

BEFORE THE PUBLIC UTILITIES COMMISSION  
OF THE STATE OF HAWAII

In the Matter of the Application of)  
HAWAII ELECTRIC LIGHT COMPANY, INC.)  
For Approval to Construct an Overhead 69kV Transmission Line Pursuant to HRS § 269-27.6(a) for Item H00001463, Kealakaha Bridge Replacement Project.)

DOCKET NO. 2006-0181

DECISION AND ORDER NO. 23096

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

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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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Docket No. 2006-0181

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DECISION AND ORDER

By this Decision and Order, the commission approves HAWAII ELECTRIC LIGHT COMPANY, INC.'s ("HELCO") request to relocate an existing sixty-nine kilovolt ("69kV") overhead transmission line (and associated transmission lines) above the surface of the ground, in connection with Item H00001463, the Kealakaha Bridge Replacement Project, pursuant to Hawaii Revised Statutes ("HRS") § 269-27.6(a) (the "Proposed Project").

I.

Background

HELCO is a Hawaii corporation, which was initially organized under the laws of the Republic of Hawaii on or about December 5, 1894. HELCO, 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 Hawaii.

A.

Interim Approval

Initiated by the State of Hawaii Department of Transportation ("DOT"), the Proposed Project involves the replacement of the existing Kealakaha Bridge (the "Bridge"), which is located on Hawaii Belt Highway ("Highway") in the Hamakua area of the island of Hawaii. The project is designed to mitigate heavy traffic congestion on, and provide safe crossing of, the Bridge. As part of the project, a section of HELCO's existing pole line (approximately one-third of a mile) along the makai side of the Highway will be relocated to the mauka side of the Highway in alignment with the new bridge.

On July 5, 2006, HELCO filed a letter requesting expedited interim commission approval by July 12, 2006, for it to immediately: (1) remove two existing poles and sections of the existing 7600 69kV, 3100 34kV, and 4.2kV lines; and (2) install, in their proposed permanent locations, three 90-foot wooden poles and 69kV, 34kV, and 4.2kV lines along the Highway, prior to receiving commission approval of the Proposed Project under HRS § 269-27.6(a) ("Interim Approval Request").<sup>1</sup>

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<sup>1</sup>HELCO served a copy of its July 5, 2006 Interim Approval Request on the DIVISION OF CONSUMER ADVOCACY, DEPARTMENT OF COMMERCE AND CONSUMER AFFAIRS ("Consumer Advocate"), an ex officio party to all matters before the commission pursuant to HRS § 269-51 and Hawaii Administrative Rules § 6-61-62. On July 6, 2006, the Consumer Advocate verbally informed commission staff that it did not object to HELCO's Interim Approval Request, but wished to reserve its right to state its position on the Proposed Project after completion of its investigation.

On July 12, 2006, the commission issued Interim Order No. 22597 ("Interim Order"), approving HELCO's Interim Approval Request; provided that, HELCO file its application regarding the Proposed Project by July 14, 2006, as represented; and in the event that the commission ultimately does not approve HELCO's application, HELCO shall not seek to recover its share of the costs of the project from its ratepayers.<sup>2</sup>

B.

Application

On July 13, 2006, HELCO filed its application seeking commission approval to relocate a portion of the existing overhead transmission system above the surface of the ground in connection with the Proposed Project ("Application"). HELCO requested that the commission: (1) determine that HELCO's proposal to relocate the 69kV transmission line (and associated lines) above the surface of the ground is appropriate, pursuant to HRS § 269-27.6(a); and (2) conduct a public hearing regarding its proposal to relocate the existing 69kV transmission line through a residential area, pursuant to HRS § 269-27.5.<sup>3</sup>

In accordance with HRS § 269-27.5, the commission held a public hearing on HELCO's Proposed Project on September 27,

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<sup>2</sup>Upon receipt of the commission's Interim Order, HELCO began and completed a portion of the proposed work, as authorized by the commission. See Testimony filed by HELCO during the Public Hearing at 4.

<sup>3</sup>HELCO served copies of the Application on the Consumer Advocate. No persons moved to intervene or participate in this docket.

2006, at Paauiilo Elementary and Intermediate School Cafeteria, 43-1497 Old Main Road, Paauiilo, Hawaii, 96776 ("Public Hearing").<sup>4</sup>

1.

Proposed Project

As noted above, the Proposed Project was initiated at the request of the DOT to accommodate the DOT's plans to replace the existing Kealakaha Bridge. As part of the Bridge replacement project, HELCO plans to relocate a one-third mile-long section of HELCO's existing pole line to the mauka side of the Highway in alignment with the new bridge.

Specifically, work associated with the Proposed Project involves the installation of:

- (1) Seven 90-foot wooden poles designed for one circuit each of 69kV and 34kV, with 4.160kV and communications underbuild, and
- (2) One 35-foot wooden pole for secondary service to two residences in the area.

For the 69kV circuit, approximately 1,807 circuit feet of 3W-556.5 MCM AAC conductors and 1,807 feet of 1W-#3/0 AAAC static wire at the top of the pole for lighting protection will be

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<sup>4</sup>On September 25, 2006, Mr. Robert Ward ("Mr. Ward"), an individual, provided written comments regarding the Proposed Project through electronic mail. During the scheduled Public Hearing, the testimonies of HELCO and the Consumer Advocate were received by the commission into the record of this proceeding. By commission letter dated October 4, 2006, all testimonies received into the record, including the written comments of Mr. Ward, were transmitted to the parties of this docket. The transcript of the Public Hearing was filed with the commission on November 2, 2006.

installed. For the 34kV circuit and 4.160kV underbuild, HELCO plans to install approximately 1,807 feet of 3W-#336.4 MCM AAC conductors and approximately 1,807 circuit feet of 3W-3/0 AAAC and 1W-#3/0 AAAC neutral conductors, respectively. The existing Oceanic Time Warner Cable ("Oceanic") underbuild and Hawaiian Telcom, Inc.'s ("Hawaiian Telcom") facilities (currently on a separate pole line) will be transferred to a new wooden pole by the respective companies, and anchors and guy wires will be required to support the pole line.

The Proposed Project also involves the removal of:

- (1) Five wooden poles; and
- (2) Approximately 1,628 circuit feet each of:
  - (a) 3W-556.5 MCM AAC 69kV conductors;
  - (b) 1W-#3/0 AAAC static wire;
  - (c) 3W-4/0 ACSR 34kV conductors; and
  - (d) #4 BC and 1W-#3/0 AAAC neutral 4.160kV conductors.

HELCO's removal work does not include the removal of Oceanic's underbuild and Hawaiian Telcom's pole line on the mauka side of the Highway.

The current estimated cost of the Proposed Project is \$270,214 (including removal costs and customer contribution), which will be shared 50/50 between HELCO and the DOT, pursuant to the requirements of HRS § 264-33.

HELCO's Representations

HELCO represents that the Proposed Project satisfies the requirements of HRS § 269-27.6(a). Specifically, HELCO contends that the benefits (if any) of placing the 69kV line underground do not outweigh the costs associated with the project. HELCO represents that the visual impact of the Proposed Project will not be increased since there are existing 69kV, 34kV, and 4.16kV overhead lines in the project area, and the 69kV line will be relocated, at most, 70 feet laterally from the existing location. According to HELCO, the visual impact might actually lessen since electric and cable television lines on the makai side and telephone lines on the mauka side of the Highway will be consolidated to a single pole line on the mauka side of the Highway.

In addition, to the best of its knowledge, HELCO is unaware of any governmental public policy requiring the underground placement of the line. HELCO also represents that there is no governmental agency or other party willing to pay for the additional costs associated with undergrounding the line.

## C.

Consumer Advocate's Position

On November 30, 2006, the Consumer Advocate filed its Statement of Position informing the commission that it does not object to commission approval of the Application ("CA's Statement of Position"). The Consumer Advocate's position is based on its

review of the Proposed Project under the criteria set forth in HRS § 269-27.6(a).

According to the Consumer Advocate, it does not appear that HELCO is able to place its facilities underground. This conclusion is based on its determination that the underground placement of HELCO's facilities "does not appear . . . [to be] practical or feasible" since the Bridge spans a deep gulch, and, thus, the most feasible means to underground the lines would be to place them within the Bridge as opposed to under the gulch.<sup>5</sup> The DOT, however, has not designed the Bridge to support such underground placement of the facilities.<sup>6</sup> In addition, the DOT's expedited schedule to replace the Bridge to address safety concerns does not appear to allow sufficient time to redesign the Bridge for underground placement of HELCO's facilities. Moreover, there does not appear to be any cost benefit to placing HELCO's facilities under the Bridge since: (a) the estimated \$2,130,000 to underground the lines is approximately eight times the current estimated cost of \$270,214 to place the lines above ground; (b) HELCO asserts that it incurs very little maintenance costs to repair or replace overhead facilities in the project area; and (c) neither the DOT nor any other party is willing to pay for the cost to underground the facilities.

In addition, there are no governmental policies requiring the underground placement, construction, erection, or

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<sup>5</sup>See CA's Statement of Position at 5-6.

<sup>6</sup>Id. at 6.

building of electric transmission systems. And, HELCO is unaware of any future plans to place the existing overhead facilities or any facilities adjacent to the project area underground.

The Consumer Advocate also notes that the visual impact in the area should improve since upon completion of the Proposed Project, the existing electrical, cable, and communications facilities, which are currently located on two separate pole lines along the Highway will be integrated on a single pole line. It notes that no comments were "submitted at the [P]ublic [H]earing expressing concern that the project area would be visually impacted by the relocation of HELCO's overhead facilities."<sup>7</sup> Accordingly, the Consumer Advocate does not object to the relocation of the 69kV line to the proposed overhead facilities.

Although beyond the scope of HELCO's request, the Consumer Advocate notes that the costs of the Proposed Project, in general, do not appear to vary significantly from prior similar projects, but further notes that the projected costs are only estimates. Thus, the Consumer Advocate reserves the right to review the final costs associated with the Proposed Project in HELCO's next rate proceeding following completion of the Proposed Project.

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<sup>7</sup>Id. at 8.

## II.

### Discussion

HRS § 269-27.6(a) titled "Construction of high-voltage electric transmission lines; overhead or underground construction" states:

Notwithstanding any law to the contrary, whenever a public utility applies to the public utilities commission for approval to place, construct, erect, or otherwise build a new forty-six kilovolt or greater high voltage electric transmission system, either above or below the surface of the ground, the public utilities commission shall determine whether the electric transmission system shall be placed, constructed, erected, or built above or below the surface of the ground; provided that in its determination, the public utilities commission shall consider:

- (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.

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. The \$2,130,000 cost to

underground the lines is approximately eight times the current estimated cost of \$270,214 to place the lines above ground. A review of the area near and around the project demonstrates that it is primarily rural<sup>8</sup> with only four homes within the immediate vicinity of the project area. Additionally, HELCO has overhead existing facilities outside of the project area, which will not be affected. Thus, there does not appear to be a benefit that outweighs the additional costs of placing the 69kV and related lines of the Proposed Project underground.

Second, under HRS § 269-27.6(a)(2), the commission is unaware of any governmental policies requiring the underground placement of the 69kV line.<sup>9</sup>

Third, under HRS § 269-27.6(a)(3), the commission is unaware of any governmental agency or any other party willing to pay for the additional costs of placing the lines underground. The DOT has not budgeted to place the lines underground and asserts that such a placement will impede the replacement of the Bridge, which is necessary to provide safe passage for the motoring public.<sup>10</sup> The DOT specifically recommends that HELCO's

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<sup>8</sup>See Letter from Warren H.W. Lee, President of HELCO, to the Consumer Advocate responding to the Consumer Advocate's August 25, 2006 information requests, CA-IR-3 at 28; CA-IR-7 at 2-3 (November 1, 2006).

<sup>9</sup>See also CA's Statement of Position at 7.

<sup>10</sup>See Letter from Warren H.W. Lee, President of HELCO, to the Consumer Advocate responding to the Consumer Advocate's August 25, 2006 information requests, CA-IR-9 at 2 (November 1, 2006).

facilities in the project area be relocated as overhead facilities.<sup>11</sup>

Fourth, under HRS § 269-27.6(a)(4), the commission recognizes that the Consumer Advocate, after considering the Proposed Project under HRS § 269-27.6(a), stated that it "does not object to the relocation of the 69kV lines to the proposed overhead facilities."<sup>12</sup>

Finally, under HRS § 269-27.6(a)(5), the commission agrees with the Consumer Advocate's assessment that underground placement of the lines in the project area may be inappropriate and impractical. To meet the DOT's schedule, HELCO states that the existing facilities would need to first be relocated overhead, as proposed in HELCO's Application, and then be converted to underground within the new Bridge (as opposed to within the deep gulch which the Bridge spans) requiring DOT approval.<sup>13</sup> Moreover, HELCO represents that the DOT did not design the new bridge to support underground facilities.<sup>14</sup>

Based on the foregoing, the commission concludes that the overhead construction of lines in association with the Proposed Project, in the manner set forth in the Application, should be approved.

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<sup>11</sup>Id.

<sup>12</sup>See CA's Statement of Position at 8.

<sup>13</sup>See Letter from Warren H.W. Lee, President of HELCO, to the Consumer Advocate responding to the Consumer Advocate's August 25, 2006 information requests, CA-IR-3 at 1-2 (November 1, 2006).

<sup>14</sup>Id.

III.

Orders

THE COMMISSION ORDERS:

1. The overhead construction of the 69kV transmission line (and associated transmission lines) in connection with the Proposed Project, in the manner set forth in the 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 - 1 2006.

PUBLIC UTILITIES COMMISSION  
OF THE STATE OF HAWAII

By Carlito P. Caliboso  
Carlito P. Caliboso, Chalirman

By John E. Cole  
John E. Cole, Commissioner

APPROVED AS TO FORM:

Ji Sook Kim  
Ji Sook Kim  
Commission Counsel

2006-0181:eh

CERTIFICATE OF SERVICE

I hereby certify that I have this date served a copy of the foregoing Decision and Order No. 23096 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: DEC - 1 2006