



## Legislation Text

**File #:** 16-0957, **Version:** 1

Consider and take action to accept the 2016 consumer price index (CPI) adjustment to municipal telecommunications right-of-way access line rates as calculated by the Public Utility Commission of Texas (Assistant City Manager)

Approval of this item will accept the 2016 adjusted rates as prepared by the Public Utility Commission (PUC). Pursuant to Chapter 283 of the Local Government Code, the PUC allows for annual CPI adjustments to municipal telecommunications right-of-way access line rates. Each March the City receives notice from the PUC with the allowable adjustment for inflation based upon 50% of the change in average CPI over the previous year. This year (2016), the rate approved by the PUC is a decrease, (0.0878%); reflecting a decrease in 2015 average CPI over the average 2014.CPI.

The table below details our current rate per category, the adjusted rate for CPI if the City decided to again accept the new rates, the number of access lines per category, and the annual increase in revenue the City would receive if the City chooses to accept the CPI adjusted rate.

<u>Category</u>	<u>Current Rate</u>	<u>CPI Adjusted Rate</u>	<u># Access Lines</u>	<u>Increase in Revenue</u>
Residential	\$1.43	\$1.42	16,586	(\$1,990)
Non-Residential	\$1.47	\$1.46	6,610	\$(983)
Point-to-Point	\$3.38	\$3.37	111	\$(23)
<b>Total Increase in Revenue</b>				<b>\$(2,806)</b>

In 2015, the City received \$375,284 in access line revenue. Based upon the adjusted rates, the City will see an annual decrease in revenue of \$2,806. The City cannot establish rates higher than those prescribed. The only amendment to these rates allowed would be to reduce rates below those listed above. These rates will go into effect July 1, 2016.

### Attachments:

1. Data Sheet
2. PUC letter on CPI adjusted rates

### FUNDING

{x } Potential reduction in access line revenue of \$2,806 per year.

{ } Funds are available from Account # \_\_\_\_\_

{ } Requires Budget Amendment to transfer from Account # \_\_\_\_\_ to Account # \_\_\_\_\_