

Honolulu, Hawaii

MAR 24 2006

RE: H.B. No. 1021
H.D. 2
S.D. 1

Honorable Robert Bunda
President of the Senate
Twenty-Third State Legislature
Regular Session of 2006
State of Hawaii

Sir:

Your Committee on Commerce, Consumer Protection, and Housing,
to which was referred H.B. No. 1021, H.D. 2, entitled:

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

begs leave to report as follows:

The purpose of this measure is to adopt policies and reforms
to support the Public Utilities Commission (Commission) in its
progressive and aggressive efforts to protect ratepayers and the
public and implement the State's energy strategy.

Specifically this measure:

- (1) Increases the salaries of the Chairperson and the
commissioners of the Commission;
- (2) Authorizes the Chairperson of the Commission to appoint
utility analysts and legal assistants exempt from
chapter 76, Hawaii Revised Statutes; and
- (3) Authorizes the Commission to suspend the collection of
public utility fees when the Commission's special fund
exceeds three million dollars.

Testimony in support of this measure was submitted by the
Public Utilities Commission; the Division of Consumer Advocacy,
Department of Commerce and Consumer Affairs; Hawaiian Electric
Company, Inc.; Maui Electric Company, Ltd.; Hawaii Electric Light



Company, Inc.; Young Brothers, Ltd.; Hawaii Transportation Association; Hawaii Energy Policy Forum; Rocky Mountain Institute; and Hawaii Renewable Energy Alliance. No testimony in opposition to this measure was submitted to your Committee.

Your Committee finds that the responsibilities, duties, and workload delegated to the Commission chairperson, its commissioners, and its staff have increased dramatically in recent years due, in part, to implementation of the State's Renewable Portfolio Standard, Net Energy Metering laws, and other energy issues. Your Committee further finds that the increased salaries for the Commission chairperson and the commissioners and the increased staffing specified in this measure will empower the Commission to promote progressive energy policies in this State.

Upon further consideration, your Committee has amended this measure by:

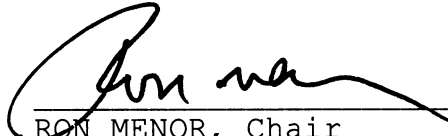
- (1) Adopting the amendment proposed by the Commission that requires the suspension of fees and surcharges that utilities charge their customers to recover public utility fees when the collection of public utility fees are suspended;
- (2) Adopting the amendment proposed by the Commission that requires the implementation of any periodic suspension of public utility fees in accordance with sections 269-12(b), 269-16(a), and 269-30, Hawaii Revised Statutes, and other relevant statutory provisions;
- (3) Requiring the Commission to conduct an in-depth review of its organization; develop a comprehensive restructuring plan; and submit a report to the Legislature twenty days before the convening of the Regular Session in 2007 that specifies the Commission's staffing needs, the funds required to restructure, and any proposed legislation to implement this restructuring; and
- (4) Changing the effective date of this measure from July 1, 2020, to July 1, 2050, to continue further discussion.

As affirmed by the record of votes of the members of your Committee on Commerce, Consumer Protection, and Housing that is



attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 1021, H.D. 2, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 1021, H.D. 2, S.D. 1, and be referred to the Committee on Ways and Means.

Respectfully submitted on
behalf of the members of the
Committee on Commerce, Consumer
Protection, and Housing,



RON MENOR, Chair



