
A BILL FOR AN ACT

RELATING TO THE PUBLIC UTILITIES COMMISSION.

BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF HAWAII:

1 SECTION 1. The public utilities commission serves as the
2 regulatory agency for public utilities companies that provide
3 essential services that directly affect the quality of life
4 enjoyed by our residents, including electricity, transportation,
5 gasoline, and communications companies. Most notably, the
6 public utilities commission is tasked with prescribing rates,
7 tariffs, charges, and fees and determining the allowable rate of
8 earnings of public service companies in establishing rates. The
9 public utilities commission also issues guidelines concerning
10 the general management of public utility companies and acts on
11 requests for the acquisition, sale, disposition, or other
12 exchange of utility properties, including mergers and
13 consolidations.

14 The legislature finds that the public utilities commission
15 serves as a quasi-judicial body charged with oversight and
16 enforcement activities over certain regulated industries. It is
17 critical that such a body, like the judicial branch of the state
18 government, be permitted to act without regard to outside



1 influences. As such, members of the public utilities commission
2 should be chosen through a selection process, rather than
3 through direct appointment by the governor, to prevent any undue
4 influence on the commission.

5 The purpose of this Act is to create a public utilities
6 selection commission to select individuals to serve on the
7 public utilities commission.

8 SECTION 2. Chapter 269, Hawaii Revised Statutes, is
9 amended by adding a new section to be appropriately designated
10 and to read as follows:

11 "§269- Public utilities selection commission. (a)

12 There is established a public utilities selection commission to
13 select commissioners of the public utilities commission. The
14 public utilities selection commission shall consist of seven
15 members. Of the seven members:

16 (1) Three shall be appointed by the governor in accordance
17 with section 26-34, except as otherwise provided by
18 law;

19 (2) Two shall be appointed by the governor from a list of
20 three names submitted by the president of the senate;
21 and



1 (3) Two shall be appointed by the governor from a list of
2 three names submitted by the speaker of the house of
3 representatives;

4 provided that if fewer than three names are submitted for each
5 appointment, the governor may disregard the list.

6 (b) The public utilities selection commission shall be
7 selected and shall operate in a wholly nonpartisan manner.

8 After the initial formation of the public utilities selection
9 commission, appointments to the public utilities selection
10 commission shall be for staggered terms of six years each. No
11 member of the public utilities selection commission shall serve
12 for more than one full six-year term on the public utilities
13 selection commission.

14 (c) Each member of the public utilities selection
15 commission shall be a resident of the state and a citizen of the
16 United States.

17 (d) No member of the public utilities selection commission
18 shall:

19 (1) Run for elected office under the United States, the
20 State, or its political subdivisions;

21 (2) Take an active part in political management or in
22 political campaigns;



1 (3) Be a current member of the public utilities

2 commission; or

3 (4) Be eligible to serve as a commissioner of the public

4 utilities commission for a period of three years after

5 serving on the public utilities selection commission.

6 (e) No act of the public utilities selection commission

7 shall be valid except by concurrence of the majority of its

8 members.

9 (f) The public utilities selection commission shall select

10 one of its members to serve as chairperson. The public

11 utilities selection commission may adopt rules to effectuate the

12 purposes of this section, in accordance with chapter 91, which

13 shall have the force and effect of law. The deliberations of

14 the public utilities selection commission shall be confidential.

15 (g) The legislature shall provide for the staff and

16 operating expenses of the public utilities selection commission

17 in a separate budget. No member of the public utilities

18 selection commission shall receive any compensation for

19 commission services but shall be allowed necessary expenses for

20 travel, board, and lodging incurred in the performance of public

21 utilities selection commission duties.



1 (h) The public utilities selection commission shall be
2 attached to the department of budget and finance for
3 administrative purposes only."

4 SECTION 3. Section 269-2, Hawaii Revised Statutes, is
5 amended to read as follows:

6 "**§269-2 Public utilities commission; number, [appointment**
7 **of commissioners,] selection of commissioners, qualifications;**
8 **compensation; persons having interest in public utilities.** (a)
9 There shall be a public utilities commission of three members,
10 to be called commissioners, and who shall be [~~appointed in the~~
11 ~~manner prescribed in section 26-34, except as otherwise provided~~
12 ~~in this section.~~] selected by the public utilities selection
13 commission established pursuant to section 269- . All members
14 shall be [~~appointed~~] selected for terms of six years each,
15 except that the terms of the members first [~~appointed~~] selected
16 shall be for two, four, and six years, respectively, as
17 designated by the [~~governor~~] public utilities selection
18 commission at the time of [~~appointment.~~] selection. The
19 [~~governor~~] public utilities selection commission shall designate
20 a member to be chairperson of the public utilities commission.
21 Each member shall hold office until the member's successor is
22 appointed and qualified. [~~Section 26-34 shall not apply insofar~~



1 ~~as it relates to the number of terms and consecutive number of~~
2 ~~years a member can serve on the commission; provided that no]~~ No
3 member shall serve more than twelve consecutive years.

4 In [~~appointing~~] selecting public utilities commissioners,
5 the [~~governor~~] public utilities selection commission shall
6 select persons who have had experience in accounting, business,
7 engineering, government, finance, law, or other similar fields.
8 The public utilities commissioners shall devote full time to
9 their duties as members of the public utilities commission, and
10 no public utilities commissioner shall hold any other public
11 office or other employment during the public utility
12 commissioner's term of office. No person owning any stock or
13 bonds of any public utility corporation, or having any interest
14 in, or deriving any remuneration from, any public utility shall
15 be [~~appointed~~] selected as a public utilities commissioner.

16 (b) Effective July 1, 2005, the chairperson of the public
17 utilities commission shall be paid a salary set at eighty-seven
18 per cent of the salary of the director of human resources
19 development, and each of the other public utilities
20 commissioners shall be paid a salary equal to ninety-five per
21 cent of the chairperson's salary. The public utilities
22 commissioners shall be exempt from chapters 76 and 89 but shall



1 be members of the state employees retirement system and shall be
2 eligible to receive the benefits of any state or federal
3 employee benefit program generally applicable to officers and
4 employees of the State, including those under chapter 87A.

5 The public utilities commission is placed within the
6 department of budget and finance for administrative purposes."

7 SECTION 4. There is appropriated out of the general
8 revenues of the State of Hawaii the sum of \$ or so much
9 thereof as may be necessary for fiscal year 2006-2007 for the
10 purposes of establishing the public utilities selection
11 commission.

12 The sum appropriated shall be expended by the department of
13 budget and finance for the purposes of this Act.

14 SECTION 5. Statutory material to be repealed is bracketed
15 and stricken. New statutory material is underscored.

16 SECTION 6. This Act shall take effect on July 1, 2020.



H.B. NO. 2717

Report Title:

Public Utilities Commission; Consumer protection

Description:

Creates a selection commission to pick members of the Public Utilities Commission. Establishes terms of service. (HB2717 HD1)

HB2717 HD1 HMS 2006-2529

