
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. This Act shall be known as the Hawaii Ratepayer
2 Protection Act.

3 SECTION 2. Chapter 269, Hawaii Revised Statutes, is
4 amended by adding a new section to part I to be appropriately
5 designated and to read as follows:

6 "§269- Electric utility rate decreases; refunds. (a)
7 The public utilities commission, after public hearing and upon
8 its own motion, shall order a decrease in the rates, fares, and
9 charges that the commission previously approved for an electric
10 utility's rate filings under section 269-16 if, subsequent to
11 the commission's most recent approval of the electric utility's
12 rate filings, a decrease in the rate of a federal tax applicable
13 to the electric utility is enacted that can reasonably be
14 expected to produce a rate of return to the electric utility
15 that is in excess of per cent of the rate of return on the
16 electric utility's rate base found to be reasonable by the
17 commission.



1 (b) The commission shall ensure that the decreased rates,
2 fares, and charges are no greater than the rate of return on the
3 electric utility's rate base found to be reasonable by the
4 commission.

5 (c) The commission shall order the electric utility to
6 provide refunds to its customers on billings made during the
7 time period between the effective date of the federal tax rate
8 decrease and the effective date of the commission's order under
9 subsection (a); provided that the refunds shall be of an amount
10 sufficient to cause the resulting rate of return to the electric
11 utility for that time period to be no greater than the electric
12 utility's rate base found to be reasonable by the commission.

13 (d) The commission shall choose an appropriate method for
14 the electric utility to make the refunds required under
15 subsection (c), including a lump sum payment or its equivalent
16 amount of offsets in monthly billings; provided that the period
17 allowed for offsets in monthly billings shall not exceed
18 months.

19 (e) To the extent possible, the commission's deliberations
20 and decision making under this section shall follow the
21 procedures and nine-month period described under section



1 269-16(d); provided that the nine-month period in this section
2 shall begin with the commission's motion under subsection (a),
3 rather than the electric utility's filing of an application;
4 provided further that an interim decision may be made within one
5 month after the expiration of the nine-month period which shall
6 require a decrease, rather than an increase, in rates, fares,
7 and charges.

8 (f) As used in this section:

9 "Decrease in the rate of a federal tax applicable to the
10 electric utility" or "federal tax rate decrease" includes the
11 corporate tax rate amendments in the federal Tax Cuts and Jobs
12 Act of 2017, Public Law No. 115-97, effective for taxable years
13 beginning after December 31, 2017.

14 "Rate base found to be reasonable by the commission" shall
15 have the same meaning as the term is used in section 269-16(c)
16 and (d)."

17 SECTION 3. New statutory material is underscored.

18 SECTION 4. This Act shall take effect upon its approval.

19 INTRODUCED BY:

Guthrie Hirsch

Tom B.

[Signature]

Thomas S. Galt

[Signature]

[Signature]



H.B. NO. 2112

Report Title:

PUC; Electric Utility; Rate Decreases; Refunds

Description:

Requires the Public Utilities Commission to order decreases in electric utility rates when certain federal tax rate decreases are enacted that apply to electric utilities. Requires the Commission to order customer refunds for the excess profits generated between the effective date of the federal tax rate change and the effective date of the Commission's order to decrease rates.

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

