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

4 "§269- Electric utility and gas utility capital  
5 improvements; review; rate base. (a) An electric utility or  
6 gas utility shall submit proposed capital expenditures for any  
7 single project related to plant replacement, expansion, or  
8 modernization in excess of \$500,000 or ten per cent of the total  
9 plant in service, whichever is less, to the public utilities  
10 commission for review at least sixty days before the  
11 commencement of construction or commitment for expenditure,  
12 whichever is earlier.

13 (b) If the commission determines, after a hearing on the  
14 matter, that any portion of the proposed project provides  
15 facilities that are unnecessary or are unreasonably in excess of  
16 probable future requirements for electric utility or gas utility  
17 purposes, then the electric utility or gas utility shall not



1 include that portion of the project in its rate base. If the  
2 electric utility or gas utility subsequently convinces the  
3 commission that the property in question is necessary or useful  
4 for public utility purposes, then the property may be included  
5 in the rate base.

6 (c) If the commission does not render a decision and order  
7 within ninety days of filing by the electric utility or gas  
8 utility, the electric utility or gas utility may include the  
9 capital expenditures for the proposed project in its rate base  
10 without the determination required by this section."

11 SECTION 2. New statutory material is underscored.

12 SECTION 3. This Act shall take effect on June 30, 3000.



**Report Title:**

PUC; Electric Utility; Gas Utility; Capital Improvements; Rate Base

**Description:**

Requires electric utilities and gas utilities to submit proposed capital expenditures for certain projects to the PUC for review and determination whether the project may be included in the utilities' rate base. Requires the PUC to make a determination within ninety days. Effective 6/30/3000. (HD1)

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