

BEFORE THE IDAHO PUBLIC UTILITIES COMMISSION

IN THE MATTER OF THE)
SURCHARGE FOR THE IDAHO) **CASE NO. GNR-T-08-02**
TELECOMMUNICATIONS SERVICE)
ASSISTANCE PROGRAM) **ORDER NO. 30535**
_____)

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 three years ago was \$.12 per access line per month, but decreased two years in a row and currently is \$.06 per access line per month. Order No. 30002.

In her report filed March 3, 2008, the ITSAP Administrator reported gross surcharge revenues of \$1,144,820 during 2007, derived from wireline and wireless access lines at 41% and 59%, respectively. Disbursements to eligible subscribers remained nearly the same as the previous year and totaled \$1,324,118. Disbursements to telephone companies for administration costs increased and totaled \$130,673, approximately 11% higher than the 2006 total of \$117,648. During 2007, an average of 30,448 customers received ITSAP each month. The ITSAP balance at the end of 2007 was \$451,344, including a U.S. Treasury note that matured in March 2008.

The Administrator also reported that the number of local wireline access lines decreased approximately 6%, from 686,800 to approximately 637,500. Wireless access lines increased by nearly 11% to approximately 1,081,000. Overall, there was an increase of approximately 176,300 lines in the total number of lines subject to the ITSAP surcharge.

The ITSAP Administrator estimates the funding requirements for 2008 will be approximately \$1,373,295, and that the line counts will reflect the 2007 results, with the number of wireline access lines decreasing while wireless lines continue to increase. The Administrator

also estimates the number of ITSAP recipients will decrease from an average of 30,448 per month to 29,300 per month and telephone companies' administrative costs will be relatively unchanged at \$130,543. 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 \$334,601 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.

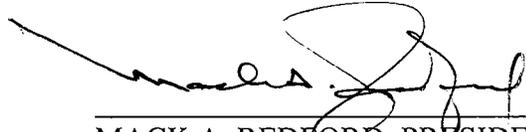
Based on the Administrator's report and Staff's recommendation, the Commission has determined to not alter the current ITSAP surcharge of \$.06 per access line per month. After developing a surplus, the Commission previously reduced the surcharge to a level that produces revenue below the annual expenditures. The Administrator projects that trend will continue during 2008. However, the Administrator's report shows that a surcharge level of \$.06 per line per month will result in sufficient funds to meet the 2008 funding requirements for all eligible households, while retaining a reasonable reserve balance.

ORDER

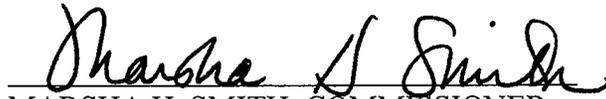
IT IS HEREBY ORDERED that the ITSAP surcharge of \$.06 per access line per month on all end-user business, residential and wireless access services will remain in effect for the next year.

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 21st
day of April 2008.



MACK A. REDFORD, PRESIDENT

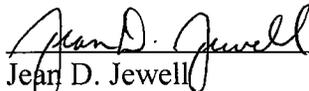


MARSHA H. SMITH, COMMISSIONER



JIM D. KEMPTON, COMMISSIONER

ATTEST:



Jean D. Jewell
Commission Secretary

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