

I.

Background

A.

Applicants

HECO is a Hawaii corporation and a public utility as defined by HRS § 269-1. HECO was initially organized under the laws of the Kingdom of Hawaii on or about October 13, 1891.³ HECO is engaged in the production, purchase, transmission, distribution, and sale of electricity on the island of Oahu in the State of Hawaii.⁴

HELCO is a Hawaii corporation and a public utility as defined by HRS § 269-1. HELCO was initially organized under the laws of the Republic of Hawaii on or about December 5, 1894.⁵ HELCO is engaged in the production, purchase, transmission, distribution, and sale of electricity on the island of Hawaii in the State of Hawaii.⁶

MECO is a Hawaii corporation and a public utility as defined by HRS § 269-1. MECO was initially organized under the laws of the Territory of Hawaii on or about April 28, 1921.⁷ MECO is engaged in the production, purchase, transmission, distribution, and sale of electricity on the island of Maui; the production, transmission, distribution, and sale of

³Application, at 2.

⁴Application, at 2.

⁵Application, at 2.

⁶Application, at 2.

⁷Application, at 2.

electricity on the island of Molokai, and the production, transmission, distribution, and sale of electricity on the island of Lanai.⁸

B.

Application

On April 23, 2008, the HECO Companies filed an Application, requesting that the commission approve an extension of time from April 23, 2008 until September 1, 2008, in which to comply with HAR Chapter 6-73. The HECO Companies state that HAR Chapter 6-73, which replaced General Order Nos. 6 and 10 ("G.O. 6" and "G.O. 10", respectively) became effective on April 23, 2008, pursuant to HAR § 6-73-12, the code adherence date.⁹

According to the HECO Companies, their engineering standards, which are comprised of three volumes on overhead lines, underground lines and substations ("Engineering Standards") were designed to be compliant with G.O. 6 and G.O. 10, which were adopted by the commission and became effective in 1969 and 1968, respectively.¹⁰ Under HAR Chapter 6-73, which became effective on April 23, 2007, the HECO Companies are now required to update their Engineering Standards for a different

⁸Application, at 2.

⁹Application, at 3.

¹⁰Application, at 7.

set of rules (the 2002 National Electrical Safety Code ("NESC")).¹¹ The HECO Companies state:

The NESC is a performance code, not a set of design specifications. The NESC construction rules specify *what* is to be performed, not *how* it is to be accomplished. For example, to meet the vertical clearance that may be required for a line extension, either (a) taller structures spaced farther apart or (b) shorter structures spaced closer together may be used. The NESC is indifferent to what type of structures or materials may be used, as long as applicable clearances and strength requirements are met.

Rule 010 (Purpose) of the NESC states, "[t]his code is not intended as a design specification or as an instruction manual." As a result, each clearance, spacing, material property and strength specified in each HECO Engineering Standard was reviewed by [Allen L. Clapp, P.E. ("Mr. Clapp")] and/or HECO to see whether it complied with the rules contained in the 2002 NESC. This tedious and time consuming process was necessary to insure that the Engineering Standards are in compliance with the 2002 NESC.

Application, at 6 (citing NESC Handbook, 5th Edition, at 4) (emphasis in original).

To comply with HAR Chapter 6-73, the HECO Companies "hired [Mr. Clapp] President of Clapp Research Associates, Consulting Engineers and noted authority on the [NESC], to help in applying the 2002 NESC to the design of the HECO Companies' electrical systems."¹² Mr. Clapp's task was to "identify specific areas or conditions where the HECO Companies should review and revise, as necessary, its Engineering Standards, based on

¹¹Application, at 7.

¹²Application, at 4.

possible non-compliance with the 2002 NESC."¹³ The HECO Companies state, "[b]ased on Mr. Clapp's reports, approximately 130 Engineering Standards were identified as needing review or re-design to be compliant with the 2002 NESC. In addition, Mr. Clapp identified 50 new Engineering Standards that needed to be developed. Based upon these revised and/or new standards, HECO, MECO, and HELCO personnel need to be re-trained and instructed on the 2002 NESC rules and the new and/or revised Engineering Standards."¹⁴

The HECO Companies state that the following tasks remain to be completed:

- Finish updating the Engineering Standards by the end of June 2008. The approximately 100 existing standards (out of 130) that need to be reviewed and revised are in various stages of review and need to be re-designed to be compliant with the 2002 NESC. This task is estimated to be completed by the end of June 2008.
- Complete training by September 1, 2008. Subsequent to the revision of the existing Engineering Standards and development of new Engineering Standards, the appropriate HECO Company personnel will need to be trained to apply the new/revised Engineering Standards and the 2002 NESC. Approximately 120 engineers and designers at HECO, HELCO, and MECO need to be trained. It is estimated that 6-4 hour training classes (24 hours) will be needed to cover the 2002 NESC and the revised Standards. (Additional HECO Companies personnel will need a lesser degree of training to be familiar with the 2002 NESC.) In an attempt to minimize the impact on day-to-day operations, at least two sessions will be scheduled for each set of classes. This series of

¹³Application, at 5.

¹⁴Application, at 8.

classes would have to be conducted for all three companies. This effort will take approximately 36 working days to complete the entire training. Due to the limited amount of personnel familiar with the 2002 NESC, training for all three companies needs to be done in sequence, and not parallel. Consequently, training will require approximately two months.

- Begin installing new facilities that are compliant with the revised/new Engineering Standards, HAR Chapter 6-73, and the 2002 NESC by September 1, 2008. For facility installations that start construction on or after September 1, 2008 that are designed based on G.O. 6 or 10 standards instead of the 2002 NESC, the HECO Companies propose to review each of the designs and, if necessary, re-design and modify or replace the facilities to ensure compliance with the 2002 NESC. (As part of its request for an extension of time to comply with HAR Chapter 6-73, the HECO Companies propose that installations that start construction between April 23 and August 31, 2008 that are designed based on G.O. 6 or 10 standards versus the 2002 NESC be allowed to complete the installations without the need to bring the installations in compliance with HAR Chapter 6-73.)

Application, at 11-12 (internal footnote and text therein omitted). Accordingly, the HECO Companies request an extension of time until September 1, 2008, to comply with HAR Chapter 6-73. They also request "that installations that start construction between April 23 and August 31, 2008 that are designed based on G.O. 6 or 10 standards versus the 2002 NESC be allowed to complete the installations without the need to bring the installations in compliance with HAR Chapter 6-73."¹⁵

¹⁵Application, at 12.

C.

Consumer Advocate's Position

On April 25, 2008, the Consumer Advocate filed its Statement of Position ("Statement of Position") in which it states that it does not object to approval of the Application. The Consumer Advocate notes:

[The HECO Companies are] requesting additional time, until September 1, 2008, to comply with the new administrative rules regarding the installation, operation, and maintenance of overhead and underground electric lines (i.e., HAR Chapter 6-73), which adopted and incorporated by reference the [2002 NESC]. In addition, the HECO Companies request a waiver of the provisions of Chapter 6-73 until such time that they are able to comply with the new rules. Furthermore, the HECO Companies state that during the extension time period, the HECO Companies will continue to comply with [G.O.] Nos. 6 and 10, which were replaced with the adoption of HAR Chapter 6-73.

Statement of Position, at 2. The Consumer Advocate concludes that "[g]iven the breadth and volume of information that must be reviewed, [the HECO Companies] need[] additional time to determine the appropriate changes required to develop standards that are now in compliance with the 2002 NESC."¹⁶ The Consumer Advocate states, "[g]ranted the HECO Companies' request is reasonable and will help to ensure that the HECO Companies develop well-reasoned standards for the design, installation, operation and maintenance of overhead and underground electric supply and communication lines, all of which are in the public interest."¹⁷

¹⁶Statement of Position, at 3.

¹⁷Statement of Position, at 3.

II.

Discussion

HAR § 6-73-12 states:

Except as otherwise provided in this chapter, one year from the effective date of this chapter, i.e., the Code "adherence" date, each public utility shall adhere to the applicable standards of the Code in the installation, operation, and maintenance of overhead and underground electrical supply and communication lines.

HAR § 6-73-12. HAR Chapter 6-73 became effective on April 23, 2007. Therefore, the Code adherence date is April 23, 2008. HAR § 6-61-23(a)(1) allows the commission to enlarge a period by which an act must be completed upon a showing of good cause provided that a written request is made before the expiration of the period originally prescribed. Moreover, HAR § 6-73-15 provides that:

- (a) . . . the commission may exempt a public utility from, or may waive, the provisions of this chapter, including provisions of the Code, in whole or in part, upon the commission's determination that the exemption or waiver is in the public interest.

HAR § 6-73-15.

Here, the commission finds good cause to grant the four-and-a-half month extension of time requested by the HECO Companies. In the commission's view, the HECO Companies have been diligent in their efforts to comply with HAR Chapter 6-73, and, in fact, have achieved significant progress in reviewing their Engineering Standards and revising them to be consistent with the 2002 NESC. In addition, as noted by the Consumer Advocate, "[g]ranted the HECO Companies' request is reasonable and will help to ensure that

the HECO Companies develop well-reasoned standards for the design, installation, operation and maintenance of overhead and underground electric supply and communication lines, all of which are in the public interest." Based on the above, the commission grants the HECO Companies' request for an extension of time from April 23, 2008 to September 1, 2008 in which to comply with HAR Chapter 6-73.

III.

Orders

THE COMMISSION ORDERS:

1. The HECO Companies' request for an extension of time from April 23, 2008 until September 1, 2008 in which to comply with the new administrative rules regarding the installation, operation, and maintenance of overhead and underground electrical supply and communication lines, i.e., HAR Chapter 6-73, is granted.

2. Any installations by the HECO Companies which start construction between April 23, 2008 and August 31, 2008, which are designed based on General Order Nos. 6 and 10 standards, shall be allowed to complete the installations without the need to comply with HAR Chapter 6-73.

3. The HECO Companies shall continue to comply with General Order Nos. 6 and 10 until such time that they are able to fully comply with the new HAR Chapter 6-73 rules.

DONE at Honolulu, Hawaii MAY 23 2008

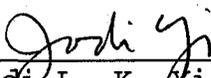
PUBLIC UTILITIES COMMISSION
OF THE STATE OF HAWAII

By: 
Carlito P. Caliboso, Chairman

By: 
John E. Cole, Commissioner

By: 
Leslie H. Kondo, Commissioner

APPROVED AS TO FORM:


Jodi L. K. Yi
Commission Counsel

2008-0073.laa

CERTIFICATE OF SERVICE

The foregoing order was served on the date of filing by mail, postage prepaid, and properly addressed to the following parties:

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