

STATE OF MICHIGAN

BEFORE THE MICHIGAN PUBLIC SERVICE COMMISSION

* * * * *

In the matter, on the Commission's own motion,)	
to implement the provisions of Section 401e of)	Case No. U-15489
2007 PA 164.)	
_____)	

At the March 11, 2008 meeting of the Michigan Public Service Commission in Lansing, Michigan.

PRESENT: Hon. Orjiakor N. Isiogu, Chairman
Hon. Monica Martinez, Commissioner
Hon. Steven A. Transeth, Commissioner

ORDER

On December 20, 2007, Governor Jennifer M. Granholm signed 2007 PA 164, the Emergency 9-1-1 Service Enabling Act (Act 164), which amends 1986 PA 32; MCL 484.1101 *et seq.*

Section 401e of Act 164 reads as follows:

- (1) No later than February 15, 2008, each county that decides to assess a surcharge under section 401b shall with the assistance of the state 9-1-1 office submit to the commission all of the following:
 - (a) The initial county 9-1-1 surcharge for each 9-1-1 service district to be effective July 1, 2008.
 - (b) The estimated amount of revenue to be generated in each 9-1-1 service district for 2007.
 - (c) Based on the surcharge established under this subsection, the estimated amount of revenue to be generated for 2008.
- (2) If the amount to be generated in 2008 exceeds the amount received in 2007 plus an amount not to exceed 2.7% of the 2007 revenues, the commission, in consultation with the committee, shall review and approve or disapprove the county 9-1-1 surcharge adopted under section 401b. If the commission does not act by March 17, 2008, the county 9-1-1 surcharge shall be deemed approved. If the surcharge is rejected, it shall be adjusted to ensure that the revenues generated do not exceed the amounts allowed under this subsection. In reviewing the surcharge

under this subsection, the commission shall consider the allowable and disallowable costs as approved by the committee on June 21, 2005.

On January 2, 2008, the Commission issued an order directing Michigan counties that had decided to assess a 9-1-1 surcharge to provide to the Commission all of the following information in compliance with MCL 484.1401e: 1) the level of the proposed county surcharge that the county intends to begin collecting on July 1, 2008; 2) its estimated revenues for 2007 collected under its existing surcharge; and 3) its estimated county 9-1-1 surcharge revenues for 2008.¹

MCL 484.1401e(2) requires that if the amount to be generated in 2008 exceeds the amount received in 2007, plus an amount not to exceed 2.7%, the Commission in consultation with the Emergency 9-1-1 Service Committee (ETSC) shall review the surcharge and make recommendations.² The Commission is authorized to approve, disapprove, or adjust the surcharge amounts.³

¹From January 1, 2008 to June 30, 2008, the county surcharge revenue calculation will continue to be based on the current county surcharge and imposed on wireline subscribers. Beginning July 1, 2008, the county surcharge revenue will be based on the new county surcharge and imposed on all communication service subscribers each month (both wireline and wireless).

²The ETSC committee's recommendations can be found at:
<http://efile.mpsc.cis.state.mi.us/efile/docs/15489/0105.pdf>

³Comments or responses to comments were filed by Jean Kuebler, the Telecommunications Association of Michigan, Senators Cameron Brown (16th District), and Ray Basham (8th District), Verizon North Inc., Contel of the South, Inc. d/b/a Verizon North Systems, MCI metro Access Transmission Services LLC d/b/a Verizon Access Transmission Services, and New Par d/b/a Verizon Wireless, Cellco Partnership d/b/a Verizon Wireless, and Muskegon Cellular Partnership d/b/a Verizon Wireless (collectively), Isabella County, and Oakland County. Act 164 did not provide for comments and the Commission's January 2, 2008 order did not provide for a comment period for this case.

Before the enactment of Act 164, the counties assessed 9-1-1 surcharges only on wireline service users. Act 164 now provides that both the state and county 9-1-1 surcharges apply to all communication service users in the county.⁴ While the number of wireline service users in a county is known, the number of all communication service users cannot be precisely determined at this time.

After an analysis of available information on communication services devices in Michigan, the ETSC developed an estimate of .93 as a statewide average of the number of devices per person to enable counties to compute their 9-1-1 surcharge based on the population of the county.⁵ The Commission finds that although the .93 factor may over or underestimate the actual number of communication service users in some counties, it is a reasonable approximation that should be applied to all surcharge calculations. Therefore, the Commission finds that the estimated 2008 surcharge revenue for each county should be calculated using the .93 factor applied to the county population based on the 2000 U.S. Census⁶ and multiplied by the proposed surcharge. *See*, Attachment A, n. 2.

⁴MCL 484.1102(g) states, "Communication Service" means a service capable of accessing, connecting with, or interfacing with a 9-1-1 system exclusively through the numerals 9-1-1, by dialing, initializing, or otherwise activating the 9-1-1 system through the numerals 9-1-1 by means of a local telephone device, cellular telephone device, wireless communication device, interconnected voice over the internet device, or any other means." In addition, MCL 484.1401b(12) provides, "If a service user has multiple access points or access lines, the county 9-1-1 charge will be imposed separately on each of the first 10 access points or access lines and then 1 charge for each 10 access points or access lines per billed account."

⁵The .93 statewide device factor was developed by the ETSC's Stable Funding Working Group and is defined in http://www.michigan.gov/documents/msp/1-8-08_Revised_ETSC-MPSC_Application_Instructions_221746_7.doc, Direction No. 6.

⁶<http://quickfacts.census.gov/qfd/states/26000.html>

The counties of Baraga, Barry, Bay, Eaton, Kalamazoo, Keweenaw, Macomb, Manistee, Marquette, Midland, Missaukee, Ottawa, Roscommon, and St. Joseph did not file applications with the Commission and are not requesting a surcharge. The application filed by Leelanau County was withdrawn on March 3, 2008.

The counties of Alger, Allegan, Antrim, Arenac, Branch, Clare, Clinton, Gladwin, Ingham, Iron, Kalkaska, Kent⁷, Livingston, Luce, Mason, Montmorency, Oceana, Ontonagon, Otsego, Schoolcraft, Shiawassee, and Wexford filed applications that were in compliance with Section 401e. These applicants requested surcharges based on estimated revenues for 2008 not in excess of the county's estimated 2007 revenue plus 2.7%. The Commission finds that these surcharges should be approved as requested.

The remaining counties of Alcona, Alpena, Benzie, Berrien, Calhoun, Cass, Charlevoix, Cheboygan, Chippewa, Crawford, Delta, Dickinson, Emmet, Genesee, Gogebic, Grand Traverse, Gratiot, Hillsdale, Houghton, Huron, Ionia, Iosco, Isabella, Jackson, Lake, Lapeer, Lenawee, Mackinac, Mecosta, Menominee, Monroe, Montcalm, Muskegon, Newaygo, Oakland, Ogemaw, Osceola, Oscoda, Presque Isle, Saginaw, Sanilac, St. Clair, Tuscola, Van Buren, Washtenaw, and Wayne submitted applications that included estimated 2008 surcharge revenues in excess of the county's 2007 surcharge revenue plus 2.7%. The Commission finds that because of the uncertainty related to the number of communication services devices in each county, the most prudent action is for the Commission to adjust the requested surcharges for these counties so that estimated county 2008 surcharge revenue is not greater than the county's 2007 surcharge revenues

⁷Kent County did not have a surcharge in 2007 and is proposing to begin collecting a surcharge of \$0.45 beginning on July 1, 2008. The Commission finds that this proposed surcharge is reasonable.

plus 2.7%. The surcharge is re-calculated by applying the .93 factor to the county population number identified by the 2000 U.S. Census.

The approved Commission surcharges and estimated revenues for all counties that filed in this docket are shown in Attachment A to this order.

THEREFORE, IT IS ORDERED that:

A. The applications for a county 9-1-1 surcharge for 2008 filed by the counties of Alger, Allegan, Antrim, Arenac, Branch, Clare, Clinton, Gladwin, Ingham, Iron, Kalkaska, Kent, Livingston, Luce, Mason, Montmorency, Oceana, Ontonagon, Otsego, Schoolcraft, Shiawassee, and Wexford under Section 401e of 2007 PA 164, MCL 484.1401e, are approved as submitted, as indicated in Attachment A to this order

B. The applications for a county 9-1-1 surcharge for 2008 filed by the counties of Alcona, Alpena, Benzie, Berrien, Calhoun, Cass, Charlevoix, Cheboygan, Chippewa, Crawford, Delta, Dickinson, Emmet, Genesee, Gogebic, Grand Traverse, Gratiot, Hillsdale, Houghton, Huron, Ionia, Iosco, Isabella, Jackson, Lake, Lapeer, Lenawee, Mackinac, Mecosta, Menominee, Monroe, Montcalm, Muskegon, Newaygo, Oakland, Ogemaw, Osceola, Oscoda, Presque Isle, Saginaw, Sanilac, St. Clair, Tuscola, Van Buren, Washtenaw, and Wayne under Section 401e of 2007 PA 164, MCL 484.1401e, are approved as adjusted, as shown in Attachment A to this order.

The Commission reserves jurisdiction and may issue further orders as necessary.

Any party desiring to challenge this order shall do so by filing a petition for rehearing with the Commission in accordance with the Commission's Rules of Practice and Procedure, 1999 AC, R 460.17101 *et seq.*, by requesting assistance of the Emergency 9-1-1 Service Committee in dispute resolution as provided under MCL 484.1601, or by filing an appeal in the appropriate court within 30 days after issuance and notice of this order, under MCL 24.201 *et seq.*

MICHIGAN PUBLIC SERVICE COMMISSION

Orjiakor N. Isiogu, Chairman

Monica Martinez, Commissioner

Steven A. Transeth, Commissioner

By its action of March 11, 2008.

Mary Jo Kunkle, Executive Secretary

Michigan Public Service Commission
Department of Labor and Economic Growth
U-15489 9-1-1 County¹ Surcharges
March 11, 2008

*County data in **bold-italic** font represents those counties for which the Commission has adjusted² the county surcharge to allow for only a 2.7% revenue increase, using the 0.93 devices per person factor (based on 2000 Census data).

County	2007 County Surcharge	2007 County Surcharge Revenue	2008 County Proposed County Surcharge	2008 County-Projected Surcharge Revenue as submitted to the MPSC	2008 Commission Approved County Surcharge	2008 Estimated County Surcharge Revenue as Adjusted ³
Alcona	\$4.00	\$260,225	\$3.00	\$363,168	\$2.10	\$267,252
Alger	\$0.37	\$25,369	\$0.18	\$25,021	\$0.18	\$25,021
Allegan	\$2.85	\$2,100,000	\$1.63	\$1,998,282	\$1.63	\$1,998,282
Alpena	\$4.00	\$710,843	\$2.46	\$795,444	\$2.14	\$730,036
Antrim	\$2.91	\$485,310	\$1.97	\$491,610	\$1.97	\$491,610
Arenac	\$0.72	\$60,294	\$0.32	\$60,980	\$0.32	\$60,980
Benzie	\$3.00	\$361,507	\$2.27	\$395,704	\$2.13	\$371,268
Berrien	\$0.80	\$727,556	\$1.00	\$1,332,159	\$0.42	\$747,200
Branch	\$0.55	\$156,692	\$0.31	\$138,600	\$0.31	\$138,600
Calhoun	\$0.65	\$476,949	\$0.60	\$679,285	\$0.33	\$489,827
Cass	\$2.40	\$639,336	\$1.99	\$656,598	\$1.18	\$656,598
Charlevoix	\$0.80	\$140,829	\$0.61	\$157,737	\$0.51	\$144,631
Cheboygan	\$0.80	\$140,798	\$0.61	\$158,622	\$0.50	\$144,600
Chippewa	\$2.00	\$404,932	\$1.50	\$525,071	\$0.99	\$415,865
Clare	\$0.80	\$154,926	\$0.47	\$159,109	\$0.47	\$159,109
Clinton	\$4.00	\$1,488,683	\$2.00	\$1,508,823	\$2.00	\$1,508,823
Crawford	\$4.00	\$354,700	\$2.73	\$390,427	\$2.35	\$364,277
Delta	\$0.80	\$181,428	\$0.80	\$337,000	\$0.44	\$186,327
Dickinson	\$0.70	\$118,915	\$0.70	\$164,454	\$0.41	\$122,126
Emmet	\$0.80	\$191,447	\$0.61	\$200,588	\$0.58	\$196,616
Genesee	\$2.40	\$5,737,786	\$1.37	\$5,815,246	\$1.24	\$5,892,706
Gladwin	\$0.80	\$140,364	\$0.51	\$144,069	\$0.51	\$144,069
Gogebic	\$0.52	\$55,402	\$0.60	\$218,800	\$0.30	\$56,897
Grand Traverse	\$0.80	\$472,071	\$0.80	\$743,282	\$0.58	\$484,817
Gratiot	\$2.89	\$577,428	\$1.69	\$592,500	\$1.29	\$593,019
Hillsdale	\$2.99	\$593,522	\$1.75	\$637,282	\$1.20	\$609,547
Houghton	\$2.64	\$418,796	\$1.26	\$422,717	\$1.10	\$430,103
Huron	\$3.61	\$715,618	\$2.23	\$752,173	\$1.87	\$734,940
Ingham	\$0.58	\$1,040,286	\$0.31	\$840,000	\$0.31	\$840,000
Ionia	\$4.00	\$1,151,081	\$1.90	\$1,119,500	\$1.77	\$1,182,160
Iosco	\$2.88	\$536,030	\$2.88	\$698,520	\$1.85	\$550,503
Iron	\$2.28	\$230,000	\$1.61	\$236,052	\$1.61	\$236,052
Isabella	\$4.00	\$1,007,264	\$1.80	\$1,190,000	\$1.50	\$1,034,460
Jackson	\$0.80	\$729,936	\$0.80	\$1,058,017	\$0.44	\$749,644
Kalkaska	\$4.00	\$454,000	\$2.52	\$466,027	\$2.52	\$466,027
Kent	\$0.00	\$0	\$0.45	\$1,822,500	\$0.45	\$1,442,156
Lake	\$4.00	\$301,223	\$5.37	\$481,369	\$2.51	\$309,356
Lapeer	\$3.70	\$1,444,858	\$1.60	\$1,556,546	\$1.55	\$1,483,869
Lenawee	\$2.52	\$1,220,653	\$1.34	\$1,248,498	\$1.18	\$1,253,610
Livingston	\$3.50	\$3,300,000	\$1.85	\$3,216,200	\$1.85	\$3,216,200
Luce	\$1.78	\$75,952	\$0.99	\$77,600	\$0.99	\$77,600
Mackinac	\$1.80	\$181,440	\$1.48	\$182,983	\$1.43	\$186,339
Mason	\$3.50	\$1,222,823	\$2.09	\$1,255,840	\$2.09	\$1,255,840
Mecosta	\$3.20	\$645,021	\$1.72	\$661,227	\$1.50	\$662,437
Menominee	\$2.38	\$348,000	\$2.12	\$446,250	\$1.30	\$357,396
Monroe	\$0.80	\$608,605	\$0.60	\$792,923	\$0.39	\$625,037

**Michigan Public Service Commission
Department of Labor and Economic Growth
U-15489 9-1-1 County¹ Surcharges
March 11, 2008**

*County data in ***bold-italic*** font represents those counties for which the Commission has adjusted² the county surcharge to allow for only a 2.7% revenue increase, using the 0.93 devices per person factor (based on 2000 Census data).

County	2007 County Surcharge	2007 County Surcharge Revenue	2008 County Proposed County Surcharge	2008 County-Projected Surcharge Revenue as submitted to the MPSC	2008 Commission Approved County Surcharge	2008 Estimated County Surcharge Revenue as Adjusted ³
<i>Montcalm</i>	<i>\$4.00</i>	<i>\$1,225,550</i>	<i>\$2.00</i>	<i>\$1,293,839</i>	<i>\$1.89</i>	<i>\$1,258,640</i>
Montmorency	\$2.80	\$216,000	\$1.47	\$221,408	\$1.47	\$221,408
<i>Muskegon</i>	<i>\$0.72</i>	<i>\$614,332</i>	<i>\$0.72</i>	<i>\$981,956</i>	<i>\$0.34</i>	<i>\$630,919</i>
<i>Newaygo</i>	<i>\$3.00</i>	<i>\$789,656</i>	<i>\$1.95</i>	<i>\$870,620</i>	<i>\$1.56</i>	<i>\$810,977</i>
<i>Oakland</i>	<i>\$0.28</i>	<i>\$2,243,963</i>	<i>\$0.25</i>	<i>\$2,168,314</i>	<i>\$0.18</i>	<i>\$2,304,550</i>
Oceana	\$3.50	\$1,222,823	\$2.09	\$1,255,840	\$2.09	\$1,255,840
<i>Ogemaw</i>	<i>\$0.80</i>	<i>\$135,288</i>	<i>\$1.50</i>	<i>\$251,243</i>	<i>\$0.59</i>	<i>\$138,941</i>
Ontonagon	\$0.80	\$43,196	\$0.51	\$43,774	\$0.51	\$43,774
<i>Osceola</i>	<i>\$3.20</i>	<i>\$369,163</i>	<i>\$1.72</i>	<i>\$378,330</i>	<i>\$1.50</i>	<i>\$379,130</i>
<i>Oscoda</i>	<i>\$0.72</i>	<i>\$44,737</i>	<i>\$0.46</i>	<i>\$45,360</i>	<i>\$0.45</i>	<i>\$45,945</i>
Otsego	\$2.40	\$425,448	\$1.72	\$436,358	\$1.72	\$436,358
<i>Presque Isle</i>	<i>\$0.48</i>	<i>\$47,237</i>	<i>\$0.32</i>	<i>\$50,588</i>	<i>\$0.31</i>	<i>\$48,512</i>
<i>Saginaw</i>	<i>\$4.00</i>	<i>\$4,852,505</i>	<i>\$2.65</i>	<i>\$5,640,200</i>	<i>\$2.18</i>	<i>\$4,983,523</i>
<i>Sanilac</i>	<i>\$0.80</i>	<i>\$206,000</i>	<i>\$1.29</i>	<i>\$414,546</i>	<i>\$0.44</i>	<i>\$211,562</i>
Schoolcraft	\$0.63	\$38,948	\$0.40	\$46,000	\$0.40	\$46,000
Shiawassee	\$2.50	\$928,821	\$1.22	\$941,169	\$1.22	\$941,169
<i>St Clair</i>	<i>\$0.80</i>	<i>\$716,000</i>	<i>\$0.80</i>	<i>\$1,100,314</i>	<i>\$0.41</i>	<i>\$735,332</i>
<i>Tuscola</i>	<i>\$4.00</i>	<i>\$1,110,000</i>	<i>\$2.09</i>	<i>\$1,114,375</i>	<i>\$1.80</i>	<i>\$1,139,970</i>
<i>Van Buren</i>	<i>\$0.80</i>	<i>\$330,691</i>	<i>\$1.17</i>	<i>\$662,886</i>	<i>\$0.41</i>	<i>\$339,620</i>
<i>Washtenaw</i>	<i>\$0.80</i>	<i>\$1,470,135</i>	<i>\$0.80</i>	<i>\$1,663,030</i>	<i>\$0.43</i>	<i>\$1,509,829</i>
<i>Wayne</i>	<i>\$0.80</i>	<i>\$7,349,673</i>	<i>\$0.75</i>	<i>\$12,128,280</i>	<i>\$0.34</i>	<i>\$7,548,114</i>
Wexford	\$0.52	\$101,677	\$0.25	\$103,114	\$0.25	\$103,114

¹The following counties did not apply for a county surcharge for 2008: Baraga, Barry, Bay, Eaton, Kalamazoo, Keweenaw, Macomb, Manistee, Marquette, Midland, Missaukee, Ottawa, Roscommon, and Saint Joseph. These counties use other methods to fund their 9-1-1 programs. The filed application for Leelanaw County was withdrawn March 3, 2008.

²Adjusted surcharges are calculated in the following manner:

- (i)[2007 County Surcharge Revenue * 1.027]. This value reflects a 2.7% increase over the 2007 County Surcharge Revenue
- (ii)Subtract one half of the 2007 Revenue. This step accounts for the fact that the new surcharge will be in effect July through December (half the year) for 2008.
- (iii)Divide the resulting number by 6 months. This represents the estimated revenue per month for July-December 2008.
- (iv)Divide the result by [(0.93) * (county population)]. 2000 US Census data has been used for county population estimates. The resulting value is rounded to the nearest cent and represents the Commission approved county surcharge.

³For those counties whose filings were approved as filed, the adjusted revenue in this column is equal to the 2008 County-Projected Surcharge Revenue as submitted to the MPSC. For those counties with Commission adjusted surcharges, the adjusted revenue in this column is equal to the 2007 County Surcharge Revenue * 1.027, that is a 2.7% increase over the 2007 County Surcharge Revenue. For the adjusted counties, the County-Projected Surcharge Revenue may be greater or less than the Estimated County Surcharge Revenue as Adjusted due to the fact that some counties assumed device counts differing from the 0.93 devices per person. Values may not be exact due to rounding.