



STATE OF CONNECTICUT

DEPARTMENT OF PUBLIC UTILITY CONTROL
TEN FRANKLIN SQUARE
NEW BRITAIN, CT 06051

**DOCKET NO. 09-01-03 ANNUAL ASSESSMENT PROCEEDING TO FUND THE
DEVELOPMENT AND ADMINISTRATION OF THE
ENHANCED EMERGENCY 911 PROGRAM - 2009**

May 27, 2009

By the following Commissioners:

Anthony J. Palermino
Donald W. Downes
Kevin M. DelGobbo

DECISION

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I. INTRODUCTION

A. SUMMARY

Pursuant to §16-256g of the General Statutes of Connecticut (Conn. Gen. Stat.), the Department of Public Utility Control (Department) initiated this docket to conduct an annual proceeding to determine the monthly fee that will be assessed on each local telephone service, commercial mobile radio service (CMRS), customer-owned coin operated telephone service (COCOT) and Voice Over Internet Protocol (VOIP) subscriber to fund the development and administration of the state's Enhanced Emergency 911 (E-911) program. After review of the Department of Public Safety's (Public Safety) proposed E-911 program operating budget for Fiscal Year (FY) 09/10, the Department has determined that Connecticut local exchange and CMRS customers should be assessed an amount ranging from \$0.47 to \$0.09, depending upon the number of access lines or telephone numbers subscribed, as of January 1, 2009. This is a slight increase from the amount that was assessed in FY 08/09.¹ The budget increase is largely attributed to the planned implementation of a public safety data network. E911 Operating Budget, Item 5.

B. BACKGROUND

In accordance with §16-256g and § 28-24 of the Conn. Gen. Stat. and the Regulations of Connecticut State Agencies (Conn. Agencies Regs.) §§28-24-1 et al, the Department, in conjunction with Public Safety, directed the two incumbent local exchange companies (LEC), all competitive local exchange carriers (CLEC), CMRS, providers of customer owned coin operated telephone service (COCOT) and Voice over Internet Protocol (VoIP) providers (collectively, the Companies) to provide their total number of access lines and active telephone numbers in service as of January 1, 2009. The Companies were also directed to provide the number of customers subscribing to multiple lines/telephone numbers. Pursuant to Conn. Agencies Regs. §28-24-10(h), Public Safety was required to submit to the Department, its annual operating budget for the state's Enhanced Emergency 911 (E-911) program. Public Safety filed its budget with the Department on March 24, 2009. This information is necessary to determine the FY 09/10 funding requirements to administer the state's E-911 program.

C. CONDUCT OF THE PROCEEDING

By Notice of Hearing dated April 6, 2009, the Department held a public hearing on April 28, 2009, at its offices, Ten Franklin Square, New Britain, Connecticut 06051, at which time the hearing in this matter was closed. The Department issued a Draft Decision in this docket on May 12, 2009. All participants were provided an opportunity to file written comments on the Draft Decision.

¹ The FY08/09 operating budget was \$23,938,118.17. The FY09/109 operating budget has increased to \$24,746,789.85, a difference of \$808,671.68.

D. PARTIES

The Department recognized the Department of Public Safety, P.O. Box 2794, Middletown, Connecticut 06457-9294; the Office of Consumer Counsel, Ten Franklin Square, New Britain, Connecticut 06051; and all LECs, CLECs, CMRS, providers of COCOTs and VoIP providers currently providing telecommunications services in Connecticut as participants to this proceeding.

II. DEPARTMENT ANALYSIS

Pursuant to Conn. Agencies Regs. §§28-24-10(h), Public Safety provided the Department with its E-911 operating budget (Operating Budget) requirement of \$45,271,595.16 for the FY 09/10. Public Safety also proposed to include any FY 08/09 carryovers, interest and additional revenue to its FY 09/10 budget in the amount of \$23,099,690.43. This resulted in a proposed operating budget of \$24,746,789.85 for FY 09/10. The allocation of the funding requirements for the FY 09/10 is detailed as follows:

1. Equipment Enhancements

Continued funding for the E-911 system for street centerline data will be required for the FY 09/10. Additional funds for miscellaneous Public Safety Answering Point (PSAP) equipment, maintenance and replacement of time synchronization equipment, and headsets, will also be required. The Southern New England Telephone Company d/b/a AT&T Connecticut (AT&T) estimated the cost of maintenance for the call handling platform to be \$730,968.00 for FY 09/10. The cost of providing translation services to all PSAPs is projected to be \$18,000.00. The purchase of a new call handling software platform for all PSAPs is expected to be \$8,000,000.00. New CPE hardware to accommodate new software will be required at a cost of \$7,000,000.00. Total requirements for equipment are \$18,134,968.00

2. Regional Emergency Telecommunications Funding

Funding requirements for the Regional Emergency Telecommunications Centers are based on a formula provided in Conn. Agencies Regs. §28-24-3 and results in an exact amount for this budget category. The FY 09/10 requirements are \$3,286,669.98 for the seven regional telecommunications centers.

3. Funding for Cities with Populations Over 40,000

Funding for the 22 cities in Connecticut with populations in excess of 40,000 is determined by a formula provided in Conn. Agencies Regs. §28-24-3. Restoration of funding for the city of Bridgeport for consolidating services and eliminating their secondary answering point is \$831,650.16. Public Safety calculates this amount to be \$4,630,074.18 for the 22 cities for FY 09/10.

4. Funding for New Regional Centers

Public Safety states that this category can only be estimated. A Hypothetical group of municipalities currently operating as stand alone PSAPs is used as the basis for estimating the cost of a new regional emergency communications center. The FY 09/10 cost for an estimated number of potential new regional centers is \$500,000.00. Public Safety reports a carryover of \$432,588.00 from the FY 08/09 budget, which reduces the FY 09/10 budget requirement for this category to \$67,412.00.

5. Network Costs

This category includes the cost of the E-911 network and E-911 database services incurred by AT&T. AT&T's estimated cost for network services/database management is \$2,268,266.00 for FY 09/10. These costs include ISDN lines, computer services, tandem connections, database management and support services. In addition, the projected cost for a public safety data network that would provide connectivity for public safety data to all public safety agencies such as Police, Fire and Emergency Medical Services (EMS) is estimated at \$8,000,000.00. Telecommunications Service Priority System (TSP) is a program that will prioritize restoration of telecommunications services in the event of a failure and is estimated to cost \$72,290.00.

Non-recurring costs for reimbursement of wireless carriers Phase I services are estimated at \$50,000.00. Recurring annual charges for Phase I services are estimated at \$50,000.00. Total 911 network costs are \$10,440,556.00 with a carryover of \$9,466,602.40 from FY 08/09, reducing the amount of this budget item to \$973,953.60.

6. Transition Grants

Public Safety states that this category must be estimated. Assuming five standalone PSAPs will join other regional centers to form a new center with a cap of \$250,000.00 for each of the five PSAPs (total \$1,250,000.00) and a carryover of \$1,240,000.00 from the FY 08/09, results in a budget requirement of \$10,000.00 for the FY 09/10.

7. Coordinated Medical Emergency Direction Subsidy

Each municipality in the state will receive a subsidy for Coordinated Medical Emergency Direction (CMED) services at the rate of \$0.30 per capita. The total amount of the CMED subsidy for FY 09/10 is \$1,050,872.70.

8. Office of Statewide Emergency Telecommunications

The cost for the Office of Statewide Emergency Telecommunications (OSET) for the FY 09/10 is projected to be \$1,387,953.30.

9. EMS Data Subsidy to Department of Public Health

This budget item is intended to facilitate the collection of EMS data within the Department of Public Health (DPH) as required by Conn. Gen. Stat. § 28-24-7. For the FY 09/10, the cost is \$250,000.00.

10. Training and Public Education

This budget item is for the training of public safety telecommunicators as required by Conn. Gen. Stat. § 28-30 and for the reimbursement of the cost of Emergency Medical Dispatch (EMD) training for municipalities. For FY 09/10, the projected cost of public safety telecommunicator training is \$482,944.00. Contract services to enhance and update the current curriculum can only be estimated at \$100,000.00. The anticipated cost of EMD training for FY 09/10 is \$60,000.00. Public education initiatives, including non-sustaining commercial announcements regarding the proper use of E-911 and curriculum development and materials for use with school children, is projected at \$175,000.00. The total amount needed for FY 09/10 is \$843,945.92.

11. Multi-Town PSAPs

This budget item provides a subsidy for a PSAP responsible for the receipt and processing of E-911 calls for two municipalities (Multi-Town PSAP). Funding will be based upon the formula in Conn. Agencies Regs. §28-24-3 and is projected to be \$609,102.86 for nine multi-town PSAPs in FY 09/10.

12. Connecticut State Police Subsidy

This budget item will provide funding for the Connecticut State Police (CSP). It will be used exclusively for the purpose of providing E-911 service and will be calculated based on the formula of \$1.00 times the number of E-911 calls received by the CSP PSAPs. Based on E-911 call counts from 2008, the subsidy for the CSP is \$674,139.00.

13. PSAP Training Subsidy

This budget item will provide a training allowance that can be used by all PSAPs exclusively for the purpose of providing E-911 related training for telecommunicators. Funding will be based on a formula of \$0.10 per capita, based on population numbers from the DPH. The total amount required for FY 09/10 is \$351,709.90. A carryover of \$226,839.38 from FY 08/09, reduces the amount required to \$124,870.52.

14. Capital Expenses

Funding for this budget item is based on a formula of 12.5% of the total funding for regional emergency telecommunications centers and funded cities with a 25% cap in year two. Any regional emergency telecommunications center or funded city requesting this subsidy, must match from local funds, one dollar per each dollar provided by the capital expense fund. The total amount required for Capital Expenses for FY 09/10 is

\$1,802,361.55. A carryover of \$1,397,634.56 reduces the budget need for FY 09/10 to \$404,726.99.

15. Revenues

A projected revenue shortfall of \$2,577,885.12 resulting from a decrease in the number of phone lines reduces the total carryovers from the previous year. Carryovers from the previous year will be reduced to \$20,521,805.31 as a result of the revenue shortfall of \$2,577,885.12.

16. Total Budget Requirements

The total amount for budget items 1 through 14 for FY 09/10 is \$45,271,595.16. The carryovers, interest and additional revenue from the previous fiscal year equal \$23,099,690.43. The total E-911 Fund budget requirement for FY 09/10 is \$24,746,789.85.

Conn. Agencies Regs. §28-24-10(c) prescribes a progressive wireline and wireless services schedule that shall be used by the Department when calculating the E-911 monthly assessment for customer accounts with multiple lines. Conn. Agencies Regs. §28-24-10 (c) provides as follows:

1. If the number of access lines equals one, then the assessment factor shall be 1.0;
2. If the number of access lines equals two, then the assessment factor shall be .75;
3. If the number of access lines equals three, then the assessment factor shall be .67;
4. If the number of access line equals four or five, then the assessment factor shall be .60;
5. If the number of access lines is six, seven, eight, nine or ten, then the assessment factor shall be .50;
6. If the number of access lines is equal to or greater than eleven but less than 26, then the assessment factor shall be .40;
7. If the number of access lines is equal to or greater than 26 but less than 51, then the assessment factor shall be .33;
8. If the number of access lines is equal to or greater than 51 but less than 100, then the assessment factor shall be .25; and
9. If the number of access lines is equal to or greater than 100, then the assessment factor shall be .20.

On February 4, 2009, the Department issued interrogatories to telephone companies, telecommunications companies, providers of COCOTs, VoIP and CMRS providers offering services that have active E-911 billable telephone numbers. The

majority of companies responded; certain companies did not. Any telecommunications company or provider of COCOTs that did not provide responses to the Department's interrogatories will be subject to the provisions of Conn. Gen. Stat. §16-247g(b) and will be required to show cause why it should not be subject to fine and/or why its Certificate of Public Convenience and Necessity should not be suspended or revoked. In addition, those companies that did not respond will be assessed at the single access line rate.

In accordance with Conn. Agencies Regs. §28-24-10(a), on and after June 1, 2009, each telephone and COCOT, IP and VOIP telecommunications company providing local telephone service, each CMRS provider, shall assess a fee against each of its subscribers based on the above multi-line assessment schedule. Employing this schedule in conjunction with Public Safety's E-911 FY 09/10 budget of \$24,746,789.85 requires that all local exchange service, COCOTs and VoIP providers and CMRS subscribers be assessed a portion of the State's E-911 program expenses in the following amounts:

Wireless Telephone Numbers/Access Lines	Per-Line Assessment
1	\$0.47
2	\$0.35
3	\$0.31
4 or 5	\$0.28
6 - 10	\$0.24
11 - 25	\$0.19
26 - 50	\$0.16
51-99	\$0.12
100+	\$0.09

III. FINDINGS OF FACT

1. Each LEC, CLEC, COCOTs, CMRS and VoIP provider is required to assess subscribers a fee to fund the state's E-911 program.
2. Public Safety's E-911 Program budget for FY 09/10 is \$45,271,595.16, but the amount required to fund the program has been reduced to \$24,746,789.85 due to carryovers and interest income and additional revenue from the current year amounting to \$23,099,690.43.
3. The majority of LEC, CLEC, CMRS, COCOTs and VoIP providers have provided their total number of access lines or telephone numbers subscribed to by their respective customers.

IV. CONCLUSION AND ORDERS

A. CONCLUSION

Pursuant to Conn. Gen. Stat. §16-256g and Conn. Agencies Regs. §§28-24-1, the Department and Public Safety have prescribed an E-911 funding assessment schedule. All incumbent local exchange companies, CLECs, CMRS, COCOTs and

VoIP providers are required for FY 09/10 to assess their respective subscribers based on the per-line/telephone number assessment schedule above ranging from \$0.47 to \$0.09, depending upon the number of access lines or telephone numbers subscribed. Those companies that did not respond to the Department's interrogatories will be assessed the single line rate.

B. ORDERS

For the following Orders, please submit an original and 4 copies of the requested material, identified by Docket Number, Title and Order Number to the Executive Secretary.

1. Each incumbent LEC, CLEC, CMRS, COCOTs and VoIP provider shall assess each subscriber a monthly fee as prescribed above.
2. No later than September 30, 2009, and quarterly thereafter, all telephone or telecommunications companies providing local telephone service and CMRS, COCOTs and VoIP providers shall separately report to the Department pursuant to protective order, the monthly payments made to the State's Enhanced 911 Telecommunications Fund for the previous three months.

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This Decision is adopted by the following Commissioners:

Anthony J. Palermino

Donald W. Downes

Kevin M. DelGobbo

CERTIFICATE OF SERVICE

The foregoing is a true and correct copy of the Decision issued by the Department of Public Utility Control, State of Connecticut, and was forwarded by Certified Mail to all parties of record in this proceeding on the date indicated.



Kimberley J. Santopietro
Executive Secretary
Department of Public Utility Control

May 28, 2009

Date