
A BILL FOR AN ACT

RELATING TO AUDITING THE PUBLIC UTILITIES COMMISSION.

BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF HAWAII:

1 SECTION 1. The legislature finds that the Hawaiian
2 Electric Companies (HECO) serve ninety-five per cent of the
3 energy needs of Hawaii citizens and is accountable to the public
4 utilities commission, yet is continually reported to be lagging
5 in ability to meet requested standards. The executive branch
6 and legislature have established the goals and directives for
7 energy initiatives in the State, and HECO is often criticized
8 for its slow issuance of action plans and poor implementation of
9 new technology. The commission has ordered HECO to take
10 immediate steps to implement new technologies and lower costs,
11 but the results have been disappointing.

12 Therefore, the legislature further finds that in the
13 interest of Hawaii citizens, there should be closer scrutiny of
14 the commission and the public utilities it oversees.

15 The purpose of this Act is to mandate a periodic management
16 and financial audit of the public utilities commission, to
17 ensure compliance with the expectations and goals of the



1 commission as established by the legislature and executive
2 branch.

3 SECTION 2. Chapter 23, Hawaii Revised Statutes, is amended
4 by adding a new section to be appropriately designated and to
5 read as follows:

6 "§23- Public Utilities Commission; audit. (a) The
7 auditor shall conduct at least every five years a management and
8 financial audit of the public utilities commission to determine
9 if the commission is in compliance with all relevant
10 programmatic and financial requirements. The first audit shall
11 be conducted within one year of the effective date of this Act.
12 These audits shall include but not be limited to a review of the
13 following:

- 14 (1) The responsibilities, services, and activities of the
15 commission;
16 (2) The propriety of expenditures;
17 (3) Compliance by the commission with any laws and rules
18 that may be in effect;
19 (4) The management and oversight of all public utilities
20 by the commission; and



1 (5) Any additional audit issues that the auditor deems
2 appropriate.

3 (b) The commission, any public utilities, and any private
4 companies or agencies receiving state funds shall fully
5 cooperate with and provide assistance to the auditor as needed
6 with respect to its audit, and shall respond promptly to the
7 auditor's requests in conducting the audit, including providing
8 records and other information requested in the course of the
9 audit.

10 (c) The commission shall compensate the auditor for
11 expenditures incurred by the auditor in conducting the
12 management and financial audit.

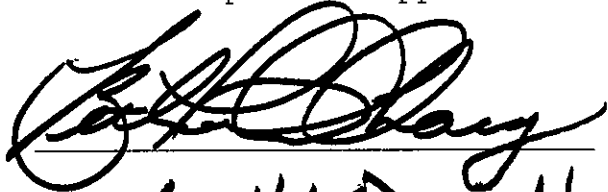

13 (d) The auditor shall submit its findings and
14 recommendations to the legislature no later than twenty days
15 before the convening of the regular session following the year
16 in which the audit is conducted."

17 SECTION 3. New statutory material is underscored.

18 SECTION 4. This Act shall take effect upon its approval.

19

INTRODUCED BY:



H.B. NO. 410

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JAN 23 2015



H.B. NO. 410

Report Title:

Auditor; Public Utilities Commission

Description:

Mandates a periodic management and financial audit of the Public Utilities Commission by the State auditor.

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