

BEFORE THE MINNESOTA PUBLIC UTILITIES COMMISSION

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Chair
Commissioner
Commissioner
Commissioner
Commissioner

In the Matter of the Telephone Assistance Plan
Annual Review

ISSUE DATE: August 31, 2015

DOCKET NO. P-999/CI-15-535

ORDER ACCEPTING TAP
REPORTS, RETAINING CURRENT
BENEFIT AND SURCHARGE
LEVELS, AND SETTING
SCHEDULE FOR FUTURE ACTION

PROCEDURAL HISTORY

Under Minn. Stat. §§ 237.69–71, the Commission is the coordinator of the Telephone Assistance Plan (TAP), a program that provides monthly bill credits to low-income telephone subscribers. The bill credits are funded by a monthly surcharge on every access line in the state.

Local service providers collect the surcharges, remit them to the TAP Fund (which is held by the Department of Public Safety), and apply the credits to the bills of TAP participants. The TAP Fund reimburses the service providers for the cost of the credits and for reasonable administrative costs; the Commission is in charge of the reimbursement process, including collecting and auditing data from the service providers.¹

The Commission is also charged with determining both the amount of the credits and the amount of the surcharge, subject to statutory maximums.² Currently, the monthly credit is set at \$3.50 and the monthly surcharge at \$0.03. Commission rules require it to examine credit and surcharge levels at least annually³ and authorize it to adjust those levels at any point on 30 days' notice.⁴

On August 20, 2015, the Commission met to consider the local service providers' 2014 annual TAP reports, filed under Minn. R. 7817.0900, subp. 4, and to consider adjusting TAP credit levels or surcharge levels.

FINDINGS AND CONCLUSIONS

The Commission's TAP Administrator submitted both provider-specific and industry-aggregate

¹ Minn. Stat. § 237.70, subd. 7 (d) (3) and (5).

² Minn. Stat. § 237.70, subd. 7 (d) (1) and (2).

³ Minn. R. 7817.0500.

⁴ Minn. R. 7817.0700.

data covering all local service providers, showing numbers of TAP enrollees, numbers of access lines, surcharge collections, credits granted, credits reimbursed, and administrative expenses reimbursed. The Administrator reported no service providers out of compliance with statutory or rule requirements and reported a TAP Fund end-of-year (calendar year 2014) balance of \$1,539,468

That end-of-year balance, plus ongoing surcharge collections, would provide an operating reserve and cover TAP credits and related costs through 2015 and the first half of 2016, assuming no change in relevant factors. Relevant factors could change, however—for example, the numbers of TAP enrollees and access lines do change over time. The Commission will therefore set a schedule to monitor and reexamine these issues before the end of the calendar year, to protect against both over- and under-collection of the TAP surcharge and to ensure the uninterrupted provision of TAP credits.

The Commission’s in-house TAP Administrator will file her six-month updated report on September 1. The Commission will immediately solicit comments on TAP surcharge and credit levels from interested parties, due October 1; will meet to reexamine all TAP issues on or about November 12; and will implement any changes in surcharge or credit levels during or after the January 1, 2016 billing cycle.

The Commission will delegate to the Executive Secretary the authority to revise these timelines as necessary to accommodate operational needs.

ORDER

1. The Commission accepts the 2014 TAP reports filed by all local service providers.
2. The TAP bill credit and access-line surcharge shall remain at present levels at this time.
3. The Commission will reexamine TAP bill-credit and surcharge issues under the schedule set forth above.
4. The Commission delegates to the Executive Secretary the authority to revise the schedule set forth above to accommodate operational needs.
5. This order shall become effective immediately.

BY ORDER OF THE COMMISSION



Daniel P. Wolf
Executive Secretary

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