

TESTIMONY OF HERMINA MORITA
CHAIR, PUBLIC UTILITIES COMMISSION
DEPARTMENT OF BUDGET AND FINANCE
STATE OF HAWAII
TO THE
HOUSE COMMITTEE ON CONSUMER PROTECTION & COMMERCE
January 30, 2012

MEASURE: H.B. No. 2644

TITLE: Relating to the Public Utilities Commission

Chair Herkes and Members of the Committee:

DESCRIPTION:

This measure proposes to increase the Commission's budget by up to \$85,000.00 for fiscal year ("FY") 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 submit an annual report to the Legislature on the progress of developing the required best practices.

POSITION:

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

COMMENTS:

The Commission would like to assure the Legislature that under the last Commission chair, and now under the leadership of the current chair, previous legislative audits have not gone unheeded and have been the guidepost for many of the significant organizational changes at the Commission.

The Commission has worked diligently over the last few years to update and implement internal processes that have shortened the time requirements for regulatory action, such as streamlining the application process for operating certificates for motor carrier and telecommunications service providers. The Commission has also focused much of its recent efforts on developing innovative regulatory frameworks, particularly relating to

energy. In the area of electricity regulation, these efforts have resulted in the ongoing implementation of a decoupling framework, a feed-in tariff framework, an energy efficiency portfolio standard framework, and an updated integrated resource plan framework. The Commission has also established a "zone of reasonableness" framework to facilitate and expedite the review of motor carrier tariffs.

In recent months, the Commission has sought alternative means to the typical adversarial process used in quasi-judicial proceedings to expedite the regulatory process and to allow parties to build and gain consensus, such as the use of working groups or a strawman proposal to implement policy mandates or resolve technical issues.

The Commission is carrying out an internal initiative to review and update all of the Commission's administrative rules, resulting in the recent adoption of new administrative rules for the Hawaii One Call Center. Commission staff recently completed a series of interviews with regulated entities and other stakeholders as part of the overhaul of its administrative rules.

Regarding the integration of new information technology, the Commission launched its Document Management System ("DMS") in 2008, which enabled public online access for the first time ever to docketed documents, real time notification of Commission filings, targeted docket subscription services, and other useful, publicly accessible features. In accordance with Act 69, SLH 2011, the Commission is on track to roll out electronic filing and payment services on DMS by July 1, 2013.

The Commission appreciates the measure's funding allocation to assist with implementing best practices, but it would ask the Committee to also consider whether the amount appropriated for FY 2012-2013 is sufficient to cover the costs of integrating and carrying out best practices for "all [C]ommission activities, both internal and external." Finally, the Commission defers to the Legislature on whether it is best to appropriate funding for this measure from the general revenues of the State or from the public utilities commission special fund under HRS § 269-33.

Thank you for the opportunity to testify on this measure.