
A BILL FOR AN ACT

RELATING TO THE PUBLIC UTILITIES COMMISSION.

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

1 SECTION 1. The legislature finds that the public utilities
2 commission's primary purpose is to provide effective, proactive,
3 and informed oversight of all regulated companies to ensure
4 these companies efficiently and safely provide their customers
5 with adequate and reliable services at just and reasonable
6 rates, while providing regulated companies with a fair
7 opportunity to earn a reasonable rate of return. However, the
8 public utilities commission has several long and short term
9 goals that reflect the commission's increased work complexity
10 and program responsibilities, which go beyond the commission's
11 traditional regulatory role, including in the area of energy
12 regulation. Furthermore, with the advent of new and emerging
13 technology, the market, and other forces, the regulatory
14 landscape throughout the country is rapidly changing. However,
15 the commission's current structure and operations have prevented
16 it from quickly adapting to these changes.



1 The legislature further finds that due to the commission's
2 increasing responsibilities and the evolution of the regulatory
3 landscape, it is essential that the structure and operations of
4 the public utilities commission be updated to enable the
5 commission to operate more efficiently and effectively,
6 consistent with best practices. For example, updating the
7 operations of the commission by adopting best practices ensures
8 that the commission functions in a more inclusive and
9 collaborative manner.

10 The legislature further finds that the office of the
11 auditor last conducted a management audit on the public
12 utilities commission in 2004. At that time, the auditor's
13 report identified core deficiencies that resulted from a lack of
14 vision and planning. As it has been thirteen years since the
15 last management audit, the legislature concludes that another
16 audit is appropriate. This will ensure that any previously
17 identified issues have been addressed and will also aid in the
18 transition to a more efficient and effective commission.

19 The purpose of this Act is to require a management audit of
20 the public utilities commission to be conducted to aid in the
21 commission's transition to a better functioning entity.



1 SECTION 2. (a) The state auditor shall conduct a
2 management audit to evaluate the efficiency and effectiveness of
3 the public utilities commission and aid in the commission's
4 transition to a better functioning entity. The management audit
5 shall include but not be limited to:

6 (1) Appropriateness and applicability of current utility
7 legislation;

8 (2) Adequacy of coverage of current public utilities
9 commission policies, rules, and procedures, including
10 the commission's current strategic plan;

11 (3) Management of the public utilities commission in terms
12 of providing technical and analytical staff support in
13 case management and enforcement of the public
14 utilities commission's rules; and

15 (4) The effectiveness of the public utilities commission
16 in dealing with telecommunications, energy, and other
17 utility issues.

18 (b) The auditor shall submit a report to the legislature
19 of findings and recommendations, including any proposed
20 legislation, no later than twenty days prior to the convening of
21 the regular session of 2018.



1 SECTION 3. This Act shall take effect on July 1, 2050.



Report Title:

Public Utilities Commission; Audit

Description:

Requires a management audit of the Public Utilities Commission.
(SB382 HD1)

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