

Honolulu, Hawaii
Feb 8, 2008

RE: H.B. No. 3080
H.D. 1

Honorable Calvin K.Y. Say
Speaker, House of Representatives
Twenty-Fourth State Legislature
Regular Session of 2008
State of Hawaii

Sir:

Your Committee on Consumer Protection & Commerce, to which was referred H.B. No. 3080 entitled:

"A BILL FOR AN ACT RELATING TO PROPERTY OF PUBLIC UTILITIES,"

begs leave to report as follows:

The purpose of this bill is to enhance the ability of public utilities to respond to the emergency needs of their customers by allowing public utilities to transfer, assign, or otherwise dispose of property without prior approval from the Public Utilities Commission (PUC) when rendering aid to customers in certain exigent circumstances in order to:

- (1) Prevent serious disruption of essential public services;
- (2) Avoid serious risk to public safety; or
- (3) Mitigate severe economic losses to the customer.

This bill also requires the public utility to provide a detailed report to PUC within 30 days of such disposition of property, unless otherwise approved by PUC.

The Division of Consumer Advocacy of the Department of Commerce and Consumer Affairs, PUC, Hawaiian Electric Company, Inc., Maui Electric Company, Ltd., Hawaii Electric Light Company, and The Gas Company testified in support of this bill.



Under section 269-19, Hawaii Revised Statutes, public utilities are required to obtain prior approval from PUC before disposing of or encumbering property necessary or useful to their performance of public duties. This requirement ensures that public utility resources and operations are maintained at a level that serves the public interest.


However, certain time-sensitive situations may call for faster responses to customer emergencies. For example, a power outage may require the procurement of materials that a public utility may have in its inventory and be able to provide more quickly if it did not need to obtain prior PUC approval. This bill affords public utilities this flexibility while including protections to ensure that the utility's services for customers are not unduly hindered or degraded.

Your Committee has amended this bill by:

- (1) Clarifying that its provisions do not apply to the disposition of real property by public utilities; and
- (2) Making technical, nonsubstantive amendments for clarity, consistency, and style.

As affirmed by the record of votes of the members of your Committee on Consumer Protection & Commerce that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 3080, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 3080, H.D. 1, and be referred to the Committee on Finance.

Respectfully submitted on
behalf of the members of the
Committee on Consumer
Protection & Commerce,



ROBERT N. HERKES, Chair



