

BEFORE THE MINNESOTA PUBLIC UTILITIES COMMISSION

Gregory Scott	Chair
Edward A. Garvey	Commissioner
Marshall Johnson	Commissioner
LeRoy Koppendrayner	Commissioner
Phyllis A. Reha	Commissioner

In the Matter of DOC/TACIP's Annual Report
for FY 2001

ISSUE DATE: July 5, 2002

In the Matter of DOC/TAM's FY 2003
Proposed Budget and Surcharge
Recommendation

DOCKET NO. P-999/CI-01-441
P-999/CI-02-583

ORDER ACCEPTING ANNUAL REPORT
AND APPROVING THE PROPOSED
BUDGET AND SURCHARGE

PROCEDURAL HISTORY

On March 29, 2002 TACIP filed its CY 2001 Annual Report.

On May 15, 2002 TACIP filed its proposed FY 2003 budget and surcharge recommendation.

On May 21, 2002, the Department of Commerce (DOC) sent an addendum indicating the name of the TACIP program was changing to Telecommunication Access Minnesota (TAM) effective August 1, 2002.

The Commission met on June 20, 2002 to consider this matter.

FINDINGS AND CONCLUSIONS

I. THE ANNUAL REPORT

The annual report presents information on the major activities of DOC/TACIP for the year 2001. It provides the history, a description of the Equipment Distribution Program (EDP) and Minnesota Relay Service (MRS) projects, financial and statistical data, anticipated operations, and includes the governing statutory references, and the current organizational structures. It also shows revenues and expenditures for FYs 2001 and 2002. According to the report, the fund balance is projected at \$3.2 million at the end of FY 2002.

The Commission has reviewed the Annual Report, finds it reasonable, and will accept it as submitted.

II. FY 2003 BUDGET PROPOSAL

In its filing on May 15, 2002, TACIP/DOC proposes to reduce the TAM Budget from \$7.979 million projected actual expenses in FY 2002 to \$7.886 million in FY 2003.

The main components of the FY 2003 Budget, with comparative figures for the previous year, are:

	FY 2002		
	<u>Projected Actual</u>	<u>FY 2003 Proposal</u>	<u>Change</u>
TAM Administration -	\$ 158,915	\$ 199,750	\$ 40,835
TED -	\$ 1,600,000	\$ 1,700,751	\$ 100,751
MRS -	\$ 5,300,000	\$ 5,300,000	\$ 0
Consumer Relations -	\$ 920,000	\$ 384,859	\$ (535,141)
Captioned Telephone			
Trial	<u>\$ 0</u>	<u>\$ 300,570</u>	<u>\$ 300,570</u>
Total	\$7,978,915	\$ 7,885,930	\$ (92,985)

The Commission has considered the annual report, the budget proposal and TACIP reports together. The Commission finds the proposed budget reasonable and will approve it.

III. SURCHARGE PROPOSAL

DOC/TACIP did not propose any adjustment to the 10 cents per month surcharge currently paid by wired and wireless telephone customers.

DOC/TAM stated that there was the possibility of a surcharge increase on or after July 2003, should the revenue projections for the following year fall short of projected expenses.

The Commission has reviewed the circumstances and finds it reasonable to maintain the current 10 cents per month surcharge.

ORDER

1. The Commission accepts the annual report submitted by DOC/TACIP, approves the budget proposed for FY 2003, and approves the proposed retention of the surcharge at 10 cents per month.

2. This Order shall become effective immediately.

BY ORDER OF THE COMMISSION

Burl W. Haar
Executive Secretary

(S E A L)

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