

**CHAPTER 26. SUBSTANTIVE RULES APPLICABLE TO  
TELECOMMUNICATIONS SERVICE PROVIDERS.**

**Subchapter E. CERTIFICATION, LICENSING AND REGISTRATION.**

**§26.103. Affiliate Guidelines for Certificates of Convenience and Necessity Holders.**

- (a) **Application.** This section applies to persons and entities holding a certificate of convenience and necessity (CCN) and their affiliates that either hold or are applying for a certificate of operating authority (COA) or a service provider certificate of operating authority (SPCOA) under the Public Utility Regulatory Act (PURA) Chapter 54.
- (b) **Multiple certificates in single service area.** An affiliate of a CCN holder may hold a COA or SPCOA for all or any portion of a service area of the CCN holder.
- (c) **Structural separation.** An affiliate of a CCN holder may hold a COA if the holder of the CCN is in compliance with federal law and Federal Communications Commission (FCC) rules governing affiliates and structural separation.
- (d) **Service limitation.** An affiliate of a CCN holder that serves more than five million access lines in this state must abide by the service restrictions and limitations set forth in PURA §54.102(e).
- (e) **Price for services.** An affiliate of a CCN holder may not directly or indirectly sell to a non-affiliate any regulated product or service purchased from the CCN holder at any rate or price less than the price paid to the CCN holder.
- (f) **Enforcement.** If the CCN holder is not in compliance with federal law and FCC rules governing affiliates and structural separation, the commission shall not grant a COA to the affiliate. If the holder of a CCN, COA, or SPCOA fails to comply with the requirement of this section, the commission may assess penalties as set forth in PURA §54.105.