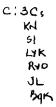
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February 2, 2004

William A. Bonnet Vice President Government and Community Affairs

The Honorable Chairman and Members of the Hawaii Public Utilities Commission 465 South King Street Kekuanaoa Building, 1st Floor Honolulu, Hawaii 96813

Dear Commissioners:

Subject:

HECO, HELCO and MECO

Net Energy Metering Status Report

HECO, HELCO, and MECO respectfully submits its 2003 Net Energy Metering Status Report, which provides the total number of installations and the total rated generating capacity of net metered customer facilities in each of its service territories.

If you have any questions on this matter, Please call Patsy Nanbu at 543-4702.

Sincerely,

Attachment

cc: Division of Consumer Advocacy

Net Energy Metering Status Report

Hawaiian Electric Company, Inc. Hawaii Electric Light Company, Inc. Maui Electric Company, Limited

December 31, 2003

Sections 269-101 to 269-111 of the Hawaii Revised Statutes provides that net energy metering (NEM) be available to eligible customers until the total rated generating capacity of eligible customers equals 0.5 percent of the electric utility's system peak demand. Hawaiian Electric Company, Inc. (HECO) and its subsidiaries, Hawaii Electric Light Company, Inc. (HELCO) and Maui Electric Company, Limited (MECO), were among the supporters of this legislation.

The NEM law states that eligible customers who own and operate a solar, wind turbine, biomass, or hydroelectric energy generating facility, or a hybrid system consisting of two or more of these facilities, with a capacity of not more than 10 kilowatts, shall be credited at the retail rate (of the rate class the customer is normally assigned to) for electrical energy generated by the eligible customer and fed back to the electric grid. Over a monthly billing period, the difference (i.e., net) between the customer-generated electrical energy and the electrical energy supplied through the electric grid is determined. In essence, customers are able to "bank" the renewable energy they generate for later use. Excess kilowatt-hours generated during this period are retained by the utility unless the electric utility enters into a purchase agreement with the customer.

The following table provides the status of NEM in the HECO, HELCO, and MECO service territories as of December 31, 2003.

NEM Status as of 12/31/03

	Information packets sent	No. of Installations ¹	Installed kW²	0.5% of System Peak ³ , kW
HECO				
2001	151	1	3.60	5,955
2002	12	1	2.10	6,020
2003	49	8	11.74	6,210
Total (HECO)	212	10	17.44	
HELCO				
2001	122	2	10.20	871
2002	25	3	4.73	890
2003	13	6	28.00	934
Total (HELCO)	160	11	42.93	

Installed kW reflects rated generating capacity installed in the year noted.

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Completed systems (i.e., NEM Agreements completed).

Based on Net System Peak for HECO, HELCO, and MECO-Maui and Gross System Peak for MECO-Molokai and MECO-Lanai.

Net Energy Metering Status Report

Hawaiian Electric Company, Inc. Hawaii Electric Light Company, Inc. Maui Electric Company, Limited

December 31, 2003

NEM Status as of 12/31/03 (cont.)

	Information packets sent	No. of Installations ¹	Installed kW²	0.5% of System Peak ³ , kW
MECO	-			
2001	49	2	8.20	993
2002	19	5	9.30	1,006
2003	24	3	14.60	1,047
Total (MECO)	92	10	32.10	
TOTAL	464	31	92.47	

¹ Completed systems (i.e., NEM Agreements completed).
² Installed kW reflects rated generating capacity installed in the year noted.

³ Based on Net System Peak for HECO, HELCO, and MECO-Maui and Gross System Peak for MECO-Molokai and MECO-Lanai.