

Not Late



Peter Eising



HB 2810



**TESTIMONY OF CARLITO P. CALIBOSO  
CHAIRMAN, PUBLIC UTILITIES COMMISSION  
DEPARTMENT OF BUDGET AND FINANCE  
STATE OF HAWAII  
TO THE  
HOUSE COMMITTEES ON  
AGRICULTURE  
AND  
WATER, LAND, OCEAN RESOURCES & HAWAIIAN AFFAIRS  
JANUARY 30, 2008**

**MEASURE:** H.B. No. 2810  
**TITLE:** Relating to Water Rates.

**LATE  
Testimony**

Chairs Tsuji and Ito and Members of the Committees:

**DESCRIPTION:**

This bill proposes to establish a new section in Chapter 269, Hawaii Revised Statutes ("HRS") that would require the Public Utilities Commission ("Commission") to approve agreements on water rates between farming operations and suppliers of water, and where agreements cannot be reached, the Commission would establish just and reasonable rates for the supply of water. The bill would also exclude suppliers of water to farming operations from coverage under the term "public utility" as defined in § 269-1, HRS.

**POSITION:**

The Commission has some concerns with the bill as drafted and offers the following comments and recommendations.

**COMMENTS:**

- **By excluding suppliers of water to farming operations from coverage under the term "public utility" as defined in § 269-1, HRS, the Commission is limited in terms of its powers and authority over such suppliers.**
  - For example, the Commission would not have the powers to conduct investigations and examinations into fares and rates charged by a supplier of water or to require the supplier to furnish any information the Commission may deem necessary in approving a water rate. It would also not be able to assess penalties.

H.B. No. 2810  
Page 2

- The Commission recommends that the proposed subsection (b) be deleted and that suppliers of water to farming operations not be excluded from the definition of “public utility” as set forth in § 269-1, HRS.
- **If the objective of this bill is to provide farming operations with more favorable rates as compared with rates of other classes of water customers, then the bill should expressly state that water rates should be set with that objective in mind.**
  - Such an express policy statement would guide the Commission in implementing this policy as it carries out the requirements of this bill to approve water rate agreements and establish just and reasonable rates for water suppliers to farming operations.

Thank you for the opportunity to testify.