

STAND. COM. REP. NO.

756

Honolulu, Hawaii

MAR 04 2011

RE: S.B. No. 99  
S.D. 2

Honorable Shan S. Tsutsui  
President of the Senate  
Twenty-Sixth State Legislature  
Regular Session of 2011  
State of Hawaii

Sir:

Your Committee on Ways and Means, to which was referred S.B. No. 99, S.D. 1, entitled:

"A BILL FOR AN ACT RELATING TO THE PUBLIC UTILITIES COMMISSION,"

begs leave to report as follows:

The purpose and intent of this measure is to change the structure, composition, and processes of the Public Utilities Commission to operate more effectively in the increasingly complex regulatory environment.

Your Committee received comments in support of this measure from Maui County Farm Bureau; Hawaii Farm Bureau; Blue Planet Foundation; Lauren Zirbel, Government Relations, Hawaii Food Industry Association; Michael J. Matsukawa, Keahole Defense Coalition; and Peggy Ratliff.

Your Committee received comments on this measure from Jeffrey T. Ono, Executive Director, Division of Consumer Advocacy, Department of Commerce and Consumer Affairs; Carlito P. Caliboso, Chairman, Public Utilities Commission, Department of Budget and Finance; and Roy Catalani, Vice President, Young Brothers, Limited.

Your Committee finds that the increasingly complex industries that are regulated by the Public Utilities Commission, including energy provision, transportation, and telecommunications, demand specialized knowledge and expertise on the part of the regulators

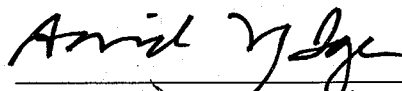


and improved structure and processes of the Commission. Your Committee notes that the office of the auditor has conducted multiple management audits of the Public Utilities Commission over the past thirty-six years and has consistently found serious and pervasive problems with staffing, management, and planning. Serious, structural changes in the composition of the Commission, the provision of experienced professional staff, and greater transparency in the approval process for certain public utilities are necessary to ensure that the Commission both accurately responds to the interests of the entire State and holds sufficient expertise in the relevant issue areas. Your Committee further finds that this measure provides an effective approach to structuring the Commission and a means for monitoring its implementation and progress to provide for modification or repeal, as necessary. The measure also clarifies findings of public necessity and the issuance of certificates relating to water carriers.

Your Committee has amended this measure by changing the effective date to July 1, 2050, to facilitate further discussion on the issue.

As affirmed by the record of votes of the members of your Committee on Ways and Means that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 99, S.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 99, S.D. 2.

Respectfully submitted on  
behalf of the members of the  
Committee on Ways and Means,

  
\_\_\_\_\_  
DAVID Y. IGE, Chair



The Senate  
 Twenty-Sixth Legislature  
 State of Hawai'i

**Record of Votes**  
**Committee on Ways and Means**  
**WAM**

| Bill / Resolution No.:*   | Committee Referral:   | Date:                                 |                                  |          |
|---|---|---------------------------------------|----------------------------------|----------|
| SB 99, SD1  | CPN, WAM  | 3-1-11                                |                                  |          |
| <input type="checkbox"/> The committee is reconsidering its previous decision on this measure.<br>If so, then the previous decision was to: _____ |   |                                       |                                  |          |
| The Recommendation is:  |   |                                       |                                  |          |
| <input type="checkbox"/> Pass, unamended<br>2312  | <input checked="" type="checkbox"/> Pass, with amendments<br>2311 | <input type="checkbox"/> Hold<br>2310 |                                  |          |
| <input type="checkbox"/> Recommit<br>2313   |   |                                       |                                  |          |
| Members   | Aye   | Aye (WR)                              | Nay                              | Excused  |
| IGE, David Y. (C)   | /   |                                       |                                  |          |
| KIDANI, Michelle N. (VC)  | /   |                                       |                                  |          |
| CHUN OAKLAND, Suzanne   | /   |                                       |                                  |          |
| DELA CRUZ, Donovan M.   | /   |                                       |                                  |          |
| ENGLISH, J. Kalani  | /   |                                       |                                  |          |
| ESPERO, Will  | /   |                                       |                                  |          |
| FUKUNAGA, Carol   | /   |                                       |                                  |          |
| KIM, Donna Mercado  | /   |                                       |                                  |          |
| KAHELE, Gilbert   | /   |                                       |                                  |          |
| KOUCHI, Ronald D.   | /   |                                       |                                  |          |
| RYAN, Pohai   | /   |                                       |                                  |          |
| TOKUDA, Jill N.   | /   |                                       |                                  |          |
| WAKAI, Glenn  | /   |                                       |                                  |          |
| SLOM, Sam   |   | /                                     |                                  |          |
|   |   |                                       |                                  |          |
|   |   |                                       |                                  |          |
|   |   |                                       |                                  |          |
|   |   |                                       |                                  |          |
| <b>TOTAL</b>  | <b>13</b>   | <b>1</b>                              | <b>0</b>                         | <b>0</b> |
| Recommendation:   |   |                                       |                                  |          |
| <input checked="" type="checkbox"/> Adopted   |   | <input type="checkbox"/> Not Adopted  |                                  |          |
| Chair's or Designee's Signature:  |   |                                       |                                  |          |
| <i>Michelle N. Kidani</i>   |   |                                       |                                  |          |
| Distribution:   |   |                                       |                                  |          |
| Original<br>File with Committee Report  | Yellow<br>Clerk's Office  | Pink<br>Drafting Agency               | Goldenrod<br>Committee File Copy |          |

\*Only one measure per Record of Votes