

**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 28th day of December, 2001.

CASE NO. 01-1646-T-PC

VERIZON WEST VIRGINIA INC.

Joint petition for consent and approval of a stipulation  
regarding disposition of Federal Universal Service Support  
Funds for Verizon West Virginia Inc.

**COMMISSION ORDER**

On December 11, 2001, Verizon West Virginia Inc. (Verizon), the Staff of the Public Service Commission (Staff), and the Consumer Advocate Division (CAD) (collectively, the "Parties") filed a "Joint Petition For Expedited Consideration and Approval of Stipulation Regarding Disposition of Federal Universal Service Support Funds For Verizon West Virginia Inc." Therein the Parties requested the Commission approve the "Stipulation" entered into on December 11, 2001, by the above Parties regarding the disposition of federal universal service support funds to be received by Verizon during 2002. The Parties stated that on August 9, 2001, they entered into a Stipulation in Case No. 00-0318-T-GI in which the Parties agreed, among other things, (i) to move \$1.5 million formerly embedded in other Verizon intrastate rates to the annual federal universal service fund disposition proceedings, and (ii) to fix the Verizon underrecovery of 2000 federal universal service credits at \$1.15 million and to include this underrecovery in federal universal service credits approved for 2002. The Parties also stated the following in the Petition:

On October 3, 2001, the Commission issued an Order in Case No. 00- 0318-T-PC *et seq.*, which *inter alia* approved the agreements among the Parties concerning federal universal service funds.

During November 2001, Verizon received notice from the Universal Service Administrative Company that Verizon's federal universal service funding for 2002 would total \$26,178,898.

The Parties have met and agreed on Federal Universal Service Credits for Verizon's customers for 2002 as set forth in Attachment 1 hereto.

The Parties agree that the Federal Universal Service Credits contained in Attachment 1 properly incorporate the agreements contained in Case No. 00- 0318-T-GI.

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The Parties believe it is in the best interest of customers and Verizon to incorporate these credits in rates beginning with the January 1, 2002, billing cycle.

The Parties agree that given the development of services and local competition in rural and high-cost areas served by Verizon, it may be appropriate to consider using a portion of the federal universal service funding in the future to upgrade facilities in rural and high-cost areas served by Verizon.

The Parties have agreed to begin meeting in January 2002 to discuss possible upgrades of facilities in rural and high-cost areas and to review the actual recovery of federal universal service funding received by Verizon in 2001.

The Parties agree to report back to the Commission no later than the end of May 2002 on (i) whether any of the federal universal service funding should be used for upgrades of facilities in rural and high-cost areas, and (ii) whether there should be any adjustment to Federal Universal Service Credits to account for actual recovery of federal universal service funding received by Verizon in 2001.

The Parties requested the Commission:

1. Give expedited consideration to this Petition,
2. Approve the Stipulation attached to this Petition,
3. Verizon's rates for 2002 be reduced through the application of Federal Universal Service Credits as set forth in the Stipulation attached to this Petition, and
4. The Federal Universal Service Credits as set forth in the Stipulation be effective with Verizon's January 2002 billing cycle.

#### DISCUSSION

The Commission has reviewed the petition and the stipulation and agrees that approval should be granted.

#### FINDINGS OF FACT

On December 11, 2001, Verizon West Virginia Inc., the Staff of the Public Service

Commission, and the Consumer Advocate Division filed a "Joint Petition For Expedited Consideration and Approval of Stipulation Regarding Disposition of Federal Universal Service Support Funds For Verizon West Virginia Inc." and requested the Commission approve the "Stipulation." The parties stated that on August 9, 2001, they entered into a Stipulation in Case No. 00-0318-T-GI in which the Parties agreed, among other things, (i) to move \$1.5 million formerly embedded in other Verizon intrastate rates to the annual federal universal service fund disposition proceedings, and (ii) to fix the Verizon underrecovery of 2000 federal universal service credits at \$1.15 million and to include this underrecovery in federal universal service credits approved for 2002.

#### CONCLUSION OF LAW

It is reasonable for the Commission to approve the Petition and Stipulation as requested.

#### ORDER

IT IS THEREFORE ORDERED that the Stipulation attached to the petition filed December 11, 2001, is hereby approved.

IT IS FURTHER ORDERED that Verizon's rates for 2002 be reduced through the application of federal universal service credits as set forth in the Stipulation as attached hereto.

IT IS FURTHER ORDERED that the federal universal service credits as set forth in the Stipulation be effective with Verizon's January 2002 billing cycle.

IT IS FURTHER ORDERED that upon entry of this order, this case shall be removed from the Commission's docket of open cases.

IT IS FURTHER ORDERED that the Commission's Executive Secretary 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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JJW/lfg  
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[Attachment A](#)