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William A. Bonnet
Vice President
Government & Community Affairs

September 2, 2005

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

PUBLIC UTILITIES
COMMISSION
2005 SEP -2 P 3 49
P 11 37

Dear Commissioners:

Subject: Docket No. 04-0113
HECO 2005 Test Year Rate Case
Status of Settlement Discussions

This is to inform the Commission that Hawaiian Electric Company, Inc. ("HECO"), the
Division of Consumer Advocacy ("DCA") and the Department of Defense ("DOD") are

currently engaged in the Settlement Discussion phase of this proceeding. HECO sent a
settlement proposal/issue list to the DCA yesterday and the DOD this morning. However, the
parties will not be able to file a settlement letter with the Commission today. The parties will file
a settlement letter reflecting any settlements upon conclusion of settlement discussions.

Sincerely,

cc: Division of Consumer Advocacy
Dr. Kay Davoodi
Randall Young, Esq.