

JAN 22 2008

A BILL FOR AN ACT

RELATING TO PUBLICATION OF HEARING NOTICES.

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

1 SECTION 1. The State is continuously examining ways to
2 develop more efficient and cost-effective means of operation.
3 Developing a more streamlined, consistent, and cost-effective
4 means of providing notice of public hearings is one such way
5 that would clearly be in the public interest.

6 The legislature finds that one particular area in which
7 public notice may be exceeding that which is necessary to
8 accomplish its specific objectives, is where state law calls for
9 publication of notice statewide, but the affected public resides
10 not statewide, but on only one, or more, islands. Where
11 possible, by limiting the publication of notice of public
12 hearings to those affected persons who reside in a geographic
13 area that is less than statewide, costs of publication will be
14 reduced dramatically, while assuring that notice is directed to
15 those persons affected by the proposed activity. If the
16 proposed limitation on the scope of publication of notice had
17 been incorporated into the state law during fiscal year 2006-
18 2007, for example, the public utilities commission would have

1 saved approximately \$74,000, or forty-five per cent, in
2 advertising expense.

3 The purpose of this Act is to clarify the type of notice
4 required for public hearings held by the public utilities
5 commission in its regulation of utility rates and ratemaking
6 procedures.

7 SECTION 2. Section 269-12, Hawaii Revised Statutes, is
8 amended by amending subsection (c) to read as follows:

9 "(c) Any public hearing held pursuant to section [~~269-~~
10 ~~16(e)-~~] 269-16(b), shall be a noticed public hearing or hearings
11 on the island or islands on which the utility [~~is situated.~~]
12 provides utility services. Notice of the hearing, with the
13 purpose thereof and the date, time, and place at which it will
14 open, shall be given not less than once in each of three weeks
15 [~~statewide,~~] in the county or counties in which the utility
16 provides utility service, the first notice being not less than
17 [~~twenty-one~~] fourteen days before the public hearing and the
18 last notice being not more than two days before the scheduled
19 hearing. The applicant or applicants shall notify their
20 consumers or patrons of the proposed change in rates and of the
21 time and place of the public hearing not less than one week

S.B. NO. 3003

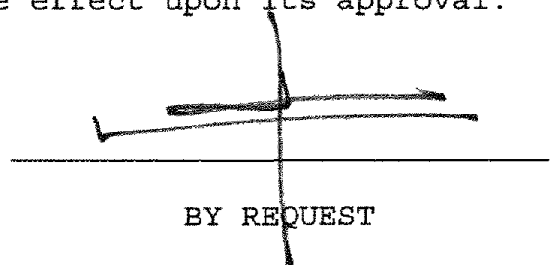
1 before the date set, the manner and the fact of notification to
2 be reported to the commission before the date of hearing."

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

5 SECTION 4. This Act shall take effect upon its approval.

6
7
8

INTRODUCED BY:


BY REQUEST

Report Title:

Public Utilities Commission; Public Hearings

Description:

Clarifies the type of public notice required for public hearings held by the Public Utilities Commission in its regulation of utility rates and ratemaking procedures.

JUSTIFICATION SHEET

DEPARTMENT: Budget and Finance

TITLE: A BILL FOR AN ACT RELATING TO PUBLICATION OF HEARING NOTICES.

PURPOSE: The purpose of this bill is to clarify the type of public notice required for public hearings held by the Public Utilities Commission in its regulation of utility rates and ratemaking procedures.

MEANS: Amend section 269-12(c), Hawaii Revised Statutes.

JUSTIFICATION: Currently, section 269-12 requires the Public Utilities Commission to give statewide notice of public hearings regarding any proposed change or modification in a rate, fare, charge, classification, schedule, rule, or practice, other than one established pursuant to an automatic rate adjustment previously approved by the Public Utilities Commission. This public notice must be published statewide, even if the public utility to which the notice pertains, and the customers who are, or may be, affected, reside in one or more, counties, but less than statewide. Amending the law to provide that notice be published only on the county or counties which are served by the public utility seeking proposed changes or modification, and where the utility's customers to be affected reside, will reduce the Public Utilities Commission's publication costs by as much as fifty percent per fiscal year. For example, for fiscal year 2006-2007, had the proposed change in scope of publication been in effect, the Public Utilities Commission would have reduced its advertising expense by approximately \$74,000, a savings of forty-five percent of the actual advertising expense of nearly \$135,000.

Additionally, this bill will change the timing of the first of the three notices required to be published from twenty-one days before the public hearing, to fourteen days before the public hearing. The public hearing process can be a protracted one, and the reduction by seven days in the timing of the first required notice will provide for adequate notice publication and reduce the time involved in what is sometimes a lengthy public hearing process.

Impact on the public: This bill will reduce unnecessary expenditure of taxpayer dollars, while still providing for thorough, adequate publication of notice to affected public utility customers.

Impact on the department and other agencies: This bill will serve to reduce the Public Utilities Commission's unnecessary expenditure of taxpayer dollars, and reduce the time involved in regulating and ratemaking procedures.

GENERAL FUND: None.

OTHER FUNDS: PUC Special Fund.

PPBS PROGRAM
DESIGNATION: BUF-901.

OTHER AFFECTED
AGENCIES: None.

EFFECTIVE DATE: Upon approval.