

BEFORE THE PUBLIC UTILITIES COMMISSION  
OF THE STATE OF HAWAII

In the Matter of the Application of )  
 )  
 HAWAIIAN ELECTRIC COMPANY, INC. )  
 )  
 For Approval: (1) to Donate )  
 Retired Personal Computers to )  
 Four Non-Profit Organizations; and )  
 (2) of an Annual Reporting )  
 Requirement in Lieu of Prior )  
 Commission Approval. )  
 \_\_\_\_\_ )

DOCKET NO. 03-0158

DECISION AND ORDER NO. 20377

DIV. OF CONSUMER ADVOCACY  
DEPT. OF COMMERCE AND  
CONSUMER AFFAIRS  
STATE OF HAWAII

2003 AUG 18 P 4: 10

RECEIVED

Filed August 12, 2003  
At 11:00 o'clock A .M.

Karen Higashi  
Chief Clerk of the Commission

ATTEST: A True Copy  
KAREN HIGASHI  
Chief Clerk, Public Utilities  
Commission, State of Hawaii.  
K. Higashi

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DECISION AND ORDER

I.

By Decision and Order No. 20228, filed on June 10, 2003, the commission: (1) approved HAWAIIAN ELECTRIC COMPANY, INC.'s ("HECO") request to transfer (i.e., donate) approximately 101 retired personal computers and two hubs to four non-profit organizations; and (2) deferred HECO's other requests to a follow-up decision and order, upon the filing of a position statement by the Department of Commerce and Consumer Affairs, Division of Consumer Advocacy ("Consumer Advocate"). Thereafter, by position statement filed on July 30, 2003, the Consumer Advocate does not object to the commission's approval of HECO's remaining requests.

This decision and order addresses HECO's two pending requests.

II.

A.

Condition No. 13 (fka Condition No. 14), set forth in Decision and Order No. 7153, filed on July 19, 1982, in Docket No. 4337, provides:<sup>1</sup>

The Utility Corporation shall not transfer any of its property which is or was in the rate base nor assume any liabilities of Industries, directly or indirectly, without the prior approval of the Commission. The determination of the transfer value and the accounting and rate-making treatment thereof shall be determined by the Commission at the time of approval of such transfer.<sup>2</sup>

B.

With respect to the transfer value and accounting and ratemaking treatment of the donated equipment, HECO explains that:

1. The original cost of the donated equipment is approximately \$366,697, and its net book value is approximately \$191,844. (Exhibit A of HECO's application.)
2. The accounting entries for the retired, donated equipment, based on the equipment's original cost, are: (A) a debit to Account 108.11, accumulated depreciation; and (B) a credit to Account 391.10, information system equipment.
3. The ratemaking treatment of the donated equipment is similar to its accounting treatment. No gain or loss is recognized.

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<sup>1</sup>Decision and Order No. 20228, Section III.A, provides a description of Docket No. 4337.

<sup>2</sup>"Utility Corporation" refers to HECO, while "Industries" refers to Hawaiian Electric Industries, Inc.

4. The donated equipment is not recognized as a charitable contribution for accounting, ratemaking, or tax purposes.

Based on these representations, the Consumer Advocate concludes that, "although the donated equipment may have a net book value, there is no transfer value under HECO's proposal." Thus, the Consumer Advocate "does not object to the proposed accounting and rate-making treatment for the net book value of the donated equipment."

C.

HECO requests, on a going-forward basis, to file an annual report in lieu of seeking the commission's prior approval to donate retired personal computers and related equipment to non-profit organizations. Specifically, HECO proposes an annual report, on a form similar to Exhibit A of its application, for the twelve-month period ending each October 31, "submitted on or before December 1 of the same year." HECO states that the annual report "will facilitate the transfer of retired PCs and peripherals to non-profit organizations, and ensure timely receipt of the donated retired PCs and peripherals by the non-profit organizations."

The Consumer Advocate supports HECO's annual reporting proposal, stating that "[t]he report should allow the Commission and Consumer Advocate to monitor the costs impacts of the donated [equipment]."

D.

Upon review, the commission will approve HECO's proposed: (1) accounting and ratemaking treatment for the net book value of the retired, donated equipment; and (2) annual reporting requirement in lieu of prior commission approval.

III.

THE COMMISSION ORDERS:

1. HECO's proposed accounting and ratemaking treatment for the net book value of the retired, donated equipment is approved, consistent with Condition No. 13 of Decision and Order No. 7153, filed on July 19, 1982, in Docket No. 4337.

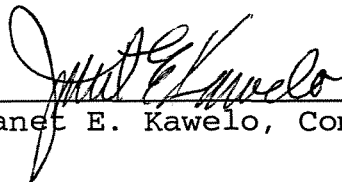
2. In lieu of seeking the commission's prior approval to donate retired personal computers and related equipment to non-profit organizations, HECO shall, on a going-forward basis and consistent with the terms of this decision and order, file an annual informational report covering the twelve-month period from November 1 to October 31, by December 1<sup>st</sup> of the same year. The initial report is due by December 31, 2003. HECO shall serve two copies of each report on the Consumer Advocate. To the extent this new requirement conflicts with Condition No. 13 of Decision and Order No. 7153, the annual reporting requirement supersedes Condition No. 13.

DONE at Honolulu, Hawaii this 12th day of August,  
2003.

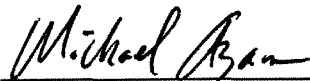
PUBLIC UTILITIES COMMISSION  
OF THE STATE OF HAWAII

By   
Carlito P. Caliboso, Chairman

By (EXCUSED)  
Wayne H. Kimura, Commissioner

By   
Janet E. Kawelo, Commissioner

APPROVED AS TO FORM:

  
Michael Azama  
Commission Counsel

03-0158.sl

CERTIFICATE OF SERVICE

I hereby certify that I have this date served a copy of the foregoing Decision and Order No. 20377 upon the following parties, by causing a copy hereof to be mailed, postage prepaid, and properly addressed to each such party.

DEPARTMENT OF COMMERCE AND CONSUMER AFFAIRS  
DIVISION OF CONSUMER ADVOCACY  
P. O. Box 541  
Honolulu, HI 96809

WILLIAM A. BONNET  
VICE PRESIDENT, GOVERNMENT AND COMMUNITY AFFAIRS  
HAWAIIAN ELECTRIC COMPANY, INC.  
P.O. Box 2750  
Honolulu, HI 96840

  
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Karen Higashi

DATED: August 12, 2003