

**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 FOURTH 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 the Staff reports on revenues and expenditures of the fund during the fourth quarter of fiscal year 2006.

Respectfully submitted,

/s/ William K. Haas

William K. Haas  
Deputy General Counsel  
Missouri Bar No. 28701

Attorney for the Staff of the  
Missouri Public Service Commission  
P. O. Box 360  
Jefferson City, MO 65102  
(573) 751-7510 (Telephone)  
(573) 751-9285 (Fax)  
[william.haas@psc.mo.gov](mailto:william.haas@psc.mo.gov)

**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 13<sup>th</sup> day of July 2006.

/s/ William K. Haas

**To:** Official Case File

Case No. TO-2005-0308

**From:** Walt Cecil

**Date:** July 12, 2006

**Re:** Deaf Relay and Adaptive Equipment Distribution Program Fund Balance Quarterly Report,  
Fourth Quarter FY 2006

### **Fund Balance**

The June 2006 closing Deaf Relay and Equipment Distribution Fund (collectively, Fund) balance is \$2,110,372 which is up about \$199,584 (or approximately 10%) from the March 2006 closing balance of about \$1,910,789. Table 1 illustrates Fund activity over the previous two quarters and average receipts and expenditures for FY 2006.

<b>Table 1: Fund Activity, 3Q and 4Q FY 2006</b>			
<b>Date</b>	<b>Receipts<sup>1</sup></b>	<b>Expenditures<sup>2</sup></b>	<b>Closing Balance</b>
January 2006	\$593,428	\$379,578	\$1,877,891
February	\$337,018	\$406,324	\$1,808,586
March	\$471,794	\$369,592	\$1,910,789
<b>Third Quarter Averages</b>	<b>\$476,413</b>	<b>\$385,165</b>	<b>\$1,865,755</b>
April 2006	\$418,719	\$355,907	\$1,973,600
May	\$386,886	\$363,742	\$2,014,744
June	\$406,377	\$310,749	\$2,110,372
<b>Fourth Quarter Averages</b>	<b>\$403,994</b>	<b>\$343,466</b>	<b>\$2,032,906</b>
<b>Fiscal Year 06 Averages</b>	<b>\$388,283</b>	<b>\$380,500</b>	<b>\$1,867,359</b>

### **Receipts**

In the previous quarterly memorandum, Staff identified errors in a large local exchange carrier's surcharge collections which resulted in underpayments to the Fund for the second quarter. A substantial true-up was made in late December 2005 but booked in January 2006 making payments to the Fund for the third quarter appear to be larger than they otherwise would have been. Fourth quarter average monthly FY 2006 receipts should be viewed as "typical" and are slightly less than anticipated (about \$412,145).

### **Expenditures**

---

<sup>1</sup> Receipts consist of surcharge revenues collected by local exchange carriers from end-users and paid to the state, and interest earned by the Fund.

<sup>2</sup> Expenditures includes amounts paid to the relay vendor, Sprint, amounts withdrawn by ATEP and amounts withdrawn by the Office of Administration for the Central Services Allocation Program. There are also expenses incurred by the Relay Missouri Advisory Committee and the committee members, individually, that are supported by the Fund.

Average expenditures have declined approximately 10.8% over the quarter. Annual expenditures paid from the fund in FY 2006 were about \$4,556,000 and in FY 2005 were about \$5,076,000 which represents a 10% decrease. This decrease is attributed to a decline in traditional relay service (TRS).

- In May 2005, Relay Missouri consumed over 263,090 TRS minutes and in May 2006 it consumed about 198,114 minutes, or a drop of approximately 25%.
- CapTel expenditures have fluctuated between a low of about \$44,417 to a high of about \$56,693. Since January 2005, the rate of increase in CapTel usage appears to be increasing slowly. CapTel expenditures remain about 1/6<sup>th</sup> of the total Fund expenditures.
- ATEP expenditures have fluctuated over the last two quarters and increased substantially in June but are expected to decline significantly in August. Specific expenditure totals for the third and fourth quarters of FY 2006 are provided in Table 2.
- Under executive order, the Fund is obligated to support central governmental services and is, therefore, assessed an average of approximately \$17,350 per quarter.
- The Fund supports expenses incurred when the Relay Missouri Advisory Committee (RMAC) meets and reimburses expenses incurred by its members. FY 2006 RMAC expenses were about \$2,293, and include interpreter costs and mileage reimbursement.

<b>Table 2: Third and Fourth Quarter FY 2006 Deaf Relay and Adaptive Telecommunications Equipment Fund Disbursements</b>				
<b>Month</b>	<b>TRS Expenditures</b>	<b>CapTel Expenditures</b>	<b>ATEP Expenditures</b>	<b>Central Services Cost Allocation</b>
January 2006	\$213,972	\$48,845	\$99,590	\$17,171
February	\$218,820	\$51,297	\$136,206	
March	\$209,140	\$49,845	\$110,606	
<b>Third Quarter Averages</b>	<b>\$213,977</b>	<b>\$49,996</b>	<b>\$115,467</b>	<b>\$5,724</b>
April 2006	\$193,814	\$45,825	\$99,472	\$16,796
May	\$203,141	\$53,923	\$105,715	
June	\$47,550	\$49,363	\$213,659	
<b>Fourth Quarter Averages</b>	<b>\$148,168</b>	<b>\$49,704</b>	<b>\$139,615</b>	<b>\$5,999</b>

### Vendor Credits to the Fund

In the previous quarterly memo, Staff noted there was an issue with interstate busy or not answered calls being reimbursed from the intrastate fund. Sprint applied a credit of \$133,064.60 against the Relay Missouri invoice to rectify this situation<sup>3</sup>. This credit is based on charges previously billed by Sprint for reimbursement from the Relay Missouri Fund during the time period of June 2000 through September 2005. Staff has reviewed its records and found Sprint's credit to be reasonable.

<sup>3</sup> In June 2006, actual TRS charges were \$180,614.13. The reduced June amount above, \$47,550, reflects the application of the Busy Ring No-Answer credit

