

BEFORE THE PUBLIC UTILITIES COMMISSION
OF THE STATE OF HAWAII

In the Matter of the Application of)

HAWAIIAN ELECTRIC COMPANY, INC.)

DOCKET NO. 05-0087

For Approval to Construct a 46 kV)

Overhead Subtransmission Line)

Pursuant to HRS Section 269-27.5)

For Item P0001080 - Ko Olina)

Parcel 50 46 kV Overhead Relocation)

)

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

DECISION AND ORDER NO. 22169

Filed Dec. 8, 2005
At 11:15 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

BEFORE THE PUBLIC UTILITIES COMMISSION
OF THE STATE OF HAWAII

In the Matter of the Application of)
HAWAIIAN ELECTRIC COMPANY, INC.) Docket No. 05-0087
For Approval to Construct a 46 kV) Decision and Order No. 22169
Overhead Subtransmission Line)
Pursuant to HRS Section 269-27.5)
For Item P0001080 - Ko Olina)
Parcel 50 46 kV Overhead Relocation)

)

DECISION AND ORDER

By this Decision and Order, the commission approves HAWAIIAN ELECTRIC COMPANY, INC.'s ("HECO") request to construct a 46 kilovolt ("kV") subtransmission line above the surface of the ground pursuant to Hawaii Revised Statutes ("HRS") § 269-27.6(a) in connection with its Ko Olina Parcel 50 46 kV Overhead Relocation project ("Proposed Project").

I.

Background

A.

Application

HECO is a Hawaii corporation, which was initially organized under the laws of the Kingdom of Hawaii on or about October 13, 1891. HECO, a public utility as defined by HRS § 269-1, is engaged in the production, purchase, transmission,

distribution, and sale of electricity on the island of Oahu in the State of Hawaii.

1.

Procedural History

On April 8, 2005, HECO filed an application requesting commission approval to construct a 46 kV subtransmission line above the surface of the ground in connection with Item P0001080 - Ko Olina Parcel 50 46 kV Relocation project ("Application"). In its Application, HECO requests that the commission: (1) conduct a public hearing as required by HRS § 269-27.5 for the overhead relocation of an existing 46 kV subtransmission line through a residential area; and (2) determine that the proposed 46 kV subtransmission line be constructed above the surface of the ground pursuant to HRS § 269-27.6(a)

HECO served copies of the Application on the DIVISION OF CONSUMER ADVOCACY, DEPARTMENT OF COMMERCE AND CONSUMER AFFAIRS ("Consumer Advocate"), an *ex officio* party to this docket, pursuant to HRS § 269-51.

On July 19, 2005, the commission held a public hearing on the Proposed Project at Kapolei High School Cafeteria, Kapolei, Hawaii, in accordance with HRS § 269-27.5.¹

¹HRS § 269-27.5 requires the commission to conduct a public hearing whenever a public utility plans to build a new 46 kV or greater high-voltage electric transmission system above ground through a residential area.

2.

Proposed Project

The Proposed Project was initiated at the request of Centex Destination Properties ("Developer") to accommodate the development of residential units on the Developer's Parcel 50 property in Ko Olina, mauka of Aliinui Drive. The existing location of HECO's poles and lines at the northeast corner of Parcel 50 interferes with the proposed development plans, and the Developer has requested that the existing 46 kV overhead line be relocated to the northern property line. In addition, the Developer has requested that the existing 12 kV overhead line makai of Aliinui Drive be connected to the existing underground system within Aliinui Drive, so that the existing 12 kV overhead lines mauka of Aliinui Drive within the Parcel 50 property can be removed. In response to the Developer's request, HECO proposes to (1) relocate the existing 46 kV overhead line at the northeast corner of Parcel 50 to the northern property line, and (2) connect the 12 kV overhead line, makai of Aliinui Drive, to the existing underground system within Aliinui Drive.

The relocation of the 46 kV overhead subtransmission line is being done in accordance with the one-time relocation provision in the easement for this existing line. A portion of this line was relocated in 1997, and a new easement issued. However, HECO states that the section of the 46 kV line that is the subject of the proposed relocation project has not been

previously relocated, and is thus subject to the one-time relocation in accordance with the relocation provision.²

The 46 kV overhead relocation work consists of the installation of: (1) two (2) sixty-five (65) foot wood poles; (2) three (3) anchors; and (3) approximately 130 circuit feet of 556.5 KCM AAC 46 kV overhead conductors. The relocation work will also involve the removal of: (1) one (1) sixty-five (65) foot wood pole; (2) two (2) anchors; (3) approximately one hundred (100) feet of 556.5 KCM AAC 46 kV overhead conductors; (4) approximately one hundred (100) feet of 336.4 KCM AAAC 12 kV overhead conductors; and (5) approximately one hundred (100) feet of #3/0 KCM AAAC neutral overhead conductors.

The 12 kV underground connection work consists of the installation of: (1) approximately eighty (80) feet of 2-4" ducts; (2) approximately 900 circuit feet of 3-1/c 1000 KCM PEICN aluminum 12 kV cables; (3) approximately 220 circuit feet of 3-1/c#4/0 KCM PEICN aluminum 12 kV cables; and (4) two (2) anchors. The 12 kV underground connection work also involves the removal of approximately 450 circuit feet of 336.4 KCM AAC 12 kV and #3/0 KCM AAAC neutral overhead conductors.³

HECO represents that the Proposed Project satisfies the requirements of HRS § 269-27.6(a). Specifically, HECO contends that the benefits (if any) of placing the 46kV line underground do not outweigh the costs. HECO states that it costs "approximately two times more to underground the line than to

²See Application at 6.

³See Exhibit IV to the Application.

construct it overhead," which is based on an estimated cost of \$130,177 for an underground 46kV line versus an estimated cost of \$58,413 for an overhead 46kV line.⁴ Further, HECO represents that the visual impact due to the Proposed Project will be insignificant since: (1) there are existing 46kV overhead lines already in the affected area; (2) the request is to relocate only a small portion (approximately 100 circuit feet) of existing 46 kV overhead line; and (3) the portion of the 46 kV line that is being temporarily relocated will only be moved forty (40) to fifty (50) feet away from its existing location. Moreover, HECO represents that, to the best of its knowledge, there is no governmental agency or other party willing to pay for the additional costs associated with undergrounding the line.

B.

Consumer Advocate's Statement of Position

On September 30, 2005, the Consumer Advocate filed its statement of position ("Statement of Position") in which it stated that it does not object to the commission's approval of the Application. It is the Consumer Advocate's position that HECO's proposal to construct a 46 kV subtransmission line above the surface of the ground satisfies the requirements of HRS § 269-27.6(a).

According to the Consumer Advocate, the benefit of placing the electric transmission system underground does not outweigh the estimated cost differential of \$71,764 to

⁴See Application at 5.

underground the 46 kV line. The Consumer Advocate states that: (1) the visual impact of the proposed relocated 46 kV overhead line would be minimal because this is not a new line that would add additional visual obstruction; (2) the 46 kV line will be relocated forty (40) to fifty (50) feet away from its present location; (3) the other portions of the 46 kV line will remain overhead; and (4) there were no comments given at the public hearing to indicate that the current project area would be visually impacted by relocating the overhead 46 kV line.

The Consumer Advocate also states that there is no governmental mandate requiring the underground placement of the 46 kV line associated with the Proposed Project. The Developer, moreover, is unwilling to pay for the additional costs of placing the line underground and the Consumer Advocate is not aware of any other party willing to do so.⁵

In its review, the Consumer Advocate considered whether it would be feasible to relocate the 46 kV line underground along Aliinui Drive, similar to the proposed route for the 12 kV line. In response to the Consumer Advocate's information requests, HECO stated that additional ducts would need to be installed for a 46 kV underground circuit, that there are no existing 46 kV lines within Aliinui Drive, which can be used to serve the instant 46 kV circuit, and other portions of the Kahe-Standard Oil #46 kV

⁵See HECO's letter to the commission dated August 22, 2005, enclosing a letter dated June 16, 2005, from the Developer declining to pay the additional cost to underground the 46 kV line.

line would need to be relocated.⁶ Accordingly, the Consumer Advocate determined that relocation of the 46 kV line underground along Aliinui Drive was not reasonable.

II.

Discussion

When a public utility applies to the commission for approval to place, construct, erect or otherwise build a new 46 kV or greater high-voltage electric transmission system, HRS § 269-27.6(a) requires the commission to determine whether the proposed system shall be placed overhead or underground. In making this determination, HRS § 269-27.6(a) requires the commission to consider certain factors:

- (1) Whether a benefit exists that outweighs the costs of placing the electric transmission system underground;
- (2) Whether there is a governmental public policy requiring the electric transmission system to be placed, constructed, erected, or built underground, and the governmental agency establishing the policy commits funds for the additional costs of undergrounding;
- (3) Whether any governmental agency or other parties are willing to pay for the additional costs of undergrounding;
- (4) The recommendation of the division of consumer advocacy of the department of commerce and consumer affairs, which shall be based on an evaluation of the factors set forth under this subsection; and
- (5) Any other relevant factors.

⁶See HECO's response to IR 4. On September 22, 2005, HECO filed responses to informal information requests transmitted via e-mail by the Consumer Advocate on August 29 and September 16, 2005.

HRS § 269-27.6(a).

First, under HRS § 269-27.6(a)(1), the commission finds that no benefit exists that outweighs the costs associated with constructing the lines underground. As discussed above, the Proposed Project was initiated at the request of the Developer as the existing poles interfere with the Developer's plans for development of the area. HECO estimates that it would cost twice as much, or \$71,764 more, to place the line underground as opposed to placing it overhead as proposed. Since there are other existing 46 kV overhead lines in the area, placing the 46 kV line overhead as opposed to underground will not dramatically impact the area visually. Additionally, since the request is only to relocate a small portion (100 circuit feet) of the existing 46 kV line forty (40) to fifty (50) feet away, the impact of the proposed line will be negligible. Accordingly, there does not appear to be a benefit that outweighs the additional costs of placing the 46 kV line of the Proposed Project underground.

Second, under HRS § 269-27.6(a)(2), the commission is not aware of any governmental policies requiring underground placement of the 46 kV line. As noted by the Consumer Advocate, there have been State legislative efforts to study the feasibility of requiring underground placement of utility facilities, but none of the recommendations have resulted in a legislative mandate to underground electric transmission lines.

Third, under HRS § 269-27.6(a)(3), the commission is not aware of any governmental agency or any other party willing

to pay for the additional costs of placing the line underground. In a letter dated June 16, 2005, the Developer expressly informed HECO that it was not interested in paying the additional costs to underground the electrical line associated with the Proposed Project.⁷

Fourth, under HRS § 269-27.6(a)(4), the commission recognizes that the Consumer Advocate, after reviewing the Proposed Project under HRS § 269-27.6(a), stated that it "does not object to the placement of the relocated 46kV Line overhead as proposed."⁸

Finally, under HRS § 269-27.6(a)(5), the commission notes that the Consumer Advocate considered whether the 46 kV line could be relocated underground along Aliinui Drive, and determined that relocation of the 46 kV line was not "reasonable" at this time.

Based on the foregoing, the commission concludes that HECO's request to construct a 46 kV transmission line above ground, as described in its Application, should be approved.

⁷HECO submitted the Developer's letter dated June 16, 2005, into the record of this proceeding on August 22, 2005.

⁸See Consumer Advocate's Statement of Position at 9.

III.

Orders

THE COMMISSION ORDERS:

1. HECO's request to construct a 46 kV transmission line above ground, as described in HECO's Application, is approved, pursuant to HRS § 269-27.6(a).

2. This docket is closed, unless ordered otherwise by the commission.

DONE at Honolulu, Hawaii DEC - 8 2005.

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:

Benedyne S. Stone
Benedyne S. Stone
Commission Counsel
jpl
05-0087.eh

CERTIFICATE OF SERVICE

I hereby certify that I have this date served a copy of the foregoing Decision and Order No. 22169 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 - GOVERNMENTAL AND COMMUNITY AFFAIRS
HAWAIIAN ELECTRIC COMPANY, INC.
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

Karen Higashi

Karen Higashi

DATED: DEC - 8 2005