

ACT 178

H.B. NO. 369

A Bill for an Act Relating to the Public Utilities Commission.

Be It Enacted by the Legislature of the State of Hawaii:

SECTION 1. Section 269-19, Hawaii Revised Statutes, is amended by amending subsection (a) to read as follows:

“(a) ~~[Except as provided in subsection (b), no]~~ No public utility shall sell, lease, assign, mortgage, or otherwise dispose of or encumber the whole or any part of its road, line, plant, system, or other property necessary or useful in the performance of its duties to the public, or any franchise or permit, or any right thereunder, nor by any means, directly or indirectly, merge or consolidate with any other public utility without first having secured from the public utilities commission an order authorizing it so to do~~[-]~~, unless:

- (1) The sale, lease, assignment, mortgage, disposition, encumbrance, merger, or consolidation is done in accordance with subsection (b);
- (2) The public utility is disposing a fully depreciated asset or property with a zero net book value; provided that the disposal:
 - (A) Is made to an unaffiliated entity; and
 - (B) Results in a zero or net reduction to the public utility's rate base; or
- (3) The public utility is donating a fully depreciated asset or property with zero net book value to a charitable or nonprofit organization.

Every ~~[such]~~ sale, lease, assignment, mortgage, disposition, encumbrance, merger, or consolidation~~[-]~~ that requires authorization from the public utilities commission under this subsection and is made other than in accordance with the order of the commission shall be void.”

SECTION 2. Section 271G-14, Hawaii Revised Statutes, is amended by amending subsection (b) to read as follows:

“(b) No water carrier shall sell, lease, assign, mortgage, or otherwise dispose of, or encumber the whole or any part of its property necessary or useful in the performance of transportation services for the public or any certificate of public convenience and necessity; nor shall any water carrier, by any means, directly or indirectly, merge or consolidate its property, certificates of public convenience and necessity, or any part thereof, with any other carrier, without first having secured from the public utilities commission an order authorizing it so to do, ~~[and every such]~~ unless the water carrier is either:

- (1) Disposing a fully depreciated asset or property with a zero net book value; provided that the disposal:
 - (A) Is made to an unaffiliated entity; and

(B) Results in a zero or net reduction to the water carrier's rate base; or

(2) Donating a fully depreciated asset or property with zero net book value to a charitable or nonprofit organization.

Every sale, lease, assignment, mortgage, disposition, encumbrance, merger, or consolidation[;] that requires authorization from the public utilities commission under this subsection and is made other than in accordance with an order of the commission authorizing the same [is] shall be void."

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

SECTION 4. This Act shall take effect upon its approval.

(Approved July 3, 2023.)