

SB3124

Measure Title: RELATING TO THE PUBLIC UTILITIES COMMISSION.

Report Title: Public Utilities Commission; Employment; Executive Officer; Professional Staff and Other Assistants

Description: Requires the chairperson of the PUC to obtain concurrence of at least one other commissioner in order to appoint, employ, and dismiss an executive officer. Authorizes each commissioner of the PUC to appoint up to five professional staff and other assistants, at least one who shall serve as an attorney to the commissioner.

Companion:

Package: None

Current Referral: CPH/JDL, WAM

Introducer(s): ENGLISH (Introduced by request of another party)

TESTIMONY OF RANDY IWASE
CHAIR, PUBLIC UTILITIES COMMISSION
STATE OF HAWAII
TO THE
SENATE COMMITTEES ON
COMMERCE, CONSUMER PROTECTION, AND HEALTH
&
JUDICIARY AND LABOR

February 12, 2016
9:00 AM

MEASURE: S.B. No. 3124
TITLE: RELATING TO THE PUBLIC UTILITIES COMMISSION

Chair Baker, Chair Keith-Agaran, and Members of the Committees:

DESCRIPTION:

This measure requires that the chairperson of the Public Utilities Commission (“Commission”) receive concurrence of at least one other commissioner to appoint, employ, and dismiss an executive officer. This measure also authorizes each commissioner to appoint up to five professional staff and other assistants, one of which shall be an attorney for that commissioner.

POSITION:

The Commission opposes this measure and offers the following comments for the Committees’ consideration.

COMMENTS:

The Commission is opposed to this bill on the basis that it would dilute the authority of the chairperson of the Commission to administer and manage the agency in an efficient and effective manner. The Commission’s current organization and levels of staff and were set out as the result of Act 108, which was passed by this Legislature in 2014. Act 108 resulted in a significant improvement of the capabilities and operation of the Commission compared to previous years. In January of 2015, after the departure of many qualified employees, Commission staff had been reduced to 32 employees, and the positions of Executive Officer, Fiscal Officer, and Personnel Officer authorized by Act 108 had not been filled. Since then,

all Act 108 positions have been filled and the Commission has hired 16 professional staffers for our legal and research sections. Given the Commission's heavy workload, we continue to recruit qualified personnel who can provide the technical and legal expertise the Commission requires.

In January of 2015, we also needed to address staff morale issues which we've accomplished, in part, with the hiring of more professional staff, providing a process for a smoother work flow so that staffers can focus on important dockets, and adjusting pay for these employees. Stabilizing and improving the work experience for our staff has provided the Commission with the means to not only continue to work on the docket backlog noted by the legislative auditor but to also work on the proposed NextEra-Hawaiian Electric change of control as well as on four major dockets which will provide a blueprint for the utility of the future.

From a pure management perspective, the establishment of "personal" staffs for each Commissioner would possibly create silos among the Commissioners and reduce the number of staffers who can be assigned to work on dockets in a uniform manner thus making it difficult for the Commission to set cohesive policy guidance in its regulatory decisions. While the Commission would welcome additional staff over what is currently authorized, any additional staff should be part of the common staff already in place in order to maintain a consistency of regulatory purpose.

At the present time, the Commission staff is made up of well qualified and enthusiastic employees all working towards the common goal of establishing well-reasoned regulatory policy. Each commissioner is free to interact with staff assigned to work on dockets and to provide input. For example, when draft decisions are produced by a docket team each commissioner is free to provide his or her position or amendments to the draft.

Historically, the Chair of this and other agencies have been given the appropriate discretion to administer and manage his or her respective agency in the manner he or she deems appropriate with the personnel he or she determines to be most qualified for the task at hand. This arrangement has served this State well and has resulted in the efficient disposition of important policies.

We respectfully request that this bill be HELD.

Thank you for the opportunity to testify on this measure.

Senate Committee on Commerce, Consumer Protection and Health
Senate Committee on Judiciary and Labor
Senate Bill 3124, Relating to the Public Utilities Commission
Testimony of Hermina Morita

Aloha Chair Baker, Chair Keith-Agaran and Members of the Committees:

I hope my experience as the past Chair of the Hawaii Public Utilities Commission (PUC) will give you some insight on why this measure should not be considered and be tabled or defeated.

I believe this measure will have the propensity of making Commissioners more “political”, creating fiefdoms within the agency and strife among staff members, resulting in the lost of mission focus when one tries to cultivate loyalty to a particular Commissioner through something akin to patronage positions.

The utmost responsibility of all staff, the Chair and the Commissioners is to their public service duty and to work on behalf of advancing the public interest as effective regulators. In the selection of the Chair, it is important to ensure that under his or her administrative watch that the integrity and mission of the PUC are adhered through the selection of a well-qualified executive officer and all other appointed staff. However, it is the responsibility of the Governor, who would make the appointment, and the Senate, through the confirmation process, to ensure Commissioner appointees have the qualifications and understand this public service duty. Through this political selection process, the appointment of Commissioners, who are not appointed the Chairperson, are members who are equal to the Chair in decision-making roles but do not have the same level of responsibility and the statutory duties and direct accountability of the Chair to ensure the integrity and mission of the PUC through his or her appointments in staffing.

If the agency and its staff is mission focused, capable in its technical and analytical abilities and diligent in its fact-finding pursuit, this serves all Commissioners well in having the best information available to make informed decisions. The only instance I believe the temporary assignment of a staff attorney to a Commissioner would be warranted is to assist in the writing of a dissenting opinion and no law is required to accomplish that.

As a former Legislator, I worked hard with many of you to reform and reorganize the PUC. As the former Chair of the PUC, again I worked with you, to build staff capacity to deal with many of the highly technical and complex now before the PUC in the transformation of the electricity system. Our past combined efforts should not deviate but continue to invest, build and sustain the capacity of the professional staff towards fair and effective regulation to advance the public interest way beyond the terms of individual Commissioners or even the Chair. Protecting the public interest demands no less and I see this bill as an affront to that effort.

Thank you for allowing me to share my concerns with you.

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