

BEFORE THE IDAHO PUBLIC UTILITIES COMMISSION

IN THE MATTER OF REVIEWING THE)
ADMINISTRATOR’S 2024 ANNUAL REPORT) CASE NO. GNR-T-25-04
AND ESTABLISHING THE FUNDING)
LEVELS TO SUPPORT THE IDAHO)
TELECOMMUNICATIONS SERVICE) ORDER NO. 36589
ASSISTANCE PROGRAM (ITSAP))
)

On February 19, 2025, the Administrator of the Idaho Telecommunication Service Assistance Program (“ITSAP”), Ms. Kathleen Toohill (“Administrator”), filed the 2024 Annual Report to the Idaho Public Utilities Commission (“Commission”) detailing the activities and status of the program during the previous year, funding requirements for the following year, and recommended 2025 budget.

BACKGROUND

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.” *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.

Historically, an ITSAP surcharge is assessed on all residential, business, and wireless end users not receiving ITSAP credit. ITSAP Report at 1. The ITSAP surcharge rate was suspended in on May 1, 2017. Order No. 33732, Case No. GNR-T-17-03. The Commission reinstated the surcharge rate of \$0.05 per access line on May 1, 2024, making surcharge revenue subject to annual budget review. Order No. 36180, Case No. GNR-T-24-03.

THE 2024 ANNUAL REPORT

The Administrator reported 2,468,358 local access lines using the program in 2024. 2024 ITSAP Report at 4. There were 8,973,226 total wireless lines reported in use. *Id.* There were 14,213

unspecified access lines reported in use. *Id.* There were 89,507.5 ITSAP credit recipients in 2024. *Id.* at 1. Telecommunications companies received \$223,770 in disbursements of ITSAP credits paid to eligible recipients in 2024. *Id.* at 3. Expenditures for company administrative costs of the program were \$33,495.01 in 2024. *Id.* The ITSAP surcharge rate reported revenue of \$522,684 in 2024. *Id.* at 1. The Administrator reported that ITSAP reimbursed a total of \$250,010.65 to companies in 2024. *Id.* at 3. The Administrator's fees and expenses were \$9,152.40 in 2024. *Id.* at 1. The December 31, 2024, year-end fund's cash balance was \$633,525.91. *Id.* at 2.

2025 Budget and Trends

The Administrator projected that the funding requirements for 2025 will be met. *See Id.* at 2-4. The Administrator stated that during 2024, the fund balance increased by \$298,714.01 due to the surcharge being reinstated on May 1, 2024, at the rate of \$0.05 per line. *Id.* at 3. Prior to May 2024, wireless lines were reported as zero for several companies until the surcharge was reinstated. *Id.* The Administrator stated that if the number of customers, recipients, and fund administration were to remain the same for 2025, then the fund balance will continue to increase. *Id.*

The Administrator estimated the ITSAP disbursements would be approximately \$223,770, with projected expenses of \$42,695.01. ITSAP 2024 AR Worksheet – attached to the 2024 ITSAP Annual Report. The estimated expenses were composed of \$9,200 for the Administrator's salary and estimated bank charges; \$10,000 for four years of auditor fees; and \$33,495.01 for program administration costs. *Id.*

For the 2025 budget, the Administrator estimated the average number of access lines subject to the surcharge would be approximately 11,455,797 per year and the average number of ITSAP recipients would amount to approximately 89,508 per year. *Id.* Based on this data, the ITSAP Administrator projected that the funding requirement for 2025 would be approximately \$266,465.01, and the end-of-year 2025 balance was expected to be \$934,450.21. *Id.*

The Administrator recommended that the surcharge rate be decreased from \$0.05 to \$0.03. 2024 ITSAP Report at 3. The Administrator stated that when evaluating the annual income versus the outgoing expenses, a charge of \$0.03 per line could be a more stabilizing rate. *Id.* The Administrator estimated that this rate would bring the annual income closer to expected annual expenses, which have ranged between \$235,000-\$320,000 over the last four years. *Id.*

STAFF ANALYSIS AND FUNDING RECOMMENDATION

Staff reviewed the 2024 annual report, the proposed 2025 budget, and the funding recommendation. Staff supported the Administrator's assessment that a reduction of the surcharge rate from \$0.05 to \$0.03 per access line for all wireline and wireless access lines was practical. Staff Memo at 4.

The average annual expenses over the last four years have ranged between \$235,000-\$320,000. *Id.* Staff believed the fund balance would be sufficient to meet the 2025 expenses as well as provide for any unforeseen changes to the number of ITSAP recipients. *Id.* Staff recommended that the Commission approve the Administrator's 2025 budget and approve the recommendation to reduce the surcharge rates for the calendar year 2025. *Id.*

DISCUSSION AND FINDINGS

The Commission has reviewed the Administrator's 2024 annual report, proposed 2025 budget, and Staff's comments. We find the Administrator's recommendations to be fair, just, and reasonable. We find it appropriate to reduce the surcharge rate from \$0.05 to \$0.03 per access line for all wireline and wireless access lines for budget year 2025, 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 2024 Annual Report and we approve the Administrator's 2025 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 decrease from \$0.05 to \$0.03 for the budget year 2025, subject to further Commission order.

ORDER


IT IS HEREBY ORDERED that the Commission accepts the Administrator's 2024 Annual Report and adopts the Administrator's budget for 2025.

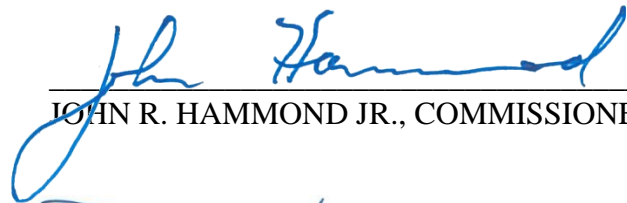
IT IS FURTHER ORDERED that the monthly ITSAP surcharge rate shall be \$0.03 per access line, effective May 1, 2025, until the next annual budget review.

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 has decreased from \$0.05 to \$0.03 for budget year 2025, 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.

DONE by Order of the Idaho Public Utilities Commission at Boise, Idaho this 1st day of May 2025.


EDWARD LODGE, PRESIDENT


JOHN R. HAMMOND JR., COMMISSIONER


DAYN HARDIE, COMMISSIONER

ATTEST:


Monica Barros-Sanchez
Commission Secretary

I:\Legal\TELECOM\GNRT2504_Final_em.docx