

HOUSE BILL NO. 691

INTRODUCED BY BRADLEY, NEUMAN, E. SMITH

IN THE HOUSE

FEBRUARY 10, 1987	INTRODUCED AND REFERRED TO COMMITTEE ON BUSINESS & LABOR.
FEBRUARY 16, 1987	COMMITTEE RECOMMEND BILL DO PASS AS AMENDED. REPORT ADOPTED.
FEBRUARY 17, 1987	PRINTING REPORT.
FEBRUARY 18, 1987	SECOND READING, DO PASS.
FEBRUARY 19, 1987	ENGROSSING REPORT.
	THIRD READING, PASSED. AYES, 90; NOES, 5.
	TRANSMITTED TO SENATE.

IN THE SENATE

FEBRUARY 21, 1987	INTRODUCED AND REFERRED TO COMMITTEE ON BUSINESS & INDUSTRY.
MARCH 9, 1987	COMMITTEE RECOMMEND BILL BE CONCURRED IN AS AMENDED. REPORT ADOPTED.
MARCH 12, 1987	SECOND READING, CONCURRED IN.
MARCH 14, 1987	THIRD READING, CONCURRED IN. AYES, 50; NOES, 0.
	RETURNED TO HOUSE WITH AMENDMENTS.

IN THE HOUSE,

MARCH 17, 1987

RECEIVED FROM SENATE.

SECOND READING, AMENDMENTS
CONCURRED IN.

MARCH 18, 1987

THIRD READING, AMENDMENTS
CONCURRED IN.

SENT TO ENROLLING.

1 House BILL NO. 691
2 INTRODUCED BY Bradley H. Homan
3 E. Smith
4 A BILL FOR AN ACT ENTITLED: "AN ACT REVISING RATE
5 REGULATION FOR SMALL TELECOMMUNICATIONS PROVIDERS; DEFINING
6 SMALL TELECOMMUNICATIONS PROVIDER; PROVIDING FOR NOTICE OF
7 PROPOSED RATE INCREASES; PROVIDING FOR PUBLIC SERVICE
8 COMMISSION REVIEW OF PROPOSED RATE INCREASES IN CERTAIN
9 CIRCUMSTANCES; AMENDING SECTION 69-3-302, MCA; AND PROVIDING
10 AN IMMEDIATE EFFECTIVE DATE."

11
12 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF MONTANA:

13 NEW SECTION. Section 1. Definitions. As used in
14 [sections 1 through 7], the following definitions apply:

15 (1) "Commission" means the Montana public service
16 commission.

17 (2) "Rate" means a charge by a small
18 telecommunications provider to a subscriber for the
19 initiation or continued provision of regulated
20 telecommunications service. The term includes but is not
21 limited to charges for installations, local service, toll
22 service, directory assistance, and late payment.

23 (3) "Rate increase" means an increase in the rates for
24 regulated telecommunications services provided by a small
25 telecommunications provider and the creation of new rates.

1 (4) "Regulated telecommunications service" is as
2 defined in 69-3-803.

3 (5) "Small telecommunications provider" means a
4 person, partnership, corporation, or other entity providing
5 regulated telecommunications service to less than 5,000
6 subscribers in Montana. Rural telephone cooperatives
7 organized under Title 35, chapter 18, are not small
8 telecommunications providers.

9 (6) "Subscriber" means a person, partnership,
10 corporation, or other entity acquiring regulated
11 telecommunications service from a small telecommunications
12 provider. There is one subscriber for each billed account of
13 a small telecommunications provider.

14 NEW SECTION. Section 2. Reduced rate regulation of
15 small telecommunications provider. Except as provided in
16 [sections 1 through 7], small telecommunications providers
17 are not subject to commission rate regulation provided in
18 Title 69, chapter 3, parts 3 and 8.

19 NEW SECTION. Section 3. Notice of rate increase. (1)
20 At least 60 days before the effective date of any rate
21 increase proposed by a small telecommunications provider,
22 the small telecommunications provider shall mail notice of
23 the proposed rate increase to each affected subscriber, the
24 commission, and the Montana consumer counsel.

25 (2) Notice to the commission and consumer counsel must

1 include:

2 (a) a summary of the justification for the proposed

3 rate increase;

4 (b) a list of the number of affected subscribers in

5 each category of rates proposed to be increased; and

6 (c) if requested by the commission, a list of the

7 names of the affected subscribers.

8 (3) The notice to affected subscribers may be included

9 with regular subscriber billings and must include:

10 (a) a schedule of the proposed rates;

11 (b) the effective date of the proposed rates; and

12 (c) a description of the petition procedure in

13 [section 6] for seeking commission review and determination

14 of the proposed rates. If the small telecommunications

15 provider publishes the petition procedure in a telephone

16 directory, a reference to the location of the procedure in

17 the directory is adequate notice.

18 NEW SECTION. Section 4. Commission review and

19 determination of rate increases. (1) When a small

20 telecommunications provider proposes a rate increase, the

21 commission shall review and determine the rates pursuant to

22 the applicable procedures in Title 69, chapter 3, if:

23 (a) the affected subscribers have successfully

24 petitioned for commission review as described in [section

25 6];

1 (b) the small telecommunications provider requests the

2 commission to review and determine the rates; or

3 (c) by the 60th day following notice of the proposed

4 increase, the consumer counsel petitions the commission to

5 review and determine the rates.

6 (2) An order of the commission issued under this

7 section establishes the effective rate for the regulated

8 telecommunications services covered by the order. Rates

9 established by commission order may not be increased for a

10 period of 6 months, except as ordered by the commission.

11 (3) The order of the commission is subject to review

12 pursuant to Title 69, chapter 3, part 4.

13 NEW SECTION. Section 5. Investigations by commission.

14 Nothing in [sections 1 through 7] limits the authority of

15 the commission under 69-3-324 to investigate at any time and

16 on its own motion the existing rates of a small

17 telecommunications provider.

18 NEW SECTION. Section 6. Petition for review of

19 proposed rate increase. Subscribers affected by a proposed

20 rate increase for regulated telecommunications services by a

21 small telecommunications provider may petition the

22 commission to review and determine the rates. The petition

23 must identify the proposed rate increase and must be in

24 writing and signed by a subscriber or the authorized person

25 if the subscriber is a business account.

NEW SECTION. Section 7. Proposed increase effective unless requisite petitions received by commission. (1) If by the 60th day following notice to subscribers of a proposed rate increase the commission has not received petitions containing signatures from at least 10% of the affected subscribers in any rate category or a petition for review from the consumer counsel, the commission shall certify this fact to the small telecommunications provider and the proposed rate increase becomes effective as published in the notice of proposed increase.

(2) If by the 60th day following notice to subscribers of a proposed rate increase the commission has received petitions containing signatures from 10% or more of the affected subscribers in any rate category or a petition for review from the consumer counsel, the commission shall notify the small telecommunications provider of this fact and shall indicate that the proposed rate increase in that rate category will not take effect as noticed. The commission shall then review and determine the rates in that category pursuant to [section 4].

(3) In the case of a proposed increase in rates for access services provided to interexchange carriers, a valid petition for commission review and determination of rates consists of signatures of authorized representatives of interexchange carriers that are in the aggregate responsible

for 10% or more of the revenues generated from the access rates that are proposed to be increased.

Section 8. Section 69-3-302, MCA, is amended to read:

"69-3-302. Changes in schedules. (1) No change shall be made in any schedule, including schedules of joint rates, except as approved by the commission, or upon the passage of 9 months, or by operation of [section 7(1)]. If the 9-month time period expires prior to commission approval of a schedule, a utility may waive the time period.

(2) Notwithstanding any provision of this title to the contrary and notwithstanding the existence of and authorization for the office of consumer counsel, the rates, tolls, or charges set forth in any schedule filed with the commission pursuant to 69-3-301 shall become effective and be lawful rates, tolls, or charges for the utility service rendered 9 months after the date upon which the schedule was filed under the rules of practice and procedure for filing as adopted by the commission or upon commission approval, whichever shall occur first, unless the utility waives the 9-month time period. However, if the rates, tolls, or charges become effective because of the passage of 9 months' time, the revenues collected thereunder shall be subject to rebate, plus interest at a per-annum rate determined by the commission, to the extent that the rates, tolls, or charges ultimately approved by the commission in its final decision

1 produce revenues which are less than those collected under
2 the filed schedules. In the case of an investor-owned
3 utility, the interest rate set by the commission may not
4 exceed the cost of equity capital as last determined by the
5 commission.

6 (3) The commission may prescribe rules necessary to
7 effectively administer this section."

8 NEW SECTION. Section 9. Codification instruction.
9 Sections 1 through 7 are intended to be codified as an
10 integral part of Title 69, chapter 3, and the provisions of
11 Title 69, chapter 3, apply to sections 1 through 7.

12 NEW SECTION. Section 10. Extension of authority. Any
13 existing authority of the public service commission to make
14 rules on the subject of the provisions of this act is
15 extended to the provisions of this act.

16 NEW SECTION. Section 11. Effective date. This act is
17 effective on passage and approval.

-End-

APPROVED BY COMM. ON
BUSINESS AND LABOR

HOUSE BILL NO. 691

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A BILL FOR AN ACT ENTITLED: "AN ACT REVISING RATE
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PROPOSED RATE INCREASES; PROVIDING FOR PUBLIC SERVICE
COMMISSION REVIEW OF PROPOSED RATE INCREASES IN CERTAIN
CIRCUMSTANCES; AMENDING SECTION 69-3-302, MCA; AND PROVIDING
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NEW SECTION. Section 1. Definitions. As used in
[sections 1 through 7], the following definitions apply:

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commission.

(2) "Rate" means a charge by a small
telecommunications provider to a subscriber for the
initiation or continued provision of regulated
telecommunications service. The term includes but is not
limited to charges for installations, local service, toll
service, directory assistance, and late payment.

(3) "Rate increase" means an increase in the rates for
regulated telecommunications services provided by a small
telecommunications provider and the creation of new rates.

(4) "Regulated telecommunications service" is as
defined in 69-3-803.

(5) "Small telecommunications provider" means a
person, partnership, corporation, or other entity providing
regulated telecommunications service to less than 5,000
subscribers in Montana. Rural telephone cooperatives
organized under Title 35, chapter 18, are not small
telecommunications providers.

(6) "Subscriber" means a person, partnership,
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commission, and the Montana consumer counsel.

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1 include:

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3 rate increase;

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5 each category of rates proposed to be increased; and

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7 names of the affected subscribers.

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9 with regular subscriber billings and must include:

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13 [section 6] for seeking commission review and determination
14 of the proposed rates. If the small telecommunications
15 provider publishes the petition procedure in a telephone
16 directory, a reference to the location of the procedure in
17 the directory is adequate notice.

18 NEW SECTION. Section 4. Commission review and
19 determination of rate increases. (1) When a small
20 telecommunications provider proposes a rate increase, the
21 commission shall review and determine the rates pursuant to
22 the applicable procedures in Title 69, chapter 3, if:

23 (a) the affected subscribers have successfully
24 petitioned for commission review as described in [section
25 6];

1 (b) the small telecommunications provider requests the
2 commission to review and determine the rates; or

3 (c) by the 60th day following notice of the proposed
4 increase, the consumer counsel petitions the commission to
5 review and determine the rates.

6 (2) An order of the commission issued under this
7 section establishes the effective rate for the regulated
8 telecommunications services covered by the order. Rates
9 established by commission order may not be increased for a
10 period of 6 months, except as ordered by the commission.

11 (3) The order of the commission is subject to review
12 pursuant to Title 69, chapter 3, part 4.

13 NEW SECTION. Section 5. Investigations by commission.
14 Nothing in [sections 1 through 7] limits the authority of
15 the commission under 69-3-324 to investigate at any time and
16 on its own motion the existing rates of a small
17 telecommunications provider.

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"69-3-302. Changes in schedules. (1) No change shall be made in any schedule, including schedules of joint rates, except as approved by the commission, ~~or~~ upon the passage of 9 months, or by operation of [section 7(1)]. If the 9-month time period expires prior to commission approval of a schedule, a utility may waive the time period.

(2) Notwithstanding any provision of this title to the contrary and notwithstanding the existence of and authorization for the office of consumer counsel, the rates, tolls, or charges set forth in any schedule filed with the commission pursuant to 69-3-301 shall become effective and be lawful rates, tolls, or charges for the utility service rendered 9 months after the date upon which the schedule was filed under the rules of practice and procedure for filing as adopted by the commission or upon commission approval, whichever shall occur first, unless the utility waives the 9-month time period. However, if the rates, tolls, or charges become effective because of the passage of 9 months' time, the revenues collected thereunder shall be subject to rebate, plus interest at a per-annum rate determined by the commission, to the extent that the rates, tolls, or charges ultimately approved by the commission in its final decision

1 produce revenues which are less than those collected under
2 the filed schedules. In the case of an investor-owned
3 utility, the interest rate set by the commission may not
4 exceed the cost of equity capital as last determined by the
5 commission.

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7 effectively administer this section."

8 NEW SECTION. Section 9. Codification instruction.
9 Sections 1 through 7 are intended to be codified as an
10 integral part of Title 69, chapter 3, and the provisions of
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13 existing authority of the public service commission to make
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~~for--10%--or--more--of--the--revenues--generated--from~~ A SIGNATURE OF AN AUTHORIZED REPRESENTATIVE OF ANY INTEREXCHANGE CARRIER THAT WOULD BE AFFECTED BY the access rates that are proposed to be increased.

Section 8. Section 69-3-302, MCA, is amended to read:

"69-3-302. Changes in schedules. (1) No change shall be made in any schedule, including schedules of joint rates, except as approved by the commission, or upon the passage of 9 months, or by operation of [section 7(1)]. If the 9-month time period expires prior to commission approval of a schedule, a utility may waive the time period.

(2) Notwithstanding any provision of this title to the contrary and notwithstanding the existence of and authorization for the office of consumer counsel, the rates, tolls, or charges set forth in any schedule filed with the commission pursuant to 69-3-301 shall become effective and be lawful rates, tolls, or charges for the utility service rendered 9 months after the date upon which the schedule was filed under the rules of practice and procedure for filing as adopted by the commission or upon commission approval, whichever shall occur first, unless the utility waives the 9-month time period. However, if the rates, tolls, or charges become effective because of the passage of 9 months' time, the revenues collected thereunder shall be subject to rebate, plus interest at a per-annum rate determined by the

1 commission, to the extent that the rates, tolls, or charges
2 ultimately approved by the commission in its final decision
3 produce revenues which are less than those collected under
4 the filed schedules. In the case of an investor-owned
5 utility, the interest rate set by the commission may not
6 exceed the cost of equity capital as last determined by the
7 commission.

8 (3) The commission may prescribe rules necessary to
9 effectively administer this section."

10 NEW SECTION. Section 9. Codification instruction.
11 Sections 1 through 7 are intended to be codified as an
12 integral part of Title 69, chapter 3, and the provisions of
13 Title 69, chapter 3, apply to sections 1 through 7.

14 NEW SECTION. Section 10. Extension of authority. Any
15 existing authority of the public service commission to make
16 rules on the subject of the provisions of this act is
17 extended to the provisions of this act.

18 NEW SECTION. Section 11. Effective date. This act is
19 effective on passage and approval.

-End-

STANDING COMMITTEE REPORT

.....MARCH 6,..... 19.87.....

MR. PRESIDENT

We, your committee on.....BUSINESS AND INDUSTRY.....

having had under consideration.....HOUSE BILL..... No. 691.....

THIRD reading copy (BLUE)
color

BRADLEY (NEUMAN)

REVISE RATE REGULATION OF SMALL TELEPHONE COMPANIES

Respectfully report as follows: That.....HOUSE BILL..... No. 691.....

be amended as follows:

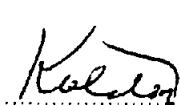
1. Line 24 on page 5 through line 1 on page 6.
Strike: "signatures of" on line 24 of page 5 through
"generated from" on line 1 of page 6
Insert: "a signature of an authorized representative of
any interexchange carrier that would be affected by"

AND AS AMENDED,

BE CONCURRED IN

XXXXXX

XXXXXXXXXX


.....
SENATOR KOLSTAD, Chairman.

3-11-87
11:51
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