

THE STATE OF NEW HAMPSHIRE

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PUBLIC UTILITIES COMMISSION

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April 12, 2013

Mr. Jeffry A. Pattison
Legislative Budget Assistant
Office of Legislative Budget Assistant
Room 102 State House
Concord, New Hampshire 03301

Re: REQUEST FOR FISCAL IMPACT STATEMENT
Puc 400 – RULES FOR TELEPHONE SERVICE

Dear Mr. Pattison:

Attached please find a Request for Fiscal Impact Statement regarding Chapter Puc 400 rules, entitled "Rules for Telephone Service." A copy of the commission-approved Initial Proposal for amendments to Puc 400 is attached for your review.

When you have completed your Fiscal Impact Statement, please notify the Commission. If you should have any questions or comments, please do not hesitate to contact me.

Thank you for your attention to this matter.

Sincerely,

A handwritten signature in black ink, appearing to read "David J. Shulock".

David J. Shulock
Staff Attorney
David.shulock@puc.nh.gov
Tel: 271-6006

APPENDIX II-B

OFFICE OF LEGISLATIVE BUDGET ASSISTANT
REQUEST FOR FISCAL IMPACT STATEMENT (FIS)

FIS Number _____ Rule Number _____ Puc 400 _____

<p>1. Agency Name & Address: New Hampshire Public Utilities Commission 21 South Fruit Street, Suite 10 Concord, NH 03301</p>	<p>2. RSA Authority: RSA 362:1, 2, 7, 8, RSA 365:1, 1-a, 6, 8, IV, VII, XI, XII, RSA 363-A 2, 4, RSA 369:1, 6, 7, RSA 374:1, 1-a, 3, 4, 5, 8, 13, 15, 18, 22, 22-p, 28-a, 34-a, 37, 38, 39, 59, RSA 378:1, 1-a, 44-48, RSA 91-A, RSA 106-H:8, 9</p> <p>3. Federal Authority: 47 U.S.C. 222 (e), 225 (b), 251 (a), (b), (c), (f), (h), 47 CFR 2300-2345, 51.217, 54.400, 64.1330</p> <p>4. Type of Action:</p> <p style="padding-left: 20px;">Adoption _____</p> <p style="padding-left: 20px;">Amendment _____</p> <p style="padding-left: 20px;">Repeal _____</p> <p style="padding-left: 20px;">Readoption _____</p> <p style="padding-left: 20px;">Readoption w/amendment <u> x </u></p> <p style="padding-left: 20px;">Interim rule _____</p> <p>5. Have the rules expired? Yes <input checked="" type="checkbox"/> No</p> <p>Date Expired: _____</p>
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6. Short Title: **Puc 400 Rules for Telephone Utilities**

7. Contact Person:

Name:	David J. Shulock, Esq.	Title:	Staff Attorney
Address:	New Hampshire Public Utilities Commission 21 South Fruit Street, Suite 10 Concord, NH 03301	Phone #:	(603) 271-2431
		Fax #:	(603) 271-3878

- Remember:
- (a) A copy of the proposed rule or an annotated copy of the amended rule must accompany this form. The annotated copy shall use [brackets] to indicate deleted material, and underlining for added material, or any other annotation style allowed in Section 5.4 in Chapter 4 of the Drafting and Procedure Manual for Administrative Rules.
 - (b) If calculations are required in the preparation of this request, attach a worksheet showing the methodology.
 - (c) This form may be replicated to expedite preparation.
 - (d) Please allow 10 working days from day of receipt for the Office of Legislative Budget Assistant to complete the fiscal impact statement. Additional information about this form is in Section 2.3 in Chapter 3 of the Drafting and Procedure Manual for Administrative Rules.

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(e) Please provide the following information and attach additional sheets if necessary:

(1) Summarize the rule.

Senate Bill 48, Laws 2012 chapter 177, (SB 48), became effective August 10, 2012 changing New Hampshire laws governing the regulation of telephone utilities. SB 48 reduced regulation of most telephone service providers. SB 48 changed regulation of telephone utilities significantly enough to warrant a comprehensive and extensive revision of the existing rule. The proposed Puc 400 rules replace the existing Puc 400 rules in their entirety.

SB 48 established a new category of telephone utilities called Excepted Local Exchange Carriers (ELECs). This category includes FairPoint, competitive local exchange carriers, competitive toll providers, payphone providers and any incumbent local exchange carrier who elects to be an ELEC. ELECs do not have to comply with many of the existing laws governing telephone utilities. For instance, ELECs do not have to file tariffs or get approval for special pricing. Providers of VoIP and IP enabled services are telephone utilities. However, following the enactment of SB 48, the Commission does not regulate market entry, exit, transfer of control, rates terms or conditions for any VoIP or IP enabled service except as specified in RSA 362:7, III.

SB 48 generally did not change regulation of wholesale telephone matters, or matters unrelated to service such as safety and infrastructure. Nor did SB 48 change regulation of incumbent local exchange carriers that do not elect ELEC status.

The rule establishes standard procedures, general business rules, and guidelines for telephone utilities in order to enable them to comply with relevant laws. The existing rule established requirements that were applicable to each different type of regulated entity. This system would be unnecessarily repetitive following the enactment of SB 48. The new rule utilizes the new term "voice service provider" or "VSP" to refer to all telephone public utilities. The requirements applicable to all voice service providers are consolidated.

(2) Is the cost associated with this rule mandated by the rule or by state statute? If the cost is mandated by statute, then the rule itself may not have a cost or benefit associated with it. Please state either the statute or chapter law that is instigating this rule.

Any costs or benefit associated with this rule are mandated by statute. See especially, Laws 2012, Chapter 177.

(3) Compare the cost of the proposed rule with the cost of the existing rule, if there is an existing rule.

The proposed rule should reduce costs to telephone utilities because the level of regulation and reporting has been greatly reduced.

(4) Describe the costs and benefits to the state general fund which would result from this rule.

The Commission does not expect any cost or benefit to the state general fund as a result of this rule.

(5) Explain and cite the federal mandate for the proposed rule, if there is such a mandate. How would the mandate affect state funds?

The proposed rule is not precipitated by federal mandate.

- (6) Describe the cost and benefits to any state special fund which would result.

There is no impact on any state special fund as a result of the proposed or existing rule.

- (7) Describe the costs and benefits to the political subdivisions of the state.

The costs to political subdivisions of the state cannot be determined. RSA 378:1-a eliminates the Commission's regulatory authority over most telephone utility service rates which could result in increased rates. Benefits may include increased competitive alternatives for telephone utility service and could result in stable or decreased rates.

- (8) Describe the costs and benefits to the citizens of the state.

The costs to the citizens of the state cannot be determined. RSA 378:1-a eliminates the Commission's regulatory authority over most telephone utility service rates which could result in increased rates. Benefits may include increased competitive alternatives for telephone utility service and could result in stable or decreased rates.

- (9) Describe the costs and benefits to any independently owned business, including a description of the specific reporting and recordkeeping requirements upon those employing fewer than 10 employees.

In most cases, the cost of telephone utility service is no longer regulated by the public utilities commission. The Commission is unable to determine the impact on independently owned businesses. Costs for telephone utilities, including those with fewer than 10 employees, should be reduced as a result of reduced regulatory requirements. Benefits may include increased competitive alternatives for telephone utility service.

