

BEFORE THE PUBLIC UTILITIES COMMISSION
OF THE STATE OF HAWAII

In the Matter of the Application of)
)
HAWAIIAN ELECTRIC COMPANY, INC.,)
HAWAII ELECTRIC LIGHT COMPANY, INC.,)
and MAUI ELECTRIC COMPANY, LIMITED)
)
For Approval to Defer Certain)
Computer Software Development)
Costs For Item P0000571, Customer)
Information System, to Accumulate)
an Allowance for Funds Used During)
Construction During the Deferral)
Period, to Amortize the Deferred)
Costs, and to Include the)
Unamortized Deferred Costs in)
Rate Base.)
_____)

DOCKET NO. 04-0268

ORDER NO. 21361

Filed Sept. 27, 2004
At 11 o'clock A.M.

Karen Higashi
Chief Clerk of the Commission

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

2004 SEP 28 A 8:22

RECEIVED

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

K. Higashi

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Docket No. 04-0268

Order No. **21361**

ORDER

HAWAIIAN ELECTRIC COMPANY, INC. ("HECO"), HAWAII ELECTRIC LIGHT COMPANY, INC., and MAUI ELECTRIC COMPANY, LIMITED (collectively, "Applicants"), seek the commission's approval of various matters related to Item P0000571, the installation of a Customer Information System ("CIS") Project.¹ Applicants specifically request the commission's approval to: (1) defer certain computer software development costs for the CIS Project; (2) accumulate during the deferral period an allowance for funds used during construction ("AFUDC"); (3) amortize the deferred costs, including AFUDC, over a ten (10)-year period, or such other amortization period the commission finds reasonable; and

¹Joint Application, filed on August 26, 2004 ("Joint Application").

(4) include the unamortized deferred costs, including AFUDC, in rate base.

Applicants served copies of their Joint Application upon the Department of Commerce and Consumer Affairs, Division of Consumer Advocacy ("Consumer Advocate").

On September 15, 2004, the Consumer Advocate filed its Initial Statement of Position, based on its preliminary review of the Joint Application. The Consumer Advocate identified certain questions and concerns, and states its intent to participate in this docket, including the issuance of information requests and the filing of its Final Statement of Position, upon the completion of its investigation. No persons moved to intervene or participate.

The commission's ruling in this docket may possibly affect HECO's 2005 calendar test year rate case.² Accordingly, the commission will instruct Applicants and the Consumer Advocate (collectively, the "Parties") to submit a procedural schedule for the commission's review and consideration.

THE COMMISSION ORDERS that within thirty (30) days from the date of this Order, the Parties shall submit to the commission a stipulated procedural schedule, incorporating their agreed upon schedule with respect to this proceeding. If they are unable to stipulate to such a schedule, each Party shall

²On May 18, 2004, in Docket No. 04-0113, HECO filed its notice, informing the commission and Consumer Advocate of its intent to file an application for a general rate increase, utilizing the 2005 calendar test year. Unless ordered otherwise, HECO's application is forthcoming, no later than December 31, 2004. See Hawaii Administrative Rules § 6-61-87(4)(B).

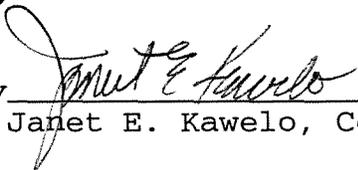
submit a proposed procedural schedule for the commission's consideration by the same date.

DONE at Honolulu, Hawaii SEP 27 2004.

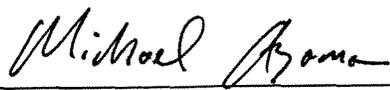
PUBLIC UTILITIES COMMISSION
OF THE STATE OF HAWAII

By 
Carlito P. Caliboso, Chairman

By 
Wayne H. Kimura, Commissioner

By 
Janet E. Kawelo, Commissioner

APPROVED AS TO FORM:


Michael Azama
Commission Counsel

04-0268.cs

CERTIFICATE OF SERVICE

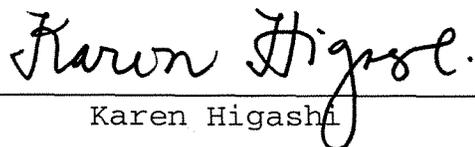
I hereby certify that I have this date served a copy of the foregoing Order No. 21361 upon the following parties, by causing a copy hereof to be mailed, postage prepaid, and properly addressed to each such party.

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

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Karen Higashi

DATED: SEP 27 2004