



LINDA LINGLE
GOVERNOR
JAMES R. AIONA, JR.
LT. GOVERNOR

STATE OF HAWAII
DIVISION OF CONSUMER ADVOCACY
DEPARTMENT OF COMMERCE AND CONSUMER AFFAIRS
P. O. BOX 541
HONOLULU, HAWAII 96809

LAWRENCE M. REIFURTH
DIRECTOR
CATHERINE P. AWAKUNI
EXECUTIVE DIRECTOR

TO THE HOUSE COMMITTEE ON
CONSUMER PROTECTION AND COMMERCE

THE TWENTY-FOURTH LEGISLATURE
REGULAR SESSION OF 2008

Thursday, January 24, 2008
2:00 p.m.

TESTIMONY OF CATHERINE P. AWAKUNI, EXECUTIVE DIRECTOR,
DIVISION OF CONSUMER ADVOCACY, DEPARTMENT OF COMMERCE AND
CONSUMER AFFAIRS TO THE HONORABLE REPRESENTATIVE HERKES,
CHAIR AND MEMBERS OF THE COMMITTEE

HOUSE BILL NO. 2123 – RELATING TO UTILITIES.

DESCRIPTION:

This measure establishes a utilities coordinating council.

POSITION:

The Division of Consumer Advocacy ("Consumer Advocate") appreciates the intent of the measure, which seeks to orderly coordinate the planning, installation, removal, and relocation of utilities' facilities underground. We offer the following comments for the Committee's consideration.

COMMENTS:

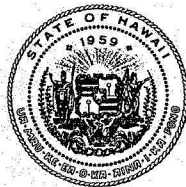
The measure appears to create an additional layer for planning such underground facilities, which may not necessarily improve the processes that are already being utilized by the public utilities, the Department of Transportation, the counties, and excavators.

H.B. No. 2123
House Committee on Consumer Protection and Commerce
Thursday, January 24, 2008, 8:30 a.m.

Currently, public utilities meet regularly with the Department of Transportation and the counties to coordinate the planning, installation, removal, or relocation of such facilities. In addition, the Hawaii Public Utilities Commission ("Commission") administers a State One Call Center, which serves as a clearinghouse for utility-facility location information. Pursuant to State law, excavators are required to provide notice and detailed information to the One Call Center of their intent to dig and the public utilities must, among other responsibilities, locate and field mark their underground facilities, in an effort to minimize the chance of damage, disruption of service, and repair costs, associated expenses, or inconveniences. See HRS §§ 269E-7 to 269E-9.

In addition, the Commission is required by State law to comprehensively review new 46 kilovolt or greater high-voltage electric transmission systems that are placed above or below the ground. See HRS §269-27.6.

Thank you for this opportunity to testify.



STATE OF HAWAII
DEPARTMENT OF TRANSPORTATION
869 PUNCHBOWL STREET
HONOLULU, HAWAII 96813-5097

January 24, 2008

TESTIMONY OF THE DEPARTMENT OF TRANSPORTATION

HOUSE BILL NO. 2123

COMMITTEE ON CONSUMER PROTECTION & COMMERCE
COMMITTEE ON JUDICIARY

We do not support this bill, as we believe the bill is unnecessary due to the considerable coordination and information sharing that is already taking place between the Department of Transportation (DOT), county agencies and the various utility companies.

The DOT Utilities Coordination Committee is one example of this coordinated effort. Since 1997, the department has held bi-monthly or quarterly committee meetings to discuss statewide general utility coordination issues as well as project-specific coordination issues. Hawaiian Electric, Hawaiian Telecom, Oceanic Cable, Sandwich Isles, Board of Water Supply, U.S. Army, The Gas Company, and the City & County of Honolulu are all invited to attend these meetings.

The DOT is also part of the Government and Public Utilities Task Force. This task force meets every month. Other participants include C&C Department of Facility Maintenance, Department of Design and Construction, Department of Planning and Permitting, Board of Water Supply, Hawaiian Electric, Hawaiian Telecom, U.S. Army, consultants and contractors.

As part of the DOT's Project Development Manual, coordination of utilities is already included in the design development. Once project limits are established, coordination and consultation letters are sent to a list of all impacted utilities.



KALIHI VALLEY NEIGHBORHOOD BOARD NO. 16

c/o NEIGHBORHOOD COMMISSION • 530 SOUTH KING STREET ROOM 400 • HONOLULU, HAWAII, 96813
PHONE (808) 527-5749 • FAX (808) 527-5760 • INTERNET: <http://www.honolulu.gov>

TO: House Committee on Consumer Protection and Commerce 1-23-08
Hearing: 1-24-08 at 2 PM

FROM: William E. Woods-Bateman
Chair, Kalihi Valley Neighborhood Board

TESTIMONY IN SUPPORT of HB2123 with recommended changes.

The position of Kalihi Valley Neighborhood Board #16 on undergrounding was established more than 14 years ago. It is reprinted here.

“Undergrounding of all overhead utility lines within Kalihi Valley is essential to the assurance of health, safety, quality of life, reliability and reduction of maintenance and destruction during natural disasters. We support an initial ten-year plan that will require all major capital projects to include undergrounding of overhead utilities in the affected area of the project. We support an overall 25 year plan to promote the complete coverage of undergrounding in Kalihi Valley using the "No Pole Policy" as a guideline to achieve our long-term goal. We understand the Public Utilities Commission should develop specific rules addressing the community mandating of universal undergrounding for all utility maintenance and development projects coming before them.”

We have long looked for establishing formal public policy on undergrounding with all government organizations and PUC. Year after year major capital improvement projects are planned for years in advance and no one, including the PUC, has a policy that assures review of all significant plans. I have personally spoken with PUC staff and consumer advocate and they have stated that because there is no public policy they cannot review, encourage or require undergrounding when any capital improvement application comes to them.

Importantly, millions of dollars each year are spent by the utilities combined to construct new lines and routes. And many many millions of dollars are put in a maintenance funds. Using these funds in a focused effort to accomplish undergrounding would make sense. Some studies show that undergrounding can be the same or cheaper than overhead lines when amortized.

I have attended several workshops related to utilities and found that undergrounding at the time of major road work, water and sewer lines, and such reduces costs by about 40% This amount was reported more than 10 years ago.

Kalihi, like many communities, have our lights flicker or go out with the slightest of wind and rain. Our telephone, cable and internet services do the same.

Please note in our formal master plan we included actual time frames with planning and implementation for capital improvements within 10 years and total undergrounding within 25.

My suggestions for the bill are:

1. Change the chapter name to “Undergrounding Coordinating Council.”

This change is significant in that it clearly indicates the issue and purpose of the new



council.

2. SS -2 (1) It states Identify national best practices . . . It should read Identify best practices
Eliminate national – we want the best practices wherever they come from.
3. Add a second sentence to SS -1 Plans shall include installation completion by 2032 (25 years).
4. SS – (5) – word consist should be consistent

Because of late notice of this hearing, I was not able to communicate with many who have in the past wanted to pursue a public policy to underground. I do believe this is a long-range planning process that will prove to be a cornerstone to reliability, health and safety, and cost accountability.

**HB 2123
RELATING TO UTILITIES**

**KEN HIRAKI
DIRECTOR – GOVERNMENT AFFAIRS
HAWAIIAN TELCOM**

JANUARY 24, 2008

Chair Herkes and Members of the Consumer Protection and Commerce
Committee:

I am Ken Hiraki, testifying on behalf of Hawaiian Telcom on HB 2123, "A Bill for
An Act Relating to Utilities." Hawaiian Telcom opposes this measure.

HB 2123 creates a new chapter in the Hawaii Revised Statutes for the creation of
a Utilities Coordinating Council which coordinates the planning, installation, removal, or
relocation of underground facilities. Currently, the State Department of Transportation
and the City Department of Facility Maintenance have utility coordination committees
that address these specific items. The meetings are held bi-monthly and are attended
by all utilities—electric, gas, telephone, cable—and chaired by the program
manager/engineer of the Department of Transportation's Design Branch and the
director/chief engineer of the City and County of Honolulu's Facility Maintenance
Department.

The passage of HB 2123 will create another layer of process for a coordination
effort that is currently in place as well as unnecessarily utilize human resources from
both the public and private sectors. Based on the aforementioned, we respectfully
request that HB 2123 be held in your committee.

Thank you for the opportunity to testify on this measure.

**TESTIMONY OF CARLITO P. CALIBOSO
CHAIRMAN, PUBLIC UTILITIES COMMISSION
DEPARTMENT OF BUDGET AND FINANCE
STATE OF HAWAII
TO THE
HOUSE COMMITTEE ON CONSUMER PROTECTION & COMMERCE
JANUARY 24, 2008**

MEASURE: H.B. No. 2123
TITLE: Relating to Utilities.

Chair Herkes and Members of the Committee:

DESCRIPTION:

This bill proposes to amend the Hawaii Revised Statutes ("HRS") by adding a new chapter establishing a statewide utilities coordinating council to coordinate the orderly planning and installation, removal, or relocation of underground facilities. The coordinating council membership will be comprised of the heads, or their designees, of certain state agencies, including the Public Utilities Commission ("Commission"), and two representatives from each of the local utilities coordinating councils that may also be established under this measure. Each local utilities coordinating council membership will consist of representatives of county agencies involved in subsurface utility activity and the gas utility industry, the electric utility industry, the telecommunications utility industry, the pipeline operator industry, the cable service industry, the General Contractor Association ("GCA"), and the Building Industry Association ("BIA").

POSITION:

The Commission appreciates the intent of this bill, but has concerns about (1) the appropriateness of the Commission participating on the coordinating council and (2) possible duplication or overlapping of efforts of the One Call Center.

COMMENTS:

- The Commission currently must approve the placement of high-voltage electric transmission systems, either above or below ground. These duties may conflict with the bill's proposal to have the Commission participate in the Coordinating Council's efforts to coordinate activities relating to undergrounding projects that may eventually be brought before the Commission for approval.
 - Section 269-27.6, HRS, requires that a public utility apply for and obtain approval from the Commission prior to placing, erecting or building new high-voltage electric transmission systems, either above or below ground. In determining whether the transmission system should be placed above

or below ground, the Commission must consider certain factors including, but not limited to, whether the benefit of undergrounding outweighs the costs of undergrounding, the existence of governmental policy requiring undergrounding and commitment of government funds toward additional costs of undergrounding, safety considerations, the recommendation of the Consumer Advocate, and any other relevant factor.

- In so far as the proposed bill requires the Commission Chairman, or his designee, to be a member of the Coordinating Council, issues of conflict of interest, bias and ex parte communication, or any appearance thereof, could hinder the efforts of the Coordinating Council and the Commission.
- **Through the One Call Center, the State currently has a program providing for coordinated communication among public utilities and excavator/contractors, with the intention of minimizing the unintended disruption of utility services and attendant threats to public safety.**
 - The One Call Center, established and administered by the Commission beginning in 2006 pursuant to chapter 269E, HRS, informs public utilities owning, operating, or maintaining underground facilities of proposed excavation projects in proximity of those facilities. At the same time, the One Call Center informs the excavator/contractors of the existence of underground facilities in proposed excavation areas. This coordinated communication effort among public utilities and excavator/contractors appears to overlap with much of the purpose of the proposed utilities coordination councils on the state and county levels.
 - In addition, the Commission is assisted in its administration of the One Call Center by the One Call Center Advisory Committee whose membership includes representatives from the gas utility industry, the electric utility industry, the telecommunications industry, the pipeline operator industry, the GCA, the BIA, the cable service industry, the state DOT, the Consumer Advocate, and the counties. The proposed Coordinating Council appears to duplicate the activity of this committee in coordinating underground utility activity.

Thank you for the opportunity to testify.

State of Hawaii
Department of Transportation
869 Punchbowl Street
Honolulu, Hawaii 96813
Phone: (808) 587-2154

TRANSMITTAL OF TESTIMONY

COMMITTEE: CONSUMER PROTECTION & COMMERCE
JUDICIARY

HEARING DATE: January 24, 2008

HEARING TIME: 2:00 p.m.

BILL NO.: HB 2123

TESTIFYING: Brennon T. Morioka
Interim Director of Transportation
or Designee

COPIES REQUIRED: via Email

Testimony before the House Committee On Consumer Protection & Commerce

**By Ken T. Morikami
Manager, Engineering Department
Hawaiian Electric Company, Inc.**

January 24, 2008

**House Bill 2123
Relating to Utilities**

Chair Herkes, Vice Chair McKelvey and Members of the Committee:

My name is Ken Morikami and I am testifying on behalf of the Hawaiian Electric Company and its subsidiaries, Hawaii Electric Light Company and Maui Electric Company.

In general, we support the concept of coordination amongst utilities and governmental agencies. However, it may not be known to everyone that there are currently two established coordinating committees, the City Government and Public Utilities Task Force and the State Department of Transportation Highway Utilities Coordination Committee of which the utilities and governmental agencies are members of and which address the issue of coordination of underground facilities.

The City Government and Public Utilities Task Force has been meeting since 2002. Its mission is: "To ensure city street, road and highway longevity, reliability and ride quality are not compromised by any digging, trenching, boring, or other penetration to sub-grade strata." In other words, the task force coordinates to minimize road trenching.

The State Department of Transportation Highway Utilities Coordination Committee has been meeting since 1997. The committee covers broad issues such as coordination within the State Right-of-Way (ROW), Utility Agreements, design standards and other major issues involving participants utilizing the State ROW.

Given that there are coordination committees currently in place, we question whether there is a need for the formation of a Utilities Coordination Council at this time.

Thank you for the opportunity to testify on this matter.