
A BILL FOR AN ACT

RELATING TO PUBLIC UTILITIES.

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

1 SECTION 1. The legislature finds that for farmers and
2 ranchers to remain competitive and self-sustaining, the State
3 must provide incentives and mechanisms to ensure that all means
4 of supporting the local agriculture industry are implemented.
5 The public utilities commission regulates the rates charged for
6 public utilities that provide essential services to the
7 agriculture industry such as water, interisland shipping, and
8 electricity.

9 The purpose of this Act is to provide for preferential
10 rates for public utility services provided to ratepayers engaged
11 in agricultural activities on land within an agricultural
12 district.

13 SECTION 2. Section 269-26.5, Hawaii Revised Statutes, is
14 amended to read as follows:

15 "~~[-]~~**\$269-26.5**~~[+]~~ **Preferential ~~[water]~~ public utility rates**
16 **for agricultural activities.** (a) It is the policy of the State
17 to promote the long-term viability of agriculture by
18 establishing mechanisms that provide for preferential rates for



1 ~~[potable water for]~~ public utility services that are provided to
2 ratepayers that engage in agricultural activities[-] on land
3 within agricultural districts. The public utilities commission
4 shall have the authority to establish preferential rates for
5 ~~[potable water]~~ public utility services that are used by
6 ratepayers for agricultural activities on land within
7 agricultural districts in a public utility's service area.

8 (b) Upon receipt of a bona fide request for preferential
9 rates for ~~[potable water]~~ any public utility service to be used
10 for agricultural activities[-] on lands within an agricultural
11 district, and proof that the customer engages in agricultural
12 activities[-] on lands within an agricultural district, a public
13 utility ~~[shall]~~ may provide proposed preferential rates for
14 ~~[potable water]~~ the requested public utility service, including
15 but not limited to potable water, electricity, and freight
16 transport, to be used only for qualified agricultural activities
17 subject to the public utilities commission for approval. All
18 such rates approved by the public utilities commission shall be
19 subsidized by the ~~[potable water]~~ rates charged to other
20 customers of the public utility, if required, as determined by
21 the public utilities commission. In reviewing the proposed
22 preferential rates, the public utilities commission, in



1 consultation with the department of agriculture, may establish
2 additional criteria to qualify bona fide agribusinesses for
3 ~~[water]~~ public utility services used solely for agricultural
4 activities~~[. For rate cases initiated pursuant to this section,~~
5 ~~the public utilities commission shall allow the recovery of any~~
6 ~~reasonable unamortized costs incurred by the public utility in~~
7 ~~its previous rate case; provided however, upon full amortization~~
8 ~~of these costs, rates shall be adjusted accordingly.]~~ on lands
9 within an agricultural district."

10 SECTION 3. Statutory material to be repealed is bracketed
11 and stricken. New statutory material is underscored.

12 SECTION 4. This Act shall take effect on July 1, 2050.



Report Title:

Public Utilities; Rates; Agriculture

Description:

Authorizes public utilities to propose preferential rates for public utility services provided to ratepayers engaged in agricultural activities in agricultural districts. Effective July 1, 2050. (HB1945 HD1)

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

