

Honolulu, Hawaii

FEB 16 2007

RE: S.B. No. 1717
S.D. 1

Honorable Colleen Hanabusa
President of the Senate
Twenty-Fourth State Legislature
Regular Session of 2007
State of Hawaii

Madam:

Your Committee on Commerce, Consumer Protection, and
Affordable Housing, to which was referred S.B. No. 1717 entitled:

"A BILL FOR AN ACT RELATING TO THE ISSUANCE OF SPECIAL
PURPOSE REVENUE BONDS TO ASSIST UTILITIES SERVING THE GENERAL
PUBLIC,"

begs leave to report as follows:

The purpose of this measure is to authorize the issuance of
special purpose revenue bonds to assist public utilities with
capital improvement projects for the benefit of public health,
safety, and general welfare.

Your Committee received testimony in support of this measure
from Hawaiian Electric Company, Inc. (HECO); Maui Electric
Company, Limited; and Hawaii Electric Light Company, Inc.

Your Committee finds that the proceeds of the sale of the
special purpose revenue bonds authorized by this measure will be
used for the construction of facilities that will benefit
ninety-five per cent of Hawaii's population. According to HECO's
testimony, this type of financing will benefit the taxpayer to the
extent that it will be less expensive than other types of
financing, which will result in lower rates than if other types
of financing are used to fund the capital improvement projects.

Your Committee, based upon the testimony provided by HECO,
has made a technical, nonsubstantive amendment for the purpose of
clarity.



As affirmed by the record of votes of the members of your Committee on Commerce, Consumer Protection, and Affordable Housing that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 1717, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 1717, 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 Affordable
Housing,



BRIAN T. TANIGUCHI, Chair



