

Hawaiian Electric Company, Inc.
BALANCE SHEET
(Unaudited)
As of September 30, 2004

UTILITY PLANT AT COST :	
In Service :	
Land	\$ 22,953,714
Plant and Equipment	<u>2,127,622,297</u>
Utility Plant in Service	2,150,576,011
Property Held for Future Use	598,735
Construction Work in Progress	134,906,787
Plant Acquisition Adjustment	-
Less Accumulated Provision for Depreciation	<u>(851,817,390)</u>
Net Utility Plant	<u>1,434,264,143</u>
Other Property:	
Non-Utility Property	7,766,192
Less Accumulated Provision for Depreciation	(1,913,819)
Investment in wholly-owned subsidiaries	385,514,905
CURRENT ASSETS :	
Cash	8,195
Temporary Investments	-
Notes Receivable from Associated Companies	28,000,000
Customer Accounts Receivable	74,694,956
Less Allowance for Uncollectible Accounts	<u>(220,472)</u>
Net Customer Accounts Receivable	<u>74,474,484</u>
Accrued Unbilled Revenues, net	47,804,746
Other Accounts Receivable, net	1,669,341
Fuel Oil Stock, at Average Cost	43,245,633
Construction & Operating Materials & Supplies, at Average Cost	11,633,270
Other	<u>82,483,059</u>
Total Current Assets	<u>289,318,728</u>
OTHER ASSETS	
Unamortized Debt Expense	9,996,504
Other	<u>6,818,788</u>
Total Other Assets	<u>16,815,292</u>
TOTAL ASSETS	<u>\$ 2,131,765,441</u>

Hawaiian Electric Company, Inc.
BALANCE SHEET
(Unaudited)
As of September 30, 2004

CAPITALIZATION :

Common Stock Equity	
Common Stock @ \$6 2/3 Par Value	\$ 85,387,140
Premium on Capital Stock, net of Capital Stock Expense	<u>298,938,388</u>
Retained Earnings	<u>619,534,555</u>
Total Common Stock Equity	1,003,860,083
Cumulative Preferred Stock of \$20 Par Value	<u>22,293,140</u>
Total Stockholders Equity	<u>1,026,153,223</u>

QUIDS 31,546,400

Long-Term Debt	
First Mortgage Bonds	-
Revenue Bonds, net of discount, and Less Funds on Deposit with Trustee	<u>435,898,209</u>
Total Long-Term Debt	<u>435,898,209</u>

 Total Capitalization 1,493,597,832

CURRENT LIABILITIES

Long-Term Debt Due Within One Year	-
Preferred Stock Sinking Fund Requirements	-
Borrowings from non-affiliates	8,392,344
Borrowings from Parent	47,579,665
Borrowings from MECO	24,000,000
Accounts Payable	64,685,323
Payable To Associated Companies	616,066
Customer Deposits	5,126,157
Customer Advances	1,578,886
Taxes Accrued	69,836,064
Interest and Preferred Dividends Payable	10,894,015
Other	<u>18,033,537</u>
Total Current Liabilities	<u>250,742,057</u>

DEFERRED CREDITS

Deferred Income Taxes	145,679,609
Unamortized Tax Credits	29,972,715
Regulatory Liabilities, net	48,357,555
Other	<u>21,679,600</u>
Total Deferred Credits	<u>245,689,479</u>

CONTRIBUTIONS IN AID OF CONSTRUCTION 141,736,073

TOTAL CAPITALIZATION & LIABILITIES \$ 2,131,765,441

Hawaiian Electric Company, Inc.
STATEMENT OF INCOME
(Unaudited)
For the Nine Months Ended September 30, 2004

OPERATING REVENUES	
Electric Revenues	\$ 762,800,615
Other	1,909,990
Total Operating Revenues	<u>764,710,605</u>
OPERATING EXPENSES	
Production	
Fuel Oil	235,723,142
Purchased Power	217,731,942
Other Production	14,449,290
Transmission and Distribution Operations	7,766,528
Maintenance	30,584,824
Customer Accounts & Customer Service	14,683,600
Administrative and General	36,827,525
Depreciation	51,984,013
Taxes, Other Than Income Taxes	71,117,225
Tax Credits, Deferred, Net	1,652,202
Income Taxes	25,054,043
Total Operating Expenses	<u>707,574,334</u>
OPERATING INCOME	<u>57,136,271</u>
OTHER INCOME AND DEDUCTIONS	
Allowance for Equity Funds Used During Construction	4,500,052
Equity in Earnings of Subsidiaries	25,961,982
Other	2,997,673
Total Other Income & Deductions	<u>33,459,707</u>
INTEREST CHARGES	
Interest on Long-Term Debt	19,805,380
Amortization of Net Bond Premium & Expense	1,105,840
Other Interest Charges	2,941,494
Allowance for Debt Funds Used During Construction	(1,999,215)
Total Interest Charges	<u>21,853,499</u>
NET INCOME	68,742,479
Preferred Stock Dividends	809,930
NET INCOME FOR COMMON STOCK	<u>\$ 67,932,549</u>

Hawaiian Electric Company, Inc.
STATEMENT OF RETAINED EARNINGS
(Unaudited)
For the Nine Months Ended September 30, 2004

Balance at the Beginning of Period	\$ 563,215,006
Net Income for Common	67,932,549
Dividends on Common Stock	<u>(11,613,000)</u>
Balance at End of Period	<u>\$ 619,534,555</u>

Hawaiian Electric Company, Inc.

DETAILS OF OUTSTANDING ISSUES OF
PREFERRED STOCK, HYBRID SECURITIES
AND OTHER LONG-TERM DEBT
FOR INCORPORATION BY REFERENCE
As of September 30, 2004

Year Issued	Description	Total Par Value	Docket No. and Date	Commission Decision & Order and Date
<u>Preferred Stock</u>				
1945	Series C, 4 1/4% 150,000 shares	\$ 3,000,000	888 7/11/45	75-482 7/21/45
1948	Series D, 5% 50,000 shares	1,000,000	993 3/17/48	98-589 6/24/48
1950	Series E, 5% 150,000 shares	3,000,000	1027 3/4/49	107-625 5/9/49
1960	Series H, 5 1/4% 250,000 shares	5,000,000	1414 5/27/60	1012 7/21/60
1961	Series I, 5% 89,657 shares	1,793,140	1460 6/21/61	1067 7/21/61
1962	Series J, 4 3/4% 250,000 shares	5,000,000	1496 3/21/62	1100 4/17/62
1964	Series K, 4.65% 175,000 shares	3,500,000	1546 4/30/63	1203 5/16/63
TOTAL OUTSTANDING 9/30/04		<u>\$ 22,293,140</u>		

Hawaiian Electric Company, Inc.

DETAILS OF OUTSTANDING ISSUES OF
PREFERRED STOCK, HYBRID SECURITIES
AND OTHER LONG-TERM DEBT
FOR INCORPORATION BY REFERENCE
As of September 30, 2004

<u>Year Issued</u>	<u>Description</u>	<u>Original Issue Amount</u>	<u>Docket No. and Date</u>	<u>Commission Decision & Order and Date</u>
<u>Long-Term Debt</u>				
<u>State of Hawaii - Special Purpose Revenue Bonds</u>				
1993	5.45% Series 1993 due 2023	50,000,000	7624/6797 2/26/93	12651 10/06/93
1995	6.60% Series 1995A due 2025	40,000,000	7624/6797 2/26/93	PUC approval-4/20/ 13697 - 12/27/94
1996	6.20% Series 1996A due 2026	48,000,000	95-0096 4/28/95	14396 - 11/28/95 14517 - 2/12/96
1996	5 7/8% Series 1996B due 2026	14,000,000	95-0096 4/28/95	PUC approval-10/10
1997	5.65% Series 1997A due 2027	50,000,000	95-0096/96-0381 4/28/95&9/30/96	PUC approval-9/30/
1998	4.95% Refunding Series 1998A due 2012	42,580,000	97-0351 9/29/97	16145 1/5/98
1999	5.75% Refunding Series 1999B due 2018	30,000,000	99-0060 3/12/99	17057 6/29/99
1999	6.20% Series 1999C due 2029	35,000,000	99-0120 5/17/99	17253 9/27/99
1999	6.15% Refunding Series 1999D due 2020	16,000,000	99-0060 3/12/99	17057 6/29/99
2000	5.70% Refunding Series 2000 due 2020	46,000,000	00-0120 4/14/00	18151 10/20/00

Hawaiian Electric Company, Inc.

DETAILS OF OUTSTANDING ISSUES OF
PREFERRED STOCK, HYBRID SECURITIES
AND OTHER LONG-TERM DEBT
FOR INCORPORATION BY REFERENCE
As of September 30, 2004

Year Issued	Description	Original Issue Amount	Docket No. and Date	Commission Decision & Order and Date
<u>Long-Term Debt</u>				
<u>State of Hawaii - Special Purpose Revenue Bonds (Cont.)</u>				
2002	5.10% Series 2002A due 2032	40,000,000	99-0120 5/17/02	19525 8/15/02
2003	5.00% Refunding Series 2003B due 2022	40,000,000	03-0045 2/21/03	20120 4/14/03
TOTAL OUTSTANDING 9/30/04		<u>\$451,580,000</u>		
Less funds on deposit with trustees:				
	Series 2002A	<u>13,034,400</u>		
NET OUTSTANDING 9/30/04		<u>\$438,545,600</u>		

Hawaiian Electric Company, Inc.

DETAILS OF OUTSTANDING ISSUES OF
PREFERRED STOCK, HYBRID SECURITIES
AND OTHER LONG-TERM DEBT
FOR INCORPORATION BY REFERENCE
As of September 30, 2004

<u>Year</u> <u>Issued</u>	<u>Description</u>	<u>Original</u> <u>Issue</u> <u>Amount</u>	<u>Docket No.</u> <u>and Date</u>	<u>Commission</u> <u>Decision & Order</u> <u>and Date</u>
<u>HYBRID SECURITIES</u>				
6.500%	Junior Subordinated Deferrable Interest Debenture, Series 2004 (2004 QUIDS) due 2034	\$31,546,400	03-0409 12/8/03	20803 2/13/04 Amended by 20812 2/24/04
		<u>\$31,546,400</u>		

HAWAIIAN ELECTRIC INDUSTRIES, INC. • PO BOX 730 • HONOLULU, HI 96808-0730



Robert F. Clarke
*Chairman, President and
Chief Executive Officer*

March 9, 2004

Dear Fellow Shareholder:

On behalf of the Board of Directors, it is once again my pleasure to invite you to attend the Annual Meeting of Shareholders of Hawaiian Electric Industries, Inc. (HEI). The meeting will be held on the Company's premises in Room 805 on the eighth floor of the American Savings Bank Tower in Honolulu, Hawaii on April 20, 2004, at 9:30 a.m. A map showing the location of the meeting site appears on page 30 of the Proxy Statement.

The accompanying Notice of Annual Meeting of Shareholders and Proxy Statement describe the items of business to be discussed during the meeting. In addition, we will review significant events of 2003 and their impact on you and your Company. Corporate officers will be available before and after the meeting to talk with you and answer any questions you may have.

As a shareholder of HEI, it is important that your views be represented. Please help us obtain the quorum needed to conduct business at the meeting by promptly voting your shares.

I join the management team of HEI in expressing our appreciation for your confidence and support. I look forward to seeing you at the Annual Meeting in Honolulu.

Sincerely,

A handwritten signature in black ink that reads "Robert F. Clarke".



Recycled

Hawaiian Electric Industries
900 Richards Street
Honolulu, Hawaii 96813



NOTICE OF ANNUAL MEETING

- Date and time** Tuesday, April 20, 2004, at 9:30 a.m.
- Place** American Savings Bank Tower, 1001 Bishop Street, 8th floor, Room 805, Honolulu, Hawaii 96813.
- Items of Business**
1. Elect a Class III director and four Class II directors.
 2. Elect KPMG LLP as the Company's independent auditor.
 3. Transact any other business properly brought before the meeting.
- Record Date** February 11, 2004
- Annual Report** The 2003 Annual Report to Shareholders (Appendix A) and Summary Report to Shareholders, which are not a part of the proxy solicitation materials, have been mailed along with this Notice and accompanying Proxy Statement.
- Proxy Voting** Shareholders of record may appoint proxies and vote their shares in one of three ways:
- Via Internet pursuant to the instructions on the proxy card;
 - Calling the toll-free number on the proxy card; or
 - Signing, dating, and mailing the proxy card in the prepaid envelope provided.
- Shareholders whose shares are held by a bank, broker, or other financial intermediary (street name) should follow the voting instruction card included by the intermediary.
- Any proxy may be revoked in the manner described in the accompanying Proxy Statement.
- Attendance at Meeting** If your shares are registered in street name, please bring a letter from your bank or broker or provide other evidence of your beneficial ownership if you plan to attend the Annual Meeting.

By Order of the Board of Directors

March 9, 2004

Peter C. Lewis
Vice President-Administration and Secretary

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Proxy Statement

Hawaiian Electric Industries, Inc. is soliciting proxies for the Annual Meeting of Shareholders scheduled for April 20, 2004. The mailing address of the principal executive offices of the Company is P.O. Box 730, Honolulu, Hawaii 96808-0730.

The approximate mailing date for this Proxy Statement, form of proxy, and annual and summary reports to shareholders for the fiscal year ended December 31, 2003, is March 12, 2004. The annual report and summary report are not considered proxy soliciting materials.

About the Meeting

Who can attend the meeting?

Attendance will be limited to:

- shareholders of record;
- beneficial owners of HEI Common Stock ("Common Stock") having evidence of ownership and entitled to vote at the meeting;
- authorized representatives of absent shareholders; and
- invited guests of management.

If you own shares of Common Stock in the name of a bank, brokerage firm or other holder of record, you must show proof of ownership. This may be in the form of a letter from the holder of record or a recent statement from the bank or broker showing ownership of Common Stock.

Any person claiming to be an authorized representative of a shareholder must produce written evidence of the authorization.

What are shareholders being asked to vote on?

- Election of one Class III director for a term expiring at the 2005 Annual Meeting of Shareholders and four Class II directors for a three-year term expiring at the 2007 Annual Meeting of Shareholders.
- Election of KPMG LLP as the Company's independent auditor.

Voting Procedures

Who is eligible to vote?

Only shareholders of record at the close of business on February 11, 2004 (the record date) are entitled to vote.

How many shares are outstanding and entitled to vote?

On February 11, 2004, 38,004,521 shares of Common Stock were outstanding. Each shareholder is entitled to one vote for each share held. Under the By-Laws of the Company, shareholders do not have cumulative voting rights in the election of directors.

What constitutes a quorum?

A quorum is needed to conduct business at the Annual Meeting. A majority of the shares entitled to vote at the meeting constitutes a quorum. Abstentions and broker nonvotes will be counted in the number of shares present, in person or by proxy, for purposes of determining a quorum. A broker nonvote occurs when a broker does not have discretionary voting power to vote on a specific matter (such as nonroutine proposals) and has not received voting instructions from the beneficial owner.

How do shareholders vote?

Whether or not you plan to attend the Annual Meeting, please take the time to vote. You may vote by mail, telephone, or on-line via the Internet. The telephone and Internet procedures authenticate shareholders by use of a control number and permit confirmation that the vote has been properly recorded. You do not need to return your proxy if you vote by telephone or via the Internet.

- **BY MAIL:** Please mark your vote and sign, date, and promptly return the proxy in the enclosed postage-paid envelope. If you return the signed proxy but do not mark the boxes showing how you wish to vote, your votes will be cast "FOR" the election of all nominees for director and "FOR" the election of the Company's independent auditor.
- **BY TELEPHONE:** Please call the toll-free telephone number on the proxy (1-800-542-1160). Once connected, you will be prompted to record and confirm your vote. Telephone voting is available 24 hours a day, through Monday, April 19, 2004, 11:59 p.m. (EDT).
- **BY INTERNET:** You may vote on-line by using the following Internet address: <http://www.votefast.com>. Specific instructions will be available allowing you to record and confirm your vote. Internet voting is available 24 hours a day, through Monday, April 19, 2004, 11:59 p.m. (EDT).
- **IN PERSON:** You may vote your shares by attending the Annual Meeting and voting in person. If you wish to give your proxy to someone other than the individuals listed on the enclosed proxy, cross out all three names and insert the name of another person to vote your shares at the meeting.

How do shareholders vote if their shares are held in street name?

If your shares are held in "street name" (that is, through a broker, trustee or other holder of record), you will receive a proxy card from your broker seeking instruction as to how your shares should be voted. If no instructions are given, your broker or nominee may vote your shares at its discretion on your behalf on routine matters (such as the election of directors and the independent auditor) under New York Stock Exchange rules.

You may not vote shares held in "street name" at the Annual Meeting unless you obtain a legal proxy from your broker or holder of record.

How do shareholders vote if their shares are held in the Dividend Reinvestment and Stock Purchase Plan (DRIP) and/or the 401(k) Hawaiian Electric Industries Retirement Savings Plan (HEIRS)?

If you own shares held in DRIP and HEIRS (including shares previously received under the Tax Reduction Act Stock Ownership Plan (TRASOP)), the respective plan trustees will vote the shares of stock held in these Plans according to your directions. For both DRIP and HEIRS (excluding TRASOP), the respective trustees will vote all the shares of Common Stock for which they receive no

voting instructions in the same proportion as they vote shares for which they receive instruction. The trustee will not vote the shares in TRASOP for which it receives no voting instructions.

Can shareholders change their vote?

If you execute and return a proxy, you may revoke it at any time before the Annual Meeting in one of three ways:

- submit a properly signed proxy with a later date or vote again at a later time by telephone or Internet;
- notify the Secretary of the Company in writing; or
- vote in person at the Annual Meeting (if your shares are registered directly on the Company's books or, if your shares are held in "street name", you have a legal proxy from your broker or holder of record).

How many votes are required?

If a quorum is present at the Annual Meeting, then:

- directors shall be elected by a plurality of the votes cast in the election and
- the Company's independent auditor shall be elected if more votes are cast in favor of election than against election.

Abstentions and broker nonvotes will count in establishing a quorum, but will not otherwise affect the outcome of the election of directors or the Company's independent auditor.

Who will count the votes and are the votes confidential?

Georgeson Shareholder Communications Inc. will act as tabulator for broker and bank proxies and Corporate Election Services will act as tabulator for the proxies of the other shareholders of record. Your identity and vote will not be disclosed to persons other than those acting as tabulators except as follows:

- as required by law;
- to verify the validity of proxies and the results of the voting in the case of a contested proxy solicitation; or
- when you write a comment on the proxy form.

Proposals You May Vote On

1. Election of Class III Director and Class II Directors

The Board of Directors currently consists of 13 directors divided into three classes with staggered terms so that one class of directors must be elected at each Annual Meeting. Oswald K. Stender (a Class III director) has reached the mandatory retirement age as specified by Board resolution and, therefore, his service as a director will end at the 2004 Annual Meeting. Based on the recommendation of the Nominating and Corporate Governance Committee, the Board of Directors has voted not to fill Mr. Stender's position, but instead to fix the number of directors at 12, effective at the 2004 Annual Meeting.

The Company's By-Laws state that the size of each class of directors shall be as nearly equal as possible and any increase or decrease in the size of the Board shall be apportioned among the classes so as to make the number of directors in each class as nearly equal as possible. With the retirement of Mr. Stender, the Board of Directors, in order to accomplish an equal apportionment of directors among the three classes, has nominated Victor H. Li for election as a Class III director (rather than as a Class II director) with a term to expire at the 2005 Annual Meeting of Shareholders. The Nominating and Corporate Governance Committee has stated that it intends to nominate Dr. Li as a Class III director at the 2005 Annual Meeting.

This year, the four Class II nominees being proposed for election at this Annual Meeting are:

- T. Michael May
- Diane J. Plotts
- Kelvin H. Taketa
- Jeffrey N. Watanabe

Each of the nominees is currently a member of the Board of Directors and has consented to serve for the new terms expiring at the 2005 Annual Meeting for Dr. Li and the 2007 Annual Meeting for Mr. May, Ms. Plotts, Mr. Taketa and Mr. Watanabe. If a nominee is unable to stand for election, the proxy holders listed in the proxy may vote in their discretion for a suitable substitute.

YOUR BOARD RECOMMENDS THAT YOU VOTE FOR EACH OF THE NOMINEES FOR CLASS III AND CLASS II DIRECTORS.

Detailed information on each nominee and Class I and III directors is provided on pages 5 to 7.

2. Election of Independent Auditor

The firm of KPMG LLP, independent certified public accountants, has been the auditor of the Company since 1981. The Audit Committee selected KPMG LLP as its independent auditor for 2004. The Board of Directors, upon the recommendation of its Audit Committee, recommends the election of KPMG LLP as the independent auditor of the Company for fiscal year 2004 and thereafter until its successor is elected. Representatives of KPMG LLP will be present at the Annual Meeting and will be given the opportunity to make a statement and to respond to appropriate questions.

YOUR BOARD RECOMMENDS THAT YOU VOTE FOR KPMG LLP AS INDEPENDENT AUDITOR OF THE COMPANY.

**Nominees for a Class III director whose term expires at the 2005 Annual Meeting
and Class II directors whose terms expire at the 2007 Annual Meeting**



Victor Hao Li, S.J.D.
(Class III director)
Age 62
Director Since 1988

Co-chairman, Asia Pacific Consulting Group. President, Li Xing Foundation. Chairman, Shanghai Li Xing School.

Director of Hawaiian Electric Industries Charitable Foundation. Trustee, Japan-America Institute of Management Science.



T. Michael May
(Class II director)
Age 57
Director Since 1995

President, chief executive officer and director of Hawaiian Electric Company, Inc. and chairman of the boards of Maui Electric Company, Limited, Hawaii Electric Light Company, Inc., and Renewable Hawaii, Inc.

Director of Hawaiian Electric Industries Charitable Foundation, Edison Electric Institute, and the Electric Power Research Institute. Chairperson, 2002 Aloha United Way Campaign. Member, Boy Scouts of America-Aloha Council Executive Board. Trustee, Academy of the Pacific and Blood Bank of Hawaii.



Diane J. Plotts
(Class II director)
Age 68
Director Since 1987

Business advisor since 2000. General partner of Mideast and China Trading Company, formerly known as Hemmeter Investment Company from 1993 to 2000.

Director of Hawaiian Electric Company, Inc., American Savings Bank, F.S.B., and Plaza Club. Trustee, Kamehameha Schools.



Kelvin H. Taketa
(Class II director)
Age 49
Director Since 1993

President and chief executive officer of the Hawaii Community Foundation.

Director of Hookupu Fund and Civic Ventures.

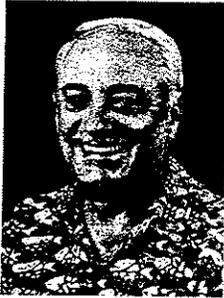


Jeffrey N. Watanabe
(Class II director)
Age 61
Director Since 1987

Partner in the law firm of Watanabe Ing Kawashima & Komeiji LLP.

Director of Hawaiian Electric Company, Inc., American Savings Bank, F.S.B., Hawaiian Electric Industries Charitable Foundation, Alexander and Baldwin, Inc., First Insurance Company of Hawaii, Grace Pacific Corporation, Loea Communications Corporation, Matson Navigation Company, Inc., and Oahu Publications, Inc. Member, Advisory Board, Oceanic Cablevision. Trustee, Children and Youth Foundation of the Philippines and Hawaii Community Foundation. Chair, Sesame Workshop, The Consuelo Zobel Alger Foundation, and The Nature Conservancy of Hawaii.

Continuing Class III directors whose terms expire at the 2005 Annual Meeting



Don E. Carroll
Age 62
Director Since 1996

Chairman of Oceanic Cablevision since February 2001. Vice president of Time Warner Cable. From 1977 to January 2001, president, chief executive officer, and director of Oceanic Cablevision.

Director of Pacific Guardian Life, Island Insurance, American Red Cross-Hawaii Chapter, Executive Board of the Boy Scouts of America-Aloha Council, The 200 Club Advisory Board, The Nature Conservancy of Hawaii, Hawaii Nature Center, and Na Koa. Secretary-treasurer and director of the Hawaii Cable Television Association. Chairman, Oceanic Cable Foundation and Broadband Interactive Television Advisory Board. Member, Finance Committee, Aloha United Way.



Constance H. Lau
Age 51
Director Since 2001

President, chief executive officer and director of American Savings Bank, F.S.B. since June 2001. Chief operating officer and senior vice president of American Savings Bank, F.S.B. from December 1999 to June 2001. From April 1989 to October 1999, Treasurer of the Company.

Director of Hawaiian Electric Industries Charitable Foundation, Hawaii Community Reinvestment Corporation and Maunalani Foundation. Director and secretary-treasurer of the Hawaii Bankers Association. Director and vice president, Consuelo Zobel Alger Foundation. Trustee, Kamehameha Schools and Punahou School. Member, Hawaii Business Roundtable.



Bill D. Mills
Age 52
Director Since 1988

Chairman of Mills Investment Company.

Director, Grace Pacific Corporation and Hawaii Public Television. Trustee, Hawaii Pacific University, St. Andrew's Priory, and The Nature Conservancy of Hawaii. Member, Board of Governors, Iolani School and Hawaii Community Foundation.

Continuing Class I directors whose terms expire at the 2006 Annual Meeting



Robert F. Clarke
Age 61
Director Since 1989

Chairman, president and chief executive officer of the Company.

Chairman of the board of Hawaiian Electric Company, Inc. and American Savings Bank, F.S.B. President and director of Hawaiian Electric Industries Charitable Foundation and Hycap Management, Inc. Chairman, Advisory Board for the College of Business Administration at the University of Hawaii-Manoa. Member, Oceanic Cablevision Advisory Board, Hawaii Partnership For A Competitive Economy Board, Hawaii Business Roundtable, and Air Force Civilian Advisory Council. Trustee, Straub Foundation, Hawaii Pacific University, and the Oceanic Institute. Member, Finance Committee, Aloha United Way.



Shirley J. Daniel, Ph.D., C.P.A.
Age 50
Director Since 2002

Professor of Accountancy, College of Business Administration, University of Hawaii-Manoa since 1986.

Director of Hawaiian Electric Company, Inc., Pacific Asian Management Institute, and University of Hawaii Center for International Business Education and Research. Henry A. Walker, Jr. Distinguished Professor of Business Enterprise, College of Business Administration, University of Hawaii-Manoa. Managing director of Pacific Asian Center for Entrepreneurship and E-Business.



A. Maurice Myers
Age 63
Director Since 1991

Chairman, president and chief executive officer of Waste Management, Inc. (environmental services), Houston, Texas, since November 1999.

Chairman, president and chief executive officer of Yellow Corporation from April 1996 to November 1999.

Director of Tesoro Petroleum, Keep America Beautiful, and The National Association of Manufacturers. Member, Business Roundtable.



James K. Scott, Ed.D.
Age 52
Director Since 1995

President of Punahou School.

Director of Hawaiian Electric Company, Inc., Pacific and Asian Affairs Council, Hawaii Public Television, Hawaii Association of Independent Schools and Secondary School Admission Test Board. Member, Hawaiian Educational Council and Young Presidents Organization. Trustee, Blood Bank of Hawaii.

Board of Directors

What is the Company's philosophy on corporate governance?

In 2003, the Board of Directors and management continued to review and monitor corporate governance trends and best practices in light of new implementing rules issued by the Securities and Exchange Commission ("SEC") as well as changes to the New York Stock Exchange ("NYSE") Listed Company Manual relating to corporate governance. Based on the recommendation of the Nominating and Corporate Governance Committee, the HEI Board unanimously voted on December 16, 2003 to approve changes to the HEI Corporate Governance Guidelines, Revised Code of Conduct (which includes the code of ethics for the HEI chief executive officer, financial vice president and controller) and the charters of the Audit, Nominating and Corporate Governance, Compensation and Executive Committees. These documents as well as HEI's Revised Insider Trading Policy may be found on the Company's website at www.hei.com.

In January 2004, the Board determined that each of its nonemployee directors is independent under the standards of independence adopted by the NYSE.

The nonemployee directors meet regularly in executive sessions without management. These sessions are chaired by Lead Director, Bill D. Mills. Shareholders may contact (1) any member of the Board, including employee directors, or (2) just the nonemployee directors as a group, or (3) any individual director, including the Lead Director, by mail. To communicate with the Board of Directors, any individual director or any group of directors, correspondence should be addressed to the Board of Directors or any such individual director or group by either name or title. All such correspondence should be sent in care of the Corporate Secretary, Hawaiian Electric Industries, Inc., P. O. Box 730, Honolulu, HI 96808. The mail will be forwarded, unopened, to the named individual director or, in the case of a group, to the Lead Director, currently Mr. Mills.

The Company has a policy of encouraging the directors to attend each year's Annual Meeting of Shareholders. In 2003, all the directors were present at the Annual Meeting.

Since 1996, the Board of Directors has followed an annual process of evaluating the operations and effectiveness of the Board as a whole as well as self-evaluations by individual directors up for election. In reviewing the Board as a whole, directors evaluate and comment on Board structure, Board meetings (content, conduct, mechanics), Board responsibilities, performance of directors and the relationship between the Board and management. Directors who are nominees for reelection evaluate their individual meeting preparation, participation in Board meetings, contributions to the group, knowledge of the issues and concerns of the Company and understanding of the role of the Board in the governance of the Company. The Board and self-evaluation forms are submitted to the Nominating and Corporate Governance Committee for its review, after which the Committee recommends to the Board any procedures and practices to be adopted to improve the operations of the Board. The Chairman of the Nominating and Corporate Governance Committee may meet with individual directors to discuss their performance, as appropriate.

How often did the Board of Directors meet in 2003?

In 2003, there were nine regular meetings and one special meeting of the Board of Directors. All directors attended at least 75% of the combined total meetings of the Board and Board committees on which they served (during the periods that they served).

How are directors compensated?

Only nonemployee directors are compensated for their service as directors. The breakdown of their 2003 compensation is as follows:

Stock Grant

- A one-time grant of 1,000 shares of Common Stock to new directors.
- 600 shares of Common Stock were granted to directors for the purpose of further aligning directors' and shareholders' interests in improving stockholder value.

Fiscal Year Board Retainer commencing May 1 each year (no meeting fees are paid)

- \$25,000 paid in quarterly installments. Directors are required to have attended at least 75% of the combined total of all Board meetings and all meetings of Board committees on which they serve in order to receive the fourth quarter installment.
- Additional annual fees are paid in quarterly installments to directors as follows:

Lead Director	\$10,000
Audit Committee Chair	10,000
Compensation Committee Chair	5,000
Executive Committee Chair	5,000
Nominating and Corporate Governance Chair	5,000
Audit Committee Member	5,000

Subsidiary Board Fees

- Nonemployee directors of HEI who serve on the Board of Directors of Hawaiian Electric Company, Inc. ("HECO") or American Savings Bank, F.S.B. ("ASB") received a fiscal year retainer of \$10,000 for each such Board position.
- Diane Plotts, who served as chair of the HECO and ASB Audit Committees, received an additional \$5,000 annual fee for chairing each Audit Committee.

Do nonemployee directors receive a retirement benefit?

At the meeting of the Board of Directors on December 17, 1996, the Board voted to terminate the Nonemployee Director Retirement Plan, which had been approved by the shareholders on April 17, 1990. Pursuant to the terms of the termination, the right of previously retired directors to receive benefits continues in accordance with the terms of the Plan as in effect at termination, and the present value of the accrued benefit of directors age 55 or younger or with 5 years of service or less as of April 22, 1997 has been paid out. The retirement benefit for all other directors who had been participating in the Plan (Mr. Myers and Ms. Plotts) were frozen as of December 31, 1996, and will be paid according to the terms of the Plan as in effect at termination. Accordingly, upon their retirement from service as a director, Mr. Myers and Ms. Plotts will each receive an annual payment of \$15,000 (their annual retainer in effect at December 31, 1996) for a period equal to the number of years of their active service through December 31, 1996 (7 years for Mr. Myers and 10 years for Ms. Plotts).

Committees of the Board

What committees has the Board established and how often did they meet?

The Board of Directors has four standing committees: Audit, Compensation, Executive, and Nominating and Corporate Governance. The names of the current committee members are shown on the table below. In addition, the table below also shows the number of meetings held in 2003.

Name	Audit	Compensation	Executive	Nominating and Corporate Governance
Don E. Carroll	X	X		X
Robert F. Clarke*			X	
Shirley J. Daniel	X			
Constance H. Lau*				
Victor Hao Li	X			
T. Michael May*				
Bill D. Mills		X**	X**	X
A. Maurice Myers		X		X
Diane J. Plotts	X**	X	X	
James K. Scott	X			X
Kelvin H. Taketa	X	X		X**
Jeffrey N. Watanabe				X
Number of Meetings in 2003	6	3	0	2

* Employee director

** Committee chair

What are the primary functions of each of the four committees?

- Audit Committee

The Audit Committee operates and acts under a written charter, which was adopted and approved by the HEI Board of Directors. The Committee provides independent and objective oversight of the Company's (1) financial reporting processes, (2) audits of the financial statements, including appointment, compensation and oversight of the external auditor, (3) internal controls, and (4) risk assessment and risk management policies set by management. The Committee also reviews and approves related party transactions and reviews and resolves complaints from any employee regarding accounting, internal controls or auditing matters. All members of the Committee are independent directors as independence for audit committee members is defined in the listing standards of the NYSE and none of them are members of audit committees of other publicly traded companies. See pages 26 and 27 for the Audit Committee Report.

- Compensation Committee

The Compensation Committee operates and acts under a written charter, which was adopted and approved by the HEI Board of Directors. The Committee oversees the Company's compensation and employee benefit plans and its incentive compensation and equity based plans. All members of the Committee are independent directors as defined in the listing standards of the NYSE. At least once a year, the Compensation Committee meets in executive session with the other nonemployee directors of the Board to evaluate the Chief Executive Officer's ("CEO") performance. The Committee then sets the compensation level of the CEO. See pages 20 to 24 for the Compensation Committee Report on Executive Compensation.

- Executive Committee

The Executive Committee operates and acts under a written charter, which was adopted and approved by the HEI Board of Directors, and is authorized to act on matters brought before it when a meeting of the full Board is impractical. It may also consider any other matter concerning the Company that may arise from time to time. The Committee is comprised of independent directors as defined in the listing standards of the NYSE and the CEO.

- Nominating and Corporate Governance Committee

The Nominating and Corporate Governance Committee operates and acts under a written charter, which was adopted and approved by the HEI Board of Directors. All members of the Committee are independent directors as defined in the listing standards of the NYSE. Its functions include (1) reviewing the background and qualifications of potential nominees for the board of directors of HEI and its subsidiary companies presented by shareholders, directors and management, (2) recommending to the Board the slate of nominees to be submitted to the shareholders for election at the next Annual Meeting, (3) advising the Board with respect to matters of Board composition and procedures, (4) overseeing the annual evaluation of the Board, and (5) overseeing corporate governance matters generally. Among the qualifications considered in the selection of candidates are knowledge, experience, skills, expertise, diversity, personal and professional integrity, character, business judgment, time availability in light of other commitments, dedication, and absence of conflicts of interest.

The Committee identifies potential nominees by asking current directors and executive officers to notify the Committee if they become aware of persons meeting the above criteria and who would be available to serve on the Board. The Committee may also, from time to time, engage firms that specialize in identifying director candidates. In 2003, the Company did not pay any third party a fee to assist in the process of identifying and evaluating candidates. As mentioned above, the Committee will also consider candidates recommended by shareholders. In considering candidates, the Committee will take into consideration the needs of the Board and the qualifications of the candidate.

Once potential candidates are identified, the Committee may review publicly available information to assess whether the candidate should be considered further. If the Committee determines that the candidate warrants further consideration, the Chairman or another member of the Committee will contact the person, and if the person indicates a willingness to be considered for service on the Board, the candidate will be asked to provide information such as accomplishments and qualifications and one or more interviews may be conducted. In certain instances, Committee members may contact one or more references provided by the candidate or other members of the business community who may have greater first hand knowledge of the candidate's qualifications and accomplishments. The evaluation process does not vary based on whether or not a candidate is recommended by a shareholder.

See page 8 for a discussion concerning the involvement of this Committee on matters relating to corporate governance.

Stock Ownership Information

How much stock do the Company's directors and executive officers own?

The following table shows how many shares of Common Stock were owned as of February 11, 2004 by each director, Named Executive Officer (as listed in the Summary Compensation Table on page 13) and by all directors and executive officers as a group.

Amount of Common Stock and Nature of Beneficial Ownership

Name of Individual or Group	Sole Voting or Investment Power	Shared Voting or Investment Power(1)	Other Beneficial Ownership(2)	Stock Options(3)	Total
Nonemployee directors					
Don E. Carroll	4,130				4,130
Shirley J. Daniel	1,682				1,682
Victor Hao Li	1,287	5,346	420		7,053
Bill D. Mills	8,320		5		8,325
A. Maurice Myers	10,496	1,682			12,178
Diane J. Plotts	4,290				4,290
James K. Scott	4,242				4,242
Oswald K. Stender	1,398				1,398
Kelvin H. Taketa	3,610				3,610
Jeffrey N. Watanabe	5,404		2		5,406
Employee directors and Named Executive Officers					
Robert F. Clarke	20,531	9,168	1,937	91,747	123,383
Constance H. Lau	3,192		3,489	83,744	90,425
T. Michael May	10,885			51,139	62,024
Other Named Executive Officers					
Peter C. Lewis	5,708		438	10,573	16,719
Eric K. Yeaman	5,561				5,561
All directors and executive officers as a group (17 persons)	100,054	16,196	6,291	270,284	392,825(4)

- (1) Shares registered in name of the individual and spouse.
- (2) Shares owned by spouse, children or other relatives sharing the home of the director or officer in which the director or officer disclaims personal interest.
- (3) Stock options, including accompanying dividend equivalent shares, exercisable within 60 days after February 11, 2004, under the 1987 Stock Option and Incentive Plan.
- (4) As of February 11, 2004, the directors and executive officers of HEI as a group beneficially owned 1.0% of outstanding Common Stock and no director or officer owned more than 0.3% of such stock.

In 2003, the Board adopted stock ownership guidelines for HEI officers and directors. Each officer and director named in the guidelines, which went into effect on January 1, 2004, has five years to achieve the level of stock ownership set forth in the guidelines. The targets are as follows: 1) President and CEO of the Company—2.5 times base salary, 2) executive officers of the Company and subsidiary operating company presidents—1.5 times base salary, and 3) members of the Board of Directors of the

Company—5 times annual cash payouts. Stock ownership will be measured on January 1 of each year based on the average price of stock for the previous calendar year. The directors and officers have until January 1, 2009 to meet the current guidelines.

Does anyone own more than 5% of the Company's stock?

No person is known to the Company to be the beneficial owner of more than 5% of outstanding Common Stock.

Were Section 16(a) beneficial ownership reporting forms filed with the SEC?

Based on a review of forms filed by its reporting persons during the last fiscal year, the Company believes that they complied with the reporting requirements of Section 16(a) of the Securities Exchange Act of 1934.

Executive Compensation

Summary Compensation Table

The following summary compensation table shows the annual and long-term compensation of the chief executive officer and the four other most highly compensated executive officers of the Company and its subsidiaries serving during 2003 (collectively referred to as the "Named Executive Officers").

SUMMARY COMPENSATION TABLE

Name and Principal Position(1)	Year	Annual Compensation			Long-Term Compensation			All Other Compensation(6) (\$)
		Salary (\$)	Bonus(2) (\$)	Other Annual Compensation (\$)	Awards		Payouts	
					Restricted Stock Award(3) (\$)	Securities Underlying Options(4) (#)	LTP Payouts(5) (\$)	
Robert F. Clarke Chairman, President & CEO	2003	681,000	610,107	-0-	-0-	50,000	548,463	14,898
	2002	653,000	785,533	-0-	-0-	50,000	266,000	14,076
	2001	630,000	382,906	-0-	-0-	50,000	233,179	39,803
Constance H. Lau President & CEO, American Savings Bank, F.S.B.	2003	517,000	579,177	-0-	-0-	25,000	228,260	N/A
	2002	458,000	456,378	-0-	-0-	25,000	65,705	N/A
	2001	355,000	161,717	-0-	-0-	20,000	41,134	N/A
T. Michael May President & CEO, Hawaiian Electric Company, Inc.	2003	513,000	294,012	-0-	-0-	25,000	154,368	8,208
	2002	472,000	286,960	-0-	-0-	25,000	150,645	7,314
	2001	415,000	163,257	-0-	-0-	20,000	54,540	18,881
Eric K. Yeaman Financial Vice President, Treasurer and Chief Financial Officer	2003	293,000	174,172	-0-	206,450	10,000	71,556	911
Peter C. Lewis Vice President — Administration and Secretary	2003	251,000	101,204	-0-	-0-	10,000	162,207	14,442
	2002	239,000	184,323	-0-	-0-	10,000	78,600	13,090
	2001	225,000	108,784	-0-	-0-	5,000	62,100	27,797

(1) Eric K. Yeaman became Financial Vice President, Treasurer and Chief Financial Officer effective January 15, 2003.

- (2) The Named Executive Officers are eligible for an incentive award under the Company's annual Executive Incentive Compensation Plan ("EICP"). EICP bonus payouts are reflected as compensation for the year earned.
- (3) On August 11, 2003, 5,000 shares of restricted stock were granted to Mr. Yeaman. On the date of the grant, the closing price of HEI Common Stock was \$41.29 on the New York Stock Exchange. Quarterly dividends on the 5,000 shares of restricted stock are paid to Mr. Yeaman. The 5,000 shares of restricted stock become unrestricted on August 11, 2006. On December 31, 2003, the restricted stock value was \$236,850 based on the closing price of HEI Common Stock of \$47.37 on the New York Stock Exchange.
- (4) Options granted earn dividend equivalents as further described below under the headings "Option Grants in Last Fiscal Year" and "Aggregated Option Exercises and Fiscal Year-End Option Values."
- (5) Long-Term Incentive Plan ("LTIP") payouts are determined in the first quarter of each year for the three-year cycle ending on December 31 of the previous calendar year.
- (6) Represents amounts attributable each year by the Company for certain preretirement death benefits provided to the Named Executive Officers, except Ms. Lau. See the Compensation Committee Report on page 24 under the heading "Other Compensation Plans" for a discussion of the preretirement death benefits.

Option Grants in Last Fiscal Year

The following table presents information on the nonqualified stock options which were granted to the five Named Executive Officers during 2003 (on April 21, 2003). The practice of granting stock options, which include dividend equivalent shares, has been followed each year since 1987.

OPTION GRANTS IN LAST FISCAL YEAR

Name	Number of Securities Underlying Options Granted(1) (#)	Percent of Total Options Granted to Employees in Fiscal Year	Exercise Price (\$/share)	Expiration Date	Grant Date Present Value(2) (\$)
Robert F. Clarke	50,000	22%	\$40.98	April 21, 2013	\$455,000
Constance H. Lau	25,000	11	40.98	April 21, 2013	227,500
T. Michael May	25,000	11	40.98	April 21, 2013	227,500
Peter C. Lewis	10,000	4	40.98	April 21, 2013	91,000
Eric K. Yeaman	10,000	4	40.98	April 21, 2013	91,000

- (1) These options vest in four equal annual installments. Additional dividend equivalent shares are granted at no additional cost throughout the four-year vesting period. Dividend equivalents are computed, as of each dividend record date throughout the four-year vesting period, both with respect to the number of shares under the option and with respect to the number of dividend equivalent shares previously credited to the Named Executive Officer and not issued during the period prior to the dividend record date. Accelerated vesting is provided in the event a change-in-control occurs. No stock appreciation rights have been granted under the Company's stock option plans.

- (2) Based on a Binomial Option Pricing Model, which is a variation of the Black-Scholes Option Pricing Model, calculated by the Compensation Committee's independent compensation consulting firm. The Binomial Value adjusted for forfeiture risk is \$9.10 per share. The following assumptions were used in the model: Stock Price: \$40.98; Term: 10 years; Volatility: .1841; Risk-free Interest Rate: 4.37%; and Dividend Yield: 6.64%. The following were the valuation results: Binomial Option Value: \$4.86; Dividend Credit Value: \$4.24; and Total Value: \$9.10.

In calculating the grant date present values set forth in the table, the volatility and dividend yield were based on the monthly closing stock prices and dividends for the three-year period preceding the grant date. The risk-free interest rate was fixed on the date of grant at the rate of return on a stripped U.S. Treasury Bill with a term to maturity approximately equal to the options' expected life. Dividend equivalents are payable on the options for a period of four years. The value of the dividend equivalents was determined on the basis of the dividend yield, using the monthly closing stock prices and dividends for the three-year period preceding the grant date. The use of different assumptions can produce significantly different estimates of the present value of options.

Consequently, the grant date present value set forth in the table is only theoretical and may not accurately represent present value. The actual value, if any, an optionee will realize will depend on the excess of the market value of the Common Stock over the exercise price on the date the option is exercised, plus the value of the dividend equivalents.

Aggregated Option Exercises and Fiscal Year-End Option Values

The following table shows the stock options, including dividend equivalents, exercised by the Named Executive Officers in 2003. Also shown is the number of securities underlying unexercised options and the value of unexercised in the money options, including dividend equivalents, at the end of 2003. Under the Stock Option and Incentive Plan, dividend equivalents have been granted to each of the Named Executive Officers as part of the stock option grant.

Dividend equivalents permit a participant who exercises a stock option to obtain at no additional cost, in addition to the option shares, the amount of dividends declared on the number of shares of Common Stock with respect to which the option is exercised during the period between the grant and the exercise of the option. Dividend equivalents are computed, as of each dividend record date throughout the four-year vesting period, both with respect to the number of shares under the option and with respect to the number of dividend equivalent shares previously credited to the Named Executive Officer and not issued during the period prior to the dividend record date.

AGGREGATED OPTION EXERCISES IN LAST FISCAL YEAR
AND FISCAL YEAR-END OPTION VALUES

Name	Shares Acquired On Exercise (#)	Dividend Equivalents Acquired On Exercise (#)	Value Realized On Options (\$)	Value Realized On Dividend Equivalents (\$)	Number of Securities Underlying Unexercised Options (Including Dividend Equivalents) at Fiscal Year-End	Value of Unexercised In the Money Options (Including Dividend Equivalents) at Fiscal Year-End(1)
					Exercisable/ Unexercisable (#)	Exercisable/ Unexercisable (\$)
Robert F. Clarke . . .	50,000	15,211	\$454,200	\$699,263	90,655/138,914	\$1,660,940/1,588,768
Constance H. Lau . .	—	—	—	—	83,291/ 64,934	1,613,855/ 731,803
T. Michael May	10,000	3,042	74,500	129,788	50,686/ 64,934	976,510/ 731,803
Eric K. Yeaman	—	—	—	—	—/ 10,455	—/ 84,984
Peter C. Lewis	1,250	380	9,925	16,410	10,447/ 23,259	186,139/ 240,142

(1) Value based on closing price of \$47.37 per share on the New York Stock Exchange on December 31, 2003.

Long-Term Incentive Plan (LTIP) Awards

The table on page 17 lists the LTIP awards made to the Named Executive Officers during 2003. The table shows potential payments that are tied to performance over a three-year period (2003-2005) relating to two separate HEI goals for all the Named Executive Officers except Mr. May (who has a third goal in addition to the two HEI goals listed immediately below) and Ms. Lau (who has three separate goals that are unique to her).

The two separate HEI goals are (1) return on average common equity for HEI (weighted 60%), and (2) total return to HEI shareholders (weighted 40%). The weighting of each goal applies to all the Named Executive Officers except Mr. May and Ms. Lau. The Company's performance for the return on average common equity goal is based on an internal goal. The Company's performance for the total return to shareholders goal is measured against the Edison Electric Institute ("EEI") Index of Investor-Owned Electric Companies ("Peer Group") as of December 31, 2005. This is the same Peer Group used for the Shareholder Performance Graph shown on page 25. However, the performance of the LTIP Peer Group is calculated on a noncapitalized weighted basis whereas the Shareholder Performance Graph Peer Group is calculated on a capitalized weighted basis. The LTIP uses a noncapitalized weighted basis so as not to give a disproportionate emphasis to the larger companies in the Peer Group. For Mr. May, the two goals set forth above are (1) return on average common equity (weighted 30%), and (2) total return to shareholders (weighted 20%). Mr. May's third goal (weighted 50%) is based on a prorated percent of allowed return on average common equity for Hawaiian Electric Company, Inc. and subsidiaries ("consolidated HECO") for the same three-year LTIP cycle. Ms. Lau's three goals for the 2003-2005 LTIP cycle are (1) return of average common equity for American Savings Bank F.S.B. ("ASB") (weighted 50%), (2) ASB net income (weighted 25%) and (3) ASB fee income (weighted 25%).

The threshold for minimum awards under the 2003-2005 LTIP with respect to the return on average common equity goal for the Company is 11.33%. The threshold minimum award with respect to the total return to shareholders goal will be earned if the Company's performance is at the 30th percentile of the Peer Group. Mr. May's threshold minimum for his third goal, which must be achieved

in at least two out of three years during the LTIP cycle, is a prorated percent of allowed return on average common equity for consolidated HECO of 90%. Ms. Lau's threshold minimum for her three goals, which must be achieved in at least two out of three years during the LTIP cycle, is: (1) a return of average common equity for ASB of 10.93%, (2) average net income of \$56.6 million and (3) average fee income of \$37.3 million. Maximum awards with respect to the return on average common equity goal will be earned if the Company's return on average common equity is 12.63%. Maximum awards with respect to the total return to shareholders will be earned if the Company's performance is measured at the 70th percentile of the Peer Group. For Mr. May, the maximum award on his third goal will be earned if the prorated percent of allowed return on average common equity for consolidated HECO equals 100%. For Ms. Lau, the maximum award for her three goals will be earned based on: (1) a return of average common equity for ASB of 13.59%, (2) average net income of \$70.4 million and (3) average fee income of \$46.3 million. Earned awards are distributed in the form of 60% cash and 40% Common Stock with the maximum award level for each Named Executive Officer ranging from 120% to 150% of the midpoint of the officer's salary grade range at the end of the three-year performance period.

LONG-TERM INCENTIVE PLAN — AWARDS IN LAST FISCAL YEAR

Name	Three-Year Performance Cycle Ending Date	Estimated Future Payouts		
		Minimum Threshold(1) (\$)	Target (\$)	Maximum (\$)
Robert F. Clarke	12/31/05	\$270,375	\$540,750	\$1,081,500
Constance H. Lau	12/31/05	178,500	357,000	714,000
T. Michael May	12/31/05	162,300	324,600	649,200
Eric K. Yeaman	12/31/05	112,800	225,600	451,200
Peter C. Lewis	12/31/05	85,200	170,400	340,800

- (1) Assumes meeting minimum threshold on all goals; however, if only one goal (weighted 40%) is met, the minimum threshold estimated future payout would be: Mr. Clarke — \$108,150; Mr. Yeaman — \$45,120; and Mr. Lewis — \$34,080. For Mr. May, if only one goal (weighted 20%) is met, the minimum threshold estimated future payout would be \$32,460. For Ms. Lau, if only one goal (weighted 25%) is met, the minimum threshold estimated future payout would be \$44,625. There is no LTIP payout unless the minimum threshold is met on at least one of the goals.

Pension Plans

All regular employees (including the Named Executive Officers) are covered by noncontributory, qualified defined benefit pension plans. The plans provide retirement benefits at normal retirement (age 65), reduced early retirement benefits and death benefits. The Named Executive Officers except Ms. Lau participate in the Retirement Plan for Employees of HEI and Participating Subsidiaries ("HEI Plan"). Ms. Lau participated in the HEI Plan while employed by HECO and HEI and is currently a participant in the American Savings Bank Retirement Plan ("ASB Plan"). Mr. Clarke and Mr. May also participate in the HEI Supplemental Executive Retirement Plan ("HEI SERP") and Ms. Lau also participates in the ASB Supplemental Retirement, Disability, and Death Benefit Plan ("ASB SERP") (see page 19).

Some of the Named Executive Officers are affected by Internal Revenue Code ("IRC") limitations on qualified plan benefits. They are, therefore, also covered under the HEI Excess Benefit Plan ("Excess Plan") and the HEI Excess Pay Supplemental Executive Retirement Plan ("Excess Pay SERP"), which are noncontributory, nonqualified plans.

The following table shows estimated annual pension benefits payable at retirement under the HEI Plan, Excess Plan and Excess Pay SERP based on base salary that is covered under the three plans and years of service with the Company and other participating subsidiaries.

PENSION PLAN TABLE

Remuneration	Years of Service					
	5	10	15	20	25	30
\$250,000	25,500	51,000	76,500	102,000	127,500	153,000
300,000	30,600	61,200	91,800	122,400	153,000	183,600
350,000	35,700	71,400	107,100	142,800	178,500	214,200
400,000	40,800	81,600	122,400	163,200	204,000	244,800
450,000	45,900	91,800	137,700	183,600	229,500	275,400
500,000	51,000	102,000	153,000	204,000	255,000	306,000
550,000	56,100	112,200	168,300	224,400	280,500	336,600
600,000	61,200	122,400	183,600	244,800	306,000	367,200
650,000	66,300	132,600	198,900	265,200	331,500	397,800
700,000	71,400	142,800	214,200	285,600	357,000	428,400
750,000	76,500	153,000	229,500	306,000	382,500	459,000
800,000	81,600	163,200	244,800	326,400	408,000	489,600

The HEI Plan provides a monthly retirement pension for life. Benefits are determined by multiplying years of credited service and 2.04% (not to exceed 67%) times the participant's Final Average Compensation (average base salary as shown for the Named Executive Officers in the Summary Compensation Table for any consecutive 36 months out of the last 10 years that produces the highest monthly average) without any offset for social security. As of December 31, 2003, the Named Executive Officers had the following number of years of credited service under the HEI Plan: Mr. Clarke, 16 years; Mr. May, 11 years; Ms. Lau, 15 years; Mr. Yeaman, 11 months; and Mr. Lewis, 35 years.

Benefits under the ASB Plan are determined by multiplying years of credited service (not to exceed 35 years) and 1.5% times the participant's Final Average Compensation (average compensation as shown for Ms. Lau in the Summary Compensation Table for the highest five of the last ten years of credited service) without any offset for social security. As of December 31, 2003, Ms. Lau had four years of credited service under the ASB Plan. Her estimated annual benefit under the ASB Plan payable in the form of a single life annuity projected to age 65 is \$52,000 based on her current compensation level.

Section 415 of the IRC limits the retirement benefit that a participant can receive from qualified retirement plans such as the HEI Plan and ASB Plan. The limit for 2003 was \$160,000 (\$165,000 for 2004) per year at age 65. The Company adopted the Excess Plan to provide benefits that cannot be paid from the qualified plans due to this maximum limit, based on the same formula as the qualified plans.

IRC Section 401(a)(17) limits a participant's compensation that can be recognized under qualified retirement plans. The limit on the maximum compensation for 2003 under IRC Section 401(a)(17) was \$200,000 (\$205,000 for 2004). The Company adopted the Excess Pay SERP to provide benefits that cannot be paid from the qualified plans due to the maximum compensation limit under IRC Section 401(a)(17), based on the same formula as the qualified plans.

The Company also maintains two supplemental executive retirement plans ("HEI SERP" and "ASB SERP") for certain executive officers. Mr. Clarke and Mr. May participate in the HEI SERP and Ms. Lau participates in the ASB SERP. Benefits under the HEI SERP and ASB SERP are in addition to qualified retirement benefits payable from the HEI Plan, the ASB Plan and Social Security.

Under the HEI SERP, the executive is eligible to receive, at age 60, a benefit of up to 60% (depending on years of credited service) of the participant's average compensation, which includes amounts received under the annual EICP in the highest three out of the last five years of service. The benefit payable under the HEI SERP is reduced by the participant's primary Social Security benefit and the benefit payable from the HEI Plan, but in no event is it less than the benefit that would be payable under the HEI Plan before any IRC Sections 415 and 401(a)(17) reductions. The HEI SERP provides for reduced early retirement benefits at age 50 with 15 years of service or age 55 with five years of service, and survivor benefits in the form of an annuity in the event of the participant's death after becoming eligible for early retirement. The overall total retirement benefits payable to Mr. Clarke in the form of a straight life annuity projected to age 65 is \$463,363, based on his current compensation level (\$92,395 from the HEI Plan, \$183,199 attributed to the HEI SERP, \$187,769 calculated under the Excess Pay SERP and no amount owing from the Excess Plan). The overall benefits payable to Mr. May in the form of a straight life annuity projected to age 65 is \$266,983, based on his current compensation level (\$83,111 from the HEI Plan, \$60,295 attributed to the HEI SERP, \$123,577 calculated under the Excess Pay SERP and no amount owing from the Excess Plan).

The ASB SERP provides a benefit at age 65 of up to 60% (depending upon years of service) of the participant's average compensation (including 50% of the amounts received under the annual EICP) in the highest five consecutive years out of the last ten years of service, reduced by the participant's primary Social Security benefit and the benefit payable from the ASB and HEI Plans, but in no event is it less than the benefit that would be payable under the ASB Plan before any IRC Sections 415 and 401(a)(17) reductions. The ASB SERP also provides for termination and survivor benefits in certain circumstances. The overall total retirement benefits payable to Ms. Lau in the form of a straight life annuity projected to age 65 is \$446,594, based on her current compensation level (\$52,000 from the ASB Plan, \$61,880 from the HEI Plan, \$332,714 calculated under the HEI Excess Pay SERP and no amounts owing under the Excess Plan or the ASB SERP).

Change-in-Control Agreements

Since 1989, the Company has entered into change-in-control agreements with certain executives, including the Named Executive Officers listed in the Summary Compensation Table, to encourage and ensure their continued attention and dedication to the performance of their assigned duties without distraction in the event of potentially disruptive circumstances arising from a change-in-control of the Company.

Each agreement provides that benefits, compensation and position responsibility of these officers will remain at existing levels for a period of two years following a "change-in-control," unless the "Expiration Date" of the agreement has occurred. A "Change-in-Control" is defined to include a change-in-control required to be reported under the proxy rules in effect on the date of the

agreements, the acquisition by a person (as defined under the Securities Exchange Act of 1934) of 25% or more of the voting securities of the Company, or specified changes in the composition of the Board of Directors of the Company following a merger, tender offer or certain other corporate transactions. "Expiration Date" is defined as the earliest to occur of the following:

- (1) two years after a change-in-control;
- (2) termination of the executive's employment by the Company for "Cause" (as defined in the agreement) or by the executive other than for "Good Reason" (as defined in the agreement);
- (3) retirement; or
- (4) termination of the agreement by the Company's Board of Directors, or termination of the executive's employment prior to a change-in-control.

If the employment of one of these executives is terminated after a change-in-control and prior to the expiration date, the Company is obligated to provide a lump sum severance equal to 2.99 times the executive's average W-2 earnings for the last five years (or such lesser period that the executive has been employed by the Company), subject to certain limitations. In the event of a change-in-control, all outstanding stock options would be accelerated and become immediately exercisable.

Compensation Committee Report on Executive Compensation

Introduction

The Compensation Committee of the Board, which is composed entirely of nonemployee, independent directors, makes decisions on executive compensation. The full Board ratifies all decisions by the Committee.

The Committee has retained the services of an independent compensation consulting firm to assist the Committee in executive compensation matters.

Executive Compensation Philosophy

The Committee applies the following principles for the executive compensation program:

- maintain a compensation program that is fair in a competitive marketplace;
- provide compensation opportunities that relate pay with the Company's annual and long-term performance goals which support growth in shareholder value;
- recognize and reward individual initiative and achievements; and
- allow the Company to attract, retain, and motivate qualified executives who are critical to the Company's success.

The Committee believes that stock ownership by management is beneficial in aligning management's and shareholders' interests in improving shareholder value. It, therefore, uses restricted stock, stock options and stock payouts in the compensation program for the executive officers with a goal of increasing their stock ownership over time. In September 2003, the Board approved mandatory stock ownership guidelines for the Named Executive Officers and the Board (see page 12).

Executive Compensation Program

The Company's executive compensation program includes:

- base salary;
- potential for an annual bonus based on overall Company financial and operational performance as well as individual performance; and
- the opportunity to earn long-term cash and stock-based incentives which are intended to encourage the achievement of superior results over time and to align executive officer and shareholder interests.

The second and third elements constitute the "at-risk" portion of the compensation program and are designed to link the interests of the executive with those of the shareholders. This means that total compensation for each executive may change significantly from year to year depending on the short- and long-term performance of the Company and its subsidiaries.

Base Salary

The Committee reviews salaries for executive officers in April of each year in consultation with the Committee's independent compensation consultant. The consultant examines the position responsibilities of each officer at HEI and its subsidiaries against similar positions in similar organizations. All compensation references represent the fiftieth percentile or midpoint of pay practices found in similar organizations.

Salaries for executive officers of HEI and its subsidiaries are based on competitive references drawn from compensation surveys and are weighted as follows:

- holding company—other electric utilities (25%), other financial institutions (25%), and general industry (50%)
- electric utilities—other electric utilities (100%)
- financial institution—other financial institutions (100%)

Based on the information from these surveys, the consultant recommends a salary range for each executive officer position. The midpoint of the range approximates the fiftieth percentile of the survey data and the range has a spread of plus and minus 20% around this midpoint. Actual setting of an executive officer's base salary (except for Mr. Clarke) is based on Mr. Clarke's recommendation and the Committee's approval.

Mr. Clarke's base salary is determined through the Committee and the Board's overall evaluation of his performance during the preceding year. This evaluation is subjective in nature and takes into account all aspects of his responsibilities at the discretion of the Committee. Based on the survey data provided by the consultant, the resulting salary range recommendation, and the Committee and the Board's overall evaluation of Mr. Clarke's performance during 2002, Mr. Clarke's base salary was increased from an annual rate of \$665,000 to an annual rate of \$688,300, effective May 1, 2003. The other Named Executive Officers also received salary increases ranging from 3.5% to 21.4%.

Annual Executive Incentive Compensation Plan

Under the Executive Incentive Compensation Plan ("EICP"), annual incentive awards are granted upon the achievement of financial and nonfinancial performance measures established by the

Committee in the early part of each calendar year. The measures are stated in terms of minimum, target and maximum goals. These measures, which may differ for individual Named Executive Officers, include:

- earnings per share;
- company (subsidiary) net income;
- total return to shareholders measured against the Edison Electric Institute (“EEI”) Index of Investor-Owned Electric Companies (“Peer Group”) for the same period;
- company-specific financial, operational and strategic goals;
- measurement of actual administrative and general expenses against budgeted expenses established at the beginning of the year for individual officer’s areas of responsibility; and
- individual officer’s performance.

The EICP has a minimum financial performance threshold linked to earnings per share or net income (based on whether the measurement is at the Company or subsidiary level) which must be achieved before a bonus can be considered. The maximum awards under the EICP differ for each of the Named Executive Officers and currently range from 90% to 160% of the midpoint of the executive salary grade ranges at the end of the year. Mr. Clarke’s maximum award is 160% of the midpoint of his salary grade range at the end of the year. The Committee establishes the minimum, target and maximum EICP potential award levels for the Named Executive Officers based on recommendations from the Committee’s independent compensation consultant. The consultant bases its recommendations on an assessment of competitive practices from a cross-section of all industries, including some of the electric companies included in the Peer Group.

Under the 2003 EICP, Mr. Clarke received a payout of \$610,107 in early 2004. This resulted from achievement of (1) the earnings per share goal (weighted 60%) between the target and maximum level, and (2) four out of five individual operational goals (weighted 4–8% each) between the target and maximum level. There was no payout for the annual total return to shareholders goal. The EICP award for Mr. Clarke was exclusively based on the foregoing measures. No further adjustment was made by the Committee. The other Named Executive Officers also received EICP payouts under the 2003 EICP.

Long-Term Incentive Plan

The Company provides a long-term incentive plan (“LTIP”) that is linked to the long-term financial performance of the Company. All awards under the LTIP are paid 60% in cash and 40% in HEI Common Stock. The LTIP goals are based on achieving financial criteria established by the Committee for a three-year period. A new three-year performance period starts each year. In February 2004, the Committee established the financial measures for the 2004–2006 cycle for the Named Executive Officers at HEI. There are two goals for the Named Executive Officers at HEI: (1) HEI return on average common equity goal (weighted 60%) and (2) total return to HEI shareholders goal (weighted 40%). The return on average common equity goal is based on HEI’s three-year return on average common equity measured against internal minimum, target and maximum goals for HEI. The total return to shareholder goal is measured against the Peer Group and is based on HEI’s percentile position compared to the Peer Group, measured at minimum, target and maximum levels.

For Mr. May, the HEI return on average common equity goal is weighted 30% and the total return to HEI shareholders is weighted 20%. In addition, Mr. May has a third LTIP goal (weighted 50%) measured against consolidated HECO's allowed rate of return on average common equity. Ms. Lau has four new LTIP goals relating to American Savings Bank's (1) return on average common equity (weighted 40%), (2) net income (weighted 40%), (3) fee income (weighted 10%) and (4) efficiency ratio (weighted 10%). The achievement of each of the goals for the Named Executive Officers is expressed in terms of minimum, target and maximum levels.

The LTIP award levels for each of the Named Executive Officers are established by the Committee based on recommendations from the Committee's independent compensation consultant. The consultant bases its recommendations on an assessment of competitive practices from a cross-section of all industries, including some of the electric companies included in the Shareholder Performance Graph and some financial institutions.

For the three-year cycle ending December 31, 2003, all of the Named Executive Officers received an LTIP award at a level between target and maximum for the return on average common equity goal (weighted 60% for the Named Executive Officers except for Mr. May and Ms. Lau whose weighting for the goal is 30%) and at the maximum for total return to HEI shareholders' goal (weighted 40% for the Named Executive Officers except for Mr. May and Ms. Lau whose weighting for the goal is 20%). The Company's return on average common equity, excluding the discontinued operations of HEI Power Corp. and Malama Pacific Corp., for the three-year cycle was 11.52%. The Company's total return to shareholders for the three-year cycle was 51.9% compared to the median for the Peer Group of 7.9%. Mr. Clarke received a payout for these two goals of \$548,463 in early 2004. The other Named Executive Officers also received payouts under the 2001-2003 LTIP.

Stock Options

The Committee can grant nonqualified stock options, incentive stock options, restricted stock, stock appreciation rights, and dividend equivalents under the 1987 Stock Option and Incentive Plan of Hawaiian Electric Industries, Inc. (as amended and restated effective January 21, 2003 and approved by the shareholders on April 22, 2003). In 2003, only nonqualified stock options with dividend equivalents were issued to the Named Executive Officers under the Plan, except that 5,000 shares of restricted stock were granted to Mr. Yeaman on August 11, 2003. Periodically, the Committee requests its independent compensation consultant to assess competitive practices with respect to stock option grants from a cross-section of all industries, including some of the electric companies included in the Shareholder Performance Graph and some financial institutions. Based on this assessment, the consultant recommends a range of stock option grants for each of the Named Executive Officers. This range takes into account the fact that a portion of the officer's long-term incentive opportunity is delivered through participation in the LTIP. In granting stock options, the Committee takes into consideration the amount and value of current options outstanding. The grants are intended to retain the officers, motivate them to improve long-term stock performance and to increase their ownership position in the Company over time. Stock options are granted at average fair market value which is based on the average of the daily high and low sales prices of HEI Common Stock on the New York Stock Exchange during the calendar month immediately preceding the date of grant. Stock options generally vest in equal installments over a four-year period.

In 2003, the Compensation Committee granted Mr. Clarke a stock option award of 50,000 shares of HEI Common Stock plus dividend equivalents, with an exercise price of \$40.98 per share. The award was based on the consultant's recommendation and the independent evaluation of an appropriate

award level by the Committee. In this evaluation, the Committee took into account prior grants to Mr. Clarke and an overall subjective evaluation of his job performance. To receive the dividend equivalents which accrue only during the first four years following a stock option grant, Mr. Clarke must exercise the underlying stock option before the expiration of the ten-year period from the date the option was granted. The other Named Executive Officers also received stock option awards of HEI Common Stock plus dividend equivalents in 2003.

In December 2002, the Company elected to adopt the fair value based method of accounting for its stock options, as prescribed by Statement of Financial Accounting Standards No. 123, "Accounting for Stock-Based Compensation," as amended.

Other Compensation Plans

The Named Executive Officers participate in certain broad-based employee benefit plans and executive retirement and death benefits adopted by the Company. Other than the HEI Retirement Savings Plan (which qualifies under Section 401(k) of the Internal Revenue Code of 1986, as amended ("IRC")), which offers HEI Common Stock as one of the investment options, benefits under these other plans are not tied to Company performance.

The Company provides additional retirement benefits which are discussed on pages 18 and 19 for the Named Executive Officers and certain other employees. In the event of death during active employment, the Company also provides all the Named Executive Officers (except Ms. Lau) and certain other employees \$50,000 term life insurance plus an amount equal to two times the employee's salary on an after-tax basis at the date of death, paid by the Company to the employee's beneficiary. If the employee dies after retirement, this benefit is reduced to \$20,000 term life insurance plus an amount equal to one times the employee's salary at retirement, also on an after-tax basis. For Ms. Lau, American Savings Bank provides term life insurance equal to one and one-half times her salary at the date of death in the event of death during active employment. If Ms. Lau dies after retirement, the Company provides a payout to her beneficiary in an amount equal to one times her salary at the date of her retirement on an after-tax basis.

Finally, the Committee reviewed the provisions of Section 162(m) of the Internal Revenue Code of 1986, as amended, relating to the \$1 million federal income tax deduction cap for executive compensation and believes that no compensation deduction attributable to the Named Executive Officers will be limited by this provision except for Mr. Clarke. The Committee will take Section 162(m) into account as one of the factors it considers in establishing executive compensation and will award deductible compensation to the extent consistent with its overall compensation policy. However, the Committee may determine to award compensation in excess of the Section 162(m) deduction limits as it deems appropriate.

**SUBMITTED BY THE
COMPENSATION COMMITTEE
OF THE HEI BOARD OF DIRECTORS**

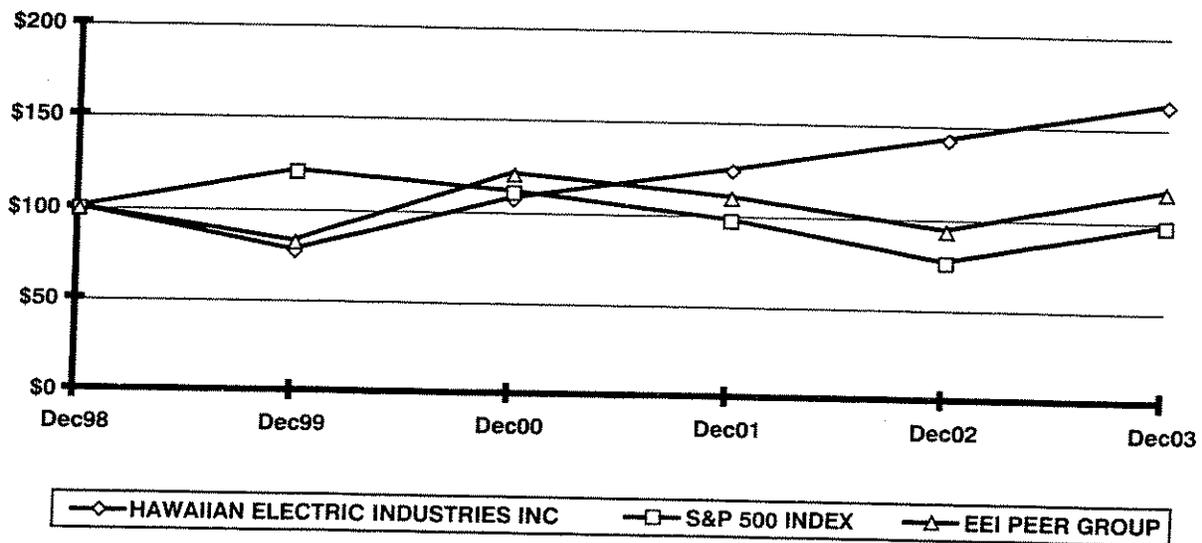
**Bill D. Mills, Chair
Don E. Carroll
A. Maurice Myers
Diane J. Plotts
Oswald K. Stender
Kelvin H. Taketa**

Shareholder Performance Graph

The graph below compares the cumulative total shareholder return on HEI Common Stock against the cumulative total return of companies listed on Standard & Poor's ("S&P") 500 Stock Index and the EEI Peer Group (64 companies were included in the Peer Group in 2003). The companies comprising the EEI Peer Group serve over 90% of the customers of the investor-owned electric utility industry. The graph is based on the market price of common stock for all companies at December 31 each year and assumes that \$100 was invested on December 31, 1998 in HEI Common Stock and the common stock of all companies and that dividends were reinvested for all companies.

**Comparison of Five-Year Cumulative Total Return
 Among Hawaiian Electric Industries, Inc.,
 S&P 500 Index, and EEI Peer Group**

1998-2003



Audit Committee Report

The Audit Committee is responsible for providing independent, objective oversight of HEI's accounting functions and internal controls. It operates and acts under a written charter, which was adopted and approved by the Committee and the HEI Board of Directors. A copy of the Audit Committee Charter is attached to this Proxy Statement as Appendix B. The Committee is composed of six independent directors whose independence has been determined by the Board of Directors in accordance with the definition of independence in the Audit Committee charter and current standards set forth in the New York Stock Exchange Listed Company Manual. Mr. Carroll, Dr. Daniel and Ms. Plotts have been determined by the Board of Directors to be the "audit committee financial experts" on the Audit Committee. In addition, the Committee has standby agreements with its own independent legal counsel and accounting advisors.

The Audit Committee oversees the Company's financial process on behalf of the Board of Directors. Management has the primary responsibility for the Company's consolidated financial statements and reporting process, including the systems of internal control. The independent public accountants have the responsibility for the independent audit of the consolidated financial statements and expressing an opinion on the conformity of those audited consolidated financial statements with accounting principles generally accepted in the United States of America.

In connection with these responsibilities, the Audit Committee held six regular meetings in 2003. In these meetings with management and KPMG LLP, HEI's independent public accountants, the Committee's review and discussion included the audited consolidated financial statements, audit plan, and quality/adequacy of internal controls. The Committee believes that management maintains effective systems of internal control that result in fairly presented consolidated financial statements. Discussions with KPMG LLP included the matters required by Statement on Auditing Standards No. 61 (Codification of Statements on Auditing Standards §380), which incorporates information regarding the scope and results of the audit.

Auditors' Independence

KPMG LLP provided the Committee with written disclosures and a letter regarding its independence from management as required by Independence Standards Board Standard No. 1 (Independence Discussions with Audit Committee). Based on its review of the disclosure statements and discussions with KPMG LLP, the Audit Committee satisfied itself as to the independence of the external auditor.

Auditors' Fees

The following table sets forth the aggregate fees billed to HEI for the years ended December 31, 2003 and 2002 by KPMG LLP:

	2003		2002	
	Fees	%	Fees	%
Audit fees (principally consisted of fees associated with the audit and quarterly reviews of the consolidated financial statements, issuances of letters to underwriters, accounting consultations on matters reflected in the financial statements, statutory audits, review of registration statements, and issuance of consents)	\$1,026,000	73.1	\$ 991,000	60.5
Audit-related fees (principally consisted of fees associated with the audit of the financial statements of certain employee benefit plans)	46,000	3.3	43,000	2.6
Tax fees (tax consultation and tax compliance services with respect to Federal and State taxes):				
American Savings Bank	73,000	5.2	49,000	3.0
HEI Power Corp.	183,000	13.0	538,000	32.9
Other	17,000	1.2	16,000	1.0
All other fees (advisement on Sarbanes-Oxley Act of 2002)	59,000	4.2	0	0
	<u>\$1,404,000</u>	<u>100.0</u>	<u>\$1,637,000</u>	<u>100.0</u>

The Audit Committee approved and adopted preapproval policies and procedures for nonaudit services proposed to be performed by the Company's independent auditor. The policies and procedures were implemented in 2002. Departmental requests for nonaudit services are reviewed by senior management and, once approved, are forwarded to the Chair of the Audit Committee for preapproval. The Audit Committee ratifies the Chair's preapproval at its next scheduled meeting. In addition, the Audit Committee reviewed the professional fees billed by KPMG LLP and determined that the provision of nonaudit services was compatible with the maintenance of the auditors' independence.

Based on its discussions with management and KPMG LLP and review of their representations, the Audit Committee recommended to the Board of Directors that the audited consolidated financial statements be included in HEI's 2003 Annual Report on Form 10-K.

SUBMITTED BY THE
AUDIT COMMITTEE
OF THE HEI BOARD OF DIRECTORS

Diane J. Plotts, Chair
Don E. Carroll
Shirley J. Daniel
Victor Hao Li
James K. Scott
Kelvin H. Taketa

Indebtedness of Management

Did the Company or any subsidiary provide loans to directors or executive officers?

American Savings Bank, F.S.B. ("ASB"), a subsidiary of the Company, offers preferential employee rate loans to its directors and executive officers, as allowed by the amended Federal Reserve Act.

Four ASB directors who are also directors of HEI (Mr. Clarke, Ms. Lau, Ms. Plotts, and Mr. Watanabe), whose aggregate indebtedness to ASB exceeded \$60,000 at any time during 2003, received preferential rate loans as shown below.

<u>Name</u>	<u>Largest Loan Amount Outstanding During 2003</u>	<u>Loan Amount Outstanding on 1/31/04</u>	<u>Type of Transaction</u>	<u>Average Interest Rate Charged(1)</u>
Robert F. Clarke	947,441	908,759	First Mortgage	3.000%
Constance H. Lau	880,015	861,473	First Mortgage	2.625%
Constance H. Lau	47,564	44,935	Second Mortgage	3.125%
Diane J. Plotts	479,035	468,625	First Mortgage	2.625%
Jeffrey N. Watanabe	603,222	587,906	First Mortgage	3.750%

(1) The first mortgage rate is based on ASB's policy for employees and directors using a formula of .50% premium above the cost of funds or .50% premium above the Applicable Federal Rate established by the Internal Revenue Service, whichever is greater. The second mortgage rate uses the same formula with a premium of 1.0%.

ASB made other loans, established lines of credit and issued credit cards to directors and executive officers of the Company, and to members of their immediate families. These loans and extensions of credit were made in the ordinary course of business, were made on substantially the same terms, including interest rates and collateral, as those prevailing at the time for comparable transactions with other persons, and did not involve more than the normal risk of collectibility or present other unfavorable features.

In addition to the above loans financed by ASB, T. Michael May (also a director of the Company) is currently indebted to Hawaiian Electric Company, Inc. in the amount of \$100,000 for an employee relocation loan made to him in 1993, prior to the enactment of the Sarbanes-Oxley Act of 2002. The loan is an interest only loan at an interest rate of 6.28%, with the unpaid principal and interest due on June 30, 2004 or sooner if Mr. May ceases to be an employee of Hawaiian Electric Company, Inc.

Transactions with Directors and Executive Officers

Did the Company enter into any transactions with directors or executive officers?

Director Jeffrey Watanabe is a partner in the law firm of Watanabe Ing Kawashima and Komeiji LLP which performed legal services for the Company and certain of its subsidiaries during 2003.

Other Information

How is the solicitation to be made and what is its cost?

The Company pays all expenses of the proxy solicitation. Georgeson Shareholder Communications Inc. has been hired to assist in the distribution of proxy materials and solicitation of votes for \$5,000 plus reasonable out-of-pocket expenses. In addition, the Company will reimburse brokerage firms and other custodians, nominees, and fiduciaries for their expenses to forward proxy and solicitation material to shareholders.

What is the deadline for submitting a proposal for next year's Annual Meeting?

Shareholders who want to have a proposal included in the Proxy Statement and form of proxy for the 2005 Annual Meeting of Shareholders must notify the Secretary of the Company in writing. The proposal must be received by November 12, 2004.

How can business matters be brought before the Annual Meeting and how will they be voted?

Shareholders who want to properly present business before the Annual Meeting must give notice to the Secretary of the Company no later than 60 days nor earlier than 90 days prior to the anniversary date of the preceding year's annual meeting. To be timely in the year 2005, notice must be received by the Secretary of the Company no later than February 19, 2005 nor earlier than January 20, 2005. The notice must be in writing and state the reason and brief description of the business, the name and address of the shareholder, number of shares of Common Stock owned by the shareholder, and any material interest of the shareholder in such business, and include a representation that the shareholder will present the business before the meeting in person or by proxy.

How can shareholders make recommendations for director nominees?

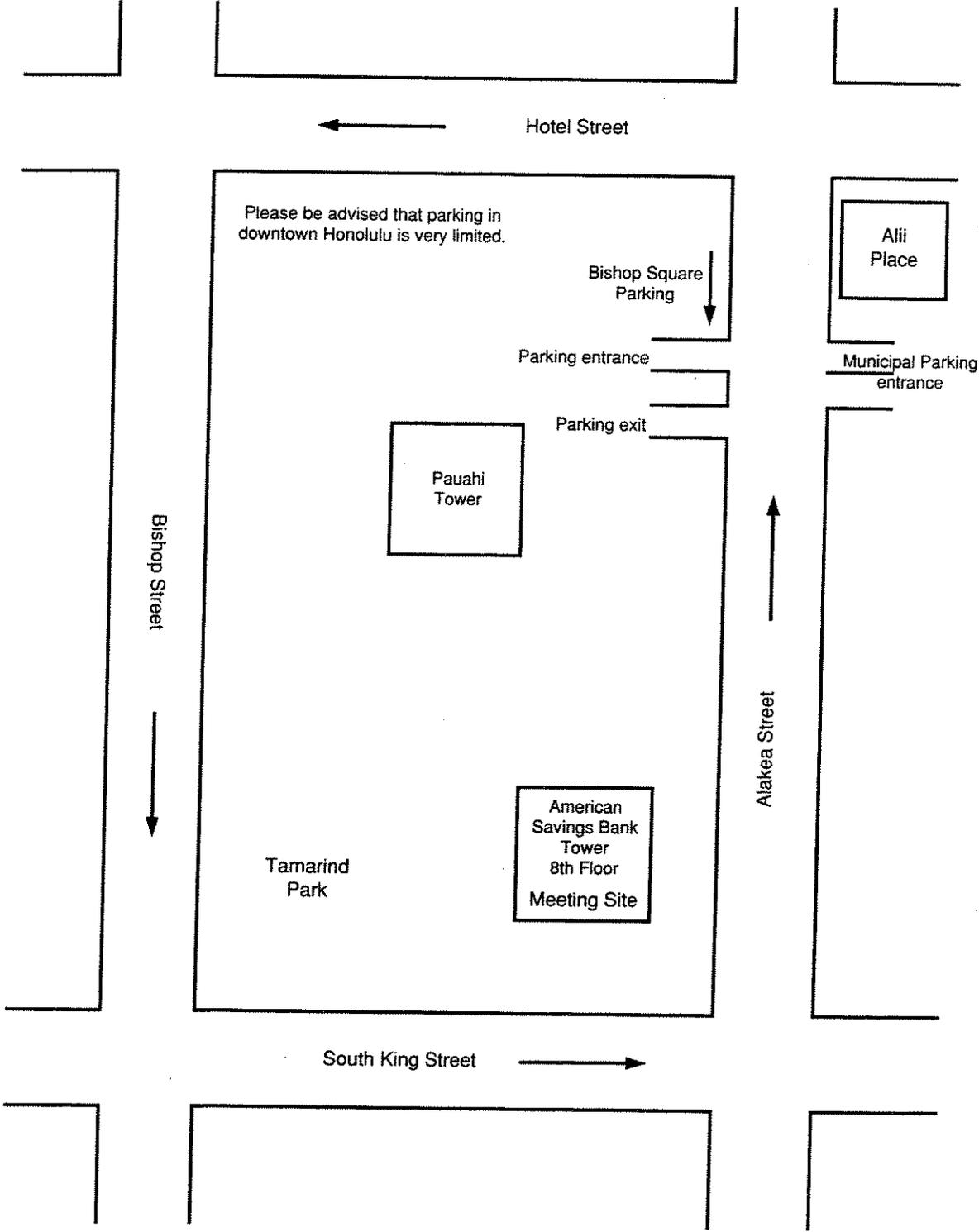
You can recommend any person as a nominee for director of HEI by writing to the Nominating and Corporate Governance Committee, in care of the Secretary, Hawaiian Electric Industries, Inc., P.O. Box 730, Honolulu, Hawaii 96808-0730. Recommendations must be received by December 12, 2004 for consideration by the Committee for the 2005 Annual Meeting of Shareholders. The recommendation must include the nominee's qualifications to be a director of the Company and other relevant biographical information and confirmation of the nominee's consent to serve.

If other business is properly brought before the Annual Meeting, or at any adjournment, the persons named on the enclosed proxy will vote your stock in accordance with their best judgement. The Company knows of no other business to be presented at the 2004 Annual Meeting.

Please vote your proxy as soon as possible to make certain that your shares will be counted at the meeting.

Peter C. Lewis
Vice President-Administration and Secretary

March 9, 2004



Appendix B

**CHARTER OF THE AUDIT COMMITTEE
OF THE BOARD OF DIRECTORS OF
HAWAIIAN ELECTRIC INDUSTRIES, INC.
ADOPTED SEPTEMBER 17, 2002
(AS AMENDED DECEMBER 16, 2003)**

Purpose

There shall be a committee of the board of directors (the "Board") of Hawaiian Electric Industries, Inc. ("HEI" or the "Company") to be known as the audit committee (the "Committee"). The Committee shall assist the Board in fulfilling its oversight responsibilities. The Committee's primary duties and responsibilities are to:

- Monitor the quality and integrity of the Company's financial statements, financial reporting process and systems of internal controls regarding risk management, finance, accounting, and legal and regulatory compliance.
- Monitor the independence and qualifications of the Company's registered public accounting firm engaged for the purpose of preparing or issuing an audit report for inclusion in the Company's Annual Report on Form 10-K (referred to herein as the "independent auditors"); further, monitor the performance of the independent auditors and the internal auditing department.
- Provide an avenue of communication among the independent auditors, management, the internal auditing department and the Board.
- Issue the report pursuant to Item 306 of Regulation S-K of the Securities and Exchange Commission ("SEC") that is required to be included in the Company's annual proxy statement.
- Monitor the quality and integrity of the Hawaiian Electric Industries Capital Trust I (TOPrS) financial statements, financial reporting process and systems of internal controls regarding risk management, finance, accounting, and legal and regulatory compliance.

Membership

The Committee shall be composed of directors who are independent of the management of the Company and are free of any relationship that, in the opinion of the Board, might interfere with their exercise of independent judgment as a committee member.

The Committee will consist of a minimum of three members who shall be appointed annually by the Board. New members will be proposed by the nominating and corporate governance committee for approval and appointment by the Board. Vacancies on the Committee shall be filled by majority vote of the Board at the next meeting of the Board following the occurrence of the vacancy. No member of the Committee shall be removed except by majority vote of the Board.

A chairperson of the Committee shall be appointed by the Board. The Committee shall meet no less than four times a year. The chairperson of the Committee or a majority of the members of the Committee may also call a special meeting of the Committee. The Committee, in its discretion, may ask members of management or others to attend its meetings (or portions thereof) and to provide pertinent information as necessary. A majority of the members of the Committee present in person or

by means of a conference telephone or other communications equipment by means of which all persons participating in the meeting can hear each other shall constitute a quorum.

Each member of the Committee shall be qualified to serve thereon under the requirements of the New York Stock Exchange (“NYSE”) and any additional requirements that the Board deems appropriate.

In this regard, each member of the Committee must be financially literate, as such qualification is interpreted by the Board in its business judgment, or must become financially literate within a reasonable period of time after his or her appointment to the Committee. In addition, at least one member of the Committee must be designated by the Board to be the “Audit Committee Financial Expert,” as defined by the SEC pursuant to the Sarbanes-Oxley Act of 2002 (the “Act”).

No director may serve as a member of the Committee if such director serves on the Committee of more than two other public companies, unless the Board determines that such simultaneous service would not impair the ability of such director to serve effectively on the Committee. Any such determination must be disclosed in the Company’s annual proxy statement.

Responsibilities

The Committee shall provide assistance to the Board in fulfilling its responsibility to the shareholders, potential shareholders, and investment community relating to risk management, corporate accounting, reporting practices of the Company, and the quality and integrity of the financial reports of the Company. In so doing it is the responsibility of the Committee to maintain free and open means of communication among the independent auditors, the internal auditors, management of the Company and the Board.

In carrying out these responsibilities, the Committee will:

1. Have sole authority (subject to shareholder ratification, if applicable) to retain and terminate the independent auditors who will audit the books of the Company and its subsidiaries (with the input, if the Committee so desires, of Company management and, as appropriate, management and boards of directors of the Company’s subsidiaries). The independent auditors are ultimately accountable to the Committee.
2. Have sole authority to approve the independent auditors’ fee arrangements and other terms of service, and to approve all non-audit engagements of the independent auditors permitted by the Act, including the fees therefore and the terms of service (in each case, with the input, if the Committee so desires, of Company management and, as appropriate, management and boards of directors of the Company’s subsidiaries). Approvals of all audit and, as provided in the Act and the SEC rules and regulations promulgated thereunder, all permitted non-audit services will be made in advance of the provision of such services. The Committee may delegate the preapproval of audit and permitted non-audit services to one or more of its members, provided that such members shall report any such approvals to the full committee.
3. At least annually, obtain and review a report by the independent auditors describing:
 - (a) The independent auditors’ internal quality-control procedures;
 - (b) Any material issues raised by the most recent internal quality-control review, or peer review, of the independent auditors, or by any inquiry or investigation by governmental or professional authorities, within the preceding five years, respecting one or more independent

audits carried out by the independent auditors, and any steps taken to address any such issues;
and

(c) All relationships between the independent auditors and the Company (in order to assess the independence of the independent auditors).

4. Evaluate the qualifications, independence and performance of the Company's independent auditors, including the lead partner and reviewing partner of the independent auditors, and, in its sole discretion (subject, if applicable, to shareholder ratification), make decisions regarding the replacement or termination of the independent auditors when circumstances warrant. The Committee will present its conclusions with respect to the independent auditor to the full Board.

(a) In making its evaluation, the Committee will take into account the opinions of management and the Company's internal auditors.

(b) The Committee shall engage in a dialogue with the independent auditors to confirm that audit partner compensation is consistent with applicable SEC rules.

(c) The Committee shall further monitor compliance by the Company's independent auditors with the audit partner rotation requirements contained in the Act and the rules and regulations promulgated by the SEC thereunder.

(d) The Committee shall also monitor compliance by the Company of the employee conflict of interest requirements contained in the Act and the rules and regulations promulgated by the SEC thereunder.

5. Meet with the independent auditors, internal auditors and management of the Company to review the scope of the proposed audit for the current year and the audit procedures to be utilized, monitor such plan's progress and results during the year, and, at the conclusion thereof, review such audit including any comments or recommendations of the independent auditors.

6. Review with the independent auditors, internal auditors and Company management the adequacy and effectiveness of the risk, financial, accounting and internal controls of the Company as well as of the disclosure controls and procedures of the Company, and elicit any recommendations that they may have for the improvement of such internal and disclosure control procedures or particular areas where new or more detailed controls or procedures are desirable. Particular emphasis will be given to the adequacy of such internal controls to expose any payments, transactions or procedures which might be deemed illegal or otherwise improper and the adequacy of disclosure controls to identify on a timely basis material information that should be disclosed to current and prospective investors. Further, the Committee will periodically review the Company's Corporate Code of Conduct. The Committee will also periodically discuss the Company's major financial risk exposures and steps management has taken to monitor and control such exposures.

7. Review with the chief executive officer and chief financial officer and independent auditors, periodically, the following:

(a) The Company's administrative, operational and auditing internal controls and evaluate whether the Company is operating in accordance with its prescribed policies, procedures and code of conduct.

(b) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the Company's ability to record, process, summarize and report financial information.

(c) Any fraud, whether or not material, that involves management or other employees who have a significant role in the Company's internal control over financial reporting.

8. Review the certifications of the Chief Executive Officer and Chief Financial Officer required by Sections 302 and 906 of the Act. In addition, the Committee will review:

(a) The adequacy and effectiveness of the Company's accounting and internal control policies and procedures on a regular basis, including the responsibilities, budget, compensation and staffing of the Company's internal audit function, through inquiry and discussions with the Company's independent auditors and management of the Company; and

(b) As required by applicable law, the yearly report prepared by management, and attested to by the Company's independent auditors, assessing the effectiveness of the Company's internal control over financial reporting and stating management's responsibility for establishing and maintaining adequate internal control over financial reporting prior to its inclusion in the Company's annual report.

9. Regularly review the responsibilities, budget and staffing of the internal audit function of the Company, including the proposed programs for the coming year and the coordination of such programs with the independent auditors, with particular attention to maintaining the best possible effective balance between independent and internal auditing resources. In carrying out this review the Committee shall make inquiry and engage in separate discussions with the Company's independent auditors, internal auditors and management of the Company.

10. Review summaries of findings from completed internal audits and a progress report on the proposed internal audit plan with explanations for any deviations from the original plan.

11. Discuss with management, the Company's independent auditors, and, if appropriate, the Company's internal auditors, the following information which is required to be reported by the independent auditor:

(a) All critical accounting policies and practices to be used by the Company, and all material accounting policies (and changes therein) of the Company, including any financial reporting issues which could have a material impact on the Company's financial statements, as are deemed appropriate for review by the Committee, prior to any interim or year-end filings with the SEC or other regulatory body.

(b) Major issues regarding the accounting principles and financial statement presentations, including any significant changes in the Company's selection or application of accounting principles, and major issues as to the adequacy of the Company's internal controls and any special audit steps adopted in light of material control deficiencies.

(c) Analyses prepared by management and/or the independent auditors setting forth significant financial reporting issues and judgments made in connection with the preparation of the financial statements, including analyses of the ramifications and effects of alternative Generally Accepted Accounting Principles ("GAAP") methods on the financial statements and all alternative treatments within GAAP of financial information that have been discussed by the independent auditors and management, and the treatment preferred by auditors.

(d) The effect of regulatory and accounting initiatives, as well as off-balance sheet structures, on the financial statements of the Company.

(e) All other material written communications between the independent auditors and management, such as any management letter or schedule of unadjusted differences.

12. Receive and discuss periodic reports from the independent auditors, management, and Company's internal auditors on significant accounting or financial reporting developments that may have a bearing on the Company in order to assess the impact on the Company.

13. Receive and review (1) pension audits of the HEI Retirement Plan, ASB Retirement Plan, Postretirement Welfare Benefits Plan for Employees of HECO and Participating Employees and (2) HEIRS (401-K) Plan audits.

14. Discuss the disclosures and quarterly financial statements contained in the quarterly reports of HEI and Hawaiian Electric Company, Inc. ("HECO") on SEC Form 10-Q, including the Company's disclosures under "Management's Discussion and Analysis of Financial Condition and Results of Operations," with management and with the independent auditors to determine that the independent auditors concur with the disclosure and content of the financial statements presented to the shareholders. Any material changes in accounting principles or accounting for new significant items will be reviewed.

15. Prior to the release of the annual report to shareholders and the reports of HEI and HECO on SEC Form 10-K, discuss disclosures and the financial statements to be contained therein, including the Company's disclosures under "Management's Discussion and Analysis of Financial Condition and Results of Operations," with management and with the independent auditors to determine that the independent auditors concur with the disclosure and content of the financial statements to be presented to the shareholders. Any material changes in accounting principles or accounting for significant new items will be reviewed.

16. Discuss the Company's earnings press releases (especially the use of "pro forma" or "adjusted" information not prepared in compliance with generally accepted accounting principles), as well as financial information and earnings guidance (if any) provided by the Company to analysts and rating agencies. This responsibility may be discharged generally (i.e., the Committee may discuss the types of information to be disclosed and the types of presentation to be made), and does not require that each earnings release or each provision of financial information and earnings guidance (if any) be discussed in advance.

17. Meet separately, periodically, with management, with internal auditors, and with independent auditors.

18. At all of its meetings make sufficient opportunity available for the independent auditors to meet with the members of the Committee without members of management present. The Committee must regularly review with the independent auditors any difficulties the auditor encountered in the course of the audit work, including any restrictions on the scope of the independent auditors' activities or on access to requested information, and any significant disagreements with management, including such matters as:

(a) any accounting adjustments that were noted or proposed by the independent auditors but were "passed" (as immaterial or otherwise);

- (b) any communications between the independent auditors' audit team and national office respecting auditing or accounting issues presented by the engagement;
 - (c) any "management" or "internal control" letter issued, or proposed to be issued, by the independent auditors to the Company; and
 - (d) responsibilities, budget and staffing of the Company's internal audit function.
19. Attempt to resolve all disagreements between the Company's independent auditors and management regarding financial reporting.
20. With respect to the hiring of employees of the Company's independent auditors, it is the policy of the Company that the hiring of any such employee or former employee of the independent auditors must be approved in advance by the Committee, and that no employee of the independent auditor who, within one year prior to the initiation of the audit, participated in any capacity in the Company's audit shall be hired in a financial reporting oversight role, as defined in Rule 2-01 of Regulation S-X under the Securities and Exchange Act of 1934.
21. Minutes of all meetings of the Committee shall be submitted to the Board of the Company for ratification. The Committee shall further report regularly to the full Board and will review with the full Board any issues that arise with respect to the quality or integrity of the Company's financial statements, the Company's compliance with legal or regulatory requirements, the performance and independence of the Company's independent auditors, the performance of the internal audit function and other matters of importance to the full Board.
22. Meet with the Company legal counsel, as appropriate, to review legal and regulatory matters, including any matters that may have a material impact on the financial statements of the Company.
23. Issue the report pursuant to Item 306 of Regulation S-K of the SEC that is required to be included in the Company's annual proxy statement addressing the Committee's review of the Company's financial statements, certain communications with management and with the independent auditors, the Committee's recommendation as to whether the financial statements should be included in the Company's annual report on Form 10-K.
24. Review the Company's policies relating to the ethical handling of conflicts of interest and review past or proposed transactions between the Company and members of management as well as policies and procedures with respect to officers' expense accounts and perquisites, including the use of corporate assets. The Committee shall consider the results of any review of these policies and procedures by the Company's independent auditors or internal auditors. The Committee shall further review and approve in advance any services provided by the Company's independent auditors to the Company's executive officers or members of their immediate family.
25. At least annually, review the Company's program to monitor compliance with the Company's Corporate Code of Conduct, and meet periodically with HEI's Compliance Officer to discuss compliance with the Corporate Code of Conduct.
26. Maintain procedures, as set forth in Annex A hereto, for the receipt, retention and treatment of complaints received by the Company regarding financial statement disclosures, accounting, internal accounting controls or auditing matters, and the confidential, anonymous submission by employees of the Company of concerns regarding financial statement disclosures, accounting, internal accounting controls or auditing matters.

27. Cause to be made an investigation into any appropriate matter brought to its attention within the scopes of its duties, with the power to retain outside counsel for this purpose if, in its judgment, that is appropriate.

28. The Committee shall, on an annual basis, evaluate its performance under this Charter. In conducting this review, the Committee shall evaluate whether this Charter appropriately addresses the matters that are or should be within its scope. The Committee shall address all matters that the Committee considers relevant to its performance, including at least the following: the adequacy, appropriateness and quality of the information and recommendations presented by the Committee to the Board, the manner in which they were discussed or debated, and whether the number and length of the meetings of the Committee were adequate for the Committee to complete its work in a thorough and thoughtful manner.

29. The Committee shall deliver to the Board a report setting forth the results of its evaluation, including any recommended amendments to this Charter and any recommended changes to the Company's or the Board's policies or procedures.

30. Obtain advice and assistance from outside legal, accounting or other advisors, as appropriate in the course of fulfilling its duties without the necessity of seeking Board approval, the cost of such advisors to be borne by the Company.

31. Perform such additional activities, and consider such other matters, within the scope of its responsibilities, as the Committee or the Board deems necessary or appropriate.

In carrying out its responsibilities, the policies and procedures of the Committee should remain flexible in order that it can best react to changing conditions and assure the directors and shareholders that the corporate accounting and reporting practices of the Company are in accordance with all requirements and are of the highest quality.

* * *

While the Committee has the duties and responsibilities set forth in this Charter, the Committee is not responsible for preparing or certifying the financial statements, for planning or conducting the audit or for determining whether the Company's financial statements are complete and accurate and are in accordance with generally accepted accounting principles.

In fulfilling their responsibilities hereunder, it is recognized that members of the Committee are not full-time employees of the Company, it is not the duty or responsibility of the Committee or its members to conduct "field work" or other types of auditing or accounting reviews or procedures or to set auditor independence standards, and each member of the Committee shall be entitled to rely on (i) the integrity of those persons and organizations within and outside the Company from which it receives information and (ii) the accuracy of the financial and other information provided to the Committee, in either instance absent actual knowledge to the contrary.

Nothing contained in this charter is intended to create, or should be construed as creating, any responsibility or liability of the members of the Committee, except to the extent otherwise provided under the applicable state and federal laws or the listing requirements of the NYSE which shall continue to set the legal standard for the conduct of the members of the Committee.

Annex A

**Procedures for the Submission of Complaints or Concerns
Regarding Financial Statement Disclosures, Accounting,
Internal Accounting Controls or Auditing Matters**

1. Employees may submit any concerns or complaints regarding financial statement disclosures, accounting, internal accounting controls or auditing matters to their respective controller, chief financial officer, president, compliance officer, the Hawaiian Electric Company ("HECO") General Counsel or the HEI Corporate Governance Officer, any of whom must promptly notify the HEI Compliance Officer designated in the Corporate Code of Conduct. *The Company is committed to the policy that no one will be subject to retaliation because of a good faith report of a concern or complaint regarding financial statement disclosures, accounting, internal accounting controls or auditing matters or any suspected violation of Company policy or the law.*
2. Non-employees may communicate concerns and complaints regarding financial statement disclosures, accounting, internal accounting controls or auditing matters to HEI's Corporate Governance Officer by email at CorpGovOfficer@hei.com or by regular mail at the following address: HEI Corporate Governance Officer, P.O. Box 730, Honolulu, Hawaii 96808.
3. The Company shall forward to the Audit Committee of the Board of Directors any complaints that it has received regarding financial statement disclosures, accounting, internal accounting controls or auditing matters.
4. Any employee of the Company may submit, on a confidential, anonymous basis if the employee so desires, any concerns regarding financial statement disclosures, accounting, internal accounting controls or auditing matters by setting forth such concerns in writing and forwarding them in a sealed envelope to the Chair of the Audit Committee, in care of the HEI Corporate Governance Officer, such envelope to be labeled with a legend such as: "To be opened by the Audit Committee only." If an employee would like to discuss any matter with the Audit Committee, the employee should indicate this in the submission and include a telephone number at which he or she might be contacted if the Audit Committee deems it appropriate. Any such envelopes received by the HEI Corporate Governance Officer shall be forwarded promptly to the Chair of the Audit Committee. Upon receipt of any complaint or concern with respect to HECO or American Savings Bank, F.S.B. ("ASB"), the Chair of the Audit Committee shall promptly forward a copy of the complaint or concern to the chair of the audit committee of HECO or ASB, as appropriate. The Company will maintain the confidentiality of such reports to the extent reasonably possible.
5. The Company informs employees of their obligation to report and the procedures by which to report concerns regarding financial statement disclosures, accounting, internal accounting controls or auditing matters in the Corporate Code of Conduct, which is distributed to all employees and is available on the Company's Internet website, and in this Annex to the Charter, which is available on the Company's Internet website.
6. At each of its meetings, including any special meeting called by the Chair of the Audit Committee following the receipt of any information pursuant to this Annex, the Audit Committee shall review and consider any such complaints or concerns that it has received and take any action that it deems appropriate in order to respond thereto, *provided, however*, that the Chair of the Audit Committee will consult with the chair of the audit committee of HECO or ASB, as appropriate, before any decision is made with respect to the handling of a complaint or concern involving either of those companies.

7. The Audit Committee shall retain any such complaints or concerns for a period of no less than 7 years.
8. This Annex A shall appear on the Company's website as part of this Charter.

Superseding Revised Sheet No. 50
Effective July 31, 2003

REVISED SHEET No. 50
Effective January 1, 2004

RATE SCHEDULES

The following listed sheets contain all rates in effect on and after the date indicated thereon subject to the Rules and Regulations of the Company applicable thereto:

<u>Sheet</u>	<u>Schedule</u>	<u>Date Effective</u>	<u>Character of Service</u>
50.1	Rate Adjustment	January 1, 2004	All Schedules Except Schedule Q
51	"R"	January 1, 1997	Residential Service
51A	"R"	September 1, 1992	Residential Service
52	"G"	January 1, 1997	General Service Non-Demand
53	"G"	September 1, 1992	General Service Non-Demand
54	"J"	January 1, 1997	General Service Demand
54A	"J"	January 1, 1996	General Service Demand
54B	"J"	September 1, 1992	General Service Demand
55	"H"	January 1, 1997	Commercial Cooking, Heating, Air Conditioning & Refrigeration Service
56	"H"	September 1, 1992	Commercial Cooking, Heating, Air Conditioning & Refrigeration Service
57	"PS"	June 1, 2001	Large Power Secondary Voltage Service
58	"PS"	June 1, 2001	Large Power Secondary Voltage Service
58A	"PS"	June 1, 2001	Large Power Secondary Voltage Service
58B	"PP"	June 1, 2001	Large Power Primary Voltage Service
58C	"PP"	June 1, 2001	Large Power Primary Voltage Service
58D	"PP"	June 1, 2001	Large Power Primary Voltage Service
58E	"PT"	June 1, 2001	Large Power Transmission Voltage Service
58F	"PT"	June 1, 2001	Large Power Transmission Voltage Service
58G	"PT"	June 1, 2001	Large Power Transmission Voltage Service

HAWAIIAN ELECTRIC COMPANY, INC.

Docket No. 03-0126, Order No. 20310 dated July 9, 2003.
Transmittal Letter dated December 31, 2003.

Superseding Revised Sheet No. 50A
Effective September 1, 2000

REVISED SHEET NO. 50A
Effective June 1, 2001

RATE SCHEDULES (continued)

<u>Sheet</u>	<u>Schedule</u>	<u>Date Effective</u>	<u>Character of Service</u>
59	"F"	January 1, 1997	Public Street Lighting, Highway Lighting, & Park & Playground Floodlighting
60	"F"	September 1, 1992	Public Street Lighting, Highway Lighting, & Park & Playground Floodlighting
61	"U"	January 1, 1995	Time-of-Use Service
61A	"U"	January 1, 1995	Time-of-Use Service
61B	"U"	January 1, 1996	Time-of-Use Service
62	"E"	June 1, 1996	Electric Service for Employees
63	Energy Cost Adjustment Clause	January 1, 1996	All Schedules Except Schedule Q
63A	Energy Cost Adjustment Clause	January 1, 1996	All Schedules Except Schedule Q
64	Rider "I"	January 1, 1986	Interruptible Contract Service
65	Rider "M"	February 1, 1998	Off-Peak and Curtailable Service
65A	Rider "M"	February 1, 1998	Off-Peak and Curtailable Service
65B	Rider "M"	February 1, 1998	Off-Peak and Curtailable Service
65C	Rider "M"	February 1, 1998	Off-Peak and Curtailable Service
65D	Rider "M"	February 1, 1998	Off-Peak and Curtailable Service
(PAGE 66 - NOT ASSIGNED)			
67	Rider "T"	January 1, 1995	Time-of-Day Service
67A	Rider "T"	January 1, 1995	Time-of-Day Service

Superseding Revised Sheet No. 50B
Effective June 1, 2004

REVISED SHEET NO. 50B
Effective July 1, 2004

RATE SCHEDULES (continued)

<u>Sheet</u>	<u>Schedule</u>	<u>Date Effective</u>	<u>Character of Service</u>
68	IRP Cost Recovery Provision	July 1, 2004	All Schedules Except Schedule Q
68A	IRP Cost Recovery Provision	June 1, 2004	All Schedules Except Schedule Q
(PAGES 69 - 80 NOT ASSIGNED)			
81	"Q"	January 1, 1996	Purchases From Qualifying Facilities -100 kW or Less
81A	"Q"	January 1, 1996	Purchases From Qualifying Facilities -100 kW or Less
82	Green Pricing Program Provision	January 1, 1999	Green Pricing
82A	Green Pricing Program Provision	January 1, 1999	Green Pricing
83	Rider EV-R	July 6, 1998	Residential Electric Vehicle Charging Service
83A	Rider EV-R	July 6, 1998	Residential Electric Vehicle Charging Service

HAWAIIAN ELECTRIC COMPANY, INC.

Transmittal Letter Dated June 30, 2004.

Superseding Sheet No. 50C
Effective May 12, 2003

REVISED SHEET NO. 50C
Effective January 1, 2004

RATE SCHEDULES (continued)

<u>Sheet</u>	<u>Schedule</u>	<u>Date Effective</u>	<u>Character of Service</u>
84	Rider EV-C	July 6, 1998	Commercial Electric Vehicle Charging Service
84A	Rider EV-C	July 6, 1998	Commercial Electric Vehicle Charging Service

(SHEET NO. 85 NOT ASSIGNED)

86	Schedule TOU-R May 12, 2003	Residential Time-of-Use Service Pilot Program
87	Schedule TOU-R May 12, 2003	Residential Time-of-Use Service Pilot Program
88	Schedule TOU-R May 12, 2003	Residential Time-of-Use Service Pilot Program
89	Schedule TOU-R May 12, 2003	Residential Time-of-Use Service Pilot Program

HAWAIIAN ELECTRIC COMPANY, INC.

Transmittal Letter Dated December 19, 2003.

SHEET NO. 50.1
Effective July 31, 2003

REVISED SHEET NO. 50.1
Effective January 1, 2004

RATE ADJUSTMENT

Supplement To

- Schedule R - Residential Service
- Schedule E - Electric Service For Employees
- Schedule G - General Service Non-Demand
- Schedule J - General Service Demand
- Schedule H - Commercial Cooking, Heating, Air
Conditioning & Refrigeration Service
- Schedule PS - Large Power Secondary Voltage Service
- Schedule PP - Large Power Primary Voltage Service
- Schedule PT - Large Power Transmission Voltage Service
- Schedule F - Public Street Lighting, Highway Lighting,
& Park & Playground Floodlighting
- Schedule U - Time-of-Use Service
- Schedule TOU-R - Residential Time-of-Use Service Pilot Program

All terms and provisions of Schedules "R", "E", "G", "J", "H", "PS", "PP", "PT", "F", "U", and "TOU-R" are applicable except that the total base rate charges for each billing period shall be decreased by the Rate Adjustment approved by the Public Utilities Commission. The total base rate charges for each billing period include all base rate schedule charges, and base rate adjustments, and exclude the Energy Cost Adjustment, the IRP Cost Recovery Adjustment, Residential DSM Adjustment, and Commercial and Industrial DSM Adjustment.

Rate Adjustment:..... -0.406 percent

The Rate Adjustment is based on passing through to customers the estimated reduction in capacity payments to AES Hawaii and related revenue taxes totaling \$3,187,140 annually pursuant to Amendment No. 2 to the Purchase Power Agreement between AES Hawaii and HECO. The percentage is based on the forecast base revenues for the year. The percentage will be adjusted annually effective January 1 of each year to reflect a revised forecast of base revenues for the year.

RECONCILIATION ADJUSTMENT:

In order to reconcile any differences that may occur between the amount passed through to customers and the estimated reduction in the capacity payments and related revenue taxes, the recorded amount for the Rate Adjustment will be compared with the \$3,187,140 estimated reduction in capacity payments and related revenue taxes on a quarterly basis. If there is a variance between the recorded amount for the Rate Adjustment and the refund amount, a reconciliation adjustment, lagged by two months and effective for three months, will be made to the above Rate Adjustment.

HAWAIIAN ELECTRIC COMPANY, INC.

Superseding Revised Sheet No. 51
Effective January 1, 1996

REVISED SHEET NO. 51
Effective January 1, 1997

SCHEDULE "R"

Residential Service

Availability:

Applicable to residential lighting, heating, cooking, air conditioning and power in a single family dwelling unit metered and billed separately by the Company. This schedule does not apply where a residence and business are combined.

Service will be delivered at secondary voltages as specified by the Company.

Rate:

CUSTOMER CHARGE:

Single Phase Service - per month	\$7.00
Three Phase Service - per month	\$15.00

NON-FUEL ENERGY CHARGE (To be added to Customer Charge)

All kwhr per month - per kwhr	7.7814 cents
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BASE FUEL/ENERGY CHARGE (To be added to Customer Charge and Non-Fuel Energy Charge)

All kwhr per month - per kwhr	3.5140 cents
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Minimum Charge:

The minimum monthly charge shall be \$16.00.

Apartment House Collection Arrangement:

Any apartment owner having three or more apartments at one location, each apartment being separately metered and billed on the above rate, may elect to accept a discount of ten percent (10%) of the amount of the bills rendered for each apartment, but not to exceed \$5.00 per month for each apartment, upon entering into the following collection agreement with the Company under the following terms and conditions:

- 1) All accounts shall be kept in the name of the apartment house owner who shall assume the responsibility for the prompt payment of all bills.

HAWAIIAN ELECTRIC COMPANY, INC.

Superseding Revised Sheet No. 51A
Effective October 25, 1991

REVISED SHEET NO. 51A
Effective September 1, 1992

SCHEDULE "R" (continued)

- 2) All accounts shall remain active at all times and, though vacant, shall be subject to the minimum charge. Individual apartments cannot be added or deleted from this agreement more often than once in twelve months.
- 3) The Company will render individual bills for each apartment on a regular billing period basis and will also furnish a statement showing gross and net billings.

Energy Cost Adjustment Clause:

The energy cost adjustment provided in the Energy Cost Adjustment Clause shall be added to the Customer, Demand, and Energy Charges.

Integrated Resource Planning Surcharge:

The Integrated Resource Planning Surcharge shall be added to the Customer, Demand, and Energy Charges, and energy cost adjustment.

Rules and Regulations:

Service supplied under this rate shall be subject to the Rules and Regulations of the Company.

HAWAIIAN ELECTRIC COMPANY, INC.

Superseding Revised Sheet No. 52
Effective January 1, 1996

REVISED SHEET NO. 52
Effective January 1, 1997

SCHEDULE "G"

General Service Non-Demand

Availability:

Applicable to general light and/or power loads less than or equal to 5000 kwh per month, and less than or equal to 25 kilowatts, and supplied through a single meter.

If a customer's usage exceeds 5000 kwh per month or in the opinion of the Company exceeds 25 kw of demand three times in a twelve-month period, a demand meter will be installed and the customer's billing will be transferred to Schedule "J" beginning with the next convenient billing period.

Service will be delivered at secondary voltages as specified by the Company, except that where the nature or location of the customer's load makes delivery at secondary voltage impractical, the Company may, at its option, deliver the service at a nominal primary voltage as specified by the Company. Service supplied at primary voltage shall be subject to the special terms and conditions set forth below.

Rate:

CUSTOMER CHARGE:

Single phase service - per month	\$20.00
Three phase service - per month	\$45.00

ENERGY CHARGE: (To be added to Customer Charge)

All kwhr per month - per kwhr	11.1570 cents
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Minimum Charge:

Single phase service - per month	\$25.00
Three phase service - per month	\$45.00

Primary Supply Voltage Service:

Where, at the option of the Company, service is delivered and metered at the primary supply line voltage, the above energy charges will be decreased by 1.9%. When customers' transformers are adjacent to the delivery point, the Company may permit the customer to be metered at a single point on the secondary side of his transformers where such point is approved by the Company. When the energy is metered on the secondary side of the customers' transformers, the above energy charge will be decreased by 0.7%.

HAWAIIAN ELECTRIC COMPANY, INC.

Superseding Revised Sheet No. 53
Effective October 25, 1991

REVISED SHEET NO. 53
Effective September 1, 1992

Schedule "G" (continued)

Energy Cost Adjustment Clause:

The energy cost adjustment provided in the Energy Cost Adjustment Clause shall be added to the Customer, Demand, and Energy Charges.

Integrated Resource Planning Surcharge:

The Integrated Resource Planning Surcharge shall be added to the Customer, Demand, and Energy Charges, and energy cost adjustment.

Rules and Regulations:

Service supplied under this rate shall be subject to the Rules and Regulations of the Company.

HAWAIIAN ELECTRIC COMPANY, INC.

Superseding Revised Sheet No. 54
Effective January 1, 1996

REVISED SHEET NO. 54
Effective January 1, 1997

SCHEDULE "J"

General Service Demand

Availability:

Applicable to general light and/or power loads which exceed 5000 kilowatthours per month three times within a twelve-month period, or 25 kilowatts, and supplied through a single meter.

Rate:

CUSTOMER CHARGE:

Single phase service - per month	\$35.00
Three phase service - per month	\$60.00

DEMAND CHARGE - (To be added to Customer Charge)

All kw of billing demand - per kw per month \$5.75

ENERGY CHARGE: (To be added to Customer and Demand Charges)

First	200 kwhr/month/kw of billing demand - per kwhr	8.6900 cents
Next	200 kwhr/month/kw of billing demand - per kwhr	7.5419 cents
All over	400 kwhr/month/kw of billing demand - per kwhr	6.5130 cents

Minimum Charge:

The minimum monthly charge shall be the sum of the Customer and the Demand Charges. The Demand Charge shall be computed with the above demand charge applied to kilowatts of demand, but not less than \$143.75 per month. The kilowatts of demand for the minimum charge calculation each month shall be the highest of the maximum demand for the month, the greatest maximum demand of the preceding eleven months or 25 kw.

Determination of Demand:

The maximum demand for each month shall be the maximum average load in kw during any fifteen-minute period as indicated by a demand meter. The billing demand for each month shall be the maximum demand for such month but not less than 75% of the greatest maximum demand for the preceding eleven months nor less than 25 kw.

HAWAIIAN ELECTRIC COMPANY, INC.

Superseding Revised Sheet No. 54A
Effective September 1, 1992

REVISED SHEET NO. 54A
Effective January 1, 1996

SCHEDULE "J" (continued)

Power Factor:

For customers with maximum measured demands in excess of 200 kilowatts per month one time within a twelve-month period, the following power factor adjustment will apply to the energy and demand charges.

For each 1% the average power factor is above or below 85%, the energy and demand charges as computed under the above rates shall be decreased or increased, respectively, by 0.10%. The power factor will be computed to the nearest whole percent.

In no case, however, shall the power factor be taken as more than 100% for the purpose of computing the adjustment.

The average monthly power factor will be determined from the readings of a Kwh meter and a Kvarh meter. The Kvarh meter shall be ratcheted to prevent reversal in the event the power factor is leading at any time.

This Power Factor Clause became effective on January 17, 1993, when installation of the KVARH meters on qualified customers was completed.

Supply Voltage Delivery:

If the customer takes delivery at the Company's supply line voltage, the demand and energy charges will be decreased as follows:

Transmission voltage supplied without further transformation	3.3%
Distribution voltage supplied without further transformation	1.9%

Metering will normally be at the delivery voltage. When customer's transformers are adjacent to the delivery point, the customer may elect to be metered at a single point on the secondary side of his transformers where such point is approved by the Company. When the energy is metered on the secondary side of the customer's transformers, the above decreases will be 2.4% and 0.7%, respectively.

Energy Cost Adjustment Clause:

The energy cost adjustment provided in the Energy Cost Adjustment Clause shall be added to the Customer, Demand, and Energy Charges.

HAWAIIAN ELECTRIC COMPANY, INC.

Superseding Sheet No. 54B
Effective October 25, 1991

REVISED SHEET NO. 54B
Effective September 1, 1992

SCHEDULE "J" (continued)

Integrated Resource Planning Surcharge:

The Integrated Resource Planning Surcharge shall be added to the Customer, Demand, and Energy Charges, and energy cost adjustment.

Rules and Regulations:

Service supplied under this rate shall be subject to the Rules and Regulations of the Company.

HAWAIIAN ELECTRIC COMPANY, INC.

Superseding Revised Sheet No. 55
Effective January 1, 1996

REVISED SHEET NO. 55
Effective January 1, 1997

SCHEDULE "H"

Commercial Cooking, Heating
Air Conditioning and Refrigeration Service

Availability:

Applicable to commercial cooking, heating (including heat pump waterheaters), air conditioning and refrigeration service. This schedule applies only where the voltage supplied by the Company is less than 600 volts.

Rate:

CUSTOMER CHARGE:

Single phase service - per month	\$20.00
Three phase service - per month	\$45.00

DEMAND CHARGE: (To be added to Customer Charge)

\$9.00 per kw per month of required kw load, but in no case less than \$9.00 per month.

ENERGY CHARGE: (To be added to Customer and Demand Charges)

All kwhr per month - per kwhr 7.7422 cents

Minimum Charge:

The minimum monthly charge shall be the sum of Customer and Demand Charges.

Determination of Required kw load:

The required kw load for billing purposes shall be:

A. The sum of:

- 1) The total connected motor load;
- 2) 50% of the connected heating load, exclusive of cooking and all-electric resistance and heat pump waterheating; and
- 3) the connected all-electric waterheating load in excess of one-sixth kilowatt per gallon of storage capacity; or

HAWAIIAN ELECTRIC COMPANY, INC.

Superseding Revised Sheet No. 56
Effective October 25, 1991

REVISED SHEET NO. 56
Effective September 1, 1992

SCHEDULE "H" (continued)

- B. When the load is 25 KW or more the demand may be determined by measured demand. The maximum demand for each month shall be the maximum average load during any fifteen-minute period as indicated by a demand meter. The demand for each month shall be the maximum demand for such month, the highest demand in the preceding eleven months, or 25 KW, whichever is highest. Measured demand service under this schedule will be referred to as Schedule "K" service. The Schedule K service will be closed to new customers after August 31, 1992.

The required kw load will be determined to the nearest one-tenth kw.

Energy Cost Adjustment Clause:

The energy cost adjustment provided in the Energy Cost Adjustment Clause shall be added to the Customer, Demand, and Energy Charges.

Integrated Resource Planning Surcharge:

The Integrated Resource Planning Surcharge shall be added to the Customer, Demand, and Energy Charges, and energy cost adjustment.

Rules and Regulations:

Service supplied under this rate shall be subject to the Rules and Regulations of the Company.

Term of Contract:

Not less than one year.

HAWAIIAN ELECTRIC COMPANY, INC.

Superseding Revised Sheet No. 57
Effective January 1, 1997

REVISED SHEET NO. 57
Effective June 1, 2001

SCHEDULE PS

LARGE POWER SECONDARY VOLTAGE SERVICE

AVAILABILITY:

Applicable to large light and/or power service supplied and metered at a single voltage and delivery point. Service under this Schedule shall be delivered at a secondary voltage specified by the Company.

RATES:

CUSTOMER CHARGE - \$ per customer per month: \$320.00/month

DEMAND CHARGE - \$ per kW of billing demand:

First 500 kW of billing demand - per kW	\$10.00/kW
Next 1000 kW of billing demand - per kW	\$9.50/kW
Over 1500 kW of billing demand - per kW	\$8.50/kW

ENERGY CHARGE - ¢ per kWh:

First 200 kWh/month/kW of billing demand - per kWh	7.2087 ¢/kWh
Next 200 kWh/month/kW of billing demand - per kWh	6.4104 ¢/kWh
Over 400 kWh/month/kW of billing demand - per kWh	6.1010 ¢/kWh

NETWORK SERVICE ADJUSTMENT:

Because of the inherent operating conditions in the downtown area supplied from the Company's underground network system, the Company will deliver and meter the service to customers in this area at 120/208Y or 277/480Y volts. The demand and energy charges will be increased by 0.9%.

HAWAIIAN ELECTRIC COMPANY, INC.

Docket No. 00-0042; Decision and Order No. 18531

Superseding Revised Sheet No. 58
Effective October 25, 1991

REVISED SHEET NO. 58
Effective June 1, 2001

SCHEDULE PS - Continued

MINIMUM CHARGE:

The minimum monthly charge shall be the sum of the Customer and Demand charges. The Demand Charge shall be computed with the above demand charge applied to kilowatts of demand. The kilowatts of demand for the minimum charge calculation each month shall be the highest of the maximum demand for the month, the greatest maximum demand for the preceding eleven months, or the minimum billing demand specified below, rounded to one-tenth kW.

DETERMINATION OF DEMAND:

The maximum demand for each month shall be the maximum average load in kW during any fifteen-minute period as indicated by a demand meter. The billing demand for each month shall be the highest of the maximum demand for such month, or the mean of maximum demand for the current month and the greatest maximum demand for the preceding eleven (11) months, whichever is the higher, but not less than the minimum billing demand specified below, rounded to one-tenth kW:

Minimum Billing Demand:

Power Service Only	150 kW (Closed to new Customers after January 1, 1986)
Power & Lighting Service	300 kW

Power Factor:

The above demand and energy charges are based upon an average monthly power factor of 85%. For each 1% the average power factor is above or below 85%, the monthly energy and demand charges as computed above, shall be decreased or increased, respectively, by 0.10%. The power factor will be computed to the nearest whole percent.

HAWAIIAN ELECTRIC COMPANY, INC.

Docket No. 00-0042; Decision and Order No. 18531

Superseding Revised Sheet No. 58A
Effective September 1, 1992

REVISED SHEET NO. 58A
Effective June 1, 2001

Schedule PS - Continued

Power Factor - cont.

In no case, however, shall the power factor be taken as more than 100% for the purpose of computing the adjustment.

The average monthly power factor will be determined from the readings of a kWh and Kvarh meter. The Kvarh meter shall be ratcheted to prevent reversal in the event the power factor is leading at any time.

Energy Cost Adjustment Clause:

The energy cost adjustment provided in the Energy Cost Adjustment Clause shall be added to the Customer, Demand, Energy, and Network Service charges, and Power Factor.

Integrated Resource Planning Surcharge:

The Integrated Resource Planning Surcharge shall be added to the Customer, Demand, Energy, and Network Service charges, Power Factor, and energy cost adjustment.

TERM OF CONTRACT:

Not less than one year.

RULES AND REGULATIONS:

Service supplied under this rate schedule shall be subject to the Rules and Regulations of the Company.

HAWAIIAN ELECTRIC COMPANY, INC.

Docket No. 00-0042; Decision and Order No. 18531

SHEET NO. 58B
Effective June 1, 2001

SCHEDULE PP

LARGE POWER PRIMARY VOLTAGE SERVICE

AVAILABILITY:

Applicable to large light and/or power service supplied and metered at a single voltage and delivery point. Service under this Schedule shall be delivered at a primary voltage specified by the Company.

RATES:

CUSTOMER CHARGE - \$ per customer per month: \$320.00/month

DEMAND CHARGE - \$ per kW of billing demand:

First 500 kW of billing demand - per kW	\$9.81/kW
Next 1000 kW of billing demand - per kW	\$9.32/kW
Over 1500 kW of billing demand - per kW	\$8.34/kW

ENERGY CHARGE - ¢ per kWh:

First 200 kWh/month/kW of billing demand - per kWh	7.0715 ¢/kWh
Next 200 kWh/month/kW of billing demand - per kWh	6.2884 ¢/kWh
Over 400 kWh/month/kW of billing demand - per kWh	5.9849 ¢/kWh

SECONDARY METERING ADJUSTMENT FOR SERVICE AT PRIMARY VOLTAGE:

Metering will normally be at the delivery point. For services delivered at primary voltage and metered on the secondary side of the customer's transformers which are adjacent to the delivery point, and where the metering point is approved by the Company, a secondary metering adjustment of 0.1081 ¢/kWh shall be added to the above energy charge.

HAWAIIAN ELECTRIC COMPANY, INC.

Docket No. 00-0042; Decision and Order No. 18531

SHEET NO. 58D
Effective June 1, 2001

Schedule PP - Continued

Power Factor - cont.

The average monthly power factor will be determined from the readings of a kWh and Kvarh meter. The Kvarh meter shall be ratcheted to prevent reversal in the event the power factor is leading at any time.

Energy Cost Adjustment Clause:

The energy cost adjustment provided in the Energy Cost Adjustment Clause shall be added to the Customer, Demand, and Energy charges, Secondary Metering Adjustment, and Power Factor.

Integrated Resource Planning Surcharge:

The Integrated Resource Planning Surcharge shall be added to the Customer, Demand, and Energy charges, Secondary Metering Adjustment, Power Factor, and energy cost adjustment.

TERM OF CONTRACT:

Not less than one year.

RULES AND REGULATIONS:

Service supplied under this rate schedule shall be subject to the Rules and Regulations of the Company.

HAWAIIAN ELECTRIC COMPANY, INC.

Docket No. 00-0042; Decision and Order No. 18531

SHEET NO. 58E
Effective June 1, 2001

SCHEDULE PT

LARGE POWER TRANSMISSION VOLTAGE SERVICE

AVAILABILITY:

Applicable to large light and/or power service supplied and metered at a single voltage and delivery point. Service under this Schedule shall be delivered at transmission voltage specified by the Company.

RATES:

CUSTOMER CHARGE - \$ per customer per month: \$320.00/month

DEMAND CHARGE - \$ per kW of billing demand:

First 500 kW of billing demand - per kW	\$9.67/kW
Next 1000 kW of billing demand - per kW	\$9.19/kW
Over 1500 kW of billing demand - per kW	\$8.22/kW

ENERGY CHARGE - ¢ per kWh:

First 200 kWh/month/kW of billing demand - per kWh	6.9708 ¢/kWh
Next 200 kWh/month/kW of billing demand - per kWh	6.1989 ¢/kWh
Over 400 kWh/month/kW of billing demand - per kWh	5.8997 ¢/kWh

SECONDARY METERING ADJUSTMENT FOR SERVICE AT TRANSMISSION VOLTAGE:

Metering will normally be at the delivery point. For services delivered at transmission voltage and metered on the secondary side of the customer's transformers which are adjacent to the delivery point, and where the metering point is approved by the Company, a secondary metering adjustment of 0.0865 ¢/kWh shall be added to the above energy charge.

HAWAIIAN ELECTRIC COMPANY, INC.

SHEET NO. 58F
Effective June 1, 2001

SCHEDULE PT - Continued

MINIMUM CHARGE:

The minimum monthly charge shall be the sum of the Customer and Demand charges. The Demand Charge shall be computed with the above demand charge applied to kilowatts of demand. The kilowatts of demand for the minimum charge calculation each month shall be the highest of the maximum demand for the month, the greatest maximum demand for the preceding eleven months, or the minimum billing demand specified below, rounded to one-tenth kW.

DETERMINATION OF DEMAND:

The maximum demand for each month shall be the maximum average load in kW during any fifteen-minute period as indicated by a demand meter. The billing demand for each month shall be the highest of the maximum demand for such month, or the mean of maximum demand for the current month and the greatest maximum demand for the preceding eleven (11) months, whichever is the higher, but not less than the minimum billing demand specified below, rounded to one-tenth kW:

Minimum Billing Demand:

Power Service Only	150 kW (Closed to new Customers after January 1, 1986)
Power & Lighting Service	300 kW

Power Factor:

The above demand and energy charges are based upon an average monthly power factor of 85%. For each 1% the average power factor is above or below 85%, the monthly energy and demand charges as computed above, shall be decreased or increased, respectively, by 0.10%. The power factor will be computed to the nearest whole percent. In no case, however, shall the power factor be taken as more than 100% for the purpose of computing the adjustment.

HAWAIIAN ELECTRIC COMPANY, INC.

SHEET NO. 58G
Effective June 1, 2001

Schedule PT - Continued

Power Factor - cont.

The average monthly power factor will be determined from the readings of a kWh meter and Kvarh meter. The Kvarh meter shall be ratcheted to prevent reversal in the event the power factor is leading at any time.

Energy Cost Adjustment Clause:

The energy cost adjustment provided in the Energy Cost Adjustment Clause shall be added to the Customer, Demand, and Energy charges, Secondary Metering Adjustment, and Power Factor.

Integrated Resource Planning Surcharge:

The Integrated Resource Planning Surcharge shall be added to the Customer, Demand, and Energy charges, Secondary Metering Adjustment, Power Factor, and energy cost adjustment.

TERM OF CONTRACT:

Not less than one year.

RULES AND REGULATIONS:

Service supplied under this rate schedule shall be subject to the Rules and Regulations of the Company.

HAWAIIAN ELECTRIC COMPANY, INC.

Docket No. 00-0042; Decision and Order No. 18531

Superseding Revised Sheet No. 59
Effective January 1, 1996

REVISED SHEET NO. 59
Effective January 1, 1997

SCHEDULE "F"

Public Street Lighting, Highway Lighting and
Park and Playground Floodlighting

Availability:

Applicable only to public street and highway lighting, and public outdoor park and playground floodlighting service where the customer owns, maintains and operates the lighting fixtures and interconnecting circuits and conversion equipment. This rate is applicable to gaseous discharge lighting (Mercury Vapor) provided the regulator is corrected to power factor equivalent to the addition of one (1) KVAR of capacitors for each kw of name plate rating of the regulator. Under this schedule energy shall be supplied and metered at a nominal voltage of 2400 volts or more, as specified by the Company, except as set forth below under Special Terms and Conditions.

Rate:

First	150 kwhr/month/kw of billing demand - per kwhr	12.7049 cents
All over	150 kwhr/month/kw of billing demand - per kwhr	8.7309 cents

Minimum Charge:

\$35.00 per month for each point of delivery.

Determination of Demand:

The maximum demand for each month shall be the maximum average load in kw during any fifteen-minute period as indicated by a demand meter. The billing demand for each month shall be the maximum demand for such month but not less than 50% of the greatest maximum demand for the preceding eleven months.

Optional Secondary Metering for Street and Highway Lighting:

The street and highway lighting customer may elect to be metered at a single point on the secondary side of his transformers where such point is approved by the Company. When the energy is metered on the secondary side of the customer's transformers, the monthly bill will be increased by 2%.

Special Terms and Conditions:

Multiple street lighting lamps may be individually served unmetered at secondary voltage along public streets and highways when, (1) in an overhead area, secondary voltage is available on the lamp pole or (2), in an underground area, secondary voltage is available along the public street. The total connected lamp

HAWAIIAN ELECTRIC COMPANY, INC.

Docket No. 7766, D&O 14412

Superseding Revised Sheet No. 60
Effective October 25, 1991

REVISED SHEET NO. 60
Effective September 1, 1992

SCHEDULE "F" (continued)

load per connection point shall not exceed 2 KW. A one-year contract is required for service under this provision and each such contract will remain in effect from year to year thereafter unless, after the first year, terminated by 30 days notice in writing. Each contract will constitute a point of delivery. The monthly billing demand will be the connected lamp load expressed in kilowatts times 1.05 to the nearest one-tenth kilowatt, and the monthly billing kilowatt-hours will be 340 times the billing demand. The customer will provide a switching device for each lamp to limit the annual burning time to not more than 4100 hours.

Energy Cost Adjustment Clause:

The energy cost adjustment provided in the Energy Cost Adjustment Clause shall be added to the Customer, Demand, and Energy Charges.

Integrated Resource Planning Surcharge:

The Integrated Resource Planning Surcharge shall be added to the Customer, Demand, and Energy Charges, and energy cost adjustment.

Rules and Regulations:

Service supplied under this rate shall be subject to the Rules and Regulations of the Company.

HAWAIIAN ELECTRIC COMPANY, INC.

Superseding Sheet No. 61
Effective September 1, 1992

REVISED SHEET NO. 61
Effective January 1, 1995

SCHEDULE U

TIME-OF-USE SERVICE

AVAILABILITY:

Applicable to general light and/or power loads which exceed 300 kilowatts per month and supplied and metered at a single voltage and delivery point. This Schedule cannot be used in conjunction with load management Riders "M", "T", and "I".

TIME-OF-DAY RATING PERIODS:

The time-of-day rating periods shall be as follows:

On-Peak Period: 7:00 a.m. - 9:00 p.m., daily
Off-Peak Period: 9:00 p.m. - 7:00 a.m., daily

RATE:

CUSTOMER CHARGE - per month \$215.00

DEMAND CHARGE - (To be added to Customer Charge)

All On-Peak Kw of billing demand - per Kw \$17.00

ENERGY CHARGE - (To be added to Customer and Demand Charges)

All On-Peak Kwhr per month - per Kwhr 7.823 cents

All Off-Peak Kwhr per month - per Kwhr 3.000 cents

Minimum Charge:

The monthly minimum charge shall be the sum of the Customer and the Demand Charges. The Demand Charge shall be computed with the above demand charge applied to kilowatts of demand. The kilowatts of billing demand for the minimum charge calculation for each month shall be the highest of the maximum on-peak demand for such month but not less than 300 kw.

HAWAIIAN ELECTRIC COMPANY, INC.

Superseding Sheet No. 61A
Effective October 25, 1991

REVISED SHEET NO. 61A
Effective January 1, 1995

Schedule "U" (Continued)

DETERMINATION OF TIME-OF-USE ENERGY AND DEMAND:

The Company shall install a time-of-use meter to measure the customer's energy consumption and kw load during the time-of-day rating periods. The maximum demand for the rating periods for each month shall be the maximum average load in kilowatts during any fifteen-minute period as indicated by a time-of-use meter. The on-peak kilowatts of billing demand for each month shall be the maximum on-peak demand for such month but not less than 300 kilowatts.

Power Factor:

The above energy and demand charges are based upon an average monthly power factor of 85%. For each 1% the average power factor is above or below 85%, the monthly energy and demand charges as computed under the above rates shall be decreased or increased, respectively, by 0.10%

The average monthly power factor will be determined from the readings of a Kwh meter and kVarh meter, and will be computed to the nearest whole percent and not exceeding 100% for the purpose of computing the adjustment. The kVarh meter shall be ratcheted to prevent reversal in the event the power factor is leading at any time.

Special Terms and Conditions:

Supply Voltage Delivery:

If the customer takes delivery at the Company's supply line voltage, the demand and energy charges will be decreased as follows:

Transmission voltage supplied without further transformation 3.3%
Distribution voltage supplied without further transformation 1.9%

Metering will normally be at the delivery voltage. When the customer's transformers are adjacent to the delivery point, the customer may elect to be metered at a single point on the secondary side of his transformers where such point is approved by the Company. When the energy is metered on the secondary side of the customer's transformers, the above decreases will be 2.4% and 0.7%, respectively.

HAWAIIAN ELECTRIC COMPANY, INC.

Superseding Sheet No. 61B
Effective January 1, 1995

REVISED SHEET NO. 61B
Effective January 1, 1996

Schedule "U" (Continued)

Because of the inherent operating conditions in the downtown area supplied from the Company's underground network system the Company will deliver and meter service to customers in this area at 120/208Y or 277/480Y volts (See Rule 2). The demand and energy charges will be increased 0.9%.

Energy Cost Adjustment Clause:

The energy cost adjustment provided in the Energy Cost Adjustment Clause shall be added to the Customer, Demand, and Energy Charges.

Integrated Resource Planning Surcharge:

The Integrated Resource Planning Surcharge shall be added to the Customer, Demand, and Energy Charges, and energy cost adjustment.

Rules and Regulations:

Service supplied under this rate shall be subject to the Rules and Regulations of the Company.

TERM OF CONTRACT:

Not less than five years.

HAWAIIAN ELECTRIC COMPANY, INC.

Superseding Revised Sheet No. 62
Effective August 21, 1972

REVISED SHEET NO. 62
Effective June 1, 1996

SCHEDULE "E"

Electric Service for Employees

Availability:

Applicable to all regular full-time Company employees, Company retirees, members of the Company Board of Directors, and retirees of Hawaii Electric Light Company, Inc. and Maui Electric Company, Ltd. who retired on or after January 1, 1996 and who are served by Hawaiian Electric Company, Inc. This schedule is applicable to the above customers' residential electric service in a single family dwelling unit metered and billed separately by the Company, subject to the Special Terms and Conditions specified below. This schedule does not apply where a residence and business are combined.

Rate:

The rates applicable to service under this schedule shall be two-thirds (2/3) of the current effective Schedule R rates - Residential Service, for usage up to 825 kwh per month. Energy usage above 825 kwh shall be charged the full Schedule R energy rates.

Special Terms and Conditions:

1. "Regular full-time Company employee" is defined as an employee who has successfully completed any required probationary requirements, is hired for an indefinite period, and who works no less than 40 hours per week.
2. This schedule is applicable only to primary residences.
3. Availability of this schedule terminates six months after death of eligible employee, retiree, or member of the Board of Directors.

Rules and Regulations:

Service supplied under this schedule shall be subject to the Rules and Regulations of the Company.

HAWAIIAN ELECTRIC COMPANY, INC.

Superseding Revised Sheet No. 63
Effective January 1, 1995

REVISED SHEET NO. 63
Effective January 1, 1996

ENERGY COST ADJUSTMENT CLAUSE

Applicable To

Schedule "R" - Residential Service
Schedule "E" - Electric Service For Employees
Schedule "G" - General Service - Non-Demand
Schedule "J" - General Service - Demand
Schedule "H" - Commercial Cooking, Heating, Air
Conditioning and Refrigeration Service
Schedule "P" - Large Power Service
Schedule "F" - Public Street Lighting, Highway Lighting
and Park and Playground Floodlighting
Schedule "U" - Time-of-Use Service

All terms and provisions of Schedules "R", "E", "G", "J", "H", "P", "F" and "U" are applicable, except that the Energy Cost Adjustment described below will be added to the customer bills.

All base rate schedule discounts, surcharges, and all other adjustments will not apply to the energy cost adjustment.

Energy Cost Adjustment Clause:

This Energy Cost Adjustment Clause shall include the following:

FUEL AND PURCHASED ENERGY - The above rates are based on a cost of fuel for Company generation of 287.83 cents per million Btu for fuel delivered in its service tanks and a cost for purchased energy of 3.005 cents per kilowatthour. Company-generated energy from non-fuel sources shall be considered as zero fuel cost in the determination of the composite fuel cost. When the Company-generated net energy cost is more or less than 287.83 cents per million Btu, and/or the purchased energy cost is more or less than 3.005 cents per kilowatthour, a corresponding adjustment (Energy Cost Adjustment Factor) to the energy charges shall be made. This adjustment shall be comprised of a Company Generation Component and a Purchased Energy Component.

The Company Generation Component shall be the difference in current generation cost and base generation cost, adjusted for additional revenue taxes. The current generation cost shall be determined by the current fuel cost in cents per million Btu, multiplied by a generation conversion factor of 0.011170 million Btu per kilowatthour, weighted by the proportion of current Company generation to total system net energy in kilowatthours. The base generation cost is the base fuel cost of 287.83 cents per million Btu multiplied by a generation conversion factor

HAWAIIAN ELECTRIC COMPANY, INC.

Superseding Revised Sheet No. 63A
Effective January 1, 1995

REVISED SHEET NO. 63A
Effective January 1, 1996

Energy Cost Adjustment Clause (Continued)

of 0.011170 million Btu per kilowatthour, weighted by the proportion of the 1995 test year generation to total system energy in kilowatthours.

The Purchased Energy Component shall be the difference between (1) the current purchased energy cost weighted by the proportion of current purchased energy to total system net energy, and (2) the base purchased energy cost of 3.005 cents per kilowatthour weighted by the proportion of the 1995 test year purchased energy to total system net energy, adjusted to the sales delivery level and for additional revenue taxes. The Energy Cost Adjustment Factor shall be the sum of the Generation Component and the Purchased Energy Component.

The revenue tax requirement shall be calculated using current rates of the Franchise Tax, Public Service Company Tax, and Public Utility Commission fee.

The Energy Cost Adjustment shall be effective on the date of cost change. When a cost change occurs during a customer's billing period, the Energy Cost Adjustment will be prorated for the number of days each cost was in effect.

This Energy Cost Adjustment Clause is consistent with the terms of the Company's operations and purchased energy contracts and may be revised to reflect any revisions or changes in operations and the purchased energy contracts, subject to approval by the Commission.

Reconciliation Adjustment:

In order to reconcile any differences that may occur between recorded and forecasted Energy Cost Adjustment Clause revenues, the year-to-date recorded revenue from the Energy Cost Adjustment Clause will be compared with the year-to-date revenue expected from the Energy Cost Adjustment Clause on a quarterly basis. If there is a variance between the recorded Energy Cost Adjustment Clause revenue and the expected Energy Cost Adjustment Clause revenue, an adjustment, lagged by two months, shall be made to the Energy Cost Adjustment Clause to reconcile the revenue variance over the sales estimated for the subsequent quarter.

HAWAIIAN ELECTRIC COMPANY, INC.

Superseding Sheet No. 64
Effective July 15, 1981

REVISED SHEET NO. 64
Effective January 1, 1986

RIDER "I"

Interruptible Contract Service

Availability:

This Rider is applicable to service supplied and metered at a single voltage and delivery point where 500 kw or greater is subject to disconnection by the utility under the terms and conditions as set forth in the contract agreement.

Rates:

Reduction in demand charge as set forth in a contract between the customer and the utility and approved by the Public Utilities Commission.

Term of Contract:

Not less than five years.

HAWAIIAN ELECTRIC COMPANY, INC.

PUC Order Nos.
8570 and 8582

Superseding Revised Sheet No. 65
Effective January 1, 1996

REVISED SHEET NO. 65
Effective February 1, 1998

RIDER "M"

Off-Peak and Curtailable Service

AVAILABILITY:

This Rider is available to customers served under rate Schedule "J" or "P", whose maximum measured demands prior to any load modifications effected under this rider, exceed 100 and 300 kilowatts, respectively. This Rider cannot be used in conjunction with Rider T, Rider I and Schedule U.

RATES:

A. Basic Rates

The rate(s) for service under this Rider shall be as specified under the regular Schedule "J" or "P", whichever is applicable, except that the Minimum Charge and the determination of billing demand used in the calculation of demand and energy charges shall be as defined below, subject to the requirements under the Determination of Demand provision of the applicable rate schedule.

The customer shall select Option A - Off-Peak Service or Option B - Curtailable Service:

OPTION A - OFF-PEAK SERVICE:

- 1) Any demand occurring during the off-peak period shall not be considered in determining the billing kW demand for each month, but shall be used in determining the excess off-peak charge. Only the maximum kW demand occurring during the on-peak period shall be used in the determination of the billing kW demand for the calculation of the demand charge, energy charge and minimum charge as specified in the regular Schedule J or P.
- 2) An excess Off-Peak Charge of \$2.00 per kilowatt shall be added to the regular rate schedule charges for each kilowatt that the maximum off-peak demand exceeds the maximum demand during of the on-peak period.

HAWAIIAN ELECTRIC COMPANY, INC.

Transmittal letter dated December 31, 1997.

Superseding Revised Sheet No. 65A
Effective January 1, 1995

REVISED SHEET NO. 65A
Effective February 1, 1998

RIDER "M" (continued)

- 3) For calculation of the excess off-peak charge for each month, the maximum off-peak demand and maximum demand during the on-peak period shall be the highest measured demands during the respective periods for such month.
- 4) The time-of-use rating period shall be defined as follows:
On-Peak Period: 7 a.m. - 9 p.m. Fourteen hours, Daily
Off-Peak Period: 9 p.m. - 7 a.m. Ten hours, Daily
- 5) The monthly minimum charge shall be the sum of the customer charge, demand charge, Excess Off-Peak Charge, and Time-of-Day Metering Charge specified below.

OPTION B - CURTAILABLE SERVICE:

- 1) A customer who chooses curtailable service shall curtail his/her kW demand during the Company's curtailment hours, and shall indicate the load that he/she is willing to curtail. This curtailable load must be load that is normally operated during the Company's curtailment hours and must be at least 50 and 150 horsepower for motor loads under Schedules "J" and "P" respectively, or 50 and 150 kilowatts for other than motor loads.
- 2) The Company may install a meter, in accordance with Rule 14, to measure the customer's curtailable load prior to the start of curtailable service under this Rider.
- 3) For billing purposes, the curtailed kW demand shall be determined monthly as the difference between the maximum kW demands outside of the curtailment hours and the maximum kW

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Transmittal letter dated December 31, 1997.

Superseding Revised Sheet No. 65B
Effective January 1, 1995

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Effective February 1, 1998

RIDER "M" (Continued)

demand during the curtailment hours measured for each month, but not to exceed the curtailable kW load specified in the customer's Rider M contract.

- 4) The customer shall choose one of the curtailment periods specified below. The billing demand under this curtailable service option shall be the normal billing demand under Schedule "J" or "P" reduced by:

Option 1) 75% of the curtailed kilowatt demand if the curtailment period is fixed throughout the year from 5 p.m. to 9 p.m., Monday through Friday; or

Option 2) 40% of the curtailed kilowatt demand if the curtailment period is two (2) consecutive hours as specified by the Company.

- 5) The monthly minimum charge shall be the sum of the customer charge, demand charge, and the Time-of-Day Metering Charge specified below.

Where the Company specifies the curtailment period, the Company shall give the customer at least 30 days notice prior to changing the curtailment period.

B. TIME-OF-DAY METERING CHARGE:

The Company shall install a time-of-use meter to measure the customer's maximum kW load during the time-of-day rating periods and curtailment periods.

An additional time-of-day metering charge of \$10.00 per month shall be assessed to cover the additional cost of installing, operating, and maintaining a time-of-use meter.

Superseding Sheet No. 65C
Effective January 1, 1995

REVISED SHEET NO. 65C
Effective February 1, 1998

RIDER "M" (continued)

C. TERMS OF CONTRACT:

1. The initial term of contract shall be at least 3 years. Thereafter, the contract shall continue from year-to-year until terminated by either party by a 30-day written notice.
2. A customer applying for service under this Rider shall sign a standard Rider M contract form with the Company.
3. The customer shall be allowed to take service under this Rider for a six-month trial period without penalty for termination within this period.
4. If the contract is terminated after the first six-months trial period, but before the first three-year period which begins from the start date of the customer's service under this Rider, the customer shall be assessed a termination charge equal to the last six months discount received under this Rider.
5. The customer may request a change of Rider options (Option A - Off-Peak Service or Option B - Curtailable Service) or curtailment hours (Options 1 or 2 under Curtailable Service) by providing a 30-day written notice to the Company. The change will become effective after the next regular meter reading following the receipt of such written notice by the Company, provided however, the Company may not be required to make such change until 12 months of service has been rendered after the last change, unless a new or revised Rider has been authorized, or unless a customer's operating conditions have altered so as to warrant such change.
6. If under the curtailable service option the customer fails to curtail his maximum demand during the curtailment period three times within a twelve-month period, the Company may terminate the Rider M contract by a 30-day written notice to the customer. If service under this Rider

HAWAIIAN ELECTRIC COMPANY, INC.

Transmittal letter dated December 31, 1997.

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Effective February 1, 1998

RIDER "M" (continued)

is terminated due to the customer's failure to curtail his demand as provided in the contract, the customer shall be assessed a termination charge equal to the last six months discount received under this Rider.

7. Service supplied under this Rider shall be subject to the Rules and Regulations of the Company.

HAWAIIAN ELECTRIC COMPANY, INC.

Transmittal letter dated December 31, 1997.

Superseding Sheet No. 67
Effective October 25, 1991

REVISED SHEET NO. 67
Effective January 1, 1995

RIDER T
TIME-OF-DAY RIDER

AVAILABILITY:

This rider is available to customers on rate Schedule J or P but cannot be used in conjunction with the load management Rider M, Rider I or Schedule U.

TIME-OF-DAY RATING PERIODS:

The time-of-day rating periods under this Rider shall be as follows:

On-Peak Period: 7:00 a.m. - 9:00 p.m., Daily
Off-Peak Period: 9:00 p.m. - 7:00 a.m., Daily

RATE:

The rate(s) for service under this Rider including the Customer Charge, Energy Charge, and Demand Charge shall be as specified in the regular rate Schedule J or P, except that the following charges shall be added:

TIME-OF-DAY METERING CHARGE - per month \$10.00

TIME-OF-DAY ENERGY CHARGE ADJUSTMENTS:

On-Peak Energy Surcharge - all on-peak kwh +2.00 cents/kwh
Off-Peak Energy Credit - all off-peak kwh -3.00 cents/kwh

MINIMUM CHARGE:

The Minimum Charge shall be as specified under the regular rate schedule except that it shall include the Time-of-Day Metering Charge. In addition, the monthly average energy charge computed from the regular energy charge and the above Time-of-Day energy charge adjustments including the energy cost adjustment, cannot be lower than the off-peak avoided energy cost at the metering point.

DETERMINATION OF DEMAND:

The Determination of Demand shall be as specified in the regular rate schedule, except that only the on-peak Kw demand shall be used in the determination of the kilowatts of billing demand for the Demand Charge, the regular Energy Charge and the Minimum Charge calculations.

HAWAIIAN ELECTRIC COMPANY, INC..

Superseding Sheet No. 67A
Effective October 25, 1991

REVISED SHEET NO. 67A
Effective January 1, 1995

Rider T (Continued)

VOLTAGE SERVICE AND POWER FACTOR ADJUSTMENTS:

The voltage service and power factor adjustments shall be as specified in the regular rate schedule.

MEASUREMENT OF TIME-OF-DAY ENERGY AND DEMAND:

The Company shall install a time-of-use meter to measure the customer's energy consumption and maximum kw demand during the time-of-day rating periods.

TERMS OF AGREEMENT:

A customer applying for service under this Rider shall sign a standard Rider T contract form with the Company. Service under this Rider shall not be less than five years. The customer may terminate service under this Rider during the first six months without penalty. If the customer terminates service after the first six months but before the end of the first five-year period which begins from the start date of the customer's service under this Rider, the customer shall be charged a termination fee equal to the amount of the last six months of discount received under this Rider.

HAWAIIAN ELECTRIC COMPANY, INC.

Superseding Revised Sheet No. 68
Effective June 1, 2004

REVISED SHEET NO. 68
Effective July 1, 2004

INTEGRATED RESOURCE PLANNING
COST RECOVERY PROVISION

- Supplement To
- Schedule R - Residential Service
 - Schedule TOU-R - Residential Time-of-Use Pilot Program
 - Schedule E - Electric Service For Employees
 - Schedule G - General Service Non-Demand
 - Schedule J - General Service Demand
 - Schedule H - Commercial Cooking, Heating, Air
Conditioning, and Refrigeration Service
 - Schedule PS - Large Power Secondary Voltage Service
 - Schedule PP - Large Power Primary Voltage Service
 - Schedule PT - Large Power Transmission Voltage Service
 - Schedule F - Public Street Lighting, Highway Lighting
and Park and Playground Floodlighting
 - Schedule U - Time of Use Service

All terms and provisions of Schedules R, TOU-R, E, G, J, H, PS, PP, PT, F, and U, are applicable except that the total base rate charges for each billing period shall be increased by the following Integrated Resource Planning (IRP) Cost Recovery Adjustment, Residential Demand-Side Management (DSM) Adjustment, and Commercial and Industrial Demand-Side Management (DSM) Adjustment:

A: INTEGRATED RESOURCE PLANNING COST RECOVERY ADJUSTMENT:

All Rate Schedules0.000 percent

The total base rate charges for all rate schedules shall be increased by the above Integrated Resource Planning Cost Recovery Adjustment, which is based on the recovery of the _____ IRP Planning Costs and the reconciliation of _____ IRP Planning Costs, including interest and taxes, of \$ _____, as approved by the Public Utilities Commission.

The total base rate charges for the current billing period shall include all base rate schedule charges, discounts, surcharges, or base rate adjustments, excluding the Energy Cost Adjustment, Residential DSM Adjustment, and Commercial and Industrial DSM Adjustment and temporary Rate Adjustment.

B: Residential Demand-Side Management (DSM) Adjustment:

Schedule R - per kwh0.2740 ¢/kWh

The total residential monthly bill shall include the above Residential DSM adjustment applied to all kWh per month. The above Residential DSM adjustment is based on recovering \$5,769,023 for the 2004 residential program costs and lost revenue margins, the reconciliation of the 2003 program cost recovery including lost revenue margins and revenue taxes, and the 2003 shareholder incentives, for which recovery has been approved by the Public Utilities Commission.

HAWAIIAN ELECTRIC COMPANY, INC.

Transmittal Letter Dated June 30, 2004.

Superseding Revised Sheet No. 68A
Effective May 1, 2004

REVISED SHEET NO. 68A
Effective June 1, 2004

Integrated Resource Planning Cost Recovery Provision - Continued

C: Commercial and Industrial Demand-Side Management (DSM)
Adjustment:

Schedules G, J, H, PS, PP, PT, U - per kWh0.2379¢/kWh

The total monthly bill for Schedules G, J, H, PS, PP, PT, and U customers shall include the above Commercial and Industrial DSM adjustment applied to all kWh per month. The above adjustment is based on recovering \$13,443,556 for the 2004 program costs and lost revenue margins, the reconciliation of the 2003 C&I program costs including the lost revenue margins and revenue taxes, and the 2003 shareholders incentives, for which recovery has been approved by the Public Utilities Commission.

RECONCILIATION ADJUSTMENT: (To be added to Integrated Resource Planning Cost Recovery Adjustment, Residential DSM Adjustment, and Commercial and Industrial DSM Adjustment):

In order to reconcile any differences that may occur between the above costs to be recovered and the revenues received from the above adjustments, recorded revenues will be compared with the above costs. The Integrated Resource Planning Cost Recovery Adjustment, Residential DSM Adjustment, and the Commercial and Industrial DSM Adjustment will be reconciled annually. If there is a variance between the recorded revenues from the adjustments and the costs to be recovered, a reconciliation adjustment, lagged by two months, will be made to the above adjustments.

HAWAIIAN ELECTRIC COMPANY, INC.

Transmittal Letter Dated May 28, 2004.

Superseding Revised Sheet No. 81
Effective January 1, 1995

REVISED SHEET NO. 81
Effective January 1, 1996

SCHEDULE "Q"

Purchases From Qualifying Facilities - 100 KW or Less

Availability:

This schedule is available to customers with cogeneration and/or small power production facilities which qualify under the Commission's Rules, Chapter 74 of Title 6, Subchapter 2 with a design capacity of 100 kilowatts or less. Such qualifying facilities (QF's) shall be designed to operate properly in parallel with the Company's system without adversely affecting the operations of its customers and without presenting safety hazards to the Company's or other customer's personnel. The customer shall comply with the Company's requirements for customer generation interconnected with the utility system.

Energy delivered to the customer by the Company will be metered separately from the energy delivered by the customer to the Company.

Rate for Energy Delivered to the Company by Customer

The Company will pay for energy as follows:

All kwh per month - per kwhr 3.67 cents

Metering Charge:

There is a monthly charge to the customer for metering, billing and administration of the interconnection for purchase power as follows:

Single phase service - per month \$ 5.00
Three phase service - per month \$10.00

Energy Delivered to the Customer by the Company:

Energy delivered to the customer shall be billed on an applicable Company rate schedule.

System Compatibility:

The customer must deliver electric power at 60 hertz and the same phase and voltage as the customer receives service from the Company.

HAWAIIAN ELECTRIC COMPANY, INC.

Superseding Revised Sheet No. 81A
Effective January 1, 1995

REVISED SHEET NO. 81A
Effective January 1, 1996

SCHEDULE "Q" (continued)

Interconnection Facilities:

The customer shall furnish, install, operate and maintain facilities such as relays, switches, synchronizing equipment, monitoring equipment and control and protective devices designated by the Company as suitable for parallel operation with the Company system. Such facilities shall be accessible at all times to authorized Company personnel. All designs should be approved by the Company prior to installation.

If additional Company facilities are required or the existing facilities must be modified to accept the QF's deliveries, the QF shall make a contribution for the cost of such additional facilities.

Contract:

The Company shall require a contract specifying technical and operating aspects of parallel generation.

Energy Cost Adjustment Clause:

The above rate for energy delivered to the Company by the Customer is based on a cost of fuel for Company generation of 287.83 cents per million Btu for fuel delivered in its service tanks. Effective the first day of January, April, July, and October an Adjustment shall be made to reflect the Company-generated fuel cost on file with the Commission and shall be effective for the following three months.

The Adjustment shall be the sum of the time-weighted on-peak adjustment (14 hours of 24 hours) and off-peak adjustment (10 hours of 24 hours). On-peak and off-peak adjustments shall be determined by the amount of the Company-generated fuel cost increase or decrease (in terms of cents per million Btu) from the base of 287.83 cents per million Btu multiplied by an on-peak heat rate of 13,382 Btu per net kilowatthour and an off-peak heat rate of 9,929 Btu per net kilowatthour.

This Energy Cost Adjustment Clause is consistent with the terms of the Company's operations and may be revised to reflect any revisions or changes in operations, subject to approval by the Commission.

HAWAIIAN ELECTRIC COMPANY, INC.

Superseding Sheet No. 82
Effective October 23, 1996

REVISED SHEET NO. 82
Effective January 1, 1999

GREEN PRICING PROGRAM PROVISION

AVAILABILITY:

Available to all residents/non-residents of the Island of Oahu who wish to make voluntary contributions for the development of renewable energy resources on Oahu.

GREEN PRICING PROGRAM:

The objective of the Green Pricing Program is to encourage the development of Hawaii's renewable energy resources. The participant's voluntary contributions under the Green Pricing Program Provision are used to develop renewable energy facilities.

The Company's Sun Power for Schools Pilot Program is a pilot project under which photovoltaic systems are installed on selected public schools on the Island of Oahu. The participating school will own the photovoltaic facility and use the energy produced by the system at no cost. Contributions received from the participants in this Green Pricing Program Provision are used to help fund this pilot program.

Other renewable energy projects may be developed in the future as part of the Company's Green Pricing Program, depending on the availability of contributions received from this Green Pricing Program Provision.

VOLUNTARY PARTICIPATION:

1. Participation in the Green Pricing Program through the Green Pricing Program Provision, is voluntary and may be terminated by the participant at any time.
2. Any resident/non-resident of the Island of Oahu may contribute to the Green Pricing Program through the Green Pricing Program Provision by completing a standard program sign-up form which indicates the participant's mailing address, electric service account number (if participant is currently a HECO customer), and the contribution payment option desired. The Green Pricing Program Provision contribution payment options are listed below.

HAWAIIAN ELECTRIC COMPANY, INC.

Transmittal Letter Dated October 8, 1998.

Superseding Sheet No. 82A
Effective October 23, 1996

REVISED SHEET NO. 82A
Effective January 1, 1999

GREEN PRICING PROGRAM PROVISION (Continued)

3. A participant may terminate his/her voluntary contribution to the Green Pricing Program at any time by submitting a written or telephonic request to the Company to terminate participation in the Green Pricing Program Provision.

CONTRIBUTION PAYMENT OPTIONS:

A participant will specify the amount of his/her voluntary contribution (in whole dollars) and shall elect one of the following payment options:

- Option 1: Monthly Contribution - the participant will be billed monthly based on the participant's specified dollar contribution amount.
- Option 2: One Time Contribution - the participant will be billed one time for one lump sum contribution.

TERMS AND CONDITIONS:

1. Payments received by the Company shall be applied first to the participant's outstanding electric service bill balance, if any, and the remainder shall be applied to the participant's contribution to the Green Pricing Program under the Green Pricing Program Provision.
2. Electric Service will not be terminated if the participant fails to make contribution payments under the Green Pricing Program Provision.
3. The Company may terminate a participant's participation in the Green Pricing Program Provision, if the participant fails to make contribution payments for two (2) consecutive months.
4. The Company's late payment charge shall not apply to the participant's voluntary contributions under the Green Pricing Program Provision.

HAWAIIAN ELECTRIC COMPANY, INC.

Transmittal Letter Dated October 8, 1998.

SHEET NO. 83
Effective July 6, 1998

RIDER EV-R

RESIDENTIAL ELECTRIC VEHICLE CHARGING SERVICE

AVAILABILITY:

This Rider is applicable to electric charging service of electric vehicles in a residential dwelling unit. Electric vehicle charging service under this Rider shall be separately metered from residential power service served under Schedule R or Schedule E, and shall be supplied at a secondary voltage as specified by the Company.

RATES:

TIME-OF-USE METERING CHARGE - per month \$4.00

TIME-OF-USE ENERGY CHARGE:

On-Peak Energy Charge - per on-peak Kwh 11.2954 ¢/kwh
Off-Peak Energy Charge - per off-peak Kwh 5.0556 ¢/kwh

MINIMUM CHARGE:

The Minimum Charge shall be the Time-of-Use Metering Charge.

DETERMINATION OF TIME-OF-USE ENERGY USAGE:

The Company shall install time-of-use metering equipment to measure the customer's electric vehicle charging kilowatthour usage by time-of-day rating periods defined below.

TIME-OF-USE RATING PERIODS:

The Time-of-Day rating periods under this Rider shall be as follows:

On-Peak Period: 7:00 a.m. - 9:00 p.m., Monday-Friday
Off-Peak Period: 9:00 p.m. - 7:00 a.m., Daily
7:00 a.m. - 9:00 p.m., Saturday-Sunday

HAWAIIAN ELECTRIC COMPANY, INC.

Transmittal Letter Dated June 5, 1998.

SHEET NO. 83A
Effective July 6, 1998

RIDER EV-R (continued)

ENERGY COST ADJUSTMENT CLAUSE:

The energy cost adjustment provided in the Energy Cost Adjustment Clause shall be added to the Time-of-Use Metering Charge and Energy Charge.

INTEGRATED RESOURCE PLANNING COST RECOVERY PROVISION:

The Integrated Resource Planning Cost Recovery Provision shall be added to the Time-of-Use Metering Charge, Time-of-Use Energy Charge, and Energy Cost Adjustment.

RULES AND REGULATIONS:

Service supplied under this Rider shall be subject to the Rules and Regulations of the Company.

HAWAIIAN ELECTRIC COMPANY, INC.

Transmittal Letter Dated June 5, 1998.

SHEET NO. 84
Effective July 6, 1998

RIDER EV-C

COMMERCIAL ELECTRIC VEHICLE CHARGING SERVICE

AVAILABILITY:

This Rider is applicable to commercial electric charging service of electric vehicles. Electric vehicle charging service shall be separately metered from other power service served under the applicable rate schedule for general power service. Service under this Rider will be supplied through a single meter at a secondary voltage as specified by the Company.

If a customer's electric vehicle charging load is less than or equal to 5000 kwh per month, and less than 25 kw, the Time-of-Use Energy Charge for Non-Demand Service shall apply.

If a customer's electric vehicle charging load exceeds 5000 kwh per month or in the opinion of the Company, equals or exceeds 25 kw of demand three times in a twelve-month period, a time-of-use demand meter will be installed and the Time-of-Use Energy Charge and the On-Peak Demand Charge for Demand Service shall apply.

RATES:

TIME-OF-USE METERING CHARGE - per month \$10.00

Non-Demand Service:

TIME-OF-USE ENERGY CHARGE - (To be added to Time-of-Use Metering Charge)

On-Peak Energy Charge - per on-peak Kwh 11.1570 ¢/kwh
Off-Peak Energy Charge - per off-peak Kwh 5.3085 ¢/kwh

Demand Service:

TIME-OF-USE ENERGY CHARGE - (To be added to Time-of-Use Metering Charge)

On-Peak Energy Charge - per on-peak Kwh 8.6900 ¢/kwh
Off-Peak Energy Charge - per off-peak Kwh 5.3085 ¢/kwh

ON-PEAK DEMAND CHARGE - (To be added to Time-of-Use Metering and Time-of-Use Energy Charges)

All On-Peak billing demand - per kw per month \$5.75

HAWAIIAN ELECTRIC COMPANY, INC.

Transmittal Letter Dated June 5, 1998.

SHEET NO. 84A
Effective July 6, 1998

RIDER EV-C (continued)

MINIMUM CHARGE:

Non-Demand Service: Time-of-Use Metering Charge.

Demand Service: Sum of Time-of-Use Metering Charge and On-Peak Demand Charge.

DETERMINATION OF TIME-OF-USE ENERGY USAGE:

The Company shall install time-of-use metering equipment to measure the customer's electric vehicle charging kilowatt demand and kilowatthour usage by time-of-day rating periods defined below. The on-peak billing kw per month shall be the maximum on-peak demand for such month but not less than 25 kw. The maximum on-peak demand for each month shall be the maximum average on-peak load in kw during any fifteen-minute period as indicated by a time-of-use meter.

TIME-OF-USE RATING PERIODS:

The Time-of-Day rating periods under this Rider shall be as follows:

On-Peak Period:	7:00 a.m. - 9:00 p.m., Monday-Friday
Off-Peak Period:	9:00 p.m. - 7:00 a.m., Daily
	7:00 a.m. - 9:00 p.m., Saturday-Sunday

ENERGY COST ADJUSTMENT CLAUSE:

The energy cost adjustment provided in the Energy Cost Adjustment Clause shall be added to the Time-of-Use Metering Charge, Energy Charge, and On-Peak Demand Charge.

INTEGRATED RESOURCE PLANNING COST RECOVERY PROVISION:

The Integrated Resource Planning Cost Recovery Provision shall be added to the Time-of-Use Metering Charge, Time-of-Use Energy Charge, On-Peak Demand Charge, and Energy Cost Adjustment.

RULES AND REGULATIONS:

Service supplied under this Rider shall be subject to the Rules and Regulations of the Company.

HAWAIIAN ELECTRIC COMPANY, INC.

Transmittal Letter Dated June 5, 1998.

SHEET NO. 86
Effective May 12, 2003
Through May 12, 2006

SCHEDULE TOU-R

RESIDENTIAL TIME-OF-USE SERVICE PILOT PROGRAM

AVAILABILITY:

Applicable to residential power service metered and billed separately by the Company. This Schedule TOU-R is available on a pilot basis from May 12, 2003 to May 12, 2006, and is limited to approximately 200 customers who will be selected to participate in the pilot program in accordance with Term and Condition No. 1. This Schedule does not apply where a residence and business are combined. Service under this Schedule will be delivered at secondary voltage specified by the Company.

RATES:

CUSTOMER CHARGE - \$ per customer per month:

Single-Phase Service - per month	\$8.00/month
Three-Phase Service - per month	\$16.00/month

TIME-OF-USE ENERGY CHARGE - ¢ per kWh:

(Option 1 or Option 2 will be randomly assigned)

Option 1:

Priority Peak Period - All Priority Peak kWh	15.2954 ¢/kWh
Mid-Peak Period - All Mid-Peak kWh	13.2954 ¢/kWh
Off-Peak Period - All Off-Peak kWh	8.2954 ¢/kWh

Option 2:

Priority Peak Period - All Priority Peak kWh	16.2954 ¢/kWh
Mid-Peak Period - All Mid-Peak kWh	13.2954 ¢/kWh
Off-Peak Period - All Off-Peak kWh	6.2954 ¢/kWh

HAWAIIAN ELECTRIC COMPANY, INC.

Transmittal No. 03-01 Dated April 10, 2003.
PUC Order No. 20128 Dated April 17, 2003.

SHEET NO. 87
Effective May 12, 2003
Through May 12, 2006

Schedule TOU-R - Continued

MINIMUM CHARGE:

The monthly Minimum Charge shall be \$16.00.

TIME-OF-USE RATING PERIODS:

The time-of-use rating periods under this Schedule shall be defined as follows:

Priority Peak:	5:00 p.m.-9:00 p.m., Monday-Friday
Mid-Peak:	7:00 a.m.-5:00 p.m., Monday-Friday
	7:00 a.m.-9:00 p.m., Saturday-Sunday
Off-Peak:	9:00 p.m.-7:00 a.m., Daily

DETERMINATION OF TIME-OF-USE ENERGY:

The Company shall install, own, operate and maintain a time-of-use meter to measure the customer's kWh energy consumption during the time-of-use rating periods.

TERMS AND CONDITIONS:

1. The approximately 200 participants in the pilot program will be solicited from the randomly selected 1,660 sample customers in the recent HECO appliance survey. If more than 200 customers indicate intent in participating in the pilot program, HECO will select the 200 participants by random lottery.

HAWAIIAN ELECTRIC COMPANY, INC.

Transmittal No. 03-01 Dated April 10, 2003.
PUC Order No. 20128 Dated April 17, 2003.

SHEET NO. 88
Effective May 12, 2003
Through May 12, 2006

Schedule TOU-R - Continued

TERMS AND CONDITIONS - Continued

If less than 200 customers indicate an interest in participating in the pilot program, all applicants will be accepted in the pilot program. Additional participants may be solicited from a random sample of other residential customers to achieve the target program size of 200 participants.

2. The Company shall meter the customer's energy usage pattern for one to three months before the customer's service start date under this Schedule, to allow the Company to gather the customer's baseline load profile.
3. The Company shall install the time-of-use meter in accordance with Rule 14. Although the existing service equipment is expected to be used, the customer shall provide, install, and maintain the service equipment specified in Rule 14, such as all the conductors, service switches, meter socket, meter panel, and other similar devices required for service connection and meter installations on the customer's premises.
4. The Company may request a customer to allow the Company shared-use of its telephone line to enable the Company to remotely download the customer's usage data from the meter.
5. A customer may terminate participation in the pilot program and return to the regular Schedule R at any time without penalty, by a written notice to the Company. The change shall become effective at the start of the next regular billing period following the date of receipt by the Company of the notice from the customer.

HAWAIIAN ELECTRIC COMPANY, INC.

Transmittal No. 03-01 Dated April 10, 2003.
PUC Order No. 20128 Dated April 17, 2003.

SHEET NO. 89
Effective May 12, 2003
Through May 12, 2006

Schedule TOU-R - Continued

TERMS AND CONDITIONS - Continued

If a customer elects to discontinue service under this Schedule, the customer will not be permitted to return to this Schedule.

6. Customers will be randomly assigned under the Option 1 and Option 2 time-of-use energy rates.
7. Participants in the Schedule TOU-R pilot program will be required to complete pre-pilot and post-pilot surveys for use in the program evaluation.

ENERGY COST ADJUSTMENT CLAUSE:

The energy cost adjustment provided in the Energy Cost Adjustment Clause shall be added to the Customer and Energy Charges.

INTEGRATED RESOURCE PLANNING COST RECOVERY PROVISION:

The Integrated Resource Planning Surcharge shall be added to the Customer and Energy Charges, and energy cost adjustment.

RULES AND REGULATIONS:

Service supplied under this rate schedule shall be subject to the Rules and Regulations of the Company.

HAWAIIAN ELECTRIC COMPANY, INC.

Transmittal No. 03-01 Dated April 10, 2003.
PUC Order No. 20128 Dated April 17, 2003.