

May

In the matter of the development of a rule to)
implement enhanced telephone service for the) Case No. TO-90-174
deaf and hearing impaired.)

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continue to increase according to forecasts developed by Sprint Services, the relay service contractor. Because payments to Sprint Services are computed upon the number of minutes the service is used, the cost of the service increases proportionately with usage. However, according to Staff, surcharge revenues have not increased significantly during the past year and are expected to remain consistent unless the surcharge is increased.

Staff's data indicates that because the surcharge was implemented two months prior to the establishment of the relay service, excess funds have been available to absorb revenue shortfalls. However, according to Staff, the excess funds have almost been depleted and are only sufficient to continue operating the service for a short time. Staff states that an increase in the Relay Missouri surcharge is necessary for the service to remain self-supporting.

Staff's analysis also indicates that a surcharge of thirteen cents would be sufficient to operate Relay Missouri through the expiration of the current contract on January 7, 1994, and would allow for at least a one-month reserve in the Relay Missouri fund. Staff's data further indicates that a surcharge of thirteen cents is comparable to surcharges established by other states.

Staff also analyzed the compensation arrangement with the LECs. Staff calculates that applying the current arrangement of one and one-half percent or \$25 to a surcharge of thirteen cents would result in a monthly increase of \$2,433 in compensation to the LECs. Staff's analysis indicates that the higher surcharge would allow larger companies to experience higher compensation revenues while smaller companies which would be reimbursed at the flat rate of \$25 per month would not experience a revenue increase.

Staff's data indicates that by increasing the \$25 monthly minimum compensation to \$30 and decreasing the one and one-half percent reimbursement amount to one percent, the Commission could allow all LECs to experience an equal

percentage increase in compensation revenues while also reducing the future costs to the Relay Missouri fund. Staff's calculations show that a compensation arrangement of one percent or \$30 with a surcharge of thirteen cents would result in a monthly increase of \$1,045 in compensation to the LECs.

The Commission finds that an increase in the Relay Missouri surcharge to thirteen cents is reasonable. Such an increase would assure available funds for the Relay Missouri service through the expiration of the current contract and allow for a one-month reserve in the Relay Missouri fund. The Commission also finds that the compensation arrangement should be changed by increasing the monthly minimum compensation amount to \$30 and decreasing the one and one-half percent reimbursement factor to one percent. Such a revision will reduce future costs to the Relay Missouri fund ensuring that all the LECs benefit equally from the increased revenues resulting from the increase in the Relay Missouri surcharge.

The Commission further finds that a surcharge increase is necessary to assure available funds for the provision of the Relay Missouri service and that an adjustment to the compensation arrangement with the LECs is necessary to assure a just and reasonable compensation to all the LECs. Thus, the Commission determines that the monthly Relay Missouri surcharge should be increased from six cents to thirteen cents and that the LECs' compensation should be revised to \$30 or one percent of the monthly surcharge, whichever is more.

IT IS THEREFORE ORDERED:

1. That the monthly Relay Missouri surcharge is hereby increased from six cents to thirteen cents per access line.
2. That local exchange companies shall notify their customers of the increase by placing the bill insert attached hereto in the customers' bills.

3. That the present local exchange company compensation arrangement of one and one-half percent of the surcharge amount collected each month or \$25, shall no longer be in effect.

4. That local exchange companies may retain one percent of the surcharge amount collected each month or \$30, whichever is more, as compensation for billing and collecting the surcharge.

5. That this Order shall become effective on the 1st day of November, 1992.

BY THE COMMISSION

Brent Stewart

Brent Stewart
Executive Secretary

(S E A L)

McClure, Chm., Mueller, Rauch,
Perkins and Kincheloe, CC., Concur.

NOTICE TO SUBSCRIBERS

Effective (insert date), the monthly Relay Missouri surcharge applied to your bill will increase from \$.06 to \$.13. The adjustment, ordered by the Missouri Public Service Commission, was necessary to meet increased demand for the Relay Missouri service.

Created as a result of legislation enacted by the 85th Missouri General Assembly, the Relay Missouri service enables Missourians with hearing and/or speech impairments to communicate by telephone with non-impaired persons. Calls to the Relay Missouri Communications Center, located in Independence, MO can be initiated either by voice users or by deaf, hard of hearing, or speech impaired users with a Telecommunications Device for the Deaf (TDD). Communications agents at the Relay Missouri Center use special telecommunications equipment to relay the conversations between TDD and non-TDD users.

TDD callers can access the Relay Missouri Center by calling toll-free: 1-800-RELAYMO (1-800-735-2966). Voice callers can access the center by calling toll-free: 1-800-735-2466.

For more information, write to Relay Missouri, 3445 Missouri Highway 291, Independence, MO 64057 or contact the Missouri Public Service Commission at 1-800-392-4211.