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BEFORE THE PUBLIC SERVICE COMMISSION OF UTAH

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IN THE MATTER OF CENTRAL UTAH            ) Docket No. 16-040-01  
TELEPHONE, INC.’S PETITION FOR        )  
APPROVAL TO REVISE ITS TARIFFS TO     ) PETITION FOR APPROVAL TO  
INCREASE RATES TO THE                 ) REVISE TARIFFS  
AFFORDABLE BASE RATES                 )  
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On March 4, 2016, the Utah Public Service Commission (the “Commission”), in Docket No. 16-R360-01, issued a Request for Comment on whether Utah’s affordable base rate should be changed to match the Federal benchmark rate. Utah Rural Telecom Association (“URTA”) filed Comments on the Affordable Base Rate on behalf of its members, including Central Utah Telephone, Inc. (“CUTI”) on March 25, 2016. On April 18, 2016, the Commission issued a Notice of Requirement to File a Petition to Deviate from the Affordable Base Rate in Docket No. 16-R360-01 (the “Notice”).

The Notice informed Utah rural telecommunications providers that the Commission was proposing to change the affordable base rate in Utah to \$18.00 for residential service and \$27.50 for business service, effective July 1, 2016. The proposed amendments to rule R746-360-6 (“Amendment”) were issued by the Commission on April 19, 2016, and provide that:

R746-360-2.B Rate Floor

1. Unless a petition brought pursuant to Subsection (B)(2) is granted, to be eligible for USF subsidization, a telecommunications corporation shall charge, at a minimum, the following Affordable Base Rates for basic telecommunications services;
  - a. As of July 1, 2016:
    - i. \$18.00 per residential line; and
    - ii. \$27.50 per business line.
  - b. As of July 1, 2017:
    - i. \$20 per residential line; and
    - ii. \$27.50 per business line.

The Notice provides that the Commission will hold a public hearing on May 31, 2016, and intends to make the proposed rule effective June 7, 2016. Further, the Notice provides that a telecommunications provider must petition the Commission for approval to revise its tariff in order to increase its rate(s) and such petition must be filed at least seven (7) days prior to the date on which the telecommunications provider proposes to begin charging the new rate(s).

The Commission, on page 2 of the Notice, states:

“The Commission will adjudicate any petition filed pursuant to [the Notice] in an informal proceeding, without hearing, provided that:

1. The requested effective date of the increased rate(s) is on or after June 1, 2016.
2. The requested rates do not exceed \$18.00 per residential line and \$27.50 per business line.
3. No other changes are made to the tariff.”

CUTI, as a member of URTA, has filed Comments requesting that the proposed Amendment be modified in several ways:

1. That a telecommunications provider’s eligibility for state universal service fund (“State USF”) support not be contingent upon charging the Affordable Base Rate, but rather that the Affordable Base Rate be utilized in the determination of the appropriate amount of State USF disbursement that a company will be entitled to;

2. That the Affordable Base Rate mirror the Federal local rate floor as phased in by the FCC, including:

- a: inclusion of state subscriber line charges, State USF charges, and mandatory extended area service charges; and
- b. elimination of the Affordable Base Rate for business service.

As the Commission is aware the Hearing on the proposed rule change has not yet occurred, and will not be completed until May 31, 2016. As a result, CUTI is unsure of how the final rule will be drafted, and, in particular, whether CUTI will be required to raise its rates to continue to be eligible for State USF support. CUTI is reluctant to raise its rates at this time given the substantial rate increase for certain exchanges and the possibility that CUTI may elect to receive A-CAM support in the near future.

However, in order to preserve its rights in this regard, CUTI hereby petitions the Commission for approval to revise its tariff in order to increase its rates pursuant to the *proposed* Affordable Base Rate Rule R746-360-6, and the Notice issued by the Commission on April 18, 2016. CUTI affirmatively states, that its submission of this Petition should not be construed as an endorsement of, or support of, the Amendment. On the contrary, CUTI reaffirms its support of the modifications to the proposed Amendment as discussed herein, and as more fully set forth in the Comments filed by URTA in Docket No. 16-R360-01.

Further, this Petition for Approval to Revise Its Tariff is made contingent upon the Affordable Base Rate being determined by Commission rule to be an “eligibility” factor for receipt of State USF. In other words, in the event that the Commission amendments to rule R746-360-6 ultimately permit a telecommunication provider to continue to be eligible for receiving State USF support even if such provider charges rates that are less than the

Affordable Base Rate, CUTI reserves the right to withdraw this Petition.

**PETITION FOR APPROVAL TO REVISE TARIFF TO INCREASE RATES**

Subject to the foregoing, CUTI hereby petitions the Commission to approve CUTI's tariff revisions to include a rate increase, effective June 1, 2016, in the R-1 Residential rates in the CUTI exchanges as follows<sup>1</sup>:

Exchange	Current Rate	New Rate
435-427 Fairview	\$11.50	\$18.00
435-445 Fountain Green	\$11.50	\$18.00
435-448 Scofield	\$11.50	\$18.00
435-870 Soldier Summit	\$11.50	\$18.00
435-873 Spanish Fork Cnyn	\$11.50	\$18.00
435-462 Mt. Pleasant	\$11.03	\$18.00

CUTI further petitions the Commission to approve CUTI's tariff revisions to include a rate increase, effective June 1, 2016, in the B-1 Business rates in the CUTI exchanges as follows:

Exchange	Current Rate	New Rate
435-427 Fairview	\$23.00	\$27.50
435-445 Fountain Green	\$23.00	\$27.50
435-448 Scofield	\$23.00	\$27.50
435-870 Soldier Summit	\$23.00	\$27.50
435-873 Spanish Fork Cnyn	\$23.00	\$27.50
435-462 Mt. Pleasant	\$19.37	\$27.50

Finally, CUTI petitions the Commission to approve CUTI's tariff revisions to include a rate increase, effective June 1, 2016, in the Emergency Line Service (E-1) rates in the CUTI exchanges as follows:

Exchange	Current Rate	New Rate
435-427 Fairview	\$10.00	\$18.00
435-445 Fountain Green	\$10.00	\$18.00
435-448 Scofield	\$10.00	\$18.00

<sup>1</sup> Revised Tariff Sheets as needed are attached to this Petition as Exhibit 1.

435-870 Soldier Summit	\$10.00	\$18.00
435-873 Spanish Fork Cnyn	\$10.00	\$18.00
435-462 Mt. Pleasant	\$10.00	\$18.00

As indicated, under the *proposed* Amendment, these changes will be necessary to enable CUTI to continue to be eligible for State USF support. Pursuant to the Notice, the requested effective date of the tariff revisions to increase rates is on or after June 1, 2016; the Petition is being filed seven (7) days before the proposed effective date of the new rates; the requested rates do not exceed \$18 per residential line and \$27.50 per business line; and no other changes are proposed to CUTI’s tariff. Therefore, all of the requirements set forth in the Notice have been met by this filing, and CUTI is entitled to approval of the tariff revisions, and rate increases as requested herein. Further, as provided in the Notice, this Petition should be adjudicated informally without hearing.

**CONCLUSION**

CUTI, as a member of URTA, has requested modifications to the Commission’s proposed amendments to R746-360-6 as discussed herein, and as set forth with more specificity in the Comments of URTA filed in Docket No. 16-R360-01. However, in order to preserve CUTI’s rights under the Commission’s proposed Amendment, CUTI contingently petitions the Commission for approval to revise its tariff in order to increase its rates, if ultimately required to preserve CUTI’s eligibility for State USF support. CUTI has met all of the requirements for informal adjudication of its Petition for Approval of Tariff Revisions, and is entitled to the rate increases requested herein, effective June 1, 2016.

Respectfully submitted this 25<sup>th</sup> day of May, 2016.

BLACKBURN & STOLL, LC

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CERTIFICATE OF SERVICE

I hereby certify that on the 25<sup>th</sup> day of May, 2016, I served a true and correct copy of Central Utah Telephone, Inc.'s Petition for Approval to Revise Tariff, Docket 16-040-01, via e-mail transmission to the following persons at the e-mail addresses listed below:

Division of Public Utilities

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