

November 14, 2008

Ms. Julie Orchard, Secretary  
Public Service Commission of Utah  
Heber M. Wells Building  
160 East 300 South  
Salt Lake City, Utah 84111

*Re: Docket #08-042-T01 (for Emery Telcom, Inc.)*

Dear Ms. Orchard:

In accordance with the Public Service Commission of Utah's (the "Commission") Rule R746-405, Emery Telephone ("Emery") submits for filing the original, an electronic copy (sent via email to Trixie Behr – [tbehr@utah.gov](mailto:tbehr@utah.gov)), and one (1) copy of the following:

1. Emery Telephone, P.S.C. Utah No. 2, 3<sup>rd</sup> Revised Sheets 43.7-43.9, replacing 2<sup>nd</sup> Revised Sheet No. 43.7-43.9.

This tariff addition provides for previously unoffered switched service options to Emery customers including ISDN PRI. Pricing for the digital switched service offerings ("DSS") was based upon equivalent cost based single line business rates. Each of the offerings includes 24 DSO equivalents (one channel may be used for signaling). A comparison of 23 business lines to one DSS shows Carbon at \$586 (23 lines x \$25.49), Emery at \$529 (23lines x \$23) and DSS service for both companies from \$550 to \$660 depending upon term. The advantage to the customer is the elimination of up to \$174 of subscriber line charges required by the FCC. Because of this savings and inquiries into ISDN PRI offerings, Emery anticipates growth in these types of circuits.

2. Emery Telephone, P.S.C. Utah No. 2, 2<sup>nd</sup> Revised Sheets 37-41, replacing 1<sup>st</sup> Revised Sheet No. 37-41

This filing allows for the establishment of Internet Protocol ("IP") Centrex and price reductions on traditional Centrex to Emery customers. The IP based functionality is inherent in two newly acquired soft switches (one each in Carbon and Emery); the soft switches coupled with the company's IP network core allow the offering of IP services to all customers served from the Castle Dale switch. Because soft switches cost only a small fraction of hardware based switches and the advanced feature functionality is present without additional equipment, the incremental cost of providing Centrex functionality is extremely low. Currently Emery has only two

Centrex customers with a total of 11 lines. Carbon and Emery believe the potential market for IP Centrex coupled with SIP phones is large representing a lower cost option compared to traditional key system solutions. The advantage to Emery, and the State, would be an increase in revenue generation with no increase in incremental cost. The proposed pricing for Centrex consists of a low monthly cost per Centrex line extension (between \$5 and \$8 in addition to line charges where applicable) and a non-recurring installation or set-up fee ranging from \$10 to \$40 per CENTREX extension. Many of the features and the monthly pricing is comparable to advanced vertical calling features currently being offered to business and residential customers.

3. Exchange Carriers of Utah, P.S.C.U. No. 1, Original sheets N. 144.13-144.14 and 222.4-222.5.

Emery has upgraded various network components to allow the offering of Ethernet Transport Service (“ETS”). Emery recently began to offer ETS as an interstate offering and feel it is critical to include an intrastate offering at similar rates to discourage a migration of existing state special access circuits to the lower priced ETS interstate circuits. The pricing differential between ETS and traditional special access circuits is primarily due to the use of a shared network core and “best effort” nature of ETS compared with traditional circuits comprised of dedicated bandwidth and point to point connections. ETS allows for significant special access bandwidth at an affordable rate making it very desirable for customers who do not mind the shared core; the shared core in turn allows oversubscription thus reducing cost to the company to provide the service. Emery has received numerous inquiries for local point to point ETS services. Many of these requests are being provisioned as interstate service by adding an internet service connection point to the circuit, the end result is no additional opportunity for state/local revenue. Emery has not yet experienced migration of existing special access circuits to ETS but has noted increased circuit requests due to the new offering. It is anticipated that the proposed ETS offering will prevent the loss of existing state access revenue and may result in additional state special access revenue as a viable low-cost alternative to traditional special access.

Emery hereby submits the enclosed tariff revisions pursuant to R-746-405-2(E)(2) and requests that the Commission waive the 30-day filing requirement and authorize the tariff sheets filed herewith to become effective on January 1, 2009. The waiver is sought, for the reason that the revisions constitute a reduction in Centrex fees, expansion of switched service offerings (at similar or lower rates) and the establishment of ETS offerings. The early effective date of these changes will actually benefit current and prospective subscribers as well as the State USF.

If you have any questions regarding these filings, please feel free to contact me at 435-748-2223.

Regards

Darren L. Woolsey  
Chief Financial Officer

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