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May 28, 2013

VIA OVERNIGHT MAIL

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

RE: Central Utah Telephone, Inc. and Subsidiaries
Intrastate Access Tariff P.S.C. Utah No. 2

Dear Ms. Orchard:

JSI files the enclosed tariff material on behalf of Central Utah Telephone, Inc. and Subsidiaries Intrastate Access Tariff P.S.C. Utah No. 2 issuing carriers (issuing carriers) listed at Appendix A. Proposed revisions are made in compliance with current Federal Communications Commission (FCC) rules governing intercarrier compensation. The proposed revisions bear an effective date of July 1, 2013. An original and two (2) copies are provided as well as an electronic copy.

The initial Intrastate Access Tariff P.S.C. Utah No. 2 was filed effective July 1, 2012 and reflected FCC rules pursuant to the FCC's ICC Reform Order.¹ The terminating access rate structure was changed for all issuing carriers to the LTR structure in 2012 under the rules in effect as of May 2012. Subsequent to the 2012 filing, the FCC revised intercarrier compensation rules relating to the transition of intrastate switched access rates.² For the July 1, 2013 transition, all LECs must match the interstate rate structure (local transport restructure, "LTR") and LECs who reduced rates in 2012 must exactly match the federal access tariff rate level for the affected switched access rate elements. The FCC also now allows individual rate elements to increase as long as the total revenue resulting from the

¹ See *Connect America Fund et al.*, WC Docket No. 10-90 et al., Report and Order and Further Notice of Proposed Rulemaking, 26 FCC Rcd 17663 (2011) (*ICC Reform Order*), *pets. for review pending sub nom.* In re: *FCC 11-161*, No. 11-9900 (10th Cir. filed Dec. 18, 2011).

² See *Connect America Fund et al.*, WC Docket No. 10-90 et al., Order DA 12-870 (rel. June 5, 2012). See also Orders on Reconsideration FCC 11-189 rel. Dec. 23, 2011, FCC 12-47 rel. April 25, 2012, FCC 12-52 rel. May 14, 2012, FCC 12-82 rel. July 18, 2012, FCC 12-137 rel. Nov. 16, 2012 and FCC 13-16 rel. Feb. 27, 2013.

increased rate element does not result in higher revenue. Further, National Exchange Carrier Association (NECA) interstate switched access rates increased effective January 1, 2013, thereby increasing the rates which the issuing carriers must match for terminating access by July 1, 2013.³ The issuing carrier rates reflect proposed revisions resulting from these revised FCC rules and increased NECA switched access rates.

All issuing carriers moved to Local Transport Restructure (LTR) for terminating access rates in 2012. Originating access rates are not affected by the FCC order and will remain non-LTR.

In 2012, a table calculating the rate changes between 2012 and 2020 were submitted for each company. Now that NECA rates have changed and may continue to change, the rate tables are no longer accurate and are replaced by the rates for only 2013.

Bear Lake Communications, Inc. (Bear Lake), whose state rates were reduced in 2012, is adopting the interstate NECA rates that were put into effect January 1, 2013. Central Utah Telephone, Inc. (Central Utah) and Skyline Telecom (Skyline), whose state rates were not reduced in 2012, have some modifications based on the FCC rule change concerning increases of individual rate elements.

The Central Utah 2012 state rates produced less revenue than federal rates. There is no change to Central Utah's 2012 rates. However, the rate tables have been removed since they are no longer accurate.

Skyline's 2012 state rates produced less revenue than the federal rates but had different rate elements, some of which were eliminated in the move to the LTR structure. A transitional rate was filed in 2012 to make the transition to LTR revenue neutral. In 2013, the transitional amount is shifted to all rate elements now that individual rate elements can be increased. There is no revenue change in this shift. A supporting worksheet is provided at Exhibit 1 subject to a request for confidentiality under Section 746-100-16 of Commission rules. Exhibit 1 is accordingly marked "CONFIDENTIAL – SUBJECT TO UTAH PUBLIC SERVICE COMMISSION RULE 746-100-16". The minutes-of-use and revenue information is highly confidential and is not available through any source other than the companies or their authorized agents. Furthermore, this information could have economic value to potential competitors and its public disclosure would place the companies at a competitive disadvantage. A redacted version of Exhibit 1 is also provided.

Finally, regulations are proposed to establish an Adjustment Factor to determine percentage of originating interstate use applicable to non-LTR rate structure. The Section 2.3 NECA regulations, formerly referenced in their entirety, are now referenced in part in order to

³ See *In the Matter of Joint Petition of Price Cap Holding Companies for Conversion of Average Schedule Affiliates to Price Cap Regulation and for Limited Waiver Relief*, WC Docket No. 12-63, Order FCC 12-154 (rel. Dec. 13, 2012).

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incorporate the Adjustment Factor revisions which are indicated by the appropriate symbols.

Any questions regarding the filing may be directed to the undersigned at the address and telephone number listed above, or by email at ywimer@jsitel.com.

Sincerely,

/s/ Valerie Wimer

Valerie Wimer

Vice President

on behalf of

Central Utah Telephone, Inc. and Subsidiaries

Enclosures

cc: Mike Plows, Central Utah Telephone, Inc. and Subsidiaries

APPENDIX A

ISSUING CARRIERS

**Central Utah Telephone, Inc. and Subsidiaries
Intrastate Access Tariff P.S.C. Utah No. 2
May 28, 2013**

Bear Lake Communications, Inc.

Central Utah Telephone, Inc.

Skyline Telecom

REDACTED – FOR PUBLIC INSPECTION

EXHIBIT 1

SUPPORTING WORKSHEET

SKYLINE TELECOM