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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. 16-576-T01, In the Matter of the Petition of Skyline Telecom, for an Increase in Rates to the current Commission approved Affordable Base Rate**

**ISSUE:**

Skyline Telecom (Skyline) is requesting an increase in its basic business and residential telephone rates to the current Commission approved "Affordable Base Rate." Skyline's current monthly rate for Business (B-1) in the Moroni exchange is \$22.40 which will increase by \$5.10 to \$27.50. Its current monthly rate for Business (B-1) in the Eureka and Goshen exchanges is \$18.51 which will increase by \$8.99 to \$27.50. Its current monthly rate for Business (B-1) in the Wendover and Dugway exchanges is \$19.37 which will increase by \$8.13 to \$27.50. The current monthly rate for Residence (R-1) in the Moroni exchange is \$11.10 which will increase by \$6.90 to \$18.00. Its current monthly rate for Residence (R-1) in the Eureka and Goshen exchanges is \$7.98 which will increase by \$10.02 to \$18.00. Its current monthly rate for Residence (R-1) in the Wendover and Dugway exchanges 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 five 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 Skyline 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 Skyline'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 Skyline in Docket No. 16-576-T01 effective June 1, 2016 as requested.

CC: Eddie Cox, Skyline Telecom  
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