

BEFORE THE IDAHO PUBLIC UTILITIES COMMISSION

**IN THE MATTER OF REVIEWING THE)
ADMINISTRATOR’S 2022 ANNUAL REPORT) CASE NO. GNR-T-23-03
AND ESTABLISHING THE FUNDING)
LEVELS TO SUPPORT THE IDAHO) ORDER NO. 35764
TELECOMMUNICATIONS SERVICE)
ASSISTANCE PROGRAM (ITSAP))
_____)**

Each year, the Administrator of the Idaho Telecommunications Service Assistance Program (“ITSAP”) reports on the ITSAP’s activities and status from the prior year. The ITSAP helps decrease the cost of basic local exchange telephone service for eligible residents. ITSAP is funded through a uniform, Commission-ordered surcharge on all end-user business, residential, and wireless access service lines. The Idaho Department of Health and Welfare (“IDHW”) administers the ITSAP with federal programs to “grant limited federal ‘lifeline’ contributions to low-income customers.” *See Idaho Code* § 56-901(1).

Idaho telephone companies provide a monthly \$2.50 discount to eligible applicants. *Idaho Code* § 56-902. If the Commission designates a company as an Eligible Telecommunications Carrier, the company may be reimbursed from the ITSAP fund for the assistance provided. 47 C.F.R. § 54.201(a)(1). ITSAP beneficiaries must be the head of a household and meet IDHW’s narrowly targeted eligibility criteria. *Idaho Code* § 56-903.

THE 2022 ITSAP ANNUAL REPORT

ITSAP Administrator Kathleen Toohill’s (“Administrator”) 2022 Annual report showed a 11% decrease in local access lines, an 11% increase in wireless access lines, and a 29% decrease in ITSAP credit recipients from the previous year. The Administrator reported the gross surcharge revenue for the year was \$0 because the surcharge remains suspended.

Based on information provided by Idaho telephone companies, the Administrator also reported the quarterly average number of wireline access lines to be to be 436,434 in 2022, and the quarterly average number of wireless access lines to be 699,458. Staff noted these numbers are under reported due to a lack of wireless providers reporting line counts due to the surcharge suspension.

The average number of reported ITSAP recipients per month in 2021 (9,446) decreased by almost 30% in 2022 to 6,725. Telecommunications companies received \$201,731 in disbursements

for ITSAP credits paid to eligible recipients in 2022, compared to \$284,000 in 2021. Companies were paid disbursements of \$24,975 in administrative costs in 2022 a decrease from the \$34,998 reported in 2021.

The Administrator reported \$9,084 in fees and expenses for 2022. The ITSAP had a \$603,651 cash balance at the end of 2022.

2023 BUDGET AND TRENDS

The Administrator expects the funding requirements for 2022 will increase for the first time in years as several new companies have been authorized to participate in ITSAP. The Administrator estimates companies will receive \$235,000 in ITSAP reimbursements, and that the ITSAP Administrator's expenses would be \$9,143.20.

To establish the 2023 budget, the Administrator estimated that the total average number of access lines (residential, business, and wireless) would be 370,508 per month, while the average number of ITSAP recipients would number 6,725 per month. Based on this data, the Administrator projected the ITSAP funding requirement for 2023 would be \$235,000 and the ITSAP fund's end-of-year balance would be \$335,000.

The Administrator reported another significant increase in credit recipients during 2023. Even with the increased participation, the Administrator recommended that the surcharge rate continue to be suspended an additional year, and that all companies be directed to report access lines to her during this period. The Administrator affirmed that the fund balance will remain adequate to reimburse companies for assistance credits provided while maintaining a sufficient balance for unexpected occurrences. The estimated balance for the end-of-year 2023 was projected to be \$335,000.

STAFF REVIEW

Staff reviewed the 2022 annual report, the proposed 2023 budget, and the funding recommendation. Staff agreed with the Administrator's assessment and supported the Administrator's recommendation to continue suspending the surcharge rates for all wireline and wireless access lines for another year. Staff believed the fund balance would cover the 2023 expenses and any unforeseen changes to the number of ITSAP recipients. Staff recommended Commission approval of the Administrator's 2023 budget and proposal to suspend the surcharge rates for budget year 2023. Staff also recommended the Commission direct all companies to report

access line counts to the Administrator while the surcharge is suspended. Staff noted it would continue to monitor the number of ITSAP recipients and recommend changes if needed.

COMMISSION FINDINGS

The Commission has reviewed the Administrator's 2022 annual report, proposed 2023 budget, and Staff's comments. We find the Administrator's recommendations to be fair, just, and reasonable. We find it appropriate to continue suspending the surcharge rate for budget year 2023, and that doing so will not deplete the fund of a sufficient balance even if unanticipated program changes occur. Accordingly, we accept the Administrator's 2022 annual report and proposal to suspend the monthly ITSAP surcharge rate for budget year 2023, and we approve the Administrator's 2023 budget. We further find that all reporting companies should continue to file regular reports with the Administrator. We direct the Administrator to notify all reporting companies that they must continue to report access line counts and that surcharge rates will continue to be suspended for budget year 2023, subject to further Commission order.

ORDER

IT IS HEREBY ORDERED that the Commission accepts the Administrator's 2022 annual report and 2023 budget.

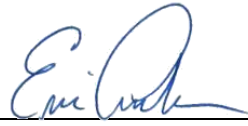
IT IS FURTHER ORDERED that the monthly ITSAP surcharge rate shall remain suspended until the next annual budget review.

IT IS FURTHER ORDERED that the Administrator shall notify all reporting companies that their reporting requirements, including reporting access lines, are ongoing and that the surcharge rate remains suspended for budget year 2023 subject to further Commission order.

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.*

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DONE by Order of the Idaho Public Utilities Commission at Boise, Idaho this 28th day of April 2023.



ERIC ANDERSON, PRESIDENT

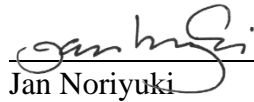


JOHN R. HAMMOND JR., COMMISSIONER



EDWARD LODGE, COMMISSIONER

ATTEST:



Jan Noriyuki
Commission Secretary

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