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# A BILL FOR AN ACT

RELATING TO PETROLEUM INDUSTRY MONITORING.

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

1           SECTION 1. The legislature finds that Act 78, Session Laws  
2 of Hawaii 2006, requires the public utilities commission to  
3 establish the petroleum industry monitoring, analysis, and  
4 reporting program. In addition, the petroleum industry  
5 monitoring, analysis, and reporting special fund was established  
6 by Act 78 to be administered by the public utilities commission  
7 for its namesake purpose. However, only \$1 was appropriated for  
8 its purpose.

9           The purpose of this Act is to clarify and strengthen the  
10 public utilities commission's authority under the Petroleum  
11 Industry Information and Reporting Act and to provide consumers  
12 with true and effective transparency of petroleum industry  
13 pricing methods by appropriating funds to the petroleum industry  
14 monitoring, analysis, and reporting special fund.

15           SECTION 2. Chapter 486B, Hawaii Revised Statutes, is  
16 amended by adding a new section to be appropriately designated  
17 and to read as follows:



1        "§486B- Monitoring of petroleum industry information. The  
2 public utilities commission shall refer to the attorney general  
3 any matter that is a violation of this chapter that is  
4 discovered in the performance of its duties pursuant to chapter  
5 486H or 486J."

6        SECTION 3. Chapter 486J, Hawaii Revised Statutes, is  
7 amended by adding a new section to be appropriately designated  
8 and to read as follows:

9        "§486J-A Use and analysis of information by the department  
10 of business, economic development, and tourism. The department,  
11 with its own staff and other support staff with relevant  
12 expertise and experience, shall use the information provided by  
13 the petroleum industry monitoring, analysis, and reporting  
14 program to effectuate the purposes of chapter 196, chapter 125C,  
15 and other relevant laws."

16        SECTION 4. Section 486J-1, Hawaii Revised Statutes, is  
17 amended as follows:

18        1. By adding a new definition for "major fuel user" to be  
19 appropriately inserted and to read:

20        ""Major fuel user" means any person that uses fuel directly  
21 in the manufacture of goods or the generation of power."



1           2. By amending the definitions of "distributor", "major  
2 marketer", "major oil producer", "major oil storer", and "major  
3 oil transporter" to read:

4           ""Distributor" means:

5           (1) Every person who refines, manufactures, produces, or  
6 compounds fuel in the State and sells it at wholesale  
7 or at retail [~~or who uses it directly in the~~  
8 ~~manufacture of products or for the generation of~~  
9 ~~power~~];

10          (2) Every person who imports or causes to be imported into  
11 the State, or exports or causes to be exported from  
12 the State, any fuel;

13          (3) Every person who acquires fuel through exchanges with  
14 another distributor; or

15          (4) Every person who purchases fuel for resale at  
16 wholesale or retail from any person described in  
17 paragraph (1), (2), or (3); provided that  
18 "distributor" shall not include a marina, lessee  
19 dealer-operated station, owner-operated station, [~~or~~]  
20 other retailer that retails fuel only to end users or  
21 the public~~[+]~~, or a major fuel user.



1 "Major marketer" means any person who sells natural gas,  
2 propane, synthetic natural gas or oil in amounts determined by  
3 the [~~department~~] commission as having a major effect on energy  
4 supplies.

5 "Major oil producer" means any person who produces oil in  
6 amounts determined by the [~~department~~] commission as having a  
7 major effect on energy supplies.

8 "Major oil storer" means any person who stores oil or other  
9 petroleum products in amounts determined by the [~~department~~]  
10 commission as having a major effect on energy supplies.

11 "Major oil transporter" means any person who transports oil  
12 or other petroleum products in amounts determined by the  
13 [~~department~~] commission as having a major effect on energy  
14 supplies."

15 SECTION 5. Section 486J-3, Hawaii Revised Statutes, is  
16 amended by amending subsection (c) to read as follows:

17 "(c) The commission may [~~request~~] require additional  
18 information as and when the commission deems necessary to  
19 perform the commission's responsibilities under this chapter."

20 SECTION 6. Section 486J-4, Hawaii Revised Statutes, is  
21 amended by amending subsection (b) to read as follows:



1           "(b) The commission may [~~request~~] require additional  
2 information as and when the commission deems it necessary to  
3 perform the commission's responsibilities under this chapter."

4           SECTION 7. Section 486J-11, Hawaii Revised Statutes, is  
5 amended to read as follows:

6           "~~[+]~~**\$486J-11**~~[+]~~ **Powers of the public utilities commission.**

7           (a) The public utilities commission [~~shall have the authority~~  
8 ~~and power to~~] may take any action or make any determination  
9 under this chapter, including but not limited to actions or  
10 determinations that affect persons not regulated under  
11 chapters 269, 271, and 271G, as the commission deems necessary  
12 to carry out its responsibilities or otherwise effectuate  
13 chapter 269, 271, or 271G.

14           (b) The public utilities commission may examine or  
15 investigate each distributor, the manner in which it is  
16 operated, the prices and rates charged by it, its operating  
17 costs and expenses, the value of its property and assets, the  
18 amount and disposition of its income, and all its financial  
19 transactions, its business relations with other persons,  
20 companies, or corporations, its compliance with all applicable  
21 state and federal laws, and all matters of every nature

1 affecting the relations and transactions between it and the  
2 public or persons or businesses.

3 (c) In the performance of its duties under this chapter,  
4 the commission shall have the same powers respecting  
5 administering oaths, compelling the attendance of witnesses and  
6 the production of documents, examining witnesses, and punishing  
7 for contempt, as are possessed by circuit courts. In case of  
8 disobedience by any person to any order of the commission, or  
9 any subpoena issued by the commission, or of the refusal of any  
10 witness to testify to any matter regarding that which the  
11 witness may be questioned lawfully, any circuit court, on  
12 application by the commission, shall compel obedience as in case  
13 of disobedience of the requirements of a subpoena issued from a  
14 circuit court or a refusal to testify therein.

15 (d) Notwithstanding any provision of this chapter to the  
16 contrary, in order to most effectively facilitate the efficient  
17 reporting and analysis of information collected pursuant to this  
18 chapter and to allow flexibility in applicable reporting  
19 requirements for the broad range of persons and businesses  
20 affected, the commission, in its discretion, may determine the  
21 specific information that must be reported by any person  
22 required to submit information under this chapter."



1 SECTION 8. There is appropriated out of the general  
 2 revenues of the State of Hawaii the sum of \$ , or so  
 3 much thereof as may be necessary for fiscal year 2007-2008, and  
 4 the same sum, or so much thereof as may be necessary for fiscal  
 5 year 2008-2009, to be paid into the petroleum industry  
 6 monitoring, analysis, and reporting special fund created in  
 7 section 486J-5.6, Hawaii Revised Statutes.

8 SECTION 9. There is appropriated out of the petroleum  
 9 industry monitoring, analysis, and reporting special fund  
 10 created in section 486J-5.6, Hawaii Revised Statutes, the sum of  
 11 \$ , or so much thereof as may be necessary for fiscal  
 12 year 2007-2008, and the same sum, or so much thereof as may be  
 13 necessary for fiscal year 2008-2009, for staff positions for the  
 14 public utilities commission to carry out the purposes of the  
 15 special fund.

16 The sums appropriated by this section shall be expended by  
 17 the public utilities commission for the purposes of this fund.

18 SECTION 10. There is appropriated out of the petroleum  
 19 industry monitoring, analysis, and reporting special fund the  
 20 sum of \$ , or so much thereof as may be necessary for  
 21 fiscal year 2007-2008, and the same sum, or so much thereof as

1 positions for the department of business, economic development,  
2 and tourism to perform the duties required by section 486J-A.

3 The sums appropriated shall be expended by the department  
4 of business, economic development, and tourism for the purposes  
5 of this Act.

6 SECTION 11. Statutory material to be repealed is bracketed  
7 and stricken. New statutory material is underscored.

8 SECTION 12. This Act shall take effect on July 1, 2007.





**Report Title:**

Petroleum Industry Monitoring, Analysis, and Reporting Special Fund

**Description:**

Requires public utilities commission to report any violations of chapter 486B to attorney general. Requires department of business, economic development, and tourism to use information provided by petroleum industry monitoring, analysis, and reporting program to effectuate purposes of chapters 196 and 125C. Adds new definition for "major fuel user" to and amends other definitions in section 486J-1. Clarifies and strengthens the public utilities commission's authority under the petroleum industry information and reporting act. Appropriates funds for the petroleum industry monitoring, analysis, and reporting special fund for staffing positions to carry out the purpose of the fund. Appropriated funds for department of business, economic development, and tourism for information analysis.  
(HD1)

