

House Research Act Summary

CHAPTER: 254

SESSION: 2008 Regular Session

TOPIC: Telephone regulation

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Analyst: Bob Eleff

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Overview

Telephone companies seeking greater flexibility to respond to less regulated competitors such as wireless services may opt out of traditional rate-of-return regulation and operate under what Minnesota calls an alternative form of regulation (AFOR) plan. Chapter 254 allows a company to elect to be operated under an AFOR plan of another company, provided that the latter is larger than the electing company or its affiliate.

- 1 Subd. 4. Joining an existing plan.** Allows a telephone company to elect to be regulated under another company's existing alternative regulation plan if the latter is a larger company or an affiliate of the electing company.

The electing company must operate under the plan for three years or the original term of the existing plan, whichever is longer.

Notice of the election must be provided to the Public Utilities Commission at least 90 days prior to the proposed effective date of the adoption, and to customers 60 days in advance of that date.

The Department of Commerce or Office of the Attorney General may file an objection to an adoption with the commission if the electing company operated under its own alternative regulation plan and was not in compliance with certain of its provisions.

A company not previously regulated under an alternative regulation plan may not, during the first three years of operation under the adopted plan, increase its rates beyond the rates

in effect at the time of the adoption, except for provisions of the plan that allow for exogenous price changes.

Interested parties have 30 days to file comments on the proposed adoption after notice has been filed with the commission; reply comments may be filed 45 days after that notice. Comments are to identify any aspect of the adoption that a party believes is not in the public interest.

The commission is to approve the adoption unless it finds it not to be in the public interest, in which case the commission may reject or modify the adoption. Following a commission order modifying the adoption, the electing company may withdraw its election within 30 days of the order.