

**BEFORE THE WASHINGTON STATE
UTILITIES AND TRANSPORTATION COMMISSION**

In the Matter of the Proposal of)	DOCKET NO. UT-031033
)	
DEPARTMENT OF SOCIAL AND)	ORDER NO. 01
HEALTH SERVICES)	
)	ORDER DETERMINING THE
)	WASHINGTON TELEPHONE
to Increase Washington Telephone)	ASSISTANCE PARTICIPANT RATE
Assistance Program Participant Rate.)	PURSUANT TO WAC 480-122-020
.....)	

BACKGROUND

- 1 The Washington Telephone Assistance Program provides a discount on basic telephone service to low-income households in the state. On June 25, 2003, the Washington State Department of Social and Health Services (DSHS), which administers the program, proposed to increase the rate that participants pay for telephone service from \$4.00 per month to \$9.00 per month.

- 2 In requesting the increase, DSHS said that a higher rate is necessary to ensure a balanced budget for the program for the long-term. It stated the fund experienced increased program expenditures due to greater client participation and payments to high cost telephone companies. In addition, DSHS expects to incur approximately \$400,000 of new costs related to a community voice mail program added by the Legislature and the Governor earlier this year.

- 3 The WTAP program serves approximately 135,000 low-income households, or about 5-6 percent of all households in Washington. While DSHS administers the WTAP program, the WUTC is responsible for establishing the rate that participants pay for telephone service. *RCW 80.36.420(3)(a)*, *WAC 480-122-020*. It also sets the excise tax rate that funds the program. *RCW 80.36.430*, *WAC 480-122-060*. The excise tax rate applies to all switched access lines in the state and may not exceed \$0.14 per month. The rate currently is \$0.13 per month.

- 4 In response to the DSHS proposal, more than 1,500 participants contacted the WUTC to express opposition to the increase. Consumer representatives, including both the national office and Washington State member of Community Voice Mail, Public Counsel and Citizens' Utility Alliance of Washington, filed comments opposing the

participant rate increase and recommended an increase in the excise tax to its statutory cap.

- 5 Commission Staff analyzed several factors in order to understand the basis for the requested increase from \$4.00 to \$9.00 and the impact of this increase on program participants. Staff recommended that the participant rate be set at \$8.00 and that the question of the excise tax be deferred until the cost of the new community voice mail program is known.

FINDINGS AND CONCLUSIONS

- 6 (1) RCW 80.36.420(3)(a) requires the Commission establish a single telephone assistance rate for all local exchange companies operating in the state of Washington.
- 7 (2) WAC 480-122-020 requires the Commission set by order the telephone assistance rate to be paid by program participants for local service.
- 8 (3) This matter was brought before the Commission at an open meeting held on July 24, 2003.

ORDER

THE COMMISSION ORDERS:

- 9 The Washington Telephone Assistance Program participant rate of \$8.00 per month is established effective August 1, 2003, for participants eligible under RCW 80.36.450 and RCW 80.36.470.

DATED at Olympia, Washington, and effective this 24th day of July, 2003.

WASHINGTON UTILITIES AND TRANSPORTATION COMMISSION

MARILYN SHOWALTER, Chairwoman

RICHARD HEMSTAD, Commissioner

PATRICK J. OSHIE, Commissioner