

**TESTIMONY OF CARLITO P. CALIBOSO
CHAIRMAN, PUBLIC UTILITIES COMMISSION
DEPARTMENT OF BUDGET AND FINANCE
STATE OF HAWAII
TO THE
HOUSE COMMITTEE ON CONSUMER PROTECTION & COMMERCE
MARCH 16, 2009**

MEASURE: S.B. No. 878 S.D.1

TITLE: Relating to Publclatlon of Hearing Notices.

Chair Herkes and Members of the Committee:

DESCRIPTION:

This bill proposes to amend the law to require that the Public Utilities Commission ("Commission") publish notice of a public hearing on a rate change by a public utility in the county or counties in which the utility provides utility services, rather than statewide.

POSITION:

The Commission strongly supports this Administration bill and offers the following comments.

COMMENTS:

- **Currently, section 269-12, Hawaii Revised Statutes ("HRS"), requires the Commission to provide three statewide notices of a public hearing 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 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 county, and not statewide.
 - Amending the law to provide that notice be published only in the county served by the utility seeking the proposed change, and where the utility's customers reside, will reduce government waste by lowering the Commission's publication costs by as much as fifty percent per fiscal year.

- For example, for fiscal year 2006-2007, had the proposed change been in effect, the 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.
- Affected customers already receive direct and adequate notice of public hearings on rate changes. In addition to the requirements set forth in the bill, public utilities are required to directly notify their customers regarding upcoming public hearings on proposed changes in public utility rates, pursuant to section 269-12(c), HRS, which provides:

"The applicant or applicants shall notify their consumers or patrons of the proposed change in rates and of the time and place of the public hearing not less than one week before the date set, the manner and the fact of notification to be reported to the commission before the date of hearing."

The Commission also regularly publishes notice of public hearings on its website to keep utility customers and the general public informed.

Thank you for the opportunity to testify.