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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 269-17, Hawaii Revised Statutes, is  
2 amended to read as follows:

3           "**§269-17 Issuance of securities.** A public utility  
4 corporation may, on securing the prior approval of the public  
5 utilities commission, and not otherwise, issue stocks and stock  
6 certificates, bonds, notes, and other evidences of indebtedness,  
7 payable at periods of more than twelve months after the date  
8 thereof, for the following purposes and no other, namely: for  
9 the acquisition of property or for the construction, completion,  
10 extension, or improvement of or addition to its facilities or  
11 service, or for the discharge or lawful refunding of its  
12 obligations or for the reimbursement of moneys actually expended  
13 from income or from any other moneys in its treasury not secured  
14 by or obtained from the issue of its stocks or stock  
15 certificates, or bonds, notes, or other evidences of  
16 indebtedness, for any of the aforesaid purposes except  
17 maintenance of service, replacements, and substitutions not



1 constituting capital expenditure in cases where the corporation  
2 has kept its accounts for such expenditures in such manner as to  
3 enable the commission to ascertain the amount of moneys so  
4 expended and the purposes for which the expenditures were made,  
5 and the sources of the funds in its treasury applied to the  
6 expenditures[-]; provided that the commission shall make every  
7 effort to complete its deliberations and issue its approval or  
8 disapproval as expeditiously as possible and within six months  
9 from the date the public utility corporation filed its completed  
10 financial application request. As used herein, "property" and  
11 "facilities", mean property and facilities used in all  
12 operations of a public utility corporation whether or not  
13 included in its public utility operations or rate base. A  
14 public utility corporation may not issue securities to acquire  
15 property or to construct, complete, extend or improve or add to  
16 its facilities or service if the commission determines that the  
17 proposed purpose will have a material adverse effect on its  
18 public utility operations.

19 All stock and every stock certificate, and every bond,  
20 note, or other evidence of indebtedness of a public utility  
21 corporation not payable within twelve months, issued without an



1 order of the commission authorizing the same, then in effect,  
2 shall be void."

3 SECTION 2. Section 271G-17.5, Hawaii Revised Statutes, is  
4 amended to read as follows:

5 "[+]§271G-17.5[+] **Issuance of securities; execution of**  
6 **leases.** A water common carrier may, on securing the prior  
7 approval of the public utilities commission, and not otherwise,  
8 issue stocks and stock certificates, bonds, notes, and other  
9 evidences of indebtedness, payable at periods of more than  
10 twelve months after the date thereof, and enter into long-term  
11 leases of more than three years and leverage leases, for the  
12 following purposes and no other, namely:

- 13 (1) For the acquisition of property; or
- 14 (2) For the construction, completion, extension, or  
15 improvement of or addition to its facilities or  
16 service; or
- 17 (3) For the discharge or lawful refunding of its  
18 obligations; or
- 19 (4) For the reimbursement of moneys actually expended from  
20 income or from any other moneys in its treasury not  
21 secured by or obtained from the issue of its stocks or



1 stock certificates, or bonds, notes, or other  
2 evidences of indebtedness, for any of the aforesaid  
3 purposes, except maintenance of service, replacements,  
4 and substitutions not constituting capital expenditure  
5 in cases where the water carrier has kept its accounts  
6 for such expenditures in such manner as to enable the  
7 commission to ascertain the amount of moneys so  
8 expended and the purposes for which the expenditures  
9 were made, and the sources of the funds in its  
10 treasury applied to the expenditures[-];  
11 provided that the commission shall make every effort to complete  
12 its deliberations and issue its approval or disapproval as  
13 expeditiously as possible and within six months from the date  
14 the water carrier filed its completed financial application  
15 request.

16 As used herein, "property" and "facilities" mean property  
17 and facilities used in all operations of a water carrier whether  
18 or not included in its regulated operations or rate base. A  
19 water carrier may not issue securities nor enter into long-term  
20 leases of more than three years and leverage leases, to acquire  
21 property or to construct, complete, extend or improve or add to



1 its facilities or service, if the commission determines that the  
2 proposed purpose will have a material adverse effect on its  
3 operations. No carrier shall repurchase or reissue its own  
4 common stock without prior commission approval.

5 All stock and every stock certificate, and every bond,  
6 note, or other evidence of indebtedness of a water carrier not  
7 payable within twelve months, issued without an order of the  
8 commission authorizing the same, then in effect, shall be void.  
9 In addition, all long-term leases of more than three years and  
10 all leverage leases entered into by a water carrier without an  
11 order of the commission authorizing the same then in effect  
12 shall be void."

13 SECTION 3. Statutory material to be repealed is bracketed  
14 and stricken. New statutory material is underscored.

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

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INTRODUCED BY:                     *Stan*                    

JAN 19 2023



# H.B. NO. 367

**Report Title:**

Public Utilities Commission; Issuance of Securities; Financing Request

**Description:**

Requires the public utilities commission to issue a decision within six months from the date that a public utility has filed a financial application request to enter into any stock, certificates, bonds, notes, and other indebtedness arrangements.

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

