

- BEFORE THE PUBLIC SERVICE COMMISSION OF UTAH -

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In the Matter of the All West )  
Communications, Inc.'s Application for an ) DOCKET NO. 09-2270-01  
Increase in Rates and Charges and in USF )  
Eligibility ) REPORT AND ORDER  
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ISSUED: September 17, 2009

By The Commission:

This matter is before the Commission on All West Communications, Inc. (All West) Application for an Increase in Rates and Charges and in USF Eligibility (Application). All West and the Division of Public Utilities (Division) entered into a stipulation pursuant to Utah Code Ann. §§ 54-7-1 for approval of the Application.

**BACKGROUND**

The following background for this Application comes from the language of the stipulation:

All West filed its 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.

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.

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%.

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.

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.

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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.

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.

The administrative law judge of the Commission held a duly noticed scheduling conference on August 25, 2009. Steve Mecham represented All West. Michael Ginsberg represented the Division. The parties stated that the stipulation filed with the Commission is the stipulation entered into by them. There were no objections to the stipulation.

#### ORDER

The Commission, having considered the testimony presented at the hearing, and having reviewed the stipulation, does hereby approve the stipulation and incorporate its terms into this Order by reference, specifically the following:

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1. The Commission approves an increase in All West's residential rate to \$16.50 and its business rate to \$26.00. These rates shall be established 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.
2. The Commission approves the increase in All West's local service rates in paragraph 4 of the stipulation, which 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.
3. The rate increases proposed in paragraph 4 of the stipulation and the decrease in distribution from the Universal Public Telecommunications Service Support Fund shall 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.
4. Within six months of the date of entry of this Order, All West shall 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 shall work cooperatively in preparing the manual before All West is required to file it.

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Pursuant to Sections 63G-4-301 and 54-7-15 of the Utah Code, an aggrieved party may request agency review or rehearing of this Order by filing a written request with the Commission within 30 days after the issuance of this 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 does not grant a request for review or rehearing within 20 days after the filing of the request, 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 Sections 63G-4-401 and 63G-4-403 of the Utah Code and Utah Rules of Appellate Procedure.

Dated at Salt Lake City, Utah, this 17<sup>th</sup> day of September, 2009.

/s/ Ruben H. Arredondo  
Administrative Law Judge

Approved and confirmed this 17<sup>th</sup> day of September, 2009, as the Report and Order of the Public Service Commission of Utah.

/s/ Ted Boyer, Chairman

/s/ Ric Campbell, Commissioner

/s/ Ron Allen, Commissioner

Attest:

/s/ Julie Orchard  
Commission Secretary  
G#63483