6	Balance as of 12/31/20					sum(lines 1 to 5) =		35,264	
7	Tracker	1	50,839	37,614	(13,225)			(13,225)	
8	Amortization					726	12	(8,708)	
9	Balance as of 12/31/21					sum(lines 6 to 8) =		13,331	
10	Tracker	1	50,839	30,884	(19,955)			(19,955)	
11	Amortization					726	12	(8,708)	
12	Balance as of 12/31/22					sum(lines 9 to 11) =		(15,332)	
13	Tracker	1	50,839	8,252	(42,587)			(42,587)	
14	Amortization					726	12	(8,708)	
15	Balance as of 12/31/23					sum(lines 12 to 14) =		(66,627)	
16	Tracker	1	50,839	8,733	(42,106)			(42,106)	
17	Amortization					726	12	(8,708)	
18	Balance as of 12/31/24					sum(lines 15 to 17) =		(117,441)	
19	Tracker	1	50,839	11,277	(39,562)			(39,562)	
20	Amortization					726	12	(8,708)	
21	Balance as of 12/31/25					sum(lines 18 to 20) =		(165,711)	
22	Tracker	1	50,839	[redacted]	[redacted]			[redacted]	
23	Amortization			Exhibit H		726	12	[redacted]	
24	Estimated Balance as of 12/31/26					(lines 21 to 24) =		[redacted]	{a}
25	Average 2026 Balance					(line 21+ line 24) / 2 =		[redacted]	Exhibit H
26	Annualized Amortization (5 year)					{a}/5 =		[redacted]	Exhibit H

Notes:
- Amounts may not add or tie exactly due to rounding.
- Assumed PBR rebased revenues will go into effect January 1, 2027.
- Line 26: Amortization based on the balance as of 12/31/2026, amortized over a five-year period.

Hawaiian Electric Company, Inc.
Pension
Pension Non-Service Regulatory Asset

		Fraction of Year					
		Period	Monthly Amount	Mos	Total	Total In $000	
1	Balance as of 12/31/19				1,569,483	1,569	
2	NSC -2020	Jan-Oct	57,170	10	571,700	572	
3		Nov-Dec	(31,833)	2	(63,666)	(64)	
4	Balance as of 12/31/2020			sum(lines 1 to 3) =	2,077,517	2,078	
5	NSC - 2021	Jan-Dec	(31,833)	12	(382,000)	(382)	
6	Balance as of 12/31/21			line 4 + 5 =	1,695,517	1,696	
7	NSC - 2022	Jan-Dec	(31,833)	12	(382,000)	(382)	
8	Balance as of 12/31/22			line 6 + 7 =	1,313,517	1,314	
9	NSC - 2023	Jan-Dec	(31,833)	12	(382,000)	(382)	
10	Balance as of 12/31/23			line 8 + 9 =	931,517	932	
11	NSC - 2024	Jan-Dec	(31,833)	12	(382,000)	(382)	
12	Balance as of 12/31/24			line 10 + 11 =	549,517	550	
13	NSC - 2025	Jan-Dec	(31,833)	12	(382,000)	(382)	
14	Balance as of 12/31/25			line 12 + 13 =	167,517	168	
15	NSC - 2026	Jan-Jun	[redacted]	6	[redacted]		
16	Estimated Balance as of 12/31/26			line 14 + 15 =			{a}
17	Average 2026 Balance			(line 14+ line 16) / 2 =			Exhibit H
18	Annualized Amortization (5 year)				{a}/5 =		Exhibit H

Notes:

- Amounts may not add or tie exactly due to rounding.
- Assumed PBR rebased revenues will go into effect January 1, 2027.
- Line 18: Amortization based on the balance as of 12/31/2026, amortized over a five-year period.

Confidential Information
Deleted Pursuant To
Protective Order No. 36261.

Hawaii Electric Light Company, Inc.
Pension
Calculation of Pension Regulatory Asset/Liability
($ in Thousands)

			Pension Tracking Regulatory Asset/Liability						
		Fraction of Year	NPPC in rates	Actual NPPC	in Asset (Liability)	Amortization Basis	Amortization Period	Balance	
1	Balance as of 12/31/19							15,046	
2	Tracker	1	5,944	9,091	3,147			3,147	
3	Amortization					247	12	(2,964)	
4	Reclass from prepaids to reg asset							(775)	
5	Balance as of 12/31/20					sum(lines 1 to 4) =		14,454	
6	Tracker	1	5,944	6,456	512			512	
7	Amortization					247	12	(2,965)	
8	Balance as of 12/31/21					sum(lines 5 to 7) =		12,001	
9	Tracker	1	5,944	5,214	(730)			(730)	
10	Amortization					247	12	(2,965)	
11	Balance as of 12/31/22					sum(lines 8 to 10) =		8,306	
12	Tracker	1	5,944	-	(5,944)			(5,944)	
13	Amortization					247	12	(2,965)	
14	Balance as of 12/31/23					sum(lines 11 to 13) =		(603)	
15	Tracker	1	5,944	-	(5,944)			(5,944)	
16	Amortization					247	12	(2,965)	
17	Balance as of 12/31/24					sum(lines 14 to 16) =		(9,512)	
18	Tracker	1	5,944	-	(5,944)			(5,944)	
19	Amortization					247	12	(2,965)	
20	Balance as of 12/31/25					sum(lines 17 to 19) =		(18,421)	
21	Tracker	1	5,944	[redacted]				[redacted]	
22	Amortization			Exhibit H		247	12		
23	Estimated Balance as of 12/31/26					sum(lines 20 to 22) =			{a}
24	Average 2026 Balance					(line 20+ line 23) / 2 =			Exhibit H
25	Annualized Amortization (5 year)					{a}/5 =			Exhibit H

Notes:

- Amounts may not add or tie exactly due to rounding.
- Lines 12-13: As of Dec 2023, tracker and amortization was moved from reg asset account to reg liability account due to credit balance.
- Assumed PBR rebased revenues will go into effect January 1, 2027.
- Amortization based on the balance as of 12/31/2026, amortized over a five-year period.

Hawaii Electric Light Company, Inc.
Pension
Pension Non-Service Regulatory Asset/Liability

		Fraction of Year					
		Period	Monthly Amount	Mos	Total	Total In $000	
1	Balance as of 12/31/19				546,472	546	
2	NSC -2020	Jan-Dec	(8,500)	12	(102,000)	(102)	
3	Balance as of 12/31/2020			line 1 + 2 =	444,472	444	
4	NSC - 2021	Jan-Dec	(8,500)	12	(102,000)	(102)	
5	Balance as of 12/31/21			line 3 + 4 =	342,472	342	
6	NSC - 2022	Jan-Dec	(8,500)	12	(102,000)	(102)	
7	Balance as of 12/31/22			line 5 + 6 =	240,472	240	
8	NSC - 2023	Jan-Dec	(8,500)	12	(102,000)	(102)	
9	Balance as of 12/31/23			line 7 + 8 =	138,472	138	
10	NSC - 2024	Jan-Dec	(8,500)	12	(102,000)	(102)	
11	Balance as of 12/31/24			line 9 + 10 =	36,472	36	
12	NSC - 2025	Jan-May	(8,500)	12	(102,000)	(102)	
13	Balance as of 12/31/25			sum(lines 11 to 13) =	(65,528)	(66)	
14	NSC - 2026	Jan-Dec	[redacted]	12	[redacted]	[redacted]	
15	Estimated Balance as of 12/31/26			line 14 + 15 =	[redacted]	[redacted]	{a}
16	Average 2026 Balance			(line 14+ line 16) / 2 =	[redacted]	[redacted]	Exhibit H
17	Annualized Amortization (5 year)				{a}/5 =	[redacted]	Exhibit H

Notes:

- Amounts may not add or tie exactly due to rounding.
- Line 13: As of May 2025, NSC was moved from reg asset account to reg liability account due to credit balance.
- Assumed PBR rebased revenues will go into effect January 1, 2027.
- Amortization based on the balance as of 12/31/2026, amortized over a five-year period.

Confidential Information
Deleted Pursuant To
Protective Order No. 36261.

Maui Electric Company, Inc.
Pension
Calculation of Pension Regulatory Asset/Liability
($ in Thousands)

			Pension Tracking Regulatory Asset/Liability							
		Fraction of Year	NPPC in rates	Actual NPPC	in Asset (Liability)	Amortization Basis	Amortization Period		Balance	
1	Balance as of 12/31/19								8,717	
2	Tracker	1	7,406	8,820	1,414				1,414	
3	Amortization					216	12		(2,587)	
4	Balance as of 12/31/20							sum(lines 1 to 3) =	7,544	
5	Tracker	1	7,406	6,917	(489)				(489)	
6	Amortization					216	12		(2,587)	
7	Balance as of 12/31/21							sum(lines 4 to 6) =	4,468	
8	Tracker	1	7,406	5,704	(1,702)				(1,702)	
9	Amortization					216	12		(2,586)	
10	Balance as of 12/31/22							sum(lines 7 to 9) =	179	
11	Tracker	1	7,406	(92)	(7,498)				(7,498)	
12	Amortization					216	12		(2,587)	
13	Balance as of 12/31/23							sum(lines 10 to 12) =	(9,906)	
14	Tracker	1	7,406	(92)	(7,498)				(7,498)	
15	Amortization					216	12		(2,587)	
16	Balance as of 12/31/24							sum(lines 13 to 15) =	(19,991)	
17	Tracker	1	7,406	125	(7,281)				(7,281)	
18	Amortization					216	12		(2,587)	
19	Balance as of 12/31/25							sum(lines 16 to 18) =	(29,859)	
20	Tracker	1	7,406	[redacted]					[redacted]	
21	Amortization			Exhibit H		216	12			{a}
22	Estimated Balance as of 12/31/26							sum(lines 19 to 21) =		
23	Average 2026 Balance							(line 19+ line 22) / 2 =		Exhibit H
24	Annualized Amortization (5 year)							{a}/5		Exhibit H

Notes:

- Amounts may not add or tie exactly due to rounding.
- Lines 11-12: As of Dec 2023, tracker and amortization was moved from reg asset account to reg liability account
- Assumed PBR rebased revenues will go into effect January 1, 2027.
- Amortization based on the balance as of 12/31/2026, amortized over a five-year period.

Confidential Information
Deleted Pursuant To
Protective Order No. 36261.

Maui Electric Company, Inc.
Pension
Pension Non-Service Regulatory Asset

		Fraction of Year					
		Period	Monthly Amount	Mos	Total	Total In $000	
1	Balance as of 12/31/19				271,332	271	
2	NSC - 2020	Jan-Dec	863	12	10,360	10	
3	Balance as of 12/31/20			line 1 + 2 =	281,692	282	
4	NSC - 2021	Jan-Dec	863	12	10,360	10	
5	Balance as of 12/31/21			line 3 + 4 =	292,052	292	
6	NSC - 2022	Jan-Dec	863	12	10,360	10	
7	Balance as of 12/31/22			line 5 + 6 =	302,412	302	
8	NSC - 2023	Jan-Dec	863	12	10,360	10	
9	Balance as of 12/31/23			line 7 + 8 =	312,772	312	
10	NSC -2024	Jan-Dec	863	12	10,360	10	
11	Balance as of 12/31/24			line 9 + 10 =	323,132	322	
12	NSC -2025	Jan-Dec	863	12	10,360	10	
13	Balance as of 12/31/25			line 11 + 12 =	333,492	332	
14	NSC -2026	Jan-Dec	[redacted]	12	[redacted]	[redacted]	
15	Estimated Balance as of 12/31/26			line 13 + 14 =			{a}
16	Average 2026 Balance			(line 13+ line 15) / 2 =			Exhibit H
17	Annualized Amortization (5 year)				{a}/5 =		Exhibit H

Notes:
- Amounts may not add or tie exactly due to rounding.
- Assumed PBR rebased revenues will go into effect January 1, 2027.
- Amortization based on the balance as of 12/31/2026, amortized over a five-year period.

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Protective Order No. 36261.

Hawaiian Electric Companies
Post-Retirement Benefits Other Than Pension (OPEB)
Summary of OPEB Related Regulatory Asset/(Liability) and Expenses
($ in Thousands)

		A	B	C	D
					= A+B+C
		Exhibit I1	Exhibit I2	Exhibit I3	
		Hawaiian Electric	Hawaii Electric Light	Maui Electric	Consolidated
	Expenses				
1	Net Periodic Benefit Cost ("NPBC")	[redacted]			
2	Annual amortization of OPEB tracker regulatory asset/(liability)				
3	Total OPEB expense for 2026				

		E	F	G	H
					= E+F+G
		Exhibit I1	Exhibit I2	Exhibit I3	
	Regulatory Asset (Liability)	Hawaiian Electric	Hawaii Electric Light	Maui Electric	Consolidated
	NPBC vs. NPBC in rates				
4	Average 2026 balance	[redacted]			

Note:
- Amounts may not add or tie exactly due to rounding.

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Hawaiian Electric Company, Inc.

Post-Retirement Benefits Other Than Pension (OPEB)

Calculation of OPEB Regulatory Asset/(Liability)

($ in Thousands)

			OPEB Tracking Regulatory Asset/(Liability)						
					Change in	Amortization			
		Fraction of Year	NPBC in rates	Actual NPBC	Asset (Liability)	Basis	Period	Balance	
1	Balance as of 12/31/19							(1,386)	
2	Tracker		-	-	-			-	
3	Amortization	1/1/20-10/31/20				39	10	392	
4	Amortization	11/1/20-12/31/20				19	2	38	
5	Balance as of 12/31/20						sum(lines 1 to 4) =	(956)	
6	Tracker		-	-	-			-	
7	Amortization					19	12	230	
8	Balance as of 12/31/21						sum(lines 5 to 7) =	(726)	
9	Tracker		-	-	-			-	
10	Amortization					19	12	230	
11	Balance as of 12/31/22						sum(lines 8 to 10) =	(496)	
12	Tracker		-	-	-			-	
13	Amortization					19	12	230	
14	Balance as of 12/31/23						sum(lines 11 to 13) =	(266)	
15	Tracker		-	-	-			-	
16	Amortization					19	12	230	
17	Balance as of 12/31/24						sum(lines 14 to 16) =	(36)	
18	Tracker		-	-	-			-	
19	Amortization					19	12	230	
20	Balance as of 12/31/25						sum(lines 17 to 19) =	194	
21	Tracker		-	-	-			-	
22	Amortization		Exhibit I			[redacted]			
23	Estimated Balance as of 12/31/26						sum(lines 20 to 24) =	[redacted]	{a}
24	Average 2026 Balance						(line 20 + line 25) / 2 =	[redacted]	Exhibit I
25	Annualized Amortization (5 year)						{a}/5 =	[redacted]	Exhibit I

Notes:

- Amounts may not add or tie exactly due to rounding.
- Assumed PBR rebased revenues will go into effect January 1, 2027.
- Amortization based on the balance as of 12/31/2026, amortized over a five-year period.

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Protective Order No. 36261.

Hawaii Electric Light Company, Inc.

Post-Retirement Benefits Other Than Pension (OPEB)

Calculation of OPEB Regulatory Asset/(Liability)

($ in Thousands)

			OPEB Tracking Regulatory Asset/(Liability)						
		Fraction of Year	NPBC in rates	Actual NPBC	Change in Asset (Liability)	Amortization Basis	Amortization Period	Balance	
1	Balance as of 12/31/19							(1,136)	
2	Tracker	1	-	-	-			-	
3	Amortization					20	12	238	
4	Balance as of 12/31/20					sum(lines 1 to 3) =		(898)	
5	Tracker	1	-	-	-			-	
6	Amortization					20	12	238	
7	Balance as of 12/31/21					sum(lines 4 to 6) =		(660)	
8	Tracker	1	-	-	-			-	
9	Amortization					20	12	238	
10	Balance as of 12/31/22					sum(lines 7 to 9) =		(422)	
11	Tracker	1	-	-	-			-	
12	Amortization					20	12	238	
13	Balance as of 12/31/23					sum(lines 10 to 12) =		(184)	
14	Tracker	1	-	-	-			-	
15	Amortization					20	12	238	
16	Balance as of 12/31/24					sum(lines 13 to 15) =		54	
17	Tracker	1	-	-	-			-	
18	Amortization					20	12	238	
19	Balance as of 12/31/25					sum(lines 16 to 18) =		292	
20	Tracker		-	-	-			-	
21	Amortization		Exhibit I			[redacted]			
22	Estimated Balance as of 12/31/26					sum(lines 19 to 21) =		[redacted]	{a}
23	Average 2026 Balance					(line 19 + line 22) / 2 =		[redacted]	Exhibit I
24	Annualized Amortization (5 year)					{a}/5 =		[redacted]	Exhibit I

Notes:
- Amounts may not add or tie exactly due to rounding.
- Assumed PBR rebased revenues will go into effect January 1, 2027.
- Amortization based on the balance as of 12/31/2026, amortized over a five-year period.

Confidential Information
Deleted Pursuant To
Protective Order No. 36261.

Maui Electric Company, Limited

Post-Retirement Benefits Other Than Pension (OPEB)

Calculation of OPEB Regulatory Asset/(Liability)

($ in Thousands)

			OPEB Tracking Regulatory Asset/(Liability)						
						Amortization			
		Fraction of Year	NPBC in rates	Actual NPBC	Change in Asset (Liability)	Basis	Period	Balance	
1	Balance as of 12/31/19							(2,082)	
2	Tracker	1	-	-	-			-	
3	Amortization					48	12	575	
4	Balance as of 12/31/20					sum(lines 1 to 3) =		(1,507)	
5	Tracker	1	-	-	-			-	
6	Amortization					48	12	575	
7	Balance as of 12/31/21					sum(lines 4 to 6) =		(932)	
8	Tracker	1	-	-	-			-	
9	Amortization					48	12	575	
10	Balance as of 12/31/22					sum(lines 7 to 9) =		(357)	
11	Tracker	1	-	-	-			-	
12	Amortization					48	12	575	
13	Balance as of 12/31/23					sum(lines 10 to 12) =		218	
14	Tracker	1	-	-	-			-	
15	Amortization					48	12	575	
16	Balance as of 12/31/24					sum(lines 13 to 15) =		793	
17	Tracker	1	-	-	-			-	
18	Amortization					48	12	575	
19	Balance as of 12/31/25					sum(lines 16 to 18) =		1,368	
20	Tracker	1	-	-	-			-	
21	Amortization		Exhibit I			[redacted]			
22	Estimated Balance as of 12/31/26					sum(lines 19 to 21) =		[redacted]	{a}
23	Average 2026 Balance					(line 19 + line 22) / 2 =		[redacted]	Exhibit I
24	Annualized Amortization (5 year)						{a}/5 =	[redacted]	Exhibit I

Notes:
- Amounts may not add or tie exactly due to rounding.
- Assumed PBR rebased revenues will go into effect January 1, 2027.
- Amortization based on the balance as of 12/31/2026, amortized over a five-year period.

Rate Case Procedural Schedules
Test Years 2016 - 2020

Docket No.	2015-0170	2016-0328	2017-0150	2018-0368	2019-0085
Company	**HELCO**	**HECO**	**MECO**	**HELCO**	**HECO**
Test Year	**2016**	**2017**	**2018**	**2019**	**2020**
Notice of Intent	06/17/2015	09/16/2016	06/09/2017	10/05/2018	04/26/2019
Application and Direct Testimonies	09/19/2016	12/16/2016	10/12/2017	12/14/2018	08/21/2019
PUC Completed Application Order	11/17/2016	06/28/2017	11/20/2017	02/08/2019	09/23/2019
Public Hearings	12/13/2016, 12/14/2016	02/22/2017	01/30/2018, 01/31/2018, 02/06/2018	04/11/2019, 04/12/2019	11/14/2019
Intervention Deadline	12/27/2016	03/06/2017	02/16/2018	04/22/2019	11/25/2019
PUC Ruling on Intervention	04/13/2017	06/28/2017	03/07/2018	05/09/2019	12/19/2019
Stipulated Procedural Order	04/24/2017	07/10/2017	11/29/2017	05/17/2019	12/30/2019
First information request issued	11/14/2016	03/03/2017	12/20/2017	02/13/2019	11/26/2019
PUC Procedural Order	06/02/2017	07/28/2017	12/26/2017	06/05/2019	01/24/2020
CA and Participants' Testimonies	04/28/2017	09/22/2017	04/16/2018	07/25/2019	03/30/2020
Company Rebuttal Testimonies	06/23/2017	01/05/2018	05/21/2018, 06/22/2018	10/09/2019	07/01/2020
Settlement Agreement	07/11/2017	11/15/2017, 03/05/2018	06/15/2018	09/24/2019	05/27/2020
Evidentiary Hearing	N/A	N/A	N/A	N/A	N/A
PUC Interim D&O	08/21/2017	12/15/2017	08/09/2018	11/13/2019	N/A
Last information request issued	02/22/2018	03/06/2018	02/01/2019	05/08/2020	06/12/2020
PUC Final D&O	06/29/2018	06/22/2018	03/18/2019	07/28/2020	10/22/2020

Months from Application to Interim	11.2	12.1	10.0	11.1	N/A
Months from Application to Final	21.6	18.4	17.4	19.7	14.3

CONFIDENTIALITY JUSTIFICATION TABLE

In accordance with Protective Order No. 36261, the Hawaiian Electric Companies[1] hereby identify redacted confidential and/or proprietary information that is being submitted as "confidential information." This table (1) identifies, in reasonable detail, the information's source, character, and location; (2) states clearly the basis for the claim of confidentiality; and (3) describes, with particularity, the cognizable harm to the producing party or participant from any misuse or unpermitted disclosure of the information.

Reference	Identification of Item	Restricted?	Basis of Confidentiality and Restriction	Harm
Joint Alternative Rebasing Proposal, Sections IV.A.3,a) and IV.A.4., pages 18-19	2026 forecasted insurance expense with the year-over-year increase from 2025 in both dollars and percentage. The reduction to O&M expense increases that reflects the 2026 insurance expense increase from 2025.	No.	Confidential financial information is restricted from disclosure by the rules and guidelines of the U.S. Securities and Exchange Commission ("SEC") and the New York Stock Exchange, as its premature disclosure could trigger considerable additional burdens for the Companies and significant market disruption and instability arising from investors' alleged reliance on and/or failure to receive such information, which falls under the frustration of legitimate government function exception of the Uniform Information Practices Act ("UIPA").[2]	Public disclosure of the financial information via non-confidential filing with the Commission could trigger additional requirements of disclosure under the rules and guidelines of the SEC and the New York Stock Exchange, creating considerable additional burdens for the Companies and instability and disruption to the market, which would expose the Companies to claims of liability arising from investors' alleged reliance on and/or failure to receive such financial information. The confidential information: (1) has not been previously disclosed or otherwise publicly disseminated; (2) is not of the kind of information that the Companies would customarily disclose to the public; and (3) is of a nature that its disclosure could (a) impair the Commission's ability to obtain necessary information from similarly situated parties in the future, and (b) cause substantial harm to the Companies and/or its customers as previously described above.
Joint Alternative Rebasing Proposal, Section IV.B.3., pages 30-31	Forecasted ROEs and basis point value below the authorized ROE for the consolidated Companies.	No.	Confidential financial information is restricted from disclosure by the rules and guidelines of the U.S. SEC and the New York Stock Exchange, as its premature disclosure could trigger considerable additional burdens	Public disclosure of the financial information via non-confidential filing with the Commission could trigger additional requirements of disclosure under the rules and guidelines of the SEC and the New York Stock Exchange, creating considerable additional burdens for the Companies and instability and disruption to the market, which would expose the Companies to claims of liability arising from

[1] The "Hawaiian Electric Companies" or "Companies" refers to Hawaiian Electric Company, Inc., Hawai'i Electric Light Company, Inc., and Maui Electric Company, Limited.
[2] Haw. Rev. Stat. § 92F-13(3).

Reference	Identification of Item	Restricted?	Basis of Confidentiality and Restriction	Harm
			for the Companies and significant market disruption and instability arising from investors' alleged reliance on and/or failure to receive such information, which falls under the frustration of legitimate government function exception of the UIPA.	investors' alleged reliance on and/or failure to receive such financial information. The confidential information: (1) has not been previously disclosed or otherwise publicly disseminated; (2) is not of the kind of information that the Companies would customarily disclose to the public; and (3) is of a nature that its disclosure could (a) impair the Commission's ability to obtain necessary information from similarly situated parties in the future, and (b) cause substantial harm to the Companies and/or its customers as previously described above.
Joint Alternative Rebasing Proposal, Section IV.H.2.b), page 59	Projected annual savings from sustainable workforce strategy initiatives.	No.	Confidential financial information is restricted from disclosure by the rules and guidelines of the U.S. SEC and the New York Stock Exchange, as its premature disclosure could trigger considerable additional burdens for the Companies and significant market disruption and instability arising from investors' alleged reliance on and/or failure to receive such information, which falls under the frustration of legitimate government function exception of the UIPA.	Public disclosure of the financial information via non-confidential filing with the Commission could trigger additional requirements of disclosure under the rules and guidelines of the SEC and the New York Stock Exchange, creating considerable additional burdens for the Companies and instability and disruption to the market, which would expose the Companies to claims of liability arising from investors' alleged reliance on and/or failure to receive such financial information. The confidential information: (1) has not been previously disclosed or otherwise publicly disseminated; (2) is not of the kind of information that the Companies would customarily disclose to the public; and (3) is of a nature that its disclosure could (a) impair the Commission's ability to obtain necessary information from similarly situated parties in the future, and (b) cause substantial harm to the Companies and/or its customers as previously described above.
Joint Alternative Rebasing Proposal, Section IV.H.3.a), page 66	2026 estimated net periodic pension cost and amortization of pension-related regulatory balances.	No.	Confidential financial information is restricted from disclosure by the rules and guidelines of the U.S. SEC and the New York Stock Exchange, as its premature disclosure could trigger	Public disclosure of the financial information via non-confidential filing with the Commission could trigger additional requirements of disclosure under the rules and guidelines of the SEC and the New York Stock Exchange, creating considerable additional burdens for the Companies and instability and disruption to the market, which would

Reference	Identification of Item	Restricted?	Basis of Confidentiality and Restriction	Harm
	2026 estimated net periodic benefit cost and amortization of other post-employment benefits ("OPEB") tracking regulatory balance.		considerable additional burdens for the Companies and significant market disruption and instability arising from investors' alleged reliance on and/or failure to receive such information, which falls under the frustration of legitimate government function exception of the UIPA.	expose the Companies to claims of liability arising from investors' alleged reliance on and/or failure to receive such financial information. The confidential information: (1) has not been previously disclosed or otherwise publicly disseminated; (2) is not of the kind of information that the Companies would customarily disclose to the public; and (3) is of a nature that its disclosure could (a) impair the Commission's ability to obtain necessary information from similarly situated parties in the future, and (b) cause substantial harm to the Companies and/or its customers as previously described above.
Joint Alternative Rebasing Proposal, Ulupono Initiative LLC, Attachment 1, Exhibit 1, page 3	2026 forecasted insurance expenses. 2024 actual insurance expenses where confidential insurance expenses for 2026 could be derived by disclosure of such information.	No.	Confidential financial information is restricted from disclosure by the rules and guidelines of the U.S. SEC and the New York Stock Exchange, as its premature disclosure could trigger considerable additional burdens for the Companies and significant market disruption and instability arising from investors' alleged reliance on and/or failure to receive such information, which falls under the frustration of legitimate government function exception of the UIPA.	Public disclosure of the financial information via non-confidential filing with the Commission could trigger additional requirements of disclosure under the rules and guidelines of the SEC and the New York Stock Exchange, creating considerable additional burdens for the Companies and instability and disruption to the market, which would expose the Companies to claims of liability arising from investors' alleged reliance on and/or failure to receive such financial information. The confidential information: (1) has not been previously disclosed or otherwise publicly disseminated; (2) is not of the kind of information that the Companies would customarily disclose to the public; and (3) is of a nature that its disclosure could (a) impair the Commission's ability to obtain necessary information from similarly situated parties in the future, and (b) cause substantial harm to the Companies and/or its customers as previously described above.
Joint Alternative Rebasing Proposal, Exhibits H through H3	Average 2026 and estimated December 31, 2026 pension-related regulatory balances, and	No.	Confidential financial information is restricted from disclosure by the rules and guidelines of the U.S. SEC and the New York Stock Exchange, as its premature	Public disclosure of the financial information via non-confidential filing with the Commission could trigger additional requirements of disclosure under the rules and guidelines of the SEC and the New York Stock Exchange, creating considerable additional burdens for the Companies

Reference	Identification of Item	Restricted?	Basis of Confidentiality and Restriction	Harm
	projected 2026 activities, including net periodic pension cost and amortization of pension-related regulatory balances.		disclosure could trigger considerable additional burdens for the Companies and significant market disruption and instability arising from investors' alleged reliance on and/or failure to receive such information, which falls under the frustration of legitimate government function exception of the UIPA.	and instability and disruption to the market, which would expose the Companies to claims of liability arising from investors' alleged reliance on and/or failure to receive such financial information. The confidential information: (1) has not been previously disclosed or otherwise publicly disseminated; (2) is not of the kind of information that the Companies would customarily disclose to the public; and (3) is of a nature that its disclosure could (a) impair the Commission's ability to obtain necessary information from similarly situated parties in the future, and (b) cause substantial harm to the Companies and/or its customers as previously described above.
Joint Alternative Rebasing Proposal, Exhibits I through I3	Average 2026 and estimated December 31, 2026 OPEB tracker regulatory balances, and projected 2026 activities, including net periodic benefit cost and amortization of OPEB tracker regulatory balances.	No.	Confidential financial information is restricted from disclosure by the rules and guidelines of the U.S. SEC and the New York Stock Exchange, as its premature disclosure could trigger considerable additional burdens for the Companies and significant market disruption and instability arising from investors' alleged reliance on and/or failure to receive such information, which falls under the frustration of legitimate government function exception of the UIPA.	Public disclosure of the financial information via non-confidential filing with the Commission could trigger additional requirements of disclosure under the rules and guidelines of the SEC and the New York Stock Exchange, creating considerable additional burdens for the Companies and instability and disruption to the market, which would expose the Companies to claims of liability arising from investors' alleged reliance on and/or failure to receive such financial information. The confidential information: (1) has not been previously disclosed or otherwise publicly disseminated; (2) is not of the kind of information that the Companies would customarily disclose to the public; and (3) is of a nature that its disclosure could (a) impair the Commission's ability to obtain necessary information from similarly situated parties in the future, and (b) cause substantial harm to the Companies and/or its customers as previously described above.

CERTIFICATE OF SERVICE

I hereby certify that copies of the foregoing document, together with this Certificate of Service, were duly served on the following parties and participants, by having said copies delivered by electronic service.

Party	Electronic Service	Hand Delivery	U.S Mail
Michael S. Angelo Executive Director Division of Consumer Advocacy Department of Commerce and Consumer Affairs 335 Merchant Street, Room 326 Honolulu, Hawaiʻi 96813 mangelo@dcca.hawaii.gov consumeradvocate@dcca.hawaii.gov	1		
Henry Curtis Life of the Land Vice President for Consumer Issues P.O. Box 37158 Honolulu, Hawaiʻi 96837-0158 henry.lifeoftheland@gmail.com	1		
Beren Argetsinger Keyes & Fox LLP 580 California Street, 12th Floor San Francisco, CA 94104 Attorneys for HAWAII PV COALITION bargetsinger@keyesfox.com	1		

Party	Electronic Service	Hand Delivery	U.S Mail
Melissa Miyashiro, Chief of Staff Blue Planet Foundation 55 Merchant Street, 17th Floor Honolulu, Hawaiʻi 96813 melissa@blueplanetfoundation.org Isaac H. Moriwake Kylie W. Wager Cruz Earthjustice 850 Richards Street, Suite 400 Honolulu, Hawaiʻi 96813 imoriwake@earthjustice.org kwager@earthjustice.org Attorneys for BLUE PLANET FOUNDATION	1		
Duane W.H. Pang 530 South King Street, Room 110 Honolulu, Hawaiʻi 96813 Attorneys for CITY AND COUNTY OF HONOLULU eyarbrough@honolulu.gov mele.coleman@honolulu.gov dpang1@honolulu.gov	1		
Sylvia A. Wan Deputy Corporation Counsel Office of the Corporation Counsel County of Hawaiʻi 101 Aupuni Street, Suite 325 Hilo, Hawaiʻi 96720 sylviaa.wan@hawaiicounty.gov katharine.batten@asu.edu	1		
Rocky Mould Hawaiʻi Solar Energy Association Executive Director P.O. Box 37070 Honolulu, Hawaiʻi 96817 rmould@hsea.org	1		

Party	Electronic Service	Hand Delivery	U.S Mail
Douglas A. Codiga Mark F. Ito Topa Financial Center 745 Fort Street, Suite 1500 Honolulu Hawai‘i 96813 Attorneys for ULUPONO INITIATIVE LLC dcodiga@schlackito.com mito@schlackito.com	1		

DATED: Honolulu, Hawai‘i, March 6, 2026.

/s/ Ayako Yamamoto
Ayako Yamamoto
HAWAIIAN ELECTRIC COMPANY, INC.
Regulatory Affairs

Yamamoto, Ayako

From: noreply@salesforce.com on behalf of PUC CDMS <hpuc@notify.hawaii.gov>
Sent: Friday, March 6, 2026 4:04 PM
To: Yamamoto, Ayako
Subject: Hawaii PUC CDMS eSERVICES - E-Filing F-338638 FILED Confirmation

E-Filing Filed Confirmation

Aloha Ayako Yamamoto,

Your electronic filing to the Hawaii Public Utilities Commission has been **FILED**. You will receive an email when the filing is public.

Please note that filings submitted after 4:30 p.m. Hawaii Standard Time will be deemed "FILED" the next business day. The mere fact of filing shall not waive any failure to comply with Hawaii Administrative Rules Chapter 6-61, Rules of Practice and Procedure Before the Public Utilities Commission, or any other application requirements.

E-Filing Confirmation Number: F-338638
Account: Hawaiian Electric Company, Inc., Hawaii Electric Light Company, Inc., and Maui Electric Company, Limited
Date and Time Submitted: 3/6/2026, 4:04 PM
Case or Docket Reference Number: PC-21581
Case or Docket Number (if applicable): PC-21581
Filing Category/Type: Miscellaneous Filings / Other Filing

To view and manage your account, log in to the Hawaii Public Utilities Commission's eServices portal.

This email address is not monitored. Should you have any questions, you may visit our website at https://puc.hawaii.gov, email us at puc@hawaii.gov, or call us at 808-586-2020, Monday-Friday 7:45 a.m. - 4:30 p.m.