

Honolulu, Hawaii

FEB 16 2018

RE: S.B. No. 2648

S.D. 1

Honorable Ronald D. Kouchi  
President of the Senate  
Twenty-Ninth State Legislature  
Regular Session of 2018  
State of Hawaii

Sir:

Your Committee on Commerce, Consumer Protection, and Health,  
to which was referred S.B. No. 2648 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 make various  
updates to the structure and operations of the Public Utilities  
Commission (Commission) to increase efficiency and effectiveness,  
including:

- (1) Establishing guiding principles;
- (2) Establishing docket review and decision-making  
processes;
- (3) Permitting teleconference and videoconference abilities;
- (4) Specifying senior staff members who must file public  
financial disclosures;
- (5) Increasing the number of commissioners and updating the  
composition of the Commission;
- (6) Specifying training requirements for commissioners;



- (7) Clarifying commissioners' ability to appoint and employ staff;
- (8) Clarifying the roles of the executive officer and chief counsel;
- (9) Permitting neighbor island members to receive per diem compensation and compensation for travel expenses; and
- (10) Requiring the Commission to report to the Legislature regarding certain staff duties.

Your Committee received testimony in support of this measure from Ulupono Initiative. Your Committee received testimony in opposition to this measure from the Public Utilities Commission. Your Committee received comments on this measure from the Division of Consumer Advocacy of the Department of Commerce and Consumer Affairs and Hawaii State Ethics Commission.

Your Committee finds that the Commission has several long- and short-term goals that reflect the Commission's increased work complexity and program responsibilities, which go beyond the Commission's traditional regulatory role. Due to the Commission's increasing responsibilities and the evolution of the regulatory landscape, it is essential that the structure and operations of the Commission be updated to enable the Commission to operate more efficiently and effectively, consistent with best practices. This measure therefore updates the structure and operation of the Commission to increase efficiency and effectiveness.

Your Committee further finds that pursuant to Act 198, Session Laws of Hawaii 2017 (Act 198), the Auditor was requested to conduct a management audit of the Commission to evaluate the efficiency and effectiveness of the Commission and aid in the Commission's transition to a better functioning entity. However, due to unforeseen circumstances beyond the control of the Office of the Auditor, the Auditor's report pursuant to Act 198 has been delayed. Accordingly, your Committee notes that this measure remains a work in progress and additional discussion or amendments to this measure may be needed, once the Auditor's report is released.



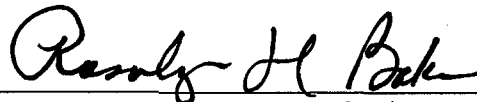
Finally, your Committee notes that Ulupono Initiative offered suggested amendments to this measure; these amendments may warrant additional consideration by your Committee on Ways and Means as this measure moves through the legislative process.

Your Committee has amended this measure by:

- (1) Inserting an effective date of July 1, 2050, to encourage further discussion; and
- (2) Making technical, nonsubstantive amendments for the purposes of clarity and consistency.

As affirmed by the record of votes of the members of your Committee on Commerce, Consumer Protection, and Health that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 2648, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 2648, S.D. 1, and be referred to your Committee on Ways and Means.

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



---

ROSALYN H. BAKER, Chair



The Senate  
Twenty-Ninth Legislature  
State of Hawai'i

**Record of Votes**  
**Committee on Commerce, Consumer Protection, and Health**  
**CPH**

Bill / Resolution No.:* <div style="font-size: 1.2em; font-family: cursive;">SB 2648</div>	Committee Referral: <div style="font-size: 1.2em; font-family: cursive;">CPH, WAM</div>	Date: <div style="font-size: 1.2em; font-family: cursive;">2/13/18</div>		
<input type="checkbox"/> The Committee is reconsidering its previous decision on this measure. If so, then the previous decision was to: _____				
The Recommendation is: <div style="display: flex; justify-content: space-between; margin-top: 10px;"> <div> <input type="checkbox"/> Pass, unamended 2312         </div> <div> <input checked="" type="checkbox"/> Pass, with amendments 2311         </div> <div> <input type="checkbox"/> Hold 2310         </div> <div> <input type="checkbox"/> Recommit 2313         </div> </div>				
Members	Aye	Aye (WR)	Nay	Excused
BAKER, Rosalyn H. (C)	/			
TOKUDA, Jill N. (VC)	/			
CHANG, Stanley		/		
ESPERO, Will				/
IHARA, Jr., Les			/	
NISHIHARA, Clarence K.				/
RUDERMAN, Russell E.			/	
<b>TOTAL</b>	2	1	2	2
Recommendation: <div style="display: flex; justify-content: space-around; margin-top: 10px;"> <input checked="" type="checkbox"/> Adopted         <input type="checkbox"/> Not Adopted         </div>				
Chair's or Designee's Signature: <div style="font-size: 1.5em; font-family: cursive; text-align: center;">JR</div>				
<div style="display: flex; justify-content: space-between; font-size: 0.8em;"> <div> <b>Distribution:</b>            Original            File with Committee Report         </div> <div>           Yellow            Clerk's Office         </div> <div>           Pink            Drafting Agency         </div> <div>           Goldenrod            Committee File Copy         </div> </div>				

\*Only one measure per Record of Votes