



## **Public Utility Commission of Texas**

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***INSTRUCTION PACKET FOR  
FORM FOR CALCULATING RIGHTS-OF-WAY COMPENSATION  
AND  
PROGRAM FOR CALCULATING RIGHTS-OF-WAY COMPENSATION***

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**PLEASE NOTE: If you have any questions regarding the completion of these forms, please contact us and we will be glad to assist you. Please contact Stephen Mendoza at (512) 936-7394.**

## General Instructions

1. **Documents contained in this package.** Before you start using the forms we urge you to please make sure that you have all of the following documents:
  - (a) The Base Amount Form
  - (b) Form for Allocating Base Amount.
  - (c) Schedule A: Form for Calculating Base Amount without In-Kind Compensation.
  - (d) Schedule B: Form for Calculating Value of In-Kind Compensation.
  - (e) Schedule C: Form for Valuing In-Kind Compensation over 1%.
  - (f) Appendix A: List of Certificated Telecommunication Providers (CTPs) operating in the state of Texas.
  - (g) Appendix B: List of Counties with population less than 25,000.
  - (h) Appendix C: Background Information on HB 1777 and Frequently Asked Questions.
  
2. **Organization of the Form.** The Form is divided into a Base Amount form with six Sections and three Schedules, but you will only complete the Sections and Schedules that are applicable to your municipality. All municipalities must complete Sections I, II, and V of the Base Amount Form. You will complete some of the remaining Sections and Schedules depending on the Base Amount option selected in Section II. Detailed instructions are provided for each Section and Schedule. Please read them carefully.
  
3. **Mailing the Form.** Be sure to write the name of the municipality on all the schedules and forms, and be sure to sign Section V. Send your completed Forms, applicable schedule(s) A, B, or C and required documentation to the address given below. You do not have to return the instruction packet, appendices, and any unused schedules.
  
4. **Mailing Address.**

Stephen Mendoza,  
Project No: 23557  
Public Utility Commission of Texas  
P.O. Box 13326  
Austin, TX 78711-3326
  
5. **Contact us if you need assistance.** Please call Stephen Mendoza at (512) 936-7394.

## Definitions/Acronyms used in the Form

- a. Certificated Telecommunications Provider (or CTP).** To provide local exchange telephone service in the State of Texas, a telecommunications provider must obtain one of the following certificates from the PUC: Certificate of Operating Authority (COA), Service Provider Certificate of Operating Authority (SPCOA), or Certificate of Convenience and Necessity (CCN). Holders of these certificates are called CTPs. Only CTPs are governed by HB 1777. A list of these CTPs has been provided to you in Appendix A, Column A of the instruction packet. Whenever the term CTP is used, make sure that the telecommunications provider's name is on the list provided. There may be other telecommunication providers in your municipality who are not CTPs and are therefore not governed by HB 1777. **No other utilities (cable, electric, etc.) are covered by this data request.**
- b. Base Amount.**
- is the total amount of revenue received by the municipality from CTPs in franchise, license, permit, application, excavation, inspection, and other fees related to the use of a public right-of-way in calendar year 1998 within the boundaries of the municipality.
  - may include revenue from newly annexed areas, the value of in-kind services or facilities or municipal fee-rate escalation provisions, for certain municipalities as prescribed in Section II.
  - does not include pole rental fees, special assessments, and taxes of any kind, including ad valorem or sales and use taxes, or other compensation not related to the use of the public right-of-way.
  - does not include compensation from interexchange carriers, cable providers, or wireless providers, who may be CTPs, but whose lines do not meet the definition of access lines as defined in the Local Government Code 283.002.
- c. PUC.** The Public Utility Commission of Texas.
- d. Effective franchise agreement** – A franchise agreement or ordinance that is adopted and effective by its own terms by January 12, 1999, or by mutual agreement of the parties has been held-over after its expiration date, without dispute, and the municipality and the CTP were in the process of developing a new agreement or ordinance.

### **Instructions for Section I, Page 2**

Please provide the name of your municipality, as well as the name, title, address, telephone numbers, e-mail address, and fax numbers for the person the PUC should contact if we have questions regarding the information provided on this form.

### **Instructions for Section II, Page 3**

Certain municipalities have options for determining the Base Amount. This Section will help you determine whether you are eligible for these options. Select only one box, either (a) or (b), in this section.

1. You have been provided county population data in Appendix B of the instruction packet for use in completing this Section.
2. If your municipality is located in more than one county, the county that has the largest number of your municipality's residents is the one to use for population.
3. Part (a). Select the first box/circle only if all the criteria apply. If you select this option, your base amount will be calculated using Section III.
4. Part (b). Select the second box/circle if any one of the four criteria apply. If you select this option, your base amount will be calculated using Section IV.

### **Instructions for Section III, Pages 4**

Eligibility for Using Section III is determined by your selection of Section II, part (a).

1. Read the Instructions for Schedule A and calculate the "Base Amount without In-Kind Compensation."
2. Read the Instructions for Schedule B and calculate the "Value of In-Kind Compensation."
3. Round all figures to the nearest dollar.
4. Add (a) + (b). This is your Total Base amount.

## Instructions for Section IV, Pages 5, 6, and 7

Eligibility for Using Section IV, is determined by your selection of Section II, part (b). Read the three options (Option 1, Option 2 and Option 3) and decide which option is best for your municipality.

### **OPTION 1: Use statewide average rates to determine your Base Amount**

Under this option, your municipality's base amount will be determined by the PUC using statewide average rates as follows: First, the PUC will determine the fee-per-line rate for each municipality in the State of Texas. Next, the PUC will calculate the average of these rates on a CTP-by-CTP basis.

For example, if a CTP is operating in 6 municipalities, the PUC will calculate (for each category of access lines) the average of the fee-per-line rates across the six municipalities for that CTP. This is the statewide average fee-per-line rate for that CTP.

Finally, the PUC will multiply the statewide average rates of the largest CTP in your municipality by the number of access lines in each category in your municipality (using information given to us by your largest CTP) to determine your base amount. For more information, see Appendix D: *Frequently Asked Questions*.

$$\text{Base amount} = \text{Number of Access lines by category in your municipality} * \\ \text{Statewide average fee-per-line rates by category for the largest} \\ \text{CTP in your municipality.}$$

### OPTION 1 INSTRUCTIONS:

Read the Instructions for Schedule A and calculate the "Base Amount without In-Kind Compensation." Do not include in-kind compensation, compensation from newly annexed areas, and fee-rate escalation provisions when you use Schedule A.

## **OPTION 2: Calculating your base amount using the base amount of another municipality.**

You may choose to use another municipality's base amount as your base amount provided the other municipality meets the following conditions.

1. The other municipality must be located in the same or adjacent county to you.
2. If your municipality's population is 1000 or less, the population of the other municipality must be within 200 of your municipality's population.
3. If your municipality's population is greater than 1000, the population of the other municipality must be within 20% of your municipality's population.
4. The largest CTP in the other municipality must also be the largest CTP in your municipality. (You will have to call the other municipality to get this information.)
5. The other municipality must have calculated its Base Amount (not adopted the rates of another city).
6. The population estimate must be as of January 1, 1999 and be from the Texas Data Center. Call the PUC if you need assistance with municipal population estimates.
7. You may not use the rates of the following 6 cities: Austin, Arlington, Dallas, El Paso, Electra, or Laredo

### OPTION 2 INSTRUCTIONS

- a. Using the CTP list in Column A of Appendix A only, enter the name of the largest CTP for your municipality and the similarly-sized municipality.
- b. Enter the name of the similarly-sized municipality whose base amount you want to report as your base amount.
- c. Enter the name of the county for the similarly-sized municipality.
- d. Enter the name of your county.
- e. Enter the population of the similarly sized municipality
- f. Enter the population of your municipality.
- g. Enter the base amount of the similarly-sized municipality. Make sure that this amount is the final base amount the other municipality is reporting to the PUC.
- h. Enter the base amount you want to report to the PUC. **You can choose a value equal to or lesser than the amount in (g).**

## **OPTION 3: Calculating your base amount using 1998 Franchise Compensation.**

(a) Read the Instructions for Schedule A and calculate the "Base Amount without In-Kind Compensation." Section IV municipalities are not eligible to include in-kind compensation from newly annexed areas, and fee-rate escalation provisions as part of the 1998 Base Amount. Therefore, your "Base Amount without in-kind compensation" is your total "Base Amount" for 1998.

## **Instructions for Section V**

Section V must be signed and attested to by an officer or authorized representative of the municipality under whose direction the report is prepared. Use the comment section for additional footnotes or explanations. Add additional sheets if necessary.

Section V must be signed and mailed along with other required materials to the PUC for your filing to be considered complete.

### **Check List for all municipalities**

1. Is the name of your municipality on all applicable forms and schedules?
2. Did you sign Section V and include it in your packet of materials?
3. If you claimed escalation in Schedule A, did you include appropriate supporting documentation?
4. If you used Schedule B, did you include supporting documentation?
5. If you used Schedule C, did you include appropriate documentation to support your valuation?
6. Do not return instructions, appendices and unused schedules.
7. If you reported a CTP name on any of your Schedules, did you use the name listed in Column A, of the CTP list (Appendix A)?

***Congratulations you are now done!***