

# HOUSE BILL REPORT

## SB 5370

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### As Reported By House Committee On:

Energy & Utilities

**Title:** An act relating to reducing the time required for public notice of telecommunications rate reductions.

**Brief Description:** Allowing a telecommunications company to reduce a rate or charge in a more streamlined manner.

**Sponsors:** Senators Finkbeiner, Brown, Hochstatter, Strannigan, Rossi, Sheldon, Patterson and Winsley; by request of Utilities & Transportation Commission.

### Brief History:

#### Committee Activity:

Energy & Utilities: 3/25/97, 3/26/97 [DP].

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## HOUSE COMMITTEE ON ENERGY & UTILITIES

**Majority Report:** Do pass. Signed by 13 members: Representatives Crouse, Chairman; DeBolt, Vice Chairman; Mastin, Vice Chairman; Poulsen, Ranking Minority Member; Morris, Assistant Ranking Minority Member; Bush; Cooper; Honeyford; Kastama; Kessler; Mielke; Mulliken and B. Thomas.

**Staff:** Margaret Allen (786-7110).

**Background:** Every telecommunications company providing service in Washington must file a schedule of rates and charges with the Washington Utilities and Transportation Commission (WUTC). A telecommunications company proposing to change a rate or charge must file the proposed change with the WUTC and comply with a 30-day notice requirement.

Upon a showing of good cause, the WUTC may allow changes without requiring the 30 days' notice, by issuing an order specifying the change to be made, when the change will take effect, and the manner in which the change is to be filed and published.

Ordinarily, the WUTC may suspend a proposed change for up to 10 months pending a hearing on the reasonableness and justness of the change. However, the WUTC may not suspend a tariff that decreases a rate or charge, pending an investigation of

the reasonableness or justness of the decrease, if the tariff filing does not include any offsetting increase to another rate or charge, and the company agrees to not file for an increase to any rate or charge to recover the revenue deficit that results from the decrease for one year. The company must file sufficient information with the WUTC to demonstrate the decreased rate or charge is above the long-run incremental cost of the service.

**Summary of Bill:** A telecommunications company may file a tariff that decreases a rate or charge, with 10 days' notice and without receiving a special order from the WUTC, if the filing does not contain an offsetting increase to another rate or charge, and the company agrees not to file, for a period of one year, for an increase to any rate or charge to recover the revenue deficit that results from the decrease.

Technical corrections are made to an existing statute.

**Appropriation:** None.

**Fiscal Note:** Not requested.

**Effective Date:** Ninety days after adjournment of session in which bill is passed.

**Testimony For:** The WUTC requested this legislation. This bill amends the public notice statute so only 10 days' notice, rather than 30 days' notice, are required for a price decrease to be effective. All contracts reducing rates and charges in existing tariffs and price lists should be effective on 10 days' notice. Companies need pricing flexibility; the regulatory process is very cumbersome.

**Testimony Against:** None.

**Testified:** (Pro) Teresa Osinski, Washington Utilities and Transportation Commission; and Terry Vann, Washington Independent Telephone Association. (Pro with amendment) Rosemary Williamson, GTE.