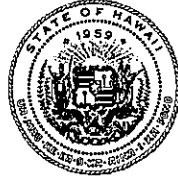


SB 1042

Measure Title: RELATING TO THE PUBLIC UTILITIES COMMISSION.
Report Title: Public Utilities Commission; Staffing
Description: Inserts new position titles within existing statutes describing the civil service status of Public Utilities Commission staff and repeals existing position staff descriptions for the Commission under Act 177, Session Laws of Hawaii 2007.
Companion: [HB812](#)
Package: Gov
Current Referral: CPN/JDL, WAM
Introducer(s): KIM (Introduced by request of another party)

<u>Sort by Date</u>		Status Text
1/24/2013	S	Introduced.
1/24/2013	S	Passed First Reading.
1/24/2013	S	Referred to CPN/JDL, WAM.
2/1/2013	S	The committee(s) on CPN/JDL has scheduled a public hearing on 02-12-13 9:30AM in conference room 229.
2/11/2013	S	The committee(s) on CPN/JDL has rescheduled its public hearing to 02-12-13 9:30AM in conference room 016.



NEIL ABERCROMBIE
GOVERNOR

SHAN S. TSUTSUI
LT. GOVERNOR

STATE OF HAWAII
OFFICE OF THE DIRECTOR
DEPARTMENT OF COMMERCE AND CONSUMER AFFAIRS

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KEALI'I S. LOPEZ
DIRECTOR

JO ANN M. UCHIDA TAKEUCHI
DEPUTY DIRECTOR

TO THE SENATE COMMITTEES
ON COMMERCE AND CONSUMER PROTECTION
AND JUDICIARY AND LABOR

THE TWENTY-SEVENTH LEGISLATURE
REGULAR SESSION OF 2013

TUESDAY, FEBRUARY 12, 2013
9:30 A.M.

TESTIMONY OF JEFFREY T. ONO, EXECUTIVE DIRECTOR, DIVISION OF
CONSUMER ADVOCACY, DEPARTMENT OF COMMERCE AND CONSUMER
AFFAIRS, TO THE HONORABLE ROSALYN S. BAKER
AND THE HONORABLE CLAYTON HEE, CHAIRS,
AND MEMBERS OF THE COMMITTEES

SENATE BILL NO. 1042 - RELATING TO THE PUBLIC UTILITIES COMMISSION

DESCRIPTION:

This measure proposes to insert new position titles within existing statutes describing the civil service status of Public Utilities Commission ("PUC") staff and repeals existing position staff descriptions for the Commission under Act 177, Session Laws of Hawaii 2007.

POSITION:

The Division of Consumer Advocacy strongly supports S.B. No. 1042.

Senate Bill No. 1042
Senate Committee on Commerce and Consumer Protection
Senate Committee on Judiciary and Labor
Tuesday, February 12, 2013, 9:30 a.m.
Page 2

COMMENTS:

S.B. No. 1042 allows greater flexibility to the PUC to hire professional staff. The PUC's staff plays an important role in moving and concluding all public utility dockets, including those relating to the State of Hawaii's energy future. Given these circumstances, the Consumer Advocate strongly supports this bill.

Thank you for this opportunity to testify.

TESTIMONY OF HERMINA MORITA
CHAIR, PUBLIC UTILITIES COMMISSION
DEPARTMENT OF BUDGET AND FINANCE
STATE OF HAWAII
TO THE
SENATE COMMITTEES ON
COMMERCE & CONSUMER PROTECTION
AND
JUDICIARY & LABOR

FEBRUARY 12, 2013
9:30 a.m.

MEASURE: S.B. No. 1042

TITLE: Relating to the Public Utilities Commission

Chair Baker, Chair Hee, and Members of the Committees:

DESCRIPTION:

This measure amends Section 269-3, Hawaii Revised Statutes ("HRS"), and Act 177, Session Laws of Hawaii 2007, ("Act 177") relating to staffing and recruitment by the Public Utilities Commission ("Commission").

POSITION:

The Commission strongly supports S.B. No. 1042, as it is critical to the Commission's efforts to build its capacity to be proactive and effective in responding to its duties in a rapidly changing regulatory environment. The Commission offers the following comments for the Committees' consideration.

COMMENTS:

This bill would provide the Commission with needed flexibility to recruit and hire staff with the right skill sets to effectively carryout the Commission's regulatory duties, particularly in the area of energy regulation. The 2007 Legislature passed Act 177 authorizing the reorganization of the Commission in response to the findings of a 2004 legislative audit and a subsequent study by the Hawaii Energy Policy Forum. The provisions of Act 177 mandate specific position descriptions for Commission staff based

on the Commission's needs during that period, which makes recruitment of personnel to satisfy the Commission's current regulatory needs very difficult. This bill would support the Commission's efforts to identify key positions and rewrite position descriptions to build up staffing required to carry out its many current and future duties by eliminating the restrictions of Act 177.

After being assigned additional space within the Kekuaanoa Building in July 2012, the Commission has continued to work on its office expansion and renovation plan with the assistance of the Department of Accounting and General Services, the Department of Budget and Finance, and the Office of the Attorney General. This assignment finally gives the Commission the space needed to house its additional staffing requirements. As the Commission's office expansion plan moves forward, S.B. No. 1042 will serve to support the Commission in designing and filling the kinds of positions needed to modernize and transform the agency to meet the needs of a rapidly changing regulatory environment.

Finally, the Commission has recently received guidance from the Department of Human Resources Development on how to further amend the bill's proposed language to improve the flexibility of the Commission in its recruitment and staffing efforts. The Commission asks the Committees to consider amending certain language in the current measure [page 1, line 9 to page 3, line 2] to read as follows:

SECTION 2. Section 269-3, Hawaii Revised Statutes, is amended to read as follows:

"§269-3 **Employment of assistants.** (a) The chairperson of the public utilities commission may appoint and employ [~~clerks, stenographers, agents, engineers, accountants,~~] professional staff and other assistants for the public utilities commission as the chairperson finds necessary for the performance of the commission's functions and define their powers and

duties. The chairperson may appoint and, at pleasure, dismiss a chief administrator and ~~[hearings officers]~~ attorneys as may be necessary ~~[-]~~, and who shall be exempt from chapter 76. ~~[Notwithstanding section 103D-209, the chairperson shall appoint one or more attorneys independent of the attorney general who shall act as attorneys for the commission and define their powers and duties and fix their compensation. The chief administrator, chief of policy and research, chief of administrative support, chief of consumer affairs and compliance, utility analysts, and attorneys shall be exempt from chapter 76. Research assistants, economists, legal secretaries, legal assistants, and enforcement officers may be appointed with or without regard to chapter 76. Other employees shall be appointed as may be needed by the chairperson in accordance with chapter 76.]~~ The chairperson may also appoint other staff with or without regard to chapter 76.

(b) Notwithstanding section 91-13, the commission may consult with its assistants appointed under authority of this section in any contested case

or agency hearing concerning any issue of facts. Neither the commission nor any of its assistants shall in such proceeding consult with any other person or party except upon notice and an opportunity for all parties to participate, save to the extent required for the disposition of ex parte matters authorized by law."

Thank you for the opportunity to testify on this measure.



COLLEGE OF SOCIAL SCIENCES
HAWAII ENERGY POLICY FORUM
UNIVERSITY OF HAWAI'I AT MĀNOA

Hawaii Energy Policy Forum

Testimony of Sharon Y. Moriwaki, Co-Chair, Hawaii Energy Policy Forum

Sharon Y. Moriwaki, Hawaii Institute for Public
Affairs
Sharon Alm, Hawaiian Electric Co.
Sharon Boivin, Hawai'i Gas
Sharon Bollmeier, Hawaii Renewable Energy
Alliance
Sharon Chee, Chevron
Sharon Denny Coffman, Hawai'i State House of
Representatives
Sharon Cole, The Kohala Center
Sharon Cole-Brooks, Hawai'i Solar Energy Assn
Sharon Datta, Ulupono Initiative
Sharon Dierenfeld, Queen Lili'uokalani Trust
Sharon Ewan, UH Hawai'i Natural Energy Institute
Sharon Fidell, ThinkTech Hawai'i, Inc.
Sharon Freedman, Haiku Design & Analysis
Sharon Mike Gabbard, Hawai'i State Senate
Sharon Glick, State Energy Office, DBEDT
Sharon Michael Hamnett, Research Corporation of the UH
Sharon Bert Harris, Sierra Club
Sharon William Kaneko, Hawaii Institute for Public
Affairs
Sharon Kelly, Kaula Island Utility Cooperative
Sharon Kimura, Energy Industries Holdings
Sharon Lily King, Sustainable Biodiesel Alliance
Sharon San Kodani, Office of US Congresswoman Mazie
Hirono
Sharon Marys Marrone, Building Industry Assn of
Hawai'i
Sharon Doug McLeod, Maui County
Sharon Stephen Meder, UH Center for Smart Building and
Community Design
Sharon Armina Morita, Public Utilities Commission
Sharon Aaron Moriwaki, UH Social Sciences Public
Policy Center
Sharon Ron Nelson, U.S. Defense Energy Support Center
Sharon Tom O'Connell, U.S. Department of Agriculture,
Rural Development
Sharon Jeffrey Ono, Division of Consumer Advocacy,
DCCA
Sharon K. T. Park, Office of Congresswoman
Colleen Hanabusa
Sharon Melissa Pavlicek, Hawaii Public Policy
Advocates, LLC
Sharon Mark Rocheleau, UH Hawai'i Natural Energy
Institute
Sharon Bill Rolston, Hawai'i County
Sharon Peter Rosegg, Hawaiian Electric Co.
Sharon Tetsuya Saito, SunPower Systems Corp
Sharon Steve Simonpietri, U.S. Pacific Command Energy
Office
Sharon Ray Starling, Hawaii Energy
Sharon Linn Sue, Hawaii Government Employees Assn
Sharon John Sullivan, Kaula County
Sharon Bruce Tanaka, Tesoro Hawai'i Corp
Sharon Maria Tome, State Energy Office, DBEDT

Senate Committees on Commerce & Consumer Protection
and Judiciary & Labor
Tuesday February 12, 2013
9:30 a.m. Conference Room 229

IN SUPPORT OF SB 1042-- Relating to the Public Utilities Commission

I am Sharon Moriwaki, Co-Chair of the Hawaii Energy Policy Forum (Forum). The Forum is comprised of 45 representatives from Hawaii's electric utilities, oil and natural gas suppliers, environmental and community groups, renewable energy industry, and federal, state and local government, including representatives from the neighbor islands. We have been meeting since 2002 and have adopted a common vision and mission, and a comprehensive "10 Point Action Plan," which serves as a framework and guide in meeting our preferred energy vision and goals.

SB 1042 proposes to update Section 269-3, HRS and Act 177 (2007), relating to the Public Utilities Commission (PUC) and its employment of assistants, which the Forum strongly supports as critical to enhance the effectiveness of the important work of the PUC.

One long-standing, unanimous priority of the Forum has been the revitalization the Public Utilities Commission (PUC) and the Division of Consumer Advocacy (DCA). The vitality of these important regulatory agencies is essential to ensure that the implementation of Hawaii's energy policies is effective, fair, cost-effective, and reasonable. In addition to regulating utility expenditures of over \$4 billion dollars annually, the PUC is tasked with developing and implementing many technically complex policy matters that affect every one of Hawaii's people on a day-to-day basis. Energy policy legislation and clean energy policies leave many of the most difficult, sensitive and technical determinations to the PUC for ultimate resolution and implementation. It was for this reason the Forum conducted a study in 2003, and urged the reform and reorganization of the PUC. The resulting Act 177 lay the foundation, with specific positions that were deemed to be needed at that time. Major strides in clean energy policy and programs have been made since Act 177. The result, while good for Hawaii's clean energy future, impacts significantly on the PUC. In order to do this effectively and make sound decisions for the best interests of our state, the PUC requires skilled and competent staff in a rapidly changing field. We cannot overemphasize the importance of allowing the PUC to develop a staff capability that is sufficiently qualified and can, over the long term, develop the extensive institutional experience necessary to develop, implement, and maintain progressive energy policies. The PUC faces exceptional challenges in recruiting and maintaining the specialized staff needed to provide the unique nexus of technical, economic, policy, and legal expertise necessary for enlightened energy regulation. SB1042 would remove obstacles and would facilitate the efficient and effective recruitment and retention of the qualified staff well suited to the PUC's important duties.

Based on the foregoing, the Forum strongly supports SB1042 and respectfully urges passage of the bill. Thank you for the opportunity to testify.

This testimony reflects the position of the Forum as a whole and not necessarily of the individual Forum members or their companies or organizations.

SB1042

Submitted on: 2/11/2013

Testimony for CPN/JDL on Feb 12, 2013 09:30AM in Conference Room 016

Submitted By	Organization	Testifier Position	Present at Hearing
Sally Kaye	Individual	Support	No

Comments: I SUPPORT SB1042 for the same reasons submitted by the Consumer Advocate and the PUC Chair re: HB812.