

JAN 25 2017

A BILL FOR AN ACT

RELATING TO THE HAWAII WATER CARRIER ACT.

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

1 SECTION 1. Section 271G-10, Hawaii Revised Statutes, is
2 amended by amending subsection (e) to read as follows:

3 "(e) The commission shall not make a finding of public
4 convenience and necessity or issue an authorization, whether
5 interim, permanent, or otherwise, to operate as a water carrier
6 without the following specific findings supported by evidence in
7 the record:

8 (1) Existing water carrier services are inadequate to
9 presently service the public or meet demonstrated and
10 quantifiable future demands for service;

11 (2) The proposed service is designed for and necessary to
12 meet demonstrated and quantifiable unmet public needs
13 for present water carrier service or demonstrated and
14 quantifiable future demands for service;

15 (3) The proposed service will provide demonstrated and
16 quantifiable benefits to the general public, business
17 community, and the economy of all islands that are



1 entitled to notice under section 271G-23.5, including
2 demonstrated and quantifiable benefits with respect to
3 reliability, affordability, and security of the
4 service line;

5 (4) The specific, identified benefits of the proposed
6 service outweigh its detrimental impact to the
7 public's interest in maintaining services, including:

8 (A) Economies of scale and scope of current water
9 carriers;

10 (B) Future capital costs of existing water carriers;

11 (C) Ability of existing water carriers to make
12 necessary capital and resource investments;

13 (D) The financial health, stability, and revenue
14 stream of existing water carriers; and

15 (E) The likelihood that existing levels of service
16 will be maintained after the enactment of the
17 proposed service; and

18 (5) If the commission's finding of public convenience and
19 necessity differs from the recommendation of the
20 consumer advocate, specific findings to address each



1 ground for objection articulated by the consumer
2 advocate.
3 The commission [~~shall not~~] may make a finding of public
4 convenience and necessity [~~not~~] and may issue a certificate [~~if~~]
5 regardless of whether the evidence in the record indicates that
6 the issuance of the certificate would diminish an existing water
7 carrier's ability to realize its allowed rate of return or if
8 the certificate would allow an applicant to serve only high-
9 margin or high-profit ports or lines of service that are
10 currently served by an existing carrier."

11 SECTION 2. Statutory material to be repealed is bracketed
12 and stricken. New statutory material is underscored.

13 SECTION 3. This Act shall take effect on July 1, 2018.

14 INTRODUCED BY: Will Lyer



S.B. NO. 1048

Report Title:

PUC; Certificate of Public Convenience and Necessity; Water Carriers

Description:

Clarifies that the public utilities commission may make a finding of public convenience and necessity and may issue a certificate regardless of whether the evidence in the record indicates that the issuance of the certificate would diminish an existing water carrier's ability to realize its allowed rate of return or if the certificate would allow an applicant to serve only high-margin or high-profit ports or lines of service that are currently served by an existing carrier. Effective 7/1/18.

The summary description of legislation appearing on this page is for informational purposes only and is not legislation or evidence of legislative intent.

