C5 5lr1716 CF SB 207

By: Delegate Jameson

Introduced and read first time: February 9, 2015

Assigned to: Economic Matters

A BILL ENTITLED

1 AN ACT concerning

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Telephone Companies - Streamlined Regulatory Requirements

3 FOR the purpose of narrowing the types of services of a telephone company that are 4 regulated by the Public Service Commission by altering a certain definition; 5 providing that the Commission may allow a telephone company to provide a 6 regulated service without requiring the telephone company to file a certain tariff 7 schedule under certain circumstances; providing that a certain merger of or transfer 8 of stock or other ownership interest between a telephone company and another 9 certain entity does not require a certain prior authorization from the Commission; providing that a certain transaction in which a telephone company is acquired by 10 11 another certain entity does not require a certain prior authorization from the 12 Commission; allowing a telephone company to withdraw offering a certain retail 13 service under certain circumstances after providing certain notice; and generally 14 relating to regulatory requirements of telephone companies.

- 15 BY repealing and reenacting, without amendments,
- 16 Article Public Utilities
- 17 Section 1–101(a)
- 18 Annotated Code of Maryland
- 19 (2010 Replacement Volume and 2014 Supplement)
- 20 BY repealing and reenacting, with amendments,
- 21 Article Public Utilities
- 22 Section 1–101(ll), 4–202, 5–203, and 6–101
- 23 Annotated Code of Maryland
- 24 (2010 Replacement Volume and 2014 Supplement)
- 25 BY adding to
- 26 Article Public Utilities
- 27 Section 8–109
- 28 Annotated Code of Maryland

EXPLANATION: CAPITALS INDICATE MATTER ADDED TO EXISTING LAW.

[Brackets] indicate matter deleted from existing law.



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FOR THE REGULATED SERVICE.

1	(2010 Replacement Volume and 2014 Supplement)
2 3	SECTION 1. BE IT ENACTED BY THE GENERAL ASSEMBLY OF MARYLAND, That the Laws of Maryland read as follows:
4	Article - Public Utilities
5	1–101.
6	(a) In this division the following words have the meanings indicated.
7	(ll) (1) "Telephone company" means a public service company that:
8 9 10	(i) owns telephone lines to receive, transmit, or communicate LOCAL EXCHANGE telephone SERVICES, EXCHANGE ACCESS TELEPHONE SERVICES, or teletype communications; [or]
11 12	(ii) leases, licenses, or sells LOCAL EXCHANGE TELEPHONE SERVICES, EXCHANGE ACCESS telephone SERVICES, or teletype communications; OR
13 14	(III) OWNS TELEPHONE LINES TO RECEIVE, TRANSMIT, OR COMMUNICATE TELEPHONE SERVICES TO INMATE FACILITIES.
15	(2) "Telephone company" does not include a cellular telephone company.
16	4–202.
17 18 19	(a) [A] SUBJECT TO SUBSECTION (C) OF THIS SECTION, A public service company shall file with the Commission a tariff schedule of its rates and charges for its regulated services and for standard offer service as provided in § 7–505(b)(8) of this article.
20	(b) As ordered by the Commission, a public service company shall:
21 22	(1) plainly print the tariff schedule of its rates and charges for its regulated services;
23	(2) make available the tariff schedules for public inspection; and
24 25	(3) post the tariff schedules to make the tariff schedules readily accessible to and convenient for inspection by the public.
26 27 28	(C) NOTWITHSTANDING ANY OTHER LAW, IF THE COMMISSION FINDS THAT IT IS IN THE PUBLIC INTEREST, THE COMMISSION MAY ALLOW A TELEPHONE COMPANY TO PROVIDE A REGULATED SERVICE WITHOUT REQUIRING THE

TELEPHONE COMPANY TO FILE A TARIFF SCHEDULE OF ITS RATES AND CHARGES

1 5–203.

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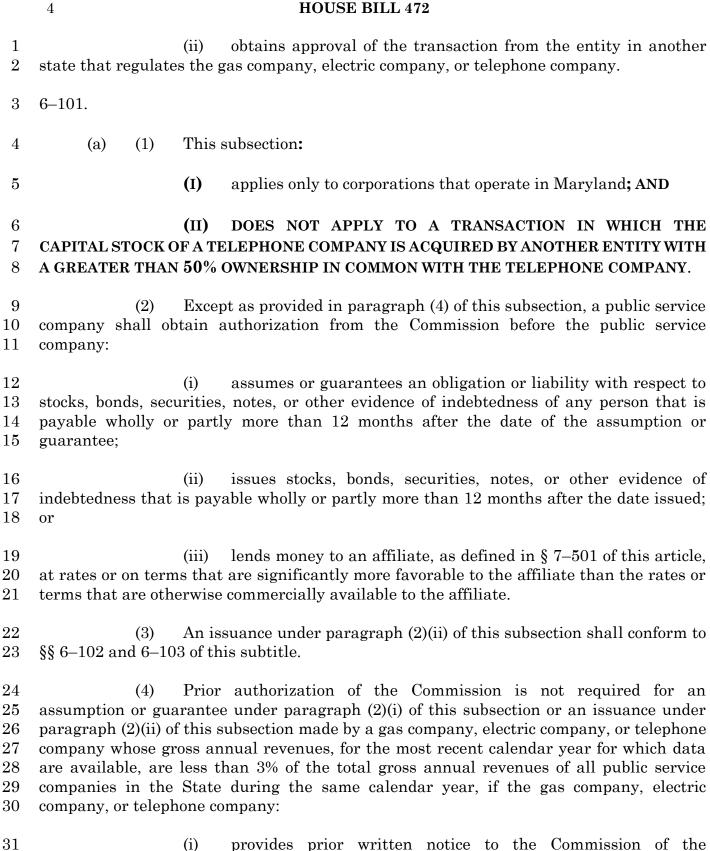
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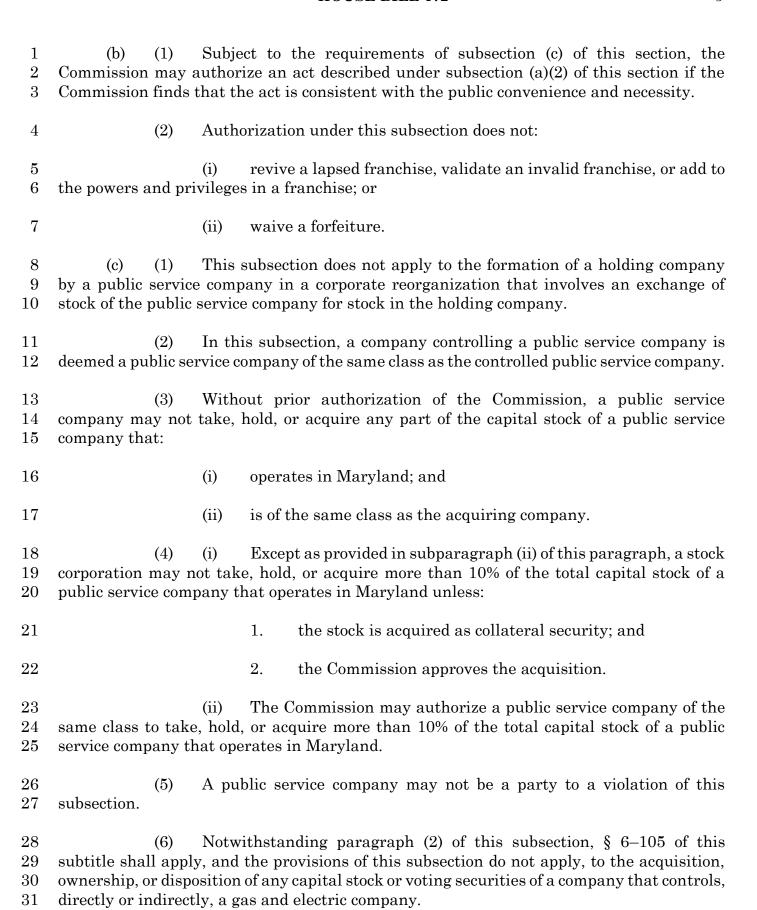
- 2 (A) THIS SECTION DOES NOT APPLY TO A MERGER OF OR TRANSFER OF 3 STOCK OR OTHER OWNERSHIP INTEREST BETWEEN:
- 4 (1) A TELEPHONE COMPANY; AND
- 5 (2) ANOTHER ENTITY WITH A GREATER THAN 50% OWNERSHIP IN 6 COMMON WITH THE TELEPHONE COMPANY.
- [(a)] **(B)** Subject to § 6–101 of this article, without prior authorization of the Commission, a public service company may not purchase, acquire, take, or hold any part of the capital stock of another public service company that operates in Maryland.
- 10 [(b)] (C) (1) This subsection applies to corporations that operate in Maryland.
- 11 (2) Except as provided in paragraph (5) of this subsection, without prior authorization of the Commission, a public service company may not:
- 13 (i) assume or guarantee an obligation or liability with respect to 14 stocks, bonds, securities, notes, or other evidence of indebtedness that is payable as a whole 15 or in part to any person more than 12 months after the date of issuance; or
- 16 (ii) issue stocks, bonds, securities, notes, or other evidence of 17 indebtedness payable as a whole or in part more than 12 months after the date of issuance.
- 18 (3) Stocks, bonds, securities, notes, or other evidence of indebtedness 19 described under paragraph (2)(ii) of this subsection shall be issued in accordance with §§ 20 6–102 and 6–103 of this article.
- 21 (4) The Commission shall take action on an application for authorization 22 under this section within a reasonable time after receipt.
 - (5) Prior authorization of the Commission is not required for an assumption or guarantee under paragraph (2)(i) of this subsection or an issuance under paragraph (2)(ii) of this subsection made by a gas company, electric company, or telephone company whose gross annual revenues, for the most recent calendar year for which data are available, are less than 3% of the total gross annual revenues of all public service companies in the State during the same calendar year, if the gas company, electric company, or telephone company:
- 30 (i) provides prior written notice to the Commission of the 31 transaction; and

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transaction; and



33 (ii) obtains approval of the transaction from the entity in another state that regulates the gas company, electric company, or telephone company. 34



- 1 (7) Notwithstanding any other provision of this subsection, the
- 2 Commission may authorize, in accordance with § 6–105 of this subtitle, the taking, holding,
- 3 or acquiring of all or any part of the capital stock of a gas and electric company that operates
- 4 in the State by a stock corporation or a public service company that is not of the same class
- 5 as the gas and electric company.
- 6 **8–109**.
- 7 (A) (1) IN THIS SECTION, "RETAIL SERVICE" MEANS ANY SERVICE
- 8 PROVIDED TO END-USER CUSTOMERS.
- 9 (2) "RETAIL SERVICE" DOES NOT INCLUDE EXCHANGE ACCESS
- 10 TELEPHONE SERVICE.
- 11 (B) (1) SUBJECT TO PARAGRAPH (2) OF THIS SUBSECTION AND
- 12 NOTWITHSTANDING ANY OTHER LAW, A TELEPHONE COMPANY MAY WITHDRAW
- 13 OFFERING A RETAIL SERVICE:
- 14 (I) IF THE TELEPHONE COMPANY DOES NOT HAVE ANY
- 15 CUSTOMERS OF THE RETAIL SERVICE IN THE STATE, 14 DAYS AFTER PROVIDING
- 16 NOTICE TO THE COMMISSION; AND
- 17 (II) IF THE TELEPHONE COMPANY HAS CUSTOMERS OF THE
- 18 RETAIL SERVICE IN THE STATE, 30 DAYS AFTER PROVIDING NOTICE TO THE
- 19 COMMISSION AND THE CUSTOMERS OF THE SERVICE.
- 20 (2) WITHOUT PRIOR AUTHORIZATION OF THE COMMISSION, A
- 21 TELEPHONE COMPANY MAY NOT WITHDRAW OFFERING TO ITS CUSTOMERS BASIC
- 22 LOCAL SERVICE TO AN EXCHANGE.
- SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall take effect
- 24 October 1, 2015.