BEFORE THE IDAHO PUBLIC UTILITIES COMMISSION

IN THE MATTER OF THE SURCHARGE FOR)	
THE IDAHO TELECOMMUNICATIONS)	CASE NO. GNR-T-11-03
SERVICE ASSISTANCE PROGRAM)	
	_)	ORDER NO. 32237

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 four years. Order No. 31040.

In her report filed March 1, 2011, the ITSAP Administrator reported gross surcharge revenues of \$1,111,000 during 2010, a slight decrease from the amount collected during 2009. Disbursements to eligible subscribers decreased slightly to \$1,159,958 from the previous year's total of \$1,175,529. Disbursements to telephone companies for administrative costs decreased and totaled \$93,154. During 2010, an average of 27,539 customers received ITSAP each month, a little less than the previous year average of 27,690 per month. The ITSAP fund balance at the end of 2009 was \$70,823.

The Administrator also reported that the number of local wireline access lines decreased approximately 8%, along with a small decrease in wireless access lines of approximately .6%. Overall, there was a decrease of approximately 40,750 lines in the total number of lines subject to the ITSAP surcharge.

The ITSAP Administrator estimates the funding requirements for 2011 will be approximately \$1,277,100 and that the total line counts will decrease slightly, with the number of wireline access lines decreasing while wireless lines remain steady. The Administrator also

estimates the number of ITSAP recipients will remain relatively unchanged at 27,500 per month and telephone companies' administrative costs will increase slightly to approximately \$108,100. Based on these projections, the Administrator recommended the current surcharge level of \$.06 per line per month should be increased to \$.07. At the existing rate, the Administrator projected the fund balance will be approximately \$3,400 at the year's end, an amount nearing insolvency. Increasing the rate to \$.07 should provide a year-end balance of approximately \$99,547. Staff reviewed the Administrator's report and supported the Administrator's recommendation to increase the ITSAP current surcharge of \$.06 per access line per month to \$.07 per line per month.

Based on the Administrator's report and Staff's recommendation, the Commission has determined to increase the current ITSAP surcharge to \$.07 per access line per month. The Administrator's report shows that a surcharge level of \$.07 per line per month will result in sufficient funds to meet the 2011 funding requirements for all eligible households, while retaining a reasonable reserve balance.

ORDER

IT IS HEREBY ORDERED that the ITSAP surcharge of \$.07 per access line per month on all end-user business, residential and wireless access services will take effect June 1, 2011.

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 28^{th} day of April 2011.

PAUL KJELLANDER PRESIDENT

MACK A. REDFORD, COMMISSIONER

MARSHA H. SMITH, COMMISSIONER

ATTEST:

Jean D. Jewell

Commission Secretary

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