

The Public Utility Commission of Texas (commission) proposes an amendment to §26.274 relating to Imputation. The proposed amendment will incorporate changes to provide consistency with the required provisions contained in Senate Bill 560, 76th Legislative Session, which revised the Public Utility Regulatory Act (PURA). The proposed amendment to §26.274 reflects the modification of PURA §58.054 and §59.021(c), as well as the legislative repeal of PURA §§58.101 - 58.104 and the revision of PURA Chapter 59, Subchapter E. Project Number 21169 has been assigned to this proceeding.

Rick Akin, Chief Policy Analyst, Office of Policy Development, has determined that for each year of the first five-year period the proposed section is in effect there will be no fiscal implications for state or local government as a result of enforcing or administering the section.

Mr. Akin has determined that for each year of the first five years the proposed section is in effect the public benefit anticipated as a result of enforcing the section will be to bring §26.274 in compliance with the guidelines of the 76th Legislature in its implementation of Senate Bill 560 and PURA. There will be no effect on small businesses or micro-businesses as a result of enforcing this section. There is no anticipated economic cost to persons who are required to comply with the section as proposed.

Mr. Akin has also determined that for each year of the first five years the proposed section is in effect there should be no effect on a local economy, and therefore no local employment impact statement is required under Administrative Procedure Act §2001.022.

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. Reply comments may be submitted within 45 days after publication. The commission invites specific comments regarding the costs associated with, and benefits that will be gained by, implementation of the proposed section. The commission will consider the costs and benefits in deciding whether to adopt the section. All comments should refer to Project Number 21169.

This new amendment is proposed under the Public Utility Regulatory Act, Texas Utilities Code Annotated §14.002 (Vernon 1998) (PURA), which provides the Public Utility Commission with the authority to make and enforce rules reasonably required in the exercise of its powers and jurisdiction.

Cross Reference to Statutes: Public Utility Regulatory Act §14.002 and §59.021.

§26.274. Imputation.

(a)-(d) (No change.)

(e) **Rates to which imputation is not required.** The price of a retail local exchange telephone service that is a basic network service or a retail local exchange telephone service whose rate is capped pursuant to PURA Chapter 59 shall not be subject to the requirements of this section unless:

(1) the ~~four-year~~ price cap under PURA Chapter 58 or the election period ~~six-year price cap~~ under PURA Chapter 59 has expired;

(2)-(3) (No change.)

(4) the service is reclassified from a basic network service to a non-basic ~~discretionary or competitive~~ service.

(f)-(k) (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 15th DAY OF AUGUST, 2000 BY THE
PUBLIC UTILITY COMMISSION OF TEXAS
RHONDA G. DEMPSEY**