

MEMORANDUM

To: Missouri Public Service Commission Official Case File
Case No. TX-2002-1026

From: Natelle Dietrich
Telecommunications Department

John Van Eschen/ July 24, 2006
Utility Operations Division/Date

Bill Haas/ July 24, 2006
General Counsel's Office/Date

Subject: Missouri Universal Service Fund Rulemaking Fiscal Analysis Review

Date: July 24, 2006

On June 2, 2003, the Secretary of State (SOS) published the Commission's Final Order of Rulemakings, which modified the Commission's MoUSF rules at 4 CSR 240-31.010, 31.050, 31.060, 31.065 and 33.070. The rules became effective on July 30, 2003.

Section 536.200.2 RSMo 2000 requires agencies to make a filing with the SOS if, after the first full fiscal year after implementation, the cost of the rule exceeds the agency estimates. The Commission's General Procedure 1 (GP-1) requires a Staff investigation of the fiscal impact thirty days prior to end of first full fiscal year. According to GP-1, Staff is to prepare a memorandum within thirty days after the end of the first full fiscal year addressing whether the cost to all affected entities, including the Commission, has exceeded 10% of the estimated cost (or, where appropriate, \$500) reflected in the fiscal note. If costs are more than 10% or \$500, the General Counsel prepares a filing for action by the Commission.

In June 2005, Staff filed a Memorandum in Case No. TX-2006-1026 stating there were no changes to the fiscal impact estimates since the Missouri Universal Service Fund (MoUSF) was not implemented until May 2005. However, Staff noted it would be helpful to conduct an additional fiscal analysis after the first full fiscal year following implementation of the MoUSF. Therefore, Staff submits this second review of the fiscal estimates associated with 4 CSR 240-31.010, 31.050, 31.060 and 33.070.

In the limited circumstances where a significant fiscal impact was anticipated, the telecommunications companies requested, and the Commission granted, waivers of the associated rules creating a potential significant impact. Staff has not received any additional information from any party potentially or actually affected by the implementation of this rule that would indicate the public or private cost estimates as published in the *Missouri Register* were not accurate.

**BEFORE THE PUBLIC SERVICE COMMISSION
OF THE STATE OF MISSOURI**

In the Matter of a Proposed Rulemaking to)
Implement the Missouri Universal Service)
Fund End-User Surcharge.)

Case No. **TX-2002-1026**

AFFIDAVIT OF Natelle Dietrich

STATE OF MISSOURI)
) ss:
COUNTY OF COLE)

Natelle Dietrich, employee of the Staff of the Missouri Public Service Commission, being of lawful age and after being duly sworn, states that she has participated in the preparation of the accompanying Rulemaking Fiscal Analysis Review Memorandum, and that the facts therein are true and correct to the best of her knowledge and belief.

Natelle Dietrich
Natelle Dietrich

Subscribed and affirmed before me this 25th day of July, 2006,
I am commissioned as a notary public within the County of Cole, State of Missouri
and my commission expires on 9-23-2008

Rosemary R. Robinson
NOTARY PUBLIC

