

CHAPTER 271

S.B. No. 632

AN ACT

relating to the service areas of certain public utilities.

Be it enacted by the Legislature of the State of Texas:

SECTION 1. Article XIII, Public Utility Regulatory Act (Article 1446c, Vernon's Texas Civil Statutes), is amended by adding Section 93A to read as follows:

Sec. 93A. (a) To address telephone calling needs between nearby telephone exchanges, the commission shall initiate a rulemaking proceeding to approve rules to provide for an expedited hearing to allow the expanding of toll-free calling areas according to the following criteria:

(1) Toll-free calling boundaries may only be expanded under this section after the filing of a petition signed by the lesser of five percent of the subscribers or 100 subscribers within an exchange. If such a petition is filed with the commission, the commission shall order the local exchange company to provide for the balloting of its subscribers within the petitioning

exchange and, if there is an affirmative vote of at least 70 percent of those responding, the commission shall consider the request.

(2) The commission shall provide for the expansion of toll-free calling areas for each local exchange customer in the petitioning exchange if the petitioning exchange serves not more than 10,000 lines and if:

(A) the petitioning exchange is located within 22 miles of the exchange requested for toll-free calling service; or

(B) the petitioning exchange shares a community of interest with the exchange requested for toll-free calling service. For purposes of this paragraph, "community of interest" includes areas that have a relationship because of schools, hospitals, local governments, business centers, and other relationships the unavailability of which would cause a hardship to the residents of the area but need not include an area where the affected central offices are more than 50 miles apart.

(3)(A) The local exchange company shall recover all of its costs incurred and all loss of revenue from any expansion of toll-free calling areas under this section through a request other than a revenue requirement showing by:

(i) a monthly fee for toll-free calling service of not more than \$3.50 per line for residential customers nor more than \$7 per line for business customers, to be collected from all such residential or business customers in the petitioning exchange and only until the local exchange company's next general rate case;

(ii) a monthly fee for toll-free calling service for all of the local exchange company's local exchange service customers in the state in addition to the company's current local exchange rates; or

(iii) both (i) and (ii).

(B) A local exchange company may not recover regulatory case expenses under this section by surcharging petitioning exchange subscribers.

(b)(1) The commission and a local exchange company are not required to comply with this section with regard to a petitioning exchange or petitioned exchange if:

(A) the commission determines that there has been a good and sufficient showing of a geographic or technological infeasibility to serve the area;

(B) the local exchange company has less than 10,000 lines;

(C) the petitioning or petitioned exchange is served by a cooperative;

(D) extended area service or extended metropolitan service is currently available between the petitioning and petitioned exchanges; or

(E) the petitioning or petitioned exchange is a metropolitan exchange.

(2) The commission may expand the toll-free calling area into an exchange not within a metropolitan exchange but within the local calling area contiguous to a metropolitan exchange that the commission determines to have a community of interest relationship with the petitioning exchange. For the purposes of this section, metropolitan exchange, local calling area of a metropolitan exchange, and exchange have the meanings and boundaries as defined and approved by the commission on the effective date of this section. However, under no circumstances shall a petitioning or petitioned exchange be split in the provision of a toll-free calling area.

(c) The commission may, in order to promote the wide dispersion of pay telephones, either exempt such telephones from the provisions of this section or change the rates to be charged from such telephones in an amount sufficient to promote this goal.

SECTION 2. This Act takes effect September 1, 1993.

SECTION 3. The importance of this legislation and the crowded condition of the calendars in both houses create an emergency and an imperative public necessity that the constitutional rule requiring bills to be read on three several days in each house be suspended, and this rule is hereby suspended.

Passed the Senate on May 7, 1993, by a viva-voce vote; passed the House on May 11, 1993, by a non-record vote.

Ch. 271, § 3

Approved May 24, 1993.

Effective Sept. 1, 1993.