

PROJECT NO. 24683

RULEMAKING TO AMEND SUBST.	§	PUBLIC UTILITY COMMISSION
R. §26.467, RATES, ALLOCATION,	§	
COMPENSATION, ADJUSTMENTS	§	OF TEXAS
AND REPORTING	§	

**PROPOSAL FOR PUBLICATION AS APPROVED AT THE
OCTOBER 3, 2001 OPEN MEETING**

The Public Utility Commission of Texas (commission) proposes an amendment to §26.467 relating to Rates, Allocation, Compensation, Adjustments and Reporting. This section implements House Bill 1777, 76th Legislature, Regular Session (1999) (HB 1777) which authorizes the commission to determine a uniform method for calculating municipal franchise compensation paid by certificated telecommunications providers (CTPs). Local Government Code §283.055(g) requires that "beginning 24 months after the date the commission establishes rates per access line, the commission shall annually adjust the rates per access line for each municipality by an amount equal to one-half the annual change, if any, in the consumer price index." The proposed amendment deletes the language in §26.467(j) delineating the specific timeframe during which consumer price index (CPI) adjustments will be made to the commission-established access line rates. The amendment is necessary to ensure that §26.467 is consistent with the Local Government Code. Project Number 24683 is assigned to this proceeding.

Elango Rajagopal and Hayden Childs, Policy Analysts, Telecommunications Division have determined that for each year of the first five-year period the proposed amendment is in effect,

there will be no fiscal implications for state or local governments as a result of enforcing or administering the section.

Mr. Rajagopal and Mr. Childs have determined that for each year of the first five years the proposed amendment is in effect, the public benefit will be that the rule will be more consistent with the requirements of Local Government Code §283.055 and allow the commission to process the CPI adjustments to the commission-established access line rates in a more efficient manner. There should be no impact to small businesses or micro-businesses as a result of enforcing these sections. There is no anticipated economic cost to persons who are required to comply with the amendment as proposed.

Mr. Rajagopal and Mr. Childs have also determined that for each year of the first five years the proposed amendment is in effect, there should be no effect on a local economy. Therefore, no local employment impact statement is required under Administrative Procedure Act, §2001.022. The proposal does not change the requirement for annual CPI adjustments to access line rates beginning March 2002, but merely deletes the specific time frame delineated in the rule for computation of such CPI adjustments. Therefore, this rulemaking poses no impact to the local economy.

Written comments on the proposed amendment (16 copies) may be submitted to the Filing Clerk, Public Utility Commission of Texas, 1701 North Congress Avenue, P.O. Box 13326, Austin, Texas 78711-3326, within 30 days after publication. The commission invites comments

regarding the costs associated with, and benefits that will be gained by, implementation of the proposed amendment. All comments should refer to Project Number 24683.

The amendment is proposed under the Public Utility Regulatory Act, Texas Utilities Code Annotated, §14.002 (Vernon 1998, Supplement 2001), which provides the Public Utility Commission with the authority to make and enforce rules reasonably required in the exercise of its powers and jurisdiction. The amendment is also proposed under Local Government Code, §283.058, which grants the commission jurisdiction over municipalities and CTPs necessary to enforce the provisions of Chapter 283.

Cross Reference to Statutes: Public Utility Regulatory Act §14.002 and Local Government Code §283.058.

§26.467. Rates, Allocation, Compensation, Adjustments and Reporting.

(a) – (i) (No change.)

(j) **Consumer price index (CPI) adjustment to commission-established rates.** Beginning 24 months after the commission establishes access line rates, the commission shall annually adjust the rates per access line by category for each municipality by an amount equal to one-half the annual change, if any, in the most recent consumer price index (CPI), as determined by the Federal Bureau of Labor Statistics. ~~Such adjustments shall be made in September preceding the calendar year in which the CPI adjusted access line rates are to take effect.~~

(k) – (n) (No change.)

This agency hereby certifies that the proposal has been reviewed by legal counsel and found to be within the agency's authority to adopt.

**ISSUED IN AUSTIN, TEXAS ON THE 8th DAY OF OCTOBER 2001 BY THE
PUBLIC UTILITY COMMISSION OF TEXAS
RHONDA G. DEMPSEY**