

BEFORE THE PUBLIC UTILITIES COMMISSION  
OF THE STATE OF HAWAII

In the Matter of the Application of )  
 )  
HAWAIIAN ELECTRIC COMPANY, INC., )  
MAUI ELECTRIC COMPANY, LIMITED, and )  
HAWAII ELECTRIC LIGHT COMPANY, INC.)  
 )  
For the Approval of a Refinancing )  
through the Sale of Cumulative )  
Quarterly Income Preferred )  
Securities and Related Junior )  
Subordinated Deferrable Interest )  
Debentures, Including Guarantees. )  
\_\_\_\_\_ )

DOCKET NO. 03-0409

ORDER NO. 20812

RECEIVED  
2004 FEB 25 A 9:41  
DIV. OF CONSUMER ADVOCACY  
DEPT. OF COMMERCE AND  
CONSUMER AFFAIRS  
STATE OF HAWAII

Filed Feb. 24, 2004  
At 11:30 o'clock A.M.

Karen Higashi  
Chief Clerk of the Commission

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

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In the Matter of the Application of)  
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HAWAIIAN ELECTRIC COMPANY, INC., )  
MAUI ELECTRIC COMPANY, LIMITED, and )  
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Docket No. 03-0409

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through the Sale of Cumulative )  
Quarterly Income Preferred )  
Securities and Related Junior )  
Subordinated Deferrable Interest )  
Debentures, Including Guarantees. )

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Order No. 20812

ORDER

The commission authorized HAWAIIAN ELECTRIC COMPANY, INC. ("HECO"), MAUI ELECTRIC COMPANY, LIMITED, and HAWAIIAN ELECTRIC COMPANY, INC. (collectively, "Applicants") to participate in up to two (2) sales of Cumulative Quarterly Income Preferred Securities ("QUIPS"), and the related issuance of their Junior Subordinated Deferrable Interest Debentures ("QUIDS"), within twelve (12) parameters described in Decision and Order No. 20803, filed on February 13, 2004, at pages 7 - 10.

Parameters 7 and 8 provide:

7. The liquidation preference of the QUIPS will be one hundred (100) per cent of the principal amount of the QUIDS.

8. The securities will be senior to all preferred and common stock of each Applicant, now existing or hereafter created, except *pari passu* ("on the same level as") with the 1997 QUIDS, the 1998 QUIDS, trade credit, other hybrid securities issued by HECO Capital Trust IV, if applicable, and other securities expressly declared to be *pari passu*.

Applicants seek to modify Decision and Order No. 20803 by replacing the current language of Parameters 7 and 8 with the following new language, *in toto*:

7. The price for the QUIPS will be one hundred (100) per cent of their liquidation preference and the price for the QUIDS will be one hundred (100) per cent of their principal amount.

8. The QUIDS of each Applicant will be senior to all preferred and common stock of such Applicant, and junior to all indebtedness of such Applicant now existing or hereafter created, except *pari passu* with ("on the same level as") the 1997 QUIDS, the 1998 QUIDS, trade credit, other hybrid securities issued by HECO Capital Trust IV, if applicable, and other securities expressly declared to be *pari passu*.

Applicants make their request by letter dated February 19, 2004, and pursuant to Hawaii Administrative Rules § 6-61-137. Applicants request expedited commission action "so that they may be in a position to complete the refinancings as early as the beginning of March 2004 if market conditions are favorable." The Division of Consumer Advocacy, following its review, does not object to Applicants' request.<sup>1</sup>

The commission approves Applicants' request to modify the language of Decision and Order No. 20803, Parameters 7 and 8.

THE COMMISSION ORDERS:

1. Applicants' request to modify the language of Decision and Order No. 20803, Parameters 7 and 8, is approved.

2. Decision and Order No. 20803, Parameters 7 and 8, at pages 8 - 9, is modified to now read as follows:

7. The price for the QUIPS will be one hundred (100) per cent of their liquidation preference and the price for the QUIDS will be one hundred (100) per cent of their principal amount.

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<sup>1</sup>Applicants' letter, dated February 19, 2004, at 3.

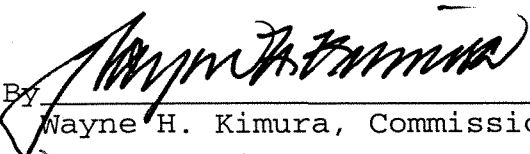
8. The QUIDS of each Applicant will be senior to all preferred and common stock of such Applicant, and junior to all indebtedness of such Applicant now existing or hereafter created, except *pari passu* with ("on the same level as") the 1997 QUIDS, the 1998 QUIDS, trade credit, other hybrid securities issued by HECO Capital Trust IV, if applicable, and other securities expressly declared to be *pari passu*.

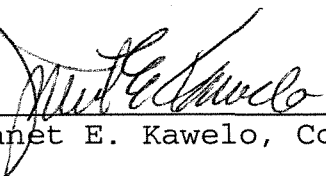
In all other respects, Decision and Order No. 20803 remains unchanged.

DONE at Honolulu, Hawaii this 24th day of February, 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

03-0409.sl1

CERTIFICATE OF SERVICE

I hereby certify that I have this date served a copy of the foregoing Order No. 20812 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

RICHARD A. VON GNECHTEN  
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Karen Higashi

DATED: February 24, 2004