



State of Utah  
Department of Commerce  
Division of Public Utilities

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August 28, 2014

**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. 14-999-07, 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, 2014 clearly referencing **WC Docket No. 10-90**.

**RECOMMENDATION:**

Consistent with the Division of Public Utilities' (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 stating all federal high-cost support provided to such carriers within Utah was used in the preceding calendar year and will be used in the coming calendar year only for the provision, maintenance, and upgrading of facilities and services for which the support is intended. Exceptions to this certification are CenturyTel of Eagle, Inc. (CenturyTel), a subsidiary of CenturyLink, Inc., Farmers Telephone Company (Farmers), and Albion Telephone Company (Albion) as described below.

Mailing addresses:

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Division  
Universal Service Administrative Company  
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**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 July 1, 2014, the Commission has received an FCC Form 481 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)  
Qwest Corporation dba CenturyLinkQC (505107)  
Skyline Telecom (502283)  
South Central Utah Telephone Association (502286)  
UBTA-UBET Communications, Inc. (502287)  
Union Telephone Company, Inc. (512297 – Utah segment only)

In conducting this investigation, the Division has reviewed the information contained in the Form 481 and each of the companies' Annual Reports to the Commission. The five-year plan information for price cap carriers has been waived until next year's certification. The Division has relied on desk audits and annual reports for a more rigorous review of data.

In reviewing the Form 481, emphasis was placed on compliance to the following three requirements:

1. Service Quality Standards (Line 510)

The Companies certified that they comply with the service quality standards set forth in Utah Public Service Commission rules Utah Admn. Code R746-340-7, End User Service Standards for All Telecommunications Corporations.

2. Consumer Protection Rules (Line 510)

The Companies certified that they comply with the following consumer protection laws and rules as enacted by the Utah Legislature and promulgated by the FCC and Federal Trade Commission:

- A. FCC rules regarding verification of orders for telecommunications service as required of submitting carriers (CFR §64.1100)
- B. Utah Code Ann. § 54-8b-18 Unauthorized change of telecommunications provider—Unauthorized charges—Procedures for verification
- C. The FCC's Truth-In-Billing Requirements (47 CFR §64 Subpart U, Customer Proprietary Network Information and Federal Trade Commission 16 CFR § 681, Identity Theft Red Flags

3. Functionality in Emergency Situations (Line 610)

The Companies certified that they make reasonable provisions to meet emergencies resulting from power failures; sudden and prolonged increases in traffic; staff shortages; and fire, storm, and acts of God. These provisions include, but are not limited to, installing adequate battery reserve capacity and electrical generators where needed, training personnel in appropriate emergency procedures and rerouting traffic around damaged facilities. (47 CFR §54.202(a) and Utah Admn. Code R746-340-4 (Emergency Operation).

The Division has also completed desk audits of the Companies annual reports submitted to the Commission and financial information submitted with in the Form 481.

**cc:** Jenny Prescott, Vice President of Support Services, All West Communications, Inc.  
I. Branch Cox, CEO, Bear Lake Communications/Central Utah Telephone/Skyline Telecom  
Arthur Brothers, CEO, Beehive Telephone Company, Inc.  
R. Kirk Lee, Manager, Government and External Affairs, Citizens and Navajo Communications  
Kip Wilson, General Manager, Direct Communications Cedar Valley, LLC  
Brock Johansen, CEO, Emery Telecom/Carbon-Emery Telecom, Inc. /Hanksville Telecom  
Kent B. Sanders, Gunnison  
Dallas Cox, General Manager, Manti Telephone Company  
Michael R. East, CEO/General Manager, South Central Utah Telephone Association  
Bruce H. Todd, CEO/General Manager, UBTA-UBET Communications, Inc.  
James H. Woody, Executive VP/Dir of R&D, Union Telephone Company, Inc