

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. 20228

Filed June 10, 2003
At 2:00 o'clock P.M.
Karen Higashi
Chief Clerk of the Commission

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2003 JUN 10 P 4:22
DIV. OF CONSUMER AFFAIRS
DEPT. OF COMMERCE
CONSUMER AFFAIRS
5155 KALANIANA'OLE
BLVD. SUITE 200
HONOLULU, HI 96821

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

HECO's request to transfer the donated personal computers and hubs is made pursuant to Condition No. 13, described in Section III.A, *infra*.²

Copies of the application were served on the Department of Commerce and Consumer Affairs, Division of Consumer Advocacy (Consumer Advocate).

II.

A.

HECO explains that, as part of its computer donation program:

1. It currently donates to non-profit organizations, on a first-come, first-served basis, retired personal computers and related equipment that are no longer necessary or useful for the provision of electric utility service, due in part, to technological obsolescence.
2. In its experience, it is more cost effective to replace personal computers after approximately four years of use, "due to the time, effort, and maintenance expense required to keep a PC for more than four years."³
3. 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.

four non-profit organizations. See HECO's letter, dated June 9, 2003.

²In its application, HECO uses the terms "donate" and "transfer" interchangeably. Ostensibly, "transfer" specifically refers to Condition No. 13, which requires the commission's prior approval for HECO to transfer its property that "is or was in [HECO's] rate base[.]"

³According to HECO, it replaces its computer monitors after 5 - 8 years of use.

4. The ratemaking treatment of the donated equipment is similar to its accounting treatment. No gain or loss is recognized.
5. The donated equipment is not recognized as a charitable contribution for accounting, ratemaking, or tax purposes.

B.

In this docket, HECO seeks the commission's approval to transfer approximately 101 retired personal computers and 2 hubs to the following non-profit organizations: (1) Cornerstone Fellowship Mililani Mauka, 8 computers; (2) Pauoa Elementary School, a public school, 25 computers and 2 hubs; (3) Po'ailani Dual Diagnosis Treatment Center, a private entity, 4 computers; and (4) St. Ann's School, a private school, 64 computers.

HECO states that the donation of its retired personal computers and related equipment that are no longer necessary or useful for the provision of utility service is consistent with the public interest. If the retired personal computers and related equipment are not donated, HECO will junk this obsolete equipment. In addition, HECO will "incur additional administrative and disposal costs if the retired PCs are junked, rather than donated to non-profit organizations."

III.

A.

HECO's request for commission approval is made pursuant to Condition No. 13 (fka Condition No. 14), set forth in Decision and Order No. 7153, filed on July 19, 1982, in Docket No. 4337.⁴ Condition No. 13 specifies:

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.⁵

B.

Upon review, the commission finds reasonable HECO's request to transfer the retired personal computers and hubs to the four non-profit organizations. In its application, HECO describes the organizations' intended uses for the computers,

⁴In Docket No. 4337, *In re Hawaiian Elec. Co., Inc., and Hawaiian Elec. Indus., Inc.*, the commission: (1) approved the merger of Hawaiian Electric Industries (HEI), Inc., into HECO, with HECO as the surviving corporation; and (2) authorized HEI, Inc. to own all of HECO's issued and outstanding common stock.

As part of its approval and authorization, the commission imposed certain conditions, set forth in a document entitled "Conditions for the Merger and Corporate Restructuring of Hawaiian Electric Company, Inc." See Decision and Order No. 7070, filed on April 19, 1982; Decision and Order No. 7153, filed on July 19, 1982; Decision and Order No. 7203, filed on August 19, 1982; and Order No. 7256, filed on September 29, 1982.

⁵"Utility Corporation" refers to HECO, while "Industries" refers to HEI, Inc.

which benefit the public interest.⁶ If not donated, HECO represents that it will "junk" the retired equipment.

C.

The commission will defer and address, in a subsequent decision and order: (1) the transfer value and HECO's accounting and ratemaking treatments of the donated equipment, as required by Condition No. 13; and (2) HECO's request, 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.⁷

IV.

THE COMMISSION ORDERS that HECO's request to transfer the subject personal computers and hubs to the four specified non-profit organizations is approved. Further action from the commission will follow.

⁶The commission presumes that the computers donated to Pauoa Elementary School are intended for the students' classroom use.


⁷The commission intends to address these deferred matters following the filing of the Consumer Advocate's position statement.

DONE at Honolulu, Hawaii this 10th day of June, 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.ac

CERTIFICATE OF SERVICE

I hereby certify that I have this date served a copy of the foregoing Decision and Order No. 20228 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
HAWAIIAN ELECTRIC COMPANY, INC.
P. O. Box 2750
Honolulu, HI 96840-0001



Karen Higashi

DATED: June 10, 2003