

COPY

**TESTIMONY OF CARLITO P. CALIBOSO  
CHAIRMAN, PUBLIC UTILITIES COMMISSION  
DEPARTMENT OF BUDGET AND FINANCE  
STATE OF HAWAII  
TO THE  
SENATE COMMITTEE ON WAYS & MEANS  
FEBRUARY 22, 2008**

LATE

**MEASURE: S.B. No. 2191 S.D.1  
TITLE: Relating to Utilities.**

Chair Baker and members of the Committee:

**DESCRIPTION:**

This bill requires the Public Utilities Commission ("Commission") to conduct a statewide study to focus on one priority region per county, and to develop a plan, with consultation and input from utility service providers and community engagement, for the undergrounding of overhead utility lines for health and safety purposes.

This measure also makes an appropriation for an unspecified amount for fiscal year 2008-2009 from the public utilities special fund to the Commission to conduct the statewide study and for development of a plan for undergrounding of overhead utility lines.

**POSITION:**

The Commission appreciates the importance of this policy issue and proposal to conduct a study and developing a plan on undergrounding utility lines, focusing on areas of each county identified as prone to repeated severe weather or other conditions resulting in a history of damaged or downed utility poles, that can be addressed by undergrounding for protection of the public health and safety.

The Commission has, however, several concerns and comments regarding the proposed implementation of this policy as drafted in this bill.

**COMMENTS:**

- **The Commission defers to the Legislature's policy determination regarding conversion of overhead to underground utility lines as described in this bill and the use of resources for this effort, but would like to advise the committee of the following issues:**
  - The study and plan mandated by this bill are statewide in scope, despite being focused initially on one priority region in each county. In order for the Commission to determine which one region of each county is the priority for undergrounding, public meetings or hearings will have to be held on each neighbor island to elicit the communities' input, along with that of the utilities affected, and will require significant levels of funding. Such an undertaking will require large amounts of Commission time, travel, and expense. This effort will also divert the Commission's attention and resources from existing duties and responsibilities.

- In addition, the Commission may need to retain the services of one or more consultants to assist in determining the initial priority regions, along with assisting in developing the statewide plan for undergrounding overhead utility lines.
- This bill in its purpose clause states that funding for the study and plan is to be provided by an appropriation of funds into the public utilities special fund, but the bill in section 3., the appropriation clause, makes no mention of an appropriation into the public utilities special fund.
- Although the bill makes an appropriation from the public utilities special fund to the Commission to conduct and develop the study and plan, it makes no mention of the sources of funding to **implement** the study and plan. In other words, the bill does not provide for how the costs for actually undergrounding will be funded.
- **The Commission may require a longer period of time than the bill provides for conducting the statewide study and plan for undergrounding development.**
  - This bill mandates a complex and far-reaching study and plan that will require and involve large groups of potential stakeholders, and the Commission envisions that additional time may be needed to coordinate and accomplish this effort.
- **In short, if the Legislature makes the proposed policy determination to place a high priority on undergrounding utility lines in areas that are prone to severe weather conditions, and other significant factors that lead to disruptions as proposed in this bill, several issues need to be clarified and addressed as we described in our testimony. In addition, the Commission would need additional time to consider the full ramifications of this measure's proposed underground conversion program and other issues that may be identified.**

Thank you for the opportunity to testify.