

BEFORE THE IDAHO PUBLIC UTILITIES COMMISSION

IN THE MATTER OF THE)
SURCHARGE FOR THE IDAHO) **CASE NO. GNR-T-10-02**
TELECOMMUNICATIONS SERVICE)
ASSISTANCE PROGRAM) **ORDER NO. 31040**
_____)

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 has been as high as \$.12 per access line per month, but the Commission decreased it two years in a row and the surcharge has been steady at \$.06 per access line per month for the last three years. Order No. 30775.

In her report filed February 26, 2010, the ITSAP Administrator reported gross surcharge revenues of \$1,207,317 during 2009, a slight increase over the amount collected during 2008. Disbursements to eligible subscribers increased slightly to \$1,175,529 from the previous year’s total of \$1,172,978. Disbursements to telephone companies for administrative costs decreased slightly and totaled \$126,330. During 2009, an average of 27,690 customers received ITSAP each month, a little less than the previous year average of 28,006 per month. The ITSAP fund balance at the end of 2009 was \$221,922.

The Administrator also reported that the number of local wireline access lines decreased approximately 6%, while wireless access lines increased by approximately 8%. Overall, there was an increase of approximately 41,235 lines in the total number of lines subject to the ITSAP surcharge.

The ITSAP Administrator estimates the funding requirements for 2010 will be approximately \$1,208,000 and that the total line counts will decrease slightly, with the number of

wireline access lines decreasing while wireless lines continue to increase. The Administrator also estimates the number of ITSAP recipients will remain relatively unchanged at 26,252 per month and telephone companies' administrative costs will decline slightly to approximately \$95,600. Based on these projections, the Administrator recommended the current surcharge level of \$.06 per line per month should not be changed. At the existing rate, the Administrator projected the fund balance will be approximately \$177,100 at the year's end, which is adequate to maintain a two-month 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 Administrator's report shows that a surcharge level of \$.06 per line per month will result in sufficient funds to meet the 2010 funding requirements for all eligible households, while retaining a reasonable reserve balance.

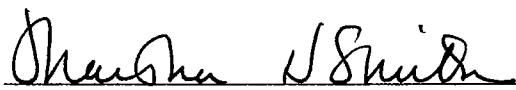
ORDER

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.

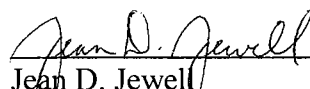
DONE by Order of the Idaho Public Utilities Commission at Boise, Idaho this 12th
day of April 2010.


JIM D. KEMPTON, PRESIDENT


MARSHA H. SMITH, COMMISSIONER


MACK A. REDFORD, COMMISSIONER

ATTEST:


Jean D. Jewell
Commission Secretary

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