



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

LAWRENCE M. REIFURTH  
DIRECTOR  
RONALD BOYER  
DEPUTY DIRECTOR

TO THE HOUSE COMMITTEES ON CONSUMER PROTECTION AND COMMERCE  
AND  
JUDICIARY

THE TWENTY-FIFTH LEGISLATURE  
REGULAR SESSION OF 2009

MONDAY, FEBRUARY 9, 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 REPRESENTATIVES HERKES AND KARAMATSU,  
CHAIRS, AND MEMBERS OF THE COMMITTEES

**HOUSE BILL NO. 1475 RELATING TO THE PUBLIC UTILITIES COMMISSION.**

**DESCRIPTION:**

This measure requires the Public Utilities Commission ("Commission") to notify the public about new regulatory proceedings via its website and changes the deadline for intervention in certain proceedings to be no later than 20 days after posting of the proceeding notice on the commission's website.

**POSITION:**

The Division of Consumer Advocacy ("Consumer Advocate") offers comments for the Committees' consideration.

**COMMENTS:**

The Consumer Advocate defers to the Legislature on this matter, but notes that a statutory requirement may be unnecessary. The Commission and the Consumer Advocate have actively worked on a new online Document Management System, which would provide the public with easier and timely remote access to filings, as well as a calendar noting the dates of filings. The Commission would be better able to advise the

H.B. No. 1475

House Committees on Consumer Protection and Commerce  
and Judiciary

Monday, February 9, 2009, 2:00 p.m.

Committees on the features of the system and when to expect it to go online for public viewing.

As to the change in deadline for intervention, the Consumer Advocate cautions that it may be difficult to accurately date when a notice is posted on a website, and may lead to confusion over exact deadlines, whereas filing dates are clearly stamped on all documents filed with the Commission. Moreover, there would be a period of time when the statute (if this measure is enacted) and the Commission's rules will conflict. To comply with the new law, the Commission would need to undertake a rule making procedure to amend its Rules of Practice and Procedure, which establish intervention deadlines as 20 days after filing of an application.

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 COMMITTEES ON CONSUMER PROTECTION & COMMERCE  
AND  
COMMITTEE ON JUDICIARY  
FEBRUARY 9, 2009**

**MEASURE: H.B.1475**

**TITLE: Relating to the Public Utilities Commission.**

Chairs Herkes and Karamatsu, and Members of the Committees:

**DESCRIPTION:**

This bill proposes to amend Chapter 269 HRS to require the Public Utilities Commission ("Commission") to provide the public with reasonable notice on its website. The bill also changes the deadlines for intervention of certain proceedings to be no later than 20 days after posting the preceding notice on the Commission's website.

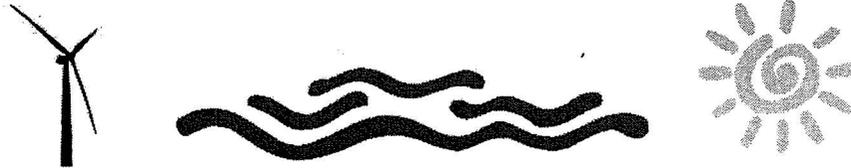
**POSITION:**

The Commission appreciates the intent of the Legislature to create better transparency by means of notifying the public of new regulatory proceedings via the internet; however, the Commission feels that this bill is not necessary as the Commission has been working hard to finalize its new Docket Management System (DMS), which is an online database that would provide the public with access to notices of regulatory proceedings as well as other public docketed information.

**COMMENTS:**

The Commission has been working with its contractor on DMS since 2006 and is nearing its final stages of completion. DMS will offer tools to research and monitor regulatory activities at the Commission. The public will have access to past dockets and public documents pertaining to the dockets, daily activity reports and decisions and orders that can be monitored on a daily basis.

Thank you for the opportunity to testify.



## LIFE OF THE LAND

76 North King Street, Suite 203

Honolulu, Hawai'i 96817

Phone: 533-3454; E: [henry.lifeoftheland@gmail.com](mailto:henry.lifeoftheland@gmail.com)

### COMMITTEE ON CONSUMER PROTECTION & COMMERCE

Rep. Robert N. Herkes, Chair

Rep. Glenn Wakai, Vice Chair

### COMMITTEE ON JUDICIARY

Rep. Jon Riki Karamatsu, Chair

Rep. Ken Ito, Vice Chair

Monday, February 09, 2009

2:00 p.m.

Conference Room 325

[CPCtestimony@Capitol.hawaii.gov](mailto:CPCtestimony@Capitol.hawaii.gov).

### **HB 1475 RELATING TO THE PUC.**

### **STRONG SUPPORT**

Requires the public utilities commission to notify the public about new regulatory proceedings via its website and changes the deadline for intervention in certain proceedings to be no later than 20 days after posting of the preceding notice on the commission's website.

Aloha Chairs Herkes, Karamatsu, Vice Chairs Wakai, Ito and Committee Members

My name is Henry Curtis and I am the Executive Director of Life of the Land, Hawai'i's own energy, environmental and community action group advocating for the people and 'aina for almost four decades. Our mission is to preserve and protect the life of the land through sound energy and land use policies and to promote open government through research, education, advocacy and, when necessary, litigation.

Energy policy is the cornerstone of sustainability.

The Hawaii Public Utilities Commission is taking on serious issues including smart grids, inter-island cables, new rate structures, automatic meter reading, strengthening the electric grid to support electric cars, feed-in tariffs, rate decoupling, time of use rates, etc. These issues will all be explored, developed, refined and implemented by the PUC.

It is imperative that the PUC follows state laws with regard to open meetings, and alerting the public about new regulatory proceedings (sunshine).

While the current PUC has come a long ways, the existing public notification process is substandard.

For example, the PUC opened up HECO's proposed \$100M smart grid docket on December 1, 2008, gave groups 20 days to file Motions to Intervene, and discovered when Life of the land raised the issue in mid-January, had not yet informed the public that the docket was opened.

The Consumer Advocate also has a web site, but over the past year has been up to 6 months out-of-date.

#### **Public Utilities Commission Annual Report 2004-05, Page 5**

During the Fiscal Year, the Commission continued to implement initiatives that aim to meet our strategic plan's short and long-term goals, which include increasing the transparency of the regulatory process and public access to the Commission, streamlining and modernizing the regulatory process, and improving services to the public by increasing operational efficiency. All of the aforementioned goals will be accomplished with the initiation of an information technology services contract in the Fiscal Year that will result in development and implementation of a state of the art document and docket management system ("DMS") to serve as the electronic backbone of the Commission's operations. Once fully functional, the DMS will enable the Commission to, among other things, electronically consolidate and store historical information in one database, share relevant information with the Department of Commerce and Consumer Affairs, Division of Consumer Advocacy ("Consumer Advocate"), increase the efficiency of internal document development and distribution, and allow the public to access public documents in real time via our website. Additionally, staffing initiatives to fill six (6) existing position vacancies and the creation of two new Commission positions, i.e., Chief Engineer and DPSA (Data Processing Systems Analyst) IV, occurred in the Fiscal Year. Major administrative points of focus for Fiscal Year 2005-06 will continue to include personnel recruitment and training, technological and regulatory process improvements, and public education and information transparency enhancements.

#### **Public Utilities Commission Annual Report 2005-06, Page 5**

During the Fiscal Year, the Commission continued to implement initiatives that aim to meet our strategic plan's short and long-term goals. Recruitment initiatives resulted in the hiring of eight (8) new staff members that has essentially supplemented the Commission's investigative/enforcement, documentation, research and legal sections and fulfilled the current need for in-house information technology and systems expertise. Commission staff

and consultants continued to work on the development of a state of the art document and docket management system ("DMS") that will serve as the electronic backbone of the Commission's operations. Once fully functional, the DMS will enable the Commission to, among other things, electronically consolidate and store historical information in a centralized database, share relevant information with the Department of Commerce and Consumer Affairs, Division of Consumer Advocacy, increase the efficiency of internal document development and distribution, increase the efficiency of fees collections, and allow real time access to public documents on the Commission's website. The first phases of the DMS project are planned to be implemented by the end of Fiscal Year 2006-07. Major administrative points of focus for Fiscal Year 2006-07 will include personnel recruitment and training, technological and regulatory process improvements, public education initiatives and information transparency enhancements, and enforcement activities expansion. Additionally, pursuant to Act 143, Session Laws of Hawaii 2006, the Commission will be conducting an in-depth organizational review to appropriately restructure and supplement the Commission's personnel resources.

### **Public Utilities Commission Annual Report 2007-08 Page 7**

During the Fiscal Year, the Commission continued to implement initiatives that aim to meet our strategic plan's short and long-term goals. Recruitment initiatives resulted in the hiring of six (6) new staff members that essentially supplemented the Commission's clerical, research, and engineering sections. Commission staff and consultants successfully implemented the internal roll-out of the Commission's Document Management System ("DMS") that now serves as the electronic backbone of the Commission's operations and has increased the efficiency of document distribution and filing within the Commission. The Commission plans to complete implementation of the DMS project in Fiscal Year 2009. Remaining implantation phases include allowing public access to Commission public documents via the DMS website and allowing for efilng and epayment through the DMS website.

### **Hawaii Public Utilities Commission's Web Site**

[www6.hawaii.gov/budget/puc/PUC](http://www6.hawaii.gov/budget/puc/PUC)

The Hawaii Public Utilities Commission's web site, HawaiiPUC , including the information found on the web site, is provided as a public service, and should not be construed as official government records. The information contained on the web site is dynamic and will change over time. Users of the web site are therefore fully responsible for determining the accuracy, completeness, and/or suitability of the information.

Henry Curtis



COLLEGE OF SOCIAL SCIENCES  
**HAWAII ENERGY POLICY FORUM**  
UNIVERSITY OF HAWAII AT MĀNOA

**Hawai'i Energy Policy Forum**

Mr. Robbic Alm, HECO  
Ms. Amy Asselbayer, Ofc of US Rep.  
Neil Abercrombie  
Ms. Madeleine Austin, World Business  
Academy  
Ms. Catherine Awakuni, Div. of  
Consumer Advocacy  
Mr. Warren Bollmeier  
Hi Renewable Energy Alliance  
Mr. Carlito Caliboso, PUC (Observer)  
Mr. Albert Chee, Chevron  
Mr. Kyle Datta, U.S. Biofuels  
Mr. Mark Duda Hi Solar Energy Assoc.  
Sen. Kalani English, Hi State Senate  
Mr. Mitch Ewan, UH HNEI  
Mr. Carl Freedman  
Haiku Design and Analysis  
Mr. Mark Glick, OHA  
Mr. Steve Golden, The Gas Company  
Dr. Michael Hamnett, RCUH  
Ms. Paula Helfrich, EDAH  
Mr. William Kaneko, HI Institute for  
Public Affairs  
Mr. Darren Kimura, Energy Industries  
Holdings  
Mr. Mike Kitamura, Ofc of US Sen.  
Daniel K. Akaka  
Mr. Kal Kobayashi, Maui County  
Mr. Laurence Lau, DOH  
Ms. Yvonne Lau, Ofc of US Rep.  
Mazie Hirono  
Mr. Allyn Lee, C&C of HNL  
Mr. Aaron Leong, Ofc of US Senator  
Daniel K. Inouye  
Dr. Stephen Meder, AIA-Honolulu  
Sen. Ron Menor, Hi State Senate  
Mr. Robert Harris, Sierra Club  
Dr. Bruce Miller, UH Ofc of  
Sustainability  
Dr. Sharon Miyashiro, Social  
Sciences Public Policy Ctr.  
Rep. Hermina Morita, HI State  
House of Representatives  
Mr. Tim O'Connell, USDA/Rural  
Development  
Mr. Richard Paglinawan  
Pa Ku'i A Lua  
Ms. Melissa Pavlicek, Western States  
Petroleum Assn  
Mr. Randy Perreira, HI State AFL-CIO  
Dr. Rick Rochelcau, UH HNEI  
Mr. Peter Rosegg, HECO  
Mr. Steven Rymsha, KIUC  
Mr. Riley Saito, PowerLight Corp.  
Mr. Glenn Sato, Kauai County OED  
Ms. Carilyn Shon, DBEDT  
Mr. Bill Short, BIA of Hawaii  
Mr. Ray Starling, HI Energy Grp  
Mr. Lance Tanaka, Tesoro HI Corp  
Dr. Don Thomas, UH Center for the  
Study of Active Volcanoes  
Mr. Murray Towill, Hawai'i  
Hotel Assn  
Ms. Joan White, Hon Community  
Action Program

Testimony of

**Carl Freedman**

Chair, Regulatory Reform Working Group  
Hawai'i Energy Policy Forum

COMMITTEE ON CONSUMER PROTECTION & COMMERCE

Rep. Robert N. Herkes, Chair

Rep. Glenn Wakai, Vice Chair

Monday, February 9, 2009 2:00 p.m.  
Conference Room 325

**SUPPORTING THE INTENT BUT NOT THE WORDING OF:  
HB 1475 – RELATING TO THE PUBLIC UTILITIES COMMISSION**

I am Carl Freedman, Chair of the Regulatory Reform Working Group of the Hawaii Energy Policy Forum ("Forum"). The Forum is comprised of over forty representatives from the electric utilities, oil and natural gas suppliers, environmental and community groups, renewable energy industry, and federal, state and local government, including representatives from the neighbor islands. We have been meeting since 2002 and have adopted a common vision and mission, and a comprehensive "10 Point Action Plan," which serves as a framework and guide for meeting our preferred energy vision and goals.

The Forum supports the intent of HB 1475 which is to improve the procedures used by the PUC to notify the general public regarding the initiation of proceedings so that interested stakeholders have sufficient opportunity to intervene and participate in matters that effect them. Current procedures are clearly deficient and need to be improved. The Forum also recognizes, however, that the PUC is currently in the process of substantially upgrading its web site and that, when implemented, this upgrade will fulfill the objectives of HB 1475.

The specific language of HB 1475 presents several problems which need to be addressed:

- Requiring the PUC to post notice of a proceeding within 24 hours of an application could present logistical difficulties.
- The current wording limits to twenty days the deadline for motions to intervene except for specific types of proceedings. The PUC currently has and should retain the authority to extend the period allowed for intervention.
- The bill does not require the Dept. of Budget and Finance to provide the necessary support for the PUC to implement the requirements of the bill.

For the reasons above, the Forum supports the intent of HB 1475 but recommends that your committee consider the testimony of the PUC regarding the need for the bill in light of planned upgrades to the PUC web site. The Forum defers to any testimony provided by the PUC regarding the problems with the language of HB 1475 that are noted above.

Thank you for this opportunity to testify.

*This testimony reflects the position of the Forum as a whole and not necessarily of the individual Forum members or their companies or organization*