

P-999/CI-91-709 ORDER RETAINING PRESENT SURCHARGE AND CREDIT
LEVELS

BEFORE THE MINNESOTA PUBLIC UTILITIES COMMISSION

Darrel L. Peterson
Cynthia A. Kitlinski
Dee Knaak
Norma McKanna
Patrice M. Vick

Chair
Commissioner
Commissioner
Commissioner
Commissioner

In the Matter of Annual
Consideration of Possible
Changes in the Telephone
Assistance Plan Surcharge or
Credit for Calendar Year 1992

ISSUE DATE: October 22, 1991

DOCKET NO. P-999/CI-91-709

ORDER RETAINING PRESENT
SURCHARGE AND CREDIT LEVELS

PROCEDURAL HISTORY

In 1987 the Legislature established the Telephone Assistance Plan (TAP) to provide bill credits to low income telephone subscribers who were at least 65 years old. In 1988 the legislature amended the Plan to extend the credits to low income disabled subscribers. The Plan is administered jointly by the Commission, the Department of Human Services, and the telephone companies.

The Plan is funded by a monthly surcharge to telephone subscribers. The amounts of the surcharge and the bill credit are set by the Commission. The current surcharge is 10 cents per access line, the maximum permitted by statute. The current credit is \$3.50, also the statutory maximum. The Federal Communications Commission provides matching funds by waiving a portion of the interstate access charge equal to the amount of the credit.

Minn. Rules, parts 7817.0300 and 7817.0500 require the Commission to determine the amounts of the surcharge and bill credit annually. The Commission met on October 9, 1991 to set the amounts for calendar year 1992.

FINDINGS AND CONCLUSIONS

The TAP surcharge, bill credit, and federal matching funds have been at the maximum levels permitted by statute since the program was first implemented. The TAP fund will remain solvent throughout calendar year 1992 without any change in surcharge or bill credit amounts. The Commission will therefore maintain current surcharge and bill credit levels for calendar year 1992.

The Commission notes that projected disbursements exceed projected revenues for calendar years 1991 and 1992, and the Commission intends to continue monitoring fund balances and disbursements carefully. Nevertheless, the Commission believes it would be inappropriate to reduce bill credit levels at this time for two reasons.

First, the TAP fund is expected to have an approximately \$2.5 million carryover from fiscal year 1991, due in part to interest on fund monies and recovery of an overpayment to a local exchange company. Second, the Department of Human Services is currently verifying the eligibility of all TAP participants, a process which will inevitably result in some participants being found ineligible and removed from the program. It is therefore not clear that it will ever be necessary to reduce the amount of the TAP bill credit.

Given this uncertainty, it would be inappropriate to reduce the bill credit in advance of need. The Commission will reduce the bill credit if and when it becomes necessary. In the mean time, the elderly and disabled persons the Legislature sought to protect will continue to receive maximum benefits under the TAP program.

ORDER

1. The surcharge and credit levels under the Telephone Assistance Plan shall remain at their 1991 levels for calendar year 1992.
2. This Order shall become effective immediately.

BY ORDER OF THE COMMISSION

Richard R. Lancaster
Executive Secretary

(S E A L)