
OLR Bill Analysis

sHB 5473

AN ACT CONCERNING THE SATISFACTION OF TELECOMMUNICATIONS QUALITY OF SERVICE STANDARDS AND SETTLEMENTS IN CONTESTED PROCEEDINGS BEFORE THE PUBLIC UTILITIES REGULATORY AUTHORITY.

SUMMARY

This bill broadens telephone and telecommunications quality of service standards by applying them to (1) all telecommunications service providers (including incumbent local exchange carriers), (2) wireline voice over internet protocol (VOIP) service providers, and (3) VOIP service providers that are registered with the Public Utilities Regulatory Authority (PURA) and use facilities or wires in a public road or highway, regardless of transmission technology used. The bill also increases reporting requirements and penalties related to quality of service standards.

The bill also makes changes to PURA's process for adopting settlements in contested case proceedings, including rate cases. Among other things, it removes provisions (1) limiting the use of settlements to meet the law's requirement for periodic rate cases and (2) allowing PURA to reject or modify settlement provisions that extend longer than the effective date of rate amendments approved in a subsequent proceeding.

Lastly, the bill prevents applications seeking a change in control over a PURA-regulated utility from being deemed approved if PURA fails to act within certain timeframes.

EFFECTIVE DATE: October 1, 2026

§§ 1 & 2 — QUALITY OF SERVICE STANDARDS

Current law requires PURA, by regulation, to set quality of service standards for telephone companies, certified telecommunications

providers, and all telecommunications services. By law, a certified telecommunications provider is a person PURA certifies to provide intrastate telecommunications services. A telephone company is a telecommunications company that provides at least one noncompetitive or emerging competitive service. Quality of service standards include measures related to customer trouble reports, service outages, installation appointments, repeat problems, and timeliness in responding to complaints or reports.

The bill instead requires PURA (not through regulations) to adopt, monitor, and enforce quality of service standards and applies them to:

1. all telecommunications service and wireline VOIP service providers, including telephone companies, incumbent local exchange carriers (ILEC), and certified telecommunications providers; and
2. VOIP providers that are registered by PURA and use facilities or wires located in, under, or over any public road or highway in the state, regardless of the transmission technology the provider uses (including VOIP).

An ILEC is a telephone company that began providing telephone service in the state before the federal Telecommunications Act of 1996 (see BACKGROUND). VOIP is a service that enables real-time, two-way communication, requires a broadband connection from the users' locations, requires IP-compatible customer premises equipment, and allows subscribers generally to receive and terminate calls from the public switched telephone network.

Reporting Requirements and Penalties

Under the bill, PURA must require any company, carrier, or provider subject to quality of service standards to report semiannually on their compliance. The bill requires PURA to set semiannual reporting periods and companies, carriers, and providers to submit their report by the last day of the month immediately following the reporting period.

The bill similarly requires any facilities-based carrier that resells

telecommunications service or VOIP service to a company, carrier, or provider that is subject to quality of service standards to report semiannually (presumably, to PURA) on the same schedule. A facilities-based carrier is a telecommunications service provider that owns, operates, or controls infrastructure (including fiber cables, switches, and lines) used to deliver service to end users. Under the bill, this semiannual report concerns any lines of service the carrier maintains on behalf of an ILEC, certified telecommunications provider, or VOIP provider registered by PURA. If the facility-based carrier provides VOIP service, it must report data on a state-wide basis if it is unable to report on a wire center or regional basis.

The bill requires telephone companies, ILECs, VOIP providers, and certified telecommunications providers that fail to meet any quality of service standard for more than two consecutive months to file an exception report with PURA. This report is due the last day of the month immediately following the failure to meet standards for more than two consecutive months.

The bill sets a fine of up to \$2,000 for any company, ILEC, or provider that fails to comply with semiannual or exception reporting requirements. The fine is in addition to any fines for failing to meet a quality of service standard. Reporting requirement violations are a continued violation from the date the company, ILEC, or provider fails to timely file a report until the date PURA receives the report. By law, for a continued violation, each day is deemed a separate offense.

The bill also makes technical and conforming changes, including in requirements for PURA to include company employee input when monitoring standards.

§ 3 — SETTLEMENTS IN PURA CONTESTED CASE PROCEEDINGS

Existing law allows PURA to adopt proposed settlements made through alternative dispute resolution to resolve contested cases if PURA deems doing so appropriate and consistent with ratemaking principals set in state law. Parties or intervenors to a contested proceeding may propose a settlement by filing a motion with PURA.

The bill removes a requirement that this motion be filed at least three weeks before the date the proposed final decision in the proceeding is scheduled to be issued.

By law, certain utility companies with at least 75,000 customers must have a rate case at least once every four years (CGS § 16-19a). Under current law, any rate amendment proceeding that is resolved by a settlement does not constitute a general rate hearing for purposes of this requirement if the previous rate proceeding was partially or fully resolved by a settlement. The bill eliminates this provision, allowing sequential settlement agreements to meet the periodic review requirement.

Under current law, if a term of any provision in a settlement of a proceeding to amend rates extends longer than the effective date for the rate amendment approved in the proceeding, PURA may reject or modify the provision. The bill eliminates this authority.

The bill makes several minor changes to the settlement process. Under both the bill and current law, parties proposing the settlement must give it to all parties and intervenors at least three business days before filing a motion and request that each party and intervenor share their position on the proposed settlement for reference in the motion. The bill requires the motion proposing a settlement to include any position statement received, rather than a statement of each non-settling party's position.

The bill limits the requirement to provide an analysis of rate increases or decreases under a proposed settlement to rate cases and specifies that these are estimates. It eliminates the requirement that if a proposed settlement is submitted before the evidentiary record closes, pre-filed testimony must be submitted with the settlement. It also allows settlements produced through negotiation, in addition to those produced through alternative dispute resolution processes.

§ 4 — DEEMED APPROVALS OF PROPOSED ACQUISITIONS

By law, anyone seeking a change in control over a PURA-regulated utility (for example, electric, gas, and water companies), or interfering with or exercising control over them, generally must first apply for and receive PURA's approval. This applies to mergers and actions that create a holding company or change control of an existing holding company. The law also requires PURA's approval before a PURA-regulated utility or their holding companies interfere or attempt to interfere with, or exercise or attempt to exercise control over, another PURA-regulated utility.

By law, PURA must (1) give notice of a public hearing within 30 business days after the application is filed, (2) start the hearing within 60 business days after the filing, and (3) make its determination within 200 days after the filing, unless the period is extended. The bill removes a provision that deems applications approved if PURA fails to meet these timeframes.

BACKGROUND***Telecommunications Regulation***

The law subjects telecommunications services to varying levels of regulation based on the service's degree of competitiveness and the type of company providing the service. Generally, it applies more stringent regulation to telephone companies providing noncompetitive services (legacy utility phone companies) and less stringent regulatory requirements to telecommunications providers providing competitive services. This framework emerged after the federal Telecommunications Act of 1996 as a way to implement deregulation by creating a process for providers to certify that their services are competitive and, therefore, subject to lighter regulation.

COMMITTEE ACTION

Energy and Technology Committee

Joint Favorable Substitute

Yea 17 Nay 9 (03/19/2026)