
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. Section 269-17, Hawaii Revised Statutes, is
2 amended to read as follows:
3 "**§269-17 Issuance of securities.** A public utility
4 corporation may, on securing the prior approval of the public
5 utilities commission, and not otherwise, issue stocks and stock
6 certificates, bonds, notes, and other evidences of indebtedness,
7 payable at periods of more than twelve months after the date
8 thereof, for the following purposes and no other, namely: [~~for~~]
9 (1) For the acquisition of property [~~or for~~];
10 (2) For the construction, completion, extension, or
11 improvement of or addition to its facilities or
12 service[~~, or for~~];
13 (3) For the discharge or lawful refunding of its
14 obligations; or [~~for~~]
15 (4) For the reimbursement of moneys actually expended from
16 income or from any other moneys in its treasury not
17 secured by or obtained from the issue of its stocks or



1 stock certificates, or bonds, notes, or other
2 evidences of indebtedness, for any of the aforesaid
3 purposes except maintenance of service, replacements,
4 and substitutions not constituting capital expenditure
5 in cases where the corporation has kept its accounts
6 for [~~such~~] expenditures in [~~such~~] a manner as to
7 enable the commission to ascertain the amount of
8 moneys so expended and the purposes for which the
9 expenditures were made, and the sources of the funds
10 in its treasury applied to the expenditures[~~-~~];
11 provided that the commission shall make every effort to complete
12 its deliberations and issue its approval or disapproval as
13 expeditiously as possible and within six months from the date
14 the public utility corporation filed its completed financial
15 application request.

16 As used [~~herein,~~] in this section, "property" and
17 "facilities", mean property and facilities used in all
18 operations of a public utility corporation whether or not
19 included in its public utility operations or rate base. A
20 public utility corporation [~~may~~] shall not issue securities to
21 acquire property or to construct, complete, extend [~~or~~],



1 improve, or add to its facilities or service if the commission
2 determines that the proposed purpose will have a material
3 adverse effect on its public utility operations.

4 All stock and every stock certificate, and every bond,
5 note, or other evidence of indebtedness of a public utility
6 corporation not payable within twelve months, issued without an
7 order of the commission authorizing the same, then in effect,
8 shall be void."

9 SECTION 2. Section 271G-17.5, Hawaii Revised Statutes, is
10 amended to read as follows:

11 "[+]§271G-17.5[+] Issuance of securities; execution of
12 leases. A water [~~common~~] carrier may, on securing the prior
13 approval of the public utilities commission, and not otherwise,
14 issue stocks and stock certificates, bonds, notes, and other
15 evidences of indebtedness, payable at periods of more than
16 twelve months after the date thereof, and enter into long-term
17 leases of more than three years and leverage leases, for the
18 following purposes and no other, namely:

19 (1) For the acquisition of property; [~~or~~]



- 1 (2) For the construction, completion, extension, or
2 improvement of or addition to its facilities or
3 service; [~~or~~]
- 4 (3) For the discharge or lawful refunding of its
5 obligations; or
- 6 (4) For the reimbursement of moneys actually expended from
7 income or from any other moneys in its treasury not
8 secured by or obtained from the issue of its stocks or
9 stock certificates, or bonds, notes, or other
10 evidences of indebtedness, for any of the aforesaid
11 purposes, except maintenance of service, replacements,
12 and substitutions not constituting capital expenditure
13 in cases where the water carrier has kept its accounts
14 for such expenditures in such manner as to enable the
15 commission to ascertain the amount of moneys so
16 expended and the purposes for which the expenditures
17 were made, and the sources of the funds in its
18 treasury applied to the expenditures[~~or~~];
- 19 provided that the commission shall make every effort to complete
20 its deliberations and issue its approval or disapproval as
21 expeditiously as possible and within six months from the date



1 the water carrier filed its completed financial application
2 request.

3 As used [~~herein,~~] in this section, "property" and
4 "facilities" mean property and facilities used in all operations
5 of a water carrier whether or not included in its regulated
6 operations or rate base. A water carrier [~~may~~] shall not issue
7 securities nor enter into long-term leases of more than three
8 years and leverage leases, to acquire property or to construct,
9 complete, extend [~~or~~], improve, or add to its facilities or
10 service, if the commission determines that the proposed purpose
11 will have a material adverse effect on its operations. No
12 carrier shall repurchase or reissue its own common stock without
13 prior commission approval.

14 All stock and every stock certificate, and every bond,
15 note, or other evidence of indebtedness of a water carrier not
16 payable within twelve months, issued without an order of the
17 commission authorizing the same, then in effect, shall be void.
18 In addition, all long-term leases of more than three years and
19 all leverage leases entered into by a water carrier without an
20 order of the commission authorizing the same then in effect
21 shall be void."



1 SECTION 3. Statutory material to be repealed is bracketed
2 and stricken. New statutory material is underscored.

3 SECTION 4. This Act shall take effect on June 30, 3000.

4



Report Title:

Public Utilities Commission; Issuance of Securities; Financing Request; Public Utilities; Water Carriers

Description:

Requires the public utilities commission to issue a decision within six months from the date that a public utility or water carrier has filed a financial application request for commission authorization to issue stocks and stock certificates, bonds, notes, and other evidences of indebtedness. Effective 6/30/3000. (HD1)

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