

STAND. COM. REP. NO. 2736

Honolulu, Hawaii

MAR 02 2012

RE: S.B. No. 2752
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 Ways and Means, to which was referred S.B. No. 2752, S.D. 1, entitled:

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

begs leave to report as follows:

The purpose and intent of this measure is to authorize the Public Utilities Commission to allow electric utilities operating within the State to recover all power purchase costs.

Written comments in support of this measure were submitted by the Department of Budget and Finance, Public Utilities Commission, and Blue Planet Foundation.

Written comments in opposition to this measure were submitted by one individual.

Your Committee finds that financial rating agencies impute debt associated with power purchase agreements when establishing an electric utility's debt rating. This may result in greater difficulty for an electric utility to obtain favorable financing for capital improvements, which ultimately results in higher costs to customers. This measure will reduce the imputed debt levels of local electric utility companies, thus enhancing the financial strength and credit ratings of the electric utility companies. Your Committee finds that fiscally strong electric utility companies will ultimately benefit electric utility customers in the form of cheaper rates from lower costs of capital.



As affirmed by the record of votes of the members of your Committee on Ways and Means that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 2752, S.D. 1, and recommends that it pass Third Reading.

Respectfully submitted on
behalf of the members of the
Committee on Ways and Means,



DAVID Y. IGE, Chair



The Senate
Twenty-Sixth Legislature
State of Hawai'i

Record of Votes
Committee on Ways and Means
WAM

Bill / Resolution No.:*	Committee Referral:	Date:
SB 2752, SD1	CPN, WAM	2-23-12
<input type="checkbox"/> The committee is reconsidering its previous decision on this measure. If so, then the previous decision was to: _____		
The Recommendation is: <input checked="" type="checkbox"/> Pass, unamended 2312 <input type="checkbox"/> Pass, with amendments 2311 <input type="checkbox"/> Hold 2310 <input type="checkbox"/> Recommit 2313		
Members	Aye	Aye (WR)
Nay	Excused	
IGE, David Y. (C)	✓	
KIDANI, Michelle N. (VC)		✓
CHUN OAKLAND, Suzanne	✓	
DELA CRUZ, Donovan M.	✓	
ENGLISH, J. Kalani	✓	
ESPERO, Will	✓	
FUKUNAGA, Carol	✓	mmmm
KIM, Donna Mercado		✓
KAHELE, Gilbert		✓
KOUCHI, Ronald D.	✓	
RYAN, Pohai		✓
TOKUDA, Jill N.	✓	
WAKAI, Glenn	✓	
SLOM, Sam		✓
TOTAL	9	4
1	0	
Recommendation: <input checked="" type="checkbox"/> Adopted <input type="checkbox"/> Not Adopted		
Chair's or Designee's Signature: <div style="text-align: center; font-family: cursive; font-size: 1.2em;">Michelle N. Kidani</div>		
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*Only one measure per Record of Votes