
A BILL FOR AN ACT

RELATING TO RENEWABLE ENERGY TRANSMISSION CABLE.

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

1 SECTION 1. The legislature hereby finds and declares that
2 attaining independence from our detrimental reliance on fossil
3 fuels has been a long-standing objective for the State. Hawaii
4 is the state most dependent on petroleum for its energy needs.
5 Reducing our oil dependence and the consequent price volatility
6 and attaining energy security are critical.

7 Hawaii has an abundance of natural, renewable energy
8 resources from wind, solar, ocean/wave, geothermal, and bio-
9 based fuels, as well as opportunities to develop hydrogen
10 options in the future. Hawaii's clean energy policy mandates
11 and strongly promotes the use of these renewable energy
12 resources.

13 Act 155, Session Law Hawaii 2009, codified as section 269-
14 92, Hawaii Revised Statutes, increased the 2020 renewable
15 portfolio standard (RPS) from twenty per cent to twenty-five per
16 cent, and added a new forty per cent requirement for the year
17 2030. In addition, prior to January 1, 2015, fifty per cent of
18 a utility's RPS needed to be met by electrical generation using



1 renewable energy as the source, after January 1, 2015, an
2 electric utility company's entire RPS will need to be met by
3 renewable energy generation.

4 In addition, one of the key elements of Hawaii's energy
5 policy concerns the desire for fixed-price indigenous renewable
6 resources. Fixed price indigenous renewable resources are the
7 best hedge against rising oil prices that could return to the
8 \$147 per barrel level experienced in 2008. In order for the
9 State to meet its clean energy objectives, hundreds of megawatts
10 of fixed price renewable energy must be developed in the near
11 term. It is recognized, however, that no one single resource
12 can provide the "silver bullet" solution as a hedge against oil
13 price volatility.

14 To achieve these aggressive RPS goals, electric utility
15 companies need to target technologies that:

- 16 (1) Are commercially available;
- 17 (2) Are capable of being developed within a near-term
18 horizon;
- 19 (3) Are available on a large scale; and
- 20 (4) May be used to generate electricity delivered to
21 Hawaii's load centers.



1 Two categories of technologies that currently fit this
2 description are technologies that capture solar and wind
3 resources. Estimates of solar and wind generation potentials in
4 the State of Hawaii exceed the total electricity demand on all
5 of the islands.

6 Electrical services on the islands of Oahu, Maui, Molokai,
7 Lanai, and Hawaii currently are provided by affiliated,
8 franchised electric utility companies, but none of the electric
9 utility systems on these islands currently are electrically
10 interconnected to the electric utility system on any other
11 island.

12 By far, the island of Oahu has the largest demand for
13 electricity and the largest concentration of the population
14 base. Wind power is a commercially proven source of renewable
15 energy today that, while limited on Oahu, is abundant on the
16 neighbor islands of Lanai and Molokai. Lanai or Molokai wind
17 projects totaling four hundred megawatts of capacity have the
18 potential to produce in the range of one thousand five hundred
19 gigawatt hours of energy annually given the expected capacity
20 factors for large scale wind farms on these islands. To
21 contribute to attaining RPS goals, strategies to link Oahu's
22 demand to abundant on-island wind and solar resources as well as



1 fixed-price wind from the neighbor islands of Molokai and Lanai
2 are being pursued. Technical implementation and routing studies
3 have been conducted that show that it is feasible to connect
4 renewable generation facilities on Lanai or Molokai to the Oahu
5 load using undersea high-voltage transmission cables.

6 The islands of Maui and Hawaii currently have significant
7 as-available renewable resource penetration levels, based on
8 projects that are currently in service or that have power
9 purchase contracts. At the same time, they have significant
10 potential as additional renewable resources. There are plans to
11 consider the use of high-voltage undersea transmission cables to
12 link the electric utility systems on these islands to the
13 electric utility system on Oahu.

14 For several years the State, with the support and
15 assistance of the federal government and Hawaiian Electric
16 Company, has been exploring for several years the technical,
17 engineering, economic, and financial feasibility of an
18 interisland undersea electrical transmission cable system that
19 would be capable of transmitting wind generated electric energy
20 from Maui county to Oahu, and has concluded that an undersea
21 cable system is both feasible and desirable.



1 In addition, economic analyses have shown that harnessing
2 the wind resources for the islands appears to be a relatively
3 cost-effective means for helping to meet Hawaii's energy policy
4 objectives. The cost of the energy delivered to the load center
5 is expected to be at or below the cost of other commercially
6 available large scale renewable resources in the near-term and
7 at or below the cost of petroleum-based generation in the
8 longer-term. The capital cost of developing the high-voltage
9 electric transmission cable systems is substantial in
10 relationship to the electric utility companies' existing rate
11 bases, however; and it is expected that undersea transmission
12 cables will be installed by a non-utility investor that assumes
13 financial responsibility for the project until it achieves
14 commercial availability.

15 Accordingly, the purpose of this Act is to establish the
16 regulatory structure under which inter-island undersea
17 transmission cables could be developed, financed, and
18 constructed on commercially reasonable terms, such as those upon
19 which successful cable projects have been undertaken in New
20 York, California, and around the world.

21 The legislature also understands that the development of
22 large-scale renewable energy projects will impact the



1 communities on which the projects are located, and that at least
2 some of the environmental review processes conducted as part of
3 the permitting process for the projects will occur after the
4 public utilities commission would need to act on a cable
5 certification application. To foster communication with the
6 affected communities and the commission, the legislature has
7 incorporated a requirement that the public utilities commission
8 hold a public hearing on each island connected by the high-
9 voltage electric transmission cable system for the purposes of
10 obtaining comments and input from interested parties.

11 To interconnect undersea high-voltage transmission cables
12 to an electric utility system, the electric utility company will
13 need to install on-island transmission infrastructure. In
14 addition, because of the fixed costs of renewable energy
15 projects relative to the variable costs of fossil fuel
16 generation, it is expected that electric utility ratepayers may
17 benefit if the electric utility company acquires the undersea
18 high-voltage transmission cables at the commencement of
19 commercial operations, or at some point in time after the
20 commencement of commercial operations. Given the cost of the
21 on-island transmission infrastructure, the need to have the on-
22 island infrastructure available when the undersea high-voltage



1 transmission cables commence commercial operations, and the
2 potential acquisition cost of the undersea high-voltage
3 transmission cables, the electric utility's credit quality,
4 which is essential to the development of renewable energy
5 resources in Hawaii, may be negatively impacted unless specified
6 cost recovery provisions are added to the public utility law.

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

10 **"PART . INTERISLAND TRANSMISSION SYSTEM**

11 **§269-A Definitions.** As used in this part:

12 "Cable company" means any person who are selected through
13 an Request For Proposal to be an applicant to be a certified
14 cable company.

15 "Cable purchase contract" means a contract to purchase a
16 high-voltage electric transmission cable system after a
17 specified period of commercial operations in accordance with an
18 option to purchase acquired pursuant to a Request For Proposal,
19 or included in a power purchase agreement.

20 "Certified cable company" means any person who owns or
21 controls a high-voltage electric transmission cable system,
22 provided that the person receives a certificate of public



1 convenience and necessity from the commission pursuant to
2 section 269-B.

3 "Commercial operations" means the period after the high-
4 voltage electric transmission cable system passes acceptance
5 tests resulting from the Request For Proposal, as determined by
6 a qualified independent engineer approved by the commission and
7 other criteria the commission determines as reasonable.

8 "Commission" means the public utilities commission
9 established pursuant to section 269-2.

10 "Cost" means all capital investments, including rate of
11 return, any applicable taxes, and all expenses, including
12 capacity payments and operation and maintenance expenses,
13 related to or resulting from the planning, licensing,
14 permitting, designing, development, construction, or operation
15 of a high-voltage electric transmission cable system.

16 "Development period" means the period of time after the
17 certified transmission entity has been granted a certificate of
18 public convenience and necessity, but before commercial
19 operations.

20 "Electric utility company" means a public utility as
21 defined under section 269-1, for the production, conveyance,
22 transmission, delivery, or furnishing of electric power.



1 "Electric utility system" means the electric system owned
2 and operated by an electric utility company, including any non-
3 utility owned facilities that are interconnected to the system,
4 consisting of power plants, transmission and distribution lines,
5 and related equipment for the production and delivery of
6 electric power to the public.

7 "High-voltage electric transmission cable system" means a
8 one hundred twenty kilovolt or greater electric transmission
9 alternating current (AC) or direct current (DC) transmission
10 cables constructed undersea, including connected transmission
11 cable or cables or lines installed on land, connecting the
12 electric utility systems on two or more islands or allowing for
13 the transmission of power from one or more renewable generation
14 facilities to the electric utility system located on another
15 island, AC substations, or AC/DC converter stations, fiber optic
16 communication cables, and other appurtenant facilities.

17 "On-island transmission infrastructure" means the
18 modifications and additions to the existing alternating current
19 (AC) transmission grid on an island and other electric utility
20 system modifications needed to reliably interconnect a high-
21 voltage electric transmission cable system to an electric
22 utility system, and to reliably accept power generated from



1 large-scale renewable generation facilities transmitted via the
2 high-voltage electric transmission cable system.

3 "Predevelopment period" means the period of time before the
4 certified transmission entity has been granted a certificate of
5 public convenience and necessity.

6 "Renewable electricity" means electrical energy generated
7 using renewable energy as the source.

8 "Renewable energy" has the same meaning as in section 269-
9 91.

10 "Renewable generation facility" means a facility generating
11 electrical energy using renewable energy as the primary source.

12 "Renewable portfolio standard" has the same meaning as in
13 section 269-91.

14 "Request For Proposal" means a request issued pursuant to a
15 competitive bidding process authorized by the commission to
16 select a certified cable company, and conducted by the electric
17 utility company or companies to which the capacity of a high-
18 voltage electric transmission cable system will be made
19 available, with the participation and assistance of the State.

20 "Turnkey cable contract" means a contract entered into
21 pursuant to a Request For Proposal, under which a cable company
22 designs, builds, and transfers a high-voltage electric



1 transmission cable system to an electric utility company upon
2 achievement of commercial operations.

3 **§269-B Certification.** Prior to installing a high-voltage
4 electric transmission cable system, a cable company shall be
5 certified by having been issued a certificate of public
6 convenience and necessity by the commission pursuant to section
7 269-7.5. Notwithstanding any provision of section 269-7.5 to
8 the contrary:

- 9 (1) In any application for a certificate of public
10 convenience and necessity for a high-voltage electric
11 transmission cable system, the commission shall issue
12 a final order within one hundred eighty days after the
13 application is filed, provided that the commission may
14 extend the timeline as necessary;
- 15 (2) The fitness of the cable company shall be determined
16 through an Request For Proposal;
- 17 (3) In determining whether the applicant is financially
18 fit, the commission shall allow for the use of
19 commercially reasonable non-recourse project financing
20 for the high-voltage electric transmission cable
21 system;



- 1 (4) In determining whether the proposed transmission
2 capacity service is, or will be, required by the
3 present or future public convenience and necessity,
4 the commission shall determine whether the high-
5 voltage electric transmission cable system would be a
6 cost effective means of:
- 7 (A) Interconnecting two or more electric utility
8 systems; or
- 9 (B) Helping one or more electric utility companies
10 meet the applicable renewable portfolio standard;
- 11 (5) If the primary source of the renewable electricity
12 that will be transmitted to an electric utility
13 company or companies using the high-voltage electric
14 transmission cable system will be provided pursuant to
15 a power purchase agreement between an electric utility
16 company and an owner of a new renewable generation
17 facility, the commission shall take into account the
18 status of the power purchase agreement in reviewing
19 and approving the application for certification;
- 20 (6) In the certification process, the commission shall
21 review and determine ratemaking principles appropriate
22 for this type of project that would be applicable with



1 respect to the high-voltage electric transmission
2 cable system during commercial operations. In
3 determining the authorized rate of return for the
4 certified cable company, the commission shall take
5 into account the risks assumed by a certified cable
6 company during the predevelopment, development, and
7 commercial operations periods related to the
8 development, financing, construction, and operation of
9 the high-voltage electric transmission cable system;
10 and

11 (7) Prior to approving the application for certification,
12 the commission shall hold a public hearing on each
13 island connected by the high-voltage electric
14 transmission cable system for the purposes of
15 obtaining comments and input from the affected
16 communities about the high-voltage electric
17 transmission cable system.

18 **§269-C Transmission tariff.** The commission shall approve
19 by order the tariff of the certified cable company. Thereafter,
20 the certified cable company shall make the capacity of its high-
21 voltage electric transmission cable system available to the
22 electric utility company or companies. The tariff shall be



1 consistent with the tariff provisions resulting from the Request
2 For Proposal. The certified cable company may submit its
3 proposed tariff for approval prior to the expected commercial
4 operations date, and the commission shall take final action on
5 the proposed tariff within one hundred twenty days after
6 submittal of the proposed tariff with any supporting
7 documentation as may be required by the commission; provided the
8 commission may extend the timeline as necessary.

9 **§269-D Surcharge mechanism.** (a) The commission shall
10 establish a surcharge mechanism to allow recovery of the high-
11 voltage electric transmission cable system costs designated for
12 recovery according to the ratemaking principles determined by
13 the commission pursuant to section 269-B.

14 (b) Pursuant to the tariff described in this part, the
15 commission shall designate by order, the electric utility
16 company or companies, to which the capacity of the high-voltage
17 electric transmission cable system is made available as the
18 agent of the certified cable company to collect the surcharge
19 approved by the commission. The electric utility company
20 collecting moneys for the benefit of the certified cable company
21 shall have no right, title, or interest in such moneys. The
22 commission shall approve the fee to be collected by the electric



1 utility company through the same surcharge for acting as the
2 collection agent for the certified cable company.

3 (c) Notwithstanding any requirements to the contrary or
4 any other provision in this chapter, a high-voltage electric
5 transmission cable system shall be deemed "used or useful for
6 public utility purposes" upon achieving commercial operations.

7 **§269-E Electric utility company acquisition of cable**
8 **system.** (a) The commission may approve an electric utility
9 company's acquisition of a high-voltage electric transmission
10 cable system pursuant to a commission-approved turnkey cable
11 contract or a cable purchase contract.

12 (b) In the case of a turnkey cable contract, the
13 commission shall review and approve, disapprove, or approve
14 subject to conditions, the contract upon application filed by
15 the electric utility company at the conclusion of the Request
16 For Proposal.

17 (c) In the case of a cable purchase contract, the
18 commission shall review and approve, disapprove, or approve
19 subject to conditions, the option to purchase in the proceeding
20 in which the commission also reviews and approves an application
21 for a certificate of public convenience and necessity for a
22 cable company providing the option to purchase, or a power



1 purchase agreement containing the option to purchase. The
2 commission shall review and approve, disapprove, or approve
3 subject to conditions, the cable purchase contract resulting
4 from exercise of the option to purchase upon an application
5 filed by the electric utility company proposing to acquire the
6 high-voltage electric transmission cable system.

7 **§269-F Recovery of electric utility company capital costs.**

8 (a) An electric utility company shall be entitled to recover
9 the company's revenue requirement resulting from the costs that
10 the company prudently incurs in acquiring a high-voltage
11 electric transmission cable system throughout the commercial
12 operations period after the high voltage electric transmission
13 cable system is acquired, provided that the acquisition is made
14 in accordance with a turnkey cable contract or cable purchase
15 contract approved by the commission.

16 (b) An electric utility company shall be entitled to
17 recover, through an automatic adjustment clause, the company's
18 revenue requirement resulting from the capital costs that the
19 company prudently incurs for on-island transmission
20 infrastructure; provided that the commission has approved the
21 electric utility company's commitment of capital expenditure
22 costs for the project.



1 (c) To provide for timely recovery of the revenue
2 requirement, the commission shall establish a separate automatic
3 adjustment clause, as defined in section 269-16, or modify an
4 existing automatic adjustment clause. The use of the automatic
5 adjustment clause to recover the revenue requirement shall be
6 allowed to continue until the revenue requirement is
7 incorporated in rates in an electric utility company's rate
8 case.

9 (d) The electric utility company's revenue requirement
10 includes:

11 (1) The allowed rate of return, as set in the electric
12 utility company's last rate case, on the electric
13 utility company's net investment in the high-voltage
14 electric transmission cable system from the
15 acquisition date of the high-voltage electric
16 transmission cable system, and in the on-island
17 transmission infrastructure from the date the on-
18 island transmission infrastructure is completed and
19 available for service;

20 (2) Depreciation; and

21 (3) Revenue taxes and other relevant costs as approved by
22 the commission.



1 (e) The electric utility company's net investment includes
2 the cable acquisition cost in the case of the high-voltage
3 electric transmission cable system and the costs of planning,
4 permitting, and constructing the on-island transmission
5 infrastructure, including an allowance for funds used during
6 construction when the utility finances the planning, permitting,
7 and construction costs, less accumulated depreciation and
8 associated unamortized deferred income taxes.

9 (f) Notwithstanding any requirements to the contrary or
10 any other provision in this chapter, if the on-island
11 transmission infrastructure is found to be necessary or
12 appropriate to facilitate achievement of the State's renewable
13 portfolio standards in a proceeding for approval of a commitment
14 of capital expenditure costs for the project, no finding of used
15 or useful under section 269-16(b)(3) shall be required for the
16 electric utility company to recover its revenue requirement
17 under subsection (b).

18 (g) If the electric utility company elects not to complete
19 the on-island transmission infrastructure, and the commission
20 approves this election, or if the electric utility company is
21 precluded from completing construction of the on-island
22 transmission infrastructure, the electric utility company shall



1 be allowed to recover all reasonable costs prudently incurred
2 during the predevelopment and development periods. The electric
3 utility company shall recover these costs through the surcharge
4 mechanism over a period equal to the period during which the
5 costs were incurred or five years, whichever is greater."

6 SECTION 3. Chapter 239, Hawaii Revised Statutes, is
7 amended by adding a new section to be appropriately designated
8 and to read as follows:

9 "§239- Surcharge amounts exempt. Amounts received in
10 the form of a surcharge by an electric utility company acting on
11 behalf of a certified cable company under section 269-D shall
12 not be gross income for the electric utility company for
13 purposes of this chapter. Any amounts retained by the electric
14 utility company for collection or other costs shall not be
15 included in this exemption."

16 SECTION 4. Chapter 240, Hawaii Revised Statutes, is
17 amended by adding a new section to be appropriately designated
18 and to read as follows:

19 "§240- Surcharge amounts exempt. Amounts received in
20 the form of a surcharge by an electric utility company acting on
21 behalf of an affected certified cable company under section 269-
22 D shall not be gross receipts for the electric utility company



1 for purposes of this chapter. Any amounts retained by the
2 electric utility company for collection or other costs shall not
3 be included in this exemption."

4 SECTION 5. Section 235-7, Hawaii Revised Statutes, is
5 amended by amending subsection (a) to read as follows:

6 "(a) There shall be excluded from gross income, adjusted
7 gross income, and taxable income:

- 8 (1) Income not subject to taxation by the State under the
9 Constitution and laws of the United States;
- 10 (2) Rights, benefits, and other income exempted from
11 taxation by section 88-91, having to do with the state
12 retirement system, and the rights, benefits, and other
13 income, comparable to the rights, benefits, and other
14 income exempted by section 88-91, under any other
15 public retirement system;
- 16 (3) Any compensation received in the form of a pension for
17 past services;
- 18 (4) Compensation paid to a patient affected with Hansen's
19 disease employed by the State or the United States in
20 any hospital, settlement, or place for the treatment
21 of Hansen's disease;



- 1 (5) Except as otherwise expressly provided, payments made
2 by the United States or this State, under an act of
3 Congress or a law of this State, which by express
4 provision or administrative regulation or
5 interpretation are exempt from both the normal and
6 surtaxes of the United States, even though not so
7 exempted by the Internal Revenue Code itself;
- 8 (6) Any income expressly exempted or excluded from the
9 measure of the tax imposed by this chapter by any
10 other law of the State, it being the intent of this
11 chapter not to repeal or supersede any express
12 exemption or exclusion;
- 13 (7) Income received by each member of the reserve
14 components of the Army, Navy, Air Force, Marine Corps,
15 or Coast Guard of the United States of America, and
16 the Hawaii national guard as compensation for
17 performance of duty, equivalent to pay received for
18 forty-eight drills (equivalent of twelve weekends) and
19 fifteen days of annual duty, at an:
- 20 (A) E-1 pay grade after eight years of service;
21 provided that this subparagraph shall apply to
22 taxable years beginning after December 31, 2004;



- 1 (B) E-2 pay grade after eight years of service;
2 provided that this subparagraph shall apply to
3 taxable years beginning after December 31, 2005
- 4 (C) E-3 pay grade after eight years of service;
5 provided that this subparagraph shall apply to
6 taxable years beginning after December 31, 2006;
- 7 (D) E-4 pay grade after eight years of service;
8 provided that this subparagraph shall apply to
9 taxable years beginning after December 31, 2007;
10 and
- 11 (E) E-5 pay grade after eight years of service;
12 provided that this subparagraph shall apply to
13 taxable years beginning after December 31, 2008;
- 14 (8) Income derived from the operation of ships or aircraft
15 if the income is exempt under the Internal Revenue
16 Code pursuant to the provisions of an income tax
17 treaty or agreement entered into by and between the
18 United States and a foreign country; provided that the
19 tax laws of the local governments of that country
20 reciprocally exempt from the application of all of
21 their net income taxes, the income derived from the



- 1 operation of ships or aircraft that are documented or
2 registered under the laws of the United States;
- 3 (9) The value of legal services provided by a prepaid
4 legal service plan to a taxpayer, the taxpayer's
5 spouse, and the taxpayer's dependents;
- 6 (10) Amounts paid, directly or indirectly, by a prepaid
7 legal service plan to a taxpayer as payment or
8 reimbursement for the provision of legal services to
9 the taxpayer, the taxpayer's spouse, and the
10 taxpayer's dependents;
- 11 (11) Contributions by an employer to a prepaid legal
12 service plan for compensation (through insurance or
13 otherwise) to the employer's employees for the costs
14 of legal services incurred by the employer's
15 employees, their spouses, and their dependents;
- 16 (12) Amounts received in the form of a monthly surcharge by
17 a utility acting on behalf of an affected utility
18 under section 269-16.3 shall not be gross income,
19 adjusted gross income, or taxable income for the
20 acting utility under this chapter. Any amounts
21 retained by the acting utility for collection or other
22 costs shall not be included in this exemption; ~~and~~



1 (13) One hundred per cent of the gain realized by a fee
 2 simple owner from the sale of a leased fee interest in
 3 units within a condominium project, cooperative
 4 project, or planned unit development to the
 5 association of owners under chapter 514A or 514B, or
 6 the residential cooperative corporation of the
 7 leasehold units.

8 For purposes of this paragraph:

9 "Condominium project" and "cooperative project"
 10 shall have the same meanings as provided under section
 11 514C-1;

12 "Fee simple owner" shall have the same meaning as
 13 provided under section 516-1; provided that it shall
 14 include legal and equitable owners;

15 "Legal and equitable owner", and "leased fee
 16 interest" shall have the same meanings as provided
 17 under section 516-1; and

18 [~~"Condominium project" and "cooperative project"~~
 19 ~~shall have the same meanings as provided under section~~
 20 ~~514C-1.]~~

21 (14) Amounts received in the form of a monthly surcharge by
 22 an electric utility company acting on behalf of a



1 certified cable company under section 269-D. Any
2 amounts retained by the electric utility company for
3 collection or other costs shall not be included in
4 this exemption."

5 SECTION 6. Section 269-30, Hawaii Revised Statutes, is
6 amended to read as follows:

7 "**§269-30 Finances; public utility fee.** (a) Sections 607-
8 5 to 607-9 shall apply to the public utilities commission and
9 each commissioner, as well as to the supreme and circuit courts,
10 and all costs and fees paid or collected pursuant to this
11 section shall be deposited with the director of finance to the
12 credit of the public utilities commission special fund
13 established under section 269-33.

14 (b) There also shall be paid to the public utilities
15 commission in each of the months of July and December of each
16 year, by each public utility subject to investigation by the
17 public utilities commission, a fee equal to one-fourth of one
18 per cent of the gross income from the public utility's business
19 during the preceding year, or the sum of \$30, whichever is
20 greater. This fee shall be deposited with the director of
21 finance to the credit of the public utilities commission special
22 fund.



1 (c) Each public utility paying a fee under subsection (b)
2 may impose a surcharge to recover the amount paid above one-
3 eighth of one per cent of gross income. The surcharge imposed
4 shall not be subject to the notice, hearing, and approval
5 requirements of this chapter; provided that the surcharge may be
6 imposed by the utility only after thirty days' notice to the
7 public utilities commission. Unless ordered by the public
8 utilities commission, the surcharge shall be imposed only until
9 the conclusion of the public utility's next rate case; provided
10 that the surcharge shall be subject to refund with interest at
11 the public utility's authorized rate of return on rate base if
12 the utility collects more money from the surcharge than actually
13 paid due to the increase in the fee to one-fourth of one per
14 cent.

15 (d) Notwithstanding any provision of this chapter to the
16 contrary, the public utilities commission may, upon the filing
17 of a petition by a public utility, credit a public utility for
18 amounts paid under subsection (b) toward amounts the public
19 utility owes in one call center fees under section 269E-6(f).

20 (e) Amounts received in the form of a surcharge by an
21 electric utility company acting on behalf of a certified cable
22 company under section 269-D shall not be gross income for the



1 acting electric utility company for purposes of this section.
2 Any amounts retained by the electric utility company for
3 collection or other costs shall not be included in this
4 exemption."

5 SECTION 7. In codifying the new sections added by section
6 2 of this Act, the revisor of statutes shall substitute
7 appropriate section numbers for the letters used in designating
8 the new sections in this Act.

9 SECTION 8. Statutory material to be repealed is bracketed
10 and stricken. New statutory material is underscored.

11 SECTION 9. This Act shall take effect on July 1, 2011.



Report Title:

Renewable Energy; Transmission Cable

Description:

Establishes the regulatory structure under which inter-island undersea energy transmission cables could be commercially developed, financed, and constructed. (HB1176 HD1)

The summary description of legislation appearing on this page is for informational purposes only and is not legislation or evidence of legislative intent.

