DECISION MEMORANDUM

TO: **COMMISSIONER KJELLANDER**
COMMISSIONER REDFORD
COMMISSIONER SMITH
COMMISSION SECRETARY
COMMISSION STAFF
LEGAL

FROM: **DAPHNE HUANG**
DEPUTY ATTORNEY GENERAL

DATE: **DECEMBER 11, 2014**

SUBJECT: **ALBION TELEPHONE'S APPLICATION FOR CERTIFICATION TO DONATE UNCLAIMED DEPOSITS AND REFUNDS TO A FINANCIAL ASSISTANCE PROGRAM, CASE NO. ALB-T-14-02**

On December 10, 2014, Albion Telephone Company (ATC or the Company) filed an Application seeking Commission certification so that ATC may donate unclaimed deposits and refunds to the South Central Community Action Partnership, a financial assistance program in Twin Falls, Idaho. Application at 1-2. *Idaho Code* § 14-508 allows a utility to donate unclaimed customer deposits to "a financial assistance program which assists the utility's low income or disadvantaged customers."

THE APPLICATION

ATC is a provider of basic local exchange service and other telecommunications services in southern Idaho. Application at 1. ATC routinely collects deposits that it refunds to customers on termination of service. *Id*. The Company also refunds customers for any overpayment made past the date of service termination. *Id.* When ATC is unable to locate the customer to whom a refund is owed and the sum is unclaimed for more than one year after termination of services, the sum is presumed abandoned under Idaho's Unclaimed Property Law. *Idaho Code* § 14-508(1). Currently, ATC has about $2,000 in unclaimed deposits and overpayments that it has held for more than five years. Application at 1.

ATC wishes to direct the abandoned sums into a financial assistance program to help its low-income and disadvantaged customers. *Id.* at 2. ATC initially sent a letter to the Commission in October 2014, asking to create a program through which the Company could

directly assist its low-income and disadvantaged customers. *See* October 9, 2014 Letter. After meeting with Staff about the Company's request, ATC's counsel filed the present Application, amending its initial request.[1]

In this Application, ATC asks to donate its unclaimed deposits and refunds, as contemplated in *Idaho Code* § 14-508, to an existing financial assistance program. Application at 2. Section 14-508(2) authorizes the Commission to certify that a utility is participating in a financial assistance program. Once certified, unclaimed deposits (less any lawful deductions) over a year old, thus presumed abandoned, may be paid to the financial assistance program. Telephone Customer Relations Rule 108, IDAPA 31.41.01.108. ATC identifies the proposed recipient of its abandoned funds as the South Central Community Action Partnership (SCCAP) in Twin Falls, Idaho. Application at 2.

ATC proposes to direct the SCCAP "to use the donated funds to assist [ATC's] wireline Lifeline customers with the non-recurring payment of the initial connection fees." *Id.* Under the Company's proposal, the SCCAP would exercise its discretion in determining recipients' need-based eligibility, but would report to ATC "within ten days of the end of each calendar quarter how such funds were used until all such funds have been used." *Id.* The report would also include each recipient's name and amount of assistance provided, as well as the balance of available funds, if any. *Id.* If its Application is granted, ATC would forward any unclaimed funds to the SCCAP at the end of each calendar year. *Id.*

ATC asks that the Commission process its request by Minute Order or under Modified Procedure. *Id.* at 3.

STAFF RECOMMENDATION

Staff has reviewed ATC's October 2014 Letter and updated Application. Staff understands that the funds donated to SCCAP would be used to pay in full, or in part, the one-time service connection fees[2] for low-income persons who are applying for wireline telephone service with ATC. Although Staff had questions about how the Company would operate and oversee an internal financial assistance program as suggested in ATC's Letter, Staff has no

[1] Under Rule 52, pleadings requesting a certificate from the Commission are applications that must set forth the facts, statutes, rules or other controlling law on which they are based, and request the action desired. IDAPA 31.01.01.052. Accordingly, ATC's request was properly filed as an Application, setting forth the requisite elements under Rule 52.

[2] Currently, ATC has three charges that may apply to establishment of new service: a $12.50 service order charge, a $25.00 line connection charge, and a $40.00 premise visit charge.

concerns about paying unclaimed funds to the SCCAP per ATC's Application. Staff understands that the SCCAP routinely determines need-based eligibility of aid-recipients. The SCCAP currently verifies and processes both state and federal eligibility of ATC's low-income applications pursuant to state and federal requirements.

Given the authority contained in *Idaho Code* § 14-508(2) and the proposed procedure set out in ATC's Application, Staff recommends that the Commission simply approve the Application without further comment. ATC's Application is consistent with the Unclaimed Property Law and prior applications seeking such certification. *See, e.g.,* Case Nos. UWI-W-11-03, C10-E-09-01.

COMMISSION DECISION

Does the Commission wish to grant ATC's Application on the consent agenda, in the interest of a just, speedy and economical determination of the issue before it?

Daphne Huang
Daphne Huang
Deputy Attorney General

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