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**SB 278 – Requiring Public Utilities to Report Information Regarding Customer Assistance Programs
Written Only
Opponent**

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Thank you Chairman Olson and members of the Committee. My name is John Idoux, and I am Brightspeed's Director of Governmental Affairs for Kansas. I appreciate this opportunity to express Brightspeed's strong opposition to Senate Bill 278, as introduced.

Brightspeed Introduction

Brightspeed is now the nation's fifth largest ILEC, with a service territory encompassing more than 6.5 million locations in rural and suburban communities across parts of the Midwest, Southeast, and Mid-Atlantic. Through its local fiber and copper networks, Brightspeed provides internet and voice offerings to residential and small business customers, as well as high-speed connectivity, voice, networking, and managed services to enterprise customers. Brightspeed has provided communications services in Kansas under various names since 1909 and today serves rural Kansans in 119 communities including Junction City, Fort Riley, Gardner, and 111 communities with fewer than 1000 residents.

Brightspeed Fiber Investment Plans

The company has officially commenced the buildout of its state-of-the-art fiber optics network. Brightspeed plans to complete over 1 million new fiber passings across 17 states during the initial phase of construction through the end of 2023. Brightspeed's planned investment of at least \$2 billion in its fiber network transformation will bring faster and more reliable internet service to more than 3 million homes and businesses over the next five years, primarily targeting locations where fiber and advanced technology have not historically been deployed. In Kansas, Brightspeed recently shared that in 2023 we will construct over 10,000 fiber passings in Gardener, Osawatomie and Hiawatha. This is in addition to the existing fiber customers and, in subsequent years, Brightspeed will add additional fiber-enabled locations for the communities it serves.

Senate Bill 278 Overview

In general terms, Senate Bill 278 proposes a massive new regulatory reporting scheme for all public utilities that goes far and beyond anything that is reasonably necessary by the Kansas Corporation Commission (KCC or Commission) to assess any critically needed public policy initiatives. These new monthly and annual reporting requirements by all public utilities are unneeded, duplicative, competitively unneutral, and extremely costly. Furthermore, SB 278 fails to achieve any realistic public policy objective.

To illustrate the absurd vastness of the proposal, listed below is just one section of SB 278 which not only requires 26 reporting elements but also broken down into five categories (type of utility, customer class, income level, census tract and zip code):

b) (1) On or before the 15th day of each month, a public utility shall file with the state corporation commission and make publicly available the following information regarding the utility, organized by the type of utility service provided, customer class, income level, census tract and zip code, from the preceding month:

- (A) The number of customers;*
- (B) the total dollar amount billed to and collected from customers;*
- (C) the average amount billed to and collected from customers;*
- (D) the average utility usage per customer;*
- (E) the number of customers receiving assistance under the utility's assistance program on the last day of each month;*
- (F) the number of customers that received disconnection notices due to bill nonpayment;*
- (G) the number of customers disconnected due to bill nonpayment;*
- (H) the number of customers whose service was reconnected after being disconnected due to bill nonpayment;*
- (I) the average time between service disconnection due to bill nonpayment and service reconnection;*
- (J) the number of customers that became eligible for disconnection due to bill nonpayment but were not disconnected because of a medical protection program;*
- (K) the number of customers that became eligible for disconnection due to bill nonpayment but were not disconnected because of an extreme weather protection program;*
- (L) the number of customers that became eligible for disconnection due to bill nonpayment but were not disconnected because of any legally mandated or voluntary suspension of disconnections;*
- (M) the number of customers charged late fees and the total dollar amount and average amount of such late fees;*
- (N) the number of customers charged reconnection fees and the total dollar amount and average amount of reconnection fees;*
- (O) the number of customers charged penalties other than late fees and reconnection fees and the total dollar amount and average amount of those penalties;*
- (P) the number of customers in arrears by 30, 60 and 90 days on the last day of each month and the total dollar amount owed and average amount owed by customers in arrears for each period of time;*
- (Q) the number of customers enrolled in deferred payment agreements on the last day of each month, the total dollar amount and average amount of arrears owed by customers subject to deferred payment agreements and the average length of the repayment term under deferred payment agreements;*
- (R) the number of customers that entered a new deferred payment agreement and the number of customers that successfully completed a deferred payment agreement;*
- (S) the number of customers that defaulted from a deferred payment agreement;*
- (T) the total dollar amount of arrears and average per-customer amount of arrears for customers subject to deferred payment agreements;*
- (U) the number of customers whose accounts were reported to a third party for the purpose of debt collection;*

- (V) the number of customers notified by the utility that the customer's account debt has been reported to a third party for the purpose of debt collection;*
 - (W) the number of customers whose accounts were reported to a credit reporting agency;*
 - (X) the number of customers notified by the utility that the customer's account debt has been reported to a credit reporting agency;*
 - (Y) the number of liens placed, sold or enforced on real property due to nonpayment of utility accounts, if applicable; and*
 - (Z) such additional information as the commission shall determine is prudent to accomplish the goals of this section and promote the public health, safety and welfare*
- (3) The commission shall make each monthly report submitted by each public utility pursuant to this section publicly available on the commission's website in an electronic spreadsheet within 30 days after receipt of such information.*

Senate Bill 278 Will Have a Significant Cost to Industry and The Commission

Senate Bill 278 will add significant costs to both the public utilities and the Commission. As mentioned above, SB 278 requires 26 reporting elements broken down into five categories. It is doubtful that any of the Kansas public utilities currently have reporting structures that comply with this new mandate and significant software development will be required to develop this new reporting system. Furthermore, there is ongoing costs associated with the monthly and annual data collection, analysis and reporting processes that would be required. While these costs have not been estimated, there should be no illusion that these costs will be anything but substantial.

While there may be no fiscal impact to the state's general fund, that is only because the Commission is a fee-based agency, and the regulated public utilities pay the costs. SB 278 will result in significant costs at the Commission which will then be passed onto the regulated providers. These assessed costs are in addition to the individual company costs mentioned above. SB 278 requires the Commission to establish reporting standards and an online reporting tool and/or database and to maintain such information indefinitely. The bill also requires the Commission to prepare multiple annual written reports and to undertake a new investigation. These required mandates will have significant costs associated with them that are not part of the current cost structure at the KCC.

SB 278 is Duplicative for Telecom Carriers

If the intent of SB 278 is to provide analysis for low-income customers, this information is largely available to the Commission for telecommunications providers via a federal portal.

Telecommunications customers offering federal assistance programs such as legacy Lifeline or the new Affordability Connection Program (ACP) are already required to provide the FCC and/or other federal agencies. While the information is not as specific as mandated by SB 278, the information provided by carriers is substantial and available to the Commission.

SB Exasperates the Current Regulatory Disparity Amongst Communications Carriers

While SB 278 requires all public utilities to file new monthly and annual reports with the KCC, it is important to recognize that not all communications carriers are considered public utilities or are regulated by the KCC. Certain communications competitors fall outside the statutory definition of ‘public utility’ and the KCC’s jurisdiction and would not be required to provide such reporting. These competitors would have a regulatory advantage not only in terms of a lower regulatory cost structure but would have access to a substantial amount of its competitors highly sensitive competitive information.

The Communications Industry is Too Competitive for Public Disclosure

The communications industry is highly competitive with hundreds of different providers in Kansas. With federal and state broadband funding available, more competitors are expected to enter the Kansas marketplace. There is no public policy rationale to require just a select few of these providers to publicly report this level of business results as mandated by SB 278. For a competitive industry, the number of customers and revenue by type, broken down by census block and ZIP code, would provide a competitor with a wealth of competitive intelligence.

Communications and Broadband Should be Exempted if Senate Bill 278 Advances

For the abovementioned reasons, Brightspeed opposes Senate Bill 278 as introduced. Brightspeed also understands that the intent of SB 278 is targeted toward non-communications industries that are defined as public utilities. Brightspeed takes no position regarding the impact of SB 278 for these other industries; however, in the event the Committee deems SB 278 essential public policy that should be advanced, Brightspeed respectfully requests an amendment to exclude or exempt the communications industry, including legacy voice services as well as broadband.

Conclusion

Brightspeed appreciates the opportunity to offer its position on SB 88 and thanks the Committee for its consideration of an amendment to exempt communications providers from the proposed reporting provisions if SB 278 advances.