

Honolulu, Hawaii

FEB 10 2012

RE: S.B. No. 2427  
S.D. 1

Honorable Shan S. Tsutsui  
President of the Senate  
Twenty-Sixth State Legislature  
Regular Session of 2012  
State of Hawaii

Sir:

Your Committee on Commerce and Consumer Protection, to which  
was referred S.B. No. 2427 entitled:

"A BILL FOR AN ACT RELATING TO THE PUBLIC UTILITIES  
COMMISSION,"

begs leave to report as follows:

The purpose and intent of this measure is to require the  
Public Utilities Commission to implement best practices in the  
areas of regulatory frameworks, rules and procedures, and  
information technology and public access and to appropriate funds  
to carry out these purposes.

Your Committee received testimony in support of this measure  
from the Public Utilities Commission. Your Committee received  
comments on this measure from the Department of Budget and  
Finance.

Your Committee finds that the Public Utilities Commission has  
been working on updating and implementing internal processes and  
developing innovative regulatory frameworks. The Public Utilities  
Commission has undertaken an internal initiative to update all of  
the Commission's administrative rules, and is working on enhancing  
its Document Management System to increase user friendliness and  
allow for electronic filing and payment.

Your Committee also finds that implementation of best  
practices will increase transparency and efficiency at the Public  
Utilities Commission and will ensure that the Commission is in the



best position to make informed decisions about the State's future infrastructure.

Concerns were expressed regarding whether the appropriation associated with this measure should come from the general fund. In testimony before your Committee, it was noted that the public utilities commission special fund has generated an average of \$18,000,000 each year over the last five fiscal years, and has lapsed to the general fund approximately \$10,000,000 each year during that same period. Your Committee has concluded that it is more appropriate that the funding for this measure come from the public utilities commission special fund.

Your Committee has amended this measure by:

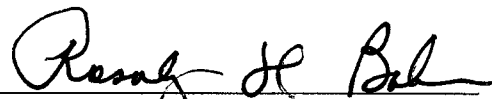
- (1) Specifying that funding for this measure will come from the public utilities commission special fund, rather than the general fund; and
- (2) Increasing the appropriation amount to \$100,000 to better assist the Public Utilities Commission with implementing best practices.

Your Committee finds that this measure will require an increase in the public utilities commission special fund ceiling and will result in a subsequent loss of \$100,000 from the general fund. Your Committee also believes that the appropriation contained in this measure is an important expenditure and will have minimal impact on the general fund.

As affirmed by the record of votes of the members of your Committee on Commerce and Consumer Protection that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 2427, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 2427, S.D. 1, and be referred to the Committee on Ways and Means.



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



ROSALYN H. BAKER, Chair



The Senate  
Twenty-Sixth Legislature  
State of Hawai'i

**Record of Votes**  
**Committee on Commerce and Consumer Protection**  
**CPN**

|   |  |  |     |         |
|---|--|--|-----|---------|
| Bill / Resolution No.:*<br><div style="font-size: 1.5em; font-family: cursive;">SB 2427</div>   | Committee Referral:<br><div style="font-size: 1.5em; font-family: cursive;">CPN, WAM</div> | Date:<br><div style="font-size: 1.5em; font-family: cursive;">2-3-12</div> |     |         |
| <input type="checkbox"/> The committee is reconsidering its previous decision on this measure.<br>If so, then the previous decision was to: _____   |  |  |     |         |
| The Recommendation is:<br><div style="display: flex; justify-content: space-between; align-items: flex-start;"> <div style="text-align: center;"><input type="checkbox"/> Pass, unamended<br/>2312</div> <div style="text-align: center;"><input checked="" type="checkbox"/> Pass, with amendments<br/>2311</div> <div style="text-align: center;"><input type="checkbox"/> Hold<br/>2310</div> <div style="text-align: center;"><input type="checkbox"/> Recommit<br/>2313</div> </div>   |  |  |     |         |
| Members   | Aye  | Aye (WR)   | Nay | Excused |
| BAKER, Rosalyn H. (C)   | ✓  |  |     |         |
| TANIGUCHI, Brian T. (VC)  | ✓  |  |     |         |
| GALUTERIA, Brickwood  | ✓  |  |     |         |
| GREEN, M.D., Josh   | ✓  |  |     |         |
| NISHIHARA, Clarence K.  | ✓  |  |     |         |
| SOLOMON, Malama   | ✓  |  |     |         |
| SLOM, Sam   | ✓  |  |     |         |
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| <b>TOTAL</b>  | 7  | 0  | 0   | 0       |
| Recommendation: <input checked="" type="checkbox"/> Adopted <input type="checkbox"/> Not Adopted  |  |  |     |         |
| Chair's or Designee's Signature: <div style="font-size: 1.5em; font-family: cursive; display: inline-block;">[Signature]</div>  |  |  |     |         |
| <div style="display: flex; justify-content: space-between; align-items: flex-end;"> <div style="text-align: center;"> <b>Distribution:</b><br/>           Original<br/>           File with Committee Report         </div> <div style="text-align: center;">           Yellow<br/>           Clerk's Office         </div> <div style="text-align: center;">           Pink<br/>           Drafting Agency         </div> <div style="text-align: center;">           Goldenrod<br/>           Committee File Copy         </div> </div> |  |  |     |         |

**\*Only one measure per Record of Votes**