

**BEFORE THE IDAHO PUBLIC UTILITIES COMMISSION**

**IN THE MATTER OF THE REDUCTION TO )**  
**THE SURCHARGE FOR THE IDAHO )** **CASE NO. GNR-T-06-2**  
**TELECOMMUNICATIONS SERVICE )**  
**ASSISTANCE PROGRAM )** **ORDER NO. 30002**  
**)**

---

Each year the Administrator of the Idaho Telecommunications Service Assistance Program (ITSAP) files a report detailing the activities and status of the program during the previous year. ITSAP provides eligible recipients with a reduction in costs of residential basic local exchange telephone service. Funds for the program are raised through a surcharge on all end-user business, residential and wireless access service lines. The Commission determines the uniform statewide monthly surcharge, and the Idaho Department of Health and Welfare administers the program, in conjunction with federal programs to maximize federal “lifeline” and “link up” contributions to Idaho’s low-income customers. See *Idaho Code* § 56-901(1).

In her report filed February 28, 2006, the ITSAP Administrator reported gross revenue surcharges of \$1,609,568 during 2005, which were obtained approximately equally from wireline and wireless access lines. Disbursements to eligible subscribers increased during the year by almost five percent and totaled \$1,334,650, while disbursements to telephone companies for administration costs increased by nearly four percent to \$118,177. At year-end, 33,038 recipients were receiving ITSAP support, an increase of nearly six percent from the previous year. The ITSAP balance at the end of the year was \$251,938.

The Administrator also reported that the number of local wireline access lines decreased slightly from 679,600 to 662,200, approximately two-thirds of which were residential lines and one-third business lines. Wireless access lines increased nearly 21% to 775,000. Overall, there was an increase of approximately 115,200 lines in the total number of lines subject to the ITSAP surcharge.

The ITSAP Administrator estimates the funding requirements for 2006 will be approximately \$1,635,800, and that the line counts will reflect the 2005 results, with the number of wireline access lines declining slightly while wireless lines continue to increase. The Administrator also estimates the number of ITSAP recipients will increase by approximately six

percent and telephone companies' administrative costs will increase by approximately five percent. Based on these projections, the Administrator recommended reducing the current surcharge level of \$.07 per line to \$.06 per line per month. At the lowered rate, the Administrator projected the fund balance will be approximately \$559,000 at year-end, which is adequate to maintain a reasonable reserve in the ITSAP account. Staff reviewed the Administrator's report and supported the Administrator's recommendation to reduce the ITSAP surcharge to \$.06 per access line per month.

Based on the Administrator's report and Staff's recommendation, the Commission has determined to decrease the ITSAP surcharge from \$.07 per access line per month to \$.06 per access line per month. The Commission was able to reduce the surcharge level last year from \$.12 per line, and the Administrator projects the fund balance is likely to continue to increase during 2006. The Administrator's report shows the fund balance should continue to increase, even by reducing the surcharge level to \$.06, and that sufficient funds should remain in the account to meet the 2006 funding requirements for all eligible households.

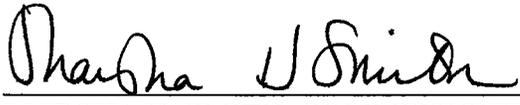
#### **ORDER**

IT IS HEREBY ORDERED that the ITSAP surcharge is decreased from \$.07 to \$.06 per access line per month on all end-user business, residential and wireless access services. The ITSAP surcharge amount of \$.06 per access line shall be effective May 1, 2006.

THIS IS A FINAL ORDER. Any person interested in this Order may petition for reconsideration within twenty-one (21) days of the service date of this Order. Within seven (7) days after any person has petitioned for reconsideration, any other person may cross-petition for reconsideration. See *Idaho Code* § 61-626.

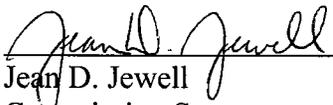
DONE by Order of the Idaho Public Utilities Commission at Boise, Idaho this 17<sup>th</sup>  
day of March 2006.

  
\_\_\_\_\_  
PAUL KJELLANDER, PRESIDENT

  
\_\_\_\_\_  
MARSHA H. SMITH, COMMISSIONER

  
\_\_\_\_\_  
DENNIS S. HANSEN, COMMISSIONER

ATTEST:

  
\_\_\_\_\_  
Jean D. Jewell  
Commission Secretary

O:GNR-T-06-02\_ws