

- BEFORE THE PUBLIC SERVICE COMMISSION OF UTAH -

In the Matter of the Increase of Rates )  
and Charges of ALL WEST )  
COMMUNICATIONS, INC. )

DOCKET NO. 01-2270-01  
REPORT AND ORDER

ISSUED: April 20, 2001

SYNOPSIS

The Application for Rate Increase submitted by All West Communications, Inc., having been established by the evidence, and the Division of Public Utilities having recommended approval, and the rates appearing to be just, reasonable, and in the public interest, the Application is approved by the Commission.

By The Commission:

PROCEDURAL HISTORY

This matter was initiated by an Application for Rate Increase filed January 26, 2001, by All West Communications, Inc. (All West), seeking an increase in its rates for public telecommunications services provided in its service territory in the State of Utah. All West is an Incumbent Local Exchange Carrier (ILEC) regulated under rate of return regulation. Notice of the proposed rate increase was provided to all potentially affected access line subscribers on or about January 29, 2001, in accordance with Section 54-7-12(7) Utah Code Ann. (2000) and R746-344 of the Commission's Rules of Practice and Procedure. The Division of Public Utilities (Division) conducted an investigation into the proposed rate increase. Following its investigation, the Division entered into a Joint Stipulation and Agreement (the Stipulation) with All West, which was filed on January 26, 2001, in which the Division stipulated that the proposed rate increase was just and reasonable. Based on the record in this Docket, the Application, the Stipulation, and the exhibits filed therewith, and in view of the fact that the applicable statute allows disposition of this matter without a hearing, and there appearing to be no reason for convening one, the Commission makes the following findings of fact and conclusions of law.

FINDINGS OF FACT

1. All West is an ILEC in the State of Utah providing public telecommunications services pursuant to a certificate of convenience and public necessity. All West currently serves the Kamas and Randolph exchanges in the State. All West serves customers only in "rural" areas in the State and is considered a rural telecommunications provider. The rates proposed in the Application are consistent with those being charged by other rural telecommunications providers in the State of Utah.
2. All West's present rates and tariff charges, supplemented by the Utah Universal Public Telecommunications Service Support Fund (USF), Section 54-8b-15 Utah Code Ann. (2000), do not provide sufficient revenues to cover the costs, including capital costs and depreciation expenses, of All West providing telecommunications services in Utah. Because of All West's current rate structure, All West's test year revenues fell short of the revenue requirement, producing a revenue requirement deficiency of \$580,236.00.
3. The proposed increase in rates was necessitated by a reduction in switched access charges, an increase in the affordable base rate, improvements, and increased costs in telephone plant. A rate increase is necessary to permit All West to recover its costs of service and a reasonable return on the value of its property devoted to public use.
4. The Application was accompanied by all necessary information and schedules required by Section 54-7-12-(7) Utah

Code Ann. (2000) and R746-344 of the Commission's Rules of Practice and Procedure, set forth in the Utah Administrative Code. The Division also conducted an audit of the books and records of All West pertaining to All West's interstate and intrastate operations. Following the audit, the Division executed the Stipulation supporting the proposed rate increases sought by the Application. The Division determined that the revenue requirement increase is fully justified and that the proposed rates and charges set forth in the Application are in the best interest of the subscribers of All West and are just and reasonable.

5. All West has fewer than 5,000 subscriber access lines in the State of Utah. Section 54-7-12(7) Utah Code Ann. (2000) authorizes telephone corporations with fewer than 5,000 subscriber access lines to effect a proposed rate increase by: (1) filing the proposed tariff revision and necessary information to support a determination by the Commission that the proposed rate increase is just and reasonable; and (2) by providing thirty (30) days notice of the proposed rate increase to the Commission and all potentially affected access line subscribers. In accordance therewith, All West proposed to effect the rate increases on March 1, 2001, as contained in the tariff filed with the Commission. In the Stipulation, the Division also agreed to recommend to the Commission that the rate increases become effective on March 1, 2001, without action by the Commission, in accordance with Section 54-7-12(7) Utah Code Ann. (2000).

6. The information provided in this Docket supports a determination by the Commission that the following rate increase is necessary, fair, just, and reasonable:

- Residential local exchange rates are therefore increased by \$2.50, from \$11.00 to \$13.50 per month. Small business local exchange rates are increased by \$6.50, from \$16.50 to \$23.00 per month. Large business local exchange rates are increased by \$1.00 from \$22.00 to \$23.00 month and various miscellaneous local rate elements increased as outlined in the Exhibit "B" attached to the Application;

- The local switching rate is increased by 0.01111¢ per minute;
- The local transport termination charge is increased by 0.00088¢ per minute;
- The Carrier Common Line originating and terminating charge is eliminated;
- Information Services charge is increased by 0.00194¢ per 100 messages;
- The billing and collection charge is decreased by .09814 per message; and
- EAS and special access rates will remain unaffected.

7. The change in rates will increase local revenues annually by \$188,940, decrease access revenues by \$166,769, decrease billing and collection revenues by \$186,579, and increase miscellaneous revenues by \$249.

8. Based on the foregoing, the proposed rate increase is just and reasonable and is approved. Although no action is required by the Commission to make the rate increase effective on March 1, 2001, based on the provisions of Section 54-7-12(7) Utah Code Ann. (2000), nevertheless, by this Report and Order, the Commission approves the rate increase effective March 1, 2001.

9. As a result of this rate increase, All West's annual USF withdrawal will increase by \$744,396 from \$296,064 to \$1,040,460, effective March 1, 2001.

#### CONCLUSIONS OF LAW

1. The Commission has subject matter jurisdiction in this Docket pursuant to Sections 54-4-1 and 54-7-12(7) Utah Code Ann. (2000).
2. It is in the public interest to approve the Stipulation entered into in this docket as described herein.
3. The proposed rate increase is just and reasonable and is approved.

4. All West, as a qualifying telecommunications corporation under the provisions of the USF, is entitled to an increase in its annual withdrawal from the USF as set forth above.

ORDER

NOW, THEREFORE, IT IS HEREBY ORDERED, that:

1. The Stipulation is hereby approved.
2. The rate increase set forth in the Application, Stipulation and Exhibits thereto, and the tariff pages filed therewith, be, and the same hereby is, approved effective March 1, 2001, as being just and reasonable and in the public interest.
3. All West is entitled to an increase in its withdrawals under the Utah Universal Public Telecommunications Service Support Fund effective March 1, 2001, as set forth herein.
4. Pursuant to Section 63-46b-13 Utah Code Ann. (2000), any person aggrieved by this Order may petition the Commission in writing for review within 20 days of the date of this Order. Pursuant to Section 54-7-15 Utah Code Ann. (2000), failure to file such a request will result in the forfeiture of the right to appeal to the Utah Supreme Court. If the Commission fails to issue an order within 20 days after the filing of such request, the request(s) shall be considered denied.

DATED at Salt Lake City, Utah this 20th day of April, 2001.

/s/ Stephen F. Mecham, Chairman

/s/ Constance B. White, Commissioner

/s/ Richard M. Campbell, Commissioner

Attest:

/s/ Julie Orchard

Commission Secretary