

**BEFORE THE IDAHO PUBLIC UTILITIES COMMISSION**

**2023 IDAHO TELEPHONE SERVICE ) CASE NO. GNR-T-24-03**  
**ASSISTANCE PROGRAM (“ITSAP”) )**  
**ANNUAL REPORT ) ORDER NO. 36180**  
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Each year, the Administrator of the Idaho Telecommunications Service Assistance Program (“ITSAP”) reports on the ITSAP’s activities and status from the prior year. On February 20, 2024, the 2023 ITSAP Administrator Report was submitted to the Commission. On April 10, 2024, an amended 2023 ITSAP Administrator Report (“Report”) was filed in coordination with Commission Staff (“Staff”). 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 2023 ITSAP ANNUAL REPORT**

ITSAP Administrator Kathleen Toohill’s (“Administrator”) 2023 Report showed a 10% decrease in local access lines, a 37% decrease in wireless access lines, and a 16% increase 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 225,638 in 2023, and the quarterly average number of wireless access lines to be 442,378. 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 2023 was 7,777. This represents a monthly increase of about 1,000 recipients compared to 2022. Telecommunications

companies received \$233,313 in disbursements for ITSAP credits paid to eligible recipients in 2023, compared to \$201,731 in 2022. Companies were paid \$26,241 for administrative costs in 2023, an increase from the \$24,975 paid in 2022.

The Administrator reported \$9,152 in fees and expenses for 2023. The ITSAP had a \$334,812 cash balance at the end of 2023.

### **2024 BUDGET AND TRENDS**

The Administrator estimated the funding requirements for 2024 will increase for the first time in years as several new companies have been authorized to participate in ITSAP. The Administrator estimated eligible companies will receive \$233,310 in ITSAP reimbursements, and that the ITSAP Administrator's expenses will be \$45,441.

To establish the 2024 budget, the Administrator estimated that the total average number of access lines (residential, business, and wireless) would be 278,686 per month and the average number of ITSAP recipients would be 7,777 per month. Based on this data, the Administrator projected the ITSAP funding requirement for 2024 would be \$233,310 and \$45,441 in expenses (administrative, Administrator salary, and four-year audit). The ITSAP fund's end-of-year balance would be \$56,061 if nothing is changed.

The Administrator projected another significant increase in credit recipients during 2024. With the increased participation, the Administrator recommended that the surcharge rate not be suspended an additional year. Rather, the Administrator recommended that the surcharge rate be reinstated at a rate of \$0.07 per access line. The Administrator noted that the fund decreased from \$603,650.78 to \$334,811.90 over the course of 2023 with the surcharge suspended. As noted above, if no surcharge was implemented, and 2024 mirrored 2023, the fund would be reduced to approximately \$56,061 by the end of 2024. If the Administrator's proposed surcharge of \$0.07 per access line is implemented, the estimated balance for the end-of-year 2024 is projected to be approximately \$290,000.

### **STAFF REVIEW**

Staff reviewed the Report, the proposed 2024 budget, and the funding recommendation. Staff agreed with the Administrator's assessment and supported the Administrator's recommendation to reinstate a surcharge rate for all wireline and wireless access lines. However, Staff believes that a surcharge of \$0.05 will be sufficient to maintain a \$200,000 minimum 2024 year-end balance. Staff recommended that the Commission make this surcharge rate effective May

1, 2024—a rate Staff recommended remain in place until the next annual budget review. Staff discussed the reasoning behind its surcharge recommendation, noted it would continue to monitor the number of ITSAP recipients, and recommend changes if needed.

### **COMMISSION FINDINGS**

The Commission has reviewed the Report, proposed 2024 budget, and Staff’s comments. We appreciate the Administrator’s insights and recommendations. We find Staff’s recommendation regarding the proposed surcharge to be the most appropriate at this time. We find it necessary to reinstate the surcharge for budget year 2024 at a rate of \$0.05 per access line. We believe that this rate should be retroactively effective starting May 1, 2024. We otherwise, accept and approve the Report and budget for 2024. We direct all reporting companies to continue filing regular reports with the Administrator. We direct the Administrator to notify all reporting companies that report access line counts and that surcharge rates of \$0.05 per access line will be reinstated for budget year 2024.

### **ORDER**

IT IS HEREBY ORDERED that the Commission hereby reinstates the surcharge rate of \$0.05 per access line, effective May 1, 2024, and otherwise accepts the 2023 Report and 2024 budget.

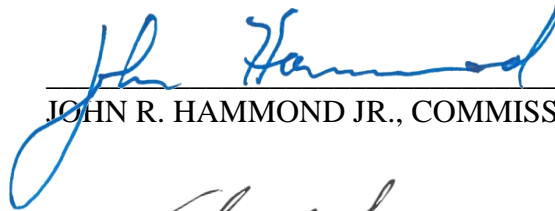
IT IS FURTHER ORDERED that the Administrator shall notify all reporting companies that their reporting requirements, including reporting access lines, are ongoing and that the surcharge rate shall be reinstated for budget year 2024 subject to further Commission order.

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 about any matter decided in this Order. Within seven (7) days after any person has petitioned for reconsideration, any other person may cross-petition for reconsideration. *Idaho Code* §§ 61-626 and 62-619.

DONE by Order of the Idaho Public Utilities Commission at Boise, Idaho this 16<sup>th</sup> day of  
May 2024.



ERIC ANDERSON, PRESIDENT



JOHN R. HAMMOND JR., COMMISSIONER



EDWARD LODGE, COMMISSIONER

ATTEST:



Monica Barrios Sanchez  
Commission Secretary

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