

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 defer certain computer)
software development costs and to)
commit funds in excess of \$2,500,000)
(excluding customer contributions))
for Item P0001010, Human Resources)
Suite System, to accumulate an)
allowance for funds used during)
construction during the deferral)
period, to amortize the deferred)
costs, and to include the unamortized)
costs in rate base.)
_____)

DOCKET NO. 06-0003

ORDER NO. 22258

Filed Feb. 1, 2006
At 1:55 o'clock P.M.

Karen Higashi
Chief Clerk of the Commission

RECEIVED
2006 FEB - 3 A 8:06
DIV. OF CONSUMER ADVOCACY
DEPT. OF COMMERCE AND
CONSUMER AFFAIRS
STATE OF HAWAII

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

K. Higashi

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Docket No. 06-0003

Order No. 22258

ORDER

By this Order, the commission instructs HAWAIIAN ELECTRIC COMPANY, INC., HAWAII ELECTRIC LIGHT COMPANY, INC. ("HELCO"), MAUI ELECTRIC COMPANY, LIMITED (collectively, "Applicants") and the Department of Commerce and Consumer Affairs, Division of Consumer Advocacy ("Consumer Advocate"), to submit a stipulated procedural schedule for the commission's review and consideration within thirty (30) days of the date of this Order.¹ Alternatively, in the absence of a formal procedural schedule, each Party shall submit a proposed procedural schedule for the commission's consideration by the same date.

¹Applicants and the Consumer Advocate are collectively referred to as the "Parties."

I.

Background

On January 3, 2006, Applicants jointly filed an Application with the commission that seeks the commission's approval of various matters related to Item P0001010, the purchase and installation of a Human Resources Suite System ("HR Suite Project"). Applicants specifically request the commission's approval to: (1) defer certain computer software development costs and to commit funds in excess of \$2,500,000 (excluding customer contributions) for the HR Suite Project; (2) accumulate during the deferral period an allowance for funds used during construction ("AFUDC"); (3) amortize the deferred costs, including AFUDC, over a twelve (12)-year period, or such other amortization period the commission finds reasonable; and (4) include the unamortized deferred costs, including AFUDC, in rate base.²

On January 19, 2006, the Consumer Advocate filed its Preliminary Statement of Position, based on its initial review of the Application. The Consumer Advocate identified certain questions and concerns, and stated 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.³

²Applicants served copies of their Application upon the Consumer Advocate.

³No persons moved to intervene or participate in this docket.

Given that the commission's ruling in this docket may possibly affect HELCO's 2006 calendar test year rate case,⁴ the commission will instruct Applicants and the Consumer Advocate to submit a procedural schedule for the commission's review and consideration.

II.

Order

THE COMMISSION ORDERS:

1. 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.

⁴On December 13, 2005, in Docket No. 05-0315, HELCO filed a notice of intent to file an application for a general rate increase on or after March 15, 2006, but no later than June 30, 2006. HELCO simultaneously filed a motion to approve its use of a 2006 calendar test year in connection with its application, which was granted.

DONE at Honolulu, Hawaii FEB - 1 2006.

PUBLIC UTILITIES COMMISSION
OF THE STATE OF HAWAII

By *Carlito P. Caliboso*
Carlito P. Caliboso, Chairman

By (EXCUSED)
Wayne H. Kimura, Commissioner

By *Janet E. Kawelo*
Janet E. Kawelo, Commissioner

APPROVED AS TO FORM:

Kaiulani E.S. Kidani
Kaiulani E.S. Kidani
Commission Counsel

06-0003.EH

CERTIFICATE OF SERVICE

I hereby certify that I have this date served a copy of the foregoing Order No. 22258 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

DEAN MATSUURA
DIRECTOR, REGULATORY AFFAIRS
HAWAIIAN ELECTRIC COMPANY, INC.
P.O. Box 2750
Honolulu, HI 96840-0001

CRAIG I. NAKANISHI, ESQ.
RUSH MOORE LLP
737 Bishop Street, Suite 2400
Honolulu, HI 96813



Karen Higashi

DATED: FEB - 1 2006