

Testimony before the Senate Committee on Way and Means

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

February 22, 2008

**Senate Bill 2191 SD1
Relating to Public Utilities**

Chair Baker, Vice Chair Tsutsui 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.

We support SB2191, SD1, which requires the Public Utilities Commission to conduct a statewide study to focus on one priority region for each county and to develop a plan, with input from the utilities, for the undergrounding of overhead utility lines in certain severe weather affected areas.

We will also support the Public Utilities Commission in performing the statewide study.

Thank you for the opportunity to testify on this matter.



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

STATE OF HAWAII
OFFICE OF THE DIRECTOR
DEPARTMENT OF COMMERCE AND CONSUMER AFFAIRS
335 MERCHANT STREET, ROOM 310
P.O. Box 541
HONOLULU, HAWAII 96809
Phone Number: (808) 586-2850
Fax Number: (808) 586-2856
www.hawaii.gov/dcca

LAWRENCE M. REIFURTH
DIRECTOR
RONALD BOYER
DEPUTY DIRECTOR

TO THE SENATE COMMITTEE ON WAYS AND MEANS

THE TWENTY-FOURTH LEGISLATURE
REGULAR SESSION OF 2008

Friday, February 22, 2008
11:00 a.m.

WRITTEN TESTIMONY ONLY

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

**SENATE BILL NO. 2191, SENATE DRAFT 1 – RELATING TO PUBLIC
UTILITIES.**

DESCRIPTION:

This measure: (1) Requires the Hawaii Public Utilities Commission (“Commission”) to study one priority region for each county statewide to develop with input from the utilities a plan for undergrounding overhead utility lines for health and safety purposes; and (2) Funds the study by appropriating funds out of the public utilities special fund.

POSITION:

The Division of Consumer Advocacy (“Consumer Advocate”) understands the intent of the bill and offers the following comments for this Committee’s consideration. The Consumer Advocate defers to the Commission as to the reasonableness of using the public utilities special fund for this purpose and as to its ability to complete this comprehensive study within the timeframe specified.

S.B. No. 2191, S.D. 1
Senate Committee on Ways and Means
Friday, February 22, 2008, 11:00 a.m.

COMMENTS:

This senate draft of the measure addresses some of the concerns expressed by the Consumer Advocate and others about the significant costs associated with relocating overhead facilities underground. Instead of mandating that the Commission develop and implement a conversion plan, this measure seeks to have the Commission study areas within each region that are "prone to repeated falling or damage of overhead utility lines due to *severe weather, or other conditions or occurrences* that can be addressed with the undergrounding of overhead utility lines. . . ." (emphasis in original). The measure further instructs the Commission to consider, among other things, the cost-benefit analysis of relocating facilities underground and the utilities' ability to use other methods to address repeated damage to overhead facilities.

Senate Draft No. 1 represents a much more balanced approach to planning the relocation of overhead facilities, since it first requests a study of the areas, alternatives to undergrounding, and existing challenges, among other things. We remain concerned, however, that by delegating this planning process to the Commission many will conclude that the customers of regulated utilities shall be solely responsible for the cost of relocating the utilities' facilities underground. Given the magnitude of the costs involved (up to \$12 million per mile for one utility), failing to explore alternative federal or state funding would result in saddling customers of regulated utilities with significant rate increases.

Thank you for this opportunity to testify.