BEFORE THE PUBLIC UTILITIES COMMISSION
OF THE STATE OF HAWAII

In the Matter of the Application of

HAWAIIAN ELECTRIC COMPANY, INC.  

DOCKET NO. 03-0158

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.

DECISION AND ORDER NO. 20228

Filed June 10, 2003
At 2:00 o'clock P.M.

Karen Higashl
Chief Clerk of the Commission

ATTEST: A True Copy
KAREN HIGASHI
By application filed on May 30, 2003, HAWAIIAN ELECTRIC COMPANY, INC. (HECO) seeks commission approval to: (1) donate retired personal computers and hubs to four non-profit organizations; and (2) change, on a going-forward basis, the requirement to obtain the commission's prior approval to donate retired personal computers and related equipment to non-profit organizations. HECO's proposed change involves the filing of an annual report in lieu of seeking the commission's prior approval.

If the issuance of the commission's final decision is delayed due to the commission's review of HECO's latter request, HECO seeks "an interim order permitting HECO to transfer the retired PCs" in order to facilitate its donation to the four non-profit organizations.¹

¹HECO also explains that, due to its lack of storage facilities and space, it seeks to facilitate the transfer to the
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.

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. 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,

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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.

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

\(^7\)The 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

DATED: June 10, 2003

Karen Higashii