

approval by June 29, 2007, to allow DBEDT sufficient time to have the electric bus refurbished prior to the start of the public school year in late July 2007.

In support of its expedited request, HECO represents:

1. HECO purchased its electric bus in 1995 and used it to shuttle employees between HECO's Ward Avenue Complex and its downtown offices.

2. In late 2004, the route normally used by the electric bus at the Ward Avenue Complex was eliminated by preparation for the construction of the new Dispatch Center, which changed the pickup point from the ground floor of the Ward Avenue Complex to the third floor. Due to its size, the electric bus could not go up the ramp to the third floor of the Ward Avenue Complex. In addition, at that time, the electric bus was becoming more expensive to operate and maintain. As a result, in late 2004, HECO replaced the electric bus with regular vans to shuttle employees, and the electric bus has been parked in HECO's garage since then.

3. DBEDT is coordinating the State of Hawaii's support of the FIRST NASA Robotic program as part of Governor Lingle's Science, Technology, Engineering, Math ("STEM") initiative. Pursuant to a request from Governor Lingle, HECO is willing to donate its electric bus for use in the FIRST Robotics competition.

4. DBEDT plans to have the military (or a military contractor) refurbish the bus into a mobile tool workshop.² As a

²HECO attached photos to its letter that show an example of a mobile tool workshop. HECO understands that the electric bus would be refurbished in a manner similar to the example in the 2007-0169

mobile tool workshop, the bus will be used by schools that do not have the necessary tools or equipment for the Robotics competition, and also for emergency repairs at the Robotics competition.³

5. HECO requests expedited approval to allow time for DBEDT to refurbish the bus before the start of the public school year in late July 2007.⁴

6. The electric bus is currently included in HECO's rate base. The net book value of the bus, as of December 31, 2006, was \$31,942.⁵ If the commission approves the donation of the electric bus to DBEDT, HECO will record the transaction as a normal retirement with the original book cost recorded as a debit to Accumulated Depreciation and a credit to Utility Plant in Service. There would be no gain or loss in the transaction.

7. The DIVISION OF CONSUMER ADVOCACY, DEPARTMENT OF COMMERCE AND CONSUMER AFFAIRS ("Consumer Advocate") does not object to HECO's request for expedited approval, but reserves the right to state its position with respect to the substance of HECO's formal application on this matter.

photos, and that the bus would be turned into a trailer that would be towed to its destination. See id. at 1-2.

³HECO notes that the electric bus will be used as a mobile tool workshop for at least three years, since the State of Hawaii has committed to hosting the Robotics regional competition for that time, beginning in 2008. See id. at 2.

⁴HECO represents that it made its request via letter due to the expedited nature of the request, and that it will submit a formal application within ten days after expedited approval is granted. See id. at 1 n.1.

⁵HECO states that it purchased the bus for \$92,065 in 1995.

II.

Discussion

HECO is requesting approval to donate the electric bus to DBEDT pursuant to Paragraph 13 of the "Conditions for the Merger and Corporate Restructuring of Hawaiian Electric Company, Inc.," which is attached as Exhibit A to Order No. 7256, filed on September 29, 1982, in Docket No. 4337.⁶ Paragraph 13 requires prior commission approval for transfers of property that is or was in HECO's rate base:

13. 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 ratemaking treatment thereof shall be determined by the Commission at the time of approval of such transfer.

Based on HECO's representations regarding the purpose of the donation, and that the immediate donation of the electric bus to DBEDT is necessary in order for DBEDT to have the bus refurbished before the start of the public school year in late July 2007, the commission finds HECO's request for expedited interim approval of the proposed donation to be reasonable and in the public interest. The commission further finds that HECO's recommended accounting treatment for the donation is reasonable.

⁶Hawaii Revised Statutes ("HRS") § 269-19 provides that a public utility is prohibited from, among other things, selling, leasing, assigning, mortgaging, encumbering, or otherwise disposing of its property that is necessary or useful in the performance of its duties to the public, without first obtaining the approval of the commission. HECO explains that it is not requesting approval of the proposed donation of the electric bus to DBEDT pursuant to HRS § 269-19 because the electric bus is no longer "necessary and useful" in the performance of HECO's duties to the public.

Thus, the commission concludes that HECO's June 22, 2007 request for expedited approval to immediately donate its electric bus to DBEDT should be approved, provided that HECO submits a formal application in accordance with the applicable laws, rules, and procedures relating to the transaction within ten days from the date of this interim order.

Such approval is further conditioned upon HECO's compliance with the applicable laws, rules, and regulations relating to the above-referenced transaction and any other terms, conditions, and requirements imposed subsequent to the commission's and the Consumer Advocate's respective reviews of the merits of the formal application filed in this docket.

III.

Order

THE COMMISSION ORDERS:

HECO's June 22, 2007 request for expedited approval to immediately donate its electric bus to DBEDT for use as a mobile tool workshop for the FIRST NASA Robotics regional competition, is approved, subject to the following conditions:

1. HECO shall submit a formal application in accordance with the applicable laws, rules, and procedures relating to the transaction within ten days from the date of this interim order; and

2. The commission and the Consumer Advocate reserve their respective rights to review the merits of the transaction relating to the proposed donation subsequent to the submission of

HECO's formal application in accordance with the applicable laws, rules, and regulations.

DONE at Honolulu, Hawaii JUN 29 2007.

PUBLIC UTILITIES COMMISSION
OF THE STATE OF HAWAII

By 
Carlito P. Caliboso, Chairman

By 
John E. Cole, Commissioner

APPROVED AS TO FORM:


Kaiulani Kidani Shinsato
Commission Counsel
2007-0169.ac

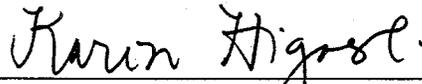
CERTIFICATE OF SERVICE

I hereby certify that I have on this date served a copy of the foregoing Interim Order No. 23529 upon the following parties, by causing a copy hereof to be mailed, postage prepaid, and properly addressed to each such party.

CATHERINE P. AWAKUNI
DIVISION OF CONSUMER ADVOCACY
DEPARTMENT OF COMMERCE AND CONSUMER AFFAIRS
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 96840-0001

DEAN K. MATSUURA
DIRECTOR, REGULATORY AFFAIRS
HAWAIIAN ELECTRIC COMPANY, INC.
P. O. Box 2750
Honolulu, HI 96840-0001



Karen Higashi

DATED: JUN 29 2007