

Honolulu, Hawaii

Feb 10, 2006

RE: H.B. No. 1941
H.D. 1

Honorable Calvin K.Y. Say
Speaker, House of Representatives
Twenty-Third State Legislature
Regular Session of 2006
State of Hawaii

Sir:

Your Committee on Energy & Environmental Protection, to which was referred H.B. No. 1941 entitled:

"A BILL FOR AN ACT RELATING TO PUBLIC UTILITIES,"

begs leave to report as follows:

The purpose of this bill is to require the Public Utilities Commission (PUC) to apply a progressive block rate structure for residential consumers that charges a higher rate to consumers with a monthly consumption of over 500 kilowatt hours (kWh) than to consumers with a monthly consumption of 500 kWh or less starting no later than December 31, 2007.

The Conservation Council for Hawai'i testified in support of this bill. The PUC supported the intent of this bill, offering comments and concerns. The Consumer Advocate, Hawaiian Electric Company, Inc., Maui Electric Company, Ltd., and Hawaii Electric Light Company, Inc., commented on this measure.

Your Committee has amended this bill by:

- (1) Removing the requirement that the PUC obtain approval and implement a progressive block rate structure no later than December 31, 2007;
- (2) Requiring the PUC to investigate the tier rate structure at the time an electric utility files an application for a rate increase; and



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- (3) Making technical, nonsubstantive amendments for style, clarity, and consistency.

As affirmed by the record of votes of the members of your Committee on Energy & Environmental Protection that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 1941, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 1941, H.D. 1, and be referred to the Committee on Consumer Protection & Commerce.

Respectfully submitted on
behalf of the members of the
Committee on Energy &
Environmental Protection,



HERMINA MORITA, Chair



