

BEFORE THE PUBLIC UTILITIES COMMISSION  
OF THE STATE OF HAWAII

In the Matter of the Application of)  
HAWAIIAN ELECTRIC COMPANY, INC. )  
For Approval to Commit Funds )  
in Excess of \$500,000 for )  
Item P99030000, Puuloa Road )  
Widening/Improvements. )  
\_\_\_\_\_)

DOCKET NO. 02-0413

DECISION AND ORDER NO. 20089

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DIV. OF CONSUMER ADVOCACY  
DEPT. OF COMMERCE AND  
CONSUMER AFFAIRS  
STATE OF HAWAII

Filed March 21, 2003  
At 10:00 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)	
HAWAIIAN ELECTRIC COMPANY, INC. )	Docket No. 02-0413
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_____)	

DECISION AND ORDER

I.

By application filed on December 3, 2002, HAWAIIAN ELECTRIC COMPANY, INC. (HECO) requests commission approval to undertake and complete its scope of work for the State of Hawaii, Department of Transportation's (State DOT), Puuloa Road Widening/Improvements Project (project). Specifically, HECO seeks to: (1) commit an estimated \$1,178,425 for the project; and (2) remove and re-install 46 kilovolt (kV) overhead subtransmission lines adjacent to a residential area.

HECO makes its requests in accordance with Section 2.3.g.2 of General Order No. 7, *Standards for Electric Utility Service in the State of Hawaii*, and Hawaii Revised Statutes (HRS) §§ 269-27.5 and 269-27.6.

Copies of the application were served on the Department of Commerce and Consumer Affairs, Division of Consumer Advocacy (Consumer Advocate). On December 16, 2002 and February 5, 2003, HECO responded to the commission's and Consumer Advocate's information requests, respectively.

On February 13, 2003, the commission held a public hearing on HECO's application, in accordance with HRS § 269-27.5.<sup>1</sup> By position statement filed on February 27, 2003, the Consumer Advocate does not object to the approval of HECO's application. On March 10, 2003, HECO responded to the commission's additional information requests.

## II.

### A.

The State DOT plans to improve the existing two-lane Puuloa Road, between Nimitz Highway and Salt Lake Boulevard, by widening the roadway, installing turning lanes, bus turnouts, bike lanes, street lights, drainage, curbs, sidewalks, and landscaping. Due to design conflicts with the proposed roadway improvements, HECO must re-locate its existing overhead and underground facilities along Puuloa Road. HECO states that, for the most part, existing overhead facilities will be replaced with overhead facilities, and existing underground facilities will be replaced with underground facilities.

HECO's scope of the project will include 46 kilovolt (kV), 12 kV, and secondary overhead and underground work in the Mapunapuna area, along Puuloa Road, between Nimitz Highway and Salt Lake Boulevard. In general, approximately 32 wood poles and

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<sup>1</sup>Representatives from HECO, the Consumer Advocate, and State DOT were in attendance. The commission: (1) accepted HECO's and the Consumer Advocate's written testimonies; and (2) noted for the record Life of the Land's letter, filed on December 13, 2002, in this docket.

9 wood stub poles will be replaced with 22 self-supporting steel poles and 5 wood poles.<sup>2</sup>

Diagrams of the project and its location are attached as: (1) Exhibits II and IV to HECO's application; and (2) Exhibits I to III to HECO's public hearing testimony. HECO will perform its scope of the work (described in paragraphs numbered 1 to 6, below) pursuant to a utility agreement with the State DOT.<sup>3</sup>

1. 46 kV Overhead

This work will include the installation of: (1) the 22 self-supporting steel poles, 85' in height (74.5' above ground); (2) two 46 kV switches; and (3) approximately 3,295 circuit feet of 3-phase 556.5 KCM AAC 46 kV conductors.

2. 46 kV Underground

This work will involve the: (1) re-location of an existing 46 kV riser pole; and (2) installation of: (A) approximately 205 feet of 4-5 inch ducts; (B) one 46 kV riser; and (C) approximately 270 circuit feet of 3-1/c 1500 KCM PEIJ 46 kV cables.

3. 12 kV Overhead

This work will involve replacing the existing 12 kV overhead conductors installed on the same poles as, and below, the 46 kV conductors. This work will consist of the

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<sup>2</sup>See HECO letter, dated December 27, 2002.

<sup>3</sup>Page 11, paragraph 24 of the utility agreement states that the agreement "shall be contingent upon any and all required regulatory approvals of the Public Utilities Commission of the State of Hawaii, and upon receipt of such regulatory approvals shall be binding upon the parties hereto and their representatives, successors and assigns."

installation of: (1) a 12 kV switch; and (2) approximately 2,795 circuit feet of 3-phase 336.4 KCM AAC 12 kV conductors onto the steel poles.

4. 12 kV Underground

This work will involve re-locating six existing 12 kV riser poles. Also, the 12 kV line will be routed underground along Puuloa Road at the Mapunapuna Place intersection, to provide sufficient clearance between the 46 kV line along Puuloa Road and HECO's existing fiber optic line crossing along Mapunapuna Place. The underground work will also involve the installation of ducts, riser poles, cables, handholes.

5. Secondary Overhead

This work involves replacing the existing secondary overhead conductors installed on the same poles as, and below, the 46 kV and 12 kV conductors. All existing customer service conductors will be reconnected.

The secondary overhead work will also include the installation of: (1) five 40' (34'-6" above ground) wood poles; (2) aerial cables; and (3) secondary conductors, which will be attached to the steel poles, below the 46 kV and 12 kV conductors, and to the wood poles.

6. Secondary Underground

This work is required to maintain the existing service to The Gas Company. The secondary underground work will involve the installation of a handhole, ducts, secondary risers, and secondary underground service cables.

B.

HECO states that, while the area along Puuloa Road where the project will take place is zoned Industrial, there is a United States Naval housing area adjacent to Puuloa Road from which the re-located 46 kV overhead subtransmission lines will be visible. Specifically, the "Radford Terrace Naval Housing occupies most of the ewa side of Puuloa Road, from Salt Lake Boulevard to Nimitz Highway." According to HECO, this housing area: (1) is zoned F-1, Military and Federal Preservation; and (2) consists of approximately 430 residential units.

The estimated cost for HECO's scope of the project work is \$1,178,425, of which the State DOT will contribute approximately \$485,570.

Presently, HECO anticipates beginning construction of its facilities in July 2003, with completion by December 2004.<sup>4</sup>

III.

The Consumer Advocate examined the reasonableness of: (1) relocating HECO's existing 46 kV facilities in overhead and underground facilities; and (2) the project's estimated costs.

A.

Based on its thorough review of the factors set forth in HRS § 269-27.6(a), the Consumer Advocate finds that:

1. According to HECO, the project "will improve pedestrian and vehicle safety in the project area because, for the most part, the new poles will be

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<sup>4</sup>HECO's construction schedule is dependent upon the State DOT's construction schedule.

located well off the traveled way, behind the new curbs, gutters, and 8-foot sidewalks."

2. The visual impact of the 46 kV overhead subtransmission lines will be minimal, as the project "merely relocates some of the existing overhead facilities[,] and "is not expected result in added visual obstructions in the area."
3. No governmental public policy or mandate exists that requires the underground placement of the 46 kV subtransmission lines.
4. No governmental agency or other party appears willing to pay for the additional costs to underground the project.

Accordingly, the Consumer Advocate concludes:

1. "[I]t appears that the existing 46 kV overhead line should be replaced with similar overhead facilities."
2. "The benefits of undergrounding the 46 kV line do not appear to outweigh the additional costs that would be incurred to place the line underground."

That said, the Consumer Advocate expresses its general concern that "when multiple utility companies are required to relocate existing facilities by governmental agencies, coordination should occur to arrive at the best conclusions regarding the ultimate placement of those facilities, especially when governmental funds are expended." It notes that "the manner in which the relocation projects were evaluated by the State DOT raises questions that need to be resolved for future projects affecting multiple utility companies."

#### B.

The Consumer Advocate, at this time, does not object to the project's estimated costs. Concomitantly, the Consumer Advocate "reserves its right to review the actual project costs and State DOT CIAC [contribution-in-aid-of-

construction] when the final cost report is filed, pursue any concerns with the information presented therein, and raise such concerns, if any, in [the] rate proceeding following the in-service date of the project." In this regard, the Consumer Advocate recognizes that the project amounts for on-costs, allowance for funds used during construction, and CIAC are estimates only.

#### IV.

##### A.

Upon careful review, the commission finds that the project is reasonable and consistent with the public interest. The project will: (1) widen Puuloa Road and improve the surrounding infrastructure and landscape; and (2) increase the safety for drivers, passengers, and pedestrians.

##### B.

The commission also finds that the removal and re-location of the subject 46 kV subtransmission lines, above ground, are reasonable and consistent with HRS § 269-27.6(a). Upon review, the commission is not convinced that a benefit exists that outweighs the costs of undergrounding the 46 kV subtransmission lines along the project area.

In addition, the commission is unaware of any governmental policy either requiring the undergrounding or committal of funds for the costs of undergrounding. Furthermore, no governmental agency or other party has indicated a willingness to pay for the undergrounding. In this respect, HECO represents



that: (1) it will cost approximately four times more, i.e., \$4.9 million, to underground the 46 kV and 12 kV systems than to relocate it overhead; and (2) according to the State DOT, federal or State funds are not available to pay for the cost differential between the underground and overhead facilities.<sup>5</sup>

Furthermore, HECO "is not aware of any engineering or operating reasons for installing its facilities underground on Puuloa Road."<sup>6</sup> Lastly, the Consumer Advocate does not object to the commission's approval of HECO's application.

Upon review, the commission concludes that the removal and re-location of the subject 46 kV subtransmission lines, above ground, should be approved.

#### V.

##### THE COMMISSION ORDERS:

1. HECO's request to expend an estimated \$1,178,425 to undertake and complete its scope of work for the Puuloa Road Widening/Improvements Project, is approved; provided that no part of the project may be included in HECO's rate base unless and until the project is in fact installed, and is used and useful for utility purposes.

2. HECO's request to remove and re-locate the subject 46 kV subtransmission lines, above ground, is approved.

3. HECO shall submit a report within 60 days of the project's commercial operation, with an explanation of any

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<sup>5</sup>See HECO's responses to CA-IR-8(a) and CA-IR-15(b) and (c); HECO's letter, dated January 15, 2003; Exhibit III to the application; and HECO's response to PUC-IR-203.

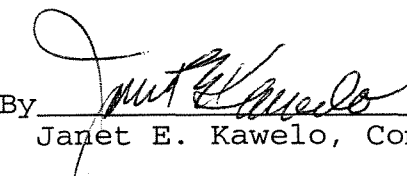
<sup>6</sup>See HECO's responses to CA-IR-15(a) and PUC-IR-203.

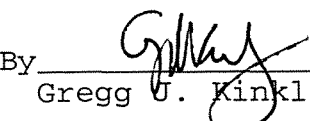
deviation of 10 per cent or more in the project's costs from that estimated in the application. HECO's failure to submit this report will constitute cause to limit the cost of the project, for ratemaking purposes, to that estimated in the application.

DONE at Honolulu, Hawaii this 21st day of March, 2003.

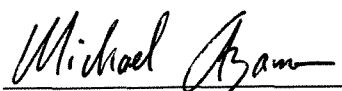
PUBLIC UTILITIES COMMISSION  
OF THE STATE OF HAWAII

By   
Wayne H. Kimura, Chairman

By   
Janet E. Kawelo, Commissioner

By   
Gregg U. Kinkley, Commissioner

APPROVED AS TO FORM:

  
Michael Azama  
Commission Counsel

02-0413.sl

CERTIFICATE OF SERVICE

I hereby certify that I have this date served a copy of the foregoing Decision and Order No. 20089 upon the following parties, by causing a copy hereof to be mailed, postage prepaid, and properly addressed to each such party.

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Karen Higashi

DATED: March 21, 2003