

Honolulu, Hawaii

APR 28 2017

RE: S.B. No. 382
S.D. 2
H.D. 1
C.D. 1

Honorable Ronald D. Kouchi
President of the Senate
Twenty-Ninth State Legislature
Regular Session of 2017
State of Hawaii

Honorable Joseph M. Souki
Speaker, House of Representatives
Twenty-Ninth State Legislature
Regular Session of 2017
State of Hawaii

Sirs:

Your Committee on Conference on the disagreeing vote of the Senate to the amendments proposed by the House of Representatives in S.B. No. 382, S.D. 2, H.D. 1, entitled:

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

having met, and after full and free discussion, has agreed to recommend and does recommend to the respective Houses the final passage of this bill in an amended form.

The purpose of this measure is to require a management audit of the Public Utilities Commission (Commission).

Your Committee on Conference finds that the Public Utilities Commission is empowered and mandated to provide effective, proactive, and informed oversight of public utilities, including electric, telephone, and gas companies; sewer and water companies; interisland water carriers; and motor carriers, all of which provide services that are essential to the public interest of the State. Your Committee on Conference further finds that the Office of the Auditor last conducted a management audit on the Commission in 2004.



At that time, the Auditor's report identified core deficiencies that resulted from a lack of vision and planning. Your Committee on Conference therefore finds that it is prudent to again evaluate the Commission, to ensure that any previously identified issues have been addressed, reveal opportunities for improvement, and aid in the transition to a more effective and efficient Commission. Accordingly, this measure requests the Auditor to conduct a comprehensive management audit of the Commission.

However, your Committee on Conference notes that while the requested management audit is an important first step in evaluating the effectiveness of the Commission, amendments to this measure are necessary that will further increase the efficiency and effectiveness of the Commission.

Accordingly, your Committee on Conference has amended this measure by:

- (1) Establishing guiding principles of the Commission;
- (2) Allowing a commissioner to attend a public hearing or meeting or work with staff by teleconference or videoconference in specific situations;
- (3) Requiring the Commission's budget to provide for travel expenses for commissioners who are residents of a county other than the City and County of Honolulu;
- (4) Updating the contents of the requested management audit, including consideration of the ability of individual commissioners to receive assistance from Commission staff and permitting the Auditor to review public utilities commissions in other jurisdictions;
- (5) Changing its effective date to July 1, 2017;
- (6) Updating its purpose section; and
- (7) Making technical, nonsubstantive amendments for the purposes of clarity and consistency.

As affirmed by the record of votes of the managers of your Committee on Conference that is attached to this report, your Committee on Conference is in accord with the intent and purpose of S.B. No. 382, S.D. 2, H.D. 1, as amended herein, and recommends that



it pass Final Reading in the form attached hereto as S.B. No. 382,
S.D. 2, H.D. 1, C.D. 1.

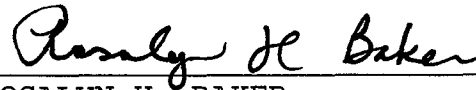
Respectfully submitted on behalf
of the managers:

ON THE PART OF THE HOUSE

ON THE PART OF THE SENATE



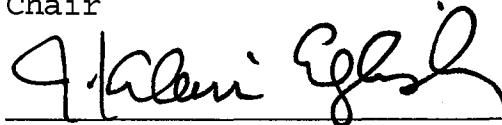
ROY M. TAKUMI
Co-Chair



ROSALYN H. BAKER
Chair



J. KALANI ENGLISH
Co-Chair



J. KALANI ENGLISH
Co-Chair



Hawaii State Legislature

CLR 91

Record of Votes of a
Conference Committee

Bill / Concurrent Resolution No.: SB 382, SD 2, HD 1	Date/Time: 4-26-2017 2:54 pm
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The recommendation of the House and Senate managers is to pass with amendments (CD).

The Committee is reconsidering its previous decision.

<input type="checkbox"/> The recommendation of the Senate Manager(s) is to AGREE to the House amendments made to the Senate Measure	<input type="checkbox"/> The recommendation of the House Manager(s) is to AGREE to the Senate amendments made to the House Measure.
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Senate Managers	A	WR	N	E	House Managers	A	WR	N	E
BAKER, Rosalyn H., Chr.	✓				TAKUMI, Roy M., Co-Chr.	✓			
ENGLISH, J. Kalani, Co-Chr.	✓				CULLEN, Ty J.K., Co-Chr.	✓			
KIDANI, Michelle N.				✓	WARD, Gene	✓			
TOTAL	2	-	-	1	TOTAL	3	-	-	-

A = Aye WR = Aye with Reservations N = Nay E = Excused

Senate Recommendation is: <input checked="" type="checkbox"/> Adopted <input type="checkbox"/> Not Adopted	House Recommendation is: <input checked="" type="checkbox"/> Adopted <input type="checkbox"/> Not Adopted
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Senate Lead Chair's or Designee's Signature: 	House Lead Chair's or Designee's Signature:
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