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**Testimony of the Department of Commerce and Consumer Affairs**

**Before the  
House Committee on Labor and Public Employment  
Thursday, March 14, 2019  
9:00 a.m.  
State Capitol, Conference Room 309**

**On the following measure:  
S.B. 550, S.D. 2, RELATING TO THE PUBLIC UTILITIES COMMISSION**

Chair Johanson and Members of the Committee:

My name is Dean Nishina, and I am the Executive Director of the Department of Commerce and Consumer Affairs' (Department) Division of Consumer Advocacy. The Department supports this bill.

The purpose of this bill is to allow Public Utilities Commission (Commission) members who are residents of a county other than the city and county of Honolulu to receive an allowance of \$225 per day for expenses related to board, lodging, and incidental expenses, in addition to actual air travel expenses incurred in carrying out the members' duties. S.D. 2 has an effective date of July 1, 2050.

The Commission serves a critical role in providing regulatory oversight over various regulated utility and transportation industries, ensuring that consumers of the regulated services receive reliable services at affordable rates, and overseeing other important public interest matters. Given these responsibilities, it is important that the State attract the most qualified candidates to serve as a commissioner, regardless of

which island they may reside. As noted in section 1 of the measure, commissioners who reside on the neighbor islands do not receive additional compensation to offset the additional costs they may incur to serve as commissioners. Thus, the Department supports this measure, as it would increase the likelihood of having the most qualified candidates for the Commission, irrespective of where they live in Hawaii.

Thank you for the opportunity to testify on this bill.

TESTIMONY OF  
JAMES P. GRIFFIN, Ph.D.  
CHAIR, PUBLIC UTILITIES COMMISSION  
STATE OF HAWAII

TO THE  
HOUSE COMMITTEE ON  
LABOR AND PUBLIC EMPLOYMENT

March 14, 2019  
9:00 a.m.

Chair Johanson and Members of the Committee:

**MEASURE:** S.B. No. 550 SD2

**TITLE:** RELATING TO THE PUBLIC UTILITIES COMMISSION.

**DESCRIPTION:** Allows public utilities commission members who are residents of a county other than the city and county of Honolulu to receive an allowance of \$225 per day for expenses related to board, lodging, and incidental expenses, in addition to actual air travel expenses incurred in carrying out the members' duties. Effective 7/1/2050. (SD2)

**POSITION:**

The Public Utilities Commission is in **support** of this measure offers the following comments for consideration.

**COMMENTS:**

The Public Utilities Commission ("Commission") is in support of this measure to provide for travel and other expenses for members of the Commission who are residents of the neighbor islands.

Members of the Commission who are residents of the neighbor islands are not provided any reimbursement for travel expenses, such as airfare, board, lodging, and incidental expenses. For members who are not residents of the City and County of Honolulu, these expenses can be significant, as frequent travel to Oahu is necessary to serve on the Commission. Furthermore, members of the Commission serve full-time, and are prohibited by law from holding any other employment while serving on the Commission.

In addition to airfare, neighbor island Commissioners incur expenses related to lodging, utilities, and transportation on Oahu, which can exceed \$30,000 per year, or more than 25% of a Commissioner's annual salary.

This bill would permit members who are not residents of the City and County of Honolulu to receive an allowance sufficient to cover reasonable expenses related to travel. By permitting an allowance, the State can relieve neighbor island Commissioners from this burden and may be able to attract qualified candidates from neighbor islands and diversify Commission's representation in the future.

Thank you for the opportunity to testify on this measure.