

NOTICE OF
PROPOSED RULE AMENDMENT

- The agency identified below in box 1 provides notice of proposed rule change pursuant to Utah Code Section 63G-3-301.
- Please address questions regarding information on this notice to the agency.
- The full text of all rule filings is published in the Utah State Bulletin unless excluded because of space constraints.
- The full text of all rule filings may also be inspected at the Office of Administrative Rules.

Rule Information

DAR file no: _____ Date filed: _____
 State Admin Rule Filing Key: 160987
 Utah Admin. Code ref. (R no.): R746-8-301

Agency Information

1. Agency: PUBLIC SERVICE COMMISSION - Administration
 Room no.: _____
 Building: HEBER M WELLS BLDG
 Street address 1: 160 E 300 S
 Street address 2: _____
 City, state, zip: SALT LAKE CITY UT 84111-2316
 Mailing address 1: PO BOX 45585
 Mailing address 2: _____
 City, state, zip: SALT LAKE CITY UT 84111-5585

Contact person(s):

Name:	Phone:	Fax:	E-mail:	Remove:
Sheri Bintz	801-530-6714	801-530-6796	sbintz@utah.gov	<input type="checkbox"/>
Michael Hammer	801-530-6729		michaelhammer@utah.gov	<input type="checkbox"/>

(Interested persons may inspect this filing at the above address or at DAR during business hours)

Rule Title

2. Title of rule or section (catchline):
 Calculation and Application of UUSF Surcharge.

Notice Type

3. Type of notice: Amendment

Rule Purpose

4. Purpose of the rule or reason for the change:

This change increases the monthly UUSF surcharge from \$0.36 to \$0.60 per access line. Senate bill 130, Universal Service Fund Amendments (2017 GS) (“S.B. 130”) expanded the scope of services eligible for disbursements from the Utah Universal Service Fund (“UUSF”) along with other changes to the UUSF that resulted in a significant increase in disbursements from the UUSF. These increased costs result in a monthly deficit with contributions set at the extant \$0.36 rate. The \$0.24 increase to \$0.60 is necessary to match monthly inflows with legislatively mandated outflows and to maintain a responsible account balance consistent with legislative goals. The need for this surcharge increase to accommodate the changes from S.B. 130 has been apparent for several months, and the PSC has actively been soliciting stakeholder input prior to filing this rule amendment. All of that stakeholder input is available at this link from the PSC website: <https://psc.utah.gov/2018/10/09/docket-no-18-999-15/>

Response Information

5. This change is a response to comments by the Administrative Rules Review Committee.

No Yes

Rule Summary

6. Summary of the rule or change:

The amendment increases the monthly UUSF surcharge from \$0.36 to \$0.60 per access line. The amendment makes only three textual edits, revising the rule’s three references to the \$0.36 surcharge to reflect the new \$0.60 surcharge. As explained in response to Item 4, the increase in the surcharge is necessary to match monthly contributions to the UUSF with the increased monthly disbursements stemming from changes S.B. 130 made to the UUSF program. The PSC anticipates making this rule amendment effective on May 1, 2019.

Aggregate Cost Information

7. Aggregate anticipated cost or savings to:

A) State budget:

Affected: No Yes

Not affected, except to the extent state agencies are billed for access lines and will pay the increased surcharge. The PSC and the Division of Public Utilities have been administering the UUSF for many years and have the budget to continue doing so. The change in the surcharge amount will not have a fiscal impact on the state budget.

B) Local government:

Affected: No Yes

Not affected, except to the extent local governments are billed for access lines and will pay the increased surcharge. Local governments are not required to comply with or enforce the rules through which the UUSF is funded. No fiscal impact to local government is anticipated.

C) Small businesses:

Affected: No Yes

("small business" means a business employing fewer than 50 persons)

Affected. Small businesses that provide access lines will be required to make minor adjustments to their billing in order to collect the increased surcharge. However, such costs should be nominal insofar as such small businesses are presently collecting the monthly surcharge. That is, the mechanisms for collecting the surcharge should already be in place and the amendment should only require a simple adjustment to the amount the mechanism collects. The PSC anticipates the change will not impose a meaningful fiscal burden on such businesses. Additionally, small businesses that are billed for access lines will, like all other customers, be subject to the increased surcharge as explained in greater detail under 7(D).

D) Persons other than small businesses, businesses, or local government entities:

Affected: No Yes

("person" means any individual, partnership, corporation, association, governmental entity, or public or private organization of any character other than an agency)

Affected. All customers who are billed for an access line presently pay \$0.36 per month per access line for the UUSF surcharge. Under the new \$0.60 rate, all such customers will pay \$0.24 more per month per access line. Presently, an average of 3,084,787 access lines are assessed the surcharge every month. At the current rate, this results in approximately \$1,110,523 being collected from such customers to fund the UUSF on a monthly basis. Under the new rate, these customers will cumulatively pay approximately \$1,850,872 per month, generating approximately \$740,349 more than the current rate to fund the UUSF. The PSC presently does not have access to the commercially sensitive information that would be necessary to determine what portion of the access lines paying the surcharge are small businesses, larger businesses, or individuals. However, the increase should affect all customers and customer classes equally on a per access line basis.

Compliance Cost Information

8. Compliance costs for affected persons:

Compliance costs for affected persons. To comply, affected persons must increase the amount they presently collect from their customers for the UUSF surcharge. The associated costs will vary and cannot be precisely anticipated, but the PSC expects they will be nominal because affected persons should already have mechanisms in place to collect the monthly surcharge on an access line basis. Additionally, as discussed under 7(D), all customers will incur an increased cost of \$0.24 per month per access line to which they subscribe.

Department Head Comments

9. A) Comments by the department head on the fiscal impact the rule may have on businesses:

As stated in 7(C), small businesses that collect from their customers and remit to the PSC a monthly per-connection UUSF surcharge will need to adjust the amount they presently collect, which should have a nominal fiscal impact because the mechanisms to collect the surcharge are already required under the existing rule. Small businesses that pay for access lines will, like all customers, pay \$0.24 more per month per access line. While the PSC has projected the total increased costs this will impose on customers who pay for access lines to be approximately \$740,349 per month, the PSC cannot presently determine what portion of this total will be paid by small businesses as opposed to individual customers, larger businesses, or other forms of organization. The change will affect all customers equally on a per access line basis, but the PSC does not know what portion of the total access lines paying the surcharge are subscribed by small businesses. The need for this surcharge increase to accommodate the changes from S.B. 130 has been apparent for several months, and the PSC has actively been soliciting stakeholder input prior to filing this rule amendment. All of that stakeholder input is available at this link from the PSC website: <https://psc.utah.gov/2018/10/09/docket-no-18-999-15/>

B) Name and title of department head commenting on the fiscal impacts:

Thad LeVar, Commission Chair

Citation Information

10. This rule change is authorized or mandated by state law, and implements or interprets the following state and federal laws.

State code or constitution citations (required) (e.g., Section 63G-3-402; Subsection 63G-3-601(3); Article IV) :

54-8b-15, 54-3-1, 54-8b-10, 54-4-1

Incorporated Materials

11. This rule adds, updates, or removes the following title of materials incorporated by reference (a copy of materials incorporated by reference must be submitted to DAR; if none, leave blank) :

<p>Official Title of Materials Incorporated (from title page)</p> <p>Publisher</p> <p>Date Issued (mm/dd/yyyy)</p> <p>Issue, or version (including partial dates)</p>

ISBN Number
ISSN Number
Cost of Incorporated Reference
Adds, updates, removes-- SELECT ONE --

Comments

12. The public may submit written or oral comments to the agency identified in box 1. (The public may also request a hearing by submitting a written request to the agency. The agency is required to hold a hearing if it receives requests from ten interested persons or from an association having not fewer than ten members. Additionally, the request must be received by the agency not more than 15 days after the publication of this rule in the Utah State Bulletin. See Section 63G-3-302 and Rule R15-1 for more information.)

A) Comments will be accepted until 5:00 p.m. on (mm/dd/yyyy) : 04/15/2019

B) A public hearing (optional) will be held:

On (mm/dd/yyyy): At (hh:mm AM/PM): At (place):

Proposed Effective Date

13. This rule change may become effective on (mm/dd/yyyy): 04/22/2019

NOTE: The date above is the date on which this rule MAY become effective. It is NOT the effective date. After a minimum of seven days following the date designated in Box 12(A) above, the agency must submit a Notice of Effective Date to the Office of Administrative Rules to make this rule effective. Failure to submit a Notice of Effective Date will result in this rule lapsing and will require the agency to start the rulemaking process over.

Indexing Information

14. Indexing information - keywords (maximum of four, one term per field, in lower case, except for acronyms (e.g., "GRAMA") or proper nouns (e.g., "Medicaid")):
utah universal service fund, speech/hearing challenges, surcharges and disbursements, assistive devices and technology

File Information

15. Attach an RTF document containing the text of this rule change (filename):
There is a document associated with this rule filing.

To the Agency

Information requested on this form is required by Sections 63G-3-301, 302, 303, and 402. Incomplete forms will be returned to the agency for completion, possibly delaying publication in the Utah State Bulletin, and delaying the first possible effective date.

Agency Authorization

Agency head or designee, and Michael Hammer
title: Administrative Law Judge

Date (mm/dd/yyyy): 02/27/2019