

Honolulu, Hawaii  
March 21, 2014

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

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

Sir:

Your Committee on Consumer Protection & Commerce, to which was referred S.B. No. 2948, S.D. 1, entitled:

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

begs leave to report as follows:

The purpose of this measure is to clarify the authority of the chairperson of the Public Utilities Commission concerning operational expenditures and the hiring and retention of agency personnel.

The Division of Consumer Advocacy of the Department of Commerce and Consumer Affairs, Hawaii Energy Policy Forum, Hawaii Renewable Energy Alliance, and Life of the Land testified in support of this measure. The Public Utilities Commission and Department of Budget and Finance provided comments on this measure.

Your Committee held a public hearing that included discussion and public testimony on both this measure and S.B. No. 451, S.D.1 (2013). Upon careful consideration, your Committee has amended this measure by adopting the recommendation of the Public Utilities Commission, to replace the contents of this measure with those of S.B. No. 451, S.D.1, and add further amendments.



The measure, as amended:

- (1) Specifies that the Public Utilities Commission is transferred from its administrative placement within the Department of Budget and Finance to be a semi-autonomous agency that is administratively attached to the Department of Commerce and Consumer Affairs, which can provide the Commission with the additional administrative support resources it needs;
- (2) Increases the compensation of the chairperson and commissioners of the Public Utilities Commission;
- (3) Clarifies that notwithstanding section 26-35, Hawaii Revised Statutes, the Public Utilities Commission has authority concerning standard administrative practices, including operational expenditures and the hiring of personnel;
- (4) Changes the position title of the Commission's chief administrator to executive officer to reflect the position's increased management responsibilities;
- (5) Enables the chairperson of the Public Utilities Commission to appoint, employ, and dismiss a fiscal officer and a personnel officer to further support the administrative activities of the Commission;
- (6) Establishes the position of executive director of the Division of Consumer Advocacy which shall be the consumer advocate;
- (7) Appropriates funds to assist with the transition of the Public Utilities Commission and for the hiring of an executive officer, a fiscal officer, and a personnel officer within the Public Utilities Commission;
- (8) Provides that the Public Utilities Commission Special Fund shall be used for costs incurred by the Department of Commerce and Consumer Affairs for administrative support services for the Commission;
- (9) Contains an effective date of July, 1, 2112, to encourage further discussion; and



(10) Makes technical, nonsubstantive amendments for the purposes of clarity, consistency, and style.

As affirmed by the record of votes of the members of your Committee on Consumer Protection & Commerce that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 2948, S.D. 1, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 2948, S.D. 1, H.D. 1, and be referred to the Committee on Finance.

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



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ANGUS L.K. MCKELVEY, Chair



