



Hawaiian Electric
Maui Electric
Hawai'i Electric Light



NEWS RELEASE

FOR IMMEDIATE RELEASE

PUC approves transfer of jointly owned utility poles from Hawaiian Telcom to Hawaiian Electric Companies

Plan aims to eliminate ‘double poles’ and expand wireless networks

HONOLULU, Nov. 2, 2018 -- The Hawaiian Electric Companies have acquired Hawaiian Telcom's ownership interest in approximately 120,000 jointly-owned utility electric distribution poles on O'ahu, Maui, Moloka'i, Lāna'i and Hawai'i island under agreements approved by the Public Utilities Commission.

In approving the plan, the PUC noted it "reflect(s) the efforts of both the Hawaiian Electric Companies and Hawaiian Telcom to provide a more efficient and effective administration of the pole infrastructure...which includes the removal of double poles and implementation of current and future technologies such as 4G, LTE, and 5G networks, all of which will benefit the State of Hawai'i."

The transfer is intended to reduce operating and maintenance expenses over time while creating efficient and safe practices for companies seeking to place new devices on poles. Other benefits include:

- Eliminating approximately 14,000 “double poles” in less than 10 years
- Improving customer service at a reduced cost by providing a single point of contact and a standardized management system across the Hawaiian Electric Companies for communication and data attachments by third parties onto utility distribution poles and Maui streetlight poles
- Reducing and shortening outages through faster pole repair and replacement with increased safety for utility workers and the public
- Enabling Hawaiian Telcom to focus on its core communications business while creating opportunities for Hawaiian Electric, Maui Electric and Hawai'i Electric Light to control costs for all customers.

“In the nearly 100 years since the first joint pole agreement, our businesses and maintenance practices have changed dramatically,” said Alan Oshima, Hawaiian Electric president and CEO. “This new arrangement will help both companies as well as other stakeholders move safely and quickly in using the poles to deploy new equipment to provide services that will improve the lives of our customers.”

“This modern agreement is a win for our companies and our state by streamlining the pole repair and management process and maximizing efficiency,” said John Komeiji, Hawaiian Telcom president and general manager. “With this change, Hawaiian Telcom joins many other communications providers that lease space on poles, enabling us to channel more of our resources toward investment in fiber and expansion of next generation services statewide.”

-more-

Under the approved arrangement, Hawaiian Telcom transfers ownership interest in the jointly owned poles to the Hawaiian Electric Companies in exchange for \$48 million in credit against past and future charges for attaching to the poles.

On O'ahu, the joint ownership arrangement dates back to 1922 when Hawaiian Electric, Mutual Telephone Co. and the Honolulu Rapid Transit Co., which operated electric streetcars, decided to share maintenance expenses and reduce the number of poles lining city streets.

Today, in addition to electric wires, phone lines and street lights, space on poles is rented by cable television and wireless carriers through sub-attachment agreements. The various individual agreements, combined with joint ownership, causes confusion and delays.

Now, the Hawaiian Electric Companies will be solely responsible for maintaining the poles and managing attachments. Along with other communications providers, Hawaiian Telcom will rent space on the poles through agreements with the Hawaiian Electric Companies and maintain its lines on the poles.

Hawaiian Telcom will retain its solely owned poles, as well as joint poles on Kaua'i that are not part of the agreement. The state and counties continue to retain joint ownership interest in utility poles with attached streetlights on O'ahu and Hawai'i islands. Hawaiian Electric is working with the respective governments to transfer this ownership as well to further this initiative.

Approximate number of joint poles affected by this agreement:

O'ahu -- 51,000
Maui County -- 24,000
Hawai'i Island -- 46,000

In addition to the joint poles, the Hawaiian Electric Companies own 100 percent interest in 50,000 additional poles not affected by this agreement.

#

