

Stephen F. Mecham (4089)
CALLISTER NEBEKER & MCCULLOUGH
10 East South Temple, Suite 900
Salt Lake City, Utah 84133
Telephone: 801 530-7300
Fax: 801 364-9127
Email: sfmecham@cnmlaw.com

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	STIPULATION DOCKET NO. 09-2270-01
--	--------------------------------------

All West Communications, Inc. (“All West”) and the Division of Public Utilities (“Division” or “Parties” together with All West), pursuant to Utah Code Ann. §§ 54-7-1 hereby stipulate and move the Public Service Commission of Utah (“Commission”) for approval of said stipulation as follows:

1. All West filed its Application for a Rate Increase and an Increase in USF Eligibility (“Application”) on January 22, 2009 in accordance with Utah Code Annotated §§ 54-7-12, 54-8b-11, 54-8b-15 and Utah Admin. Code § R746-360. All West proposed to increase its residential basic service rate from \$13.50 to \$16.50 and its basic business rate from \$23.00 to \$26.00 to meet the current Affordable Base Rate. All West also proposed to increase its Utah Universal Service Fund support.

2. The Division conducted an audit of All West’s books, records and operations. Further, the Division engaged in discovery and made recommendations in response to All West’s Application. This audit included a number of on-site visits by Division personnel. Based on the

Division's audit and recommendations, the Parties engaged in settlement discussions that concluded in this Stipulation.

3. The Parties agree to a revenue increase for All West of \$138,688.00 attributable to an increase in its Utah revenue requirement. This revenue requirement is based on a 2008 test year using a capital structure of 65% debt and 35% equity, a rate of return on equity of 12.24%, and a composite cost of capital of 6.884%.

4. 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. The Parties recommend that the Commission increase All West's residential rate to \$16.50 and its business rate to \$26.00. The Parties also recommend that the Commission establish these rates as the Affordable Base Rate for these services in All West's service territory under Utah Code Ann § 54-8b-15 and Utah Admin. Code § R746-360.

5. The increase in All West's local service rates in paragraph 4 will result in \$227,176.00 in additional revenues which will be partially offset by a decrease in All West's Universal Public Telecommunications Service Support Fund distribution of \$88,488.00 resulting in the \$138,688.00 increase in intrastate revenue.

6. The Parties stipulate that the increase in the Utah revenue requirement and the Affordable Base Rates recommended herein are just and reasonable and in the public interest and should be approved by the Commission.

7. The Parties agree and recommend that the rate increases proposed in paragraph 4 and the decrease in distribution from the Universal Public Telecommunications Service Support Fund become effective when All West's tariffs reflecting the new rates become effective. The increase in rates and the decrease in the distribution shall occur simultaneously.

8. All West agrees that within six months of the date of the Order approving this Stipulation it will file with the Division a cost allocation manual describing the method All West relies upon to allocate assets and expenses between its regulated and non-regulated services and operations. The Division and All West agree to work cooperatively, as needed, before All West is required to file said cost allocation manual.

9. The Parties agree that this Stipulation resolves matters at issue in this proceeding and is the result of good faith negotiations. All discussions and conduct relating to this Stipulation are privileged and confidential.

10. In the event the Commission or a court rejects all or a portion of this Stipulation or imposes additional conditions not agreed to by the Parties, each Party reserves the right to withdraw from this Stipulation within five days of the rejection or imposition of additional conditions. In that event, no Party to this Stipulation will be bound or prejudiced by the terms of this Stipulation, and each Party will be entitled to seek reconsideration of the Commission order, to file testimony, to cross-examine witnesses, and generally to pursue such case as it deems appropriate. If this Stipulation does not become effective according to its terms, it shall be null and void unless otherwise agreed to by the Parties.

11. Unless expressly stated in this Stipulation, nothing herein shall be cited or construed as precedent or as indicative of the Parties' positions on a resolved issue, or asserted or deemed to mean that a Party agreed with or adopted another Party's legal or factual assertions in this or any other proceeding, including those before the Commission, the state courts of Utah or of any other state, the federal courts of the United States of America, or the Federal Communications Commission. The limitation in this paragraph shall not impair any proceeding to enforce the terms of this Stipulation or any Commission order adopting this Stipulation.

12. The Parties acknowledge that this Stipulation is the product of negotiations and compromise and may not be construed against any Party on the basis that it was the drafter of any or all portions of this Stipulation. This Stipulation constitutes the Parties' entire agreement on all matters in this proceeding, and it supersedes any and all prior oral and written understandings or agreements on such matters that may have previously existed or occurred in this proceeding, and no such prior understanding or agreement or related representations shall be relied upon by the Parties. By entering into the Stipulation, the Parties intend that the Commission exercise only that authority contained in applicable laws.

13. Each Party shall take all actions necessary and appropriate to enable it to carry out this Stipulation, including, providing witnesses and argument in support of the approval by the Commission of the Stipulation. As it applies to the Division, its obligations under this Stipulation shall be consistent with its statutory authority and responsibility.

14. The Parties agree that their obligations under this Stipulation are subject to the Commission's approval of this Stipulation in accordance with its terms and conditions.

15. The Parties recommend that the Commission adopt this Stipulation in its entirety. No Party shall appeal any portion of this Stipulation and no Party shall oppose the adoption of this Stipulation pursuant to any appeal filed by any person not a party to the Stipulation. All West and the Division shall make witnesses available to provide testimony in support of this Stipulation, including testimony to explain the basis of their support for this Stipulation. In the event anyone introduces witnesses opposing approval of the Stipulation, the Parties agree to cooperate in cross-examination and in providing testimony as necessary to rebut the testimony of opposing witnesses.

16. The Parties agree that this Stipulation is in the public interest and that all of its

terms and conditions are fair, just and reasonable.

17. This Stipulation may be executed in counterparts and each signed counterpart shall constitute an original document.

DATED this 24th day of August, 2009.

Callister Nebeker & McCullough

Stephen F. Mecham for All West Communications, Inc.

The Division of Public Utilities

Michael Ginsberg for the Division of Public Utilities