

STAND. COM. REP. NO.

2154

Honolulu, Hawaii

FEB 11 2014

RE: S.B. No. 2924

Honorable Donna Mercado Kim
President of the Senate
Twenty-Seventh State Legislature
Regular Session of 2014
State of Hawaii

Madam:

Your Committee on Commerce and Consumer Protection, to which was referred S.B. No. 2924 entitled:

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

begs leave to report as follows:

The purpose and intent of this measure is to increase the balance that may be retained in the public utilities commission special fund at the end of each fiscal year.

Your Committee received testimony in support of this measure from the Division of Consumer Advocacy of the Department of Commerce and Consumer Affairs, Public Utilities Commission, Hawaii Energy Policy Forum, Hawaii Renewable Energy Alliance, Blue Planet Foundation, Friends of Lana'i, and one individual.

Your Committee finds that the public utilities commission special fund is the primary source of funding for the operations of the Public Utilities Commission and the Division of Consumer Advocacy of the Department of Commerce and Consumer Affairs. Since fiscal year 2009, the amount of transfers from the public utilities commission special fund to the State's general fund has averaged approximately \$11,200,000 per year. Your Committee recognizes the benefits these transfers provide to the State but notes that the funds collected under the public utility fee are derived from public utility company revenues and are paid directly by ratepayers for the purpose of providing regulatory oversight.

Your Committee further finds that dedicating a higher portion of the public utilities commission special fund to support the

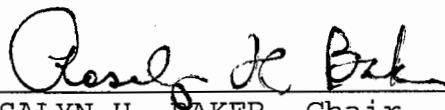
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operations of the Public Utilities Commission and the Division of Consumer Advocacy would be advantageous for the State, especially in light of the increasing complexity and size of the Public Utilities Commission's workload. Your Committee also finds that raising the public utilities commission special fund carryover balance will also help with encumbering of contracts, which both agencies must rely on in an era of increasingly technical electricity regulation. This measure therefore enables the Public Utilities Commission and the Division of Consumer Advocacy to fulfill their respective statutory duties.

As affirmed by the record of votes of the members of your Committee on Commerce and Consumer Protection that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 2924 and recommends that it pass Second Reading and be referred to the Committee on Ways and Means.

Respectfully submitted on
behalf of the members of the
Committee on Commerce and
Consumer Protection,

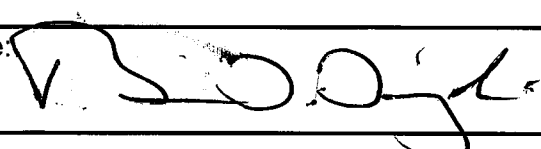


ROSALYN H. BAKER, Chair



The Senate
 Twenty-Seventh Legislature
 State of Hawai'i

Record of Votes
Committee on Commerce and Consumer Protection
CPN

Bill / Resolution No.:*	Committee Referral:	Date:		
SB 2924	CPN, WAM	2/6/14		
<input type="checkbox"/> The committee is reconsidering its previous decision on this measure. If so, then the previous decision was to: _____				
The Recommendation is: <input checked="" type="checkbox"/> Pass, unamended 2312 <input type="checkbox"/> Pass, with amendments 2311 <input type="checkbox"/> Hold 2310 <input type="checkbox"/> Recommit 2313				
Members	Aye	Aye (WR)	Nay	Excused
BAKER, Rosalyn H. (C)	✓			
TANIGUCHI, Brian T. (VC)	✓			
NISHIHARA, Clarence K.				✓
WAKAI, Glenn	✓			
SLOM, Sam				✓
TOTAL	3	0	0	2
Recommendation: <input checked="" type="checkbox"/> Adopted <input type="checkbox"/> Not Adopted				
Chair's or Designee's Signature: 				
Distribution: Original Yellow Pink Goldenrod File with Committee Report Clerk's Office Drafting Agency Committee File Copy				

*Only one measure per Record of Votes