

Honolulu, Hawaii

APR 25 2014

RE: S.B. No. 2948  
S.D. 1  
H.D. 1  
C.D. 1

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

Honorable Joseph M. Souki  
Speaker, House of Representatives  
Twenty-Seventh State Legislature  
Regular Session of 2014  
State of Hawaii

Madam and Sir:

Your Committee on Conference on the disagreeing vote of the Senate to the amendments proposed by the House of Representatives in S.B. No. 2948, S.D. 1, H.D. 1, entitled:

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

having met, and after full and free discussion, has agreed to recommend and does recommend to the respective Houses the final passage of this bill in an amended form.

The purpose of this measure is to:

- (1) Transition the Public Utilities Commission (Commission) from its administrative placement within the Department of Budget and Finance to a semi-autonomous agency that is administratively attached to the Department of Commerce and Consumer Affairs;
- (2) Increase the compensation of the Chairperson and Commissioners of the Commission;



- (3) Clarify that notwithstanding section 26-35, Hawaii Revised Statutes, the Commission has authority concerning standard administrative practices, including operational expenditures and the hiring of personnel;
- (4) Enable the Chairperson of the Commission to appoint, employ, and dismiss all officers and employees under the Commission, including an executive officer, who shall be responsible for managing the operations of the commission;
- (5) Enable the Chairperson of the Commission to appoint, employ, and dismiss a fiscal officer and a personnel officer, with or without regard to the civil service law, to further support the administrative activities of the Commission;
- (6) Establish the position of Executive Director of the Division of Consumer Advocacy, which shall be the Consumer Advocate; and
- (7) Appropriate funds to assist with the transition of the Commission and for the hiring of an executive officer, a fiscal officer, and a personnel officer within the Commission.

Your Committee on Conference finds that the statutory responsibility of the Commission, which is currently administratively attached to the Department of Budget and Finance, requires a unique organizational structure and specialized staff. This measure transfers the Commission from the Department of Budget and Finance to the Department of Commerce and Consumer Affairs, a state department whose mission is more closely aligned with the mission of the Public Utilities Commission. Your Committee on Conference further finds that placing the Commission under the Department of Commerce and Consumer Affairs, for administrative purposes only, will also facilitate the Commission's goal of self-reliance by permitting the Commission to obtain and allocate its resources more efficiently.

Your Committee on Conference additionally finds that this measure ensures a smooth transition for the Commission from the Department of Budget and Finance to the Department of Commerce and Consumer Affairs, enables the Commission to carry out its various regulatory responsibilities in a more efficient manner, addresses the role of the Consumer Advocate, and ensures that important



decisions relating to public utilities continue to be made in the public interest.

Your Committee on Conference has amended this measure by:

- (1) Removing references to the Commission as a semi-autonomous agency and specifying that the Commission shall be placed, for administrative purposes only, within the Department of Commerce and Consumer Affairs;
- (2) Clarifying the limitations of the Department of Commerce and Consumer Affairs in affecting the Commission's day to day operations;
- (3) Removing language that would have increased the compensation of the Chairperson and Commissioners of the Commission, beginning July 1, 2014;
- (4) Creating a direct line of communication between the Commission and the Governor or Legislature, unless otherwise agreed to by the Chairperson of the Commission and the Department of Commerce and Consumer Affairs;
- (5) Increasing the balance that may be retained in the Public Utilities Commission special fund at the end of each fiscal year, from \$1,000,000 to \$4,000,000;
- (6) Changing the appropriation in this measure from an unspecified amount to \$450,000, to effectuate the transfer of the Commission and for the hiring of an executive officer, fiscal officer, and personnel officer;
- (7) Enabling the Department of Budget and Finance to transfer positions and funds for the Commission to the Commission or the Department of Commerce and Consumer Affairs;
- (8) Clarifying provisions related to the preservation of Commission rules, policies, procedures, and similar material; deeds, leases, contracts, and other related documents; costs and expenses; and the transition period associated with the transfer of the Commission from the Department of Budget and Finance to the Department of Commerce and Consumer Affairs;
- (9) Updating the purpose section;



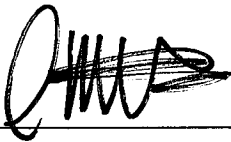
- (10) Inserting an effective date of July 1, 2014; and
- (11) Making technical, nonsubstantive amendments for the purposes of clarity and consistency.

As affirmed by the record of votes of the managers of your Committee on Conference that is attached to this report, your Committee on Conference is in accord with the intent and purpose of S.B. No. 2948, S.D. 1, H.D. 1, as amended herein, and recommends that it pass Final Reading in the form attached hereto as S.B. No. 2948, S.D. 1, H.D. 1, C.D. 1.

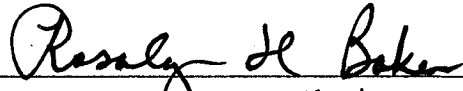
Respectfully submitted on behalf  
of the managers:

ON THE PART OF THE HOUSE

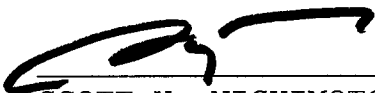
ON THE PART OF THE SENATE




ANGUS L.K. MCKELVEY, Co-Chair



ROSALYN H. BAKER, Chair



SCOTT Y. NISHIMOTO, Co-Chair



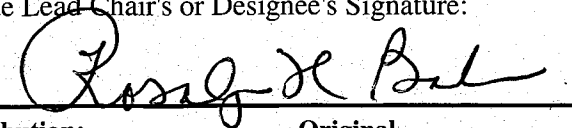
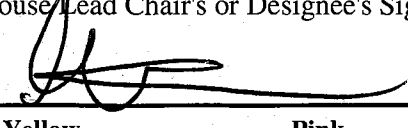
DAVID Y. IGE, Co-Chair



Hawaii State Legislature

CCR 136-14

Record of Votes of a  
Conference Committee

Bill / Concurrent Resolution No.: <b>SB 2948, SD 1, HD 1</b>					Date/Time: <b>4/25/14 5:43PM</b>				
<input checked="" type="checkbox"/> The recommendation of the House and Senate managers is to pass with amendments (CD).									
<input type="checkbox"/> The Committee is reconsidering its previous decision.									
<input type="checkbox"/> The recommendation of the Senate Manager(s) is to AGREE to the House amendments made to the Senate Measure					<input type="checkbox"/> The recommendation of the House Manager(s) is to AGREE to the Senate amendments made to the House Measure.				
Senate Managers	A	WR	N	E	House Managers	A	WR	N	E
BAKER, Rosalyn H., Chr.	✓				MCKELVEY, Angus L.K., Co-Chr.	✓			
IGE, David Y., Co-Chr.	✓				NISHIMOTO, Scott Y., Co-Chr.	✓			
SLOM, Sam	✓				HAR, Sharon E.				✓
					KAWAKAMI, Derek S.K.	✓			
					LEE, Chris	✓			
					MCDERMOTT, Bob				✓
TOTAL	3	-	-	-	TOTAL	4	-	-	2
A = Aye		WR = Aye with Reservations			N = Nay		E = Excused		
Senate Recommendation is: <input checked="" type="checkbox"/> Adopted <input type="checkbox"/> Not Adopted					House Recommendation is: <input checked="" type="checkbox"/> Adopted <input type="checkbox"/> Not Adopted				
Senate Lead Chair's or Designee's Signature: 					House Lead Chair's or Designee's Signature: 				
Distribution: <b>Original</b> <b>Yellow</b> <b>Pink</b> <b>Goldenrod</b> File with Conference Committee Report      House Clerk's Office      Senate Clerk's Office      Drafting Agency									