

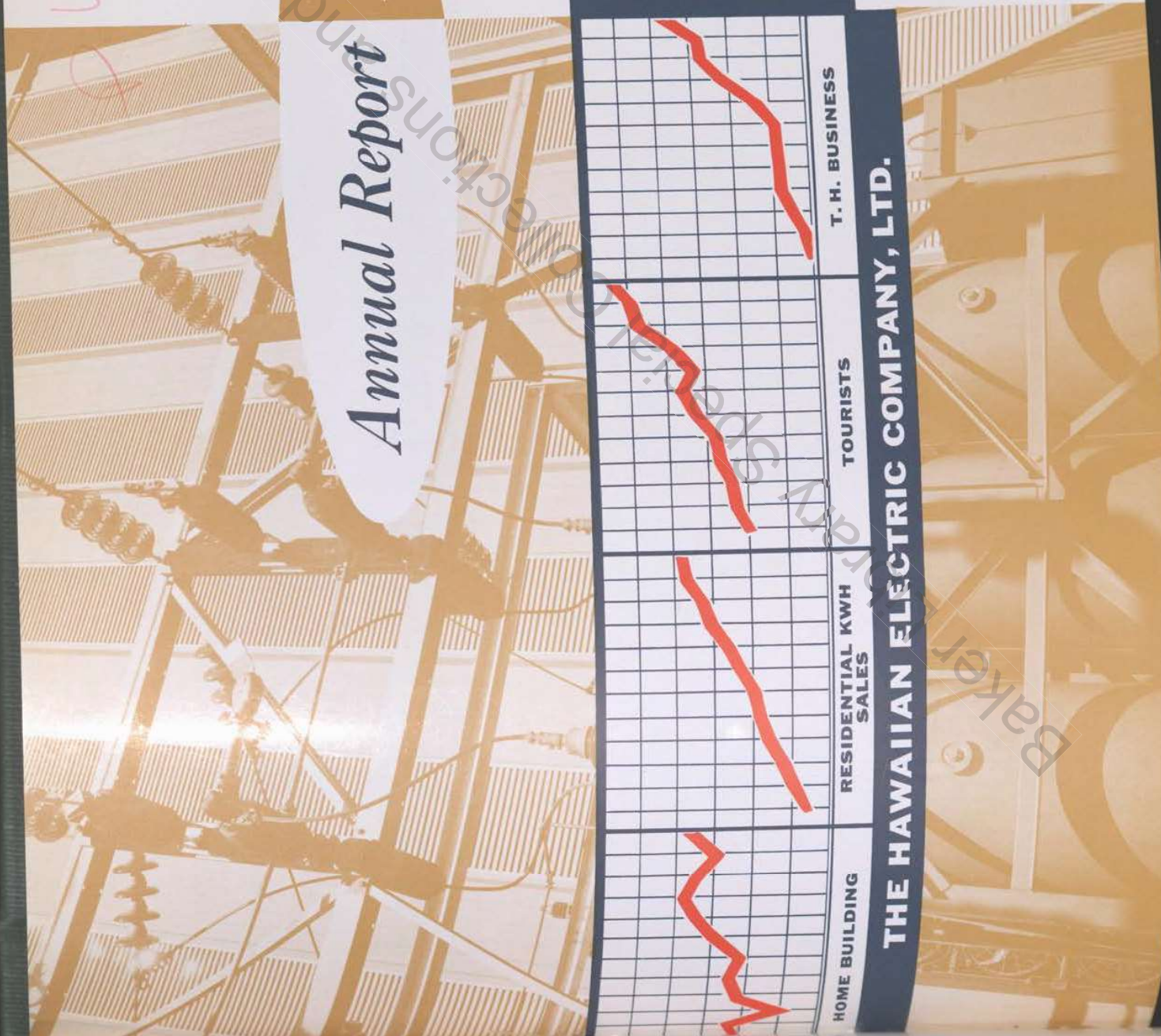
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Annual Report 1955

A year of growth
- for company
and community



THE HAWAIIAN ELECTRIC COMPANY, LTD.



THE HAWAIIAN ELECTRIC COMPANY, LTD.

HIGHLIGHTS

UTILITY REVENUE UP 14.57% over 1954 to a new high total of \$18,301,214.

NET INCOME UP 15.69% over 1954 to a record high of \$2,642,096.

COMMON STOCK EARNED \$3.16 PER SHARE on 700,000 shares, as compared with \$2.65 per share in 1954.

DIVIDEND OF \$2.50 PER SHARE was paid on the common stock.

ELECTRIC CUSTOMERS TOTALED 94,915 at December 31, 1955, increasing by 4,339 or 4.8%.

AVERAGE RESIDENTIAL USE OF ELECTRICITY INCREASED TO 3,788 kwh, 8% over 1954 and about 37% above the national average.

POWER PRODUCTION UP 10.78% over 1954, with a total of 880,835,145 kilowatt hours generated.

NEW GENERATOR ORDERED, with capability of 50,000 kilowatts, for addition to the Honolulu Power Plant. Completion estimate is the middle of 1957.

SUBSIDIARY FORMED, to be known as Honolulu Electrical Products Co., Ltd., to conduct merchandise operations of the Company. All stock is owned by The Hawaiian Electric Company, Limited.

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THE COMPANY	BACK COVER
	BACK COVER



Letter from the President

The year 1955 was a good one for the Company, as indicated by an earning of \$3.16 per share on the 700,000 shares of common stock as compared with \$2.65 in 1954. Complete results of the Company's operations are covered in detail in the following report.

Rejection by the Public Utilities Commission of our application for authority to issue a common stock dividend and to issue and sell \$5,000,000 of preferred stock has necessitated some delay in execution of the Company's financing plan. The Company believes that issuing these securities is sound and in the best interests of the consumers and shareholders. The proposed stock dividend would cost the Company nothing at the time of distribution; it would not require increased payout of dividends in the future; it would have no effect on electric rates charged to consumers. The total money distributed as dividends is determined by the amount of earnings available for dividend payment. Electric rates are determined by an allowed return on the average depreciated rate base. When a course of action in the furtherance of our financing plan is decided, shareholders will be advised.

In reviewing the year, Hawaii's rapidly expanding economy is evident. New hotels and apartment-hotels in the Waikiki area added approximately 1,600 rooms, an increase of 40% over 1954. Tourists spent an estimated \$60,000,000 in the Islands, an increase of \$11,000,000 over 1954. Fifty-five new subdivisions were completed and some 3,000 new residences were constructed. The military establishment spent in excess of \$300,000,000 for supplies, services and payroll as compared with \$256,000,000 in 1954. Hawaii's sugar industry produced 1,140,000 tons of sugar, 88,000 tons over the quota set by the Federal government. Employment on Oahu was at a high level all year, and personal income upon the island ever. These factors had an expansive effect upon the electric service and revenue of the Company.

With the economic growth of Hawaii, various civic groups and public-spirited individuals have expressed a natural desire to improve the physical appearance of our community by placing electric wires underground. The Company sympathizes with this desire and will continue to work toward placing its distribution facilities underground wherever it

is economically feasible. In most cases, it will not be sound economy for the Company to pay for the additional cost of underground service.

Rates of the Company are based upon service being supplied by overhead lines, and this Company will contribute to the cost of underground service an amount equal to what it would cost to build overhead service. We ask the customers requesting underground service to bear the additional cost. In this manner, we are able to spread the cost of standard overhead service equitably among all consumers. This is recognized common practice among American privately-owned utility companies.

Looking to the future, many factors point to continued economic growth of Hawaii and particularly on the Island of Oahu—the proposed Standard Oil Company of California refinery, continued building of new civilian and military housing, new large hotel construction, a \$50,000,000 highway-expansion program, additions to the Matson Navigation Company's fleet of passenger liners on the Hawaiian and Australian trade routes, and announced expansion of air transportation companies with jet airliners for Hawaiian traffic.

Studies by our Industrial Development Section indicate that prospects for new industries are favorable. Hawaii now purchases \$400,000,000 of Mainland goods annually, which is an indication of the size of the Hawaiian market. Hawaii has a young, growing population which is adept at learning new skills, and our climate is conducive to year-around operations without expensive heating or building.

Technological developments of great importance to the electric utility industry in the field of atomic energy are progressing rapidly. Over one hundred types of atomic reactors have been proposed for application in the power field.

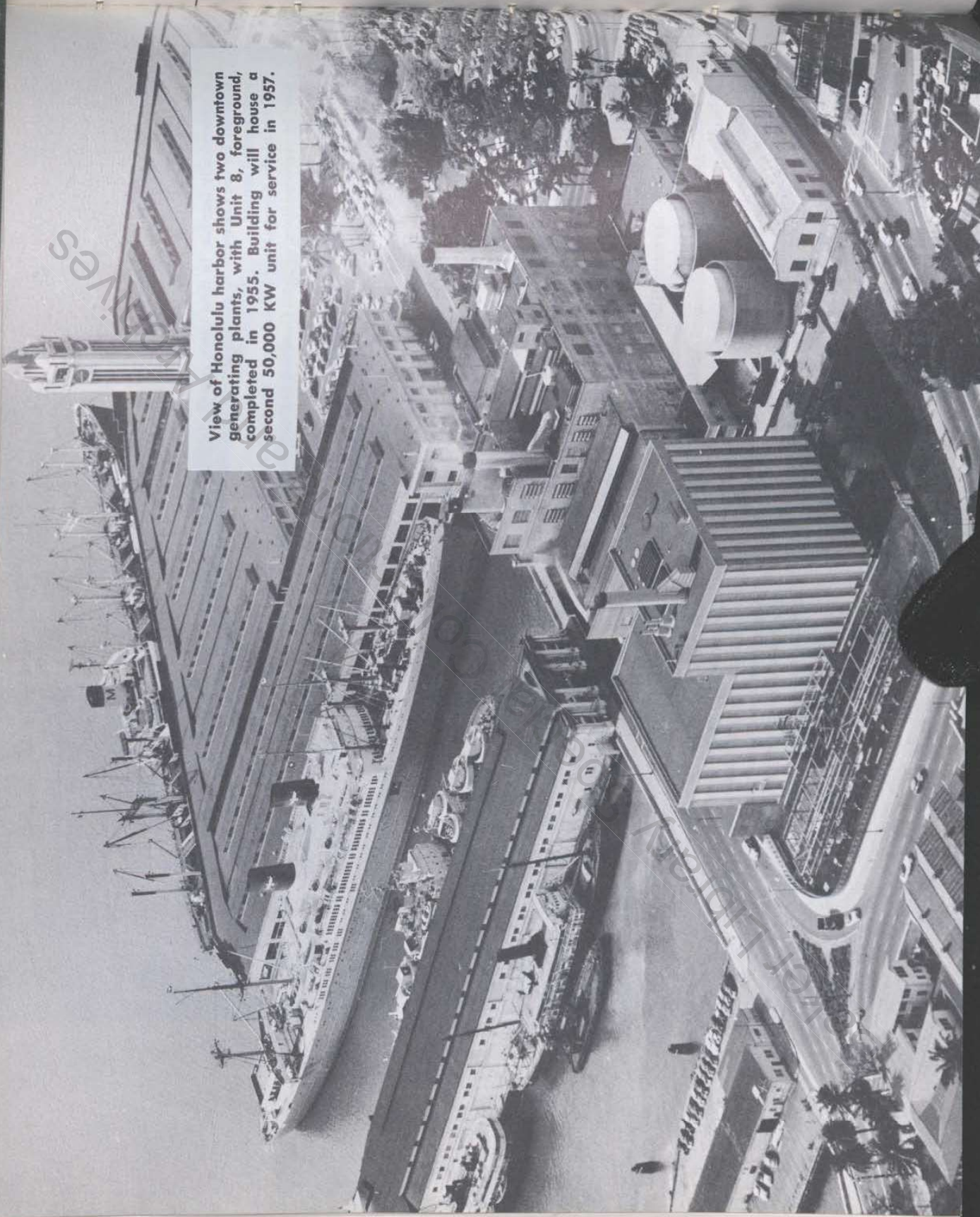
Single large utilities and groups of utilities are actively participating in the development program. No doubt the next ten years will see one or more types proved practical and more economical than present conventional fuel-burning systems. We are following these developments closely. A number of our engineers and executives have received "L" clearances from the Atomic Energy Commission which will permit them to receive and study confidential and restricted material. The Company has been licensed to receive classified information.

The change-over from conventional fuel-burning equipment to atomic reactor heat systems will come gradually during a period of expansion in the utility industry and does not pose a serious threat of property abandonment. The percentage of plant investment affected is relatively small, and the old boiler equipment can be used in parallel operation during the transition period. Benefits will be of tremendous significance to the continued growth of the industry and to the reduction of cost to the consumers of electricity.

Electricity has been a great influence in raising living standards throughout the world, and its ready availability and cheapness in the United States has given our country industrial and economic leadership. As the supplier of electric power in our community, we recognize our responsibility to operate at all times in the public interest; this responsibility extends to customers, employees and shareholders. We are aware of our responsibility to be a good corporate citizen and to share the problems of community life. We believe that economic and social development of the Hawaiian Islands not only benefits our community but is vital to the Company's strength and security.

L. A. HICKS
President

View of Honolulu harbor shows two downtown generating plants, with Unit 8, foreground, completed in 1955. Building will house a second 50,000 KW unit for service in 1957.





PRESIDENT'S REPORT

the cost of goods sold, \$3,674,574 the cost of fuel oil consumed in the production of electricity, \$1,938,400 the expense of maintaining the Company's facilities in first-class condition and \$5,664,617 the expense of wages, employees' benefits, insurance, rents, services, etc. required to operate the business.

Taxes

Taxes of all kinds, Federal and Territorial, applying against the current year's operations, totaled \$3,715,334. Of this amount, \$3,687,266 was a direct charge against income and \$28,068 was absorbed through plant and other accounts.

	1955	1954
<i>Federal</i>		
Income	\$1,867,036	\$1,135,676
Payroll, Other	114,854	107,695
	<u>\$1,981,890</u>	<u>\$1,243,371</u>
<i>Territorial</i>		
Income	\$ 263,219	\$ 168,113
Public Utility	819,658	797,335
Franchise Royalty	444,754	393,600
Gross Income, Other	205,813	228,603
	<u>\$1,733,444</u>	<u>\$1,587,651</u>
Total	<u>\$3,715,334</u>	<u>\$2,831,022</u>

Financial Results

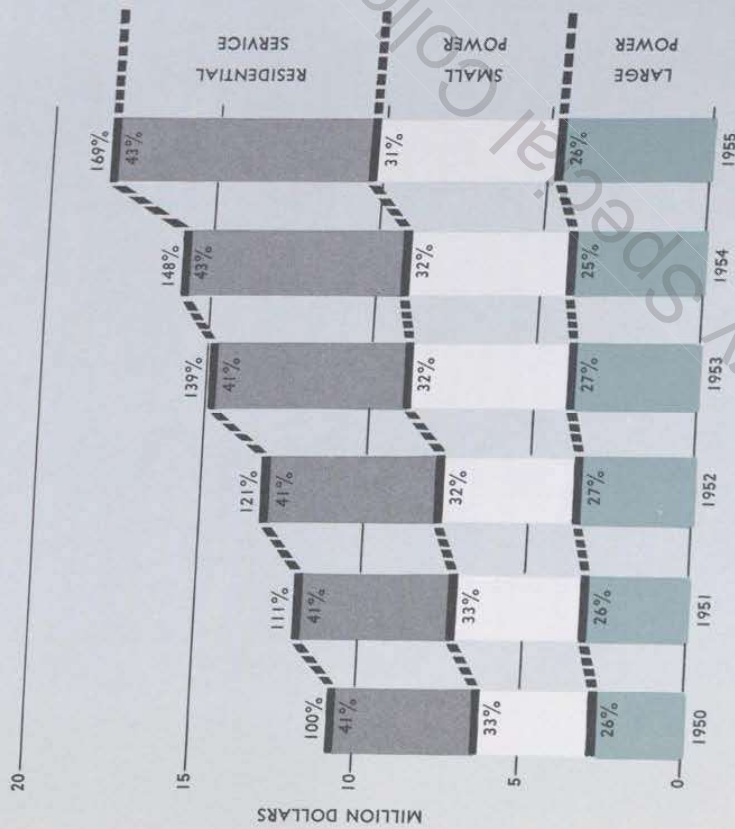
The corporate net income for 1955 was \$2,642,096 as compared with \$2,283,787 for 1954, an increase of 15.7%. The earnings on common stock were \$3.16 per share on the 700,000 shares outstanding at December 31, 1955. Dividends at the rate of \$2.50 per share were paid on common stock during the year. After payment of dividends the Company had remaining \$464,595 which was retained in the business and used to build additional electric production and distribution facilities. Interest on our First Mortgage Bonds was earned 3.8 times and dividends on our preferred stock was earned 6.2 times.

Operating revenues from all sources totaled \$24,108,994 during 1955, an increase of \$1,895,219, or 8.5% over the preceding year. Revenues from electric operations totaled \$18,301,213 and accounted for 75.9% of the gross income. Sales of electric merchandise and services and the interest on purchase agreements produced \$5,807,781 or 24.1% of gross operating revenue. This is a decrease of \$431,724 or 6.9% from 1954.

Operating Expenses

Operating expenses exclusive of taxes and depreciation totaled \$15,519,819. Of this amount \$4,242,228 represented

**COMPARISON OF ENERGY SALES REVENUES
1950-1955**



RESIDENTIAL SERVICE = Schedule AC
 SMALL POWER = Schedules A, (B), C, D, F, (P-1)
 LARGE POWER = Schedules E, P-3 (Plantation)
 Schedules in parenthesis no longer exist

Depreciation

Depreciation transferred out of utility income as a provision for obsolescence and wear and tear on our plant and property amounted to \$1,314,639. As a result of an Order by the Public Utilities Commission, the utility depreciation expense was \$1,661 less than that for 1954, even though the Company added approximately \$2,800,000 of plant to its system during the year.

Depreciation allowed in the computation of utility Federal income taxes amounted to \$2,076,183 or 3.30% of depreciable utility plant.

The Public Utilities Commission on January 26, 1956 approved the Company's application for approval of accounting procedure in connection with the use of accelerated depreciation for Federal income tax purposes, as provided in Section 167 of the Internal Revenue Code of 1954. This provision of accelerated depreciation will provide substantial cash for investment in new plant over the ensuing years.

Rate Case

In May the Company received a decision from the Public Utilities Commission on the rate case initiated in July, 1954, granting it an increase in rates designed to increase annual revenue by \$1,155,400, or 6.95%. Rates were made effective for service furnished after June 1, 1955.

In the decision, Schedule "B", Large Lighting, was eliminated by combination with Schedule "A", General Lighting. Fuel oil clauses were continued on all rate schedules, with the base price of oil set at \$2.00 per barrel. The price of fuel oil at the beginning of 1955 was \$2.14 per barrel. During the year there were three changes, and the price of fuel oil at the end of 1955 was \$2.32 per barrel.

A significant change was made in the Residential Schedule "AC" by establishing a "floating block" of 300 kwh for customers having an automatic water heater. This block gives these customers a 1.68¢ rate per kwh for this service as opposed to a 1.88¢ per kwh terminal block rate.

Depreciation Order of Public Utilities Commission

On September 10, 1954 the Company filed an application with the Public Utilities Commission of the Territory of Hawaii for approval of changes in its depreciation charges and practice. On May 25, 1955 the Commission filed its Decision and Order in the depreciation case. The Company took exception to the decision of the Commission and on June 3, 1955 filed a Notice of Appeal from the Decision and Order to the Supreme Court of the Territory of Hawaii.

In its Decision and Order the Commission (1) denied the Company's application to change to straight-line depreciation, (2) ordered the Company to change its depreciation accounting from the 5% sinking fund whole life group basis to a 4% sinking fund group basis and (3) ordered the Company to apply depreciation accrual rates under the 4% sinking fund method utilizing remaining life principles.

The effect of the Commission's order is to take from the Company's reserve for depreciation, which it had accumulated in strict and literal compliance with the Commission's Decision and Order in 1940, the sum of \$3,388,741 and award it to future ratepayers. Depreciation is one of the costs of rendering service which must be borne by the ratepayers. The annual credit of about \$101,000 to the Company's depreciation expense means that the depreciation expense which would otherwise be incurred is reduced by that amount, to the benefit of future ratepayers.

The Company asks in its appeal that the Commission be ordered not to deprive it of any of its book reserve for depreciation by prescribing remaining life principles or in any other way.

We believe that the Company should be placed on a whole life, rather than on a remaining life, basis so that none of the reserve is amortized through reductions in annual depreciation expenses. The Company's position is amply supported

by decisions of regulatory commissions, state and Federal courts in similar cases. It is expected that this case will come to trial early in 1956.

Future Financing

The demands of load growth in the five-year period through 1960 will necessitate the installation of the second 50,000 kilowatt generating unit at the Richards Street Power Plant and the construction of a new power plant building and installation of a 50,000 kilowatt unit at Waiiau. These power plant additions, together with extension of transmission and distribution and general facilities, are estimated to cost about 41 million dollars.

Funds available from normal and accelerated depreciation, customers' contributions and sale of assets are expected to total slightly over \$11,800,000 in the period. It is proposed to raise the balance from outside sources, about half of which will be debt financing and half new capital. The marketing of the new securities will be carried out over the five-year period in amounts and at times best suited to market conditions and the requirements for funds.

The Company made application to the Public Utilities Commission on July 29, 1955 for authority to issue and sell \$5,000,000 of Series F (Cumulative) Preferred Stock in 1956 and to issue to Common Stock shareholders on a pro-rata basis a 25% stock dividend of 175,000 shares of Common Stock of a par value of \$20 as a part of the five-year financing plan.

On January 13, 1956 the Company was informed that the Public Utilities Commission had denied in its entirety the application of the Company for financing and that the Decision and Order of the Commission would be sent to the Company at a later date. No doubt it will contain a full explanation of the reasons for the denial of the application and should enable the Company to decide what course of action to take.



In midst of Hawaii's greatest tourist expansion, Kaiser-Hilton interests planned multi-story shore hotel. Site is at right center, facing scenic lagoon being built next to yacht harbor. Reef in foreground.

Utility Plant Additions

Plant, including work in progress, at the end of 1955, totaled \$71,732,337. Of this, \$42,618,022 was added since 1945. Utility plant expenditures in 1955 amounted to \$3,883,721. Of this, \$565,692 was in generation, \$3,122,518 in distribution and \$195,511 general.

Five-year Forecast of Plant Additions

At the end of 1955, we had a peak load of 193,000 kw and a generating capability, determined by test, of 280,000 kw. It is estimated that by the end of 1960 our peak load will have grown to 297,000 kw. In order to determine what additional facilities we would need to serve this load and to determine the amount of money needed to obtain these added facilities, a thorough engineering study of our complete system was made.

It was determined that construction work on the 50,000 kw Honolulu Unit No. 9 should be started in 1956 and completed in 1957 and that additional generating units needed should be installed at Waiau. Engineering work on the first additional 50,000 kw unit at Waiau should be started shortly after Honolulu Unit No. 9 is completed and construction work completed in 1959.

In order to carry this additional power from the generating stations to the consumers it will be necessary to build numerous transmission lines, substations and distribution lines. The largest transmission project will be the building of a 138,000-volt line across the Island from Waiau to Koolau substation. At present, the highest voltage used for transmission is 44,000.

Shareholders

Ownership of the Company was vested in 3,889 common shareholders on January 6, 1956. The majority of the stock

is held by individuals and institutions residing in the Territory of Hawaii. Following is a breakdown of the distribution of stock and the number of shareholders.

Individuals	Holders	Shares Held
Male	907	162,195
Female	1,440	236,507
Joint accounts	977	97,033
Fiduciaries—Individuals	450	156,284
Institutions and all other	115	47,981
Total	3,889	700,000

Power Plant Efficiency

Generating efficiency of our plant continues to increase with the addition of new, modern equipment. In 1955, 518 kilowatt hours were produced per barrel of fuel oil as against 487 in 1954; this is a 6.35% improvement.

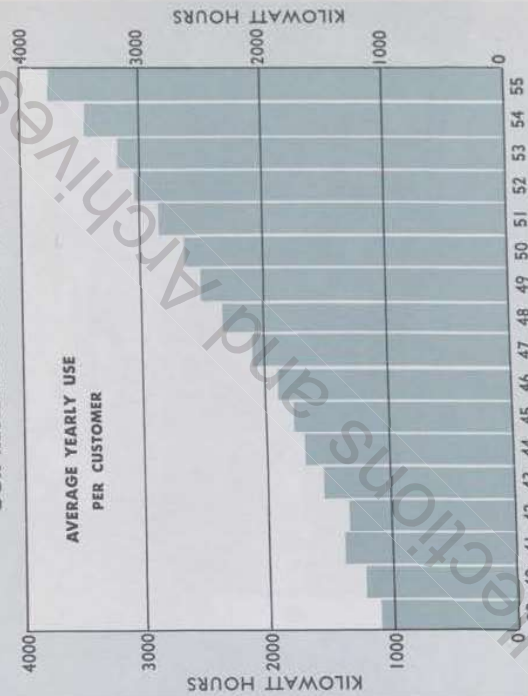
A high standard of maintenance prevailed throughout the year on the Company's physical plant. Our power plant generating equipment was overhauled and is in excellent condition.

Customer Growth

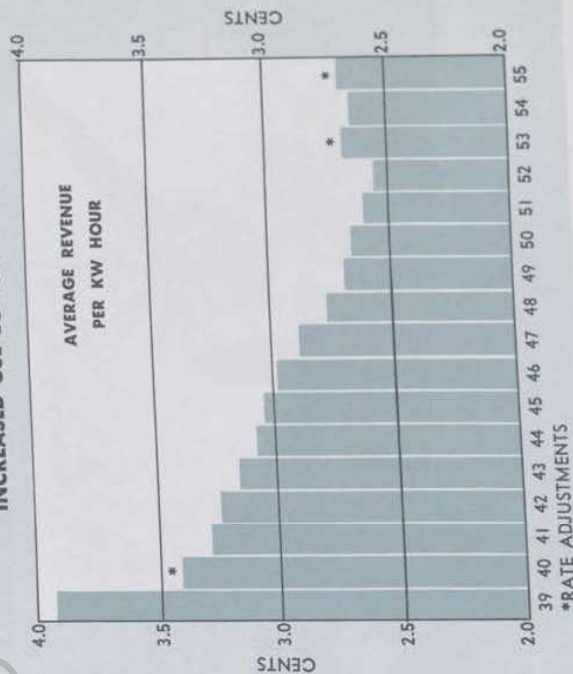
During the year, 83 new subdivisions were started; 55 of these have been completed. Approximately 3,000 new residential units were added to the Company's system, reflecting healthy growth in our service area. Eighty-eight per cent of the new homes have electric ranges and 82% have electric water heaters. The average annual kilowatt-hour usage by our residential customers of 3,788 kwh is 8.2% above that of 1954 and well above the national average. The accompanying chart shows the steady increase in average use of electricity by our customers and the decline in the average price per kwh.

Commercial cooking and air conditioning sales increased appreciably in 1955 largely as a result of the numerous hotels and professional buildings constructed in Waikiki and Honolulu. Commercial and industrial sales together increased 7.6% over 1954.

OUR RESIDENTIAL CUSTOMERS



INCREASED USE LOWERS PRICE



Archives

Shrinking distances make Hawaii's strategic military position increasingly vital to nation. Five major commands in four services here make Islands hub of Pacific defense system and are a strong social and economic force in life of community.



Sales and revenue from military sources rose approximately 20% during 1955. The military load represents 16% of our kilowatt-hour sales and 9% of our revenue as compared with 48% and 33%, respectively, at the end of World War II.

The transfer of sugar plantation housing to our system was virtually completed in 1955 with the acquisition of the Oahu Sugar Company system at Waipahu. This added 983 residential accounts. In addition, we took over 144 accounts from Waialua Agricultural Company.

Customer Services

The Company maintains a staff of electric sales representatives and commercial engineers who work closely with home-building agencies, architects, electrical contractors and home builders to assist them with their electrical problems and to promote the wider use of electricity and modern wiring. The tendency of home builders has been to install home wiring of insufficient capacity to adequately carry the electric load. A program called "100 ampere cooperative plan" has been inaugurated to combat this tendency. Our Rate Division has

been active in assisting industrial and commercial customers to take advantage of the most beneficial rates available to them.

As communities in our service area grow, we have found the need for establishing local branch offices and sales representatives in the areas to make it easier for our customers to pay their bills and obtain advice and assistance concerning their electric problems. We now have a branch office at Wahiawa and a new branch office established on March 1, 1955 in Kailua. We are in the process of establishing an office in Waipahu.

Area Development

An Industrial Development Section was established on March 1, 1955, and two major pieces of research were undertaken on industrial development opportunities in Honolulu—one by our staff and one by Stanford Research Institute. The results of the first appeared in a "Manual on Encouraging New Industries to Establish in Honolulu." The Stanford Research study resulted in "A Manual on Industrial Development Opportunities on Oahu." These two manuals provided guidance for the activities of the new Section.

The primary work of the Industrial Development Section during 1955 was in a public relations campaign to develop the interest of business, government and the public in industrial development of Hawaii. Secondly, its activity was in bringing men, money and ideas together for the purpose of starting new industrial enterprises in Honolulu. A great deal of interest was shown in this service of the Company.

Specific activities that have been undertaken for industrial development include our work with Stanford Research Institute at the Naval Supply Center in Pearl Harbor to ascertain what items being purchased by the Navy from the Mainland might be manufactured locally. We published a special report for the garment manufacturing industry here in the Islands, based on material gathered by Stanford Research Institute. It reflects the critical opinions of quality buyers, designers and merchandise people insofar as quality workmanship and design of Hawaiian garments is concerned and was well received by the industry.



Branch office opened at Kailua on March 1 serves fast growing residential community on windward side of Oahu.

Promotional Activities

We believe that a public utility needs to promote and advertise for the same reasons that any other business must—that is, to bring about a better understanding of its aims and contribute to the growth of its business and sale of its products. Increased appliance sales through all outlets is one of the most effective ways we can promote the growth of our business. We strongly feel that a major function of the utility is to provide the leadership and stimulus necessary in formulating and directing cooperative programs with distributors and dealers and then to fortify the programs by aggressive advertising and promotional aids.

Residential Sales Emphasized

Our promotion program was carried out with the full cooperation of the Electrical Living and Lighting Committees of the Pacific Coast Electrical Association (Hawaii), together with the distributors, appliance dealers and contractors. Several series of newspaper ads were presented which featured wider use of electricity in the home; the modern kitchen of built-in appliances; and home modernization with labor- and time-saving electric equipment.

HECO's advertising was recognized nationally for the ninth consecutive season. In the Public Utilities Advertising Association's "Better Copy" contest, the oldest competition in the advertising field, the Company received three major awards in competition with 2,061 entries from the United States and Canada. They were a first award for a newspaper advertisement promoting electricity; a first award for a newspaper advertisement selling electrical merchandise; and a second award for a series of newspaper advertisements on public relations.

Community Interest Programs

The Company again sponsored several radio and television broadcasts. In keeping with our policy of appealing to the cultural interests of the community, the Company sponsored



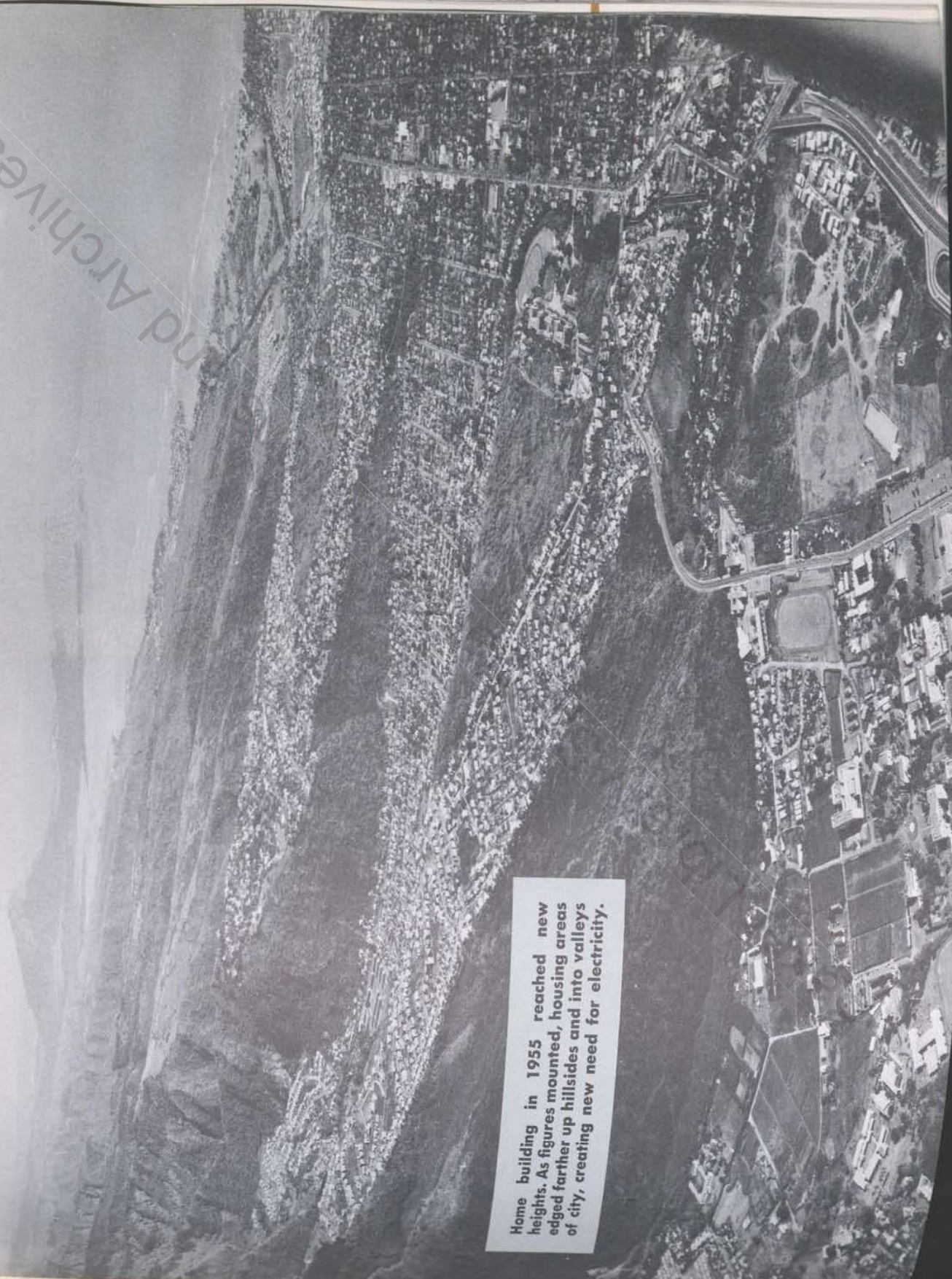
For ninth year, HECO advertising won honors in a national contest, receiving three major awards in newspaper class.

All-electric living theme was illustrated in advertising with photos of fully-equipped kitchens in Island homes.



nd Archives

Home building in 1955 reached new heights. As figures mounted, housing areas edged farther up hillsides and into valleys of city, creating new need for electricity.



the Honolulu Symphony Orchestra radio concerts for adults and children. In this connection, the Hawaiian Electric Music Scholarship competition, to help advance careers of promising young talent on Oahu, was conducted for the eighth season, with \$1,000 in study awards being shared by two winners.

Home Service Program

Cooking classes conducted by the Home Service staff throughout the year brought about 15,000 adults to the Company's Home Service auditorium.

Special attention was directed toward the younger segment of our community which includes the Girl Scouts, Brownies, Cubs and students from public and private schools. In both cooking and lighting demonstrations about 4,000 contacts were made in the youth group.

The local building boom in 1955 has accelerated the Department's kitchen-planning activities as well as home calls. These two services, which are separate and distinct, assist our customers in better planning of their kitchens and improve operation of ranges and other appliances in the home.

Another attraction of the Home Service operation was the preparation and distribution of some 40,000 copies of recipe booklets. In every case, the Department attempts to emphasize the use of local products and its latest publication was a booklet of recipes for the use of passion fruit, which has become popular locally as well as on the Mainland.

Commercial Cooking and Lighting Service

Personalized service was given to commercial cooking establishments in the form of inspection service and an educational program for chefs. The Company also provided technical lighting assistance to architects, contractors, lighting supply houses and home owners.



Girl Scouts learn cooking under the expert eyes of HECO home economists as part of Company's varied youth program.

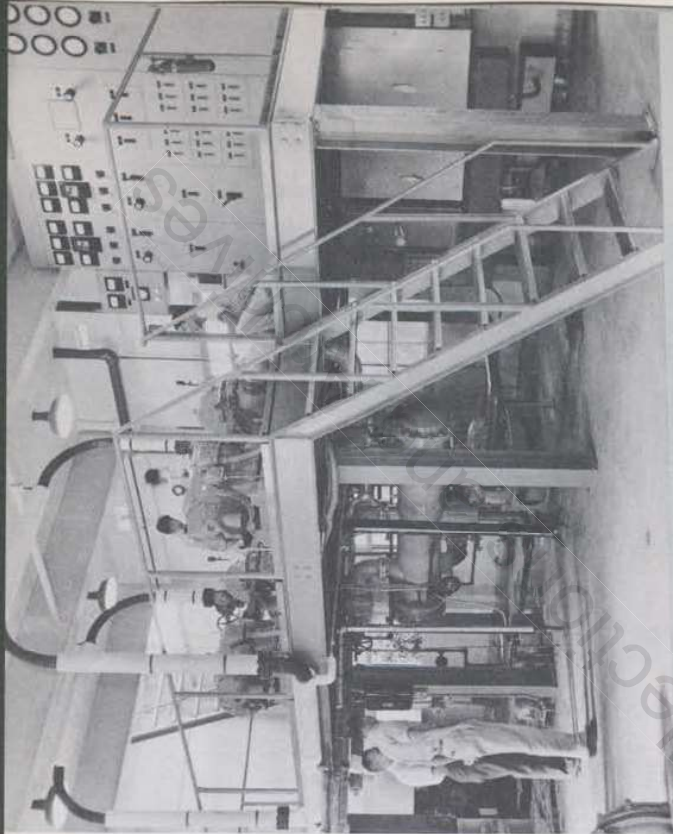
Merchandising

The Hawaiian Electric Supply Company maintained substantial sales of electrical appliances, industrial apparatus, elevators, air conditioning equipment and electrical supplies during the year. These sales have added materially to the domestic and industrial load on the utility system. Operations were restricted in the last two months of the year by the labor strike at the plants of Westinghouse Electric Corporation, our chief source of supply.

The staff of the Merchandise Division has worked closely with architects, engineers, builders and developers in planning all-electric homes, air conditioning and elevator installations. Hotels, apartments and the large-tract housing developments have predominantly preferred all-electric kitchen installations. New automatic features of ranges, laundry and dishwashing equipment have brought increased demands for our service mechanics in installing and adjusting this equipment to operate at its designed efficiency.

After considerable planning, the Honolulu Electrical Products Co., Ltd. was incorporated on December 12, 1955 as a wholly-owned subsidiary of The Hawaiian Electric Company, Limited. Certain amendments to the Trust Indenture were agreed to by the bondholders and presented to the shareholders at their meeting on December 20, 1955. The shareholders approved the proposals for amendments to the Trust Indenture which would permit merchandise, stock, accounts receivable and operating facilities of the Merchandise Division to be withdrawn from the encumbrance of the Trust Indenture and transferred to Honolulu Electrical Products Co., Ltd.

On December 30, 1955 these transfers were made in exchange for 150,000 shares of \$20 par value stock of Honolulu Electrical Products Co., Ltd. and Honolulu Electrical Products Co., Ltd. commenced operation on January 3, 1956.



University of Hawaii dedicated heat power laboratory for training electrical engineers in Islands. Fifty-kw turbo-generator was gift of Westinghouse and H. E. Company.

Mr. Paul H. Anderson resigned as Vice-President of The Hawaiian Electric Company, Limited to become President and Director of Honolulu Electrical Products Co., Ltd.

All business carried on by The Hawaiian Electric Supply Company will be handled by Honolulu Electrical Products Co., Ltd. in the future.

Comparative revenues for the past five years:

1951\$6,447,732
19525,927,065
19537,743,609
19546,239,505
19555,807,781

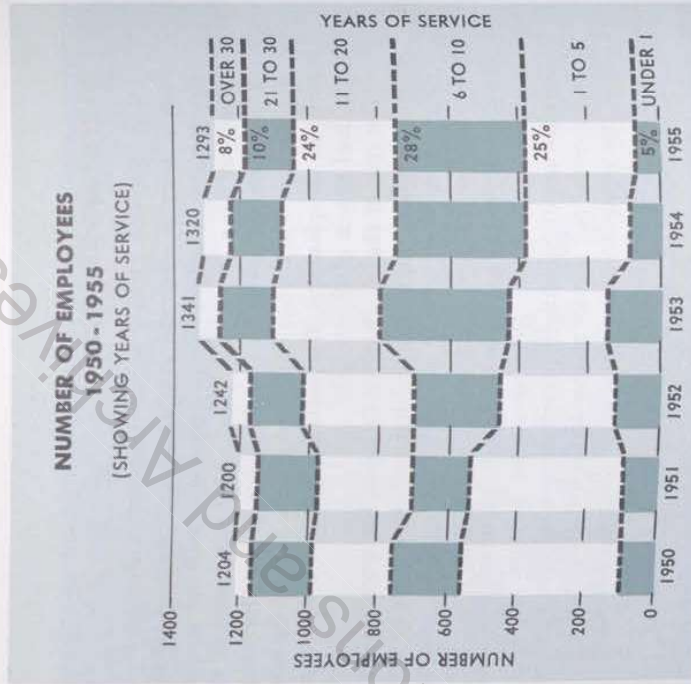
Industrial Relations

The Company as of December 31, 1955 employed 1,293 persons; 1,096 of these were engaged in the utility operations and 197 were in the merchandising operations. The employees of the Company have been represented by Local Union 1260 of the International Brotherhood of Electrical Workers, AFL, since May, 1943. At the present time, 74% of our employees are covered by two separate one-year labor agreements which were negotiated during the year; one covers the utility employees and the other covers employees in the merchandising operations. Mutual respect and a cooperative attitude by the Company and the Union have resulted in a stable labor relations program over the years.

Payroll and Benefits

Employees at December 31.....	1955	1954
Wages:	1,293	1,320
For Productive Work.....	\$5,782,364	\$5,707,593
Non-productive Wages:		
Vacations.....	249,269	238,387
Holidays.....	152,280	226,717
Sickness.....	124,002	131,879
Excused Absence, etc.....	24,796	30,494
	\$ 550,347	\$ 627,477
Total Payroll.....	\$6,332,711	\$6,334,980
Benefits Paid by Company:		
Annuity, Life Insurance.....	312,780	484,499
Medical Aid Dues.....	128,264	118,626
Social Security Insurance.....	101,636	94,110
Unemployment Insurance.....	35,055	30,007
Total Benefits.....	\$ 577,735	\$ 727,242
Total Payroll and Benefits.....	\$6,910,446	\$7,062,222

The Company's Group Insurance, Retirement Plan and Medical Plan proved their value during the year. On September 1, 1955, the Company modified its contract with the Hawaii Medical Service Association to provide additional benefits under the comprehensive type of plan.



Employees Retired in 1955

EDGAR CLARK—7 years and 11 months —continuous service	FRANK PIMENTAL — 35 years and 6 months—continuous service
MURRAY JOHNSON — 31 years and 7 months—continuous service	CHARLES QUINTAL — 36 years and 3 months—continuous service
JOSEPH LOVELL—9 years and 8 months—continuous service	MANUEL RAWLINS — 31 years and 4 months—continuous service
CHARLES MERSEBERG—20 years and 10 months—continuous service	ROBERT SIMKINS—31 years and 1 month—continuous service
SOICHI MIYAMOTO — 36 years and 6 months—continuous service	TOM WILLIAMS—38 years and 8 months—continuous service
HUNG CHOW AU YOUNG—25 years and 4 months—continuous service	



Both apprentices and old-timers attend class in electronics as part of training program.

Training

The Company's training of employees has concentrated on the apprenticeship program. During the year 23 new apprentices started their training which takes from three to four years to complete. Twenty-one apprentices who started their training in 1953 are making fine progress and some of them will be eligible for journeyman ratings by the end of next year. The classes of instruction held for the apprentices were well attended by many of our regular employees.



Hobbyists staged three-day public showing of rare orchids, ti and croton plants in April.

Employee Recreation

Those employees interested in bowling, fishing, golf, softball, basketball and photography have organized clubs and leagues to promote these activities. Besides providing enjoyment for those participating, these organizations do much to promote friendships between members of the various departments of the Company.

Deaths - 1955

MANUEL L. PERRY—Helper 1/c, System Operation Department. Died March 4, 1955.
 BENNY CHUN MING—Watchman-Janitor, System Operation Department. Died May 24, 1955.

MANUEL COELHO—Pensioner. Foreman, Tesco—Warehouse Department. Died June 8, 1955.
 ARTHUR P. CLEMENT—Appliance Service Mechanic, Tesco—Shop Department. Died September 13, 1955.
 HARRY MACHIDA—Lineman 1/c, Distribution Department. Died October 11, 1955.

FRANK MEDEIROS—Helper 1/c, Generation Department. Died November 14, 1955.
 CHARLES MERSEBERG—Pensioner. Foreman, Distribution Department. Died November 23, 1955.
 ROBERT KIHAMAHAANA—Utilityman 2/c, Distribution Department. Died December 13, 1955.

Baker Library Special Collections and Archives

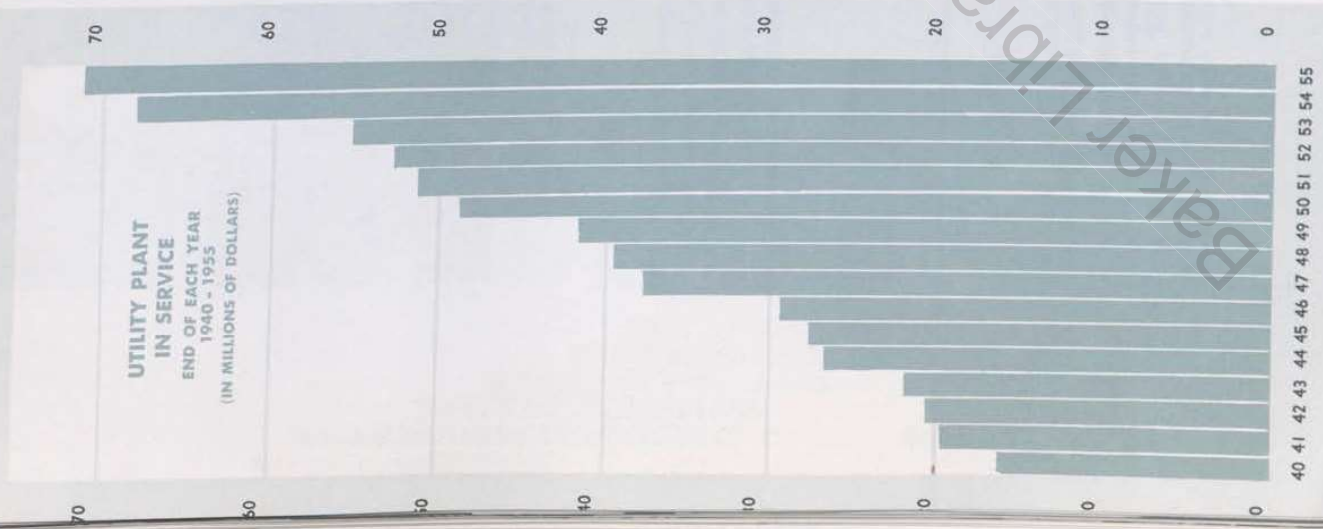
BALANCE SHEET

December 31, 1955

ASSETS

FIXED ASSETS:	
Utility plant in service.....	\$71,224,120
Construction in progress.....	508,216
	\$71,732,336
Less, reserves for depreciation (Note 1).....	11,689,437
	\$60,042,899
INVESTMENTS:	
Capital stock of wholly owned subsidiary (at cost) (Note 2).....	\$ 3,000,000
Real estate (at cost less accumulated depreciation).....	270,840
	3,270,840
CURRENT ASSETS:	
Cash on hand and in banks.....	\$ 485,549
Accounts receivable (less allowance for uncollectible accounts of \$75,288).....	1,875,932
Supplies for construction and maintenance.....	1,335,796
Prepaid insurance, rent, taxes.....	61,348
	3,758,625
DEFERRED DEBITS:	
Unamortized debt expense.....	\$ 240,680
Unamortized rate hearing expense.....	166,239
Work in progress.....	6,501
Clearing accounts.....	76,262
Other deferred debits.....	7,514
	497,196
CAPITAL STOCK EXPENSE	499,667
	\$68,069,227

The Balance Sheet reflects the financial status of the Corporation after transfer of assets and liabilities to Honolulu Electrical Products Co., Ltd.



BALANCE SHEET

December 31, 1955

LIABILITIES

CAPITAL STOCK:

Preferred—authorized, issued and outstanding 450,000 shares, par value \$20.00:	
Series B, 5%, 100,000 shares	\$ 2,000,000
Series C, 4 1/4%, 150,000 shares	3,000,000
Series D, 5%, 50,000 shares	1,000,000
Series E, 5%, 150,000 shares	3,000,000
Common—authorized, issued and outstanding 700,000 shares, par value \$20.00	\$ 9,000,000
	<u>14,000,000</u>
	\$ 23,000,000

FIRST MORTGAGE BONDS:

Series D, 3 1/2%, due 1964	\$ 5,000,000
Series E, 3 1/2%, due 1970	5,000,000
Series F, 3%, due 1977	5,000,000
Series G, 3 1/2%, due 1981	3,000,000
Series H, 3 1/2%, due 1982	4,000,000
Series I, 3.45%, due 1984	6,000,000
	<u>28,000,000</u>

CURRENT LIABILITIES:

Accounts payable	\$ 424,548
Due to wholly owned subsidiary	624,125
Customers' deposits and interest thereon	96,799
Accrued taxes	2,521,052
Accrued interest on long term debt	261,596
Accrued payroll	195,555
Other current liabilities	193,933
	<u>4,317,408</u>

DEFERRED CREDITS:

Unamortized depreciation reserve adjustment	\$ 1,936,000
Unamortized premium on debt	190,495
Other deferred credits	76,343
	<u>2,202,838</u>

RESERVE (Note 3):

Workmen's compensation liability reserve	84,971
	<u>1,687,133</u>

CONTRIBUTIONS IN AID OF CONSTRUCTION

EARNINGS REINVESTED IN BUSINESS:

Unrestricted	\$ 8,071,632
Restricted	705,245
	<u>\$ 8,776,877</u>
	<u>\$ 68,069,227</u>



STATEMENT OF INCOME

For the Year Ended December 31, 1955

UTILITY OPERATING REVENUES:		
Sales of electric energy (Note 5)	\$18,177,387	
Other electric revenues	123,826	\$18,301,213
UTILITY OPERATING COSTS:		
Operating expenses	\$10,045,871	
Depreciation (Note 1)	1,314,639	
Taxes (Note 6)	3,459,553	
	\$14,820,063	
Less:		
Taxes charged to construction	\$ 3,189	
Amortization of depreciation reserve adjustment	88,000	14,728,874
Utility operating income		\$ 3,572,339
OTHER INCOME:		
Merchandise department (Note 7):		
Gross revenue	\$ 5,770,260	
Cost of sales	4,242,228	
Gross profit	\$ 1,528,032	
Interest on sales agreements	37,520	
Expenses:		
Operating	\$1,231,719	
Depreciation	34,949	
Taxes	230,902	1,497,570
Merchandise department net income	\$ 67,982	
Miscellaneous interest	4,923	
Gross income		72,905
		\$ 3,645,244
INCOME DEDUCTIONS:		
Interest on long term debt	\$ 933,250	
Other interest charges	11,189	
Amortization of debt expense	13,071	
Amortization of premium on debt—credit	(15,185)	
Interest charged to construction—credit	(6,379)	
Donations	42,553	
Miscellaneous other deductions	24,649	1,003,148
Net income for the year		\$ 2,642,096

STATEMENT OF EARNINGS REINVESTED IN BUSINESS

For the Year Ended December 31, 1955

UNRESTRICTED REINVESTED EARNINGS:		
Balance January 1, 1955		\$ 7,539,593
Additions during the year:		
Net income for the year	\$ 2,642,096	
Transfer from contributions in aid of construction (contributions held over 23 years)	6,133	
Transfer from restricted reinvested earnings arising from retirements of revalued utility plant (see below)	39,657	
Reserve for injuries and damages to others restored to reinvested earnings	25,000	
Tax contingency reserve restored to reinvested earnings	106,453	
Gain on disposition of land	6,714	
	\$ 2,826,053	2,709,539
Less, adjustments of prior years' income taxes	116,514	\$10,249,132
Cash dividends:		
On preferred stock	\$ 427,500	
On common stock	1,750,000	2,177,500
Balance December 31, 1955		\$ 8,071,632
RESTRICTED REINVESTED EARNINGS:		
Balance January 1, 1955	\$ 744,902	
Less, transfer to unrestricted reinvested earnings (see above)	39,657	
Balance December 31, 1955		705,245
Earnings Reinvested in Business—December 31, 1955		\$ 8,776,877

NOTES TO FINANCIAL STATEMENTS

NOTE 1—RESERVES FOR DEPRECIATION

From 1940 through 1954, the Company computed depreciation on a five percent sinking-fund group method under which the interest portion of the annual provision was computed on reserves originally established for rate-making purposes by the Public Utilities Commission of the Territory of Hawaii. In 1955, the Public Utilities Commission denied the Company's request to adopt the straight-line method of computing depreciation which is used by the majority of public utilities and which would have increased the provision for depreciation for the year. In addition, the Commission required the Company to modify its sinking-fund method by reducing the annual rate of interest on its depreciation reserve balance from five percent to four percent and by adopting the remaining-life principle in its depreciation computations. As it was determined that the theoretical reserve requirement under a conventional four percent sinking-fund method was \$3,388,741 less than the reserves recorded on the books at December 31, 1954, the provision for depreciation for 1955 was \$236,686 lower than it would have been had the provision had been computed in the same manner as in prior years. The Company has provided for the Commission's order insofar as it relates to the remaining-life principle to the Supreme Court of the Territory of Hawaii. The provision for depreciation for 1955 under a conventional four percent whole-life sinking-fund computation would exceed the amount recorded on the books by approximately \$101,000.

NOTE 2—INVESTMENT IN CAPITAL STOCK OF WHOLLY OWNED SUBSIDIARY

As of December 30, 1955, the Company transferred, at their book value, all of the assets and liabilities relating to the merchandising operations of the Company to Honolulu Electrical Products Co., Ltd. The net assets transferred together with the interest cash to make the Company's investment in the subsidiary amount to \$5,000,000 were exchanged for 100,000 shares of the subsidiary's authorized capital stock of \$50,000 shares of common stock of a par value of \$20.00 per share. The Company's investment in the subsidiary is shown on the accompanying balance sheet as due to wholly owned subsidiary. The Company's investment in the subsidiary with the transfer and was paid to the subsidiary early in 1956. All income from merchandising operations for the year 1955 is reflected on the statement of income of the parent company but, effective January 1, 1956, all of the merchandising operations formerly performed by the parent company have been assumed by the subsidiary.

NOTE 3—RESERVES

During 1955, the Company simplified the balance sheet by transferring to reinvested earnings certain reserves set up in previous years which are no longer considered necessary. These transfers had no effect upon income in 1955.

NOTE 4—COMMITMENTS AND CONTINGENT LIABILITIES

Significant commitments and contingent liabilities existing as of December 31, 1955 consisted of: Purchase commitments in connection with the plant expansion program—\$3,300,000. Guarantor's liability on installment notes receivable sold under guarantees of repurchase—\$487,717.

NOTE 5—SALES OF ELECTRIC ENERGY

The Company was granted a rate increase by the Public Utilities Commission of the Territory of Hawaii effective June 1, 1955. It is estimated that revenue directly attributable to this rate increase amounted to approximately \$800,000 during the year ended December 31, 1955.

NOTE 6—TAXES

The provision for Federal income taxes for 1955, as recorded, amounted to \$1,867,036, computed on taxable income of \$3,613,668. In computing this provision, the Company took a deduction for depreciation by the straight-line method which exceeded the provision taken on the books of the Company by \$761,095. However, on the tax return to be filed, the Company proposes to take a deduction for accelerated depreciation under the declining-balance method on plant acquired in 1954 of \$20,444 and reserves. This accelerated depreciation will increase the depreciation deduction by the tax liability to the liability for income taxes by \$139,192. This change in method of reporting will result in the Company's taxable income being reduced as a charge against income for the year. The Company proposes to leave the tax as originally reported and to transfer the amount of the reserve in the amounts of the over accrual to a reserve for deferred Federal income taxes. It is the intent of the Company to compute normalizing income by annual charges to income and credit for the taxes as computed without the differences between income taxes as originally reported and the taxes on the reserve for deferred Federal income taxes as determined. The transfer of the reserve for deferred Federal income taxes was not recorded in 1955 as permission to make the change in accounting procedure was not granted by the Public Utilities Commission until January, 1956.

During 1955, additional assessments on 1953 and 1954 income taxes amounting to \$115,860 were paid and charged to reinvested earnings. For the most part, these assessments arose from the adjustment of depreciation rates by the Internal Revenue Service.

NOTE 7—MERCHANDISE DEPARTMENT

Certain materials and equipment were furnished by the merchandise department on which a markon was allowed over the landed cost of the merchandise. As the purchasing, handling, warehousing and administrative expenses incurred by the merchandise department in furnishing this merchandise has not been determined with any degree of accuracy, the amount of intra-company profit (loss) on which has been permitted to be included in the \$258,269 allowed on the cost of materials furnished during the year is not known, but it is believed that this intra-company profit is not material in relation to the net income of the Company. The cost of materials furnished to the utility department has been eliminated from gross revenue and cost of sales of the merchandise department on the accompanying statement of income.

AUDITOR'S CERTIFICATE

HENRY DAVIS AUDIT COMPANY

1005 KALANANĪHOLE BUILDING

HONOLULU, HAWAII

TELEPHONE 521-8677

P. O. BOX 44

HONOLULU (O. HAWAII)

February 10, 1956

The Stockholders of
The Hawaiian Electric Company, Limited

We have examined the balance sheet of The Hawaiian Electric Company, Limited as of December 31, 1955 and the related statements of income and earnings reinvested in business for the year then ended. Our examination was made in accordance with generally accepted auditing standards and accordingly included such tests of the accounting records and such other auditing procedures as we considered necessary in the circumstances.

In our opinion, the accompanying balance sheet and statements of income and earnings reinvested in business present fairly the financial position of The Hawaiian Electric Company, Limited at December 31, 1955 and the results of its operations for the year then ended, in conformity with generally accepted accounting principles, which, except for the changes in the method of computing depreciation referred to in Note 1 to the Financial Statements, have been applied on a basis consistent with that of the preceding year.

HENRY DAVIS AUDIT COMPANY

H. L. Allen

H. L. Allen

Certified Public Accountant



TEN YEARS OF GROWTH:

Statistics for decade
from 1946 to 1955
show extent and rapidity
of Company's progress
since end of war.

FINANCIAL STATISTICS

	1955	1954	1953	1952
Utility Plant in Service.....	\$71,224,120	\$68,447,623	\$55,766,675	\$53,005,275
Capital Structure (Dec. 31)				
Bonds.....	28,000,000	28,000,000	22,000,000	21,000,000
Preferred Stock.....	9,000,000	9,000,000	9,000,000	9,000,000
Common Stock.....	14,000,000	14,000,000	13,000,000	11,000,000
Surplus.....	8,776,877	8,284,495	7,703,892	5,501,570
TOTAL.....	\$59,776,877	\$59,284,495	\$51,703,892	\$47,501,570
Bond Interest.....	933,250	877,475	726,250	609,583
Preferred Dividends.....	427,500	427,500	427,500	427,500
Earned per Share Common.....	3.16	2.65	2.45	2.13
Common Dividend Rate.....	2.50	2.00	2.00	2.00
Common Equity per Share.....	32.54	31.83	31.85	30.00

OPERATING STATISTICS

Electric Energy Sales.....	\$18,177,388	\$15,861,032	\$14,909,080	\$13,020,553
Other Utility Revenue.....	123,825	113,238	126,009	121,529
TOTAL UTILITY REVENUE.....	\$18,301,213	\$15,974,270	\$15,035,089	\$13,142,082
Operating Expenses:				
Fuel and Purchased Power.....	3,686,714	3,507,805	3,401,961	2,779,835
Other Operating.....	4,420,757	4,289,780	3,794,163	3,408,487
Maintenance.....	1,938,400	1,747,543	1,662,107	1,399,669
Depreciation.....	1,314,639	1,316,300	1,248,268	1,165,737
Federal Taxes*.....	1,881,301	1,162,715	1,272,608	993,065
Territorial Taxes*.....	1,578,252	1,390,380	1,248,211	1,099,671
Taxes to Construction.....	(3,189)	(161,559)	(53,456)	(1,625)
Depreciation Reserve Amortization.....	(88,000)	(88,000)	(88,000)	(88,000)
Utility Net Expense.....	\$14,728,874	\$13,164,964	\$12,485,862	\$11,039,839
Utility Operating Income.....	3,572,339	2,809,306	2,549,227	2,102,243
Other Income.....	72,905	83,940	148,543	155,389
Income Deductions.....	1,003,148	609,459	679,834	658,578
CORPORATE NET INCOME.....	\$ 2,642,096	\$ 2,283,787	\$ 2,017,936	\$ 1,599,054

MISCELLANEOUS STATISTICS

Kilowatt Hour Sales.....	814,090,642	729,582,908	699,439,219	647,314,521
KWH Annual Residential Use.....	3,788	3,501	3,242	3,072
Cents per Residential KWH.....	2.71¢	2.65¢	2.69¢	2.56¢
Customers (Dec. 31).....	94,915	90,576	86,593	83,708
Residential Customers (Dec. 31).....	79,348	75,274	71,587	68,882
Installed KW Capability (Dec. 31).....	280,000†	275,000	220,000	220,000
Peak KW Demand.....	193,000	172,200	168,000	150,500
Average Rate Base.....	\$59,093,065	\$51,960,908	\$45,367,846	\$44,332,322

* Does not include taxes charged through clearing accounts or capitalized.
† 5,000 KW capability added by boiler improvements.

1952	1951	1950	1949	1948	1947	1946
\$33,005,275	\$51,228,431	\$48,667,329	\$41,490,618	\$39,791,280	\$37,692,603	\$29,201,404
22,000,000	18,000,000	15,200,000	15,200,000	15,200,000	15,200,000	10,200,000
9,000,000	9,000,000	9,000,000	6,000,000	6,000,000	5,000,000	5,000,000
10,000,000	10,000,000	9,000,000	9,000,000	9,000,000	7,000,000	7,000,000
5,501,570	5,355,015	5,199,720	4,847,206	4,575,720	4,153,678	3,464,112
\$47,501,570	\$42,355,015	\$39,399,720	\$35,047,206	\$34,775,720	\$31,353,678	\$25,664,112
609,583	523,667	489,250	489,250	489,250	413,833	339,250
427,500	427,500	359,268	277,500	235,835	227,500	227,500
2.13	2.30	3.06	2.57	2.46	4.39	2.85
2.00	2.00	2.50	2.00	2.00	2.50	2.00
30.00	30.71	30.40	30.77	30.17	31.87	29.90
\$13,020,553	\$11,879,223	\$10,728,425	\$10,627,745	\$10,360,292	\$ 9,071,379	\$ 8,262,027
121,529	79,854	50,786	39,158	77,470	134,124	125,602
\$13,142,082	\$11,959,077	\$10,779,211	\$10,666,903	\$10,437,762	\$ 9,205,503	\$ 8,387,629
2,979,835	2,631,634	2,122,380	2,739,163	3,012,198	2,288,436	1,951,633
3,408,487	3,059,594	2,883,084	2,642,830	2,432,382	2,335,802	2,217,227
1,399,669	1,160,135	996,410	1,012,430	1,176,800	1,023,658	982,537
1,165,737	1,086,230	936,696	874,083	802,650	685,254	634,458
995,065	1,063,744	931,008	717,637	578,079	593,057	511,297
1,092,671	1,053,453	992,120	1,022,192	876,870	776,884	797,386
(1,625)	(4,351)	(74,188)	(35,244)	(6,220)	(88,726)	(65,813)
\$11,039,839	\$10,050,439	\$ 8,787,510	\$ 8,973,091	\$ 8,872,759	\$ 7,614,365	\$ 7,028,725
2,102,243	1,908,638	1,991,701	1,693,812	1,565,003	1,591,138	1,358,904
155,389	264,960	295,324	217,656	300,395	449,091	100,612
658,578	598,491	399,171	478,705	520,814	276,648	232,872
\$ 1,599,054	\$ 1,575,107	\$ 1,887,854	\$ 1,432,763	\$ 1,344,584	\$ 1,763,581	\$ 1,226,644
647,314,521	575,221,538	522,324,630	507,418,883	494,404,760	460,256,365	441,378,568
3,076	2,867	2,688	2,551	2,359	2,124	1,932
2,564	2,624	2,664	2,704	2,784	2,894	2,994
83,708	80,307	76,229	73,913	68,996	64,645	60,048
68,882	65,683	61,956	60,049	55,788	52,577	48,954
220,000	220,000	220,000	170,000	170,000	170,000	136,000
150,500	140,000	126,000	116,000	110,000	104,000	106,800
\$44,332,330	\$43,008,408	\$39,331,759	\$36,162,818	\$35,132,064	\$30,022,297	\$25,413,544

**DEPARTMENT
MANAGERS**

THE HAWAIIAN ELECTRIC CO., LTD.

UTILITY OPERATIONS

Department Managers

H. N. DEGAA
Cashier
Cashier's Department

HERBERT HEINRICH
Manager
System Operation Department

E. A. HELBUSH
Internal Auditor
Internal Auditing Department

R. E. JACOBSON
Manager
Utility Credit & Collection Dept.

W. B. JOHNSTONE, JR.
*Executives' Assistant
and Budget Director*

C. A. LESER
Manager
Personnel Department

J. P. MICHELS
Manager
Distribution Department

D. M. MONCRIEF, JR.
Assistant Commercial Manager
Commercial Department

E. A. MURTY
Statistician and Claims Agent
Statistical Department

C. H. WILLIAMS
Manager
Engineering Department

J. H. WINK
Chief Accountant
General Accounting Department

J. R. ZEIGLER
Manager
Generation Department

HONOLULU ELECTRICAL PRODUCTS CO., LTD.
(Wholly-owned Subsidiary)

Directors

PAUL H. ANDERSON
L. A. HICKS

GEORGE HOGG
R. B. JOHNSON

Officers

PAUL H. ANDERSON
President

D. S. LENNOX
Vice-President and Treasurer

W. S. WILLIS
Vice-President

D. I. SROAT
Secretary

T. E. LUDLAM
Assistant Secretary

P. J. MCNEILL
Assistant Treasurer

Department Managers

H. C. FLETCHER
Manager

L. W. CLIFFORD
Manager

Appliance Department

Retail Department

R. C. COOPER
Manager

D. I. SROAT
Manager

Operations Department

Credit Department

W. S. WILLIS
Manager

Apparatus and Supply Department

THE DIRECTORS AND OFFICERS

DECEMBER 31, 1955

DIRECTORS

J. B. ATHERTON	Hawaiian Telephone Company	President-Manager
T. A. COOKE		Trustee of Estates
G. W. FISHER	Bishop Trust Company, Limited	President
L. A. HICKS	The Hawaiian Electric Company, Limited	President
GEORGE HOGG	The Hawaiian Electric Company, Limited	Vice-President, Treasurer
RALPH B. JOHNSON	The Hawaiian Electric Company, Limited	Administrative Vice-President, Secretary
DUDLEY C. LEWIS	Lewis, Buck & Saunders	Attorney-at-Law
U. J. RAINALTER	Hawaiian Trust Company, Limited	President
H. M. RICHARDS	Castle & Cooke, Limited	Assistant Secretary
P. E. SPALDING	The Hawaiian Electric Company, Limited	Chairman of the Board
A. E. STEADMAN	Cooke Trust Company, Limited	President
H. V. VON HOLT		Estate Management
HEATON L. WRENN	Anderson, Wrenn & Jenks	Attorney-at-Law

OFFICERS

P. E. SPALDING	Chairman of the Board
L. A. HICKS	President
RALPH B. JOHNSON	Administrative Vice-President and Secretary
GEORGE HOGG	Vice-President and Treasurer
CARL J. SCHIFFERS	Vice-President and Assistant Secretary
H. P. FIELD	Vice-President
L. W. LENGNICK	Vice-President
C. E. NOLAN	Vice-President
JAMES H. WINK	Assistant Treasurer
R. L. SUMMERS	Assistant Secretary

THE HAWAIIAN ELECTRIC COMPANY, LTD.

900 RICHARDS ST. (PALACE SQUARE)
HONOLULU, HAWAII

T H E H A W A I I A N E L E C T R I C C O M P A N Y

The Hawaiian Electric Company, Limited is a corporation existing under the laws of the Territory of Hawaii, originally incorporated under the laws of the Kingdom of Hawaii on October 13, 1891.

The Company is an operating public utility engaged principally in the production, transmission, distribution and sale of electric energy for domestic, commercial, industrial, agricultural and governmental purposes on the Island of Oahu, Territory of Hawaii, U.S.A. All electric energy produced by the Company is manufactured in steam power plants which burn fuel oil imported from sources outside the Territory.

The Company's wholly-owned subsidiary, Honolulu Electrical Products Co., Ltd., is engaged in the merchandising of electrical equipment, fixtures, appliances and accessories, as well as the repairing of electric apparatus, and represents in the Territory of Hawaii approximately two hundred and fifty mainland manufacturers. Honolulu Electrical Products is the sole representative in the Territory for Westinghouse

Electric Corporation, continuing a relationship that has existed since 1905 between The Hawaiian Electric Company, Limited and Westinghouse.

All properties of the Company are located on the Island of Oahu. The Company derives all of its income from sources in the Territory of Hawaii and operates as a public utility on the Island of Oahu only. It is not affiliated in any manner with a holding company nor with any other corporation.

A trust mortgage to the Hawaiian Trust Company, Limited was executed on December 1, 1938 to provide for the issuance of First Mortgage Bonds in series equally secured thereunder. All issues of Common Stock, Preferred Stock and Series D, E and F Bonds of The Hawaiian Electric Company, Limited are listed on the Honolulu Stock Exchange. The Company is its own Transfer Agent in Honolulu for all of its Common and Preferred Stock. Wells Fargo Bank of San Francisco is Transfer Agent in San Francisco for the Company's Series C, D and E Preferred Stock.