



House of Representatives

General Assembly

File No. 428

January Session, 2013

Substitute House Bill No. 6402

House of Representatives, April 9, 2013

The Committee on Energy and Technology reported through REP. REED of the 102nd Dist., Chairperson of the Committee on the part of the House, that the substitute bill ought to pass.

AN ACT MODERNIZING THE STATE'S TELECOMMUNICATIONS LAWS.

Be it enacted by the Senate and House of Representatives in General Assembly convened:

1 Section 1. Section 16-32 of the general statutes is repealed and the
2 following is substituted in lieu thereof (*Effective from passage*):

3 Each public service company, except (1) telegraph companies and
4 express companies subject to the jurisdiction of the Interstate
5 Commerce Commission or its successor agency, and (2) telephone
6 companies, community antenna television companies, certified
7 competitive video service providers and holders of a certificate of cable
8 franchise authority owned, directly or indirectly, by a parent company,
9 the accounts and operations of which are required to be audited
10 annually in accordance with federal law, shall have an annual
11 comprehensive audit and report made of its accounts and operations
12 by independent public accountants satisfactory to the Public Utilities
13 Regulatory Authority. A copy of such annual audit report shall be filed
14 with the authority, together with the company's annual report. In the

15 absence of such an audit report, or if the authority, after notice and
16 opportunity for a hearing, determines that such audit report is
17 insufficient or unsatisfactory, the authority shall cause such an audit to
18 be made at the expense of the company either by independent public
19 accountants satisfactory to the authority or by any staff of the authority
20 engaged in the activities contemplated by subsection (b) of section 16-
21 8. The authority may require additional information regarding the
22 accounts and operations of a telephone company, community antenna
23 television company, certified competitive video service provider or
24 holder of a certificate of cable franchise authority, which is otherwise
25 exempt from the audit required pursuant to this section, that the
26 authority has determined is necessary to carry out the authority's
27 obligations. The authority may waive the compliance with the
28 provisions of this section by any public service company whose annual
29 gross income is less than one hundred thousand dollars. Nothing in
30 this section shall modify or limit the authority's power to conduct a
31 management audit or otherwise exercise its authority under section 16-
32 8.

33 Sec. 2. Section 16-247a of the general statutes is repealed and the
34 following is substituted in lieu thereof (*Effective from passage*):

35 (a) Due to the following: Affordable, high quality
36 telecommunications services that meet the needs of individuals and
37 businesses in the state are necessary and vital to the welfare and
38 development of our society; the efficient provision of modern
39 telecommunications services by multiple providers will promote
40 economic development in the state; expanded employment
41 opportunities for residents of the state in the provision of
42 telecommunications services benefit the society and economy of the
43 state; and advanced telecommunications services enhance the delivery
44 of services by public and not-for-profit institutions, it is, therefore, the
45 goal of the state to (1) ensure the universal availability and accessibility
46 of high quality, affordable telecommunications services to all residents
47 and businesses in the state, (2) promote the development of effective
48 competition as a means of providing customers with the widest

49 possible choice of services, (3) utilize forms of regulation
50 commensurate with the level of competition in the relevant
51 telecommunications service market, (4) facilitate the efficient
52 development and deployment of an advanced telecommunications
53 infrastructure, including open networks with maximum
54 interoperability and interconnectivity, (5) encourage shared use of
55 existing facilities and cooperative development of new facilities where
56 legally possible, and technically and economically feasible, and (6)
57 ensure that providers of telecommunications services in the state
58 provide high quality customer service and high quality technical
59 service. The department shall implement the provisions of this section,
60 sections 16-1, 16-18a, as amended by this act, 16-19, 16-19e, 16-22,
61 16-247b, as amended by this act, 16-247c, 16-247e to [16-247i] 16-247h,
62 inclusive, and 16-247k and subsection (e) of section 16-331 in
63 accordance with these goals.

64 (b) As used in sections 16-247a to 16-247c, inclusive, as amended by
65 this act, 16-247e to [16-247i] 16-247h, inclusive, 16-247k, and sections
66 16-247m to 16-247r, inclusive, as amended by this act:

67 (1) "Affiliate" means a person, firm or corporation which, with
68 another person, firm or corporation, is under the common control of
69 the same parent firm or corporation.

70 (2) "Competitive service" means (A) a telecommunications service
71 deemed competitive in accordance with the provisions of section
72 16-247f, as amended by this act, (B) a telecommunications service
73 reclassified by the department as competitive in accordance with the
74 provisions of section 16-247f, as amended by this act, or (C) a new
75 telecommunications service provided under a competitive service
76 tariff accepted by the department, in accordance with the provisions of
77 section 16-247f, as amended by this act, provided the department has
78 not subsequently reclassified the service set forth in subparagraph (A),
79 (B) or (C) of this subdivision as noncompetitive pursuant to section
80 16-247f.

81 (3) "Emerging competitive service" means (A) a telecommunications

82 service reclassified as emerging competitive in accordance with the
83 provisions of section 16-247f, as amended by this act, or (B) a new
84 telecommunications service provided under an emerging competitive
85 service tariff accepted by the department, in accordance with the
86 provisions of section 16-247f, as amended by this act, or of a plan for
87 an alternative form of regulation approved pursuant to section
88 16-247k, provided the department has not subsequently reclassified the
89 service set forth in subparagraph (A) or (B) of this subdivision as
90 competitive or noncompetitive pursuant to section 16-247f, as
91 amended by this act.

92 (4) "Noncompetitive service" means (A) a telecommunications
93 service deemed noncompetitive in accordance with the provisions of
94 section 16-247f, as amended by this act, (B) a telecommunications
95 service reclassified by the department as noncompetitive in accordance
96 with the provisions of section 16-247f, or (C) a new
97 telecommunications service provided under a noncompetitive service
98 tariff accepted by the department, in accordance with the provisions of
99 section 16-19, and any applicable regulations, or of a plan for an
100 alternative form of regulation approved pursuant to section 16-247k,
101 provided the department has not subsequently reclassified the service
102 set forth in subparagraph (A), (B) or (C) of this subdivision as
103 competitive or emerging competitive pursuant to section 16-247f, as
104 amended by this act.

105 (5) "Private telecommunications service" means any
106 telecommunications service which is not provided for public hire as a
107 common carrier service and is utilized solely for the
108 telecommunications needs of the person that controls such service and
109 any subsidiary or affiliate thereof, except for telecommunications
110 service which enables two entities other than such person, subsidiary
111 or affiliate to communicate with each other.

112 (6) "Telecommunications service" means any transmission in one or
113 more geographic areas (A) between or among points specified by the
114 user, (B) of information of the user's choosing, (C) without change in

115 the form or content of the information as sent and received, (D) by
116 means of electromagnetic transmission, including but not limited to,
117 fiber optics, microwave and satellite, (E) with or without benefit of any
118 closed transmission medium and (F) including all instrumentalities,
119 facilities, apparatus and services, except customer premises
120 equipment, which are used for the collection, storage, forwarding,
121 switching and delivery of such information and are essential to the
122 transmission.

123 (7) "Network elements" means "network elements", as defined in 47
124 USC 153(a)(29).

125 Sec. 3. Section 16-247b of the general statutes is repealed and the
126 following is substituted in lieu thereof (*Effective from passage*):

127 (a) On petition or its own motion, the authority shall initiate a
128 proceeding to unbundle a telephone company's network, services and
129 functions that are used to provide telecommunications services and
130 which the authority determines, after notice and hearing, are in the
131 public interest, are consistent with federal law and are technically
132 feasible of being tarified and offered separately or in combinations.
133 Any telecommunications services, functions and unbundled network
134 elements and any combination thereof shall be offered under tariff at
135 rates, terms and conditions that do not unreasonably discriminate
136 among actual and potential users and actual and potential providers of
137 such local network services.

138 (b) Each telephone company shall provide reasonable
139 nondiscriminatory access and pricing to all telecommunications
140 services, functions and unbundled network elements and any
141 combination thereof necessary to provide telecommunications services
142 to customers. The authority shall determine the rates that a telephone
143 company charges for telecommunications services, functions and
144 unbundled network elements and any combination thereof, that are
145 necessary for the provision of telecommunications services. The rates
146 for interconnection and unbundled network elements and any
147 combination thereof shall be based on their respective forward looking

148 long-run incremental costs, and shall be consistent with the provisions
149 of 47 USC 252(d).

150 [(c) (1) The rate that a telephone company charges for a competitive
151 or emerging competitive telecommunications service shall not be less
152 than the sum of (A) the rate charged to another telecommunications
153 company for a noncompetitive or emerging competitive local network
154 service function used by that company to provide a competing
155 telecommunications service, and (B) the applicable incremental costs of
156 the telephone company.

157 (2) On and after the date the authority certifies a telephone
158 company's operations support systems interface pursuant to section
159 16-247n, the authority shall, upon petition, conduct a contested case
160 proceeding to consider whether modification or removal of the pricing
161 standard set forth in subdivision (1) of this subsection for a
162 telecommunications service deemed competitive pursuant to section
163 16-247f is appropriate. Notwithstanding the provisions of subdivision
164 (1) of this subsection, if the authority determines that such a
165 modification or removal is appropriate and is consistent with the goals
166 set forth in section 16-247a, the authority shall so modify or remove
167 said pricing standard for such telecommunications service.

168 (3) Prior to the date that the authority certifies a telephone
169 company's operations support systems interface pursuant to section
170 16-247n, the authority may, upon petition, conduct a contested case
171 proceeding to consider whether modification or removal of the pricing
172 standard set forth in subdivision (1) of this subsection for a
173 telecommunications service deemed competitive pursuant to section
174 16-247f is appropriate. Any petition filed pursuant to this subdivision
175 shall specify the geographic area in which the applicant proposes to
176 modify or remove such pricing standard. Notwithstanding the
177 provisions of subdivision (1) of this subsection, if the authority
178 determines that such modification or removal is appropriate, is
179 consistent with the goals set forth in section 16-247a and facilities-
180 based competition exists in the relevant geographic area, the authority

181 shall so modify or remove said pricing standard for such
182 telecommunications service. In determining whether facilities-based
183 competition exists in the relevant geographic area, the authority shall
184 consider:

185 (A) The number, size and geographic distribution of other providers
186 of service;

187 (B) The availability of functionally equivalent services in the
188 relevant geographic area at competitive rates, terms and conditions;

189 (C) The financial viability of each company providing functionally
190 equivalent services in the relevant geographic market;

191 (D) The existence of barriers to entry into, or exit from, the relevant
192 geographic market;

193 (E) Other indicators of market power that the authority deems
194 relevant, which may include, but not be limited to, market penetration
195 and the extent to which the applicant can sustain the price for the
196 service above the cost to the company of providing the service in the
197 relevant geographic area;

198 (F) The extent to which other telecommunications companies must
199 rely upon the noncompetitive services of the applicant to provide their
200 telecommunications services and carrier access rates charged by the
201 applicant;

202 (G) Other factors that may affect competition; and

203 (H) Other factors that may affect the public interest.]

204 [(d)] (c) A telephone company shall not use the revenues, expenses,
205 costs, assets, liabilities or other resources derived from or associated
206 with providing a noncompetitive service to subsidize the provision of
207 competitive, emerging competitive or unregulated telecommunications
208 services by such telephone company or any affiliate that is a certified
209 telecommunications provider.

210 Sec. 4. Section 16-247f of the general statutes is repealed and the
211 following is substituted in lieu thereof (*Effective from passage*):

212 (a) The authority shall regulate the provision of telecommunications
213 services in the state in a manner designed to foster competition and
214 protect the public interest.

215 (b) Notwithstanding the provisions of section 16-19, the following
216 telecommunications services shall be deemed competitive services: (1)
217 A telecommunications service offered on or before July 1, 1994, by a
218 certified telecommunications provider and a wide area telephone
219 service, "800" service, centrex service or digital centrex service offered
220 by a telephone company, (2) a telecommunications service offered to
221 business customers by a telephone company, (3) a home office service
222 offered by a telephone company, and (4) a telecommunications service
223 provided by a telephone company to a residential customer who
224 subscribes to two or more [telephone company] services, including
225 basic local exchange service, broadband services, any vertical feature
226 or interstate toll provided by a telephone company affiliate, or toll
227 services provided by another carrier. Unless reclassified pursuant to
228 this section, any other service offered by a telephone company on or
229 before July 1, 1994, shall be deemed a noncompetitive service,
230 provided such initial classification shall not be a factual finding that
231 such service is noncompetitive. [Notwithstanding subdivision (3) of
232 subsection (c) of section 16-247b, prior to January 1, 2010, a telephone
233 company shall not obtain a waiver from the authority of the pricing
234 standard set forth in subdivision (1) of subsection (c) of section 16-247b
235 for any service reclassified as competitive pursuant to subdivision (2),
236 (3) or (4) of this subsection.]

237 (c) On petition [,] or on its own motion, [or in conjunction with a
238 tariff investigation conducted pursuant to subsection (f) of this
239 section,] after notice and hearing, and within ninety days of receipt of a
240 petition or its motion or within the time period set forth in subsection
241 (f) of this section, as applicable, the authority may reclassify a
242 telecommunications service as competitive, emerging competitive or

243 noncompetitive, in accordance with the degree of competition which
244 exists for that service in the marketplace, provided (1) a competitive
245 service shall not be reclassified as an emerging competitive service,
246 and (2) the authority may extend the period (A) before the end of the
247 ninety-day period and upon notifying all parties to the proceedings by
248 thirty days, or (B) in accordance with the provisions of subsection (f) of
249 this section, as applicable.

250 (d) In determining whether to reclassify a telecommunications
251 service, the authority shall consider:

252 (1) The number, size and geographic distribution of certified
253 telecommunications providers of the service, provided the authority
254 shall not reclassify any service as competitive if such service is
255 available only from a telephone company or an affiliate of a telephone
256 company that is a certified telecommunications provider;

257 (2) The availability of functionally equivalent services in the
258 relevant geographic area at competitive rates, terms and conditions,
259 including, but not limited to, services offered by certified
260 telecommunications providers, providers of commercial mobile radio
261 services, as defined in 47 CFR 20.3, voice over Internet protocol
262 providers and other services provided by means of alternative
263 technologies;

264 (3) The existence of barriers to entry into, or exit from, the relevant
265 market;

266 (4) Other factors that may affect competition; and

267 (5) Other factors that may affect the public interest.

268 (e) On or after July 1, 2013, any certified telecommunications
269 provider or telephone company may, upon written notice to the
270 authority, elect to be exempt from any requirement to file or maintain
271 with the authority any tariff for competitive or emerging competitive
272 intrastate telecommunications services offered or provided to
273 residential or business retail end-users and, instead, shall make the

274 terms and conditions for those services available to such end-users in a
275 customer service guide or in such other manner determined by such
276 provider or company providing such services. A copy of the customer
277 service guide or other listing of terms and conditions shall be filed
278 annually with the authority. The tariff requirements for
279 noncompetitive services, including for noncompetitive residential
280 basic local exchange service, shall remain in effect.

281 [(e) Each] (f) Except for a certified telecommunications provider or
282 telephone company that elects to be exempt from filing or maintaining
283 tariffs for a competitive or emerging competitive intrastate service
284 pursuant to subsection (e) of this section, each certified
285 telecommunications provider and each telephone company shall file
286 with the authority a new or amended tariff for each competitive or
287 emerging competitive intrastate telecommunications service
288 authorized pursuant to section 16-247c. A tariff for a competitive
289 service shall be effective on five days' written notice to the authority. A
290 tariff for an emerging competitive service shall be effective on
291 twenty-one days' written notice to the authority. A tariff filing for a
292 competitive or emerging competitive service shall include (1) rates and
293 charges which may consist of a maximum rate and a minimum rate, (2)
294 applicable terms and conditions, (3) a statement of how the tariff will
295 benefit the public interest, and (4) any additional information required
296 by the authority. A telephone company filing a tariff pursuant to this
297 section shall include in said tariff filing the information set forth in
298 subdivisions (1) to (4), inclusive, of this subsection, a complete
299 explanation of how the company is complying with the provisions of
300 section 16-247b, as amended by this act, and, in a tariff filing which
301 declares a new service to be competitive or emerging competitive, a
302 statement addressing the considerations set forth in subsection (d) of
303 this section. If the authority approves a tariff which consists of a
304 minimum rate and a maximum rate, the certified telecommunications
305 provider or telephone company may amend its rates upon five days'
306 written notice to the authority and any notice to customers which the
307 authority may require, provided the amended rates are not greater
308 than the approved maximum rate and not less than the approved

309 minimum rate. A promotional offering for a previously approved
310 competitive or emerging competitive tariffed service or a service
311 deemed competitive pursuant to this section shall be effective on three
312 business days' written notice to the authority. Nothing in this section
313 shall be construed to prevent retail end-users from seeking assistance
314 of the Public Utilities Regulatory Authority with regard to billing or
315 service issues with a certified telecommunications provider or
316 telephone company.

317 [(f)] (g) On petition or its own motion, the authority may investigate
318 a tariff or any portion of a tariff, which investigation may include a
319 hearing. The authority may suspend a tariff or any portion of a tariff
320 during such investigation. The investigation may include, but is not
321 limited to, an inquiry to determine whether the tariff is predatory,
322 deceptive, anticompetitive or violates the pricing standard set forth in
323 subdivision (1) of subsection (c) of section 16-247b, as amended by this
324 act. Not later than seventy-five days after the effective date of the tariff,
325 unless the party filing the tariff, all statutory parties to the proceeding
326 and the authority agree to a specific extension of time, the authority
327 shall issue its decision, including whether to approve, modify or deny
328 the tariff. If the authority determines that a tariff filed as a new service
329 is, in fact, a reclassification of an existing service, the authority shall
330 review the tariff filing as a petition for reclassification in accordance
331 with the provisions of subsection (c) of this section.

332 [(g)] (g) The provisions of this section shall not prohibit the authority
333 from ordering different tariff filing procedures or effective dates for an
334 emerging competitive service, pursuant to a plan for an alternative
335 form of regulation of a telephone company approved by the authority
336 in accordance with the provisions of section 16-247k.]

337 Sec. 5. Section 16-247m of the general statutes is repealed and the
338 following is substituted in lieu thereof (*Effective from passage*):

339 (a) On and after July 1, [2001] 2013, a telephone company may
340 [apply to the Public Utilities Regulatory Authority to] withdraw from
341 the retail provision of a telecommunications service, upon sixty days'

342 notice to the Public Utilities Regulatory Authority, provided such
343 telecommunications service [has been deemed] is a competitive
344 [pursuant to section 16-247f prior to the date such application is
345 submitted] service, as defined in subdivision (2) of subsection (b) of 16-
346 247a, as amended by this act. Any such [application] notice shall (1)
347 specify [(1)] (A) the service that the telephone company no longer
348 wishes to provide, [(2)] and (B) the geographic area or areas in which
349 the telephone company proposes to no longer provide the service, [and
350 (3) the number of customers of the telephone company that will be
351 affected by the proposed withdrawal and a discussion of ways to
352 mitigate such impact] and (2) include a copy of the notice to customers
353 of such withdrawal that the telephone company intends to provide
354 pursuant to this subsection. The telephone company shall provide such
355 notice to customers at least thirty days in advance of such withdrawal.
356 Such notice to customers shall include a description of the impact of
357 such withdrawal on such customers and alternative service options for
358 such customers, if applicable.

359 [(b) In considering any application by a telephone company
360 pursuant to subsection (a) of this section, the authority shall consider
361 (1) the impact the proposed withdrawal will have on the goals set forth
362 in section 16-247a, (2) the impact the proposed withdrawal will have
363 on the financial, managerial and technical ability of the telephone
364 company to provide other retail and wholesale telecommunications
365 services and the quality of such services, (3) the impact the proposed
366 withdrawal will have on the rates paid by retail customers for the
367 service that the telephone company no longer wishes to provide at
368 retail, (4) the impact the proposed withdrawal will have on the retail
369 availability of such service, and (5) the impact the proposed
370 withdrawal will have on the ability of certified telecommunications
371 providers to provide a functionally equivalent service at retail. The
372 authority shall not approve any such application for withdrawal
373 unless it finds that such withdrawal (A) is consistent with the goals set
374 forth in section 16-247a, and (B) is not contrary to the public interest.
375 The authority shall not approve any such application or authorize the
376 withdrawal of a telephone company from the provision of a

377 telecommunications service at retail unless the service that the
378 telephone company no longer wishes to provide has been deemed
379 competitive pursuant to section 16-247f. The authority, in approving
380 any such application, shall develop a method to allow customers
381 receiving such service from the telephone company to choose a new
382 provider of such service, provided the authority shall not order the
383 allocation or assignment of any customer.

384 (c) Any proceeding conducted pursuant to this section shall be
385 considered a contested case, as defined in section 4-166.

386 (d) The provisions of this section shall not (1) preclude the
387 withdrawal of a competitive or an emerging competitive tariff
388 pursuant to section 16-247f, (2) preclude a telephone company from
389 withdrawing a noncompetitive service in the normal course of
390 business, or (3) apply to any certified telecommunications provider or
391 any telephone company serving fewer than seventy-five thousand
392 customers.]

393 (b) A telephone company may not withdraw a noncompetitive
394 service without following the regulations or orders of the Public
395 Utilities Regulatory Authority and the processes for investigation of a
396 tariff filing pursuant to subsection (g) of section 16-247f, as amended
397 by this act.

398 Sec. 6. Section 16-247p of the general statutes is repealed and the
399 following is substituted in lieu thereof (*Effective from passage*):

400 (a) Not later than April 1, 2000, the Public Utilities Regulatory
401 Authority shall, by regulations adopted pursuant to chapter 54,
402 establish quality-of-service standards that shall apply to all
403 noncompetitive services, as defined in subdivision (4) of subsection (b)
404 of section 16-247a, as amended by this act, offered by telephone
405 companies and certified telecommunications providers. [and to all
406 telecommunications services.] Such standards shall include, but not be
407 limited to, measures relating to customer trouble reports, service
408 outages, installation appointments and repeat problems as well as

409 timeliness in responding to complaints or reports. The authority shall
410 include with the quality of service standards methodologies for
411 monitoring compliance with and enforcement of such standards. Such
412 monitoring shall include input from employees of telephone
413 companies and certified telecommunications providers, including
414 members of collective bargaining units.

415 (b) Not later than April 1, 2000, the authority shall, by regulations
416 adopted pursuant to chapter 54, establish comprehensive performance
417 standards and performance based reporting requirements for functions
418 provided by a telephone company to a certified telecommunications
419 provider, including, but not limited to, telephone company
420 performance relating to customer ordering, preordering, provisioning,
421 billing, maintenance and repair. Such service standards shall be
422 sufficiently comprehensive to ensure that a telephone company meets
423 its obligations under 47 USC 251. Such regulations may also contain
424 provisions the authority deems necessary to prevent anticompetitive
425 actions by any telephone company or certified telecommunications
426 provider.

427 Sec. 7. Section 16-256k of the general statutes is repealed and the
428 following is substituted in lieu thereof (*Effective from passage*):

429 Each telephone company, as defined in section 16-1, and each
430 certified telecommunications provider, as defined in said section 16-1,
431 shall clearly and conspicuously disclose, in writing, to customers, upon
432 subscription and annually thereafter, (1) whether the removal or
433 change in any telecommunications service will result in the loss of a
434 discount or other change in the rate charged for any
435 telecommunications service subscribed to or used by the customer; and
436 (2) for any promotional offering filed on and after October 1, 2002,
437 with the Public Utilities Regulatory Authority pursuant to subsection
438 [(e)] (f) of section 16-247f, as amended by this act, that the offering is a
439 promotion and will be in effect for a limited period of time.

440 Sec. 8. Subsection (a) of section 16-18a of the general statutes is
441 repealed and the following is substituted in lieu thereof (*Effective from*

442 *passage*):

443 (a) In the performance of their duties the Public Utilities Regulatory
444 Authority and the Office of Consumer Counsel may retain consultants
445 to assist their staffs in proceedings before the authority by providing
446 expertise in areas in which staff expertise does not currently exist or
447 when necessary to supplement existing staff expertise. In any case
448 where the authority or Office of Consumer Counsel determines that
449 the services of a consultant are necessary or desirable, the authority
450 shall (1) allow opportunity for the parties and participants to the
451 proceeding for which the services of a consultant are being considered
452 to comment regarding the necessity or desirability of such services, (2)
453 upon the request of a party or participant to the proceeding for which
454 the services of a consultant are being considered, hold a hearing, and
455 (3) limit the reasonable and proper expenses for such services to not
456 more than two hundred thousand dollars for each agency per
457 proceeding involving a public service company, telecommunications
458 company, electric supplier or person seeking certification to provide
459 telecommunications services pursuant to chapter 283, with more than
460 fifteen thousand customers, and to not more than fifty thousand
461 dollars for each agency per proceeding involving such a company,
462 electric supplier or person with less than fifteen thousand customers,
463 provided the authority or the Office of Consumer Counsel may exceed
464 such limits for good cause. In the case of multiple proceedings
465 conducted to implement the provisions of this section and sections
466 16-1, 16-19, 16-19e, 16-22, 16-247a to 16-247c, inclusive, as amended by
467 this act, 16-247e to [16-247i] 16-247h, inclusive, 16-247k and subsection
468 (e) of 16-331, the authority or the Office of Consumer Counsel may
469 exceed such limits, but the total amount for all such proceedings shall
470 not exceed the aggregate amount which would be available pursuant
471 to this section. All reasonable and proper expenses, as defined in
472 subdivision (3) of this section, shall be borne by the affected company,
473 electric supplier or person and shall be paid by such company, electric
474 supplier or person at such times and in such manner as the authority
475 or the Office of Consumer Counsel directs. All reasonable and proper
476 costs and expenses, as defined in subdivision (3) of this section, shall

477 be recognized by the authority for all purposes as proper business
478 expenses of the affected company, electric supplier or person. The
479 providers of consultant services shall be selected by the authority or
480 the Office of Consumer Counsel and shall submit written findings and
481 recommendations to the authority or the Office of Consumer Counsel,
482 as the case may be, which shall be made part of the public record.

483 Sec. 9. Section 16-247j of the general statutes is repealed and the
484 following is substituted in lieu thereof (*Effective from passage*):

485 The Public Utilities Regulatory Authority shall adopt such
486 regulations, in accordance with the provisions of chapter 54, as
487 necessary to carry out the provisions of section 16-247c and sections
488 16-247f to [16-247i] 16-247h, inclusive, as amended by this act.

489 Sec. 10. Subsection (b) of section 51-164n of the general statutes is
490 repealed and the following is substituted in lieu thereof (*Effective from*
491 *passage*):

492 (b) Notwithstanding any provision of the general statutes, any
493 person who is alleged to have committed (1) a violation under the
494 provisions of section 1-9, 1-10, 1-11, 4b-13, 7-13, 7-14, 7-35, 7-41, 7-83, 7-
495 283, 7-325, 7-393, 8-12, 8-25, 8-27, 9-63, 9-322, 9-350, 10-193, 10-197, 10-
496 198, 10-230, 10-251, 10-254, 12-52, 12-170aa, 12-292 or 12-326g,
497 subdivision (4) of section 12-408, subdivision (3), (5) or (6) of section
498 12-411, section 12-435c, 12-476a, 12-476b, 12-487, 13a-71, 13a-107, 13a-
499 113, 13a-114, 13a-115, 13a-117b, 13a-123, 13a-124, 13a-139, 13a-140, 13a-
500 143b, 13a-247 or 13a-253, subsection (f) of section 13b-42, section 13b-
501 90, 13b-221, 13b-292, 13b-336, 13b-337, 13b-338, 13b-410a, 13b-410b or
502 13b-410c, subsection (a), (b) or (c) of section 13b-412, section 13b-414,
503 subsection (d) of section 14-12, section 14-20a or 14-27a, subsection (e)
504 of section 14-34a, subsection (d) of section 14-35, section 14-43, 14-49,
505 14-50a or 14-58, subsection (b) of section 14-66, section 14-66a, 14-66b
506 or 14-67a, subsection (g) of section 14-80, subsection (f) of section 14-
507 80h, section 14-97a, 14-100b, 14-103a, 14-106a, 14-106c, 14-146, 14-152,
508 14-153 or 14-163b, a first violation as specified in subsection (f) of
509 section 14-164i, section 14-219 as specified in subsection (e) of said

510 section, subdivision (1) of section 14-223a, section 14-240, 14-249, 14-
511 250 or 14-253a, subsection (a) of section 14-261a, section 14-262, 14-264,
512 14-267a, 14-269, 14-270, 14-275a, 14-278 or 14-279, subsection (e) or (h)
513 of section 14-283, section 14-291, 14-293b, 14-296aa, 14-319, 14-320, 14-
514 321, 14-325a, 14-326, 14-330 or 14-332a, subdivision (1), (2) or (3) of
515 section 14-386a, section 15-25 or 15-33, subdivision (1) of section 15-97,
516 subsection (a) of section 15-115, section 16-44, [16-256,] 16-256e, 16a-15
517 or 16a-22, subsection (a) or (b) of section 16a-22h, section 17a-24, 17a-
518 145, 17a-149, 17a-152, 17a-465, 17a-642, 17b-124, 17b-131, 17b-137 or
519 17b-734, subsection (b) of section 17b-736, section 19a-30, 19a-33, 19a-39
520 or 19a-87, subsection (b) of section 19a-87a, section 19a-91, 19a-105,
521 19a-107, 19a-113, 19a-215, 19a-219, 19a-222, 19a-224, 19a-286, 19a-287,
522 19a-297, 19a-301, 19a-309, 19a-335, 19a-336, 19a-338, 19a-339, 19a-340,
523 19a-425, 19a-502, 20-7a, 20-14, 20-158, 20-231, 20-249, 20-257, 20-265, 20-
524 324e, 20-341l, 20-366, 20-597, 20-608, 20-610, 21-1, 21-30, 21-38, 21-39,
525 21-43, 21-47, 21-48, 21-63 or 21-76a, subdivision (1) of section 21a-19,
526 section 21a-21, subdivision (1) of subsection (b) of section 21a-25,
527 section 21a-26 or 21a-30, subsection (a) of section 21a-37, section 21a-
528 46, 21a-61, 21a-63 or 21a-77, subsection (b) of section 21a-79, section
529 21a-85 or 21a-154, subdivision (1) of subsection (a) of section 21a-159,
530 subsection (a) of section 21a-279a, section 22-12b, 22-13, 22-14, 22-15,
531 22-16, 22-29, 22-34, 22-35, 22-36, 22-38, 22-39, 22-39a, 22-39b, 22-39c, 22-
532 39d, 22-39e, 22-49, 22-54, 22-61, 22-89, 22-90, 22-98, 22-99, 22-100, 22-
533 111o, 22-167, 22-279, 22-280a, 22-318a, 22-320h, 22-324a, 22-326 or 22-
534 342, subsection (b), (e) or (f) of section 22-344, section 22-359, 22-366,
535 22-391, 22-413, 22-414, 22-415, 22a-66a or 22a-246, subsection (a) of
536 section 22a-250, subsection (e) of section 22a-256h, section 22a-363, 22a-
537 381d, 22a-449, 22a-461, 23-37, 23-38, 23-46 or 23-61b, subsection (a) or
538 subdivision (1) of subsection (c) of section 23-65, section 25-37 or 25-40,
539 subsection (a) of section 25-43, section 25-135, 26-18, 26-19, 26-21, 26-31,
540 26-40, 26-40a, 26-42, 26-49, 26-54, 26-56, 26-58 or 26-59, subdivision (1)
541 of subsection (d) of section 26-61, section 26-64, subdivision (1) of
542 section 26-76, section 26-79, 26-87, 26-89, 26-91, 26-94, 26-97, 26-98, 26-
543 104, 26-105, 26-107, 26-117, 26-128, 26-131, 26-132, 26-138 or 26-141,
544 subdivision (1) of section 26-186, section 26-207, 26-215, 26-217 or 26-

545 224a, subdivision (1) of section 26-226, section 26-227, 26-230, 26-232,
 546 26-244, 26-257a, 26-260, 26-276, 26-284, 26-285, 26-286, 26-288, 26-294,
 547 28-13, 29-6a, 29-25, 29-109, 29-143o, 29-143z or 29-156a, subsection (b),
 548 (d), (e) or (g) of section 29-161q, section 29-161y or 29-161z, subdivision
 549 (1) of section 29-198, section 29-210, 29-243 or 29-277, subsection (c) of
 550 section 29-291c, section 29-316, 29-318, 29-381, 30-48a, 30-86a, 31-3, 31-
 551 10, 31-11, 31-12, 31-13, 31-14, 31-15, 31-16, 31-18, 31-23, 31-24, 31-25, 31-
 552 32, 31-36, 31-38, 31-38a, 31-40, 31-44, 31-47, 31-48, 31-51, 31-51k, 31-52,
 553 31-52a or 31-54, subsection (a) or (c) of section 31-69, section 31-70, 31-
 554 74, 31-75, 31-76, 31-76a, 31-89b or 31-134, subsection (i) of section 31-
 555 273, section 31-288, subdivision (1) of section 35-20, section 36a-787, 42-
 556 230, 45a-283, 45a-450, 45a-634 or 45a-658, subdivision (13) or (14) of
 557 section 46a-54, section 46a-59, 46b-22, 46b-24, 46b-34, 47-34a, 47-47, 49-
 558 8a, 49-16, 53-133, 53-199, 53-212a, 53-249a, 53-252, 53-264, 53-280, 53-
 559 302a, 53-303e, 53-311a, 53-321, 53-322, 53-323, 53-331, 53-344 or 53-450,
 560 or (2) a violation under the provisions of chapter 268, or (3) a violation
 561 of any regulation adopted in accordance with the provisions of section
 562 12-484, 12-487 or 13b-410, or (4) a violation of any ordinance,
 563 regulation or bylaw of any town, city or borough, except violations of
 564 building codes and the health code, for which the penalty exceeds
 565 ninety dollars but does not exceed two hundred fifty dollars, unless
 566 such town, city or borough has established a payment and hearing
 567 procedure for such violation pursuant to section 7-152c, shall follow
 568 the procedures set forth in this section.

569 Sec. 11. Sections 16-247i and 16-256 of the general statutes are
 570 repealed. (*Effective from passage*)

This act shall take effect as follows and shall amend the following sections:		
Section 1	<i>from passage</i>	16-32
Sec. 2	<i>from passage</i>	16-247a
Sec. 3	<i>from passage</i>	16-247b
Sec. 4	<i>from passage</i>	16-247f
Sec. 5	<i>from passage</i>	16-247m
Sec. 6	<i>from passage</i>	16-247p

Sec. 7	<i>from passage</i>	16-256k
Sec. 8	<i>from passage</i>	16-18a(a)
Sec. 9	<i>from passage</i>	16-247j
Sec. 10	<i>from passage</i>	51-164n(b)
Sec. 11	<i>from passage</i>	Repealer section

ET *Joint Favorable Subst.*

The following Fiscal Impact Statement and Bill Analysis are prepared for the benefit of the members of the General Assembly, solely for purposes of information, summarization and explanation and do not represent the intent of the General Assembly or either chamber thereof for any purpose. In general, fiscal impacts are based upon a variety of informational sources, including the analyst's professional knowledge. Whenever applicable, agency data is consulted as part of the analysis, however final products do not necessarily reflect an assessment from any specific department.

OFA Fiscal Note**State Impact:** None**Municipal Impact:** None**Explanation**

The bill, which makes various changes to how telecommunication service companies operate, has no fiscal impact as it concerns private entities. The bill also makes technical and conforming changes which have no fiscal impact.

The Out Years**State Impact:** None**Municipal Impact:** None

OLR Bill Analysis**sHB 6402****AN ACT MODERNIZING THE STATE'S TELECOMMUNICATIONS LAWS.****SUMMARY:**

This bill allows a telephone company, beginning July 1, 2013, to withdraw from providing a competitive telecommunications service by giving notice to, rather than getting approval from, the Public Utilities Regulatory Authority (PURA). The bill also requires the company to notify affected customers. It requires a telephone company seeking to withdraw from a noncompetitive service to follow (1) PURA regulations or orders and (2) the process for investigating a tariff filing. (There are two telephone companies in the state, Verizon, which serves part of Greenwich, and AT&T, which serves the rest of the state.)

By law, telecommunications services are (1) classified as competitive, emerging competitive, or noncompetitive and (2) subject to varying levels of regulation depending on how they are classified. Under current law, a service is competitive if a telephone company provides a residential customer with two or more of its services. The bill (1) eliminates the requirement that the company itself provide these services and (2) expands the list of services to include toll service provided by another carrier and broadband services.

The bill also:

1. eliminates a floor on certain telephone company charges;
2. starting July 1, 2013, allows telecommunications companies to exempt themselves from the requirement to file or maintain tariffs with PURA for intrastate retail competitive or emerging

- competitive services;
3. reduces auditing requirements for certain telecommunications and cable television companies;
 4. limits the scope of PURA's quality of service standards, which cover such things as responding to trouble reports and service outages, to non-competitive service;
 5. repeals (a) a requirement that PURA report to the Energy and Technology Committee annually on the status of telecommunications service and regulation in the state and (b) an obsolete provision on party lines; and
 6. makes technical and conforming changes.

EFFECTIVE DATE: Upon passage

§ 5 — WITHDRAWAL FROM A TELECOMMUNICATIONS SERVICE

Under current law, a telephone company with 75,000 or more customers can apply to PURA to stop providing a competitive retail service. The application must specify the (1) service that the company wishes to drop, (2) area or areas where it proposes to no longer provide the service, and (3) number of its customers who will be affected. The application must also discuss ways to mitigate the impact. Current law specifies the factors PURA must consider in deciding whether to approve the application. If PURA approves the application, it must develop a method to allow affected customers to choose a new service provider, although it may not order customers to be allocated or assigned.

The bill eliminates these procedures and instead allows telephone companies, starting July 1, 2013, to withdraw such services after providing 60 day's notice to PURA. The notice must describe the service and the area or areas where the company proposes to no longer provide the service. The notice also must include a copy of the notice to customers of the proposed withdrawal. The company must provide

this notice to customers at least 30 days before the withdrawal. The customer notice must describe the impact on affected customers and alternative service options for them, if applicable. The bill eliminates the requirement that PURA develop a method to address existing customers of the service.

§ 3 — FLOOR ON TELEPHONE COMPANY CHARGES

The bill repeals a provision that sets a floor on the rate a telephone company charges for a competitive or emerging competitive telecommunications service. The floor is (1) the rate the telephone company charges another telecommunications company for a noncompetitive or emerging competitive local network service function that company uses to provide a competing telecommunications service plus (2) the telephone company's applicable incremental costs.

§ 4 — TARIFFS

Under current law, certified telecommunications providers and telephone companies must file a new or amended tariff with PURA for each new competitive or emerging competitive intrastate telecommunications service. In this context, a tariff is a detailed description of the service's rates, terms, and conditions. The tariffs are effective within five and 21 days, respectively, after filing. PURA can investigate the tariff and suspend it during the investigation.

Starting July 1, 2013, the bill allows a provider or company to exempt itself from any requirement to file or maintain tariffs with PURA for intrastate competitive or emerging competitive services offered or provided to residential or business retail customers. The provider or company must (1) notify PURA in writing of its action and (2) give its customers information on rates, terms, and conditions for the service in a customer service guide or other way as it determines. The provider or company must annually file a copy of the guide or other document listing the rates, terms, and conditions for the affected service with PURA. The bill requires that tariff requirements for noncompetitive services, including the residential basic local exchange

service, remain in effect.

The bill eliminates PURA's ability to order different tariff filing procedures or effective dates for an emerging competitive service under a PURA-approved alternative regulation. It also eliminates PURA's ability to reclassify a service in conjunction with its investigation of a tariff.

These provisions do not prevent end-users from seeking PURA's assistance on billing or service issues with a telephone company or provider.

§ 1 — AUDITS

Under current law, all utility companies (other than those regulated by the Interstate Commerce Commission) must have an annual comprehensive audit and report of their accounts and operations by independent public accountants satisfactory to PURA. The bill additionally exempts telephone and cable TV companies, directly or indirectly owned by a parent company whose accounts and operations must be audited annually under federal law. PURA can order a company to provide additional information in order to perform its duties. The bill does not affect PURA's ability to conduct management audits.

COMMITTEE ACTION

Energy and Technology Committee

Joint Favorable Substitute

Yea 20 Nay 4 (03/21/2013)