

BEFORE THE IDAHO PUBLIC UTILITIES COMMISSION

**IN THE MATTER OF AN INCREASE TO)
THE SURCHARGE FOR THE IDAHO)
TELECOMMUNICATION SERVICE)
ASSISTANCE PROGRAM.)**

CASE NO. GNR-T-01-22

ORDER NO. 28914

In 1998 the Idaho Legislature amended the Idaho Telecommunication Service Assistance Program (ITSAP), codified at Idaho Code, Title 56, Chapter 9. The Commission issued Order No. 27608 to implement the changes and establish the surcharge level, which was set at \$.13 per line per month on all end user business, residential and wireless access services. In May 1999 the ITSAP administrator submitted a report showing that the fund was developing a significant surplus. Accordingly, the Commission on May 17, 1999, issued Order No. 28047 reducing the surcharge from \$.13 per access line to \$.05 per access line. The Commission reduced the surcharge to that amount to eliminate the surplus over time, rather than reduce it to an amount that would quickly reduce the surplus but then require an increase to the surcharge level in the near future. Order No. 28047, p. 1. The Commission did not issue an order during 2000 regarding the ITSAP surcharge level.

The administrator of the ITSAP program recently submitted her annual report for the year ending September 30, 2001. As expected, the fund's balance has been reduced since 1999 when the surcharge level was set at \$.05 per line per month. The ITSAP fund balance has been reduced to \$113,658, and the fund administrator projected that, at the existing surcharge level, the fund would show a negative balance of \$269,916 by September 30 of next year. The administrator reported ITSAP revenues from the surcharge totaled \$646,729 last year, while credits provided to eligible subscribers totaled \$976,639. The fund administrator recommended the surcharge level be increased from \$.05 to \$.08, and projected an ending balance of \$139,426 next year at that surcharge rate. Staff also recommended the surcharge be increased to \$.08 per line per month.

Funds raised through the ITSAP surcharge are used to help defray the cost of residential basic local exchange service for eligible customers. The program, which is administered by the Department of Health and Welfare, works in conjunction with federal programs to "maximize federal 'lifeline' and 'linkup' contributions to Idaho's low-income customers." *Idaho Code* 56-901(1). Based on the ITSAP administrator's report, the Commission accepts the recommendation to increase the ITSAP surcharge from \$.05 to \$.08 per access line per month. At that level, the surcharge will be sufficient to maintain a reasonable balance in the ITSAP fund to ensure its stability and availability to eligible customers.

ORDER

IT IS HEREBY ORDERED that the ITSAP surcharge is increased from \$.05 to \$.08 per access line per month on all end user business, residential and wireless access services. The new ITSAP surcharge amount of \$.08 per access line shall be effective February 1, 2002.

THIS IS A FINAL ORDER. Any person interested in this Order (or in issues finally decided by this Order) or in interlocutory Orders previously issued in this Case No. GNR-T-01-22 may petition for reconsideration within twenty-one (21) days of the service date of this Order with regard to any matter decided in this order or in interlocutory

Orders previously issued in this Case No. GNR-T-01-22. 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 _____ day of December 2001.

PAUL KJELLANDER, PRESIDENT

MARSHA H. SMITH, COMMISSIONER

DENNIS S. HANSEN, COMMISSIONER

ATTEST:

Jean D. Jewell
Commission Secretary

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