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H.297

Introduced by Representatives Botzow of Pownal, Carr of Brandon, Cross of  
Winooski, Kitzmiller of Montpelier, Kupersmith of South  
Burlington, and Marcotte of Coventry

Referred to Committee on

Date:

Subject: Utilities; Department of Public Service; planning; Universal Service  
Fund; federal proceedings

Statement of purpose of bill as introduced: This bill proposes to make various  
amendments to matters within the jurisdiction of the Department of Public  
Service, including enhanced coordination of planning; broader application of  
the Universal Service Fund surcharge; and participation in federal proceedings.

An act relating to duties and functions of the Department of Public Service

It is hereby enacted by the General Assembly of the State of Vermont:

~~\*\*\* Participation in Federal Proceedings \*\*\*~~

Sec. 1. 30 V.S.A. § 2(b) is amended to read:

(b) In cases requiring hearings by the ~~board~~ Board, the ~~department~~  
Department, through the ~~director for public advocacy~~ Director for Public  
Advocacy, shall represent the interests of the people of the ~~state~~ State, unless  
otherwise specified by law. In any hearing, the ~~board~~ Board may, if it

1 ~~determines that the public interest would be served, request the attorney~~  
2 ~~general~~ Attorney General or a member of the Vermont ~~bar~~ Bar to represent the  
3 public or the ~~state~~ State. In addition, the Department may intervene, appear,  
4 and participate in Federal Energy Regulatory Commission proceedings,  
5 Federal Communications Commission proceedings, or other federal  
6 proceedings on behalf of the Vermont public.

7 \* \* \* Coordination of Energy Planning \* \* \*

8 Sec. 2. 30 V.S.A. § 202 is amended to read:

9 § 202. ELECTRICAL ENERGY PLANNING

10 (a) ~~The department of public service~~ Department of Public Service, through  
11 ~~the director for regulated utility planning~~ Director for Regulated Utility  
12 Planning, shall constitute the responsible utility planning agency of the ~~state~~  
13 State for the purpose of obtaining for all consumers in the ~~state~~ State proper  
14 utility service at minimum cost under efficient and economical management  
15 consistent with other public policy of the ~~state~~ State. ~~The director~~ Director  
16 shall be responsible for the provision of plans for meeting emerging trends  
17 related to electrical energy demand, supply, safety, and conservation.

18 (b) ~~The department~~ Department, through the ~~director~~ Director, shall prepare  
19 an electrical energy plan for the ~~state~~ State. The plan shall be for a 20-year  
20 period and shall serve as a basis for state electrical energy policy. The electric  
21 energy plan shall be based on the principles of “least cost integrated planning”

1 ~~set out in and developed under section 218c of this title. The plan shall include~~

2 at a minimum:

3 (1) an overview, looking 20 years ahead, of statewide growth and  
4 development as they relate to future requirements for electrical energy,  
5 including patterns of urban expansion, statewide and service area economic  
6 growth, shifts in transportation modes, modifications in housing types and  
7 design, conservation and other trends and factors which, as determined by the  
8 ~~director~~ Director, will significantly affect state electrical energy policy and  
9 programs;

10 (2) an assessment of all energy resources available to the ~~state~~ State for  
11 electrical generation or to supply electrical power, including, among others,  
12 fossil fuels, nuclear, hydro-electric, biomass, wind, fuel cells, and solar energy  
13 and strategies for minimizing the economic and environmental costs of energy  
14 supply, including the production of pollutants, by means of efficiency and  
15 emission improvements, fuel shifting, and other appropriate means;

16 (3) estimates of the projected level of electrical energy demand;

17 (4) a detailed exposition, including capital requirements and the  
18 estimated cost to consumers, of how such demand shall be met based on the  
19 assumptions made in subdivision (1) of this subsection and the policies set out  
20 in subsection (c) of this section; and

1 ~~(5) specific strategies for reducing electric rates to the greatest extent~~  
2 possible in Vermont over the most immediate ~~five-year~~ six-year period, for the  
3 next succeeding ~~five-year~~ six-year period, and long-term sustainable strategies  
4 for achieving and maintaining the lowest possible electric rates over the full  
5 20-year planning horizon consistent with the goal of maintaining a financially  
6 stable electric utility industry in Vermont.

7 (c) In developing the plan, the ~~department~~ Department shall take into  
8 account the protection of public health and safety; preservation of  
9 environmental quality; the potential for reduction of rates paid by all retail  
10 electricity customers; the potential for reduction of electrical demand through  
11 conservation, including alternative utility rate structures; use of load  
12 management technologies; efficiency of electrical usage; utilization of waste  
13 heat from generation; and utility assistance to consumers in energy  
14 conservation.

15 (d) In establishing plans, the ~~director~~ Director shall:

16 (1) Consult with:

17 (A) the public;

18 (B) Vermont municipal utilities;

19 (C) Vermont cooperative utilities;

20 (D) Vermont investor-owned utilities;

21 (E) Vermont electric transmission companies;

1 ~~(F) environmental and residential consumer advocacy groups active~~  
2 in electricity issues;

3 (G) industrial customer representatives;

4 (H) commercial customer representatives;

5 (I) ~~the public service board~~ Public Service Board;

6 (J) an entity designated to meet the public's need for energy  
7 efficiency services under subdivision 218c(a)(2) of this title;

8 (K) other interested state agencies; and

9 (L) other energy providers.

10 (2) To the extent necessary, include in the plan surveys to determine  
11 needed and desirable plant improvements and extensions and coordination  
12 between utility systems, joint construction of facilities by two or more utilities,  
13 methods of operations, and any change that will produce better service or  
14 reduce costs. To this end, the ~~director~~ Director may require the submission of  
15 data by each company subject to supervision, of its anticipated electrical  
16 demand, including load fluctuation, supplies, costs, and its plan to meet that  
17 demand and such other information as the ~~director~~ Director deems desirable.

18 (e) The ~~department~~ Department shall conduct public hearings on the final  
19 draft and shall consider the evidence presented at such hearings in preparing  
20 the final plan. The plan shall be adopted no later than January 1, ~~2004~~ 2016  
21 and readopted in accordance with this section by every sixth January 1

1 ~~thereafter, and shall be submitted to the general assembly General Assembly~~  
2 ~~each time the plan is adopted or readopted. The provisions of 2 V.S.A. § 20(d)~~  
3 ~~(expiration of required reports) shall not apply to the submission to be made~~  
4 ~~under this subsection.~~

5 (f) After adoption by the ~~department~~ Department of a final plan, any  
6 company seeking ~~board~~ Board authority to make investments, to finance, to  
7 site or construct a generation or transmission facility or to purchase electricity  
8 or rights to future electricity, shall notify the ~~department~~ Department of the  
9 proposed action and request a determination by the ~~department~~ Department  
10 whether the proposed action is consistent with the plan. In its determination  
11 whether to permit the proposed action, the ~~board~~ Board shall consider the  
12 ~~department's~~ Department's determination of its consistency with the plan  
13 along with all other factors required by law or relevant to the ~~board's~~ Board's  
14 decision on the proposed action. If the proposed action is inconsistent with the  
15 plan, the ~~board~~ Board may nevertheless authorize the proposed action if it finds  
16 that there is good cause to do so. The ~~department~~ Department shall be a party  
17 to any proceeding on the proposed action, except that this section shall not be  
18 construed to require a hearing if not otherwise required by law.

19 (g) The ~~director~~ Director shall annually review that portion of a plan  
20 extending over the next ~~five~~ six years. The ~~department~~ Department, through  
21 the ~~director~~ Director, shall ~~annually~~ biennially extend the plan by ~~one~~ two

1 ~~additional year years; and from time to time, but in no and in any event less~~  
2 ~~than every five years sixth year, institute proceedings to review a plan and~~  
3 ~~make revisions, where necessary. The five year six-year review and any~~  
4 ~~interim revisions shall be made according to the procedures established in this~~  
5 ~~section for initial adoption of the plan. The six-year review and any revisions~~  
6 ~~made in connection with that review shall be performed contemporaneously~~  
7 ~~with readoption of the comprehensive energy plan under section 202b of this~~  
8 ~~title.~~

9 (h) The plans adopted under this section ~~shall be submitted to the energy~~  
10 ~~committees of the general assembly and shall become the electrical energy~~  
11 ~~portion of the state energy plan.~~

12 (i) It shall be a goal of the electrical energy plan to assure, by 2028, that at  
13 least 60 MW of power are generated within the state State by combined heat  
14 and power (CHP) facilities powered by renewable fuels ~~or by nonqualifying~~  
15 ~~SPEED resources~~, as defined in section 8002 of this title. In order to meet this  
16 goal, the plan shall include incentives for development and strategies to  
17 identify locations in the state State that would be suitable for CHP. The plan  
18 shall include strategies to assure the consideration of CHP potential during any  
19 process related to the expansion of natural gas services in the state State.

1 ~~Sec. 3. 30 V.S.A. § 202b is amended to read:~~

2 § 202b. STATE COMPREHENSIVE ENERGY PLAN

3 (a) ~~The department of public service~~ Department of Public Service, in  
4 conjunction with other state agencies designated by the ~~governor~~ Governor,  
5 shall prepare a comprehensive state energy plan covering at least a 20-year  
6 period. The plan shall seek to implement the state energy policy set forth in  
7 section 202a of this title. The plan shall include:

8 (1) A comprehensive analysis and projections regarding the use, cost,  
9 supply, and environmental effects of all forms of energy resources used within  
10 Vermont.

11 (2) Recommendations for ~~state~~ State implementation actions, regulation,  
12 legislation, and other public and private action to carry out the comprehensive  
13 energy plan.

14 (b) In developing or updating the plan's recommendations, the ~~department~~  
15 ~~of public service~~ Department of Public Service shall seek public comment by  
16 holding public hearings in at least five different geographic regions of the ~~state~~  
17 State on at least three different dates, and by providing notice through  
18 publication once a week and at least seven days apart for two or more  
19 successive weeks in a newspaper or newspapers of general circulation in the  
20 regions where the hearings will be held, and by delivering notices to all  
21 licensed commercial radio and television stations with transmitting facilities

1 ~~within the state State, plus Vermont Public Radio and Vermont Educational~~  
2 ~~Television.~~

3 (c) ~~The department Department shall adopt a state energy plan by ~~no later~~  
4 ~~than~~ January 1, 1994 2016 and shall readopt the plan by every sixth January 1  
5 thereafter. On adoption or readoption, the plan shall be submitted to the  
6 General Assembly. The provisions of 2 V.S.A. § 20(d) (expiration of required  
7 reports) shall not apply to such submission.~~

8 (1) Upon adoption of the plan, analytical portions of the plan may be  
9 updated ~~annually~~ and published biennially.

10 (2) Every fourth year after the adoption or readoption of a plan under  
11 this section, the Department shall publish the manner in which the Department  
12 will engage the public in the process of readopting the plan under this section.

13 (3) The publication requirements of subdivisions (1) and (2) of this  
14 subsection may be met by inclusion of the subject matter in the Department's  
15 biennial report.

16 (4) The plan's implementation recommendations shall be updated by the  
17 ~~department~~ Department no less frequently than every ~~five~~ six years. These  
18 recommendations shall be updated prior to the expiration of ~~five~~ six years if  
19 the ~~general assembly~~ General Assembly passes a joint resolution making a  
20 request to that effect. If the ~~department~~ Department proposes or the ~~general~~  
21 assembly General Assembly requests the revision of implementation

1 ~~recommendations, the department Department shall hold public hearings on~~  
2 the proposed revisions.

3 (d) ~~Any distribution~~ Distribution of the plan to members of the ~~general~~  
4 ~~assembly~~ General Assembly shall be in accordance with the provisions of  
5 2 V.S.A. § 20 ~~(a)-(c)~~.

6 Sec. 4. INTENT; RETROACTIVE APPLICATION

7 In enacting Secs. 2 (20-year electric plan) and 3 (comprehensive energy  
8 plan) of this act, the General Assembly intends to set the readoption of these  
9 plans by the Department of Public Service on a regular six-year cycle.

10 Sec. 5. REPEAL

11 21 V.S.A. § 269 (energy standards, compliance plan; training; enforcement;  
12 compliance measurement) is repealed.

13 \* \* \* USF; Prepaid Wireless; Provider Assessment \* \* \*

14 Sec. 6. 30 V.S.A. § 7521 is amended to read:

15 § 7521. CHARGE IMPOSED; WHOLESALE EXEMPTION

16 (a) A universal service charge is imposed on all retail telecommunications  
17 service provided to a Vermont address. Where the location of a service and the  
18 location receiving the bill differ, the location of the service shall be used to  
19 determine whether the charge applies. The charge is imposed on the person  
20 purchasing the service, but shall be collected by the telecommunications  
21 provider. Each telecommunications service provider shall include in its tariffs

1 ~~filed at the public service board Public Service Board a description of its~~  
2 ~~billing procedures for the universal service fund charge.~~

3 (b) The universal service charge shall not apply to wholesale transactions  
4 between telecommunications service providers where the service is a  
5 component part of a service provided to an end user. This exemption includes,  
6 ~~but is not limited to,~~ network access charges and interconnection charges paid  
7 to a local exchange carrier.

8 (c) In the case of mobile telecommunications service, the universal service  
9 charge is imposed when the customer's place of primary use is in Vermont.  
10 The terms "customer," "place of primary use," and "mobile  
11 telecommunications service" have the meanings given in 4 U.S.C. § 124. All  
12 provisions of 32 V.S.A. § 9782 shall apply to the imposition of the universal  
13 service charge under this section.

14 (d)(1) In the case of prepaid wireless telecommunications services, the  
15 universal service charge shall be imposed pursuant to either subdivision (A)  
16 or (B) of this subdivision, at the discretion of the service provider:

17 (A) the universal service charge shall be imposed when funds are  
18 applied to an account associated with a Vermont telephone number or a  
19 Vermont address; or

20 (B) the universal service charge shall be imposed on the provider  
21 based on its gross operating revenue.

1 ~~(2) For purposes of this subsection:~~

2 ~~(A) "Gross operating revenue" means the gross operating revenue~~  
3 ~~received by the provider in the conduct of its business in Vermont, as reported~~  
4 ~~to the Department of Public Service under section 22 of this title.~~

5 ~~(B) "Prepaid wireless telecommunications service" means a~~  
6 ~~telecommunications service as defined in section 203(5) of this title that a~~  
7 ~~consumer pays for in advance and that is sold in predetermined units or dollars~~  
8 ~~which decline with use.~~

9 ~~(e) If a provider of prepaid wireless telecommunications service submits~~  
10 ~~an attestation under oath with its annual report filed under section 22 of this~~  
11 ~~title and the attestation states the percentage of its services sold nationwide by~~  
12 ~~third-party resellers as opposed to services sold by the provider directly to~~  
13 ~~customers, the amount of the charge imposed under subsection (d) of this~~  
14 ~~section may be reduced by up to 25 percent in consideration of the~~  
15 ~~approximate percentage of services sold by third-party resellers in Vermont.~~

16 \* \* \* Effective Date \* \* \*

17 Sec. 7. EFFECTIVE DATE

18 ~~This act shall take effect on passage.~~

*\* \* \* Participation in Federal Proceedings \* \* \**

*Sec. 1. 30 V.S.A. § 2(b) is amended to read:*

*(b) In cases requiring hearings by the ~~board~~ Board, the ~~department~~ Department, through the ~~director for public advocacy~~ Director for Public Advocacy, shall represent the interests of the people of the ~~state~~ State, unless otherwise specified by law. In any hearing, the ~~board~~ Board may, if it determines that the public interest would be served, request the ~~attorney general~~ Attorney General or a member of the Vermont ~~bar~~ Bar to represent the public or the ~~state~~ State. In addition, the Department may intervene, appear, and participate in Federal Energy Regulatory Commission proceedings, Federal Communications Commission proceedings, or other federal administrative proceedings on behalf of the Vermont public.*

*\* \* \* Coordination of Energy Planning \* \* \**

*Sec. 2. 30 V.S.A. § 202 is amended to read:*

*§ 202. ELECTRICAL ENERGY PLANNING*

*(a) The ~~department of public service~~ Department of Public Service, through the ~~director for regulated utility planning~~ Director for Regulated Utility Planning, shall constitute the responsible utility planning agency of the ~~state~~ State for the purpose of obtaining for all consumers in the ~~state~~ State proper utility service at minimum cost under efficient and economical management consistent with other public policy of the ~~state~~ State. The ~~director~~ Director shall be responsible for the provision of plans for meeting emerging trends related to electrical energy demand, supply, safety, and conservation.*

*(b) ~~The department~~ Department, through the ~~director~~ Director, shall prepare an electrical energy plan for the ~~state~~ State. The plan shall be for a 20-year period and shall serve as a basis for state electrical energy policy. The electric energy plan shall be based on the principles of “least cost integrated planning” set out in and developed under section 218c of this title. The plan shall include at a minimum:*

*(1) an overview, looking 20 years ahead, of statewide growth and development as they relate to future requirements for electrical energy, including patterns of urban expansion, statewide and service area economic growth, shifts in transportation modes, modifications in housing types and design, conservation and other trends and factors which, as determined by the ~~director~~ Director, will significantly affect state electrical energy policy and programs;*

*(2) an assessment of all energy resources available to the ~~state~~ State for electrical generation or to supply electrical power, including, among others, fossil fuels, nuclear, hydro-electric, biomass, wind, fuel cells, and solar energy and strategies for minimizing the economic and environmental costs of energy supply, including the production of pollutants, by means of efficiency and emission improvements, fuel shifting, and other appropriate means;*

*(3) estimates of the projected level of electrical energy demand;*

*(4) a detailed exposition, including capital requirements and the estimated cost to consumers, of how such demand shall be met based on the assumptions made in subdivision (1) of this subsection and the policies set out in subsection (c) of this section; and*

*(5) specific strategies for reducing electric rates to the greatest extent possible in Vermont over the most immediate ~~five-year~~ six-year period, for the next succeeding ~~five-year~~ six-year period, and long-term sustainable strategies for achieving and maintaining the lowest possible electric rates over the full 20-year planning horizon consistent with the goal of maintaining a financially stable electric utility industry in Vermont.*

*(c) In developing the plan, the ~~department~~ Department shall take into account the protection of public health and safety; preservation of environmental quality; the potential for reduction of rates paid by all retail electricity customers; the potential for reduction of electrical demand through conservation, including alternative utility rate structures; use of load management technologies; efficiency of electrical usage; utilization of waste heat from generation; and utility assistance to consumers in energy conservation.*

*(d) In establishing plans, the ~~director~~ Director shall:*

*(1) Consult with:*

*(A) the public;*

- (B) Vermont municipal utilities;*
  - (C) Vermont cooperative utilities;*
  - (D) Vermont investor-owned utilities;*
  - (E) Vermont electric transmission companies;*
  - (F) environmental and residential consumer advocacy groups active in electricity issues;*
  - (G) industrial customer representatives;*
  - (H) commercial customer representatives;*
  - (I) the ~~public service board~~ Public Service Board;*
  - (J) an entity designated to meet the public's need for energy efficiency services under subdivision 218c(a)(2) of this title;*
  - (K) other interested state agencies; and*
  - (L) other energy providers.*
- (2) To the extent necessary, include in the plan surveys to determine needed and desirable plant improvements and extensions and coordination between utility systems, joint construction of facilities by two or more utilities, methods of operations, and any change that will produce better service or reduce costs. To this end, the ~~director~~ Director may require the submission of data by each company subject to supervision, of its anticipated electrical demand, including load fluctuation, supplies, costs, and its plan to meet that demand and such other information as the ~~director~~ Director deems desirable.*

*(e) The ~~department~~ Department shall conduct public hearings on the final draft and shall consider the evidence presented at such hearings in preparing the final plan. The plan shall be adopted no later than January 1, ~~2004~~ 2016 and readopted in accordance with this section by every sixth January 1 thereafter, and shall be submitted to the ~~general assembly~~ General Assembly each time the plan is adopted or readopted. The provisions of 2 V.S.A. § 20(d) (expiration of required reports) shall not apply to the submission to be made under this subsection.*

*(f) After adoption by the ~~department~~ Department of a final plan, any company seeking ~~board~~ Board authority to make investments, to finance, to site or construct a generation or transmission facility or to purchase electricity or rights to future electricity, shall notify the ~~department~~ Department of the proposed action and request a determination by the ~~department~~ Department whether the proposed action is consistent with the plan. In its determination whether to permit the proposed action, the ~~board~~ Board shall consider the ~~department's~~ Department's determination of its consistency with the plan along with all other factors required by law or relevant to the ~~board's~~ Board's decision on the proposed action. If the proposed action is inconsistent with the plan, the ~~board~~ Board may nevertheless authorize the proposed action if it finds that there is good cause to do so. The ~~department~~ Department shall be a*

*party to any proceeding on the proposed action, except that this section shall not be construed to require a hearing if not otherwise required by law.*

*(g) ~~The director~~ Director shall annually review that portion of a plan extending over the next ~~five~~ six years. ~~The department~~ Department, through the ~~director~~ Director, shall ~~annually~~ biennially extend the plan by ~~one~~ two additional ~~year~~ years; and from time to time, ~~but in no~~ and in any event ~~less than every five years~~ sixth year, institute proceedings to review a plan and make revisions, where necessary. ~~The five-year~~ six-year review and any interim revisions shall be made according to the procedures established in this section for initial adoption of the plan. The six-year review and any revisions made in connection with that review shall be performed contemporaneously with readoption of the comprehensive energy plan under section 202b of this title.*

*(h) ~~The plans adopted under this section shall be submitted to the energy committees of the general assembly and shall become the electrical energy portion of the state energy plan.~~*

*(i) ~~It shall be a goal of the electrical energy plan to assure, by 2028, that at least 60 MW of power are generated within the state~~ State by combined heat and power (CHP) facilities powered by renewable fuels ~~or by nonqualifying SPEED resources~~, as defined in section 8002 of this title. ~~In order to meet this goal, the plan shall include incentives for development and strategies to~~*

*identify locations in the ~~state~~ State that would be suitable for CHP. The plan shall include strategies to assure the consideration of CHP potential during any process related to the expansion of natural gas services in the ~~state~~ State.*

*Sec. 3. 30 V.S.A. § 202b is amended to read:*

*§ 202b. STATE COMPREHENSIVE ENERGY PLAN*

*(a) The ~~department of public service~~ Department of Public Service, in conjunction with other state agencies designated by the ~~governor~~ Governor, shall prepare a comprehensive state energy plan covering at least a 20-year period. The plan shall seek to implement the state energy policy set forth in section 202a of this title. The plan shall include:*

*(1) A comprehensive analysis and projections regarding the use, cost, supply, and environmental effects of all forms of energy resources used within Vermont.*

*(2) Recommendations for ~~state~~ State implementation actions, regulation, legislation, and other public and private action to carry out the comprehensive energy plan.*

*(b) In developing or updating the plan's recommendations, the ~~department of public service~~ Department of Public Service shall seek public comment by holding public hearings in at least five different geographic regions of the ~~state~~ State on at least three different dates, and by providing notice through publication once a week and at least seven days apart for two or more*

*successive weeks in a newspaper or newspapers of general circulation in the regions where the hearings will be held, and by delivering notices to all licensed commercial radio and television stations with transmitting facilities within the ~~state~~ State, plus Vermont Public Radio and Vermont Educational Television.*

*(c) The ~~department~~ Department shall adopt a state energy plan by ~~no later than~~ January 1, 1994 2016 and shall readopt the plan by every sixth January 1 thereafter. On adoption or readoption, the plan shall be submitted to the General Assembly. The provisions of 2 V.S.A. § 20(d) (expiration of required reports) shall not apply to such submission.*

*(1) Upon adoption of the plan, analytical portions of the plan may be updated ~~annually~~ and published biennially.*

*(2) Every fourth year after the adoption or readoption of a plan under this section, the Department shall publish the manner in which the Department will engage the public in the process of readopting the plan under this section.*

*(3) The publication requirements of subdivisions (1) and (2) of this subsection may be met by inclusion of the subject matter in the Department's biennial report.*

*(4) The plan's implementation recommendations shall be updated by the ~~department~~ Department no less frequently than every ~~five~~ six years. These recommendations shall be updated prior to the expiration of ~~five~~ six years if*

~~the general assembly~~ General Assembly passes a joint resolution making a request to that effect. If the ~~department~~ Department proposes or the ~~general assembly~~ General Assembly requests the revision of implementation recommendations, the ~~department~~ Department shall hold public hearings on the proposed revisions.

(d) ~~Any distribution~~ Distribution of the plan to members of the ~~general assembly~~ General Assembly shall be in accordance with the provisions of 2 V.S.A. § 20 ~~(a)-(c)~~.

*Sec. 4. INTENT; RETROACTIVE APPLICATION*

In enacting Secs. 2 (20-year electric plan) and 3 (comprehensive energy plan) of this act, the General Assembly intends to set the readoption of these plans by the Department of Public Service on a regular six-year cycle.

*\* \* \* USF; Prepaid Wireless; Provider Assessment \* \* \**

*Sec. 5. 30 V.S.A. § 7521 is amended to read:*

*§ 7521. CHARGE IMPOSED; WHOLESAL EXEMPTION*

(a) A universal service charge is imposed on all retail telecommunications service provided to a Vermont address. Where the location of a service and the location receiving the bill differ, the location of the service shall be used to determine whether the charge applies. The charge is imposed on the person purchasing the service, but shall be collected by the telecommunications provider. Each telecommunications service provider shall include in its tariffs

*filed at the ~~public service board~~ Public Service Board a description of its  
billing procedures for the universal service fund charge.*

*(b) The universal service charge shall not apply to wholesale transactions  
between telecommunications service providers where the service is a  
component part of a service provided to an end user. This exemption includes,  
~~but is not limited to,~~ network access charges and interconnection charges paid  
to a local exchange carrier.*

*(c) In the case of mobile telecommunications service, the universal service  
charge is imposed when the customer's place of primary use is in Vermont.  
The terms "customer," "place of primary use," and "mobile  
telecommunications service" have the meanings given in 4 U.S.C. § 124. All  
provisions of 32 V.S.A. § 9782 shall apply to the imposition of the universal  
service charge under this section.*

*(d)(1) In the case of prepaid wireless telecommunications services, the  
universal service charge shall be imposed on the provider based on its gross  
operating revenue.*

*(2) For purposes of this subsection:*

*(A) "Gross operating revenue" means the gross operating revenue  
received by the provider from the sale of prepaid wireless telecommunications  
service in Vermont, as reported to the Department of Public Service under  
section 22 of this title.*

(B) "Prepaid wireless telecommunications service" means a telecommunications service as defined in section 203(5) of this title that a consumer pays for in advance and that is sold in predetermined units or dollars which decline with use.

*\* \* \* Effective Date \* \* \**

*Sec. 6. EFFECTIVE DATE*

*This act shall take effect on passage.*