

BEFORE THE PUBLIC UTILITIES COMMISSION  
OF THE STATE OF HAWAII

In the Matter of the Application of)  
HAWAIIAN TELCOM, INC. )  
For Approval to Assign Its Lease )  
For the Waipahu Base Yard to Ground )  
Transport, Inc. )  
\_\_\_\_\_ )

DOCKET NO. 2008-0113

DECISION AND ORDER

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

PUBLIC UTILITIES  
COMMISSION

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HAWAIIAN TELCOM, INC.	)
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For Approval to Assign Its Lease	)
For the Waipahu Base Yard to Ground)	
Transport, Inc.	)
_____	)

Docket No. 2008-0113

DECISION AND ORDER

By this Decision and Order, the commission grants HAWAIIAN TELCOM, INC.'s ("Hawaiian Telcom") request for approval<sup>1</sup> to assign the lease for the property located at 94-311 Waipahu Street (Tax Map Key: 1-9-4-28-24) on the island of Oahu (the "Property") to Ground Transport, Inc. ("Ground Transport") pursuant to HRS § 269-19 and HAR § 6-61-105.

I.

Background

Hawaiian Telcom is a Hawaii corporation engaged in the provision of varied telecommunications services to its customers and the general public within the State of Hawaii. It is an

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<sup>1</sup>Application; Exhibit 1; Verification and Certificate of Service, filed on June 13, 2008 ("Application"). Copies of the Application were served on the DEPARTMENT OF COMMERCE AND CONSUMER AFFAIRS, DIVISION OF CONSUMER ADVOCACY ("Consumer Advocate"), an ex officio party to this docket pursuant to Hawaii Revised Statutes ("HRS") § 269-51 and Hawaii Administrative Rules ("HAR") § 6-61-62.

incumbent local exchange carrier, as contemplated by Section 252 of the federal Telecommunications Act of 1996.

A.

Application

On June 13, 2008, Hawaiian Telcom filed an application for commission approval to assign the lease<sup>2</sup> for the Property. In its Application, Hawaiian Telcom states:

The Property consists of 40,209 square feet, more or less. [Hawaiian Telcom] does not foresee any requirement for the Property in the provision of telecommunication service to its customers.

[Hawaiian Telcom] originally leased the Property on December 21, 1990, to establish a base yard for its personnel servicing customers within the Waipahu and adjacent community. However, [Hawaiian Telcom] has relocated its personnel from the Property to the Pearl City Central Office and Wahiawa Base Yard. Customers in the Waipahu region are being serviced effectively and efficiently by [Hawaiian Telcom's] personnel assigned at the Pearl City Central Office and Wahiawa Base Yard.

The assignment of lease will reduce [Hawaiian Telcom's] annual lease rent by \$151,000 which will benefit [Hawaiian Telcom's] ratepayers since the amount is booked to a regulated account.

Application, at 2.

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<sup>2</sup>Hawaiian Telcom currently leases the property from J.L.P. Robinson Limited Partnership, Herman G. P. Lemke, Mildred Teresa Centeio and William Rhett Taber, Trustees under the Will and of the Estate of Mark Alexander Robinson, and Trustees under Deed of Trust dated July 30, 1953 of Mark Alexander Robinson and Mary Kapuahaulani Hart Robinson. Application, at Exhibit A.

B.

Information Requests

On June 20, 2008, the Consumer Advocate issued information requests ("IRs") to Hawaiian Telcom regarding its Application, to which Hawaiian Telcom filed responses on July 1, 2008. Among other things, the Consumer Advocate's IRs related to Hawaiian Telcom's position that customers in the Waipahu region are being serviced effectively by personnel assigned to the Pearl City Central Office and Wahiawa Base Yard.

C.

Statement of Position

On July 15, 2008, the Consumer Advocate filed its Statement of Position ("Statement of Position") stating that it does not object to commission approval of the Application. According to the Consumer Advocate, the assignment of the lease may not have a negative impact on Hawaiian Telcom's ability to provide utility service and is in the public interest, as:

When considering the various relevant factors involved, it is somewhat difficult, in this instance, to determine how significant of an impact the closing of a base yard would have on any negatively declining service measurement results. In addition, it is not known how much of an influence [Hawaiian Telcom's] back office system['s] problems really have on any service measurement results since it appears that manual intervention is still required in certain processes. Given that it is possible for [Hawaiian Telcom] to achieve good field-related service measurement results (as is the case with its field-related installation activity) even with the closing of base yards, it is again unclear whether the closing of a base yard (more specifically the Waipahu Base Yard) has a

significant negative impact on [Hawaiian Telcom's] ability to provide good service.

Based on the above uncertainty, the Consumer Advocate concludes, in this specific instance, that assignment of the lease for the Property may not adversely affect Hawaiian Telcom's ability to provide reliable telecommunications services. . . .

Statement of Position, at 5-6. The Consumer Advocate also states:

Hawaiian Telcom represents that:

- The Property is apparently not in use.
- [Hawaiian Telcom] does not foresee any requirement for the Property in the provision of telecommunication service to its customers.
- The assignment of the lease will reduce [Hawaiian Telcom's] annual lease rent costs by \$151,000 which will benefit Hawaiian Telcom's ratepayers since the amount is booked to a regulate[d] account.

In view of the above, including the financial benefit to the general ratepayer, the Consumer Advocate finds the assignment of the lease to be in the public interest.

Statement of Position, at 6 (footnote omitted). The Consumer Advocate "does not object to the [c]ommission's approval of the assignment of the lease of the Property as requested in the instant application."<sup>3</sup>

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<sup>3</sup>Statement of Position, at 7.

## II.

### Discussion

HRS § 269-19 provides that no public utility corporation shall "sell, lease, assign, mortgage, or otherwise dispose of or encumber the whole or any part of its road, line, plant, system, or other property necessary or useful in the performance of its duties to the public, or any franchise or permit, or any right there under . . . without first having secured from the public utilities commission an order authorizing it so to do."

Here, Hawaiian Telcom requests approval to assign its lease to Ground Transport. As asserted by the Consumer Advocate, the transfer appears to be in the public interest, as the Property is not in use; Hawaiian Telcom does not foresee any need for the Property in the provision of telecommunication services; and leasing the Property will reduce Hawaiian Telcom's annual lease rent by \$151,000 which will benefit Hawaiian Telcom's ratepayers. Accordingly, the commission grants Hawaiian Telcom's request for approval to assign the lease for the Property to Ground Transport.

## III.

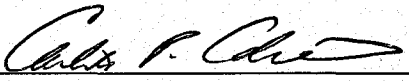
### Orders

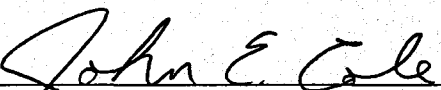
1. Hawaiian Telcom's request for commission approval to assign the lease for the property located at 94-311 Waipahu Street (Tax Map Key: 1-9-4-28-24) on the island of Oahu to Ground Transport, is granted.

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

DONE at Honolulu, Hawaii JAN - 8 2009.

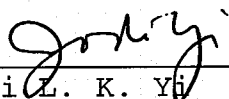
PUBLIC UTILITIES COMMISSION  
OF THE STATE OF HAWAII

By   
Carlito P. Caliboso, Chairman

By   
John E. Cole, Commissioner

By   
Leslie H. Kondo, Commissioner

APPROVED AS TO FORM:

  
Jodi L. K. Yi  
Commission Counsel

2008-0113.cp

CERTIFICATE OF SERVICE

The foregoing order was served on the date of filing by mail, postage prepaid, and properly addressed to the following parties:

CATHERINE P. AWAKUNI  
EXECUTIVE DIRECTOR  
DEPARTMENT OF COMMERCE AND CONSUMER AFFAIRS  
DIVISION OF CONSUMER ADVOCACY  
P. O. Box 541  
Honolulu, HI 96809

STEVEN P. GOLDEN  
VICE PRESIDENT-EXTERNAL AFFAIRS  
HAWAIIAN TELCOM, INC.  
P.O. Box 2200  
Honolulu, HI 96841