

## Utilities

### Sub. H.B. 402

**Reps.** Hill, R. Smith, Lang, Seitz, Becker, Celebrezze, Scherer, Rezabek, Riedel, Koehler, Manning, Kick, Reineke, Blessing, Romanchuk

**Sens.** Beagle, Burke, Coley, Eklund, Hackett, Hoagland, Hottinger, Huffman, Lehner, Terhar

**Effective date:** March 20, 2019

#### Telecommunications services

- Allows most incumbent local exchange carriers (ILECs) to increase rates for basic local exchange service (BLES) by up to \$2 each year, except:
  - Rates may be increased as needed to meet federal eligibility requirements for the Universal Service High-Cost program; and
  - The ILECs may apply to the Public Utilities Commission (PUCO) no earlier than March 20, 2023, for an exemption from regulation of BLES rates in an exchange area.
- Requires an application for an exemption from BLES rate regulation to be deemed approved after 30 days unless PUCO finds that the ILEC has not demonstrated both of the following:
  - The exchange area is competitive, based on tests in continuing law;
  - The ILEC has experienced at least 50% line loss in the exchange area since January 1, 2002.
- Modifies the timeline for applications under continuing law for competitiveness determinations of exchange areas by permitting PUCO to suspend an application's automatic approval for good cause shown.
- Prohibits most ILECs from decreasing their BLES rates below the "incremental cost."
- Requires PUCO staff to produce and docket a report not later than March 20, 2022, on all of the following:
  - The number of basic local exchange lines in service in Ohio at the time of the report;
  - The aggregate amount of line loss in Ohio since March 20, 2019;
  - The change in the price of BLES in each exchange area in Ohio over the three years since March 20, 2019.

- Requires PUCO to submit to the Speaker of the House, the President of the Senate, and the appropriate House and Senate committees a report of its assessment of the staff's report, following a three-month comment period on the staff's report.
- Requires a telephone company to provide 15 days' advance notice to customers of material changes in rates, terms, and conditions of only the following services:
  - Retail services required to be tariffed by PUCO or the Federal Communications Commission (FCC);
  - Wholesale services as to which there is no other applicable notice requirement.
- Revises state policy for the provision of telecommunications services.

### **PUCO authority and jurisdiction**

- Repeals the PUCO-approval requirement for an acquisition or merger of a domestic telephone company if there is a pending application with the FCC and the FCC exercises its authority regarding the application.
- Requires a domestic telephone company or a holding company controlling a domestic telephone company to notify PUCO of a merger or transfer-of-control application filed with the FCC.
- Allows PUCO to investigate or inspect any telephone-company plant and facility, to the extent of PUCO's jurisdiction and only in response to a complaint that implicates the plant or facility and that is made by a consumer concerning BLES or another entity concerning wholesale service.
- Requires PUCO to amend its rules, not later than July 18, 2019, to bring them into conformity with the act and to amend its rules governing Lifeline service to ensure consistency with the federal Lifeline program.

### **Exemption from treble damages**

- Excludes telephone companies from treble damages liability resulting from a violation of or failure to comply with the Public Utilities Law or PUCO orders.

### **Emergency telephone system**

- Modifies, for purposes of the Emergency Telephone System Law, the definitions of "telephone company" and "enhanced wireline 9-1-1" to expand 9-1-1 providers covered under the law.
- Expands the entities that are not liable for civil-action damages in connection with certain aspects of a 9-1-1 system or the provision of assistance to a public utility, municipal utility, or state or local government in cases of public emergency.

## Contractual and federal obligations

- States that nothing in the sections amended or enacted by the act is to be construed to affect any existing contractual obligation or any right or obligation under federal law or rules.

## Sub. H.B. 422

**Reps.** Ginter and Rogers, Carfagna, Seitz, Sprague, Thompson, Anielski, Antonio, Arndt, Barnes, Celebrezze, Green, Greenspan, Hambley, T. Johnson, Landis, Lepore-Hagan, Miller, Perales, Riedel, Schaffer, Scherer, K. Smith, R. Smith, Stein, M. Sweeney, Wiggam, Young

**Sens.** Eklund, Beagle, Burke, Coley, Hackett, Jordan, Lehner, O'Brien, Schiavoni, Tavares, Yuko

**Effective date:** April 5, 2019

### Acquisition of municipal companies

- Allows the Public Utilities Commission (PUCO) to approve the purchase of a municipal water-works or sewage disposal system company by a large water-works or sewage disposal system company.
- Requires PUCO to establish a rate base for the company being acquired.
- Requires the acquiring company to recommend whether the company being acquired should be integrated into an existing rate division or given a new one.
- Adds requirements for determining the original cost of acquisition of a municipal water-works or sewage disposal system company by a large water-works or sewage disposal system company.
- Requires PUCO to maintain a list of utility-valuation experts to be used to appraise the original cost of acquisition.
- Requires the deferral of prudent costs of obtaining utility valuations.
- Allows the deferral of post-in-service carrying costs for post-acquisition improvements and any depreciation expenses related to those improvements.

### Release conditions on former state land

- Releases certain conditions with respect to a 1981 conveyance of state-owned real estate in Kettering to the Miami Valley Research Foundation.