

STAND. COM. REP. NO. **2803**

Honolulu, Hawaii

FEB 28 2014

RE: S.B. No. 2809
S.D. 1

Honorable Donna Mercado Kim
President of the Senate
Twenty-Seventh State Legislature
Regular Session of 2014
State of Hawaii

Madam:

Your Committee on Ways and Means, to which was referred S.B. No. 2809, S.D. 1, entitled:

"A BILL FOR AN ACT RELATING TO UTILITIES REGULATION,"

begs leave to report as follows:

The purpose and intent of this measure is to align statutory language regarding utility ratemaking with widely accepted utility ratemaking principles and ratemaking practices already applied in Hawaii.

Specifically, the measure requires that, in order for a utility to qualify to earn a fair return on utility property, the property must be deemed by the Public Utilities Commission as being both "used" and "useful," rather than one or the other.

Your Committee received written comments in support of this measure from the Department of Business, Economic Development, and Tourism, the Division of Consumer Advocacy of the Department of Commerce and Consumer Affairs, and the Public Utilities Commission. Written comments in opposition were received from the Hawaiian Electric Company, Inc.

Your Committee finds that this measure will align statutory language with interpretations of the "used and useful" standard made by the Hawaii Supreme Court and Public Utilities Commission.

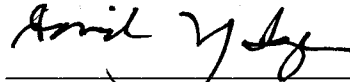
As affirmed by the record of votes of the members of your Committee on Ways and Means that is attached to this report, your

SB2809 SD1 SSCR 14-1793-1.doc



Committee is in accord with the intent and purpose of S.B.
No. 2809, S.D. 1, and recommends that it pass Third Reading.

Respectfully submitted on
behalf of the members of the
Committee on Ways and Means,

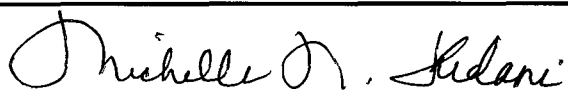


DAVID Y. IGE, Chair



The Senate
Twenty-Seventh Legislature
State of Hawai'i

Record of Votes
Committee on Ways and Means
WAM

Bill / Resolution No.:*	Committee Referral:	Date:		
SB 2809 SD1	CPN, WAM	2-27-14		
<input type="checkbox"/> The committee is reconsidering its previous decision on this measure. If so, then the previous decision was to: _____				
The Recommendation is:				
<input checked="" type="checkbox"/> Pass, unamended 2312	<input type="checkbox"/> Pass, with amendments 2311	<input type="checkbox"/> Hold 2310		
<input type="checkbox"/> Recommit 2313				
Members	Aye	Aye (WR)	Nay	Excused
IGE, David Y. (C)	✓			
KIDANI, Michelle N. (VC)	✓			
CHUN OAKLAND, Suzanne	✓			
DELA CRUZ, Donovan M.	✓			
ENGLISH, J. Kalani	✓			
ESPERO, Will	✓			
KAHELE, Gilbert	✓			
KEITH-AGARAN, Gilbert S.C.	✓			
KOUCHI, Ronald D.	✓			
RUDERMAN, Russell E.				✓
THIELEN, Laura H.	✓			
TOKUDA, Jill N.	✓			
SLOM, Sam	✓			
	12	0	0	1
Recommendation:				
<input checked="" type="checkbox"/> Adopted <input type="checkbox"/> Not Adopted				
Chair's or Designee's Signature:				
				
Distribution:				
Original File with Committee Report	Yellow Clerk's Office	Pink Drafting Agency	Goldenrod Committee File Copy	

*Only one measure per Record of Votes