

New File



ANNUAL REPORT 1958

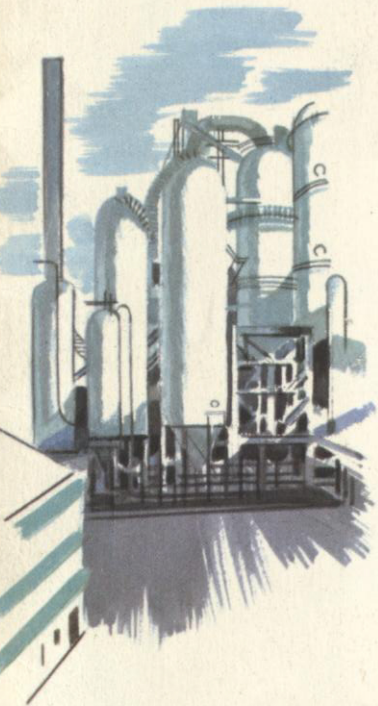
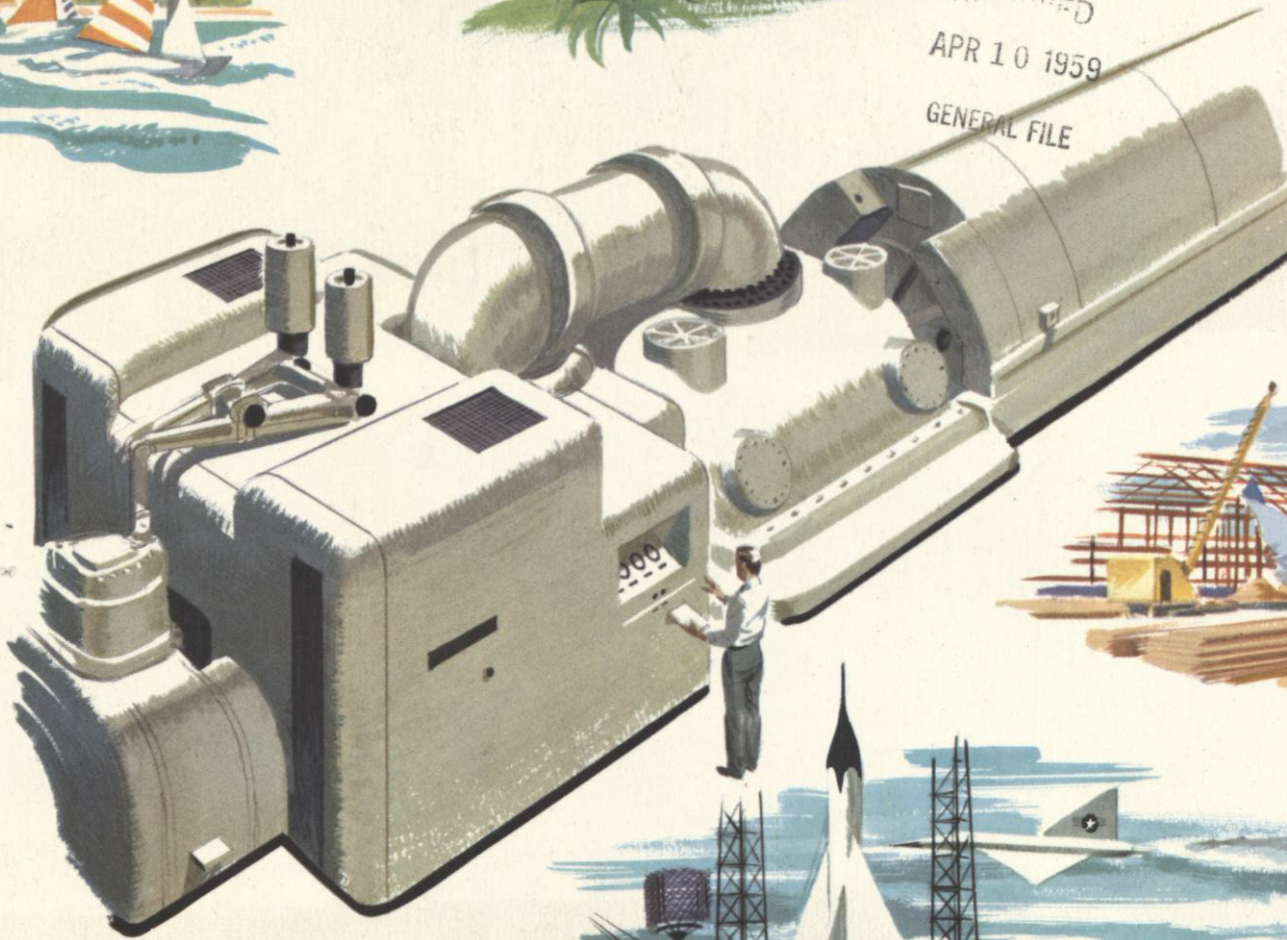
RECEIVED
APR 10 1959
GENERAL FILE

RECEIVED
APR 29 1959

OFFICE OF
H. E. CODY
RECEIVED

APR 7 1959

OFFICE OF R.C.H.



THE HAWAIIAN ELECTRIC COMPANY, LIMITED



Sand Island, foreground, is focal point of development in Honolulu harbor area. Part of island, given Territory by US, is zoned for industry, providing close-in sites for development. New harbor entrance will be through sand bar, lower center. Glimpse of Windward Oahu appears under cloudbank

1958

CONTENTS

Highlights	2
Letter from the President	2-3
Summary of Financial Results	4
The Oahu Scene	5-8
Power Behind the Scene	9-12
Building the Load	13-17
Shareholders of the Company	17
Employee Relations	18-19
Departmental Organization	20
Officers	21
Financial Review	22-27
Ten-year Statistical Summary	28
Company Description, Transfer Agents and Registrars	Inside Back Cover

BOARD OF DIRECTORS

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

HIGHLIGHTS

EARNINGS AND DIVIDENDS

Earnings applicable to common stock for 1958 were \$2,587,967, or \$3.03 per share on the average number of shares of common stock outstanding during the year. Quarterly dividends of 62½ cents per share were paid on the common stock in each quarter, making the total for the year \$2.50 per share.

ADDITIONAL CAPACITY

A new power plant to have 120,000 kw capability is under construction at our Waiiau station. The initial turbo generator with 60,000 kw capability is scheduled for commercial use in October 1959 and the companion unit early in 1962.

PERMANENT FINANCING

On October 15 the Company completed the sale of 175,000 shares of Series G 5¼% (Cumulative) Preferred Stock, with a par value of \$20 per share. On November 20 the Company completed the sale of 84,700 shares of Common Stock which was offered to the shareholders at a subscription price of \$42.50. After payment of related expenses, the Company realized \$6,900,000 from the sale of these two classes of stock.

CUSTOMERS

At year end our customers totaled 106,455, an increase of 3,546 over 1957. Average annual use of electricity by our residential customers was 4,393 kwh which is 30% above the national average.

THE YEAR'S GROWTH

kwh sales.....	1,054,934,160	up 8.7%
Peak load—kw.....	248,000	up 9.3%
Income.....	\$25,432,453	up 6.2%
Expenses.....	\$22,258,990	up 7.5%
Net income.....	\$3,173,463	(1.8)%
Customers.....	106,455	up 3.4%
Utility plant.....	\$95,570,080	up 12.3%

LETTER FROM

To Shareholders, Employees and Friends

The year 1958 was one of healthy growth and successful operation for the Company. The underlying conditions and growth pattern of our service area justify strong confidence in the future. In this report I have tried to give a complete picture of the area we serve, our operations and the year's results. The statistics for ten years, appearing on page 28, show our healthy growth trend.

Hawaii statehood, which appears to have excellent prospects in 1959, will create many significant and far-reaching benefits not only for the people of Hawaii but for the entire free world. In giving Hawaii statehood, the Congress of the United States will once again demonstrate the sincerity of its faith in democracy, thus giving moral support to those who struggle against dictatorships. In Hawaii there will be a further stepping up of economic activity spurred by increased mainland interest in business opportunities offered here.

Accelerated growth which will follow statehood is going to place a heavy demand upon the Company for expansion of facilities and extension of customer services. Continued success of the Company, especially in this period, will depend to a large extent upon the continued good will and confidence

THE PRESIDENT

of the community, our employees and stockholders. As in the past, we shall try to administer Hawaiian Electric affairs so that the long-term interests of each of these will best be served.

At the end of May 1959 I will reach normal retirement age. It is my desire to retire at that time and it is fitting that I should. The Company is in sound condition and we have a group of well-trained younger executives who are qualified to carry on the Company's work without disruption or loss of efficiency.

In the forty years that I have been associated with the Company, great changes have taken place. Today we have a multiplicity of electrical devices undreamed of forty years ago. In 1919 our plant capacity was 4,750 kw and we had a 10,000 kw unit under construction. Plant capability today is 340,000, and our service lines have fanned out to cover the entire Island of Oahu. I have seen kilowatt-hour sales go from 17 million kwh to over one billion kwh and annual electric revenue expand from \$650,000 to \$25 million.

Even more important than our Company's physical growth has been our steadily advancing stature in the community. The skill with which our employees perform their jobs and the spirit of service which prevails in community contacts



have made public attitude toward this Company something of which to be proud. The quality of our service has more than kept pace with Hawaii's growth and with her increasingly important place in the nation.

In this last report I would like to express my gratitude to my fellow employees and to the Directors of the Company for their loyal support and cooperation. This association has been a source of satisfaction and joy to me as together we met the challenge of service and growth. I have been doubly blessed to have the opportunity of serving in the electric industry during this dynamic period in its development and at the same time to reside in Hawaii, the best place in the world to live.

L. A. Hicks

L. A. Hicks, President

February 1959

SUMMARY OF FINANCIAL RESULTS

		1958		1957	% Increase or (Decrease)
WE RECEIVED INCOME FROM	% of Total	Amount			
Sales to residential customers.....	44.15	\$11,228,339		\$10,554,045	6.39
Sales to industrial and commercial customers	55.70	14,164,962		13,235,407	7.02
Other sources.....	.15	39,152		149,188	(73.76)
Total.....	100.00	\$25,432,453		\$23,938,640	6.24
WE HAD THESE EXPENSES					
Wages and employee benefits charged to operations.....	22.29	\$ 5,666,793		\$ 5,712,370	(0.80)
Fuel oil.....	23.19	5,897,233		6,110,490	(3.49)
Other materials and services.....	8.52	2,167,283		1,913,098	13.29
Depreciation.....	7.05	1,793,521		1,400,722	28.04
Federal and local taxes.....	21.86	5,560,036		4,628,521	20.13
Interest on borrowed money and other miscellaneous expenses.....	4.62	1,174,124		943,164	24.49
Total.....		\$22,258,990		\$20,708,365	7.49
LEAVING AS NET INCOME.....		\$ 3,173,463		\$ 3,230,275	(1.76)
FROM WHICH WE PAID STOCKHOLDERS					
Preferred dividends.....	2.30	\$ 585,496		\$ 591,675	(1.04)
Common dividends.....	8.53	2,170,438		2,117,500	2.50
AND WE RETAINED IN OUR BUSINESS....	1.64	\$ 417,529		\$ 521,100	(19.88)
	<u>100.00</u>				

THE OAHU SCENE

Hawaii, with its scenic beauty and unsurpassed climate, is becoming one of the world's most popular playgrounds. In spite of the depressing effect upon travel which accompanied the mainland recession early in 1958, the record of visitors to Hawaii matched that of the previous year which had shown a 26 per cent increase over the all-time record in 1956. Hundreds of undeveloped beaches on five Islands make resort development possible without danger of overcrowding or impairment of natural beauty. Jet passenger travel goes into full operation on the mainland this spring; by 1960 or 1961 it will be operating on regular schedule to Hawaii and enlarging the tourist scene.

General Economy

It is expected that Hawaii will win statehood soon. When it comes, this will give an added thrust to the general economy of the Territory which already is in a vigorous upward swing. The Island of Oahu, which is our service area, is a community of half a million people. It is the seat of the Territorial government, has 75 per cent of the population and four-fifths of the economic activity. Hawaii and New Mexico, in a recent survey, were found to lead the nation in having the greatest percentage of young persons in their populations. In Hawaii nearly 45 per cent of the population is under 21. A large segment, therefore, is approaching the family-forming stage and the demand for living units will continue to be heavy for many years.



In another year marked by change, Waikiki saw the sale of the Royal Hawaiian and other Matson Hotels to the Sheraton interests

Once known as the sugar and pineapple islands, Hawaii has changed radically since the end of the War. Diversified manufacturing, other than sugar and pineapple processing, represents well over one-third of all manufacturing. This does not indicate a decline in the sugar and pineapple industries; on the contrary, they are expanding and diversifying. Their drop in the total manufacturing and processing picture is the result of economic growth in many other areas. Diversification is broadening the base of our economy and adding to its strength and stability.

Services to the armed forces, to tourists and to shipping and airlines—as well as a wide range of services to Island residents—now greatly exceed the total value of all Hawaiian products. Service activities and diversified manufacturing provide four-fifths of the employment and income of the Territory.

Population Increase

Population of our service area (exclusive of those in military service and their dependents) has increased approximately 30 per cent since 1954. The Company added 3,546 customers to its system during 1958, bringing the total to 106,455. The effect on our load is heightened by the fact that the average kilowatt-hour use per residential customer on our lines reached 4,393 kwh, which is 30 per cent above the national average of 3,385 kwh. An Edison Electric Institute report shows that we rank 11th among 103 privately-owned utilities in the nation in kilowatt-hour use per residential customer.

Construction Moves Ahead

Residential and commercial building, expansion for tourists and housing for the military have combined to make new construction a dynamic force in our economy.

Including homes for the military, it is estimated that \$170 million worth of construction was completed during 1958, which is a \$33 million increase over 1957. New homes, apartments, shopping centers and office buildings sprang up in many sections of the Island.



Typical of young and healthy businesses on the changing Island scene is the textile industry

The last three years have seen a tremendous upsurge in tract development and multiple-unit homes. At the present time 96 subdivisions, containing 1,306 house lots, are in various stages of development. An estimated 6,993 new residences were added to our system during the year and 78 per cent of them were all-electric. Residential load accounts for approximately 44 per cent of our total revenue.

Apartment building, with strong emphasis on the cooperative type, was centered in the Waikiki and Makiki Districts. A total of 140 apartment buildings were completed during 1958, providing 1,518 units; 972 were all-electric and 310 others have electric ranges.

In Waikiki Henry J. Kaiser added a 150-room hotel at his Hawaiian Village and in November opened the Kaiser Foundation Hospital. The hospital is a 10-story completely air-conditioned building with an electrically-equipped kitchen which includes two commercial electronic ranges.

A newly-announced \$10 million Hilton-managed hotel is to be built near the Kewalo Yacht Harbor. Matson Navigation Company recently sold its four Waikiki hotels to the Sheraton chain which has announced an expenditure of \$10 million in improvements.

Ala Moana Shopping Center, one of the twelve largest in the United States, was under construction on a 50-acre site during all of 1958 and it is planned that more than 80 shops there will open their doors in August 1959.

Ground was broken in October for a \$40 million Standard Oil Company of California refinery near Barber's Point.

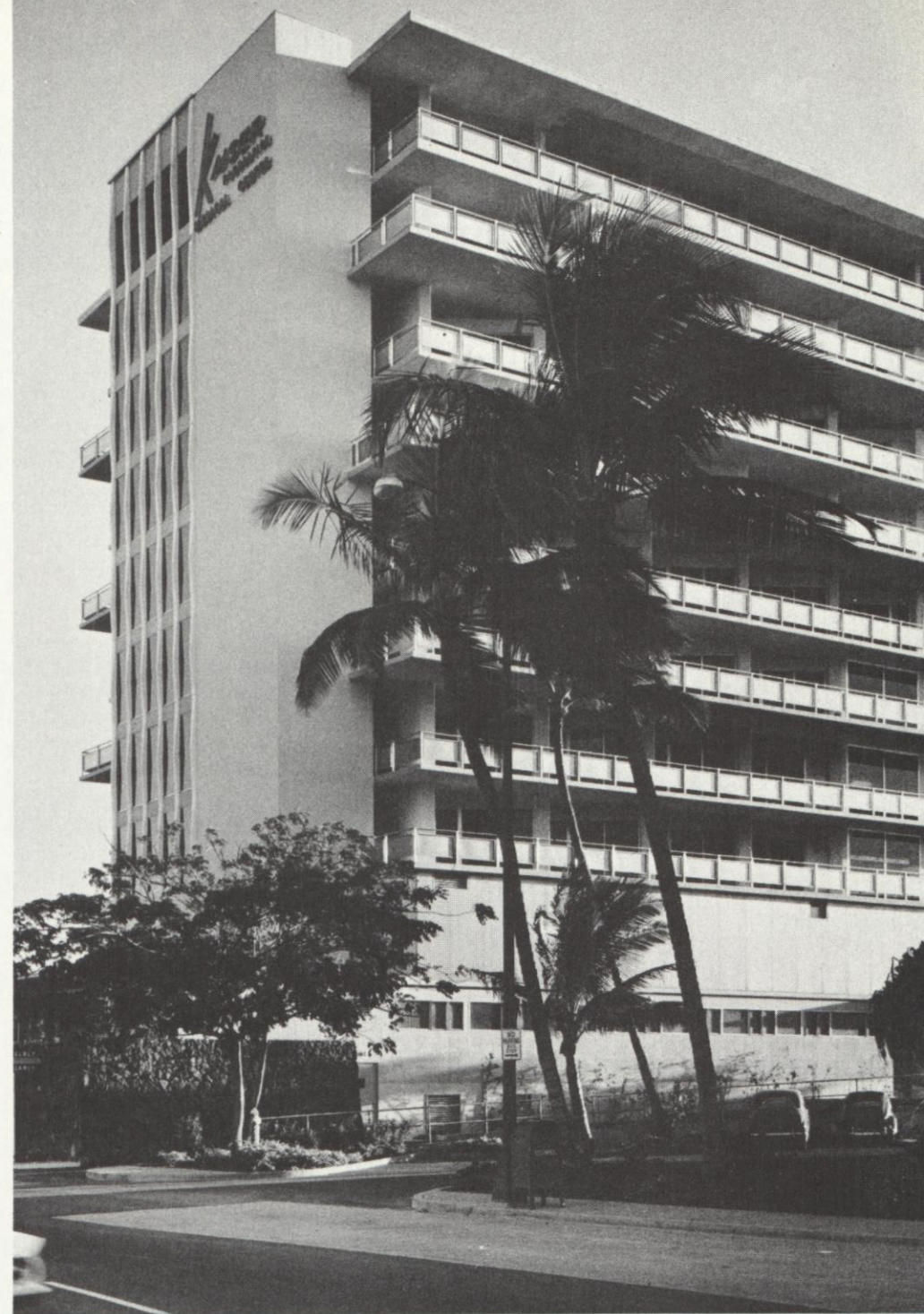
Military Operations

Military operations in Hawaii, for years at a high level, have increased since the control point for all United States military activity in the Pacific and Asia was centered on the Island of Oahu in July 1957. It is estimated that the military contributed \$324 million to the local economy during 1958.

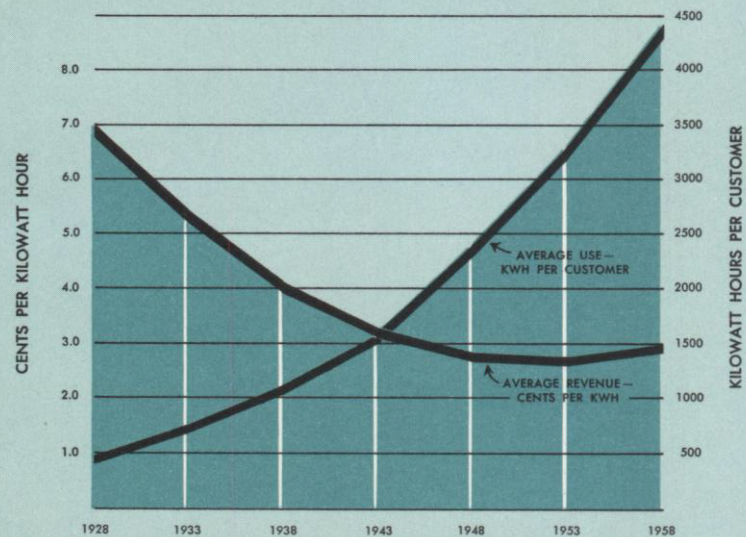
Under the Capehart Housing Program, the military is meeting the problem of providing housing for its personnel and their dependents with 6,823 units at eleven different sites which will cost an estimated \$125 million. Most of these units will be occupied by the end of 1959.

The Navy is one of the largest users of electricity on Oahu. Recently, contracts were signed to provide additional power to Pearl Harbor which will permit the Navy to shut down some of its older generating equipment. The Company will receive about one-half million dollars additional revenue per year.

The Islands are ideally situated for serving as a focal point for space age research and for missile tracking stations. Huge parabolic antennas already have been erected at several points in the Islands.



RESIDENTIAL SERVICE



Residential Use of Electricity

New customers and increased use of electricity have enabled the Company to provide its customers more for the dollar spent on electricity than they can get for a dollar spent on other commodities. Since establishment of the Honolulu Consumers Price Index in 1943, the average cost of living has increased 58 per cent and the price of electricity has gone up only 19 per cent based on today's average use. During this period, use of electricity has increased more than two and one-half times, causing a reduction in the average revenue per kwh from 3.16 cents to 2.89 cents. Our rates for all classes of service are comparable with those in areas with similar fuel costs, such as New York, New England and Florida.

Total Electric Sales

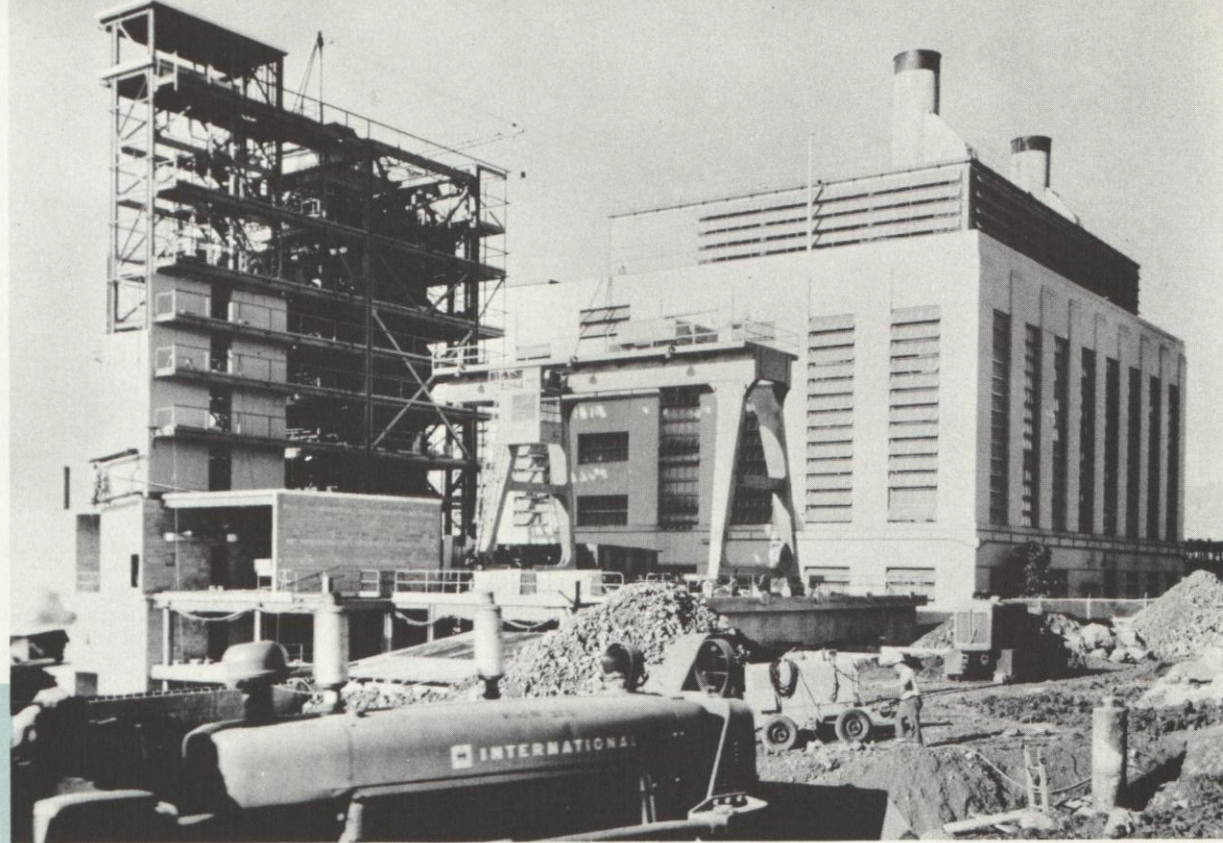
Kilowatt-hour sales rose to 1,054,934,160 in 1958, 8.7 per cent above 1957. This is a reflection of the population increase and the activity in our service area. This rise is especially significant because it indicates that we have a strong general economy; there was a four-month strike in the Hawaii sugar industry early in 1958, which affected many parts of our economy. Sugar production dropped some 320,000 tons in 1958.



Cooperative apartments are new vogue in Honolulu. Oahuan Tower typifies buildings ranging up to 364 units in size

POWER BEHIND THE SCENE

Biggest 1958 building project was Waiiau Unit 5 costing \$9 million. It will add 60,000 kw to system when completed in October of 1959



Providing electric power for an area such as ours—growing rapidly as it is and completely isolated from other electric utilities—is an interesting and challenging job. In order to maintain continuity of service, it is our policy to have sufficient reserve capacity to cover the loss of our largest operating unit at a time when any other unit is down for routine maintenance.

Two power stations, with a total installed capability of 340,000 kw, generate the power for Oahu at the present time. This capability is double what it was in 1948. The most modern controls and automatic devices are in use in our plants and all of our facilities are in excellent condition. Substations are the modern, completely automatic unit type.

Total efficiency of our plants in 1958 was 549 kwh per barrel of fuel oil—an increase of 20 kwh over 1957, or 11,755 BTU per net kwh—which is considered good by national standards. The load factor for the year was 56.7 per cent. We anticipate a continued increase in efficiency as additional units are installed.

New Generation

The largest single project under construction during the year was generating Unit No. 5 at the Waiiau plant. All foundations, substructures and circulating water tunnels are completed. Steel work is 95 per cent completed and the boiler is 35 per cent erected. The unit is scheduled for completion in

October 1959, will cost approximately \$9,250,000 and will have a generating capability of 60,000 kw. An additional 60,000 kw unit, Waiau Unit No. 6, has been ordered and will go into operation in 1962.

Atomic Power

We are in the process of acquiring a 485-acre site in Kahe Valley on the lee side of the Island, which will be suitable for an atomic power plant when use of a nuclear reactor for this purpose becomes economical. Atomic power probably will prove to be economical in Hawaii earlier than in parts of the United States which have an abundant local supply of low-cost fuel. We use a heavy fuel oil (600 SSF viscosity) which at the present time is imported from the West Coast. Although there is an abundance of rainfall in our mountains, other conditions in the Island preclude the use of water for hydro-electric generation.

Our Company, with more than fifty other investment-owned utilities in the United States, has signed a contract with High Temperature Reactor Development Associates, Inc. to participate in the development and construction of a high-temperature, gas-cooled nuclear prototype power plant which may prove to be a significant and substantial step toward the achievement of economic nuclear power.

Philadelphia Electric Company and HTRDA will spend \$24.5 million to construct the 40,000 kw prototype plant on the Philadelphia Electric system. It is scheduled for completion in 1962 or early in 1963. This is the largest group of utility companies to support a single nuclear power project thus far. Technical and economic information resulting from the project will be made available to the Atomic Energy Commission for public use.

The Edison Electric Institute reports that sixteen nuclear power plant construction projects in cooperation with the Atomic Energy Commission and involving a total utility company investment of more than \$540 million have been announced since 1954. Of the sixteen, three are now in operation, producing power being utilized on company systems. Another six projects are either under construction or contract, and the remaining seven are in various planning stages.

Building New Transmission

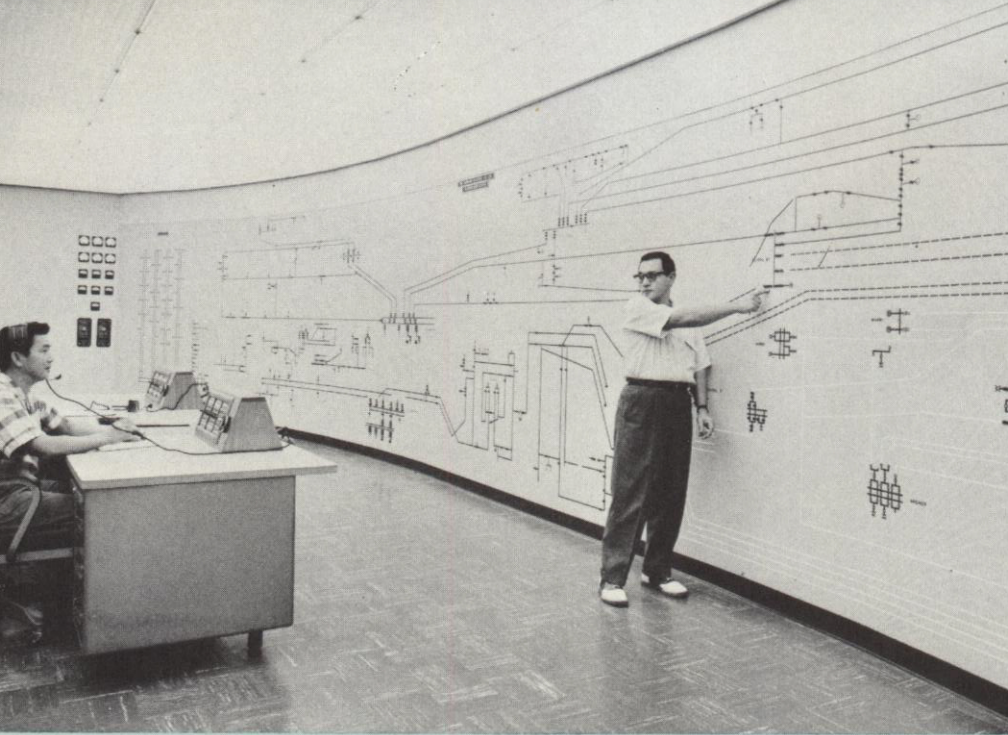
Home building on the windward side of the Island has been increasing rapidly, encouraged by progress being made on the second two-lane Nuuanu tunnel through the Koolau Mountain Range and the near-completion of another tunnel through Kalihi Valley. In November a shopping center was opened at Kaneohe, costing \$1,200,000 and covering 15.5 acres.

We have planned a major 138 kv transmission system to extend from Waiau to our major substations at Koolau on the windward side of the Island, to Wahiawa in the center of the Island and to Kahe Valley to connect with the power plant which will be situated there.

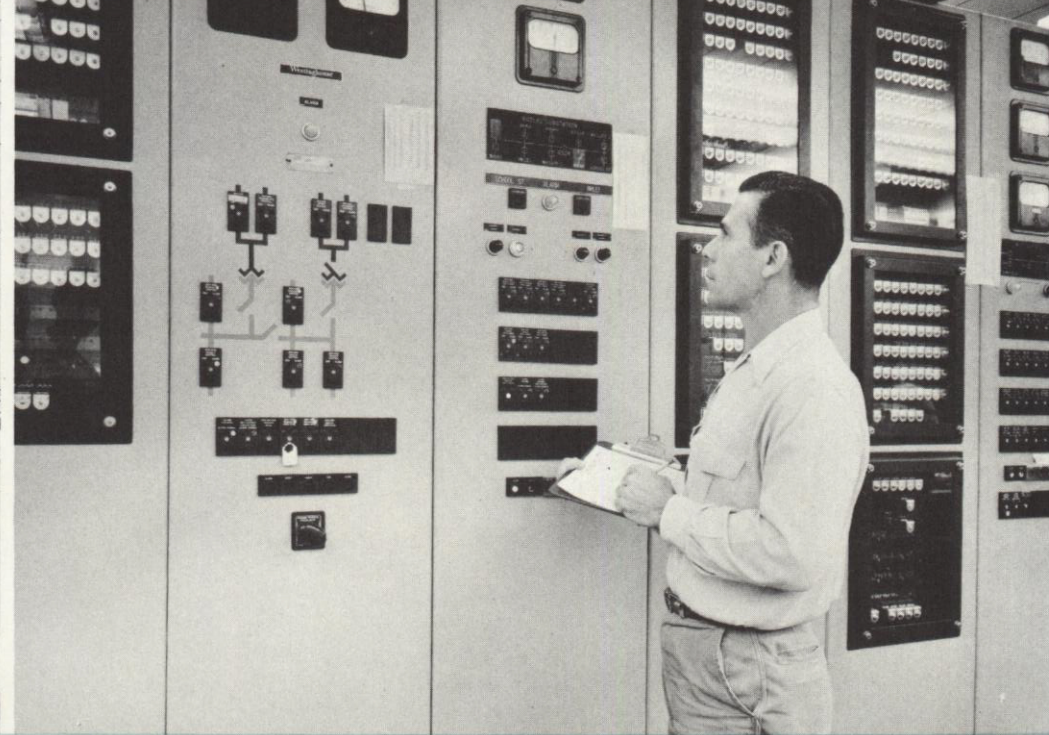
During 1958, the thirteen miles of this new 138 kv line which run between the Waiau Power Station and the Koolau Substation were nearly completed. This section is over extremely rugged terrain. Ten steel towers and 47 wood pole structures were installed. An aluminum tower was installed at the highest point on the Koolau Ridge. A second line will be added in 1961 and, because of the ruggedness of the terrain, it was economical to construct one and one-half miles of the second line simultaneously with the first. This first section will be initially operated at 44 kv.



Tunnels and new highways through Koolau Mountain Range at famed Pali peak have speeded traffic from Honolulu to opposite side of Oahu and aided phenomenal growth there. Resulting new load demand has spurred construction of the Islands' first 138 kv lines from Waiau Plant over ridge to Windward Oahu



Transmission-distribution system board enables Dispatchers to plot operation day and night, as Charles Iwamoto and David Catala show



Manuel Reis checks new electronic equipment, which speeds Load Dispatcher operations, provides remote control to main substations

Improved Operations

Completing the program of equipping all our major generating units with automatic voltage regulators, they were installed on Honolulu Unit No. 7 and on Waiiau Units 2, 3 and 4. Controls for the Waiiau 3 and 4 generators are being combined in a modern air-conditioned room similar to that in the Leslie A. Hicks Power Plant, our largest and most modern plant. Combining these controls gives additional efficiency and a reduction in operating cost.

A new Dispatcher's Board approximately twice the size of the old one was 90 per cent complete in operations headquarters at Ward Avenue. Many new circuits were added.

Provision was made for the new lines which will be built for the Navy, for the Standard Oil Company of California refinery at Barber's Point and for the 138 kv transmission system.

Additional supervisory electronic control equipment has been installed in the Dispatcher's office, providing remote switching and meter reading at our transmission substations at Wahiawa. This completes centralized control, providing the Dispatcher's office with direct indication of the position of various circuit breakers at all major substations and permitting circuit breakers to be opened or closed from the Dispatcher's office. This not only speeds operations but is a saving in operating crews.

BUILDING THE LOAD

The Company program to promote additional use of electricity is carried out on many fronts.

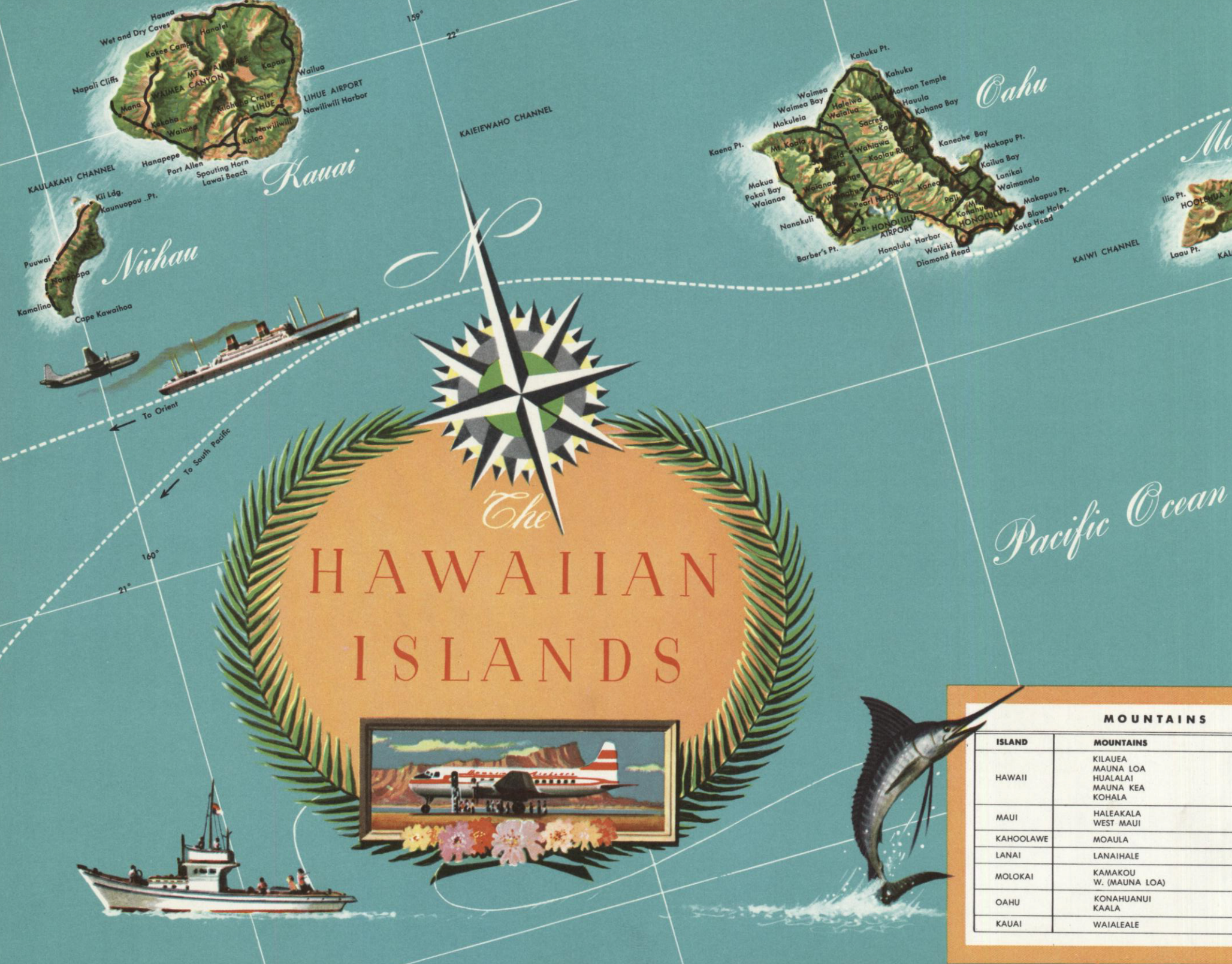
We coordinated our advertising with the Electrical Living Committee, PCEA (Hawaii), program which was followed by local appliance dealers and distributors. All advertising media were used, and for the 12th consecutive year Hawaiian Electric was among the utility companies of the nation to win advertising honors in the Better Copy Contest sponsored by the Public Utilities Advertising Association. In competition with more than 2,000 entries, Hawaiian Electric received a first award for complete program and a first award for a single newspaper advertisement promoting the use of electricity.

Through television and radio, the Company had the opportunity of presenting several programs of special public interest, including the 1958 election returns. The Hawaiian Electric Theater, uninterrupted by commercials, is one of the most popular TV shows in the Islands; and radio presentation of the Honolulu Symphony Orchestra is widely heard and appreciated. In connection with the Symphony broadcasts, the Company arranges for outstanding music students to appear with the Symphony and sponsors scholarship awards to four selected by a panel of judges.

The Home Service Department spent an active year, holding classes almost daily in cooking, home lighting and laundering for many different groups, including school children, Girl Scouts, salesmen, dealers and the general public. Recipes were developed and distributed at the classes and by mail. Home calls were made on all makes of appliances, and kitchen planning was done for homes, churches, schools and stores.



Home Economist Doris Crow offers a sample to admiring 'teens as she displays food prepared with their assistance in HE kitchen

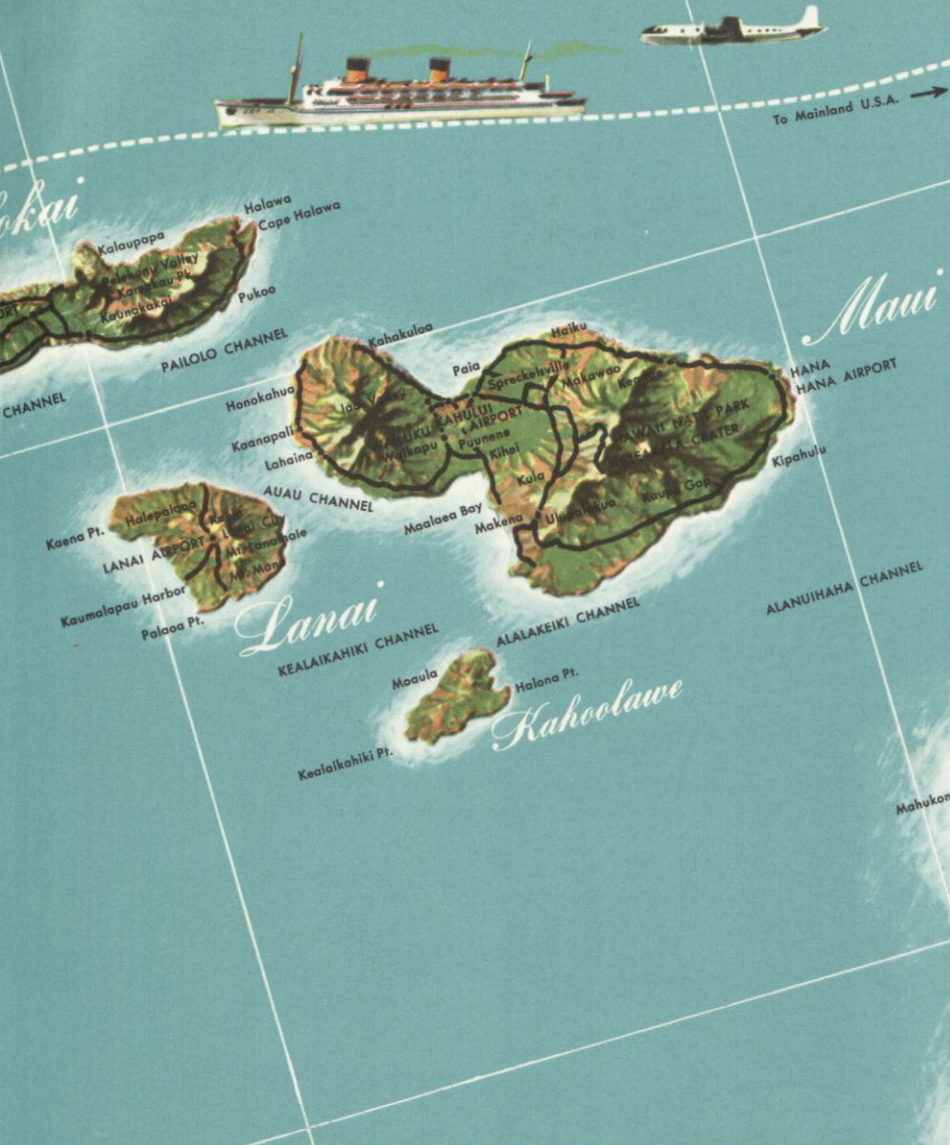


The
**HAWAIIAN
 ISLANDS**



MOUNTAINS

ISLAND	MOUNTAINS
HAWAII	KILAUEA MAUNA LOA HUALALAI MAUNA KEA KOHALA
MAUI	HALEAKALA WEST MAUI
KAHOOLAWE	MOAULA
LANAI	LANAIHALE
MOLOKAI	KAMAKOU W. (MAUNA LOA)
OAHU	KONAHUANUI KAALA
KAUAI	WAIALEALE



Hawaii, the future 50th star, will be a multi-island state in the Pacific. Hawaiian Electric's service area is the Island of Oahu, comprising the County of Honolulu, capital and population center of the island chain. In economic strength, resources and potential growth, Hawaii promises to bring new riches, new possibilities and a glowing new pride to our nation.

Legend

MAIN ROADS
 1859 DATES OF LAVA FLOWS



LAND AREAS

Areas of the eight chief islands are given in the following table. The island of Hawaii is about one-fifth smaller, and the Territory as a whole is about one-third larger than the State of Connecticut.

SUMMITS
4,090
13,680
8,251
13,792
5,505
10,025
5,788
1,491
3,370
4,970
1,415
3,150
4,025
5,170

ISLAND	Extreme Length Miles	Width Miles	AREA	
			Square Miles	Acres
Hawaii	93	76	4,030	2,579,200
Maui	48	26	728	465,920
Oahu	44	30	604	386,560
Kauai	33	25	555	355,200
Molokai	38	10	260	166,400
Lanai	18	13	141	90,240
Niihau	18	6	72	46,080
Kahoolawe	11	6	45	28,823
Total			6,435	4,118,423

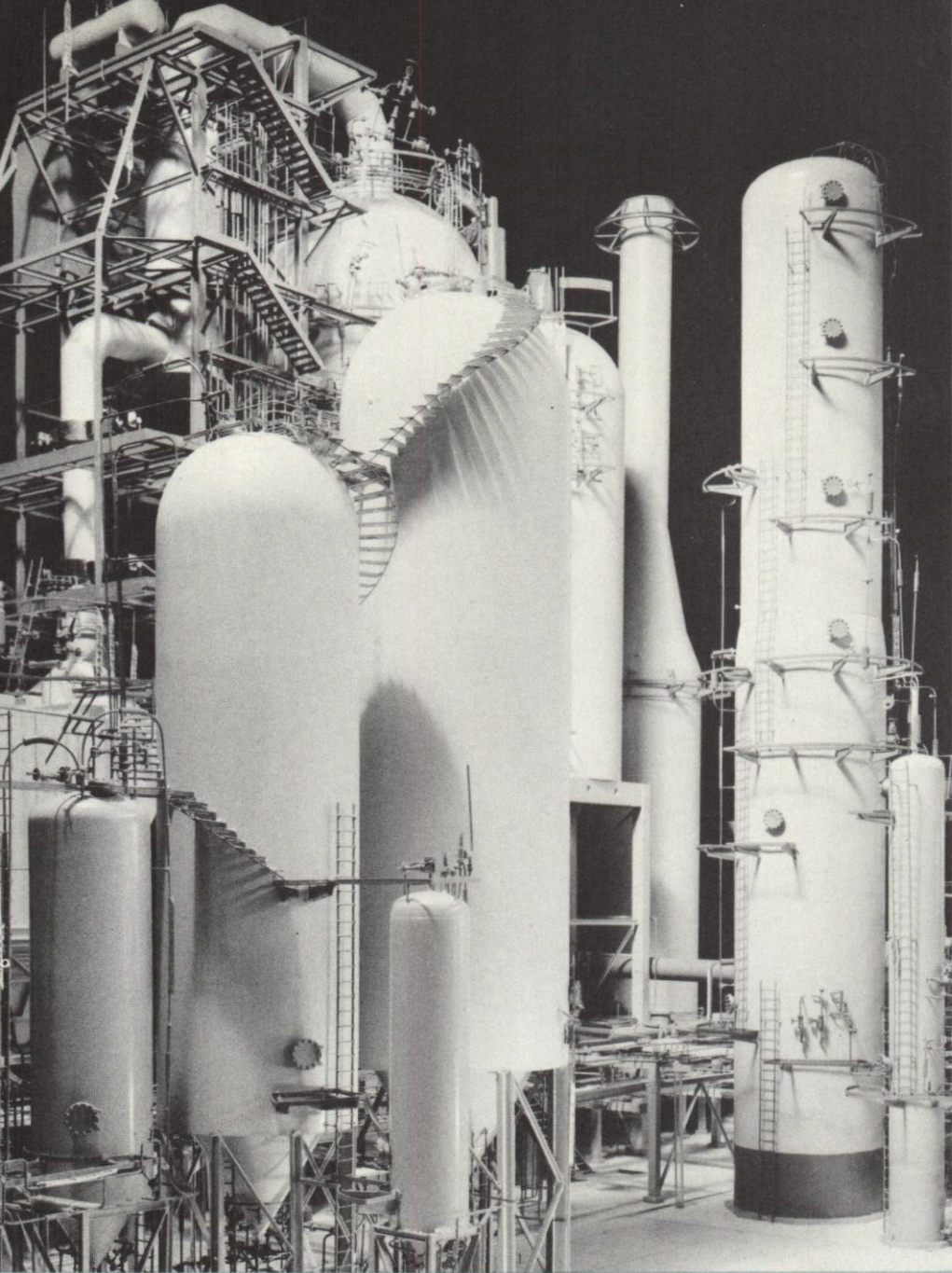


Photo of model shows how Standard Oil cracking plant will look when refinery started in 1958 is completed. Site of \$40-million project in 300-acre area will be adjacent other new industries, is about 5 miles from location of proposed HECO plant at Kahe Point

Industrial Development

Industrial progress in 1958 was marked by the October ground breaking for a Standard Oil Company of California refinery near Barber's Point and by the formation, also in October, of a small, semi-integrated steel mill by a Canadian company incorporating here under the name Hawaiian-Western Steel, Ltd. At the Barber's Point oil refinery, 22 miles from Honolulu, Standard Oil plans a processing throughput of approximately 32,000 barrels of fuels and oil products daily, beginning late in 1960.

Our Company's Industrial Development Section, established in March 1955, assisted Standard Oil Company of California in locating the oil refinery and actively participated in bringing the steel mill to the Island. A Stanford Research Institute study indicates many business opportunities in Hawaii which the Industrial Development Section is actively promoting.

Special Customer Services

A complete program of service to our customers is one of the Company's main objectives. We not only provide reliable electric power, but have a staff of well-qualified employees to help our customers put this power to its fullest and most economical use.

There has been a growing demand for assistance with both garden and interior lighting. The Company's lighting consultant prepares plans for new and remodeled homes, resulting in greater enjoyment of modern electrical living.

The Company's three branch offices, located at Kailua, Wahiawa and Waipahu, did a record amount of business during the year. These branches have proved very convenient for our customers and provide a way for us to give more individualized service. The branches are staffed by employees who live in the area and are in a good position to understand local problems and give better service.

Home owners, architects, commercial cooking establishments, distributors, dealers and builders are assisted with special electrical problems. Our Commercial Engineers and Sales

Representatives regularly visit commercial and industrial customers to give assistance on such matters as lighting layouts, motor and control applications and to make sure the customer is given advantage of the best possible rate schedule.

Our program to promote adequate wiring in old and new homes met with gratifying success. Thirty-six per cent of the new homes built during the year have service entrance equipment rated at 100 amps.



HECO commercial engineers, shown preparing plans for customers, are at the service of architects, contractors and home builders

SHAREHOLDERS OF THE COMPANY

The number of owners of common stock of the Company increased by 501 during the year to 5,199. A majority of the stock is owned by individuals and institutions residing in the Territory of Hawaii. The largest single holding is by an eleemosynary trust which owns less than 3 per cent of the common stock of the Company.

As the Company expands its facilities, we are called upon to raise funds by the issuance of bonds and preferred stock on the mainland as well as by the sale of common stock which is first offered to shareholders. The acceptance of our bonds and preferred stock in the mainland markets has been good. We foster this relationship by supplying our bondholders, shareholders, financial analysts and financial institutions with current operating data.

Distribution of Common Stock

Holders	Number of Shareholders	Shares Held
Male	1,108	203,127
Female	1,755	294,911
Joint accounts	1,527	149,673
Fiduciaries—individuals	636	152,329
Institutions and all other.....	173	131,660
Total.....	5,199	931,700

Geographical

Residence	Number of Shareholders	Shares Held
Territory of Hawaii.....	4,415	834,747
Mainland United States.....	777	92,640
Foreign	7	4,313
Total.....	5,199	931,700



James Hom, Thomas Akana and Lemuel Legros judge best prints at the Camera Club exhibit



Francis Chun tees off at Waialae Country Club during the Company's annual golf tournament



Hui Luna, a club organized by supervisory personnel, attended a luau at the South Seas

EMPLOYEE RELATIONS

Our employees take a real interest in the Company and the part it plays in the community. Belonging to an organization which has public service as its fundamental objective, they are closely associated with the public in their daily work, and every major community activity finds HECO men and women participating.

We regard our employees as one of our most valuable assets. Hawaiian Electric is known as a good place to work, with attractive wages, fair treatment and opportunity for advancement. This reputation has enabled us to compete successfully in an increasingly tight labor market for the skilled, technical and professional help we need.

Stability of the work force is especially important to a utility. We are fortunate in having a relatively young group of employees, the average age being 40, with an average length of service of 13 years. The average length of service among the supervisors and officers is 22 and 26 years, respectively.

Training Program

Growing, as we are, the selection and training of employees for new jobs and replacement is of special importance. Our indentured apprenticeship program which has been operating for twelve years has been highly successful in training and developing the special technical skills required by the Company. At the present time, we have 53 apprentices training in eleven different trades and crafts. Twenty-six new apprentices were accepted for training during the year.



Harry P. Field, Vice President and Commercial Manager, retired in September after thirty-two years of valuable service to the Company

Labor Relations

The good employer-employee relations enjoyed in the past continued throughout 1958. The International Brotherhood of Electrical Workers, Local 1260, AFL-CIO, represents 73½ per cent of our employees. The present contract became effective on September 1, 1956 and will terminate on February 28, 1959. Wage and salary increases averaging 3.88 per cent were made to the employees on May 1, 1958. Mutual respect and a cooperative attitude by the Company and the Union have resulted in stable labor relations over the years.

Security guards and watchmen became unionized this year under the United Plant Guard Workers of America, Independent, Local 650. In May 1958 the Company signed a one-year agreement relating to wages, hours and working conditions.

Payroll and Benefits

Wage and salary rates of the Company compare favorably with those of the community and with the mainland utility average. The present average hourly rate of pay is \$2.48.

The retirement plan and group life insurance program for employees is on a contributory basis and is insured with Prudential Insurance Company of America.

A liberal hospital and medical plan for the employees and their families is provided entirely at Company expense.

Payroll and Benefits

	1958	1957
Employees at December 31.....	1,145	1,133
Wages:		
For productive work.....	\$5,673,126	\$5,509,681
Non-productive wages:		
Vacations	290,950	243,019
Holidays.....	235,393	198,405
Sickness	160,603	156,400
Excused absence, etc.	31,924	29,232
	<u>\$ 718,870</u>	<u>\$ 627,056</u>
Total payroll	\$6,391,996	\$6,136,737
Benefits paid by Company:		
Annuity and life insurance.....	\$ 651,756	\$ 721,250
Medical aid dues.....	146,358	158,145
Social Security insurance.....	105,174	102,433
Unemployment insurance.....	10,520	10,418
Total benefits	<u>\$ 913,808</u>	<u>\$ 992,246</u>
Total payroll and benefits....	\$7,305,804	\$7,128,983

DEPARTMENTAL ORGANIZATION

PHYSICAL OPERATIONS

LEWIS W. LENGNICK, *Vice President and Executive Engineer*

JESSE R. ZEIGLER, *Manager of Operations*

Frederick K. Bartels, Supt. Overhead Division
Allen K. Daniels, Supt. Substation Division
Eric L. Schlemmer, Supt. General Maintenance Division
Erling V. Schoenberg, Supt. Underground Division

Frank R. Hicks, Manager, Generation Department
W. Elmer Harpham, Supt. Electrical Maintenance & Operation
James H. Yamane, Sr., Supt. Mechanical Operation

William J. Froome, Manager, System Operation Department
John R. Britton, Supt. Operating Division
James A. Roth, Supt. Meter Division

CARL H. WILLIAMS, *Manager, Engineering Department*

Victor E. Larson, Principal Structural Engineer
Francis R. Montgomery, Principal Mechanical Engineer
Emil Olson, Power Plant Construction Engineer
John F. Richardson, Jr., System Planning Engineer
John A. Roling, Jr., Principal Electrical Engineer
Frank Ah Kam Shim, Principal Distribution Engineer
James C. Zane, Principal Cadastral Engineer

GEORGE M. WINSLEY, *Purchasing Agent and Manager, Purchasing and Stores Department*

Lionel G. Lino, Superintendent of Stores
Jack Weinberg, Chief Buyer

GENERAL ACCOUNTING DEPARTMENT

GEORGE HOGG, *Vice President and Treasurer*

Hallet N. DeGaa, Cashier
Eugene A. Helbush, Controller of Accounting
Roy E. Jacobson, Utility Collection Manager
Will B. Johnstone, Jr., Executives' Assistant
Edward A. Murty, Budget Director

COMMERCIAL DEPARTMENT

HERBERT HEINRICH, *Commercial Manager**

Willard Angell, Supervisor, Application Division
Rollin C. Bacher, Industrial Development Section
Charles D. Horton, Supervisor, Meter Reading Division
Charles H. McAllister, Principal Commercial Engineer
Harry J. Palmer, Supervisor, Electric Sales Division

PROMOTIONAL DEPARTMENT

CHARLES E. NOLAN, *Vice President and Promotional Manager*

Erma Meeks Boyen, Home Service Director
Francis H. Williams, Sales Counsellor
Bernard F. Young, Commercial Electric Equipment Specialist

INDUSTRIAL RELATIONS

CARL J. SCHIFFERS, *Vice President and Industrial Relations Manager*

Curtin A. Leser, Manager, Personnel Department
Dennis Brown, King Street Building Service Supervisor

* Appointed Manager in July, to succeed Harry P. Field, Vice President and Commercial Manager, who retired in September.



Board Chairman Philip L. Spalding and President Leslie A. Hicks review Company's 1958 accomplishments in preparation for stockholder report

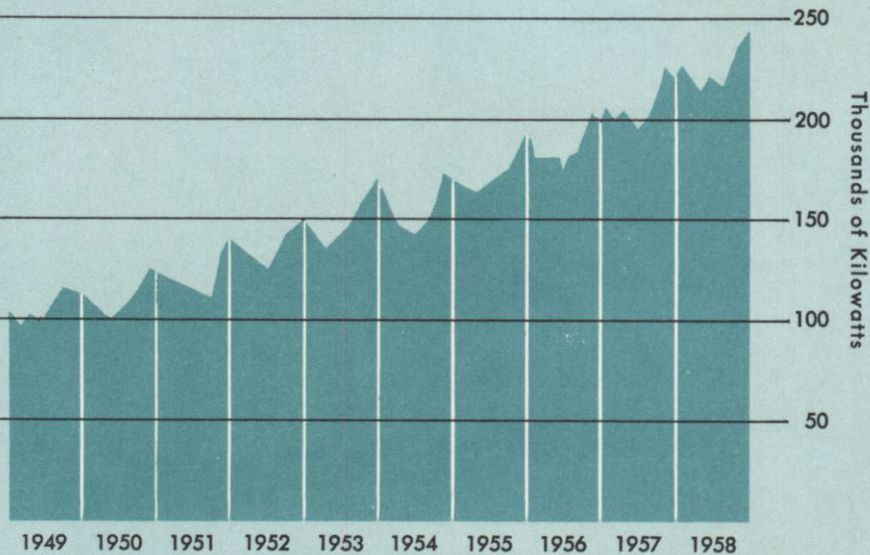
OFFICERS

Right top: Executive Vice President Ralph B. Johnson meets with Charles E. Nolan, left, Vice President and Promotional Manager; Richard L. Summers, standing, Secretary; Carl J. Schiffers, Vice President, Assistant Secretary and Industrial Relations Manager, and standing right, Lewis W. Lengnick, Vice President and Executive Engineer

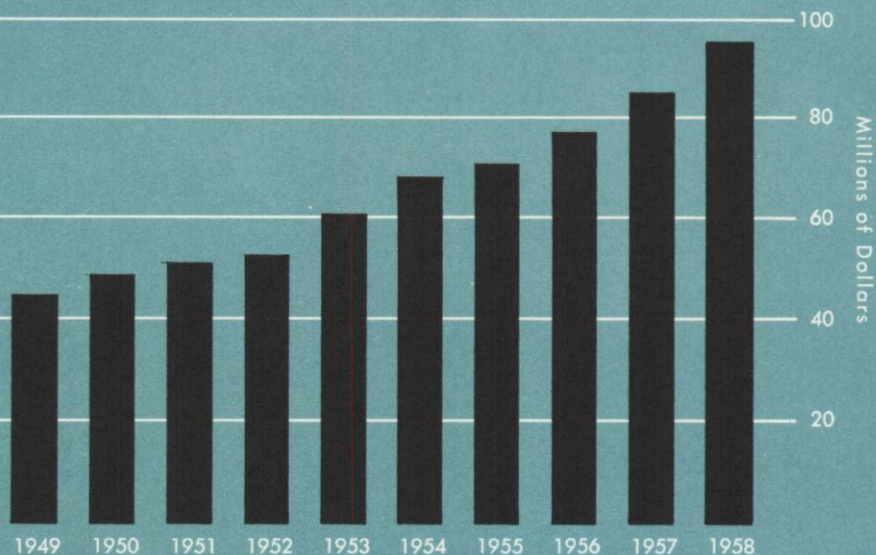
Right: Vice President and Treasurer George Hogg, right, with (from left) Edward A. Murty, Assistant Treasurer; Eugene A. Helbush, Assistant Secretary, and Will B. Johnstone, Jr., Assistant Treasurer



SYSTEM PEAK DEMANDS



PLANT INVESTMENT At Year End



FINANCIAL REVIEW

Operating Revenue Increased

Operating revenue continued to increase in 1958 and reached \$25,426,092, a 6.5% increase over 1957 and a 34.8% increase over the last five years.

Cost of Doing Business Increased

Cost of doing business, including taxes and depreciation increased to \$21,022,892, which is 6.7% higher than in 1957. Operating and maintenance expenses totaled \$13,669,335, a 1/2% decrease. Labor costs increased \$255,259. Additional plant in service and modified lives of some of our equipment increased depreciation costs 28.0% to \$1,793,521. Taxes charged to income amounted to \$5,560,036, 20.1% higher than in 1957.

Fixed charges of \$1,236,097, primarily for the payment of interest on bonds and bank borrowings, were 23.2% greater than in 1957.

Earnings

Net operating income was \$3,173,463 as compared with \$3,230,275 in 1957, a 1.7% decrease. After payment of dividends on the preferred stock, \$2,587,967 remained for common stock, 1.9% less than in 1957. Earnings on the average number of shares of common stock outstanding during the year amounted to \$3.03 per share as compared with \$3.12 in 1957. Earnings on the 931,700 shares of common stock outstanding at the end of the year were \$2.78 per share, as compared with an earning of \$3.12 per share on the 847,000 shares of common stock outstanding at December 31, 1957.

Dividends

Dividends on the preferred stock totaled \$585,496. Cash dividends declared on common stock totaled \$2,170,438 and were paid in March, June, September and December at the rate of 62 1/2 cents per share for a total of \$2.50 per share for the year. Earnings remaining after the payment of dividends amounted to \$417,529 which was reinvested in the business to help finance the expansion and improvement of facilities.

Taxes Are Up

Federal and Territorial taxes charged to income amounted to \$5,560,036, an increase of \$931,515 over 1957. Federal taxes, including \$363,103 of deferred taxes, make up \$3,011,056 of the total. Federal taxes exceed the amount available for common stock dividends by \$423,089, and total taxes amounted to \$6.02 for each share of common stock outstanding at December 31, 1958.

The following table of taxes gives the major breakdown of taxes.

<i>Federal</i>	1958	1957
Income	\$2,936,425	\$2,347,175
Payroll and other.....	108,221	114,452
	<u>\$3,044,646</u>	<u>\$2,461,627</u>
<i>Territorial</i>		
Income	\$ 334,020	\$ 331,753
Public Utility	1,519,075	1,283,029
Franchise Royalty	635,865	587,045
Other.....	75,508	65,239
	<u>\$2,564,468</u>	<u>\$2,267,066</u>
	<u>\$5,609,114</u>	<u>\$4,728,693</u>

Funds for Expansion

Capital expenditures totaled \$10,600,947 during 1958. To pay for part of our extensive construction program during the year, 150,000 shares of Series G (Cumulative) 5¾% Preferred Stock of a par value of \$20 per share were sold to a group of underwriters on October 15, 1958.

To further pay for our construction program, the Company offered 84,700 shares of its common stock at \$42.50 per share, pro-rata to the holders of its common stock of record on October 15, 1958, at the rate of one full share of common stock for each ten shares of common stock then held. 82,990 full share warrants were issued to stockholders and 1,710 shares representing fractions were sold by public auction.

Ninety-eight per cent of the offering was subscribed for and all the unsubscribed shares were used to fill the over-subscription privilege of the offering.

From the sale of Series G Preferred Stock and the Common Stock offering the Company realized slightly more than \$6,900,000 after deducting related expenses.

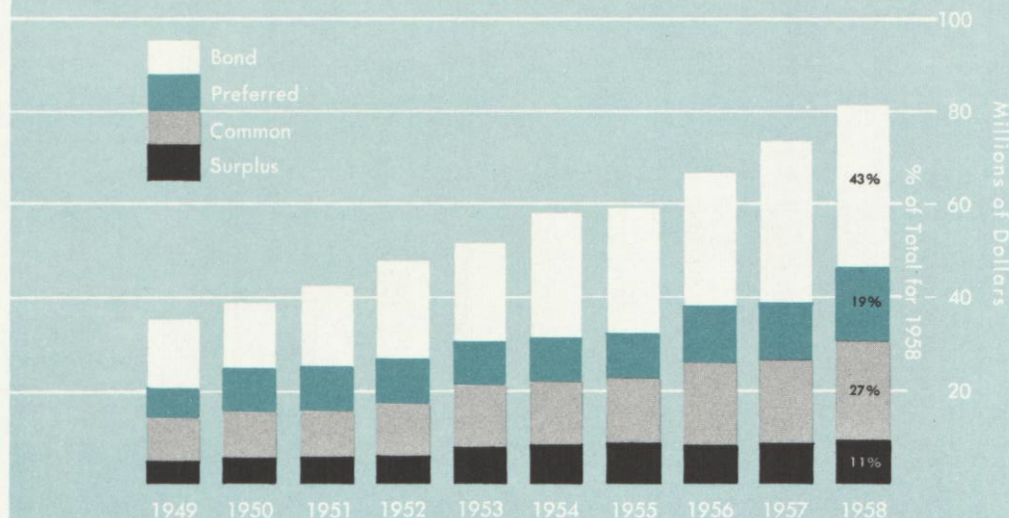
Merchandising Subsidiary

Honolulu Electrical Products Co., Ltd. completed its third year as a wholly-owned subsidiary of The Hawaiian Electric Company. This year brings to a close its first year of operations in the new facilities at Piikoi Street. The many problems created by the move of the Company's 240 employees and a \$2,000,000 inventory have now been overcome and the advantages offered by the new facilities are becoming apparent in improved efficiency.

Gross profit for the year was \$1,795,140. After operating charges, depreciation accruals, taxes, and interest on borrowings \$71,780 of net income remained. Earnings of the subsidiary for the year were reinvested in the business.

In December a one-year labor agreement was signed with the International Brotherhood of Electrical Workers Local 1260, AFL-CIO, which represents 74 per cent of the Company's employees.

FINANCIAL STRUCTURE
End of Each Year



BALANCE SHEET

ASSETS

December 31, 1958
(With comparative figures for the previous year)

	1958	1957	Increase (Decrease)
UTILITY PLANT (Note 1):			
In service.....	\$88,774,189	\$83,773,541	\$ 5,000,648
Construction in progress.....	6,795,891	1,329,826	5,466,065
	<u>\$95,570,080</u>	<u>\$85,103,367</u>	<u>\$10,466,713</u>
Less: accumulated depreciation (Note 2).....	15,064,970	13,488,274	1,576,696
	<u>\$80,505,110</u>	<u>\$71,615,093</u>	<u>\$ 8,890,017</u>
INVESTMENTS:			
Capital stock of wholly-owned subsidiary, at cost (Note 3).....	3,000,000	3,000,000	.....
Real estate and improvements, at cost less accumulated depreciation.....	28,019	344,302	(316,283)
	<u>\$ 3,028,019</u>	<u>\$ 3,344,302</u>	<u>\$ (316,283)</u>
CURRENT ASSETS:			
Cash.....	1,453,640	901,210	552,430
Temporary cash investments.....		1,600,000	(1,600,000)
Accounts receivable.....	2,373,149	2,459,612	(86,463)
Allowance for uncollectible accounts.....	(67,475)	(68,958)	1,483
Construction and operating materials and supplies, at average cost.....	1,709,232	1,608,145	101,087
Prepaid expenses.....	62,569	89,292	(26,723)
	<u>\$ 5,531,115</u>	<u>\$ 6,589,301</u>	<u>\$ (1,058,186)</u>
DEFERRED CHARGES:			
Unamortized debt expense.....	321,458	339,152	(17,694)
Clearing accounts.....	123,716	112,742	10,974
Other.....	187,218	69,230	117,988
	<u>\$ 632,392</u>	<u>\$ 521,124</u>	<u>\$ 111,268</u>
CAPITAL STOCK EXPENSE			
(no provision made for amortization).....	854,234	689,319	164,915
	<u>\$90,550,870</u>	<u>\$82,759,139</u>	<u>\$ 7,791,731</u>

See accompanying notes to financial statements.

BALANCE SHEET

LIABILITIES

December 31, 1958

(With comparative figures for the previous year)

CAPITALIZATION:	1958	1957	Increase (Decrease)
Capital stock and surplus:			
Common stock (\$20 par value)—			
Authorized, \$1,100,000 shares			
Outstanding, 1958, 931,700 shares; 1957, 847,000 shares.....	\$18,634,000	\$16,940,000	\$ 1,694,000
Premium on common stock.....	2,983,750	1,078,000	1,905,750
Earnings reinvested in the business: (restricted; 1958, \$614,882; 1957, \$630,507—Note 4).....	9,080,501	8,658,708	421,793
	<u>\$30,698,251</u>	<u>\$26,676,708</u>	<u>\$ 4,021,543</u>
Cumulative preferred stock (\$20 par value) (Note 5).....	15,320,780	11,914,080	3,406,700
Total capital stock and surplus.....	\$46,019,031	\$38,590,788	\$ 7,428,243
First mortgage bonds (Note 6).....	35,000,000	35,000,000	.....
Total capitalization.....	<u>\$81,019,031</u>	<u>\$73,590,788</u>	<u>\$ 7,428,243</u>
CURRENT LIABILITIES:			
Accounts payable.....	835,157	704,951	130,206
Accrued taxes.....	2,588,203	2,529,767	58,436
Accrued interest on long-term debt.....	357,354	357,354	.....
Accrued payroll.....	63,515	257,863	(194,348)
Accrued retirement annuity premium.....	479,722	523,430	(43,708)
Other.....	86,699	93,689	(6,990)
	<u>\$ 4,410,650</u>	<u>\$ 4,467,054</u>	<u>\$ (56,404)</u>
DEFERRED CREDITS:			
Unamortized depreciation adjustment.....	1,672,000	1,760,000	(88,000)
Unamortized premium on debt.....	144,939	160,124	(15,185)
Other.....	70,903	63,050	7,853
	<u>\$ 1,887,842</u>	<u>\$ 1,983,174</u>	<u>\$ (95,332)</u>
RESERVES:			
Future federal taxes on income (Note 7).....	906,450	543,347	363,103
Workmen's compensation liability.....	75,113	92,264	(17,151)
	<u>\$ 981,563</u>	<u>\$ 635,611</u>	<u>\$ 345,952</u>
CONTRIBUTIONS IN AID OF CONSTRUCTION.....	2,251,784	2,082,512	169,272
	<u>\$90,550,870</u>	<u>\$82,759,139</u>	<u>\$ 7,791,731</u>

See accompanying notes to financial statements.

STATEMENT OF INCOME

For the Year Ended December 31, 1958
(With comparative figures for the previous year)

	1958	1957	Increase (Decrease)
OPERATING REVENUES:			
Sales of electric energy.....	\$25,393,300	\$23,789,452	\$ 1,603,848
Other electric revenues.....	32,792	78,133	(45,341)
	<u>\$25,426,092</u>	<u>\$23,867,585</u>	<u>\$ 1,558,507</u>
OPERATING COSTS:			
Fuel oil.....	5,897,233	6,110,490	(213,257)
Other operating expenses.....	5,771,775	5,680,701	91,074
Maintenance.....	2,000,327	1,884,948	115,379
Depreciation.....	1,881,521	1,488,721	392,800
Taxes.....	5,560,036	4,628,522	931,514
Amortization of depreciation adjustment.....	(88,000)	(88,000)	.....
	<u>\$21,022,892</u>	<u>\$19,705,382</u>	<u>\$ 1,317,510</u>
OPERATING INCOME.....	\$ 4,403,200	\$ 4,162,203	\$ 240,997
OTHER INCOME:			
Interest.....	4,599	64,300	(59,701)
Miscellaneous.....	1,761	6,755	(4,994)
	<u>\$ 6,360</u>	<u>\$ 71,055</u>	<u>\$ (64,695)</u>
GROSS INCOME.....	\$ 4,409,560	\$ 4,233,258	\$ 176,302
INCOME DEDUCTIONS:			
Interest on long-term debt.....	1,262,250	1,184,569	77,681
Amortization of premium on debt.....	(15,185)	(15,185)	.....
Amortization of debt expense.....	17,694	16,907	787
Other interest charges.....	43,010	9,713	33,297
Interest charged to construction.....	(131,136)	(251,119)	119,983
Donations.....	52,177	51,062	1,115
Miscellaneous other deductions.....	7,287	7,036	251
	<u>\$ 1,236,097</u>	<u>\$ 1,002,983</u>	<u>\$ 233,114</u>
NET INCOME FOR THE YEAR.....	\$ 3,173,463	\$ 3,230,275	\$ (56,812)

See accompanying notes to financial statements.

STATEMENT OF EARNINGS REINVESTED IN BUSINESS

Year ended December 31, 1958
(With comparative figures for the previous year)

	1958	1957	Increase (Decrease)
BALANCE, JANUARY 1.....	\$ 8,658,708	\$ 8,111,607	\$ 547,101
ADD:			
Net income for the year.....	3,173,463	3,230,275	(56,812)
Transfer from contributions in aid of construction (contributions held over 23 years).....	7,493	5,808	1,685
Prior period adjustments, net (after related tax effects).....	.....	20,193	(20,193)
	<u>\$ 3,180,956</u>	<u>\$ 3,256,276</u>	<u>\$ (75,320)</u>
	<u>\$11,839,664</u>	<u>\$11,367,883</u>	<u>\$ 471,781</u>
DEDUCT:			
Cash dividends:			
Preferred stock.....	585,496	591,675	(6,179)
Common stock (\$2.50 per share).....	2,170,438	2,117,500	52,938
Pro rata share of capital stock expense applicable to preferred stock retired.....	3,229	.....	3,229
	<u>\$ 2,759,163</u>	<u>\$ 2,709,175</u>	<u>\$ 49,988</u>
BALANCE, DECEMBER 31 (Note 4).....	\$ 9,080,501	\$ 8,658,708	\$ 421,793

See accompanying notes to financial statements.

NOTES TO FINANCIAL STATEMENTS

NOTE 1—UTILITY PLANT

Plant constructed by the company is stated at cost of construction, which includes indirect costs and, in certain instances, a mark-on allowed the company's subsidiary on materials and equipment obtained through the subsidiary. During the year the company purchased materials aggregating \$4,414,432 from its wholly-owned subsidiary, the major portion of which related to capital additions. The subsidiary's mark-on on these purchases amounted to \$417,765, less related gross income taxes of \$14,127. The actual amount of inter-company profit on these transactions is not ascertainable due to the inability to determine the amount of applicable expenses of the subsidiary but, after deducting such expenses, it is not considered to be material in relation to total utility plant expenditures.

NOTE 2—ACCUMULATED DEPRECIATION

The company, since January 1, 1955, has computed depreciation on a four per cent, sinking fund, group method utilizing the remaining-life principle. In reporting for federal taxes on income, the company has taken deductions for depreciation on the straight-line method, except that since January 1, 1955, the deductions for depreciation on new additions have been computed under the accelerated depreciation provisions of the 1954 Internal Revenue Code. The deductions for depreciation taken for federal income tax purposes exceeded the amounts provided for the accounts by \$920,739 in 1958 and \$1,181,123 in 1957, which amounts included approximately \$698,000 and \$420,000 of accelerated depreciation.

An order of the Public Utilities Commission, issued in 1955, requires the company to review and, subject to the Commission's approval, revise estimated service lives at four-year intervals. Accordingly, the company, beginning January 1, 1958, computed depreciation on redetermined service lives with the result that the annual provision was increased by approximately \$207,000.

NOTE 3—INVESTMENT IN CAPITAL STOCK OF WHOLLY-OWNED SUBSIDIARY

As of December 31, 1958, the company's equity in the net assets of the subsidiary amounted to \$3,434,136. Net income of the subsidiary for 1958 amounted to \$71,781. The accounts of the company and the subsidiary have not been consolidated on the accompanying financial statements.

NOTE 4—EARNINGS REINVESTED IN THE BUSINESS

The restriction of earnings reinvested in the business was created in January 1953, through a credit to surplus of \$817,009 arising from the adjustment of the carrying value of the utility plant to agree with the historical cost used by the Public Utilities Commission. The restricted reinvested earnings are reduced as the revalued assets are retired from service, and accordingly the amount so restricted as to payment of dividends had been reduced to \$614,882 as of December 31, 1958.

NOTE 5—PREFERRED STOCK

The following series of preferred stock were outstanding as at December 31, 1958:

Authorized and issued:	Shares	Par Value
Series B, 5%.....	100,000	\$ 2,000,000
Series C, 4 1/4%.....	150,000	3,000,000
Series D, 5%.....	30,000	1,000,000
Series E, 5%.....	150,000	3,000,000
Series F, 5 1/2%.....	150,000	3,000,000
Series G, 5 3/4%.....	175,000	3,500,000
	775,000	\$15,500,000
Less reacquired Series F shares.....	8,961	179,220
Outstanding	766,039	\$15,320,780

In accordance with the terms of the issue, 3,000 shares of Series F preferred stock with a par value of \$60,000 are required to be reacquired annually. Shares so reacquired are not subject to reissue.

NOTE 6—FIRST MORTGAGE BONDS

The following series of first mortgage bonds were outstanding at December 31, 1958:

Series D, 3 1/2%, due 1964.....	\$ 5,000,000
Series E, 3 1/8%, 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
Series J, 4.70%, due 1987.....	7,000,000
	\$35,000,000

These bonds are secured by a trust indenture which by its terms purports to be a lien on all of the property of the company, including all of the outstanding capital stock of the subsidiary.

NOTE 7—RESERVE FOR FUTURE FEDERAL TAXES ON INCOME

Permission has been granted by the Public Utilities Commission of the Territory of Hawaii to charge to income amounts equal to tax reductions arising from accelerated depreciation deductions taken under the provisions of the Internal Revenue Code of 1954. Accordingly, income was charged and a reserve for "future federal taxes on income" was credited with \$363,103 for 1958 and \$218,373 for 1957.

NOTE 8—COMMITMENTS

At December 31, 1958, the company had purchase commitments approximating \$4,500,000 in connection with its plant expansion program.

Pension costs for past services under the company's supplementary pension plan which had not been funded or otherwise provided for at December 31, 1958, are estimated to amount to approximately \$3,875,000.

AUDITOR'S OPINION

PEAT, MARWICK, MITCHELL & Co.

CERTIFIED PUBLIC ACCOUNTANTS
(INCORPORATING CAMERON, TENNENT & DUNN)
TRUSTCO BUILDING
P. O. BOX 3556
HONOLULU II, HAWAII

February 2, 1959

The Stockholders
The Hawaiian Electric Company, Limited

We have examined the balance sheet of The Hawaiian Electric Company, Limited, as of December 31, 1958, and the related statements of income and earnings reinvested in the 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 the business present fairly the financial position of The Hawaiian Electric Company, Limited, at December 31, 1958, and the results of its operations for the year then ended, in conformity with generally accepted accounting principles applied on a basis consistent with that of the preceding year.

Peat, Marwick, Mitchell & Co.

TEN YEARS OF GROWTH

Statistics for decade
from 1949 to 1958
show extent and rapidity
of Company's progress.



1954	1953	1952	1951	1950	1949
17,623	\$55,766,675	\$53,005,275	\$51,228,431	\$48,667,329	\$41,490,618
23,132	4,732,984	453,526	262,053	330,508	3,104,512
10,755	\$60,499,659	\$53,458,801	\$51,490,484	\$48,997,837	\$44,595,131
16,309	10,558,766	12,959,458	12,026,744	11,209,255	10,393,922
00,000	22,000,000	22,000,000	18,000,000	15,200,000	15,200,000
00,000	9,000,000	9,000,000	9,000,000	9,000,000	6,000,000
00,000	13,000,000	11,000,000	10,000,000	10,000,000	9,000,000
34,495	7,703,892	5,501,570	5,355,015	5,199,720	4,847,206
34,495	\$51,703,892	\$47,501,570	\$42,355,015	\$39,399,720	\$35,047,206
77,475	726,250	609,583	523,667	489,250	489,250
27,500	427,500	427,500	427,500	359,268	277,500
25,000	1,150,000	1,025,000	1,000,000	1,225,000	900,000
2.82	2.81	2.33	2.30	3.13	2.57
2.65	2.45	2.13	2.30	3.06	2.57
2.00	2.00	2.00	2.00	2.50	2.00
31.83	31.85	30.00	30.71	30.40	30.77
51,032	\$14,909,080	\$13,020,553	\$11,879,223	\$10,728,425	\$10,627,745
13,238	126,009	121,529	79,854	50,786	39,158
74,270	\$15,035,089	\$13,142,082	\$11,959,077	\$10,779,211	\$10,666,903
07,805	3,401,961	2,979,835	2,631,634	2,122,380	2,739,163
39,780	3,794,163	3,408,487	3,059,594	2,883,084	2,642,830
47,543	1,662,107	1,399,669	1,160,135	996,410	1,012,430
16,300	1,248,268	1,165,737	1,086,230	936,696	874,083
62,715	1,272,608	995,065	1,063,744	931,008	717,637
90,380	1,248,211	1,092,671	1,053,453	992,120	1,022,192
61,559)	(53,456)	(1,625)	(4,351)	(74,188)	(35,244)
88,000)	(88,000)				
64,964	\$12,485,862	\$11,039,839	\$10,050,439	\$ 8,787,510	\$ 8,973,091
09,306	2,549,227	2,102,243	1,908,638	1,991,701	1,693,812
83,940	148,543	155,389	264,960	295,324	217,656
09,459	679,834	658,578	598,491	399,171	478,705
83,787	\$ 2,017,936	\$ 1,599,054	\$ 1,575,107	\$ 1,887,854	\$ 1,432,763
82,908	699,439,219	647,314,521	575,221,538	522,324,630	507,418,883
3,501	3,242	3,076	2,867	2,688	2,551
2.65¢	2.69¢	2.56¢	2.62¢	2.66¢	2.70¢
90,576	86,593	83,708	80,307	76,229	73,913
75,274	71,587	68,882	65,683	61,956	60,049
75,000	220,000	220,000	220,000	220,000	170,000
72,200	168,000	150,500	140,000	126,000	116,000

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

THE HAWAIIAN ELECTRIC COMPANY, LTD.

900 RICHARDS STREET (PALACE SQUARE)
HONOLULU, HAWAII

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 Public Utilities Commission of the Territory of Hawaii has regulatory jurisdiction with respect to the Company's electric utility operations. Under the laws of the Territory of Hawaii the Company has the right of eminent domain.

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. Common Stock, Series B, C, D, E and F Preferred Stock and Series D, E and F Bonds of The Hawaiian Electric Company, Limited are listed on the Honolulu Stock Exchange.

Honolulu Electrical Products Co., Ltd., a wholly-owned subsidiary of the Company, 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.

TRANSFER AGENTS

*Guaranty Trust Company
140 Broadway
New York 15, N. Y.

Wells Fargo Bank
Market Street at Montgomery
San Francisco 20, California

The Hawaiian Electric Company, Limited
900 Richards Street
Honolulu 13, Hawaii

REGISTRARS

*J. P. Morgan & Co., Incorporated
23 Wall Street
New York 8, N. Y.

The Bank of California, National Association
400 California Street
San Francisco 20, California

Cooke Trust Company, Limited
926 Fort Street
Honolulu 13, Hawaii

* Guaranty Trust Company and J. P. Morgan & Co., Inc. have announced their intention to merge.

THE HAWAIIAN ELECTRIC COMPANY, LTD.

BUILDING TODAY FOR TOMORROW'S NEEDS