

BEFORE THE IDAHO PUBLIC UTILITIES COMMISSION

**IN THE MATTER OF THE
SURCHARGE FOR THE IDAHO
TELECOMMUNICATIONS SERVICE
ASSISTANCE PROGRAM**

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) **CASE NO. GNR-T-07-02**
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) **ORDER NO. 30289**
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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). The ITSAP surcharge two years ago was \$.12 per access line per month, but has decreased each of the last two years and currently is \$.06 per access line per month. Order No. 30002.

In her report filed March 3, 2007, the ITSAP Administrator reported gross surcharge revenues of \$1,198,653 during 2006, derived from wireline and wireless access lines at 46% and 54%, respectively. Disbursements to eligible subscribers decreased slightly during the year and totaled \$1,323,371. Disbursements to telephone companies for administration costs also decreased and totaled \$117,648, approximately one percent lower than the 2005 total of \$118,177. During 2006, an average of 32,025 customers received ITSAP each month. The ITSAP balance at the end of the year was \$344,043.

The Administrator also reported that the number of local wireline access lines increased approximately four percent, from 662,200 to approximately 686,800. Wireless access lines increased by 10% to approximately 855,400. Overall, there was an increase of approximately 105,000 lines in the total number of lines subject to the ITSAP surcharge.

The ITSAP Administrator estimates the funding requirements for 2007 will be approximately \$1,404,827, and that the line counts will reflect the 2006 results, with the number of wireline access lines remaining stable while wireless lines continue to increase. The

Administrator also estimates the number of ITSAP recipients will decrease by approximately five percent and telephone companies' administrative costs will increase by approximately six percent. Based on these projections, the Administrator recommended leaving the current surcharge level of \$.06 per line per month unchanged. At the existing rate, the Administrator projected the fund balance will be approximately \$461,545 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 retain the ITSAP current surcharge of \$.06 per access line per month.

Based on the Administrator's report and Staff's recommendation, the Commission has determined to not alter the current ITSAP surcharge of \$.06 per access line per month. The Commission was able to reduce the surcharge level last year from \$.07 per line, and the Administrator projects the fund balance is likely to remain stable during 2007. The Administrator's report shows that a surcharge level of \$.06 per line per month will result in sufficient funds to meet the 2007 funding requirements for all eligible households.

ORDER

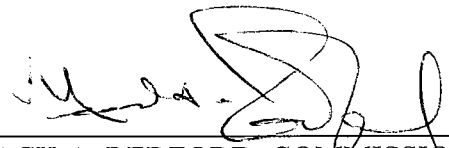
IT IS HEREBY ORDERED that the ITSAP surcharge of \$.06 per access line per month on all end-user business, residential and wireless access services will remain in effect for 2007.

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.

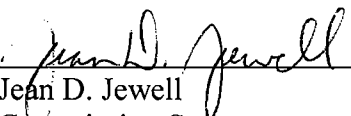
DONE by Order of the Idaho Public Utilities Commission at Boise, Idaho this 9th
day of April 2007.


PAUL KJELLANDER, PRESIDENT


MARSHA H. SMITH, COMMISSIONER


MACK A. REDFORD, COMMISSIONER

ATTEST:


Jean D. Jewell
Commission Secretary

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