

- BEFORE THE PUBLIC SERVICE COMMISSION OF UTAH -

In the Matter of Extended Area)
Service (EAS) for Sanpete County)

DOCKET NO. 05-046-01

ORDER

ISSUED: June 7, 2005

By The Commission:

On April 5, 2005, Manti Telephone Company filed a letter with the Commission requesting the Commission to undertake the polling of the county residents to determine if the residents desire county wide EAS. On May 18, 2005, the Division of Public Utilities (Division) filed a recommendation that concluded the polling of residential customers in Sanpete County was unnecessary as all of the incumbent carriers involved (Manti Telephone, Gunnison Telephone Company and Central Utah Telephone) were in agreement as to the desirability of the service. Additionally the Company's filing also provided evidence that the Sanpete County Commission is also supportive of the petition. Therefore, the Division recommended that the Commission issue an Order outlining the requirements of Rule R746-347-4 and requiring the companies to jointly develop a cost methodology with the Division and the Committee of Consumer Services (Committee).

The Division summarized the requirements of the Rule as it applies to this request as follows:

1. The Companies, Division and Committee should jointly develop a uniform costing and pricing methodology.
2. A Total Service Long Run Incremental Cost (TSLRIC) methodology must be used to develop a uniform rate.
3. EAS cost studies should reflect route-specific assumptions of demand and direct incremental costs attributed to facilities investment and operating expenses.

4. Lost toll revenue may not be included in the cost study.
5. A stimulation factor may be used to reflect carriage of larger traffic volumes resulting from the substitution of a flat based rate for usage-sensitive toll rates. The Division recommends using a stimulation factor of 7.5 times to account for increased traffic, as has been experience by a Utah rural telephone company of equal size, for which EAS usage data has been tracked for the past year.
6. Following completion of the study, Manti, Central and Gunnison Telephone Company's should promptly file the study with the Commission.

The Division recommended that once a TSLRIC methodology has been established, the companies should complete the TSLRIC study expeditiously, and that the companies should file the completed incremental cost study, along with a proposed County wide EAS rate, with the Commission within a four month time period of the completion of the TSLRIC study.

CONCLUSION

We conclude that undertaking a TSLRIC study of county wide EAS for Sanpete County is in the public interest, and that the TSLRIC study results are necessary to determine if county wide EAS in Sanpete County is in the public interest.

ORDER

NOW, THEREFORE, IT IS HEREBY ORDERED, that:

1. Manti Telephone, Gunnison Telephone Company and Central Utah Telephone undertake a TSLRIC study in the manner described in this Order, in cooperation with the Division of Public Utilities and the Committee of Consumer Services.

DATED at Salt Lake City, Utah, this 7th day of June, 2005.

/s/ Ric Campbell, Chairman

/s/ Ted Boyer, Commissioner

/s/ Ron Allen, Commissioner

Attest:

/s/ Julie Orchard
Commission Secretary

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