

The gross surcharge revenue for the year was reported at \$235,421, of which \$42,812 (18%) was assessed on wireline services, and \$195,610 (82%) was assessed on wireless services. The administrator explained that ETCs remit net surcharge revenue, which is gross surcharge revenue less any assistance credits provided to eligible recipients and the ETC's administrative costs. Net surcharge revenue collected and deposited in 2016 totaled \$201,503.

Telecommunications companies received \$126,830 in disbursements for ITSAP credits paid to eligible recipients, compared to \$226,245 in 2015. Disbursements for company administrative costs decreased from \$33,089 in 2015 to \$23,235 in 2016.

The Administrator's fees and expenses were \$8,827 for 2016. The Administrator reported a fund cash balance at the end of 2016 of \$1,354,852.

2017 BUDGET AND TRENDS

The ITSAP Administrator projected that funding requirements for 2017 will continue to decrease. The Administrator estimated that the ITSAP recipient reimbursements to qualifying companies for 2017 will be about \$101,156, and that expenses will be \$20,925 for costs associated with administration of the program, including a triennial audit and legal fees.

To establish the 2017 budget, the Administrator estimated that the number of access lines subject to the surcharge will be about 1,725,778 per month, and the average number of ITSAP recipients will be about 2,681 per month. Based on this data, the Administrator projected the funding requirements for 2016 will be about \$122,081.

In 2015, the surcharge rate was reduced to \$0.01 per access line. Nonetheless, the decline in credit recipients has caused the fund to continue growing each year. The Administrator believes it is impractical to reduce the surcharge rate below \$0.01, and thus recommended eliminating the rate for all wireline and wireless access lines until the next annual budget review. The Administrator confirmed that the fund balance would remain more than sufficient to reimburse companies for assistance credits provided, and still preserve an adequate balance for unexpected occurrences. The estimated balance for end-of-year 2017 is projected at about \$1,232,771.

Staff reviewed the 2016 annual report, the 2017 budget, and the 2017 funding recommendation. Staff agreed that a further reduction of the surcharge rate is impractical and supports the recommendation to suspend surcharge rates for all wireline and wireless access lines

for budget year 2017. Staff therefore recommended that the Commission approve the Administrator's 2017 budget and proposal to suspend the surcharge rates for budget year 2017.

COMMISSION FINDINGS

The Commission has reviewed the Administrator's 2016 annual report, proposed 2017 budget, and Staff's review. We find that the Administrator's recommendations are fair, just and reasonable, and that it would be impractical to reduce the surcharge rate. We further find it appropriate to suspend the surcharge rate for budget year 2017, and find that doing so will not deplete the fund of a sufficient balance, even in the event of unanticipated program changes. Accordingly, we accept the Administrator's 2016 annual report and proposal to suspend the monthly ITSAP surcharge rate for budget year 2017, and we approve the Administrator's 2017 budget. We further find that all reporting companies should continue to file regular reports with the Administrator. Accordingly, we direct the Administrator to send a notice to reporting companies of their ongoing reporting requirement, and that the suspension of surcharge rates is for budget year 2017 only, subject to further review and determination by this Commission.

ORDER

IT IS HEREBY ORDERED that the Commission accepts the Administrator's 2016 annual report and 2017 budget.

IT IS FURTHER ORDERED that the monthly ITSAP surcharge rate shall be suspended, effective May 1, 2017, until the next annual budget review.

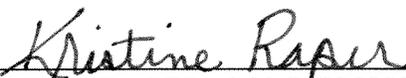
IT IS FURTHER ORDERED that the Administrator shall send a notice to reporting companies that their reporting requirements are ongoing and that the surcharge rate suspension is for budget year 2017, subject to further review by the Commission.

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 ^{28th}
day of March 2017.



PAUL KJELLANDER, PRESIDENT



KRISTINE RAPER, COMMISSIONER



ERIC ANDERSON, COMMISSIONER

ATTEST:



Diane M. Hanian
Commission Secretary

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