

STAND. COM. REP. NO. 3055

Honolulu, Hawaii

MAR 24 2016

RE: H.B. No. 1851
H.D. 1
S.D. 1

Honorable Ronald D. Kouchi
President of the Senate
Twenty-Eighth State Legislature
Regular Session of 2016
State of Hawaii

Sir:

Your Committee on Commerce, Consumer Protection, and Health,
to which was referred H.B. No. 1851, H.D. 1, entitled:

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

begs leave to report as follows:

The purpose and intent of this measure is to:

- (1) Allow a commissioner to attend by teleconference or videoconference a public hearing of the Public Utilities Commission in certain circumstances; and
- (2) Require at least one of the three members of the Public Utilities Commission to be a resident of a county other than the City and County of Honolulu and receive per diem compensation.

Your Committee received testimony in support of this measure from the Division of Consumer Advocacy of the Department of Commerce and Consumer Affairs and one individual. Your Committee received comments on this measure from the Public Utilities Commission and Hawaii Energy Policy Forum.

Your Committee finds that the Public Utilities Commission (Commission) is responsible for protecting the interests of consumers and regulated utilities throughout the State. This measure provides the Commission with additional options for



attendance at its public hearings through the use of teleconference or videoconference technology by Public Utilities Commissioners. However, according to testimony by the Public Utilities Commission, there are certain hearings, such as contested case hearings, where all three commissioners should be physically present.

Your Committee notes that the companion to this measure, S.B. No. 2776, S.D. 1 (Regular Session of 2016), which was previously passed by the Senate, is a substantially similar measure that also provides the Commission with additional options for attendance at its public hearings in certain circumstances, except for contested case hearings. Your Committee concludes that the language in S.B. No. 2776, S.D. 1, is preferable because it excludes the use of teleconference and videoconference technology at contested case hearings.

Your Committee further finds that the decisions of the Commission, especially in the area of energy regulation, will have a profound effect on Hawaii for many years. It is therefore essential to have the most qualified individuals serve as Public Utilities Commissioners. Although this measure proposes to require at least one of the three commissioners to reside on a neighbor island, your Committee has heard the concerns that this requirement may have unintended consequences, including eliminating from consideration a highly qualified individual who would otherwise be best suited for appointment to the Commission.

Your Committee notes that S.B. No. 2776, S.D. 1, enables a person's island of residence to be used as a criterion when determining the person's qualification to serve as a commissioner, rather than requiring at least one of the three members of the Commission to be a resident of a county other than the City and County of Honolulu. Your Committee concludes that the language in S.B. No. 2776, S.D. 1, is preferable because it preserves the Governor's wide discretion when selecting qualified candidates for appointment as commissioners.

Accordingly, your Committee has amended this measure by:

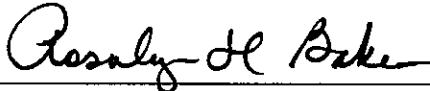
- (1) Deleting its contents and inserting the contents of S.B. No. 2776, S.D. 1, a substantially similar measure, which:



- (A) Allows a commissioner to attend by teleconference or videoconference a public hearing of the Commission, except for a contested case hearing, including allowing a commissioner who resides on an island other than Oahu to attend a public hearing of the Commission held on Oahu and a commissioner residing on the island of Oahu to attend a public hearing of the commission held on an island other than Oahu, by teleconference or videoconference;
 - (B) Enables a member of the Commission who is a resident of a county other than the City and County of Honolulu to receive per diem compensation; and
 - (C) Enables a person's island of residence to be used as a criterion when determining the person's qualification to serve as a commissioner;
- (2) Inserting an effective date of July 1, 2016; and
 - (3) Making technical, nonsubstantive amendments for the purposes of clarity and consistency.

As affirmed by the record of votes of the members of your Committee on Commerce, Consumer Protection, and Health that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 1851, H.D. 1, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 1851, H.D. 1, S.D. 1, and be referred to your Committee on Ways and Means.

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



ROSALYN H. BAKER, Chair



The Senate
 Twenty-Eighth Legislature
 State of Hawai'i

Record of Votes
Committee on Commerce, Consumer Protection, and Health
CPH

Bill / Resolution No.:*	Committee Referral:	Date:		
HB 1851, HD 1	CPH, WAM	3-22-16		
<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 type="checkbox"/> Pass, unamended 2312 <input checked="" 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)	/			
KIDANI, Michelle N. (VC)	/			
ESPERO, Will	/			
IHARA, Jr., Les	/			
NISHIHARA, Clarence K.				/
RUDERMAN, Russell E.	/			
SLOM, Sam				/
TOTAL	5			2
Recommendation: <input checked="" type="checkbox"/> Adopted <input type="checkbox"/> Not Adopted				
Chair's or Designee's Signature: <i>Michelle N. Kidani</i>				
Distribution: Original Yellow Pink Goldenrod File with Committee Report Clerk's Office Drafting Agency Committee File Copy				

*Only one measure per Record of Votes