

Substantive Resolution

**Submitted for Consideration by the NARUC Standing
Committees**

at the

November 10-13, 2024

NARUC Annual Meeting and Education Conference

In Anaheim, California

If you are interested in this resolution, you should read the entire draft and not rely on the truncated description in the Table Contents.

Note – these resolutions do not become NARUC policy unless and until they are passed by the NARUC Board of Directors. Also, one or more may change substantially during consideration.

**If you have any questions, call or email Brad Ramsay – NARUC GC at 202.257.0568
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I. Committee on Critical Infrastructure **Page 5**

CI-1 Resolution on Wildfire Impacts on Utility Customer Reliability and Affordability **Sponsor: Commissioner Rendahl** **(11/05 4:11 vz from Ann Rendahl)**

To promote stable financial and insurance markets that will lead to lower costs and in turn mitigate costs for ratepayers, this resolution encourages Congress or unspecified federal agencies to [1] establish a federal program to provide a financial risk-pooling mechanism via a national utility wildfire fund in coordination with minimum safety standards that create a clear and strong utility duty of care for wildfire mitigation; and [2] encourage coordination of utilities and federal land management agencies to allow utilities access to rights-of-ways to reduce fuel loads and mitigate the risk of high consequence fire on public lands.

CI-2 (GAS-1,TC-3,EL-3,WC-2) Resolution Supporting Communication & Coordination on Underground Infrastructure Safety during Broadband Deployment **Page 15** **Sponsor: (Cordova/Schram)** *See summary under GAS-1.*

II. Committee on Consumers and the Public Interest: **Page 8**

CPI-1 Resolution on Supporting the Submission of Comments by NARUC relating to the Energy Information Administration's Proposed Form EIA-112 **Page 8** **Sponsor: Commissioner McKissick** **(11/07 1:30 vz from F. McKissick)**

Resolution supports NARUC filing to support the metrics proposed in EIA-112 as a good initial step in increasing access to standardized utility shutoff data and recommends that EIA collect data

- *at the Census block group or another geographically granular level to permit targeting energy-insecure customers;*
- *on arrearages, payment plan participation, energy assistance enrollment, and uncollectible accounts that are written off, to enable more robust assessments of energy burdens and forecasting of energy assistance needs;*
- *more frequently than on an annual basis;*
- *and release the arrearage data, with technical documentation to clarify if numbers of "customers in arrears" identify unique customers, bills past due by vintage or some combination of the two.*

CPI-2 Resolution on Urging Clarification of Utility Recovery Bond Classification by the SEC to Lower the Cost to Electricity Customers **Page 11** **Sponsor: Commissioner McKissick** **(11/7 1:55 vz from F. McKissick)**

Resolution urges index providers and the SEC to clarify that utility recovery bonds should be classified as corporate bonds, not asset-backed securities, for purposes of Regulation AB or for purposes of the Securities Exchange Act of 1934 to prevent unnecessary increases in electricity costs for consumers in states that choose to use this form of financing.

III. Committee on Electricity

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- EL-1 (ERE-1) Resolution Supporting the Integration of Advanced Transmission Technologies in the Electricity Transmission System** Page 13
Sponsor: Commissioner Doug Scott (11/4 3:37 vz from Doug P. Scott)

Resolution urges Congress to appropriate sufficient funds to support utilities, Regional Transmission Organizations/Independent System Operators, and States with the deployment of Advanced Transmission Technologies (ATT) such as through the Grid Resilience and Innovation Partnerships Programs, for deployments, technical assistance, and research and encourages state regulators to investigate and evaluate the technical potential and benefits to ratepayers of the holistic deployment of ATT, such as Grid Enhancing Technologies and High Performance Conductors across their systems.

- EL-2 (CI-1) Resolution on Wildfire Impacts on Utility Customer Reliability and Affordability** Page 5
Sponsor: Commissioner Rendahl See summary under CI-1 supra.

- EL-3 (GAS-1,TC-3,CI-2,WC-2) Resolution Supporting Communication & Coordination on Underground Infrastructure Safety during Broadband Deployment** Page 15
Sponsor: (Cordova/Schram) See summary under GAS-1.

III. Committee on Energy Resources and the Environment

- ERE-1 (EL-1) Resolution Supporting the Integration of Advanced Transmission Technologies in the Electricity Transmission System** Page 13
Sponsor: Commissioner Doug Scott See summary under EL-1

- ERE-2 (CI-1, EL-2) Resolution on Wildfire Impacts on Utility Customer Reliability and Affordability** Page 5
Sponsor: Commissioner Rendahl See summary under CI-1 supra.

IV. Committee on Gas

- GAS-1 (TC-3, CI-2, WC-2) Resolution Supporting Communication and Coordination on Underground Infrastructure Safety during Broadband Deployment** Page 15
Sponsor: Commissioner Cordova/Schram (10/22 12:01 vz from T. Cordova)

Resolution (i) supports the federal government providing specific guidance on the use of federal funding for the payment or reimbursement of qualified infrastructure locating services to support broadband projects, (ii) encourages state and federal agencies to collaborate with and educate state agencies administering Broadband Equity Access and Deployment (BEAD) funding to address eligible uses, including infrastructure locating services and methods for reimbursing public utilities for such costs using federal funding, and to identify opportunities to minimize locate request costs through coordination; (iii) recommends applications for broadband funding consider whether the applicant for funding has coordinated with existing underground utilities regarding the timing of construction, processes, objectives, and the costs of

locate requests, (iv) encourages collaboration across infrastructure industries, call before you dig program administrators, federal agencies, utility commissions, and state broadband authorities to ensure that facility locates will be accurately and timely performed once requested to prevent damage to existing infrastructure and minimize delays.

V. Committee on Telecommunications

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- TC-1 Resolution Encouraging the Federal Communications Commission to Investigate the Sale and/or Brokering of Toll-Free and Non-Toll-Free Telephone Numbers to Insure Number Resource Optimization** **Page 18**
Sponsor: (Sarah Freeman) (11/07 5:21 pm from Sally Getz)

Resolution urges FCC to use audit authority to determine how companies are brokering or auctioning toll-free and other numbers via their websites and to determine how these companies obtain these telephone numbers, to ensure that the numbering rules are followed, and to prevent premature number exhaust.

- TC-2 Resolution to File an Amicus Brief with the Supreme Court of the United States in “Consumers’ Research v. FCC”** **Page 20**
Sponsor: Commissioner Schram (10/24 11:31vz from J. Kalala-Kasanda)

Resolution authorizes NARUC to file an amicus brief supporting the FCC if the Supreme Court grants certiorari of a 5th Circuit ruling that finds the FCC’s Universal Service surcharge mechanism is unconstitutional.

- TC-3 (GAS-1,CI-2,EL-1,WC-2) Resolution Supporting Communication & Coordination on Underground Infrastructure Safety during Broadband Deployment** **Page 15**
Sponsor: Commissioner Schram/Cordova See summary under GAS-1 supra.

V. Committee on Water

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- WC-1 Resolution Adopting NARUC Subcommittee on Accounting and Finance’s latest Revisions of the Uniform System of Accounts Reports for Water & Wastewater Utilities.** **Page 20**
Sponsor: Commissioner Hughes (10/24 7:35 vz from Jeffrey Hughes)

Resolution adopts and recommends the Uniform System of Accounts for Water Utilities and the Uniform System of Accounts for Wastewater Utilities – as revised by the NARUC Staff Subcommittee on Accounting and Finance - to member Commissions for consideration and for adoption in their respective jurisdiction, as may be deemed warranted, and as may be in the public interest.

- WC-2 GAS-1,TC-3,CI-2,EL-3,WC-2) Resolution Supporting Communication & Coordination on Underground Infrastructure Safety during Broadband Deployment** **Page 15**
Sponsor: (Cordova/Schram) See summary under GAS-1.

CI-1 (EL-2) Resolution on Wildfire Impacts on Utility Customer Reliability and Affordability

Whereas wildfires, including grassland and forest fires, are increasing in frequency and intensity across North America, resulting in greater public safety hazards and more significant destruction for communities, as well as the utilities that serve them;

Whereas significant wildfires are occurring even in areas previously deemed low risk by the Federal Emergency Management Agency;

Whereas wildfires create significant risks to the energy grid and reliable operations, as well as the financial stability of electric utilities;

Whereas electric utilities are obligated to serve all customers in their service territories, regardless of the wildfire risk profile of the landscape that the infrastructure must traverse to provide that service;

Whereas electric utility infrastructure, such as distribution and transmission lines, is susceptible to damage that can lead to an ignition or contribute to an existing ignition during high wind events or other high fire risk weather, even when lines and rights of way are well maintained, creating public safety risk as well as the significant potential for associated liability;

Whereas electric utilities, as a last resort to protect public safety, may need to deenergize lines to prevent lines from igniting fires or contributing to an existing ignition in high wind events or other high fire risk conditions, to avoid the risk of infrastructure failure, damage and liability, to avoid arcing caused by wildfire smoke, or at the direction of emergency personnel;

Whereas electric utilities risk mitigation through de-energization events, including public safety power shut offs, enhanced recloser safety settings, and emergency de-energizations, may negatively and significantly impact customer reliability, creating the potential for repeated health, safety and financial consequences for communities and individual customers, particularly the most vulnerable customers, the elderly, and functional needs customers;

Whereas reduction of fire consequences, and thus the risk to public safety and the liability associated with an ignition, is a function of multiple factors, including community and property owner fire risk reduction efforts, weather, vegetation and forest management, and fire response capabilities, limiting utility risk mitigation options primarily to ignition prevention;

Whereas management of fire risk and consequences, including electric utility liability, on public lands requires extensive, proactive cooperation between electric utility companies and many federal, state, and local land management agencies to deliver healthy lands and reliable electricity;

Whereas the scale of claims and damages, including non-economic damages, awarded against electric utilities in civil proceedings, regardless of fire investigation findings of cause or utility adherence to a formal wildfire mitigation plan, are financially destabilizing for all utilities, including small utilities as well as very large utilities, with concomitant harms to customers;

Whereas the unique risks of utility-caused ignitions during extreme weather events followed by large civil damages judgements has, in part, led credit ratings agencies to downgrade the electric utility sector¹, impacting 28 percent of the investment grade, long-term corporate debt in the United States²;

Whereas the demand for utility capital investment in resources, participation in long-term contracts for resources, and grid reliability investments, including deployment of ignition prevention measures, is rapidly increasing in order to meet projections for growing loads, to reduce climate impacting emissions, and to improve reliability in the face of extreme weather;

Whereas access to capital at historically advantageous prices is declining despite strong growth in the electric sector, raising the cost of capital for electric utilities or limiting their access to financing altogether, and thus increasing costs to utility customers;

Whereas electric utilities that have traditionally relied on private insurance, reinsurance, mutual insurance, and self-insurance products, are increasingly unable to obtain such insurance at reasonable cost, or face a lack of availability, due to the substantial risk of wildfire and large claims and civil damage awards;

Whereas the risk of wildfires, and particularly wildfires that become urban conflagrations such as those seen in Santa Rosa, Greenville, and Paradise, California, Lahaina, Hawaii, and Boulder, Colorado, is also significantly impacting the cost of home insurance, a crucial tool that underpins the mortgage market, resulting in rapidly escalating home insurance premiums or the lack of available insurance altogether in a growing number of communities;

Whereas the State of California, in response to the safety and financial risks of wildfires for participating electric utilities and their customers, has created a comprehensive wildfire mitigation program, that includes a requirement for all electric utilities in the state to develop wildfire mitigation plans, as well as the creation of a wildfire fund, that allows compliant large utilities that participate in the state utility wildfire fund with access to a financial backstop and risk pooling mechanism for utilities and their customers, and limits cost recovery and fund reimbursement requirements to address wildfire damage;

Whereas electric utilities across the west, and nationally, are working to address their wildfire risk through increased situational awareness and grid investments to reduce the likelihood of their infrastructure causing an ignition and limiting impacts to customers;

Whereas although the State of California wildfire mitigation plans and wildfire fund have helped reduce ignitions and has mitigated some financial risk for participating large electric utilities, the costs of implementing these additional wildfire measures have contributed significantly to bill increases for utility customers in California;

Whereas electric utilities across the west, and nationally, are working to address their wildfire risk through increased situational awareness and grid investments to reduce the likelihood of their

¹ Outlook for North American Investor-Owned Regulated Utilities Weakens, Gabriel Grosberg, S&P Global Ratings, 2/14/2024.

² The ratio of total US outstanding corporate debt, excluding the financial sector, with 10 to 30 year maturities and A and B ratings as compared to utility corporate debt of the same type, as calculated from Bloomberg data, 9/27/2024.

infrastructure causing an ignition or contribute to an existing ignition and limiting impacts to customers;

Whereas a similar federal program creating a wildfire fund, could provide a risk-pooling mechanism to allow all electric utilities, regardless of size, across the country to better manage both financial risks and costs associated with wildfires and provide incentives to invest in improved safety outcomes, which could in turn, result in lower overall costs to all customers;

Whereas substantially lowering financial and insurance risks and incentivizing improved safety outcomes by creating minimum safety standards and a federal wildfire funding mechanism, could assist in stabilizing access to capital markets as well as the insurance market for all electric utilities and, to some degree homeowners; *now therefore be it*

Resolved that the Board of Directors of the National Association of Regulatory Utility Commissions, convened at its 2024 Annual Meeting and Education Conference in Anaheim, California, encourages the following federal actions to promote stable financial and insurance markets that will lead to lower costs and in turn mitigate costs for customers:

- (1) Establish a federal program creating a financial risk-pooling mechanism for those states or utilities that choose to opt-in to help ensure stable access to capital for electric utilities through minimum safety standards that create a clear and effective utility standard of care for wildfire mitigation actions while balancing the electric utility's responsibility to maintain reliable and affordable electricity service to communities; and
- (2) Encourage rapid and significant coordination of utilities and federal land management agencies to allow utilities access to rights-of-ways to reduce fuel loads and mitigate the risk of high consequence fire on public lands.

Sponsored by the Committee on Critical Infrastructure

Adopted by the NARUC Board of Directors on November XX, 2024

CPI-1 Resolution on Supporting the Submission of Comment by NARUC relating to the Energy Information Administration's Proposed Form EIA-112

Whereas the June 20, 2024 Federal Register Notice from the Energy Information Administration (EIA) proposes “an annual survey that collects information on the number of monthly natural gas and electric service final notices, disconnections, and reconnections for bill non-payment across residential customers” through Form EIA-112;

Whereas the EIA states that the form is intended “to better inform state and federal policymakers on utility disconnections by providing reliable data that can help inform appropriate levels of budgetary support for various assistance programs;”

Whereas the EIA seeks comment on how to improve the quality, utility, and clarity of the information it will collect, and NARUC is uniquely positioned to provide insights on these issues;

Whereas NARUC members must address issues related to affordability and the impacts of income-qualified energy assistance programs, as implemented by individual states;

Whereas on November 19, 2019, NARUC passed a resolution urging NARUC state commission members to consider requiring utilities to collect monthly data on uncollectibles, payment arrangements, defaults, and duration and frequency of disconnections, and on November 18, 2019, the National Association of State Utility Consumer Advocates (NASUCA) passed a similar resolution;

Whereas these resolutions specifically discuss the likely utility of harmonizing state data collections of the same or similar information and promoting best practices among states;

Whereas the proposed EIA form would support the goals of the aforementioned resolutions;

Whereas on August 19, 2024, NASUCA filed submitted comments in support of Form EIA-112;

Whereas greater attention to disconnection data can be used to identify patterns, such as recurring arrearages or disconnections, that may indicate energy burdens or instability;

Whereas this information can help with outreach for and enrollment in energy assistance programs, which can be promoted through partnerships with neighborhood organizations;

Whereas increased data granularity would promote opportunities to budget for federal, state, and local energy assistance; allow for disconnection policy and practice comparisons across entities; enable quicker responses for outreach or funding reallocation where many customers are falling into arrears; and promote more culturally tailored outreach to at-risk neighborhoods;

Whereas continuous, standardized data collection can help identify policy impacts, such as infusions of federal assistance funds or applications of hot or cold weather moratoriums;

Whereas standardizing data across states and utilities could have the following benefits:

- Reducing the labor of state agency staff to develop standardized reporting requirements, and to collect and process data;

- Simplifying general data collection, which would allow state-level efforts to focus on identifying the longitudinal customer impacts of disconnections and better targeting assistance based on customer vulnerability;
- Creating opportunities to compare data across utilities or jurisdictions, and thus to identify trends that may relate to how policies around disconnections are implemented;
- Enabling prioritization of assistance funding across states and utilities; and
- Filling data gaps for utilities not regulated by PUCs, such as municipal utilities or rural electric cooperatives;

Whereas other metrics, in addition to disconnection notices, disconnections, and reconnections, can provide valuable information to utilities, public utility commissions, and assistance providers;

Whereas many more customers may be in arrears than are actively at risk of disconnection. Arrearage data can help reveal the magnitude of potential energy assistance needed, which would further support the intent of the survey to inform providers about the level of budget need;

Whereas presenting arrearage data by vintage (e.g., 1-30 days, 31-60 days, 61-90 days past due) can provide clues as to future levels of disconnections. Understanding the vintages of arrearage data and customers who are repeat participants in arrearage management programs can reveal potential increases in uncollectibles, which may be recovered from all ratepayers;

Whereas understanding how arrearages and disconnection notices convert into disconnections and bad debt can help gauge the effectiveness of outreach around energy assistance;

Whereas many utilities offer options for payment plans, in which customers pay a portion of their arrears each month along with future bills, understanding how often these plans are used, and if they are effective, can shed light on energy assistance needs;

Whereas a growing number of states are promoting interconnections across programs to improve the customer experience and to better leverage funds, understanding the number of customers who are entered into LIHEAP energy assistance programs and utility bill assistance programs, the overlap with payment plans, and the level of disconnections that result even with these options being in place, will help identify the most impactful assistance options;

Whereas there are precedents for collecting data on arrearages and disconnections due to nonpayment with a refined spatial dimension; and

Whereas while annual reporting may be sufficient for energy assistance programs awarded on an annual cycle, many utility and state-led programs operate on more frequent funding cycles. Moreover, disconnections can be seasonal based on weather trends and, generally, customers are not disconnected until a certain period after their bills have become past due, depending on state consumer protection policies. Accordingly, for those states that have a more frequent funding cycle, monthly data may be generally more useful than annual data; *now, therefore be it*

Resolved that the Board of Directors of the National Association of Regulatory Utility Commissioners, convened at its 2024 Annual Meeting and Education Conference in Anaheim, California, supports the metrics proposed in EIA-112 as a good initial step in increasing access to standardized utility shutoff data; *and be it further*

Resolved that additional metrics and increased temporal granularity of data would greatly improve the usefulness of the EIA form, and help energy assistance providers, regulatory commissions, and utilities work together to more proactively identify trends in energy insecurity; *and be it further*

Resolved that with respect to form EIA-112, NARUC recommends the EIA:

- Collect additional metrics, namely arrearages, payment plan participation, energy assistance enrollment, and uncollectible accounts that are written off, to enable more robust assessments of energy burdens and forecasting of energy assistance needs;
- Collect data more frequently than annually. Monthly data allows for more proactive planning and response, and thus it is more useful to assistance providers and regulatory commissions. However, NARUC would support the evaluation of bi-monthly or quarterly reporting; *and be it further*

Resolved that when arrearage data are presented, the EIA technical documentation should clarify whether numbers of customers in arrears are intended to be unique customers, bills past due by vintage (a customer may have multiple past-due bills), or some combination; *and be it further*

Resolved that NARUC acknowledges the complexities of refining data collection to meet widely varying needs, and suggests that a detailed scope for the pilot, together with incremental steps like implementing “best efforts” requirements, may be prudent to consider for subsequent comment.

Sponsored by Consumers and Public Interest Committee

Adopted by the NARUC Board of Directors on [November ____ 2024]

CPI – 2 Resolution on Urging Clarification of Utility Recovery Bond Classification by the SEC to Lower the Cost to Energy Customers

Whereas utility recovery bonds, also referred to as 'ratepayer-backed bonds,' 'utility securitization bonds,' or 'stranded cost bonds,' are financial tools authorized by specific state legislation to help regulated utilities finance critical projects such as climate adaptation, disaster recovery and asset retirement;

Whereas many states have passed enabling legislation for regulators and investor-owned utilities to use this type of financing, and other states are actively contemplating it;

Whereas these bonds receive the highest credit ratings (AAA/Aaa) from their state legislative, regulatory, and federal constitutional protections, which are designed to reduce costs for utility customers, offering a more efficient financing method compared to traditional utility financing;

Whereas utility recovery bonds have advantages for consumers and utilities by reducing the immediate financial burden of large utility costs; realizing lower ratepayer costs of capital: lowering utility credit risk; providing more predictable and stable utility bills; and enabling utilities to access large amounts of capital for significant projects without waiting for traditional rate recovery processes.

Whereas high inflation has resulted in energy rates increasing over the last five years by over 24 percent cumulatively, and that utility recovery bonds have lowered costs for many customers over the same period;

Whereas utility recovery bonds are fundamentally different from asset-backed securities (*e.g.*, credit card bonds, collateralized debt obligations, etc.) such as those that were problematic during the financial crisis of 2008-09 in terms of the issuer type, the nature of the collateral backing, the role of the state and regulators, the risk of the underlying assets, and the source and use of funds;

Whereas since the bonds were first used by regulators and utilities, the Internal Revenue Service (IRS) recognizes the bonds as corporate debt of the parent utility and the Financial Accounting Standards Board, as well as the Securities Exchange Commission (SEC) Office of Chief Accountant have treated the bonds as corporate debt on the consolidated balance sheet of the parent utility;

Whereas from June 2016 through August 2022, the bonds were recognized as corporate utility bonds by Barclays Index Services the predecessor to Bloomberg Index Services, Ltd. which greatly expanded the potential market for and competition among investors for the bonds which leads to lower borrowing rates:

Whereas in August 2022 Bloomberg Index Services Ltd reclassified utility recovery bonds as “asset backed securities” and in July 2024 an interpretation by the staff of the SEC Division of Corporation Finance may imply a similar reclassification.

Whereas these reclassifications (i) are contrary to a common sense understanding of the bonds and lack any investor protection benefit or rationale on how these bonds meet the definition of asset-backed securities and (ii) will severely limit the market for utility recovery bonds, negatively affect investors perception of the complexity and risk of the bonds and therefore lead to inefficient market

outcomes by directly increasing utilities' borrowing costs, resulting in higher energy rates for millions of American households;

Whereas the actions of reclassifying utility recovery bonds as asset-backed securities have not sufficiently considered the impact on energy consumers, and do not align with the principles of serving the public interest; *and*

Whereas the Governors of eight states have signed a letter requesting the SEC Chairman act in the public interest and to address this problematic reclassification of utility recovery bonds by index providers and staff interpretations; *now, therefore be it*

Resolved that the Board of Directors of the National Association of Regulatory Utility Commissioners, convened at its 2024 Annual Meeting and Education Conference in Anaheim, California, urge index providers and the SEC to clarify that utility recovery bonds should be classified as corporate bonds, not asset-backed securities, for purposes of Regulation AB or for purposes of the Securities Exchange Act of 1934 to prevent unnecessary increases in energy costs for consumers in states that choose to use this form of financing and to maintain fair and efficient markets as per the SEC's mission.

Sponsored by Consumers and Public Interest Committee

Adopted by the NARUC Board of Directors on [November ____ 2024]

EL-1 Resolution Supporting the Integration of Advanced Transmission Technologies in the Electricity Transmission System

Whereas North American Electric Reliability Corporation (NERC) in its 2023 Long-Term Reliability Assessment found growth rates of forecasted peak demand and energy have risen significantly since the 2022 assessment, projecting peak demand for electricity to increase by 9.19% over the next ten years;

Whereas according to market monitor data from annual market reports, transmission congestion costs across the seven organized markets in the U.S. have risen significantly over the past eight years, more than doubling since 2016;

Whereas Lawrence Berkeley National Laboratory data shows that there are over 2,000 gigawatts of generation and storage projects waiting to connect to the grid, with queue times more than doubling from below two years in 2008 to over five years in 2022;

Whereas the U.S. Department of Energy (DOE) National Transmission Needs study found that the U.S. needs to expand regional transmission capacity by 20-128%, and interregional capacity by 25-412% by 2035;

Whereas the US economy requires 24/7 low-cost, reliable electricity to maintain competitiveness in global markets;

Whereas Advanced Transmission Technologies (ATTs), which include, but are not limited to advanced power flow controls, dynamic line rating, and topology optimization, commonly referred to as Grid Enhancing Technologies (GETs), and High-Performance Conductors (HPCs), which include carbon and composite core conductors and superconductors, offer affordable, innovative technological solutions to reduce costs by unlocking critical transmission capacity in the near term;

Whereas the 2024 DOE Innovative Grid Technology Liftoff Report found ATTs are commercially available and have been deployed internationally for years and that GETs and HPCs provide multiple benefits to consumers, including that GETs can increase utilization on new and existing transmission lines by 16% or more; reduce congestion by 50% or more; and save over \$5 billion in production cost savings annually, while DOE also found reconductoring with HPCs could double the capacity of existing transmission lines at approximately half the cost of building a new transmission line, and if deployed nationally could meet NERC's 10-year peak load growth projections;

Whereas the federal government, States, and industry can work together to accelerate the use of these new innovative technologies to affordably expand the transmission capacity needed to maintain reliability and meet growing electricity demand; *now, therefore be it*

Resolved that the Board of Directors of the National Association of Regulatory Utility Commissioners, convened at its 2024 Annual Meeting and Education Conference in Anaheim, California, recognizes the need to ensure the reliability and cost-effectiveness of the transmission system, that there are technical potential and benefits to utility ratepayers of the holistic deployment of ATTs such as GETs and HPCs across their systems, and supports Congress appropriating sufficient funds to support utilities, Regional Transmission Organizations/Independent System Operators, and States with the deployment of ATTs, such as through the Grid Resilience and Innovation Partnerships

Programs, for deployments, technical assistance, and research, after funding from the bipartisan Infrastructure Investment and Jobs Act is exhausted in 2025.

Passed by the Committee on Electricity on [DATE].

Passed by the NARUC Board of Directors on [DATE].

***GAS 1 (TC-3, CI-2, WC-2) Resolution Supporting Communication and Coordination on
Underground Infrastructure Safety during Broadband Deployment***

Whereas the Bipartisan Infrastructure Law included \$42.5 billion for the Broadband Equity and Deployment (BEAD) program for telecommunications and broadband providers to expand infrastructure, particularly in rural areas where investments in internet connectivity have been limited;

Whereas excavation damage, including from broadband installation, is a leading cause of accidents and service disruptions involving underground facilities and has resulted in loss of life, injury, environmental damage, property damage, and disruption of vital services;

Whereas as broadband infrastructure construction work increases, protection of existing infrastructure will be paramount, to include existing buried gas, electric, telecommunications, and water infrastructure;

Whereas some form of call before you dig notification system has been developed in almost every state, and call before you dig notification systems have proven to be important elements in efforts to reduce or prevent damage caused by excavation activity, and thereby reduce or prevent harm to the public associated with such damages when used diligently and properly;

Whereas costs to locate existing buried utilities have the potential to be significant, particularly as requests increase for underground infrastructure operators to identify underground infrastructure, as telecommunications and broadband providers begin construction;

Whereas this volume of locate requests is expected to increase with implementation of BEAD and other federal and state funding programs over the next several years;

Whereas unexpected delays in construction, including delays in obtaining infrastructure locates, will result in additional cost to broadband providers deploying BEAD funding, and will result in additional public cost as well as delays in obtaining sorely needed broadband infrastructure;

Whereas the cost of service to locate infrastructure under call before you dig programs may be borne by infrastructure operators with existing underground infrastructure and ultimately passed on to customers of the existing underground infrastructure;

Whereas state agencies administering broadband funding seek to maximize efficiency in the broadband deployment process, while simultaneously minimizing costs to both broadband providers and existing utility providers;

Whereas a streamlined locate process can prevent delays in network deployment and ensure a provider's ability to meet deadlines associated with funding grants;

Whereas federal broadband funding could be used to cover increased costs to locate existing infrastructure associated with awarded broadband deployment projects. Specifically, the National Telecommunications and Information Administration (NTIA), an agency under the Department of Commerce administering the BEAD Program in coordination with state governments, indicated that costs related to location services are eligible uses of program funding;

Whereas state agencies can play a role in lowering costs for customers by encouraging underground infrastructure operators under their jurisdiction to leverage federal funding for broadband deployment to assist in funding utility locates and call before you dig programs;

Whereas the significant expansion of broadband access must also prioritize the importance of safe digging practices and incident prevention, to include complying with applicable state safe digging programs;

Whereas timely and open coordination and communication between existing utility providers and incoming telecommunications and broadband providers as to the objectives and timelines of construction will be essential for maximizing efficiencies in the construction process; *now, therefore be it*

Resolved that the Board of Directors of the National Association of Regulatory Commissioners, convened at its 2024 Annual Meeting and Education Conference in Anaheim, California, supports the federal government providing specific guidance on the use of federal funding for the payment or reimbursement of qualified infrastructure locating services to support broadband projects; *and be it further*

Resolved that NARUC encourages its member commissions and federal agencies to collaborate with and educate state agencies administering BEAD funding to address eligible uses of funding, including infrastructure locating services and methods for reimbursing public utilities for such costs using federal funding, as well as to identify opportunities to minimize locate request costs through coordination; *and be it further*

Resolved that NARUC recommends that applications for broadband funding should consider whether the applicant for funding has coordinated with existing underground utilities regarding the timing of construction, processes, objectives, and the costs of locate requests, and that applications should be scored accordingly; *and be it further*

Resolved that NARUC encourages collaboration across infrastructure industries, call before you dig program administrators, federal agencies (particularly, the NTIA, Federal Communications Commission, Department of Treasury, Department of Agriculture, and Pipeline and Hazardous Materials Safety Administration), utility commissions, and state broadband authorities on these goals. Such collaboration should address industry and excavator education on call before you dig and damage prevention requirements; data collection and analysis to monitor risks and trends; federal and state grant funding policies and procedures; the use of federal broadband funding (to include BEAD) for infrastructure locating services; and methods of coordination on construction timelines, processes, and objectives in order to minimize locate costs and unnecessary delays; *and be it further*

Resolved that NARUC encourages all owners of existing buried infrastructure to take all necessary steps to ensure that facility locates will be accurately and timely performed once requested in order to prevent damage to existing infrastructure and minimize delays.

Passed by the Committees on Gas, Telecommunications, Critical Infrastructure, and Water on November XX, 2024

Adopted by the NARUC Board of Directors on November XX, 2024

TC – 1 Resolution Encouraging the Federal Communications Commission To Investigate the Sale and/or Brokering of Toll-Free and Non-Toll-Free Telephone Numbers to Ensure Number Resource Optimization

Whereas the North American Numbering Plan (NANP), the plan for telephone numbering in North America and the Caribbean, is currently projected to run out of telephone numbers (TN) between 2049 and 2054 (NANPA Website) and potentially sooner if current trends in telephone number usage continue;

Whereas according to industry numbering rules, the North American Numbering Plan Administrator (NANPA) will begin work on an expansion plan when the NANP is within 15 years of exhaust: (Section 6.2 of the NPA Allocation Plan and Assignment INC Guidelines);

Whereas based on current projections, planning for a NANP expansion could begin in just 13 years, in 2037; (ITN Report³ Appendix);

Whereas transitioning to an expanded plan after number exhaustion would require moving to 12-digit dialing at an estimated societal cost of up to \$270 billion; (Internet of Things Notice);

Whereas State Commissions, in their efforts to ensure that telephone numbers are used efficiently and legally, are facing issues caused by service providers that appear to fail to comply with federal numbering rules, industry guidelines, and the numbering authority delegated to the States;

Whereas a number of State Commissions have reported that some telecommunications carriers, including Voice over Internet Protocol (VoIP) service providers, appear to be transferring telephone numbers to companies that warehouse these numbers or engage in their sale or licensing;

Whereas one of these companies claims to have access to nearly 73 million telephone numbers for sale or auction;

Whereas at least one of these companies has applied for direct access to numbering resources;

Whereas some of these companies have websites that offer an auction capability to buy vanity numbers—sometimes for millions of dollars;

Whereas the NANC asked the Alliance for Telecommunications Industry Solutions (ATIS) Industry Numbering Committee (INC) to investigate the brokering of geographic telephone numbers as long ago as September 30, 2015, following credible reports of numbers being sold; (INC Guidelines relating to such transactions apply to service providers, not individual users.⁴);

Whereas nine years after the NANC’s request for action, these companies appear to have continued to broker and warehouse telephone numbers at the expense of area codes, particularly those edging towards exhaust.

³ Report and Recommendation on the Feasibility of Individual Telephone Number (ITN) Pooling Trials and Alternative Means for Conserving Numbering Resources (ITN Report)

⁴ “Telephone numbers are North American Numbering Plan (NANP) resources that are considered a public resource and are not owned by the assignees. Consequently, resources cannot be sold, brokered, bartered, or leased by the assignee for a fee or other consideration.” ATIS-0300070, *Guidelines for the Administration of Telephone Numbers*, section 1.0.

Whereas the FCC rules regarding number conservation include: counting service providers' number utilization (including obtaining growth codes) only for assigned numbers;⁵ placing a 180-day limit on holding numbers in "reserved" status,⁶ and requiring sequential number assignment, which imposes limits on a service provider's ability to provide customers with "vanity" numbers;⁷

Whereas ATIS guidelines prohibit end users from selling numbers⁸ and some local exchange tariffs and/or customer agreements include language indicating that the customer has no property right to TNs;

Whereas on February 28, 2023, the NANC approved the ITN Report recommending, among other things, further detailed study on the brokering of geographic numbers, and a review of industry guidelines and policies be performed to determine the impact of these processes on number resource utilization and the need for clarification/modification of numbering rules;

Whereas the ITN Report recommended that the FCC consider using its audit processes to address the brokering and mischaracterization of numbers;

Whereas NARUC has reconstituted its Numbering Subgroup to increase State Commission focus and participation on numbering issues;

Whereas despite the funding the NANC has approved to audit companies to ensure compliance with its numbering rules and guidelines, there has not been a numbering audit of a telecommunications carrier or Voice over Internet Protocol service provider in at least 15 years; (47 CFR 52.15(k) and ITN Report); *and*

Whereas as numbering resources dwindle, State Commissions need more tools and resources to enforce both state and federal numbering rules; *now therefore be it*

Resolved that the Board of Directors of the National Association of Regulatory Utility Commissioners (NARUC), convened at its 2024 Annual Meeting in Anaheim, California, urges the FCC to use the audit authority outlined in 47 CFR 52.15(k) to determine how companies are brokering or auctioning toll-free and other numbers via their websites and to determine how these companies obtain these telephone numbers, to ensure that the numbering rules are followed, and to determine if additional rules are needed to prevent premature number exhaust.

Sponsored by the Committee on Telecommunications

Adopted by the NARUC Board of Directors November XX, 2024

⁵ See generally 47 CFR § 52.15 (h); see also *VoIP Direct Access Order*, FCC 15-70, ¶ 32 (clarifying "that the terms „end users“ and „customers“ [in „assigned numbers“] do not include telecommunications carriers and non-carrier voice or telecommunication service providers).

⁶ 47 CFR § 52.15 (f); *Number Resource Optimization*, 17 FCC Rcd 252, ¶¶ 121-22 (2001) ("limit[ing] the amount of numbers that are set aside for use by a particular customer but are not being used to provide service on a regular basis.").

⁷ 47 CFR § 52.15 (j).

⁸ ATIS-0300119, *Thousands-Block (NPA-NXX-X) & Central Office Code (NPA-NXX) Administration Guidelines*, § 2.1.

***TC-2 Resolution to File an Amicus Brief with the Supreme Court of the United States in
Consumers’ Research v. FCC***

Whereas on July 24, 2024, U.S. Circuit Court of Appeals for the Fifth Circuit held in *Consumers’ Research v. FCC* that the current funding mechanism for the federal Universal Service Fund is unconstitutional, and remanded the matter to the Federal Communications Commission (“FCC”);

Whereas on September 30, 2024, the FCC and the United States Department of Justice filed with the Supreme Court of the United States a petition for writ of certiorari of the 5th Circuit’s decision;

Whereas if certiorari is granted, the impact of the Supreme Court’s decision in *Consumers’ Research* could have far-reaching implications for the future of the Universal Service Fund and, therefore, the telecommunications industry;

Whereas, the Universal Service Fund subsidizes the development and maintenance of telecommunications infrastructure, to the benefit of consumers and the telecommunications industry as a whole;

Whereas the FCC Universal Service Fund subsidies for telecommunications and broadband services are distributed to the entire country, the states have an interest in ensuring that they are not discontinued, since such action would be contrary to the interests of consumers, the communications industry, and the states;

Whereas the Universal Service Fund also provides much-needed funding for programs such as Lifeline and E-Rate, which many states rely upon to support their residents; *now, therefore, be it*

Resolved, that the Board of Directors of the National Association of Regulatory Utility Commissioners (“NARUC”), convened at its 2024 Annual Meeting and Education Conference in Anaheim, California, finds that if the petition for writ of certiorari filed with the Supreme Court of the United States in *Consumers’ Research v. FCC* is granted, NARUC should file an amicus brief in this matter for the purpose of advocating for the interests of NARUC and its member states.

Sponsored by the Committee on Telecommunications

Adopted by the NARUC Board of Directors November XX, 2024

WC-1 Resolution Adopting the NARUC Subcommittee on Accounting and Finance's latest Revisions of the Uniform System of Accounts Reports for Water and Wastewater Utilities.

Whereas at its Summer Meeting held in Los Angeles, California from July 22 to 25, 1996, the National Association of Regulatory Utility Commissioners (NARUC) Executive Committee (now, Board of Directors) unanimously adopted the Uniform System of Accounts for Water Utilities and the Uniform System of Accounts for Wastewater Utilities reports (collectively, the USoA Reports);

Whereas the NARUC Staff Subcommittee on Accounting & Finance (SSAF) recommends updates to USoA Reports periodically, and recently adopted changes to the USoA reports on October 8, 2024;

Whereas the USoA reports are meant to be guides for how water and wastewater utilities account for their operations;

Whereas the USoA reports include a uniform system of accounts recommended to NARUC member commissions for consideration and for adoption, as may be deemed warranted, and as may be in the public interest;

Whereas the uniform system of accounts contained in the USoA reports are not meant to supersede the authority of any jurisdiction, as the regulating body has final authority on the accounting procedures used by the regulated public utilities subject to their jurisdiction;

Whereas if the uniform system of accounts contained in the USoA reports contradict the practice within a given jurisdiction, regulated public utilities should defer to the regulating body's laws, regulations, and orders;

Whereas the SSAF has offered the updated USoA reports for review and approval by both the NARUC Committee on Water and the NARUC Board of Directors, *now therefore be it*

Resolved the NARUC Board of Directors, convened in its 2024 Annual Meeting and Education Conference in Anaheim, California, hereby adopts and recommends the Uniform System of Accounts for Water Utilities and the Uniform System of Accounts for Wastewater Utilities to member Commissions for consideration and for adoption in their respective jurisdiction, as may be deemed warranted, and as may be in the public interest.

Adopted by the NARUC Committee on Water November __, 2024

Adopted by the NARUC Board of Directors November __, 2024