

**TXU COMMUNICATIONS TELEPHONE COMPANY
REVISIONS TO TARIFF F.C.C. NO. 1
TRANSMITTAL NO. 13**

DESCRIPTION AND JUSTIFICATION

1. INTRODUCTION

TXU Communications Telephone Company (TXU) is revising its tariff to eliminate the nonrecurring installation charge for its ADSL SpeedLink Service for new customers who commit to take the service for at least a one-year period.

2. BACKGROUND

TXU understands that it has become relatively common for small telephone companies to waive or eliminate installation charges for new DSL customers who commit to retain the service for at least one year. TXU itself has found that many potential new customers for DSL services are deterred from ordering them when installation charges are imposed. Because DSL is a relatively new technology, many first-time users are more likely to try the service if the start-up costs are low. TXU expects demand to increase as a result of eliminating the installation charge for those new ADSL SpeedLink customers willing to make one-year commitments. Since much of the investment associated with DSL is fixed, the stimulation of demand will also help improve overall investment utilization and reduce unit costs associated with DSL services.

3. DESCRIPTION

This filing eliminates the nonrecurring installation charge for new customers of TXU's ADSL SpeedLink Service if the customer commits to maintain the service for a minimum 12-month period after installation. TXU previously waived its nonrecurring installation charge for the same class of new customers during the period from November 1, 2002 through January 29, 2003. TXU will impose a nonrecurring service order charge upon all of its new ADSL SpeedLink Service customers, including those who commit to take the service for at least one year. TXU will impose a nonrecurring installation charge upon new ADSL SpeedLink Service customers who do not commit to take the service for at least a one-year period.

4. COST AND REVENUE IMPACTS

The revenue foregone by eliminating the nonrecurring installation charge for new ADSL SpeedLink Service customers making one-year commitments will have a negligible impact on TXU's overall special access revenue requirement. The increased demand for ADSL SpeedLink Service due to the elimination of the installation charge is expected to reduce per-customer costs of DSL access and improve overall network efficiency. By eliminating the installation charge only where the new customer makes at least a one-year commitment, TXU believes that it will reduce the risk associated with investments in DSL technology, and increase its assurance that DSL revenue targets will be met or exceeded.