

JAN 26 2009

A BILL FOR AN ACT

RELATING TO PUBLICATION OF HEARING NOTICES.

BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF HAWAII:

1 SECTION 1.. The State is continuously examining ways to
2 develop more efficient and cost-effective means of operation.
3 Developing a more streamlined, consistent, and cost-effective
4 means of providing notice of public hearings is one such way
5 that would clearly be in the public interest.

6 The legislature finds that one particular area in which
7 public notice may be exceeding that which is necessary to
8 accomplish its specific objectives is where state law calls for
9 the publication of notice statewide, but the affected public
10 resides on only one or more islands and not statewide. Where
11 possible, by limiting the publication of hearing notices to only
12 those persons residing in the affected geographic areas, costs
13 of publication will be reduced dramatically, while still
14 ensuring notices are directed to persons affected by the
15 proposed activity. For example, if the proposed limitation on
16 the scope of publication of notice had been incorporated into
17 state law during fiscal year 2006-2007, the public utilities

1 commission would have saved approximately \$74,000, or forty-five
2 per cent, in advertising expense.

3 The purpose of this Act is to clarify the type of notice
4 required for public hearings held by the public utilities
5 commission in its regulation of utility rates and ratemaking
6 procedures.

7 SECTION 2. Section 269-12, Hawaii Revised Statutes, is
8 amended by amending subsection (c) to read as follows:

9 "(c) Any public hearing held pursuant to section [~~269-~~
10 ~~16(e),~~] 269-16(b), shall be a noticed public hearing or hearings
11 on the island or islands on which the utility [~~is situated.~~]
12 provides utility services. Notice of the hearing, with the
13 purpose thereof and the date, time, and place at which it will
14 open, shall be given not less than once in each of three weeks
15 [~~statewide,~~] in the county or counties in which the utility
16 provides utility service, the first notice being not less than
17 twenty-one days before the public hearing and the last notice
18 being not more than two days before the scheduled hearing. The
19 applicant or applicants shall notify their consumers or patrons
20 of the proposed change in rates and of the time and place of the
21 public hearing not less than one week before the date set, the

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1 manner and the fact of notification to be reported to the
2 commission before the date of hearing."

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

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

6
7 INTRODUCED BY: _____

8 BY REQUEST

Report Title:

Public Utilities Commission; Public Hearings

Description:

Saves money by allowing the Public Utility Commission to provide hearing notices to only the island(s) affected by a public utility proposal for change in utility rates and ratemaking procedures. Hearing notices will continue to be sent to those directly impacted by any proposed changes.

JUSTIFICATION SHEET

DEPARTMENT: Budget and Finance (PUC)

TITLE: A BILL FOR AN ACT RELATING TO PUBLICATION OF HEARING NOTICES.

PURPOSE: The purpose of this bill is to clarify the type of public notice required for public hearings held by the Public Utilities Commission in its regulation of utility rates and ratemaking procedures.

MEANS: Amend section 269-12(c), Hawaii Revised Statutes.

JUSTIFICATION: Currently, section 269-12 requires the Public Utilities Commission to give statewide notice of public hearings regarding any proposed change or modification in a rate, fare, charge, classification, schedule, rule, or practice, other than one established pursuant to an automatic rate adjustment previously approved by the Commission. This public notice must be published statewide, even if the utility to which the notice pertains and the customers who are, or may be, affected, reside in one or more counties, but less than statewide. Amending the law to require that such notices be published only in the county or counties that are served by the public utility seeking proposed changes, which is also where the utility's affected customers reside, will reduce the Commission's publication costs by as much as fifty per cent per fiscal year. For example, for fiscal year 2006-2007, had the proposed change in scope of publication been in effect, the Commission would have reduced its advertising expense by approximately \$74,000, a savings of forty-five per cent of the actual advertising expense of nearly \$135,000.

The Commission believes this bill will provide for adequate notice and reduce the time and expense involved in what is sometimes a lengthy public hearing process.

Impact on the public: This bill will reduce unnecessary expenditure of taxpayer dollars, while still providing for thorough, adequate publication of notice to affected public utility customers.

Impact on the department and other agencies: This bill will serve to reduce the Commission's unnecessary expenditure of taxpayer dollars.

GENERAL FUND:	None.
OTHER FUNDS:	Public Utilities Commission Special Fund.
PPBS PROGRAM DESIGNATION:	BUF-901.
OTHER AFFECTED AGENCIES:	None.
EFFECTIVE DATE:	Upon approval.