

PROJECT NO. 24640

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| 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 REVISED ACCESS LINE RATES AND LIFELINE
EXEMPTION STATUS CHANGES**

This Order delegates authority to the Staff of the Public Utility Commission of Texas (Commission Staff) to administratively approve requests by municipalities for annual revisions in access line rates, provided such revised rates are equal to or below the Commission-approved maximum access line rates. This Order also delegates authority to Staff to administratively approve changes to the exemption status of lifeline and similarly situated customers.

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 certificated telecommunications provider (CTP). Both of these requirements were met when the Commission adopted municipal rates and CTP statewide averages.¹

Pursuant to PUC SUBST. R. 26.467(h),² Texas municipalities may annually ask the Commission to revise the Commission-established final rates. The rates may be revised either by changing the allocation or by adjusting (increasing or decreasing) access line rates to be at or below the Commission-established maximum rates. Under P.U.C. SUBST. R. 26.467(n), a municipality may also choose to exempt lifeline and similarly situated customers from the payment of access line rates. A municipality may exercise its option to revise its access line rates, or choose to exempt lifeline or similarly situated customers, by notifying the Commission prior to September 1 of each calendar year. Upon approval by the Commission, CTPs are

¹ *Implementation of House Bill 1777*, Docket No. 20935, Order (May 3, 2000).

² PUC Subst. R. 26.467 relates to Rates, Allocation, Compensation, Adjustments and Reporting.

required to implement the revised rates in January of the next calendar year and compensate the municipality pursuant to the revised rates.

Staff proposes and the Commission finds that, when a municipality exercises its option to revise its rates up to or below its already approved maximum rates, or asks to change the exemption status of lifeline or similarly situated customers, Staff can process the requests in an administrative manner. Staff shall continue to bring for Commission consideration any requests by municipalities for a change to the allocation, because such allocation changes will result in a change to the municipality's maximum rates.

Ordering Paragraph

The Commission delegates authority to Staff to administratively approve any requests under PUC SUBST. R. 26.467(h)(1) for annual revision in access line rates, provided such revised rates are equal to or below the Commission-approved maximum access line 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.

SIGNED AT AUSTIN, TEXAS the _____ day of October, 2001.

PUBLIC UTILITY COMMISSION OF TEXAS

MAX YZAGUIRRE, CHAIRMAN

BRETT A. PERLMAN, COMMISSIONER

REBECCA KLEIN, COMMISSIONER