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CATHERINE P. AWAKUNI COLÓN
DIRECTOR
JO ANN M. UCHIDA TAKEUCHI
DEPUTY DIRECTOR

TO THE HOUSE COMMITTEE ON CONSUMER PROTECTION & COMMERCE

THE TWENTY-EIGHTH LEGISLATURE
REGULAR SESSION OF 2016

MONDAY, FEBRUARY 1, 2016
2:00 P.M.

TESTIMONY OF JEFFREY T. ONO, EXECUTIVE DIRECTOR, DIVISION OF
CONSUMER ADVOCACY, DEPARTMENT OF COMMERCE AND CONSUMER
AFFAIRS, TO THE HONORABLE ANGUS L.K. McKELVEY, CHAIR,
AND MEMBERS OF THE COMMITTEE

HOUSE BILL NO. 1851 - RELATING TO THE PUBLIC UTILITIES COMMISSION

DESCRIPTION:

This measure proposes to require at least one of the three members of the Public Utilities Commission ("Commission") to be a resident of a county other than the City and County of Honolulu and receive per diem compensation. This measure also proposes to allow a commissioner to attend by teleconference or videoconference a public hearing of the commission, including allowing a commissioner who resides on an island other than 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.

POSITION:

The Division of Consumer Advocacy ("Consumer Advocate") supports the intent of this bill.

COMMENTS:

The Commission is responsible for protecting the interests of consumers and regulated utilities on all islands. The decisions of the Commission, especially in the energy field, will have a profound effect upon this state for years to come. It is, therefore, of utmost importance to have the most qualified individuals, irrespective of where they reside, serve as commissioners on the Commission. The Consumer Advocate recognizes that a commissioner who resides on a neighbor island could provide an important perspective to the decision-making process of the Commission. An individual's island of residence should be one criteria to determine that individual's qualification to serve as a commissioner. To make it a requirement that one commissioner reside on a neighbor island could eliminate from consideration other more qualified individuals based on this residency requirement.

The Consumer Advocate would also point out that where an individual previously lived and grew up may be equally important to that individual's perspective as to where that individual currently resides. In other words, someone who grew up on the neighbor islands, but who currently resides on Oahu, may have a closer affinity to the neighbor islands than someone who recently moved there. The Consumer Advocate therefore supports the intent of that part of the legislation that proposes to require one commissioner of the three to reside on a neighbor island. The Consumer Advocate suggests a modification to this bill to change the neighbor island residency requirement to a factor to be considered in selecting all commissioners.

In order to encourage neighbor island residents to serve on the Commission, neighbor island commissioners should not be financially disadvantaged compared to their Oahu counterparts. The Consumer Advocate therefore supports the provision in this legislation that requires a per diem compensation to neighbor island commissioners.

The Consumer Advocate further supports the provision in this legislation that allows for teleconference or videoconference participation by commissioners to attend public hearings. The Consumer Advocate suggests that the decision to allow teleconference or videoconference participation be left to the discretion of the Chair of the Commission, because there may be certain instances where teleconference or videoconference is impractical or inappropriate.

Thank you for this opportunity to testify.

TESTIMONY OF RANDY IWASE
CHAIR, PUBLIC UTILITIES COMMISSION
STATE OF HAWAII
TO THE
HOUSE COMMITTEE ON
CONSUMER PROTECTION & COMMERCE

February 1, 2016
2:00 PM

MEASURE: H.B. No. 1851

TITLE: RELATING TO THE PUBLIC UTILITIES COMMISSISON

Chair McKelvey and Members of the Committee:

DESCRIPTION:

This measure would require at least one member of the Public Utilities Commission (“Commission”) to be a resident of a county other than the city and county of Honolulu and would provide that commissioner with an unspecified per diem compensation “for the days on which actual service is rendered.” This measure would also allow commissioners to attend public hearings held on islands that they do not reside by teleconference or video conference.

POSITION:

The Commission offers the following comments for the Committee’s consideration.

COMMENTS:

The Commission is presently composed of only three (“3”) members. Given its limited size, the Governor should be given wide discretion in appointing qualified members. That discretion is recognized and provided for in our present statute.

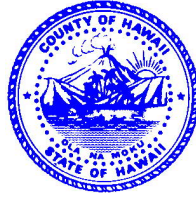
Regarding the proposed option to allow a commissioner to attend public hearings held on islands that they do not reside via teleconference or video conference, the Commission appreciates the intent of providing the commission with further options when it conducts hearings. However, there are certain hearings where all three commissioners should always be physically present. For example, the Commission believes that all three

commissioners should always be physically present at contested case hearings. The Commission also notes that establishing the ability for commissioners to attend hearings via teleconference and/or video conference could be costly, particularly if the service employed would afford a level of functionality and reliability similar to that which could be expected if the commissioner were physically present.

Finally, the Commission notes that providing per diem compensation for commissioners who are residents of a county other than the city and county of Honolulu is fair given the costs associated with working outside one's county of residence.

Thank you for the opportunity to testify on this measure.

DENNIS "FRESH" ONISHI
Council Member
District 3



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HAWAI'I COUNTY COUNCIL

County of Hawai'i
25 Aupuni Street
Hilo, Hawai'i 96720

TESIMONY IN SUPPORT OF HOUSE BILL NO. 1851

A BILL FOR AN ACT RELATING TO
THE PUBLIC UTILITIES COMMISSION

COMMITTEE ON CONSUMER PROTECTION & COMMERCE

Rep. Angus L.K. McKelvey, Chair
Rep. Justin H. Woodson, Vice Chair

Monday, February 1, 2016, 2:00 p.m.
State Capitol, Conference Room 325

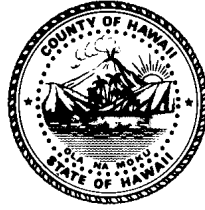
Honorable Chair McKelvey,
Vice Chair Woodson,
and Members of the Committee on Consumer Protection & Commerce

Thank you for the opportunity to provide testimony in support of H.B. No. 1851, relating to the Public Utilities Commission.

I agree with the purpose of this bill which is to ensure that all areas of the state are represented in the commission by requiring one of the three commissioners to be from a county other than the city and county of Honolulu. Furthermore, allowing a commissioner to participate by teleconference or videoconference

Please recommend approval of this bill.

Karen Eoff
Council Member
Council District 8 - North Kona



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HAWAII COUNTY COUNCIL

County of Hawaii
West Hawaii Civic Center, Bldg. A
74-5044 Ane Keohokalole Hwy.
Kailua-Kona, Hawaii 96740

January 29, 2016

House Committee on Consumer Protection & Commerce
Representative Angus L. K. McKelvey, Chair
Representative Justin H. Woodson, Vice Chair
State Capitol, Conference Room 325
415 South Beretania Street
Honolulu, Hawaii, 96813

Email: CPCtestimony@capitol.hawaii.gov
Email: repmckelvey@capitol.hawaii.gov
Email: repwoodson@capitol.hawaii.gov

Re: Support for **HB1851**; Relating to the Public Utilities Commission
Hearing: **February 1, 2016 at 2 p.m., Conference Room 325**
State Capitol – 415 South Beretania Street, Honolulu, Hawaii

Dear House Committee on Consumer Protection & Commerce:

On behalf of myself and constituents of Council District 8, North Kona, I would like to express support for the above referenced bill. Brief testimony is provided as follows:

I agree that it would be in the best interest of our citizens that at least one of the three members of the public utilities commission be a resident of a county other than the city and county of Honolulu and receive per diem compensation. This will allow outer island representation. Also, allowing commissioners to attend public hearings of the commission by teleconference or videoconference will help guarantee quorum. I strongly urge the enactment.

Thank you for your time and consideration.

Sincerely,

Handwritten signature of Karen Eoff in cursive script.

KAREN EOFF, Vice Chair,
Council District 8, North Kona

KE.wpb



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HOUSE COMMITTEE ON CONSUMER PROTECTION & COMMERCE

**THE HONORABLE ANGUS L.K. MCKELVEY, CHAIR
THE HONORABLE JUSTIN H. WOODSON, VICE CHAIR**

**HOUSE BILL NO. 1851
February 1, 2016, 2:00 p.m., Conference Room 325**

Written Testimony in Support

**By Roy Catalani, Vice President of Strategic Initiatives and External Affairs and
Sandra Y.B. Hoshida, Manager of Government Affairs
Young Brothers, Limited**

Chair McKelvey, Vice Chair Woodson, and Members of the House Committee on Consumer Protection and Commerce:

Young Brothers, Limited (*Young Brothers*) supports House Bill No. 1851 (*HB1851*).

HB1851 proposes to require that at least one of the three members of the Public Utilities Commission (**PUC**) shall be a resident of a county other than the City and County of Honolulu and shall receive per diem compensation. The measure seeks to ensure that “all areas of the State are adequately represented in the commission.” Provisions for per diem compensation and for attendance of public hearings via teleconference or videoconference would facilitate a Neighbor Island commissioner’s participation in PUC functions.

While all PUC commissioners are cognizant of their duties and responsibilities, a Neighbor Island member would fully appreciate the economic and community needs unique to its fellow residents. Young Brothers’ water transportation service provides an example of the importance of appreciating Neighbor Island communities and their special needs. Young Brothers carries to the Neighbor Islands most of the goods coming into the State through the Port of Honolulu. Timely, regular, and frequent sailings are essential to support the just-in-time economy of Neighbor Island merchants. With many doing away with costly warehouses to store inventory, many Neighbor Island businesses rely on timely, regular, and frequent arrival of merchandise aboard Young Brothers’ barges to stock shelves. Having a PUC commissioner who is sensitive to this fragile economic regime would be one way to enhance the PUC’s fulfillment of its mission.

Thank you for this opportunity to testify.

From: mailinglist@capitol.hawaii.gov
Sent: Thursday, January 28, 2016 10:33 AM
To: CPCtestimony
Cc: mendezj@hawaii.edu
Subject: *Submitted testimony for HB1851 on Feb 1, 2016 14:00PM*

HB1851

Submitted on: 1/28/2016

Testimony for CPC on Feb 1, 2016 14:00PM in Conference Room 325

Submitted By	Organization	Testifier Position	Present at Hearing
Javier Mendez-Alvarez	Individual	Support	No

Comments:

Please note that testimony submitted less than 24 hours prior to the hearing, improperly identified, or directed to the incorrect office, may not be posted online or distributed to the committee prior to the convening of the public hearing.

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