

SPONSOR: Rep. Scott & Sen. Bushweller

Reps. Bennett, Briggs King, Hudson, Longhurst, Miro, Outten, Paradee, Ramone, D. Short, Smyk, Viola; Sens. Blevins, Ennis,

Lavelle, Peterson, Poore, Venables

HOUSE OF REPRESENTATIVES

147th GENERAL ASSEMBLY

HOUSE BILL NO. 96 AS AMENDED BY HOUSE AMENDMENT NO. 1 AS AMENDED BY HOUSE AMENDMENT NO. 1 TO HOUSE AMENDMENT NO. 1 AND HOUSE AMENDMENT NO. 2

AN ACT TO AMEND TITLE 26 OF THE DELAWARE CODE RELATING TO THE JURISDICTION OF THE PUBLIC SERVICE COMMISSION AND PUBLIC UTILTIES PROVIDING TELECOMMUNICATION SERVICES.

BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF DELAWARE:

Section 1. Amend Subchapter VII-A, Title 26 of the Delaware Code by making insertions as shown by underlining and deletions as shown by strike through as follows:

§ 704. Election of a telecommunications service provider to be governed by this subchapter.

(a) A telecommunications service provider offering services as defined within § 705 of this title or any other provider offering competitive services as defined in § 705(c)(1)b. of this title may elect or any telecommunication service provider that has previously elected may reelect, upon or after July 15, 200813, to determine its rates and prices for its telecommunications services pursuant to this subchapter. Upon the filing of written notice to the Commission of such an election or reelection, §§ 209(a), 215 of this title and, subchapters II and III of this chapter shall no longer apply except as specifically provided hereinafter and, in lieu thereof, this subchapter shall govern. H any provision of subchapter II of this chapter is inconsistent with the intent or provisions of this subchapter, the provisions of this subchapter shall control.

(b) An election by a service provider to be governed by this subchapter shall be effective for a term of not less than 3 years and shall automatically be extended for additional 3-year terms except as described below. Not less

Page 1 of 15

than 1 year prior to the expiration of any term, the service provider shall notify the Commission if it no longer wishes

to be governed by this subchapter. Upon receipt of such notification, the Commission shall commence an open and

public proceeding to determine what appropriate form of regulation should be applied to such provider under § 703 of

this title. The Commission shall conclude any such proceeding by final order within 12 months from the filing of such

notification and, in making its determination, the Commission shall give appropriate consideration to the form of

regulation, if any, then applicable to competitors of such service provider.

(1) Nothing in this subchapter shall be construed to affect the rights, duties or obligations of

telecommunications carriers, including those carriers who are parties to interconnection agreements approved by the

Commission on or before January, 1, 2008, set forth in §§ 251-252 of the federal Telecommunications Act, 47 U.S.C.

§§ 251-252, including but not limited to, the duty to negotiate interconnection agreements, to provide interconnection,

to provide access to unbundled network elements, and to provide resale, nor shall anything in this subchapter affect

the exercise of authority assigned to the Commission by §§ 251-252 of the federal Telecommunications Act, 47

U.S.C. §§ 251-252, including but not limited to the authority to arbitrate and approve interconnection agreements.

(2) Nothing in this subchapter shall be construed to affect the applicability or enforcement of the

provisions of Chapter 100 of Title 16 of the Delaware Code ("911 – The Enhanced Emergency Number Service") or

the applicability or enforcement of the provisions of Chapter 101 of Title 16 of the Delaware Code ("Enhanced 911

Emergency System Reporting Fund").

§ 705. Definitions.

(c)

(a) "Basic services" shall mean:

(1) Individual residential local exchange access line and residential local usage; at a location where

there is no alternative provider of telephone service available to retail residential customers determined in accordance

with subsection (d) below; and

(2) Individual business local exchange access line and business local usage to the extent the services

are provided to business customers ordering single-line business at a particular address;

(32) Switched access services;

(4) White pages listings; whether listed, nonlisted or private;

(5) Telecommunications relay service;

(6) 911 enhanced emergency system; and

(7) Touchtone service.

(b) "Bundle" means a combination of retail services offered as a package, either at a single price or with the

availability of the price for 1 or more services contingent on the purchase of other services, and includes any

telephone service combined with any other telephone service or any nontelephone services, including services offered

by an affiliate of a telephone company or an unregulated entity.

(c) (1) "Competitive services" shall mean:

a. All services which are not classified as "basic" in subsection (a) of this section above;

b. Any bundled service, even if the bundled service includes 1 or more basic services; or

c. Any new service other than switched access service, offered after July 15, 2008.

(2) For purposes of reclassifying basic service as competitive under § 706(c) of this title,

competitive service shall be defined as services for which:

a. There are similar or substitute services or products which are offered and generally

available within the relevant geographic area from at least 1 unaffiliated provider;

b. There is at least 1 unaffiliated service provider which is present and viable; and

c. There are no significant barriers to market entry.

(3) The Commission may also consider any other factors it deems relevant and in the public interest

in making determinations regarding the classification of services as competitive.

(d) (1) With respect to subsection (a) above, "alternative provider of telephone service" means, but is

not limited to, a provider of a wireline telephone service, commercial mobile service as defined in section 332(d),

Communications Act of 1934, or Voice over Internet Protocol service as defined in § 202(i)(2) of this title.

(2) If a retail residential customer disagrees with a telecommunications service provider's

classification of its location as having an alternative provider of telephone service, the customer may bring the dispute

to the Secretary of the Department of Technology and Information or his or her designee to determine if an alternative

provider of telephone service is available to retail residential customers at the location. This standard shall be

satisfied if the Secretary determines that a service that provides the ability to transmit and receive voice

communications, including E-911 communications, is available from an alternative provider of telephone service at

the location.

(de) Phrases used to identify specific services within the foregoing classifications shall be given the

meanings commonly ascribed to them in proceedings before the Commission or in the industry. In the event the

Commission concludes any of such phrases to have uncertain meaning, the Commission shall, by order after a duly

noticed hearing, adopt an appropriate definition.

§ 706. Offering, classification and abandonment of service.

(a) A service provider is not required to provide notice to the Commission for any new service.

(b) Competitive services, including new services, and basic services, other than switched access, are not

subject to mandatory tariff or other filing requirements except as specifically provided in this subchapter.

(c) Upon application by the service provider, the Commission may, after notice and hearing, reclassify a

basic services other than a switched access service as competitive. Any party proposing any such reclassification shall

have the burden of supporting its proposal.

(d) Basic services other than switched access may be abandoned pursuant to § 203A of this title.

Notwithstanding the provisions of § 203A(c) of this title, a service provider may abandon a competitive service after

providing the Commission and public with 30 days notice of its intention to do so at any time.

(e) A service provider governed under this subchapter and offering services defined in § 705(a)(1) of this

title shall obtain Commission approval for mergers as set forth in § 215(a)(1) of this title or transfers of control as set

forth in § 215(b) of this title; provided, however, that this subsection shall not apply to or restrict transactions between

parent and subsidiary corporations or between entities of which at least 50% of the beneficial ownership is held by the

same persons or entities prior to such merger or transfer of control. Applications and Commission approval of

mergers or transfers of control shall be governed by § 215(c), (d) and (g) of this title.

(f) A service provider offering competitive services under this subchapter shall be subject to the provisions

of §§202 and 216-222 of this title.

(g) Notwithstanding any order or regulation of the Commission or law to the contrary, the Commission may

not investigate or adjudicate retail customer complaints for services governed by this subchapter except complaints

related to the adequate provisioning of basic services.

(h) A service provider offering services under this subchapter shall comply with the certificate of public

convenience and necessity requirements as set forth in § 203A(a) and (b) of this Title.

§ 707. Provision of basic services.

(a) Except for the determination of rate changes for basic services, which determinations shall be made

pursuant to the provisions of this section, the offering of basic services in this State shall be subject to the provisions

of subchapters I, H and V of this chapter and §§ 301,201, 202, 203A(c), 204, 206, 212, 217, 218, 222, and 303(a), 304

and 308 of this title and all Commission procedures, rules and regulations shall apply except to the extent inconsistent

with this subchapter. Changes to the terms and conditions for the offering of a basic service, other than rate changes,

shall continue to require Commission approval.

(b) After January 1 of the year immediately following the initial election or reelection made pursuant to §

704 of this title, rates for basic services, which for any reelecting provider shall be the rates in existence as of July 15,

200813, may be changed by the service provider or upon Commission initiative according to the following formula;

provided, however, that a rate for a basic service may not be changed more than once in any calendar year:

Change in Rate = Change in Gross Domestic Product-Price

Inflater since last rate change minus 3%.

The Gross Domestic Product-Price Inflation Index shall be that published by the United States Department of

Commerce with the most recent available data for the relevant period or, in the event that such index is discontinued,

the index determined by the Commission to most closely approximate the discontinued index.

(c) The following exceptions to the rate changes otherwise determined by the foregoing formula shall apply:

(1) A service provider may not increase switched access rates unless required to maintain parity

with its interstate switched access rates.

(2) A service provider may elect not to implement all or a portion of a rate increase otherwise

required by the formula.

(3) A service provider may elect to decrease rates in circumstances where the formula would require

otherwise.

(4) Upon request by a service provider, the Commission may, after notice and hearing, establish a

different rate change formula than that set forth in subsection (b) of this section for basic services provided by that

service provider in light of the degree of competition, including intermodal competition, the service provider faces, if

the Commission determines that the new formula will result in rates that are just and reasonable.

(5) In circumstances where a rate decrease would result from an application of the formula, the

decreased rate shall not be lower than the incremental cost of providing that basic service as determined by the

Commission

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(6) Upon application by a service provider, the rate structure for a basic service may be adjusted by

the Commission where such adjustments would neither increase nor decrease the total revenue to the service provider

from that particular basic service.

(7) Upon application by a service provider other than a local exchange carrier, the rates charged for

a basic service which is purchased as a necessary component by such other provider of telecommunications services

in order to offer its telecommunication services may be adjusted by the Commission upon a showing by such other

service provider that the rate is not just and reasonable.

(8) Upon the application by any ratepayer or the service provider, rates for basic services may be

adjusted with approval by the Commission in order to reflect an unforeseen change in the service provider's costs of

providing telecommunications services, which change occurs for reasons beyond the control of the applicable service

provider. Such change may include, but not be limited to, legal or regulatory changes which affect such costs, the

method of accounting for such costs or taxes applicable to the service provider.

(9) Notwithstanding any other provision to the contrary, effective January 1, 2014, a service

provider may increase rates for basic services, other than switched access services, up to 10% per calendar year for a

period of 5 years. Effective January 1, 2019, rates for basic services, other than switched access service, may be

increased up to 5% per calendar year. A rate for a basic service may not be changed more than once in any calendar

year. The service provider shall provide 30 days advance notice to customers of the first increase in rates.

(d) Rate adjustments made pursuant to paragraphs (c)(5), (6) and (7) of this section may be made with the

Commission's approval at any time and shall not be limited to once in any year.

(e) Notwithstanding subsection (b) of this section, no service provider may assess switched access rates

pursuant to tariff that are higher than the switched access rates set forth in the tariffs of the incumbent local exchange

carrier in the same service territoryservice provider serving the largest number of local exchange access lines in the

State.

(f) Notwithstanding any provision to the contrary, the amount of any change in rates resulting from

application of the formula in subsection (b) of this section but not implemented by the service provider as of July 1,

2013 shall be deposited into the Delaware Broadband Fund identified in §709 of this title in lieu of implementing

these amounts through changes in rates.

§ 708. Provision of competitive services.

(a) Except as otherwise provided in subsection (b) of this section below, any Any provider of a competitive

service may determine its price and other terms and conditions under which such competitive service will be offered,

and subchapter II of this chapter shall not apply to the provision of such services except as provided in § 706(f)

herein.

(b) When a basic service that has not been reclassified pursuant to § 706(c) of this title is included in a

bundle that is deemed a competitive service under this subchapter, the efficiency, sufficiency, consistency and

adequacy of such basic portion of the bundle shall be governed by subchapter II of this chapter, except as otherwise

provided in this subchapter. In adopting or enforcing any regulations pursuant to this provision, the Commission may

consider the degree of regulatory obligations imposed upon competing alternative service providers, including

intermodal service providers.

(eb) The Commission may, upon the filing of a written complaint, investigate claims related to predatory

pricing of competitive services consistent with principals of federal and state antitrust law. If the Commission opens a

proceeding to investigate such claims, the burden of proof shall be on the complainant. If the Commission finds that

predatory pricing has occurred, the Commission may enjoin the conduct, but may not otherwise determine the price or

other terms and conditions under which a competitive service will be offered.

§709. Delaware Broadband Fund.

(a) The State shall create a fund designated as the "Delaware Broadband Fund" (the "Fund") to be used to

support and enhance broadband services in the State's public schools and public libraries and for rural broadband

initiatives in unserved areas of the State.

(b) The Fund shall be administered by the Secretary of the Department of Technology and Information. The

Secretary shall develop a plan to carry out the purposes of subsection (a) of this section and, after concurrence of the

Controller General and Director of the Office of Management and Budget, may distribute monies from the Fund to

implement such plan.

(c) All monies in the Fund shall be distributed by July 1, 2018, and the Fund shall terminate at that time.

§710. Regulatory Assessment.

In lieu of the regulatory assessment imposed under § 115 of this title, a service provider shall pay an

assessment into the Delaware Broadband Fund. On August 1, 2013, the service provider shall pay into the fund one

half of the amount of its 2011 regulatory assessment in lieu of the amounts due under § 115 for the period January 1,

2013, through June 2013 and shall continue making payments into the Fund in lieu of any amounts due under § 115

for an additional three years beginning on January 30, 2014, and ending on January 30, 2016, in an amount equal to

the regulatory assessment for the year 2011, after which time the obligation under § 115 or to make payments under

this section shall cease.

Section 2. Amend Section 201, Title 26 of the Delaware Code by making insertions as shown by underlining

and deletions as shown by strike through as follows and by redesignating the current subsection (d) as subsection (e):

§ 201. General jurisdiction and powers.

(c)(1) Notwithstanding any other provision of law, in In the exercise of supervision and regulation over

public utilities, the Commission (1) shall forbear from regulating the rates, terms, and conditions of competitive retail

communications services and (2) shall not investigate or adjudicate retail customer complaints for services except

complaints related to the adequate provisioning of basic services.

(1) In the exercise of supervision and regulation over public utilities other than those that provide (d)

telecommunications services, the Commision may, upon application or on its own motion, after notice and hearing,

forbear from ("deregulate") in whole or in part, its supervision and regulation over some or all public utility products

or services and over some or all public utilities where the Commission determines that a competitive market exists for

such products and services and where the Commission finds that such deregulation will be in the public interest.

(2) Any application under this subsection shall, at a minimum, include specific proposal or

proposals, supporting statements or testimony, an analysis of the effects on the utility's regulated customers and an

implementation plan. The application shall affirmatively establish that the deregulation being considered will not

adversely affect the availability, cost or quality of utility services provided to the utility's regulated customers.

(3) The Commission shall approve or disapprove any such deregulation applications within 180

days after submission thereof, except that, for good cause found, the Commission may enter an order extending this

period for an additional 90 days.

(4) The Commission shall determine how a public utility shall account for such deregulated

products or services (including cost allocations where found to be appropriate) so as to ensure that the utility's

regulated customers neither benefit unduly from nor unduly provide a subsidy to the deregulated products or services;

provided, that such accounting determination shall not thereafter be changed by the Commission except for good

cause shown.

(5) In connection with any application under this subsection for forbearance from Commission

supervision and regulation, the Commission shall find, among other relevant things, the following:

Page 8 of 15

a. Whether a competitive market exists for the particular utility product or service being

requested to be wholly or partly deregulated. Conditions and factors to be considered may include, but are not limited

to, the following:

1. The existing or prospective market power of the utility with respect to its

products or services for which deregulation is sought; and

2. If there are significant entry or exit costs or other barriers to potential

competitors; and

3. If there is a reasonable basis to expect that prices of wholly or partly

deregulated products or services will reflect the incremental costs of supply;

b. Whether any safeguards are necessary to prevent a material adverse effect on utility

service quality or rate levels;

c. Whether or not an option to remain under the Commission's supervision and regulation

should be made available for customers whose utility products and services would be deregulated by the proposal;

d. Whether or not the public utility shall unbundle each service or function on which a

service depends to its fundamental elements and shall make those elements separately available to any customer

whose utility service is being deregulated by the proposal under terms and conditions, including price, that are the

same or comparable to those used by the public utility in providing its own service. The public utility shall not

unreasonably discriminate between affiliated and unaffiliated providers of services in offering unbundled features,

functions and capabilities; and

e. Whether the Commission should forbear from regulating competing providers of such

products or services.

(6) Where the Commission has made a determination to forbear from its supervision and regulation

under this section, the Commission shall have the ongoing right to review, examine and audit the books and records of

the applicable utility, and the relevant books and records of any relevant nonregulated affiliate. This right shall be the

same as the Commission's right of access to inspection and examination of the utility's regulated books, accounts and

records and appropriate safeguards regarding disclosure of confidential information shall be provided.

(7) Thirty months after any approval of forbearance from regulation hereunder, the utility shall file a

report with the Commission summarizing its activities for that wholly or partly deregulated activity during its first 24

months of operation. Such report shall, at a minimum, address the criteria that the Commission deemed relevant in

approving the request to deregulate such product or service. The report shall also describe the service provider's

investment during the previous 24 months. Such report shall also describe the level of planned investment over the

next 5 years. The Commission may require that similar reports be submitted biannually thereafter.

(8) The Commission, after notice and hearing, may prospectively revoke or reverse any forbearance

of regulation granted hereunder where it finds that doing so is in the public interest. Where the Commission revokes

or reverses a prior decision made under paragraph (c)(1) of this section, the Commission shall determine that the

current rates for the related products or services are just and reasonable or shall establish new rates that are just and

reasonable.

(9) This subsection shall not apply to a telecommunications service provider for so long as such

provider is governed under the provisions of subchapter VII-A, Chapter 1 of this title.

Section 3. Amend Section 202(i), Title 26 of the Delaware Code by making insertions as shown by

underlining and deletions as shown by strike through as follows:

§ 202. Limitations on jurisdiction of Commission.

(i) (1) Notwithstanding any other provision of law to the contrary, the Commission shall have no

jurisdiction or regulatory authority over Voice over Internet Protocol ("VoIP") service, as defined in paragraph (i)(2)

of this section, or IP-enabled service, as defined in paragraph (i)(3) of this section, including but not limited to, the

imposition of regulatory fees, certification requirements, rates, terms or other conditions of service.

(2) "Voice over Internet Protocol service" or "VoIP service" means any service that:

a. Enables real-time 2-way voice communications that originate or terminate from the

user's location in Internet protocol or any successor protocol; and

b. Utilizes a broadband connection from the user's location.

(3) "Internet protocol-enabled service" or "IP-enabled service" means a service, capability,

functionality or application provided using Internet protocol, or any successor protocol, that enables an end user to

send or receive a communication in Internet protocol format or any successor format, regardless of whether the

communication is voice, data or video.

(34) Nothing herein shall be construed to either mandate or prohibit the assessment of Enhanced

911 fees pursuant to Chapter 101 of Title 16 on VoIP service, or to mandate or prohibit the payment of any switched

Page 10 of 15

network access rates or other intercarrier compensation rates that may be determined to apply.

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Section 4. Amend Section 203A, Title 26 of the Delaware Code by making insertions as shown by

underlining and deletions as shown by strike through as follows:

§ 203A. Certificate of public convenience and necessity; abandonment or discontinuance of business,

operations or service.

(a) (1) Subject to the provisions of subsection (b) of this section and §§ 102, 201, 202 and Chapter 10

of this title, and excluding electric suppliers, no individual, copartnership, association, corporation, joint stock

company, agency or department of the State, cooperative, or the lessees, trustees or receivers thereof, shall begin the

business of a public utility nor shall any public utility begin any extension of its regulated public utility business or

operations without having first obtained from the Commission a certificate that the present or future public

convenience and necessity requires or will require the operation of such regulated public utility business or extension.

(2) Notwithstanding any other provision of law, no Commission approval shall be required for any

transfer of a certificate of public convenience between public utility companies providing telecommunications

services that operate under common ownership.

(23) This section shall not be construed to require any public utility to secure such a certificate for

any extension within the perimeter of any territory already served by it.

(34) The Commission, after hearing, on the complaint of any public utility claiming to be adversely

affected by any proposed extension, may make such order and prescribe such terms and conditions with respect to the

proposed extension as may be required by the public convenience and necessity.

(b) (1) If any individual, copartnership, association, corporation, joint stock company, agency or

department of the State, cooperative, or the lessees, trustees or receivers thereof (or the predecessor in interest of any

such person, party or legal entity), was in bona fide operation within this State on June 28, 1974, of any electronic

communication in whole or in part by wire (other than telephone, including domestic public land mobile radio or

telegraph service, system, plant or equipment) including, but not limited to, cable television service, system, plant or

equipment, for public use, the Commission shall issue a certificate of public convenience and necessity authorizing

such person, party or legal entity without further proceedings to continue operating the said service, system, plant or

equipment, to the same extent as said operations were being operated on June 28, 1974, such certificate to identify by

number and date of issuance the certificate under which the applicant is carrying on such operation, if the application

for such certificate of public convenience and necessity is filed with the Commission on a form approved by the

HD: KL: TEH:1031470084 LC: JWH: RAY:0661470028 Commission within 120 days after June 28, 1974. Pending the determination of any such application the continuance

of such operation without a certificate of public convenience and necessity shall be lawful.

(2) Interruptions of service in such operations over which such person, party or legal entity, or the

predecessor in interest thereof, had no control, shall not be considered in determining whether or not there has been an

abandonment of any such operations.

(3) In issuing any certificate of public convenience and necessity under this subsection, the

Commission, in its discretion, may define or limit the territory or territories in this State within which the activities

authorized by the certificate may be conducted, but in no case shall such territory or territories be smaller than the

territory or territories in this State in which the applicant was in actual bona fide operation on June 28, 1974.

(4) The application for a certificate of public convenience and necessity under this subsection shall

be verified and shall contain such information as the Commission deems necessary to show that the applicant was not

engaged merely in isolated, incidental, intermittent, sporadic and infrequent operations.

(5) The Commission may adopt and approve such forms as it deems necessary for this purpose.

(c) A public utility that provides telecommunications services may abandon or discontinue, in whole or in

part, the provision of any competitive retail telecommunications services; provided, however, that such utility shall

provide the Commission with contemporaneous notice of abandonment or discontinuance of all of its competitive

retail telecommunications services in the State.

(1) Subject to the provisions of Chapter 10 and § 706(d) of this title and excluding electric suppliers, (ed)

no public utility shall abandon or discontinue, in whole or in part, any regulated public utility business, operations or

services provided under a certificate of public convenience and necessity or otherwise which are subject to

jurisdiction of the Commission without first having received Commission approval for such abandonment or

discontinuance.

(2) Applications for such approval shall be made to the Commission in writing, verified by oath or

affirmation and be in such form and contain such information as the Commission may from time to time require.

(3) The Commission shall approve any such application when it finds that the utility has met its

burden of proving that the abandonment or discontinuance is reasonable, necessary and not unduly disruptive to the

present or future public convenience and necessity.

(4) The Commission may make such investigation and hold such hearings in the matter as it deems

necessary or appropriate, and may attach reasonable terms and conditions to the granting of such approval.

Page 12 of 15

(5) If, within 60 days after the filing of such application, the Commission has not acted concerning

the application, it shall be deemed to have been approved. The Commission may, within such 60-day period, set the

matter for hearing, in which event the Commission shall render a decision concerning said application within 7

months from the date such application was filed or the application shall be deemed in fact and law to be approved,

unless within said 7-month period the Commission for good cause shown shall enter an order extending the period for

decision for a further reasonable time not to exceed 120 days.

(6) Nothing contained in this section shall be construed to require formal application for approval of

abandonment or discontinuance of service to any individual customer or customer class where the basis for such

abandonment or discontinuance is nonpayment of bills or other violation of the utility's rules, regulations and tariffs.

(7) The Commission may seek injunctive relief in the Court of Chancery to prevent any

abandonment in violation of this subsection and in such proceeding shall not be required to post security for any

temporary or preliminary injunction.

(de) As of the implementation dates specified in § 1003(b)(1) and (2) of this title [repealed], nothing

contained in this section shall be construed to require application for approval of the abandonment or discontinuance

of service by an electric supplier.

Section 5. Amend Section 204, Title 26 of the Delaware Code by making insertions as shown by underlining

and deletions as shown by strike through as follows:

§ 204. Extension of utilities' facilities.

(a) The Commission may, after hearing, upon notice, by order in writing, require every public utility to

establish, construct, maintain and operate any reasonable extension of its existing facilities where, in the judgment of

the Commission, such extension is reasonable and practicable and will furnish sufficient revenue to justify the

construction and maintenance of the same, and when the financial condition of the public utility reasonably warrants

the original expenditures required in order to make and operate such extension; provided, however, the Commission

shall consider, among other things, the size and amount of additional and potential customers to be served, whether

the new customers will contribute to any capital expenditures required by the extension and whether the public utility

must borrow funds to provide the extension of service.

(b) Notwithstanding any other provision of law, a telecommunications service provider is not required to

establish, construct, maintain, operate or extend its existing facilities where the potential customers to be served have

service available from one or more alternative providers of wireline or wireless communications. Further,

notwithstanding any other provision of law, if the Commission makes a determination under subsection (a) requiring

such extension, a telecommunications service provider may fulfill such obligation through the use of any and all

available wireline, wireless or other technologies. The use of wireline, wireless or other technologies may not be

construed to grant any additional jurisdiction or authority to the Commission over such technologies.

Section 6. Amend Section 215, Title 26 of the Delaware Code inserting a new subsection (h) as shown by

underlining as follows:

(h) Notwithstanding any other provision of law, no Commission approval shall be required for any internal

reorganization or merger of public utility companies providing telecommunications services that operate under

common ownership.

Section 7. Amend Section 301, Title 26 of the Delaware Code by making insertions as shown by underlining

and deletions as shown by strike through as follows:

§ 301. Rate schedule and rate classifications.

(a) The Commission may require every public utility to file with the Commission complete schedules of

every classification employed and of every individual or joint rate, fare or charge made, charged or executed by the

public utility for any regulated product or service supplied or rendered within this State. Every application for a

certificate of public convenience and necessity shall include a proposed tariff for approval by the Commission. A

copy of all regulated tariffs then in effect shall be available for inspection by customers at each public office of the

utility where applications for service are received.

(b) This section shall not apply to charges made for electric supply service or for transmission or ancillary

services on and after October 1, 1999, for Delmarva Power & Light Company and April 1, 2000, for Delaware

Electric Cooperative.

(c) Any person or entity in the business of a wastewater utility as of June 7, 2004, and subject to the

supervision and regulation of the Commission under this chapter shall file a schedule of its rates in effect as of June 7,

2004, by November 3, 2004, in such form as the Commission may require. On July 6, 2004, such wastewater utility's

rates will be deemed in effect pending the outcome of an initial rate change request application filed in accordance

with this title. Such application must be filed by January 2, 2005. A wastewater utility required to make such a rate

filing may seek the assistance of the Commission in preparing its rate filing. Rates in effect on July 6, 2004, shall be

deemed temporary and not subject to change, unless ordered by the Commission. Section 306 of this title shall not

apply pending the outcome of this initial rate setting case. The Commission shall have 9 months to complete its

HD: KL: TEH:1031470084 LC: JWH: RAY:0661470028 review following the filing of the rate change application. However, to the extent possible, the Commission shall

attempt to expedite such application. For good cause shown, the Commission may waive any provision of this

subsection.

(d) Not withstanding any other law, no public utility may assess switched access rates pursuant to tariff that

are higher than the switched access rates set forth in the tariffs of the incumbent local exchange provider in the same

service territoryservice provider serving the largest number of local exchange access lines in the State.

(e) Notwithstanding any other law, a public utility that provides telecommunications services shall not be

subject to mandatory tariff or other filing requirements except with respect to switched access service.

Section 8. Amend Section 115, Title 26 of the Delaware Code by inserting a new subsection (h) as shown by

underlining as follows:

(h) In lieu of the regulatory assessment imposed under §115 of this title, a service provider shall pay an

assessment into the Delaware Broadband Fund. On August 1, 2013, the service provider shall pay into the fund one

half of the amount of its 2011 regulatory assessment in lieu of the amounts due under § 115 for the period January 1,

2013, through June 2013 and shall continue making payments into the Fund in lieu of any amounts due under § 115

for an additional three years beginning on January 30, 2014, and ending on January 30, 2016, in an amount equal to

the regulatory assessment for the year 2011, after which time the obligation under §115(a) through (g) or to make

payments under this subsection shall cease.

HD: KL: TEH:1031470084 LC: JWH: RAY:0661470028