

- BEFORE THE PUBLIC SERVICE COMMISSION OF UTAH -

In the Matter of the Application for the Increase of Rates and Charges by Manti Telephone Company)
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DOCKET NO. 08-046-01
ORDER APPROVING
SETTLEMENT STIPULATION

ISSUED: June 17, 2013

By The Commission:

BACKGROUND

On December 28, 2012, the Utah Public Service Commission (“Commission”) authorized Manti Telephone Company (“Manti”) to receive a draw from the Utah Universal Public Telecommunications Service Support Fund (“UUSF”) and ordered the Division of Public Utilities (“Division”) to file its calculation of the amount of refund due to the UUSF as of December 31, 2012, based on stipulations Manti signed in 2008 and 2011.¹ On January 15, 2013, the Division filed a memo addressing the calculated payback of Manti’s UUSF obligation. The Division’s memo further stated:

Paragraph 12 of the April, 2011 stipulation requires Manti to pay this amount back in 12 equal amounts beginning one month after the final Commission order. Due to the magnitude of the payback relative to the size of the Manti’s operations, the Division believes that the 12 month payback period may not be feasible for Manti to comply with and continue to provide reliable basic telephone service to its customers. The Division believes that it may be in the public interest for the Commission to allow an extended payback schedule. . . .²

¹ An erratum order was issued on January 2, 2013.

² Division Memo, filed January 15, 2013 (emphasis added).

On January 28, 2013, Manti filed a motion for reconsideration and review or rehearing, requesting, in part, review of Manti's UUSF repayment schedule. On February 15, 2013, the Commission found no legal error, but granted limited review solely to address Manti's UUSF repayment schedule. The Commission thereafter issued a scheduling order and notice of hearing.³

Pursuant to the scheduling order, Manti and the Division each filed testimony in this docket. Manti's testimony included testimony of the following individuals: Angela A. Morris, CPA; Dallas Cox, General Manager of Manti; Tami Hansen, Accountant for Manti; and Brad Anthony Adams, financial consultant. The Division filed testimony of Paul A. Hicken, utility analyst, and Robert A. Davis, utility analyst.

On May 31, 2013, Manti filed an executed settlement stipulation. On June 3, 2013, a duly-noticed hearing was held on the stipulation and, thereafter, Manti filed an amended settlement stipulation ("Settlement Stipulation" or "Stipulation"). The Settlement Stipulation represents, in part, that Manti will file an application containing Manti's full case (including the financial issues surrounding the required UUSF payback) no later than December 31, 2013. We note Utah Admin. Code R746-360(A)(2) requires that in order for a telecommunications corporation to receive any UUSF support, a review of the telecommunication corporation's revenue requirement and rate structure must first occur.⁴ The amount of support will be determined based on the difference between the allowed costs and revenues established by the

³ The scheduling order was thereafter twice amended.

⁴ See Utah Admin. Code R746-360-6(A)(2)(b)

telecommunications corporation.⁵ The Stipulation provides that interest will continue to accrue on Manti's unpaid amount of refund due to the UUSF. The Settlement Stipulation is signed by Manti, the Division, and the Office of Consumer Services ("Office") (collectively, the "Parties"). Kira Slawson, counsel for Manti, proffered that Manti believes the stipulation is just and reasonable and should be approved by the Commission. See Transcript of Hearing at 7, lines 24-25; id. at 8, line 1. Both the Division and Office testified the Stipulation is just and reasonable in result, and they each recommended approval by the Commission. See id. at 23, lines 16-19; id. at 30, lines 5-6; id. at 31, lines 23-25; id. at 32, lines 1; and id. at 32, lines 11-14. "The Parties [to the Stipulation] agree that this Stipulation as a whole is just and reasonable with respect to Manti's Request for Stay of the Payback Obligation." Stipulation at 4, ¶ 4. No one opposed the Stipulation.

FINDINGS, CONCLUSIONS AND ORDER

As set forth by statute and as previously noted by the Commission in other orders, settlements of matters before the Commission are encouraged at any stage of the proceedings.⁶ The Commission may approve a settlement proposal after considering the interests of the public and other affected persons, if it finds the settlement proposal in the public interest.⁷ With this background in mind, and based on our consideration of the evidence before us, the testimony and

⁵ See id. R746-360-8

⁶ See Utah Code Ann. § 54-7-1 (2010). See also *In the Matter of the Notice of Rocky Mountain Power of Intent to File a General Rate Case*, Docket No. 11-035-200 (Report and Order; Sept. 19, 2012), at 26; and *In the Matter of the Application of Questar Gas Company to Adjust Rates for Natural Gas Service in Utah*, Docket No. 04-057-04 (Report and Order; Feb. 6, 2006), at 26.

⁷ See Utah Code Ann. § 54-7-1(2)(a). See also *Utah Dept. of Admin. Services v. Public Service Comm'n*, 658 P.2d 601, 613-14 (Utah 1983).

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recommendations of the parties, and the applicable legal standards, we find approval of the Settlement Stipulation to be in the public interest. Accordingly, the Commission approves the Stipulation.

DATED at Salt Lake City, Utah, this 17th day of June, 2013.

/s/ Melanie A. Reif
Administrative Law Judge

Approved and confirmed this 17th day of June, 2013, as the Order Approving Settlement Stipulation of the Public Service Commission of Utah.

/s/ Ron Allen, Chairman

/s/ David R. Clark, Commissioner

/s/ Thad LeVar, Commissioner

Attest:

/s/ Gary L. Widerburg
Commission Secretary

D#244834

Notice of Opportunity for Agency Review or Rehearing

Pursuant to Utah Code Ann. §§ 63G-4-301 and 54-7-15, a party may seek agency review or rehearing of this order by filing a request for review or rehearing with the Commission within 30 days after the issuance of the order. Responses to a request for agency review or rehearing must be filed within 15 days of the filing of the request for review or rehearing. If the Commission fails to grant a request for review or rehearing within 20 days after the filing of a request for review or rehearing, it is deemed denied. Judicial review of the Commission's final agency action may be obtained by filing a Petition for Review with the Utah Supreme Court within 30 days after final agency action. Any Petition for Review must comply with the requirements of Utah Code Ann. §§ 63G-4-401, 63G-4-403, and the Utah Rules of Appellate Procedure.

CERTIFICATE OF SERVICE

I CERTIFY that on the 17th day of June, 2013, a true and correct copy of the foregoing was served upon the following as indicated below:

By Electronic-Mail:

Paul Cox (paul@manti.com)
Manti Telephone Company

Kira Slawson (kiram@blackburn-stoll.com)
Blackburn & Stoll, L.C.

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By Hand-Delivery:

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