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Attorneys for All West Communications, Inc.

BEFORE THE PUBLIC SERVICE COMMISSION OF UTAH

IN THE MATTER OF ALL WEST COMMUNICATIONS, INC.'S APPLICATION FOR AN INCREASE IN RATES AND CHARGES AND IN USF ELIGIBILITY	APPLICATION FOR A RATE INCREASE AND AN INCREASE IN USF ELIGIBILITY DOCKET NO. 09-2270-01
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All West Communications, Inc. ("All West"), pursuant to Utah Code Ann. §§ 54-7-12(7), 54-8b-11, and 54-8b-15 and Utah Admin. Code § R746-360, hereby applies to the Public Service Commission of Utah ("Commission") for a rate increase and for an increase in USF eligibility. All West represents and states as follows:

1. The Commission has jurisdiction of All West's application for increased rates under Utah Code Ann. §§ 54-4-1 and 54-7-12(2) and of All West's application for increased USF eligibility under Utah Code Ann. § 54-8b-15 and Utah Admin. Code § R746-360.
2. All West is a Utah corporation qualified to do business in the state and is certificated by the Commission to provide telecommunications services as a local exchange carrier.
3. Attached to this Application are the schedules and other information contemplated by Utah Code Ann. §§ 54-7-12(2) and (7) that support a determination by the Commission that the proposed rate increase is just and reasonable.

4. This Application is also accompanied by the necessary information and schedules to support All West's request for increased USF eligibility in accordance with Utah Code Ann. § 54-8b-15 and Utah Admin. Code § R746-360.

5. All West's Application is supported by the following Exhibits which are proprietary and subject to the protective order issued in this docket:

Schedule 1 – Computation of Earnings Shortfall

Schedule 2 – Summary of Rate Base

Schedule 3 – Cost Study Rate Base Adjustments

Schedule 4 – Test Year and Normalized Income Statements

Schedule 5 – Cost Study Income Statement Adjustments

Schedule 6 – Capital and Cost of Money

6. A 2008 test period best reflects the conditions All West will encounter when the rates proposed in this Application become effective in accordance with Utah Code Ann. § 54-4-4(3). All West's revenue requirement calculations include known and measurable adjustments that are consistent with Utah Code Ann. § 54-4-4(3)(c).

7. Schedule 5 outlines All West's depreciation rates which All West requests the Commission approve pursuant to Utah Code Ann. § 54-7-12.1.

8. All West's current tariff charges and state USF disbursements do not provide adequate revenues to cover All West's ongoing costs and will result in an annual revenue requirement deficiency of \$765,390 taking into account plant construction, known and measurable additions thereto, and a cost of capital of 7.5%.

9. All West's current rate for basic residential service is \$13.50 per month. All West's current rate for basic business service is \$23.00 per month. All West proposes to increase

its residential rate to \$16.50 and its business rate to \$26.00 to cover \$216,000 (6,000 access line x \$3 x 12 months) of the revenue requirement deficiency. These rate increases are consistent with the Base Affordable Rates the Commission established for both services in recent rate cases of other rural incumbent local exchange carriers in Utah.

10. The remaining annual revenue shortfall of \$549,390 will come from an additional state USF distribution. These rate changes and the additional distribution from the USF are necessary to permit All West to provide telecommunications services required by law pursuant to its certificate and to meet the expectations of its customers. They are also necessary to ensure that All West recovers its costs of providing service and has a reasonable opportunity to earn a just and reasonable return on the value of its investment devoted to public use.

11. All West requests that the Commission approve the rate increases described in this Application and in the supporting schedules as being just and reasonable in accordance with Utah Code Ann. § 54-7-12.

12. All West also requests that the Commission approve an increase in All West's state USF eligibility and distribution of \$549,390 in accordance with Utah Code Ann. § 54-8b-15 and Utah Admin. Code § R746-360 to ensure that All West is able to recover the costs it incurs in providing telecommunications services under its certificate.

This Application is respectfully submitted this 22nd day of January, 2009.

CALLISTER NEBEKER & MCCULLOUGH

Stephen F. Mecham
Attorneys for All West Communications, Inc.

CERTIFICATE OF SERVICE

I certify that January 22, 2009 I sent a true and correct copy of the foregoing APPLICATION FOR A RATE INCREASE AND AN INCREASE IN USF ELIGIBILITY in Docket No. 09-2270-01 by email to the following:

Michael Ginsberg
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