

# S.B. NO. 1394

JAN 22 2007

## A BILL FOR AN ACT

RELATING TO THE DIVISION OF CONSUMER ADVOCACY.

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

1           SECTION 1. The division of consumer advocacy of the  
2 department of commerce and consumer affairs is statutorily  
3 mandated to represent, protect, and advance the interests of all  
4 consumers of utility services. The field of utility regulation  
5 is highly complex and specialized, and requires an equally high  
6 level of expertise to ensure that consumers are well represented  
7 and protected.

8           By Act 143, Session Laws of Hawaii 2006, the legislature  
9 recognized that there is a need for the division to function  
10 more effectively and efficiently in light of changing regulatory  
11 conditions, duties, and requirements, and advances in  
12 technology. Act 143 also mandates the division to conduct a  
13 review of its organization and to propose any necessary  
14 legislation that will enable it to more effectively protect and  
15 represent the interests of consumers. This measure represents  
16 the division's first step toward reaching the goals and  
17 objectives set forth in Act 143.

1           The purpose of this Act is to increase the number of  
2 utility analysts exempt from chapter 76, Hawaii Revised  
3 Statutes, assigned to the division from four to ten, and to  
4 provide the funding for those positions for which funding is not  
5 already provided.

6           SECTION 2. Section 269-52, Hawaii Revised Statutes, is  
7 amended to read as follows:

8           "**§269-52 Division of consumer advocacy; personnel.** There  
9 shall be a division of consumer advocacy within the department  
10 of commerce and consumer affairs to provide administrative  
11 support to the director of commerce and consumer affairs acting  
12 in the capacity of consumer advocate. The director may employ  
13 and at pleasure dismiss an executive administrator, who shall be  
14 exempt from chapter 76, may define the executive administrator's  
15 powers and duties, and fix the executive administrator's  
16 compensation. The director may employ engineers, accountants,  
17 investigators, clerks, and stenographers as may be necessary for  
18 the performance of the consumer advocate's functions, in  
19 accordance with chapter 76; provided that:

- 20           (1) The director may employ up to [~~four~~] ten utility  
21 analysts exempt from chapter 76; and  
22           (2) Each analyst shall possess at least the minimum

1            qualifications required of comparable experts in the  
2            relevant industry."

3            SECTION 3. There is appropriated out of the public  
4 utilities commission special fund the sum of \$168,000, or so  
5 much thereof as may be necessary for fiscal year 2007-2008, and  
6 the sum of \$168,000, or so much thereof as may be necessary for  
7 fiscal year 2008-2009, to be deposited into the compliance  
8 resolution fund to be used for the operations of the division of  
9 consumer advocacy, department of commerce and consumer affairs.

10           The sums appropriated shall be expended by the public  
11 utilities commission for the purposes of this section.

12           SECTION 4. There is appropriated out of the compliance  
13 resolution fund the sum of \$168,000, or so much thereof as may  
14 be necessary for fiscal year 2007-2008, and the sum of \$168,000,  
15 or so much thereof as may be necessary for fiscal year 2008-  
16 2009, for two permanent utility analyst positions exempt from  
17 chapter 76, Hawaii Revised Statutes, in the division of consumer  
18 advocacy, department of commerce and consumer affairs.

19           The sums appropriated shall be expended by the department  
20 of commerce and consumer affairs for the purposes of this  
21 section.

22           SECTION 5. Statutory material to be repealed is bracketed

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1 and stricken. New statutory material is underscored.

2 SECTION 6. This Act shall take effect upon its approval.

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INTRODUCED BY: \_\_\_\_\_

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BY REQUEST

JUSTIFICATION SHEET

DEPARTMENT: Department of Commerce and Consumer Affairs

TITLE A BILL FOR AN ACT RELATING TO THE DIVISION OF CONSUMER ADVOCACY.

PURPOSE: To increase the number of utility analysts exempt from chapter 76, Hawaii Revised Statutes, assigned to the Division of Consumer Advocacy ("Division") from four to ten, and to provide funding for two permanent utility analysts.

MEANS: Amend section 269-52, Hawaii Revised Statutes. Appropriate \$168,000 out of the Public Utilities Commission Special Fund for fiscal years 2007-2008 and 2008-2009 for deposit into the Compliance Resolution Fund. Appropriate \$168,000 out of the Compliance Resolution Fund for fiscal years 2007-2008 and 2008-2009 to fund two permanent utility analysts.

JUSTIFICATION: Adding the requested number of positions will allow the Division to more effectively represent, advance, and protect the interests of consumers of public utility services. Presently, the Division is seeking funding for two permanent utility analysts. Furthermore, Act 143, Session Laws of Hawaii 2006, also mandates the Division to conduct a review of its organization and to propose any necessary legislation that will enable it to more effectively protect and represent the interests of consumers.

Impact on the public: Adding the requested positions will enable the Division to more fully represent, protect, and advance the interests of all consumers of utility services.

Impact on the department and other agencies: This bill will improve the Department of Commerce and Consumer Affairs' efficiency and

effectiveness in dealing with utility matters and will also increase the quality of work it produces in its efforts to better represent consumers. Moreover, an increase in timely filings may allow the Public Utilities Commission to render more timely decisions on utility applications.

GENERAL FUND:

None.

OTHER FUNDS:

Appropriate \$168,000 out of the Public Utilities Commission Special Fund for fiscal years 2007-2008 and 2008-2009 for deposit into the Compliance Resolution Fund. Appropriate \$168,000 out of the Compliance Resolution Fund for fiscal years 2007-2008 and 2008-2009 to fund two permanent utility analysts.

PPBS PROGRAM  
DESIGNATION:

CCA-103

OTHER AFFECTED  
AGENCIES:

Public Utilities Commission.

EFFECTIVE DATE:

Upon approval.