



GOV. MSG. NO. 935

EXECUTIVE CHAMBERS
HONOLULU

LINDA LINGLE
GOVERNOR

June 13, 2007

The Honorable Colleen Hanabusa, President
and Members of the Senate
Twenty-Fourth State Legislature
State Capitol, Room 409
Honolulu, Hawaii 96813

Dear Madam President and Members of the Senate:

This is to inform you that on June 13, 2007, the following bill was signed into law:

HB1005 HD2 SD1 CD1

A BILL FOR AN ACT RELATING TO THE PUBLIC
UTILITIES COMMISSION.
(ACT 177)

Sincerely,

A handwritten signature in black ink, appearing to read "James R. Aiona, Jr.", written over a faint, larger version of the same signature.

JAMES R. AIONA, JR.
Acting Governor

Approved by the Governor

on JUN 13 2007

HOUSE OF REPRESENTATIVES
TWENTY-FOURTH LEGISLATURE, 2007
STATE OF HAWAII

ACT 177

H.B. NO. 1005
H.D. 2
S.D. 1
C.D. 1

A BILL FOR AN ACT

RELATING TO THE PUBLIC UTILITIES COMMISSION.

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

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

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

14 (1) Difficulty recruiting and retaining qualified
15 individuals to fill specialized positions that require
16 skills and experience that involve the performance of
17 certain functions;



- 1 (2) Specialized job requirements that do not correspond
2 with existing position descriptions and
3 classifications;
- 4 (3) Bureaucratic obstacles in changing existing position
5 descriptions and classifications;
- 6 (4) Salaries that are substantially below mainland agency
7 or private-sector equivalents, especially considering
8 the demanding and arduous job requirements; and
- 9 (5) Agency organizational structures that are archaic and
10 unsupportive of efficient work flow or the matching of
11 human resources to the required tasks.
- 12 (b) Act 143, Session Laws of Hawaii 2006, was passed to
13 obtain an in-depth review of the public utility commission's
14 organization and to develop a comprehensive plan to effectively
15 restructure the commission and enable the commission to function
16 more effectively. A report was submitted by the public
17 utilities commission to the legislature in December 2006,
18 detailing the challenges and obstacles faced by the commission,
19 the restructuring plan to improve the operational effectiveness
20 of the commission, and the specific types and numbers of
21 positions and other funding amounts necessary to restructure the



1 commission. The restructuring plan developed by the public
2 utilities commission is intended to, among other things:

- 3 (1) Increase and enhance the commission's policy analysis
4 and research capabilities;
- 5 (2) Create regulated industry-specific professional
6 positions to allow for focused expertise and cross-
7 functional workgroups;
- 8 (3) Allow professional staff to focus and specialize in
9 critical industries, while retaining the flexibility
10 to adapt to changes in markets and environments; and
- 11 (4) Update the organization to accurately reflect current
12 and foreseeable functional requirements, as well as to
13 enhance the commission's focus on customer issues and
14 concerns.

15 (c) The purpose of this Act is to enhance the ability of
16 the public utilities commission to carry out its duties and
17 responsibilities by:

- 18 (1) Requiring the commission to restructure its operations
19 pursuant to the commission's December 2006, report to
20 the legislature, to improve its effectiveness and
21 efficiency; and



1 (2) Authorizing the public utilities commission to
2 consider the need for increased renewable energy use
3 in exercising its authority and duties.

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

7 "§269- Consideration of renewable energy. The public
8 utilities commission may consider the need for increased
9 renewable energy use in exercising its authority and duties
10 under this chapter."

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

13 "(a) The chairperson of the public utilities commission
14 may appoint and employ clerks, stenographers, agents, engineers,
15 accountants, and other assistants for the public utilities
16 commission as the chairperson finds necessary for the
17 performance of the commission's functions and define their
18 powers and duties. The chairperson may appoint and, at
19 pleasure, dismiss a chief administrator and hearings officers as
20 may be necessary. Notwithstanding section [†]103D-209[†], the
21 chairperson shall appoint one or more attorneys independent of
22 the attorney general who shall act as attorneys for the



1 commission and define their powers and duties and fix their
2 compensation. The chief administrator, chief of policy and
3 research, chief of administrative support, chief of consumer
4 affairs and compliance, utility analysts, and attorneys shall be
5 exempt from chapter 76. Research assistants, economists, legal
6 secretaries, [~~utility analysts,~~] legal assistants, and
7 enforcement officers may be appointed with or without regard to
8 chapter 76. Other employees shall be appointed as may be needed
9 by the chairperson in accordance with chapter 76."

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

14 (b) The restructuring shall include the following:

- 15 (1) The existing research section shall be expanded to
16 include policy support positions and functions, and
17 shall be renamed the office of policy and research;
- 18 (2) The consumer affairs and compliance section shall be
19 responsible for consumer relations and investigation
20 and enforcement activities of the public utilities
21 commission;



1 (3) The administrative support section shall be supervised
2 by the chief of administrative support and shall be
3 comprised of clerical services staff, case management
4 services staff, fiscal services staff, and information
5 technology staff;

6 (4) Staffing shall be increased with the addition of the
7 following positions:

8 (A) For fiscal year 2008-2009:

9 (i) A public utilities commission attorney shall
10 be responsible for providing, among other
11 things, legal support in petroleum dockets
12 and initiatives statewide, and for complaint
13 and inquiry handling;

14 (ii) A legal assistant shall assist the chief
15 counsel in all facets of legal work;

16 (iii) A data processing systems analyst V shall be
17 responsible for supervising information
18 technology services staff, administering the
19 document and docket management system, and
20 assisting with petroleum monitoring system
21 database management;



- 1 (iv) A legal clerk shall be responsible for case
- 2 management services clerical support,
- 3 assisting the chief clerk, and performing
- 4 duties as citation clerk;
- 5 (v) An auditor VI shall be responsible for
- 6 energy and petroleum dockets and issues and
- 7 for conducting field audit inspections;
- 8 (vi) An engineer V shall be responsible for
- 9 energy and petroleum dockets and issues,
- 10 energy utility field inspections, and
- 11 informal inquiry handling; and
- 12 (vii) A chief of consumer affairs and compliance
- 13 shall be responsible for supervising the
- 14 consumer affairs and compliance section; and
- 15 (B) For fiscal year 2009-2010:
- 16 (i) A public utilities commission attorney shall
- 17 be responsible for legal support in
- 18 telecommunications, dockets and issues,
- 19 legislative and rulemaking initiatives,
- 20 drafting and updating rules, and serving as
- 21 a hearings officer;

- 1 (ii) A legal clerk shall be responsible for case
2 management services clerical support,
3 assisting the chief clerk, and performing
4 duties as citations clerk;
- 5 (iii) An account clerk III shall be responsible
6 for handling the pCard system, maintaining
7 physical inventory, keeping fiscal records,
8 and providing fiscal support for the
9 commission;
- 10 (iv) An auditor VI shall be responsible for
11 telecommunications and utility dockets and
12 related issues and conducting field audit
13 inspections;
- 14 (v) An engineer V shall be responsible for
15 telecommunications and utility dockets and
16 related issues, telecommunications and
17 utility field inspections, and pipeline
18 safety inspection; and
- 19 (vi) Two research assistants shall be responsible
20 for docket, non-docket, legislative, and
21 industry research, analysis, and reporting;



1 (5) Twelve existing positions shall be redescribed as
2 follows:

3 (A) An existing attorney shall be redescribed as
4 chief counsel to accurately reflect supervisory
5 functions of this position, including
6 responsibility and management of the office of
7 commission counsel, acting as a counsel to the
8 commission, and handling commission-related media
9 correspondence;

10 (B) An existing research assistant position shall be
11 redescribed as chief of administrative support to
12 accurately reflect the administrative
13 responsibilities of the position, including
14 supervising clerical, case management, fiscal,
15 and information technology staff;

16 (C) An existing chief researcher shall be redescribed
17 as chief of policy and research to accurately
18 represent the additional responsibilities of the
19 policy arm of the policy and research services
20 section. The chief of policy and research shall
21 manage the utility analysts, research assistants,
22 and economists; advise the commission on all



1 regulated-industry-related matters and government
2 policy; and oversee legislative initiatives,
3 media relations, and special projects;

4 (D) The chief engineer shall be increased from level
5 V to level VI to enable the commission to recruit
6 for the position at a higher level and to allow
7 staff level engineers to move to level V;

8 (E) The existing legal stenographer shall be
9 redescribed as a legal assistant to update this
10 position since stenographers are no longer
11 recruited due to outdated position descriptions;

12 (F) The existing clerk typist III position shall be
13 redescribed as a legal clerk to elevate the
14 qualifications of the position and to help meet
15 new functional requirements, including
16 maintenance of a new document and docket
17 management systems and increased citation
18 activity;

19 (G) An existing research assistant position shall be
20 redescribed as an investigator V to accurately
21 reflect senior-level responsibilities of the
22 position; and



1 (H) Five existing research assistants shall be
2 redescrbed as utility analysts to allow for
3 increased industry expertise and focus necessary
4 for the new policy-making function of the policy
5 and research section;

6 (6) The following temporary positions, relating to gas cap
7 and petroleum monitoring, shall be converted to
8 permanent positions to promote successful recruitment
9 and retention of qualified individuals:

10 (A) Public utilities commission economist;

11 (B) Public utilities commission attorney;

12 (C) Two utility analysts (previously research
13 assistants);

14 (D) Clerk typist II;

15 (E) Enforcement officer; and

16 (F) Secretary I; and

17 (7) Additional office space shall be leased and the office
18 relocated.

19 (c) Upon request by the public utilities commission, all
20 other state and county agencies shall assist the public
21 utilities commission in carrying out the provisions of this Act.
22 The department of human resources development shall work



1 cooperatively with the public utilities commission in renaming
2 or re-describing job descriptions as is deemed necessary by the
3 public utilities commission.

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

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

APPROVED this 13 day of JUN , 2007



JAMES R. AIONA JR.

ACTING

GOVERNOR OF THE STATE OF HAWAII

