



Public Utility Commission of Texas

1701 N. Congress Ave., PO Box 13326, Austin, TX 78711-3326

2016 CONSUMER PRICE INDEX (CPI) ADJUSTMENT TO MUNICIPAL TELECOMMUNICATIONS RIGHT-OF-WAY ACCESS LINE RATES

March 10, 2016

PURPOSE

This letter is to notify you that your city's 2016 maximum access line rates have decreased by 0.0878% due to a decrease in the Consumer Price Index (CPI). This adjustment has been made pursuant to Chapter 283 of the Local Government Code (House Bill 1777)

DEFAULT RATES FOR 2016: DECREASE

Based on the choices made by your city in April 2015, your city's 2016 rates will be adjusted for deflation. According to our records, when similar CPI adjustments were made in April 2015, your city chose the MAXIMUM allowable CPI-adjusted rates. Therefore, your 2016 rates will reflect a decrease of 0.0878% from your 2015 rates. You do not have the option to decline this decrease in rates as the adjustment is made pursuant to administrative procedures established for CPI annual adjustments.

ACTION BY CITY: TO ACCEPT THE DECREASE

(1) You do not have to respond to accept the decreased access line rates. (2) Respond ONLY if you want to decrease the access line rates to levels lower than the new caps. (3) To respond, notify the PUC using page 2 of this letter no later than April 30, 2016. (4) The PUC does not require City council authorization; however, if your city charter requires it, please do so immediately. (5) Verify your contact information and highlight any changes. (6) Make a copy of this document.

WHAT HAPPENS IF A CITY DOES NOT RESPOND BY APRIL 30, 2016?

It is not necessary for the city to respond by April 30, 2016. Rates for your city will automatically decrease from 2015 levels to the new 2016 MAXIMUM allowable CPI-adjusted rates and no further reductions will be made. The next opportunity to adjust your rates will be September 1, 2016.

WHAT HAPPENS NEXT?

The PUC will notify telephone companies of your desired rates and you will be compensated accordingly no later than July 1, 2016.

FUTURE REVISIONS TO CPI

The access line rates will be revised annually in March depending on whether the CPI changes for the previous year. If the CPI changes for the year 2016, you will receive a similar letter in March 2017.

See over...

City of League City

SECTION 1: Your 2015 city preferred rates are as follows:

Residential: \$1.43 Non-Residential: \$1.47 Point-to-Point: \$3.38

SECTION 2: Your default rates for 2016 are as follows. Note: These are lower than the 2015 rates due to the CPI deflation adjustment.

Residential: \$1.42 Non-Residential: \$1.46 Point-to-Point: \$3.37

To lower your default decrease further, notify the PUC by completing the section below. You can mail or fax this page to the PUC. To accept rates in SECTION 2, no action is required.

I _____, Title _____, am an authorized representative for the City/Town/Village of _____. The City declines to accept the default rates indicated in Section 2 above. Instead, we choose the following rates: Residential _____; Non-Residential _____; Point-to-Point _____.

Date: _____ Signature: _____

Other Comments:

HOW TO RESPOND

Mail: Stephen Mendoza
Public Utility Commission
P.O. Box 13326
Austin, Texas 78711-3326

INQUIRIES

Inquiries only. NOT for sending your response.
HB1777@puc.texas.gov
Phone No: 512-936-7394

OR FAX TO Stephen Mendoza at: 512-936-7428

CITY CONTACT INFORMATION

Please notify us if the contact information we have on file for your city has changed. Thank you.

Phone No. 1 (281) 554-1368

Phone No. 2 _____

Fax No: _____

Email: rebecca.underhill@leaguecity.com

Address

REBECCA UNDERHILL DIRECTOR OF FINANCE
or current city official responsible for right-of-way issues
CITY OF LEAGUE CITY
300 W WALKER
LEAGUE CITY TX 77573