

**TESTIMONY OF CARLITO P. CALIBOSO  
CHAIRMAN, PUBLIC UTILITIES COMMISSION  
DEPARTMENT OF BUDGET AND FINANCE  
STATE OF HAWAII  
TO THE  
HOUSE COMMITTEE ON FINANCE**

**MARCH 2, 2009**

**MEASURE: H.B.1061 H.D.1**  
**TITLE: Relating to Public Utilities.**

Chair Oshiro and Members of the Committee:

**DESCRIPTION:**

This bill proposes to add a new section to chapter 269, Hawaii Revised Statutes ("HRS"), to provide the Public Utilities Commission ("Commission") with authority to appoint a receiver for any regulated private water or sewer utility in order to take such temporary action as is necessary to assure continued adequate and reliable service to its customers.

**POSITION:**

The Commission strongly supports this Administration bill.

**COMMENTS:**

- **Currently, chapter 269, ("HRS"), gives the Commission general supervisory power over all public utilities, including private water and sewer utilities that serve the public.**
  - Specifically, every public utility, as defined in section 269-1, HRS, must in writing apply for and obtain from the Commission a certificate of public convenience and necessity ("CPCN") pursuant to section 269-7.5, HRS, prior to commencing its operations. The application for CPCN must include, among other required information, statements of the type of service to be performed, geographical scope of the operation, and a statement of financial ability to render the proposed service.
  - If the applicant meets all requirements of the Commission and is found to be fit, willing, and able to properly perform the proposed service and conform to the terms, conditions and rules of the Commission, and the service is, or will be, required by the present or future public convenience and necessity, the application is issued.

- The Commission, after notice and hearing, may suspend, amend, or revoke any certificate in part or in whole, if the utility is found to be in willful violation of any provisions of chapter 269, HRS, or any rule or order of the Commission, or with any term, condition, or limitation of the CPCN.
- However, there is no express authority for the Commission to act on behalf of a regulated water or sewer utility's customers if the utility is in an urgent, serious and imminent threat of ceasing to operate or to operate on a substandard, or unacceptable level.
- It is in these unusual cases that there should be provision for the Commission to appoint a receiver to operate the regulated utility in every aspect necessary when the utility or its owners are not willing or unable to operate the utility.

Thank you for the opportunity to testify.