

February 9, 2006

Stanley K. Stoll  
Blackburn & Stoll, L.C.  
257 East 200 South, Suite 800  
Salt Lake City, UT 84111

**Re: In the Matter of the Application for Increase in USF Eligibility for Uintah Basin  
Telecommunications Association, Inc. and UBET Telecom, Inc. Docket No. 05-053-01**

Dear Mr. Stoll,

On February 1, 2006, the Public Service Commission received your correspondence of the same date regarding the date on which the increase in state Universal Service Fund (“USF”) distributions authorized by the Commission’s Report and Order of November 4, 2005 (“Order”) should begin. In summary, you urge these payments be effective November 4, 2005, in accordance with paragraph 15 of the Stipulation in which parties recommend the Commission make the USF increase effective upon the Commission’s order authorizing the increase.

On January 18, 2006, the Division of Public Utilities (“Division”) filed a memorandum recommending the approved USF distributions be effective January 1, 2006, the date on which the merger of Uintah Basin Telecommunications Association, Inc. (“UBTA”) and UBET Telecom, Inc. (“UBET”) (together “UBET/UBTA”) was completed. The Division’s recommendation was based on its view that the Commission’s Order “clearly states that the terms of the stipulation shall take effect upon completion of the merger of Uintah Basin Telecommunications, Inc. and UBET Telecom, Inc.” However, on February 2, 2006, the Division filed a response to your correspondence of February 1, 2006, stating the Division’s conclusion that the Commission’s Order created an ambiguity concerning the effective date for the USF increase and the Division’s agreement with your view that “pursuant to the settlement agreement, the increase in USF funding would occur upon the Commission’s Order while any rate increase would not take place until the merger was completed.”

This letter is to re-iterate that the Commission intended the USF distributions approved in its Order for the combined UBET/UBTA to begin upon completion of the merger of UBET and UBTA. The Commission stated this decision at page 6 of its Order, noting “because the Division and Committee analyses, as well as the terms of the Stipulation itself, treat [UBET and UBTA] as a merged entity, it is reasonable that we require none of the Stipulation’s terms take effect until such time as UBET and UBTA have completed their merger.” Paragraph 1 of the ordering section of the Order then concluded by specifying the completion date of the merger as the effective date for the terms of the Stipulation. No party sought reconsideration or rehearing of this Order.

In short, the Commission approved USF support funds for a combined UBET/UBTA that did not yet exist. The Commission therefore specified that all terms of the Stipulation, including those pertaining to USF support, would not take effect until the merger creating UBET/UBTA had been completed. Your letter of February 1, 2006, seeks USF payments beginning November 4, 2005, for an entity that did not exist prior to January 1, 2006. Such payments appear neither reasonable nor possible.

On January 5, 2006, the Commission disbursed to UBET/UBTA a USF payment for \$6,762.75 calculated in accordance with the Commission's Order effective November 12, 2003. On January 20, 2006, the Commission disbursed to UBET/UBTA a USF payment for \$86,270.25 resulting in a total payment of \$93,033.00 which is the new total calculated in accordance with the Commission's Order effective January 1, 2006. The Commission therefore sees no need for further action in this matter.

If you have further questions or comments, I can be reached by phone at (801) 530-6713 or email at [jorchard@utah.gov](mailto:jorchard@utah.gov).

Sincerely,

/s/ Julie Orchard

Commission Secretary

JPO