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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. 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); or

15           (2) The public utility is disposing a fully depreciated  
16           asset or property with a zero net book value that is  
17           no longer used or useful; provided 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[~~,~~] 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 that is no longer used or useful;  
6 provided that the disposal:

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

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

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

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

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 Statutory material to be repealed is bracketed  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

20 SECTION 4. This Act shall take effect on June 30, 3000.



**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: (1) disposing of a fully depreciated asset or property with a zero net book value that is no longer used or useful; provided that the disposal is made to an unaffiliated entity and results in a zero or net reduction to the public utility or water carrier's rate base, or (2) donating a fully depreciated asset or property with zero net book value to a charitable or nonprofit organization. Effective 6/30/3000. (SD1)

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

