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DEPARTMENT OF THE CORPORATION COUNSEL
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February 3, 2021

Councilmember Michael J. Molina
Chair, Government Relations, Ethics and Transparency Committee

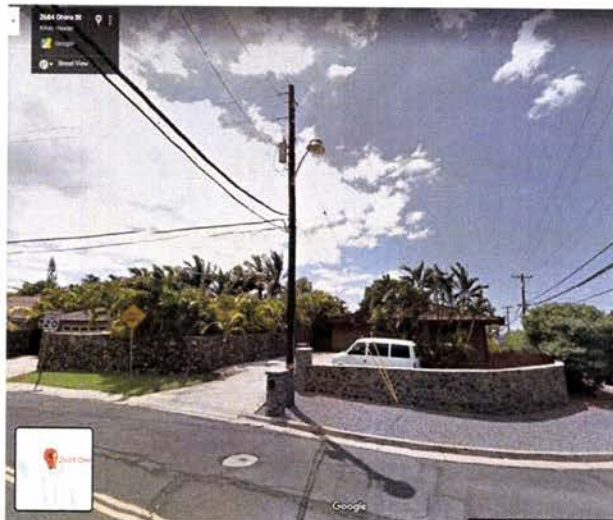
Re: Litigation Matters (Settlement Authorization: Maui Electric Company Limited; Claim 4067061)(GREAT-11(45))

Dear Chair Molina,

Your questions were forwarded to Maui Electric Company (“MECO”). MECO’s responses are included below, along with responses from my office.

1. Provide the cost difference between replacing this pole and the pole in a similar incident located at 2694 Ohina Street, Kihei, Maui, Hawaii (GET – 11(42)).

Answer: The incident involved in GET-11(42) involved a single-phase pole which became de-energized when it was struck by the County vehicle. A single phase pole includes only one or two sets of power lines.



In contrast, the incident in GREAT-11(45) involved a three-phase pole which remained energized after the collision. A three-phase pole includes three or more sets of power lines and

includes more complex components, such as a “T” bar to separate the wires, which is not necessary on a single-phase pole. In addition, the three-phase pole transmits considerably higher voltage. Because this incident involved a three-phase pole that remained energized, more time and crew were involved due to safety concerns. A picture of the pole is included below.



According to MECO, the difference in costs between the two incidents is due to the additional labor and overhead involved in repairing a live three-phase pole as opposed to a de-energized single-phase pole. It should also be noted that for the GET-11(42) matter, overhead was included under the “labor” cost detail rather than as an independent figure. For GREAT-11(45) MECO separately itemizing labor and overhead costs. The attached invoice reflects how GET-11(42) would have been broken down using the new invoicing system.

2. Provide at least two other examples of what the County has paid when replacing poles resulting from collisions involving Maui County fleet vehicles.

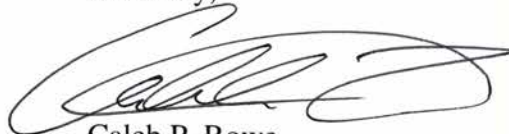
(a) On July 6, 2018, a County of Maui DEM employee was operating a street sweeper on Front Street near the intersection with Lahainaluna Rd. that collided into a MECO utility pole. The impact did not break the pole but did damage a conduit pipe connected to the utility pole. Pictures of the damage are attached below.



MECO submitted a claim for that incident in the amount of \$4,751.99 dollars, inclusive of \$1,702.97 in labor, \$2,246.93 for overheads, and \$802.09 for outside services for traffic control. Prior to settlement, an updated invoice was provided on October 23, 2020 under MECO's new billing system.

(b) Another claim (though not involving DEM) for a damaged involving a three-phase, live electric pole was submitted by Maui Electric Company in 2016 for an incident which occurred on October 14, 2014. In that claim, a Maui Bus owned by the County collided into an electric pole near the intersection of Kanaloa Avenue and Kahului Beach Road. The claim submitted by MECO totaled \$22,715.40. The County ultimately denied the claim and tendered it to Roberts Hawaii pursuant to the County's indemnification contract with Roberts Hawaii, which operates County owned buses.

Sincerely,



Caleb P. Rowe
Deputy Corporation Counsel
County of Maui

Enclosures

cc: Eric Nakagawa, Director, DEM



February 1, 2021

To: County of Maui c/o John Mullen

From: Samantha Takamura
Department: Claims Department
Phone: (808) 871-2344
email: samantha.takamura@hawaiianelectric.com (preferred contact method)

Expenses incurred by Maui Electric Company to replace damaged pole on Ohina Street; Kihei on the island of Maui in Hawaii.
Motor Vehicle Accident. MECO Ref. No. RO 18-984. Police report #18-037471 MECO Claim 20180907-982-1.

Date of occurrence: September 7, 2018
Driver/Policyholder: John Guzman/County of Maui Refuse

CLAIM NO.	18-984
WORKORDER NO.	TD02332
DATE OF LOSS	9/7/2018

LABOR	\$	3,488.10
OUTSIDE SERVICES		1,988.53
MATERIALS		3,122.51
OVERHEADS		4,225.89
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SUBTOTAL		12,825.03
LESS DEPRECIATION CREDIT		(404.19)
<hr/>		
TOTAL	\$	12,420.84

*Outside services for Traffic Control and Excavation

Please remit payment to:

Maui Electric Company
Claims Department
PO BOX 398
Kahului, HI 96733

Also enclosed please find written documentation supporting our claim. Please note that certain information has been redacted, as the Companies are required to protect the confidentiality of unit cost and pricing information, because if the information is publicly disclosed it could cause competitive harm to the Companies or its third-party vendors and lead to increased costs for the Companies and its customers.



MATERIALS	QUANTITY	AMOUNT
CUTOFF, 250W	1	
BRACKET, LIG	1	
POLE, PENTA PER HECO SPEC M7036-7, DWG #40894	1	
POLE MOUNT TWO BUSHING STAINLESS STEEL	1	
	21	3,122.51

* INCLUDES DEPRECIATION IN COST

OVERHEADS:		
AFUDC		5.50
BENEFITS		1,188.77
COPR ADMIN		772.15
ENERGY DELIVERY		1,608.50
NON-PRODUCTIVE WAGES		365.62
PAYROLL TAXES		285.35
		\$ 4,225.89

Section 269-32, Hawaii Revised Statutes:

"Injury to Public Utility Property. Any person who injures or destroys through want of proper care, any necessary or useful facility, equipment or property of any public utility shall be liable to the public utility for all damages sustained thereby. The measure of damages to the facility, equipment or property injured or destroyed shall be the cost to repair or replace the property injured or destroyed including direct and allocated costs for labor, materials, supervision, supplies, tools, taxes, transportation, administrative and general expense and other indirect or overhead expenses, less credit, if any, for salvage. The specifying of the measure of damages for the facility, equipment or property shall not preclude the recovery of such other damages occasioned thereby as may be authorized by law."