STAND. COM. REP. NO. 760 -10

Honolulu, Hawaii March 16, 2010

RE: S.B. No. 2809 S.D. 2 H.D. 1

Honorable Calvin K.Y. Say Speaker, House of Representatives Twenty-Fifth State Legislature Regular Session of 2010 State of Hawaii

Sir:

Your Committee on Consumer Protection & Commerce, to which was referred S.B. No. 2809, S.D. 2, entitled:

"A BILL FOR AN ACT RELATING TO UTILITIES REGULATION,"

begs leave to report as follows:

The purpose of this bill is to ensure the effective regulation of public utilities by appropriating funds sufficient for the operations and staffing of the Public Utilities Commission (PUC) and the Division of Consumer Advocacy (Consumer Advocate) of the Department of Commerce and Consumer Affairs.

This bill also requires government agencies to assist in carrying out its purposes.

The Consumer Advocate, PUC, Hawaiian Electric Company, Inc., Hawaii Electric Light Company, Inc., Maui Electric Company, Ltd., Hawaii Water Service Company, Inc., Blue Planet Foundation, Hawaii Transportation Association, Hawaii Energy Policy Forum, Sierra Club - Hawaii Chapter, Hawaii Solar Energy Association, and tw telecom testified in support of this bill. The Department of Human Resources Development (DHRD) provided comments.

Act 177 and Act 183, Session laws of Hawaii 2007, mandated the reorganization of PUC and the Consumer Advocate to ensure sufficient regulation of public utilities and effective advocacy for utility consumers. These efforts have recently become more



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important as the normal ongoing workload associated with regulating the various public utility industries has significantly increased due to clean energy initiatives that the State is actively pursuing, resulting in PUC dockets that are novel, complex, and resource-consuming. Your Committee finds that this bill provides the resources necessary for the PUC and Consumer Advocate to effectively regulate and oversee utility companies and ensure that they provide reliable and safe services that are in the public's interest.

Your Committee has amended this bill by clarifying:

- Statements in the bill's preamble regarding the number of PUC staff positions lost due to budget reductions in fiscal year 2009-2010;
- (2) That government agencies shall also assist the Consumer Advocate, upon its request, in carrying out the purposes of this bill; and
- (3) That DHRD shall also cooperate with the Consumer Advocate, as the Consumer Advocate deems necessary, in establishing and amending job descriptions in a timely manner.

As affirmed by the record of votes of the members of your Committee on Consumer Protection & Commerce that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 2809, S.D. 2, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 2809, S.D. 2, H.D. 1, and be referred to the Committee on Finance.

SB2809 HD1 HSCR CPC HMS 2010-2607

Respectfully submitted on behalf of the members of the Committee on Consumer Protection & Commerce,

ROBERT N. HERKES, Chair

State of Hawaii House of Representatives The Twenty-fifth Legislature



## Record of Votes of the Committee on Consumer Protection & Commerce

Bill/Resolution No.:	Committee	Referral:		Date:	2/11	10
SB 2809, SD2	CPC,FI	N			-11	ΛΟ
The committee is reconsidering its previous decision on the measure.						
The recommendation is to: Deass, unamended (as is) Pass, with amendments (HD) Dead						
Pass short form bill with HD to recommit for future public hearing (recommit)						
CPC Members		Ayes	Ayes (W	R)	Nays	Excused
1. HERKES, Robert N. (C)		V/				
2. WAKAI, Glenn (VC)		V				
3. BELATTI, Della Au		1				V
4. CABANILLA, Rida		V				
5. CARROLL, Mele		V				
6. ITO, Ken		V				
7. KARAMATSU, Jon Riki						V
8. LUKE, Sylvia		1				V
9. McKELVEY, Angus L.K.		V				
10. MIZUNO, John M.		V	THE PLEASE INCOME.	DHINE THE OWNER		
11. MORITA, Hermina M.		V				
12. SOUKI, Joseph M.		V				
13. TSUJI, Clift	명상과 또.	V	Television			
14. MARUMOTO, Barbara C.	- MAR 201 - 2011 - 2011	V,				
15. THIELEN, Cynthia		V			NOTA SUMMERS	
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		10	0			
TOTAL (15)	-	2	Ŷ	/	$\varphi$	3
The recommendation is: Adopted D Not Adopted						
If joint referral, did not support recommendation.						
Vice Chair's or designee's signature:						
Distribution: Original (White) – Committee Duplicate (Yellow) – Chief Clerk's Office Duplicate (Pink) – HMSO						