

## Rule Summary and Fiscal Analysis

### Part A - General Questions

**Rule Number:** 4901:1-7-17

**Rule Type:** Rescission

**Rule Title/Tagline:** Carrier-to-carrier pricing.

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

**Division:** Utilities

**Address:** 180 East Broad Street Columbus OH 43215-3793

**Contact:** Jeff Jones **Phone:** 614-466-0463

**Email:** Jeffrey.Jones@puco.ohio.gov

#### I. Rule Summary

1. Is this a five year rule review? Yes
  - A. What is the rule's five year review date? 4/10/2023
2. Is this rule the result of recent legislation? No
3. What statute is this rule being promulgated under? 111.15
4. What statute(s) grant rule writing authority? 4927.03, 4901.13
5. What statute(s) does the rule implement or amplify? 4901.13, 4927.04
6. Does the rule implement a federal law or rule in a manner that is more stringent or burdensome than the federal law or regulation requires? No
  - A. If so, what is the citation to the federal law or rule? Not Applicable
7. What are the reasons for proposing the rule?

To satisfy the five year review requirement and to comply with the requirements of R.C. 121.95(A) for state agencies to reduce the total number of regulatory restrictions by 30 percent by June 30, 2025.
8. Summarize the rule's content, and if this is an amended rule, also summarize the rule's changes.

The rule addresses the provisioning of carrier-to-carrier pricing. The rule is amended to reduce unnecessary regulatory restrictions and the addition of clarifying language in rules 4901:1-7-17(A)(2), 4901:1-7-17(A)(3), 4901:1-7-17(A)(4) , 4901:1-7-17(B)(1), and 4901:1-7-17(B)(2).

- 9. Does the rule incorporate material by reference? Yes**
- 10. 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.**

Exemption exists due to incorporation by reference of either sections of the Ohio Revised Code, rules in the Ohio Administrative Code, regulation in the Code of Federal Regulations, or sections of the United States Code. References to the incorporated materials are readily available online.

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

*Not Applicable*

## **II. Fiscal Analysis**

- 12. 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.

0

*Not Applicable*

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

*Not Applicable*

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

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

16. 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**

17. Was this rule filed with the Common Sense Initiative Office? Yes

18. 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

### **IV. Regulatory Restriction Requirements under S.B. 9. Note: This section only applies to agencies described in R.C. 121.95(A).**

19. Are you adding a new or removing an existing regulatory restriction as defined in R.C. 121.95? Yes

- A. How many new regulatory restrictions do you propose adding to this rule? 0
- B. How many existing regulatory restrictions do you propose removing from this rule? 33

4901:1-7-17(A)(1) Removes a regulatory restriction from the rule requiring the use of the term elements for the purpose of identifying those areas to which carrier-to-carrier pricing applies.

4901:1-7-17(A)(2) Removes the requirement that ILEC's rates for each element it offers shall comply with rate structure standards.

4901:1-7-17(A)(3)(a) Removes a regulatory restriction requiring that such interim rates shall be subject to a true-up pursuant to paragraph (A)(4) of this rule.

4901:1-7-17(A)(4) Removes a regulatory restriction from the rule requiring that interim rates for elements shall cease to be in effect once the Commission determines rates based on forward-looking economic costs.

4901:1-7-17(A)(4) Removes a regulatory restriction from the rule requiring that interim rates for elements shall cease to be in effect once the Commission determines the rates are submitted by an ILEC.

4901:1-7-17(A)(4) Removes a regulatory restriction from the rule requiring that if interim rates for an element is different from the rate established by the Commission, the involved telephone company shall make adjustments to the past rate charged for that element.

4901:1-7-17(A)(5) Removes a regulatory restriction from the rule regarding availability of volume discount, term discount or geographically deaveraged price information of an element.

4901:1-7-17(A)(6) Removes a regulatory restriction from the rule requiring an ILEC to prove the price of an element does not exceed the forward-looking economic cost per unit.

4901:1-7-17(B)(2) Removes a regulatory restriction from the rule that the identified rate structure standards shall apply regardless of whether the price of an element is set pursuant to a forward-looking cost study or interim rate approach.

4901:1-7-17(B)(2)(a)(i) Removes a regulatory restriction from the rule requiring that recurring costs shall be recovered through recurring charges, unless the ILEC can prove to the Commission that such rates are de minimus.

4901:1-7-17(B)(2)(a)(ii) Removes a regulatory restriction requiring that the Commission on a case-by-case basis shall evaluate the reasonableness of the forward-looking non-recurring economic costs.

4901:1-7-17(B)(2)(b) Removes a regulatory restriction requiring that the costs of dedicated facilities shall be recovered through flat-rated charges.

4901:1-7-17(B)(2)(c) Removes a regulatory restriction requiring that the costs of shared facilities shall be recovered through a manner that efficiently apportions those costs among users.

4901:1-7-17(B)(2)(c) Removes a regulatory restriction requiring that the Commission shall determine on a case-by-case basis the reasonableness of the proposed cost recovery mechanism.

4901:1-7-17(B)(3) Removes a regulatory restriction regarding that the specified rate structure standards.

4901:1-7-17(A)(7) Removes a regulatory restriction from the rule regarding the rate structure set by an ILEC.

4901:1-7-17(A)(3)(a) Removes a regulatory restriction regarding the setting of the ILEC rates for each element by utilizing interim rates base on the best information available.

4901:1-7-17(A)(3)(b) Removes a regulatory restriction regarding forward-looking economic cost-based pricing methodology.

4901:1-7-17(A)(4) Removes a regulatory restriction from the rule requiring that interim rates for elements shall cease to be in effect once the rates are approved by the Commission.

4901:1-7-17(A)(7) Removes a regulatory restriction from the rule regarding the rate structure set by an ILEC.

4901:1-7-17(B)(1) Removes a regulatory restriction from the rule regarding rate structure standards

4901:1-7-17(B)(2)(a) Removes a regulatory restriction from the rule regarding the identified rate structure standards.

4901:1-7-17(B)(2)(a)(i) Removes a regulatory restriction from the rule requiring that recurring costs shall be recovered through recurring charges, unless the ILEC can prove to the Commission that such rates are de minimus.

4901:1-7-17(B)(2)(d) Removes a regulatory restriction from the rule regarding an ILEC being able to establish different rates.

4901:1-7-17(B)(3)(b) Removes a regulatory restriction regarding the specified rate structure standards.

4901:1-7-17(B)(3)(b) Removes a regulatory restriction regarding the specified rate structure standards.

4901:1-7-17(B)(3)(b) Removes a regulatory restriction regarding the specified rate structure standards.

4901:1-7-17(A)(6) Removes a regulatory restriction from the rule requiring an ILEC to prove the price of an element does not exceed the forward-looking economic cost per unit.

4901:1-7-17(A)(1) Removes a regulatory restriction from the rule requiring the use of the term elements for the purpose of identifying those areas to which carrier-to-carrier pricing applies.

4901:1-7-17(A)(1) Removes a regulatory restriction from the rule requiring the use of the term elements for the purpose of identifying those areas to which carrier-to-carrier pricing applies.

4901:1-7-17(A)(1) Removes a regulatory restriction from the rule requiring the use of the term elements for the purpose of identifying those areas to which carrier-to-carrier pricing applies.

4901:1-7-17(A)(1) Removes a regulatory restriction from the rule requiring the use of the term elements for the purpose of identifying those areas to which carrier-to-carrier pricing applies.

4901:1-7-17(A)(5) Removes a regulatory restriction from the rule regarding availability of volume discount, term discount or geographically deaveraged price information of an element.

**C. If you are not removing existing regulatory restrictions from this rule, please list the rule number(s) from which you are removing restrictions.**

**D. Please justify the adoption of the new regulatory restriction(s).**

Not Applicable

