

Control Number: 39989



Item Number: 5

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TARIFF CONTROL NO. 39989

**NOTICE OF HILL COUNTRY
TELEPHONE COOPERATIVE, INC.
FOR APPROVAL OF A MINOR RATE
CHANGE PURSUANT TO SUBST. R.
§26.171 AND PURA SECTION 53,
SUBCHAPTER G**

**§ PUBLIC UTILITY COMMISSION
§
§ OF TEXAS
§
§**

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COMMISSION STAFF'S RECOMMENDATION

Commission Staff recommends approval of the application, based on the attached memorandum of Kristin Cavin.

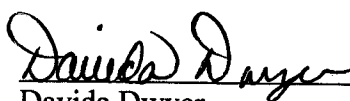
Dated: December 30, 2011

Respectfully Submitted,

Margaret Uhlig Pemberton
Division Director-Legal Division

Keith Rogas
Deputy Division Director-Legal Division

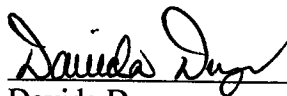
Karen S. Hubbard
Managing Attorney-Legal Division



Davida Dwyer
Attorney-Legal Division
State Bar No. 24052120
(512) 936-7256
(512) 936-7268 (facsimile)
Public Utility Commission of Texas
1701 N. Congress Avenue
P.O. Box 13326
Austin, Texas 78711-3326

CERTIFICATE OF SERVICE

I certify that a copy of this document will be served on all parties of record on December 30, 2011, in accordance with P.U.C. Procedural Rule 22.74.



Davida Dwyer

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Public Utility Commission of Texas

Memorandum

TO: Davida Dwyer, Legal Division
FROM: Kristin Cavin, Rate Regulation Division KC
DATE: December 30, 2011
RE: **Tariff Control No. 39989** – *Notice of Hill Country Telephone Cooperative, Inc. for Approval of a Minor Rate Change Pursuant to P.U.C. SUBST. R. 26.171 and PURA Section 53, Subchapter G*

FINAL RECOMMENDATION

This application is being processed pursuant to P.U.C. SUBST. R. 26.171 – Small Incumbent Local Exchange Company Regulatory Flexibility, and the Public Utility Regulatory Act (PURA) Sections 53.301 - .305. On December 12, 2011, Hill Country Telephone Cooperative, Inc. (“Hill Country” or the “Cooperative”) filed a notice of a minor rate change with the Commission, with its proposed tariff to be approved on December 22, 2011, and for rates effective January 1, 2011. Commission Staff’s Comments and Proposed Procedural Schedule, filed on December 19, 2011 in this proceeding, describes in more detail recent legislative changes and their impact on this filing.

Filing Requirements and Tariffs

PURA § 53.305 states that the incumbent local exchange company may file notice with the Commission not later than the 10th day before the effective date of the proposed change. Hill Country requested an effective date of December 22, 2011, 10 days after the notice was filed with the Commission, pursuant to PURA § 53.305. Commission Staff has ensured that Hill Country’s notice as filed on December 12, 2011, includes all the appropriate information as required by P.U.C. SUBST. R. 26.171(c)(1) and PURA § 53.304 -.305.

PURA § 53.301(b) states that a minor rate change is an increase that is no greater than 50 percent. In Tariff Control No. 39886, the Cooperative filed to raise rates for its Residential Monthly Access Line service from \$6.75 to \$9.40, which is a 39.3% or \$2.65 increase. This increase was administratively approved on November 30, 2011. The purpose of this filing is to incorporate that rate increase into the Cooperative’s “Basic Bundle” monthly service rate, which includes the Residential Monthly Access Line. The “Basic Bundle” will increase by the amount

of the Residential Monthly Access Line increase from \$11.05 to \$13.70. Therefore, Hill Country's request for a minor rate increase is consistent with the statute.

Notice

The Cooperative filed its Customer Notice and supporting affidavit in its original filing of December 12, 2011. The Customer Notice filed as Attachment A to the filing included the 5 percent threshold number of subscribers required to suspend the tariff. Customers were informed that 5 percent of the Cooperative's customers equaled 16 subscribers as of November 2011. In addition to direct customer notice, the Cooperative also filed an affidavit (in Attachment B of the filing) supporting the provision of notice.

Conclusion

It appears that all the filing requirements of a notice of a minor rate increase for a small telephone company as submitted pursuant to P.U.C. SUBST. R. 26.171 and PURA § 53.301 -.305 have been met. To date, no subscribers have filed comments in the proceeding. The tariff sheet submitted with the original notice, and as identified below, appears to reflect the intent of the notice, complies with the provisions of the statute and the Commission's rules, and should therefore be **APPROVED** as filed on December 12, 2011, effective January 1, 2012:

<u>Tariff</u>	<u>Section</u>	<u>Sheet</u>
General Exchange Tariff	12	2 nd Revised Sheet 56