
A BILL FOR AN ACT

RELATING TO PUBLIC UTILITIES.

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- Sale of gas utility or electric utility. (a)
5 Notwithstanding sections 269-7.5 and 269-19, the public
6 utilities commission shall not approve the sale of a gas utility
7 or electric utility, in whole or in part, to a private entity
8 unless the utility being offered for sale demonstrates that it
9 first solicited competitive offers for the purchase of the
10 utility from entities that operate under a non-investor-owned
11 utilities ownership model, and notes whether or not non-
12 investor-owned entities submitted acceptable bids, in any
13 application to the commission requesting authorization of the
14 sale of the utility.

15 (b) The public utilities commission may establish a
16 process, including timelines, for consideration of alternative



1 bids in the event of a sale of a gas utility or electric
2 utility.

3 (c) For the purposes of this section, "non-investor-owned
4 utilities ownership model" means a not-for-profit enterprise
5 that is not owned by shareholders."

6 SECTION 2. Section 269-14.5, Hawaii Revised Statutes, is
7 amended by amending subsection (a) to read as follows:

8 "(a) Whenever the commission finds that a [~~regulated water~~
9 ~~utility or regulated sewer utility~~] public utility is failing,
10 or that there is an imminent threat of the public utility
11 failing, to provide adequate and reasonable service to its
12 customers, and that the failure is a serious and imminent threat
13 to health, safety, and welfare, the commission may appoint a
14 receiver to take any temporary action necessary to [~~assure~~]
15 ensure continued service or to bring the service up to
16 appropriate regulatory standards. The commission may also
17 appoint a receiver to take any temporary action necessary to
18 [~~assure~~] ensure continued service if, after notice and hearing,
19 the commission finds that any [~~water or sewer utility~~] public
20 utility regulated under this chapter consistently fails to
21 provide adequate and reasonable service. In carrying out its



1 responsibilities, the receiver and any additional outside legal
2 counsel, consultants, or staff the commission or receiver may
3 deem necessary under the circumstances, shall have the authority
4 to gain access to all of the public utility company assets and
5 records and to manage those assets in a manner that will restore
6 or maintain an acceptable level of service to customers. The
7 receiver shall be authorized to expend existing public utility
8 company revenues for labor and materials and to commit
9 additional resources as are essential to providing an acceptable
10 level of service. These expenditures shall be funded in
11 accordance with generally accepted ratemaking practices. Any
12 costs incurred by the commission, its staff, or the appointed
13 receiver under this section shall be the responsibility of the
14 public utility in receivership or its ratepayers. Control of
15 and responsibility for the public utility shall remain with the
16 receiver until the public utility can be returned to the
17 original owners, transferred to new owners, or liquidated as the
18 commission determines to be in the public interest."

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



1 SECTION 4. This Act shall take effect on July 1, 3000.



Report Title:

PUC; Gas Utility; Electric Utility; Sale; Approval; Non-investor-owned Utilities; Alternative Bids; Public Utility Receiver

Description:

Prohibits the Public Utilities Commission from approving the sale of a gas utility, or electric utility, in whole or in part, to a private entity, unless the utility being offered for sale demonstrates that it solicited competitive offers from an entity operating under a non-investor-owned utilities ownership model, and notes whether or not non-investor-owned entities submitted acceptable bids, in any application to the PUC requesting authorization for a sale of the utility. Authorizes the PUC to establish a procedure for consideration of alternative bids if there is a sale of a gas or electric utility. Specifies that the appointment of a receiver for a distressed utility applies to all public utilities. Effective 7/1/3000. (HD1)

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