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## HOUSE 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  
26

27           WHEREAS, HECO announcements restrict renewable energy  
28 exploration and integration into the market is against the  
29 public interest; and  
30

31           WHEREAS, the planned merger of HECO with NextEra Energy  
32 creates unknown implications for compliance with the State's



1 goals and directives for energy initiatives with growing concern  
2 for ratepayers; and

3  
4 WHEREAS, HECO, without explanation, surpassed deadlines by  
5 nearly a year and a-half to announce an award for a request for  
6 proposal; and

7  
8 WHEREAS, Commission dockets have remained open for nearly a  
9 decade, which have resulted in lack of public faith in the  
10 Commission's proper and prudent oversight of the electric  
11 utilities serving the State; and

12  
13 WHEREAS, lower rates and more renewable energy operations  
14 are vital to the public interests of financial accountability  
15 and protection and preservation of the environment; and

16  
17 WHEREAS, to serve the public interests of accountability  
18 and transparency to Hawaii taxpayers, closer scrutiny is needed  
19 of the Commission and the public utilities it oversees, as well  
20 as clearer guidance for standard evaluations of the Commission;  
21 and

22  
23 WHEREAS, section 269-5, Hawaii Revised Statutes, requires  
24 the Commission to prepare and present an annual report and  
25 register of orders to the Governor, for executive reporting to  
26 the Legislature; and

27  
28 WHEREAS, section 23-4, Hawaii Revised Statutes, requires  
29 the Auditor to conduct a financial audit of all departments,  
30 offices, and agencies of the State and its political  
31 subdivisions at least once every two years; and

32  
33 WHEREAS, neither report currently mandated includes metrics  
34 for assessing the managerial and operational effectiveness of  
35 the Commission; and

36  
37 WHEREAS, a management audit systematically examines the  
38 decisions and actions of the management to assess the methods  
39 and policies thereof in the use of resources, tactical and  
40 strategic planning, and employee and organizational improvement;  
41 and

42



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

6           WHEREAS, the Commission has historically gone through a  
7 full audit approximately every twelve years, and is in a current  
8 transition phase to implement improvements, without an  
9 independently evaluated framework to facilitate internal  
10 efficiency and effectiveness audits; and  
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12           WHEREAS, section 23G-3, Hawaii Revised Statutes, states the  
13 purpose of the Legislative Reference Bureau includes conducting  
14 impartial research, and serving in an advisory capacity to the  
15 legislature; now, therefore,  
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17           BE IT RESOLVED by the House of Representatives of the  
18 Twenty-eighth Legislature of the State of Hawaii, Regular  
19 Session of 2015, that the Public Utilities Commission is  
20 requested to include, beginning January 1, 2017, a managerial  
21 audit as a part of the Commission's annual report; and  
22

23           BE IT FURTHER RESOLVED that the Legislative Reference  
24 Bureau is requested to research the results of the Commission's  
25 previous managerial audit and recommend an effective and  
26 economical ongoing assessment framework for an annual managerial  
27 audit of the Commission and its utility companies, to be  
28 utilized for future analysis and reports to the Legislature,  
29 which may include tools to assess situations such as:  
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- 31           (1) Residential permit delays, apparently caused by lack  
32           of staffing;
- 33
- 34           (2) The length of time dockets remain open without further  
35           action before becoming stale with reason to close; and  
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- 37           (3) Employee stabilization and transition policies; and  
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39           BE IT FURTHER RESOLVED that the Legislative Reference  
40 Bureau is requested to submit its findings and recommendations,  
41 including proposed legislation if any, to the Legislature no



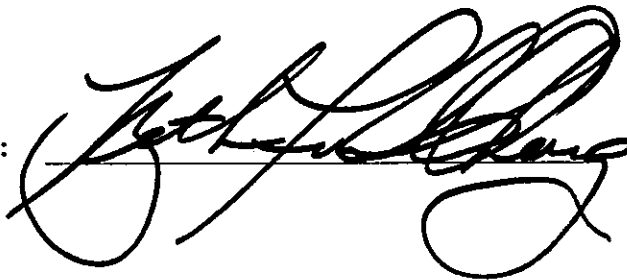
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1 later than twenty days prior to the convening of the Regular  
2 Session of 2016; and

3  
4 BE IT FURTHER RESOLVED that certified copies of this  
5 Resolution be transmitted to the Chairperson of the Public  
6 Utilities Commission and the Director of the Legislative  
7 Reference Bureau.

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OFFERED BY:

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

MAR 13 2015

