

COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

AN INQUIRY INTO THE STATE) CASE NO.
UNIVERSAL SERVICE FUND) 2016-00059

ATTORNEY GENERAL'S COMMENTS REGARDING TEMPORARILY
INCREASING THE KUSF PER-ACCESS LINE MONTHLY SURCHARGE, AND
MOTION TO DEVIATE FROM THE REQUIREMENTS OF 807 KAR 5:001 § 4 (8)

Comes now the Attorney General of the Commonwealth of Kentucky, by and through his Office of Rate Intervention, and pursuant to the Public Service Commission ("Commission")'s February 1, 2016 procedural schedule, hereby tenders his comments regarding a temporary increase to the per-access line surcharge collected from all wireless and local exchange carriers, in order to maintain the solvency of the Kentucky Universal Service Fund ("KUSF") during the pendency of the Commission's investigation in the above-styled matter.

The Attorney General believes that without the KUSF, many Kentuckians would be simply unable to afford basic telephone service which in turn allows them to call 911 for emergency services. In the modern era, such service constitutes a basic necessity of life. However, the Attorney General is also aware that increasing the per-access line charge would place an additional financial burden on many other telephone customers in the Commonwealth. Therefore, the Attorney General believes the Commission should, on a temporary basis, adopt a balanced approach which to the extent possible recognizes the principle of gradualism. The Commission has consistently followed this principle in

numerous rate cases.¹ In this case, the Attorney General believes a more just approach consistent with gradualism would increase the monthly per-access line surcharge from its current \$.08 level to \$.11, together with a corresponding decrease in the monthly KUSF Lifeline subsidy from the current \$3.50 to \$2.75.

During the pendency of the Commission's investigation in this matter, the Attorney General may submit additional comments regarding: (a) whether to continue the KUSF; (b) how and to what extent the KUSF should be funded if it is continued; (c) past and projected distributions from the KUSF that have created the current situation; and (d) how such distributions should be made in the future. The Attorney General provides notice that he will not be sponsoring a witness in this proceeding.

Finally, the Attorney General moves the Commission for a deviation from so much of the requirements of paragraph 4 of its procedural schedule that require him to comply with 807 KAR 5:001 § 4 (8)(d), on the basis that he does not have access to email addresses for the individuals and/or entities included on the Commission's service list, which number in excess of three hundred (300), and that even if he did have such access, the state government's email system is incapable of sending so many emails. In further support of this motion, the Attorney General notes that all parties to this proceeding will receive an email from the Commission with a hyperlink to these comments.

¹ See, e.g., *Application of Kentucky Power Company*, Final Order entered June 22, 2015, p. 57.

Respectfully submitted,
ANDY BESHEAR
ATTORNEY GENERAL



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Certificate of Filing

Counsel certifies that: (a) the foregoing is a true and accurate copy of the same document being filed in paper medium; (b) pursuant to 807 KAR 5:001, § 8 (7)(c), there are currently no parties that the Commission has excused from participation by electronic means in this proceeding; and (c) the original and copy in paper medium is being filed with the Commission on February 23, 2016.

this 22nd day of February, 2016



Lawrence W. Cook
Assistant Attorney General