

**PROJECT NO. 28056**

<b>RULEMAKING TO AMEND SUBST.</b>	<b>§</b>	<b>PUBLIC UTILITY COMMISSION</b>
<b>R. §26.412, LIFELINE AND LINK UP</b>	<b>§</b>	
<b>SERVICES, FOR LOW-INCOME</b>	<b>§</b>	
<b>DISCOUNT ADMINISTRATOR</b>	<b>§</b>	<b>OF TEXAS</b>
<b>(LIDA)</b>	<b>§</b>	

**ORDER ADOPTING AMENDMENTS TO §26.412  
AS APPROVED AT THE DECEMBER 30, 2003 OPEN MEETING**

The Public Utility Commission of Texas (commission) adopts amendments to §26.412, relating to Lifeline Service and Link Up Service Programs, with changes to the text as proposed in the September 12, 2003 issue of the *Texas Register* (28 TexReg 7916). These amendments integrate the administration of low-income telephone discounts into the functions of the Low-Income Discount Administrator (LIDA) responsible for low-income electric discounts. Based on the experience gained during the last year from administering the low-income electric discounts, the commission has determined that amending §26.412 will benefit retail telephone customers and the Low-Income Discount Programs overall. Project Number 28056 is assigned to this project.

The amendments clarify the existing automatic enrollment process for low-income telephone discounts and ensure that this process is incorporated by the LIDA into its administration of low-income electric discounts and that qualified customers will be enrolled more expeditiously into both electric and telephone discount programs. The amendments also reference the Low-Income Discount Procedural Guide (the Guide) that is being proposed in association with this amended rule to ensure that the administrative details of this rule are appropriately implemented. The Guide allows the rule to provide broad direction while permitting process changes and

refinements by the LIDA and the participating telecommunications carriers as required to meet statutory obligations and the needs of customers.

On October 13, 2003, the commission received comments regarding the proposed amendments from the Office of Public Utility Counsel (OPC), Southwestern Bell Telephone Company d/b/a SBC Texas (SBC), Sprint, and Verizon Southwest (Verizon).

*Preamble question and general comments*

In addition to the proposed rule, the commission requested response to the following question:

Does the commission have the legal authority to develop a low-income discount program implementation guide as opposed to placing operating procedures in this rule? Please provide citations as to the commission's legal authority and whether there would be any enforceability issues with an implementation guide.

None of the parties specifically addressed the commission's question although all parties discussed concerns related to the Guide referenced in the proposed amendments.

OPC commended the commission on its previous revisions to the rule which resulted in automatic enrollment of qualified Lifeline customers, and a subsequent increase in subscribership, which furthered the goal of universal service.

SBC stated in its comments that it did not object to any of the proposed rule revisions, but submitted its opinion that all parties should be provided adequate opportunity to review the proposed Guide and provide formal comments, either in writing or a workshop, before the Guide is approved by the commission.

Sprint stated that although it did not object to LIDA certifying eligible customers it could not endorse the proposed rule because the references to the Guide have resulted in a lack of critical detail. Sprint noted that §26.412(c)(1) does not provide any details regarding the contents of the Guide and used the example of §26.412(e)(2)(A)(ii) which references the receipt by carriers of a monthly updated list of eligible customers. Sprint stated that it cannot comment as to the suitability of this monthly update because the timeframe and any other particulars are to be established in the Guide. Sprint asserted that further details, such as the period for discontinuing customers, the amount of Lifeline support, details of the LIDA automatic enrollment procedures and for customers' Link Up qualifications are also to be found in the Guide.

Verizon stated that it was not opposed to the proposed rule but reserved the right to comment upon the Guide as it is developed.

*Commission response*

The commission notes that a joint workshop for both Project Number 28056 and Project Number 27711, *Rulemaking to Modify the Electric Low-Income Discount Rules*, was held on November 7, 2003, to address the draft of the Guide and any concerns regarding the proposed rule

amendments. Written comments were received on November 12, 2003, pertaining to the Guide. A discussion of these comments as they relate to the proposed rule amendments will be addressed in this preamble. The workshop and comments specific to the draft of the Guide will be addressed separately from the proposed rule amendments in both Project Number 28056 and Project Number 27711.

With regard to the concerns expressed by Sprint in reference to specific aspects of the rule as amended, the commission believes that its adoption of the 60-day period in the rule, as discussed below, addresses this concern. The balance of Sprint's concerns are either already addressed in the rule (such as the amount of the support and means to recover it and the qualifications for both Lifeline and Link Up subscribers) or are being addressed in the Guide because of their administrative nature.

*Recommended revisions to proposed §26.412(c)(1)(C)(ii)*

OPC expressed its concern that the reference to the Guide in the proposed amendments, and the establishment of a response period for affected customers within such a document, fails the requirements of the Administrative Procedure Act (APA) because parties affected by the response period are unable to rebut the requirement. OPC recommended the commission establish this response period within proposed §26.412(c)(1)(C)(ii). As previously noted, Sprint also recommended adoption of a specific period in the proposed amendments to the rule.

*Commission response*

The commission agrees with the concern of OPC and Sprint regarding the period referenced in §26.412(c)(1)(C)(ii) and §26.412(c)(1)(C)(iii) and has revised the proposed amendments to establish a period of 60 days.

*Recommended revisions to proposed §26.412(f)*

OPC urged the commission to consider the privacy of potential Lifeline customers and recommended that the Texas Department of Human Services (TDHS) require applicants to sign a statement that allows their names to be delivered to LIDA. OPC recommended that such a requirement be added as an amendment to proposed §26.412(f), regarding the Memorandum of Understanding between the commission and TDHS.

OPC also stated that it did not believe that §26.412(f)(i) adequately addressed outreach. OPC noted that the requirement that participating telecommunications carriers advertise the availability of Lifeline in directories and bill notices does not reach potential beneficiaries of the Link Up discount, who do not have existing telephone service. Further, OPC recommended that the commission adopt the federal requirement which includes an annual newsprint media advertisement.

*Commission response*

Although the commission appreciates OPC's concern with regard to §26.412(f), and the privacy of TDHS clients eligible for Lifeline and Link Up services, it believes that the confidentiality agreements between the telecommunications carriers and TDHS and those similar measures required by the contract for the LIDA will adequately address this matter. Therefore, the commission declines to adopt language which will impose an additional burden upon TDHS and likely result in a further roadblock for the automatic enrollment of qualified TDHS clients.

The commission also appreciates OPC's concern regarding the innate difficulties of automatic enrollment as it pertains to qualified TDHS clients without existing telephone service. OPC stated that its suggestion for an amendment to address this concern was related to §26.412(f)(i). The commission notes that §26.412(f) does not currently contain such a paragraph and that §26.412(f), related to the commission's Memorandum of Understanding with TDHS, is not appropriate for the amendment as recommended by OPC. However, the commission believes that the creation of a central clearinghouse for low-income telephone and electric subscribers, as well as a toll free statewide telephone number through which consumers may obtain information about enrollment into these discount programs, will go far in furthering Lifeline enrollment and provide a standard source of information and assistance for those seeking Link Up discounts for installation of service. The commission is not persuaded that an additional annual newspaper advertisement requirement will further Lifeline or Link Up enrollment. Therefore, the commission declines to adopt this additional requirement in this section.

*November 7, 2003 workshop comments*

On November 7, 2003, a joint workshop in Project Numbers 27711 and 28056 was held at the commission to discuss the draft Guide, its purpose and correlation with the rule, and any questions, comments, and suggestions from parties. Input was received at the workshop from representatives of electric and telecommunications utilities, including OPC, SBC, Sprint, Verizon, the Texas Statewide Telephone Cooperative, Inc. (TSTCI) and JSI Solutions, Inc. (JSI), representing the smaller incumbent local exchange carriers, and Texas Legal Services Center (TLSC) and Texas Ratepayer Organization to Save Energy (Texas ROSE).

Written comments, received on November 12, 2003, from SBC, Sprint, TSTCI, and Verizon, and on November 14, 2003, from OPC, primarily discussed the draft Guide as it relates to the Lifeline and Link Up discounts, with one recommendation for the proposed amendment to §26.412(c)(1).

TSTCI stated that the commission should be responsible for approval of the Guide and any future revisions to the Guide. TSTCI maintained that the proposed amendment to §26.412(c)(1), which makes the Guide the responsibility of the commission's Executive Director, should be revised accordingly.

Verizon also recommended that the Guide and any subsequent revisions should be approved by the commission, concurring in TSTCI's position that §26.412(c)(1) be revised accordingly.

*Commission response*

The commission adopts changes to the language proposed for §26.412(c)(1) to address the concerns of TSTCI and Verizon. The initial Guide and future revisions thereto will be subject to the final approval of the commission. However, the Guide may be updated to reflect statutory or commission approved changes in rules or program requirements, or to modify format or timing in the provision of information by participating carriers or LIDA, with the approval of the commission's Executive Director. In this way, the commission believes that the Guide will remain adaptive to the needs of the participants.

*Miscellaneous changes*

Three additional changes have been incorporated for the sake of consistency with those being made in Project Number 27711, *Rulemaking to Modify the Electric Low-Income Discount Rules*. First, the term "self-certification" has been replaced with the term "self-enrollment". Second, a new subsection (k) has been added to provide self-enrolling low-income customers with an opportunity for additional review if their application has been denied by LIDA and to conform to the procedures being implemented for low-income electric customers. Finally a new subsection (l) has been added to clarify that the language of the section prevails in any instance when there is a conflict with language in the Guide.

These amendments are adopted under the Public Utility Regulatory Act, Texas Utilities Code Annotated §14.002 (Vernon 1998, Supplement 2004) (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; PURA §17.004(f) which requires the commission to adopt rules to provide automatic enrollment of eligible utility customers for lifeline telephone service; PURA §55.015 which requires the commission to adopt rules regarding the receipt of lifeline service; PURA §56.021 which requires the commission to adopt rules to establish a state universal service fund and to reimburse a telecommunications carrier providing lifeline service out of the fund.

Cross Reference to Statutes: Public Utility Regulatory Act §§17.004(f), 55.015, 56.021, and 58.051.

**§26.412. Lifeline Service and Link Up Service Programs.**

- (a) **Scope and purpose.** Through this section the commission seeks to extend Lifeline Service and Link Up Service to all qualifying customers, establish a procedure for Lifeline Automatic Enrollment and Lifeline Self-Enrollment, and define the responsibilities of participating telecommunications carriers, qualified customers, the Texas Department of Human Services (TDHS), and the Low-Income Discount Administrator (LIDA) Program. This section applies to designated eligible telecommunications carriers as defined by §26.418 of this title (relating to Designation of Common Carriers as Eligible Telecommunications Carriers to Receive Federal Universal Service Funds) and designated eligible telecommunications providers as defined by §26.417 of this title (relating to Designation as Eligible Telecommunications Providers to Receive Texas Universal Service Funds (TUSF)), collectively referred to in this section as participating telecommunications carriers.
- (b) **Lifeline Service and Link Up Service.** Each participating telecommunications carrier shall provide Lifeline Service and Link Up Service as provided by this section. A customer with an income at or below 125% of the federal poverty guidelines, or receiving benefits from any of the following programs qualifies for Lifeline and Link Up Services: Medicaid, food stamps, Supplemental Security Income (SSI), federal public housing assistance, or Low Income Energy Assistance Program (LIHEAP). A customer eligible for Lifeline Service is automatically eligible for Link Up Service. However, a customer may qualify for and receive Link Up Service independently of Lifeline Service. Nothing

in this section shall prohibit a customer otherwise eligible to receive Lifeline Service and/or Link Up Service from obtaining and using telecommunications equipment or services designed to aid such customer in utilizing qualifying telecommunications services.

(c) **Lifeline Service Program.** Lifeline Service is a retail local service offering available to qualifying low-income customers. Participating telecommunications carriers provide qualifying customers with a waiver of the federal subscriber line charge (SLC) and an additional discount up to \$7.00 per monthly bill, for which participating telecommunications carriers are reimbursed from federal and state universal service funds.

(1) **Provision of Lifeline Service.** Lifeline Service shall be provided according to the following requirements and the terms of the Low-Income Discount Procedural Guide (the Guide). The Guide compiles the regulatory and statutory requirements for, and roles of, participants in the rate reduction program, including participating telecommunications carriers, TDHS, the LIDA, and customers, and sets out administrative information, including the required data formats and deadlines for transmitting information to the LIDA, other program participants, and the commission. The initial version of the Guide will be approved by the commission, but it may be updated to reflect statutory or commission-approved changes in rules and program requirements, or to modify the format or timing of the provision of information by participating telecommunications carriers and the LIDA, with the approval of the Executive Director.

- (A) Designated Lifeline services. The participating telecommunications carriers shall offer the services or functionalities enumerated in Title 47, Code of Federal Regulations, §54.101(a) (1)-(9) (relating to Supported Services for Rural, Insular and High Cost Areas).
- (B) Toll blocking. The participating telecommunications carriers shall offer toll blocking to all qualifying low-income customers at the time such customers subscribe to Lifeline Service. If the customer elects to receive toll blocking, that service shall become part of the customer's Lifeline Service and the customer's monthly bill will not be increased by otherwise applicable toll blocking charges.
- (C) Disconnection of service.
  - (i) Disconnection prohibition. Participating telecommunications carriers may not disconnect Lifeline Service for non-payment of toll charges.
  - (ii) Discontinuance of Lifeline Discounts for customers automatically enrolled. The eligibility period for automatically enrolled customers is the length of their enrollment in TDHS benefits plus a period of 60 days for renewal. Automatically enrolled customers will have an opportunity to renew their TDHS benefits or self enroll with LIDA upon the expiration of their automatic enrollment.
  - (iii) Discontinuance of Lifeline Discounts for customers who have self-enrolled. Individuals not receiving benefits through TDHS

programs, but who have met Lifeline income qualifications in subsection (b) of this section, are eligible to receive the Lifeline Discount for seven months, which includes a period of 60 days during which the customer may renew their eligibility with LIDA for an additional seven months.

(D) Service deposit prohibition. If the qualifying low-income customer voluntarily elects toll blocking from the participating telecommunications carrier, the carrier may not collect a service deposit pursuant to §26.24 of this title (relating to Credit Requirements and Deposits) in order to initiate Lifeline Service.

(2) **Lifeline support.**

(A) Lifeline support amounts. Lifeline support amounts per qualifying low-income customer shall be provided to participating telecommunications carriers pursuant to Title 47, Code of Federal Regulations, §54.403 (relating to Lifeline Support Amount) and according to any applicable provisions of the Guide. Tribal Land discounts will be provided pursuant to Title 47, Code of Federal Regulations, §54.403(a)(4).

(i) Federal Subscriber Line Charge Waiver. A participating telecommunications carrier shall grant a waiver of the monthly federal subscriber line charge (SLC) at the rate tariffed by the incumbent local exchange carrier serving the area of the qualifying low-income customers. If the participating telecommunications carrier does not charge the federal SLC, it shall reduce its lowest

tariffed residential rate for supported services by the amount of the SLC tariffed by the ILEC serving the area of the qualifying low-income customer.

- (ii) Federal approved \$1.75 reduction. A participating telecommunications carrier shall give a qualifying low-income customer a federal approved reduction of \$1.75 in the monthly amount of intrastate charges paid pursuant to Title 47, Code of Federal Regulations, §54.403 (relating to Lifeline Support Amount).
- (iii) Additional state reduction with federal matching. A participating telecommunications carrier shall give a qualifying low-income customer the following:
  - (I) an additional state-approved reduction of up to a maximum of \$3.50 in the monthly amount of intrastate charges; and
  - (II) a further federally approved reduction equal to one-half the amount of the reduction in subclause (I) of this clause up to a maximum of \$1.75.
- (B) Recovery of support amounts. Participating telecommunications carriers shall be entitled to recover the support amount required by subparagraph (A) of this paragraph pursuant to Title 47, Code of Federal Regulations, §54.407 (relating to Reimbursement for offering Lifeline). Participating telecommunications carriers are entitled to recover the support amount described in subparagraph (A)(i), (ii) and (iii)(II) of this paragraph through

the Federal Universal Service Fund (USF). The support amount described in subparagraph (A)(iii)(I) of this paragraph can be recovered through the Texas Universal Service Fund (TUSF).

(d) **Link Up Service Program.** This is a program certified by the Federal Communications Commission (FCC), pursuant to Title 47, Code of Federal Regulations, §54.411, that provides a qualifying low-income customer with the following assistance:

(1) **Services.**

(A) A qualifying low-income customer may receive a reduction in the participating telecommunications carrier's customary charge for commencing telecommunications service for a primary single line connection at the customer's principal place of residence. The reduction shall be half of the customary charge or \$30, whichever is less.

(B) A qualifying low-income customer may receive a deferred schedule for payment of the charges assessed for commencing service, for which the customer does not pay interest. Interest shall be waived for connection charges of up to \$200 that are deferred for a period not to exceed one year. Charges assessed for commencing service include any charges that the carrier customarily assesses to connect subscribers to the network. These charges do not include any permissible security deposit requirements. Deferred payment of these charges will not be subject to late fees or additional service fees.

- (2) **Qualifying low-income customer choice.** A qualifying low-income customer is eligible for both of the services set forth in paragraphs (1)(A) and (B) of this subsection.
  - (3) **Limitation on receipt.** A participating telecommunications carrier's Link Up Service shall allow a qualifying low-income customer to receive the benefit of Link Up Service on subsequent occasions only for a principal place of residence with an address different from the residence address at which the Link Up Service was provided previously.
- (e) **Obligations of the customer and the participating telecommunications carrier.**
- (1) **Obligations of the customer.** Customers who meet the low-income requirement for qualification but do not receive benefits under the programs listed in subsection (b) of this section may provide the LIDA with self-enrollment for Lifeline and/or Link Up Service benefits. Customers receiving benefits under the programs listed in subsection (b) of this section and who have telephone service will be subject to the Lifeline automatic enrollment procedures as provided by the LIDA pursuant to the terms of the Guide unless they provide the LIDA with a request to be excluded from Lifeline Service. Customers receiving benefits under the programs listed in subsection (b) of this section and who do not have telephone service must initiate a request for service from a participating telecommunications carrier providing local service in their area.

(2) **Obligations of participating telecommunications carriers.**

(A) Lifeline Service.

(i) A participating telecommunications carrier shall provide Lifeline Service to all eligible customers identified by the LIDA within its service area in accordance with this section and the Guide.

(I) A participating telecommunications carrier shall identify those customers on the initial database provided by the LIDA to whom it is providing telephone service and shall begin reduced billing for those qualifying low-income customers in accordance with the terms of the Guide.

(II) The eligible customer shall not be charged for changes in telephone service arrangements that are made in order to qualify for Lifeline Service, or for service order charges associated with transferring the account into Lifeline Service. If the eligible customer changes the telephone service or initiates new service, the participating telecommunications carrier shall begin reduced billing at the time the change of service becomes effective or at the time new service is established.

(ii) Upon receipt of the monthly update provided by the LIDA pursuant to the terms of the Guide a participating telecommunications carrier shall begin reduced billing for those

qualifying low-income customers subscribing to services within the timeframe established by the Guide.

(iii) The LIDA shall provide a self-enrollment form by direct mail at the customer's request. The LIDA shall maintain customers' self-enrollment forms and provide a database of self-enrolling customers to all participating telecommunications carriers.

(B) Link Up Service. Participating telecommunications carriers shall provide Link Up Service to all qualifying low-income customers in accordance with this section and the terms of the Guide.

(f) **Memorandum of Understanding.** Pursuant to a Memorandum of Understanding (MOU) between the commission and the TDHS to facilitate automatic enrollment of eligible customers in Lifeline, and pursuant to the terms of the Guide, the commission and the TDHS will undertake obligations to insure an efficient automatic enrollment process in cooperation with the LIDA and all participating telecommunications carriers.

(g) **Tariff requirement.** Each participating telecommunications carrier shall file a tariff to implement Lifeline Service and Link Up Service, or revise its existing tariff for compliance with this section and with applicable law.

(h) **Reporting requirements.**

(1) On September 1st of each year all participating telecommunications carriers shall file with the commission a report detailing how many customers were enrolled

through the Lifeline Automatic Enrollment Program, through the self-enrollment process, and how many customers received Link Up in the preceding year.

(2) **Texas Universal Service Fund (TUSF).** Participating telecommunications carriers providing Lifeline Service pursuant to this section shall report information as required by the commission or the TUSF administrator, including but not limited to the following information.

(A) Initial reporting requirements. Participating telecommunications carriers shall provide the commission and the TUSF administrator with information demonstrating that its Lifeline Service plan meets the requirements of this section.

(B) Monthly reporting requirements. Participating telecommunications carriers shall report monthly to the TUSF administrator the total number of qualified low-income customers to whom Lifeline Service was provided for the month by the participating telecommunications carrier.

(C) Other reporting requirements. Participating telecommunications carriers shall report any other information required by the commission or the TUSF administrator, including any information necessary to assess contributions to and disbursements from the TUSF.

(3) **Federal Lifeline Service Program.** Participating telecommunications carriers shall file the following information with the administrator of the Federal Lifeline Program:

(A) information demonstrating that the participating telecommunications carrier's Lifeline Service plan meets the criteria set forth in Title 47, Code

of Federal Regulations, Subpart E (relating to Universal Service Support for Low-Income Consumers);

- (B) the number of qualifying low-income customers served by the participating telecommunications carrier;
- (C) the amount of state assistance; and
- (D) other information required by the administrator of the Federal Lifeline Program.

- (i) **Notice of Lifeline and Link Up Services.** A participating telecommunications carrier shall provide notice of Lifeline and Link Up Services in any directory it distributes to its customers and shall provide an annual bill message advising customers of the availability of Lifeline and Link Up Services. In any instance where the carrier provides bilingual (English and Spanish) information in its directory and annual bill messages, the carrier must also provide its notice regarding Lifeline and Link Up Service in a bilingual format.
- (j) **Confidentiality agreements.** Participating telecommunications carriers must execute a confidentiality agreement with TDHS pursuant to the terms of the Guide prior to receiving the LIDA's eligibility database. The agreement will specify that client information is released by TDHS to carriers for the sole purpose of providing Lifeline and/or Link Up Service to eligible customers and that the information cannot be released by the carrier or used by the carrier for any other purpose.

(k) **Opportunity for contest.**

- (1) A customer who believes that their self-enrollment application has been erroneously denied may request that LIDA review the application, and the customer may submit additional information as proof of eligibility.
  - (2) A customer who is dissatisfied with LIDA's action following a request for review under paragraph (1) of this subsection may request an informal hearing to be conducted by the commission staff.
  - (3) A customer dissatisfied with the determination after an informal hearing under paragraph (2) of this subsection may file a formal complaint pursuant to §22.242(e) of this title (relating to Complaints).
- (l) **Low-Income Discount Procedural Guide.** In the event of conflicts between the language of the Guide and the language of this section, the section shall prevail.

This agency hereby certifies that the rule, as adopted, has been reviewed by legal counsel and found to be a valid exercise of the agency's legal authority. It is therefore ordered by the Public Utility Commission of Texas that §26.412 relating to Lifeline Service and Link Up Service Programs is hereby adopted with changes to the text as proposed.

**ISSUED IN AUSTIN, TEXAS ON THE 16<sup>TH</sup> DAY OF JANUARY 2004.**

**PUBLIC UTILITY COMMISSION OF TEXAS**

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**REBECCA KLEIN, CHAIRMAN**

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**JULIE PARSLEY, COMMISSIONER**

**CONCURRENCE AND DISSENT OF COMMISSIONER PAUL HUDSON**

On this rule, I concur with the majority on the adoption of all parts, with the sole exception of the requirement that self-enrolling customers re-submit proof of eligibility every seven months.

Although I believe it important to ensure only eligible customers receive the discounted rates for electric service and lifeline telephone service circumscribed by PURA, a reasonable balance must be achieved between excluding ineligible persons and discouraging participation by otherwise eligible customers.

I believe that this balance would best be achieved through the allowance of 13 months of eligibility for self-enrolling individuals. If our eligibility screening rejected a large number of ineligible persons from the discount, then the Commission could require more frequent submission of proof-of-eligibility.

As in our open meeting discussion on December 18th and December 30th, I reiterate that an analysis of eligibility requirements for other Texas program reveals a range of acceptable options including allowances for longer eligibility than the majority's preferred seven-month time period.

Examples include:

- Food stamps – eligibility varies. Fixed income elderly persons, for example, are allowed to keep benefits for one year without re-enrolling.
- Temporary Assistance for Needy Families transitional childcare program allows 12 months continuous eligibility.
- Transitional Medicaid program allows 12 months continuous eligibility.

For the reasons stated in our Open Meeting discussion and summarized here, on this issue I respectfully dissent.

**ISSUED IN AUSTIN, TEXAS ON THE 16<sup>th</sup> DAY OF JANUARY 2004.**

**PUBLIC UTILITY COMMISSION OF TEXAS**

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**PAUL HUDSON, COMMISSIONER**