

JAN 26 2011

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# A BILL FOR AN ACT

RELATING TO ELECTRICITY RATES.

**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-       Rates for electricity; agricultural use.   (a)

5       It is the policy of the State to promote the long-term viability  
6 of agriculture by establishing mechanisms that provide for  
7 preferential rates for electricity for agricultural activities.  
8 The public utilities commission shall have the authority to  
9 establish preferential rates for electricity used for  
10 agricultural activities in a public utility's service area.

11       (b) Upon receipt of a bona fide request for preferential  
12 rates for electricity to be used for agricultural activities,  
13 and proof that the customer engages in agricultural activities,  
14 a public utility shall provide to the public utilities  
15 commission for approval proposed preferential rates for  
16 electricity to be used only for qualified agricultural  
17 activities. All such rates approved by the public utilities  
18 commission shall be subsidized by the electricity rates charged



1 to other customers of the public utility, if required, as  
 2 determined by the public utilities commission. In reviewing the  
 3 proposed preferential rates, the public utilities commission, in  
 4 consultation with the department of agriculture, may establish  
 5 additional criteria to qualify bona fide agribusinesses for  
 6 electricity used solely for agricultural activities. For rate  
 7 cases initiated pursuant to this section, the public utilities  
 8 commission shall allow the recovery of any reasonable  
 9 unamortized costs incurred by the public utility in its previous  
 10 rate case; provided, however, upon full amortization of these  
 11 costs, rates shall be adjusted accordingly."

12 SECTION 2. New statutory material is underscored.

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

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**Report Title:**

Preferential Electricity Rates; Agriculture

**Description:**

Establishes a process for preferential rates for electricity used for agricultural activities.

*The summary description of legislation appearing on this page is for informational purposes only and is not legislation or evidence of legislative intent.*

