

## WAI Committee

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**From:** Doug <dkkenergyservices@gmail.com>  
**Sent:** Monday, February 24, 2025 8:57 AM  
**To:** WAI Committee  
**Cc:** Leo Caires  
**Subject:** Testimony regarding Bill 90 WAI agenda for 2/25/25  
**Attachments:** MECO Franchise.pdf; Untitled attachment 00009.htm

Aloha Chair Cook and Vice Chair Sugimora:

My name is Doug McLeod, and over the years I have had various roles related to energy on Maui, including a term as Energy Commissioner and ongoing work to support the Hawai'i Energy Conference. Currently I am advising the group forming the new King Kalakaua Electric Cooperative on Maui.

I write in general support of the goals of Bill 93 but want to make the following points:

1. The Council has a great deal of power to require undergrounding (or insulation) of electrical lines on Maui. This power comes via the Maui Electric franchise statute enacted in 1991, Act 12 of the Session Laws of 1991. This power is not widely known on Maui and may be a surprise to even Council Members.
2. Bill 90 is narrowly tailored to subdivisions, and seeks to claim the authority to regulate under the General Plan.
3. Act 12 is much broader and allows the Council to regulate all of the Hawaiian Electric lines. Also, it is not really really fair to say that the General Plan requires underground lines. It is more accurate to say that the General Plan states a preference for underground lines and is a reason to use the powers given by Act 12.
4. I attach a copy of Act 12 and ask that it be considered part of my testimony.
5. The Council should use its authority under Act 12 to set "reasonable rules regulating, within the island of Maui, the placing of poles and wires..." but this should not be limited to new subdivisions it should be island wide.

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A Bill for an Act Relating to the Grant of a Franchise for the Island of Maui to Maui Electric Company, Limited.

*Be It Enacted by the Legislature of the State of Hawaii:*

SECTION 1. A franchise for the island of Maui, State of Hawaii, is hereby granted to Maui Electric Company, Limited, to read in its entirety as follows:

**"FRANCHISE**

Section 1. **Definitions.** The following words, wherever they are used or appear in this franchise, shall be construed to mean and be held to have the force and effect as follows:

"Corporation" means Maui Electric Company, Limited, and its successors and assigns as a body corporate under that or any other name as the company and its successors and assigns may adopt hereafter.

"Public utilities commission" means any officer, board, or commission authorized or empowered to regulate public utilities under chapter 269, Hawaii Revised Statutes, or any amendments thereto.

Section 2. **Franchise.** The corporation is granted the right, authority, and privilege to manufacture, sell, furnish, and supply electric light, electric current, or electric power on the island of Maui, State of Hawaii, for lighting the streets, roads, public and private buildings and property, or for motive power, or for any other purpose that it considers advisable, and from time to time for the purposes stated in this section to construct, maintain, and operate suitable poles, lines, wires, cables, lamps, lamp posts, conductors, conduits, and any other appliances and appurtenances as from time to time may be necessary or convenient for the transmission, distribution, or supply of electricity to consumers thereof, under, along, upon, and over public rights-of-way, including but not limited to the streets, sidewalks, roads, squares, bridges, alleys, and lanes on that island, and to connect those wires, lines, and conductors with any manufactory, private or public buildings, lamps, lamp posts, or other structure or object and the place or source of supply; provided that the proposed installation meets standards prescribed by the public utilities commission governing installation.

Section 3. **Rules.** The council of the county of Maui is authorized to make and from time to time to change, amend, or add to reasonable rules regulating, within the island of Maui, the placing of poles and wires, the insulation of wires and apparatus carrying electric current, the excavation of conduits, and the maintenance in good repair of all poles, wires, and apparatus, and generally concerning the manufacture and supply of electricity that may be necessary or proper for the public safety and welfare. If at any time the corporation, after reasonable notice given to it in writing, fails to observe or execute the rules governing the placing of poles and wires, the insulation of wires and apparatus carrying electric current, and the repair of all poles and appliances, the council of the county of Maui, after giving the corporation reasonable notice thereof in writing of its intention so to do, may proceed to enforce rules regulating the placing of poles and wires, the insulation of wires and apparatus carrying electric current, the excavation of conduits, and the maintenance in good repair of all poles, wires, and apparatus and to make whatever repairs as may be necessary to enforce the

rules; and the actual cost thereof may be recovered from the corporation by the county of Maui.

**Section 4. Poles not to interfere with streets.** All poles, lines, wires, cables, lamps, lamp posts, conductors, conduits, and other apparatus constructed, maintained, or operated under, along, upon, or over the streets, sidewalks, roads, squares, bridges, alleys, and lanes on the island shall be so constructed, maintained, and operated by the corporation as not to interfere unnecessarily with the use of the streets, sidewalks, roads, squares, bridges, alleys, and lanes by the public.

**Section 5. Plant subject to inspection.** The entire plant, corporation, books, and accounts of the corporation shall be subject at all times to the inspection of the public utilities commission and the treasurer of the county of Maui.

**Section 6. Meters and rates.** The corporation shall have the right to maintain, operate, and use electric meters or other means of measuring electric light, power, or current supply from time to time and to locate them at whatever places may be necessary for determining the current supplied or to be supplied by the corporation. The corporation shall have the right to charge, receive, and collect from all consumers of electricity those reasonable rates as from time to time may be fixed and determined by the public utilities commission.

**Section 7. Extensions of lines and charges for making connections.** The public utilities commission may order the corporation to make extensions of its service lines whenever it appears that the extension is a public necessity and that the total plant of the corporation, including the extension or extensions, can earn a reasonable profit on the cost and maintenance of the extension or extensions.

**Section 8. Charges for making connections.** The corporation shall have the right, subject to the approval of the public utilities commission, to charge consumers or applicants for the use of electricity for the cost and expense of making connections between the nearest line of supply and the premises where the electricity is to be used. The cost and expense shall include the price of all wires, poles, insulators, and other materials and labor necessary to be used in making the connections, the reasonableness of the charges upon the application of any party in the interest to be subject to the approval of the public utilities commission.

**Section 9. Rights to acquire property, limits to.** The corporation shall have the right to acquire, hold, or take over, either by purchase or lease, property, both real or personal or mixed, as may be necessary or incidental to the proper conduct of its business; provided the corporation shall not have the power or right to acquire the franchise or property of any other public utility company, except with the approval of the public utilities commission.

**Section 10. Power to borrow money and bonds.** Whenever from time to time it is expedient in the furtherance of the objectives of the corporation, the corporation shall have the power to borrow money and secure the payment thereof, with interest agreed upon, by mortgage of all or any part of its property and this franchise; or if it is advisable, bonds may be issued, secured by deed of trust of property and this franchise together with all future acquired property and franchises, the income and receipts of the property and franchises, as well as the income and receipts of the property from whatever sources derived, in whatever form and under whatever terms as the corporation may consider advisable; pro-

## ACT 12

vided that nothing contained in this section shall operate to prevent the corporation from obtaining the usual business credits or making promissory notes without security.

**Section 11. Franchise not exclusive.** Nothing contained in this franchise shall be construed to grant to the corporation an exclusive right to furnish, sell, or supply electric current for light and power.

**Section 12. Forfeiture of franchise.** If the corporation, its representatives, successors, and assigns fail or refuse to do, perform, or comply with this franchise or the laws of the State and continue to refuse, fail to perform, or comply therewith after reasonable notice given by the public utilities commission to comply therewith, the public utilities commission, with the consent of the governor and of the attorney general, may cause proceedings to be instituted before any appropriate tribunal to have the franchise forfeited and declared void.

**Section 13. Rules to enforce rates.** The corporation shall have the right to discontinue or cut off the supply of electricity to any consumer who refuses to pay the amount due for electricity supplied by the corporation within a reasonable time as the corporation may fix by general rules for the payment of amounts due, and the discontinuance of service or supply of electricity shall not be a bar to or prejudice the rights of the corporation in any remedy or remedies now or that may be authorized by law for the recovery and collection of the amount due.

**Section 14. Eminent domain.** The corporation shall continue to have the power of eminent domain pursuant to chapter 101, Hawaii Revised Statutes, or any amendments thereto and may continue to exercise the power; provided that prior to the exercise of the power:

- (1) The corporation submits to the public utilities commission its intention to exercise the power, with a description of the property to be condemned; and
- (2) The public utilities commission finds that the proposed condemnation is in the public interest, that the proposed condemnation is necessary, and that the corporation will use the property for its operations as a public utility.

**Section 15. Annual statement, payment to government.** Within one month after the expiration of each calendar year, the corporation shall file with the treasurer of the county of Maui a detailed statement, showing all of its receipts and expenditures during the preceding calendar year and, at that time, shall pay to the treasurer of the county of Maui, for and on behalf of the county, two and one-half per cent of the gross receipts of the corporation from all electric current or power furnished to consumers on the island of Maui during the preceding year; and all its books, papers, records, and accounts shall be open to inspection at all reasonable times by the treasurer of the county and the treasurer's respective agents appointed for that purpose. The payment by the corporation to the treasurer of the county of Maui under this section shall be in lieu of any other payment that the corporation may be required to pay to the treasurer of the county of Maui based on gross receipts of the corporation from electric current or power furnished to consumers on the island of Maui under any other franchise held by the corporation.

**Section 16. Regulation.** The corporation shall have all the powers and be

subject to all of the liabilities provided by law for corporations and shall be subject in all respects to all laws relating to public utilities and all laws as may be applicable from time to time to electric light and power companies or the persons or corporations operating them; provided that from every ruling, decision, and order, an appeal shall lie as provided by law.

**Section 17. Amendment and repeal of franchise.** This franchise may be amended or repealed at any time by the legislature of the State of Hawaii."

**SECTION 2.** The franchise previously granted to the corporation shall be superseded and replaced in its entirety by this Act, upon the effective date of this Act.

**SECTION 3.** This Act shall take effect upon its approval.

(Approved April 10, 1991.)

## ACT 13

H.B. NO. 1453

A Bill for an Act Relating to Tourism.

*Be It Enacted by the Legislature of the State of Hawaii:*

**SECTION 1.** The purpose of this Act is to authorize and appropriate funds for a special marketing campaign to promote Hawaii's visitor industry during fiscal year 1990-91.

Hawaii's visitor industry, which is the economic mainstay of the State, is being impacted by a downturn in the national economy and uncertainty regarding world events. Marked declines in reservation booking activity are being experienced. Such declines are expected to continue through at least the first quarter of 1991. This uncertain situation could potentially affect state tax revenues.

This Act is recommended by the governor for immediate passage in accordance with Section 9 of Article VII of the Constitution of the State of Hawaii.

In accordance with Section 9 of Article VII of the Constitution of the State of Hawaii and sections 37-91 and 37-93, Hawaii Revised Statutes, the legislature has determined that the appropriation contained in this Act will cause the state general fund expenditure ceiling for fiscal year 1990-1991 to be exceeded by \$6,000,000 or 0.234 per cent. The reasons for exceeding the general fund expenditure ceiling are that the appropriation made in this Act is necessary to serve the public interest and to meet the needs provided for by this Act.

**SECTION 2.** There is appropriated out of the general revenues of the State of Hawaii the sum \$6,000,000, or so much thereof as may be necessary for the fiscal year 1990-1991, for the purposes of this Act.

**SECTION 3.** The sum appropriated shall be expended by the department of business, economic development, and tourism.

**SECTION 4.** The department of business, economic development, and tourism shall submit a report to the legislature not less than twenty days prior to the convening of the 1992 regular session.