

# SENATE FLOOR AMENDMENT

FLOOR AMENDMENT NO. 10 Date APR 29 2014

TO: S.B. No. 2948, S.D. 1, H.D. 1, C.D. 1

SECTION 1. S.B. No. 2948, S.D. 1, H.D. 1, C.D. 1, is amended as follows:

1. By amending Section 1 of the bill to read:

"SECTION 1. The legislature finds that the public utilities commission is undergoing a major transition due to increased work complexity and program responsibilities, particularly in the area of energy regulation. To ensure that the mission of the public utilities commission is adequately supported, the commission should transition from its current administrative status within the department of budget and finance to being administratively attached to the department of commerce and consumer affairs; subject to certain limitations on the oversight role of the department of commerce and consumer affairs.

The legislature further finds that the commission's internal management capacity needs to be updated. The chairperson of the commission is in need of an executive officer to assist with managing the operations of the commission. The creation of an executive officer position to oversee the management and recruitment of personnel, budget planning and implementation, strategic planning and implementation, procurement and contract administration, and implementation of administrative programs and projects will enable the chairperson of the commission to focus on the growing number and increasingly technical complexity of issues brought before the commission. Enabling the commission to establish two civil service positions, a personnel officer and a fiscal officer, will further support the commission and provide for a seamless transition.

The legislature additionally finds that the division of consumer advocacy of the department of commerce and consumer affairs protects and advances the interests of Hawaii's consumers of regulated public utilities. The executive director and staff members of the division of consumer advocacy attend public hearings held by the public utilities commission to get input from the public, which helps them to better understand the consumer's perspective on utility services and rates. Because this understanding is an integral part of the division's work, the legislature concludes that the executive director of the division of consumer advocacy, rather than the director of



commerce and consumer affairs, should be the consumer advocate in hearings before the public utilities commission.

The purpose of this Act is to adequately support the mission of the public utilities commission, ensure the efficient operation of the public utilities commission, address the role of the consumer advocate, and ensure that important decisions relating to public utilities continue to be made in the public interest by:

- (1) Transferring the administrative placement of the public utilities commission from the department of budget and finance to the department of commerce and consumer affairs; subject to certain limitations on the oversight and administrative support role of the department of commerce and consumer affairs;
- (2) Clarifying that notwithstanding section 26-35, Hawaii Revised Statutes, the public utilities commission has authority concerning standard administrative practices, including operational expenditures and the hiring of personnel;
- (3) Enabling the chairperson of the public utilities commission to appoint, employ, and dismiss an executive officer to manage the operations of the commission;
- (4) Enabling the chairperson of the public utilities commission to appoint, employ, and dismiss a fiscal officer and a personnel officer to further support the administrative activities of the commission and fulfill the administrative support functions formerly provided by the department of budget and finance;
- (5) Establishing that the executive director of the division of consumer advocacy shall be the consumer advocate; and
- (6) Appropriating funds to effectuate the transfer of the public utilities commission and for the hiring of an executive officer, a fiscal officer, and a personnel officer within the public utilities commission."

2. By amending Section 7 of the bill to read:

"SECTION 7. Section 269-33, Hawaii Revised Statutes, is amended by amending subsection (a) to read as follows:

"(a) There is established in the state treasury a public utilities commission special fund to be administered by the public utilities commission. The proceeds of the fund shall be used by the public utilities commission and the division of consumer advocacy of the department of commerce and consumer affairs for all expenses incurred in the administration of chapters 269, 271, 271G, 269E, and 486J[+], and for costs



incurred by the department of commerce and consumer affairs to fulfill the department's limited oversight and administrative support functions; provided that the expenditures of the public utilities commission shall be in accordance with legislative appropriations. On a quarterly basis, an amount not exceeding thirty per cent of the proceeds remaining in the fund after the deduction for central service expenses, pursuant to section 36-27, shall be allocated by the public utilities commission to the division of consumer advocacy and deposited in the compliance resolution fund established pursuant to section 26-9(o); provided that all moneys allocated by the public utilities commission from the fund to the division of consumer advocacy shall be in accordance with legislative appropriations."

Offered by: *David Y. Lee*

- Carried
- Failed to Carry
- Withdrawn

