
HOUSE CONCURRENT RESOLUTION

REQUESTING THE LEGISLATIVE REFERENCE BUREAU CONDUCT A STUDY ON
AN OPTIMAL MANAGERIAL ASSESSMENT FRAMEWORK TO BE INCLUDED
IN THE ANNUAL REPORT OF THE PUBLIC UTILITIES COMMISSION.

1 WHEREAS, the Executive branch and Legislature have
2 established the goals, policies, and directives for energy
3 initiatives in the State, to be followed and implemented by the
4 Public Utilities Commission (Commission); and
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6 WHEREAS, the Commission is burdened with implementing our
7 State's energy policies in a manner that meets our State's
8 energy needs, pursuant to section 269-6, Hawaii Revised
9 Statutes, to perform the duties and exercise the powers imposed
10 or conferred upon it for the general supervision over all public
11 utilities; and
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13 WHEREAS the Commission is currently going through a
14 significant transition with new leadership, expansion of
15 employees, and meeting numerous Legislative directives; and
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17 WHEREAS, the Commission ordered Hawaiian Electric Companies
18 (HECO), which serve ninety-five per cent of the energy needs of
19 Hawaii citizens, to take immediate steps to implement new
20 technologies and lower costs; and
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22 WHEREAS, HECO is required to meet standards in the public's
23 best interest for all ratepayers, including issuing satisfactory
24 action plans, integrating and upgrading infrastructure, and
25 implementing new technology; and
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27 WHEREAS, HECO announcements restrict renewable energy
28 exploration and integration into the market is against the
29 public interest; and
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1 WHEREAS, the planned merger of HECO with NextEra Energy
2 creates unknown implications for compliance with the State's
3 goals and directives for energy initiatives with growing concern
4 for ratepayers; and
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6 WHEREAS, HECO, without explanation, surpassed deadlines by
7 nearly a year and a-half to announce an award for a request for
8 proposal; and
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10 WHEREAS, Commission dockets have remained open for nearly a
11 decade, which have resulted in lack of public faith in the
12 Commission's proper and prudent oversight of the electric
13 utilities serving the State; and
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15 WHEREAS, lower rates and more renewable energy operations
16 are vital to the public interests of financial accountability
17 and protection and preservation of the environment; and
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19 WHEREAS, to serve the public interests of accountability
20 and transparency to Hawaii taxpayers, closer scrutiny is needed
21 of the Commission and the public utilities it oversees, as well
22 as clearer guidance for standard evaluations of the Commission;
23 and
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25 WHEREAS, section 269-5, Hawaii Revised Statutes, requires
26 the Commission to prepare and present an annual report and
27 register of orders to the Governor, for executive reporting to
28 the Legislature; and
29

30 WHEREAS, section 23-4, Hawaii Revised Statutes, requires
31 the Auditor to conduct a financial audit of all departments,
32 offices, and agencies of the State and its political
33 subdivisions at least once every two years; and
34

35 WHEREAS, neither report currently mandated includes metrics
36 for assessing the managerial and operational effectiveness of
37 the Commission; and
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39 WHEREAS, a management audit systematically examines the
40 decisions and actions of the management to assess the methods
41 and policies thereof in the use of resources, tactical and



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1 strategic planning, and employee and organizational improvement;
2 and

3
4 WHEREAS, the objectives of a management audit are to
5 establish the current level of effectiveness, suggest
6 improvements, and establish standards for future performance;
7 and

8
9 WHEREAS, the Commission has historically gone through a
10 full audit approximately every twelve years, and is in a current
11 transition phase to implement improvements, without an
12 independently evaluated framework to facilitate internal
13 efficiency and effectiveness audits; and

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15 WHEREAS, section 23G-3, Hawaii Revised Statutes, states the
16 purpose of the Legislative Reference Bureau includes conducting
17 impartial research, and serving in an advisory capacity to the
18 legislature; now, therefore,

19
20 BE IT RESOLVED by the House of Representatives of the
21 Twenty-eighth Legislature of the State of Hawaii, Regular
22 Session of 2015, the Senate concurring, that the Public
23 Utilities Commission is requested to include, beginning January
24 1, 2017, a managerial audit as a part of the Commission's annual
25 report; and

26
27 BE IT FURTHER RESOLVED that the Legislative Reference
28 Bureau is requested to research the results of the Commission's
29 previous managerial audit and recommend an effective and
30 economical ongoing assessment framework for an annual managerial
31 audit of the Commission and its utility companies, to be
32 utilized for future analysis and reports to the Legislature,
33 which may include tools to assess situations such as:

- 34
35 (1) Residential permit delays, apparently caused by lack
36 of staffing;
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38 (2) The length of time dockets remain open without further
39 action before becoming stale with reason to close; and
40
41 (3) Employee stabilization and transition policies; and
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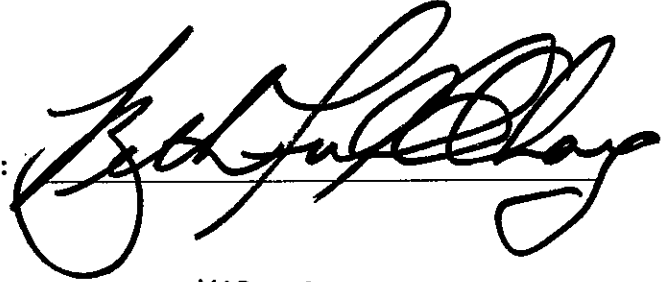


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1 BE IT FURTHER RESOLVED that the Legislative Reference
2 Bureau is requested to submit its findings and recommendations,
3 including proposed legislation if any, to the Legislature no
4 later than twenty days prior to the convening of the Regular
5 Session of 2016; and
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7 BE IT FURTHER RESOLVED that certified copies of this
8 Concurrent Resolution be transmitted to the Chairperson of the
9 Public Utilities Commission and the Director of the Legislative
10 Reference Bureau.
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OFFERED BY:

A handwritten signature in black ink, appearing to read "Beth Fulton", written over a horizontal line.

MAR 13 2015

