

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

In the Matter of the Review of the Deaf Relay)	
Service and Equipment Distribution Fund)	<u>Case No. TO-2009-0042</u>
Surcharge.)	

STATUS REPORT AND UPDATED STAFF RECOMMENDATION

COMES NOW the Staff of the Missouri Public Service Commission (Staff), by and through counsel, and for its Status Report and Updated Staff Recommendation (Updated Recommendation) states as follows:

1. On August 11, 2008, Staff filed with the Missouri Public Service Commission (the Commission) its Motion to Open Case to Review Staff Recommendation (Motion to Open Case), requesting the Commission open a case to review the Relay Missouri surcharge (the surcharge) pursuant to Section 209.259, RSMo (2000)¹ and recommending that such surcharge be reduced from \$.13 to \$.11 per month. The resulting case has been designated by the Commission as Case No. TO-2009-0042.

2. On September 3, 2008, Southwestern Bell Telephone Company, d/b/a AT&T Missouri (AT&T Missouri or the Company) filed its Application to Intervene and Response to Staff Recommendation, seeking intervention into the case and stating that the Company has no objection to the proposed surcharge reduction, provided the Commission allows at least a sixty (60) day implementation period. The Commission granted the intervention in an order issued September 24, 2008.

3. Since the time Staff filed its Motion to Open Case several additional filings have been made in this matter, including statements containing the positions of certain members of the

¹ Unless otherwise noted, all references to statute refer to the Missouri Revised Statutes (2000), as currently supplemented.

Relay Missouri Advisory Committee and the transcript of an Agenda Meeting during which the surcharge and issues related thereto were discussed with Marty Exline, the Director of the Missouri Assistive Technology Council. In addition, on June 22, 2009, Staff filed a Status Report, updating the Commission with information regarding the Relay Missouri Fund (the Fund) balance and reaffirming Staff's position as to the appropriate surcharge reduction.

4. Section 209.259.1. states that "the commission shall review [the Relay Missouri] surcharge no less frequently than every two years but no more than annually and shall order changes in the amount of the surcharge as necessary to assure available funds for the provision of the programs established in section 209.253."

5. Prior to the review that is the subject of the current case, the Commission reviewed the surcharge in Case No. TO-2007-0306, ultimately issuing an Order Adopting Relay Missouri Fund Review and Establishing Fund Surcharge² on June 7, 2007. No order has been issued by the Commission regarding the surcharge since that time.

6. In the attached Memorandum, labeled Appendix A, Staff presents to the Commission the results of a thorough analysis recently conducted by Staff regarding the projected balance of the Fund. In conducting this analysis, Staff applied assumptions regarding Fund revenues and expenses to surcharge amounts ranging from \$.08 to \$.13 per month. For a comprehensive graph displaying the effects of Staff's revenue and expense assumptions and on future Fund balances please see Attachment I to Appendix A.

7. As a result of this analysis, and as contained in Appendix A, Staff continues to recommend the Commission reduce the surcharge to \$.11 per month, to be implemented by companies ninety (90) days from the effective date of the Commission order approving the

² The Commission's June 7, 2007 order mandated that the surcharge be continued at the rate of \$.13 per month and ordered that the amount to be retained by local exchange companies be continued at one percent or \$30, whichever is greater.

reduction. Staff further recommends that the Commission decision affirm the continued application of the current surcharge billing and collection compensation arrangement as outlined in Appendix A. In addition, in order to ensure continued compliance with Section 209.259.1, Staff seeks clarification from the Commission regarding the date Staff should use to determine the next mandated surcharge review.

WHEREFORE, in contemplation of Section 209.259.1 Staff submits this Updated Recommendation for the Commission's consideration and for the reasons contained herein recommends the Commission issue an Order (1) reducing the Relay Missouri surcharge from \$.13 to \$.11 per month, to be implemented ninety (90) days from the effective date of the Commission's Order, (2) affirming the continued application of the current surcharge billing and collection compensation arrangement as outlined in Appendix A, and (3) providing guidance as to the appropriate surcharge review period to be applied by Staff in the future.

Respectfully submitted,

/s/ Eric Dearmont

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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 22nd day of January, 2010.

/s/ Eric Dearmont

MEMORANDUM

To: Official Case File
Case No. TO-2009-0042

From: John Van Eschen and Dana Parish
Telecommunications Department

Subject: Update on Relay Missouri Surcharge Recommendation

Date: January 20, 2010

The purpose of this memorandum is to update the Commission on the status of the Relay Missouri fund balance. On August 11, 2008, the Staff of the Missouri Public Service Commission (Staff) filed a Motion to Open Case to Review Staff Recommendation. At that time Staff recommended the Commission reduce the Relay Missouri surcharge from \$.13 to \$.11. As discussed in this Memorandum, the prior recommendation continues to be appropriate.

Relay Missouri Fund Balance:

The Fund balance as of October 31, 2009 was \$3,930,268 and continues to grow at the average rate of \$51,699 per month as shown in Attachment A. As explained in Staff's prior recommendation, the Relay Missouri Fund balance is affected by revenues from Relay Missouri receipts and interest and expenses for relay service, CapTel service, the equipment program, Relay Missouri Advisory Committee, and the Central Services Cost Allocation Program. Although Staff's assumptions about each of these components, as more fully discussed below, can impact future Fund balances, in general, Staff anticipates future Fund balances will continue to grow but at a slower rate.¹

Relay Revenues:

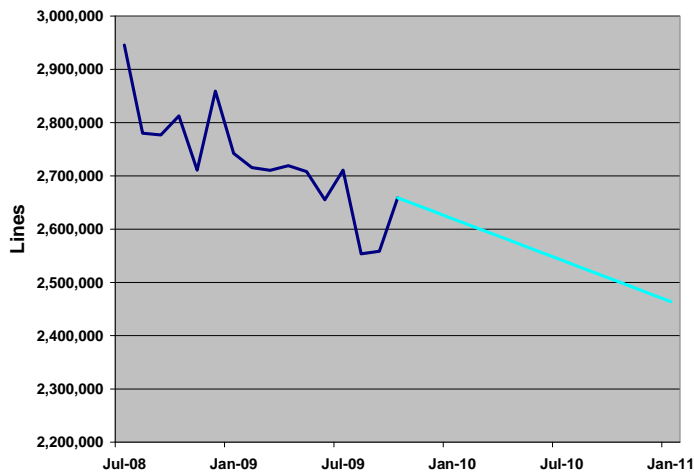
Receipts

Relay Missouri receipts are the revenues submitted to the fund by telecommunications and VoIP providers. Attachment B shows monthly revenue receipts have been declining. As line quantities decline, receipts decline. On average, line quantities have been declining by 19,110 lines per month; however, as demonstrated in the graph below, data suggests the monthly decline may be slowing.² Based on the average monthly decline in line quantities for the past 12 months, it is reasonable to project line quantities will decline by 13,000 lines per month. Attachment C shows Staff's projections for monthly revenue receipts based on surcharge levels of \$.13, \$.12, \$.11, \$.10, \$.09 and \$.08 for the November 2009 through December 2011 time period.

¹ For example if the \$.13 surcharge is maintained, Staff estimates the Fund balance will grow by only \$24,658 between December 2010 and January 2011. The slower Fund balance growth is caused primarily by declining receipts and relatively stable total expenditures.

² For example the average monthly line quantity change for the past sixteen, twelve and six months are -19,110, -12,805 and -10,025, respectively.

Trend for Line Quantities



Interest

Monthly interest has varied significantly over the past sixteen months ranging from a high of \$12,136 for September 2008 to a low of \$2,306 for August 2009. As part of the assumptions used to calculate Staff's previous surcharge recommendation, Staff estimated monthly interest revenue of \$4,000. Staff is revising this amount to \$3,000 due to the state of the economy and relatively low interest revenue received in recent months; however, this adjustment does not have a significant impact on the overall recommendation to lower the surcharge to \$.11.

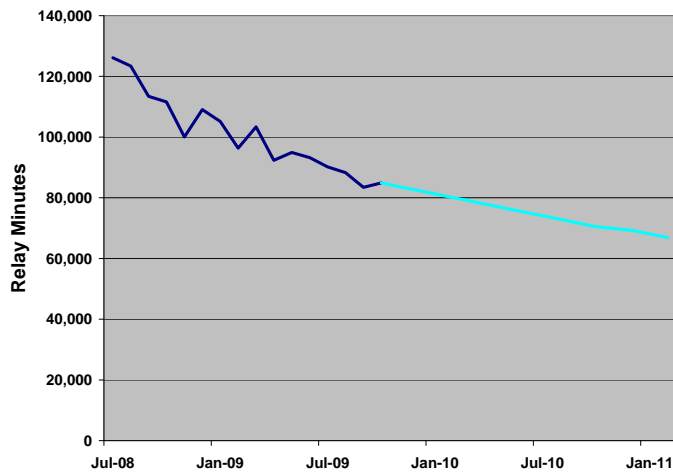
Relay Expenses:

Relay Service Expenses

Relay service expenses are the expenses associated with traditional relay service. Relay service expenses are based on relay minutes times the applicable reimbursement rate per the Relay Missouri contract. Attachment D and the graph below show relay expenses are declining due to a decline in the underlying relay service minutes. Based on the average monthly change in relay usage for the last six months, a reasonable assumption is for relay service minutes to continue to decline at the rate of 1,200 minutes each month. Attachment E shows Staff's projections for monthly relay expenses for the November 2009 through December 2011 time period. These forecasts also take into account an increase in the reimbursement rate.³

³ The current relay reimbursement rate is \$.9682 per minute; however this rate increases to \$.9870 on July 1, 2010.

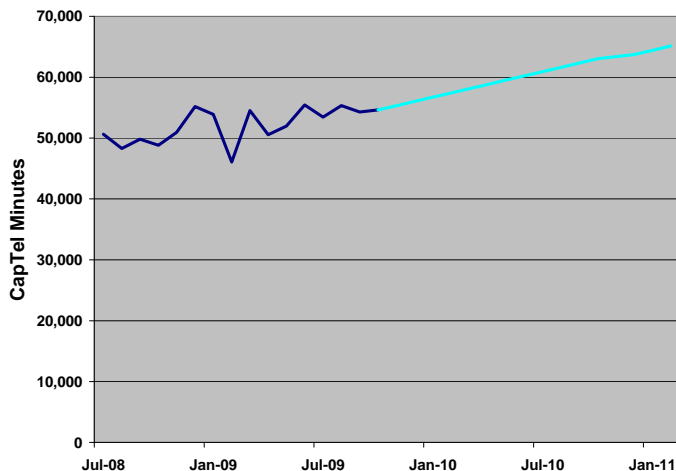
Trend for Relay Service Expenses



CapTel Service Expenses

CapTel service expenses are the expenses associated with CapTel service. CapTel expenses are based on CapTel minutes times the applicable reimbursement rate per the Relay Missouri contract. Attachment F and the graph below show CapTel expenses have slightly increased due to a modest, but accelerating, growth in CapTel usage.⁴ Based on the average monthly change in CapTel usage for the last six months, a reasonable assumption is for CapTel service minutes to increase at the rate of 700 minutes each month. Attachment G shows Staff's projections for monthly CapTel expenses for the November 2009 through December 2011 time period. These projections take into account an increase in the reimbursement rate.⁵

Trend for CapTel Service Expenses



⁴ For example the average monthly change for CapTel service minutes during the past sixteen, twelve and six months are +266, +484, and +678, respectively.

⁵ The current CapTel reimbursement rate is \$1.4935 per minute; however this rate increases to \$1.5225 on July 1, 2010.

Equipment Program Expenses

Equipment program expenses refer to payments to Missouri Assistive Technology for the purpose of administering the equipment distribution program. Equipment program expenses vary on a monthly basis ranging from \$49,123 to \$194,177 for the time period of July 2008 to October 2009, for an average monthly expense of \$128,070 or \$1,536,840 on an annualized basis. The averages are less than the forecast estimates used in Staff's prior projections; however, Staff maintains its prior forecast of equipment expenses of \$141,667 per month or \$1.7 million on an annualized basis.

Relay Missouri Advisory Committee Expenses

Relay Missouri Advisory Committee expenses refer to expenses associated with this committee that meets twice each year. These expenses are insignificant; totaling \$2,136 this past year. Staff projects these expenses will continue at this same rate or \$178 per month.

Central Services Cost Allocation Program Expenses

Central Services Cost Allocation Program Expenses refer to the State of Missouri's transfer of money from the Relay Missouri Fund to the General Revenue Fund. During the past sixteen months the State of Missouri transferred \$83,600 from the Relay Missouri Fund. This transfer typically occurs on a quarterly basis; however, Staff projects these expenses on a monthly basis at \$5,225 per month.

Projected Fund Balances

Staff calculated future Relay Missouri Fund balances based on the following assumptions:

- Monthly line quantities will decline by 13,000 lines per month.
- Monthly interest revenue will be \$3,000 per month.
- Relay minutes will decline by 1,200 minutes per month.
- CapTel minutes will increase by 700 minutes per month.
- Equipment program expenses will be \$141,667 per month (\$1.7 million annually).
- Relay Committee expenses will be \$178 per month (\$2,136 annually).
- The State of Missouri will transfer \$5,225 per month from the Relay Fund (\$62,700 annually).
- For ease in calculations, new surcharge levels were assumed effective November 2009.
- For the sake of simplicity, Staff did not attempt to take into account lag time in modifying billing systems to implement a Commission decision to lower the surcharge.

Attachment H shows the actual and projected Fund balances from January 2007 through February 2011. Attachment I graphically shows the Fund balance projections for each of these surcharge levels. A change in any assumptions will impact projected Fund balances.⁶ As previously noted the current Fund balance is \$3,930,268. If no action is

⁶ For example, if the assumption is changed so that new surcharge levels were calculated as effective May 2010 rather than November 2009 then such an assumption will increase projected revenues for the lower

taken, then the Relay Missouri Fund will have a projected fund balance of \$4,296,019 as of February 2011. As illustrated in the table below, Staff has calculated future fund balances assuming a surcharge of \$.08 to \$.13.

Surcharge	Projected Fund Balance as of February 2011
\$.13	\$4,296,019
\$.12	\$3,888,275
\$.11	\$3,480,531
\$.10	\$3,072,771
\$.09	\$2,665,027
\$.08	\$2,257,283

The Commission has received some feedback from Relay Missouri Advisory Committee members recommending the Commission maintain the surcharge at \$.13. Such recommendations are essentially based on two considerations: (1) a desire for the equipment program to offer wireless devices and (2) a concern the Federal Communications Commission (FCC) may ultimately shift responsibility to states to recover costs associated with internet-based relay services. At the October 2009 Relay Missouri Advisory Committee meeting, officials of the equipment distribution program indicated the program would not be in a position to distribute wireless devices for at least another year, if at all. An expansion of adaptive equipment distributed cannot be focused on a single disability, but must consider adaptive equipment for a wide variety of disabilities. Officials will continue to review and update the types of equipment distributed on an on-going basis. Likewise the FCC has not made any recent overtures for shifting costs of providing internet-based relay services to the states.

For the record, the Staff provided Relay Missouri Advisory Committee members and the equipment distribution program with a draft of this memorandum and supporting attachments. Staff requested feedback and comments with the intention of further revising this filing as warranted. No feedback was obtained from any committee member; however Staff did receive and incorporate feedback from the equipment distribution program.

Staff Recommendation

Staff continues to recommend the Commission reduce the Relay Missouri surcharge to \$.11 to be implemented 90 days from effective date of the Commission

surcharge levels. Such an assumption will increase revenues by a total of \$156,805 for every one-cent increment in the Relay Missouri surcharge. In other words changing this assumption will increase the \$.12 surcharge projected fund balance by \$156,805 (\$4,107,079 to \$4,263,884). Likewise, this revised assumption will increase the other projected fund balances by the following amounts: \$313,610 for the \$.11 surcharge, \$470,415 for the \$.10 surcharge, \$627,220 for the \$.09 surcharge and \$784,025 for the \$.08 surcharge.

order. Staff further recommends the Commission's decision affirm the continued application of the current billing and collection compensation arrangement provided to companies. As described in Staff's prior recommendation this arrangement allows companies to retain one percent or \$30, whichever is greater, of the surcharge revenue they collect. If the amount collected is less than \$30 then the company simply retains the amount collected.

Summary of Attachments

Attachment A: Relay MO Fund Balance
Attachment B: Relay MO Revenues
Attachment C: Staff's Projections Revenue Receipts
Attachment D: Relay Expenses
Attachment E: Staff Projections Relay Expenses
Attachment F: CapTel Expenses
Attachment G: Staff Projections CapTel Expenses
Attachment H: Actual/Projected Fund Balances
Attachment I: Graph Fund Balance Projections

Relay Missouri Fund Actuals

Year	Month	Revenues			Expenses						Net	Fund Balance
		Receipts	Interest	Total	Relay	CapTel	Equipment	Committee	State	Total		
2008	July	\$382,924	\$7,505	\$390,428	\$122,126	\$75,615	\$49,123	\$0	\$14,761	\$261,625	\$128,803	\$3,298,162
2008	August	\$361,434	\$7,134	\$368,569	\$119,477	\$72,126	\$161,626	\$0	\$0	\$353,229	\$15,340	\$3,316,446
2008	September	\$360,972	\$12,136	\$373,109	\$109,852	\$74,392	\$150,823	\$0	\$0	\$335,067	\$38,042	\$3,341,896
2008	October	\$365,636	\$8,846	\$374,482	\$108,067	\$72,898	\$194,177	\$1,000	\$14,761	\$390,903	-\$16,421	\$3,313,981
2008	November	\$352,407	\$7,329	\$359,736	\$96,907	\$76,109	\$108,214	\$0	\$0	\$281,230	\$78,506	\$3,564,081
2008	December	\$371,693	\$7,450	\$379,143	\$105,588	\$82,392	\$137,623	\$0	\$0	\$325,603	\$53,540	\$3,441,347
2009	January	\$356,506	\$8,003	\$364,509	\$101,835	\$80,474	\$137,095	\$0	\$14,761	\$334,165	\$30,344	\$3,662,393
2009	February	\$353,001	\$6,424	\$359,426	\$93,291	\$68,805	\$106,934	\$0	\$0	\$269,030	\$90,396	\$3,545,496
2009	March	\$352,357	\$5,577	\$357,934	\$100,082	\$81,433	\$136,348	\$0	\$0	\$317,863	\$40,071	\$3,610,685
2009	April	\$353,480	\$3,912	\$357,392	\$89,408	\$75,501	\$101,402	\$1,000	\$14,761	\$282,072	\$75,320	\$3,663,116
2009	May	\$352,028	\$5,953	\$357,981	\$91,933	\$77,605	\$130,100	\$0	\$0	\$299,638	\$58,343	\$3,890,608
2009	June	\$345,181	\$5,513	\$350,694	\$90,303	\$82,816	\$111,683	\$0	\$0	\$284,802	\$65,892	\$3,783,195
2009	July	\$352,391	\$4,691	\$357,082	\$87,307	\$79,808	\$70,392	\$0	\$12,278	\$249,785	\$107,297	\$3,891,150
2009	August	\$331,966	\$2,306	\$334,272	\$85,485	\$82,656	\$164,716	\$0	\$0	\$332,857	\$1,415	\$4,094,809
2009	September	\$332,600	\$3,549	\$336,149	\$80,829	\$81,084	\$102,216	\$0	\$0	\$264,129	\$72,020	\$3,777,491
2009	October	\$345,660	\$6,165	\$351,825	\$82,198	\$81,581	\$186,642	\$855	\$12,278	\$363,554	-\$11,729	\$3,930,268
Total		\$5,670,237	\$102,493	\$5,772,730	\$1,564,688	\$1,245,295	\$2,049,114	\$2,855	\$83,600	\$4,945,552	\$827,178	\$58,125,124
Monthly Average		\$354,390	\$6,406	\$360,796	\$97,793	\$77,831	\$141,667	\$178	\$5,225	\$309,097	\$51,699	\$3,632,820

Actual Relay Revenue Receipts					Monthly Line Difference		
Year	Month	Receipts	Rate	Lines	16 Months	12 Months	6 Months
2008	July	\$382,924	\$0.13	2,945,567	N/A	N/A	N/A
2008	August	\$361,434	\$0.13	2,780,264	-165,303	N/A	N/A
2008	September	\$360,972	\$0.13	2,776,711	-3,553	N/A	N/A
2008	October	\$365,636	\$0.13	2,812,587	35,876	N/A	N/A
2008	November	\$352,407	\$0.13	2,710,822	-101,765	-101,765	N/A
2008	December	\$371,693	\$0.13	2,859,176	148,354	148,354	N/A
2009	January	\$356,506	\$0.13	2,742,357	-116,819	-116,819	N/A
2009	February	\$353,001	\$0.13	2,715,395	-26,962	-26,962	N/A
2009	March	\$352,357	\$0.13	2,710,436	-4,959	-4,959	N/A
2009	April	\$353,480	\$0.13	2,719,075	8,639	8,639	N/A
2009	May	\$352,028	\$0.13	2,707,908	-11,168	-11,168	-11,168
2009	June	\$345,181	\$0.13	2,655,238	-52,670	-52,670	-52,670
2009	July	\$352,391	\$0.13	2,710,700	55,462	55,462	55,462
2009	August	\$331,966	\$0.13	2,553,585	-157,115	-157,115	-157,115
2009	September	\$332,600	\$0.13	2,558,462	4,877	4,877	4,877
2009	October	\$345,660	\$0.13	2,658,923	100,462	100,462	100,462
Total		\$5,670,237		43,617,206	-286,644	-153,664	-60,152
Monthly Average		\$354,390		2,726,075	-19,110	-12,805	-10,025

Projection Assumption: **-13,000 (Monthly change in lines)**

Projected Relay Revenue Receipts								
Year	Month	Lines	\$0.13	\$0.12	\$0.11	\$0.10	\$0.09	\$0.08
2009	November	2,645,923	\$343,970	\$317,511	\$291,052	\$264,592	\$238,133	\$211,674
2009	December	2,632,923	\$342,280	\$315,951	\$289,622	\$263,292	\$236,963	\$210,634
2010	January	2,619,923	\$340,590	\$314,391	\$288,192	\$261,992	\$235,793	\$209,594
2010	February	2,606,923	\$338,900	\$312,831	\$286,762	\$260,692	\$234,623	\$208,554
2010	March	2,593,923	\$337,210	\$311,271	\$285,332	\$259,392	\$233,453	\$207,514
2010	April	2,580,923	\$335,520	\$309,711	\$283,902	\$258,092	\$232,283	\$206,474
2010	May	2,567,923	\$333,830	\$308,151	\$282,472	\$256,792	\$231,113	\$205,434
2010	June	2,554,923	\$332,140	\$306,591	\$281,042	\$255,492	\$229,943	\$204,394
2010	July	2,541,923	\$330,450	\$305,031	\$279,612	\$254,192	\$228,773	\$203,354
2010	August	2,528,923	\$328,760	\$303,471	\$278,182	\$252,892	\$227,603	\$202,314
2010	September	2,515,923	\$327,070	\$301,911	\$276,752	\$251,592	\$226,433	\$201,274
2010	October	2,502,923	\$325,380	\$300,351	\$275,322	\$250,292	\$225,263	\$200,234
2010	November	2,489,923	\$323,690	\$298,791	\$273,892	\$248,992	\$224,093	\$199,194
2010	December	2,476,923	\$322,000	\$297,231	\$272,462	\$247,692	\$222,923	\$198,154
2011	January	2,463,923	\$320,310	\$295,671	\$271,032	\$246,392	\$221,753	\$197,114
2011	February	2,450,923	\$318,620	\$294,111	\$269,602	\$245,092	\$220,583	\$196,074
Total		40,774,769	\$5,300,720	\$4,892,972	\$4,485,225	\$4,077,477	\$3,669,729	\$3,261,982
Monthly Average		2,548,423	\$331,295	\$305,811	\$280,327	\$254,842	\$229,358	\$203,874

Actual Relay Expenses				Monthly Minutes Difference		
Year	Month	Expense	Relay Minutes	16 Months	12 Months	6 Months
2008	July	\$122,126	126,137	N/A	N/A	N/A
2008	August	\$119,477	123,401	-2,736	N/A	N/A
2008	September	\$109,852	113,460	-9,941	N/A	N/A
2008	October	\$108,067	111,616	-1,844	N/A	N/A
2008	November	\$96,907	100,090	-11,527	-11,527	N/A
2008	December	\$105,588	109,056	8,966	8,966	N/A
2009	January	\$101,835	105,180	-3,876	-3,876	N/A
2009	February	\$93,291	96,355	-8,825	-8,825	N/A
2009	March	\$100,082	103,369	7,014	7,014	N/A
2009	April	\$89,408	92,345	-11,025	-11,025	N/A
2009	May	\$91,933	94,952	2,608	2,608	2,608
2009	June	\$90,303	93,269	-1,684	-1,684	-1,684
2009	July	\$87,307	90,175	-3,094	-3,094	-3,094
2009	August	\$85,485	88,293	-1,882	-1,882	-1,882
2009	September	\$80,829	83,484	-4,809	-4,809	-4,809
2009	October	\$82,198	84,898	1,414	1,414	1,414
Total		\$1,564,688	1,616,079	-41,239	-26,719	-7,447
Monthly Average		\$97,793	101,005	-2,749	-2,227	-1,241

Projection Assumption: **-1,200** **(Monthly change in Relay minutes)**

Attachment D

Relay Expense Projections				
Year	Month	Relay Minutes	Relay Rate	Relay Expenses
2009	November	83,698	\$0.9682	\$81,036
2009	December	82,498	\$0.9682	\$79,874
2010	January	81,298	\$0.9682	\$78,712
2010	February	80,098	\$0.9682	\$77,551
2010	March	78,898	\$0.9682	\$76,389
2010	April	77,698	\$0.9682	\$75,227
2010	May	76,498	\$0.9682	\$74,065
2010	June	75,298	\$0.9682	\$72,903
2010	July	74,098	\$0.9870	\$73,134
2010	August	72,898	\$0.9870	\$71,950
2010	September	71,698	\$0.9870	\$70,766
2010	October	70,498	\$0.9870	\$69,581
2010	December	69,298	\$0.9870	\$68,397
2011	January	68,098	\$0.9870	\$67,212
2011	February	66,898	\$0.9870	\$66,028
Total		1,129,466		\$1,102,827

Attachment E

CapTel Expense Projections				
Year	Month	CapTel Minutes	CapTel Rate	CapTel Expenses
2009	November	55,324	\$1.4935	\$82,626
2009	December	56,024	\$1.4935	\$83,672
2010	January	56,724	\$1.4935	\$84,717
2010	February	57,424	\$1.4935	\$85,763
2010	March	58,124	\$1.4935	\$86,808
2010	April	58,824	\$1.4935	\$87,854
2010	May	59,524	\$1.4935	\$88,899
2010	June	60,224	\$1.4935	\$89,945
2010	July	60,924	\$1.5225	\$92,757
2010	August	61,624	\$1.5225	\$93,823
2010	September	62,324	\$1.5225	\$94,888
2010	October	63,024	\$1.5225	\$95,954
2010	December	63,724	\$1.5225	\$97,020
2011	January	64,424	\$1.5225	\$98,086
2011	February	65,124	\$1.5225	\$99,151
Total		903,361		\$1,361,963

Attachment G

**\$.13 Surcharge
Relay Missouri Fund Projections**

Year	Month	Revenues			Expenses						Net	Fund Balance
		Receipts	Interest	Total	Relay	CapTel	Equipment	Committee	State	Total		
2009	November	\$343,970	\$3,000	\$346,970	81,036	82,626	\$141,667	\$178	\$5,225	\$310,732	\$36,238	\$3,966,506
2009	December	\$342,280	\$3,000	\$345,280	79,874	83,672	\$141,667	\$178	\$5,225	\$310,616	\$34,664	\$4,001,170
2010	January	\$340,590	\$3,000	\$343,590	78,712	84,717	\$141,667	\$178	\$5,225	\$310,499	\$33,091	\$4,034,261
2010	February	\$338,900	\$3,000	\$341,900	77,551	85,763	\$141,667	\$178	\$5,225	\$310,384	\$31,516	\$4,065,777
2010	March	\$337,210	\$3,000	\$340,210	76,389	86,808	\$141,667	\$178	\$5,225	\$310,267	\$29,943	\$4,095,720
2010	April	\$335,520	\$3,000	\$338,520	75,227	87,854	\$141,667	\$178	\$5,225	\$310,151	\$28,369	\$4,124,089
2010	May	\$333,830	\$3,000	\$336,830	74,065	88,899	\$141,667	\$178	\$5,225	\$310,034	\$26,796	\$4,150,885
2010	June	\$332,140	\$3,000	\$335,140	72,903	89,945	\$141,667	\$178	\$5,225	\$309,918	\$25,222	\$4,176,107
2010	July	\$330,450	\$3,000	\$333,450	73,134	92,757	\$141,667	\$178	\$5,225	\$312,961	\$20,489	\$4,196,596
2010	August	\$328,760	\$3,000	\$331,760	71,950	93,823	\$141,667	\$178	\$5,225	\$312,843	\$18,917	\$4,215,513
2010	September	\$327,070	\$3,000	\$330,070	70,766	94,888	\$141,667	\$178	\$5,225	\$312,724	\$17,346	\$4,232,859
2010	October	\$325,380	\$3,000	\$328,380	69,581	95,954	\$141,667	\$178	\$5,225	\$312,605	\$15,775	\$4,248,634
2010	November	\$323,690	\$3,000	\$326,690	68,397	97,020	\$141,667	\$178	\$5,225	\$312,487	\$14,203	\$4,262,837
2010	December	\$322,000	\$3,000	\$325,000	67,212	98,086	\$141,667	\$178	\$5,225	\$312,368	\$12,632	\$4,275,469
2011	January	\$320,310	\$3,000	\$323,310	66,028	99,151	\$141,667	\$178	\$5,225	\$312,249	\$11,061	\$4,286,530
2011	February	\$318,620	\$3,000	\$321,620	64,844	100,217	\$141,667	\$178	\$5,225	\$312,131	\$9,489	\$4,296,019
Total		\$5,300,720	\$48,000	\$5,348,720	1,167,669	1,462,180	\$2,266,672	\$2,848	\$83,600	\$4,982,969	\$365,751	\$66,628,972

Attachment H(A)

**\$.12 Surcharge
Relay Missouri Fund Projections**

Year	Month	Revenues			Expenses						Net	Fund Balance
		Receipts	Interest	Total	Relay	CapTel	Equipment	Committee	State	Total		
2009	November	\$317,511	\$3,000	\$320,511	81,036	82,626	\$141,667	\$178	\$5,225	\$310,732	\$9,779	\$3,940,047
2009	December	\$315,951	\$3,000	\$318,951	79,874	83,672	\$141,667	\$178	\$5,225	\$310,616	\$8,335	\$3,948,382
2010	January	\$314,391	\$3,000	\$317,391	78,712	84,717	\$141,667	\$178	\$5,225	\$310,499	\$6,892	\$3,955,274
2010	February	\$312,831	\$3,000	\$315,831	77,551	85,763	\$141,667	\$178	\$5,225	\$310,384	\$5,447	\$3,960,721
2010	March	\$311,271	\$3,000	\$314,271	76,389	86,808	\$141,667	\$178	\$5,225	\$310,267	\$4,004	\$3,964,725
2010	April	\$309,711	\$3,000	\$312,711	75,227	87,854	\$141,667	\$178	\$5,225	\$310,151	\$2,560	\$3,967,285
2010	May	\$308,151	\$3,000	\$311,151	74,065	88,899	\$141,667	\$178	\$5,225	\$310,034	\$1,117	\$3,968,402
2010	June	\$306,591	\$3,000	\$309,591	72,903	89,945	\$141,667	\$178	\$5,225	\$309,918	-\$327	\$3,968,075
2010	July	\$305,031	\$3,000	\$308,031	73,134	92,757	\$141,667	\$178	\$5,225	\$312,961	-\$4,930	\$3,963,145
2010	August	\$303,471	\$3,000	\$306,471	71,950	93,823	\$141,667	\$178	\$5,225	\$312,843	-\$6,372	\$3,956,773
2010	September	\$301,911	\$3,000	\$304,911	70,766	94,888	\$141,667	\$178	\$5,225	\$312,724	-\$7,813	\$3,948,960
2010	October	\$300,351	\$3,000	\$303,351	69,581	95,954	\$141,667	\$178	\$5,225	\$312,605	-\$9,254	\$3,939,706
2010	November	\$298,791	\$3,000	\$301,791	68,397	97,020	\$141,667	\$178	\$5,225	\$312,487	-\$10,696	\$3,929,010
2010	December	\$297,231	\$3,000	\$300,231	67,212	98,086	\$141,667	\$178	\$5,225	\$312,368	-\$12,137	\$3,916,873
2011	January	\$295,671	\$3,000	\$298,671	66,028	99,151	\$141,667	\$178	\$5,225	\$312,249	-\$13,578	\$3,903,295
2011	February	\$294,111	\$3,000	\$297,111	64,844	100,217	\$141,667	\$178	\$5,225	\$312,131	-\$15,020	\$3,888,275
Total		\$4,892,976	\$48,000	\$4,940,976	1,167,669	1,462,180	\$2,266,672	\$2,848	\$83,600	\$4,982,969	-\$41,993	\$63,118,948

**\$.11 Surcharge
Relay Missouri Fund Projections**

Year	Month	Revenues			Expenses						Net	Fund Balance
		Receipts	Interest	Total	Relay	CapTel	Equipment	Committee	State	Total		
2009	November	\$291,052	\$3,000	\$294,052	81,036	82,626	\$141,667	\$178	\$5,225	\$310,732	-\$16,680	\$3,913,588
2009	December	\$289,622	\$3,000	\$292,622	79,874	83,672	\$141,667	\$178	\$5,225	\$310,616	-\$17,994	\$3,895,594
2010	January	\$288,192	\$3,000	\$291,192	78,712	84,717	\$141,667	\$178	\$5,225	\$310,499	-\$19,307	\$3,876,287
2010	February	\$286,762	\$3,000	\$289,762	77,551	85,763	\$141,667	\$178	\$5,225	\$310,384	-\$20,622	\$3,855,665
2010	March	\$285,332	\$3,000	\$288,332	76,389	86,808	\$141,667	\$178	\$5,225	\$310,267	-\$21,935	\$3,833,730
2010	April	\$283,902	\$3,000	\$286,902	75,227	87,854	\$141,667	\$178	\$5,225	\$310,151	-\$23,249	\$3,810,481
2010	May	\$282,472	\$3,000	\$285,472	74,065	88,899	\$141,667	\$178	\$5,225	\$310,034	-\$24,562	\$3,785,919
2010	June	\$281,042	\$3,000	\$284,042	72,903	89,945	\$141,667	\$178	\$5,225	\$309,918	-\$25,876	\$3,760,043
2010	July	\$279,612	\$3,000	\$282,612	73,134	92,757	\$141,667	\$178	\$5,225	\$312,961	-\$30,349	\$3,729,694
2010	August	\$278,182	\$3,000	\$281,182	71,950	93,823	\$141,667	\$178	\$5,225	\$312,843	-\$31,661	\$3,698,033
2010	September	\$276,752	\$3,000	\$279,752	70,766	94,888	\$141,667	\$178	\$5,225	\$312,724	-\$32,972	\$3,665,061
2010	October	\$275,322	\$3,000	\$278,322	69,581	95,954	\$141,667	\$178	\$5,225	\$312,605	-\$34,283	\$3,630,778
2010	November	\$273,892	\$3,000	\$276,892	68,397	97,020	\$141,667	\$178	\$5,225	\$312,487	-\$35,595	\$3,595,183
2010	December	\$272,462	\$3,000	\$275,462	67,212	98,086	\$141,667	\$178	\$5,225	\$312,368	-\$36,906	\$3,558,277
2011	January	\$271,032	\$3,000	\$274,032	66,028	99,151	\$141,667	\$178	\$5,225	\$312,249	-\$38,217	\$3,520,060
2011	February	\$269,602	\$3,000	\$272,602	64,844	100,217	\$141,667	\$178	\$5,225	\$312,131	-\$39,529	\$3,480,531
Total		\$4,485,232	\$48,000	\$4,533,232	1,167,669	1,462,180	\$2,266,672	\$2,848	\$83,600	\$4,982,969	-\$449,737	\$59,608,924

**\$.10 Surcharge
Relay Missouri Fund Projections**

Year	Month	Revenues			Expenses						Net	Fund Balance
		Receipts	Interest	Total	Relay	CapTel	Equipment	Committee	State	Total		
2009	November	\$264,592	\$3,000	\$267,592	81,036	82,626	\$141,667	\$178	\$5,225	\$310,732	-\$43,140	\$3,887,128
2009	December	\$263,292	\$3,000	\$266,292	79,874	83,672	\$141,667	\$178	\$5,225	\$310,616	-\$44,324	\$3,842,804
2010	January	\$261,992	\$3,000	\$264,992	78,712	84,717	\$141,667	\$178	\$5,225	\$310,499	-\$45,507	\$3,797,297
2010	February	\$260,692	\$3,000	\$263,692	77,551	85,763	\$141,667	\$178	\$5,225	\$310,384	-\$46,692	\$3,750,605
2010	March	\$259,392	\$3,000	\$262,392	76,389	86,808	\$141,667	\$178	\$5,225	\$310,267	-\$47,875	\$3,702,730
2010	April	\$258,092	\$3,000	\$261,092	75,227	87,854	\$141,667	\$178	\$5,225	\$310,151	-\$49,059	\$3,653,671
2010	May	\$256,792	\$3,000	\$259,792	74,065	88,899	\$141,667	\$178	\$5,225	\$310,034	-\$50,242	\$3,603,429
2010	June	\$255,492	\$3,000	\$258,492	72,903	89,945	\$141,667	\$178	\$5,225	\$309,918	-\$51,426	\$3,552,003
2010	July	\$254,192	\$3,000	\$257,192	73,134	92,757	\$141,667	\$178	\$5,225	\$312,961	-\$55,769	\$3,496,234
2010	August	\$252,892	\$3,000	\$255,892	71,950	93,823	\$141,667	\$178	\$5,225	\$312,843	-\$56,951	\$3,439,283
2010	September	\$251,592	\$3,000	\$254,592	70,766	94,888	\$141,667	\$178	\$5,225	\$312,724	-\$58,132	\$3,381,151
2010	October	\$250,292	\$3,000	\$253,292	69,581	95,954	\$141,667	\$178	\$5,225	\$312,605	-\$59,313	\$3,321,838
2010	November	\$248,992	\$3,000	\$251,992	68,397	97,020	\$141,667	\$178	\$5,225	\$312,487	-\$60,495	\$3,261,343
2010	December	\$247,692	\$3,000	\$250,692	67,212	98,086	\$141,667	\$178	\$5,225	\$312,368	-\$61,676	\$3,199,667
2011	January	\$246,392	\$3,000	\$249,392	66,028	99,151	\$141,667	\$178	\$5,225	\$312,249	-\$62,857	\$3,136,810
2011	February	\$245,092	\$3,000	\$248,092	64,844	100,217	\$141,667	\$178	\$5,225	\$312,131	-\$64,039	\$3,072,771
Total		4,077,472	48,000	4,125,472	1,167,669	1,462,180	2,266,672	2,848	83,600	4,982,969	-857,497	56,098,764

**\$.09 Surcharge
Relay Missouri Fund Projections**

Year	Month	Revenues			Expenses						Net	Fund Balance
		Receipts	Interest	Total	Relay	CapTel	Equipment	Committed	State	Total		
2009	November	\$238,133	\$3,000	\$241,133	81,036	82,626	\$141,667	\$178	\$5,225	\$310,732	-\$69,599	\$3,860,669
2009	December	\$236,963	\$3,000	\$239,963	79,874	83,672	\$141,667	\$178	\$5,225	\$310,616	-\$70,653	\$3,790,016
2010	January	\$235,793	\$3,000	\$238,793	78,712	84,717	\$141,667	\$178	\$5,225	\$310,499	-\$71,706	\$3,718,310
2010	February	\$234,623	\$3,000	\$237,623	77,551	85,763	\$141,667	\$178	\$5,225	\$310,384	-\$72,761	\$3,645,549
2010	March	\$233,453	\$3,000	\$236,453	76,389	86,808	\$141,667	\$178	\$5,225	\$310,267	-\$73,814	\$3,571,735
2010	April	\$232,283	\$3,000	\$235,283	75,227	87,854	\$141,667	\$178	\$5,225	\$310,151	-\$74,868	\$3,496,867
2010	May	\$231,113	\$3,000	\$234,113	74,065	88,899	\$141,667	\$178	\$5,225	\$310,034	-\$75,921	\$3,420,946
2010	June	\$229,943	\$3,000	\$232,943	72,903	89,945	\$141,667	\$178	\$5,225	\$309,918	-\$76,975	\$3,343,971
2010	July	\$228,773	\$3,000	\$231,773	73,134	92,757	\$141,667	\$178	\$5,225	\$312,961	-\$81,188	\$3,262,783
2010	August	\$227,603	\$3,000	\$230,603	71,950	93,823	\$141,667	\$178	\$5,225	\$312,843	-\$82,240	\$3,180,543
2010	September	\$226,433	\$3,000	\$229,433	70,766	94,888	\$141,667	\$178	\$5,225	\$312,724	-\$83,291	\$3,097,252
2010	October	\$225,263	\$3,000	\$228,263	69,581	95,954	\$141,667	\$178	\$5,225	\$312,605	-\$84,342	\$3,012,910
2010	November	\$224,093	\$3,000	\$227,093	68,397	97,020	\$141,667	\$178	\$5,225	\$312,487	-\$85,394	\$2,927,516
2010	December	\$222,923	\$3,000	\$225,923	67,212	98,086	\$141,667	\$178	\$5,225	\$312,368	-\$86,445	\$2,841,071
2011	January	\$221,753	\$3,000	\$224,753	66,028	99,151	\$141,667	\$178	\$5,225	\$312,249	-\$87,496	\$2,753,575
2011	February	\$220,583	\$3,000	\$223,583	64,844	100,217	\$141,667	\$178	\$5,225	\$312,131	-\$88,548	\$2,665,027
Total		\$3,669,728	\$48,000	\$3,717,728	1,167,669	1,462,180	\$2,266,672	\$2,848	\$83,600	\$4,982,969	-\$1,265,241	\$52,588,740

**\$.08 Surcharge
Relay Missouri Fund Projections**

Year	Month	Revenues			Expenses						Net	Fund Balance
		Receipts	Interest	Total	Relay	CapTel	Equipment	Committed	State	Total		
2009	November	\$211,674	\$3,000	\$214,674	81,036	82,626	\$141,667	\$178	\$5,225	\$310,732	-\$96,058	\$3,834,210
2009	December	\$210,634	\$3,000	\$213,634	79,874	83,672	\$141,667	\$178	\$5,225	\$310,616	-\$96,982	\$3,737,228
2010	January	\$209,594	\$3,000	\$212,594	78,712	84,717	\$141,667	\$178	\$5,225	\$310,499	-\$97,905	\$3,639,323
2010	February	\$208,554	\$3,000	\$211,554	77,551	85,763	\$141,667	\$178	\$5,225	\$310,384	-\$98,830	\$3,540,493
2010	March	\$207,514	\$3,000	\$210,514	76,389	86,808	\$141,667	\$178	\$5,225	\$310,267	-\$99,753	\$3,440,740
2010	April	\$206,474	\$3,000	\$209,474	75,227	87,854	\$141,667	\$178	\$5,225	\$310,151	-\$100,677	\$3,340,063
2010	May	\$205,434	\$3,000	\$208,434	74,065	88,899	\$141,667	\$178	\$5,225	\$310,034	-\$101,600	\$3,238,463
2010	June	\$204,394	\$3,000	\$207,394	72,903	89,945	\$141,667	\$178	\$5,225	\$309,918	-\$102,524	\$3,135,939
2010	July	\$203,354	\$3,000	\$206,354	73,134	92,757	\$141,667	\$178	\$5,225	\$312,961	-\$106,607	\$3,029,332
2010	August	\$202,314	\$3,000	\$205,314	71,950	93,823	\$141,667	\$178	\$5,225	\$312,843	-\$107,529	\$2,921,803
2010	September	\$201,274	\$3,000	\$204,274	70,766	94,888	\$141,667	\$178	\$5,225	\$312,724	-\$108,450	\$2,813,353
2010	October	\$200,234	\$3,000	\$203,234	69,581	95,954	\$141,667	\$178	\$5,225	\$312,605	-\$109,371	\$2,703,982
2010	November	\$199,194	\$3,000	\$202,194	68,397	97,020	\$141,667	\$178	\$5,225	\$312,487	-\$110,293	\$2,593,689
2010	December	\$198,154	\$3,000	\$201,154	67,212	98,086	\$141,667	\$178	\$5,225	\$312,368	-\$111,214	\$2,482,475
2011	January	\$197,114	\$3,000	\$200,114	66,028	99,151	\$141,667	\$178	\$5,225	\$312,249	-\$112,135	\$2,370,340
2011	February	\$196,074	\$3,000	\$199,074	64,844	100,217	\$141,667	\$178	\$5,225	\$312,131	-\$113,057	\$2,257,283
Total		\$3,261,984	\$48,000	\$3,309,984	1,167,669	1,462,180	\$2,266,672	\$2,848	\$83,600	\$4,982,969	-\$1,672,985	\$49,078,716

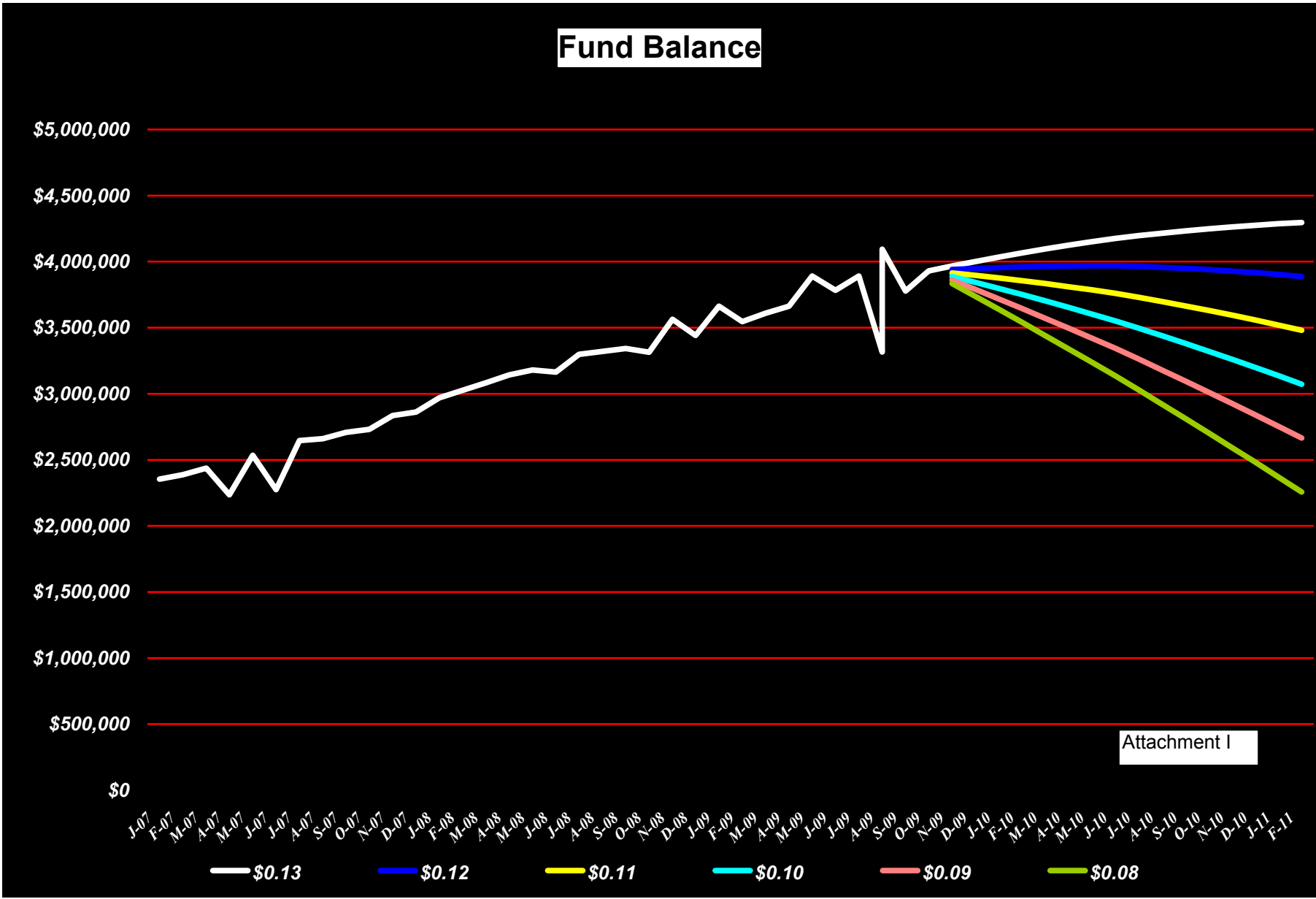
Fund Balance

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\$4,500,000
\$4,000,000
\$3,500,000
\$3,000,000
\$2,500,000
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J-07 F-07 M-07 A-07 M-07 J-07 J-07 A-07 S-07 O-07 N-07 D-07 J-08 F-08 M-08 A-08 M-08 J-08 J-08 A-08 S-08 O-08 N-08 D-08 J-09 F-09 M-09 A-09 M-09 J-09 J-09 A-09 S-09 O-09 N-09 D-09 J-10 F-10 M-10 A-10 M-10 J-10 J-10 A-10 S-10 O-10 N-10 D-10 J-11 F-11

— \$0.13 — \$0.12 — \$0.11 — \$0.10 — \$0.09 — \$0.08

Attachment I



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

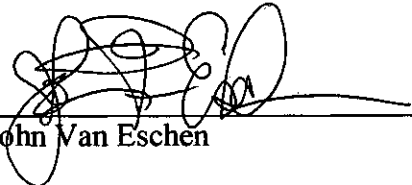
In the Matter of the Review of the Deaf)
Relay Service and Equipment Distribution)
Fund Surcharge)

Case No. TO-2009-0042

AFFIDAVIT OF John Van Eschen

STATE OF MISSOURI)
) ss:
COUNTY OF COLE)

John Van Eschen, employee of the Missouri Public Service Commission, being of lawful age and after being duly sworn, states that he has participated in preparing the accompanying memorandum and exhibits and that the facts therein are true and correct to the best of his knowledge and belief.



John Van Eschen

Subscribed and affirmed before me this 21st day of January ²⁰¹⁰~~2009~~ ^{ALS}.



SUSAN L. SUNDERMEYER
My Commission Expires
September 21, 2010
Callaway County
Commission #06942086



NOTARY PUBLIC

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

In the Matter of the Review of the Deaf)
Relay Service and Equipment Distribution)
Fund Surcharge)

Case No. TO-2009-0042

AFFIDAVIT OF Dana Parish

STATE OF MISSOURI)
) ss:
COUNTY OF COLE)

Dana Parish, employee of the Missouri Public Service Commission, being of lawful age and after being duly sworn, states that he has participated in preparing the accompanying memorandum and exhibits and that the facts therein are true and correct to the best of his knowledge and belief.



Dana Parish

Subscribed and affirmed before me this 21st day of January 2010.



SUSAN L. SUNDERMEYER
My Commission Expires
September 21, 2010
Callaway County
Commission #06942086



NOTARY PUBLIC