

HB 1328-FN - AS INTRODUCED

2022 SESSION

22-2428

12/10

HOUSE BILL ***1328-FN***

AN ACT authorizing a utility to petition to be relieved of their carrier of last resort obligations.

SPONSORS: Rep. Harrington, Straf. 3

COMMITTEE: Science, Technology and Energy

ANALYSIS

This bill authorizes a utility to petition the department of energy to relieve them of their carrier of last resort obligations and directs the department to grant the petition if certain conditions exist.

Explanation: Matter added to current law appears in ***bold italics***.
 Matter removed from current law appears ~~[in brackets and struckthrough]~~
 Matter which is either (a) all new or (b) repealed and reenacted appears in regular type.

STATE OF NEW HAMPSHIRE

In the Year of Our Lord Two Thousand Twenty Two

AN ACT authorizing a utility to petition to be relieved of their carrier of last resort obligations.

Be it Enacted by the Senate and House of Representatives in General Court convened:

1 1 Relief of Carrier of Last Resort Service Obligations. Amend RSA 374:22-g, III to read as
2 follows:

3 **III. *An incumbent utility may petition the department of energy to be relieved of its***
4 ***carrier of last resort obligation in one or more municipalities. The department of energy***
5 ***shall approve the petition if the department of energy finds that:***

6 ***(a) There is at least one wireline-facilities-based voice network service provider***
7 ***other than the incumbent that offers service to at least 95 percent of the households in the***
8 ***municipality, and one or more mobile telecommunications service provider that offers, in***
9 ***the aggregate, mobile telecommunications services to at least 97 percent of the households***
10 ***in the municipality; or***

11 ***(b) A provider or multiple providers, other than the incumbent utility, have***
12 ***received state, federal, or municipal funding to serve the entire municipality.***

13 **IV.** The department of energy shall adopt rules, pursuant to RSA 541-A, relative to the
14 enforcement of this section.

15 2 Effective Date. This act shall take effect 60 days after its passage.

HB 1328-FN- FISCAL NOTE
AS INTRODUCED

AN ACT authorizing a utility to petition to be relieved of their carrier of last resort obligations.

FISCAL IMPACT: ☒ State ☒ County ☒ Local ☐ None

STATE:	Estimated Increase / (Decrease)			
	FY 2022	FY 2023	FY 2024	FY 2025
Appropriation	\$0	\$0	\$0	\$0
Revenue	\$0	Indeterminable	Indeterminable	Indeterminable
Expenditures	\$0	Indeterminable	Indeterminable	Indeterminable
Funding Source:	<input type="checkbox"/> General <input type="checkbox"/> Education <input type="checkbox"/> Highway <input checked="" type="checkbox"/> Other - General assessment revenue			

COUNTY:

Revenue	\$0	\$0	\$0	\$0
Expenditures	\$0	Indeterminable	Indeterminable	Indeterminable

LOCAL:

Revenue	\$0	\$0	\$0	\$0
Expenditures	\$0	Indeterminable	Indeterminable	Indeterminable

METHODOLOGY:

The Department of Energy indicates this bill would authorize a telephone utility to petition the Department to relieve the company of its carrier of last resort obligations in one or more municipalities and direct the department to grant the petition if there is at least one other wireline voice provider that offers service to at least 95 percent of households in the municipality and one or more mobile providers that offers in the aggregate services to at least 97 percent of the households in the municipality, or if there is another provider or providers that have received state, federal, or municipal funding to serve the entire municipality. The bill would require the department to adopt rules to enforce the section.

The Department is unaware of arrangements made by the state, county, and local governments for telephone service, the cost of that service, or the cost of changing that service should a telephone utility cease to provide service or fail to extend service to a customer. Consequently, the department cannot calculate the expenditures to be made by state, county and local governments.

For purposes of rulemaking, the Department assumes it would have the option to either:

1. Adopt rules that would depend entirely upon the utility to certify compliance with the statutory criteria, in which case current staff may be able to prepare rules or;
2. Adopt rules that provide the Department with a role to analyze data provided by the utility or independently investigate and verify that statutory criteria are met. This option would require the department to hire at least two consultants, one with knowledge of wire-line penetration and another with knowledge of mobile penetration. The Department estimates the cost of employing each of these consultants will range between \$50,000 and \$100,000. The costs of consultants for rulemaking would be paid by the Department's general assessment and spread among customers of all utilities, the financial impact of which would be de minimis. The Department does not have sufficient funding in its current budget to employ those consultants.

For purposes of evaluating and approving or denying petitions filed by telephone utilities under the bill, the Department would have the option to either:

1. Depend entirely upon the utility to certify compliance with the statutory criteria. This would likely not require the department to hire consultants.
2. Analyze data provided by the utility.
3. Independently investigate and verify that information provided by the utility is accurate.

The second two options would require the department to employ the same types of consultants noted above for each request made by a utility. The cost of those consulting services would likely be less under option (2) than under option (3), and would vary considerably based upon which and how many municipalities are implicated by a utility's request. Those costs would be directly assessed to the petitioning utility, which may attempt to recover the costs from its customers.

It is assumed that any fiscal impact would occur after FY 2022.

AGENCIES CONTACTED:

Department of Energy