

- BEFORE THE PUBLIC SERVICE COMMISSION OF UTAH -

In the Matter of the Utah Affordable Base
Rate for Telecommunications Services

DOCKET NO. 16-R360-01

NOTICE OF REQUIREMENT TO
FILE A PETITION TO AMEND
TARIFF OR TO DEVIATE FROM
THE UTAH AFFORDABLE BASE
RATE

ISSUED: April 18, 2016

Effective July 1, 2016, the Federal Communications Commission (FCC) will reduce federal support to any Utah rural telecommunications provider that, as of June 1, 2016, does not charge a base rate of \$18.¹ The Public Service Commission of Utah (Commission) has therefore proposed to change the Utah affordable base rate. As of July 1, 2016, any Utah telecommunications provider that is subsidized through the Utah Universal Service Fund (UUSF) must charge \$18 per residential line and \$27.50 per business line in order to remain eligible for UUSF support.

The rule amendment necessary to modify the Utah affordable base rate will be published in the *Utah State Bulletin* on May 1, 2016. The public comment period will run through May 31, 2016, and a public hearing will be held at 9:00 A.M. on May 31, 2016 in Room 451 of the Heber M. Wells Building, 160 East 300 South, Salt Lake City. The Commission intends to make the rule effective on June 7, 2016.

¹ See the FCC's Report and Order, Declaratory Ruling, Order, Memorandum Opinion and Order, Seventh Order on Reconsideration, and Further Notice of Proposed Rulemaking, issued June 10, 2014 in WC Docket No. 10-90; WT Docket No. 10-208; WC Docket No. 14-58; WC Docket No. 07-135; and CC Docket No. 01-92 at page 29, Section (V)(A)(80): "For the period between July 1, 2016, and June 30, 2017, we waive section 54.318(b) to the extent reported rates are greater than or equal to \$18[.]"

DOCKET NO. 16-R360-01

- 2 -

A telecommunications provider must petition the Commission for approval to revise its tariff in order to increase its rate(s). 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 will adjudicate any petition that is filed pursuant to this notice in an informal proceeding,² without hearing, provided that:

1. The requested effective date of the increased rate(s) is on or after June 1, 2016.³
2. The requested rates do not exceed \$18 per residential line and \$27.50 per business line.
3. No other changes are made to the tariff.

A telecommunications provider that does not wish to adopt the Utah affordable base rates may petition the Commission to deviate from those rates. *See* Utah Administrative Code R746-100-15. The telecommunications provider has the burden to demonstrate that the Utah affordable base rates are not reasonable in the particular geographic area served. *See* Utah Code § 54-8b-15(7)(b). Any such petition will be adjudicated in a formal proceeding. A telecommunications provider that does not file a revised tariff risks losing its UUSF subsidy unless a petition to deviate is on file with the Commission by June 7, 2016.

² Utah Code § 63G-4-202(3) provides that a formal proceeding may be converted to an informal proceeding if (a) conversion is in the public interest; and (b) conversion does not unfairly prejudice the rights of any party. The Commission finds that these standards are met. Specifically, it is in the public interest to allow telecommunications providers to comply with federal requirements for ongoing support without incurring costs to litigate the process. The loss of federal support would likely result in the need to increase both rates and the UUSF surcharge. Using an informal process to avoid that outcome does not prejudice any party's rights.

³ In order to approve a rate increase prior to the June 7, 2016 effective date of the amendment to Utah Administrative Code R746-360-6(B), the Commission will deviate from the rule. *See* Utah Administrative Code R746-100-15.

DOCKET NO. 16-R360-01

- 3 -

After adjudicating a petition to adopt the Utah affordable base rate, the Commission will require the Division of Public Utilities (Division) to examine the telecommunications provider's finances in order to determine whether the increased revenue requires a reduction in UUSF subsidization. Should the Division recommend a reduction, the matter will be subject to a formal adjudication before the Commission.

DATED at Salt Lake City, Utah, April 18, 2016.

/s/ Thad LeVar, Chair

/s/ David R. Clark, Commissioner

/s/ Jordan A. White, Commissioner

Attest:

/s/ Gary L. Widerburg
Commission Secretary
DW#273502

CERTIFICATE OF SERVICE

I CERTIFY that on April 18, 2016, a true and correct copy of the foregoing was served upon the following as indicated below:

By E-Mail:

Jenny Prescott (jenny.prescott@allwest.com)
All West Utah, Inc.

Janet McFarland (j.mcfarland@centracom.com)
Bear Lake Communications

Brock Johansen (bjohansen@emerytelecom.com)
Carbon-Emery Telecom Inc.

Blake Madsen (bmad@cut.net)
Central Utah Telephone

Diane (diane@directcom.com)
Direct Communications Cedar Valley, LLC

J. Frandsen (jfrandsen@emerytelcom.com)
Emery Telephone

Kent Sanders (kent@gtelco.net)
Gunnison Telephone Company

D. Woolsey (dwoolsey@emerytelcom.com)
Hanksville Telecom, Inc.

Dallas Cox (dallasc@mail.manti.com)
Manti Telephone Company

Blake Madsen (bmad@cut.net)
Skyline Telecom

Alan Torgersen (alant@socen.com)
South Central Utah Telephone Association, Inc.

Jerilyn Hyder (jhyder@stratanetworks.com)
UBTA-UBET Communications, Inc.

DOCKET NO. 16-R360-01

- 5 -

John Woody (jwoody@union-tel.com)
James Woody (jwoody@union-tel.com)
Union Telephone Company

Patricia Schmid (pschmid@utah.gov)
Justin Jetter (jjetter@utah.gov)
Rex Olsen (rolsen@utah.gov)
Utah Assistant Attorneys General

By Hand-Delivery:

Division of Public Utilities
160 East 300 South, 4th Floor
Salt Lake City, Utah 84111

Office of Consumer Services
160 East 300 South, 2nd Floor
Salt Lake City, Utah 84111

Administrative Assistant