

ACT 177

H.B. NO. 1005

A Bill for an Act Relating to the Public Utilities Commission.

Be It Enacted by the Legislature of the State of Hawaii:

SECTION 1. (a) Progressive energy policy-making at the state level is one of the most important issues on the current legislative agenda. Improving the performance of regulatory bodies, specifically the public utilities commission, is essential to the successful implementation of current and future energy policy reform. Recent legislation relies on professional staff in the public utilities commission to use their skills and experience to research, analyze, examine, and process legislative mandates related to the commission.

The current organization of the public utilities commission has not kept up with recent legislative initiatives, diminishing the ability of the public utilities commission to perform effectively in the following ways:

- (1) Difficulty recruiting and retaining qualified individuals to fill specialized positions that require skills and experience that involve the performance of certain functions;
- (2) Specialized job requirements that do not correspond with existing position descriptions and classifications;
- (3) Bureaucratic obstacles in changing existing position descriptions and classifications;
- (4) Salaries that are substantially below mainland agency or private-sector equivalents, especially considering the demanding and arduous job requirements; and
- (5) Agency organizational structures that are archaic and unsupportive of efficient work flow or the matching of human resources to the required tasks.

(b) Act 143, Session Laws of Hawaii 2006, was passed to obtain an in-depth review of the public utility commission's organization and to develop a comprehensive plan to effectively restructure the commission and enable the commission to function more effectively. A report was submitted by the public utilities commission to the legislature in December 2006, detailing the challenges and obstacles faced by the commission, the restructuring plan to improve the operational effectiveness of the commission, and the specific types and numbers of positions and other funding

amounts necessary to restructure the commission. The restructuring plan developed by the public utilities commission is intended to, among other things:

- (1) Increase and enhance the commission's policy analysis and research capabilities;
 - (2) Create regulated industry-specific professional positions to allow for focused expertise and cross-functional workgroups;
 - (3) Allow professional staff to focus and specialize in critical industries, while retaining the flexibility to adapt to changes in markets and environments; and
 - (4) Update the organization to accurately reflect current and foreseeable functional requirements, as well as to enhance the commission's focus on customer issues and concerns.
- (c) The purpose of this Act is to enhance the ability of the public utilities commission to carry out its duties and responsibilities by:
- (1) Requiring the commission to restructure its operations pursuant to the commission's December 2006, report to the legislature, to improve its effectiveness and efficiency; and
 - (2) Authorizing the public utilities commission to consider the need for increased renewable energy use in exercising its authority and duties.

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

“§269- Consideration of renewable energy. The public utilities commission may consider the need for increased renewable energy use in exercising its authority and duties under this chapter.”

SECTION 3. Section 269-3, Hawaii Revised Statutes, is amended by amending subsection (a) to read as follows:

“(a) The chairperson of the public utilities commission may appoint and employ clerks, stenographers, agents, engineers, accountants, and other assistants for the public utilities commission as the chairperson finds necessary for the performance of the commission's functions and define their powers and duties. The chairperson may appoint and, at pleasure, dismiss a chief administrator and hearings officers as may be necessary. Notwithstanding section [§]103D-209[3], the chairperson shall appoint one or more attorneys independent of the attorney general who shall act as attorneys for the commission and define their powers and duties and fix their compensation. The chief administrator, chief of policy and research, chief of administrative support, chief of consumer affairs and compliance, utility analysts, and attorneys shall be exempt from chapter 76. Research assistants, economists, legal secretaries, [utility analysts,] legal assistants, and enforcement officers may be appointed with or without regard to chapter 76. Other employees shall be appointed as may be needed by the chairperson in accordance with chapter 76.”

SECTION 4. (a) The public utilities commission shall restructure its operations as provided for in part IV of the public utilities commission's report to the legislature required pursuant to Act 143, Session Laws of Hawaii, 2006.

- (b) The restructuring shall include the following:
 - (1) The existing research section shall be expanded to include policy support positions and functions, and shall be renamed the office of policy and research;

- (2) The consumer affairs and compliance section shall be responsible for consumer relations and investigation and enforcement activities of the public utilities commission;
- (3) The administrative support section shall be supervised by the chief of administrative support and shall be comprised of clerical services staff, case management services staff, fiscal services staff, and information technology staff;
- (4) Staffing shall be increased with the addition of the following positions:
 - (A) For fiscal year 2008-2009:
 - (i) A public utilities commission attorney shall be responsible for providing, among other things, legal support in petroleum dockets and initiatives statewide, and for complaint and inquiry handling;
 - (ii) A legal assistant shall assist the chief counsel in all facets of legal work;
 - (iii) A data processing systems analyst V shall be responsible for supervising information technology services staff, administering the document and docket management system, and assisting with petroleum monitoring system database management;
 - (iv) A legal clerk shall be responsible for case management services clerical support, assisting the chief clerk, and performing duties as citation clerk;
 - (v) An auditor VI shall be responsible for energy and petroleum dockets and issues and for conducting field audit inspections;
 - (vi) An engineer V shall be responsible for energy and petroleum dockets and issues, energy utility field inspections, and informal inquiry handling; and
 - (vii) A chief of consumer affairs and compliance shall be responsible for supervising the consumer affairs and compliance section; and
 - (B) For fiscal year 2009-2010:
 - (i) A public utilities commission attorney shall be responsible for legal support in telecommunications, dockets and issues, legislative and rulemaking initiatives, drafting and updating rules, and serving as a hearings officer;
 - (ii) A legal clerk shall be responsible for case management services clerical support, assisting the chief clerk, and performing duties as citations clerk;
 - (iii) An account clerk III shall be responsible for handling the pCard system, maintaining physical inventory, keeping fiscal records, and providing fiscal support for the commission;
 - (iv) An auditor VI shall be responsible for telecommunications and utility dockets and related issues and conducting field audit inspections;
 - (v) An engineer V shall be responsible for telecommunications and utility dockets and related issues, telecommunications and utility field inspections, and pipeline safety inspection; and
 - (vi) Two research assistants shall be responsible for docket, non-docket, legislative, and industry research, analysis, and reporting;

- (5) Twelve existing positions shall be redescribed as follows:
 - (A) An existing attorney shall be redescribed as chief counsel to accurately reflect supervisory functions of this position, including responsibility and management of the office of commission counsel, acting as a counsel to the commission, and handling commission-related media correspondence;
 - (B) An existing research assistant position shall be redescribed as chief of administrative support to accurately reflect the administrative responsibilities of the position, including supervising clerical, case management, fiscal, and information technology staff;
 - (C) An existing chief researcher shall be redescribed as chief of policy and research to accurately represent the additional responsibilities of the policy arm of the policy and research services section. The chief of policy and research shall manage the utility analysts, research assistants, and economists; advise the commission on all regulated-industry-related matters and government policy; and oversee legislative initiatives, media relations, and special projects;
 - (D) The chief engineer shall be increased from level V to level VI to enable the commission to recruit for the position at a higher level and to allow staff level engineers to move to level V;
 - (E) The existing legal stenographer shall be redescribed as a legal assistant to update this position since stenographers are no longer recruited due to outdated position descriptions;
 - (F) The existing clerk typist III position shall be redescribed as a legal clerk to elevate the qualifications of the position and to help meet new functional requirements, including maintenance of a new document and docket management systems and increased citation activity;
 - (G) An existing research assistant position shall be redescribed as an investigator V to accurately reflect senior-level responsibilities of the position; and
 - (H) Five existing research assistants shall be redescribed as utility analysts to allow for increased industry expertise and focus necessary for the new policy-making function of the policy and research section;
- (6) The following temporary positions, relating to gas cap and petroleum monitoring, shall be converted to permanent positions to promote successful recruitment and retention of qualified individuals:
 - (A) Public utilities commission economist;
 - (B) Public utilities commission attorney;
 - (C) Two utility analysts (previously research assistants);
 - (D) Clerk typist II;
 - (E) Enforcement officer; and
 - (F) Secretary I; and
- (7) Additional office space shall be leased and the office relocated.

(c) Upon request by the public utilities commission, all other state and county agencies shall assist the public utilities commission in carrying out the provisions of this Act. The department of human resources development shall work cooperatively with the public utilities commission in renaming or re-describing job descriptions as is deemed necessary by the public utilities commission.

SECTION 5. Statutory material to be repealed is bracketed and stricken. New statutory material is underscored.¹

SECTION 6. This Act shall take effect on July 1, 2007.

(Approved June 13, 2007.)

Note

1. Edited pursuant to HRS §23G-16.5.