

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 Commit Funds in)
Excess of \$500,000 for Item H0000650,)
Kukio 69 kV Underground Conversion.)
_____)

DOCKET NO. 02-0115

DECISION AND ORDER NO. 19657

Filed Sept. 16, 2002
At 12 o'clock P.M.

Kui L. Nakagawa
Chief Clerk of the Commission

ATTEST: A True Copy
LEATRICE G. ASAHI
Clerk, Public Utilities
Commission, State of Hawaii.

Leatrice G. Asahi

RECEIVED

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HAWAII ELECTRIC LIGHT COMPANY, INC.)	Docket No. 02-0115
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Kukio 69 kV Underground Conversion.)	
_____)	

DECISION AND ORDER

I.

By application filed on May 6, 2002, and amended on May 14, 2002, and July 5, 2002,¹ HAWAII ELECTRIC LIGHT COMPANY, INC. (HELCO) requests: (1) commission approval to commit approximately \$4,678,900 for Item H0000650, the Kukio 69 kilovolt (kV) Underground Conversion (proposed project); (2) that the commission expeditiously set a public hearing pursuant to Hawaii Revised Statutes (HRS) § 269-27.5, if the commission deems such hearing to be necessary; (3) a favorable commission determination, pursuant to HRS § 269-27.6, allowing the permanent underground relocation of the 69 kV transmission line; (4) if deemed necessary by the commission, a favorable determination, pursuant to HRS § 269-27.6, to construct the temporary 69 kV line above the surface of the ground; and

¹The May 14, 2002 amendment noted minor revisions to the underground portion of the project. The July 5, 2002 amendment also noted minor changes to the temporary overhead and permanent underground portions of the project.

(5) expedited commission approval for the construction of a temporary 69 kV overhead line. HELCO's application is made in accordance with paragraph 2.3.g.2 of the commission's General Order No. 7, Standards for Electric Utility Service in the State of Hawaii (General Order No. 7).²

HELCO served copies of the application on the Division of Consumer Advocacy, Department of Commerce and Consumer Affairs (Consumer Advocate).

In accordance with HRS § 269-27.5, on June 12, 2002, a public hearing was held at the Kona International Airport, Administrative Training Room, Module 2.³

On June 13, 2002, the Consumer Advocate submitted written information requests (IRs) to HELCO to facilitate its review of the instant application. HELCO submitted its response to the IRs on July 17, 2002.

By Interim Decision and Order No. 19433, filed on June 27, 2002, in this docket, the commission (1) granted HELCO's request for expedited approval to temporarily relocate the 69 kV transmission line above the surface of the ground and (2) authorized HELCO, on an interim basis, to commit funds needed

²General Order No. 7 states, in relevant part, that "[p]roposed capital expenditures . . . in excess of \$500,000 . . . shall be submitted to the Commission for review at least 60 days prior to the commencement of construction or commitment for expenditure[.]"

³HELCO and the Consumer Advocate appeared at the public hearing and submitted their written testimonies. No other persons appeared. A brief written statement in support of HELCO's application was, however, received by the commission on June 6, 2002, from ACM Consultants, Inc.

to construct and complete the temporary overhead 69 kV transmission line.

By Order No. 19495, filed on July 31, 2002, the commission extended the General Order No. 7 deadline from August 4, 2002, to September 18, 2002.

By Statement of Position filed on September 10, 2002, the Consumer Advocate informed the commission that it does not object to the commission's approval of the application, with certain qualifications, to be discussed below.

Inasmuch as Interim Decision and Order No. 19433 disposed of the issues regarding the temporary relocation of the above-ground 69 kV transmission line,⁴ the remaining issues to be addressed in this decision and order are HELCO's requests for commission approval to expend approximately \$4,678,900 for the proposed project, and for a favorable commission determination allowing the permanent underground relocation of the 69 kV transmission line.

II.

A.

The proposed project involves the temporary overhead-to-overhead relocation and permanent conversion to underground of approximately 0.6 mile of HELCO's existing Poopoomino-Keahole

⁴Interim Decision and Order No. 19433 granted HELCO's request for expedited approval to temporarily relocate the 69 kV transmission line above the surface of the ground and to commit funds, on an interim basis, to construct and complete the temporary 69 kV transmission line. Additionally, as noted *supra*, a public hearing, pursuant to HRS § 269-27.5, was held.

9100 69 kV overhead transmission line. A golf course is being built under a section of the existing 69 kV overhead transmission line, and the developer, WB Kukio Resorts, LLC (Developer), will bear the costs associated with the temporary aboveground relocation and subsequent permanent conversion to underground of HELCO's existing line.

The proposed project will be completed in two phases. Phase 1, addressed by Interim Decision and Order No. 19433, involves the temporary 69 kV overhead-to-overhead relocation around the perimeter of the golf course.⁵ Phase 2 will convert the temporary aboveground line to underground. The underground line will follow generally along the same route as the temporary overhead line.

The conversion of the overhead line to underground will require installing 6,500 feet of duct line, including four 6-inch concrete encased PVC schedule 40 ducts and seven 6-foot by 14-foot manholes; 6,500 circuit feet of cross linked polyethylene 69 kV cables; and two 75-foot steel riser poles and terminations.⁶ The Developer will grant an easement, at no cost, to HELCO for the temporary 69 kV overhead line and for the permanent 69 kV underground line.⁷

⁵Phase 1 of the project was scheduled to begin in June or July of 2002.

⁶See Application amended on May 14, 2002, at 6.

⁷Id.

Upon receiving commission approval, and obtaining information from the Developer,⁸ HELCO proposes to commit funds by executing Letter Agreements with the Developer. The Developer has requested that the underground conversion be completed by November 2003.⁹

B.

The Consumer Advocate has determined that the proposed undergrounding of the 69 kV line to take place in Phase 2 of the project is necessary and reasonable.¹⁰ Nonetheless, because the estimated project costs and Developer contributions represent preliminary estimates only, the Consumer Advocate has some concerns regarding the reasonableness of the project costs.¹¹ However, the Consumer Advocate recognizes that it may address these concerns at the time of the filing of HELCO's final cost report.¹² Moreover, to complete its review, the Consumer Advocate requests that the Letter Agreement between HELCO and the Developer for Phase 2 of the project be filed with the commission upon its execution.

⁸ See HELCO's Responses to Consumer Advocate's IRs, at 3b.

⁹ See Application at 2.

¹⁰ See Statement of Position at 7-8. The Consumer Advocate is also satisfied that HELCO will take all steps necessary to mitigate any temporary service interruptions associated with Phase 2 of the project.

¹¹ Id. at 9.

¹² Id. at 10.

C.

Upon careful review, the commission finds and concludes that the permanent underground relocation of the 69 kV line is reasonable, in the public interest, and consistent with the objectives of HRS § 269-27.6(a).¹³ In addition to the permanent undergrounding of the 69 kV line, the Developer will be paying for the project's cost. Accordingly, the commission will approve HELCO's application.

III.

THE COMMISSION ORDERS:

1. HELCO's application, filed on May 6, 2002, and amended on May 14, 2002, and July 5, 2002, to expend an estimated \$4,678,900 for Item H0000650, the Kukio 69 kV

¹³In this regard, whenever 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 § 269-7.6(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 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 Consumer Advocate; and
5. Any other relevant factors.

Underground Conversion, is approved; provided that no part of the project may be included in HELCO's rate base unless and until the project is in fact installed, and is used and useful for utility purposes.

2. HELCO's request for the permanent underground relocation of the 69 kV transmission line, pursuant to HRS § 269-27.6, is approved.

3. The Interim Decision and Order No. 19433, filed on June 27, 2002, in this docket, shall be subject to the provisions of this final decision and order.


4. HELCO shall submit a report within 60 days of the completion of the project, with an explanation of any deviation of 10 per cent or more in the project's cost from that estimated in the application. Failure to submit the report, as requested by this decision and order, will constitute cause to limit the cost of the project, for ratemaking purposes, to that estimated in the application.

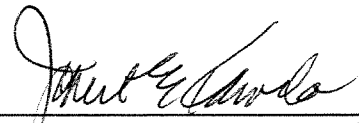
5. HELCO shall file a copy of the executed Letter Agreement between HELCO and the Developer with the commission and the Consumer Advocate.

6. This docket is closed.

DONE at Honolulu, Hawaii this 16th day of September,
2002.

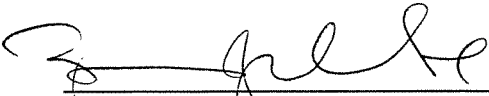
PUBLIC UTILITIES COMMISSION
OF THE STATE OF HAWAII

By 
Wayne H. Kimura, Chairman

By 
Janet E. Kawelo, Commissioner

By (RECUSED)
Gregg J. Kinkley, Commissioner

APPROVED AS TO FORM:


Benedyne S. Stone
Commission Counsel

02-0115.ah

CERTIFICATE OF SERVICE


I hereby certify that I have this date served a copy of the foregoing Decision and Order No. 19657 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

WARREN H.W. LEE, PRESIDENT
HAWAII ELECTRIC LIGHT COMPANY, INC.
P. O. Box 1027
Hilo, HI 96721-1027

WILLIAM A. BONNET
VICE PRESIDENT, GOVERNMENT & COMMUNITY AFFAIRS
HAWAIIAN ELECTRIC COMPANY, INC.
P. O. Box 2750
Honolulu, HI 96840-0001

THOMAS W. WILLIAMS, JR., ESQ.
GOODSILL ANDERSON QUINN & STIFEL
Alii Place, Suite 1800
1099 Alakea Street
Honolulu, HI 96813



Catherine Sakato

DATED: September 16, 2002