

1.1 **Public Utilities Commission**

1.2 **Proposed Permanent Rules Relating to Telephone Assistance Plans**

1.3 **7817.0100 DEFINITIONS.**

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

1.6 Subp. 2. **Access line.** "Access line" means ~~telephone company-owned~~ facilities  
1.7 owned by a local service provider furnished to permit switched access to the  
1.8 telecommunications network that extend from a central office to the demarcation point on  
1.9 the property where the subscriber is served. The term includes access lines provided to  
1.10 residential and business subscribers and includes centrex access lines on a trunk equivalent  
1.11 basis, but does not include private nonswitched or wide area telephone service access lines.

1.12 Subp. 3. **Commission.** "Commission" means the Minnesota Public Utilities  
1.13 Commission.

1.14 Subp. 3a. [See repealer.]

1.15 Subp. 4. ~~Department of Human Services~~ **Commissioner of public safety.**  
1.16 ~~"Department of Human Services" means the Minnesota Department of Human Services~~  
1.17 "Commissioner of public safety" means the commissioner of the Minnesota Department  
1.18 of Public Safety.

1.19 Subp. 5. **Department of Commerce.** "Department of Commerce" means the  
1.20 Minnesota Department of Commerce.

1.21 Subp. 5a. [See repealer.]

1.22 Subp. 6. **Federal matching plan.** "Federal matching plan" means any ~~telephone~~  
1.23 ~~assistanc~~ee plan of the Federal Communications Commission, including the federal plan  
1.24 in Code of Federal Regulations, title 47, part ~~69~~ 54, that waives the federal interstate  
1.25 access charge for eligible local telephone subscribers. This federal plan provides matching

2.1 federal assistance to eligible households receiving assistance through a state telephone  
2.2 assistance plan.

2.3 Subp. 7. **Household.** "Household" means ~~a subscriber, a subscriber's spouse, and the~~  
2.4 ~~minor children with whom a subscriber resides~~ all persons who occupy a housing unit.

2.5 Subp. 8. [See repealer.]

2.6 Subp. 9. [See repealer.]

2.7 Subp. 10. **Local exchange service.** "Local exchange service" means telephone  
2.8 service provided within local exchange service areas in accordance with telephone  
2.9 company tariffs. It includes the use of exchange facilities required to establish connections  
2.10 between stations within the exchange and between stations and the toll facilities serving  
2.11 the exchange. It also includes extended area service that is interexchange calling for  
2.12 which a message toll charge is not assessed.

2.13 Subp. 10a. **Local service provider.** "Local service provider" means a service  
2.14 provider of local exchange service.

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

2.18 Subp. 12. [See repealer.]

2.19 Subp. 12a. **Service order record change charge.** "Service order record change  
2.20 charge" means the fee that a ~~telephone company~~ local service provider charges to a  
2.21 subscriber for making a change in the subscriber's billing record for local service.

2.22 Subp. 13. **Subscriber.** "Subscriber" means a person in whose name local exchange  
2.23 service is provided by a ~~telephone company~~ local service provider.

2.24 Subp. 13a. **TAP enrollment charge.** "TAP enrollment charge" means the  
2.25 administrative cost to a ~~telephone company~~ local service provider of enrolling each new

3.1 participant in the telephone assistance program as determined under part 7817.0300,  
3.2 subpart 5.

3.3 Subp. 14. **Telephone assistance credits.** "Telephone assistance credits" means the  
3.4 credits applied to reduce the local telephone rates of residential households that qualify  
3.5 under the telephone assistance plan.

3.6 Subp. 14a. **Telephone assistance fund.** "Telephone assistance fund" means a  
3.7 statewide surcharge revenue pool created by Laws of Minnesota 1988, chapter 621,  
3.8 section 16.

3.9 Subp. 15. **Telephone assistance plan or TAP.** "Telephone assistance plan" or "TAP"  
3.10 means the plan required by Minnesota Statutes, sections 237.69 to ~~237.72~~ 237.711, and set  
3.11 out in this chapter.

3.12 Subp. 16. [See repealer.]

### 3.13 **7817.0200 PURPOSE AND CONSTRUCTION.**

3.14 The purpose of this chapter is to develop and implement a statewide telephone  
3.15 assistance plan to provide telephone assistance credits to reduce the local telephone rates  
3.16 of eligible residential households, to be jointly administered by the commission, the  
3.17 Department of ~~Human Services~~ Commerce, and the ~~telephone companies~~ local service  
3.18 providers. The purpose of this chapter is also to permit the implementation of federal  
3.19 ~~telephone assistance~~ plans so that the state's local exchange service telephone customers  
3.20 are afforded the opportunity to acquire the benefits of these federal plans.

3.21 This chapter is to be liberally construed to further these purposes.

### 3.22 **7817.0300 FUNDING.**

3.23 Subpart 1. **Uniform statewide monthly surcharge.** The telephone assistance plan  
3.24 must be funded through the assessment of a uniform recurring monthly surcharge, not  
3.25 to exceed ten cents per access line, applicable to all classes and grades of access lines

4.1 provided by each ~~telephone company~~ local service provider in the state. Each telephone  
4.2 ~~company may assess the surcharge per access line, combine the surcharge with the charges~~  
4.3 ~~for other programs such as the emergency 911 telephone service, or include the surcharge~~  
4.4 ~~in existing or future rates. The initial surcharge must be assessed beginning with the first~~  
4.5 ~~billing cycle occurring immediately after December 29, 1987~~ local service provider or  
4.6 the provider's billing agent shall combine surcharges for the telephone assistance plan,  
4.7 Telephone Access Minnesota, and Emergency 911 Service into one amount on billing  
4.8 statements sent to subscribers. The commission shall determine the level of the surcharge  
4.9 on an annual basis ~~no later than November 30 of each year.~~ The recalculated surcharge  
4.10 ~~must~~ shall be effective ~~beginning with the first billing cycle of the next calendar year~~  
4.11 on a date established by the commission.

4.12 Subp. 2. **Collection of surcharge revenues.** A ~~telephone company~~ local service  
4.13 provider shall bill the surcharge and collect the surcharge revenues. At the time of  
4.14 reporting under part 7817.0900, subpart 3, item H, a ~~telephone company~~ local service  
4.15 provider shall notify the commission if a subscriber does not pay the surcharge.

4.16 Subp. 3. **Use of surcharge revenues and fund.** A ~~telephone company~~ local service  
4.17 provider shall remit, under Minnesota Statutes, section 403.11, surcharge revenues to the  
4.18 ~~Department of Administration~~ commissioner of public safety for deposit in the telephone  
4.19 assistance fund. The commission shall use the money in the telephone assistance fund to:

4.20 A. reimburse the telephone assistance credits extended by a ~~telephone company~~  
4.21 local service provider within 60 days of the deadline for filing the ~~telephone company's~~  
4.22 local service provider's report under part 7817.0900 or the date the report is filed,  
4.23 whichever occurs later;

4.24 B. ~~reimburse the administrative expenses of the Department of Human Services~~  
4.25 ~~not to exceed the amount specified in Minnesota Statutes, section 237.701;~~

5.1 ~~C. B.~~ reimburse the administrative expenses of the commission not to exceed  
5.2 the amount specified in Minnesota Statutes, section 237.701; and

5.3 ~~D. C.~~ reimburse a ~~telephone company's~~ local service provider's administrative  
5.4 expenses in accordance with subpart 4.

5.5 Subp. 4. **Reimbursing ~~telephone company~~ local service provider expenses.**

5.6 The commission shall reimburse ~~telephone company~~ local service provider expenses as  
5.7 provided in items A to E.

5.8 A. The commission shall reimburse only with money in the telephone assistance  
5.9 fund.

5.10 B. The commission shall not reimburse the expenses of collecting the surcharge.

5.11 C. The commission shall not reimburse expenses under this subpart unless  
5.12 the ~~telephone company~~ local service provider has filed a report that complies with part  
5.13 7817.0900. The commission shall reimburse the ~~telephone company~~ local service provider  
5.14 within 60 days after the deadline for filing its report under part 7817.0900 or the date  
5.15 the report is filed, whichever occurs later.

5.16 D. A ~~telephone company~~ local service provider with five or more new TAP  
5.17 participants enrolled during the reporting period for which reimbursement is sought must  
5.18 be reimbursed for expenses actually incurred and claimed up to an amount no greater  
5.19 than the number of new participants enrolled during the reporting period times one of  
5.20 the following:

5.21 (1) the ~~company's~~ provider's tariffed service order record change charge; or

5.22 (2) the ~~company's~~ provider's tariffed TAP enrollment charge determined  
5.23 under subpart 5.

5.24 E. A ~~telephone company~~ local service provider with fewer than five new TAP  
5.25 participants enrolled during the reporting period for which reimbursement is sought must

6.1 be reimbursed for expenses actually incurred and claimed up to an amount no greater than  
6.2 five times one of the following:

6.3 (1) the ~~company's~~ provider's tariffed service order record change charge; or

6.4 (2) the ~~company's~~ provider's tariffed TAP enrollment charge determined  
6.5 under subpart 5.

6.6 Subp. 5. **TAP enrollment charge.** A ~~telephone company~~ local service provider may  
6.7 petition the commission to establish a TAP enrollment charge for the ~~company~~ provider,  
6.8 which may differ from the ~~company's~~ provider's service order record change charge. The  
6.9 TAP enrollment charge must be determined according to items A and B.

6.10 A. A ~~company's~~ provider's petition to establish a TAP enrollment charge must  
6.11 include financial and cost-study information adequate to support the ~~company's~~ provider's  
6.12 proposed TAP enrollment charge. The commission may accept, modify, or reject the  
6.13 ~~company's~~ provider's petition.

6.14 B. A TAP enrollment charge must be based exclusively on the cost of one or  
6.15 more of the following ~~company~~ provider activities directly related to administering TAP:

6.16 (1) responding to customer inquiries regarding TAP;

6.17 (2) mailing TAP applications to customers;

6.18 (3) changing manual or computerized customer records and billing systems  
6.19 to reflect the addition or removal of a customer's TAP credit;

6.20 (4) sending annual notice of TAP to all subscribers;

6.21 ~~(5) notifying the Department of Human Services of customers added to or~~  
6.22 ~~removed from TAP;~~

6.23 ~~(6)~~ (5) removing customers from TAP when ~~declared~~ they are found to be  
6.24 ineligible by the Department of Human Services;

7.1 ~~(7)~~ (6) storing TAP applications;

7.2 ~~(8)~~ (7) remitting surcharge revenues to the ~~Department of Administration~~  
7.3 commissioner of public safety as required by part 7817.0300, subpart 3; and

7.4 ~~(9)~~ (8) reporting to the Public Utilities Commission and Department of  
7.5 Commerce under part 7817.0900, subparts 2 to 4.

7.6 Subp. 6. [See repealer.]

7.7 **7817.0400 ELIGIBILITY FOR TELEPHONE ASSISTANCE CREDITS.**

7.8 Subpart 1. **Information provided.** Each ~~telephone company~~ local service provider  
7.9 shall annually mail a notice of the availability of the telephone assistance plan to each  
7.10 residential subscriber in a regular billing, as requested by the residential subscriber for  
7.11 delivery of the regular billing. The notice must state the following: ~~You may be eligible for~~  
7.12 ~~assistance in paying your telephone bill if you meet certain household income limits, and~~  
7.13 ~~you are 65 years of age or older or are disabled. For more information or an application~~  
7.14 ~~form please contact .....~~ YOU MAY BE ELIGIBLE FOR ASSISTANCE IN  
7.15 PAYING YOUR TELEPHONE BILL IF YOU RECEIVE BENEFITS FROM CERTAIN  
7.16 LOW-INCOME ASSISTANCE PROGRAMS. FOR MORE INFORMATION OR AN  
7.17 APPLICATION FORM PLEASE CONTACT ..... On request, the ~~telephone~~  
7.18 ~~company~~ local service provider shall mail to a person an application form developed by  
7.19 the ~~Department of Human Services~~ commission and the Department of Commerce, and  
7.20 a brochure that describes the telephone assistance plan's eligibility requirements and  
7.21 application process.

7.22 Subp. 2. **Application process.** On completing and signing the application certifying  
7.23 under penalty of perjury that the information provided by the applicant is true and that the  
7.24 statutory criteria for eligibility are satisfied, the applicant must return it to the ~~telephone~~  
7.25 ~~company~~ local service provider for enrollment in the telephone assistance plan. An

8.1 application may be made by the subscriber, the subscriber's spouse, or a person authorized  
8.2 by the subscriber to act on the subscriber's behalf.

8.3 Subp. 3. [See repealer.]

8.4 Subp. 4. **Eligibility criteria.** To be eligible for a telephone assistance credit the  
8.5 applicant must certify that:

8.6 A. ~~the household is not in receipt of assistance for telephone service under any~~  
8.7 ~~other state public assistance program~~ be a subscriber who resides in Minnesota or has  
8.8 moved to Minnesota and intends to remain; and

8.9 B. ~~the subscriber is disabled or 65 years of age or older;~~ be eligible for the  
8.10 federal Lifeline telephone service discount.

8.11 C. ~~the subscriber resides in Minnesota or has moved to Minnesota and intends~~  
8.12 ~~to remain; and~~

8.13 D. ~~the household income satisfies the criteria in subpart 5.~~

8.14 Subp. 5. [See repealer.]

8.15 Subp. 6. [See repealer.]

8.16 Subp. 7. **Applicant and recipient responsibilities.** An applicant shall provide  
8.17 current information about ~~circumstances that permanently~~ permanent changes that affect  
8.18 the applicant's eligibility.

8.19 Subp. 8. ~~Notices~~ **Local service provider responsibilities.** ~~An applicant or recipient~~  
8.20 ~~must be notified of the disposition of the application in the following manner.~~

8.21 A. A local service provider shall begin providing telephone assistance credits to  
8.22 an applicant in the earliest possible billing cycle but not later than the second billing cycle  
8.23 following the submission of a completed application demonstrating eligibility. If certified,



9.1 the ~~telephone company~~ local service provider shall notify the applicant ~~or recipient~~ by, for  
9.2 example, placing telephone assistance credits on the bill.

9.3 B. If an applicant is denied eligibility ~~or a recipient's eligibility is terminated,~~  
9.4 ~~the Department of Human Services or a local agency,~~ the local service provider shall  
9.5 notify the applicant ~~or recipient~~ in writing of the reasons for the denial ~~or termination~~, of  
9.6 the right to appeal, and of the right to reapply.

9.7 C. ~~If an applicant is denied eligibility or a recipient's eligibility is terminated,~~  
9.8 ~~the Department of Human Services or a local agency shall notify the telephone company.~~

9.9 D. ~~The Department of Human Services or a local agency shall notify the~~  
9.10 ~~recipient of the need to verify eligibility and shall allow at least 30 days for the recipient to~~  
9.11 ~~respond.~~

9.12 Subp. 9. [See repealer.]

9.13 **7817.0500 CALCULATION OF CREDITS.**

9.14 The commission shall establish the level of telephone assistance plan credits for each  
9.15 ~~telephone company~~ local service provider on an annual basis ~~no later than November 30~~  
9.16 ~~of each year to be effective for the subsequent calendar year.~~ The recalculated credit shall  
9.17 be effective on a date established by the commission. The credits must be calculated  
9.18 based on the following criteria:

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

9.21 B. the credits must not exceed ~~more than~~ 50 percent of the weighted average of  
9.22 the local exchange rate charged for local exchange service provided to the household by  
9.23 that household's ~~telephone company~~ local service provider;

9.24 C. the credits must not exceed the level of credits that can actually be funded in  
9.25 accordance with the surcharge limitations in part 7817.0300; and

10.1 D. the level of credits must be uniform for each ~~company~~ provider statewide.

10.2 **7817.0600 ~~PROVISION~~ VERIFICATION AND TERMINATION OF CREDITS.**

10.3 Subpart 1. **~~Provision of credits~~ Verification.** After a telephone company receives  
10.4 an application for telephone assistance credits, the company shall enroll the applicant  
10.5 in the telephone assistance plan and shall apply telephone assistance credits against  
10.6 monthly charges for each certified household. A telephone company shall apply telephone  
10.7 assistance credits to an applicant's earliest possible billing cycle but no later than the  
10.8 applicant's second billing cycle after certification in the telephone assistance plan. A  
10.9 local service provider shall verify whether its recipients are eligible to continue receiving  
10.10 telecommunications assistance credits in the same manner that verification of eligibility  
10.11 for the federal Lifeline telephone service discount is determined.

10.12 Subp. 2. **Termination of credits.** After the telephone company enrolls an applicant  
10.13 in the telephone assistance plan, the company shall cease credits when notified by the  
10.14 Department of Human Services that ineligibility has been determined or when local  
10.15 exchange service ends. When so notified, the credit ends with the start of the telephone  
10.16 company's billing cycle beginning in the month after the month in which the company is  
10.17 notified. When a local service provider determines that a recipient is no longer eligible to  
10.18 receive TAP credits, the provider must send written notification to the recipient stating  
10.19 the reasons for finding the recipient ineligible and advising the recipient of the right to  
10.20 appeal. A local service provider may terminate credits if:

10.21 A. the recipient does not submit an appeal within 60 days of the date of the  
10.22 notice; or

10.23 B. the recipient submits an appeal and the commission determines that the  
10.24 recipient is not eligible.

10.25 **7817.0700 ADJUSTMENT TO LEVEL OF SURCHARGE AND CREDITS.**

11.1 When it appears to the commission that the revenue generated by the maximum  
11.2 level of surcharge permitted under part 7817.0300 will be inadequate to fund a particular  
11.3 level of telephone assistance credits, the commission by official order and on 30 days'  
11.4 notice to the ~~telephone companies~~ local service providers, shall reduce the credits to a  
11.5 level that can be adequately funded by the maximum level of surcharge. Similarly, the  
11.6 commission by official order and on 30 days' notice to the ~~telephone companies~~ local  
11.7 service providers, may increase the level of the telephone assistance ~~plan~~ credits that are  
11.8 available or reduce the surcharge to a level and for a period of time that will prevent an  
11.9 unreasonable overcollection of surcharge revenues.

11.10 **7817.0800 FEDERAL TELEPHONE ASSISTANCE PLANS.**

11.11 The telephone assistance plan must be combined with the existing federal matching  
11.12 plan. ~~Telephone companies~~ Local service providers shall participate in both plans. If  
11.13 and when other federal ~~telephone assistance~~ plans are developed, the commission shall  
11.14 seek outside comment on those plans and review each plan and the comments submitted  
11.15 by interested persons. After appropriate proceedings, the commission shall determine  
11.16 whether to incorporate those plans into the telephone assistance plan and require telephone  
11.17 companies to participate.

11.18 **7817.0900 ~~COMPANY~~ PROVIDER RECORDING, REPORTING**  
11.19 **REQUIREMENTS.**

11.20 Subpart 1. **Records to be maintained.** A ~~telephone company~~ local service provider  
11.21 shall maintain adequate records of surcharge revenues, expenses, and credits related  
11.22 to the telephone assistance plan.

11.23 Subp. 2. **Reporting requirements.** A ~~telephone company~~ local service provider  
11.24 shall file at its option either quarterly or monthly reports with the commission and the  
11.25 Department of Commerce for review. A ~~telephone company~~ local service provider with

11.26 100 or fewer subscribers may file an annual report under subpart 4 rather than filing  
12.1 quarterly or monthly reports. Quarterly reports are due no later than 30 days after the end  
12.2 of each quarter of a calendar year. Monthly reports are due no later than 30 days after  
12.3 the end of each calendar month. The reports must be made on a form prescribed by the  
12.4 commission.

12.5 Subp. 3. **Contents of report.** The quarterly or monthly reports must list the  
12.6 following items for that reporting period and cumulatively for the year:

12.7 A. the surcharge revenues collected by the ~~telephone company~~ local service  
12.8 provider;

12.9 B. the number of access lines billed the surcharge;

12.10 C. itemized telephone assistance plan expenses incurred by the ~~company~~  
12.11 provider;

12.12 D. the amount of reimbursement requested from the telephone assistance fund;

12.13 E. the amount of reimbursement from the federal matching plan applied for or  
12.14 received;

12.15 F. the number of subscribers that received credits under the telephone assistance  
12.16 plan and the number of subscribers that were given waivers under the federal matching  
12.17 plan;

12.18 G. the monetary amount of credits extended by the ~~telephone company~~ local  
12.19 service provider under the telephone assistance plan and the monetary amount of waivers  
12.20 given under the federal matching plan; and

12.21 H. a list of the subscribers who did not pay the surcharge.

12.22 These reports must be made on forms prescribed by the commission.

12.23 Subp. 4. **Annual report.** No later than 30 days after the end of a calendar year, a  
12.24 ~~telephone company~~ local service provider shall file a year-end report with the commission

12.25 and the Department of Commerce. A ~~telephone company~~ local service provider with 100  
13.1 or fewer subscribers that files only an annual report must include the information required  
13.2 by subpart 3 in its annual report. Depending on the reporting option chosen under subpart  
13.3 2, a cumulative year-end monthly or quarterly report provided under subpart 3 may  
13.4 serve as the annual report. This report must be a financial report and accounting for the  
13.5 ~~telephone company's~~ local service provider's experience under the telephone assistance  
13.6 plan. The report must also be adequate to satisfy the reporting requirements of the federal  
13.7 matching plan.

### 13.8 **7817.1000 APPEALS AND COMPLAINTS.**

13.9 Subpart 1. **Appeal ~~after termination or denial of eligibility~~ of decision to deny**  
13.10 **or terminate credits.** An applicant or recipient ~~who is denied or terminated telephone~~  
13.11 ~~assistance credits~~ has the right to appeal a local service provider's decision to deny or  
13.12 terminate credits. The appeal must be in writing and must be received by the commission  
13.13 or the provider within 60 days of the date the notice is mailed. A local service provider  
13.14 must not terminate credits while the appeal is pending. Appeal hearings must be conducted  
13.15 at a reasonable time, date, and place by ~~an impartial referee employed by the Department~~  
13.16 ~~of Human Services~~ the commission. An applicant or recipient may introduce evidence  
13.17 relevant to the issues on appeal. ~~Recommendations of an appeals referee to the designee~~  
13.18 ~~of the commissioner of the Department of Human Services~~ The decision must be based  
13.19 on evidence introduced at the hearing ~~and are not limited to a review of the propriety of~~  
13.20 ~~a local agency's action.~~

13.21 Subp. 2. **Complaint procedure.** Complaints against the ~~telephone companies~~  
13.22 local service providers regarding the telephone assistance plan may be referred to the  
13.23 commission. Complaints against ~~telephone companies~~ local service providers regarding  
13.24 the telephone assistance plan must be investigated by the Department of Commerce. The

13.25 Department of Commerce shall report the status of its investigation to the commission  
13.26 within 45 days of receipt of the complaint.

14.1 **REPEALER.** Minnesota Rules, parts 7817.0100, subparts 3a, 5a, 8, 9, 12, and 16;  
14.2 7817.0300, subpart 6; and 7817.0400, subparts 3, 5, 6, and 9, are repealed.