

Honolulu, Hawaii

Feb 1, 2006

RE: H.B. No. 1647  
H.D. 1

Honorable Calvin K.Y. Say  
Speaker, House of Representatives  
Twenty-Third State Legislature  
Regular Session of 2006  
State of Hawaii

Sir:

Your Committee on Energy & Environmental Protection, to which  
was referred H.B. No. 1647 entitled:

"A BILL FOR AN ACT RELATING TO UNDERGROUNDING OF OVERHEAD  
UTILITIES,"

begs leave to report as follows:

The purpose of this bill is to:

- (1) Adopt a state policy in favor of undergrounding  
utilities; and
- (2) Establish the underground conversion fund and board to  
ensure the development of a comprehensive statewide plan  
for the long-term incremental undergrounding of utility  
lines.

A member of Na Leo Pohai testified in support of this bill.  
The Public Utilities Commission, Division of Consumer Advocacy of  
the Department of Commerce and Consumer Affairs, Hawaiian Electric  
Company, Inc., Hawaiian Telcom, and the Rocky Mountain Institute  
supported the intent of this bill. The Department of  
Transportation and the Department of Budget and Finance opposed  
this bill. In addition, the Department of Taxation, the Land Use  
Research Foundation of Hawaii, and the University of Hawaii  
Environmental Center submitted comments regarding this bill.

Your Committee has amended this bill by:

HB1647 HD1 HSCR LRB 06-1629.doc



- (1) Amending the purpose clause to:
  - (A) Emphasize that the undergrounding of utilities will harden our electric and telecommunications infrastructure to potential acts of terrorism and natural disasters; and
  - (B) Establish and affirm a policy that the conversion of overhead utility facilities to underground is substantially beneficial to the public safety and welfare, is in the public interest, and is a public purpose;
- (2) Place the underground conversion board (Board) for administrative purposes within the Department of Commerce and Consumer Affairs;
- (3) Designate the Consumer Advocate, rather than the chairperson of the Public Utilities Commission, as a member of Board;
- (4) Authorize the Board to:
  - (A) Establish a policy to maximize the use of federal highway funds for undergrounding; and
  - (B) Maximize coordination and the establishment of funding sources with federal, state, and county agencies to harden the energy and telecommunications infrastructure to withstand acts of terrorism and disasters;
- (5) Deleting provisions regarding the establishment of an advisory committee;
- (6) Requiring the board to:
  - (A) Assume the responsibilities previously given to the advisory committee;
  - (B) Present a process to the Public Utilities Commission for final approval to determine priorities for specific incremental undergrounding projects or grants; and



- (C) Issue an interim and final report to the Legislature and the Governor no less than twenty days prior to the convening of the Regular Sessions of 2007 and 2008, respectively;
- (7) Clarifying that the state Department of Taxation may use the check-the-box concept on the state tax form for voluntary contributions to the underground conversion fund;
- (8) Establishing a round-off program, under which utilities may collect voluntary contributions for the underground conversion fund from ratepayers who contribute the difference between their actual utility bill and their payment, which is rounded up to the nearest dollar;
- (9) Deleting provisions amending section 264-33.5, relating to exceptions to the underground installation of utility facilities along federal-aid highways;
- (10) Inserting letters in place of blank section numbers to facilitate accurate cross-referencing, and adding a new section 6 to the bill to direct the revisor of statutes to substitute appropriate section numbers in place of the letters; and
- (11) Making technical, nonsubstantive amendments for the purposes of clarity and style.

As affirmed by the record of votes of the members of your Committee on Energy & Environmental Protection that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 1647, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 1647, H.D. 1, and be referred to the Committee on Consumer Protection & Commerce.



Respectfully submitted on  
behalf of the members of the  
Committee on Energy &  
Environmental Protection,

*Hermina Morita*

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HERMINA MORITA, Chair



