

1 Public Utilities Commission

2

3 Adopted Permanent Rules Relating to Telephone Assistance Plan

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5 Rules as Adopted

6 7817.0100 DEFINITIONS.

7 Subpart 1. **Scope.** The terms used in this chapter have the
8 meanings given them in this part.

9 Subp. 2. **Access line.** "Access line" means telephone
10 company-owned facilities furnished to permit switched access to
11 the telecommunications network that extend from a central office
12 to the demarcation point on the property where the subscriber is
13 served. The term includes access lines provided to residential
14 and business subscribers and includes centrex access lines on a
15 trunk-equivalent basis, but does not include private nonswitched
16 or wide area telephone service access lines.

17 Subp. 3. **Commission.** "Commission" means the Minnesota
18 Public Utilities Commission.

19 Subp. 4. **Department of Human Services.** "Department of
20 Human Services" means the Minnesota Department of Human Services.

21 Subp. 5. **Department of Public Service.** "Department of
22 Public Service" means the Minnesota Department of Public Service.

23 Subp. 6. **Federal matching plan.** "Federal matching plan"
24 means the telephone assistance plan of the Federal
25 Communications Commission in Code of Federal Regulations, title
26 47, part 69, that waives the federal access charge for eligible
27 local telephone subscribers. This federal plan provides
28 matching federal assistance to eligible households receiving
29 assistance through a state telephone assistance plan.

30 Subp. 7. **Household.** "Household" means a subscriber, a
31 subscriber's spouse, and the minor children with whom a
32 subscriber resides.

33 Subp. 8. **Income.** "Income" has the meaning given it in
34 Minnesota Statutes, section 290A.03, subdivision 3.

35 Subp. 9. **Local agency.** "Local agency" means a county or

1 multicounty agency that is authorized under Minnesota Statutes,
2 sections 393.01, subdivision 7, and 393.07, subdivision 2, to
3 administer public assistance programs.

4 Subp. 10. Local exchange service. "Local exchange service"
5 means telecommunication service provided within local exchange
6 service areas in accordance with the tariffs. It includes the
7 use of exchange facilities required to establish connections
8 between stations within the exchange and between stations and
9 the toll facilities serving the exchange. It also includes
10 extended area service that is interexchange calling for which a
11 message toll charge is not assessed.

12 Subp. 11. Permanent changes. "Permanent changes" means
13 changes in eligibility that are expected to continue for 12
14 months or more. These changes include increased income, change
15 of residence, or death of the subscriber.

16 Subp. 12. Public assistance programs. "Public assistance
17 programs" means programs administered by local agencies to
18 provide financial assistance to needy individuals.

19 Subp. 13. Subscriber. "Subscriber" means a person in
20 whose name local exchange telecommunications service is provided
21 by a telephone company.

22 Subp. 14. Telephone assistance credits. "Telephone
23 assistance credits" means the credits applied to reduce the
24 local telephone rates of residential households that qualify
25 under the telephone assistance plan.

26 Subp. 15. Telephone assistance plan. "Telephone
27 assistance plan" means the plan required by Laws of Minnesota
28 1987, chapter 340, sections 13 to 16, and set out in this
29 chapter.

30 Subp. 16. Telephone company. "Telephone company" has the
31 meanings given it in Minnesota Statutes, section 237.01,
32 subdivisions 2 and 3, that provides local exchange telephone
33 service.

34 7817.0200 PURPOSE AND CONSTRUCTION.

35 The purpose of this chapter is to develop and implement a

1 statewide telephone assistance plan to provide telephone
2 assistance credits to reduce the local telephone rates of
3 eligible residential households, to be jointly administered by
4 the commission, the Department of Human Services, and the
5 telephone companies. The purpose of this chapter is also to
6 permit the implementation of federal telephone assistance plans
7 so that the state's local telephone customers are afforded the
8 opportunity to acquire the benefits of these federal plans.

9 This chapter is to be liberally construed to further these
10 purposes.

11 7817.0300 FUNDING.

12 Subpart 1. Uniform statewide monthly surcharge. The
13 telephone assistance plan must be funded through the assessment
14 of a uniform recurring monthly surcharge applicable to all
15 classes and grades of access lines provided by each telephone
16 company in the state. The initial surcharge must be assessed
17 beginning with the first billing cycle occurring immediately
18 after the effective date of this part. The commission shall
19 determine the level of the surcharge on an annual basis no later
20 than November 30 of each year beginning with the first billing
21 cycle of the calendar year. The surcharge must be calculated
22 based on the following criteria:

23 A. the revenue generated by the surcharge must not
24 exceed \$2,500,000 on a statewide basis;

25 B. the statewide \$2,500,000 must be apportioned
26 between telephone companies based on their relative number of
27 access lines; and

28 C. the surcharge level must be uniform statewide.

29 Subp. 2. Use of surcharge revenues. A telephone company
30 shall bill the surcharge and collect the surcharge revenues.
31 The telephone company shall use those revenues to extend credits
32 to eligible subscribers under the telephone assistance plan.
33 The company shall also use the surcharge revenues to cover its
34 administrative expenses associated with the telephone assistance
35 plan. The telephone company shall remit, with its quarterly

1 report, excess surcharge revenues to the commission to become
2 part of the statewide surcharge revenue pool.

3 Subp. 3. Statewide surcharge revenue pool. Excess
4 surcharge revenues remitted by the telephone companies to the
5 commission must be placed in a statewide surcharge revenue pool
6 to be administered by the commission. The commission shall use
7 the surcharge revenue pool funds:

8 A. for full or partial reimbursement of its
9 reasonable administrative expenses associated with the telephone
10 assistance plan; and

11 B. to reimburse a telephone company, within 60 days
12 of receipt of the company's quarterly report, reasonable
13 expenses and telephone assistance credits associated with the
14 telephone assistance plan and not covered by the surcharge
15 revenues collected by the telephone company.

16 7817.0400 ELIGIBILITY FOR TELEPHONE ASSISTANCE CREDITS.

17 Subpart 1. Information provided. On request, the local
18 agency shall offer to a person an application form developed by
19 the Department of Human Services and a brochure that describes
20 the ~~program's~~ telephone assistance plan's eligibility
21 requirements and application process.

22 Subp. 2. Application process. On completing the
23 application stating income within the guidelines, the applicant
24 must return it to the ~~local-agency-for-an-eligibility~~
25 ~~determination~~ telephone company for enrollment in the telephone
26 assistance plan. An application may be made by the subscriber,
27 the subscriber's spouse, or a person authorized by the
28 subscriber to act on the subscriber's behalf.

29 Subp. 3. Documenting, verifying, and reviewing
30 eligibility. A local agency shall verify the income of an
31 applicant and the applicant's spouse ~~at-the-time-of~~
32 ~~application~~. When a condition of eligibility changes, and at
33 each redetermination of eligibility, the local agency may verify
34 income.

35 A. In a timely manner, an applicant or recipient

1 shall document income or authorize the local agency to verify
2 the income. The local agency shall help an applicant or
3 recipient obtain documents that the applicant or recipient does
4 not possess and cannot obtain. Information previously verified
5 and retained by the local agency must not be verified again
6 unless the information no longer applies to current
7 circumstances.

8 B. The local agency shall not request information
9 about an applicant or recipient that is not of public record
10 from a source other than local agencies, or the Department of
11 Human Services, ~~and telephone companies~~ without the applicant's
12 or recipient's prior written consent. The local agency may
13 request information about an applicant or recipient that is not
14 of public record from the telephone companies by obtaining the
15 applicant's or recipient's prior written consent on an
16 application or recertification form. The local agency shall not
17 provide third parties with access to information about an
18 applicant's or recipient's eligibility status or other case
19 record information without the prior written consent of that
20 applicant or recipient, except where access to specific case
21 information is granted to agencies designated by the Minnesota
22 Government Data Practices Act, Minnesota Statutes, chapter 13.
23 Information designated as confidential by the Minnesota
24 Government Data Practices Act may only be made available to
25 agencies granted access under that law and must not be provided
26 to an applicant, recipient, or third party.

27 C. The local agency shall inform the recipient of the
28 recipient's responsibility to report permanent changes in
29 circumstances that affect eligibility within ten days of each
30 change.

31 Subp. 4. Eligibility criteria. To be eligible for a
32 telephone assistance credit:

33 A. the household must not be in receipt of assistance
34 for telephone service under any other state public assistance
35 program;

36 B. ~~the household must contain a member who subscribes~~

1 ~~to-local-exchange-service-and-is~~ subscriber must be 65 years of
2 age or older; and

3 C. the subscriber ~~resides~~ must reside in Minnesota or
4 has moved to Minnesota and intends to remain.

5 Subp. 5. Income. To determine ~~program~~ eligibility, a
6 local agency shall evaluate income received by household
7 members. All payments must be counted as income if listed in
8 Minnesota Statutes, section 290A.03, subdivision 3. Maximum
9 total annual household income must not exceed:

10 A. when the size of the household is one, \$7,862;

11 B. when the size of the household is two, \$10,281;

12 C. when the size of the household is three, \$12,699;

13 D. when the size of the household is four, \$15,118;

14 or

15 E. when the size of the household is more than four,
16 \$15,118 plus, for each additional household member, \$2,419.

17 For the purpose of calculating income under this subpart,
18 household income does not include the income of minor children.

19 Subp. 6. Local agency responsibilities. On receiving
20 notification of an application from the telephone company, the
21 local agency shall determine the applicant's eligibility or
22 ineligibility within ~~30~~ 120 days. At the end of every 12-month
23 period, the local agency shall redetermine eligibility.

24 Subp. 7. Applicant and recipient responsibilities. An
25 applicant shall provide current information on an application
26 form about circumstances that permanently affect the applicant's
27 ~~program~~ eligibility. At least 30 days before the end of every
28 12-month period, the recipient shall complete a recertification
29 form required for the redetermination of eligibility.

30 Subp. 8. Notices. ~~A-local-agency-shall-notify~~ An
31 applicant or recipient must be notified of the disposition of
32 the application ~~by-mailing-the-notice-to-the-last-known-address~~
33 in the following manner.

34 ~~A. When-an-applicant-or-recipient-is-found-eligible,~~
35 ~~the-local-agency-shall-notify-the-applicant-or-recipient-in~~
36 ~~writing.~~

1 B. ~~When~~ If an applicant or recipient is found
2 eligible, the local agency shall notify the telephone company.

3 B. If eligible, the telephone company shall notify
4 the applicant or recipient by placing telephone assistance
5 credits on the bill.

6 C. ~~When~~ If an applicant ~~or-recipient~~ is denied
7 eligibility or a recipient's eligibility is denied-or
8 terminated, the local agency shall notify the applicant or
9 recipient in writing of the reasons for the denial or
10 termination, of the right to appeal, and of the right to reapply.

11 D. ~~When~~ If an applicant is denied eligibility or a
12 recipient recipient's eligibility is terminated, the local
13 agency shall notify the telephone company.

14 E. Sixty days before the end of every 12-month
15 period, the local agency shall notify the recipient of the need
16 to redetermine eligibility.

17 Subp. 9. Denial or termination of credit eligibility. A
18 local agency shall deny or terminate a eligibility for telephone
19 assistance ~~credit~~ credits if income limits permanently exceed
20 the maximums described in subpart 5, or the local agency is
21 notified of permanent changes in basic eligibility requirements.

22 7817.0500 CALCULATION OF CREDITS.

23 The commission shall ~~calculate-a~~ establish the level of
24 telephone assistance plan ~~credit~~ credits for each telephone
25 company on an annual basis ~~at-the-beginning-of-each-calendar~~
26 ~~year~~ no later than November 30 of each year to be effective for
27 the subsequent calendar year. The credits must be calculated
28 based on the following criteria:

29 A. the credits must not exceed the amount of credit
30 available under the federal matching plan;

31 B. the credits must not exceed more than 50 percent
32 of the weighted average of the local exchange rate charged for
33 local exchange service provided to the household by that
34 household's telephone company;

35 C. the credits must not exceed the level of credits

1 that can actually be funded in accordance with the surcharge
2 limitations in part 7817.0300; and

3 D. the level of credits must be uniform for each
4 company statewide.

5 7817.0600 PROVISION AND TERMINATION OF CREDITS.

6 Subpart 1. Provision of credits. A telephone company
7 shall ~~provide~~ apply telephone assistance ~~plan~~ credits against
8 monthly charges for each certified household. Telephone
9 assistance ~~plan~~ credits must be made available within 90 days
10 after the date the surcharge is first assessed. A telephone
11 company shall apply telephone assistance credits to an
12 applicant's earliest possible billing cycle but no later than
13 the applicant's second billing cycle after enrollment in the
14 telephone assistance plan.

15 Subp. 2. ~~Following-notice-from-local-agency~~ Termination of
16 credits. After the telephone company receives an eligibility
17 application from an applicant or a termination notice from the
18 local agency, the telephone company shall proceed according to
19 items A ~~to-C~~ and B.

20 A. ~~A-telephone-company-shall-apply-telephone-credits~~
21 ~~beginning-with-the-telephone-company's-billing-cycle-that-begins~~
22 ~~in-the-month-after-the-month-in-which-the-local-agency-notifies~~
23 ~~it-of-an-applicant's-or-recipient's-elibility.~~

24 B. A telephone company shall cease credits at the end
25 of every 12-month period by billing cycle ~~unless~~ when notified
26 by the local agency that ~~eligibility~~ ineligibility has
27 been ~~redetermined~~ determined.

28 C. B. A telephone company shall cease credits before
29 the end of the 12-month period when notified by the local agency
30 that eligibility has been permanently terminated. When so
31 notified, the credit ends with the start of the telephone
32 company's billing cycle beginning in the month after the month
33 in which the company is notified.

34 7817.0700 ADJUSTMENT TO LEVEL OF SURCHARGE AND CREDITS.

35 When it appears to the commission that the revenue

1 generated by the maximum level of surcharge permitted under part
2 7817.0300 will be inadequate to fund a particular level of
3 telephone assistance credits, the commission by official order
4 and on 30 days' notice to the telephone companies, shall reduce
5 the credits to a level that can be adequately funded by the
6 maximum level of surcharge. Similarly, the commission by
7 official order and on 30 days' notice to the telephone
8 companies, may increase the level of the telephone assistance
9 plan credits that are available or reduce the surcharge to a
10 level and for a period of time that will prevent an unreasonable
11 overcollection of surcharge revenues.

12 7817.0800 FEDERAL TELEPHONE ASSISTANCE PLANS.

13 The telephone assistance plan must be combined with the
14 existing federal matching plan. Telephone companies shall
15 participate in both plans. If and when other federal telephone
16 assistance plans are developed, the commission shall seek
17 outside comment on those plans and review each plan and the
18 comments submitted by interested persons. After appropriate
19 proceedings, the commission shall determine whether to
20 incorporate those plans into the telephone assistance plan and
21 require telephone companies to participate.

22 7817.0900 COMPANY RECORDING, REPORTING REQUIREMENTS.

23 Subpart 1. Records to be maintained. A telephone company
24 shall maintain adequate records of surcharge revenues, expenses,
25 and credits related to the telephone assistance plan.

26 Subp. 2. Quarterly report. No later than 30 days after
27 the end of each calendar year quarter, a telephone company shall
28 file a quarterly report with the commission and the Department
29 of Public Service for review. With the quarterly report, the
30 telephone company shall submit a check to the commission in the
31 amount of the excess surcharge revenues collected during that
32 quarter. The quarterly report must list, quarterly and
33 cumulatively for the year:

34 A. the surcharge revenues collected by the telephone
35 company;

- 1 B. the number of access lines billed the surcharge;
- 2 C. itemized telephone assistance plan expenses
- 3 incurred by the company;
- 4 D. the amount of excess surcharge revenues collected;
- 5 E. the amount of surcharge revenue deficiency;
- 6 F. the amount of reimbursement from the federal
- 7 matching plan applied for or received;
- 8 G. the number of subscribers that received credits
- 9 under the telephone assistance plan and the number of
- 10 subscribers that were given waivers under the federal matching
- 11 plan; and
- 12 H. the monetary amount of credits extended by the
- 13 telephone company under the telephone assistance plan and the
- 14 monetary amount of waivers given under the federal matching plan.

15 This report must be made on a form prescribed by the
 16 commission.

17 Subp. 3. Annual report. No later than 30 days after the
 18 end of a calendar year, a telephone company shall file a
 19 year-end report with the commission and the Department of Public
 20 Service. The cumulative fourth-quarter report provided under
 21 subpart 2 may serve as the annual report. This report must be a
 22 financial report and accounting for the telephone company's
 23 experience under the telephone assistance plan. The report must
 24 also be adequate to satisfy the reporting requirements of the
 25 federal matching plan.

26 7817.1000 APPEALS AND COMPLAINTS.

27 Subpart 1. Appeal after termination or denial of
 28 eligibility. An applicant or recipient who is denied or
 29 terminated telephone assistance credits has the right to
 30 appeal. Appeal hearings must be conducted at a reasonable time,
 31 date, and place by an impartial referee employed by the
 32 Department of Human Services. An applicant or recipient may
 33 introduce evidence relevant to the issues on appeal.
 34 Recommendations of an appeals referee to the designee of the
 35 commissioner of the Department of Human Services must be based

1 on evidence introduced at the hearing and are not limited to a
2 review of the propriety of a local agency's action.

3 Subp. 2. Complaint procedure. Complaints against the
4 telephone companies regarding the telephone assistance plan may
5 be referred to the commission. Complaints against telephone
6 companies regarding the telephone assistance plan must be
7 investigated by the Department of Public Service. The
8 Department of Public Service shall report the ~~results~~ status of
9 its investigation to the commission within 45 days of receipt of
10 the complaint.