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OCT 30 2002

MATT BLUNT
Secretary of State
Administrative Rules Division
RULE TRANSMITTAL

SECRETARY OF STATE
ADMINISTRATIVE RULES

A "SEPARATE" rule transmittal sheet must be used for EACH individual rulemaking.

A. Rule Number 4 CSR 240-31.050

Diskette File Name MoUSF Rule 31.050 Amendment

Name of Person to call with questions about this rule:

Content Marc Poston Phone (573)751-8701 FAX (573)751-9285

Data Entry Natelle Dietrich Phone (573)751-7427 FAX (573)751-9285

Interagency Mailing Address Governor Office Building, 200 Madison Street, 8th Floor
Jefferson City, MO

Statutory Provision for Rulemaking

Authority §§ 392.200.2, 392.248 and 392.470.1. Provide Most Current RSMo Year 2000

Date Filed With the Joint Committee on Administrative Rules Not Applicable (Exempt pursuant To Section 536.037.3 RSMo 2000)

B. CHECK, IF INCLUDED:

FORMS, List by Mo-Form Number, # of Pages

☒ Cover Letter

☒ Affidavit

☒ Cost Statements

☐ Public Entity Fiscal Note

☒ Private Entity Fiscal Note

OTHER

C. RULEMAKING ACTION TO BE TAKEN

☐ Emergency Rulemaking, Must Specify Effective Date

☒ Proposed Rulemaking (New Rule or Amendment or Rescission of Existing Rule)

☐ Order of Rulemaking (MUST complete page 2 of this transmittal)

☐ Withdrawal (Rule, Amendment, Rescission or Emergency)

☐ Rule Action Notice

☐ In Addition

D. SPECIFIC INSTRUCTIONS: In this space indicate any special instructions (e.g., specify publication date preference, identify material incorporated by references, etc.)

RULE TRANSMITTAL (PAGE 2)

E. ORDER OF RULEMAKING: Rule Number N/A

1a. Effective Date for the Order
Statutory 30 days _____ or later specific date _____

1b. Does the Order of Rulemaking contain changes to the rule text?
YES _____ NO _____

1c. If the answer is YES, please complete section F. If the answer is NO, Stop here.

F. Please provide a complete list of the changes in the rule text for the order or rulemaking, indicating the specific section, subsection, subparagraph, part, etc., where each change is found.

(Start text here. If text continues to a third page, insert a continuous section break and, in section 3, delete the footer language that appears at the bottom of this page.)

NOTE: ALL changes MUST be specified here in order for those changes to be made in the rule as published in the *Missouri Register* and the *Code of State Regulations*.

Add additional sheet(s), if more space is needed.



Commissioners
KELVIN L. SIMMONS
Chair
CONNIE MURRAY
SHEILA LUMPE
STEVE GAW
BRYAN FORBIS

Missouri Public Service Commission

POST OFFICE BOX 360
JEFFERSON CITY, MISSOURI 65102
573-751-3234
573-751-1847 (Fax Number)
<http://www.psc.state.mo.us>

ROBERT J. QUINN, JR.
Executive Director
WESS A. HENDERSON
Director, Utility Operations
ROBERT SCHALLENBERG
Director, Utility Services
DONNA M. PRENGER
Director, Administration
DALE HARDY ROBERTS
Secretary/Chief Regulatory Law Judge
DANA K. JOYCE
General Counsel

October 30, 2002

Mr. Matt Blunt
Secretary of State

Administrative Rules Division
600 West Main Street
Jefferson City, MO 65101

Dear Secretary Blunt,

RE: 4 CSR 240-31.050 Eligibility for Funding – Low-Income and Disabled Customers

CERTIFICATION OF ADMINISTRATIVE RULE

I hereby certify that the attached is an accurate and complete copy of the proposed amendment lawfully submitted by the Missouri Public Service Commission for filing on this 30th day of October 2002.

The Missouri Public Service Commission has determined and hereby certifies that this proposed amendment will not have an economic impact on small businesses. The Missouri Public Service Commission also certifies that it has conducted an analysis of whether or not there has been a taking of real property pursuant to section 536.017 RSMo 2000 and that this proposed amendment does not constitute a taking of real property under relevant state and federal law.

Statutory Authority: Sections 392.200.2, 392.248 and 392.470.1 RSMo 2000.

If there are any questions, please contact:

Marc Poston, Senior Counsel
P.O. Box 360
Jefferson City, MO 65102
(573) 751-8701, FAX (573) 751-9285
marcposton@psc.state.mo.us

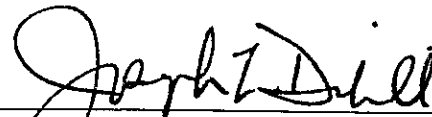
BY THE COMMISSION

Dale Hardy Roberts
Secretary/Chief Regulatory Law Judge

AFFIDAVIT

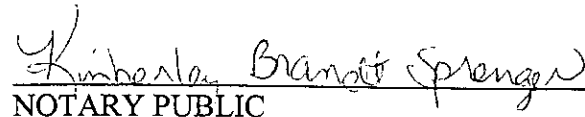
STATE OF MISSOURI)
)
COUNTY OF COLE)

I, Joseph L. Driskill, Director of the Department of Economic Development, first being duly sworn on my oath state that it is my opinion that the cost of Proposed Amendment 4 CSR 240-31.050 Eligibility for Funding—Low-Income Customers and Disabled Customers, is less than five hundred dollars in the aggregate to this agency, any other agency of state government or any political subdivision thereof.



Joseph L. Driskill
Director
Department of Economic Development

Subscribed and sworn to before me this 8th day of October,
2012. I am commissioned as a notary public within the County of Cole,
State of Missouri, and my commission expires on April 29, 2016.



NOTARY PUBLIC

KIMBERLEY BRANDT SPRENGER
NOTARY PUBLIC STATE OF MISSOURI
COLE COUNTY
MY COMMISSION EXP. APR. 29, 2016

Title 4—DEPARTMENT OF ECONOMIC DEVELOPMENT
Division 240--Public Service Commission
Chapter 31--Missouri Universal Service Fund

RECEIVED

OCT 30 2002

PROPOSED AMENDMENT

SECRETARY OF STATE
ADMINISTRATIVE RULES

4 CSR 240-31.050 Eligibility for Funding--Low-Income Customers and Disabled Customers. The commission is amending subsections (1), (3) and (4).

PURPOSE: This rule establishes the eligibility of telecommunications companies to receive support from the Missouri Universal Service Fund (MoUSF) for essential local telecommunications services provided to low-income and disabled customers, and the individual eligibility requirements for participation in the MoUSF by low-income and disabled customers.

(1) A telecommunications company shall be eligible to receive support to assist low-income customers and disabled customers if it--

- (A) Provides eligible low-income customers and disabled customers with essential local telecommunications services;
- (B) Provides such local telecommunications services which are identical to the telecommunication services required by the Federal Lifeline Program at the rate established by the commission for such customers; and
- (C) Is a telecommunications company providing telecommunications service as defined in 386.020(53), RSMo [Supp. 1997] 2000.

(2) Reporting Requirements.

- (A) Telecommunications companies meeting the criteria of section (1) above will report the number of low-income customers and disabled customers receiving discounted services supported by the Missouri Universal Service Fund (MoUSF) to the Fund Administrator on a monthly basis; and
- (B) The eligible telecommunications companies shall maintain a record of low-income customers and disabled customers receiving discounted services supported by the MoUSF by reporting period.

(3) Individual Eligibility.

- (A) Individuals will be eligible to receive essential local telecommunications service as established by the commission for low-income customers if they satisfy the definition of "low-income customer" found at 4 CSR 240-31.010(/8/9).
- (B) Individuals will be eligible to receive essential local telecommunications service as established by the commission for disabled customers if they satisfy the definition of "disabled customer" found at 4 CSR 240-31.010(/3/4).
- (C) Individuals will only be eligible to receive discounted services supported by either the low-income or disabled segment of the MoUSF for essential local telecommunications service provided to residential customers.
- (D) Customers who qualify for low income or disabled support shall certify in writing on an application designed for that purpose that they are eligible for the

programs. Such application shall require the applicant to certify under penalty of perjury that the consumer receives benefits from one of the qualifying programs and identify the program or programs from which that consumer receives benefits. On the same document, a qualifying low-income or disabled consumer also must agree to notify the carrier if that consumer ceases to participate in the program or programs. The companies shall rely upon this certification to provide the benefits under these programs until the customer advises the company that they are no longer qualified or until the company is advised by the Administrator that the customer may not be eligible.

(E) Any eligible customer submitting an application within sixty days of initiating service will be entitled to the applicable low-income or disabled discounts from the date of service initiation. If applicable, the company may provide either a refund or credit, as determined by the company. Any eligible customer submitting an application after sixty days of initiating service will begin receiving the appropriate discounts on a prospective basis.

(F) The Fund Administrator shall be authorized by the Board to conduct audits of individual self-certification using records that can be lawfully made available from the administrators of qualifying programs. If as a result of these audits, the Administrator determines that a recipient may not be eligible for low income or disabled support, the customer shall be required to verify eligibility for continuing to receive support pursuant to administrative procedures established by the Fund Administrator and approved by the Board.

(4) Determining participation for essential local telecommunications service: The amount of support provided by the MoUSF for services to low-income customers and disabled customers will be set at the level necessary pursuant to Federal Universal Service Fund rules to gain the maximum Federal Universal Service funding for services to such customers. **However, the amount of combined federal and state lifeline support for any customer will not exceed the sum of the federal Subscriber Line Charge (SLC) and the recurring charges for essential local telecommunications services (including the basic service rate, touch tone calling charge, extended area service additive, and mileage additives, if any).**

(5) The commission may grant a waiver of, or variance from, this provision or from any provision of 4 CSR 240-31.010 through 4 CSR 240-31.110 for good cause, upon request or upon its own motion. A party wishing to obtain a waiver or variance shall file an application with the commission setting out the reason for its request.

AUTHORITY: sections 392.200.2, 392.248 and 392.470.1, RSMo 2000.

** Original rule filed Aug. 15, 1997, effective April 30, 1998. Amended: Filed October 15, 2002. *Original authority: 392.200, RSMo 1939, amended 1987, 1988, 1996; 392.248, RSMo 1996; and 392.470.1, RSMo 1987.*

PUBLIC COST: This proposed amendment will not cost state agencies or political subdivisions more than \$500 in the aggregate.

PRIVATE COST: This proposed amendment will not cost private entities more than \$500 in the aggregate.

NOTICE TO SUBMIT COMMENTS AND NOTICE OF PUBLIC HEARING: Anyone may file a statement in support of or in opposition to this proposed amendment with the Missouri Public Service Commission, Dale Hardy Roberts, Secretary, P.O. Box 360, Jefferson City, MO 65102, (573) 751-3234. To be considered, comments must be received within thirty days after publication of this notice in the Missouri Register. Comments should refer to Case No. TX-2002-1026. If comments are submitted via a paper filing, an original and eight (8) copies of the comments are required. Comments may also be submitted via a filing using the Commission's electronic filing and information system at <<http://www.psc.state.mo.us/efis.asp>>. A public hearing is scheduled for January 22, 2003 at 10:00 a.m. in the Governor Office Building, 200 Madison Street, Jefferson City, Missouri, for interested persons to appear and respond to Commission questions. Any persons with special needs as addressed by the Americans with Disabilities Act should contact the Missouri Public Service Commission at least ten days prior to the hearing at one of the following numbers: Consumer Services Hotline 1-800-392-4211, or TDD Hotline 1-800-829-7541.

**FISCAL NOTE
PRIVATE ENTITY COST**

I. RULE NUMBER

Title: Missouri Department of Economic Development
Division: Missouri Public Service Commission
Chapter: Missouri Universal Service Fund
Type of Rulemaking: Revision
Rule Number and Name: 4 CSR 240-31.050 Eligibility for Funding – Low Income and Disabled Customers

II. SUMMARY OF FISCAL IMPACT

Estimate of the number of entities by class which would likely be affected by the adoption of the proposed rule:	Classification* by types of the business entities which would likely be affected:	Estimate in the aggregate as to the cost of compliance with the rule by the affected entities:
3	Class A Local Telephone Companies	\$0
39	Class B Local Telephone Companies	\$0
71	Class C Local Telephone Companies	\$0
551	Class Interexchange Companies	\$0
	All entities	\$0

* Class A Telephone Companies are incumbent local telephone companies with more than \$100,000,000 annual revenues system wide; Class B Telephone Companies are incumbent local telephone companies with \$100,000,000 annual revenues or less system wide; Class C Local Telephone Companies are all other companies certificated to provide basic local exchange telecommunications services, Class Interexchange Companies are long distance providers.

III. WORKSHEET

1. The proposed rule applies to all classes of telecommunications companies certificated by the Missouri Public Service Commission, and was developed by the Missouri Universal Service Fund Technical Committee.
2. The estimated number of entities affected by the proposed rule reflects the total number of companies certificated within Missouri that could provide service if tariffs are amended as outlined in the proposed rule.

IV. ASSUMPTIONS

1. The life of the rule is estimated to be five years.
2. Fiscal year 2002 dollars were used to estimate costs. No adjustment for inflation is applied.
3. Estimates assume no sudden change in technology that would influence costs.
4. Affected entities are assumed to be in compliance with all other Missouri Public Service Commission rules and regulations.
5. The universe of entities is based upon data contained within the Missouri Universal Service Fund Model as presented before the Commission in Case No. TO-98-329 and is assumed to remain constant.
6. The estimated impacts, as developed by the Missouri Universal Service Fund Technical Committee, assume that 15% of the access lines in the state are eligible to receive low income/disabled assistance and that 30% of those eligible would actually apply to draw the \$3.50 support amount from the fund.
7. No company participating in the Missouri Universal Service Fund Technical Committee Meetings specifically identified any burdensome company specific implementation costs for the Missouri Universal Service Fund and thus none are assumed in this fiscal note.
8. The estimated impacts do not include any costs for a verification or fraud detection process; the fund administrator and the MoUSF Board will finalize such a process.