



Hawaiian
Electric

COST SHARING FOR UNDERGROUND LINES



How can we underground more lines?

We want to work with the community to make it possible for more neighborhood power distribution lines to be placed underground.

The major issue has always been whether it's fair for electric customers island-wide to bear the extra cost of burying lines in individual neighborhoods.

Because the cost of undergrounding can be significant, one solution on O'ahu is to share the extra cost among electric customers, the community that wants to underground its lines, and available government funding.

Hawaiian Electric's cost-sharing policy for existing distribution lines on O'ahu

Cost sharing aims to avoid unduly burdening any one party with the entire cost of burying existing distribution lines.

Under Hawaiian Electric's cost-sharing plan for **existing** distribution lines on O'ahu, Hawaiian Electric will pay for the cost to plan, design, procure materials and perform the Hawaiian Electric-owned system electrical work (e.g., cable installation, splicing, termination, padmount transformer installation) when:

- ◆ The requesting community and/or government agency are willing to cover the other expenses, such as work related to planning, design, and construction of necessary infrastructure (e.g., trenching, ductline concrete pad for transformer) and customer-owned electrical facilities, and
- ◆ The requesting community or agency obtains required government approvals and permits and is responsible for overall project and construction management.

Federal highway funds

When federal highway funds are available for undergrounding lines as part of a State or County highway project, Hawaiian Electric works with government agencies on cost-sharing formulas.

New transmission, subtransmission, and distribution lines

Subject to PUC approval, Hawaiian Electric will underground new lines in certain situations, such as when:

- ◆ Engineering and/or operating reasons require undergrounding
- ◆ The cost for underground lines is comparable to the cost for overhead lines.
- ◆ The requestor and/or government agency pays for the difference in cost between an overhead and underground line.
- ◆ Hawaiian Electric receives other sufficient compensation from the developer, property owner/ community group, etc. requesting undergrounding.
- ◆ An evaluation of factors listed in State law HRS 269-27.6(b) supports undergrounding subtransmission and transmission lines. Some of these factors include:
 1. Construction, repair and maintenance costs.
 2. Safety, liability, and risk of damage.
 3. Proximity and visibility in areas with high density population; conservation, and other valuable natural and public recreation resources; special importance to the tourism industry and other industries dependent on Hawai'i's natural beauty.
 4. The breadth and depth of public sentiment.

Hawaiian Electric will also consider undergrounding new distribution lines when other such lines have been previously placed underground within the same street or right-of-way as the new distribution line.