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No. 879

H.P. 598

House of Representatives, March 12, 2015

**An Act To Ensure High-quality Telecommunications Services for
Maine Consumers and Businesses**

Reference to the Committee on Energy, Utilities and Technology suggested and ordered printed.

A handwritten signature in cursive script that reads "R B. Hunt".

ROBERT B. HUNT
Clerk

Presented by Representative McCABE of Skowhegan.
Cosponsored by Representatives: DION of Portland, GIDEON of Freeport, HOBBS of Saco.

1 **Be it enacted by the People of the State of Maine as follows:**

2 **Sec. 1. 35-A MRSA §316** is enacted to read:

3 **§316. Elimination of alternative form of regulation of telephone utilities**

4 **1. Elimination.** The commission may eliminate, after public hearings and other
5 processes the commission determines appropriate, an alternative form of regulation of a
6 telephone utility prior to the expiration of the alternative form of regulation's period. In
7 deciding whether to eliminate an alternative form of regulation under this section, the
8 commission shall consider the quality, safety and reliability of service provided by the
9 telephone utility during the period that the alternative form of regulation has been in
10 effect.

11 **2. Effect of elimination.** If the commission orders the elimination of an alternative
12 form of regulation under subsection 1, the telephone utility shall initiate a rate proceeding
13 pursuant to this chapter within 3 months of the entry of the order. Between the date of
14 entry of the order eliminating an alternative form of regulation and the conclusion of the
15 new rate proceeding, the telephone utility's rate schedules are considered temporary rate
16 schedules subject to partial or full refunds if the commission in its final order approves
17 rates less than the rates in the temporary rate schedules.

18 **Sec. 2. 35-A MRSA §7222**, as enacted by PL 2011, c. 623, Pt. A, §18, is amended
19 to read:

20 **§7222. Revenue requirements of service providers**

21 The initial rates for provider of last resort service are those rates in effect for basic
22 local exchange service for each incumbent local exchange carrier in the service area of
23 that carrier as of January 1, ~~2012~~ 2015.

24 **Sec. 3. 35-A MRSA §7225, sub-§§2 and 3**, as enacted by PL 2011, c. 623, Pt.
25 A, §18, are amended to read:

26 **2. Commission review of service quality.** The commission by rule shall establish
27 provider of last resort service quality standards that require automatic penalties, rebates or
28 rate reductions for each service quality standard that the service provider does not meet.
29 A service provider may petition the commission to reverse, in whole or in part, an
30 automatic penalty, rebate or rate reduction under this subsection. The commission may
31 impose reverse, in whole or in part, penalties or require a service provider to provide,
32 rebates or rate reductions if the commission finds, after investigation, that a service
33 provider has failed demonstrated that the service provider's failure to meet service quality
34 standards was due to circumstances beyond the service provider's control.

35 **3. Rules.** ~~Rules adopted under this section may establish appropriate penalties,~~
36 ~~rebates or rate reductions that may be applied if the commission finds, after investigation,~~
37 ~~that a service provider has failed to meet service quality standards.~~ Rules adopted under
38 this section are ~~major substantive~~ routine technical rules as defined in Title 5, chapter
39 375, subchapter 2-A.

1 **Sec. 4. 35-A MRSA §7226, sub-§2**, as enacted by PL 2011, c. 623, Pt. A, §18, is
2 repealed.

3 **Sec. 5. 35-A MRSA §7231**, as enacted by PL 2011, c. 623, Pt. A, §18, is amended
4 to read:

5 **§7231. Laws that apply only to service providers**

6 Notwithstanding any other provision of law, the provisions listed in subsections 1 ~~to~~
7 and 4 do not apply to a telephone utility except service providers with respect to the
8 provision of provider of last resort service:

9 **1. Regulation and control of public utilities.** The following sections of chapter 7:

- 10 A. Section 703 relating to discounts and discrimination;
11 B. Section 704 relating to termination of utility services;
12 ~~C. Section 705 relating to utility deposits;~~
13 ~~D. Section 706 relating to tenant liability for landlord utility bills;~~
14 E. Section 713 relating to unregulated business ventures; and
15 F. Section 715 relating to rules of the commission; and

16 ~~**2. Sales, leases and mortgages of property.** The following sections of chapter 11:~~

- 17 ~~A. Section 1101 relating to authorization; and~~
18 ~~B. Section 1103 relating to transfer of utility stock;~~

19 ~~**3. Procedure.** The following sections of chapter 13:~~

- 20 ~~A. Section 1302 relating to complaints; and~~
21 ~~B. Section 1303 relating to investigations; and~~

22 **4. Telephone lines.** The following sections of chapter 79:

- 23 A. Section 7904 relating to purchasing and taking land for public use.

24 **Sec. 6. 35-A MRSA §7232, first ¶**, as enacted by PL 2011, c. 623, Pt. A, §18, is
25 amended to read:

26 Notwithstanding any other provision of law, the provisions listed in subsections 1 to
27 ~~§ 4~~ do not apply to a telephone utility except service providers with respect to the
28 provision of provider of last resort service and local exchange carriers with respect to
29 federal interconnection rights and obligations:

30 **Sec. 7. 35-A MRSA §7232, sub-§§3 and 4**, as enacted by PL 2011, c. 623, Pt.
31 A, §18, are amended to read:

32 **3. Authorization of sales, leases and mortgages of property.** The following
33 sections of chapter 11:

- 1 A. Section 1102 relating to unnecessary property; and
2 B. Section 1104 relating to abandonment of property or service; and
3 **4. Procedure.** The following sections of chapter 13:
4 A. Section 1306 relating to commission decisions;
5 B. Section 1307 relating to enforcement of decisions;
6 C. Section 1308 relating to reparation or adjustments;
7 D. Section 1309 relating to adjustment of excessive rates; and
8 E. Section 1323 relating to exhausting of rights before the commission; ~~and~~ .

9 **Sec. 8. 35-A MRSA §7232, sub-§5**, as enacted by PL 2011, c. 623, Pt. A, §18, is
10 repealed.

11 **Sec. 9. 35-A MRSA §7234**, as enacted by PL 2011, c. 623, Pt. A, §18, is repealed.

12 **SUMMARY**

13 This bill makes several changes in the regulation of telecommunications utilities. It:

14 1. Permits the Public Utilities Commission to eliminate alternative forms of
15 regulation if the commission determines that service deficiencies are occurring;

16 2. Requires the Public Utilities Commission to adopt rules that provide for automatic
17 penalties if service quality standards are not met;

18 3. Repeals a provision regarding the reporting of unscheduled outages to the Public
19 Utilities Commission;

20 4. Reduces the number of exemptions a telephone utility has from customer service
21 and regulatory requirements; and

22 5. Removes the exemption from regulation for telecommunications services provided
23 using interconnected voice over Internet protocol technology.