# EXECUTIVE CHAMBERS

LINDA LINGLE

February 5, 2010

The Honorable Colleen Hanabusa, President and Members of the Senate Twenty-Fifth State Legislature State Capitol, Room 409 Honolulu, Hawai'i 96813

Dear Sirs and Mesdames:

In accordance with the provisions of Article V, Section 6, of the Hawai'i State Constitution, I have the honor to submit herewith for your consideration and confirmation, the following nomination to the **PUBLIC UTILITIES Commission:** 

Carlito P. Caliboso

Term to Expire: 6/30/2016

Sincerely,

LINDA LINGLE

### TO THE SENATE COMMITTEE ON COMMERCE AND CONSUMER PROTECTION

# THE TWENTY-FIFTH LEGISLATURE REGULAR SESSION OF 2010

WEDNESDAY, FEBRUARY 24, 2010 9:00 A.M.

TESTIMONY OF LAWRENCE M. REIFURTH TO THE HONORABLE ROSALYN H. BAKER, CHAIR, AND MEMBERS OF THE COMMITTEE

# GOVERNOR'S MESSAGE NO. 192 – RELATING TO THE NOMINATION OF CARLITO P. CALIBOSO TO THE PUBLIC UTILITIES COMMISSION

I am pleased to offer testimony in **support** of the nomination of Carlito P. Caliboso to continue as a commissioner on the Public Utilities Commission ("Commission").

I am the Director of the Department of Commerce and Consumer Affairs ("DCCA"). Included within the DCCA is the Division of Consumer Advocacy ("DCA"), which represents consumers of utility services before the Commission. Prior to serving as Director, I served for four years as DCCA's Deputy Director. At other times in my professional career as an attorney, I have represented utilities before the Commission. For several years, I also represented the DCA in proceedings before the Commission. As a result, I have significant experience with utility regulation in Hawai'i in general and the operation of the Commission in particular.

I have had the pleasure of working with Chairman Caliboso for the past seven years. I have been pleased to observe the efforts made by the Commission to modernize its procedures and operations, and to expedite decision making whenever possible. I know that without the Chair's leadership in these areas, the changes would not have happened.

Chairman Caliboso has evidenced his appreciation for the State's need to migrate off fossil fuel resources and to migrate to one or more forms of renewable energy. As such, Chair Caliboso demonstrates vision and leadership, driving Hawai'i inexorably toward a safer and cleaner future. It is not the time to waver on that commitment.

Chairman Caliboso has developed a national reputation for his interest in and knowledge about advanced telecommunications. Hawai'i can take particular pride in the fact that Chair Caliboso was recently nominated by the president of the National Association of Regulatory Utility Commissioners to become a member of the Joint Conference on Advanced Services (a board made up of both NARUC and the Federal Communications Commission). The conference serves as a forum for a dialogue for federal and state commissioners and local and regional entities regarding the deployment of advanced telecommunications.

G. M. No. 192 Senate Committee on Commerce and Consumer Protection Wednesday, February 24, 2010, 9:00 a.m. Page 2

I urge the Committee to recommend consent to the nomination of Chairman Carl Caliboso to serve another term as a commissioner. Thank you for this opportunity to testify.

## TO THE SENATE COMMITTEE ON COMMERCE AND CONSUMER PROTECTION

# THE TWENTY-FIFTH LEGISLATURE REGULAR SESSION OF 2010

WEDNESDAY, FEBRUARY 24, 2010 9:00 A.M.

TESTIMONY OF DEAN NISHINA TO THE HONORABLE ROSALYN H. BAKER, CHAIR, AND MEMBERS OF THE COMMITTEE

# GOVERNOR'S MESSAGE NO. 192 – RELATING TO THE NOMINATION OF CARLITO P. CALIBOSO TO THE PUBLIC UTILITIES COMMISSION

I am pleased to offer testimony in support of the nomination of Carlito P. Caliboso to continue as a commissioner on the Public Utilities Commission ("Commission").

As the Executive Director and as an analyst with the Division of Consumer Advocacy ("Division"), I have had the opportunity to appear before and work with Chairman Caliboso on various matters. Under Chairman Caliboso, there have been various changes to the Commission and it is through his vision that the Commission continues to seek to improve on its operations.

Recently, the State of Hawaii has embarked on an ambitious plan to migrate towards an economy that reduces its reliance on imported fossil fuels and increases the State's reliance on renewable energy and energy efficiency measures. Confirming Chairman Caliboso to serve another term as a commissioner will help facilitate the ongoing efforts that are being made to identify, analyze and determine the appropriate course of action relating to Hawaii's Clean Energy Initiative. Retaining the knowledge and expertise that Chairman Caliboso has obtained during his preceding terms in the position would be in the public interest.

Thank you for this opportunity to testify.

# PRESENTATION OF John E. Cole

# TO THE SENATE COMMITTEE ON COMMERCE AND CONSUMER PROTECTION

## TWENTY-FIFTH LEGISLATURE Regular Session of 2010

Wednesday, February 24, 2010 9:00 a.m.

# TESTIMONY IN <u>SUPPORT</u> OF GOVERNOR'S MESSAGE 192 Nomination of Carlito P. Caliboso To the Hawaii Public Utilities Commission

# TO THE HONORABLE ROSALYN BAKER, CHAIR, AND MEMBERS OF THE COMMITTEE:

My name is John Cole, and I am happy to testify in strong support of Carlito P. Caliboso's nomination for a second term on the Hawaii Public Utilities Commission ("Commission").

I have known Mr. Caliboso since he became the Chairman of the Commission in 2003. At that time, I was a policy advisor to Governor Linda Lingle, and would look to Mr. Caliboso for information regarding public utility matters. His exceptional intellect and analytical abilities were promptly made apparent. Although Mr. Caliboso had little previous experience in the area, he worked hard, learned quickly, and became a valuable source of knowledge and insight on public utility issues to myself and the Governor.

In May of 2004, I became the Executive Director of the Division of Consumer Advocacy. I found that, as Chair of the Commission, Mr. Caliboso was always fair, reasoned and deliberate in his actions and decisions. Certainly he didn't always agree with my position, but he was always respectful and unbiased.

For the last three and a half years, I've had the pleasure to serve along with Mr. Caliboso as a member of the Commission. From my current vantage point, in addition to reinforcing my previous impressions of him, Mr. Caliboso has demonstrated that he is a capable and inspiring leader. As Chairman of the Commission, he administers our staff of forty. He has instituted organizational changes to improve the efficiency of the Commission, he keeps staff well informed, values everyone's contributions, recognizes outstanding service, and inspires us all to do our best to serve the public interest.

I can say without hesitation that Mr. Caliboso is a person of solid character and integrity, and I strongly urge you to favorably consider his nomination.

# Testimony Before the Senate Committee on Commerce and Consumer Protection

By: Randall J. Hee, P.E.
President and Chief Executive Officer
Kauai Island Utility Cooperative
4463 Pahee Street, Lihue, Hawaii, 96766

Wednesday, February 24, 2010, 9:00 a.m. Conference Room #229

GM 192 — Submitting for consideration and confirmation to the Public Utilities Commission, Gubernatorial Nominee, CARLITO P. CALIBOSO, for a term to expire 6-30-2016.

To the Honorable Rosalyn H. Baker, Chair; David Y. Ige, Vice-Chair, and members of the Committee:

On behalf of Kauai Island Utility Cooperative, we are honored to submit testimony in strong support for the confirmation of Carlito P. Caliboso to the Public Utilities Commission.

As you all are aware, KIUC is the only electric cooperative in the State of Hawaii, and the only electric utility serving the people on the island of Kauai. Unlike the for-profit, investor-owned, and much larger utility companies in Hawaii, KIUC is member-owned, its shareholders and ratepayers being one in the same.

Mr. Caliboso has been open-minded and willing to listen to our concerns as the first electric cooperative in the State of Hawaii. He has been able to distinguished an electric cooperative model from a traditional investor-owned model. KIUC believes that Mr. Caliboso is fair and educated on what an electric cooperative is all about and KIUC and looks forward to working with him in the future.

Thank you for the opportunity to submit written testimony.



#### Hawai'i Energy Policy Forum

Ms. Stephanie Ackerman, The Gas Co.

Mr. Robbie Alm, HECO

Ms. Amy Asselbaye, Office of US Rep. Neil Abercrombie

Ms. Madeleine Austin, World Business Academy
Mr. Warren Bollmeier, Hawai'i Renewable

Mr. Warren Bollmeier, Hawai'i Renewable Energy Alliance

Mr. Carlito Caliboso, PUC (Observer)

Mr. Albert Chee, Chevron

Ms. Elizabeth Cole, The Kohala Center

Mr. Kyle Datta, New Energy Partners

Ms. Laura Dierenfield, People's Advocacy for Trails Hawai'i (PATH)

Mr. Mark Duda, HI Solar Energy Asst.
Sen. Kalani English, Hawai'i State Senate

Mr. Mitch Ewan, UH HNEI

Mr. Carl Freedman, Haiku Design & Analysis

Sen. Mike Gabbard, Hawai'i State Senate

Mr. Mark Glick, OHA

Dr. Michael Hamnett, RCUH

Dr. Robert Harris, Sierra Club

Mr. William Kaneko, Hawai'i Institute for Public

Mr. Darren Kimura, Energy Industries Holdings

Ms. Kelly King, Sustainable Biodiesel Alliance

Mr. Mike Kitamura, Office of US Senator Daniel
K. Akaka

Mr. Kal Kobayashi &, Victor Reyes, Maui County Energy Office

Mr. Laurence Lau, State of Hawai'i DOH Mr. Allyn Lee, C&C of Honolulu Dept. of

Mr. Allyn Lee, C&C of Honolulu Dept. of Design & Construction

Dr. Stephen Meder, UH Center of Smart Building & Community Design

Dr. Sharon Miyashiro, UH College of Social Sciences Public Policy Center Rep. Hermina Morita, Hawai'i State House of

Representatives

Mr. Dean Nishina, Div of Consumer Advocacy

Mr. Tim O'Connell, USDA-Rural Development Ms. Melissa Pavlicek, Hawaii Public Policy

Advocates
Mr. Ted Peck, State of Hawai'i DBEDT Strategic

Industries Division

Mr. Randy Perreira, Hawai'i State AFL-CIO

Dr. Rick Rocheleau, UH HNEI

Mr. William Rolston, Hawai'i County Dept. of Research & Development

Mr. Peter Rosegg, HECO

Mr. Steven Rymsha, KIUC

Mr. Riley Saito, PowerLight Corporation

Mr. Glenn Sato, Kaua'i County Office of Economic Development

Mr. Bill Short, BIA of Hawai'i

Ms. Joelle Simonpietri, Simonpietri Enterprises LLC

Mr. H. Ray Starling, Hawai'i Energy Group LLC Mr. Lance Tanaka, Tesoro Hawai'i Corp. Dr. Don Thomas, UH Center for the Study of

Active Volcanoes

Ms. Maria Tome, State of Hawai'i DBEDT

Energy Office Mr. Murray Towill, Hawai'i Hotel Association Mr. Joshua Wisch, Office US Representative

Mr. Joshua Wisch, Office US Representative Mazie Hirono

Mr. Alan Yamamoto, Office US Senator Daniel Inouye

Testimony of Carl Freedman, Chair Regulatory Reform Working Group Hawai'i Energy Policy Forum

Senate Committee on Commerce and Consumer Protection Senator Rosalyn H. Baker, Chair Senator David Y. Ige, Vice Chair

Wednesday, February 22, 2010 9:00 a.m. Conference Room 229

# GM 192 - <u>IN SUPPORT</u> OF NOMINATION OF CARLITO P. CALIBOSO FOR REAPPOINTMENT 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 48 representatives from Hawaii's 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.

Carlito P. Caliboso has been an excellent chairman of the Public Utilities Commission (PUC). For the reasons stated below, the Forum wholeheartedly supports his continuing leadership as the State navigates the major challenges we face in the transition toward a cleaner and secure energy future for its citizens.

Under Chair Caliboso's leadership the PUC has addressed a broad spectrum of major policy issues, maintained agency productivity in spite of severe staff and funding deficiencies, modernized and reorganized agency structure and practices, opened up the regulatory process to allow meaningful stakeholder participation, vastly improved open public access to agency documents and, to an unprecedented extent, has been deliberately attentive to the Legislature's will and intent.

POLICY – A report by the Forum published in 2003 criticized the PUC for neglecting its policymaking duties. During the terms of the prior three PUC chairs only one major energy policy docket was opened and resolved (instituting Integrated Resource Planning) and one other policy docket was opened but not resolved (considering electric industry restructuring). The PUC, by its own description at that time, considered itself to be "solely an adjudicatory body" whose purpose was limited to processing incoming applications. The same year the Forum's report was published, Carlito Caliboso took the helm as PUC Chair. Since that time the PUC has squarely addressed its policymaking duties, processing an impressive and unprecedented array of many major energy policy dockets, including both legislative and PUC initiatives. These include the establishment of a competitive bidding framework for new wholesale energy generation resources, establishment of a framework for distributed generation resources, establishment of a public benefits fund and third party energy efficiency administrator, and implementation of renewable portfolio standards. The PUC is now in the process of implementing several additional initiatives including the investigation and implementation of



revenue decoupling, feed-in tariffs, energy utility planning procedures, and several programs proposed by energy utilities as part of the Hawaii Clean Energy Initiative.

<u>PRODUCTIVITY</u> – The PUC and the Division of Consumer Advocacy (upon which the PUC fundamentally relies as a necessary component of regulatory litigation) are both severely understaffed and underfunded. The time it takes to process applications and a resulting backlog of open dockets remain an ongoing problem that has existed for decades. In recent years both the complexity and volume of workload for these agencies has significantly increased without any corresponding increases in resources. Chair Caliboso and the staffs of both of these agencies should be commended for doing an exemplary job of maintaining reasonable productivity despite severely deficient resources.

<u>PUBLIC ACCESSIBILITY</u> – Under Chair Caliboso's leadership the PUC has substantially improved the openness and accessibility of the utility regulatory process by allowing a broad spectrum of stakeholders to intervene in policy making dockets, by using a panel hearings process that allows parties without extensive resources to participate effectively and by implementing open web site access to PUC documents and filings.

MODERNIZATION AND REORGANIZATION – In response to legislative direction and in order to improve the productivity and effectiveness of the PUC, Chair Caliboso prepared and proposed an agency reorganization plan. The reorganization modernizes the PUC's organizational structure and position descriptions and, if ever fully funded, would provide the minimum necessary level of agency staffing and resources.

<u>LEGISLATIVE COMPLIANCE</u> – More than any prior PUC Chair in recent decades, Carlito Caliboso has been deliberately attentive to implementing legislative energy policy, initiatives, and intent. In addition to complying with several substantial explicit legislative mandates, the PUC has taken its own initiative to implement long standing but long neglected legislative energy policies.

Based on the foregoing, the Forum wholeheartedly supports the nomination of Carlito P. Caliboso for reappointment to the Public Utilities Commission.

Thank you for the 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 organizations.

# Testimony before the

## **Senate Committee on Commerce and Consumer Protection**

Wednesday, February 24, 2010 9:00 a.m., Conference Rm. 229

### Statement on Governor's Message No. 192

by Robert A. Alm Executive Vice President Hawaiian Electric Company, Inc.

# TO THE HONORABLE ROSALYN H. BAKER, CHAIR, DAVID Y. IGE, VICE CHAIR, AND MEMBERS OF THE COMMITTEE:

It is my pleasure to support the nomination of Carl Caliboso for a second term on the Public Utilities Commission (PUC). Mr. Caliboso has performed extraordinarily as Chair during a very challenging period and his continued service on the Commission will assist Hawaii in our move away from fossil fuel use and towards locally produced renewable energy.

During the last few years, the Public Utilities Commission has undertaken, on a simultaneous basis, an incredible number of major regulatory dockets. They have:

- Moved the energy efficiency programs away from the utility and to a new independent energy efficiency services provider.
- Established a feed-in tariff program to encourage the growth of renewable energy resources.
- Decoupled utility profits from sales of electricity fundamentally altering the utility business model to facilitate energy efficiency and renewable energy.
- Enacted the Renewable Energy Infrastructure Program providing incentives for the utility to focus on the development of renewable energy resources.
- Extended the load management programs.
- In at least five different dockets provided direct support for biofueling, setting the stage for the development of locally produced biofuels
- Initiated a process to replace the current Integrated resources Planning process with a process more appropriate to current conditions.
- Facilitated maximum use of the ARRA funds to provide support for local projects and wherever possible to reduce the burdens on Hawaii ratepayers.
- Supervised renewable energy bidding and power purchase negotiations to increase the amount of renewable energy resources on the grids.

Testimony on Governor's Message 192 February 24, 2010 Page 2

In most states around the nation, a public utilities commission might take on one or two of these in a year. Nowhere in the nation is a commission simultaneously doing this much. And it is doing so in an age of frozen budgets, furloughs, vacant staff positions and so on.

Clearly this workload has created huge challenges. We see the evidence of that every day. What is important to recognize is that, challenges notwithstanding, Mr. Caliboso continues to make things happen. I believe he does so because the larger goals of renewable energy development, the warning signals we got as a State when oil prices hit \$147 a barrel, and the sense that we need to find a new path for ourselves in the energy area have produced an urgency that drives his commitment to results. This period will go down in history as the most productive ever for shaping Hawaii's renewable energy future and Mr. Caliboso deserves substantial credit for it.

From the utility's view we have not always gotten what we want. We would prefer to still be running the energy efficiency programs, we have waited many months to recover on a unit that was installed last summer at the cost of millions to our shareholders, and so on. What we and all others have however received is fair hearings, fair treatment, and results that we can understand, whether we agree with them or not. Chair Caliboso runs the Commission in a fair and even-handed manner and that is all that parties can really demand in any case.

I would strongly urge your favorable action on his nomination to allow him to complete the transfer of Hawaii's energy future away from oil and towards to a different healthier path for Hawaii.

# SENATE COMMITTEE ON COMMERCE AND CONSUMER PROTECTION SENATOR ROSALYN H. BAKER, CHAIR SENATOR DAVID Y. IGE, VICE CHAIR

G.M. 192

SUBMITTING FOR CONSIDERATION AND CONFIRMATION TO THE PUBLIC UTILITIES COMMISSION, GUBERNATORIAL NOMINEE, CARLITO P. CALIBOSO, FOR A TERM TO EXPIRE 6-30-2016.

**TESTIMONY OF:** 

David Bess

Chair Baker, Vice Chair Ige, and Members of the Committee:		
It is my honor to support Carlito Caliboso for re-appointment to the Public Utilities Commission.		
I have known Carl since 2007. I was the faculty director of the University of Hawai'i Executive		
MBA program and was also the instructor for two of his courses. I have had numerous occasions		
to discuss with him his approach to decision making and how the PUC serves the state. I am		
impressed with his values, his ability to grasp the full context of difficult decisions, his ability to		
place the welfare of the public above political and/or personal interests, and his integrity. He has		
demonstrated the ability to work constructively with a wide array of people in arriving at		

In brief, Carl has done a sound job as a PUC Commissioner and we need to keep him in that capacity.

David Bess, Professor of Management, University of Hawai'i at Manoa

difficult decisions that best serve our State.

# SENATE COMMITTEE ON COMMERCE AND CONSUMER PROTECTION SENATOR ROSALYN H. BAKER, CHAIR SENATOR DAVID Y. IGE, VICE CHAIR

#### G.M. 192

SUBMITTING FOR CONSIDERATION AND CONFIRMATION TO THE PUBLIC UTILITIES COMMISSION, GUBERNATORIAL NOMINEE, CARLITO P. CALIBOSO, FOR A TERM TO EXPIRE 6-30-2016.

	TESTIMONY OF:
	Jack P. Suyderhoud, PhD
Chair Baker, Vice Chair	Ige, and Members of the Committee:

My name is Jack Suyderhoud. I am a professor of business economics at the University of Hawaii at Manoa, Shidler College of Business. It is in this capacity that I am providing this testimony. I am also a member of the Hawaii State Council on Revenues. Please note that my testimony is my own personal statement and does not represent an official position of the University or of the Council on Revenues.

I have known Carlito P. Caliboso (Carl) since he started our Executive MBA program in the fall of 2008. He took several courses from me, including our Asian Field Studies course. Through the many contacts and experiences I have had with Carl, I have come to appreciate his many good qualities.

First of all, Carl is extremely professional in his conduct both inside and outside of the classroom. He freely states his views (and we did not always see eye-to-eye) and the reasons for his conclusions. He listens to, respects, and evaluates the views of others, but sticks to his opinions if he feels he is right.

Second, he is very intelligent without being overbearing. He is well versed in many subjects and used that knowledge to increase the value of the learning opportunities we had in the EMBA program. He felt comfortable in sharing his breadth of experience as an attorney and regulator, but did so without intimidating or showing off. I believe that I speak for his fellow students in saying that he enhanced the learning experience of the entire class.

Third, Carl is very disciplined in his work. In spite of his heavy schedule as Chair of the PUC, Carl performed assignments on time and with high quality. He did not take "short cuts" in the quality and amount of work he did, nor did I ever hear him use time pressure as an excuse. I wish all my students were more like he.

Fourth, Carl was easy to work with. He got along well with all his classmates as well as the other faculty members. In our program we required a lot of team-based assignments. Carl was always a positive contributor and his teammates always appreciated his contributions. He was always polite and friendly.

Finally, Carl was never "political" in his interactions with his colleagues. Whatever his political views were, he kept those to himself. Because of our mutual interests in state government, we had numerous opportunities to discuss politics. However, Carl kept his feelings private. However, it was clear from our discussions that the interests of Hawaii (our people and environment) were at the forefront of his priorities.

In summary, I believe that Carlito Caliboso should be confirmed as to PUC. I frankly can think of no person who is more qualified by experience and demeanor to serve in that capacity.

Signed electronically: Jack P. Suyderhoud.

## KRIS N. NAKAGAWA 1604 Ruth Place Honolulu, Hawaii 96716

February 23, 2010

### **By Electronic Mail**

The Honorable Roslyn H. Baker, Chair
The Honorable David Y. Ige, Vice Chair
Members of the Senate Committee on Commerce
And Consumer Protection
Hawaii State Capitol
415 South Beretania Street
Honolulu, Hawaii 96813

Re:

GM No. 192 – Carlito P. Caliboso, Gubernatorial Nominee as Commissioner for Public Utilities Commission, For Term to Expire June 30, 2016;

Hearing on February 24, 2010 at 9:00 a.m.

Dear Chair Baker, Vice Chair Ige, and Members of the Committee:

Thank you for the opportunity to testify on <u>GM No. 192</u>. I strongly support the appointment of Chairman Carlito P. Caliboso ("Chairman Caliboso") as Commissioner for the Public Utilities Commission ("PUC").

I am an attorney licensed in Hawaii since 1992 and presently in private practice specializing in public utilities and regulatory law. I was also employed at the PUC from 1999 to 2005 as one of the PUC's in-house attorneys. Specifically, from April 2003 to August 2005, I had the pleasure and honor to serve as Chairman Caliboso's Chief Legal Counsel. Since his initial appointment as Chairman and Commissioner, I believe he has been instrumental in leading the PUC in a positive direction and has been a very effective leader and regulator.

I also believe Chairman Caliboso has the necessary leadership abilities, judicial temperament, administrative skills, and the requisite knowledge and experience to continue to perform the duties required and expected as a Commissioner for the PUC. As a former colleague, I always found Chairman Caliboso to be honest, fair, ethical and impartial in his decisions as both an administrator and regulator, and he always strived to educate and encourage others around him to do the same. Accordingly, I believe Chairman Caliboso will continue to be a great leader and regulator for this State.

I respectfully request your favorable consideration in the appointment of Chairman Caliboso as Commissioner for the PUC.

Sincerely,

Kris N. Nakagawa

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# SENATE COMMITTEE ON COMMERCE AND CONSUMER PROTECTION

# THE HONORABLE ROSALYN H. BAKER, CHAIR THE HONARABLE DAVID Y. IGE, VICE CHAIR

#### G.M. 192

# SUBMITTING FOR CONSIDERATION AND CONFIRMATION TO THE PUBLIC UTILITIES COMMISSION, GUBERNATORIAL NOMINEE, CARLITO P. CALIBOSO, FOR A TERM TO EXPIRE 6-30-2016.

## Testimony of

## Michael Jorgensen

Chair Baker, Vice-Chair Ige, and Members of the Senate Committee on Commerce and Consumer Protection:

It is my distinct pleasure to give my testimony in support of Carlito Caliboso as the Chairman of the PUC for another term.

I have had the privilege to work personally with Carl Caliboso as a fellow student of the Executive MBA class of 2009 and know him as a friend outside the environment of the PUC.

Throughout the years Carl Caliboso has shown to be very intelligent, an exceptional team player and shown the highest standards of ethics in discussions inside the class room as well as outside the class room.

With the addition of his Executive MBA, Carl Caliboso has gained economic knowledge and business insight giving him the ability to look at projects and decisions from a business perspective I believe will make him an even greater asset for the PUC.

Knowing Carl as a man who delivers on his word, a team player with high moral and dedication to do good for the Hawaiian islands I am pleased to give my full support to Carl Caliboso to serve another term for the PUC.

Sincerely,

Michael Jorgensen, MBA Aina Haina, Honolulu, HI

## February 22, 2010

## SENATE COMMITTEE ON COMMERCE AND CONSUMER PROTECTION

### HELD ON FEBRUARY 24, 2010 AT 9:00AM IN CONFERENCE ROOM 229

# TESTIMONY IN SUPPORT OF GM 192 CARLITO P. CALIBOSO'S GUBERNATORIAL NOMINATION TO THE PUBLIC UTILITIES COMMISSION

Chair Baker and Vice-Chair Ige and Members of the Committee:

I am writing in support of Commissioner Carlito P. Caliboso's reappointment to the Public Utilities Commission. I have held the position of Chief Auditor at the PUC for more than 11 years and have been a member of the PUC's audit staff for over 19 years. I have had the honor of working with Chairman Caliboso since his appointment on April 30, 2003. During this time, Chairman Caliboso has displayed the knowledge, skills and temperament to lead the Commission through the many regulatory issues it faces. Also, his ability to provide effective leadership and to create a positive working environment has contributed to the productivity at the Commission.

In addition to his educational background and professional qualifications, Chairman Caliboso's reappointment will bring consistency to the Commission. With the many changes in the regulatory environment and the complex and critical issues now facing the Commission, Chairman Caliboso's past knowledge and experience will allow the Commission to address all of these important regulatory issues without missing a step.

I believe that Chairman Caliboso's knowledge of the regulatory process, skills in achieving a balance between protecting consumer interests and meeting the regulated utilities needs, dedication, independence, and commitment to public service are just some of the qualities that will continue to make him an exceptional member of the Commission.

In conclusion, I urge your committee to confirm Chairman Caliboso's appointment. Thank you for your consideration on this matter.

Stew J. Ha

Steven J. Iha

465 South King St., Room 103 Honolulu, HI 96813

# SENATE COMMITTEE ON COMMERCE AND CONSUMER PROTECTION SENATOR ROSALYN H. BAKER, CHAIR SENATOR DAVID Y. IGE, VICE CHAIR

#### G.M. 192

SUBMITTING FOR CONSIDERATION AND CONFIRMATION TO THE PUBLIC UTILITIES COMMISSION, GUBERNATORIAL NOMINEE, CARLITO P. CALIBOSO, FOR A TERM TO EXPIRE 6-30-2016.

#### **TESTIMONY OF:**

Garan K. Ito Chief Operating Officer Integrated BioSource, LLC

Chair Baker, Vice Chair Ige, and Members of the Committee:

I am submitting testimony in strong support of gubernatorial nominee, Mr. CARLITO P. CALIBOSO, for the Public Utilities Commission.

I have known Mr. Caliboso for the past several years and can personally attest to his character. He possesses outstanding work ethics in conjunction with an immeasurable sense of righteousness and fairness. In addition to these traits, Mr. Caliboso has gained the respect of those around him while maintaining his unquestionable integrity.

Having had the pleasure of working with Mr. Caliboso for several years, I am highly impressed by his intelligence, commitment and professionalism. With his legal (JD 1991, William S. Richardson School of Law, University of Hawaii) and business background (MBA 2009, Shidler School of Business, University of Hawaii), Mr. Caliboso has proven to have the knowledge and skills needed to analyze and resolve difficult, complex issues. Mr. Caliboso has exhibited excellent communication skills, as he is able to convey complicated issues and resolutions to the general public. I believe the above-mentioned skill set of Mr. Caliboso are sure to be an added value to the Public Utilities Commission.

February 24, 2010 G.M. 192 Page 2

I know Mr. Caliboso is and will continue to be an exceptional part of the Public Utilities

Commission and will continue to serve the people of Hawaii well in this capacity. I humbly ask
the committee to confirm his nomination.

# SENATE COMMITTEE ON COMMERCE AND CONSUMER PROTECTION SENATOR ROSALYN H. BAKER, CHAIR SENATOR DAVID Y. IGE, VICE CHAIR

G.M. 192

SUBMITTING FOR CONSIDERATION AND CONFIRMATION TO THE PUBLIC UTILITIES COMMISSION, GUBERNATORIAL NOMINEE, CARLITO P. CALIBOSO, FOR A TERM TO EXPIRE 6-30-2016.

TESTIMONY OF:	
David Lee Callies	

Chair Baker, Vice Chair Ige, and Members of the Committee:

I am delighted to submit testimony in support of the nomination of Carl Caliboso for another term to serve on the Public Utilities Commission (PUC). I have been acquainted with Carl since his student days at the William S. Richardson School of Law, where he compiled an exemplary scholastic record. He also served as my research assistant for two years, during which time he helped in the research and writing of Preserving Paradise, a book published by the UH Press in 1994 and still in classroom use.\* I continue to have the highest regard for Carl's integrity, intelligence and character, traits which he displayed in law school and afterwards during his practice years in Honolulu and his past term as chair of the PUC. I respectfully urge the honorable members of the Committee on Commerce and Consumer Protection to recommend to the full Senate that Carl Caliboso be confirmed for another term.

Thank you for this opportunity to present testimony.

# SENATE COMMITTEE ON COMMERCE AND CONSUMER PROTECTION SENATOR ROSALYN H. BAKER, CHAIR SENATOR DAVID Y. IGE, VICE CHAIR

#### G.M. 192

SUBMITTING FOR CONSIDERATION AND CONFIRMATION TO THE PUBLIC UTILITIES COMMISSION, GUBERNATORIAL NOMINEE, CARLITO P. CALIBOSO, FOR A TERM TO EXPIRE 6-30-2016.

#### **TESTIMONY OF:**

## CHRISTINE MICHELLE MURPHY

Chair Baker, Vice Chair Ige, and Members of the Committee:

Chairman Caliboso is a fair, hard working, and knowledgeable leader. Having the honor of being in the Executive MBA cohort with Chairman Caliboso, he demonstrated his leadership skills both in the classroom and group projects and his willingness to continue to develop both professionally and personally. I proudly support the confirmation of Carlito for an additional term expiring 6.30.16.

/s/ Christine Michelle Murphy

# SENATE COMMITTEE ON COMMERCE AND CONSUMER PROTECTION SENATOR ROSALYN H. BAKER, CHAIR SENATOR DAVID Y. IGE, VICE CHAIR

#### G.M. 192

SUBMITTING FOR CONSIDERATION AND CONFIRMATION TO THE PUBLIC UTILITIES COMMISSION, GUBERNATORIAL NOMINEE, CARLITO P. CALIBOSO, FOR A TERM TO EXPIRE 6-30-2016.

### **TESTIMONY OF:**

## «GreetingLine»

Chair Baker, Vice Chair Ige, and Members of the Committee:

Aloha! I would like to submit for your consideration my personal testimony regarding PUC Chairman, Carlito P Caliboso, Esq.

I have known Atty. Caliboso for several years and have always found him to be ethical, direct and fair. Whether pertaining to matters of business or a personal nature, he recognizes the importance of his counsel and thinks carefully about the various sides of an issue prior to providing feedback that is as logical as it is precise. In my opinion, Mr Caliboso, is a true public servant and has been a worthy steward of the important matters that come before the Public Utilities Commission of our great state of Hawai'i.

Although a common citizen, I hereby make my approval of his leadership of this commission known publically and request that his term be renewed as put forth by the Governor.

February 24, 2010 G.M. 192

Page 2

I thank you for this opportunity and trust that you, Honorable Gentlemen and Women, will make

a decision that is truly best for the people of Hawai'i and confirm Atty. Caliboso for another

term.

Malama pono.

Sincerely,

Ramon Hollander, MBA, RRT

Hawai'i Kai, Honolulu, HI

# SENATE COMMITTEE ON COMMERCE AND CONSUMER PROTECTION SENATOR ROSALYN H. BAKER, CHAIR SENATOR DAVID Y. IGE, VICE CHAIR

#### G.M. 192

SUBMITTING FOR CONSIDERATION AND CONFIRMATION TO THE PUBLIC UTILITIES COMMISSION, GUBERNATORIAL NOMINEE, CARLITO P. CALIBOSO, FOR A TERM TO EXPIRE 6-30-2016.

#### **TESTIMONY OF:**

#### DOUGLAS H. INOUYE

Chair Baker, Vice Chair Ige, and Members of the Committee:

This letter is in support of Carl Caliboso's reappointment to the Public Utilities Commission ("PUC"). My name is Douglas Inouye and I have been practicing law in Hawai'i for the past 18 years. I am currently in-house counsel for a large nonprofit organization. I am a former deputy Attorney General and worked as an attorney in the private sector for a number of years. I have known Carl for over ten years now both professionally and personally. As the current PUC Commissioner, I believe he has performed well and has proven he deserves to continue in that position having addressed very difficult issues head-on and keeping the PUC moving forward. In addition, during the time he has been Commissioner, Carl was appointed to the Federal Communication Commission's ("FCC") Intergovernmental Advisory Committee and is currently on the board of the National Association of Regulatory Commissioners, thereby representing Hawai'i well on the national level.

Carl's professional and academic achievements speak for themselves: a B.B.A. in Finance and Management; an Executive M.B.A.; and an accomplished attorney with deep experience in commercial and real estate transactions, contracts, governmental relations and business organizations. I will not waste your time rehashing his accomplishments and credentials as you have undoubtedly been provided with more than enough materials covering such matters; however, I do wish to point out that it is no coincidence that

Honorable Committee on Commerce, Consumer Protection, and Housing February 20, 2010

Page 2

Carl's strengths are in the areas that are also key to understanding and administrating an agency such as the PUC. I would also like to relate to you the kind of person he is and the quality of his interpersonal skills based on my observations and dealings with Carl. Things not normally found in a resume.

- 1. Work ethic: Carl is clearly a hard worker as I cannot count the times that I called to find him still at his office at seven or eight o'clock at night.
- 2. Communication skills: from complex legal memoranda to straightforward correspondence letters, any documents I received from Carl have all been concise and well written.
- 3. Temperament: I have never seen Carl lose his cool or temper even under pressure. In fact, Carl has a very soothing, almost calming demeanor about him.
- 4. Interpersonal skills: Carl is a good listener, and being a good listener has allowed him to build good interpersonal skills to deal with people from all walks of life and in diverse situations.
- 5. Above all, I have observed Carl to be very open-minded and even-keeled in his approach to most matters and I think this in turn helps him to be fair and assists him in exercising sound, reasoned judgment.

For all these reasons and more, I hope that you will confirm Carl's reappointment to the PUC. In my humble opinion, Carl is and will continue to be a fine, if not outstanding, Commissioner. Thank you for your time and consideration of this matter.

Very truly yours,

Douglas H. Inouye, Esq. 3174 Lincoln Avenue Honolulu, Hawaii 96816

# SENATE COMMITTEE ON COMMERCE AND CONSUMER PROTECTION SENATOR ROSALYN H. BAKER, CHAIR SENATOR DAVID Y. IGE, VICE CHAIR

G.M. 192

SUBMITTING FOR CONSIDERATION AND CONFIRMATION TO THE PUBLIC UTILITIES COMMISSION, GUBERNATORIAL NOMINEE, CARLITO P. CALIBOSO, FOR A TERM TO EXPIRE 6-30-2016.

# TESTIMONY OF LEA HONG IN SUPPORT OF THE CONFIRMATION OF CARLITO P. CALIBOSO TO THE PUBLIC UTILITIES COMMISSION

Chair Baker, Vice Chair Ige, and Members of the Committee:

Mahalo for this opportunity to testify in strong support of the nomination of Carlito P. Caliboso to the Public Utilities Commission. I have known Mr. Caliboso since 1988, when we were first year law students together at the William S. Richardson School of Law. We co-served as student representatives on the faculty selection commission, worked as research assistants for Professor David Callies, and studied together in the same study group. When he was in private law practice at Cades Schutte Fleming & Wright, one of the largest firms in the state, we continued to work with each other professionally and remained personal friends.

Mr. Caliboso has my highest recommendation to remain on the Public Utilities Commission. He is bright, intelligent, patient, and fair, and cares passionately about the future of Hawai'i. He has the highest personal and professional integrity. The matters before the Public Utilities Commission are very complex, involving numerous laws, regulations, and policies. He is the perfectly suited to delve into these difficult issues and strike a fair balance between the concerns of regulated industries and the public interest. We are very lucky that a person of Mr. Caliboso's caliber has chosen to remain in public service. I strongly encourage the committee members to confirm Mr. Caliboso's nomination to the Public Utilities Commission.

Mahalo -

Lea Hong

55 South Kukui Street, #409

Honolulu, HI 96813

(808) 783-3653

# SENATE COMMITTEE ON COMMERCE AND CONSUMER PROTECTION SENATOR ROSALYN H. BAKER, CHAIR SENATOR DAVID Y. IGE, VICE CHAIR

G.M. 192

# SUBMITTING FOR CONSIDERATION AND CONFIRMATION TO THE PUBLIC UTILITIES COMMISSION, GUBERNATORIAL NOMINEE, CARLITO P. CALIBOSO, FOR A TERM TO EXPIRE 6-30-2016.

#### **TESTIMONY OF:**

## Christopher M. Letoto

Chair Baker, Vice Chair Ige, and Members of the Senate Committee on Commerce and Consumer Protection, I write in strong support of the confirmation of Carlito P. Caliboso to the Public Utilities Commission.

I met Mr. Caliboso while we were in the Executive MBA program at the University of Hawaii, Shidler College of Business and he quickly became a leader in our class. As Chairman of the Public Utilities Commission and a full-time student of this prestigious program, he succeeded in doing both as a result of his innovative solutions to difficult problems, enthusiasm, compassion, hard work, and humor. While a natural leader, Mr. Caliboso is also a tremendous team player, always patient and willing to offer his assistance to his classmates. Not only did I learn a tremendous amount from this program, but Mr. Caliboso taught me a tremendous amount about business, striving to be an individual with integrity, and treating others with the utmost respect.

Mr. Caliboso's scholastic accomplishments, extensive experience in public service and commitment to our community proves that he has the attributes and character to continue to serve as Chairman of the Public Utilities Commission. I have no doubt that if confirmed, he will continue to serve the people of Hawaii with integrity and I wholeheartedly support his confirmation.

Thank you for your consideration.

Sincerely,

Christopher M. Letoto

# RUSH MOORE LLP A LIMITED LIABILITY LAW PARTNERSHIP

Attorneys at Law
Offices in Honolulu and Kona

Honolulu Office: 737 Bishop Street, Suite 2400, Honolulu, Hawaii 96813 / Tel: (808) 521-0400 / Fax: (808) 521-0597

Craig I. Nakanishi Direct dial number: (808) 521-0518

Email: cnakanishi@rmhawaii.com

SENATE COMMITTEE ON COMMERCE AND CONSUMER PROTECTION

THE HONORABLE ROSALYN H. BAKER, CHAIR THE HONORABLE DAVID Y. IGE, VICE-CHAIR

GOVERNOR'S MESSAGE 192
NOMINATION OF **CARLITO P. CALIBOSO**SUBMITTED FOR CONSIDERATION AND CONFIRMATION AS
COMMISSIONER, PUBLIC UTILITIES COMMISSION

Testimony of Craig I. Nakanishi, Partner, Rush Moore LLP

February 22, 2010

Chairman Baker, Vice Chair Ige, and Members of the Senate Committee on Commerce and Consumer Protection:

Thank you for the opportunity to testify on Governor's Message 192 concerning the Governor's nomination of Carlito P. Caliboso to the Public Utilities Commission of the State of Hawaii.

I submit this testimony in **strong support** of Mr. Caliboso's nomination. I have known Mr. Caliboso for over seventeen years from when he first started private law practice at Cades Schutte Fleming & Wright. I have also had the good fortune of getting to know Mr. Caliboso even better on both a social and professional basis as his law partner at the former law firm of Catalani Nakanishi and Caliboso. Since his appointment as Chairman of the Public Utilities Commission in 2004, I have had the greatest honor of appearing before the Public Utilities Commission as well.

Throughout the time that I have known Mr. Caliboso, he has always shown the highest level of excellence in his analysis and resolution of complex legal and business issues. In addition, Mr. Caliboso adds a level of practicality to every situation and has an intuitive feel for getting to the crux of any issue.

I have the highest personal regard for Mr. Caliboso's values, standards and ethics. He always acts professionally, with the highest level of integrity, character, fairness and good judgment. Mr. Caliboso, quite simply, is an asset to the Public Utilities Commission and the State of Hawaii.

Honorable Rosalyn H. Baker, Chair GM 192 Nomination of Carlito P. Caliboso February 22, 2010 Page 2 of 2

Since his appointment to the Public Utilities Commission, Mr. Caliboso has demonstrated that he has an outstanding grasp of the issues in this complex field and their relationship and impact on the State of Hawaii. As the Chair of the Public Utilities Commission, Mr. Caliboso has been under enormous pressures to deal with the changing regulatory landscape, increased responsibilities in the energy field - especially in the renewable energy area, all while handling challenging budget shortfall issues that plague the State of Hawaii. Under his leadership, Mr. Caliboso has admirably stepped up to these challenges and has successfully guided the Public Utilities Commission to accomplish more with less resources.

In addition to these duties, Mr. Caliboso is extremely active in the utility arena as he is a member of the Board of Directors of the National Association of Regulatory Utility Commissioners ("NARUC") which is an association representing State public utility commissioners throughout the country, a member of the Board of Directors of the National Regulatory Research Institute which seeks to empower utility regulators through research and dissemination of knowledge in the utility area, and was on the Federal Communications Commission's Intergovernmental Advisory Committee to provide ongoing advice and information to the FCC on a broad range of telecommunications issues of interest to the State of Hawaii. Recently, Mr. Caliboso was nominated to serve on the 706 Joint Conference on Advanced Services which serves as a forum for an ongoing dialogue among federal and State commissioners and local and regional entities regarding the deployment of advanced telecommunications capabilities.

In short, Mr. Caliboso's strong professional background and genuine interest in the public utilities field, coupled with his business, finance and law acumen, and his history of acting with the highest ethical standards, make him an excellent choice to continue to lead the Public Utilities Commission now and in the future in its regulatory function of overseeing the public utilities in the State of Hawaii.

Thank you for this opportunity to comment of Governor's Message 192 in strong support of the appointment of Carlito P. Caliboso to the Public Utilities Commission.

Sincerely.

Craig/i. Nakanishi

# SENATE COMMITTEE ON COMMERCE AND CONSUMER PROTECTION SENATOR ROSALYN H. BAKER, CHAIR SENATOR DAVID Y. IGE, VICE CHAIR

G.M. 192

SUBMITTING FOR CONSIDERATION AND CONFIRMATION TO THE PUBLIC UTILITIES COMMISSION, GUBERNATORIAL NOMINEE, CARLITO P. CALIBOSO, FOR A TERM TO EXPIRE 6-30-2016.

TESTIMONY OF:
Candace Flores

Chair Baker, Vice Chair Ige, and Members of the Committee:

I would like to submit this testimony in full support of Carlito Caliboso's nomination for another term as the Public Utilities (PUC) Chairman. I have known Carl for several years through working with him on numerous team projects at the University of Hawaii Shidler Executive MBA (EMBA) program. Carl has demonstrated himself to be a great and ethical leader, mentor, mediator, and a hard worker on countless occasions graduating at the top of our class as a Beta Gamma Sigma scholastic achiever. Even with his demanding work and travel schedule, Carl always contributed to team projects and never lost patience under tight deadlines. As a Certified Public Accountant (CPA), I perceive things on a detailed level which at times differ from other perspectives. Carl brought our team together many times through listening to all ideas and contributions - considering our different personalities and career trainings. Carl has taught many of us valuable traits of a great leader.

I have the highest regard for Carl's leadership characteristics, astuteness and ethical character which he demonstrated during the EMBA and also as Chair of the PUC. I respectfully urge the honorable members of the Committee on Commerce and Consumer Protection to recommend to the full Senate that Carlito Caliboso be confirmed for another term.

Thank you for this opportunity to present testimony.

# SENATE COMMITTEE ON COMMERCE AND CONSUMER PROTECTION SENATOR ROSALYN H. BAKER, CHAIR SENATOR DAVID Y. IGE, VICE CHAIR

G.M. 192

SUBMITTING FOR CONSIDERATION AND CONFIRMATION TO THE PUBLIC UTILITIES COMMISSION, GUBERNATORIAL NOMINEE, CARLITO P. CALIBOSO, FOR A TERM TO EXPIRE 6-30-2016.

**TESTIMONY OF:** 

Michael Browning

Chair Baker, Vice Chair Ige, and Members of the Committee:

I am writing in support of Carlito P. Caliboso's re-appointment to the Public Utilities

Commission. I have known Mr. Caliboso for over 10 years and find him to be an outstanding citizen, with sound moral and ethical judgment. Mr. Caliboso has served the State of Hawaii well during his existing term on the Commission, and the people of the State of Hawaii needs stability on the Commission as it faces several important upcoming key decisions. Please consider confirming Carlito P. Caliboso for a term to expire June 30, 2016. Should you have any questions for me, please contact me at 548-0022.

Sincerely,

Michael Browning, President

Pacific DirectConnect Inc

#### baker5 - Leo

From:

Michael B. Pietsch [MPietsch2@TGHAWAII.COM]

Sent:

Friday, February 19, 2010 2:46 PM

To: Subject:

CPN Testimony
Carlito Caliboso Nominee

## **FEBRUARY 24, 2010**

# SENATE COMMITTEE ON COMMERCE AND CONSUMER PROTECTION SENATOR ROSALYN H. BAKER, CHAIR SENATOR DAVID Y. IGE, VICE CHAIR

G.M. 192

SUBMITTING FOR CONSIDERATION AND CONFIRMATION TO THE PUBLIC UTILITIES COMMISSION, GUBERNATORIAL NOMINEE, CARLITO P. CALIBOSO, FOR A TERM TO EXPIRE 6-30-2016.

TESTIMO	ONY OF:
Michael B. Pietsch	

Chair Baker, Vice Chair Ige, and Members of the Committee:

I believe that Carlito Caliboso is a great representative of Hawaii and will add great value when re-appointed as a member of the Public Utilities Commission. Carlito has demonstrated that his knowledge and expertise add value and credibility to the commission. Carlito's decision making is in the best interest of Hawaii's people. He is a true asset and should be apart of the Public Utilities Commission for the next term.

# SENATE COMMITTEE ON COMMERCE AND CONSUMER PROTECTION SENATOR ROSALYN H. BAKER, CHAIR SENATOR DAVID Y. IGE, VICE CHAIR

G.M. 192

SUBMITTING FOR CONSIDERATION AND CONFIRMATION TO THE PUBLIC UTILITIES COMMISSION, GUBERNATORIAL NOMINEE, CARLITO P. CALIBOSO, FOR A TERM TO EXPIRE 6-30-2016.

**TESTIMONY OF:** 

Robert C. Bice

Chair Baker, Vice Chair Ige, and Members of the Committee:

Honorable Senators,

Please accept this request to confirm Carlito Caliboso for this next term as part of the Public Utilities Commission office. It is my opinion that Chairman Caliboso has served faithfully and honorably in this current term and will serve the State of Hawaii well into the future. Chairman Caliboso has faced challenges during the last few years and stood firm in what he believed right and true for the people of the State of Hawaii.

In matters that received overt attention from the press, Chairman Caliboso was able to show due diligence in continuing the investigations needed to obtain resolution as well as integrity in the transparency of his actions. The perseverance in follow through even under public duress

February 24, 2010 G.M. 192 Page 2

showed a real loyalty to the consumers and officials that he serves. These items are an indication of faithfulness in fulfilling the duties of this office.

Chairman Caliboso added to his professional growth by completing a full MBA program that added to the skills that will carry this State forward. The 2 year program was taken at the University of Hawaii at Manoa and further enhanced the financial and strategic talents that Chairman Caliboso originally brought to the office.

In all dealings with Chairman Caliboso I have been continuously impressed with his strength of character. I want to have this strength in Carlito Caliboso represent the people of the State of Hawaii in the Public Utilities Commission office for the next 6 years.



February 23, 2010

## Via Email: CPNTestimony@Capitol.hawaii.gov

The Honorable Roslyn H. Baker, Chair
The Honorable David Y. Ige, Vice Chair
Members of the Senate Committee on Commerce
and Consumer Protection
Hawaii State Capitol
Honolulu, Hawaii 96813

Writer's Direct Dial: (808) 526-4732 Writer's Email: dyamamoto@yshawaii.com

Re: GM 192 – Carlito P. Caliboso, Gubernatorial Nominee as Commissioner for the Public Utilities Commission, For a Term to Expire June 30, 2016

Hearing on Wednesday, February 24, 2010, at 9:00a.m.

Dear Chair Baker, Vice Chair Ige and Members of the Committee:

It is my pleasure to provide testimony before the Senate Committee on Commerce and Consumer Protection in support of GM 192, the confirmation of the reappointment of Chairman Carlito P. Caliboso as Commission of the Hawaii Public Utilities Commission ("PUC"). I am an attorney in private practice and my practice includes the representation of various energy companies in regulatory and business matters.

I have had the privilege of knowing and working with Chairman Caliboso since 1993, first as a colleague in private law practice at a large Honolulu law firm, and now in his capacity as Chairman of the PUC. In his private law practice, Chairman Caliboso was a highly-respected finance and real estate attorney. Now, in his capacity as chair of the PUC, Chairman Caliboso is highly respected among those members of the regulatory and energy communities who regularly appear before the PUC.

In his capacity as chair of the PUC, Chairman Caliboso consistently demonstrates strong and decisive leadership and he is willing to make tough decisions in complex and controversial proceedings. Under Chairman Caliboso's leadership, the PUC has processed a number of complex energy proceedings and has opened several crucial proceedings now in process (including the Feed in Tariff, Revenue Decoupling, IRP Amendments and PV Host dockets). Chairman Caliboso's leadership in establishing open and inclusive processes has allowed stakeholders appropriate participation in key dockets.

I have found Chairman Caliboso to maintain the highest degree of honesty, integrity and ethics. In my practice before the PUC, I have found Chairman Caliboso to be fair, balanced and impartial in his decision making.

The Honorable Roslyn H. Baker, Chair The Honorable David Y. Ige, Vice Chair Members of the Senate Committee on Commerce and Consumer Protection February 23, 2010 Page 2 of 2

For the foregoing reasons and more, I urge this Committee to confirm Chairman Caliboso's reappointment to the Public Utilities Commission.

Very truly yours

Dean T. Yamamoto

for \

YAMAMOTO & SETTLE A Limited Liability Law Company Honeywell Utility Solutions 220 S. King Street - Suite #1460 Honolulu, HI 96813 Office (808) 537-5552 Fax (808) 537-5592

February 22, 2010

Attn: Committee on Commerce and Consumer Protection

Hearing: GM192; Submitting for consideration and confirmation to the Public Utilities

Commission, Gubernatorial Nominee, CARLITO P. CALIBOSO, for a term to expire 6-30-

2016.

Hearing Date: Wednesday, February 24, 2010

Hearing Time: 9:00AM.

On behalf of Honeywell Utility Services, I am writing to unreservedly endorse Chairman Carlito Caliboso's reappointment to the Hawaii Public Utilities Commission (PUC). For almost 15 years, we have worked with the Hawaii PUC on numerous occasions, involving several different chairmen. Specifically during Chairman Caliboso's tenure, there has been a huge growth in energy policy dockets and energy transition initiatives. Chairman Caliboso has driven the PUC to open and resolve several major and complex energy policy dockets. These energy dockets are very complex in terms of economics, engineering, policy, and law. Under Chairman Caliboso's leadership, we have observed the PUC actively engaging on these dockets and allowing stakeholder participation in hearings. The resulting decisions have benefitted Hawaii in furthering our energy transition initiatives.

Chairman Caliboso demonstrates a high leadership level and we urge you to reappoint him for another term. Should you have any questions on this matter, please feel free to call me at (808) 237-6853. Thank you for this opportunity to provide our input.

Sincerely,

Yvette Maskrey District Manager

Yvette Clarkney

### **FEBRUARY 24, 2010**

# SENATE COMMITTEE ON COMMERCE AND CONSUMER PROTECTION SENATOR ROSALYN H. BAKER, CHAIR SENATOR DAVID Y. IGE, VICE CHAIR

### G.M. 192

# SUBMITTING FOR CONSIDERATION AND CONFIRMATION TO THE PUBLIC UTILITIES COMMISSION, GUBERNATORIAL NOMINEE, CARLITO P. CALIBOSO, FOR A TERM TO EXPIRE 6-30-2016.

### TESTIMONY OF:

### Matthew L. Myers

Chair Baker, Vice Chair Ige, and Members of the Committee:

This submission constitutes testimony in support of Carlito P. Caliboso for consideration and confirmation to the Public Utilities Commission, for a term to expire 6-30-2016.

The subject gubernatorial nominee warrants having their term of office renewed based on the exceptional quality of their performance to date.

Thank you.

Aloha,

Matthew L. Myers

## **FEBRUARY 24, 2010**

# SENATE COMMITTEE ON COMMERCE AND CONSUMER PROTECTION SENATOR ROSALYN H. BAKER, CHAIR SENATOR DAVID Y. IGE, VICE CHAIR

G.M. 192

SUBMITTING FOR CONSIDERATION AND CONFIRMATION TO THE PUBLIC UTILITIES COMMISSION, GUBERNATORIAL NOMINEE, CARLITO P. CALIBOSO, FOR A TERM TO EXPIRE 6-30-2016.

**TESTIMONY OF:** 

Kathleen M. Watson, MBA

To Chair Baker, Vice Chair Ige, and Members of the Committee:

I believe Carlito Caliboso to be a diligent and honest executive as evidenced by his behavior in the Executive MBA Program at the University of Hawaii. He was a helpful, professional and conscientious classmate. Accordingly, I endorse his reappointment.

#### HAWAII RENEWABLE ENERGY ALLIANCE

46-040 Konane Place #3816, Kaneohe, HI 96744 - Telephone/FAX: 247-7753 - Email: wsb@lava.net

#### Officers

President Warren S. Bollmeier II

Vice-President John Crouch

#### **Directors**

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John Crouch Solar Power Systems International

Cully Judd Inter Island Solar Supply

Herbert M. (Monty) Richards Kahua Ranch Ltd. TESTIMONY OF WARREN BOLLMEIER ON BEHALF OF THE HAWAII
RENEWABLE ENERGY ALLIANCE BEFORE THE SENATE COMMITTEE ON
COMMERCE AND CONSUMER PROTECTION

REGARDING GM 192 FOR THE CONSIDERATION AND CONFIRMATION TO THE PUBLIC UTILITIES COMMISSION, GUBERNATORIAL CANDIDATE CARLITO P. CALIBOSO

## February 24, 2010

Chair Baker, Vice-Chair Ige and members of the Committee, I am Warren Bollmeier, testifying on behalf of the Hawaii Renewable Energy Alliance ("HREA"). HREA is a nonprofit corporation in Hawaii, established in 1995 by a group of individuals and organizations concerned about the energy future of Hawaii. HREA's mission is to support, through education and advocacy, the use of renewables for a sustainable, energy-efficient, environmentally-friendly, economically-sound future for Hawaii. One of HREA's goals is to support appropriate policy changes in state and local government, the Public Utilities Commission and the electric utilities to encourage increased use of renewables in Hawaii.

HREA is in **strong support** of the consideration and confirmation of Carlito P. Caliboso to the Public Utilities Commission for the following reasons:

- Bringing Leadership. From HREA's perspective as an Intervenor in numerous dockets since Mr. Caliboso has served as Chair of the Public Utilities Commission, he has brought strong leadership to the Commission. Indeed, he has accomplished much in the face of a heavy work load and limited resources.
- 2) Implementing New Energy Policies. While hampered with limited resources, Chair Caliboso has initiated landmark dockets, such as distributed generation, competitive bidding and demand-side management, to open up the electric utility sector to more innovation and competition, and has worked tirelessly to implement new energy policies such as the renewable portfolio standards, net energy metering, decoupling, feed-in tariffs and the public benefits fund.
- 3) Weighing the Interests of all Stakeholder. HREA believes that Chair Caliboso's management style and the nature of the decisions made by the Commission during his tenure have been fair and unbiased. Furthermore, the regulatory process has become more open and accessible, not only to Intervenors, but to the public in general.

Finally, we believe Chair Caliboso has the devotion and vigilance to continue to be successful in his job and we look forward, with your assistance, to continue to work with him and his staff, as our job is not yet done. Indeed, if we are to continue to transform our energy sector as in envisioned in the Hawaii Clean Energy Initiative, we cannot think of a better person to continue to lead the Commission.

Thank you for this opportunity to testify.

#### **FEBRUARY 24, 2010**

## SENATE COMMITTEE ON COMMERCE AND CONSUMER PROTECTION SENATOR ROSALYN H. BAKER, CHAIR SENATOR DAVID Y. IGE, VICE CHAIR

#### G.M. 192

SUBMITTING FOR CONSIDERATION AND CONFIRMATION TO THE PUBLIC UTILITIES COMMISSION, GUBERNATORIAL NOMINEE, CARLITO P. CALIBOSO, FOR A TERM TO EXPIRE 6-30-2016.

#### **TESTIMONY OF:**

Terrence R. George

Chair Baker, Vice Chair Ige, and Members of the Committee:

I am writing to urge you to confirm Carlito P. Caliboso for another term in the Public Utilities Commission. From August 2007 through May 2009, I had the privilege of working with Mr. Caliboso as we both sought and earned the Masters in Business Administration degree from the Shidler College of Business, University of Hawaii at Manoa. During those two years, I had ample opportunity to observe Mr. Caliboso's behavior as a leader, a team member, and a public servant. I should also mention that I have spent most of the last 25 years in the nonprofit sector, with particularly long stints in Asia at the Ford Foundation and in Hawaii with the Consuelo Foundation and the Harold K.L. Castle Foundation. In all these capacities, I worked with a wide range of international, national, state, and local public servants, from foreign ministers to village chiefs. I've observed corrupt and inept public servants and I've also observed paragons of virtue who have transformed their public agencies. Mr. Caliboso fits within the latter end of this spectrum.

February 24, 2010 G.M. 192 Page 2

Mr. Caliboso has the integrity, intelligence, and a vision for what the PUC should be doing to advance the quality of life for Hawaii's citizens and to create a fair set of rules of the game for

the companies that come under the PUC's jurisdiction. We would be well served to have Mr.

Caliboso remain at the help.

I would be happy to answer any questions that you have, and stress that I am speaking as a private citizen of Hawaii rather than in my capacity as Vice President and Executive Director of the Harold K.L. Castle Foundation.

Sincerely yours,

Terrence R. George

3656 Kawelolani Place, Honolulu, HI 96816

(808) 739-5530

STATEMENT
OF
CARLITO P. CALIBOSO
CHAIRMAN, PUBLIC UTILITIES COMMISSION

TO THE
SENATE COMMITTEE ON COMMERCE AND CONSUMER PROTECTION
FEBRUARY 24, 2010

MEASURE: G.M. 192

TITLE:

SUBMITTING FOR CONSIDERATION AND CONFIRMATION TO THE PUBLIC UTILITIES COMMISSION, GUBERNATORIAL NOMINEE,

CARLITO P. CALIBOSO, FOR A TERM TO EXPIRE 6-30-2016.

Aloha Chair Baker, Vice Chair Ige, and Members of the Committee:

I appreciate the opportunity to come before you today.

I was appointed as the Chairman of the Public Utilities Commission of the State of Hawaii (the "Commission") on April 30, 2003 by the Honorable Governor Linda Lingle, for an initial term through June 30, 2004, and was subsequently reappointed to a full six-year term, which expires on June 30, 2010. I am honored and humbled to once again be appointed for another term by Governor Lingle, subject to Senate confirmation, for a term to expire on June 30, 2016. However, if confirmed, I will be able to serve this term only through April 29, 2015, as HRS chapter 269 includes a term limit of 12 consecutive years.

Although the Commission has addressed many important policy issues within its jurisdiction since 2003, we are still in the process of implementing many of the State's goals and objectives, such as those described in the Hawaii Clean Energy Initiative, and I feel that, if it is the will of this Committee and the Senate, I should stay on with the Commission to follow through on many of these highly important policy initiatives.

The Commission is responsible for regulating all public utility companies that provide electricity, gas, telecommunications, private water and sewage, and motor and water carrier transportation services in the State, among other duties and responsibilities as provided by law. The Commission has statutory authority to establish and enforce applicable state statutes, administrative rules and regulations, and to set policies and standards. Thus, the Commission's primary purpose is to ensure that regulated companies efficiently and safely provide their customers with adequate and reliable services at just and reasonable rates, while providing regulated companies with a fair opportunity to earn a reasonable rate of return, which will allow utilities to provide essential services to consumers over the long term.

As one of three commissioners appointed to the Commission, I am one of the three decision-makers entrusted to make decisions and take actions within the purview of the Commission's jurisdiction, which decisions require a majority of the Commission. As Chairman, I am responsible for leading and managing the Commission with a growing staff consisting of legal, engineering, audit, policy and research, enforcement, and professional administrative staff.

While we have a broad range of regulatory responsibilities, probably the greatest amount of our efforts are focused on the electric utility and energy industry, since there is a major policy move to reduce our State's dependence on fossil fuels through increased energy efficiency measures and increasing the production of electricity with renewable energy. Since 2003, the Commission has addressed major

energy policy issues in dockets addressing renewable portfolio standards, third party administration of energy efficiency programs, distributed generation, competitive bidding, net energy metering, feed-in-tariffs, and decoupling, among many other issues, in an effort to implement major policies established by the State. These and other issues continue to be addressed by the Commission as energy regulatory policy continues to develop and evolve.

We are working hard on regulatory policies and mechanisms that are aimed at reducing the use and consumption of electricity so that less electricity generation is needed in the first place. A major energy efficiency initiative actually began in 2004 when the Commission bifurcated Hawaiian Electric Company's request for approval of its Demand Side Management programs from its rate case application so that we could separately study whether a third party administrator should implement energy efficiency programs. The Commission eventually decided that it would be beneficial to establish a third party administrator for energy efficiency programs and conducted a competitive bidding process to select a third party administrator. Under authority given to the Commission by the Legislature, this effort culminated with the establishment of a third party administrator to develop and administer energy efficiency programs. This third party administrator took over and began implementing energy efficiency programs on all islands (except Kauai) on July 1, 2009.

We hope that a third party administrator will more aggressively and more cost-effectively implement energy efficiency programs since it will have no dis-incentive

to reduce electricity usage and sales, as this third party administrator structure will remove the real or perceived inherent conflict between administering energy efficiency programs and selling electricity. Simply put, this will help the State reduce fossil fuel use and dependence by reducing electricity use. We are still in the first year of the third party administrator's three-year contract and we hope to improve and evolve this program to be able to even more aggressively reduce energy usage as much as possible.

The Legislature, during the 2009 legislative session, also tasked the Commission with implementing an energy efficiency portfolio standards law, which will require the Commission to open a new proceeding to thoroughly investigate and make determinations to implement State's energy efficiency policy goals and objectives. This will be the Commission's next major energy investigative proceeding.

We have also worked on several various regulatory initiatives and proposals designed to facilitate and encourage the development of more renewable energy resources. For example, we have established penalties to incentivize compliance with the State's renewable portfolio standards law under authority delegated to the Commission by the Legislature. We have also recently established a feed-in-tariff program to encourage and facilitate the incorporation of more renewable energy into the electric grid with various forms of distributed generation. We are currently in the process of working out the details of the feed-in-tariff programs.

The Legislature has also entrusted the Commission with developing mechanisms and rate structures that will enable electric utilities to comply with renewable energy mandates and yet remain financially viable. The Commission is in the process of investigating and establishing a decoupling mechanism that will separate the electric utility's financial well-being from the need to sell more electricity. This mechanism will help to ensure that the electric utilities remain financially healthy, which will enable them to provide reliable electrical service at reasonable rates over the long run. Without such a mechanism, it may be unrealistic to continue to expect electric utilities to sell less and less electricity and have more and more electricity generated by others, and still remain financially viable under their current business model. We are still in the midst of establishing this decoupling mechanism, and we will then have to implement the decoupling mechanism in rate case proceedings for each electric utility within the Hawaiian Electric Companies.

I am both honored and humbled that the Legislature has entrusted the Commission with making so many important energy decisions and determinations to implement the State's policies. I take the duties delegated to the Commission by the Legislature very seriously and consider it to be of the utmost importance to faithfully carry out our duties and responsibilities in the best interest of the public.

We are implementing these energy policy initiatives while doing our best to control costs for electric utility customers, and maintain electrical service reliability and the financial health of the electric utilities. Balancing these competing interests is

probably the greatest overall challenge faced by the Commission. We do need to recognize that we may need to make investments during the short term to increase energy efficiency and renewable energy generation for the long term benefit of the people of Hawaii.

One such investment is funding needed resources for the Commission and the Consumer Advocate's office, which is a party to all Commission dockets, so that we can thoroughly investigate and if appropriate, implement important energy initiatives to achieve the State's goals and objectives. The Commission can be fully funded with its Special Fund should it be allowed to use more of it before the fund's balance is swept into the General Fund at the end of each fiscal year.

In 2007, the Legislature approved the restructuring plan proposed by the Commission to more adequately fund and provide resources to the Commission and the Consumer Advocate. Unfortunately, much of the funding for the restructuring previously approved by the Legislature was eliminated in the 2009 session, which also effectively halted the internal administrative process in re-describing and establishing various positions and components of the restructuring plan. There are two proposed bills, H.B. 2642 and S.B. 2809 SD1, that recognize the need for regulatory resources to attain important and high priority goals of the State, and would re-institute the funding for the re-structuring plan previously approved by the Legislature. I'd like to thank this Committee for passing out S.B. 2809 in recognition of the need to fully fund the Commission and provide it with needed resources.

If energy policy initiatives are a high priority to the State, then funding the regulatory agencies entrusted with implementing these policies and objectives should also be a high priority.

In conclusion, I would be honored to continue to serve if it is also the will of this Committee and the full Senate. I'd like to thank the Committee for your time and attention and would be happy to try to answer any questions that you may have.

Mahalo.