

RESOLUTIONS

Approved

by the

COMMITTEE OF THE WHOLE

of the

**NATIONAL ASSOCIATION OF
REGULATORY UTILITY COMMISSIONERS**

Wednesday, November 16th, 2011

CONTENTS

Substantive Resolutions:

- Page 3 Resolution on Ensuring Sustainable Natural Gas Development*
- Page 5 Resolution Supporting the National Petroleum Council’s 2011 North American Resource Development (NARD) Study – “Prudent Development: Realizing the Potential of North America’s Abundant Natural Gas and Oil Resources”*
- Page 7 Resolution on Accountability for FCC Imposed Merger Public Interest Commitments to Deploy Broadband Infrastructure and Adoption Programs*
- Page 9 Resolution Urging the Federal Communications Commission to Protect All Voice Service Consumers from Cramming Billing Practices*
- Page 12 Resolution Supporting the Troops to Energy Jobs Initiative*
- Page 13 Resolution Affirming International Membership & Benefits*

Resolution on Ensuring Sustainable Natural Gas Development

WHEREAS, Over the past several years American consumers have benefited from substantially lower and more stable natural gas prices due to the development of technologies that allow energy producers to access significant supplies of domestic natural gas from shale formations and other unconventional reservoirs; *and*

WHEREAS, Continuing development of this new natural gas supply will further benefit consumers, provide new jobs, and lead to lower net emissions of carbon dioxide, nitrogen oxide and sulfur dioxide; *and*

WHEREAS, Recently, the completion practices required to produce natural gas, specifically from shale formations, have attracted considerable attention in public policy circles; *and*

WHEREAS, NARUC has long supported sustainable resource development and balanced efforts to ensure reliable U.S. energy resources developed in an environmentally responsible manner; *and*

WHEREAS, There have been significant environmental concerns raised with regards to natural gas development, and efforts are being taken by States and public and private groups to mitigate any potential adverse environmental impacts; such efforts need to be ongoing and strengthened; *and*

WHEREAS, In May 2011, the Board of Directors of the American Gas Association adopted a *Position Statement on Responsible Natural Gas Resource Development*. In this Position Statement, AGA and its members, which deliver two thirds of the natural gas consumed in the nation, adopted nine principles that stated, in part, that AGA and its members “believe it is critical to engage all stakeholders in the process of meeting economic, environmental, and regulatory goals, to share information transparently, and – based on lessons learned – to continually refine and improve safety and environmental practices;” that “natural gas producers must be committed to operational standards that ensure safe, environmentally sound, responsible, economically sensible and sustainable development of natural gas resources in the United States,” and that “State and local governments have the obligation to implement regulatory constructs that protect the environment and consumer interest. To accomplish these ends they should have adequate manpower and funding resources. State agencies should likewise have sufficient resources to evaluate and responsibly facilitate timely access to public lands and permits when required;” *and*

WHEREAS, On August 11, 2011, the *Shale Gas Subcommittee of the Secretary of Energy Advisory Board* issued its Ninety-Day Report, which presented recommendations that if implemented would reduce the environmental impacts from shale gas production. These detailed recommendations stress the importance of a process of continuous improvement in shale gas production, support the implementation of best practices, and support increased measurement and disclosure. While many companies are following such a process, much broader and more extensive adoption is warranted. The Ninety-Day report also recommends improved public

information about shale gas operations, support improved communication among State and federal regulators, and call for continuing annual support to *STRONGER (the State Review of Oil and Natural Gas Environmental Regulation)* and the *Ground Water Protection Council* for expansion of the *Risk Based Data Management System* and similar projects that can be extended to all phases of shale gas development. These recommendations cover improvements in air quality, protection of water quality, disclosure of fracking fluid composition, reduction in the use of diesel fuel, and managing short-term and cumulative impacts on communities, land use, wildlife and ecologies. In organizing for best practices, the Secretary's subcommittee also calls for the creation of a shale gas industry production organization dedicated to continuous improvement of best practice; *now, therefore be it*

RESOLVED, That the National Association of Regulatory Utility Commissioners, convened at its 2011 Annual Meeting in St. Louis, Missouri, upon recommendation of the Committee on Gas, commends the American Gas Association and the Shale Gas Subcommittee of the Secretary of Energy Advisory Board for their efforts and supports for the continuous improvement of shale gas production in a cost-effective and environmentally-responsible manner.

*Sponsored by the Committee on Gas, Electricity, and Energy Resources and the Environment
Recommended by the NARUC Board of Directors November 15, 2011
Adopted by the NARUC Committee of the Whole November 16, 2011*

Resolution Supporting the National Petroleum Council’s 2011 North American Resource Development (NARD) Study - “Prudent Development: Realizing the Potential of North America’s Abundant Natural Gas and Oil Resources”

WHEREAS, The National Petroleum Council (NPC) is a federally-chartered organization founded in 1946 by President Harry Truman whose sole purpose is to provide advice of the oil and gas industry to the federal government, that originally being the United States Secretary of the Department of the Interior; *and*

WHEREAS, Today, the NPC is chartered by the United States Secretary of Energy under the Federal Advisory Committee Act of 1972¹, and the views represented are considerably broader than those of the oil and gas industry; *and*

WHEREAS, Through the studies conducted by the NPC, the Secretary and the U.S. Department of Energy can be better informed to implement the Administration’s energy policy goals; *and*

WHEREAS, The NPC consists of approximately 200 Council members appointed by the U.S. Secretary of Energy to assure well-balanced representation from all segments of the oil and natural gas industry and all sections of the country and from large and small companies; *and*

WHEREAS, Other appointed Council members include representatives of the States, Native American Nations, academic, financial research, public interest organizations, and institutions focused on delivering policy advice and counsel to the U.S. Secretary of Energy; *and*

WHEREAS, Certain NARUC Members, the Chairman of the Gas Committee, and an at-large member are assigned by the President of NARUC, and subsequently appointed by the U.S. Secretary of Energy to the Coordinating Subcommittee, to represent the interests of State utility regulators; *and*

WHEREAS, The Committee’s report provides a comprehensive reassessment of the character and potential of North American natural gas and oil resources and the contribution that natural gas can make in a transition to a lower carbon energy mix, while achieving the objectives of environmental protection, economic growth, and energy security; *and*

WHEREAS, NARUC as an active participant in the NPC, continues through its appointed Council members to inform the ratepayers, investors, and the general public on the consumer benefits as well as challenges of United States energy policy; *now, therefore be it*

¹ P. L. 92-463, Oct. 6, 1972, 86 Stat. 770, 5 USCS Appx. I. Amended Dec. 17, 1997, P. L. 105-153, 5 USCS Appx. (FACA) §§ 3, 15, 16 and Oct. 7, 2010, P. L. 111-259, 5 USCS Appx. (FACA) § 4.

RESOLVED, That the National Association of Regulatory Utility Commissioners, convened at its 2011 Annual Meeting in St. Louis, Missouri, supports the National Petroleum Council's 2011 North American Resource Development Study - "*Prudent Development: Realizing the Potential of North America's Abundant Natural Gas and Oil Resources Report.*"

Sponsored by the Committee on Gas

Recommended by the NARUC Board of Directors November 15, 2011

Adopted by the NARUC Committee of the Whole November 16, 2011

Resolution on Accountability for FCC Imposed Merger Public Interest Commitments to Deploy Broadband Infrastructure and Adoption Programs

WHEREAS, The National Association of Regulatory Utilities Commissioners (NARUC) has previously expressed its commitment through several resolutions in past years to advancing the deployment of broadband Internet access infrastructure and to promoting the adoption and usage of broadband services in communities across the United States; *and*

WHEREAS, Sections 214(a) and 310(d) of the Communications Act of 1934, as amended, and sections 34 through 39 of the Cable Landing License Act require the Federal Communications Commission (FCC) to determine whether a proposed transfer of control and of licenses held and controlled by a carrier regulated by the FCC will serve the public interest, convenience, and necessity; *and*

WHEREAS, The FCC can, and has, imposed merger obligations in support of this finding of public interest, including the applicants' express reliance on private investment to deploy broadband infrastructure or to implement broadband adoption and usage programs without reliance on federal Universal Service Fund (USF) financial support; *and*

WHEREAS, The FCC has approved a number of mergers (and has others pending) that included specific commitments to expand broadband facilities to additional households or businesses within specified timeframes and in some cases to provide reports on the progress of these expansion efforts; *and*

WHEREAS, Concerns have been identified that some commitments to deploy additional broadband infrastructure made to secure merger approvals are not being fully met; *and*

WHEREAS, Some carriers have made voluntary public interest commitments to deploy broadband infrastructure on the basis that USF financial support would enable them to satisfy the FCC approved merger obligation and the FCC has approved those commitments; *now, therefore be it*

RESOLVED, That the National Association of Regulatory Utility Commissioners, convened at its 2011 Annual Meeting in St. Louis, Missouri, respectfully requests that the Federal Communications Commission undertake a public inquiry to assess the extent to which public interest broadband deployment and adoption obligations imposed on previously approved merger applicants are being met; *and be it further*

RESOLVED, That, regarding all applicants making merger application public interest commitments or having public interest obligations imposed on them by the FCC, the FCC consider how to enhance and make more publicly accessible implementation progress reports that demonstrate applicants' compliance with such commitments and obligations; *and be it further*

RESOLVED, That the FCC consider establishing expedited timelines for assessment and enforcement of prior and future merger application public interest obligations that have been made by any entity required to obtain FCC approval of a merger where an applicant has agreed to or is required to deploy broadband infrastructure and to implement broadband adoption and usage programs; *and be it further*

RESOLVED, That the FCC consider on a case-by-case basis whether to approve the use of federal financial support from the Connect America Fund or the Mobility Fund for expenses related to supplementing an applicant's public interest obligations in the FCC order approving such applicants' merger to deploy broadband infrastructure and/or to implement broadband adoption and usage programs.

Sponsored by the Committee on Telecommunications

Recommended by the NARUC Board of Directors November 15, 2011

Adopted by the NARUC Committee of the Whole November 16, 2011

Resolution Urging the Federal Communications Commission to Protect All Voice Service Consumers from Cramming Billing Practices

WHEREAS, On July 12, 2011, the Federal Communications Commission (FCC) released a *Notice of Proposed Rulemaking* (FCC 11-106; NPRM) proposing to implement more stringent rules specifically “designed to assist consumers in detecting and preventing the placement of unauthorized charges on their telephone bills, an unlawful and fraudulent practice commonly referred to as ‘cramming;’” *and*

WHEREAS, The FCC indicates that it previously chose to adopt “‘broad, binding principles’ to promote truth-in-billing, rather than mandating more detailed rules to govern the details or format of carrier billing practices,” and permitted industry to adopt a voluntary code of best practices designed to prevent the placement of unauthorized charges on consumer bills; *and*

WHEREAS, The FCC deems cramming to be an unjust and unreasonable practice in violation of Section 201(b) of the Communications Act of 1934, as amended (Act); *and*

WHEREAS, The NPRM recognizes and data suggest that, despite the FCC’s previous actions and other State and federal actions, “cramming is a significant and ongoing problem that has affected consumers for over a decade, and has drawn the concern of Congress, States, and other federal agencies” and “reports of cramming likely understate the magnitude of the problem because consumers face significant challenges in detecting and preventing unauthorized charges on their telephone bills;” *and*

WHEREAS, Carriers may have a financial *disincentive* to closely monitor customer bills because: (1) voice service providers often earn revenues by placing third-party charges on their customers’ bills; and (2) unauthorized charges often go undetected and unchallenged by consumers; *and*

WHEREAS, More than twenty (20) State Attorneys General, certain State public utility commissions, the National Association of State Utility Consumer Advocates (NASUCA), and the Federal Trade Commission (FTC) responded to the NPRM urging the FCC to ban all third-party charges on customer telephone bills in some measure; *and*

WHEREAS, Many State public utility commissions and consumer advocates, including the California Public Utilities Commission, the Indiana Utility Regulatory Commission, the Iowa Utilities Board, the Michigan Public Service Commission, the Nebraska Public Service Commission, the Rhode Island Division of Public Utilities and Carriers, Tennessee Regulatory Authority Chairman Kenneth C. Hill, staff from the Virginia State Corporation Commission, and through the New England Conference of Public Utilities Commissioners, the Connecticut Department of Energy and Environmental Protection Public Utilities Regulatory Authority, the Maine Public Utilities Commission, the Massachusetts Department of Telecommunications and Cable, the New Hampshire Public Utilities Commission, the Vermont Department of Public Service, and the Vermont Public Service Board, as well as certain State Attorneys General, NASUCA, the FTC, and others, offer alternative recommendations short of a complete federal ban on third-party charges; *and*

WHEREAS, The National Association of Regulatory Utility Commissioners (NARUC) filed a letter with the Senate Committee on Commerce, Science, and Transportation (Committee) on July 12, 2011, commending the Committee’s “investigation into and hearing on cramming issues,” noting that the issue “continues to affect consumers despite unprecedented technological advancements in the telecommunications space marketplace and focused federal and State enforcement activity,” and indicating that it “stands willing to work with Congress, the FCC, FTC and other stakeholders to address this and other consumer concerns;” *and*

WHEREAS, NARUC adopted a Resolution in 2002, entitled *Telecommunications Consumer Bill of Rights*, which, among other things, affirmed that “consumers should have a right to receive clear and complete information about rates, terms and conditions for available products and services, and to be charged only according to the rates, terms and conditions agreed to” and called for consumers to have “fair, prompt and courteous redress for problems they encounter;”

WHEREAS, NARUC agrees that the FCC has sufficient legal authority to impose cramming prevention rules on traditional wireline service providers, interconnected VoIP service providers, wireless service providers and broadband Internet service providers; *and*

WHEREAS, The FCC and the market are quickly transitioning from a voice to a broadband-focused infrastructure; *now, therefore be it*

RESOLVED, That the National Association of Regulatory Utility Commissioners, convened at its 2011 Annual Meeting in St. Louis, Missouri, urges the FCC to implement mandatory cramming rules to all voice service providers that assess telephone bills on consumers, including traditional wireline service providers, interconnected Voice-over Internet Protocol (VoIP) service providers, and wireless service providers; *and be it further*

RESOLVED, That the FCC should mandate that all voice service providers offer a blocking option of third-party provider charges to their customers free-of-charge; *and be it further*

RESOLVED, That the FCC should mandate that all voice service providers disclose third-party blocking options to their customers on, at least, an annual basis; *and be it further*

RESOLVED, That all disclosure mandates by the FCC to address cramming billing practices be clear and conspicuous; *and be it further*

RESOLVED, That the FCC should clearly specify that federal cramming rules will not preempt more stringent or other State cramming standards, nor will they preempt States’ consumer protection rules or other regulatory authority; *and be it further*

RESOLVED, That the FCC should require voice service providers to report billing complaint trends and spikes driven by activity of specific third-party vendors to appropriate federal and State entities, including the FCC, FTC, and State public utility commissions, consumer advocates, and Attorneys General; *and be it further*

RESOLVED, As we transition to a broadband-focused infrastructure, one where the broadband Internet Service Provider may be the primary billing party, that the FCC should structure its cramming rules to provide protections to broadband service customers as well as voice service customers; *and be it further*

RESOLVED, That NARUC strongly endorses a federal-State collaborative approach to address cramming prevention.

Sponsored by the Committee on Telecommunications

Recommended by the NARUC Board of Directors November 15, 2011

Adopted by the NARUC Committee of the Whole November 16, 2011

Resolution Supporting the Troops to Energy Jobs Initiative

WHEREAS, The Troops to Energy Jobs Initiative is an effort by the energy industry to develop an accelerated process for bringing returning military veterans into the energy industry workforce nationwide; *and*

WHEREAS, The Initiative is managed by the Center for Energy Workforce Development (CEWD), a non-profit consortium of electric, natural gas, and nuclear utilities; their associations and the unions who serve their industries; *and*

WHEREAS, A 2009 study by CEWD projected that nearly 40 percent of the nation's energy workforce will either be eligible for retirement or departing their jobs because of attrition during the next five years causing the electricity and natural gas companies and the nuclear power industry to face a potential worker shortage; *and*

WHEREAS, Jobs that are expected to be affected include engineers, technicians, line workers, plant operators and pipefitters; *and*

WHEREAS, Many veterans though their extensive military training and experience already possess the skills, knowledge and discipline required for energy careers; *and*

WHEREAS, The Troops to Energy Jobs Initiative seeks to increase the number of avenues through which veterans with applicable job skills can transition into energy jobs, and for which interested veterans can begin the process of training and certification in order to qualify for those jobs; *and*

WHEREAS, The Initiative focuses on the need for educators, employers and veterans to work together to get veterans trained, credentialed and ready to enter the energy workforce after departing the military; *and*

WHEREAS, The Troops to Energy Jobs Initiative has established a pilot program of five energy companies: Dominion, American Electric Power, Pinnacle West Capital Corporation/Arizona Public Service, Pacific Gas and Electric Company and Southern Company and seeks to eventually expand the program to the entire energy industry; *now, therefore be it*

RESOLVED, That the National Association of Regulatory Utility Commissioners, convened at its 2011 Annual Meeting in St. Louis, Missouri, supports the mission and efforts of the Troops to Energy Jobs Initiative; *and be it further*

RESOLVED, That State commissions along with the U.S. Departments of Defense, Labor, Veteran Affairs, and Energy and their local agencies, as well as community colleges and labor unions work together in support of this partnership between the U.S. military and the energy industry.

Sponsored by the Subcommittee on Education and Research

Recommended by the NARUC Board of Directors November 14, 2011

Adopted by the NARUC Committee of the Whole November 16, 2011

Resolution Affirming International Membership & Benefits

WHEREAS, The National Association of Regulatory Utility Commissioners (NARUC) prides itself on the international relationships it has created with national regulatory agencies and regional regulatory associations; *and*

WHEREAS, As evidenced by its roles in the International Confederation of Energy Regulators (ICER) and World Forum on Energy Regulation (WFER), NARUC is recognized in the international community as a leader; *and*

WHEREAS, International Associate Membership in NARUC is currently open to public utility regulatory agencies from around the world that have an interest in close and active participation with NARUC members and its committees; *and*

WHEREAS, International Associate members currently pay dues established by the NARUC Board of Directors and are:

- (1) invited to join the Committee or Staff Subcommittee on International Relations and/or other standing committees with observer (non-voting) status;
- (2) eligible to attend NARUC meetings at the reduced registration fee;
- (3) entitled to receive information on upcoming NARUC activities, and those hosted by other organizations that are endorsed or supported by NARUC, through email notifications and subscription to the NARUC Bulletin (e-newsletter);
- (4) listed in the NARUC Membership Directory;
- (5) invited to view the NARUC Website for technical reports and other topical materials prepared by the Domestic and International Departments; and
- (6) invited to submit short articles about recent regulatory developments for inclusion in the NARUC Bulletin to be recognized by NARUC and educate its membership; *and*

WHEREAS, There is an opportunity to enhance NARUC's commitment to building relationships with international regulators by expanding NARUC's international membership base by recognizing a subcategory of international regulators, unlikely to attend NARUC meetings, to be designated as "International Affiliate members;" *and*

WHEREAS, The creation of this new category will demonstrate that NARUC is committed to building long-term sustainable relationships, even if they are maintained through electronic means, as well as insuring potential funders and partners recognize the breadth of the global network that NARUC has created through its international work; *now, therefore be it*

RESOLVED, That the National Association of Regulatory Utility Commissioners, convened at its 2011 Annual Meeting in St. Louis, Missouri, will offer "International Affiliate" membership on a complimentary (zero fee) basis to all international regulators interested in affiliating with NARUC, but who are unlikely to ever attend NARUC meetings; *and be it further*

RESOLVED, That these members will:

- (1) receive information on upcoming NARUC activities, and those hosted by other organizations that are endorsed or supported by NARUC, through email notifications and subscription to the NARUC Bulletin;
- (2) be listed in the NARUC Membership Directory as International Affiliates;
- (3) be invited to view the NARUC Website for technical reports and other topical materials prepared by the Domestic and International Departments; and
- (4) be entitled to a one-time registration fee waiver for one representative for an affiliate member organization that has not previously attended a NARUC meeting.

*Sponsored by the Committee on International Relations and Executive Committee
Recommended by the NARUC Board of Directors November 14, 2011
Adopted by the NARUC Committee of the Whole November 16, 2011*

Resolution Recognizing the 40-Year Collaborative Relationship Between NARUC and the Electric Power Research Institute

WHEREAS, The Electric Power Research Institute (EPRI) was founded in 1972 as part of an industry- and government-wide effort to address a vital national challenge through the creation of a research and development organization related to the generation, delivery, and use of electricity for the public benefit; *and*

WHEREAS, EPRI is primarily funded by the nation's electric utilities, and those costs are passed through to their consumers who also receive the benefits of the research; *and*

WHEREAS, Prior to EPRI's founding, regulatory agencies and their affiliates, including the National Association of Regulatory Utility Commissioners, considered an entity that could provide useful research worthy of State regulatory support, and recognized that State and Federal government support would be crucial to the success of any such research entity; *and*

WHEREAS, In November 1972, the NARUC Executive Committee passed a *Resolution Re: Research Program of EPRI*, extending NARUC's "cooperation and support" to EPRI; *and*

WHEREAS, That Resolution also expressed NARUC's support for State utility commissioner representation on the EPRI Advisory Council as indicia of regulatory support and public interest in EPRI's programs; *and*

WHEREAS, Since that time, the ERPI Advisory Council has always included 10 State utility Commissioners appointed by NARUC, who inject crucial insights and public interest perspectives into the discussions informing EPRI's research and development portfolios; *and*

WHEREAS, After passage of that 1972 Resolution, NARUC, through its members and staff, participated in the first meeting of the EPRI Advisory Council in 1973, where they discussed a number of organizational and substantive issues that led to the development and growth of the Institute; *now, therefore, be it*

RESOLVED, As EPRI approaches its 40th year of collaboration and cooperation with NARUC commissioners next year, that the National Association of Regulatory Utility Commissioners, convened at its 2011 Annual Meeting in St. Louis, Missouri, expresses its sincere congratulations and appreciation to EPRI; *and be it further*

RESOLVED, That NARUC recognizes the many accomplishments of the past four decades, and specifically endorses continuation of this special relationship, given the importance of EPRI's mission and its contributions to society.

Sponsored by the NARUC Executive Committee

Recommended by the NARUC Board of Directors November 14, 2011

Adopted by the NARUC Committee of the Whole November 16, 2011