

# **Bond Case Briefs**

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## **PUBLIC UTILITIES - TEXAS**

### **Spectrum Gulf Coast, LLC v. City of San Antonio by and through City Public Service Board**

**Supreme Court of Texas - April 10, 2026 - S.W.3d - 2026 WL 969172**

Communications company brought action against municipal utility, alleging among other things that utility breached parties' contract by which company was allowed to use utility poles to provide communications services such as broadband internet service by violating statute prohibiting price discrimination in municipal pole attachment rates, which was enacted 20 years after contract was entered, and utility filed counterclaim for breach of contract, among other things.

The District Court granted partial summary judgment for company, finding that utility breached contract. On appeal, the Court of Appeals reversed, finding contract did not incorporate new statutes into its terms. Company petitioned for review.

The Supreme Court held that:

- Public Utility Regulatory Act (PURA) applied to utility and company's pole-attachment agreement, and
- Agreement incorporated legal changes enacted after agreement was entered, thus, PURA amendment prohibiting discriminating for or against telecommunications providers was enforceable pursuant to agreement.

The Public Utility Regulatory Act (PURA) applied to municipal utility's agreement that allowed communications company to attach equipment for delivering communications services to utility's power poles, in action alleging utility's failure to charge company and company's competitor, a certificated telecommunications provider, uniform rates violated the agreement provision in which utility promised to comply with all laws, ordinances, and regulations; while PURA stated that it did not apply to "community antenna television services," company had ceased providing those services, which utility acknowledged and increased company's rates accordingly, and PURA expressly stated that utility could not discriminate in favor of or against a certificated telecommunications provider.

Agreement that allowed communications company to attach communications equipment to municipal utility's power poles incorporated legal changes enacted after the agreement was entered, and thus, the amendment to the Public Utility Regulatory Act (PURA) prohibiting municipally-owned utilities from discriminating for or against telecommunications providers was enforceable pursuant to the agreement's provision that required utility and company to comply with all laws, even though the amendment was enacted after the agreement was entered; provision reflected that utility and company anticipated future legal changes, and the agreement stated that it could be terminated with six months' notice, which prevented the need for constant renegotiation by embracing the obligation of complying with the law.

