

Honolulu, Hawaii

March 16, 2010

RE: S.B. No. 2809  
S.D. 2  
H.D. 1

Honorable Calvin K.Y. Say  
Speaker, House of Representatives  
Twenty-Fifth State Legislature  
Regular Session of 2010  
State of Hawaii

Sir:

Your Committee on Consumer Protection & Commerce, to which was referred S.B. No. 2809, S.D. 2, entitled:

"A BILL FOR AN ACT RELATING TO UTILITIES REGULATION,"

begs leave to report as follows:

The purpose of this bill is to ensure the effective regulation of public utilities by appropriating funds sufficient for the operations and staffing of the Public Utilities Commission (PUC) and the Division of Consumer Advocacy (Consumer Advocate) of the Department of Commerce and Consumer Affairs.

This bill also requires government agencies to assist in carrying out its purposes.

The Consumer Advocate, PUC, Hawaiian Electric Company, Inc., Hawaii Electric Light Company, Inc., Maui Electric Company, Ltd., Hawaii Water Service Company, Inc., Blue Planet Foundation, Hawaii Transportation Association, Hawaii Energy Policy Forum, Sierra Club - Hawaii Chapter, Hawaii Solar Energy Association, and two telecom testified in support of this bill. The Department of Human Resources Development (DHRD) provided comments.

Act 177 and Act 183, Session laws of Hawaii 2007, mandated the reorganization of PUC and the Consumer Advocate to ensure sufficient regulation of public utilities and effective advocacy for utility consumers. These efforts have recently become more

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important as the normal ongoing workload associated with regulating the various public utility industries has significantly increased due to clean energy initiatives that the State is actively pursuing, resulting in PUC dockets that are novel, complex, and resource-consuming. Your Committee finds that this bill provides the resources necessary for the PUC and Consumer Advocate to effectively regulate and oversee utility companies and ensure that they provide reliable and safe services that are in the public's interest.

Your Committee has amended this bill by clarifying:

- (1) Statements in the bill's preamble regarding the number of PUC staff positions lost due to budget reductions in fiscal year 2009-2010;
- (2) That government agencies shall also assist the Consumer Advocate, upon its request, in carrying out the purposes of this bill; and
- (3) That DHRD shall also cooperate with the Consumer Advocate, as the Consumer Advocate deems necessary, in establishing and amending job descriptions in a timely manner.

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 S.B. No. 2809, S.D. 2, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 2809, S.D. 2, 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,

  
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ROBERT N. HERKES, Chair



