

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 and Subsection 53C-1-201(3)(c).
- 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.

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:
Sheri Bintz	801-530-6714	801-530-6796	sbintz@utah.gov
Jennie Jonsson	801-530-6763		jjonsson@utah.gov

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

Rule Information

DAR file no: 41644 Date filed: 05/15/2017 12:54 PM
 State Admin Rule Filing Key: 158856
 Utah Admin. Code ref. (R no.): R 746 - 360 - 4
 Changed to Admin. Code ref. (R no.): - -

Title

2. Title of rule or section (catchline):
 Application of Fund Surcharges to Customer Billings

Notice Type

3. Type of notice: Amendment

Rule Purpose

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

To comply with Senate Bill 130, which was passed during the 2017 General Legislative Session, and which requires that all telecommunications access lines be assessed for purposes of funding the Utah Universal Public Telecommunications Service Support Fund (UUSF)

Response Information

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

No

Rule Summary

6. Summary of the rule or change:

Through July 31, 2017, providers of access lines, as defined at Utah Code Subsection 54-8b-2(1), are required to remit to the Public Service Commission of Utah (PSC) 1.65% of their billed intrastate retail rates. As of August 1, 2017, providers of access lines are required to collect from their end-user customers a monthly surcharge of \$0.36 per access line and remit to the PSC at least 98.69% of the total monthly surcharge collections. In order to comply with federal law, the rule includes a mechanism whereby an end-user may be exempted from the per-connection surcharge on a showing that the end-user does not use the access line at issue to facilitate Utah intrastate telecommunications services.

Aggregate Cost Information

7. Aggregate anticipated cost or savings to:

A) State budget:

Affected: No

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 mechanism will not have a fiscal impact on the state budget.

B) Local government:

Affected: No

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: Yes

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

Small businesses that provide access lines will be required to adjust their billing in order to assess and remit a per-connection surcharge (as opposed to remitting a percentage of their revenues). To comply, these businesses might need to change or modify their billing software. All such costs were considered by the Legislature in determining to allow migration to a per-connection surcharge. Further, such costs will vary and cannot be estimated by the PSC. However, the PSC notes that most of the small businesses affected by this rule have historically assessed a per-connection surcharge in order to fund a program that provides telephony assistance to individuals who are deaf, hard of hearing, or severely speech challenged. Therefore, the PSC anticipates that, for the majority of affected businesses, the migration from a revenue-based remittance to a connection-based remittance will not pose a meaningful fiscal burden.

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

Affected: Yes

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

Customers of businesses that provide access lines will be charged \$0.36 per month per access line.

Compliance Cost Information

8. Compliance costs for affected persons:

To comply, affected persons must collect from their customers and remit to the PSC a monthly per-connection surcharge. Providers of access lines will need to obtain or modify billing software accordingly. The associated costs will vary and cannot be anticipated. However, where most providers have historically collected a per-connection surcharge to comply with other statutory requirements, it is anticipated that the associated costs will be minimal.

Department Head Comments

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

As stated in the rule analysis, the fiscal impact to businesses will result from IT programming or software that might be necessary in order to comply with a per-connection surcharge requirement rather than a revenue-based remittance requirement. It is anticipated that the conversion costs will be minimal and well within the regulatory budget of Utah's access line providers.

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

Thad LeVar, Public Service 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) :
54-4-1

54-3-1

54-8b-15

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) :

Official Title of Materials Incorporated (from title page):
Publisher:
Date Issued:
Issue, or version:
ISBN Number:
ISSN Number:
Cost of Incorporated Reference:
Adds, updates, removes:

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) :

07/03/2017

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):

07/10/2017

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, in lower case, except for acronyms (e.g., "GRAMA") or proper nouns (e.g., "Medicaid")):
- affordable base rate
 - public utilities
 - universal service fund
 - telecommunications

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 title:	Jennie Jonsson Administrative Law Judge	Date (mm/dd/yyyy): 05/12/2017
-------------------------------------	--	-------------------------------