

STAND. COM. REP. NO.

3164

Honolulu, Hawaii

MAR 24 2008

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

Honorable Colleen Hanabusa
President of the Senate
Twenty-Fourth State Legislature
Regular Session of 2008
State of Hawaii

Madam:

Your Committee on Commerce, Consumer Protection, and
Affordable Housing, to which was referred H.B. No. 3080, H.D. 1,
entitled:

"A BILL FOR AN ACT RELATING TO PROPERTY OF PUBLIC UTILITIES,"

begs leave to report as follows:

The purpose of this measure is to provide rapid utility
service restoration to customers in an event of exigent
circumstances by allowing a public utility to transfer property
needed for service restoration without prior approval of the
Public Utilities Commission (PUC).

Specifically, this measure amends section 269-19, Hawaii
Revised Statutes, to provide an exception for a public utility to
sell, lease, assign, mortgage, or otherwise dispose of or encumber
its property without first securing an authorizing order from the
PUC only under exigent circumstances that call for rapid service
restoration in order to prevent serious disruption of essential
public services, avoid serious risk to public safety, or mitigate
severe economic losses to a utility customer; provided that this
action does not hinder or degrade the utility company's operations
with respect to its services or other customers, and the utility
company is duly compensated and reports in detail to the PUC
within thirty days of the action.

Testimony in support of this measure was submitted by the
Public Utilities Commission; the Division of Consumer Advocacy,
Department of Commerce and Consumer Affairs; the Hawaiian Electric

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Company, Inc.; the Maui Electric Company, Ltd.; and the Hawaii Electric Light Company.

The PUC requires a public utility to obtain prior approval from the PUC if a public utility intends to sell, lease, assign, mortgage, or otherwise dispose of the whole or any part of its road, line, plant, system, or other property necessary or useful in the performance of the public utility's duties to the public. Your Committee finds that exigent circumstances can create an environment in which prudent, prompt, time-sensitive action by a public utility may be necessary to restore services, and immediate transfer or encumbrance of utility property is necessary to rapidly restore a customer to full or near full operational status. Allowing a public utility to transfer property needed for service restoration without prior approval of the PUC will enable customers to receive prompt restoration services without sustaining prolonged disruption of service or economic loss.

Your Committee believes that this measure fulfills its intent, which is to provide rapid utility service restoration to customers in an event of exigent circumstances.

As affirmed by the record of votes of the members of your Committee on Commerce, Consumer Protection, and Affordable Housing that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 3080, H.D. 1, and recommends that it pass Second Reading and be placed on the calendar for Third Reading.

Respectfully submitted on
behalf of the members of the
Committee on Commerce, Consumer
Protection, and Affordable
Housing,



RUSSELL S. KOKUBUN, Chair



