

PROJECT NO. 24640

ISSUES RELATED TO	§	PUBLIC UTILITY COMMISSION
ESTABLISHMENT OF, AND ANNUAL	§	
REVISIONS TO, ACCESS LINE RATES	§	OF TEXAS
FOR TEXAS MUNICIPALITIES	§	
	§	

**ORDER DELEGATING AUTHORITY
TO STAFF TO APPROVE ACCESS LINE RATES AND LIFELINE EXEMPTION
STATUS CHANGES FOR NEWLY PARTICIPATING CITIES**

This Order delegates authority to the Staff of the Public Utility Commission of Texas (Staff) to administratively approve access line rates for newly participating cities that use either the statewide average rates of the dominant certificated telecommunications provider (CTP) or the rates of a similarly sized municipality in the same or an adjacent county to establish their maximum access line rates. This Commission has previously delegated authority to Staff to establish rates for newly incorporated cities under similar circumstances.¹

Under TEX. LOC. GOV'T CODE § 283.055(b), the Commission is required to establish: (1) rates per access line by category for each municipality; and (2) the statewide average of those rates per access line by category for each CTP. Both of these requirements were met when the Commission adopted municipal rates and CTP statewide averages.² Further, under P.U.C. SUBST R. 26.467(n), a municipality may also choose to exempt lifeline and similarly situated customers from payment of any access line rates.

While most Texas municipalities participated in the Commission's initial proceeding to establish rates for their individual city, some cities elected not to participate in that rate setting process. However, the non-participating cities are still eligible to establish rates under LOC. GOV'T CODE § 283.055. If these cities choose to establish their rates using either the statewide average rates of the dominant CTP or the rates of a similarly sized municipality in the same or an adjacent county, the Commission finds that all the elements required to develop rates have already been approved by the Commission. Through administrative approval of these rates, the

¹ Open Meeting Tr. at 41-43 (Apr. 6, 2001).

² *Implementation of House Bill 1777*, Docket No. 20935, Order (May 3, 2000).

Commission can expedite the rate setting process for newly participating municipalities and better use Commission resources.

Therefore, the Commission finds that Staff has the authority to establish rates administratively for newly participating cities that seek to establish maximum access line rates either using the statewide average rates or the rates of a similarly situated municipality consistent with P.U.C. SUBST R. 26.463. The Commission further finds that Staff has the authority to process requests in an administrative manner when a newly participating municipality exercises its option to request rates below the maximum access line rates or asks to change the exemption status of lifeline or similarly situated customers. The Commission does not authorize surcharges for recovery of any compensation for right-of-way usage prior to implementation of rates by newly participating cities.

Ordering Paragraph

The Commission hereby delegates authority to Staff to administratively approve any requests under TEX. LOC. GOV'T CODE § 283.055 for newly participating cities that use either the statewide average rates of the dominant CTP or the rates of a similarly sized municipality in the same or an adjacent county to establish their maximum access line rates as well as any requests by these cities for rates below the maximum rates. The Commission also delegates authority to Staff to administratively approve requests under P.U.C. SUBST. R. 26.467(n) for changes to the exemption status of lifeline or similarly situated customers for those municipalities. This Order does not authorize surcharges for recovery of any compensation for right-of-way usage prior to implementation of access line rates by newly participating cities.

SIGNED AT AUSTIN, TEXAS the _____ day of February, 2003.

PUBLIC UTILITY COMMISSION OF TEXAS

REBECCA KLEIN, CHAIRMAN

BRETT A. PERLMAN, COMMISSIONER

JULIE CARUTHERS PARSLEY, COMMISSIONER