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## 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. Progressive energy policy-making at the state  
2 level is one of the most important issues on the current  
3 legislative agenda. Improving the performance of regulatory  
4 bodies, specifically the public utilities commission, is  
5 essential to the successful implementation of current and future  
6 energy policy reform. Recent legislation relies on professional  
7 staff in the public utilities commission to use their skills and  
8 experience to research, analyze, examine, and process  
9 legislative mandates related to the commission.

10           The current organization of the public utilities commission  
11 has not kept up with recent legislative initiatives, diminishing  
12 the ability of the public utilities commission to perform  
13 effectively in the following ways:

14           (1) Difficulty recruiting and retaining qualified  
15 individuals to fill specialized positions that require  
16 skills and experience that involve the performance of  
17 certain functions;



- 1           (2) Specialized job requirements that do not correspond
- 2           with existing position descriptions and
- 3           classifications;
- 4           (3) Bureaucratic obstacles in changing existing position
- 5           descriptions and classifications;
- 6           (4) Salaries that are substantially below mainland agency
- 7           or private sector equivalents, especially considering
- 8           the demanding and arduous job requirements; and
- 9           (5) Agency organizational structures that are archaic and
- 10          unsupportive of efficient work flow or the matching of
- 11          human resources to the required tasks.

12          Act 143, Session Laws of Hawaii 2006, was passed to obtain

13          an in-depth review of the public utility commission's

14          organization and to develop a comprehensive plan to effectively

15          restructure the commission and enable the commission to function

16          more effectively. A report was submitted by the public

17          utilities commission to the legislature in December 2006,

18          detailing the challenges and obstacles faced by the commission,

19          the restructuring plan to improve the operational effectiveness

20          of the commission, and the specific types and numbers of

21          positions and other funding amounts necessary to restructure the



1 commission. The restructuring plan developed by the public  
2 utilities commission is intended to, among other things:

- 3 (1) Increase and enhance the commission's policy analysis  
4 and research capabilities;
- 5 (2) Create regulated industry-specific professional  
6 positions to allow for focused expertise and cross-  
7 functional workgroups;
- 8 (3) Allow professional staff to focus and specialize in  
9 critical industries, while retaining the flexibility  
10 to adapt to changes in markets and environments; and
- 11 (4) Update the organization to accurately reflect current  
12 and foreseeable functional requirements, as well as to  
13 enhance the commission's focus on customer issues and  
14 concerns.

15 The purpose of this Act is to enhance the ability of the  
16 public utilities commission to carry out its duties and  
17 responsibilities by:

- 18 (1) Requiring the commission to restructure its operations  
19 pursuant to the commission's December, 2006, report to  
20 the legislature, to improve its effectiveness and  
21 efficiency; and



1 (2) Appropriating funds to meet the costs incurred as a  
2 result of the restructuring process.

3 SECTION 2. Section 269-3, Hawaii Revised Statutes, is  
4 amended by amending subsection (a) to read as follows:

5 "(a) The chairperson of the public utilities commission  
6 may appoint and employ clerks, stenographers, agents, engineers,  
7 accountants, and other assistants for the public utilities  
8 commission as the chairperson finds necessary for the  
9 performance of the commission's functions and define their  
10 powers and duties. The chairperson may appoint and, at  
11 pleasure, dismiss a chief administrator and hearings officers as  
12 may be necessary. Notwithstanding section [H]103D-209[H], the  
13 chairperson shall appoint one or more attorneys independent of  
14 the attorney general who shall act as attorneys for the  
15 commission and define their powers and duties and fix their  
16 compensation. The chief administrator and attorneys shall be  
17 exempt from chapter 76. [Research] The consumer affairs and  
18 compliance chief, research assistants, economists, legal  
19 secretaries, utility analysts, legal assistants, and enforcement  
20 officers may be appointed with or without regard to chapter 76.  
21 Other employees shall be appointed as may be needed by the  
22 chairperson in accordance with chapter 76."



1 SECTION 3. (a) The public utilities commission shall  
2 restructure its operations as provided for in part IV of the  
3 public utilities commission's report to the legislature required  
4 pursuant to Act 143, Session Laws of Hawaii, 2006.

5 (b) The restructuring shall include the following:

6 (1) The existing research section shall be expanded to  
7 include policy support positions and functions, and  
8 shall be renamed the office of policy and research;

9 (2) The consumer affairs and compliance section shall be  
10 responsible for consumer relations and investigation  
11 and enforcement activities of the public utilities  
12 commission;

13 (3) The administrative support section shall be supervised  
14 by the administrative support chief and shall be  
15 comprised of clerical services staff, case management  
16 services staff, fiscal services staff, and information  
17 technology staff;

18 (4) Increase in staffing, as follows:

19 (A) For fiscal year 2008-2009:

20 (i) Public utilities commission attorney - will  
21 be responsible for providing, among other  
22 things, legal support in petroleum dockets



- 1 and initiatives statewide, and for complaint  
2 and inquiry handling;
- 3 (ii) Legal assistant - will assist the chief  
4 counsel in all facets of legal work;
- 5 (iii) Data processing systems analyst V - will be  
6 responsible for supervising information  
7 technology services staff, administering the  
8 document and docket management system, and  
9 assisting with petroleum monitoring system  
10 database management;
- 11 (iv) Legal clerk - will be responsible for case  
12 management services clerical support,  
13 assisting the chief clerk, and performing  
14 duties as citation clerk;
- 15 (v) Auditor VI - will be responsible for energy  
16 and petroleum dockets and issues, and for  
17 conducting field audit inspections;
- 18 (vi) Engineer V - will be responsible for energy  
19 and petroleum dockets and issues, energy  
20 utility field inspections, and informal  
21 inquiry handling; and



1 (vii) Consumer affairs & compliance chief - will  
2 be responsible for supervising the consumer  
3 affairs & compliance section;

4 and

5 (B) For fiscal year 2009-2010:

6 (i) Public utilities commission attorney - will  
7 be responsible for legal support in  
8 telecommunications, dockets and issues,  
9 legislative and rulemaking initiatives,  
10 drafting and updating rules, and servicing  
11 as a hearings officer;

12 (ii) Legal clerk - will be responsible for case  
13 management services clerical support,  
14 assisting the chief clerk, and performing  
15 duties as citations clerk;

16 (iii) Account clerk III - will be responsible for  
17 handling the pCard system, maintaining  
18 physical inventory, keeping fiscal records,  
19 and providing fiscal support for the  
20 commission;

21 (iv) Auditor VI - responsible for  
22 telecommunications and utility dockets and



1 related issues and conducting field audit  
2 inspections;

3 (v) Engineer V - will be responsible for  
4 telecommunications and utility dockets and  
5 related issues, telecommunications and  
6 utility field inspections, and pipeline  
7 safety inspection; and

8 (vi) Two research assistants - will be  
9 responsible for docket, non-docket,  
10 legislative, and industry research,  
11 analysis, and reporting;

12 (5) Re-describing of twelve existing positions as follows:

13 (A) Chief counsel - re-description of an existing  
14 attorney to chief counsel to accurately reflect  
15 supervisory functions of this position, including  
16 responsibility and management of the office of  
17 commission counsel, acting as a counsel to the  
18 commission, and handling commission related media  
19 correspondence;

20 (B) Administrative support chief - re-description of  
21 an existing research assistant position to  
22 accurately reflect the administrative



- 1 responsibilities of the position, including  
2 supervising clerical, case management, fiscal,  
3 and information technology staff;
- 4 (C) Policy & research chief - re-description of an  
5 existing chief researcher to accurately represent  
6 the additional responsibilities of the policy arm  
7 of the policy and research services section. The  
8 policy & research chief will manage the utility  
9 analysts, research assistants, and economists,  
10 advise the commission on all regulated industry  
11 related matters and government policy, and  
12 oversee legislative initiatives, media relations,  
13 and special projects;
- 14 (D) Chief engineer VI - an increase from level V to  
15 level VI for the chief engineer will enable the  
16 commission to recruit for the position at a  
17 higher level, and will allow staff level  
18 engineers to move to level V;
- 19 (E) Legal assistant - re-description of the existing  
20 legal stenographer updates this position since  
21 stenographers are no longer recruited due to  
22 outdated position descriptions;



1 (F) Legal clerk - re-description of the existing  
2 clerk typist III position to a legal clerk will  
3 elevate the qualifications of the position and  
4 will help to meet new functional requirements,  
5 including maintenance of a new document and  
6 docket management systems and increased citation  
7 activity;

8 (G) Investigator V - re-description of an existing  
9 research assistant position to accurately reflect  
10 senior-level responsibilities of the position;  
11 and

12 (H) Five utility analysts - re-description of  
13 existing research assistants will allow for  
14 increased industry expertise and focus necessary  
15 for the new policy-making function of the policy  
16 and research section;

17 (6) Conversion of the following temporary positions,  
18 relating to gas cap and petroleum monitoring, to  
19 permanent positions to promote successful recruitment  
20 and retention of qualified individuals:

21 (A) Public utilities commission economist;

22 (B) Public utilities commission attorney;



1 (C) Two utility analysts (previously research  
2 assistants);

3 (D) Clerk typist II;

4 (E) Enforcement officer; and

5 (F) Secretary I;

6 and

7 (7) Additional leased office space and office relocation.

8 (c) Upon request by the public utilities commission, all  
9 other state and county agencies shall assist the public  
10 utilities commission in carrying out the provisions of this Act.  
11 The department of human resources development shall work  
12 cooperatively with the public utilities commission in renaming  
13 or re-describing job descriptions as is deemed necessary by the  
14 public utilities commission.

15 SECTION 4. There is appropriated out of the public  
16 utilities commission special fund the sum of \$1,234,432 or so  
17 much thereof as may be necessary for fiscal year 2008-2009 to  
18 pay for restructuring expenses, including the addition of seven  
19 FTE positions for fiscal year 2008-2009, as specified in section  
20 3 of this Act.

21 The sum appropriated shall be expended by the public  
22 utilities commission for the purposes of this Act.



1 SECTION 5. This Act shall take effect on July 1, 2007.

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INTRODUCED BY:

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**Report Title:**

Public Utilities Commission; Restructuring

**Description:**

Restructures the Public Utilities Commission. Appropriates funds for restructuring costs, including additional positions, to allow the PUC to improve its operations.

