

PUBLIC SERVICE COMMISSION/DEPARTMENT OF COMMERCE
DEPARTMENT OF COMMUNITY & CULTURE

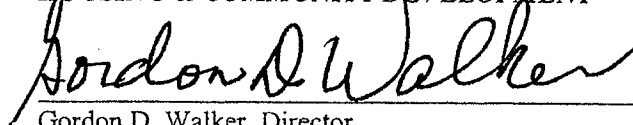


MEMORANDUM OF AGREEMENT

1. **PARTIES:** This agreement is between the **Utah Department of Community and Culture (DCC), Division of Housing & Community Development (DHCD)**, 324 South State, Suite 500, Salt Lake City, Utah 84111, referred to as DCC, the **Utah Public Service Commission (PSC)** and the **Utah Department of Commerce (DOC), Division of Public Utilities (DPU)**, 160 East 300 South, Salt Lake City, Utah 84111, hereinafter referred to as PSC/DPU
2. **PERIOD:** This agreement is effective *01 July 2009* until terminated or amended by either party in writing.
3. **COSTS AND METHOD OF PAYMENT:** The DCC shall be reimbursed by PSC/DPU up to **\$193,200** per year for actual costs for services rendered in behalf of the Utah Telephone Assistance (Lifeline) Program in accordance with Attachments A thru D. At the time that the Department of Workforce Services (DWS) implements automatic enrollment for Lifeline on its Food Stamp applications, the Division and DCC may revise the budget to include any unforeseen administrative and/or startup costs. The funding source is the Utah Universal Public Telecommunications Service Support Fund.
4. **ONE-YEAR CONTRACT REVIEW:** On July 1st of each fiscal year, the PSC/DPU and DCC shall jointly review the actual expenditures and activities, and set an expenditures cap for future contract periods.
5. **PURPOSE OF AGREEMENT:** Pursuant to Public Service Commission Rule R746-341 adopted by emergency rule-making on May 13, 1988 establishing a Utah Lifeline Telephone Assistance Program, PSC/DPU is contracting with DCC to provide funds for the services set forth in Attachment C.
6. **ATTACHMENTS INCLUDED AS PART OF THIS AGREEMENT:**
 - a. Attachment A -- Terms and Conditions.
 - b. Attachment B -- Components of the Utah Lifeline Telephone Program.
 - c. Attachment C -- Scope of Work, Services to be provided by DCC.
 - d. Attachment D -- Agreement Costs, Budget, and Fiscal Conditions.
7. **DOCUMENTS INCORPORATED INTO THIS AGREEMENT BY REFERENCE BUT NOT ATTACHED HERETO:**
 - a. All documents specified in any attachment to this agreement.
 - b. All other governmental laws, regulations or actions applicable to services provided herein.

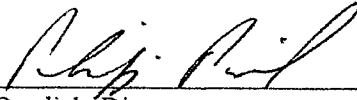
IN WITNESS WHEREOF, the parties sign and cause the agreement for actual costs for services rendered in behalf of the Lifeline program, effective as of 01 July 2009 to be executed:

**UTAH DEPARTMENT COMMUNITY & CULTURE, DIVISION OF
HOUSING & COMMUNITY DEVELOPMENT**



Gordon D. Walker, Director
Division of Housing & Community Development

**UTAH DEPARTMENT OF COMMERCE
DIVISION OF PUBLIC UTILITIES**



Philip J. Powlick, Director
Division of Public Utilities

UTAH PUBLIC SERVICE COMMISSION



Ted Boyer, Chairman
Utah Public Service Commission

BUDGET OFFICER



Julie Orchard, Commission Administrator
Utah Public Service Commission

ATTACHMENT A
TERMS AND CONDITIONS

1. **METHOD AND SOURCE OF PSC/DPU PAYMENT:** PSC/DPU agrees to reimburse the DCC in accordance with ATTACHMENT D within 30 days upon receipt of invoice from DCC.
2. **THE DEPARTMENT OF COMMUNITY & CULTURE, DIVISION OF HOUSING & COMMUNITY DEVELOPMENT,** shall be an independent contractor, and as such, shall have no authorization, express or implied, to bind the PUBLIC SERVICE COMMISSION and the DEPARTMENT OF COMMERCE, DIVISION OF PUBLIC UTILITIES to any agreements, settlements, liability, or understanding whatsoever, except as herein expressly set forth and agrees not to perform any acts as agent for PSC/DPU except as expressly set forth herein.
3. **RENEGOTIATIONS OR MODIFICATIONS:** This contract may be amended, modified, or supplemented only by written amendment to the contract, executed by the same persons or by persons holding the same position as persons who signed the original agreement on behalf of the parties hereto, and attached to the original signed copy of the contract.
4. **TERMINATION:** Unless otherwise stated in the Special Terms and Conditions, this contract may be terminated, with cause by either party, in advance of the specified termination date, upon written notice being given by the other party. The party in violation will be given ten (10) working days after notification to correct and cease the violations, after which the contract may be terminated for cause. This contract may be terminated without cause, in advance of the specified expiration date, by either party, upon 90 days prior written notice being given to the other party. On termination of this contract, all accounts and payments will be processed according to the financial arrangements set forth herein for approved services rendered to date of termination.
5. **AGREEMENT JURISDICTION:** The provisions of this Agreement shall be governed by the laws of the State of Utah.
6. **SEVARABILITY CLAUSE:** The declaration by any court or other binding legal source that any provision of this Agreement is illegal and void shall not affect the legality and enforceability of any other provisions of this Agreement unless said provisions are mutually dependent.
7. **INDEMNITY CLAUSE: (Government Entities):** Both parties are governmental entities under the "Utah Governmental Immunity Act," Title 63, Chapter 30, Utah Code annotated 1953, as amended. Consistent with the terms of this Act, it is mutually agreed that each party is responsible and liable for its own wrongful or negligent acts which it commits or which are committed by its agents, officials or employees. Neither party waives any defenses otherwise available under the Governmental Immunity Act.
8. **SERVICES:** DCC agrees to supply those services described in Attachment C.
9. **SAFEGUARDING OF CONSUMER INFORMATION:** The use or disclosure by any party of any information concerning a consumer for any purpose not directly connected with the administration of the Lifeline Program responsibilities with respect to services purchased under this Agreement is prohibited except on written consent of the client, his attorney, or his responsible parent or guardian.
10. **AUDIT OF RECORDS:** DCC agrees to allow PSC/DPU and Federal auditors, and PSC/DPU Agency Staff, access to all records pertaining to this contract, for audit and inspection, and monitoring of services provided. Such access will be during normal business hours, or by appointment.

ATTACHMENT B
COMPONENTS OF THE UTAH LIFELINE TELEPHONE ASSISTANCE PROGRAM

I. ELIGIBILITY REQUIREMENTS:

A. Program-Based Criteria: The ETC (Eligible Telecommunications Carrier) shall provide Lifeline telephone service to any applicant who self-certifies, under the penalty of perjury, the household members' eligibility for public assistance under one of the following or its successor programs:

1. Temporary Assistance to Needy Families (TANF)
2. Work Toward Employment
3. Food Stamps
4. General Assistance
5. Home Energy Assistance Target Programs/Help Program
6. Medicaid
7. Refugee Assistance
8. Supplemental Security Income
9. Federal Public Housing Assistance, including Section 8 Housing
10. National School Lunch Free Lunch Program
11. Head Start Program (income qualifying standard only)

B. Income-Based Criteria: The ETC shall provide Lifeline telephone service to any applicant who certifies via supporting documentation, under the penalty of perjury, income to be at or below 135% of the then applicable Federal Poverty Guidelines.

Eligibility is based on family size and actual income, therefore, the Lifeline customer must certify, under the penalty of perjury, the number of individuals residing in their household.

A Lifeline customer must certify, under the penalty of perjury, that the documentation presented accurately represents the applicant's annual household income. The following documents, or any combination of these documents, are acceptable for Lifeline certification:

1. Prior year's state, federal or tribal tax return
2. Current year to date earnings statement from an employer or 3 consecutive months of paycheck stubs
3. Social Security statement of benefits
4. Veterans Administration statement of benefits
5. Retirement/pension statement of benefits
6. Unemployment/Workmen's Compensation statement of benefits
7. Federal or tribal notice letter of participation in Bureau of Indian Affairs General Assistance
8. Divorce decree or child support wage assignment statement

II. CERTIFICATION:

A. Application: The application for participation will be supplied by the ETC or DCC and contain the following:

1. Applicant's name, current telephone number, and social security number
2. A request for Lifeline service
3. An affirmative statement that the applicant qualifies for Lifeline service

ATTACHMENT B, Continued

4. An affirmative statement, under the penalty of perjury, as to whether the person is participating in one of the eligible programs; or a statement, under the penalty of perjury, as to whether the person's income is at or below 135% of the Federal Poverty Guidelines
 - a. If qualified by income criteria, certification must be supported by the acceptable documentation listed above
5. A statement that if the applicant is later shown to have submitted a false self-certification for the Lifeline program, the applicant will be responsible to pay the difference between the Lifeline service rate and the otherwise applicable service rate
6. A statement whether this is a connection or a reconnection
7. The applicant's signature

B. Application Procedure: The applicants shall return the completed application to the eligible telecommunications carrier's office or directly to DCC. If the application is returned to the eligible telecommunication carrier, the carrier will forward certification to DCC.

ATTACHMENT C
LIFELINE SCOPE OF WORK

Services to be provided by the Division of Community and Culture (DCC)

I. OUTREACH:

1. DCC will make available and distribute, Lifeline Telephone Assistance applications and informational brochures.
2. DCC will mail information concerning Lifeline Telephone Assistance to public recipients upon request.
3. DCC will coordinate outreach efforts with ETCs, the Public Service Commission, and any other relevant government or non-profit agencies.

II. CERTIFICATION/VERIFICATION:

1. DCC will receive and retain income and program eligibility certification, including certification forms and supportable documentation, for as long as the eligible customer receives Lifeline service from an ETC.
 - a. If the application is returned to the ETC, the ETC will forward the application to DCC.
2. DCC will verify the continued eligibility of Lifeline customers under the program-based and income-based eligibility criteria.
 - a. DCC will use the previous year's Lifeline records to match against program participation. DCC will match this list with a computer record of cases currently receiving service under one of the eligible public assistance programs set forth in attachment B. Those cases that the computer shows currently receiving public assistance will continue on the Lifeline program.
 - b. DCC shall identify a method by which income eligibility will be verified on an annual basis including, but not limited to annual self-certification, random beneficiary audits, a periodic submission of income documents, or the continued eligibility of a statistically valid sample of Lifeline customers. This method will verify the portion of individuals that do not match on the state computer system as meeting program eligibility as listed in 2.a above.
 - c. DCC will identify a statistically valid sample of the records that did not match; and send a recertification letter to each of these Lifeline customers requesting proof of participation in any of the eligible programs listed in attachment B or documentation of eligibility under the income criteria listed in attachment B.
 - d. DCC shall notify any Lifeline customer who fails to supply proof of participation in one of the programs set forth in attachment B or documentation of income eligibility set forth in attachment B of intent to discontinue the customer's eligibility for the Lifeline service discount. The letter shall explain the appeals process:
 - i. Should the ETC have a reasonable basis to believe that a Lifeline customer no longer qualifies for Lifeline service, the ETC shall inform the DCC and explain the basis of its belief that a customer is no likely longer eligible for Lifeline discounts. The notice shall be in writing and shall be delivered to the DCC.
 - ii. The DCC will investigate the information and if it determines that the customer is likely not eligible for Lifeline discounts the DCC will notify the customer in writing that they must show they continue to be eligible or their participation in the Lifeline program will be discontinued.
 - iii. The notice must allow the customer at least 60 days to demonstrate continued eligibility consistent with the eligibility requirements set forth in attachment B. The customer's participation in the Lifeline program may not be discontinued

during this period. The notice shall also alert the customer of the option to continue local telephone service after termination of Lifeline benefits at the non-discounted rate.

- iv. If the customer fails to provide proof of continued eligibility as required, or if the DCC does not accept the customer's proof of continued eligibility, the DCC shall notify the customer in writing of its determination and intent to discontinue the customer's participation in the program. The notice shall also include instructions for filing an appeal of the determination.
 - v. The customer may appeal this decision within 10 days of the notification by filing a written notice of appeal with DCC or DPU. Lifeline benefits will continue pending an appeal of a non-eligibility decision.
 - vi. The appeal shall be addressed consistent in time and manner with the rules set forth by the Public Service Commission.
 - e. If the customer fails to file an appeal within the prescribed appeal period, or if the customer does not prevail on appeal, DCC will notify the applicable ETC that the customer is no longer eligible for the Lifeline service rate.
 - f. DCC will notify the respective ETC of any new Lifeline customers within a week of their approval by DCC for the Lifeline Program.
3. DCC will also notify the respective ETC of Lifeline customers who are no longer eligible for the Lifeline Program.

ATTACHMENT D
BUDGET AND FISCAL CONDITIONS

Payment will be made by PSC/DPU to DCC for services actually provided. Cost of said services shall be determined by an employee time study as well as actual charges for such things as mailing costs, forms printing, computer times, etc. Actual costs may vary within each line item. Total Costs shall not exceed \$193,200.

1. SERVICES: Services to be provided by DCC as defined in Attachment C.
2. METHOD OF PAYMENT: PSC/DPU shall make payment to DCC based on monthly and/or quarterly invoices submitted by DCC.

UTAH TELEPHONE ASSISTANCE (LIFELINE) PROGRAM BUDGET	
Item	Estimated Cost
Personnel Services	\$90,000
Travel	\$600
Current Expense:	
Advertising	\$15,000
Postage/Mailing	\$8,600
Printing	\$1,500
Data Processing	\$5,000
Telecommunication	\$1,000
Rent	\$4,900
Insurance & Bonds	\$400
Regional Offices Staffing	\$66,200
TOTAL	\$193,200