



State of Utah
Department of Commerce
Division of Public Utilities

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August 1, 2008

TO: PUBLIC SERVICE COMMISSION

FROM: DIVISION OF PUBLIC UTILITIES
Philip J. Powlick, Director
Bill Duncan, Manager, Telecommunications
Paul M. Anderson, Technical Consultant

SUBJECT: Qwest Corporation/All West
Docket No. 08-049-26
Dated May 29, 2008
Joint Petition to Transfer Service Territory

RECOMMENDATION: Approve Petition

BACKGROUND:

Qwest and All West are jointly petitioning the Public Service Commission for a transfer of area now served by Qwest to the All West, Coalville exchange. Qwest currently serves approximately ten (10) access lines for eight customers in the proposed transfer area out of the Evanston, Wyoming central office on a cable that was previously used as a cross country toll cable for AT&T Long Lines. The cable currently provides only basic dial tone services to customers located in what is called the Wasatch Exchange. All West currently has fiber from Coalville to the UDOT Port of Entry and fiber on the east side of the Wasatch Exchange. All West is proposing to use this existing fiber to connect with new fiber that they will construct to serve the customers in the transfer area.

Qwest proposes to transfer ownership of one small repeater building and the existing outside plant facility assets with which the customers are served now. The transfer of service will happen when the new fiber facilities are in place. The old plant (copper cable, poles, drops, etc.) will then be wrecked out or abandoned in place.

All West is filing a petition (Docket No. 08-2270-01) contemporaneous with this petition to revise their Coalville exchange boundary to incorporate non-certificated territory located between the proposed transfer area and the existing Coalville exchange boundary. If both petitions are approved by the Commission the transfer area (72 sq. mi.), the boundary change

area (128 sq. mi.), and the existing Coalville exchange area (287 sq. mi.) will be incorporated into one contiguous area designated as the Coalville Exchange area (487 sq. mi.). See Attachment 1 for a map of the proposed areas to be transferred.

ISSUES

Customer Impact

All West has surveyed the customers and found them willing to make the change in serving telephone companies. One customer had slight concerns about losing the free calling to Evanston where her son lives, but All West has indicated they would work with her to find a satisfactory solution. The Division has reviewed the customers' phone bills for the last six months under a protective order and has determined that most of the originating calls were going to places in Utah, which may slightly increase their costs if they will now be using intra-state rates rather than inter-state rates. All West's local rates are higher than Qwest's, but All West will match Qwest's local rates for the affected customers for two years. If the petition is approved and the customers are transferred, they will have the added capability of advanced calling features, DSL and video services.

Utah USF

The Coalville exchange is not eligible for federal USF funds since it was originally acquired from Qwest which did not receive federal USF. Any transfer of area into the Coalville exchange is also not eligible for federal USF funds. All new plant placed in this area will go into rate base. Any plant acquired from Qwest at no cost will not go into rate base. All West indicated that the proposed cost of making this area transfer will be about \$280,000. This amount will go into the All West rate base and will be considered in future Utah USF distributions.

Attachment (1)

cc: Jim Farr
Qwest Corporation
Tony DiStefano
All West Communications, Inc
Committee of Consumer Services
Dennis Miller