



## Public Utility Commission of Texas

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### SCHEDULE C

#### FORM FOR VALUING IN-KIND COMPENSATION OVER 1% OF BASE AMOUNT

Pursuant to Chapter 283 Local Government Code and PUC Subst. R. 26.463

**PUC Support for Completing this Form: 1- 512 – 936 – 7322**

#### **PURPOSE OF THIS FORM:**

The purpose of this form is to calculate the value of “In-kind compensation over 1%.” Return this form along with other required materials back to the commission.

#### **Important Notice:**

*Failure to accurately and timely report this information may result in a delay in implementing your municipality’s new franchise compensation rate. Further, for the duration of any delay, a municipality’s base amount shall be assumed to be zero. Also a municipality shall not be eligible to recover past compensation it would have received under the new rates.*

**DEFINITIONS:**

**In-Kind Services.** Services received by a municipality from a CTP during calendar year 1998 at either no cost or below cost as part of an effective franchise agreement or ordinance.

**In-Kind Facilities.** Facilities received by a municipality from a CTP before or during calendar year 1998 at either no cost or below cost as part of an effective franchise agreement or ordinance.

**In-Kind Compensation.** The sum of the value of In-Kind services and In-Kind facilities.

**Joint Use Agreement.** An agreement between a municipality and a CTP that allows each to use the other's poles, ducts or conduits.

**In-kind compensation over 1%.** Municipalities may provide evidence that the total value of in-kind compensation received from CTPs exceeded the in-kind threshold of 1.0% of the municipality's "Base Amount without in-kind compensation." The municipality's request to exceed the threshold must be consistent with the valuation methodologies and instructions in this Schedule.

Instructions

1. Round up all figures to the nearest dollar value.
2. Provide appropriate documentation to support all your calculations. Attach them to the end of the schedule with clear labels as to which type of in-kind compensation, (a), (b), (c), (d), or (e) the calculations correspond to.
3. Under each applicable type of in-kind compensation (a), (b), (c), (d), or (e) enter the value of the relevant in-kind compensation using the methodology prescribed. If no in-kind compensation was received of a particular type, enter zero.
4. **Part (a) Telecommunications equipment.** The municipality shall compute the 1998 value by dividing the original cost of the equipment by the term in years of the effective franchise agreement.

The value of telecommunications equipment received as in-kind is: \$ \_\_\_\_\_

5. **Part (b) Dark fiber.** Where a municipality had the option to use the CTP's dark fiber as in-kind compensation in calendar year 1998, the municipality shall value the fiber only to the extent the municipality utilized it in calendar year 1998. The value shall be computed in accordance with part (d). Where a CTP permanently transferred ownership of the dark fiber to the municipality as in-kind compensation before or during calendar 1998, the value of the dark fiber shall be computed for its entire length in accordance with part (a).

The value of dark fiber received as in-kind is: \$ \_\_\_\_\_

6. **Part (c) Poles, ducts, and conduits.** Where a municipality had the option to use the CTP's poles, ducts, and conduits as part of its in-kind compensation, it shall value those facilities only to the extent the municipality utilized them during calendar year 1998. The value of the poles, ducts and conduits shall be based upon reasonable annual rental fees charged or paid by other utilities for similar facilities. Where a municipality and a CTP have entered into a joint-use agreement for the use of poles, ducts, or conduits, no value shall be included in computing in-kind compensation for such use.

The value of poles, ducts, and conduits received as in-kind is: \$ \_\_\_\_\_

7. **Part (d) Telecommunications service.** The municipality shall value the telecommunications service it received as in-kind compensation by determining the fees paid by other municipalities for same or similar services, or through the average price charged in 1998 by three suppliers qualified to provide the service. The services must have been received in calendar year 1998 to have value.

The value of telecommunications services received as in-kind is: \$ \_\_\_\_\_

8. **Part (e) All other facilities and services.** The municipality shall perform a survey of suppliers for all other in-kind facilities and services it received in calendar year 1998, to establish true market values. The municipality shall survey at least three suppliers for each facility or service it is valuing.

The value of all other facilities and services received as in-kind is: \$ \_\_\_\_\_

9. **Part (f) The total value of in-kind services.**

Add (a) + (b) + (c) + (d) + (e). \$ \_\_\_\_\_

Transfer this amount to Schedule B.