H.B. NO. H.D. 2

## A BILL FOR AN ACT

RELATING TO THE PUBLIC UTILITIES COMMISSION.

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

1	PART I			
2	SECTION 1. The legislature finds that from smart grid to			
3	broadband, Hawaii is facing many new opportunities and			
4	challenges in utility technologies and policies that are			
5	reshaping our vision of the State's future, and in the process,			
6	redefining Hawaii's economy for decades to come. Yet, to			
7	successfully take advantage of opportunities to fundamentally			
8	improve Hawaii's network of infrastructure, our regulatory			
9	bodies must effectively oversee and guide Hawaii's utilities on			
10	that path.			
11	The legislature further finds that for the public utilities			
12	commission to appropriately guide the development and			
13	modernization of Hawaii's infrastructure in the twenty-first			
14	century, its procedures and processes must reflect best			
15	practices that most effectively help stakeholders navigate the			
16	emerging economic, technological, and regulatory transformations			
17	that are taking place in Hawaii's utility sector. From			
18	increasing transparency and public access, to streamlining			
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- 1 internal and external procedures, to adopting the best
- 2 regulatory frameworks for fostering growth and development, it
- 3 is imperative that the commission use the necessary tools and
- 4 best practices to effectively and efficiently make informed
- 5 decisions about Hawaii's future infrastructure.
- 6 The purpose of this part is to increase transparency and
- 7 efficiency at the public utilities commission by requiring the
- 8 adoption of best practices in relation to all commission
- 9 activities, both internal and external, to ensure the commission
- 10 is in the best position to guide the State in utility matters.
- 11 SECTION 2. Chapter 269, Hawaii Revised Statutes, is
- 12 amended by adding a new section to be appropriately designated
- 13 and to read as follows:
- 14 "§269- Commission best practices. (a) The commission
- 15 shall integrate and implement utility and regulatory best
- 16 practices, including in the following areas:
- 17 (1) The use of innovative regulatory frameworks to solve
- 18 utility issues and concerns resulting from economic,
- 19 technological, and policy changes;
- 20 (2) The making and updating of rules and procedures that
- 21 streamline the internal and external procedures of the

1		commission, in particular streamlining and shortening			
2		the timeframe of procedural actions; and			
3	(3)	The use of information technology to improve internal			
4		workflow, transparency, and public access to filings			
5		and data.			
6	(b)	The commission shall establish a system to gather,			
7	assess, a	nd update utility and regulatory best practices, and			
8	implement	appropriate best practices, particularly in areas set			
9	forth in subsection (a)."				
10	SECT	TION 3. The commission shall include in its 2012 and			
11	2013 annual reports to the legislature, as required pursuant to				
12	section 2	69-5, Hawaii Revised Statutes, an update on its			
13	progress	in implementing best practices.			
14	SECT	TION 4. There is appropriated out of the public			
15	utilities	commission special fund established pursuant to			
16	section 2	69-33, Hawaii Revised Statutes, the sum of			
17	or so muc	h thereof as may be necessary for fiscal year 2012-2013			
18	to carry	out the purposes of this part, including the hiring of			
19	necessary	consultants.			
20	The	sum appropriated shall be expended by the public			
21	utilities	commission for the purposes of this part.			

PART II

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- 1 SECTION 5. The legislature finds that for Hawaii's farmers
- 2 and ranchers to remain competitive and self-sustaining,
- 3 incentives and mechanisms must be implemented to reduce costs
- 4 and ensure that the State's constitutional mandate to promote
- 5 diversified agriculture and increase agricultural self-
- 6 sufficiency is fulfilled. The public utilities commission
- 7 regulates the tariffs set for public utilities that provide
- 8 essential services to the agricultural industry, such as
- 9 interisland shipping.
- 10 The purpose of this part is to permit the public utilities
- 11 commission to authorize preferential rates for water carrier
- 12 service for ratepayers engaged in agricultural activities.
- 13 SECTION 6. Chapter 269, Hawaii Revised Statutes, is
- 14 amended by adding a new section to be appropriately designated
- 15 and to read as follows:
- 16 "§269- Preferential water carrier service rates for
- 17 <u>agricultural activities.</u> The public utilities commission may
- 18 authorize preferential water carrier service rates by tariff for
- 19 ratepayers that engage in agricultural activities. The
- 20 application process for obtaining preferential water carrier
- 21 service rates by tariff may be established by the public
- 22 utilities commission."

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1	PART	III	

- 2 SECTION 7. New statutory material is underscored.
- 3 SECTION 8. This Act shall take effect on July 1, 2012.

## Report Title:

Public Utilities Commission; Best Practices; Appropriation; Water Carrier; Tariffs

## Description:

Requires the Public Utilities Commission to implement best practices in the areas of regulatory frameworks, rules and procedures, and information technology and public access. Appropriates funds to implement best practices. Authorizes the Public Utilities Commission to provide preferential water carrier service tariffs for ratepayers that engage in agricultural activities. (SD1)

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