

\$BEFORE THE IDAHO PUBLIC UTILITIES COMMISSION

IN THE MATTER OF THE APPLICATION OF REVIEWING THE ADMINISTRATOR’S 2001 ANNUAL AND ESTABLISHING THE FUNDING LEVELS TO SUPPORT THE TELECOMMUNICATIONS RELAY SERVICE (TRS) PROGRAM)

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CASE NO. GNR-T-02-5

ORDER NO. 28976

On February 27, 2002, the Telecommunications Relay Services (TRS) Administrator filed his calendar year 2001 annual report with the Commission. “The TRS program allows citizens who are hearing or speech impaired to engage in telephone communications in a manner functionally equivalent to that of individuals without hearing or speech impairments.” Idaho Code § 61-1301. Pursuant to TRS Rules 202 and 205, the Commission reviews the Administrator’s annual report and determines the appropriate funding levels necessary to meet the program’s expenses on a prospective basis. IDAPA 31.46.02.202 and .205. In this Order, we accept the Administrator’s 2001 report and continue TRS funding at existing levels.

THE 2001 ANNUAL REPORT

The Administrator reported that the relay center handled 520,988 minutes of traffic in calendar year 2001. This represents nearly a 1% increase in the number of conversation minutes from calendar year 2000. The relay center, operated by Hamilton Telecommunications, converts or “relays” oral conversations to text type and vice versa. The relay center also provides speech-to-speech and Spanish-to-Spanish relay services. Although the relay center experienced only a 1% increase in traffic from calendar year 2000, disbursements to Hamilton Telecommunications were 26% higher than the previous year. The Administrator attributed these increased expenses to the 21% rate increase that became effective December 1, 2000, and growth in the percentage of local relay traffic that is reimbursed by Idaho’s TRS fund. The National Exchange Carrier Association (NECA) reimburses Hamilton for interstate calls that are placed via the relay service.

2. Expenses. TRS expenses for 2001 totaled \$582,045. The Administrator reported that disbursements to Hamilton Telecommunications were approximately \$550,900. The administrative fees and expenses for the reporting year were \$31,145. This represents a decrease in the Administrator’s expenses of approximately 47%. Most of this decrease was attributed to the fact that the Administrator reissued the relay service contract in the previous calendar year.

3. 2001 Revenues and Allocations. During 2001, the number of access lines reported to the TRS Administrator grew by approximately 18% to approximately 772,000. Staff suggested that this line count report may be low. Staff is aware that some companies have variable reporting cycles or are late to report the actual number of line counts by year-end.

The number of intrastate toll minutes in Idaho increased by nearly 17% from 2001 to approximately 375,714,889 minutes. The table below shows 2001 TRS contribution sources and levels.

2001 Revenue Sources	Amount	Percentage of Total	
Local service providers (\$.04/month/line)	\$370,224	59%	
MTS/WATS providers (\$.0007/min.)	261,918	41%	
Interest earned on funds	792		TOTAL \$632,934
		100%	

The 2001 year-end balance of the TRS fund was \$249,207. The balance as of January 26, 2002, was \$199,621. These balances approximate a four-month reserve for the fund.

4. 2002 Budget. The Administrator projected an annual operating budget for 2002 of \$631,440. His projection is based on the assumption that usage of the relay center will increase by approximately 4% for in-state calls. In addition, the Idaho TRS program is subject to recertification in July 2002.

5. Proposed TRS Funding Levels. Based upon the proposed budget for 2002, the Administrator recommended that the TRS contributions from local service (currently \$.04 per month per access line) remain the same. He also recommended that the contribution from MTS/WATS services (currently \$.0007/minute for intrastate traffic) remain the same. The Administrator estimated that continuing the existing contribution amounts would allow the TRS fund to maintain an end-of-year balance of approximately three-month operating reserve. Based upon the Administrator's recommendation that the existing contribution levels remain the same, the Staff made the following revenue estimate:

Revenue Source	Amount	Percentage of Total	Estimated lines (800,000 x \$.04 x 12 mos.)	\$384,000	58%	Estimated minutes (400 million x \$.0007)	\$280,000	42%	TOTAL	\$664,000	100%
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Following its review of the Administrator's annual report, the Staff recommended that the Commission adopt the report and its budget for 2002. Staff also recommended that both the local monthly and the MTS/WATS funding levels be continued. Staff concluded that the funding recommendations would meet the 2002 budgeted expenses, maintain the three-month TRS reserve, and maintain about the same ratio between MTS/WATS contributions and local access contributions as last year.

DISCUSSION

In this Order, we formally adopt the Administrator's 2001 annual report. Following our review of the report, we find that the 2001 expenses are reasonable. Idaho citizens continue to be well served by the Administrator and the relay services provided Hamilton Telecommunications.

The Commission further finds that the 2002 budget projection of \$631,440 is reasonable based upon the anticipated expenses of the TRS program. The Commission believes that the 2002 budget is reasonable given the estimated increase in the use of the TRS relay center for in-state calls. The Commission recognizes that recertification of our TRS program and continued public information about the abbreviated 711 dialing to reach the relay center may also increase expenses for 2002 budgeting year.

Based upon our review of the Administrator's report and the Staff's recommendation, we further find that it is just and reasonable to continue the TRS contributions at their current funding levels: \$.04 per access line per month; and \$.0007 per minute per intrastate MTS/WATS calls. The Commission continues to find that a three-month operating reserve is reasonable given the anticipated budgetary changes. We further find that continuing the TRS contribution levels provides administrative efficiencies to local and toll carriers by avoiding changes to the TRS reimbursement levels. The Commission further finds that the projected 2002 allocation between local service and toll service (58% and 42%, respectively) is just and reasonable. Given the assumption for changes in access line growth and the increase in toll minutes, we accept the contribution and allocation as set out above.

ORDER

IT IS HEREBY ORDERED that the TRS funding obligation of telephone corporations providing local service in Idaho be continued without change at the existing level of \$.04 per month per access line.

IT IS FURTHER ORDERED that the TRS funding obligation of telephone corporations providing intrastate MTS/WATS service be continued at its existing level of \$.0007 per intrastate billed minute.

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-02-5 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-02-5. 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 March 2002.

PAUL KJELLANDER, PRESIDENT

MARSHA H. SMITH, COMMISSIONER

DENNIS S. HANSEN, COMMISSIONER
ATTEST:

Jean D. Jewell
Commission Secretary

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