

PUBLIC SERVICE COMMISSION
OF WEST VIRGINIA
CHARLESTON

At a session of the Public Service Commission of West Virginia, in the City of Charleston, on the 2nd day of February, 2001.

CASE NO. 00-1855-T-PC
VERIZON WEST VIRGINIA INC., CONSUMER
ADVOCATE DIVISION AND COMMISSION STAFF

Joint petition for consent and approval for expedited consideration and Commission approval of a stipulation regarding disposition of federal universal service support funds for Verizon West Virginia, Inc.

COMMISSION ORDER

PROCEDURE AND DISCUSSION

On December 21, 2000, Verizon West Virginia, Inc. ("Verizon"), the Staff of the Public Service Commission ("Staff"), and the Consumer Advocate Division ("CAD") (hereinafter collectively the "Parties") petitioned the Commission to approve a stipulation entered into December 21, 2000, regarding the disposition of federal universal service support funds to be received by Verizon during 2001.

The Parties entered into a Stipulated Settlement in Case No. 99-1620-T-PC, disposing of federal universal service support funds that Verizon was eligible to receive during the year 2000 by providing a "Federal Universal Service Credit" on customer's monthly bills. The Stipulation was later amended and then approved by Commission Order on February 8, 2000. The Order provided that whenever the Parties were notified of changes in federal universal service support for Verizon, they would attempt to reach an agreement on the incorporation of such changes and file the agreement with the Commission.

Verizon received notice from the Universal Service Administrative Company that Verizon's federal universal service funding for 2001 would total \$26,214,880, inclusive of the \$1,455,276 in federal universal service support Verizon received in 1999, a net reduction of approximately \$4.6 million in the amount embedded in Verizon's Federal Universal Service Credit. Following this notification, the Parties met and agreed on revised Federal Universal Service Credits for Verizon for 2001. The revised credits are set forth in

the Stipulation entered into by the Parties on December 21, 2000, which is attached hereto.

The Parties agree that it is in the best interest of customers and Verizon to incorporate these revised credits in rates beginning with the January 2001 billing cycle in order to prevent the accumulation of a large revenue underrecovery.

The Parties also agreed to meet in March 2001 to review actual recoveries of Verizon's federal universal support during the year 2000, and determine whether additional adjustments should be made to Verizon's Federal Universal Service Credits. If additional adjustments are agreed to, the Parties will file a new petition with the Commission.

Accordingly, the Parties request that the Commission approve the Stipulation, that Verizon's rates for 2001 be reduced through the application of Federal Universal Service Credits as set forth in the Stipulation and that the Federal Universal Service Credits become effective with Verizon's January billing cycle.

The Commission finds it fair and reasonable to approve the Stipulation, thereby reducing Verizon's rates through the application of Federal Universal Service Credits, and to grant Verizon's request that the Federal Universal Service Credits become effective with Verizon's January billing cycle.

FINDINGS OF FACT

1. On December 21, 2000, Verizon West Virginia, Inc. ("Verizon"), the Staff of the Public Service Commission ("Staff"), and the Consumer Advocate Division ("CAD") (hereinafter collectively the "Parties") petitioned the Commission to approve a stipulation entered into December 21, 2000, regarding the disposition of federal universal service support funds to be received by Verizon during 2001.

2. The Parties entered into a Stipulated Settlement in Case No. 99-1620-T-PC, disposing of federal universal service support funds that Verizon was eligible to receive during the year 2000 by providing a "Federal Universal Service Credit" on customer's monthly bills. The Order provided that whenever the Parties were notified of changes in federal universal service support for Verizon, they would attempt to reach an agreement on the incorporation of such changes and file the agreement with the Commission.

3. Verizon received notice from the Universal Service Administrative Company that Verizon's federal universal service funding would change significantly for the year 2001.

4. As per the Stipulated Settlement in Case No. 99-1620-T-PC, the Parties met and agreed on revised Federal Universal Service Credits for Verizon for 2001.

5. The revised credits are set forth in the Stipulation entered into by the Parties on December 21, 2000.

6. The Parties agree that it is in the best interest of customers and Verizon to incorporate these revised credits in rates beginning with the January 2001 billing cycle in order to prevent the accumulation of a large revenue underrecovery.

7. The Parties also agreed to meet in March 2001 to review actual recoveries of Verizon's federal universal support during the year 2000, and determine whether additional adjustments should be made to Verizon's Federal Universal Service Credits. If additional adjustments are agreed to, the Parties will file a new petition with the Commission.

CONCLUSION OF LAW

The Commission finds it fair and reasonable to approve the Stipulation, attached hereto, which reduces Verizon's rates through the application of Federal Universal Service Credits, and to grant Verizon's request that the Federal Universal Service Credits become effective with Verizon's January billing cycle.

ORDER

IT IS THEREFORE ORDERED that the Stipulation, attached hereto, entered into on December 21, 2000, by Verizon West Virginia, Inc., the Staff of the Public Service Commission, and the Consumer Advocate Division, regarding the disposition of federal universal service support funds for Verizon-West Virginia Inc. is hereby approved.

IT IS FURTHER ORDERED that the aforementioned Federal Universal Service Credits shall become effective with Verizon's January billing cycle.

IT IS FURTHER ORDERED that the Parties meet in March 2001 to review actual recoveries of Verizon's federal universal support during the year 2000, and determine whether additional adjustments should be made Verizon's Federal Universal Service Credits. If additional adjustments are agreed to, the Parties will file a new petition with the Commission.

IT IS FURTHER ORDERED that upon entry of this order this matter shall be

removed from the Commission's docket of active cases.

IT IS FURTHER ORDERED that the Commission's Executive Secretary shall serve a copy of this order upon all parties of record by United States First Class Mail, and upon Commission Staff by hand delivery.

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[Attachment A](#)