

Senate Engrossed

**FILED**

**MICHELE REAGAN**  
**SECRETARY OF STATE**

State of Arizona  
Senate  
Fifty-third Legislature  
First Regular Session  
2017

**CHAPTER 81**  
**SENATE BILL 1217**

AN ACT

AMENDING SECTION 40-250, ARIZONA REVISED STATUTES; RELATING TO  
TELECOMMUNICATIONS PROVIDERS.

(TEXT OF BILL BEGINS ON NEXT PAGE)

1 Be it enacted by the Legislature of the State of Arizona:

2 Section 1. Section 40-250, Arizona Revised Statutes, is amended to  
3 read:

4 40-250. Hearing on rate or other change in operations by  
5 public service corporation; establishment of rates  
6 or other practices by order of commission; rates  
7 for retail telecommunications services

8 A. No public service corporation shall raise any rate, fare, toll,  
9 rental or charge, or alter any classification, contract, practice, rule or  
10 regulation to result in any increase thereof, except ~~upon~~ ON a showing  
11 before the commission and a finding by the commission that an increase is  
12 justified. The showing before the commission by a public service  
13 corporation with gross operating revenues derived from intrastate  
14 operations of less than one million dollars, including the requested rate  
15 relief, by a telecommunications corporation or by a member-owned nonprofit  
16 cooperative corporation may be made with or without a hearing as  
17 determined by order or rule of the commission.

18 B. When any schedule is filed with the commission stating an  
19 individual or joint rate, fare, toll, rental, charge, classification,  
20 contract, practice, rule or regulation not increasing or resulting in an  
21 increase, the commission, without answer or other pleadings by the  
22 interested corporation, but ~~upon~~ ON reasonable notice, may conduct a  
23 hearing concerning the propriety of the rate, fare, toll, rental, charge,  
24 classification, contract, practice, rule or regulation, and pending the  
25 hearing and the decision thereon, it shall not go into effect. The period  
26 of suspension thereof shall not extend one hundred twenty days beyond the  
27 time when it would otherwise go into effect, unless the commission extends  
28 the period of suspension for a further period not exceeding six months.

29 C. On the hearing the commission shall by order establish the  
30 rates, fares, tolls, rentals, charges, classifications, contracts,  
31 practices, rules or regulations proposed, in whole or in part, or  
32 establish others in lieu thereof, that it finds just and reasonable, and  
33 that, if not suspended, shall, on the expiration of thirty days from the  
34 time of filing the order, or in such lesser time as the commission grants,  
35 become effective and be established, subject to the power of the  
36 commission to alter or modify the order.

37 ~~D. In establishing just and reasonable rates in competitive~~  
38 ~~long-distance telecommunications markets, the commission need not use~~  
39 ~~exclusively the rate of return evaluation traditionally used in~~  
40 ~~establishing rates for noncompetitive telecommunications markets but may~~  
41 ~~consider other factors that the commission deems more appropriate for a~~  
42 ~~long-distance competitive market. The commission may establish a rate for~~  
43 ~~a particular service of a long-distance telecommunication corporation~~  
44 ~~without a hearing and without reviewing all of the rates for all of the~~

1 ~~long distance telecommunication corporation's services if the particular~~  
2 ~~service is in a competitive market.~~

3 D. A STATE REGULATION OF TELECOMMUNICATIONS PROVIDERS THAT IS  
4 SUBJECT TO THE JURISDICTION OF THE COMMISSION SHALL BE COMPETITIVELY  
5 NEUTRAL IN RELATION TO ALL TELECOMMUNICATIONS PROVIDERS COMPETING IN THIS  
6 STATE. JUST AND REASONABLE RATES FOR RETAIL TELECOMMUNICATIONS SERVICES  
7 THAT HAVE BEEN CLASSIFIED AS COMPETITIVE BY THE COMMISSION DO NOT NEED TO  
8 BE BASED ON THE RATE OF RETURN EVALUATION TRADITIONALLY USED IN  
9 ESTABLISHING RATES FOR NONCOMPETITIVE TELECOMMUNICATIONS SERVICES.  
10 NOTWITHSTANDING ANY PROVISION OF THIS CHAPTER AND THIS SECTION TO THE  
11 CONTRARY, MAXIMUM RATES, TERMS OF SERVICE OR STANDARDS OF SERVICE FOR  
12 RETAIL TELECOMMUNICATIONS SERVICES CLASSIFIED AS COMPETITIVE MAY BE  
13 ESTABLISHED OR CHANGED ON FORTY CALENDAR DAYS' NOTICE TO AFFECTED  
14 CUSTOMERS AND TO THE COMMISSION. THE MAXIMUM RATES, TERMS OF SERVICE OR  
15 STANDARDS OF SERVICE ARE EFFECTIVE WITHIN FORTY DAYS AFTER THE NOTICE  
16 UNLESS THE COMMISSION SUSPENDS THE EFFECTIVE DATE. THIS SUBSECTION DOES  
17 NOT DIMINISH THE COMMISSION'S AUTHORITY AND DUTY TO SET JUST AND  
18 REASONABLE RATES. AN ORDER DENYING OR MODIFYING THE FILING SHALL NOT BE  
19 ORDERED UNTIL AFTER THE COMMISSION HOLDS A HEARING AND FINDS AND  
20 DETERMINES THAT SUCH ACTION DOES NOT UNDULY BURDEN OR DISADVANTAGE THE  
21 ENTITY IN A MANNER THAT IS NOT COMPETITIVELY NEUTRAL IN RELATION TO OTHER  
22 TELECOMMUNICATIONS PROVIDERS COMPETING IN THIS STATE REGARDLESS OF THE  
23 TECHNOLOGY USED AND THE REGULATORY CLASSIFICATION OF THE OTHER  
24 PROVIDERS. ANY PERIOD OF SUSPENSION MAY NOT BE LONGER THAN THIRTY DAYS  
25 AFTER THE END OF THE FORTY-DAY NOTICE PERIOD. AT THE END OF THE  
26 SUSPENSION PERIOD, THE REQUESTED MAXIMUM RATES, TERMS OF SERVICE OR  
27 STANDARDS OF SERVICE ARE EFFECTIVE UNLESS THE COMMISSION HAS ALREADY ACTED  
28 ON THE REQUEST.

**APPROVED BY THE GOVERNOR MARCH 27, 2017.**

**FILED IN THE OFFICE OF THE SECRETARY OF STATE MARCH 27, 2017.**

Passed the House March 21, 20 17,

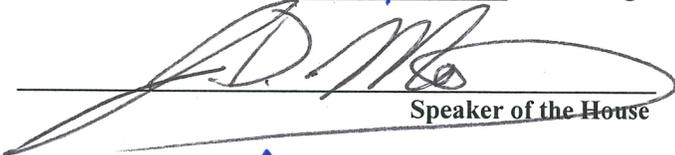
Passed the Senate February 23, 20 17,

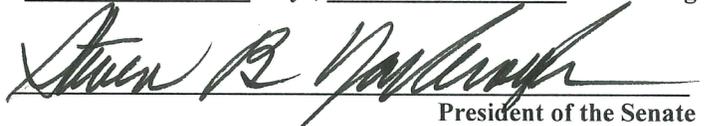
by the following vote: 34 Ayes,

by the following vote: 30 Ayes,

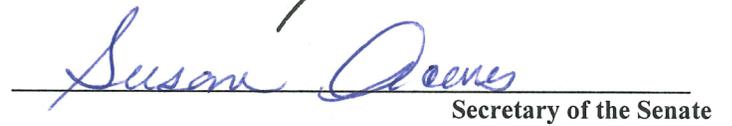
22 Nays, 4 Not Voting

0 Nays, 0 Not Voting

  
Speaker of the House

  
President of the Senate

  
Chief Clerk of the House

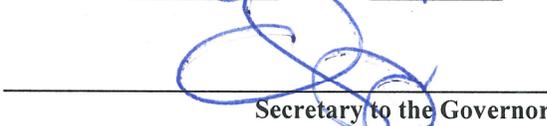
  
Secretary of the Senate

EXECUTIVE DEPARTMENT OF ARIZONA  
OFFICE OF GOVERNOR

This Bill was received by the Governor this

22 day of March, 20 17,

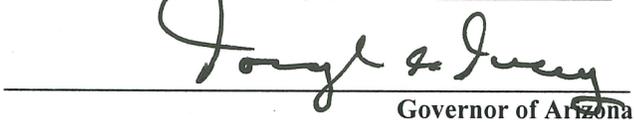
at 2:08 o'clock P. M.

  
Secretary to the Governor

Approved this 27<sup>th</sup> day of

March, 20 17,

at 10:04 o'clock A. M.

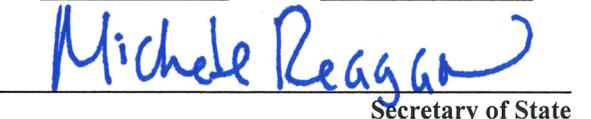
  
Governor of Arizona

EXECUTIVE DEPARTMENT OF ARIZONA  
OFFICE OF SECRETARY OF STATE

This Bill was received by the Secretary of State

this 27 day of March, 20 17,

at 11:44 o'clock A M.

  
Secretary of State

S.B. 1217