

BEFORE THE IDAHO PUBLIC UTILITIES COMMISSION

IN THE MATTER OF AN INCREASE TO THE)
SURCHARGE FOR THE IDAHO TELECOM-)
MUNICATIONS SERVICE ASSISTANCE)
PROGRAM.) **CASE NO. GNR-T-03-12**
)
) **ORDER NO. 29214**
)
)

The Idaho Telecommunications Service Assistance Program (ITSAP) provides eligible recipients with a reduction in costs of telecommunication services to promote universal service. *See Idaho Code* § 56-901(1). Funds are raised through an ITSAP surcharge and are used to help defray the costs of residential basic local exchange telephone service for eligible customers. The program, which is administered by the Department of Health and Welfare, works in conjunction with federal programs to “maximize federal ‘lifeline’ and ‘link-up’ contributions to Idaho’s low income customers.” *Idaho Code* § 56-901(1).

Following changes to the ITSAP legislation in 1998, the Commission issued Order No. 27608 to implement the changes and to establish the surcharge level at \$.13 per line per month on all end user business, residential and wireless access services. At that rate the ITSAP account developed a substantial surplus and in May 1999, the Commission reduced the surcharge from \$.13 per access line to \$.05 per access line per month. The Commission intended to reduce the ITSAP surplus over time and recognized that it would be necessary in the future to increase the surcharge.

The Commission in December 2001 increased the ITSAP surcharge level to \$.08 per line per month. The fund administrator reported that the ITSAP fund balance projected a negative balance of \$269,000 if the surcharge level were not increased. The quarterly reports submitted by the fund administrator for the period ending March 31, 2002, showed the ITSAP fund balance continuing to decline. The Commission therefore issued Order No. 29056 on June 25, 2002, increasing the ITSAP surcharge to \$.10 per access line per month.

The fund administrator’s report for the fiscal year ending December 31, 2002, again shows the ITSAP fund to be diminishing. An increase in business local access lines and wireless access lines resulted in increased revenues to the fund. However, the number of ITSAP

recipients increased nearly 12%, requiring an increase of \$120,925 over last year's distribution. The fund administrator recommended the Commission increase the surcharge level from \$.10 per line to \$.12 per access line per month. The administrator reported that "the ITSAP continues to struggle with cash flow and the ability to reimburse companies for the credits provided." The administrator reported a cash balance of \$87 in the fund as of February 28, 2003.

Based on the ITSAP administrator's report and recommendation, the Commission accepts the recommendation to increase the ITSAP surcharge from \$.10 per access line per month to \$.12 per access line per month. The administrator's report shows the fund balance is continuing to decline, and unless the surcharge level is increased there may be insufficient funds to meet the funding requirements for all eligible households. The ITSAP surcharge must be at a level that is sufficient to retain a reasonable balance in the fund to assure its stability and availability to eligible customers.

ORDER

IT IS HEREBY ORDERED that the ITSAP surcharge is increased from \$.10 to \$.12 per access line per month on all end user business, residential and wireless access services. The new ITSAP surcharge amount of \$.12 per access line shall be effective May 1, 2003.

THIS IS A FINAL ORDER. Any person interested in this Order (or in issues finally decided by this Order) or in interlocutory Orders previously issued in this Case No. GNR-T-03-12 may petition for reconsideration within twenty-one (21) days of the service date of this Order with regard to any matter decided in this Order or in interlocutory Orders previously issued in this Case No. GNR-T-03-12. Within seven (7) days after any person has petitioned for reconsideration, any other person may cross-petition for reconsideration. See *Idaho Code* § 61-626.

DONE by Order of the Idaho Public Utilities Commission at Boise, Idaho this 25th
day of March 2003.



PAUL KJELLANDER, PRESIDENT

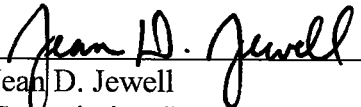


MARSHA H. SMITH, COMMISSIONER



DENNIS S. HANSEN, COMMISSIONER

ATTEST:



Jean D. Jewell
Commission Secretary

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