

DISCUSSION

Ordering paragraph 76 of D.94-09-065 directs the Executive Director to "notify all certificated telecommunications utilities that, beginning in 1995, they shall make a single annual filing on August 1 of each year, estimating revenues subject to the surcharges, for CACD to use in calculating the necessary surcharge percentage for each fund's revenue requirement." The initial period for which estimated revenues would be required is for the period January 1 to December 31, 1996. Both the DEAF Trust and the CHCF funds were established with fiscal years ended December 31 of each year, but the ULTS program was established with a fiscal year ending on June 30 of each year.

On August 1, 1995, the due date for the initial survey, the ULTS program was in the second month of its 1995-96 fiscal year. The survey data was not useful in determining a revenue estimate for the period July 1 to December 31, 1995. A revenue estimate was made, for the period July 1 to December 31, 1995, by computing a trend in actual surcharge collections for the period January 1 to June 30, 1995. A similar method was used to forecast claims against the ULTS fund for the period July 1 to December 31, 1995. These estimating methods are not reliable because they assume that the past trend indicates future trends in revenue collections and claims.

In order for the ULTS Trust to continue with a fiscal year ending on June 30, without conducting an additional revenue survey, the August 1 estimate of revenue survey data would have to be divided between the first and second six months of each year. Such a division would have to be performed for each survey of revenue for each subsequent year. Such a process would lack precision in the estimation of revenues subject to the ULTS surcharge. The lack of precision would lead to under or over collections of funds. Alternatively, the ULTS fund would have to conduct an additional revenue estimating survey each year.

A change of fiscal year will have no effect upon program administration except for the timing of the annual report and the filing of estimated claims on the trust. The change of fiscal year will require an initial long fiscal period of eighteen months as a transition period. After this interim period, all fiscal periods will coincide with a calendar year fiscal period. Audited financial data will cover the interim fiscal period. Of the alternatives, a change of fiscal year would be the simplest and least disruptive of the ULTS program.

FINDINGS

1. It is reasonable to change the fiscal period of the ULTS Trust from a Fiscal year ending on June 30 to one ending on December 31 of each year.
2. This change of fiscal year will neither increase or decrease the total of surcharges collected or disbursed by the fund.
3. The change of fiscal year will contribute to administrative efficiency and to the accuracy of the estimates and forecasts of the ULTS program.
4. To coincide with the revised fiscal period, the due dates of claims estimates, for the following fiscal year, which must be made by Local Exchange Companies (LECs) and others claiming on the ULTS Trust, will be changed from April 1 of each year to August 1 of each year. Annual reports must be filed by June 30 of each year.

THEREFORE, IT IS ORDERED that:

1. The Universal Lifeline Administrative Committee shall take all steps necessary to change the fiscal year of the ULTS Trust to one ending on December 31 of each year.
2. Estimates of claims on the ULTS trust, from LECs and other ULTS providers, for the following fiscal year must be filed on August 1 of each year. All future annual reports of the ULTS Trust are to be filed by June 30 of each year.
3. This resolution becomes effective today.

I hereby certify that this Resolution was adopted by the Public Utilities Commission at its regular meeting on March 13, 1996.

The following Commissioners approved it:


WESLEY M. FRANKLIN
Executive Director

DANIEL Wm. FESSLER
President
P. GREGORY CONLON
JESSIE J. KNIGHT, Jr.
HENRY M. DUQUE
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Commissioners