

BEFORE THE PUBLIC SERVICE COMMISSION OF WYOMING

IN THE MATTER OF THE FUNDING)
REQUIREMENT AND PROPOSED)
ASSESSMENT FACTOR FOR THE)
JULY 2018 - JUNE 2019 FISCAL YEAR)
OF THE WYOMING UNIVERSAL)
SERVICE FUND)

Docket No. 90072-44-XO-18
(Record No. 14923)

NOTICE AND ORDER ESTABLISHING THE WYOMING UNIVERSAL SERVICE FUND
ASSESSMENT LEVEL ON AN INTERIM BASIS

(Issued May 7, 2018)

This matter is before the Wyoming Public Service Commission (Commission) to establish a Wyoming Universal Service Fund (WUSF or Fund) assessment level as required by W.S. § 37-15-501 and Chapter 5, Section 3(b) of the Commission's Rules. The Commission, having heard the presentation of the Fund Manager and receiving joint written comments from All West Communications Inc., Dubois Telephone Exchange Inc., Range Telephone Cooperative Inc., and Tri County Telephone Association Inc., (collectively the Independent Phone Companies) and having reviewed its files, the documents filed by the WUSF Manager, and all applicable law, FINDS and CONCLUDES:

1. This matter was initiated by the Commission, upon its own motion, on April 13, 2018, with the filing of a Report of the Wyoming Universal Service Fund Manager and Confidential Attachments. An Amended Report (Report) was issued on May 2, 2018, following the analysis of submitted comments as well as additional review of data submitted by telecommunications companies. The purpose of this proceeding is to establish a WUSF assessment level for the twelve-month period beginning July 1, 2018, pursuant to Chapter 5, Section 3(b) of the Commission's Rules.

2. The Fund Manager submitted the Report to the Commission, detailing the computation of an assessment level based upon the estimated amount of distributions to be paid from the WUSF as required pursuant to Chapter 5, Section 3(b) of the Commission's Rules. The Report presented amended calculations for distributions pursuant to W.S. § 37-15-501(d) utilizing the \$30.00 imputed price benchmark as outlined in W.S. § 37-15-501(h). The Report also presented amended calculations for distributions pursuant to W.S. § 37-15-501(g) to the extent that a telecommunications company's loop costs, as reflected in the company's most recent filing of unseparated loop costs filed with the Universal Service Administration Company, exceed the company's most recent annual Federal Universal Service Funds receipts and annual local revenues. The Report also included the amended amount of WUSF distribution for each telecommunications company qualified to receive WUSF support payments pursuant to W.S. § 37-15-501(d) and (g) and the proposed assessment level for the fiscal year beginning July 1, 2018, of 1.70 percent (1.70%). Calculations were made pursuant to Chapter 5, Section 6(e) of the Commission's Rules and W.S. § 37-15-501.

3. On April 27, 2018, the Commission received written comments from the

Independent Phone Companies regarding whether to include Connect American Mode Support (A-CAM) support mechanisms to calculate WUSF funding and distributions.

4. This matter came before the Commission at its duly noticed hearing on May 4, 2018. Lori Brand, Commission Counsel, Melisa Mizel, WUSF Manager, and Rachel Meeker, WUSF Analyst appeared. Ms. Mizel presented a summary of the Report to the Commission and stated the Report was submitted pursuant to Commission Rule Chapter 5, Section 3(b). Ms. Mizel calculated the statewide 130% benchmark rate of \$32.21 for the fiscal year beginning July 1, 2018, which is derived from the weighted statewide average for essential local exchange service price. Ms. Mizel stated that because this rate is within 10% of the \$30 imputed price benchmark, she did not recommend adjusting the imputed price benchmark at this time. Additionally, she calculated a 1.70% assessment level by analyzing the revenues generated from the current assessment, projected distributions pursuant to the amended WUSF statute, and administrative costs, while maintaining a reserve balance equal to three times the monthly distribution. Based on the calculations illustrated in the Report, Ms. Mizel recommended the WUSF assessment rate be increased from the previous year's rate of 1.40 (1.40%) to 1.70 percent (1.70%) for the plan year beginning July 1, 2018. Ms. Mizel recommended the payment of monthly WUSF support to 9 local exchange companies pursuant to W.S. § 37-15-501(d), and the payment of monthly WUSF support to four local exchange companies pursuant to W.S. § 37-15-501(g).

5. Liz Zerga, Counsel, on behalf of the Independent Phone Companies commented requesting that the Commission determine whether a Wyoming telecommunications company's receipt of federal A-CAM funding support in 2017, should be included in the Fund Manager's calculations as a "contribution from the federal universal service fund" pursuant to W.S. § 37-15-501(d) and Commission Rule Chapter 5, Section 1(c)(i), which may impact the distribution amounts from the Fund. She noted that while only two companies in Wyoming, Union Telephone Company, and Chugwater Telephone Company, currently have elected to receive federal A-CAM support funding, her clients and others may elect to do so in the future and the Commission's determination on this issue could be a factor influencing the election decision of each company and the overall operation of the Fund.

6. Jason Hendricks, Advanced Communications Technology, Inc. agreed with Ms. Zerga and offered to answer any questions the Commission may have regarding the issue of the application of A-CAM funding support.

7. Kristin Lee commented on behalf of CenturyLink, United, and CenturyTel, stating that she appreciated the Staff's amendment of the calculations and schedules affecting CenturyLink. She also supported the Commission's determination of the issue of the application of any A-CAM federal universal service support and its impact on the Fund.

8. At the conclusion of the hearing on May 4, 2018, the Commission deliberated and determined to utilize the Fund Manager's recommendations and the statewide imputed price benchmark of \$30.00 for the twelve-month period beginning July 1, 2018, on an interim basis.

9. As required by Chapter 5, Section 1 of the Commission's Rules, beginning July 1, 2018, telecommunications companies shall report and pay into the Fund proceeds from the 1.70%

assessment on their gross intrastate retail revenues in conjunction with the monthly and quarterly reporting requirements of Chapter 5, Section 3 of the Commission's Rules.

10. The Commission additionally determined to issue a Call for Comments regarding whether a Wyoming telecommunications company's receipt of federal A-CAM funding support in 2017, should be included in the Fund Manager's calculations as a "contribution from the federal universal service fund" pursuant to W.S. § 37-15-501(d) and Commission Rule Chapter 5, Section 1(c)(i).¹ The Commission will consider this matter at a public hearing in June following the end of the protest deadline and Comment period. The Commission's ultimate determination may cause an adjustment to this Interim Order, to the calculations utilized in the operation of the Fund, and to the assessment and distributions to qualified Wyoming telecommunications companies for the July 2018 - June 2019 Fiscal Year of the Wyoming Universal Service Fund.

11. The Commission directs that public notice in this matter be in the following form:

PUBLIC NOTICE

The Wyoming Public Service Commission has established the Wyoming Universal Service Fund assessment level, on an interim basis, to be effective for the twelve-month period beginning July 1, 2018, at 1.70 percent (1.70%) of gross intrastate retail revenues for telecommunications services. For the twelve-month period beginning July 1, 2018, the statewide imputed price benchmark of \$30.00 will be utilized, on an interim basis.

The Wyoming Universal Service Fund was established by the Wyoming Telecommunications Act. The Fund ensures that no Wyoming telecommunications customer is required to pay more than \$30.00, or approximately 130% of the historic statewide average price for essential telecommunications services.

You may review the publicly available portions of all documents relating to the Wyoming Universal Service Fund at the Commission's offices in Cheyenne during regular business hours. Customers desiring to compute the change in their expected monthly bill may contact their telecommunications provider or the Commission during regular business hours.

Anyone desiring to file a statement, intervention, protest or request for a contested case hearing in this matter must so file, in writing, with the Commission on or before June 6, 2018. The petition shall set forth the grounds of the proposed intervention or request for hearing and the position and interest of the petitioner in this proceeding. Please include a reference to Docket No. 90072-44-XO-18 (Record No. 14923) in your correspondence. If a request for a hearing is granted, an additional intervention period will be provided. If you wish to participate and require reasonable accommodation for a disability, call the Commission at (307) 777-7427 or write to them at 2515 Warren Avenue, Suite 300, Cheyenne, Wyoming 82002. Communications impaired persons may contact the Commission through Wyoming Relay at 711.

¹ On May 7, 2018, the Commission issued its Call for Comments regarding whether a Wyoming telecommunications company's receipt of federal A-CAM funding support in 2017 should be included in the Fund Manager's calculations as a "contribution from the federal universal service fund" pursuant to W.S. § 37-15-501(d) and Commission Rule Chapter 5, Section 1(c)(i), with a comment deadline of June 6, 2018 and a reply to comment deadline of June 16, 2018.

Dated: May 7, 2018

IT IS THEREFORE ORDERED:

1. Pursuant to Commission action taken on May 4, 2018, the Wyoming Universal Service Fund assessment level, effective for the twelve-month period beginning July 1, 2017, and on an interim basis, is established at 1.70 percent (1.70%) of gross intrastate retail telecommunications revenues, subject to notice, protest, opportunity for hearing, and further order as the Commission may deem necessary.

2. The above-described assessment level will be applicable to all telecommunications customer billings rendered on and after July 1, 2018.

3. The statewide imputed price benchmark is \$30.00 for the twelve-month period beginning July 1, 2018, on an interim basis.

4. As recommended in the Amended Fund Manager's Report, payment of monthly WUSF support to nine local exchange companies pursuant to W.S. § 37-15-501(d), and payment of monthly WUSF support to four local exchange companies pursuant to W.S. § 37-15-501(g), is authorized by the Commission.

5. This *Notice and Order Establishing the Wyoming Universal Service Fund Assessment Level on an Interim Basis* is effective immediately.

MADE and ENTERED at Cheyenne, Wyoming, this May 7, 2018.

PUBLIC SERVICE COMMISSION OF WYOMING

WILLIAM F. RUSSELL, Chairman

ROBIN SESSIONS COOLEY, Commissioner

(SEAL)
Attest:

LORI L. BRAND, Assistant Secretary