

**TESTIMONY OF CARLITO P. CALIBOSO
CHAIRMAN, PUBLIC UTILITIES COMMISSION
DEPARTMENT OF BUDGET AND FINANCE
STATE OF HAWAII
TO THE HOUSE COMMITTEE ON
ENERGY AND ENVIRONMENTAL PROTECTION
MARCH 18, 2008**

MEASURE: S.B. No. 2630 S.D. 2

TITLE: RELATING TO PETROLEUM INDUSTRY MONITORING.

Chair Morita and Members of the Committee:

DESCRIPTION:

This bill proposes to amend Hawaii Revised Statutes ("HRS"), chapter 486J to: 1) require distributors to report to the Public Utilities Commission ("Commission") their average crude oil costs and their average wholesale gasoline prices charged for each class of trade; 2) require the Commission to publish on a weekly basis, the information furnished by the distributors, pursuant to HRS §486J-4.5, categorized by island and distributor; and 3) require the Commission to publish on a weekly basis, the average retail gasoline prices for each island.

POSITION:

The Commission has serious concerns about this bill because it may adversely affect our ability to obtain the necessary information from the petroleum industry and respectfully offers the following comments on this bill.

COMMENTS:

- **This bill requires the Commission to publish all of the information received from the distributors under HRS § 486J-4.5 notwithstanding any law to the contrary, namely HRS § 486J-6, which protects confidential commercial information from disclosure.**
 - The industry or individual distributors will likely disagree with the public disclosure of their confidential commercial information, may refuse to cooperate, and may seek to withhold information from the Commission.
 - If any distributors fail to provide information required by the Commission, the distributors may be subject to fines of \$50,000 to \$100,000 per day under HRS § 486J-9(a), and the Commission is required to refer any such violations to the attorney general for appropriate action under HRS § 486J-9(d).

- Additionally, the withholding of information by the industry would severely hamper the Commission's ability to efficiently collect the information necessary to implement the petroleum industry monitoring, analysis and reporting program.
- Finally, the bill would require only the publication of confidential commercial information collected under HRS § 486J-4.5. Thus, the bill would *not* apply to, or require the publishing of, confidential information the Commission receives under HRS §§ 486J-3, -4, or any other provisions.

Thank you for the opportunity to testify.