Honolulu, Hawaii

Fe - 8 , 2008

RE: H.B. No. 3080 H.D. 1

Honorable Calvin K.Y. Say Speaker, House of Representatives Twenty-Fourth State Legislature Regular Session of 2008 State of Hawaii

Sir:

Your Committee on Consumer Protection & Commerce, to which was referred H.B. No. 3080 entitled:

"A BILL FOR AN ACT RELATING TO PROPERTY OF PUBLIC UTILITIES," begs leave to report as follows:

The purpose of this bill is to enhance the ability of public utilities to respond to the emergency needs of their customers by allowing public utilities to transfer, assign, or otherwise dispose of property without prior approval from the Public Utilities Commission (PUC) when rendering aid to customers in certain exigent circumstances in order to:

- (1) Prevent serious disruption of essential public services;
- (2) Avoid serious risk to public safety; or
- (3) Mitigate severe economic losses to the customer.

This bill also requires the public utility to provide a detailed report to PUC within 30 days of such disposition of property, unless otherwise approved by PUC.

The Division of Consumer Advocacy of the Department of Commerce and Consumer Affairs, PUC, Hawaiian Electric Company, Inc., Maui Electric Company, Ltd., Hawaii Electric Light Company, and The Gas Company testified in support of this bill.

HB3080 HD1 HSCR CPC HMS 2008-1627

Under section 269-19, Hawaii Revised Statutes, public utilities are required to obtain prior approval from PUC before disposing of or encumbering property necessary or useful to their performance of public duties. This requirement ensures that public utility resources and operations are maintained at a level that serves the public interest.

However, certain time-sensitive situations may call for faster responses to customer emergencies. For example, a power outage may require the procurement of materials that a public utility may have in its inventory and be able to provide more quickly if it did not need to obtain prior PUC approval. This bill affords public utilities this flexibility while including protections to ensure that the utility's services for customers are not unduly hindered or degraded.

Your Committee has amended this bill by:

- (1) Clarifying that its provisions do not apply to the disposition of real property by public utilities; and
- (2) Making technical, nonsubstantive amendments for clarity, consistency, and style.

As affirmed by the record of votes of the members of your Committee on Consumer Protection & Commerce that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 3080, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 3080, H.D. 1, and be referred to the Committee on Finance.

Respectfully submitted on behalf of the members of the Committee on Consumer Protection & Commerce,

ROBERT N. HERKES, Chair

State of Hawaii House of Representatives The Twenty-fourth Legislature

ASCR 245-08

Record of Votes of the Committee on Consumer Protection & Commerce

Bill/Resolution No.: HB 3080	Committee Referral:	Date	0/38/08	
☐ The committee is reconsidering its previous decision on the measure.				
The recommendation is to: Pass, unamended (as is) Pass, with amendments (HD) Hold Pass short form bill with HD to recommit for future public hearing (recommit)				
CPC Members	Ayes	Ayes (WR)	Nays	Excused
1. HERKES, Robert N. (C)	X		Sales all Sales and Sales	
2. McKELVEY, Angus L.K. (VC)	X			
3. EVANS, Cindy	X	a caracanta se a caracante de As		
4. GREEN, Josh, M.D.	λ			
5. ITO, Ken				\ \mathcal{X}
6. LUKE, Sylvia	人			
7. MORITA, Hermina M.				λ
8. SONSON, Alex M.	γ			
9. SOUKI, Joseph M.	,			
10. TSUJI, Clift	>			
11. YAMANE, Ryan I.	×			
12. YAMASHITA, Kyle T.	×			
13. MARUMOTO, Barbara C.	x			
14. THIELEN, Cynthia				
TOTAL (14)	12	0	0	2
The recommendation is: Adopted If joint referral committee acronym(s) Not Adopted did not support recommendation.				
Vice Chair's or designee's signature:				
Distribution: Original (White) – Committee Duplicate (Yellow) – Chief Clerk's Office				