
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. Section 269-19, Hawaii Revised Statutes, is
2 amended by amending subsection (a) to read as follows:
3 "(a) [~~Except as provided in subsection (b), no~~] No public
4 utility shall sell, lease, assign, mortgage, or otherwise
5 dispose of or encumber the whole or any part of its road, line,
6 plant, system, or other property necessary or useful in the
7 performance of its duties to the public, or any franchise or
8 permit, or any right thereunder, nor by any means, directly or
9 indirectly, merge or consolidate with any other public utility
10 without first having secured from the public utilities
11 commission an order authorizing it so to do[-], unless:
12 (1) The sale, lease, assignment, mortgage, disposition,
13 encumbrance, merger, or consolidation is done in
14 accordance with subsection (b);
15 (2) The public utility is disposing a fully depreciated
16 asset or property with a zero net book value; provided
17 that the disposal:



- 1 (A) Is made to an unaffiliated entity; and
- 2 (B) Results in a zero or net reduction to the public
- 3 utility's rate base; or
- 4 (3) The public utility is donating a fully depreciated
- 5 asset or property with zero net book value to a
- 6 charitable or nonprofit organization.

7 Every [~~such~~] sale, lease, assignment, mortgage, disposition,
 8 encumbrance, merger, or consolidation[~~r~~] that requires
 9 authorization from the public utilities commission under this
 10 subsection and is made other than in accordance with the order
 11 of the commission shall be void."

12 SECTION 2. Section 271G-14, Hawaii Revised Statutes, is
 13 amended by amending subsection (b) to read as follows:

14 "(b) No water carrier shall sell, lease, assign, mortgage,
 15 or otherwise dispose of, or encumber the whole or any part of
 16 its property necessary or useful in the performance of
 17 transportation services for the public or any certificate of
 18 public convenience and necessity; nor shall any water carrier,
 19 by any means, directly or indirectly, merge or consolidate its
 20 property, certificates of public convenience and necessity, or
 21 any part thereof, with any other carrier, without first having



1 secured from the public utilities commission an order
2 authorizing it so to do, [~~and every such~~] unless the water
3 carrier is either:

4 (1) Disposing a fully depreciated asset or property with a
5 zero net book value; provided that the disposal:

6 (A) Is made to an unaffiliated entity; and

7 (B) Results in a zero or net reduction to the water
8 carrier's rate base; or

9 (2) Donating a fully depreciated asset or property with
10 zero net book value to a charitable or nonprofit
11 organization.

12 Every sale, lease, assignment, mortgage, disposition,
13 encumbrance, merger, or consolidation[7] that requires
14 authorization from the public utilities commission under this
15 subsection and is made other than in accordance with an order of
16 the commission authorizing the same [is] shall be void."

17 SECTION 3. Statutory material to be repealed is bracketed
18 and stricken. New statutory material is underscored.

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



Report Title:

PUC; Water Carrier; Exception; Authorization; Fully Depreciated Assets or Property; Zero Net Book Value

Description:

Exempts a public utility and water carrier from obtaining the required public utilities commission authorization when: disposing of a fully depreciated asset or property with a zero net book value, if the disposal is made to an unaffiliated entity and results in a zero or net reduction to the public utility's or water carrier's rate base; or donating a fully depreciated asset or property with zero net book value to a charitable or nonprofit organization. (CD1)

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