

SB 3064

SD1

A BILL FOR AN ACT

RELATING TO UTILITY POLES.

BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF HAWAII:

1 SECTION 1. The legislature finds that when new utility
2 poles are installed adjacent to an existing utility pole, the
3 original pole is often left in place. This results in what is
4 sometimes referred to as double poles. Occasionally, a third
5 utility pole is installed next to two existing poles, resulting
6 in a triple pole. In most cases, double poles or triple poles
7 occur when a utility deems it necessary to install a new pole:
8 the utility transfers its wiring to the new pole, while the
9 other utilities, such as telephone, cable television, and
10 municipal street lights, remain on the original pole.

11 The legislature additionally finds that many of the
12 original utility poles that remain in place may be unsafe, due
13 to termite damage, rot, collision damage from vehicles, and
14 other safety concerns. Furthermore, many of the original
15 utility poles remain even after all other utility equipment has
16 been relocated.



1 The legislature further finds that standards and procedures
2 for equipment transfers, pole removal, and new replacement pole
3 acceptance are controlled under the joint pole agreements for
4 joint pole owners and by formal signed agreements between third
5 party attachers and joint pole owners. The legislature also
6 finds that the double pole backlog is directly attributable to
7 existing joint pole ownership and agreements.

8 The legislature notes that the joint pole owners have
9 recently entered into a memorandum of understanding to jointly
10 address the double pole situation. However, since many of the
11 poles are in the public right of way, new joint pole agreements
12 are required to be submitted to the public utilities commission
13 for review and authorization. The filing of an application with
14 the public utilities commission, seeking approval of several
15 agreements relating to electric utility distribution pole
16 attachments by joint owners and sub-attaching third parties on
17 jointly-owned electric distribution poles, is imminent.

18 Accordingly, the purpose of this Act is to:

- 19 (1) Request immediate, favorable action by the public
20 utilities commission once the application for new
21 joint pole agreements have been submitted;



- 1 (2) Require a report from the public utilities commission
- 2 once the new joint pole agreements have been approved;
- 3 and
- 4 (3) Require progress reports to the legislature regarding
- 5 the removal and replacement of double poles.

6 SECTION 2. (a) The public utilities commission is

7 requested to take immediate, favorable action once the

8 application, which seeks approval of several joint pole

9 agreements relating to electric utility distribution pole

10 attachments by joint owners and sub-attaching third parties on

11 jointly-owned electric distribution poles, is filed with the

12 commission.

13 (b) The application filed with the commission shall:

14 (1) Include a remediation plan for the removal of double

15 poles, including collaboration with any sub-attaching

16 third parties that may also have equipment on the

17 poles; and

18 (2) Ensure that ratepayers are not charged for work

19 associated with the removal of old poles.

20 (c) The commission shall report to the legislature through

21 the chairs of the senate committee on commerce, consumer



1 protection, and health and house committee on consumer
2 protection and commerce once the application is approved,
3 including informing the legislature of any additional conditions
4 the commission may impose regarding the new joint pole
5 agreements.

6 (d) The parties to the application filed with the public
7 utilities commission pursuant to subsection (a) shall submit a
8 preliminary report, including a status update on the parties'
9 progress in removing and replacing double poles and the timeline
10 for completion, to the legislature no later than twenty days
11 prior to the convening of the regular session of 2019.

12 (e) The parties to the application filed with the public
13 utilities commission pursuant to subsection (a) shall submit a
14 final report, including any remaining issues associated with the
15 removal and replacement of double poles, to the legislature no
16 later than twenty days prior to the convening of the regular
17 session of 2020.

18 SECTION 3. This Act shall take effect on July 1, 2018.

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Report Title:

Utility Poles; Public Utilities; Public Utilities Commission;
Joint Pole Agreements

Description:

Requests immediate, favorable action by the public utilities commission once applications for new joint pole agreements have been submitted. Requires a report from the public utilities commission once the new joint pole agreements have been approved. Requires progress reports to the legislature regarding the removal and replacement of double poles. (SD1)

The summary description of legislation appearing on this page is for informational purposes only and is not legislation or evidence of legislative intent.



TESTIMONY OF RANDY IWASE
CHAIR, PUBLIC UTILITIES COMMISSION
STATE OF HAWAII
TO THE
HOUSE COMMITTEE ON
CONSUMER PROTECTION & COMMERCE

March 20, 2018
2:00 p.m.

MEASURE: S.B. No. 3064 SD1
TITLE: RELATING TO UTILITY POLES.

Chair Takumi and Members of the Committee:

DESCRIPTION:

Requests immediate, favorable action by the public utilities commission once applications for new joint pole agreements have been submitted. Requires a report from the public utilities commission once the new joint pole agreements have been approved. Requires progress reports to the legislature regarding the removal and replacement of double poles. (SD1).

POSITION:

The Public Utilities Commission (“Commission”) offers the following comments for consideration.

COMMENTS:

The Commission supports the development of an agreement around joint poles to aid in resolving double pole issues. Should such an agreement come before the Commission in the future, the Commission will prioritize its review to provide timely action. The Commission will also fulfill its statutory obligation to ensure that any such an agreement is just and reasonable and in the public interest.

Thus, the Commission suggests the Legislature consider deferring this bill and allow the Commission to continue its efforts supporting development of a joint pole agreement. If, however, the Legislature believes it is necessary to communicate its desire to have the

S.B. No. 3064 SD1
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Commission address joint pole issues, the Commission suggests that a resolution rather than a statute may be more appropriate and administratively efficient.

Thank you for the opportunity to testify on this measure.

Written Statement of
Ani Menon
Director of Government & Community Affairs

**HOUSE COMMITTEE ON
CONSUMER PROTECTION & COMMERCE**

March 20, 2018 2:00PM
State Capitol, Conference Room 329

COMMENTS FOR:

S.B. NO. 3064 SD1 RELATING TO UTILITY POLES

To: Chair Takumi, Vice Chair Ichiyama, and Members of the Committee
Re: **Testimony providing comments on SB3064 SD1**

Aloha Honorable Chair, Vice Chair, and Committee Members:

Thank you for the opportunity to provide comments on SB3064 SD1. This measure requests immediate, favorable action by the Public Utilities Commission (PUC) once applications for new joint-pole agreements have been submitted; requires a report from the PUC once the new joint-pole agreements have been approved; and requires progress reports to the legislature regarding the removal and replacement of double poles.

Hawaiian Telcom understands the overall concern that inspired this measure and supports its purpose. Existing formal agreements between joint-pole owners dictate the standards and procedures for pole removal. These agreements are filed with, and approved by the PUC. We acknowledge that current standards and procedures should be updated to address double poles, and pole owners are working diligently to finalize a solution. The Hawaiian Electric Company has testified that they anticipate filing an application seeking approval of several comprehensive agreements that will address existing double poles and provide a timeline for remediation. These agreements will also set a timeline for double pole equipment transfers, pole removals, and will establish a means for tracking associated activity.

While addressing the double pole backlog is necessary, ensuring public safety is of chief importance. It is Hawaiian Telcom's practice to remove original poles immediately if they are safety hazards. It is not customary to allow original poles to remain in place if they are unsafe for any reason, including termite damage, rot, collision damage from vehicles, et cetera.

Thank you for the opportunity to provide comments on SB3064 SD1.

Testimony before the House Committee on Consumer Protection & Commerce

By Mindy E. Hartstein
Manager, Pole Infrastructure Enterprise Department
Energy Delivery
Hawaiian Electric Company, Inc.

March 20, 2018
2:00 p.m., Conference Room 329

Senate Bill SB3064 SD1
Relating to Utility Poles

Chair Takumi, Vice Chair Ichiyama, and Members of the Committee:

My name is Mindy E. Hartstein, and I am testifying on behalf of Hawaiian Electric Company, Inc. and its subsidiaries, Hawai'i Electric Light Company, Inc. and Maui Electric Company, Limited (collectively, the "Hawaiian Electric Companies" or "Companies") **in support of SB3064 SD1, with clarifying comments.**

The Companies agree that double pole removal is a very important issue that needs to be immediately addressed. The amendments proposed in SB3064 SD1 reflect an understanding of the intricacies and joint planning efforts necessary to remove the backlog of double poles.

The Companies and Hawaiian Telcom ("the Parties") anticipate filing a joint application to the Public Utilities Commission ("Commission") by the end of this month seeking approval of several agreements ("Agreements") relating to jointly owned electric utility distribution pole attachments by joint owners and sub-attaching 3rd parties ("3rd Party Attachments") across the Companies' three service territories. The Agreements convert a joint manager-ownership arrangement to a sole manager-owner/joint use arrangement. The details of the joint use arrangement and the steps necessary to effectuate a double pole remediation plan will be provided in the Parties' application to the Commission.

Until such filing is made, certain details of the Agreements remain confidential under a non-disclosure agreement signed by both Parties. However, we can share that there is a plan in place to identify, plan for, and commit to the transfer of equipment and the removal of double poles. Under the current Joint Pole Agreements, Hawaiian Telcom is responsible for attachment and equipment

relocations in the Communication Space and removal of the double pole when they are the last party to remove their equipment. Under the proposed new Agreements, if approved by the Commission, Hawaiian Electric would take the lead on the vast majority of backlogged relocations and pole removals by performing standard transfers of Hawaiian Telcom equipment and then pole removal.

The Companies have agreed to conduct a field survey assessment of all the poles jointly owned between the Parties, and the Companies with other joint owners. The baseline field survey is integral to the double pole remediation plan by confirming what is the condition of the old pole, the quantity of poles, the quantifying attachments on the poles that need relocation, and most importantly, whether the transfer work is standard (performed by the Companies) or non-standard (performed by Hawaiian Telcom).

Specific to the Hawaiian Electric Companies, the Companies have created a Pole Infrastructure Enterprise Department ("PIE"), which will be responsible for, and specifically tasked with, the timely management of the remediation of the backlog of double poles with Hawaiian Telcom, but also managing other 3rd Party activities such as: initial attachment requests, make-ready work to attach, and transfer of attachments and removal of old poles...on a going forward basis within an anticipated 90-day period.

The Parties have committed to work diligently over the next 10 years to reduce the double pole backlog to net zero, and in fact it is our hope that we can accomplish this task prior to 10 years. The Companies intend to provide annual reporting on its progress on the double pole backlog through the docket to be filed with the Commission this month, and are happy to provide similar reporting to the Legislature. As such, the Companies wish to clarify that final reporting on double pole remediation, as described in Section (e), cannot be completed by 2020. However, the Companies commit to provide a final report upon completion.

Finally, the Companies confirm there will be no customer impact regarding the double pole remediation of joint poles between the Parties. However, because there is a small amount of distribution poles jointly owned with others besides Hawaiian Telcom, the Companies acknowledge there may be incremental dollars spent on O&M and administration regarding double pole remediation outside of the double poles at issue in the Hawaiian Telcom Agreements and Commission docket. Thus the Companies wish to clarify that Section (b)(2), as written, can only apply to the removal of old poles that are jointly owned by the Companies and Hawaiian Telcom.

The Hawaiian Electric Companies believe the Parties' comprehensive efforts and forthcoming remediation plan should alleviate public concern of lack of action on the double pole issue. The Companies commit that the initiatives under the PIE department should provide the necessary guidance, administration, and reporting abilities to prevent future double poles, while also allowing maximum utilization of the distribution pole through the attachment process, in order to advance the deployment of wireless communication networks (commonly known as 4G, LTE and 5G), broadband communication, smart grid and smart city technologies.

Thank you for the opportunity to testify on this matter.