

**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

FISCAL NOTE REVIEW MEMORANDUM

COMES NOW the Staff of the Missouri Public Service Commission (“Staff”) and states:

1. This rulemaking made changes to the Commission’s rules regarding the implementation of a Missouri Universal Service Fund. The Commission’s Orders of Rulemaking appeared in the June 2, 2003 *Missouri Register*, Volume 28, Number 11, amending rules 4 CSR 240-31.010, 4 CSR 240-31.050, and 4 CSR 240-31.060, and adopting new rule 4 CSR 240-31.065. The rules became effective on July 2, 2003, 30 days after publication.

2. Section 536.200.2 RSMo 2000 requires agencies to make a filing with the Secretary of State if, after the first full year after implementation, the cost of the rule exceeds the agency estimate. The first full fiscal year after the rules became effective was the fiscal year beginning July 1, 2004 and ending June 30, 2005. In the attached Memorandum, the Staff advises the Commission that the Staff conducted a review of the fiscal estimates from the rule changes adopted in this case and has determined that no fiscal estimate changes need to be filed with the Secretary of State.

WHEREFORE, the Staff respectfully submits the attached Memorandum.

Respectfully submitted,

DANA K. JOYCE
General Counsel

/s/ Marc Poston

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Certificate of Service

I hereby certify that copies of the foregoing have been mailed, hand-delivered, transmitted by facsimile or electronically mailed to all counsel of record this 14th day of July 2005.

/s/ Marc Poston

Marc D. Poston

MEMORANDUM

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

From: Natelle Dietrich
Telecommunications Department

John Van Eschen/ 7/14/05
Utility Operations Division/Date

Marc Poston 7/14/05
General Counsel's Office/Date

Subject: Missouri Universal Service Fund Rulemaking Fiscal Analysis Review

Date: July 14, 2005

On June 2, 2003, the Secretary of State ("SOS") published the Commission's Final Order of Rulemakings, which modified the Commission's Missouri Universal Service Fund rules at 4 CSR 240-31.010, 31.050, 31.060, 31.065 and 33.070. All five rule changes were amendments except 31.065, which was a new proposed rule, and all 5 rule changes 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 to affected public entities has exceeded by ten percent or more the estimated cost in the fiscal note or has exceeded five hundred dollars if an affidavit has been filed stating the proposed change will cost less than five hundred dollars. The original affidavits filed with each rule stated that the proposed changes would cost less than five hundred dollars. The Commission's General Procedure 1 (GP-1) follows Section 536.200.2 RSMo 2000 and requires a Staff investigation of the fiscal impact thirty days prior to end of first full fiscal year. According to the GP, Staff is to prepare a memorandum within thirty days after the end of the first full fiscal year if costs have not exceeded the original estimates.

This memorandum advises the Commission that Staff conducted a review of the fiscal estimates from the rule changes adopted in Case No. TX-2002-1026, and has determined that the fiscal note cost estimates have not been exceeded and no fiscal estimate changes need to be filed with the Secretary of State pursuant to Section 536.200.2 RSMo 2000..