



Control Number: 41407



Item Number: 6

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TARIFF CONTROL NO. 41407

2013 APR 29 PM 1:42
PUBLIC UTILITY COMMISSION
FILE NO. 00001

**NOTICE OF ALENCO
COMMUNICATIONS, INC. d/b/a
ACI TO IMPLEMENT A MINOR
RATE CHANGE PURSUANT TO
SUBST. R. §26.171**

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**PUBLIC UTILITY COMMISSION
OF TEXAS**

**COMMISSION STAFF'S COMMENTS
REGARDING THE APPLICATION AND NOTICE**

NOW COMES Staff of the Public Utility Commission of Texas (Commission Staff or Staff), representing the public interest, to submit these comments regarding the Application and Notice.

On April 22, 2013, Alenco Communications, Inc. d/b/a ACI. (ACI or Applicant) filed an application for revisions to its Local Exchange Tariff to increase the monthly residential Local Exchange Access Line rates in all its exchanges. ACI is also requesting to remove the optional Extended Area Service offered to both Business and Residential customers in the Dolores, Modeana and West Marietta Exchanges and replace this offering with a mandatory Toll-Free Expanded Local Calling Scope that will allow customers to make local calls to (956-NXX) exchanges in Laredo and customers in the Donie Exchange to make local calls to exchanges in Mexia and Groesbeck. ACI is also requesting to increase the business rates in the Alexander and Carlton Exchanges for the Rotary Hunting Service to equalize rates with the Maryneal, McCaulley and Sylvester Exchanges.

Staff has reviewed the application and proposed notice. As detailed in the attached memorandum of Stephen Mendoza, of the Commission's Rate Regulation Division, Staff finds that the application is sufficient for further review and recommends that the notice be deemed sufficient pursuant to P.U.C. SUBST. R. 26.171(d).


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Dated: April 29, 2013

Respectfully Submitted,


Margaret Uhlig Pemberton
Division Director-Legal Division

Joseph P. Younger
Interim Managing Attorney-Legal Division


Marie Reyna
Attorney-Legal Division
State Bar No. 24059934
(512) 936-7255
(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 April 29, 2013, in accordance with P.U.C. Procedural Rule 22.74.


Marie Reyna

Public Utility Commission of Texas

Memorandum

TO: Marie Reyna
Legal Division

FROM: Stephen Mendoza 
Rate Regulation Division

DATE: April 29, 2013

RE: **Tariff Control No. 41407** – Notice of Alenco Communications, Inc. d/b/a ACI to Implement a Minor Rate Change Pursuant to P.U.C. SUBST. R. §26.171

RECOMMENDATION ON SUFFICIENCY

On April 22, 2013, Alenco Communications, Inc. d/b/a ACI (“ACI” or “the Company”) filed a notice with the Commission to initiate a minor rate change, with its proposed tariff to be effective June 1, 2013.

Background

ACI files this notice for a minor rate change and proposes to increase the current monthly Local Exchange Access Line Rate for residential and business customers in certain exchanges consistent with the table shown at the end of this recommendation (see ATTACHMENT). ACI proposes these rate increases in an effort to meet the 2013 local rate floor established for residential access lines by the Federal Communications Commission (FCC) in its USF/ICC Transformation Order. The Transformation Order would reduce universal support to the extent that a carrier’s residential rates and other regulated state fees do not meet the rate established rate of \$14.00. ACI explained that the proposed rate increases will allow the Company to continue to receive the maximum federal universal service fund, high-cost loop support for the reporting period of July 1, 2013 to June 30, 2014.

Additionally, ACI is requesting to remove the optional Extended Area Service (EAS) offered to both business and residential customers in the Dolores, Modena and West Marietta Exchanges and replacing this offering with a mandatory Toll-Free Local Calling Scope (ELCS) that will allow customers to make local calls to (956-NXX) exchanges in Laredo, and customers in the Donie Exchange to make local calls to exchanges in Mexia and Groesbeck. The ELCS is similar to what customers already have in the other exchanges served by ACI. Lastly, ACI is

proposing to increase the business rates in the Alexander and Carlton Exchanges for Rotary Hunting Service (see ATTACHMENT).

A review of the application finds that the increase in the Local Exchange Access Line rate for residential and business customers is not greater than the 50% limitation as prescribed in P.U.C. SUBST. R. 26.5(147). ACI provided information which indicates that the overall impact on the regulated intrastate gross revenues for the currently proposed rate increase results in an increase of \$36,060 or 1.42%, which is less than a 5 percent impact. Therefore, ACI's notice of a minor rate change is appropriate and consistent with the definition of a "minor change" in P.U.C. SUBST. R. 26.5(147).

Notice and Waiver Requests

In its filing, ACI stated that it would provide direct customer notice by bill insert of this proceeding on May 1, 2013, which is at least 10 days prior to the proposed effective date of ACI's proposed rate changes. In addition, the Company provided a copy of its direct customer notice. ACI appears to have satisfied the provisions of P.U.C. SUBST. R. 26.171(d) for notice requirements. The Company has not requested any good cause waivers in this filing.

Conclusion

The notice filed with the Commission by ACI for a minor rate change appears to be sufficient and complete.

ATTACHMENT

Current and proposed rates are:

Services	Current Rates	Proposed Rates
Local Exchange Tariff		
Residence Monthly Access Line Rates - Section 1		
1-Party Donie Exchange	\$10.00	\$14.00
1-Party Alexander, Carlton, Knippa, Maryneal, McCaulley, and Sylvester Exchanges	\$8.64	\$10.50
1-Party Dolores, Modeana, and West Marietta Exchanges	\$10.75	\$14.75
Key System - Donie Exchange	\$10.19	\$14.19
Key System - Maryneal, McCaulley, and Sylvester Exchanges	\$10.19	\$12.05
Business Monthly Access Line Rates - Section 1		
1-Party Dolores, Modeana, and West Marietta Exchanges	\$17.25	\$24.25
1-Party Donie Exchange	\$19.10	\$21.20
1-Party Knippa Exchange	\$9.75	\$13.25
Rotary Hunting Service - Alexander and Carlton Exchanges	\$18.60	\$20.92
Optional One-Way Extended Area Service (EAS) Monthly Rate Additive		
Optional One Way EAS in Dolores, Modeana, and West Marietta Residence (discontinued service & rate for subscribing customers)	\$29.00	\$0.00
Optional One-Way EAS in Dolores, Modeana, and West Marietta - Business (discontinued service & rate for subscribing customers)	\$60.00	\$0.00
Mandatory One-Way Local Calling Scope to Laredo		
Dolores, Modeana, and West Marietta - All Customers	\$0.00	\$0.00
Mandatory One-Way Local Calling Scope to Mexia and Groesbeck		
Donie Exchange - All Customers	\$0.00	\$0.00