



LINDA LINGLE  
GOVERNOR  
JAMES R. AIONA, JR.  
LT. GOVERNOR

STATE OF HAWAII  
OFFICE OF THE DIRECTOR  
DEPARTMENT OF COMMERCE AND CONSUMER AFFAIRS  
335 MERCHANT STREET, ROOM 310  
P.O. Box 541  
HONOLULU, HAWAII 96809  
Phone Number: 586-2850  
Fax Number: 586-2856  
[www.hawaii.gov/dcca](http://www.hawaii.gov/dcca)

LAWRENCE M. REIFURTH  
DIRECTOR  
RONALD BOYER  
DEPUTY DIRECTOR

TO THE HOUSE COMMITTEE ON CONSUMER PROTECTION AND COMMERCE

THE TWENTY-FIFTH LEGISLATURE  
REGULAR SESSION OF 2009

WEDNESDAY, FEBRUARY 11, 2009  
2:00 P.M.

TESTIMONY OF CATHERINE P. AWAKUNI, EXECUTIVE DIRECTOR, DIVISION OF  
CONSUMER ADVOCACY, DEPARTMENT OF COMMERCE AND CONSUMER  
AFFAIRS TO THE HONORABLE REPRESENTATIVE ROBERT HERKES, CHAIR,  
AND MEMBERS OF THE COMMITTEE

**HOUSE BILL NO. 1060 – RELATING TO PUBLICATION OF HEARING NOTICES.**

**DESCRIPTION:**

This measure saves money by allowing the Hawaii Public Utilities Commission (“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.

**POSITION:**

The Division of Consumer Advocacy (“Consumer Advocate”) supports this measure.

**COMMENTS:**

While broad publication of public hearing notices may be desirable to ensure more than adequate notice to affected customers of public utility rate increases, consideration of the cost of such extra publication and the benefit of those who may be reached should also be given. The publications for public utility rate increases are somewhat detailed and take up large spaces within the newspapers, which can be costly for the Commission. Given that the utility is required to notify every affected customer directly, publication by the Commission in the newspaper of the public hearing appears to be a

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less effective means of providing notice. Accordingly, the measure appears to be reasonably balanced in that the practice of providing direct notice to consumers will not be discontinued, and newspaper publication will continue to be made in the county or counties that would be affected by proposed changes in the utility's rates.

Thank you for this opportunity to testify.

**TESTIMONY OF CARLITO P. CALIBOSO  
CHAIRMAN, PUBLIC UTILITIES COMMISSION  
DEPARTMENT OF BUDGET AND FINANCE  
STATE OF HAWAII  
TO THE  
HOUSE COMMITTEE ON CONSUMER PROTECTION & COMMERCE  
FEBRUARY 11, 2009**

**MEASURE: H.B. No. 1060**

**TITLE: Relating to Publication of Hearing Notices.**

Chair Herkes and Members of the Committee:

**DESCRIPTION:**

This bill proposes to amend the law to require that the Public Utilities Commission ("Commission") publish notice of a public hearing on a rate change by a public utility in the county or counties in which the utility provides utility services, rather than statewide.

**POSITION:**

The Commission strongly supports this Administration bill and offers the following comments.

**COMMENTS:**

- **Currently, section 269-12, Hawaii Revised Statutes ("HRS"), requires the Commission to provide three statewide notices of a public hearing 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 public utility to which the notice pertains, and the customers who are or may be affected, reside in one county, and not statewide.
  - Amending the law to provide that notice be published only in the county served by the utility seeking the proposed change, and where the utility's customers reside, will reduce government waste by lowering the Commission's publication costs by as much as fifty percent per fiscal year.

- For example, for fiscal year 2006-2007, had the proposed change been in effect, the Commission would have reduced its advertising expense by approximately \$74,000, a savings of forty-five percent of the actual advertising expense of nearly \$135,000.
- Affected customers already receive direct and adequate notice of public hearings on rate changes. In addition to the requirements set forth in the bill, public utilities are required to directly notify their customers regarding upcoming public hearings on proposed changes in public utility rates, pursuant to section 269-12(c), HRS, which provides:

"The applicant or applicants shall notify their consumers or patrons of the proposed change in rates and of the time and place of the public hearing not less than one week before the date set, the manner and the fact of notification to be reported to the commission before the date of hearing."

The Commission also regularly publishes notice of public hearings on its website to keep utility customers and the general public informed.

Thank you for the opportunity to testify.