STATE OF CONNECTICUT

DEPARTMENT OF PUBLIC UTILITY CONTROL

THE ENERGY & TECHNOLOGY COMMITTEE

Senate Bill 351: AAC TELECOMMUNICATIONS COMPANIES' AUDITS AND FILINGS

March 4, 2010

TESTIMONY OF COMMISSIONER ANTHONY PALERMINO

The Department of Public Utility Control (Department) opposes Senate Bill No.351. Senate Bill No. 351 in section 1, clarifies when a document is considered filed with the Department and strips away the requirement for paper filings of documents. Section 2 would require that the Department specify its reasons for requesting a state audit of a telephone company when such companies are already required to submit to a federal audit. The Department makes the following comments and seeks greater clarification with respect to the intent of this bill.

Section 1's elimination of paper filings except under two limited exceptions is contrary to the Department's existing rules of practice and those of the state library, public records administrator, office of records retention. The practical affect of this proposal is to shift the burden and cost of providing paper copies of all documents filed with the Department from applicants and regulated companies onto this Department and the state. The Department notes that it recently reviewed its rules of practice and surveyed all its technical units to determine the number of copies staff needed to do their jobs and promulgated the resulting electronic filing regulations to meet those needs. Conn. State Agencies Regs. § 16-1-14, permits electronic filing, but preserves the requirement of paper copies to be filed in varying numbers for different types of applications. Additionally, the Department waived the requirement to file in paper form for documents for which no paper form is technically feasible or practical. The DPUC always requires at least one paper copy to be filed. In fact, section 16-1-14(g) of our regulations requires filers in most cases to submit "eight paper copies" or possibly more "as otherwise required by the Department" along with their original and electronic version. If this proposal was meant to be limited to filings by telecommunication companies in audits, the Department could modify the existing regulation to incorporate such filings into the category of those which only need to be filed electronically.

However, this exception becomes most burdensome and problematic for the Department in cases such as rate cases where thousands of documents are sometimes filed daily in hundred's of dockets. Most notably, this would place a significant challenge on the limited resources of the Department and staff to make sufficient copies for the staff assigned to review and analyze such filings. The Department also cautions against citing to a regulation in statutory language since regulations can change frequently and would require additional amendments to statutes.

Section 2 of the bill would require in any audit of a telephone company that is additional to the federal requirement of such audit reports that the Department be required to state the reasons for the additional state audit. The Department strongly objects to the curtailment of its authority to

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review such financial data as contemplated in this bill and to specify its justifications for a Department decision to conduct an independent audit of the Connecticut operations. Moreover, the Department is presumed to be acting in the public interest in any request for audits or additional information and questions the bill's intent to infer otherwise. The Department recommends that this proposed amendment to Conn. Gen. Stat. § 16-32 be stricken.

The Department appreciates this opportunity to testify and is available for any further questions.