

DECISION MEMORANDUM

TO: COMMISSIONER KEMPTON
COMMISSIONER SMITH
COMMISSIONER REDFORD
COMMISSION SECRETARY
COMMISSION STAFF

FROM: DON HOWELL, DEPUTY ATTORNEY GENERAL
DAVID HATTAWAY, DEPUTY ADMINISTRATOR

DATE: JUNE 11, 2009

RE: APPLEWOOD OBJECTION TO ITS ANNUAL UTILITY ASSESSMENT
FEE, CASE NO. APL-T-09-01

On March 19, 2009, Applewood Communications originally reported its Gross Intrastate Operating Revenue for last year of \$92,422.59. Based upon this reported amount, Staff calculated Applewood's FY 2010 regulatory assessment to be \$153.71. On June 3, 2009, Applewood formally objected to its annual regulatory assessment because it erroneously reported the Company's Gross Intrastate Operating Revenue for last year. On May 29, 2009, Staff received a written request for a rebilling of the regulatory assessment based on the corrected Gross Intrastate Operating Revenue. The corrected Gross Intrastate Operating Revenue of \$1,452 would result in an adjusted annual assessment of \$50.00.

BACKGROUND

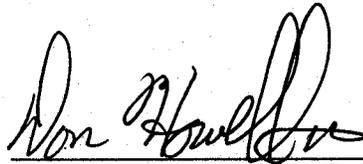
Idaho Code § 61-1003 provides that on or before April 1 of each year every public utility shall file with the Commission a verified return "showing its gross operating revenues from its intrastate utility . . . business in Idaho for the preceding calendar year. . . ." Based upon the cumulative amounts of reported Gross Intrastate Operating Revenue, the Commission then calculates an assessment percentage to meet our annual appropriation approved each year by the Legislature. Pursuant to *Idaho Code* § 61-1004, the Commission on or before "April 15th of each year" determines the proportion assessment for all utilities and mails each utility its assessment on "or before May 1st of each year."

Idaho Code § 61-1007 provides that if any utility objects to its assessment, it must "file with the commission its written objections to such assessment, setting out specifically the

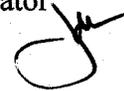
grounds upon which it claims said assessment to be erroneous, excessive, unlawful or invalid . . . on or before the time specified for payment of the first installment of the assessment," i.e., May 15, 2009. (Emphasis added.) However, as the Commission is aware, the Governor did not sign the Commission's appropriation until May 6, 2009. The Commission assessment letter to Applewood and the other utilities was not mailed until May 7, 2009. Maintaining the 15-day statutory scheme embodied in *Idaho Code* §§ 61-1005 and 61-1007, would make May 22 the date upon which objections to the Commission's assessment should have been filed. As noted above, the Commission did not receive Applewood's written protest until June 3, 2009.

COMMISSION DECISION

1. Does the Commission find that Applewood's objection to its assessment is timely?
2. Given the delay in approving the Commission's annual appropriation and the mailing of the assessment, does the Commission find that May 22 is the appropriate date to receive objections to assessments?
3. Does the Commission find any mitigating reasons for the lateness of the objection?
4. What is the Commission's desire regarding the objection to Applewood's assessment based upon the erroneously reported Gross Intrastate Operating Revenue?



Don Howell, Deputy Attorney General
David Hattaway, Deputy Administrator



Transfer: APL-T-09-01_dh_jdh



RECEIVED
2009 JUN -3 AM 8:11
IDAHO PUBLIC
UTILITIES COMMISSION

June 1, 2009

Jean Jewell
PO Box 83720
Boise, ID 83720-0074

RE: Idaho Gross Intrastate Operating Revenues Statement for Calendar Year 2008

Applewood Communications Corporation objects to the assessment sent to us concerning the Gross Intrastate Operating Revenues for the calendar year 2008 because the gross intrastate revenues were reported incorrectly.

Please let me know if you have any questions or concerns.

Thanks in advance,

Amy Duffer
Applewood Communications Corporation
Tax Analyst
Tel: 646-291-2446
email: amy.duffer@myapplewood.com



RECEIVED

2009 MAY 29 AM 8:23

IDAHO PUBLIC
UTILITIES COMMISSION

May 27, 2009

Idaho Public Utilities Commission
PO Box 83720
Boise, ID 83720-0074

RE: Idaho Gross Intrastate Operating Revenues Statement for Calendar Year 2008

After receiving our invoice for the 2009 Annual Assessment Fee, we realized the Gross Intrastate Operating Revenues were reported incorrectly. At year end 2008, Applewood Communications Corporation had only 62 total customers in Idaho with total gross receipts of \$6120, of which, \$1452 was intrastate revenues in Idaho.

I apologize for the inconvenience. Enclosed is the Idaho Gross Intrastate Operating Revenues Statement for Calendar Year 2008 that lists the correct intrastate revenues for our company.

Please accept this remittance and bill us according to the revenues reported on the enclosed statement.

Please let me know if you have any questions or concerns.

Thanks in advance,

Amy Duffer
Applewood Communications Corporation
Tax Analyst
Tel: 646-291-2446
email: amy.duffer@myapplewood.com

IDAHO PUBLIC UTILITIES COMMISSIONP.O. Box 83720
Boise, ID 83720-0074Telephone: (208) 334-0337 Fax: (208) 334-3762
E-mail : david.hattaway@puc.idaho.gov

RECEIVED

2009 MAY 29 AM 8:23

IDAHO PUBLIC
UTILITIES COMMISSION**Idaho Gross Intrastate Operating Revenues Statement for
Calendar Year 2008**Company Name: **Applewood Communications Corporation**

Street Address: PO Box 127

City: Brookneal

State: VA

Zip Code: 24528 --

yes no

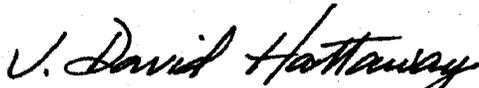
Is the information in the above boxes new or
different from prior year's information?

Idaho Code §§ 61-1003 and 62-611 require that telecommunication corporations annually report their gross operating revenues derived from business in Idaho during the preceding calendar year to the Commission. We request that your calendar year 2008 gross intrastate revenues be provided to the Commission **on or before April 1, 2009**. You must report even if you had zero gross intrastate operating revenues during the preceding calendar year.

When determining your company's Gross Intrastate Operating Revenue please consult 47 CFR § 32 for definitions of revenues. Attachment 1 gives additional information to use in arriving at the amount requested by this report.

This form is for your convenience. Please complete it by entering the relevant information in the shaded boxes. Mail the completed form to the above address. Please note the law requires information on the return be verified by an officer, or agent, of your company. To meet the April 1, 2009, deadline, facsimile transmissions or e-mail attachments are acceptable. However, the signed original is required within five days of the electronic transmission. The Commission's contact information is given above. Should you have any questions or comments, please contact me.

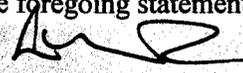
Sincerely,



David Hattaway, Deputy Administrator

Certification:Our Idaho Gross Intrastate Revenue for the **Calendar Year 2008** was **\$1,452**

I certify that the foregoing statement is true and correct to the best of my knowledge, information and belief.

Signed Date **May 27, 2009****Additional Information:**

The person within your company to contact should we have questions regarding this form is:

Name: **Amy Duffer**Telephone Number: (**646**) **291-2446** E-mail Address: **amy.duffer@myapplewood.com**