

Cost sharing for underground lines



HECO underground crew replaces cables in downtown Honolulu.

How can we underground more lines?

We want to work with the community to make it possible for more neighborhood power distribution lines (25-kV and below) to be placed underground.

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

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

HECO cost-sharing policy for existing distribution lines

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

Under HECO's cost-sharing plan for **existing** distribution lines, HECO will pay for the cost to plan, design, procure materials and perform the HECO-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, HECO works with government agencies on cost-sharing formulas.

New transmission, subtransmission, and distribution lines

Subject to PUC approval, HECO 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.
- HECO 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 (46-kV) and transmission (138-kV) 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 Hawaii's natural beauty.
 - 4 The breadth and depth of public sentiment.

HECO will also consider undergrounding new distribution lines (25-kV and below) when other such lines have been previously placed underground within the same street or right-of-way as the new distribution line.

