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**BEFORE THE PUBLIC SERVICE COMMISSION OF THE STATE OF UTAH**

In the Matter of the Utah Rural Telecom Association's Petition for a Rule on Capital Structure	<b>Petition for Rule Change</b>  <b>Docket No.</b>
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Pursuant to Utah Code Ann. § 63-46a-12 and Utah Admin. Code R15-2-4, the Utah Rural Telecom Association (“URTA”), through undersigned counsel, hereby petitions the Public Service Commission (“Commission”) to engage in rulemaking and adopt the attached proposed rule on capital structure for rate of return telecommunications corporations and telecommunications cooperatives. The subject of the proposed rule is within the Commission’s jurisdiction over utility rates and tariffs under Utah Code Ann. Title 54 and is appropriate to the Commission’s powers.

As the only telephone corporations whose rates are regulated in Utah, members of the URTA are interested in the Commission’s determination and implementation of capital structure in rate cases and believe the proposed rule is balanced and in the public interest. Sometimes a company’s actual capital structure is used to determine revenue requirement; other times a hypothetical capital structure is imputed, but there has been no consistent or predictable treatment of the issue. In addition, distributions from the

universal fund are sometimes calculated using a hypothetical capital structure and that affects both telephone corporations and telephone cooperatives.

The purpose of the rule is to ensure uniform, predictable, and equitable treatment of capital structure in rate cases and in the calculation of distributions from the universal service fund. The URTA requests that the Commission initiate rulemaking proceedings as soon as practicable, but in no event more than 60 days from the date of this petition.

Respectfully submitted this 20<sup>th</sup> day of December, 2007.

Callister Nebeker & McCullough

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Stephen F. Mecham

## Certificate of Service

I certify that I emailed a true and correct copy of the foregoing Petition for Rule Change on capital structure this 20<sup>th</sup> day of December, 2007 to the following:

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