



STATE OF CONNECTICUT

PUBLIC UTILITIES REGULATORY AUTHORITY
TEN FRANKLIN SQUARE
NEW BRITAIN, CT 06051

**DOCKET NO. 19-01-33 ANNUAL PROCEEDING TO FUND THE DEVELOPMENT
AND ADMINISTRATION OF THE ENHANCED
EMERGENCY 911 PROGRAM - 2019**

May 22, 2019

By the following Commissioners:

John W. Betkoski, III
Michael A. Caron

Lead Staff: R. Skarzynski
Legal Advisor: A. Santoro

DECISION

DECISION

A. SUMMARY

Pursuant to §16-256g of the General Statutes of Connecticut, the Public Utilities Regulatory Authority 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, customer-owned coin operated telephone service and Voice over Internet Protocol subscriber to fund the development and administration of the state's Enhanced Emergency 911 program. The Public Utilities Regulatory Authority reviewed the Department of Emergency Services and Public Protection's proposed Enhanced Emergency 911 program operating budget for fiscal year July 1, 2019 to June 30, 2020. Connecticut telecommunications service customers will be assessed a monthly fee ranging from \$0.58 to \$0.12, depending upon the number of access lines or telephone numbers subscribed, as of January 1, 2019. The fiscal year 2019/20 operating budget requirement is \$30,257,392. This is an increase of \$487,339 (with rounding) from fiscal year 2018/2019 operating budget of \$29,770,053.

B. BACKGROUND OF THE PROCEEDING

In accordance with §§16-256g and 28-24 of the General Statutes of Connecticut (Conn. Gen. Stat.) and §§28-24-1 et al. of the Regulations of Connecticut State Agencies (Conn. Agencies Regs.), the Public Utilities Regulatory Authority (Authority or PURA), in conjunction with the Department of Emergency Services and Public Protection (DESPP), directed the two local exchange companies (LECs), all competitive local exchange carriers (CLEC), commercial mobile radio service (CMRS) providers, providers of customer owned coin operated telephone service (COCOT) and Voice over Internet Protocol (VoIP) providers (collectively, Companies) to provide their total number of access lines and active telephone numbers in-service as of January 1, 2019. 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), DESPP is required to submit to the Authority its annual operating budget for the state's Enhanced Emergency 911 (E-911) program. DESPP filed its budget with the Authority on March 25, 2019. This information is necessary to determine the fiscal year (FY) 2019/20 funding requirements to administer the state's E-911 program.

C. CONDUCT OF THE PROCEEDING

By Notice of Hearing dated February 11, 2019, the Authority offered an opportunity to interested persons to request a hearing. The Authority did not receive a request for a hearing and issued a Proposed Final Decision in this Docket on May 8, 2019. All participants were provided an opportunity to file written exceptions on the Proposed Final Decision.

D. PARTIES AND INTERVENORS OR PARTICIPANTS

The Authority recognized the Department of Emergency Services and Public Protection, 1111 Country Club Road, Middletown, CT 06457-9294; the Office of Consumer Counsel, Ten Franklin Square, New Britain, CT 06051; the Commissioner of the Department of Energy and Environmental Protection, 79 Elm Street, Hartford, CT 06106; all LECs, CLECs, CMRS and providers of COCOT and VoIP services in Connecticut as participants to this proceeding. A listing of the Companies is appended hereto as Attachment A.

II. AUTHORITY ANALYSIS

A. 2019-2020 E-911 OPERATING BUDGET

On March 25, 2019, the DESPP provided the Authority with its E-911 annual operating budget (Operating Budget) pursuant to Conn. Agencies Regs. §28-24-10(h). The total Operating Budget requirement is \$30,257,392.04 for FY 2019/20, an increase of \$487,339 from the FY 2018/2019 budget. The estimated requirements for each line item of the Operating Budget categories are detailed below.

1. 911 Systems

The cost of E-911 database services are estimated at \$1,448,327 for FY 2019/20 and include software maintenance, database management and support services. The estimated Next Generation 911 System (NG911) costs of \$9,967,138 include network management, monitoring and maintenance for the Universal Power Supply (UPS), NG911 system and Public Safety Data Network (PSDN). The costs to provide matching funds for a National Highway Traffic Administration grant are \$240,356. The total 911 system costs are estimated at \$11,655,821

2. Emergency Telecommunications Services and Support

Funding for the E-911 street centerline and address data updates for FY 2019/20 are estimated to be \$31,000 for hardware, software and custom formatting and \$60,000 for Geographic Information System (GIS) business data and geocoding costs for a total estimated GIS cost of \$91,000. The cost of providing translation services to all Public Safety Answering Points (PSAPs) is calculated to be \$33,000. The cost for Connecticut's emergency notification system, CT Alert, is used by state officials for both large scale notifications and local notifications managed by PSAPs to alert citizens of public safety threats is estimated at \$1,342,617.

Interoperability of radio systems is contingent upon the P-25 switch, and is estimated at \$511,489. The projected costs for the Telecommunications Service Priority program are \$11,325. Included in the FY 2019/20 budget is \$275,000 for public education initiatives to increase awareness of CT Alert and NG911, which will allow texting to 911. The total cost for Emergency Telecommunications Services and Support is estimated at \$2,264,431.

3. Regional Emergency Telecommunications Funding

The funding requirement for the Regional Emergency Telecommunications Centers (RECC) is based on a formula provided in Conn. Agencies Regs. §28-24-3 and results in a calculated amount for this budget category. The total funding requirement for RECC is estimated to be \$4,947,694 for the seven RECCs for FY 2019/20.

4. Funding for Cities with Populations Over 40,000

Funding for the 21 cities in Connecticut with populations in excess of 40,000 is determined by a formula provided in Conn. Agencies Regs. §28-24-3. DESPP calculated the total requirement to be \$3,497,505 for FY 2019/20.

5. Multi-Town PSAPs

The Multi-Town PSAP budget item provides a subsidy for a PSAP responsible for the receipt and processing of E-911 calls for two municipalities. Funding is based on a formula in Conn. Agencies Regs. §28-24-3. The budget requirement is calculated to be \$795,798 for nine multi-town PSAPs.

6. Coordinated Medical Emergency Direction Subsidy

Municipalities in the state will receive a subsidy for Coordinated Emergency Medical Direction (CMED) services as required by Conn. Gen. Stat. §28-24(c)(2) at the rate of \$0.30 per capita. Based upon a statewide population of 3,588,194, the total amount for the CMED subsidy for FY 2019/20 is \$1,076,455.

7. PSAP Training Subsidy

The PSAP training subsidy budget item provides an 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 Department of Public Health (DPH). The total amount required for FY 2019/20 is \$359,741.

8. Telecommunicator Certification Training

The telecommunicator certification training budget item includes the cost of training public safety telecommunicators as required by Conn. Gen. Stat. §28-30. It also includes the reimbursement to municipalities for Emergency Medical Dispatch (EMD) training. The projected cost for the above training is \$94,000 for FY 2019/20.

9. Division of Statewide Emergency Telecommunications

The operational cost for the Division of Statewide Emergency Telecommunications for the FY 2019/20 is projected to be \$3,363,992.

10. Connecticut State Police Subsidy

The Connecticut State Police (CSP) subsidy budget item will provide funding for E-911 telecommunications services. It is calculated using a formula of \$1.00 for each E-911 call received by the CSP PSAPs. Based on E-911 call counts from 2018, the subsidy for the CSP budget requirement is \$452,170 for FY 2019/20.

11. EMS Data Subsidy to Department of Public Health

The Emergency Medical Service (EMS) annual data subsidy is intended to facilitate the collection of EMS data within the DPH as required by Conn. Gen. Stat. §28-24(c)(7). The FY 2019/20 budget requirement is \$250,000.

12. New Regional Center

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 DESPP anticipated additional regionalization efforts and the estimated cost is \$254,936 for the FY 2019/20.

13. Transition Grants

Based on current known activity and requests, the DESPP estimated that one stand-alone PSAP will join another municipality to form a new multi-town PSAP. Grants are capped at \$250,000 per municipality for a total transition grant funding estimated at \$500,000.

14. Capital Expenses

Funding for capital expenses is based on a formula of 12.5% of the total funding for regional emergency telecommunications centers and funded cities. Any regional emergency telecommunications center or funded city requesting this subsidy must provide matching local funds. The total amount required for capital expenses for FY 2019/20 is estimated at \$744,849.

B. SURCHARGE RATE CALCULATION

Conn. Agencies Regs. §28-24-10(c) prescribes a progressive wireline service schedule that is used by the Authority when calculating the E-911 monthly assessment for customer accounts with multiple lines.¹ The regulation provides that if the number of access lines:

1. equals one, then the assessment factor shall be 1.0;
2. equals two, then the assessment factor shall be .75;

¹ Pursuant to Conn. Gen. Stat. §16-256g, the E-911 surcharge progressive rate schedule does not apply to wireless services.

3. equals three, then the assessment factor shall be .67;
4. equals four or five, then the assessment factor shall be .60;
5. equals six, seven, eight, nine or ten, then the assessment factor shall be .50;
6. equal to or greater than eleven but less than 26, then the assessment factor shall be .40;
7. equal to or greater than 26 but less than 51, then the assessment factor shall be .33;
8. equal to or greater than 51 but less than 100, then the assessment factor shall be .25; and
9. equal to or greater than 100, then the assessment factor shall be .20.

Based on the budget requirements and anticipated revenues, the Authority concludes that the surcharge for the FY 2019/20 should be \$0.58. Conn. Agencies Regs. §28-24-10(a) requires that each telephone, COCOT and VoIP company providing local telephone service and each CMRS provider assess a fee against each of its subscribers. Accordingly, all local exchange service, COCOT, VoIP and CMRS subscribers are assessed a portion of the state's E-911 program expenses in the following amounts:

Wireline/Access Lines	Per-Line Assessment
1	\$0.58
2	\$0.44
3	\$0.39
4 or 5	\$0.35
6 – 10	\$0.29
11 - 25	\$0.23
26 - 50	\$0.19
51- 99	\$0.15
100+	\$0.12

Wireless	Per Number Assessment
Telephone Numbers	\$0.58

The majority of companies responded to the Authority's interrogatories dated January 31, 2019 that requested subscriber line counts in this docket; however, several companies did not. The companies that did not provide responses will be subject to the provisions of Conn. Gen. Stat. §§16-41 and 16-247g(g). Each one of those companies is subject to a notice of civil penalty and/or subject to a notice of suspension or revocation of their respective Certificates of Public Convenience and Necessity. In addition, those companies that did not respond to the Authority's interrogatories will be assessed at the single access line rate.

III. FINDINGS OF FACT

1. Conn. Gen. Stat. §16-256g directs the Authority to conduct an annual proceeding to determine the monthly fee that will be assessed on each local telephone service, CMRS, COCOT and VoIP subscriber to fund the development and administration of the state's Enhanced Emergency 911 program.
2. Pursuant to Conn. Agencies Regs. §28-24-10(h), DESPP submitted to the Authority on March 18, 2019, its annual operating budget for the state's Enhanced Emergency 911 (E-911) program.
3. The fiscal year 2018/19 operating budget was \$29,770,053 and the fiscal year 2019/20 operating budget requirement is \$30,257,392, an increase of \$487,339.
4. All CLECs, CMRS providers, providers of COCOT and VoIP providers were directed to file with the Authority their total number of access lines and active telephone numbers in-service and the number of customers subscribing to multiple lines/telephone numbers as of January 1, 2019.
5. Each LEC, CLEC, COCOT, CMRS and VoIP provider is required to assess their subscribers a fee for each subscriber line to fund the state's E-911 program.

IV. CONCLUSION AND ORDERS

A. CONCLUSION

Pursuant to Conn. Gen. Stat. §16-256g and Conn. Agencies Regs. §§28-24-10(a), the Authority and the DESPP have prescribed an E-911 funding assessment schedule based on budget requirements and anticipated revenues. All incumbent LECs, CLECs, CMRS, COCOT and VoIP providers are required for FY 2019/20 to continue to assess their respective subscribers based on a per-line or telephone number assessment ranging from \$0.58 to \$0.12, depending upon the subscribed number of access lines and telephone numbers. Pursuant to Conn. Gen. Stat. §28-24-10(a), the maximum allowed per line/telephone number surcharge rate is \$0.75. The companies that did not respond to the Authority's interrogatories will be assessed the single line rate.

B. ORDERS

For the following Orders, the Company shall submit one original of the required documentation to the Executive Secretary, 10 Franklin Square, New Britain, Connecticut 06051 and file an electronic version through the Authority's website at www.ct.gov/pura. Submissions filed in compliance with the Authority's Orders must be identified by all three of the following: Docket Number, Title and Order Number.

1. Commencing July 1, 2019 until June 30, 2020, each incumbent LEC, CLEC, CMRS, COCOT and VoIP provider shall assess each subscriber a monthly fee as prescribed herein.

2. No later than October 25, 2019, and quarterly thereafter, (January 27, 2020; April 27, 2020; and July 27, 2020), all telephone or telecommunications companies providing local telephone service and CMRS, COCOT and VoIP providers shall report to the Authority, in accordance with the table below, and pursuant to a protective order, the E-911 surcharges collected from such providers' end-users for the previous three months as reflected on the E-911 Surcharge Remittance Form.

Quarters	E-911 Surcharges Collected for the Following Months	Due Date
3	July, Aug., Sept.	Oct. 25, 2019
4	Oct., Nov., Dec.	Jan. 27, 2020
1	Jan., Feb., March	April 27, 2020
2	April, May, June	July 27, 2020

In addition, each provider is required to submit to the Authority a copy of the monthly remittance forms filed with DESPP. Non-DESPP forms, incomplete forms or forms not filed by the quarterly due dates will not be considered timely filed. Forms can be found on the DESPP website at www.ct.gov/despp. The Authority will not accept a payment report unless it is in the prescribed format as described in the DESPP's website. Any reports not in compliance with this format for this Docket and any future dockets will need to be refiled to be in compliance.

Budget Requirements FY 2020

<u>Budget Item</u>	<u>Total Requirements</u>
Item 1: 9-1-1 Systems	\$11,655,821
Item 2: Emergency Telecommunications Services and Support	\$2,264,431
Item 3: Regionals Subsidy	\$4,947,694
Item 4: City Subsidy	\$3,497,505
Item 5: Multi-Town PSAPs	\$795,798
Item 6: CMED Subsidy	\$1,076,455
Item 7: PSAP Training Subsidy	\$359,741
Item 8: Telecommunicator Certification Training	\$94,000
Item 9: DSET Costs	\$3,363,992
Item 10: CSP	\$452,170
Item 11: DPH Subsidy	\$250,000
Item 12 : New Multi-Town ECC	\$254,936
Item 13: Transition Grants	\$500,000
Item 14: Capital Expense Grants	\$744,849
FY 2020 Budget Requirement	<u>\$30,257,392</u>