

HAWAIIAN ELECTRIC CO INC
Form 8-K
May 04, 2012

UNITED STATES
SECURITIES AND EXCHANGE COMMISSION

Washington, D.C. 20549

FORM 8-K

CURRENT REPORT

Pursuant to Section 13 or 15(d) of the
Securities Exchange Act of 1934

Date of Report: **May 2, 2012**

Exact Name of Registrant
as Specified in Its Charter
Hawaiian Electric Industries, Inc.
Hawaiian Electric Company, Inc.

Commission
File Number
1-8503
1-4955

I.R.S. Employer
Identification No.
99-0208097
99-0040500

State of Hawaii

(State or other jurisdiction of incorporation)

900 Richards Street, Honolulu, Hawaii 96813

(Address of principal executive offices and zip code)

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Registrant's telephone number, including area code:

(808) 543-5662 - Hawaiian Electric Industries, Inc. (HEI)

(808) 543-7771 - Hawaiian Electric Company, Inc. (HECO)

None

(Former name or former address, if changed since last report.)

Check the appropriate box below if the Form 8-K filing is intended to simultaneously satisfy the filing obligation of the registrant under any of the following provisions:

- Written communications pursuant to Rule 425 under the Securities Act (17 CFR 230.425)
 - Soliciting material pursuant to Rule 14a-12 under the Exchange Act (17 CFR 240.14a-12)
 - Pre-commencement communications pursuant to Rule 14d-2(b) under the Exchange Act (17 CFR 240.14d-2(b))
 - Pre-commencement communications pursuant to Rule 13e-4(c) under the Exchange Act (17 CFR 240.13e-4(c))
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Item 8.01 Other Events.

The following is an update to the disclosures on the decoupling proceeding and rate requests in in Management's Discussion and Analysis of Financial Condition and Results of Operations Electric utility under Regulatory and Most recent rate proceedings, which are incorporated herein by reference to pages 53-54 and 57-59, respectively, of HEI's and HECO's Form 10-K for the year ended December 31, 2011, and Other Events. C. Maui Electric Company, Inc. (MECO) 2010 Test Year Rate Case in HEI's and HECO's Current Report on Form 8-K dated March 29, 2012.

A. MECO 2010 Test Year Rate Case

On May 2, 2012, the Public Utilities Commission of the State of Hawaii (PUC) issued a final decision and order (D&O) in the MECO 2010 test year proceeding, which approved the updated settlement agreement entered into by MECO and the Consumer Advocate (the parties) on March 29, 2012. On May 4, 2012, the tariffs implementing the D&O became effective and MECO implemented the decoupling mechanism approved by the PUC in a separate decoupling proceeding. MECO also began tracking the target revenues and actual recorded revenues via a revenue balancing account, reset the heat rates and implemented heat rate deadbands. The revised tariffs include the implementation of the purchase power adjustment clause, which allows MECO to recover non-energy purchased power expense through a surcharge mechanism rather than through base rates as previously recovered.

The tariffs that became effective on May 4, 2012, reflect a lower increase in annual revenue requirements than the interim increase previously in effect. Since the lower revenue increase is due to factors that became effective concurrently with the effective date of the revised increase (lower depreciation rates and lower return on average common equity (ROACE) to reflect decoupling and other cost-recovery mechanisms), no refund to customers is required.

| | Interim D&O 8/1/2010 | Final D&O 5/4/2012 |
|----------------------------------|---------------------------------------|--------------------------------------|
| Revenue increase | \$ 8.5 million* (2.7% increase) | \$ 4.7 million (1.5% increase) |
| Depreciation expense | \$ 20.8 million | \$ 18.9 million |
| ROACE (%) | 10.50% | 10.00%** |
| Common equity capitalization (%) | 56.86% | 56.86% |
| Return on average rate base (%) | 8.43% | 8.15% |
| Average rate base amount | \$ 387 million | \$ 387 million |

* Adjusted from \$10.3 million to \$8.5 million on 1/12/2011 to reflect the final decision in the pending 2007 rate case at that time.

** Reflects decoupling and other cost-recovery mechanisms.

HEI and HECO intend to continue to use HEI's website, www.hei.com, as a means of disclosing additional information. Such disclosures will be included on HEI's website in the Investor Relations section. Accordingly, investors should routinely monitor such portions of HEI's website, in addition to following HEI's, HECO's and American Savings Bank, F.S.B.'s press releases, SEC filings and public conference calls and webcasts. The information on HEI's website is not incorporated by reference in this document or in the Company's SEC filings unless, and except to the extent, specifically incorporated by reference. Investors may also wish to refer to the PUC website at dms.puc.hawaii.gov/dms in order to review documents filed with and issued by the PUC. No information on the PUC website is incorporated by reference in this document or in the Company's other SEC filings.

SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, the Registrants have duly caused this report to be signed on their behalf by the undersigned thereunto duly authorized. The signature of the undersigned companies shall be deemed to relate only to matters having reference to such companies and any subsidiaries thereof.

HAWAIIAN ELECTRIC INDUSTRIES, INC.
(Registrant)

HAWAIIAN ELECTRIC COMPANY, INC.
(Registrant)

/s/ James A. Ajello
James A. Ajello
Executive Vice President,
Chief Financial Officer and Treasurer
(Principal Financial Officer of HEI)
Date: May 4, 2012

/s/ Tayne S. Y. Sekimura
Tayne S. Y. Sekimura
Senior Vice President and
Chief Financial Officer
(Principal Financial Officer of HECO)
Date: May 4, 2012