

**STATE OF MISSOURI
PUBLIC SERVICE COMMISSION**

At a session of the Public Service
Commission held at its office in
Jefferson City on the 15th day of
March, 2007.

In the Matter of an Investigation into
Various Issues Related to the Missouri
Universal Service Fund

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Case No. TO-98-329

ORDER ADJUSTING ASSESSMENT PERCENTAGE AMOUNT

Issue Date: March 15, 2007

Effective Date: March 25, 2007

On March 16, 2005, the Commission issued an Order Granting Staff Motion, in which it established an initial assessment percentage amount of 0.0018 for the low-income and disabled portion of the Missouri Universal Service Fund. On March 8, 2007, the Missouri Universal Service Board, on the recommendation of the Fund Administrator, determined that it is necessary to increase the assessment percentage amount from 0.0018 to 0.0029. On March 8, 2007, the Staff of the Commission filed a Motion for Commission Order Regarding Assessment and Motion for Expedited Treatment. Pursuant to that request, the Commission issued an Order notifying carriers and other entities that a request to change the assessment percentage amount had been made and establishing an intervention deadline.

One party, the Missouri Independent Telephone Company Group ("the MITG") sought to intervene. As the MITG companies have pointed out, they are already Parties in this docket. As such, they need not be granted intervention again to file in this matter.

The MITG did not oppose the change in the assessment percentage amount, but requested that any Order changing the assessment be issued in sufficient time for the carriers to alter their billing systems prior to the date of the change. The MITG also requested that the implementation be accomplished in such a way as to avoid the necessity of assessing a portion of a customer's bill at one percentage and the remainder at another. Telecommunications carriers tend to have "rolling" billing periods, and local exchange carriers bill for the current month's service, whereas interexchange carriers bill in arrears. This would make the change in assessment percentage overly complicated when it is applied to charges for services rendered on or after a certain date. Therefore, the Commission will require that the new assessment percentage be applied to all services on a customer's May bill. This will allow sufficient time for carriers to change their billing systems to the new percentage. In addition, carriers will be required to include a notice in the May customer bills that explains the change in the assessment percentage.

Finally, the Staff requested that the Commission order a change in the timing of payments to the MoUSF Administrator. This Order will not address that issue, as it was brought to the Commission's attention only through the Staff's most recent filing. To make that change in this Order would not allow carriers sufficient time to evaluate and respond to Staff's proposal. Moreover, handling the issues in two Orders will not unnecessarily complicate matters.

IT IS ORDERED THAT:

1. The Missouri Universal Service Fund administrator shall begin assessing carriers at the new percentage rate of 0.0029.

2. Telecommunications companies shall apply this new percentage rate to all telecommunications services for which a bill is rendered in May (or the first bill to that customer after May 1, 2007), and bills thereafter.

3. Telecommunications companies shall include a notice explaining the change in the assessment percentage in customers' April or May bills (or the first bill to that customer after May 1, 2007).

4. No other terms of assessment, operation or funding of the Missouri Universal Service Fund are altered by this Order.

5. The Data Center of the Commission shall send a copy of this Order to all certificated telecommunications companies, except payphone providers and shared tenant services providers.

6. That this order shall become effective on March 25, 2007.

BY THE COMMISSION

A handwritten signature in black ink, appearing to read 'Colleen M. Dale', is positioned above the printed name and title.

Colleen M. Dale
Secretary

(S E A L)

Davis, Chm., Murray, Clayton and Appling, CC., concur.
Gaw, C., dissent.

Dale, Chief Regulatory Law Judge