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State of Utah
DEPARTMENT OF COMMERCE
Office of Consumer Services

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To: The Public Service Commission

From: The Office of Consumer Services
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Chris Parker, Director
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Section

Date: May 6, 2015

Subject: Docket 15-2302-01, In the Matter of Carbon/Emery Telcom's
Application for Utah Universal Service Fund Support.

Background

On April 3, 2015, Carbon/Emery Telcom, Inc. (Company) filed an application for a distribution from the Utah Universal Service Fund (USF). On April 9, 2015, the Division of Public Utilities (Division) filed a memo (Memo) verifying the completeness of the Company's USF application with the Public Service Commission (Commission) indicating the Company's application was substantially complete in accordance with Administrative Rule R746-700-40.

Discussion

The Office of Consumer Services (Office) disagrees with the Division's assertion that the Company's filing is complete as stated in its Memo. There are two reasons for the Office's conclusion. First, the Division did not have all required documents needed to comply with R746-700-40. Second, the Division did not recognize that additional rules applied to determine whether the application was complete in particular R746-700-1. Each of these issues will be discussed in this memo.

Noncompliance with R746-700-40

The Office disagrees with the Division's recommendation that the Company satisfied R746-700-40. The Division had to request in its first data request, dated April 22, 2015 to the Company, many of the same items outlined for a complete filing in R746-700-40.¹ If these items are being requested two weeks after the Memo was sent to the Commission, it is difficult to justify the Division's recommendation that the Company's application was complete on April 9th. The Division was premature in issuing the Memo without the documents they requested in its first data request.

Noncompliance with R746-700-1

The Division cited R746-700-40 as the rule for demonstrating whether the Company's application is complete. In addition to R746-700-40, the Office would refer the Commission to R746-700-1 which provides general provisions applicable to all 7XX series rules. Compliance with both these rules satisfies whether or not a filing is complete. The Company's application is deficient in with respect to R746-700-1. For example:

1. Presentation of numerical data in electronic formats without required formulas intact. (See R746-700-1(E)(1))
2. The Company did not provide a complete Part 64 showing sources of all amounts and related source documents, including names and sources of allocators related to joint and other costs allocated between non-regulated and regulated activities and affiliated companies (See R746-700-40(A)(5))
3. The Company did not provide details for its adjustments (See R746-700-40(A)(2)(3) and (14))

¹ A copy of the Division's first data request is attached as Exhibit 1 for the Commission to review what was missing from the Company's USF application.

These issues should have been addressed in the Division's Memo and the Company should have been notified that until these items were provided within its application, the application was incomplete.

Applicability of Rules

The Division stated the following in its Memo:

“Although the Division does not believe that a request for USF support is equivalent to a rate case when customer rates are unaffected, and questions whether rate case rules apply, the Division recognizes the need for a complete application as an appropriate starting point for a satisfactory review of USF support.”

The Office agrees with this assertion that while USF cases are not equivalent to a general rate case nonetheless, basic supporting information is necessary for a satisfactory review of UUSF support. In this instance, the supporting information must be supplemented by data requests to be sufficient to conduct an appropriate evaluation of the Company's USF request.

Recommendation

The Office is not asking for any action from the Commission, since the applicability of the rules in this case is not clear. The Office simply wanted to correct any misunderstanding in the record regarding what supporting material was provided in the Company's initial filing.