

STAND. COM. REP. NO.

404

Honolulu, Hawaii

FEB 20 2009

RE: S.B. No. 133
S.D. 1

Honorable Colleen Hanabusa
President of the Senate
Twenty-Fifth State Legislature
Regular Session of 2009
State of Hawaii

Madam:

Your Committee on Human Services, to which was referred S.B. No. 133 entitled:

"A BILL FOR AN ACT RELATING TO UTILITIES,"

begs leave to report as follows:

The purpose of this measure is to require the Public Utilities Commission to implement a program to achieve lifeline electricity rates for qualified residential electricity customers.

Testimony in support of this measure was submitted by the Hawaii COPD Coalition and two public citizens. The Public Utilities Commission, the Department of Commerce and Consumer Affairs, and Hawaiian Electric Company, Inc., support the intent of the measure. Written testimony presented to your Committee may be reviewed on the Legislature's website.

Your Committee finds that several medical conditions require devices which require electricity to operate. Many of these conditions are progressive, and individuals may require the use of devices to help them breath while they sleep. One person testified that their electricity bill increased four hundred dollars for the first month of using an oxygen concentrator. Without lifeline electricity rates, many patients may find that required medical devices are cost-prohibitive to operate.

Your Committee has amended this measure by:



- (1) Deleting the specified qualifications for lifeline electricity rates;
- (2) Requiring the Public Utilities Commission to develop the qualifications for lifeline electricity rates; and
- (3) Making technical, nonsubstantive changes for style.

As affirmed by the record of votes of the members of your Committee on Human Services that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 133, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 133, S.D. 1, and be referred to the Committee on Commerce and Consumer Protection.

Respectfully submitted on
behalf of the members of the
Committee on Human Services,


SUZANNE CHUN OAKLAND, Chair



The Senate
 Twenty-Fifth Legislature
 State of Hawaii

Record of Votes
Committee on Human Services
HMS

Bill / Resolution No.:*	Committee Referral:	Date:
<i>SB 133</i>	<i>HMS, CPU</i>	<i>2-17-09</i>
<input type="checkbox"/> The committee is reconsidering its previous decision on this measure. If so, then the previous decision was to: _____		
The Recommendation is:		
<input type="checkbox"/> Pass, unamended 2312 <input checked="" type="checkbox"/> Pass, with amendments 2311 <input type="checkbox"/> Hold 2310 <input type="checkbox"/> Recommit 2313		
Members	Aye	Aye (WR)
Nay	Excused	
CHUN OAKLAND, Suzanne (C)	✓	
IHARA, Jr., Les (VC)	✓	
GREEN, M.D., Josh	✓	
HEMMINGS, Fred	✓	
TOTAL	<i>4</i>	<i>0</i>
<i>0</i>	<i>0</i>	<i>0</i>
Recommendation:		
<input checked="" type="checkbox"/> Adopted <input type="checkbox"/> Not Adopted		
Chair's or Designee's Signature:		
<i>[Handwritten Signature]</i>		
Distribution:		
Original File with Committee Report	Yellow Clerk's Office	Pink Drafting Agency
Goldenrod Committee File Copy		

*Only one measure per Record of Votes

Report Title:

Utilities; Lifeline Electricity Rates; PUC

Description:

Requires the public utilities commission to implement a program to achieve lifeline electricity rates for qualified residential electricity customers. (SD1)

A BILL FOR AN ACT

RELATING TO UTILITIES.

BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF HAWAII:

1 SECTION 1. Chapter 269, Hawaii Revised Statutes, is
2 amended by adding a new section to be appropriately designated
3 and to read as follows:

4 "§269- Lifeline electricity rates. (a) The public
5 utilities commission shall implement a program to achieve
6 lifeline electricity rates for residential electricity
7 customers.

8 (b) "Lifeline electricity rate" means a discounted rate
9 for lifeline eligible residential electricity customers.

10 (c) "Lifeline eligible" means residential electricity
11 customers that meet the lifeline qualifications approved by the
12 public utilities commission.

13 (d) The commission shall require every electric public
14 utility providing local electricity service to file a schedule
15 of rates and charges providing a rate for lifeline electricity
16 subscribers.

1 (e) Nothing in this section shall preclude the commission
2 from changing any rate established pursuant to subsection (a)
3 either specifically or pursuant to any general restructuring of
4 all electricity rates, charges, and classifications."

5 SECTION 2. New statutory material is underscored.

6 SECTION 3. This Act shall take effect upon its approval.

**TESTIMONY OF CARLITO P. CALIBOSO
CHAIRMAN, PUBLIC UTILITIES COMMISSION
DEPARTMENT OF BUDGET AND FINANCE
STATE OF HAWAII
TO THE
SENATE COMMITTEE ON COMMERCE AND CONSUMER PROTECTION
FEBRUARY 27, 2009**

MEASURE: S.B. No.133 S.D.1
TITLE: Relating to Utilities.

Chair Baker and Members of the Committee:

DESCRIPTION:

This bill proposes to add a new section to chapter 269, Hawaii Revised Statutes ("HRS"), to direct the Public Utilities Commission ("Commission") to implement a program to establish lifeline electricity rates for residential electricity users.

POSITION:

The Commission has no objections to this bill, and defers to the Legislature's judgment in establishing lifeline electricity rates for certain residential electricity users, as these lifeline rates will require a certain amount of subsidization by other ratepayers.

COMMENTS:

- As this committee is already probably aware, if this bill is passed, all other electricity ratepayers will have to pay higher rates as a result of this policy to subsidize the ratepayers who utilize lifeline electricity rates.
- The Commission does acknowledge that the Division of Consumer Advocacy is working on developing a program with HECO Companies and believes, in light of that, that this measure is unnecessary.
- The Commission will defer to the Legislature's determination in this regard.

Thank you for the opportunity to testify and provide comments on this bill.

Testimony Before the Senate Committee

On

Commerce and Consumer Protection

February 27, 2009 (9:30 AM)

S.B. 133, SD1 RELATING TO UTILITIES

**By: Peter Young
Energy Services Department
Hawaiian Electric Company, Inc.**

Chair Baker, Vice Chair Ige and Members of the Committee:

My name is Peter Young, and I represent Hawaiian Electric Company (HECO) and its subsidiary utilities, Hawaii Electric Light Company (HELCO) and Maui Electric Company (MECO). I appreciate the opportunity to present testimony on S.B. 133, SD1.

The HECO Companies support SB 133 SD1 and the development of lifeline electricity rates for residential electric customers. The HECO utilities are currently studying lifeline rates and related rate issues in order to develop a proposal for lifeline rates in conjunction with the Consumer Advocate, as agreed to in the Hawaii Clean Energy Initiative document.

Thank you for this opportunity to testify.