



JON HUNTSMAN Jr.
Governor
GARY HERBERT
Lieutenant Governor

State of Utah
Department of Commerce
Division of Public Utilities

FRANCINE GIANI
Executive Director

THAD LEVAR
Deputy Director

PHILIP J. POWLICK
Director, Division of Public Utilities

September 11, 2008

TO: PUBLIC SERVICE COMMISSION

FROM: DIVISION OF PUBLIC UTILITIES

Philip J. Powlick, Director
Bill Duncan, Manager, Telecommunications
Paul M. Anderson, Technical Consultant

Re: Utah Docket No. 08-999-04, In the Matter of State Certification of Rural Carriers' Compliance with 47 U.S.C. Section 254(e)

CC Docket No. 96-45, In the Matter of Federal-State Joint Board on Universal Service

Annual State Certification Pursuant to 47 C.F.R. §54.314

ISSUE:

Pursuant to 47 C.F.R. Paragraph 54.314, the Public Service Commission (Commission) is required to certify that all rural carriers within its jurisdiction will use federal USF "only for the provision, maintenance, and upgrading of facilities and services for which the support is intended," as required by 47 U.S.C. 254(e). This certification may be in the form of a letter to the FCC regarding the carriers' compliance and is due to the Federal Communications Commission (FCC) and Universal Service Administrative Company (USAC) by October 1, 2008.

RECOMMENDATION:

Consistent with the Division's prior year recommendation, the Division recommends the Commission support Utah's rural incumbent local exchange carriers' (companies) requests for certification of eligibility to receive federal high-cost support by submitting a timely certification letter to the FCC and USAC. Exceptions to this certification are CenturyTel of Eagle, Inc. (CenturyTel), Farmers Telephone Company (Farmers), and Albion Telephone Company (Albion) as described below.

Mailing addresses:

Marlene H. Dortch, Secretary
Federal Communications Commission
Office of the Secretary
9300 East Hampton Drive
Capitol Heights, MD 20743

Karen Majcher
Vice President, High Cost and Low Income Division
Universal Service Administrative Company
2000 L Street, NW – Suite 200
Washington, DC 20036

BACKGROUND:

Exceptions to Certification:

CenturyTel provides local exchange service to approximately 6 to 8 Utah customers on the border of Colorado via facilities located in Colorado. Farmers provides local exchange service to approximately 8 Utah customers on the border of Colorado via facilities located in Colorado. Albion provides local exchange service to approximately 27 Utah customers on the border of Idaho via facilities located in Idaho. All ratemaking procedures for these companies have historically been deferred to the Colorado Public Utilities Commission or Idaho Public Utilities Commission accordingly.

Due to this Commission's limited oversight, the Division recommends the certification for CenturyTel, Farmers, and Albion defer to Colorado and Idaho consistent with the ratemaking process for these companies.

Certification:

As of September 11, 2008, the Commission has received a self-certification letter from each of the following companies:

Company Name (Exchange Carrier Study Area Code)

All West Communications, Inc. (502288)
Bear Lake Communications (503032)
Beehive Telephone Company, Inc. (502284)
Carbon/Emery Telecom, Inc. (502278)
Central Utah Telephone (502277)
Citizens Telecommunications Company of Utah (504429)
Direct Communications Cedar Valley, LLC (500758)
Emery Telecom (502278)
Gunnison Telephone Company (502279)
Manti Telephone Company (502282)
Navajo Communications Company, Inc. (504449)
Skyline Telecom (502283)
South Central Utah Telephone Association (502286)

UBTA-UBET Communications, Inc. (502287)
Union Telephone Company, Inc. (512297 – Utah segment only)

The Division has also received complete Part 36 Studies for the year ending December 31, 2007 from all of the cost settlement companies receiving certification.