

Control Number: 45803



Item Number: 6

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TARIFF CONTROL NO. 45803

**NOTICE OF LIPAN TELEPHONE
COMPANY FOR APPROVAL OF A
MINOR RATE CHANGE PURSUANT TO
16 TEX. ADMIN. CODE § 26.171 AND
PURA CHAPTER 53, SUBCHAPTER G**

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**COMMISSION STAFF'S COMMENTS ON
SUFFICIENCY OF APPLICATION AND NOTICE**

COMES NOW the Staff of the Public Utility Commission of Texas (Staff), representing the public interest, and files this Commission Staff's Comments on Sufficiency of Application and Notice. In support thereof, Staff shows the following:

I. BACKGROUND

On April 4, 2014, Lipan Telephone Company (Lipan) filed an application (Application) for revisions to its Local Exchange Tariff. Lipan proposed an effective date of June 1, 2016. Notice Requiring Staff Comments and Establishing Procedural Schedule, issued April 5, 2016, required Staff to file Comments on Sufficiency of Application and Notice by April 11, 2016. This pleading is therefore timely filed.

II. STAFF COMMENTS

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 Lipan has provided the information required in 16 Tex. Admin. Code § 26.171(c) (TAC).

III. CONCLUSION

Staff recommends that Lipan's Application be deemed sufficient for further review and recommends that the notice be deemed sufficient.

Dated: April 11, 2016

Respectfully Submitted,

Margaret Uhlig Pemberton
Division Director-Legal Division

Katherine Lengieza Gross
Managing Attorney-Legal Division

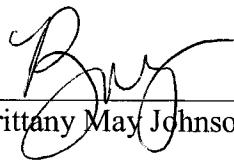


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CERTIFICATE OF SERVICE

I certify that a copy of this document will be served on all parties of record on April 11, 2016,
in accordance with 16 TAC § 22.74.




Brittany May Johnson

Public Utility Commission of Texas

Memorandum

TO: Brittany Johnson
Legal Division

FROM: Stephen Mendoza 
Rate Regulation Division

DATE: April 11, 2016

RE: **Tariff Control No. 45803** – Notice of Lipan Telephone Company for Approval of a Minor Rate Change, Pursuant to 16 Tex. Admin. Code § 26.171 and PURA Chapter 53, Subchapter G

RECOMMENDATION ON SUFFICIENCY

On April 4, 2016, Lipan Telephone Company (“Lipan” or “the Company”) filed a notice with the Commission to initiate a minor rate change, with its proposed tariff to be effective June 1, 2016.

Background

Lipan files this notice in an effort to raise the rates the Company charges for Monthly Local Exchange Service for both residential and business customers. Specifically, Lipan proposes to increase its Residence Monthly Local Exchange Service rates from \$16.00 to \$18.00. The Company also proposes to increase its Business Monthly Local Exchange Service rates from \$16.50 to \$18.50. Additionally, pursuant to 16 Tex. Admin. Code § 26.412(f)(1)(E)(i-ii), Lipan is proposing a Small and Rural Incumbent Local Exchange Company Universal Service Plan (SRILEC USP) Area Discount simultaneous with the proposed rate increase. The SRILEC USP Area Discount is 25% of the proposed \$2.00 residential access line rate increase, which amounts to a \$0.50. This results in a new Lifeline Area Discount total of \$1.00 for qualified Lifeline customers in the affected exchanges.

A review of the application finds that the proposed increases for the access line rates are not greater than the 50% limitation as prescribed in 16 Tex. Admin. Code § 26.5(148). The Company 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 \$29,808 or approximately 2.67%, which is less than a 5 percent impact. Therefore, Lipan’s notice of a minor

rate change is appropriate and consistent with the definition of a “minor change” in 16 Tex. Admin. Code § 26.5(148).

Notice and Waiver Requests

In its filing, Lipan stated that it provided direct customer notice by bill insert of this proceeding on March 30, 2016, which is at least 10 days prior to the proposed effective date of Lipan’s proposed rate changes. In addition, the Company provided a copy of its direct customer notice. Lipan appears to have satisfied the provisions of 16 Tex. Admin. Code § 26.171(d) for notice requirements.

Conclusion

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