

REPORT ON THE  
PUBLIC UTILITIES COMMISSION SPECIAL FUND  
FISCAL YEAR 2000-01

PUBLIC UTILITIES COMMISSION  
DEPARTMENT OF BUDGET AND FINANCE  
STATE OF HAWAII

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Public Utilities Commission Special Fund  
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Section 269-33, Hawaii Revised Statutes (HRS), establishes the Public Utilities Commission (Commission) Special Fund to be used to cover the expenses of the Commission and the Division of the Consumer Advocacy, Department of Commerce and Consumer Affairs (Consumer Advocate). This report on the special fund is provided to the legislature as required by Section 269-33(c), HRS. Act 226, Session Laws of Hawaii (SLH) 1994, appropriated \$1 million in general funds for deposit into the special fund for Fiscal Year (FY) 1994-95. Pursuant to Section 269-33, HRS, special fund moneys in excess of \$1 million remaining in the fund at the end of each fiscal year are required to lapse to the general fund.

A public utility is required to pay an annual fee of one-half of one per cent of the gross income of the public utility's previous year's business. The fee is paid semi-annually, in July and December, and is deposited into the special fund. In addition, the special fund receives annual fees, paid by motor carriers, which consist of one-fourth of one per cent of gross revenues of the previous year's business. Other special fund revenues include filing fees, document reproduction fees, and motor carrier penalty fees. Motor carrier penalties are assessed for the late payment of annual fees. The Commission also assesses civil penalties, typically \$500 or \$1,000 per violation, through motor carrier citations for violations of the Motor Carrier Law, Chapter 271, HRS.

The Public Utilities Commission Special Fund's revenues, expenditures, and transfers, for FY 2001 and FY 2000, for comparative purposes, are described below. For FY2001, the special fund account (Appropriation Account No. S-XX-352-O) had the following revenues, expenditures, and transfers:

	<u>FY 2001</u>	<u>FY 2000</u>
Beginning Balance	\$1,000,000	\$1,000,000
Revenues	10,320,437	9,580,938
Expenditures	5,243,309	5,060,314
Transfer to General Fund*	<u>5,077,128</u>	<u>4,520,624</u>
Ending Balance	\$1,000,000	\$1,000,000

\*Does not include transfers from prior year's accounts.

Special fund revenues of \$10,320,437 for FY 2001 increased 7.7 per cent over FY 2000 revenues (see attachment). The Commission collected \$9.3 million from public utility fees for FY 2001 resulting in an increase of 7.4 per cent over FY 2000 revenues. Motor carrier fees of \$0.9 million collected by the Commission in FY 2001 increased 8.7 per cent over the fees collected in FY 2000. The revenues derived from each source of income are shown below:

<u>Description of Revenues</u>	<u>FY 2001</u>	<u>FY 2000</u>
Public Utility Fees	\$9,260,491	\$ 8,620,821
Motor Carrier Fees	918,630	844,751
Motor Carrier Interest/Penalties	38,015	39,031
Hawaii Motor Carrier Act Penalties	66,900	44,460
Filing Fees & Other	<u>36,402</u>	<u>31,875</u>
Total	\$10,320,437	\$9,580,938

(Note: Calculation of FY 2001 revenues is due to the effect of rounding to the nearest dollar.)

As shown in the table below, expenditures for FY 2001 totaling \$5,243,309 included approximately \$1.9 million and \$3.3 million for personnel and other current expenses, respectively.

<u>Description of Expenditures</u>	<u>FY 2001</u>	<u>FY 2000</u>
Personnel Expenses	\$1,863,223	\$2,114,705
Other Current Expenses*	3,336,284	2,880,023
Equipment	<u>43,802</u>	<u>65,586</u>
Total	\$5,243,309	\$5,060,314

\*FY 2001 expenditures include \$309,000 transferred to the Department of Accounting and General Services (DAGS) for the Commission's renovation project.

Special fund expenditures for FY 2001 increased 3.6 per cent over FY 2000 expenditures (see attachment). The special fund's other current expenses are primarily made up of transfers to the Consumer Advocate, central services expense

assessments, and direct expenses of the Commission. Pursuant to Section 269-33, HRS, the Commission is required to allocate to the Consumer Advocate, on a quarterly basis, not more than 30 per cent of the proceeds of the special fund after the deduction for central services expense assessments. For FY 2001, the special fund's other current expenses appropriation included \$2,295,007 for the operations of the Consumer Advocate. Quarterly transfers were made pursuant to expenditure plans filed by the Consumer Advocate.

The special fund's other current expenses totaling \$732,277 included \$516,957 for central services expense assessments (includes an encumbered amount of \$57,500 for the amount due for the fourth quarter; the actual amount paid for all four quarters totaled \$516,022) and \$215,320 for direct expenses of the Commission. The Commission's major expenses consisted of charges for public notices, dues, and subscriptions. For FY 2001, expenditures for the Commission's office renovation project totaling \$309,000 are also included in the special fund's other current expenses. These funds were transferred to DAGS to cover the costs of the renovation work.

Pursuant to Section 269-33, HRS, the Commission transferred the special fund's excess moneys of \$5,077,128 to the general fund for FY 2001. General fund transfers for FY 2001, including excess special fund moneys and assessments for the central services expense, of \$5,593,150 increased 10.9 per cent over FY 2000 general fund transfers (see attachment). Transfers of excess moneys from the special fund to the general fund over the past three years totaled approximately \$15.7 million.