
A BILL FOR AN ACT

RELATING TO PROPERTY OF PUBLIC UTILITIES.

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

1 SECTION 1. The legislature finds that it is vital to the
2 State's well-being that public utilities ensure that the
3 property they use in the provision of services to customers is
4 maintained at a certain prescribed level. The public utilities
5 commission, the entity charged by the legislature with
6 responsibility over the condition of public utilities and their
7 property, must keep a watchful eye so that the public interest
8 in steady, reliable utility service is served and preserved.
9 Presently, state law mandates that a public utility seek and
10 secure an order from the public utilities commission prior to
11 the disposal or encumbrance of property necessary or useful in
12 performing its duties to the public.

13 The legislature finds, however, that unusual, exigent
14 circumstances call for a public utility to come to the aid of a
15 customer in a sudden and time-sensitive manner. The legislature
16 further finds that these unusual, exigent situations sometimes
17 call for a public utility to transfer, assign, or otherwise



1 dispose of its property in order that a customer in distress can
2 return to normal operations.

3 The purpose of this Act is to provide public utilities the
4 authority to transfer, assign, or otherwise dispose of property
5 under exigent circumstances in order to aid a customer whose
6 operations have been disrupted due to these unforeseen events.

7 SECTION 2. Section 269-19, Hawaii Revised Statutes, is
8 amended to read as follows:

9 "§269-19 Merger and consolidation of public [~~utility~~
10 ~~corporations~~] utilities. [~~Ne~~] (a) Except as provided in
11 subsection (b) of this section, no public utility [~~corporation~~]
12 shall sell, lease, assign, mortgage, or otherwise dispose of or
13 encumber the whole or any part of its road, line, plant, system,
14 or other property necessary or useful in the performance of its
15 duties to the public, or any franchise or permit, or any right
16 thereunder, nor by any means, directly or indirectly, merge or
17 consolidate with any other public utility [~~corporation~~] without
18 first having secured from the public utilities commission an
19 order authorizing it so to do. Every such sale, lease,
20 assignment, mortgage, disposition, encumbrance, merger, or
21 consolidation, made other than in accordance with the order of
22 the commission shall be void.



1 (b) A public utility, under circumstances that it deems
2 exigent and in its judgment require a response that rapidly
3 restores one of its customers to normal, or near normal,
4 operating status in order to prevent serious disruption of
5 essential public services, avoid serious risk to public safety,
6 or to mitigate severe economic losses to that customer, may
7 transfer, assign, or otherwise dispose of its property without
8 prior approval from the public utilities commission as required
9 in subsection (a); provided that in doing so, the public
10 utility:

- 11 (1) Does not unduly hinder or degrade the public utility's
12 operation with respect to its services or other
13 customers;
- 14 (2) Is duly compensated for its property; and
- 15 (3) Reports in detail to the public utilities commission
16 within thirty days of the action unless otherwise
17 approved by the public utilities commission for good
18 cause shown."

19 SECTION 3. Statutory material to be repealed is bracketed
20 and stricken. New statutory material is underscored.

21 SECTION 4. This Act shall take effect on July 1, 2050.



Report Title:

Public Utilities; Property Transfers

Description:

Grants public utilities the authority to transfer, assign, or otherwise dispose of property, without prior approval from the Public Utilities Commission, under circumstances calling for timely, decisive action in order to aid a customer whose operations have been disrupted due to unforeseeable events.

(SD1)

