

House Bill 2603
Senate Amendments
Section-by-Section Analysis

HOUSE VERSION

SECTION 1. Section 56.031, Utilities Code, is amended to read as follows:

Sec. 56.031. ADJUSTMENTS: TEXAS HIGH COST UNIVERSAL SERVICE PLAN. The commission may revise the monthly per line support amounts to be made available from the Texas High Cost Universal Service Plan ~~[and from the Small and Rural Incumbent Local Exchange Company Universal Service Plan at any time after September 1, 2007,]~~ after notice and an opportunity for hearing. In determining appropriate monthly per line support amounts, the commission shall consider the adequacy of basic rates to support universal service.

SECTION 2. Subchapter B, Chapter 56, Utilities Code, is amended by adding Section 56.032 to read as follows:

Sec. 56.032. ADJUSTMENTS: SMALL AND RURAL INCUMBENT LOCAL EXCHANGE COMPANY UNIVERSAL SERVICE PLAN. (a) For purposes of this section, "consumer price index" means the Consumer Price Index for All Urban Consumers, as published by the federal Bureau of Labor Statistics of the United States Department of Labor.

(b) Except as provided by Subsections (c), (d), (e), and (f), the commission may revise the monthly support amounts to be made available from the Small and Rural Incumbent Local Exchange Company Universal Service Plan by revising the monthly per line support amounts, after notice and an opportunity for hearing. In determining appropriate monthly per line support amounts, the commission shall consider the adequacy of basic rates to support universal service.

(c) On the written request of a small or rural incumbent local exchange company that receives monthly per line support

SENATE VERSION (CS)

SECTION 1. Same as House version.

SECTION 2. Subchapter B, Chapter 56, Utilities Code, is amended by adding Section 56.032 to read as follows:

Sec. 56.032. ADJUSTMENTS: SMALL AND RURAL INCUMBENT LOCAL EXCHANGE COMPANY UNIVERSAL SERVICE PLAN. (a) For purposes of this section, "consumer price index" means the Consumer Price Index for All Urban Consumers, as published by the federal Bureau of Labor Statistics of the United States Department of Labor.

(b) Except as provided by Subsections (c), (d), (e), and (f), the commission may revise the monthly support amounts to be made available from the Small and Rural Incumbent Local Exchange Company Universal Service Plan by revising the monthly per line support amounts, after notice and an opportunity for hearing. In determining appropriate monthly per line support amounts, the commission shall consider the adequacy of basic rates to support universal service.

(c) On the written request of a small or rural incumbent local exchange company that receives monthly per line support

CONFERENCE

House Bill 2603
Senate Amendments
Section-by-Section Analysis

HOUSE VERSION

amounts, the commission shall disburse funds to the company in fixed monthly amounts based on the company's annualized amount of recovery for the calendar year ending on December 31, 2010. A company may submit only one request under this subsection and must submit the request on or before December 31, 2011.

(d) On the written request of a small or rural incumbent local exchange company that is not an electing company under Chapter 58 or 59, the commission annually shall set the company's monthly support amounts for the following 12 months by dividing by 12 the annualized support amount calculated under this subsection. The commission shall calculate the annualized amount:

(1) for the initial 12-month period for which a company makes an election under this subsection, by:

(A) determining the annualized support amount calculated for the requestor in the final order issued by the commission in Docket No. 18516; and

(B) adjusting the support amount determined under Paragraph (A) at the beginning of each calendar year by a factor equal to the most recent consumer price index published at that time, beginning with the 1999 calendar year and ending in the year the company makes an election under this subsection; and

(2) for the 12-month period following the initial period for which a company made an election under this subsection and for subsequent 12-month periods, by adjusting the most recent annualized support amount calculated by the commission by a factor equal to the percentage change in the consumer price index for the most recent 12-month period.

(e) If a company elects to receive monthly support amounts under Subsection (d), the commission, on its own motion or on the written request of the company, may initiate a

SENATE VERSION (CS)

amounts, the commission shall disburse funds to the company in fixed monthly amounts based on the company's annualized amount of recovery for the calendar year ending on December 31, 2010. A company may submit only one request under this subsection and must submit the request on or before December 31, 2011.

(d) On the written request of a small or rural incumbent local exchange company that is not an electing company under Chapter 58 or 59, the commission annually shall set the company's monthly support amounts for the following 12 months by dividing by 12 the annualized support amount calculated under this subsection. The commission shall calculate the annualized amount:

(1) for the initial 12-month period for which a company makes an election under this subsection, by:

(A) determining the annualized support amount calculated for the requestor in the final order issued by the commission in Docket No. 18516; and

(B) adjusting the support amount determined under Paragraph (A) at the beginning of each calendar year by a factor equal to the most recent consumer price index published at that time, beginning with the 1999 calendar year and ending in the year the company makes an election under this subsection; and

(2) for the 12-month period following the initial period for which a company made an election under this subsection and for subsequent 12-month periods, by adjusting the most recent annualized support amount calculated by the commission by a factor equal to the percentage change in the consumer price index for the most recent 12-month period.

(e) If a company elects to receive monthly support amounts under Subsection (d), the commission, on its own motion or on the written request of the company, may initiate a

CONFERENCE

House Bill 2603
Senate Amendments
Section-by-Section Analysis

HOUSE VERSION

proceeding to recalculate the most recent annualized support amount to be used as the basis for adjustment for a subsequent 12-month period under Subsection (d)(2). If, based on the recalculation, the commission by order adjusts a company's most recent annualized support amount, the adjusted support amount supersedes the annualized support amount calculated in accordance with Subsection (d).

(f) The commission shall administratively review requests filed under Subsections (c) and (d). Except for good cause, the commission shall approve the request not later than the 60th day after the date the commission determines the company is eligible and has met all the procedural requirements under this subchapter.

(g) This section does not affect the commission's authority under Chapter 53 or this chapter.

No equivalent provision.

SENATE VERSION (CS)

proceeding to recalculate the most recent annualized support amount to be used as the basis for adjustment for a subsequent 12-month period under Subsection (d)(2). If, based on the recalculation, the commission by order adjusts a company's most recent annualized support amount, the adjusted support amount supersedes the annualized support amount calculated in accordance with Subsection (d).

(f) The commission shall administratively review requests filed under Subsections (c) and (d). Except for good cause, the commission shall approve the request not later than the 60th day after the date the commission determines the company is eligible and has met all the procedural requirements under this subchapter.

(g) This section does not affect the commission's authority under Chapter 53 or this chapter.

(h) This section and any monthly support amount approved under this section expire on September 1, 2013.

SECTION 3. Effective September 1, 2013, Section 56.031, Utilities Code, is amended to read as follows:

Sec. 56.031. ADJUSTMENTS. The commission may revise the monthly per line support amounts to be made available from the Texas High Cost Universal Service Plan and from the Small and Rural Incumbent Local Exchange Company Universal Service Plan at any time after September 1, 2007, after notice and an opportunity for hearing. In determining appropriate monthly per line support amounts, the commission shall consider the adequacy of basic rates to support universal service.

CONFERENCE

House Bill 2603
Senate Amendments
Section-by-Section Analysis

HOUSE VERSION

SECTION 3. This Act takes effect September 1, 2011.

SENATE VERSION (CS)

SECTION 4. **Except as otherwise provided by this Act,** this Act takes effect September 1, 2011.

CONFERENCE