

## Rule Summary and Fiscal Analysis

### Part A - General Questions

**Rule Number:** 4901:1-6-14

**Rule Type:** Amendment

**Rule Title/Tagline:** BLES pricing parameters.

**Agency Name:** Public Utilities Commission of Ohio

**Division:** Utilities

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#### I. Rule Summary

1. **Is this a five year rule review?** No
  - A. **What is the rule's five year review date?** 5/14/2023
2. **Is this rule the result of recent legislation?** Yes
  - A. **If so, what is the bill number, General Assembly and Sponsor?** HB 402 - 132 - Hill
3. **What statute is this rule being promulgated under?** 111.15
4. **What statute(s) grant rule writing authority?** R.C. 4901.13, 4927.03
5. **What statute(s) does the rule implement or amplify?** R.C. 4927.12, 4927.121, 4927.123, 4927.124
6. **What are the reasons for proposing the rule?**

The 132nd Ohio General Assembly adopted Substitute House Bill 402 (Sub. H.B. 402) that, among other things, directed the Commission to: adopt rules that permit incumbent local exchange companies (ILECs) to increase rates for basic local exchange service (BLES) by up to \$2.00 on an annual basis; docket a report no later than three years after the effective date to examine the number of exchange lines in service, the aggregate amount of line loss in the state of Ohio since the bill was enacted,

and the change in price for those services in each exchange area since the effective date; submit a report to the standing committees in the House of Representatives and the Senate; permit, no earlier than four years from the effective date of the legislation, an ILEC to apply for an exemption for the price cap requirements for BLES; exempt telephone companies from treble damages; and, limit the Commission's ability to consider a domestic telephone company change of control application. A workshop relative to these issues was held on February 7, 2019. Pursuant to the Entry of March 20, 2019, comments were sought regarding the Commission Staff's proposed rules implementing Sub. H.B. 402.

- 7. Summarize the rule's content, and if this is an amended rule, also summarize the rule's changes.**

The rule has been amended in order to allow for increases in basic local exchange rates over a 12-month period of up to \$2.00 and decreases of any amount but not below the carrier's incremental cost. The rule has also been amended to allow an incumbent local exchange company to file for an exemption from rate increase limitations provided that the appropriate demonstration is made.

- 8. Does the rule incorporate material by reference? No**
- 9. If the rule incorporates material by reference and the agency claims the material is exempt pursuant to R.C. 121.75 please explain the basis for the exemption and how an individual can find the referenced material.**

*Not Applicable*

- 10. If revising or re-filing the rule, please indicate the changes made in the revised or re-filed version of the rule.**

Attached wrong CSI documents - amended

## **II. Fiscal Analysis**

- 11. Please estimate the increase / decrease in the agency's revenues or expenditures in the current biennium due to this rule.**

This will have no impact on revenues or expenditures.

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Not Applicable

- 12. What are the estimated costs of compliance for all persons and/or organizations directly affected by the rule?**

Not Applicable

- 13. Does the rule increase local government costs? (If yes, you must complete an RSFA Part B). No**

- 14. Does the rule regulate environmental protection? (If yes, you must complete an RSFA Part C). No**

- 15. If the rule imposes a regulation fee, explain how the fee directly relates to your agency's cost in regulating the individual or business.**

Not Applicable

### **III. Common Sense Initiative (CSI) Questions**

- 16. Was this rule filed with the Common Sense Initiative Office? Yes**

- 17. Does this rule have an adverse impact on business? No**

**A. Does this rule require a license, permit, or any other prior authorization to engage in or operate a line of business? No**

**B. Does this rule impose a criminal penalty, a civil penalty, or another sanction, or create a cause of action, for failure to comply with its terms? No**

**C. Does this rule require specific expenditures or the report of information as a condition of compliance? No**

**D. Is it likely that the rule will directly reduce the revenue or increase the expenses of the lines of business of which it will apply or applies? No**