

Honolulu, Hawaii

FEB 18 2016

RE: S.B. No. 2776
S.D. 1

Honorable Ronald D. Kouchi
President of the Senate
Twenty-Eighth State Legislature
Regular Session of 2016
State of Hawaii

Sir:

Your Committees on Commerce, Consumer Protection, and Health and Judiciary and Labor, to which was referred S.B. No. 2776 entitled:

"A BILL FOR AN ACT RELATING TO THE PUBLIC UTILITIES COMMISSION,"

beg leave to report as follows:

The purpose and intent of this measure is to:

- (1) Allow a commissioner to attend by teleconference or videoconference a public hearing of the Public Utilities Commission in certain circumstances; and
- (2) Require at least one of the three members of the Public Utilities Commission to be a resident of a county other than the City and County of Honolulu and receive per diem compensation.

Your Committees received testimony in support of this measure from the Division of Consumer Advocacy of the Department of Commerce and Consumer Affairs; Young Brothers, Limited; and one individual. Your Committees received comments on this measure from the Public Utilities Commission and one individual.

Your Committees find that the Public Utilities Commission (Commission) is responsible for protecting the interests of consumers and regulated utilities throughout the State. This measure provides the Commission with additional options for



attendance at its public hearings through the use of teleconference and videoconference technology by Public Utilities Commissioners. However, according to testimony by the Public Utilities Commission, there are certain hearings, such as contested case hearings, where all three commissioners should be physically present.

Your Committees further find that the decisions of the Commission, especially in the area of energy regulation, will have a profound effect on Hawaii for many years. It is therefore essential to have the most qualified individuals serve as Public Utilities Commissioners. Although this measure proposes to require one of the three commissioners to reside on a neighbor island, your Committees have heard the concerns that this requirement may have unintended consequences, including eliminating from consideration a highly qualified individual that would otherwise be best suited for appointment to the Commission.

Accordingly, your Committees have amended this measure by:

- (1) Permitting commissioners to attend public hearings of the Commission by teleconference or videoconference in certain circumstances, except for contested case hearings;
- (2) Enabling a person's island of residence to be used as a criterion when determining the person's qualification to serve as a commissioner, rather than requiring at least one of the three members of the Commission to be a resident of a county other than the City and County of Honolulu;
- (3) Inserting an effective date of July 1, 2050, to encourage further discussion; and
- (4) Making technical, nonsubstantive amendments for the purposes of clarity and consistency.

As affirmed by the records of votes of the members of your Committees on Commerce, Consumer Protection, and Health and Judiciary and Labor that are attached to this report, your Committees are in accord with the intent and purpose of S.B. No. 2776, as amended herein, and recommend that it pass Second Reading in the form attached hereto as S.B. No. 2776, S.D. 1, and be referred to your Committee on Ways and Means.



Respectfully submitted on
behalf of the members of the
Committees on Commerce,
Consumer Protection, and Health
and Judiciary and Labor,

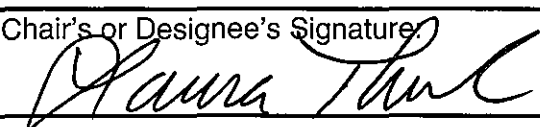

GILBERT S.C. KEITH-AGARAN, Chair


ROSALYN H. BAKER, Chair



The Senate
 Twenty-Eighth Legislature
 State of Hawai'i

Record of Votes
Committee on Judiciary and Labor
JDL

Bill / Resolution No.:* SB 2776	Committee Referral: CPA/JDL, WAM	Date: 2/12/16		
<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 type="checkbox"/> Pass, unamended 2312 <input checked="" type="checkbox"/> Pass, with amendments 2311 <input type="checkbox"/> Hold 2310 <input type="checkbox"/> Recommit 2313				
Members	Aye	Aye (WR)	Nay	Excused
KEITH-AGARAN, Gilbert S.C. (C)	/			
SHIMABUKURO, Maile S.L. (VC)				/
GABBARD, Mike	/			
KIM, Donna Mercado	/			
THIELEN, Laura H.	/			
SLOM, Sam	/			
TOTAL	5	/	/	1
Recommendation: <input checked="" type="checkbox"/> Adopted <input type="checkbox"/> Not Adopted				
Chair's or Designee's Signature: 				
Distribution: Original Yellow Pink Goldenrod File with Committee Report Clerk's Office Drafting Agency Committee File Copy				

*Only one measure per Record of Votes