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Division of Public Utilities

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May 27, 2016

TO: PUBLIC SERVICE COMMISSION

FROM: DIVISION OF PUBLIC UTILITIES
Chris Parker, Director
Bill Duncan, Manager, Telecommunications and Water
Paul M. Anderson, Utility Technical Consultant

Re: Utah Docket No. 16-040-T01, In the Matter of the Petition of Central Utah Telephone, Inc., for an Increase in Rates to the current Commission approved Affordable Base Rate

ISSUE:

Central Utah Telephone (Central) is requesting an increase in its basic business and residential telephone rates to the current Commission approved "Affordable Base Rate." Central's current monthly rate for Business (B-1) in five exchanges is \$23.00 which will increase by \$4.50 to \$27.50. Its current monthly rate for Business (B-1) in the Mt. Pleasant exchange is \$19.37 which will increase by \$8.13 to \$27.50. The current monthly rate for Residence (R-1) in five exchanges is \$11.50 which will increase by \$6.50 to \$18.00. Its current monthly rate for Residence (R-1) in the Mt. Pleasant exchange is \$11.03 which will increase by \$6.97 to \$18.00. The current monthly rate for Emergency Line Service (E-1) offered in all six exchanges is \$10.00 which will increase by \$8.00 to \$18.00.

RECOMMENDATION:

The FCC requires that the companies participating in the Connect America Fund (CAF), such as Central bring its rate levels to the CAF-mandated floor each year as a condition of continued participation. For 2016, the FCC rate floor is \$18.00 for residential subscribers.

The above basic rate increases are also pursuant to the Public Service Commission's Notice of Requirement to File a Petition to Amend Tariff or to Deviate from the Utah Affordable Base Rate (Notice) issued April 18, 2016, Docket No. 16-R360-01

Since the requested residential rate increase is mandated by the FCC for Central's continued CAF participation, and the rate increases comply with the requirements in the Commission's Notice, the Division recommends that the Commission approve the new updated tariff sheets for Central in Docket No. 16-040-T01 effective June 1, 2016 as requested.

CC: Eddie Cox, Central Utah Telephone, Inc.
Justin Jetter, Assistant Attorney General, Utah Attorney General's Office
Marialie Martinez, Manager, Customer Service, Utah Division of Public
Utilities
Cheryl Murray, Office of Consumer Services
Kira M. Slawson, Blackburn & Stoll, LC