

BEFORE THE IDAHO PUBLIC UTILITIES COMMISSION

**IN THE MATTER OF A REDUCTION TO THE)
SURCHARGE FOR THE IDAHO)
TELECOMMUNICATION SERVICE) CASE NO. GNR-T-99-8
ASSISTANCE PROGRAM.)
)
)
) ORDER NO. 28047
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Following amendment of the Idaho Telecommunication Service Assistance Program (ITSAP) by the 1998 Idaho Legislature, the Commission last year issued Order No. 27608 to implement the statutory changes and to establish the surcharge level. The Commission ordered that "the ITSAP surcharge amount is \$.13 per line per month on all end user business, residential and wireless access services." Order No. 27608 at 6. On May 3, 1999, the ITSAP Administrator submitted a quarterly report showing that the ITSAP fund is developing a significant surplus. The Administrator and Staff attribute the surplus to several causes. First, participation by eligible telecommunications customers has not increased in the last year at the pace anticipated by Staff. Staff projected that approximately 20,000 households would participate in the ITSAP program, but at the end of March 1999, only 12,500 households were receiving ITSAP funds. Second, the number of wireless access lines is significantly higher than Staff originally estimated, resulting in higher revenues being collected for the ITSAP fund. Consequently, the ITSAP fund currently has a surplus of \$470,400, and the surplus is growing.

Based on the ITSAP Administrator's report, Staff recommended that the surcharge be reduced from the current level of \$.13 per access line per month to \$.04 per access line. Staff acknowledged that a surcharge level of \$.04 per month would significantly reduce the ITSAP surplus, to the extent it may be necessary to increase the rate to \$.05 within one year.

We accept the Staff recommendation to immediately lower the ITSAP surcharge. However, rather than reduce the rate to \$.04 now only to increase it to \$.05 within one year, we find that it is appropriate to reduce the ITSAP surcharge to \$.05 per access line per month. At that level, the surcharge will be reduced enough to eliminate the surplus over time, and will prevent having to increase the surcharge level in the near future.

ORDER

IT IS HEREBY ORDERED that the ITSAP surcharge is reduced to \$.05 per access line per month on all end user business, residential and wireless access services. The reduced ITSAP amount of \$.05 per access line shall be effective July 1, 1999.

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 day of May 1999.

DENNIS S. HANSEN, PRESIDENT

MARSHA H. SMITH, COMMISSIONER

PAUL KJELLANDER, COMMISSIONER

Myrna J. Walters

Commission Secretary