

David R. Irvine (1621)
Attorney for Petitioner, Direct Communications Cedar Valley, LLC.
350 South 400 East, Ste. 201
Salt Lake City, UT 84111
Telephone: (801) 363-4011

BEFORE THE UTAH PUBLIC SERVICE COMMISSION

In the Matter of)	Petition
)	
Direct Communications Cedar Valley, LLC)	
and Its Petition to Establish a Rate Base.)	Docket No. 06-2419-01
)	

Direct Communications Cedar Valley, LLC (“DCCV” hereinafter), hereby requests that the Commission enter an order establishing the company’s rate base for the purpose of ascertaining a reasonable rate of return and rates with respect to the company’s regulated telecommunications services within the state of Utah. In support of this petition, DCCV alleges and represents as follows:

DCCV is the certificated provider of telecommunications services within the city of Eagle Mountain, Utah. DCCV purchased the existing municipal telecommunications system owned and operated by the City of Eagle Mountain, and was issued a Utah certificate of convenience and necessity on August 9, 2004. DCCV commenced its operation of the telephone system at Eagle Mountain on February 1, 2006.

Concurrently with its application for an operating certificate, DCCV has filed with the Division and Committee the plant and inventory summaries prepared by Eagle Mountain City, from which the telephone system was purchased, and valuation summaries prepared by DCCV’s engineering consultants. The Division also conducted its own audit of plant and equipment prior to the hearing on DCCV’s application in July 2004. The current

system consists of plant and equipment transferred to DCCV by Eagle Mountain City, as well as equipment purchased by DCCV subsequent to taking over the system on February 1, 2006.

In accordance with Utah Code Ann. § 54-7-19, the Commission has the authority to establish the rate base necessary for DCCV to earn a fair and reasonable rate of return. The establishment of a rate base is necessary to allow DCCV to close its financial records for the year ending December 31, 2006 in preparation for filing financial statements with this Commission, the Federal Communications Commission, the National Exchange Carrier Association, and various governmental taxing authorities. DCCV anticipates making a filing in early 2007 to adjust its rates. In order to expedite consideration and a decision with respect to that anticipated filing, and following consultation with the Division, DCCV seeks, by this Petition, an order from the Commission establishing and confirming the company's rate base. Such a determination will aid state and federal regulators in various matters affecting DCCV as they come before this Commission and the Federal Communications Commission, as well as the National Exchange Carrier Association.

In addition to the inventories of plant and equipment which are currently on file with the Division and the Committee, DCCV is supplementing that data with a current Rate Base Summary, which is identified as Exhibit 1 to this Petition. DCCV is proposing that the account summary set forth in Exhibit 1 be approved as the company's rate base, and that depreciation rates and depreciation lives as set forth in Exhibit 2 to this Petition be approved for purposes of calculating the allowed depreciation for plant and equipment presently on hand and such plant and equipment as may be purchased. Exhibits 1 and 2 are not attached to the Petition; DCCV considers such information to be confidential and detrimental to the company's business and competitive position if treated as a public record.

DCCV is concurrently filing a motion for a protective order with respect to Exhibits 1 and 2, and the company requests that the Commission approve the motion and limit disclosure to the persons described therein who execute a nondisclosure agreement.

DATED this 13th day of December, 2006.

David R. Irvine
Attorney for Direct Communications Cedar
Valley, LLC, Petitioner

EXHIBIT 1

CONFIDENTIAL

Filed Separately

EXHIBIT 2

CONFIDENTIAL

Filed Separately