



Legislation Text

File #: 17-0217, **Version:** 1

Consider and take action to accept the 2017 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 authorize new rates for municipal telecommunication right-of-way access, pursuant to Chapter 283 of the Local Government Code. The Public Utility Commission (PUC) of Texas allows for annual CPI adjustments to municipal telecommunications right-of-way access line rates. Each March the City receives a letter from the PUC with the adjustment based upon 50% of the change in average CPI over the previous year. This year (2017), the rate approved by the PUC is a 0.5529% increase.

The table below details our current monthly rate per category, the adjusted monthly 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	\$1.42	\$1.43	10,684	\$1,282
Non-Residential	\$1.46	\$1.47	4,044	\$485
Point-to-Point	\$3.37	\$3.39	118	<u>\$28</u>
Total Increase in Revenue			\$1,796	

In 2016, the City received \$405,241 in access line revenue. Based upon the adjusted rates, the City will see an annual increase in revenue of \$1,796. 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. The rates will go into effect July 1, 2017.

Attachment:

- (1) Datasheet
- (2) PUC letter on CPI adjusted rates

Funding

(X) Potential increase in access line revenue MUNIS account Telecomm Franchise 0100-40410 of \$1,796 per year.