BEFORE THE PUBLIC UTILITIES COMMISSION
OF THE STATE OF HAWAI'I

In the Matter of the Application of

HAWAIIAN ELECTRIC COMPANY, INC.,
HAWAI'I ELECTRIC LIGHT COMPANY, INC.,
and MAUI ELECTRIC COMPANY, LIMITED

DOCKET NO. 04-0268

For Approval to Defer Certain
Computer Software Development
Costs For Item P0000571, Customer
Information System, to Accumulate
an Allowance for Funds Used During
Construction During the Deferral
Period, to Amortize the Deferred
Costs, and to Include the
Unamortized Deferred Costs in
Rate Base.

ORDER NO. 21361

Filed Sept. 27, 2004
At 11 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.
BEFORE THE PUBLIC UTILITIES COMMISSION
OF THE STATE OF HAWAII

In the Matter of the Application of

HAWAIIAN ELECTRIC COMPANY, INC.,
HAWAII ELECTRIC LIGHT COMPANY, INC.,
and MAUI ELECTRIC COMPANY, LIMITED

For Approval to Defers Certain
Computer Software Development
Costs For Item P0000571, Customer
Information System, to Accumulate
an Allowance for Funds Used During
Construction During the Deferral
Period, to Amortize the Deferred
Costs, and to Include the
Unamortized Deferred Costs in
Rate Base.

ORDER

HAWAIIAN ELECTRIC COMPANY, INC. ("HECO"), HAWAII ELECTRIC LIGHT COMPANY, INC., and MAUI ELECTRIC COMPANY, LIMITED (collectively, "Applicants"), seek the commission's approval of various matters related to Item P0000571, the installation of a Customer Information System ("CIS") Project. Applicants specifically request the commission's approval to: (1) defer certain computer software development costs for the CIS Project; (2) accumulate during the deferral period an allowance for funds used during construction ("AFUDC"); (3) amortize the deferred costs, including AFUDC, over a ten (10)-year period, or such other amortization period the commission finds reasonable; and

1Joint Application, filed on August 26, 2004 ("Joint Application").
(4) include the unamortized deferred costs, including AFUDC, in rate base.

Applicants served copies of their Joint Application upon the Department of Commerce and Consumer Affairs, Division of Consumer Advocacy ("Consumer Advocate").

On September 15, 2004, the Consumer Advocate filed its Initial Statement of Position, based on its preliminary review of the Joint Application. The Consumer Advocate identified certain questions and concerns, and states its intent to participate in this docket, including the issuance of information requests and the filing of its Final Statement of Position, upon the completion of its investigation. No persons moved to intervene or participate.

The commission's ruling in this docket may possibly affect HECO's 2005 calendar test year rate case.\(^2\) Accordingly, the commission will instruct Applicants and the Consumer Advocate (collectively, the "Parties") to submit a procedural schedule for the commission's review and consideration.

THE COMMISSION ORDERS that within thirty (30) days from the date of this Order, the Parties shall submit to the commission a stipulated procedural schedule, incorporating their agreed upon schedule with respect to this proceeding. If they are unable to stipulate to such a schedule, each Party shall

---

submit a proposed procedural schedule for the commission's consideration by the same date.

DONE at Honolulu, Hawaii SEP 27 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

04-0268.cs
CERTIFICATE OF SERVICE

I hereby certify that I have this date served a copy of the foregoing Order No. 21361 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.
HAWAII ELECTRIC LIGHT COMPANY, INC.
MAUI ELECTRIC COMPANY, LIMITED
P. O. Box 2750
Honolulu, HI 96840-0001

PATSY H. NANBU
DIRECTOR, REGULATORY AFFAIRS
HAWAIIAN ELECTRIC COMPANY, INC.
P. O. Box 2750
Honolulu, HI 96840-0001

THOMAS W. WILLIAMS, JR., ESQ.
PETE Y. KIKUTA, ESQ.
GOODSILL ANDERSON QUINN & STIFEL
Alii Place, Suite 1800
1099 Alakea Street
Honolulu, HI 96813

DATED:  SEP 27 2004