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State of Minnesota

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Page No. **390**

HOUSE OF REPRESENTATIVES

EIGHTY-FIFTH
SESSION

HOUSE FILE No. **3327**

February 21, 2008

Authored by Beard

The bill was read for the first time and referred to the Committee on Commerce and Labor

March 13, 2008

Committee Recommendation and Adoption of Report:

To Pass as Amended

Read Second Time

1.1 A bill for an act
1.2 relating to telecommunications; modifying provisions relating to alternative
1.3 regulation plans; amending Minnesota Statutes 2006, section 237.766, by adding
1.4 a subdivision.

1.5 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF MINNESOTA:

1.6 Section 1. Minnesota Statutes 2006, section 237.766, is amended by adding a
1.7 subdivision to read:

1.8 Subd. 4. **Joining an existing plan.** (a) A telephone company may elect to be
1.9 regulated under another company's plan if:

1.10 (1) the company regulated under the plan is larger than the electing company; or

1.11 (2) the company regulated under the plan is an affiliated company of the electing
1.12 company; and

1.13 (3) the plan is currently in effect.

1.14 (b) A telephone company electing to adopt an existing plan must operate under the
1.15 terms of that plan for three years or the original term of the existing plan, whichever
1.16 is longer.

1.17 (c) A telephone company that elects to adopt an existing plan must give notice to the
1.18 commission at least 90 days prior to the proposed effective date of the adoption and to its
1.19 customers at least 60 days prior to the proposed effective date.

1.20 (d) The Department of Commerce or the Office of the Attorney General may file
1.21 an objection to a telephone company electing to adopt the plan of another company if
1.22 the electing company has operated under an alternative regulation plan of its own and
1.23 did not substantially comply with the service quality provisions of or did not meet the
1.24 infrastructure obligations of its plan.

2.1 (e) If a telephone company has not previously operated under an alternative
2.2 regulation plan, the rates for its price-regulated services may be no higher for the first three
2.3 years of operation under the adopted plan than the rates in effect when the adopted plan
2.4 becomes effective, except for any plan provisions that address exogenous changes.

2.5 (f) Within 30 days of the electing company filing notice to the commission under
2.6 paragraph (c), interested parties may file comments with the commission that identify
2.7 any aspect of the adoption that a party believes is contrary to the public interest. Reply
2.8 comments may be filed 45 days following the notice to the commission. The commission
2.9 shall approve the adoption unless it finds that the adoption is not in the public interest, in
2.10 which case the commission may reject or modify the adoption. If the commission modifies
2.11 the adoption, the electing company may withdraw its proposed adoption by filing notice
2.12 with the commission within 30 days of the commission's order modifying the adoption.

2.13 **EFFECTIVE DATE.** This section is effective the day following final enactment.