
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- Public utilities commission referral to attorney
 2 general. The public utilities commission shall refer any
 3 violation of this chapter of which it becomes aware through the
 4 exercise of its duties, pursuant to chapters 486H and 486J, to
 5 the attorney general, who may exercise any appropriate legal or
 6 equitable remedies that may be available to the State."

7 SECTION 3. Section 486J-1, Hawaii Revised Statutes, is
 8 amended as follows:

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

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

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

16 "Distributor" means:

17 (1) Every person who refines, manufactures, produces, or
 18 compounds fuel in the State and sells it at wholesale
 19 or at retail [~~or who uses it directly in the~~
 20 ~~manufacture of products or for the generation of~~
 21 ~~power~~];



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

4 (3) Every person who acquires fuel through exchanges with
5 another distributor; or

6 (4) Every person who purchases fuel for resale at
7 wholesale or retail from any person described in
8 paragraph (1), (2), or (3); provided that
9 "distributor" shall not include a marina, lessee
10 dealer-operated station, owner-operated station, [~~or~~]
11 other retailer that retails fuel only to end users or
12 the public[~~+~~], or a major fuel user.

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

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

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



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

5 SECTION 4. Section 486J-3, Hawaii Revised Statutes, is
6 amended by amending subsection (c) to read as follows:

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

10 SECTION 5. Section 486J-4, Hawaii Revised Statutes, is
11 amended by amending subsection (b) to read as follows:

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

15 SECTION 6. Section 486J-11, Hawaii Revised Statutes, is
16 amended to read as follows:

17 "[~~+~~]**\$486J-11**[~~+~~] **Powers of the public utilities commission.**

18 (a) The public utilities commission [~~shall have the authority~~
19 ~~and power to~~] may take any action or make any determination
20 under this chapter, including but not limited to actions or
21 determinations that affect persons not regulated under
22 chapters 269, 271, and 271G, as the commission deems necessary



1 to carry out its responsibilities or otherwise effectuate
2 chapter 269, 271, or 271G.

3 (b) The public utilities commission may examine or
4 investigate each distributor, the manner in which it is
5 operated, the prices and rates charged by it, its operating
6 costs and expenses, the value of its property and assets, the
7 amount and disposition of its income, and all its financial
8 transactions, its business relations with other persons,
9 companies, or corporations, its compliance with all applicable
10 state and federal laws, and all matters of every nature
11 affecting the relations and transactions between it and the
12 public or persons or businesses.

13 (c) In the performance of its duties under this chapter,
14 the commission shall have the same powers respecting
15 administering oaths, compelling the attendance of witnesses and
16 the production of documents, examining witnesses, and punishing
17 for contempt, as are possessed by circuit courts. In case of
18 disobedience by any person to any order of the commission, or
19 any subpoena issued by the commission, or of the refusal of any
20 witness to testify to any matter regarding that which the
21 witness may be questioned lawfully, any circuit court, on
22 application by the commission, shall compel obedience as in case



1 of disobedience of the requirements of a subpoena issued from a
2 circuit court or a refusal to testify therein.

3 (d) Notwithstanding any provision of this chapter to the
4 contrary, in order to most effectively facilitate the efficient
5 reporting and analysis of information collected pursuant to this
6 chapter and to allow flexibility in applicable reporting
7 requirements for the broad range of persons and businesses
8 affected, the commission, in its discretion, may determine which
9 specific information must be reported by any person required to
10 submit information under this chapter."

11 SECTION 7. There is appropriated out of the general
12 revenues of the State of Hawaii the sum of \$, or so
13 much thereof as may be necessary for fiscal year 2007-2008, and
14 the same sum, or so much thereof as may be necessary for fiscal
15 year 2008-2009, to be paid into the petroleum industry
16 monitoring, analysis, and reporting special fund created in
17 section 486J-5.6, Hawaii Revised Statutes.

18 SECTION 8. There is appropriated out of the petroleum
19 industry monitoring, analysis, and reporting special fund
20 created in section 486J-5.6, Hawaii Revised Statutes, the sum of
21 \$, or so much thereof as may be necessary for fiscal
22 year 2007-2008, and the same sum, or so much thereof as may be



1 necessary for fiscal year 2008-2009, for staff positions and to
2 carry out the purposes of the special fund.

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

5 SECTION 9. Statutory material to be repealed is bracketed
6 and stricken. New statutory material is underscored.

7 SECTION 10. 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. 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. (SD2)

