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NEWS RELEASE

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PSC Authorizes an Increase in Compensation to Support Eligible Communications Carriers' Customers During Unprecedented Pandemic

FRANKFORT KY (July 10, 2020)—The Public Service Commission (PSC) today authorized a temporary increase in Kentucky Universal Fund payments to eligible wireless carriers that provide unlimited voice service to Kentucky Lifeline customers. In a May 11, 2020 Order, the PSC noted that “access to the telecommunications network to access medical advice and professionals is, and will continue to be, of upmost importance while the state of emergency continues.”

Wireless carriers that are authorized to be Eligible Telecommunications Carriers (ETCs) in Kentucky receive reimbursement from the federal Universal Service Fund and may also receive reimbursement from the Kentucky Universal Service Fund (KUSF). The Lifeline program provides a monthly subsidy for eligible Kentucky households to maintain a single telephone line, which may be either landline or wireless. Wireless ETCs must meet minimum monthly service, currently 1,000 minutes of voice service and 3 GB of data, to be eligible for payment from the federal Universal Service Fund. The current payment to ETCs from the KUSF is \$3.50 per month per Lifeline customer.

In its May 11 Order, the PSC sought information from existing ETCs to determine the extent to which Lifeline customers might benefit from additional voice and/or data; the optimum increase that would provide benefits without diminishing the Fund without raising the surcharge ETCs must pay; and whether voice alone or voice plus data would be sufficient to provide benefits to customers seeking access to medical services during the pandemic.

Based on the information collected from ETCs, the PSC has determined that beginning August 1, 2020, payment from the KUSF should be increased temporarily by \$4.50 for a total of \$8.00 per Lifeline customer for ETCs that provide unlimited voice service to Kentucky Lifeline customers. The increased payment to ETCs will continue until July 31, 2021. Today's Order allows ETCs that currently do not provide unlimited voice service, but elect to do so, to file notice of their intent in this docket.

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According to PSC calculations, under current conditions the KUSF can sustain the increased payment for a little longer than one year before the KUSF surcharge would have to be increased. The PSC has determined that increased payments for additional data would deplete the KUSF in the absence of an increased surcharge, and that the benefits of temporarily providing payments for additional voice outweigh the benefits of providing payments for additional data.

While the increased payment will run through July 31, 2021, the PSC will review the effect the increased payment has on the KUSF no later than March 1, 2021.

In its May 11 Order, the PSC commended the ETCs that had already voluntarily provided temporary additional services to their Lifeline customers during the state of emergency. However, the duration of these services was set to end, while the circumstances presenting the need for such services are expected to continue.

Today's Order and other case records are available at psc.ky.gov. The case number is 2016-00059.

The PSC is an independent agency attached for administrative purposes to the Energy and Environment Cabinet. It regulates more than 1,100 gas, water, sewer, electric and telecommunication utilities operating in Kentucky.

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