
A BILL FOR AN ACT

RELATING TO PROPERTY OF PUBLIC UTILITIES.

BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF HAWAII:

1 SECTION 1. The legislature finds that it is vital to the
2 State's well-being that public utilities ensure that the
3 property they use in the provision of services to customers is
4 maintained at a certain prescribed level. The public utilities
5 commission, the entity charged by the legislature with
6 responsibility over the condition of public utilities and their
7 property, must keep a watchful eye so that the public interest
8 in steady, reliable utility service is served and preserved.
9 Presently, state law mandates that a public utility seek and
10 secure an order from the public utilities commission prior to
11 the disposal or encumbrance of property necessary or useful in
12 performing its duties to the public.

13 The legislature finds, however, that unusual, exigent
14 circumstances call for a public utility to come to the aid of a
15 customer in a time-sensitive manner. The legislature further
16 finds that these unusual, exigent situations sometimes call for
17 a public utility to transfer, assign, or otherwise dispose of



1 its property to help a customer in distress return to normal
2 operations.

3 The purpose of this Act is to authorize public utilities to
4 transfer, assign, or otherwise dispose of property, except real
5 property, without prior approval from the public utilities
6 commission to aid a customer whose operations have been
7 disrupted in exigent circumstances.

8 SECTION 2. Section 269-19, Hawaii Revised Statutes, is
9 amended to read as follows:

10 "~~§269-19 Merger and consolidation of public [utility~~
11 ~~corporations.] utilities.~~ [No] (a) Except as provided in
12 subsection (b), no public utility [corporation] shall sell,
13 lease, assign, mortgage, or otherwise dispose of or encumber the
14 whole or any part of its road, line, plant, system, or other
15 property necessary or useful in the performance of its duties to
16 the public, or any franchise or permit, or any right thereunder,
17 nor by any means, directly or indirectly, merge or consolidate
18 with any other public utility [corporation] without first having
19 secured from the public utilities commission an order
20 authorizing it so to do. Every such sale, lease, assignment,
21 mortgage, disposition, encumbrance, merger, or consolidation,



1 made other than in accordance with the order of the commission
2 shall be void.

3 (b) A public utility, under circumstances that it deems
4 exigent and in its judgment require a response that rapidly
5 restores one of its customers to normal, or near normal,
6 operating status in order to prevent serious disruption of
7 essential public services, or avoid serious risk to public
8 safety, or to mitigate severe economic losses to that customer,
9 may transfer, assign, or otherwise dispose of its property
10 without prior approval from the public utilities commission as
11 required in subsection (a); provided that in so doing:

12 (1) The public utility does not unduly hinder or degrade
13 the public utility's operation with respect to its
14 services or other customers;

15 (2) The public utility is duly compensated for its
16 property; and

17 (3) The public utility reports in detail to the public
18 utilities commission within thirty days of any such
19 action unless otherwise approved by the public
20 utilities commission for good cause shown.

21 For purposes of this subsection, "property" does not
22 include real property."



1 SECTION 3. Statutory material to be repealed is bracketed
2 and stricken. New statutory material is underscored.

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



Report Title:

Public Utilities; Property Transfers

Description:

Grants public utilities the authority to transfer, assign, or otherwise dispose of property, except real property, without prior approval from the Public Utilities Commission, under circumstances calling for timely, decisive action in order to aid a customer whose operations have been disrupted due to unforeseeable events. (HB3080 HD1)

