

STAND. COM. REP. NO.

1217

Honolulu, Hawaii

MAR 29 2017

RE: S.C.R. No. 132

S.D. 1

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

Sir:

Your Committee on Commerce, Consumer Protection, and Health,  
to which was referred S.C.R. No. 132 entitled:

"SENATE CONCURRENT RESOLUTION REQUESTING THE AUDITOR TO  
CONDUCT A COMPREHENSIVE MANAGEMENT AUDIT OF THE PUBLIC  
UTILITIES COMMISSION,"

begs leave to report as follows:

The purpose and intent of this measure is to request the  
Auditor to conduct a comprehensive management audit of the Public  
Utilities Commission.

Your Committee received testimony in support of this measure  
from the Public Utilities Commission and Hawaii Government  
Employees Association, AFSCME, Local 152, AFL-CIO. Your Committee  
received comments on this measure from the Office of the Auditor,  
Division of Consumer Advocacy of the Department of Commerce and  
Consumer Affairs, and Life of the Land.

Your Committee 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. However, over the past forty years, the Auditor has  
conducted management audits of the Public Utilities Commission and



has consistently found serious and pervasive problems with staffing, management, and planning. Your Committee therefore finds that it is in the public interest to evaluate the efficiency and effectiveness of the Public Utilities Commission. Accordingly, this measure requests the Auditor to conduct a comprehensive management audit of the Commission.

Your Committee has heard the concerns raised by the Division of Consumer Advocacy that this measure, as written, could suggest that the role of the Consumer Advocate is one of the regulatory responsibilities under the jurisdiction of the Public Utilities Commission. Your Committee notes that although the Commission and the Division of Consumer Advocacy are administratively attached to the same department, the Commission and the Division remain separate agencies with distinct, statutorily-designated powers, duties, and obligations.

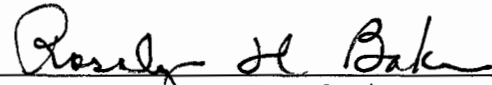
Your Committee has amended this measure by:

- (1) Clarifying that the Public Utilities Commission and the Division of Consumer Advocacy are separate agencies with distinct, statutorily-designated powers, duties, and obligations and noting the Division's inclusion in the 2004 management audit of the Commission because the Division represented the interests of all utility consumers;
- (2) Clarifying that the Auditor is requested to examine the role of the Division of Consumer Advocacy to represent, protect, and advance the interests of consumers in proceedings before the Public Utilities Commission; and
- (3) Requesting the Auditor to seek input from the State Energy Office on policy matters associated with the management audit.

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 concurs with the intent and purpose of S.C.R. No. 132, as amended herein, and recommends that it be referred to your Committee on Ways and Means, in the form attached hereto as S.C.R. No. 132, S.D. 1.



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




ROSALYN H. BAKER, Chair



The Senate  
 Twenty-Ninth Legislature  
 State of Hawai'i

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

Bill / Resolution No.:* <b>SCR132</b>	Committee Referral: <b>CPH, WAM</b>	Date: <b>3/28/17</b>		
<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 checked="" 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)	/			
NISHIHARA, Clarence K. (VC)	/			
CHANG, Stanley	/			
ESPERO, Will	/			
IHARA, Jr., Les	/			
KIDANI, Michelle N.				/
RUDERMAN, Russell E.				/
<b>TOTAL</b>	<b>5</b>			<b>2</b>
Recommendation: <input checked="" type="checkbox"/> Adopted <input type="checkbox"/> Not Adopted				
Chair's or Designee's Signature: 				
<b>Distribution:</b> Original                                Yellow                                Pink                                Goldenrod File with Committee Report                Clerk's Office                Drafting Agency                Committee File Copy				

\*Only one measure per Record of Votes