

# MAINE STATE LEGISLATURE

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MAJORITY  
UTILITIES AND ENERGY

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STATE OF MAINE  
HOUSE OF REPRESENTATIVES  
118TH LEGISLATURE  
FIRST SPECIAL SESSION

COMMITTEE AMENDMENT "A" to H.P. 544, L.D. 735, Bill, "An Act to Permit the Public Utilities Commission to Suspend Rate Regulation of Certain Telephone Utilities"

Amend the bill by striking out all of section 1 and inserting in its place the following:

'Sec. 1. 35-A MRSA §307-A is enacted to read:

§307-A. Exemption for certain telephone utilities

The commission may adopt by rule standards and procedures for granting exemptions from all or specified portions of section 307 and for suspending its powers of suspension and investigation under section 310 with respect to a telephone utility, a specified group of telephone utilities or specified services offered by one or a group of telephone utilities. Any determination granting an exemption or suspension pursuant to the rule must be accompanied by a finding that the utility or group of utilities does not exercise significant power over pricing in the markets for the specified services and that the determination will not result in unjust or unreasonable rates for any customers in the markets for those services. The commission may limit its determination to specific geographic areas. A utility whose rates or terms and conditions are subject to a determination made pursuant to a rule adopted under this section remains subject to other applicable provisions of this Title and commission rules.

For good cause, as defined by the commission by rule, the commission may revoke any determination made pursuant to this section. A revocation may be in whole or in part and may be

**COMMITTEE AMENDMENT**

R. of S.

2 specific to a single telephone utility or a single utility  
service.

4 Rules adopted pursuant to this section are routine technical  
rules as defined in Title 5, chapter 375, subchapter II-A.

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8 **Sec. 2. 35-A MRSA §912 is enacted to read:**

10 **§912. Exemption for certain telephone utilities**

12 The commission may adopt by rule standards and procedures  
for granting exemptions to a telephone utility or a specified  
group of telephone utilities from all or specified portions of  
this chapter. Any exemption granted pursuant to the rule must be  
accompanied by a finding that the application of this chapter or  
portions of this chapter to the telephone utility or group of  
telephone utilities will not further the public interest. The  
commission may limit an exemption to specific geographic areas.  
A utility granted an exemption pursuant to a rule adopted under  
this section remains subject to other applicable provisions of  
this Title and commission rules.

22 For good cause, as defined by the commission by rule, the  
commission may revoke any exemption granted pursuant to this  
section. A revocation may be in whole or in part and may be  
specific to a single telephone utility or a single utility  
service.

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30 Rules adopted pursuant to this section are routine technical  
rules as defined in Title 5, chapter 375, subchapter II-A.

32 **Sec. 3. 35-A MRSA §1105 is enacted to read:**

34 **§1105. Exemption for certain telephone utilities**

36 The commission may adopt by rule standards and procedures  
for granting exemptions to a telephone utility or a specified  
group of telephone utilities from all or specified portions of  
this chapter. Any exemption granted pursuant to the rule must be  
accompanied by a finding that the application of this chapter or  
portions of this chapter to the telephone utility or group of  
telephone utilities will not further the public interest. The  
commission may limit an exemption to specific geographic areas.  
A utility granted an exemption pursuant to a rule adopted under  
this section remains subject to other applicable provisions of  
this Title and commission rules.

48 For good cause, as defined by the commission by rule, the  
commission may revoke any exemption granted pursuant to this  
section. A revocation may be in whole or in part and may be  
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specific to a single telephone utility or a single utility service.

Rules adopted pursuant to this section are routine technical rules as defined in Title 5, chapter 375, subchapter II-A.

**Sec. 4. Application.** The Public Utilities Commission may not grant any exemption or suspend any of its powers pursuant to rules adopted under the Maine Revised Statutes, Title 35-A, section 307-A, 912 or 1105 before February 1, 1998.

**Sec. 5. Report.** By December 1, 1997, the Public Utilities Commission shall report to the Joint Standing Committee on Utilities and Energy on any actions taken pursuant to this Act. The report must include at a minimum the following:

1. Copies and summaries of any rules adopted or proposed to be adopted pursuant to the Maine Revised Statutes, Title 35-A, section 307-A, 912 or 1105;

2. Identification of all entities that have applied for exemptions or that the commission expects to apply for exemptions pursuant to Title 35-A, section 307-A, 912 or 1105;

3. An explanation of how the commission will assess the effect of granting exemptions pursuant to Title 35-A, section 307-A, 912 or 1105 on local exchange service providers and intrastate interexchange service providers and their customers and how the commission will ensure customers are not affected in a negative manner by the granting of exemptions;

4. A detailed evaluation of how telecommunications laws in this State do or do not conform to the requirements and policies of the federal Telecommunications Act of 1996, Public Law 104-104, 110 Stat. 56 and whether further changes to the laws of this State should be considered in the context of that federal law and changes that are occurring in the telecommunications industry; and

5. Draft legislation to accomplish any changes to laws in this State that the commission believes the Legislature should consider in light of the commission's evaluation pursuant to subsection 4.

**Sec. 6. Authorization to report legislation.** The Joint Standing Committee on Utilities and Energy may report out legislation concerning the regulation or deregulation of telecommunications service providers to the Second Regular Session of the 118th Legislature.'

R. of S.

2 Further amend the bill by inserting at the end before the  
summary the following:

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**FISCAL NOTE**

8 The Public Utilities Commission will realize some minor  
10 savings from the suspension of rate regulation for certain  
telephone utilities.

12 The Public Utilities Commission will incur some minor  
14 additional costs to adopt certain rules pertaining to telephone  
16 utilities and to submit a required report to the Legislature.  
These costs can be absorbed within the commission's existing  
budgeted resources.'

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**SUMMARY**

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22 This amendment, which is the majority report of the Joint  
Standing Committee on Utilities and Energy, replaces the bill.  
24 This amendment permits the Public Utilities Commission to adopt  
rules under which it may exempt a telephone utility or group of  
26 telephone utilities from the provisions of the Maine Revised  
Statutes, Title 35-A, chapters 9 and 11 and sections 307 and  
28 310. These provisions relate to regulation of telephone utility  
rates, issuance of long-term debt, the selling of property useful  
in the performance of public duties, mergers with other  
30 utilities, acquisition of stock of other utilities and  
abandonment of service. The amendment provides that the  
32 commission may grant exemptions only to the extent that they are  
in the public interest. The commission may, for good cause,  
34 revoke any exemption granted.

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This amendment also:

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1. Requires the Public Utilities Commission, by December 1,  
1997, to issue a report to the Joint Standing Committee on  
40 Utilities and Energy concerning deregulation of  
telecommunications services;

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2. Prohibits the Public Utilities Commission from granting  
44 any exemptions pursuant to Title 35-A, section 307-A, 912 or 1105  
until February 1, 1998;

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3. Authorizes the Joint Standing Committee on Utilities and  
48 Energy to report out legislation concerning regulation or

**COMMITTEE AMENDMENT**

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COMMITTEE AMENDMENT "A" to H.P. 544, L.D. 735

2 deregulation of telecommunications services to the Second Regular  
Session of the 118th Legislature; and

4 4. Adds a fiscal note to the bill.

**COMMITTEE AMENDMENT**