

# MAINE STATE LEGISLATURE

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R. of S.

L.D. 314

DATE: March 14, 2001

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UTILITIES AND ENERGY

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STATE OF MAINE  
SENATE  
120TH LEGISLATURE  
FIRST REGULAR SESSION

COMMITTEE AMENDMENT "A" to S.P. 87, L.D. 314, Bill, "An Act to Require Notice to Telephone Customers in Maine Prior to Price Increases"

Amend the bill by striking out everything after the enacting clause and before the summary and inserting in its place the following:

'Sec. 1. 35-A MRSA §7307 is enacted to read:

§7307. Notice of intrastate toll rate changes

1. Notice required. A telephone utility offering intrastate toll service may not increase the price for such service or change its terms or conditions for such service in a manner that results in an increase in costs for any customer without first:

A. Filing a tariff revision with the commission identifying the new price or the change in the terms or conditions of service; and

B. Providing prior adequate written notice to each retail subscriber receiving intrastate toll service from the utility identifying the change in terms or conditions or price increase and the effective date of the change or increase. The notice, which may take the form of a bill insert, must be provided no less than 25 days prior to the effective date of the increase in price or change in terms or conditions. The commission by rule shall define what constitutes adequate written notice and shall specify whether notice by electronic means is adequate written notice.

2 2. Failure to notify. An increase in price or a change in  
3 the terms or conditions of service that results in an increase in  
4 costs for a customer receiving intrastate toll service from a  
5 telephone utility may not take effect until the customer has been  
6 supplied with adequate written notice in conformity with  
7 subsection 1. A customer that has not been supplied with  
8 adequate written notice under subsection 1 is not obligated to  
9 make payment for any increase in the customer's bill attributable  
10 to an increase in price or change in the terms or conditions. A  
11 telephone utility shall refund to a customer any increase in the  
12 customer's payments attributable to an increase in price or  
13 change in terms or conditions if the telephone utility fails to  
14 provide adequate written notice in accordance with subsection 1.

15 3. Notice of rights. A telephone utility offering  
16 intrastate toll service shall provide notice to customers of the  
17 requirements of subsection 1, paragraph B and of customer rights  
18 pursuant to subsection 2. The commission by rule shall specify  
19 the form and frequency of the notice.

20 4. Rules. The commission shall adopt rules to implement  
21 this section. Rules adopted pursuant to this section are routine  
22 technical rules as defined in Title 5, chapter 375, subchapter  
23 II-A.'

24  
25 Further amend the bill by inserting at the end before the  
26 summary the following:  
27

### 30 FISCAL NOTE

31 The Public Utilities Commission will incur some minor  
32 additional costs to adopt rules to implement the requirements of  
33 this bill. These costs can be absorbed within the commission's  
34 existing budgeted resources.'

### 38 SUMMARY

39 This amendment replaces the bill. This amendment requires a  
40 telephone utility offering intrastate toll service to provide  
41 prior written notice of any increase in the price for such  
42 service or change in terms or conditions for such service that  
43 would result in an increase in costs for any customer. The  
44 amendment also requires the utility to file a tariff revision  
45 with the Public Utility Commission identifying the new price or  
46 the change in the terms or conditions of service. The amendment  
47 specifies that failure to provide such notice results in the  
48 increase in price or change in terms or conditions being  
49

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2 invalid. Customers who are not provided the notice may withhold  
3 payment for the increased prices, and a telephone utility that  
4 fails to provide the required notice must refund the excess  
5 payments. The amendment also requires telephone utilities to  
6 provide notice to customers of the requirements of the law and of  
7 customer rights under it. The Public Utilities Commission is  
8 directed to adopt implementing rules. This amendment also adds a  
fiscal note to the bill.