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KEALI'I S. LOPEZ  
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TO THE SENATE COMMITTEE ON WAYS AND MEANS

THE TWENTY-SIXTH LEGISLATURE  
REGULAR SESSION OF 2012

THURSDAY, MARCH 29, 2012  
9:00 A.M.

TESTIMONY OF JEFFREY T. ONO, EXECUTIVE DIRECTOR, DIVISION OF  
CONSUMER ADVOCACY, DEPARTMENT OF COMMERCE AND CONSUMER  
AFFAIRS, TO THE HONORABLE DAVID Y. IGE, CHAIR,  
AND MEMBERS OF THE COMMITTEE

HOUSE BILL NO. 2644, H. D. 2, S. D. 1  
RELATING TO THE PUBLIC UTILITIES COMMISSION

DESCRIPTION:

This measure proposes to require the Public Utilities Commission ("PUC") to implement best practices in the areas of regulatory frameworks, rules and procedures, and information technology and public access. It also proposes to appropriate funds to implement best practices and authorizes the PUC to provide preferential water carrier service tariffs for ratepayers that engage in agricultural activities.

POSITION:

The Division of Consumer Advocacy supports the intent of H. B. No. 2644, H. D. 2, S. D. 1 and would like to offer the following comments for the Committee's consideration.

House Bill No. 2644, H. D. 2, S. D. 1  
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COMMENTS:

The Division of Consumer Advocacy supports the intent of H. B. No. 2644, H. D. 2, S. D. 1 with respect to the requirement that the PUC implement best practices in the areas of regulatory frameworks, rules, procedures, information technology, and public access.

The Consumer Advocate further supports the State of Hawaii's goal of food sustainability by promoting local agriculture. The interisland water carrier, Young Brothers, Ltd., already offers an agricultural discount on its shipping rates, which has been encouraged by the Consumer Advocate and is approved by the PUC.

The Consumer Advocate suggests that the provision in this bill that authorizes the PUC to approval a water carrier agricultural discount should be in Hawaii Revised Statutes, Chapter 271G, Hawaii Water Carrier Act, rather than in Chapter 269, Public Utilities Commission.

Thank you for this opportunity to provide comments.

TESTIMONY OF HERMINA MORITA  
CHAIR, PUBLIC UTILITIES COMMISSION  
DEPARTMENT OF BUDGET AND FINANCE  
STATE OF HAWAII  
TO THE  
SENATE COMMITTEE ON WAYS & MEANS

MARCH 29, 2012

**MEASURE:** H.B. No. 2644, H.D. 2, S.D. 1

**TITLE:** Relating to the Public Utilities Commission

Chair Ige and Members of the Committee:

**DESCRIPTION:**

This measure proposes to increase the Commission's budget by an unspecified amount for fiscal year 2012-2013 to enable the Commission to implement best practices in the following areas: 1) use of innovative regulatory frameworks; 2) updating of administrative rules; and 3) improvement of internal workflow with new information technologies. The measure requires the Commission to update the Legislature as part of its 2012 and 2013 annual reports on the progress of developing the required best practices. This measure also allows the Commission to authorize preferential water carrier service rates for ratepayers engaged in agricultural activities.

**POSITION:**

The Commission supports the intent of the bill and would like to offer the following comments.

**COMMENTS:**

Regarding Part I, the Commission requests that the Committee include a sufficient level of funding to carry out this measure's broad requirements for best practices for "all [C]ommission activities, both internal and external." The Senate Committee on Commerce and Consumer Protection noted in its Standing Committee Report No. 2850 that the Senate companion to this bill, S.B. No. 2427, S.D. 1, had an appropriation of

\$100,000. The Commission believes this amount is sufficient to fund the objectives of this measure.

Regarding Part II of this bill, the Commission appreciates a definitive policy statement from the Legislature to support the promotion local agricultural activities by providing preferential water carrier rates for ratepayers engaged in agricultural activities. This measure supports an action that has already been approved by the Commission, the Young Brothers' "island fresh or locally-produced" tariff.

Thank you for the opportunity to offer comments on this measure.