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. 20377

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

Karen Higashi
Chief Clerk of the Commission

ATTEST: A True Copy
KAREN HIGASHI
BEFORE THE PUBLIC UTILITIES COMMISSION
OF THE STATE OF HAWAII

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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:

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.

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.

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

2"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 1st 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 ____________________________
Wayne H. Kimura, Commissioner

By ____________________________
Janet E. Kawelo, Commissioner

APPROVED AS TO FORM:

____________________________
Michael Azama
Commission Counsel
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

DATED: August 12, 2003

Karen Higashi