

Honolulu, Hawaii

FEB 15 2008

RE: S.B. No. 2191
S.D. 1

Honorable Colleen Hanabusa
President of the Senate
Twenty-Fourth State Legislature
Regular Session of 2008
State of Hawaii

Madam:

Your Committee on Commerce, Consumer Protection, and
Affordable Housing, to which was referred S.B. No. 2191 entitled:

"A BILL FOR AN ACT RELATING TO PUBLIC UTILITIES,"

begs leave to report as follows:

The purpose of this measure is to protect the health and safety of the public from damaged or fallen overhead utility poles by requiring the Public Utilities Commission to develop and implement a plan for the undergrounding of all overhead utility lines in all counties with a population of over 500,000 residents.

Specifically, this measure:

- (1) Requires the Public Utilities Commission to develop a plan for the systematic conversion of overhead utility lines to underground lines;
- (2) Establishes a pilot project in a county with a population greater than 500,000 residents that will focus on the undergrounding of utility lines within the Nanakuli to Makaha corridor of the island of Oahu, and requires the Public Utilities Commission to assess and collect an amount equal to one-half of the total cost of the pilot conversion project from the utilities affected by the project; and
- (3) Makes a blank appropriation out of the State Highway Fund for the purpose of developing and implementing a



comprehensive plan and pilot conversion project for the undergrounding of utility lines.

Testimony in support of this measure was submitted by Na Leo Pohai and two private individuals. Testimony in opposition to this measure was submitted by the Department of Budget and Finance, the Department of Transportation, and Hawaiian Telcom. Comments were submitted by the Public Utilities Commission; the Division of Consumer Advocacy, Department of Commerce and Consumer Affairs; and the Hawaiian Electric Company.

In December of 2007, the State was struck by a storm that included torrential rains and high winds. Resulting storm damage on the leeward coast of Oahu was substantial with numerous utility poles falling and damaged. In one case, a utility pole snapped and landed on a house. High winds toppled a total of approximately nineteen poles in Nanakuli and approximately eighteen additional poles fell or were damaged in Maili. For at least three days following the initial storm, pockets of residents in Maili and Nanakuli continued to be without electric utility service. Your Committee finds that converting overhead utility lines to underground utility lines will ensure these incidences will not occur again in the future.

Testimony indicated concerns regarding the implementation of a statewide conversion program and the high costs of implementing this type of program, including the use of moneys from the State Highway Fund. However, your Committee emphasizes that damaged and fallen overhead utility lines pose a health and safety risk for residents living in areas that are repeatedly subjected to the loss of power due to damaged and fallen utility lines.

Accordingly, your Committee has amended this measure by:

- (1) Deleting its contents and replacing it with language that:
 - (A) Requires the Public Utilities Commission to conduct a statewide study to focus on one priority region per county and develop a plan, with consultation and input from the utility service providers and community engagement, for the undergrounding of overhead utility lines for health and safety purposes;

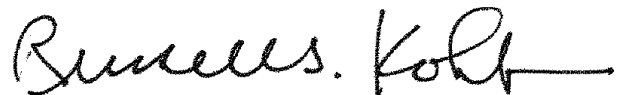


- (B) Requires the Public Utilities Commission to submit to the Legislature an interim report prior to the 2009 Regular Session and a final report prior to the 2010 Regular Session; and
 - (C) Provides funding for the study by appropriating funds into the Public Utilities Special Fund under section 269-33, Hawaii Revised Statutes; and
- (2) Making technical, nonsubstantive amendments for the purposes of clarity and style.

Your Committee believes that this measure, as amended, fulfills the intent of this measure, which is to protect the health and safety of the public from damaged or fallen overhead utility poles.

As affirmed by the record of votes of the members of your Committee on Commerce, Consumer Protection, and Affordable Housing that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 2191, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 2191, S.D. 1, and be referred to the Committee on Ways and Means.

Respectfully submitted on
behalf of the members of the
Committee on Commerce, Consumer
Protection, and Affordable
Housing,




RUSSELL S. KOKUBUN, Chair



The Senate
Twenty-Fourth Legislature
State of Hawaii

Record of Votes
Committee on Commerce, Consumer Protection and Affordable Housing
CPH

Bill / Resolution No.:*	Committee Referral:	Date:		
SB 2191	CPH, WAM	2-12-08		
<input type="checkbox"/> The committee is reconsidering its previous decision on this measure. If so, then the previous decision was to: _____				
The Recommendation is:				
<input type="checkbox"/> Pass, unamended 2312 <input checked="" type="checkbox"/> Pass, with amendments 2311 <input type="checkbox"/> Hold 2310 <input type="checkbox"/> Recommit 2313				
Members	Aye	Aye (WR)	Nay	Excused
KOKUBUN, Russell S. (C)	✓			
IGE, David Y. (VC)				✓
ESPERO, Will				✓
IHARA, Jr., Les	✓			
SAKAMOTO, Norman	✓			
TANIGUCHI, BRIAN T.				✓
TRIMBLE, Gordon	✓			
TOTAL	4	0	0	3
Recommendation:				
<input checked="" type="checkbox"/> Adopted <input type="checkbox"/> Not Adopted				
Chair's or Designee's Signature:				
				
Distribution:				
Original	Yellow	Pink	Goldenrod	
File with Committee Report	Clerk's Office	Drafting Agency	Committee File Copy	

*Only one measure per Record of Votes