



Control Number: 47041



Item Number: 1

Addendum StartPage: 0

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LIPAN TELEPHONE COMPANY UTILITY COMMISSION
FILING CLERK

Table of Contents

<u>Section</u>	<u>Page</u>
1. Table of Contents	1
2. Letter to Commission Filing Clerk	2
3. Certificate of Service	3
4. Notice to the Public Utility Commission	4
5. Attachment A – Customer Notice	8
6. Attachment B – Affidavit Supporting the Provision of Notice	9
7. Attachment C – Board Resolution	10
8. Attachment D – Proposed Tariff Sheets	12
9. Attachment E – Revenue Impact Calculations	14

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Your business is our business.

Echelon Building II, Suite 200
9430 Research Blvd., Austin, Texas 78759.
phone: 512-338-0473, fax: 512-346-0822
internet: www.jsitel.com, e-mail: jsi@jsitel.com

April 7, 2017

Central Records Filing Clerk
Public Utility Commission of Texas
1701 N. Congress Avenue
Austin, Texas 78711

47041

Re: Tariff Control No. _____; *Notice of Lipan Telephone Company for Approval of a Minor Rate Change Pursuant to 16 TAC § 26.171*

Dear Filing Clerk:

On behalf of Lipan Telephone Company (“Lipan” or “Company”), I have attached an original and six (6) copies of Lipan’s notice to implement a minor rate change pursuant to 16 TAC § 26.171.

Please file-stamp the additional copies and return them to our courier. Your cooperation in this matter is greatly appreciated. You may direct any correspondence or questions to me at the above-listed address and telephone number.

Sincerely,

Dee Dee Longenecker
dlongenecker@jsitel.com
Authorized Representative for
Lipan Telephone Company

Enclosures

cc: Ms. Beth Howard, Office Manager
Lipan Telephone Company

Headquarters: 7852 Walker Drive, Suite 200
Greenbelt, MD 20770
phone: 301-459-7590, fax: 301-577-5575

Eagandale Corporate Center, Suite 310
1380 Corporate Center Curve, Eagan, MN 55121
phone: 651-452-2660, fax: 651-452-1909

6849 Peachtree Dunwoody Road
Bldg. B-3, Suite 200, Atlanta, GA 30328
phone: 770-569-2105, fax: 770-410-1608

547 South Oakview Lane
Bountiful, UT 84010
phone: 801-294-4576, fax: 801-294-5124

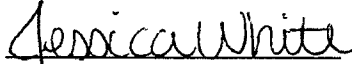
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LIPAN TELEPHONE COMPANY

Certificate of Service

I hereby certify that a true and correct copy of this Notice has been served by facsimile distribution, hand delivery, or first class U.S. mail on this the 7th day of April, 2017, to the Public Utility Commission of Texas, Rate Regulation Division and to the Office of Public Utility Counsel.


Jessica White

TARIFF CONTROL NO. _____

NOTICE OF LIPAN	§	PUBLIC UTILITY COMMISSION
TELEPHONE COMPANY FOR	§	
APPROVAL OF A MINOR RATE	§	OF
CHANGE PURSUANT TO	§	
16 TAC § 26.171	§	TEXAS

Lipan Telephone Company (“Lipan” or “Company”), pursuant to 16 TAC § 26.171, submits this notice to implement a minor rate change. Lipan is a small local exchange company (“SLEC”) as defined by 16 TAC § 26.5. Lipan states as follows:

(A) Introduction

Lipan is filing this notice for a minor rate change in an effort to raise residential rates to meet the local rate floor established by the Federal Communications Commission (“FCC”) in its USF/ICC Transformation Order (“Order”).¹ Through its Order, the FCC will reduce universal service support to the extent that a carrier’s residential rates (including certain state regulated fees) do not meet the urban rate floor. On June 10, 2014, the FCC altered the timeline for carriers to meet the national urban rate floor and provided a more gradual transition to the urban rate floor by limiting universal service support reductions beginning July 1, 2017 to only those carriers who, on June 1, 2017, have residential rates below \$20.00, or the rate floor established by the 2017 rate survey, whichever is lower.² Therefore, Lipan is proposing the enclosed rate changes to avoid mandatory reductions in its federal universal service support.

¹ See *Connect America Fund; A National Broadband Plan for Our Future; Establishing Just and Reasonable Rates for Local Exchange Carriers; High-Cost Universal Service Support; Developing a Unified Inter-carrier Compensation Regime; Federal-State Joint Board on Universal Service; Lifeline and Link-Up; Universal Service Reform—Mobility Fund*; WC Docket Nos. 10-90, 07-135, 05-337, 03-109, CC Docket Nos. 01-92, 96-45, GN Docket No. 09-51, WT Docket No. 10-208, Report and Order and Further Notice of Proposed Rulemaking, FCC 11-61 (rel. Nov. 18, 2011) (*USF/ICC Transformation Order*); *pets. for review denied, Direct Comm. Cedar Valley, et al v. FCC 11-161*, No. 11-9900 www.ca10.uscourts.gov/opinions/11/11-9900.pdf (10th Cir. filed May 23, 2016).

² See *Connect America Fund et al.*, WC Docket Nos. 10-90 *et al.*, Report and Order, Declaratory Ruling, Order, Memorandum Opinion and Order, Seventh Order on Reconsideration, and Further Notice of Proposed Rulemaking, FCC 14-54 (rel. June 10, 2014) at Paras. 7 and 80 (*Omnibus Order*).

(B) Customer Notice:

A copy of the customer notice is found in Attachment A, which is attached to this filing. The notice contains all required components of 16 TAC § 26.171(d)(3).

(C) Provision of Notice:

The Company provided notice to all affected customers on April 1, 2017. Accordingly, direct notice to affected customers was completed more than 10 days prior to the proposed effective date of the Company's revised tariffs. An affidavit supporting the completion of customer notice is included herein as Attachment B.

(D) Waiver of Notice Requirements in 16 TAC § 26.171(d):

The Company is not requesting any waivers from the Commission's notice requirements as contained in 16 TAC § 26.171(d).

(E) Board of Director's Resolution:

A copy of the resolution adopted by Lipan's Board of Directors approving the proposed rate change is found in Attachment C.

(F) Proposed Effective Date:

The proposed effective date of the attached tariff is June 1, 2017, which is at least 10 days after the filing of this notice.

(G) Description of the affected services and the category of customers affected by the proposed change:

The Company is proposing to increase residential access lines and business access lines by \$2.00 each. Such rate changes meet the definition of a "Minor rate change"³ under the Commission's rules, in that they do not increase a customer's basic local access line rate by more than 50%, and do not increase the Company's intrastate gross annual revenues by more than 5% in a twelve-month period. A complete description of the proposed changes is found in the tariff sheets attached herein as Attachment D.

³ 16 TAC § 26.5 Definitions (148).

(H) Proposed Tariff:

The proposed tariff sheets are found in Attachment D.

(I) Number of access lines served in Texas:

As of January 31, 2017, Lipan serves 1,175 access lines in the State of Texas.

(J) Amount of Revenue Increase/Decrease:

The revenue effect of implementing the proposal contained herein results in an estimated increase to Lipan's total regulated intrastate gross annual revenues of approximately \$28,200. This amount results in an increase to Lipan's regulated gross annual revenues of less than 5%. Calculations supporting the revenue effect are found in Attachment E, with confidential data redacted and submitted separately under seal pursuant to 16 TAC § 22.71(d).

(K) Notice affirming rates:

The Company affirms that its proposed rates are just and reasonable, are not unreasonably preferential, prejudicial, or discriminatory, and are sufficient, equitable and consistent in notice to each class of customers, in accordance with PURA §53.003.

(L) Privacy Issues:

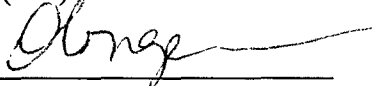
There are no customer privacy issues associated with this filing.

(M) Any other information the SLEC wants considered in connection with the proposed:

There is no other information Lipan wants considered in connection with the proposal.

Respectfully submitted,

John Staurulakis, Inc.
9430 Research Boulevard, II-200
Austin, Texas 78759
Tel: (512) 338-0473
Fax: (512) 346-0822

By: 

Dee Dee Longenecker
dlongenecker@jsitel.com
Authorized Representative for
Lipan Telephone Company

ATTACHMENT A - CUSTOMER NOTICE

Lipan Telephone Company (“Lipan” or “Company”) will soon file a notice with the Public Utility Commission of Texas (“Commission”) to raise residential access line rates by \$2.00, or from \$18 to \$20. The residential rate change is being proposed in response to a decision by the Federal Communications Commission (“FCC”) to reduce the Company’s universal service support if its local rates, plus certain state regulated fees, do not meet the residential rate floor that the FCC has established. Accordingly, Lipan is proposing the above rate change to mitigate the impact of the FCC’s rules. The Company will also increase business access lines by \$2.00, resulting in a business access line rate of \$20.50. The proposed rates will become effective June 1, 2017.

The estimated net increase to Lipan’s total regulated intrastate gross annual revenues due to the proposed changes is \$28,200. If the Commission receives a complaint(s) relating to this proposal signed by 5% or more of the Company’s customers to which this proposal applies prior to May 1, 2017, the notice will be docketed. The 5% threshold will be calculated based upon the total number of affected customers as of the calendar month preceding the Commission’s receipt of the complaint(s). As of January 31, 2017, the 5% threshold equals approximately 59 customers. For a copy of the proposed tariffs or for further information regarding this notice, customers should contact Lipan Telephone Company at 109 N Kickapoo St, Lipan, TX 76462 or call (254) 646-2211 during regular business hours. Persons who wish to formally participate in the Commission’s proceeding concerning this notice should contact the Public Utility Commission of Texas. Written comments should be mailed prior to the effective date to: Public Utility Commission of Texas, P. O. Box 13326, Austin, Texas, 78711-3326. Alternately, you may call the Commission’s Consumer Hotline at (888) 782-8477 or (512) 936-7120, or (800) 735-2989 for Relay Texas, or (512) 936-7136 for text telephone.

Si usted quisiera obtener esta informacion en Espanol, favor de comunicarse con nuestra oficina de negocios a (254) 646-2211.

ATTACHMENT B


AFFIDAVIT OF MISSIE FOWLER

STATE OF TEXAS §
§
COUNTY OF HOOD §

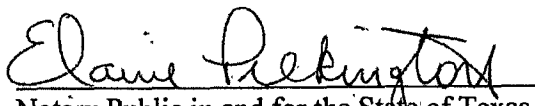
BEFORE ME, the undersigned authority on this 4th day of April, 2017, personally appeared Missie Fowler, who being by me duly sworn on oath deposed and said:

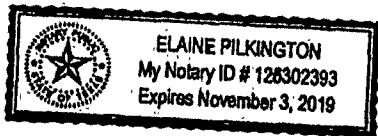
1. My name is Missie Fowler. My position with Lipan Telephone Company ("Lipan") is a Customer Service representative. In my position, I am responsible for overseeing rate changes and associated compliance activities for Lipan.
2. I am over 18 years of age and authorized to make the statements herein.
3. On April 1, 2017, by my direction, customer notice was provided in customer bills to all affected customers in accordance with 16 TAC § 26.171.
4. In my personal knowledge, information, and belief, the facts as stated in the above are true and correct.

FURTHER AFFIANT SAYETH NOT.


Missie Fowler
Customer Service

SUBSCRIBED AND SWORN TO BEFORE ME on this 4th day of April, 2017, to certify which witness my hand and seal of office.


Notary Public in and for the State of Texas



ATTACHMENT C
RESOLUTION AND CERTIFICATION

ATTACHMENT C

RESOLUTION AND CERTIFICATION

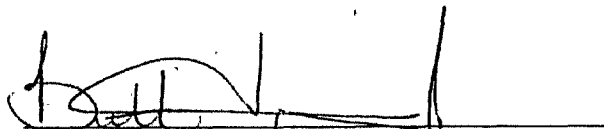
WHEREAS, Lipan Telephone Company proposes to file a notice of a minor rate change by utilizing the Public Utility Commission of Texas' ("Commission") Substantive Rule §26.171 for Small Incumbent Local Exchange Company Regulatory Flexibility; and

WHEREAS, this minor rate change would increase: the monthly Residential Local Exchange Access Line rate from \$18.00 to \$20.00; and the monthly Business Local Exchange Access Line rate from \$18.50 to \$20.50; and

WHEREAS, Lipan Telephone Company's Board of Directors believes that this proposal is just and reasonable, is not unreasonably preferential, prejudicial, or discriminatory, and is sufficient, equitable, and consistent in notice to each class of customers.

CERTIFICATION

I, Beth Howard, certify that I am the Secretary of the Board of Directors for Lipan Telephone Company and that the above is a true and accurate resolution adopted by the Board of Directors of Lipan Telephone Company.



Beth Howard
Secretary – Board of Directors
Lipan Telephone Company

March 21, 2017
DATE

ATTACHMENT D
LIPAN TELEPHONE COMPANY
PROPOSED TARIFF REVISIONS

April 7, 2017

Section
1

Sheet No.
7th Revised Page 8

LOCAL EXCHANGE SERVICE

IV. LOCAL EXCHANGE SERVICE RATES AND CHARGES (1)

A. Residence Monthly Local Exchange Access Line Rates (2) (3)

<u>Exchange</u>	<u>Single Line Monthly Rate</u>	
Lipan	\$20.00	I
Bluff Dale	\$20.00	I

B. Business Monthly Local Exchange Access Line Rates (2) (3)

<u>Exchange</u>	<u>Single Line Monthly Rate</u>	<u>PBX Trunk Monthly Rate</u>	
Lipan	\$20.50	\$21.63	I
Bluff Dale	\$20.50	\$21.63	I

- (1) Applicable Service Charges are set forth in Section 2.
- (2) Rates for Access Line Service do not include a charge for an instrument or other customer premises equipment.
- (3) Rates include Tone dialing Service effective June 1, 2012.

By: John Howard
Title: General Manager

ATTACHMENT E

LIPAN TELEPHONE COMPANY

REVENUE IMPACT CALCULATIONS

(Confidential data redacted. Complete calculations submitted under seal in accordance with 16 TAC § 22.71)

Totals	
Total Annualized Rate Increase Revenue (R-1 & B-1)	
2015 Intrastate Gross Annual Revenues % Increase	

Breakdown of Totals:
 Residential Local Rate Increase

Exchange Name	Current R-1 Rate	Line Count	\$ Increase	New R-1 Rate w/ Increase	Annualized Rate Increase Revenue
All Exchanges	\$ 18.00		\$ 2.00	\$ 20.00	

Business B-1 Rate Increases

Exchange Name	Current B-1 Rate	Line Count	B-1 Increase Amount	New B-1 Rate w/ Increase	Annualized Rate Increase Revenue
All Exchanges	\$ 18.50		2	\$ 20.50	