



State of Utah
 Department of Commerce
 Division of Public Utilities

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June 22, 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: Docket No. 16-2303-T01 Hanksville Telephone, Inc. filing to revise Residential R1 and Business B1 rates to comply with current Commission proposed Affordable Base Rate rules.

ISSUE:

Hanksville Telephone, Inc. (Hanksville) is filing revisions to its Exchange Services Tariff PSC Utah No. 1, that with the addition of mandatory EAS (Extended Area Service) charges and State USF (Universal Service Fund) surcharges, will add up to meet the current Commission proposed Affordable Base Rate rules.

Hanksville has proposed a rate increase for the Basic Residential (R-1) Service from \$11.03 per month to \$17.82 per month as follows:

Exchange	Current Residential Rate	New Residential Rate
All Exchanges	\$11.03 ¹	\$17.82

The rate increases are necessitated by the Commission’s proposed Affordable Base Rate which requires Emery to charge a floor of \$18.00 per month for residential service and \$26.00 per month for business service in order to remain eligible for State USF support. Pursuant to the Commission’s Supplemental Notice, telecommunications providers are permitted, but not required, to include mandatory extended area service (“EAS”) charges, State subscriber line charges (if any), and state universal service fund surcharges (“State USF”) in determining whether such carrier’s rates meet the Commission proposed Affordable Base Rate. Hanksville’s revised residential rates will not be inclusive of the mandatory EAS, State USF surcharges, and State SLCs. Rather, such rate elements will remain separate. However, the sum of the

¹ The Hanksville residential rate is identified by two rate elements on Tariff Sheet No. 20 (\$9.23) and Tariff Sheet No. 21 (\$1.80 for measured service). Hanksville’s proposed Tariff Revisions consolidate the residential service rate into one rate element identified on Tariff Sheet No. 20 (1st Revised).

Residential (R-1) rate, the mandatory EAS, the State USF Surcharge, and the State SLCs is equal to the Commission proposed Affordable Base Rate of \$18.00 for residential service as follows:

<u>Rate Elements</u>	<u>Rate</u>
Residential Rate	\$17.82
Mandatory EAS	n/a
State SLC	n/a
State USF	\$0.18
Total:	\$18.00

Hanksville is requesting an increase to its Business rate B-1 as follows:

Exchange	Current Business Rate	New Business Rate
All Exchanges	\$19.37 ²	\$25.74

The revised business rate will not be inclusive of the mandatory EAS, State USF surcharges, and State SLC. Rather, such rate elements will remain separate. However, the sum of the Business (B-1) rate, the mandatory EAS, the State USF Surcharge, and the State SLCs is equal to the Commission proposed Affordable Base Rate of \$26.00 for business service:

<u>Rate Elements</u>	<u>Rate</u>
Business Rate	\$25.74
Mandatory EAS	n/a
State SLC	n/a
State USF	\$0.26
Total:	\$26.00

RECOMMENDATION: Approve New Tariff Changes

The above basic rate modifications are 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 complies with the requirements in the Commission’s Notice, the Division recommends that the Commission **approve** the new updated tariff sheets for Hanksville in Docket No. 16-2303-T01 and that the **Commission waive the 30 day notice period** and that the tariff becomes effective July 1, 2016 as contemplated in the Commission’s Notices and Order in Docket 16-R360-01.

² The Hanksville business rate is identified by two rate elements on Tariff Sheet No. 20 (\$16.67) and Tariff Sheet No. 22 (\$2.70 for measured service). Hanksville’s proposed Tariff Revisions consolidate the business service rate into one rate element identified on Tariff Sheet No. 20 (1st Revised).

cc:

Brock Johansen, Chief Executive Officer, Emery Telephone, Inc.
Justin Jetter, Assistant Attorney General, Utah Attorney General's Office
Marialie Wright, Manager, Customer Service, Utah Division of Public
Utilities
Cheryl Murray, Office of Consumer Services