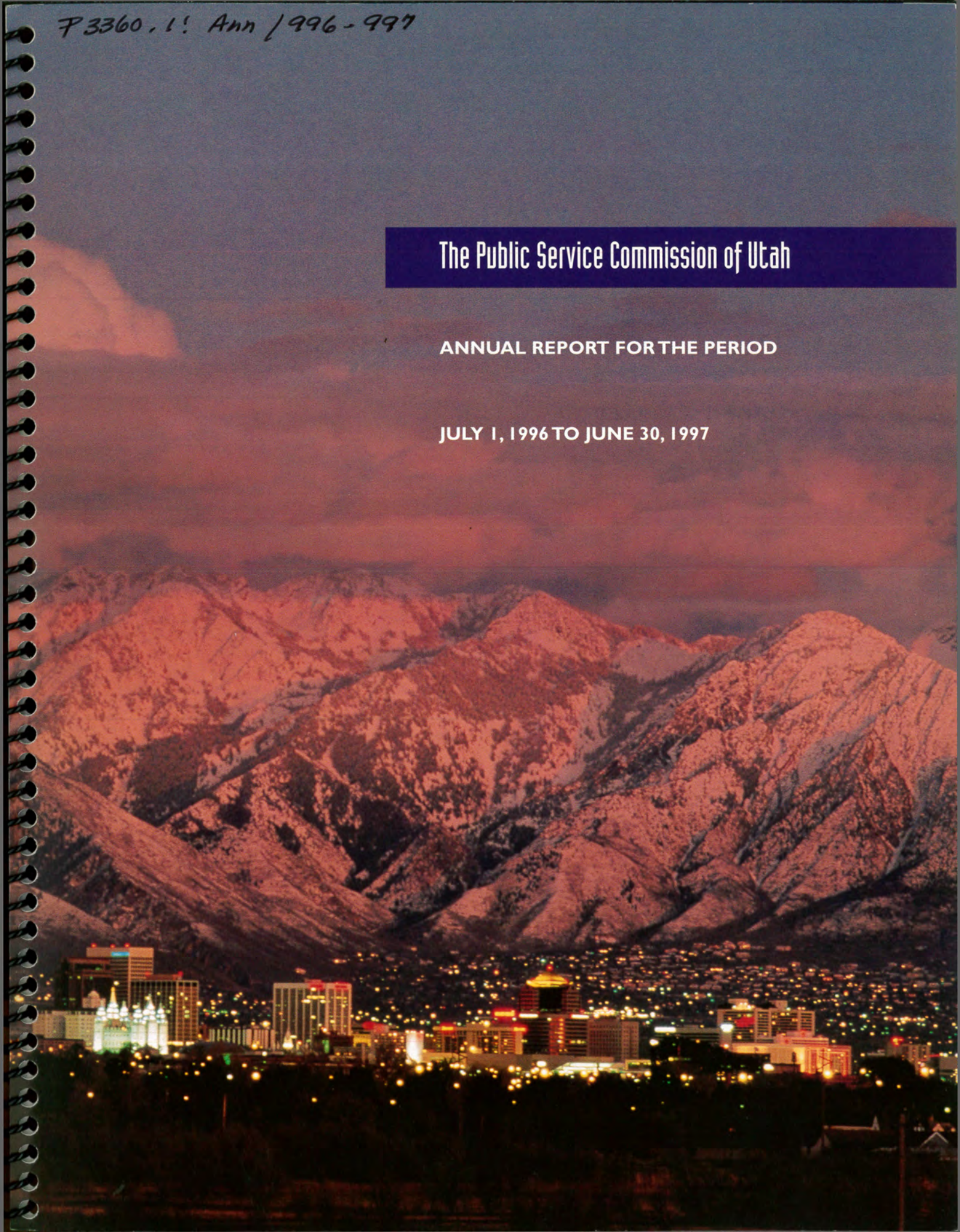


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# The Public Service Commission of Utah

ANNUAL REPORT FOR THE PERIOD

JULY 1, 1996 TO JUNE 30, 1997



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Letter to the Governor,  
Members of the  
Senate, and Members  
of the House of  
Representatives

July 1, 1997

Honorable Michael O. Leavitt  
Governor, State of Utah  
Honorable Members of the Utah State Senate  
Honorable Members of the Utah State House of Representatives

*It is a pleasure to present you the Fiscal Year 1997 Annual Report of the Public Service Commission of Utah. This report has been prepared in accordance with Utah Code § 54-1-10, which requires the Commission submit to you a report of its transactions, proceedings, functions, and accomplishments during the fiscal year ending June 30, 1997.*

*This annual report highlights the issues and activities the Commission focused on in the past year in an effort to assure the continued soundness of Utah utilities.*

*We express our gratitude and appreciation for your encouragement and assistance during this past year. We look forward to your continued support, and gladly accept our duties to serve the Utah public.*

*Respectfully submitted,*

*Stephen F. Mecham, Commission Chairman  
Constance B. White, Commissioner  
Clark D. Jones, Commissioner*

**Public Service  
Commission  
Personnel  
June 30, 1997**

|                                   |                      |
|-----------------------------------|----------------------|
| <i>Chairman</i>                   | Stephen F. Mecham    |
| <i>Commissioner</i>               | Constance B. White   |
| <i>Commissioner</i>               | Clark D. Jones       |
| <i>Commission Secretary</i>       | Julie P. Orchard     |
| <i>Executive Staff Director</i>   | Douglas C.W. Kirk    |
| <i>Legal Counsel</i>              | Sander J. Mooy       |
| <i>Administrative Law Judge</i>   | A. Robert Thurman    |
| <i>Telecommunications Analyst</i> | David L. LaFrance    |
| <i>Chief Utility Economist</i>    | James A. Logan       |
| <i>Utility Economist</i>          | Richard S. Collins   |
| <i>Paralegal</i>                  | Barbara Stroud       |
| <i>Accounting Technician</i>      | Melissa R. Paschal   |
| <i>Office Technician</i>          | Beverly A. Grossaint |
| <i>Office Technician</i>          | Delphine Acord       |
| <i>Information Technician</i>     | Lara Gifford         |



The Public Service  
Commission  
of Utah  
Organization Chart  
June, 1996





## Public Service Commissioners

### Stephen F. Mecham

**CHAIR: OCTOBER 5, 1992 - MARCH 1, 2003**

**COMMISSIONER: MARCH 1, 1989 - SEPTEMBER 1991**

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**S**tephen F. Mecham was appointed to the Public Service Commission of Utah on March 1, 1989. In September, 1991, he left the Commission to serve as Chief of Staff to Governor Norman H. Bangerter. On October 5, 1992, he returned to the Public Service Commission as Chairman. His current term expires March 1, 2003.

Chairman Mecham is a member of the National Association of Regulatory Utility Commissioners (NARUC) and the Western Conference of Public Service Commissioners (WCPSC). He was elected Secretary/Treasurer of the WCPSC in June, 1993, and served as its President in 1996. During his tenure as President, Mr. Mecham and the Commission hosted the annual meeting of the Western Conference in June, 1996, at Snowbird, Utah. In June of 1997, he was appointed to serve on the NARUC Committee on Communications.

Prior to coming to the Commission in 1989, Mr. Mecham practiced law in the private sector, served as Administrative Assistant for Regulatory Agencies to Governor Bangerter, and subsequently was appointed Executive Director of the Utah Commission on Criminal and Juvenile Justice.

Chairman Mecham earned both his Bachelor and Juris Doctorate degrees from the University of Utah.

Chairman Mecham and his wife, Angela, reside in Salt Lake City with their one son and three daughters.



## Constance B. White

**COMMISSIONER: MARCH 1, 1995 -**

**MARCH 1, 1999**

### Public Service Commissioners

Constance B. White was appointed to her first term as a Commissioner of the Public Service Commission of Utah by Governor Michael O. Leavitt on March 1, 1995, to fill the remainder of the term of Commissioner James M. Byrne, who retired. Her term ends March 1, 1999.

Commissioner White currently serves as a member of the National Association of Regulatory Utility Commissioners (NARUC) and was appointed to its Committee on Electricity, as well as the Western Conference of Public Service Commissioners (WCPSC). She has been a member of the Governor's Task Forces on Boards and Commissions and on Business Development, as well as being a member of the Utah Small Business Advisory Council. Commissioner White has also worked closely with the Utah State Bar as the Chair of the Securities Section and as a member of the Securities Advisory Committee and Women Lawyers of Utah.

After earning her Bachelor of Arts degree from the University of Utah, Ms. White earned her Juris Doctorate from Loyola University School of Law in Chicago.

Prior to coming to the Public Service Commission of Utah, Ms. White served in Governor Leavitt's cabinet as the Executive Director for the Utah Department of Commerce. Before that, she practiced law in the private sector, worked for the Securities Division of the Department of Commerce, and served as legal counsel to the Department.

Commissioner White and her husband, Rob, live in Salt Lake City and have one daughter and one son.



## Public Service Commissioners

### Clark D. Jones

COMMISSIONER: JULY 1, 1995 -  
MARCH 1, 2001

---

Clark D. Jones was appointed to the Public Service Commission of Utah on July 1, 1995, to a six-year term expiring on March 1, 2001. Prior to his appointment, Mr. Jones was Chairman and President of Summit Family Restaurants, Inc., (formerly JB's Restaurants, Inc.) a Salt Lake City, Utah based restaurant company. Summit Family Restaurants operates 80 family restaurants and franchises 22 JB's Family Restaurants, operates 16 Home Town Buffet restaurants, and six Galaxy Diners in nine western states.

Mr. Jones graduated from the University of Nevada, and completed his post-graduate study at the University of Utah. Mr. Jones served as an officer in the United States Army Artillery Branch for two years following school. He is a Certified Public Accountant and was a partner in the firm of Main, LaFrentz and Co. (now KPMG Peat Marwick), prior to joining Summit Family Restaurants in 1970.

Commissioner Jones currently serves as a member of the National Association of Regulatory Utility Commissioners (NARUC), and was appointed to its Committee on Natural Gas, as well as the Western Conference of Public Service Commissioners (WCPSC). Mr. Jones serves on the Board of Directors of both the Utah Restaurant Association and the National Restaurant Association. He is past Chairman of the Utah Opera Company and past President of the Sugarhouse Rotary Club.

Commissioner Jones and his wife, Pam, reside in Sandy and have five children and 12 grandchildren.



## History of the Public Service Commission of Utah

The Utah State Legislature, in its Public Utilities Act of 1917, created the Public Utilities Commission of Utah. Governor Simon Bamberger signed the Act on March 8, 1917, and the Commission was officially organized on April 3, 1917. Recently formed utility companies were regulated by the Commission to ensure that the growth of the utility industry developed according to sound economic principles. At its inception, the Commission consisted of three Commissioners, a stenographer, a reporter, and a special investigator.

In 1935, the Legislature changed the name of the Public Utilities Commission to the Public Service Commission. Conducting a major reorganization of Utah State Government, the 1941 Legislature created the Department of Business Regulation of Utah, which included a three-member Commission known as the Commission of Business Regulation. The Commission of Business Regulation acquired the duties and responsibilities of the Public Service Commission and acted in its place.

### The Division of Public Utilities Is Formed

In 1969, the Utah Legislature reorganized the administrative powers of the Department of Business Regulation, now known as the Department of Commerce. An executive director of the Department replaced the Commission of Business Regulation, and the Public Service Commission became an independent arm of the Department. The Division of Public Utilities was created to assist the Commission, although it did so under the management of the executive director of the Department. The Division essentially served as the staff of the Commission, auditing utilities' books and records, assisting in the review of legal matters, submitting recommendations to the Commission, and presenting testimony in formal cases before the Commission. The Commission, however, was prohibited from exercising any administrative authority over the Division.

The 1969 reorganization merely established the neutrality of the Division, despite its role as staff to the Commission. The Division continued to participate in hearings, not as an adversarial party, but as an impartial entity seeking to fully develop the record in each Commission case. The Division was not precluded from making recommendations, but its posture was perceived as impartial so that no party felt prejudiced by the Commission's access to the Division's expertise.



1977 was a landmark year in the relationship between the Commission and the Division. It marked the first time the Division appealed a Commission decision to the Utah Supreme Court. Ever since, the Division has considered itself completely independent of the Commission. With legal assistance from the Attorney General's office, the Division began to participate in hearings as an adversarial party, and has been able to appeal Commission orders to higher courts.

### The Committee of Consumer Services is Formed

1977 was also the year of the creation of the Committee of Consumer Services (Committee). The composition of the Committee has changed little since its origin; it is still comprised of six citizen members appointed by the Governor. Nor has its mission changed: the Committee is the consumer advocate for residential, small business, and agricultural customers of the State's electric, gas, and telephone utilities. Its primary role is to help ensure that utility rates and service quality are fair and reasonable for Utah consumers. Legal assistance from the Attorney General's office allows the Committee to appear before the Commission as an adversarial party and to appeal Commission decisions. This legal assistance and support of an eight member staff aids the Committee as it protects Utah's utility consumers.

## History of the Public Service Commission of Utah

### Reorganization Forms the PSC as it is Today

In 1983, the Legislature reorganized utility regulation again, establishing the Public Service Commission as an independent State agency. The new statute provided for a Commission technical staff whose function was solely to advise the Commission. The Division of Public Utilities continued to perform the same duties and functions as before, including appearing before the Commission as a party representing the broad public interest. Today, the Division continues to make recommendations to the Commission for rate making purposes, applications, hearings, and other issues affecting the quality of utility service. The Division also investigates consumer complaints, and monitors utility operations to ensure compliance with the Commission's Rules and Orders. The Committee continues to function according to statute. Today, the Public Service Commission of Utah remains an independent agency with statutory duties and legislative, adjudicative, and rulemaking powers. It regulates most electrical, natural gas, telephone, and water utilities.

The Commission is headed by three full-time Commissioners, appointed by the Governor — subject to Senate approval — to six-year staggered terms with one member designated as Chairman. The Commissioners preside as a quasi-judicial body in formal hearings concerning utility regulation matters, such as applications for rate and service changes. A support staff of technical, legal, and clerical employees assists the Commission in analyzing the record in every case that comes before it, making recommendations for Commission decisions, preparing formal orders, and managing the daily operation of the Commission's office.

The primary responsibility of the Commission is to ensure safe, reliable, adequate, and reasonably priced utility service. It conducts hearings and investigations of utility company operations in order to determine just and reasonable rates for service. The Commission strives to protect efficient, reliable, reasonably-priced utility service for customers, and to maintain financially healthy utility companies. These goals are attained through the regulatory decisions the Commission makes and through rules it adopts.

This report briefly presents, by utility category, the cases considered and decided upon by the Commission from July 1996, through June 1997. Each proceeding involves a utility and a number of other parties, including the Division and the Committee. Formal testimony of expert witnesses is taken and cross-examined. A court reporter transcribes the proceeding and produces a record. Following the hearing, the record is closed and the Commission, with the assistance of its technical staff, analyzes the case record, deliberates, and renders its decisions in the form of a written Report and Order. Any party in a proceeding may appeal a Commission decision to the Utah Supreme Court.



*1st Row: Clark Jones, Stephen Mecham, Connie White  
2nd Row: Melissa Paschal, Julie Orchard, Beverly Grossaint, Barbara Stroud  
3rd Row: Robert Thurman, Rich Collins, Delphine Acord, Lara Gifford, Sandy Mooy  
4th Row: David LaFrance, Douglas Kirk, Jim Logan*

## Working with the Division of Public Utilities

The Division of Public Utilities, a part of the Department of Commerce, is a neutral, fact-finding body which works closely with the Public Service Commission to ensure that Utah has a healthy utility infrastructure. The Division strives to guarantee that Utah utilities are financially sound and technologically capable of serving present and future growth.

To assure that all Utahans have access to a fair and reasonable utility system, the Division makes recommendations to the Commission for rate making purposes, applications, hearings and other issues affecting the terms and conditions of utility service. The Division also promotes compliance with all Rules, regulations, Orders, and tariffs approved by the Commission by conducting audits and inspections of the various utility companies. The Division also investigates consumer complaints, serving as an intermediary between the public and the utilities.

The Commission makes rate decisions and issues Orders after analyzing detailed financial and operational data, petitions from the utilities, advice from the Division, and arguments from diverse parties. The Division and its six branches (electric, gas, telecommunications, water compliance,

management analysis, and pipeline safety) play a key role in assisting the Commission with the utility regulatory process, to the continuing benefit of Utah's people and businesses.



*Lowell Alt, Ingo Henningsen,  
Ric Campbell, Wes Huntsman,  
Ralph Creer*

## Working with the Committee of Consumer Services

The Committee of Consumer Services works beside the Public Service Commission, primarily as a consumer advocate for residential, small business, and agricultural customers of the State's electric, gas, and telephone utilities. The Committee assesses the impact of utility rate changes and other regulatory actions on consumers. It assists those consumers in appearing before the Commission and advocates positions propitious to consumers.

The Committee members participate in the Commission rulemaking process for customer service regulations, ensuring clarification and strengthening of consumer protection for natural gas, electric, and telephone customers. Consumers who feel they are paying too much for utility services, or are not receiving high quality service, often find answers to their questions and general assistance from the Committee of Consumer Services.



*1st Row: Kelly Francone,  
Margo Hovingh, Sudha Rajamani,  
Mary Cleveland, Cheryl Murray  
2nd Row: Phil Bullock,  
Roger Ball, Dan Gimble*

## COMPLAINT SUMMARY REPORT

JULY 1, 1996 - JUNE 30, 1997

| COMPLAINT CATEGORY   | MOUNTAIN FUEL | UTAH POWER | US WEST |
|----------------------|---------------|------------|---------|
| Additional Charges   | 15            | 10         | 44      |
| Billing Problems     | 11            | 43         | 67      |
| Deposits             | 2             | 0          | 15      |
| Estimated Bills      | 1             | 41         | 0       |
| High Bills           | 11            | 38         | 0       |
| Initial Service      | 28            | 46         | 180     |
| Inquiry              | 15            | 21         | 74      |
| Meter Problems/Reads | 9             | 9          | 0       |
| Outage               | 0             | 61         | 2       |
| Personnel Problems   | 6             | 8          | 17      |
| Rate & Tariff        | 37            | 6          | 6       |
| Rate Increases       | 2             | 0          | 0       |
| Repair               | 3             | 13         | 252     |
| Shut Off or Notices  | 45            | 17         | 135     |
| TOTAL                | 185           | 313        | 798     |

## COMPLAINT SUMMARY REPORT

JULY 1, 1995 - JUNE 30, 1996

| COMPLAINT CATEGORY   | MOUNTAIN FUEL | UTAH POWER | US WEST |
|----------------------|---------------|------------|---------|
| Additional Charges   | 41            | 25         | 47      |
| Billing Problems     | 8             | 25         | 54      |
| Deposits             | 3             | 7          | 18      |
| Estimated Bills      | 2             | 18         | 0       |
| High Bills           | 7             | 18         | 5       |
| Initial Service      | 22            | 74         | 475     |
| Inquiry              | 6             | 23         | 54      |
| Meter Problems/Reads | 6             | 7          | 0       |
| Outage               | 0             | 45         | 2       |
| Personnel Problems   | 9             | 6          | 19      |
| Rate & Tariff        | 8             | 1          | 13      |
| Rate Increases       | 2             | 0          | 0       |
| Repair               | 4             | 26         | 238     |
| Shut Off or Notices  | 78            | 62         | 106     |
| TOTAL                | 195           | 337        | 1031    |

## Electric Utilities

What if consumers could choose an electric company as they do a barber or a mechanic? What if a flood of new electric companies entered the market to compete for customers, as is starting to happen now in the telecommunications industry? Would competition mean lower rates? Would quality service be ensured? These are some of the questions the legislature and the Public Service Commission are faced with as they consider electric restructuring.

The PSC spent 1996 reviewing research and discussing ramifications of moving the electric industry into a competitive market in Utah. In its 1997 session, the Utah State Legislature formed the Electrical Deregulation and Customer Choice Task Force to join in the study of the issues. Both entities have discussed how competing providers would pay for, use, and maintain the existing physical electrical structure, how system benefits that are not profit-generating such as environmental programs and energy conservation programs would be maintained, and how stable and reliable pricing for both urban and rural areas could be ensured.

The issues are many, and the results stand to make a large impact on electric users in Utah, so the discussion is expected to continue in the coming years.

The Commission regulates the provision of electric service by public utilities in the State. Electric Cooperatives may set their own rates by decision of their Board of Directors, but are otherwise subject to regulation under Utah law. Municipal electric utilities are not regulated by the Public Service Commission.

### SUMMARY OF ELECTRIC UTILITY ORDERS

JULY 1, 1996 - JUNE 30, 1997

| UTILITY    | DATE ISSUED | DOCKET NO. | ISSUE                              |
|------------|-------------|------------|------------------------------------|
| UP&L       | 07/02/96    | 96-035-05  | Summer 1996 Emergency Service Plan |
| DG&T       | 07/03/96    | 96-506-01  | Issuance of Securities             |
| PacifiCorp | 08/07/96    | 94-2035-06 | Issue Debt                         |
| UP&L       | 11/05/96    | 96-035-10  | Contract with Praxair              |
| UP&L       | 12/13/96    | 96-035-12  | Contract with Kennecott            |
| PacifiCorp | 01/13/97    | 96-2035-01 | Integrated Resource Planning       |
| PacifiCorp | 01/15/97    | 96-2035-04 | Refund to Customers                |
| PacifiCorp | 02/05/97    | 97-2035-01 | Issuance of Stock                  |
| PacifiCorp | 03/04/97    | 95-2035-03 | Approval of Avoided Cost Rates     |
| PacifiCorp | 04/25/97    | 97-2035-03 | Issue Debt                         |
| UP&L       | 05/06/97    | 96-035-10  | Contract with Praxair              |



## Key Electric Utility Orders & Issues

**DOCKET NO. 96-035-05** An Order was issued July 2, 1996, in the Matter of the Application of Utah Power & Light Company for Approval of an Emergency Service Plan for a Portion of Salt Lake County. For several years, UP&L and the City of Sandy were involved in a dispute over the construction of a substation to handle growing power needs in that part of the valley. The Sandy City Council rejected plans to build the substation within City limits unless certain criterion were met, including the use of underground cables rather than overhead power lines for distribution. With the matter still unresolved and the summer of 1996 approaching, on May 22, 1996, UP&L submitted a request to the Commission, asking for the approval of an Emergency Service Plan. The plan included informing critical load customers like water companies and fire stations of possible overload problems, and the use of mobile generators when available. The Order approving the UP&L Emergency Service Plan also admonished the City of Sandy and UP&L to continue to work together on long-term solutions for the overload problem in the area.

**DOCKET NO. 96-2035-04** A Report and Order was issued January 15, 1997, in the Matter of the Application of PacifiCorp for Approval of a Refund to its Customers in the State of Utah. PacifiCorp benefitted from a reduction in the Utah Gross Receipts Tax, the Utah-allocated portion of which amounts to approximately \$950,000. To refund this amount to its Utah customers, PacifiCorp requested permission to issue a one-time credit. There was no opposition to the application, so the request was granted by the Commission.

## Electric Utility Companies Operating in the State of Utah Under the Jurisdiction of the Public Service Commission

Bridger Valley Electric Association, Inc.  
Urie Junction Hwy. 30 South  
P.O. Box 399  
Mountain View, WY 82939  
Phone: (307) 786-2800  
Fax: (307) 786-4362

Deseret Generation & Transmission Co-Operative  
8722 S. 300 W.  
Sandy, UT 84070  
Phone: (801) 566-1238  
Fax: (801) 562-3602

Dixie Escalante Rural Electric Association, Inc.  
71 E. Highway 56  
HC 76 Box 95  
Beryl, UT 84714  
Phone: (801) 439-5311  
Fax: (801) 439-5352

Empire Electric Association, Inc.  
801 N. Broadway  
P.O. Box K  
Cortez, CO 81321-0676  
Phone: (970) 565-4444  
Fax: (970) 565-2137

Flowell Electric Association, Inc.  
495 N. 3200 W.  
HC 61 Box 180  
Filmore, UT 84631  
Phone: (801) 743-6214  
Fax: (801) 743-5722

Garkane Power Association, Inc.  
56 E. Center Street  
P.O. Box 790  
Richfield, UT 84701  
Phone: (801) 896-5403  
Fax: (801) 896-8079

Moon Lake Electric Assoc., Inc.  
188 W. 200 N.  
P.O. Box 278  
Roosevelt, UT 84066-0278  
Phone: (801) 722-2448  
Fax: (801) 562-5274

Mt. Wheeler Power, Inc.  
1600 Seventh Street E.  
P.O. Box 1110  
Ely, NV 89301-1110  
Phone: (702) 289-8981  
Fax: (702) 289-8987

PacifiCorp-Corporate Port of Portland  
700 N.E. Multnomah,  
Suite 1600  
Portland, OR 97232-4116

PacifiCorp, dba UP&L  
One Utah Center  
201 S. Main Street, Suite 700  
Salt Lake City, UT 84140-0007  
Phone: (801) 220-2000  
Fax: (801) 220-2798

Raft River Rural Electric Co-Operative, Inc.  
250 N. Main Street  
P.O. Box 617  
Malta, ID 83342  
Phone: (208) 645-2211  
Fax (208) 645-2300

Strawberry Electric Service District  
745 N. 500 E.  
P.O. Box 70  
Payson, UT 84651  
Phone: (801) 465-9273  
Fax: (801) 465-4580

Strawberry Water Users Assoc.  
745 N. 500 E.  
P.O. Box 70  
Payson, UT 84651  
Phone: (801) 465-9273  
Fax: (801) 465-4580

Wells Rural Electric Company  
450 Humbolt Ave.  
P.O. Box 365  
Wells, NV 89835  
Phone: (702) 752-3328  
Fax: (702) 752-3407



## Natural Gas Utilities

Across the country, gas customers saw rates go up dramatically in the past year. Though Utahns were effected by the gas price crunch, the increases were a fraction of those seen in other states. You can thank Mountain Fuel's Wexpro Agreement of 1979 for the savings.

The agreement came about after conflicts over how Mountain Fuel would distribute the profits of oil obtained during fuel exploration. Would profits go back into lowering the cost of gas production, filtering savings back to the consumer, or could Mountain Fuel form a subsidiary in which to collect profits for non-utility activities? The Wexpro Agreement outlined how profits were to be distributed and shared, and how gas production by Mountain Fuel should proceed.

The agreement facilitated gas production by Mountain Fuel, which now produces around fifty percent of the fuel it distributes. Nation-wide, very few local distribution companies have their own production. Of those that do, their own production accounts for only a small percent of their needs, forcing them to buy from suppliers, which have recently increased spot prices for gas.

The Commission regulates the provision of natural gas service by two public utilities in the State: Mountain Fuel Supply Company and Utah Gas Service Company. The Commission is responsible for establishing safety standards and practices for intrastate pipeline transportation and enforcing rules required by the Federal Natural Gas Pipeline Safety Act to maintain State control over the regulation of intrastate pipeline transportation.

### SUMMARY OF NATURAL GAS UTILITY ORDERS

JULY 1, 1996 - JUNE 30, 1997

| UTILITY      | DATE ISSUED | DOCKET NO. | ISSUE                                    |
|--------------|-------------|------------|--|
| MFS          | 07/03/96    | 96-057-06  | Interim Rate Adjustment                  |
| MFS          | 07/08/96    | 96-057-07  | Extension Area Charge                    |
| MFS          | 08/07/96    | 95-057-02  | Order on Increase in Rates & Charges     |
| MFS          | 08/21/96    | 96-057-06  | Rate Adjustment                          |
| MFS          | 12/30/96    | 95-057-02  | Rate Increase                            |
| MFS          | 01/07/97    | 96-057-12  | Application for Rate Increase            |
| MFS          | 01/28/97    | 97-057-01  | Investigation of Reasonableness of Rates |
| Wendover Gas | 02/06/97    | 96-2217-01 | Certificate to Operate in Wendover, UT   |
| MFS          | 02/21/97    | 97-057-03  | Rate Decrease                            |
| Wendover Gas | 04/21/97    | 96-2217-01 | Erratum Order on Certificate to Operate  |
| MFS          | 05/09/97    | 97-057-04  | Rural Connection Charge Tariff           |



## Key Natural Gas Utility Orders & Issues

**DOCKET NO. 96-057-07** In an Order issued July 8, 1996, Mountain Fuel was given approval to institute new tariff provisions establishing an extension area charge for extended service to the Ogden Valley area. Businesses and residents of Ogden Valley, which includes Utah communities such as Liberty, Eden and Huntsville, as well as unincorporated areas in Weber and Morgan Counties, wanted Mountain Fuel to bring natural gas into their communities. The cost of doing so was estimated at \$4.5 million. Tariffs were established for Ogden Valley.



**DOCKET NO. 97-057-04** The Commission denied Mountain Fuel's application for a new tariff establishing service to rural communities, and a specific rural community charge for Panguitch, Utah. In the Order issued May 9, 1997, the Commission reasoned that the additional charges for rural Utah would be prohibited by UCA statute 54-3-8, which keeps companies from granting preferences or advantages or different class of service to any person or locality. The Commission also found that extending service to Panguitch would not be economically sound for Mountain Fuel, and the cost would have to be absorbed by customers across the State, making the Panguitch extension not in the public interest.

## Gas Utilities Operating in the State of Utah Under the Jurisdiction of the Public Service Commission

### Natural Gas

Mountain Fuel Supply Company  
180 E. 100 S.  
P.O. Box 11368  
Salt Lake City, UT 84139  
Phone: (801) 534-5555  
Fax: (801) 534-5198

Utah Gas Service Company  
5000 S. Quebec Street, Suite 650  
Denver, CO 80237  
Phone: (303) 779-7911  
Fax: (303) 694-6138

Wendover Gas Company  
P.O. Box 274  
Wendover, UT 84083

Wendover Gas Co.  
460 Mesa St.  
West Wendover, NV 89883  
Phone: (702) 664-2291

### Steam Heat

PacifiCorp, dba UP&L  
One Utah Center  
201 S. Main Street, Suite 700  
Salt Lake City, UT 84140-0007  
Phone: (801) 220-2000





## Telecommunications Utilities

A Lehi resident can call his friend in Provo every day of the week without paying a toll charge. But should that friend move to Springville, suddenly their talk wouldn't be so cheap. Who decides the boundaries that determine if a call involves a toll or not? The Public Service Commission does. And it is the PSC that must decide if toll-free service areas should be expanded. Citizens in several Utah areas have gathered and sent in signatures petitioning for boundary changes. These petitions start a process of evaluation that involves telephone traffic studies and economic feasibility studies.

Currently the PSC is reviewing the expansion of toll-free service from Lehi to Draper, Brigham City to Ogden, Clearfield and Kaysville, and Cedar City to Brianhead, Richfield and the Junction Utah area to Salt Lake City. This year the PSC granted Extended Area Service between East Carbon and Price and East Carbon and Helper, as well as between the Heber Valley Exchange and the Provo/Orem area.

The Commission regulates the provision of intrastate telecommunications services. Telecommunications utilities with less than 5,000 lines may change their rates without a hearing. The Commission does not regulate interstate cable TV, cellular providers, or resellers of telecommunications services.

In December, 1995, the Utah State Legislature declared new policy objectives for the deregulation of the local telephone industry. The Commission now has the following new responsibilities: to encourage the development of competition; to allow for flexible, reduced regulation for telecommunications companies as competition develops; and to facilitate the sale of essential telecommunications facilities and services on a reasonably unbundled basis — unbundled meaning dividing the system network into elements which can be separately sold. The Commission is still accountable for the enhancement of the general welfare of utility consumers, and will continue to make high-quality, universal telecommunications services available at just and reasonable rates by fostering increased competition in the telecommunications industry.

### SUMMARY OF TELECOMMUNICATIONS UTILITY ORDERS JULY 1, 1996 - JUNE 30, 1997

| UTILITY           | DATE ISSUED | DOCKET NO. | ISSUE   |
|-------------------|-------------|------------|---|
| ELI               | 07/10/96    | 94-2202-01 | Interim Interconnection Agreement             |
| Beehive Telephone | 07/23/96    | 96-051-04  | Order to Show Cause                           |
| AT&T              | 08/13/96    | 96-087-01  | Authority for Service                         |
| Phoenix Fiberlink | 08/16/96    | 95-2206-01 | Authority for Service                         |
| ELI               | 08/16/96    | 94-2202-01 | Authority for Service                         |
| QWEST             | 08/16/96    | 94-2204-01 | Authority for Service                         |
| Beehive Telephone | 09/11/96    | 91-051-01  | Approval of Service To Kolob Mnt              |
| USWC              | 09/25/96    | 96-049-T05 | Revised Centrex Tariff                        |
| USWC              | 09/30/96    | 96-049-18  | 1996 Depreciation Update                      |
| USWC              | 10/22/96    | 94-049-04  | EAS to Utah County                            |
| USWC              | 10/23/96    | 95-049-09  | EAS for Ogden, Clearfield, Kaysville & Layton |
| TCG of Utah       | 10/24/96    | 96-2211-01 | Authority for Service                         |
| USWC              | 10/28/96    | 95-049-43  | EAS for Springdale                            |
| Bear Lake Com.    | 11/29/96    | 96-2201-01 | Application for Rate Increase                 |
| Beehive Telephone | 12/11/96    | 96-051-04  | Investigation of Service Quality              |
| TCG of Utah       | 12/16/96    | 96-2211-02 | Petition for Arbitration                      |
| TCG of Utah       | 12/20/96    | 96-2211-02 | Suspension of Arbitration                     |
| MCImetro          | 12/26/96    | 96-095-01  | Arbitration Order                             |



## JULY 1, 1996 - JUNE 30, 1997

| UTILITY                                     | DATE ISSUED | DOCKET NO. | ISSUE                                      |
|---|-------------|------------|--|
| Citizens                                    | 12/27/96    | 96-2218-01 | Authority for Service                      |
| Winstar Wireless                            | 01/02/97    | 96-2210-01 | Authority for Service                      |
| Western Wireless                            | 01/02/97    | 96-2216-01 | Arbitration Order                          |
| USWC  | 01/10/97    | 95-049-T20 | ISDN Pricing                               |
| Sprint                                      | 01/14/97    | 96-094-01  | Authority for Service                      |
| Sprint                                      | 01/15/97    | 96-094-03  | Arbitration Order                          |
| Citizens                                    | 01/28/97    | 96-2218-01 | Approval of Resale Agreement               |
| PFI   | 01/28/97    | 96-2206-01 | Approval of Interconnection Agreement      |
| MCImetro                                    | 01/29/97    | 96-095-02  | Authority for Service                      |
| GST Lightwave                               | 02/04/97    | 96-2212-01 | Authority for Service                      |
| Dial & Save                                 | 02/07/97    | 96-2213-01 | Authority for Service                      |
| Excel                                       | 03/17/97    | 96-2214-01 | Authority for Service                      |
| USWC  | 03/20/97    | 94-049-10  | EAS for Heber Valley                       |
| USWC  | 03/21/97    | 97-049-T05 | Order Approving Complete-a-Call            |
| PFI   | 03/24/97    | 97-2206-01 | Approval of Merger                         |
| AT&T  | 03/25/97    | 96-087-03  | Arbitration Order                          |
| Beehive Telephone                           | 04/10/97    | 96-051-04  | Investigation of Service Quality           |
| USWC  | 04/14/97    | 97-049-T07 | Changes in Access and Private Line Tariffs |
| USWC  | 04/29/97    | 96-049-T05 | Second Order Approving Centrex Plus        |
| South Central Utah<br>Telephone Association | 05/05/97    | 97-052-01  | Rate Increase                              |
| Western Wireless                            | 05/06/97    | 96-2216-01 | Interconnection Agreement                  |
| Sprint Communications                       | 06/16/97    | 96-094-03  | Interconnection Agreement                  |
| USWC  | 06/16/97    | 97-049-14  | One-time USF Disbursement                  |
| Triad Utah                                  | 06/27/97    | 97-2232-01 | Interconnection Agreement                  |
| Nextlink Utah                               | 06/30/97    | 97-2208-01 | Interconnection Agreement                  |

## Key Telecommunications Utility Orders & Issues

**DOCKET NO. 95-049-09** Extended Area Service (EAS) is a flat-rate service that enlarges the "local" calling area, replacing toll services in a designated area. Once established, it is paid for by every customer in the area on a flat-rate basis rather than a per-minute-of-use basis. EAS is popular in outlying communities which normally pay toll fees to call nearby larger cities, when under EAS they would not pay that toll fee.

On September 15, 1995, the Commission requested comments on or suggestions for change to EAS criteria, and any information regarding EAS expansion in general. A number of technical conferences were held to develop discussion on EAS. On June 1, 1996, the Commission published rule R746-347 establishing criteria and a new procedure to create EAS areas. The rule took effect August 12, 1996. The new criteria are as follows:

1. (a) In exchanges of fewer than 500 residential access lines, at least 55% of residential subscribers must petition the Commission for EAS to another exchange. (b) In exchanges of more than 500 but fewer than 1,500 residential lines, the greater of 300 or 30% must sign the petition. (c) In exchanges of more than 1,500 residential lines, 30% must sign the petition. An estimated EAS rate must be on each sheet of the petition;
2. (a) Average residential monthly calling volume may not be fewer than three calls. At least 50% of the residential subscribers must complete at least one call per month to the non-petitioning exchange. (b) Combined residential and business average monthly calling volume from the non-petitioning exchange to the petitioning exchange must be at least 80% of the combined residential and business average monthly calling volume between the petitioning and non-petitioning areas. (c) The calling volume analysis may be waived if a majority of a county or municipal governing body petitions the Commission for a waiver;
3. Once the threshold criteria are met, the local exchange carrier must conduct a cost study to determine the rate.
4. A customer survey must show that at least 75% of the residential customers surveyed in the petitioning exchange want EAS at the established rate. At least 30% of the residential customers in the non-petitioning exchange must also want EAS. No survey of the non-petitioning exchange is necessary if the EAS rate increase is less than 3.5% in the non-petitioning exchange area.



**DOCKET NO. 95-049-T20** Integrated Services Digital Network (ISDN) is a digital platform providing integrated voice, data, and video capability via the public telephone switched network. ISDN is a step in the transition from an analog to a digital multimedia network. By separating the analog telephone line into three digital channels, it allows as many as three separate voice, data, or image signals to be transmitted and received individually or simultaneously. Under Docket No. 89-049-T29, the Commission approved US West Communications, Inc.'s (USWC) initial ISDN offering, effective December 29, 1989. Since then, ISDN has been available on an individual case basis pursuant to specific service agreements between USWC and individual customers.



On October 31, 1995, USWC filed Advice Letter No. 95-T20 with the Commission to provide ISDN on a standard priced basis in specifically defined geographical areas. The proposed service rates proved to be highly controversial. In December, 1995, the Commission decided not to suspend Advice Letter 95-T20, but to have it remain in effect on a provisional basis pending the outcome of further investigation.

The Commission issued the Report & Order for ISDN on January 10, 1997, in which it set forth prices for ISDN services. It also ordered USWC to perform an ISDN demand study by July 1, 1997. However, USWC filed a Petition for Reconsideration, Review, Rehearing and Clarification. The Commission granted reconsideration and review of the proposed Primary Rate Service prices for ISDN, and set a hearing for March 3, 1997. The Commission, however, ordered that USWC file ISDN Basic Rate Service tariffs consistent with its January 10, 1997 Order. Pricing decisions set in the January 10, 1997 Order were upheld for Basic Rate Service for residential users, but consideration of Primary Rate Service, which effects medium to large business users, was rolled into Phase Three of 94-999-01, the Cost Study Docket.

**DOCKET NO. 96-051-04** Beehive Telephone Company was ordered to immediately cease and desist imposing illegal toll charges on its customers which involved calls to two prefixes. The company was also ordered to credit or refund money to customers for illegal charges imposed since March 1, 1996. The Commission gave the company 180 days to improve service standards by improving line quality and giving customers the ability to place and receive intra-LATA calls at any time of day. Within 30 days of the Order, Beehive was required to have a dedicated 800 number for customers to reach them at all times. The results of improvements were ordered to be reported to the DPU. A fine for issuing illegal charges was issued, and suspended on condition that Beehive Telephone Company comply fully with the Commission Orders.

**DOCKET NO. 97-049-14** In an Order issued June 16, 1997, the Commission granted a one-time distribution from the Universal Service Fund to support the construction of facilities to serve customers located near Snow Basin Road in Weber County, Utah.

## Telecommunications Companies Operating In the State of Utah Under the Jurisdiction of the Public Service Commission

Albion Telephone Company, Inc.  
Highway 77  
P.O. Box 98  
Albion, ID 83311  
Phone: (208) 673-5335  
Fax: (208) 673-6200

All West Communications  
50 W. 100 N.  
P.O. Box 588  
Kamas, UT 84036-0588  
Phone: (801) 783-4361

AT&T Communications of  
the Mountain States, Inc.  
Attn: Cathy L. Brightwell  
675 E. 500 S., Suite 390  
Salt Lake City, UT 84102  
Phone: (801) 237-1620  
Fax: (801) 237-1002

Bear Lake Communications  
45 W. Center Street  
P.O. Box 7  
Fairview, UT 84629  
Phone: (801) 427-3331  
Fax: (801) 427-3200

Beehive Telephone  
Company, Inc.  
5160 Wiley Post Way,  
Suite 220  
Salt Lake City, UT 84116  
Phone: (801) 596-9512  
Fax: (801) 596-9504  
Cell: (801) 580-2501

Brooks Fiber Communications  
of Utah  
Kathryn L. Thomas  
464 Oakmead Pky  
Sunnyvale, CA 94086-4708  
Phone: (408) 222-2300  
Fax: (408) 222-2355

Central Utah Telephone, Inc.  
45 W. Center Street  
P.O. Box 7  
Fairview, UT 84629  
Phone: (801) 427-3331  
Fax: (801) 427-3200

Citizens Telecommunications  
Company of Utah  
Attn: Aloa Stevens  
4 Triad Center, Suite 220  
Salt Lake City, UT 84180  
Phone: (801) 321-6690  
Fax: (801) 322-0271

Dial & Save of Utah, Inc.  
4219 Lafayette Center Drive  
Chantilly, VA 22021-1209  
Phone: (703) 631-5600

Eagle Telecommunications,  
Inc./Colorado  
805 Broadway  
P.O. Box 9901  
Vancouver, WA 98668-8701  
Phone: (206) 696-6974  
Fax: (206) 696-6974

Electric Lightwave, Inc.  
Attn: Charles Martin  
8100 NE Parkway Drive,  
Suite 150  
P.O. Box 4678  
Vancouver, WA 98665  
Phone: (360) 892-1000  
Fax: (360) 254-8924

Emery Telephone  
150 S. Main Street  
P.O. Box 629  
Orangeville, UT 84537-0629  
Phone: (801) 748-2223  
Fax: (801) 528-5558

Excel Telecommunications  
8750 N. Central Expressway  
Dallas, TX 75231  
Phone: (214) 705-5500

GST Lightwave (UT), Inc.  
4217 NE Thurston Way  
Vancouver, WA 98662  
Phone: (360) 254-4700  
Fax: (360) 604-2893

Gunnison Telephone  
Company  
29 South Main Street  
P.O. Box 850  
Gunnison, UT 84634-0850  
Phone: (801) 528-7236  
Fax: (801) 528-5558

Industrial Communications  
dba David R. Williams  
P.O. Box 25670  
Honolulu, HI 96825  
Phone: (808) 845-1111

Manti Telephone Company  
34 W. Union Street  
Manti, UT 84642  
Phone: (801) 835-3391

MCImetro Access  
Transmission Services, Inc.  
8521 Leesburg Pike  
Vienna, VA 22182  
Phone: (703) 918-6000

Navajo Communications Co.  
Attn: Aloa Stevens  
4 Triad Center, Suite 220  
Salt Lake City, UT 84108  
Phone: (801) 321-6690  
Fax: (801) 322-0271

Nextlink of Utah, LLC  
155 108th Avenue NE,  
Suite 810  
Bellevue, WA 98004  
Phone: (206) 803-8907  
Fax: (206) 803-8910

Qwest Communications  
Attn: David A. Bryson  
555 17th Street  
Denver, CO 80202  
Phone: (303) 291-1927  
Fax: (303) 291-1724

Skyline Telecom  
456 W. Center Street  
P.O. Box 7  
Fairview, UT 84629  
Phone: (801) 427-3331  
Fax: (801) 427-3200

South Central Utah  
Telephone Association, Inc.  
45 N. 100 W.  
P.O. Box 555  
Escalante, UT 84723  
Phone: (801) 826-4211

Sprint Communications  
Company LP  
8140 Ward Parkway 5E  
Kansas City, MO 64114  
Phone: (913) 624-6841  
Fax: (913) 624-5681

TCG Utah  
2440 S. 1070 W., Suite B  
Salt Lake City, UT 84119  
Phone: (801) 972-2332  
Fax: (801) 972-2029

Uintah Basin Telephone  
Association, Inc.  
3800 S. US 40  
Roosevelt, UT 84066  
Phone: (801) 646-5007  
Fax: (801) 646-5011

Union Telephone Company  
850 N. Highway 414  
P.O. Box 160  
Mountain View, WY 82939  
Phone: (307) 782-6131  
Fax: (307) 782-6522

US WEST Communications  
Regulatory Affairs  
250 Bell Plaza, Room 1603  
P.O. Box 30960  
Salt Lake City, UT 84130  
Phone: (801) 237-7200  
Fax: (801) 237-6542

The Westlink Company  
Attn: Tony Maze  
3655 Nobel Drive, Suite 130  
San Diego, CA 92122-1004  
Phone: (619) 550-3000 X 370

Winstar Wireless of Utah  
7799 Leesburg Pike, Suite 401 S  
Tyson's Corner, VA 22043  
Phone: (703) 917-6556



## Water Utilities

The Public Service Commission does not regulate most water utilities in Utah. Most Utahns, including those in the Salt Lake area, get their water from municipal water utilities, not overseen by the Commission. The PSC mostly deals with small, private water companies which serve remote or small-growth areas across the State.

The Commission regulates the rates of these companies, keeping them reasonable for the service provided, and ensures that the service they provide is reliable and meets service standards. The companies must maintain certain standards in both the quality and quantity of water provided, and stand up to stringent testing.

The Commission regulates the provision of water service by public utilities in the State. Most water service within the state is provided by municipal water utilities which are not regulated by this Commission.

Principal Commission activities during the reporting period focused on general rate cases for small water companies. The Commission has the power to fix service standards for the quantity and quality of water provided, and can regulate the testing of those water facilities.

### SUMMARY OF WATER UTILITY ORDERS

JULY 1, 1996 - JUNE 30, 1997

| UTILITY                 | DATE ISSUED | DOCKET NO. | ISSUE               |
|-------------------------|-------------|------------|---------------------|
| Pine Hollow Water       | 02/05/96    | 95-2165-01 | Investigation       |
| Little Plains Water Co. | 08/07/96    | 96-2178-01 | Rate Increase       |
| Silver Springs          | 08/07/96    | 96-570-02  | Expand Service Area |
| Pine Hollow Water       | 09/27/96    | 95-2165-01 | Investigation       |
| Winchester Hills        | 12/09/96    | 96-2176-01 | Rate Increase       |
| Storm Haven             | 12/09/96    | 95-014-01  | Rate Change         |
| El Dorado Hills Mutual  | 06/09/97    | 93-2190-01 | Granted Application |



## Key Water Utility Orders & Issues

**DOCKET NO. 96-2178-01** Little Plains Water Company was granted permission to raise its rates in an Order issued August 7, 1996. It was determined that without the rate increase, the company could not cover operating costs, let alone cover its authorized rate of return. The company was also ordered to extend to its existing customers on a one-time basis, an offer to purchase an additional water allotment of 45 acre foot per year.

**DOCKET NO. 96-570-02** Silver Springs Water Company was granted the authority to expand its service area in an Order issued August 7, 1996. The Commission found that the area of Summit County which the water company was seeking to serve, was not served by any other water utility, and that the current Silver Springs Water customers would not be adversely effected by the expansion. Because of this, the Commission found that granting the Application for Service Area Enlargement would serve the public convenience and necessity.

**DOCKET NO. 96-2176-01** Winchester Hills Water Company applied for a rate increase that was already approved by the company's shareholders. On December 9, 1996, the Commission issued an Order approving the same rate adjustment, subject to refund in the event of further Commission action pursuant to a timely-filed, meritorious protest.

**DOCKET NO. 95-014-01** Storm Haven Water Company was granted a rate increase in an Order issued December 9, 1996. The Commission ordered the company to include a summary of their Order in the next customer billing, alerting them they could protest the increase in the next 30 days. If any protest was deemed meritorious, the Commission reserved the right to hold a hearing in the matter and suspend the rate increase.

## Water Utilities Operating In the State of Utah Under the Jurisdiction of the Public Service Commission

Bridger Water Co., Inc.  
P.O. Box 314  
Logan, UT 84321  
Phone: (801) 755-3006

Chekshani Water Company  
916 N. Main Street  
Las Vegas, NV 89101  
Phone: (701) 254-5707  
Fax: (701) 254-5272

Community Water Company  
150 N. Virginia Street  
Salt Lake City, UT 84103  
Phone: (801) 355-7950

Cross Hollow Hills Joint Venture  
259 W. 200 N.  
Cedar City, UT 84720  
Phone: (801) 586-2277

Dammeron Valley Water  
Works  
1456 W. 800 N. Maze Circle  
Dammeron Valley, UT 84783  
Phone: (801) 574-2295

Durfee Creek, Inc., Association  
2550 S. 2570 W.  
P.O. Box 271037  
Salt Lake City, UT 84127  
Phone: (801) 972-8666

East Kanab Water Company  
Attn: Peter C. McColl  
750 W. Ridge View, Suite 104  
St. George, UT 84770

Elk Ridge Estates Water  
Company  
Attn: Mark Jacobs  
P.O. Box 723  
Cedar City, UT 84720  
Phone: (801) 586-0068

Falcon Crest Water Co., Inc.  
Attn: Gregory M. Holbrook  
1912 Sidewinder Drive,  
Suite 200A  
Park City, UT 84060  
Phone: (801) 649-5602  
Fax: (801) 649-0933

Golden Gardens Water Co.  
406 Creekside Circle, Suite F  
Murray, UT 84107  
Phone: (801) 288-9292

Harmony Heights Water Co.  
453 N. 200 W. 9-2  
Hurricane, UT 84737  
Phone: (801) 635-0913

Highlands' Water Company  
RR No. 1 Box 160  
Morgan, UT 84050  
Phone: (801) 876-3494

Homespun Village Water  
Company  
Attn: Eben J. Bomquist  
2021 Hideout Circle  
Riverton, UT 84065

Kayenta Water Users, Inc.  
P.O. Box 430  
Santa Clara, UT 84765  
Phone: (801) 628-7234

Lake Front Estates Water  
Users Association  
227 E. 500 N., P.O. Box 198  
Panguitch, UT 84759  
Phone: (801) 676-2349

Lakeview Water Corporation  
1014 N. Olive Avenue  
West Palm Beach, FL 33401  
Phone: (407) 833-7553

Little Plains Water Company  
P.O. Box 24  
New Castle, UT 84756  
Phone: (801) 877-1023

Pine Hollow Water Company  
Attn: Wes Taylor  
4800 N. 68th Street No. 300  
Scottsdale, AZ 85251  
Phone: (602) 945-7243

Pine Valley Irrigation Co.  
753 S. Lexington Drive  
St. George, UT 84770  
Phone: (801) 673-3260

SCSC Inc  
First Interstate Plaza  
170 South Main Street,  
Suite 555  
Salt Lake City, UT 84101

Sheraden Hills Water Users  
Association  
1736 Summertree Drive  
Cedar City, UT 84720  
Phone: (801) 586-4812

Sherwood Water Company  
P.O. Box 848  
Delta, UT 84624  
Phone: (801) 864-3914

Silver Springs Water Co., Inc.  
4575 N. Silver Springs Road  
Park City, UT 84098  
Phone: (801) 649-9500  
Fax: (801) 649-9745

Wanship Cottage Water  
Company  
P.O. Box 176  
Coalville, UT 84017  
Phone: (801) 336-5584

White Hills Water Company  
P.O. Box 8440  
Salt Lake City, UT 84109  
Phone: (801) 485-5274

Wilkinson Water Company  
Attn: Wayne Wilkinson  
3940 W. Old Highway Road  
Morgan, UT 84050  
Phone: (801) 876-3113

Winchester Hills Water Co.  
5760 N. 1180 W.  
St. George, UT 84770  
Phone: (801) 673-9703  
Fax: (801) 673-1584

### Combination Water & Sewer

Storm Haven Water Co., Inc.  
4782 S. Cover Lane  
Heber City, UT 84032-9641  
Phone: (801) 654-3119

Wolf Creek Water & Sewer  
Company, Inc.  
296 E. 3250 N.  
Ogden, UT 84414  
Phone: (801) 782-8682  
Fax: (801) 745-3737

### Sewer

Mountain Sewer Corporation  
1014 N. Olive Avenue  
West Palm Beach, FL 33401  
Phone: (407) 833-7553

## Miscellaneous Utilities

Today's society is dependent on the ease of the phone to do everything from setting a hair appointment to chatting with friends across the globe. The Public Service Commission ensures that the speech impaired and deaf and hard of hearing can enjoy all of the societal necessities involved in phone use through its work with Telephone Devices for the Deaf (TDDs).

The Commission distributes TDDs to low income hearing and speech impaired individuals, and also oversees the operation of a dual party relay system. The system involves the intervention of an operator to relay a typed message from a hearing impaired individual to a hearing individual. The system has an advisory board which includes government deputies, telephone industry representatives, and people who are hearing or speech impaired.

The Utah Association for the Deaf contracts with the State of Utah as the relay system provider, and Ultra-Tec contracts with the State to provide system devices. The Utah Association for the Deaf operates 24 hours a day, seven days a week.

### SUMMARY OF MISCELLANEOUS UTILITY ORDERS & DISCUSSIONS

JULY 1, 1996 - JUNE 30, 1997

| UTILITY   | DATE ISSUED | DOCKET NO. | ISSUE                           |
|-----------|-------------|------------|---------------------------------|
| Telephone | 01/31/97    | 96-999-06  | 801 Numbering Plan Area Code    |
| Telephone | 03/20/97    | 96-999-06  | 801 Numbering Plan Area Code    |
| Telephone | N/A         | 93-999-05  | Universal Service Fund (USF)    |
| Telephone | N/A         | 94-999-01  | Collocation and Interconnection |
| Electric  | N/A         | 96-999-01  | Electric Restructuring          |



## Key Miscellaneous Utility Orders & Discussions

**DOCKET NO. 93-999-05** The Universal Service Fund (USF) is an expendable trust fund to maintain the universal availability of intrastate telecommunications services at just and reasonable rates. Fund revenues are generated from surcharges to users and providers of intrastate local exchange and intrastate long distance telecommunications services.

The Division of Public Utilities urged the Commission to extend the interim USF program to September of 1997. The Commission ordered its extension and asked for proposed revisions to a five year restructuring plan for USF, due in September, 1996. The Division informed the Commission that, for a variety of reasons, in particular the passage of federal legislation and the time frame for rulemaking, learning from federal rulemaking before implementing a new USF program in Utah would be the most prudent course. Passage of the Federal Telecommunications Act of 1996 led to increased federal activity related to goals of universal available service; there is a high probability that a new USF program will require legislative reform during the 1998 session. Also, modeling changes are proposed for the Benchmark Cost Model (BCM — used to calculate USF fees), which should be completed by July, 1996. The extended time frame will allow Utah adequate time to incorporate federal direction regarding universal service policy, enable State legislative change, and to take advantage of modeling refinements made by the BCM. The Telecommunications Act of 1996 also called for the creation of a federal-state joint board to examine universal service issues. On March 8, 1996, the Federal Communications Commission released a Notice of Proposed Rulemaking on universal service issues and established a joint board to implement elements of the 1996 Act. The joint board has been directed to prepare a recommended decision on the issues by November 8, 1996.

On May 8, 1997, the F.C.C. issued a 400 page Universal Service Fund order implementing Section 254 of the Telecommunication Act of 1996. Another important issue occurred during the 1997 Legislative Session. House Bill 71 was enacted under 54-86-15 which changed the name of the Universal Service Fund. The new name is the Universal Public Telecommunications Service Support Fund.



**DOCKET NO. 94-999-01 (Informal Discussion)** The introduction of competition in the telecommunications industry sparked discussion of collocation and interconnection between US West Communications and new service providers. This docket was opened to help resolve issues on which these competitors differ. The last round of developments focused on proposed rules and orders associated with the application of statutory definitions/provisions to the existing service networks and the issues of relationships between companies and those between consumers and service providers. Recommendations from concerned parties center on defining technically feasible interconnection points, identification of essential facilities and services, service quality and protection standards, dialing parity, number portability, inter-company compensation for traffic exchange, and setting "wholesale" and "resale" rates for the resale of US West's services.

**DOCKET NO. 96-999-01** This docket provides a forum for examination of Electrical Restructuring. Technical conferences are held, at which affected parties assess issues associated with the introduction of competition in the electric industry. Current trends in the energy market indicate that production marginal energy costs are below average energy costs. This has created the possibility of lower electricity costs for all consumers as new suppliers are integrated into the system. New technologies and other institutional changes are challenging the traditional model of the single source supplier, regulated rates of return, and prices set in accordance to an approved rate base. The introduction of competition and advances in technology could benefit retail customers. The central question now facing the Commission is how to define the correct mix of regulation and competition so that all customers will be equitably served.

To study this issue, subcommittees were formed, made up of members of the PSC, the Division of Public Utilities, the Committee of Consumer Services, PacifiCorp, industrial representatives, and representatives from environmental and other public interest groups. Committees were established to study systems benefits, stranded costs, reliability, legal issues, economic forces, and the status of deregulation in other states.

In its 1997 session, the Utah State Legislature created a task force of legislators to conduct a separate investigation of the issues. The Electrical Deregulation and Customer Choice Task Force meets twice a month to discuss deregulation issues and form recommendations which they must relay to the Legislature by December of 1997.



**DOCKET NO. 96-999-06 (Informal Discussion)** Due to increased use of cellular phones, pagers, and phone lines for fax machines and modems, and the increasing population, the demand for individual telephone numbers has inflated dramatically. Because of the high demand for new telephone numbers, the pool of available three-digit local prefixes within the 801 area code is rapidly evaporating, and will most likely be dried up by early 1998, creating a need for a new area code. The Commission considered proposed "relief plans" outlining the industry's recommendation on how and where to add a new area code in the State. Two plans were considered. The first entailed dividing the existing 801 area code in two; a new area code would be assigned to one of the two areas. This method has been used elsewhere. The other, an experimental approach, would assign a new area code to new telephone lines within the same geographic area as the existing 801 area. Public hearings were held on the matter in December of 1996, and on January 31, 1997, the Commission ordered that Davis, Weber, Salt Lake, Utah and Morgan Counties would keep the 801 area code, and all other counties would get a new area code, which Bellcore later issued as 435. The Commission ordered that between June 22, 1997 and January 18, 1998, calls to the new area code territory could be placed using 801 or the new area code. After that permissive dialing period, callers placing calls to locations in the new area code would have to use the new area code. In an Order issued March 20, 1997, the Commission revised the permissive calling period to span between September 21, 1997 and March 22, 1998, because of a delay in implementation of the new area code.

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