



NEIL ABERCROMBIE  
GOVERNOR

SHAN S. TSUTSUI  
LT. GOVERNOR

STATE OF HAWAII  
OFFICE OF THE DIRECTOR  
DEPARTMENT OF COMMERCE AND CONSUMER AFFAIRS

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KEALI'I S. LOPEZ  
DIRECTOR

JO ANN M. UCHIDA TAKEUCHI  
DEPUTY DIRECTOR

PRESENTATION OF  
DEPARTMENT OF COMMERCE AND CONSUMER AFFAIRS

TO THE HOUSE COMMITTEE ON  
FINANCE

TWENTY-SEVENTH STATE LEGISLATURE  
REGULAR SESSION, 2014

THURSDAY, MARCH 27, 2014  
4:00 P.M.

TESTIMONY ON SENATE BILL NO. 2948, S.D. 1, H.D. 1  
RELATING TO THE PUBLIC UTILITIES COMMISSION

TO THE HONORABLE SYLVIA LUKE, CHAIR,  
AND TO THE HONORABLE SCOTT Y. NISHIMOTO  
AND AARON LING JOHANSON, VICE CHAIRS,  
AND MEMBERS OF THE COMMITTEE:

The Department of Commerce and Consumer Affairs ("Department") appreciates the opportunity to testify on Senate Bill No. 2948, S.D. 1, H.D. 1 ("House Draft 1") Relating to the Public Utilities Commission ("Commission"). My name is Keali'i Lopez, Director of the Department. The Department offers the following testimony in strong support of the bill.

House Draft 1 specifies that (1) the Commission is transferred from its administrative placement within the Department of Budget and Finance to be a semi-autonomous agency that is administratively attached to the Department, which can provide the Commission with the additional administrative support

resources it needs; (2) increases the compensation of the Commission chairperson and commissioners; (3) clarifies that notwithstanding section 26-35, Hawaii Revised Statutes, the Commission has authority concerning standard administrative practices, including operational expenditures and the hiring of personnel; (4) changes the position title of the Commission's chief administrator to executive officer to reflect the position's increased management responsibilities; (5) enables the Commission chairperson to appoint, employ, and dismiss a fiscal officer and a personnel officer to further support the Commission's administrative activities; (6) establishes the position of executive director of the Division of Consumer Advocacy ("DCA"), which shall be the consumer advocate in proceedings before the Commission; (7) appropriates funds to assist with the transition of the Commission and for the hiring of an executive officer, a fiscal officer, and a personnel officer within the Commission; and (8) provides that the Commission's special fund shall be used for costs incurred by the Department for administrative support services for the Commission.

The Department supports the assignment of the Commission to the Department as a semi-autonomous agency for administrative purposes, as proposed in Sections 3 and 4.

Regarding Sections 8 and 9 of the bill, the Department supports the appointment of an executive director of the DCA as the consumer advocate in hearings before the Commission, and placing the supervision and control of the DCA under the executive director instead of the director of commerce and consumer affairs.

With respect to other administrative details related to the transfer of the Commission to the Department, the Department supports the designation of Commission's special fund for the appropriation of funds to assist with the transition of the Commission and for the hiring of an executive officer, a fiscal officer, and a personnel officer within the Commission as provided in Section 11, and to cover costs incurred by the Department for administrative support services for the Commission as provided in Section 7.

The Department strongly supports and appreciates the one-year transition period commencing on July 1, 2014, to facilitate the transfer of the Commission to the Department as provided in Section 18. The transition period will provide the Department with time to work out the administrative details and requirements associated with the transfer of the Commission.

Thank you for this opportunity to testify in support of Senate Bill No. 2948, S.D. 1, H.D. 1. I will be happy to answer any questions that the members of the Committee may have.



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DEPUTY DIRECTOR

TO THE HOUSE COMMITTEE ON FINANCE

THE TWENTY-SEVENTH LEGISLATURE  
REGULAR SESSION OF 2014

THURSDAY, MARCH 27, 2014  
4:00 P.M.

TESTIMONY OF JEFFREY T. ONO, EXECUTIVE DIRECTOR, DIVISION OF  
CONSUMER ADVOCACY, DEPARTMENT OF COMMERCE AND CONSUMER  
AFFAIRS, TO THE HONORABLE SYLVIA LUKE, CHAIR,  
AND MEMBERS OF THE COMMITTEE

SENATE BILL NO. 2948, S.D. 1, H.D. 1 - RELATING TO THE PUBLIC UTILITIES  
COMMISSION

DESCRIPTION:

This measure proposes to transfer the administrative placement of the Public Utilities Commission ("Commission") from the Department of Budget and Finance to the Department of Commerce and Consumer Affairs; Authorize the PUC Chairperson to appoint additional management-level employees; Increase compensation of PUC chairperson and commissioners; Establish the executive director of the Division of Consumer Advocacy as the Consumer Advocate; and appropriate funding.

POSITION:

The Division of Consumer Advocacy supports this measure.

COMMENTS:

The mission of DCCA is aligned with the mission of the Commission's goal "to ensure that regulated companies efficiently and safely provide their customers with

Senate Bill No. 2948, S.D. 1, H.D. 1  
House Committee on Finance  
Thursday, March 27, 2014, 4:00 p.m.  
Page 2

adequate and reliable services at just and reasonable rates, while providing regulated companies with a fair opportunity to earn a reasonable rate of return.” DCCA’s goal is “to promote a strong and healthy business environment while protecting the community from unfair and deceptive business practices.”

Placing the Commission under DCCA for administrative purposes should not only facilitate the Commission’s goal of self-reliance by allowing the Commission to obtain and allocate its resources more efficiently, but also allow the Commission to better align its goals and objectives with consumer, commercial, and state goals and objectives that are advanced by DCCA.

This bill further proposes to make the Executive Director of the Division of Consumer Advocacy the Consumer Advocate, rather than the Director of the DCCA. This change is necessary to avoid any potential conflict of interest between the Consumer Advocate and the Commission.

Thank you for this opportunity to testify.

**TESTIMONY BY KALBERT K. YOUNG  
DIRECTOR, DEPARTMENT OF BUDGET AND FINANCE  
STATE OF HAWAII  
TO THE HOUSE COMMITTEE ON FINANCE  
ON  
SENATE BILL NO. 2948 S.D.1, H.D. 1**

**March 27, 2014**

RELATING TO THE PUBLIC UTILITIES COMMISSION

Senate Bill No. 2948 S.D. 1, H.D. 1 transfers the Public Utilities Commission (PUC) from the Department of Budget and Finance (B&F) to the Department of Commerce and Consumer Affairs (DCCA) as an attached agency for administrative purposes and also clarifies its authority as a semi-autonomous agency as it pertains to standard administrative practices, including operational expenditures and the hiring of personnel. The bill also increases the compensation of the chairperson and commissioners of the PUC, changes the position title of the PUC's chief administrator to executive officer to reflect the position's increased management responsibilities, authorizes the chairperson of the PUC to appoint, employ, and dismiss a fiscal officer and a personnel officer to support the administrative activities of the PUC and appropriates additional funds, provides a one fiscal year transition period to effectuate the transfer of the PUC from B&F to the DCCA, and contains an effective date of July 1, 2112.

The B&F recognizes the important mission that is mandated to the PUC and its desire to have a certain degree of autonomy with regard to the administration of its operational expenditures and in the hiring and retention of its personnel. The B&F has strong concerns however, with regard to the following specific areas:

- A precedent would be set for other boards and commissions to also request to delink from their administratively attached departments
- Duplicative accounting, fiscal, and human resources staff resources statewide that would be necessary to ensure compliance by the PUC and other attached agencies with pertinent State laws and regulations.
- No assurances of future equity and comparability between the PUC positions and in other similarly situated positions in the B&F as well as other Executive branch agencies if autonomy is given over the human resource functions.

Thank you for the opportunity to provide testimony on this important measure.



# DEPARTMENT OF BUSINESS, ECONOMIC DEVELOPMENT & TOURISM

NEIL ABERCROMBIE  
GOVERNOR

RICHARD C. LIM  
DIRECTOR

MARY ALICE EVANS  
DEPUTY DIRECTOR

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Statement of  
**Richard C. Lim**  
Director  
Department of Business, Economic Development, and Tourism  
before the  
**HOUSE COMMITTEE ON FINANCE**

Thursday, March 27, 2014  
4:00 p.m.  
State Capitol, Conference Room 308

in consideration of  
**SB 2948, SD1, HD1**  
**RELATING TO PUBLIC UTILITIES COMMISSION.**

Chair Luke, Vice Chairs Nishimoto and Johanson, and Members of the Committee.

The Department of Business, Economic Development, and Tourism (DBEDT) respectfully supports SB 2948, SD1, HD1, which includes various provisions intended to adequately support the mission of the Public Utilities Commission (PUC), ensure its more efficient operation, and ensure important decisions relating to public utilities continue to be made in the public interest and expeditiously.

To effectively facilitate energy transformation in Hawaii, it is essential that the PUC has the appropriate organizational structure and level of resources to support the robust operations for regulatory decision-making consistent with the State's energy policy directives.

With our well-defined policies for the energy sector in place, we are at a critical point in our pursuit of Hawaii's aggressive clean energy mandates. The PUC is now faced with decisions on integrating cost-effective renewable energy and infrastructure projects into Hawaii's energy ecosystem, affecting hundreds of millions of dollars of renewable projects currently in the queue. SB 2948, SD1, HD1, will support the capacity of the PUC for nimble decision-making to enable these clean energy investments and public utility transformation, thus assuring Hawaii can go beyond its 2030 clean energy mandates in a manner that benefits Hawaii's consumers and stimulates economic growth.

Thank you for the opportunity to provide testimony in support of SB 2948, SD1, HD1.



COLLEGE OF SOCIAL SCIENCES

# HAWAII ENERGY POLICY FORUM

UNIVERSITY OF HAWAI'I AT MĀNOA

## Hawaii Energy Policy Forum

Jeanne Schultz Afuvai, HI Inst. for Public Affairs  
Joseph Boivin, Hawai'i Gas  
Warren Bollmeier, HI Renewable Energy Alliance  
Albert Chee, Chevron  
Elizabeth Cole, The Kohala Center  
Leslie Cole-Brooks, HI Solar Energy Assn  
Kyle Datta, Ulupono Initiative  
Laura Dierenfield, Queen Lili'uokalani Trust  
Mitch Ewan, UH HI Natural Energy Institute  
Jay Fidell, ThinkTech HI, Inc.  
Carl Freedman, Haiku Design & Analysis  
Sen. Mike Gabbard, HI State Senate  
Dan Giovanni, Hawaiian Electric Company  
Mark Glick, State Energy Office, DBEDT  
Justin Gruenstein, City & Co. of Honolulu  
Dale Hahn, Ofc of US Sen Brian Schatz  
Michael Hamnett, Research Corp. of the UH  
Robert Harris, Sierra Club  
Rachel James, Ofc of US Rep. Tulsi Gabbard  
Jim Kelly, Kaula'i Island Utility Cooperative  
Darren Kimura, Energy Industries  
Kelly King, Sustainable Biodiesel Alliance  
Kal Kobayashi, Maui County Energy Ofc  
Rep Chris Lee, HI House of Representatives  
Gladys Marrone, Building Industry Assn of HI  
Doug McLeod, Maui County  
Stephen Meder, UH Facilities and Planning  
Lauren Montez-Hernandez, Ofc of Sen Mazie Hirono  
Hermína Morita, Public Utilities Commission  
Sharon Moriwaki, UH So. Sci. Public Policy Ctr  
Ron Nelson, U.S. Defense Energy Support Center  
Tim O'Connell, U.S. Dept of Agriculture  
Jeffrey Ono, Division of Consumer Advocacy, DCCA  
Darren Pai, Hawaiian Electric Company  
Winteh KT Park, Ofc of US Rep. Colleen Hanabusa  
Melissa Pavlicek, Hawaii Public Policy Advocates  
Randy Perreira, HI Government Employees Assn  
Rick Rocheleau, UH HI Natural Energy Institute  
Will Rolston, Hawai'i County  
Riley Saito, SunPower Systems Corp  
Joelle Simonpietri, U.S. Pacific Com. Energy Ofc  
H. Ray Starling, Hawai'i Energy  
Ben Sullivan, Kaula'i County  
Lance Tanaka, Hawaii Independent Energy, LLC  
Maria Tome, Public Utilities Commission  
Ah Linn Yamane, HI Government Employees Assn

**LATE**

Testimony of Sharon Moriwaki  
Co-chair, Hawai'i Energy Policy Forum  
Before the  
House Committee on Finance  
Representative Sylvia Luke, Chair  
Representative Scott Y. Nishimoto, Vice Chair

Thursday, March 27, 2014 at 4:00 P.M.; House Conference Room 308

### In Support SB 2948 SD1 HD1, Relating to the Public Utilities Commission

The Hawai'i Energy Policy Forum ("Forum") is an organization created in 2002 and is comprised of 46 representatives from Hawai'i's electric utilities, oil and natural gas suppliers, environment and community groups, renewable energy industry, and federal, state and local government, including the neighbor islands. Our vision, mission, and comprehensive "10 Point Action Plan" serves as our guide in advancing Hawai'i's preferred energy goals.

**SB2948 SD1 HD1**, includes several provisions that would increase the effectiveness and productivity of the Public Utilities Commission (PUC), including clarifying that the PUC as an autonomous agency, moving the administrative attachment of the Commission to the Department of Commerce and Consumer Affairs and providing more direct control of personnel and operational expenditures (while maintaining reasonable controls).

These are all provisions that will increase the effectiveness, independence and productivity of the Commission by addressing long-standing challenges.

Since its inception, one unanimous concern of the Forum members is the need to revitalize the Public Utilities Commission (PUC) and the Division of Consumer Advocacy (DCA). Revitalization of these important regulatory agencies is essential in order to implement progressive energy policies. In addition to regulating utility expenditures of approximately \$4 billion dollars annually, the PUC and DCA are tasked with developing and implementing many technically complex policy matters that affect every one of Hawai'i's people on a day-to-day basis.

The PUC faces exceptional challenges in recruiting and maintaining the specialized staff needed to provide the unique nexus of technical, economic, policy, and legal expertise necessary for enlightened energy regulation. The Forum has formally recognized this as the single most important need to ensure effective implementation of progressive energy policy. The provisions in SB2948 SD2 HD1 that clarify the authority of the PUC Chair try to manage the administrative functions efficiently with the assistance of an Executive Director to enhance the Commission's ability to promptly and effectively meet the needs of the agency and the public it serves.

Making the Executive Director of the Division of Consumer Advocacy the "Consumer Advocate" in name is a non-controversial change that makes perfect sense, eliminating a long-standing senseless misnomer.

The Forum recognizes that the change in salaries of the PUC Commissioners is not the most important aspect of this bill, but notes that substantial increases in salaries were previously advocated by the Forum and previously considered by the Legislature. In the 2006 Legislative session, HB1021 HD2 SD1 recognized the necessary specialized expertise and amount of



COLLEGE OF SOCIAL SCIENCES  
**HAWAII ENERGY POLICY FORUM**  
UNIVERSITY OF HAWAI'I AT MĀNOA

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**Hawaii Energy Policy Forum**

Jeanne Schultz Afuvai, HI Inst. for Public Affairs  
Joseph Boivin, Hawai'i Gas  
Warren Bollmeier, HI Renewable Energy Alliance  
Albert Chee, Chevron  
Elizabeth Cole, The Kohala Center  
Leslie Cole-Brooks, HI Solar Energy Assn  
Kyle Datta, Ulupono Initiative  
Laura Dierenfeld, Queen Lili'uokalani Trust  
Mitch Ewan, UH HI Natural Energy Institute  
Jay Fidell, ThinkTech HI, Inc.  
Carl Freedman, Haiku Design & Analysis  
Sen. Mike Gabbard, HI State Senate  
Dan Giovanni, Hawaiian Electric Company  
Mark Glick, State Energy Office, DBEDT  
Justin Gruenstein, City & Co. of Honolulu  
Dale Hahn, Ofc of US Sen Brian Schatz  
Michael Hamnett, Research Corp. of the UH  
Robert Harris, Sierra Club  
Rachel James, Ofc of US Rep. Tulsi Gabbard  
Jim Kelly, Kaua'i Island Utility Cooperative  
Darren Kimura, Energy Industries  
Kelly King, Sustainable Biodiesel Alliance  
Kal Kobayashi, Maui County Energy Ofc  
Rep Chris Lee, HI House of Representatives  
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Doug McLeod, Maui County  
Stephen Meder, UH Facilities and Planning  
Lauren Montez-Hernandez, Ofc of Sen Mazie Hirono  
Hermima Morita, Public Utilities Commission  
Sharon Moriwaki, UH So. Sci. Public Policy Ctr  
Ron Nelson, U.S. Defense Energy Support Center  
Tim O'Connell, U.S. Dept of Agriculture  
Jeffrey Ono, Division of Consumer Advocacy, DCCA  
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H. Ray Starling, Hawai'i Energy  
Ben Sullivan, Kaua'i County  
Lance Tanaka, Hawaii Independent Energy, LLC  
Maria Tome, Public Utilities Commission  
Ah Linn Yamane, HI Government Employees Assn

responsibility of the Commissioners and included provisions to increase the Commissioners' salaries to 100% of the salary of the Director of Commerce and Consumer Affairs. The Forum also notes that, although interest has been expressed in maintaining some balance of Commissioners from Neighboring Islands, there are no provisions for providing expenses to Commissioners for necessary travel and accommodations to Oahu.

The Forum also notes that adequate and efficient funding of the PUC and DCA is clearly cost effective for the State of Hawaii. It simply does not make sense to hobble the effectiveness of agencies tasked with oversight and gatekeeping responsibilities over expenditures of \$4 billion annually. The adage "penny-wise and pound-foolish" applies here, except with a lot more zeroes and several commas.

The PUC is funded through the Public Utilities Commission Special Fund (PUC Special Fund) which derives its revenues from fees that are ultimately charged to Hawaii's public utility customers. The Forum notes that the PUC Special Fund is paid for by utility customers for adequate regulation of public utilities. The clear priority in managing and allocating revenues from this fund should be adequate and effective funding of the PUC and DCA, the two agencies with the responsibility to ensure that utility expenditures and the resulting rates charged to utility customers are reasonable and in the public interest.

Based on the foregoing, the Hawaii Energy Policy Forum strongly supports SB2948 SD1 HD1 and respectfully urges your passage of this Bill.

**The Forum therefore SUPPORTS SB2948 SD1 HD1.**

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*



**LATE**

HOUSE COMMITTEE ON FINANCE  
Thursday, March 27, 2014 – 4:00 p.m. – Room 308

**Ulupono Initiative Supports the Intent of SB 2948 SD 1, Relating to the Public Utilities Commission**

Dear Chair Luke, Vice Chair Nishimoto, Vice Chair Johanson and Members of the Committee:

My name is Kyle Datta and I am general partner of the Ulupono Initiative, a Hawai'i-based impact investment firm that strives to improve the quality of life for the people of Hawai'i by working toward solutions that create more locally grown food, increase renewable energy, and reduce/recycle waste. Ulupono invests in projects that have the potential to create large-scale, innovative change.

**Ulupono supports the intent SB 2948 SD 1**, which clarifies the Public Utilities Commission's (PUC) authority concerning standard administrative practices, including operational expenditures and the hiring of personnel. The PUC is the gatekeeper for many industries, including the energy sector in Hawai'i. Yet, it does not have the flexibility to adapt to handle all of the work it is required to do. This has directly hurt Hawai'i's renewable energy industry, created delays in projects that will reduce imports of fossil fuel products, and will hurt the long-term prosperity of the overall economy.

As an investment firm, one of the largest reasons to avoid making investments is uncertainty. We, as well as many in the renewable energy industry, struggle with delays from regulatory bodies and often results in projects being less financeable or scrapped completely.

The PUC needs to have the authority and flexibility to attract high quality talent and prevent staff turnover. No PUC can make intelligent and timely decisions without enough trained staff to support the commissioners. Also, salaries need to be increased to attract and retain the caliber of talent needed to address these complex issues. Furthermore, we recommend this bill add language to allow the PUC to keep more of its special fund every year as noted in SB 2924.

If the goal of the Legislature is to have the PUC as an effective autonomous agency, then we recommend the PUC be transferred to the Judiciary, which has greater independence in its own decision making. We concur with this bill's intent to clarify the ability of the PUC commissioners and its staff to be able to make the decisions with their expertise.

Thank you for this opportunity to testify.

Respectfully,

Kyle Datta  
General Partner

Email: [communications@ulupono.com](mailto:communications@ulupono.com)

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**LATE**

TESTIMONY OF HERMINA MORITA  
CHAIR, PUBLIC UTILITIES COMMISSION  
DEPARTMENT OF BUDGET AND FINANCE  
STATE OF HAWAII  
TO THE  
HOUSE COMMITTEE ON FINANCE

MARCH 27, 2014  
4:00 p.m.

**MEASURE:** S.B. No. 2948, S.D. 1, H.D. 1

**TITLE:** Relating to the Public Utilities Commission

Chair Luke and Members of the Committee:

**DESCRIPTION:**

S.B. No. 2948, S.D. 1, H.D. 1 would amend a number of statutory provisions relating to the administrative and functional aspects of the Public Utilities Commission (“Commission”) and the Consumer Advocate. These statutory amendments include:

1. Moving the Commission as an attached agency under the Department of Budget and Finance (“DBF”) to the Department of Commerce and Consumer Affairs (“DCCA”) for administrative purposes;
2. Adjusting the current salary levels for each of the Commissioners to a currently unspecified percentage of the salary of the Director of the Department of Human Resources Development;
3. Clarifying the semi-autonomous nature of the Commission, as well as the authority of the Chairperson of the Commission concerning the hiring of personnel, operational expenditures, and the utilization of Commission space;
4. Creating the positions of executive officer for the Commission (“Executive Officer”), personnel officer for the Commission (“Personnel Officer”), and fiscal officer for the Commission (“Fiscal Officer”) within Section 269-3, Hawaii Revised Statutes (“HRS”); and

5. Removing the role of Consumer Advocate from the DCCA Director's list of responsibilities, and re-designating the Executive Director of the Division of Consumer Advocacy within DCCA as the Consumer Advocate.

In addition, this measure includes a number of provisions to allow for an orderly and timely administrative transfer of the Commission from DBF to DCCA beginning July 1, 2014 and becoming fully effective by July 1, 2015. These provisions relating to the administrative transfer of the Commission to DCCA include an unspecified appropriation to support the transition process.

This measure also contains an effective date of July 1, 2112.

**POSITION:**

The Commission strongly supports this measure. The Commission would also like to offer the following comments for the Committee's consideration.

**COMMENTS:**

The Commission supports the transfer of the Commission from DBF to DCCA, as well as the Legislature's recognition that the Commission is an agency with increasingly numerous and complex responsibilities that would benefit from enhanced administrative support from DCCA. In order to ensure a smooth and timely transition, the various affected agencies – including the Office of the Governor, the Department of the Attorney General, DBF, DCCA, the Consumer Advocate's Office, and the Commission – have been working together to identify and resolve any issues (e.g., statutory, administrative, etc.) related to effectuating such a transition. A proposed House Draft 2 is provided for the Committee's consideration, which includes revisions suggested by the various coordinating agencies including DBF and the Department of the Attorney General.

The suggested revisions included in the proposed House Draft 2 are summarized as follows and include:

1. Removing references to the Commission being a "semi-autonomous" agency of the State;

2. Making clarifying and conforming amendments to the Section 1 purpose clause for consistency with other amendments in the proposed House Draft 2;
3. Providing additional clarifying language delineating the respective roles and authority of DCCA and the Commission with respect to the Commission functioning as an attached agency placed within DCCA for administrative purposes only;
4. Converting the Commission's chief administrator position to a new position titled the Commission's fiscal officer;
5. Separating the single appropriations section in this measure into different appropriations sections to make clear where each portion of the necessary funding request in this measure is directed;
6. Inserting language to authorize DBF to transfer Commission funds and positions to DCCA, upon approval of the Governor and in coordination with DCCA;
7. Reinserting an effective date of July 1, 2014; and
8. Making various technical amendments to conform the bill's provisions to the changes described above (e.g., renumbering of Sections 11 through 22 in this bill as needed).

In addition to collaborating with the parties listed above, the Commission is happy to work with the Committee on this measure moving forward.

Thank you for the opportunity to testify on this measure.

**List of Proposed Amendments to S.B. No. 2948, S.D. 1, H.D. 1**

Public Utilities Commission

March 27, 2014

<b>Description of Proposed Amendments</b>	<b>Section/Page Reference</b> [Refers to Proposed HD2 submitted by PUC]
1. Removing references to the Commission being a "semi-autonomous" agency of the State.	- Various [see Sections 1, 3, 4, 18, 20, and 21]
2. Making clarifying and conforming amendments to the Section 1 purpose clause for consistency with other amendments in the Proposed HD2.	- <u>Section 1</u> : page 1, line 1 to page 5, line 5
3. Providing additional clarifying language delineating the respective roles and authority of DCCA and the Commission with respect to the Commission functioning as an attached agency placed within DCCA for administrative purposes only.	- <u>Section 1</u> : page 1, line 7 to line 10; page 3, line 17 to line 22 - <u>Section 3</u> : page 6, line 17 to line 22 - <u>Section 4</u> : page 9, line 8 to line 15 - <u>Section 14</u> : page 19, line 1
4. Converting the Commission's chief administrator position to a new position titled the Commission's fiscal officer.	- <u>Section 1</u> : page 2, line 12 to line 19; page 4, line 12 to line 15 - <u>Section 5</u> : page 11, line 14
5. Separating the single appropriations section into different appropriations sections to make clear where each portion of the necessary funding request in this measure is to be directed.	- <u>Section 11 to Section 13</u> : page 17, line 14 to page 18, line 18
6. Inserting language to authorize DBF to transfer Commission funds and positions to DCCA, upon approval of the Governor and in coordination with DCCA.	- <u>Section 15</u> : page 20, line 13 to page 21, line 2
7. Reinserting an effective date of July 1, 2014.	- <u>Section 25</u> : page 23, line 18
8. Other technical, non-substantive amendments to conform the bill's provisions to the changes described above.	- Various

S.B. NO. 2948, S.D. 1, H.D. 1  
[Proposed H.D. 2]

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A BILL FOR AN ACT

RELATING TO THE PUBLIC UTILITIES COMMISSION.

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

1           SECTION 1. The legislature finds that the public utilities  
2 commission is undergoing a major transition due to increased  
3 work complexity and program responsibilities, particularly in  
4 the area of energy regulation. To ensure that the mission of  
5 the public utilities commission is adequately supported, the  
6 commission should transition from its current administrative  
7 status within the department of budget and finance to being  
8 administratively attached to the department of commerce and  
9 consumer affairs, subject, however, to certain limitations on  
10 the department's oversight role.

11           The legislature further finds that the duties and workload  
12 of the chairperson and commissioners have significantly  
13 increased in recent years in a rapidly changing regulatory  
14 environment. The legislature finds an increase in compensation  
15 will ensure that the salaries of the chairperson and  
16 commissioners remain competitive with other states' public  
17 utilities commissions.

S.B. NO. 2948, S.D. 1, H.D. 1  
[Proposed H.D. 2]

1           The legislature additionally finds that the commission's  
2 internal management capacity needs to be updated. The  
3 chairperson of the commission is in need of an executive officer  
4 to assist with managing the operations of the commission. The  
5 creation of an executive officer position to oversee the  
6 management and recruitment of personnel, budget planning and  
7 implementation, strategic planning and implementation,  
8 procurement and contract administration, and implementation of  
9 administrative programs and projects will enable the chairperson  
10 of the commission to focus on the growing number and  
11 increasingly technical complexity of issues brought before the  
12 commission. Also, to further support the commission and to  
13 provide for a seamless transition provided for in this measure,  
14 this measure enables the commission to establish a personnel  
15 officer position and to convert the commission's chief  
16 administrator under section 269-3 to a fiscal officer position,  
17 of which both positions are to be established as civil service  
18 positions to assume the appropriate functions that are  
19 transferred by this Act.

20           The legislature also finds that the division of consumer  
21 advocacy of the department of commerce and consumer affairs  
22 protects and advances the interests of Hawaii's consumers of

S.B. NO. 2948, S.D. 1, H.D. 1  
[Proposed H.D. 2]

1 regulated public utilities. The executive director and staff  
2 members of the division of consumer advocacy attend public  
3 hearings held by the public utilities commission to get input  
4 from the public, which helps them to better understand the  
5 consumer's perspective on utility services and rates. Because  
6 this understanding is an integral part of the division's work,  
7 the legislature concludes that the executive director of the  
8 division of consumer advocacy, rather than the director of  
9 commerce and consumer affairs, should be the consumer advocate  
10 in hearings before the public utilities commission.

11 The purpose of this Act is to adequately support the  
12 mission of the public utilities commission, ensure the efficient  
13 operation of the public utilities commission, ensure that  
14 important decisions relating to public utilities continue to be  
15 made in the public interest, and address the role of the  
16 consumer advocate, by:

17 (1) Transferring the public utilities commission from the  
18 department of budget and finance so as to be  
19 administratively placed within the department of  
20 commerce and consumer affairs, subject, however, to  
21 certain limitations on the oversight role of the  
22 department of commerce and consumer affairs;

# S.B. NO. 2948, S.D. 1, H.D. 1

[Proposed H.D. 2]

- 1           (2)   Increasing the compensation of the chairperson and  
2                   commissioners of the public utilities commission;
- 3           (3)   Clarifying that notwithstanding section 26-35, Hawaii  
4                   Revised Statutes, the public utilities commission has  
5                   authority concerning standard administrative  
6                   practices, including operational expenditures and the  
7                   hiring of personnel;
- 8           (4)   Enabling the chairperson of the public utilities  
9                   commission to appoint, employ, and dismiss an  
10                  executive officer to assist with managing the  
11                  operations of the commission;
- 12          (5)   Amending the position of commission chief  
13                  administrator under section 269-3 to be retitled as  
14                  the commission's fiscal officer to support the  
15                  administrative activities of the commission;
- 16          (6)   Enabling the chairperson of the public utilities  
17                  commission to appoint, employ, and dismiss a fiscal  
18                  officer and a personnel officer to further support the  
19                  administrative activities of the commission;
- 20          (7)   Establishing that the executive director of the  
21                  division of consumer advocacy shall be the consumer  
22                  advocate; and

S.B. NO. 2948, S.D. 1, H.D. 1  
[Proposed H.D. 2]

1           (8) Appropriating funds to assist with the transition of  
2           the public utilities commission and for the hiring of  
3           an executive officer, a fiscal officer, and a  
4           personnel officer within the public utilities  
5           commission.

6           SECTION 2. Section 26-8, Hawaii Revised Statutes, is  
7           amended by amending subsection (d) to read as follows:

8           "(d) The ~~[employees]~~ employees' retirement system as  
9           constituted by chapter 88 is placed within the department of  
10          budget and finance for administrative purposes. The functions,  
11          duties, and powers, subject to the administrative control of the  
12          director of finance, and the composition of the board of  
13          trustees of the employees retirement system shall be as  
14          heretofore provided by law.

15          ~~["The public utilities commission is placed within the~~  
16          ~~department of budget and finance for administrative purposes~~  
17          ~~only.]"~~

18          SECTION 3. Section 26-9, Hawaii Revised Statutes, is  
19          amended by amending subsection (c) to read as follows:

20          "(c) The board of acupuncture, board of public  
21          accountancy, board of barbering and cosmetology, boxing  
22          commission, board of chiropractic examiners, contractors license

# S.B. NO. 2948, S.D. 1, H.D. 1

[Proposed H.D. 2]

1 board, board of dental examiners, board of electricians and  
2 plumbers, elevator mechanics licensing board, board of  
3 professional engineers, architects, surveyors, and landscape  
4 architects, board of massage therapy, Hawaii medical board,  
5 motor vehicle industry licensing board, motor vehicle repair  
6 industry board, board of naturopathic medicine, board of  
7 nursing, board of examiners in optometry, pest control board,  
8 board of pharmacy, board of physical therapy, board of  
9 psychology, board of private detectives and guards, real estate  
10 commission, board of veterinary examiners, board of speech  
11 pathology and audiology, and any board, commission, program, or  
12 entity created pursuant to or specified by statute in  
13 furtherance of the purpose of this section including but not  
14 limited to section 26H-4, or chapters 484, 514A, 514B, and 514E  
15 shall be placed within the department of commerce and consumer  
16 affairs for administrative purposes.

17 The public utilities commission shall be placed, for  
18 administrative purposes only, within the department of commerce  
19 and consumer affairs. Notwithstanding sections 26-9(e), 26-  
20 9(f), 26-9(g), 26-9(h), 26-9(j), 26-9(k), 26-9(l), 26-9(m), 26-  
21 9(n), 26-9(p), 26-9(q), 26-9(r), and 26-9(s), and except as  
22 permitted by section 269-2 and section 269-3, the department of

S.B. NO. 2948, S.D. 1, H.D. 1  
[Proposed H.D. 2]

1 commerce and consumer affairs shall not direct or exert  
2 authority over the day to day operations or functions of the  
3 commission."

4 SECTION 4. Section 269-2, Hawaii Revised Statutes, is  
5 amended to read as follows:

6 "**§269-2 Public utilities commission; number, appointment**  
7 **of commissioners, qualifications; compensation; persons having**  
8 **interest in public utilities[-]; authority.** (a) There shall be  
9 a public utilities commission of three members, to be called  
10 commissioners, and who shall be appointed in the manner  
11 prescribed in section 26-34, except as otherwise provided in  
12 this section. All members shall be appointed for terms of six  
13 years each, except that the terms of the members first appointed  
14 shall be for two, four, and six years, respectively, as  
15 designated by the governor at the time of appointment. The  
16 governor shall designate a member to be chairperson of the  
17 commission. Each member shall hold office until the member's  
18 successor is appointed and qualified. Section 26-34 shall not  
19 apply insofar as it relates to the number of terms and  
20 consecutive number of years a member can serve on the  
21 commission; provided that no member shall serve more than twelve  
22 consecutive years.

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[Proposed H.D. 2]

1           In appointing commissioners, the governor shall select  
2 persons who have had experience in accounting, business,  
3 engineering, government, finance, law, or other similar fields.  
4 The commissioners shall devote full time to their duties as  
5 members of the commission and no commissioner shall hold any  
6 other public office or other employment during the  
7 commissioner's term of office. No person owning any stock or  
8 bonds of any public utility corporation, or having any interest  
9 in, or deriving any remuneration from, any public utility shall  
10 be appointed a commissioner.

11           (b) Effective July 1, [~~2005~~,] 2014, the chairperson of the  
12 commission shall be paid a salary set at [~~eighty-seven~~]  
13 \_\_\_\_\_ per cent of the salary of the director of human  
14 resources development, and each of the other commissioners shall  
15 be paid a salary equal to [~~ninety-five~~] \_\_\_\_\_ per cent of  
16 the chairperson's salary. The commissioners shall be exempt  
17 from chapters 76 and 89 but shall be members of the state  
18 employees retirement system and shall be eligible to receive the  
19 benefits of any state or federal employee benefit program  
20 generally applicable to officers and employees of the State,  
21 including those under chapter 87A.

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[Proposed H.D. 2]

1        (c) The commission [is placed within the department of  
2 budget and finance for administrative purposes.] is placed, for  
3 administrative purposes only, within the department of commerce  
4 and consumer affairs. The department of commerce and consumer  
5 affairs shall not direct or exert authority over the day to day  
6 operations or functions of the commission, except as provided in  
7 section 269-2(g) and section 269-3.

8        (d) Notwithstanding section 26-35(a) (1) to the contrary,  
9 the commission may communicate directly with the governor or the  
10 legislature as determined by the chairperson; provided that the  
11 department of commerce and consumer affairs may represent the  
12 commission in communications with the governor or the  
13 legislature upon request by the chairperson of the commission  
14 and agreement by the department of commerce and consumer  
15 affairs.

16        (e) Notwithstanding section 26-35(a) (5) to the contrary,  
17 the commission's operational expenditures, such as the purchase  
18 of supplies, equipment, furniture, dues and subscriptions,  
19 travel, consultant services, and staff training shall be  
20 determined by the chairperson and may be delegated to the  
21 executive officer appointed and employed pursuant to section

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[Proposed H.D. 2]

1 269-3; provided that such expenditures shall be subject to all  
2 applicable procurement laws and procedures.

3 (f) Notwithstanding section 26-35(a)(6) to the contrary,  
4 the utilization, allocation, renovation, or other use of space  
5 or spaces to be occupied by the commission shall be determined  
6 by the chairperson and may be delegated to the executive officer  
7 appointed and employed pursuant to section 269-3.

8 (g) Determinations made under subsection (d) ,subsection  
9 (e), or subsection (f) by the chairperson or the executive  
10 officer as delegated by the chairperson, may be reviewed by the  
11 director of commerce and consumer affairs for completeness and  
12 for compliance and conformance with applicable administrative  
13 processes and procedures of the department of commerce and  
14 consumer affairs."

15 SECTION 5. Section 269-3, Hawaii Revised Statutes, is  
16 amended to read as follows:

17 "**§269-3 Employment of assistants.** (a) The chairperson of  
18 the public utilities commission may appoint and employ  
19 professional staff and other assistants for the public utilities  
20 commission as the chairperson finds necessary for the  
21 performance of the commission's functions and define their  
22 powers and duties. Notwithstanding section 26-35(a)(4) to the

# S.B. NO. 2948, S.D. 1, H.D. 1

[Proposed H.D. 2]

1 contrary and subject to applicable personnel laws, the  
2 employment, appointment, applicable salary schedules, promotion,  
3 transfer, demotion, discharge, and job descriptions of all  
4 officers and employees of or under the jurisdiction of the  
5 commission shall be determined by the chairperson and may be  
6 delegated to the executive officer appointed and employed  
7 pursuant to subsection (b); provided that determinations  
8 concerning personnel matters made by the chairperson or the  
9 executive officer, as delegated by the chairperson, may be  
10 reviewed by the director of commerce and consumer affairs for  
11 completeness and for compliance and conformance with applicable  
12 administrative processes and procedures of the department of  
13 commerce and consumer affairs. The chairperson may appoint and,  
14 at pleasure, dismiss [~~a chief administrator and~~] attorneys as  
15 may be necessary, and who shall be exempt from chapter 76. The  
16 chairperson may also appoint other staff, including a fiscal  
17 officer and a personnel officer, with or without regard to  
18 chapter 76.

19 (b) The chairperson of the commission shall appoint,  
20 employ, and dismiss, at pleasure, an executive officer who shall  
21 be responsible for managing the operations of the commission.  
22 The responsibilities of the executive officer shall include

S.B. NO. 2948, S.D. 1, H.D. 1  
[Proposed H.D. 2]

1 management and recruitment of personnel, budget planning and  
2 implementation, strategic planning and implementation,  
3 procurement and contract administration, and implementation of  
4 administrative programs and projects. The executive officer  
5 shall be exempt from chapter 76.

6       ~~[(b)]~~ (c) Notwithstanding section 91-13, the commission  
7 may consult with its assistants appointed under authority of  
8 this section in any contested case or agency hearing concerning  
9 any issue of facts. Neither the commission nor any of its  
10 assistants shall in such proceeding consult with any other  
11 person or party except upon notice and an opportunity for all  
12 parties to participate, save to the extent required for the  
13 disposition of ex parte matters authorized by law."

14       SECTION 6. Section 269-5, Hawaii Revised Statutes, is  
15 amended to read as follows:

16       "**§269-5 Annual report and register of orders.** The public  
17 utilities commission shall prepare and present to the governor[  
18 ~~through the director of finance,~~] in the month of January in  
19 each year a report respecting its actions during the preceding  
20 fiscal year. This report shall include summary information and  
21 analytical, comparative, and trend data concerning major  
22 regulatory issues acted upon and pending before the commission;

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[Proposed H.D. 2]

1 cases processed by the commission, including their dispositions;  
2 utility company operations, capital improvements, and rates;  
3 utility company performance in terms of efficiency and quality  
4 of services rendered; financing orders issued, adjustments made  
5 to the public benefits fee, and repayments or credits provided  
6 to electric utility customers pursuant to part X or chapter 196,  
7 part IV; a summary of power purchase agreements, including  
8 pricing, in effect during the fiscal year; environmental matters  
9 having a significant impact upon public utilities; actions of  
10 the federal government affecting the regulation of public  
11 utilities in Hawaii; long and short-range plans and objectives  
12 of the commission; together with the commission's  
13 recommendations respecting legislation and other matters  
14 requiring executive and legislative consideration. Copies of  
15 the annual reports shall be furnished by the governor to the  
16 legislature. In addition, the commission shall establish and  
17 maintain a register of all its orders and decisions, which shall  
18 be open and readily available for public inspection, and no  
19 order or decision of the commission shall take effect until it  
20 is filed and recorded in this register."

21 SECTION 7. Section 269-33, Hawaii Revised Statutes, is  
22 amended by amending subsection (a) to read:

# S.B. NO. 2948, S.D. 1, H.D. 1

[Proposed H.D. 2]

1           "(a) There is established in the state treasury a public  
2 utilities commission special fund to be administered by the  
3 public utilities commission. The proceeds of the fund shall be  
4 used by the public utilities commission and the division of  
5 consumer advocacy of the department of commerce and consumer  
6 affairs for all expenses incurred in the administration of  
7 chapters 269, 271, 271G, 269E, and 486J~~[7]~~, and for costs  
8 incurred by the department of commerce and consumer affairs to  
9 provide administrative support services to the commission  
10 pursuant to this chapter; provided that the expenditures of the  
11 public utilities commission shall be in accordance with  
12 legislative appropriations. On a quarterly basis, an amount not  
13 exceeding thirty per cent of the proceeds remaining in the fund  
14 after the deduction for central service expenses, pursuant to  
15 section 36-27, shall be allocated by the public utilities  
16 commission to the division of consumer advocacy and deposited in  
17 the compliance resolution fund established pursuant to section  
18 26-9(o); provided that all moneys allocated by the public  
19 utilities commission from the fund to the division of consumer  
20 advocacy shall be in accordance with legislative  
21 appropriations."

S.B. NO. 2948, S.D. 1, H.D. 1  
[Proposed H.D. 2]

1 SECTION 8. Section 269-51, Hawaii Revised Statutes, is  
2 amended to read as follows:

3 "~~§269-51 Consumer advocate; [director of commerce and~~  
4 ~~consumer affairs.]~~ executive director of the division of  
5 consumer advocacy. The [~~director of the department of commerce~~  
6 ~~and consumer affairs]~~ executive director of the division of  
7 consumer advocacy shall be the consumer advocate in hearings  
8 before the public utilities commission. The consumer advocate  
9 shall represent, protect, and advance the interests of all  
10 consumers, including small businesses, of utility services.  
11 [~~The consumer advocate shall not receive any salary in addition~~  
12 ~~to the salary received as director of commerce and consumer~~  
13 ~~affairs.]~~

14 The responsibility of the consumer advocate for advocating  
15 the interests of the consumer of utility services shall be  
16 separate and distinct from the responsibilities of the public  
17 utilities commission and those assistants employed by the  
18 commission. [As] The consumer advocate[~~, the director of~~  
19 ~~commerce and consumer affairs]~~ shall have full rights to  
20 participate as a party in interest in all proceedings before the  
21 public utilities commission."

S.B. NO. 2948, S.D. 1, H.D. 1  
[Proposed H.D. 2]

1 SECTION 9. Section 269-52, Hawaii Revised Statutes, is  
2 amended to read as follows:

3 **"§269-52 Division of consumer advocacy; personnel.** There  
4 shall be a division of consumer advocacy within the department  
5 of commerce and consumer affairs [~~to provide administrative~~  
6 ~~support to the director of commerce and consumer affairs acting~~  
7 ~~in the capacity of consumer advocate~~]. The director may [~~employ~~  
8 ~~and at pleasure dismiss an executive administrator,~~] appoint an  
9 executive director, who shall be exempt from chapter 76 [~~may~~  
10 ~~define the executive administrator's powers and duties,~~] and fix  
11 the executive [~~administrator's~~] director's compensation. The  
12 executive director shall supervise and control the operations  
13 and personnel of the division. The executive director shall be  
14 responsible for the performance of the duties imposed upon the  
15 division and shall be the consumer advocate as specified in  
16 section 269-51. The executive director may employ engineers,  
17 accountants, investigators, clerks, and stenographers as may be  
18 necessary for the performance of the consumer advocate's  
19 functions, in accordance with chapter 76; provided that:

20 (1) The executive director may employ up to ten utility  
21 analysts exempt from chapter 76; and

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[Proposed H.D. 2]

1 (2) Each analyst shall possess at least the minimum  
2 qualifications required of comparable experts in the  
3 relevant industry."

4 SECTION 10. Section 269-53, Hawaii Revised Statutes, is  
5 amended to read as follows:

6 "§269-53 **Legal counsel.** The executive director of the  
7 division of consumer advocacy may appoint or retain, without  
8 regard to chapter 76, attorneys to provide legal services for  
9 the division of consumer advocacy. Nothing in this section  
10 precludes the director of commerce and consumer affairs or the  
11 executive director of the division of consumer advocacy from  
12 requesting and securing legal services from the attorney general  
13 and the department of the attorney general."

14 SECTION 11. There is appropriated out of the public  
15 utilities commission special fund established pursuant to  
16 section 269-33, Hawaii Revised Statutes, the sum of \$ or  
17 so much thereof as may be necessary for fiscal year 2014-2015 to  
18 effectuate the transfer of the public utilities commission from  
19 the department of budget and finance to the department of  
20 commerce and consumer affairs.

21 The sum appropriated shall be expended by the public  
22 utilities commission for the purposes of this Act.

S.B. NO. 2948, S.D. 1, H.D. 1  
[Proposed H.D. 2]

1 SECTION 12. There is appropriated out of the public  
2 utilities commission special fund established pursuant to  
3 section 269-33, Hawaii Revised Statutes, the sum of \$ or  
4 so much thereof as may be necessary for fiscal year 2014-2015 to  
5 enable the chairperson of the public utilities commission to  
6 appoint and employ an executive officer who shall be responsible  
7 for managing the operations of the public utilities commission.

8 The sum appropriated shall be expended by the public  
9 utilities commission for the purposes of this Act.

10 SECTION 13. There is appropriated out of the public  
11 utilities commission special fund established pursuant to  
12 section 269-33, Hawaii Revised Statutes, the sum of \$ or  
13 so much thereof as may be necessary for fiscal year 2014-2015 to  
14 enable the chairperson of the public utilities commission to  
15 appoint and employ a personnel officer to support the  
16 administrative activities of the commission.

17 The sum appropriated shall be expended by the public  
18 utilities commission for the purposes of this Act.

19 SECTION 14. (a) No later than July 1, 2015, all rights,  
20 powers, functions, and duties of the department of budget and  
21 finance as they relate to the public utilities commission are  
22 transferred to the department of commerce and consumer affairs

# S.B. NO. 2948, S.D. 1, H.D. 1

[Proposed H.D. 2]

1 in accordance with sections 26-9(c), 269-2, and 269-3, Hawaii  
2 Revised Statutes, as amended by this Act.

3 (b) All officers and employees whose functions are  
4 transferred by this Act shall be transferred with their  
5 functions and shall continue to perform their regular duties  
6 upon their transfer, subject to the state personnel laws and  
7 this Act.

8 No officer or employee of the State having tenure shall  
9 suffer any loss of salary, seniority, prior service credit,  
10 vacation, sick leave, or other employee benefit or privilege as  
11 a consequence of this Act, and such officer or employee may be  
12 transferred or appointed to a civil service position without the  
13 necessity of examination; provided that the officer or employee  
14 possesses the minimum qualifications for the position to which  
15 transferred or appointed; and provided that subsequent changes  
16 in status may be made pursuant to applicable civil service and  
17 compensation laws.

18 An officer or employee of the State who does not have  
19 tenure and who may be transferred or appointed to a civil  
20 service position as a consequence of this Act shall become a  
21 civil service employee without the loss of salary, seniority,  
22 prior service credit, vacation, sick leave, or other employee

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[Proposed H.D. 2]

1 benefits or privileges and without the necessity of examination;  
2 provided that such officer or employee possesses the minimum  
3 qualifications for the position to which transferred or  
4 appointed.

5       If an office or position held by an officer or employee  
6 having tenure is abolished, the officer or employee shall not  
7 thereby be separated from public employment, but shall remain in  
8 the employment of the State with the same pay and classification  
9 and shall be transferred to some other office or position for  
10 which the officer or employee is eligible under the personnel  
11 laws of the State as determined by the head of the department or  
12 the governor.

13       Section 15. With the approval of the governor and prior  
14 concurrence of the department of commerce and consumer affairs,  
15 the department of budget and finance may transfer positions and  
16 funds for the public utilities commission to the department of  
17 commerce and consumer affairs; provided further that the  
18 governor shall submit a report to the legislature within five  
19 days of the use of this authority; and provided further that the  
20 report shall include the date of the transfer, the positions and  
21 funding transferred, the program from which the positions were  
22 transferred, the program to which the positions and funding were

S.B. NO. 2948, S.D. 1, H.D. 1  
[Proposed H.D. 2]

1 transferred, and the manner in which the transfer maximizes the  
2 utilization of personnel and funding.

3 SECTION 16. The chairperson and commissioners serving on  
4 the public utilities commission on the date prior to the  
5 effective date of this Act shall continue as members of the  
6 public utilities commission and their terms shall be unaffected  
7 by this Act.

8 SECTION 17. All appropriations, records, equipment,  
9 machines, files, supplies, contracts, books, papers, documents,  
10 maps, and other personal property heretofore made, used,  
11 acquired, or held by the department of budget and finance  
12 relating to the functions transferred to the department of  
13 commerce and consumer affairs shall be transferred with the  
14 functions to which they relate.

15 SECTION 18. All rules, policies, procedures, guidelines,  
16 general orders, and other material adopted or developed by the  
17 public utilities commission prior to the effective date of this  
18 Act as an agency administratively attached to the department of  
19 budget and finance shall be applicable to the public utilities  
20 commission as an agency administratively attached to the  
21 department of commerce and consumer affairs pursuant to this  
22 Act, and shall remain in full force and effect and unaffected by

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[Proposed H.D. 2]

1 this Act until amended, repealed, or overruled by the public  
2 utilities commission. Every reference to the department of  
3 budget and finance or director of finance in those rules,  
4 policies, procedures, guidelines, and other material shall be  
5 deemed to refer to the department of commerce and consumer  
6 affairs or director of commerce and consumer affairs, as  
7 appropriate.

8 SECTION 19. All deeds, leases, contracts, loans,  
9 agreements, permits, or other documents executed or entered into  
10 by or on behalf of the public utilities commission prior to the  
11 effective date of this Act shall remain in full force and effect  
12 notwithstanding the commission's administrative transfer to the  
13 department of commerce and consumer affairs.

14 SECTION 20. All costs and expenses associated with  
15 transferring the public utilities commission to the department  
16 of commerce and consumer affairs shall be borne by the public  
17 utilities commission or the department of commerce and consumer  
18 affairs. No liabilities or liens arising from such transfer  
19 shall accrue to the department of budget and finance.

20 SECTION 21. There shall be a transition period to  
21 facilitate the transfer of the public utilities commission from  
22 the department of budget and finance to the department of

# S.B. NO. 2948, S.D. 1, H.D. 1

[Proposed H.D. 2]

1 commerce and consumer affairs. The fiscal year beginning July  
2 1, 2014, shall serve as a transition period, in which the state  
3 agencies affected by this Act shall assist the chairperson of  
4 the public utilities commission in implementing the transfer  
5 under this Act. Once the transfer is completed, the department  
6 of commerce and consumer affairs shall provide public notice  
7 that the transfer is completed in a printed publication or  
8 electronic format that is accessible statewide.

9 SECTION 22. The provisions of this Act are to be liberally  
10 construed to effectuate its purpose.

11 SECTION 23. All Acts passed by the legislature during the  
12 regular session of 2014, whether enacted before or after the  
13 effective date of this Act, shall be amended to conform to this  
14 Act unless such Acts specifically provide that this Act is being  
15 amended.

16 SECTION 24. Statutory material to be repealed is bracketed  
17 and stricken. New statutory material is underscored.

18 SECTION 25. This Act shall take effect on July 1, 2014.

# S.B. NO. 2948, S.D. 1, H.D. 1

[Proposed H.D. 2]

**Report Title:**

Public Utilities Commission; Transfer of Attached Agency; Compensation; Personnel; Authority; Expenditures; Division of Consumer Advocacy; Appropriations

**Description:**

Transfers the administrative placement of the Public Utilities Commission from the Department of Budget and Finance to the Department of Commerce and Consumer Affairs. Authorizes PUC Chairperson to appoint additional management-level employees. Increases compensation of PUC chairperson and commissioners. Establishes executive director of the Division of Consumer Advocacy position which shall also serve as the Consumer Advocate. Makes appropriations. Effective July 1, 2014.  
(Proposed HD2)

*The summary description of legislation appearing on this page is for informational purposes only and is not legislation or evidence of legislative intent.*