

**BEFORE THE PUBLIC SERVICE COMMISSION
OF THE STATE OF MISSOURI**

In the Matter of an Investigation Into)
Various Issues Related to the Missouri)
Universal Service Fund.)

Case No. TO-98-329

**STAFF RECOMMENDATION REGARDING ASSESSMENT ADJUSTMENT
IMPLEMENTATION AND
MOTION TO MODIFY REIMBURSEMENT PROCEDURES**

COMES NOW the Staff of the Missouri Public Service Commission ("Staff") and for its
Recommendation Regarding Assessment Adjustment Implementation, states:

1. Staff has requested a Commission order that approves a modification to the Missouri Universal Service Fund ("MoUSF") assessment percentage for the Low-Income/Disabled portion of the MoUSF from 0.0018 to 0.0029.

2. In the Affidavit, attached to this pleading as Appendix A, Staff recommends the Commission approve an increase in the Missouri Universal Service Fund assessment from .0018 to .0029 to be implemented with each billing cycle in May 2007. Staff further recommends the Commission direct the companies" provide customer notice via a bill message during the customer's billing cycle implementing the new surcharge.

MOTION TO MODIFY REIMBURSEMENT PROCEDURES

3. The Commission issued an *Order Granting Staff Motion* on March 17, 2005. In that *Order*, the Commission set in place a cycle that "requests for reimbursement [by telecommunications companies] shall be made no later than the 15th day of each month, and reimbursements shall be dispatched no later than the last day of each month." *Order* at 4, para.

3. To more clearly delineate between the month-end balance in the Fund and outstanding checks

for a cycle, Staff moves and recommends the Commission modify the date for reimbursement to "between the first and the fifth day of the following month" as described above.

WHEREFORE, the Staff respectfully requests that the Commission issue an order that approves a modification to the current MoUSF assessment percentage from 0.0018 to 0.0029 using the implementation process listed above; and grant Staff's motion to modify the time frame for reimbursing telecommunications companies to between the first and fifth day of the month following receipt of their request for reimbursement.

Respectfully submitted,

/s/ **David A. Meyer**

David A. Meyer
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Certificate of Service

I hereby certify that copies of the foregoing have been mailed, hand-delivered, transmitted by facsimile or electronically mailed to all counsel of record this 12th day of March 2007.

/s/ **David A. Meyer**

AFFIDAVIT

STATE OF MISSOURI)
)
COUNTY OF COLE)

On March 8, 2007, I filed an affidavit recommending an increase in the Missouri Universal Service Fund (MoUSF) assessment from .0018 to .0029. (Note: Regulations refer to an "assessment percentage"; however, the actual assessment is applied as .00XX of the customer charges.) Attachments to that affidavit illustrated that fund receipts have remained steady while disbursements continue to increase. To provide for the continued viability of the Fund, a line of credit was established. On March 8, 2007 money was transferred to the Fund to restore a positive operating balance.

This affidavit provides additional information for the Commission's consideration related to implementing a change in the MoUSF assessment percentage.

Effective date of the new assessment percentage

Staff received input from various telecommunications companies as to the length of time needed to modify billing systems and implement a new assessment percentage. The companies indicate it will take approximately 30 days. Several carriers asked that the new assessment not be effective on a particular date, but assigned to billing cycles. For instance, instead of making the change effective May 1, the change would be effective with each customer's billing cycle in May. Directing telecommunications companies to implement the new assessment percentage "in the next billing cycle" will avoid situations where billing systems would be required to calculate a partial month at the old assessment percentage and the remainder of the month at the new assessment percentage.

Customer notice

Staff recommends that companies be directed to provide customer notice via bill message during the customer's billing cycle implementing the new surcharge. Such a notification would be consistent with notices related to increases in the federal USF surcharge. Customer notice language would be similar to the following.

Effective with this bill, the Missouri Universal Service Fund Surcharge was increased from .0018 to .0029. The MoUSF program assists low income and disabled Missourians obtain affordable telephone service.

Change in disbursement date

In its March 17, 2005 Order Granting Staff Motion, the Commission directed:

That requests for reimbursement shall be made no later than the 15th day of each month, and reimbursements shall be dispatched no later than the last day of each month.

To more clearly delineate between the month-end balance in the Fund and outstanding checks for a cycle, Staff recommends the Commission modify the date for reimbursement from "no later than the last day of each month" to "*between the first and the fifth day of the following month*". For instance, a request for reimbursement received by May 15 would be dispatched no sooner than June 1, but no later than June 5.

Suggested language for a Commission order:

Requests for reimbursement shall be made no later than the 15th day of each month, and reimbursements shall be dispatched between the first and the fifth day of the following month.

Recommendation

Staff recommends the Commission approve an increase in the Missouri Universal Service Fund assessment from .0018 to .0029 to be implemented with each billing cycle in May 2007. Staff further recommends the Commission direct the companies provide customer notice via a bill message during the customer's billing cycle implementing the new surcharge. Finally, Staff recommends the Commission modify the date for reimbursement to "between the first and the fifth day of the following month" as described above.

Natelle Dietrich

Natelle Dietrich
Regulatory Economist III
Affiant

Subscribed and affirmed before me this 12th day of March 2007. I am commissioned as a notary public within the County of Cole, State of Missouri, and my commission expires on 9-23-2008.

Rosemary R. Robinson

NOTARY PUBLIC

