

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

In the Matter of a Recommendation )  
Concerning the Surcharge for Deaf Relay )  
Service and Equipment Distribution Program )  
Fund. )

Case No. TO-2005-0308

**STAFF'S RELAY PROGRAM FUND REPORT  
FOR THE SECOND QUARTER OF FISCAL YEAR 2006**

**COMES NOW** the Staff of the Missouri Public Service Commission and for its report states:

1. The Commission has directed the Staff to monitor the Deaf Relay Service and Equipment Distribution Program Fund and to submit quarterly reports to the Commission regarding the state of the fund. The reports are due no later than 20 days following the end of the quarter.

2. In the attached Memorandum, which is labeled Appendix A, the Staff reports on revenues and expenditures of the fund during the second quarter of fiscal year 2006.

Respectfully submitted,

/s/ William K. Haas

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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 12<sup>th</sup> day of January 2006.

/s/ William K. Haas

# Memorandum

**To:** Official Case File

Case No. TO-2005-0308

**From:** Walt Cecil

**Date:** January 12, 2006

**Re:** Quarterly Deaf Relay Fund Balance Report

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The December 2005 closing balance of the Missouri Relay Fund is \$1,664,040.84 which is down \$154,693.57 from the September 2005 closing balance (end of the first quarter, FY 2006) of \$1,818,734.41. During the last quarter of 2005, average monthly traditional relay expenditures and CapTel expenditures were about \$228,046 and \$54,126 per month, respectively. During this same time period expenditures for the Adaptive Telecommunications Equipment Program ranged from \$94,679 to \$131,763. Relay Missouri revenues have been up and down. For the quarter, monthly revenues plus interest have averaged approximately \$348,050.

The following table illustrates the relay fund's activity by month for the fiscal quarter ending in December 2005. Central Services Cost Allocation assessments, charged on a quarterly basis, and disbursements for Relay Missouri Advisory Committee expenses or reimbursements to committee members for personal expenses are included in the Disbursements and Transfers amount for the month.

<b>Relay Fund Activity Fiscal Year 2006, Second Quarter<sup>1</sup></b>				
Month	Closing Balance	Low Balance	Surcharge Revenue Plus Interest	Disbursements and Transfers
October	\$1,680,647.47	\$1,482,085.20	\$291,245.08	\$429,332.02
November	\$1,708,193.51	\$1,405,044.40	\$395,268.03	\$367,721.99
December	\$1,664,040.84	\$1,382,375.98	\$357,645.93	\$401,798.60

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<sup>1</sup> The source information in this and the following table is drawn from the state Treasurer's reports for August, September, October, November and December 2005, from relay surcharge journal entries prepared by Budget and Fiscal Services and from Sprint's invoices for TRS services in the months August to December 2005.

The next table outlines the expenses supported by the fund and lists them in the month in which they are paid. Relay expenses are paid in arrears, (for example, October relay expenses invoices were paid in December) while Assistive Telecommunications Equipment Program expenditures and Central Services Cost Allocations assessments are paid as they are incurred.

Month	Traditional Relay Expenditures	CapTel Expenditures	Adaptive Telecommunications Equipment Program Expenditures	Central Services Cost Allocation Assessments	Relay Missouri Advisory Committee
September	\$218,592.88	\$48,691.81	\$125,724.36		
October	\$236,214.46	\$56,963.11	\$118,476.45	\$17,584.00	\$94.00
November	\$219,878.51	\$52,107.24	\$94,678.94		\$1,057.30
December	\$216,817.72	\$53,307.19	\$131,673.69		

Beginning October 2005, Staff examined the payment history of all companies paying into the relay fund and discovered not all companies had increased the Relay Missouri surcharge from \$.10 to \$.13. Of the 82 companies regularly collecting and remitting the surcharge, there was evidence indicating 64 had increased the surcharge to \$.13. The remaining companies were contacted and nine indicated they had increased the surcharge, two were unaware of the Commission's order, one had erroneously not increased the surcharge, and the remaining six companies haven't responded to Staff. The two companies that were unaware of the order increasing the surcharge increased the surcharge in December and the company that did not increase the surcharge began modifying its billing systems upon receiving Staff's inquiry and expects to impose the increased surcharge before the next billing cycle commences. An estimate of the cumulative value of the surcharge revenue shortage represented by the six companies from which Staff has not yet received the requested information is about \$74 per month, slightly over 1/50 of 1% of the anticipated monthly surcharge receipts and this figure will likely vary widely as it is affected by monthly changes in line counts.

Upon further investigation, it was discovered that the Commission's order directing companies to increase the Relay Missouri surcharge was sent formally only to the two companies that intervened in the case. Notice has since been sent to all companies providing basic local telecommunications service and Staff has received assurances from all companies with which contact has been made that the surcharge has been increased to \$.13. Staff has been and will continue to contact the six remaining companies to inquire whether or not they have increased the surcharge until Staff is assured the companies are imposing the correct surcharge.

As noted, one basic local telephone company originally received notice of the Commission's order to increase the surcharge, but due to clerical errors did not increase the surcharge until December 1, 2005. The company recently remitted a check for the full amount in arrears even

though customers were billed the \$.10 per month charge. The company's customers will be charged for the under-collected surcharge amounts remitted by the company, \$.03 per line for September, October and November.

