

David R. Irvine (1621)  
747 East South Temple, Suite 130  
Salt Lake City, UT 84102  
Telephone: (801) 579-0802  
Facsimile: (801) 579-0801

Attorney for Petitioner

BEFORE THE PUBLIC SERVICE COMMISSION OF UTAH

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In the Matter of the Petition of	)	PETITION FOR REVIEW OF
Direct Communications Cedar Valley,	)	STATE UNIVERSAL SERVICE
LLC, for a Review of Rates and	)	SUPPORT
Support from the State Universal	)	
Service Support Fund.	)	Docket No. 09-2419-01

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Pursuant to Administrative Rule 746-360-3(G) and the Order entered by this Commission on July 15, 2008 in Docket No. 07-2419-03, Direct Communications Cedar Valley, LLC (“Petitioner” or “the Company” hereinafter) requests that this Commission review the Company’s National Exchange Carrier Association (“NECA” hereinafter) settlements and federal Universal Service Fund (“federal USF” hereinafter) payments beginning June 15, 2009 in order to determine an appropriate level of Utah Universal Service Fund (“Utah USF” hereinafter) support and how any variance from previous estimates shall be treated. The Company notes that this Petition proposes no change in the rates charged to customers, although it does propose certain changes to its revenue requirement calculations.

PROCEDURAL HISTORY

1. On December 5, 2007, the Company filed its petition with the Commission for a rebalancing of the Company’s rates and charges for telecommunications services provided in the state of Utah and for support from the state Universal Service Support Fund in Docket No. 07-

2419-03. In support of this petition, the Company filed supporting documentation making representations as follows:

a. The Company is the certificated provider of telecommunications services within the city of Eagle Mountain, Utah. It was issued a Certificate of Convenience and Necessity on August 9, 2004, and it commenced operations on February 1, 2006.

b. In its application for certification, the Company represented that it could not indefinitely operate the Eagle Mountain system without federal and Utah USF support.

c. Immediately following the Company's receipt of this Commission's Order in 2004 approving the Company's purchase of the Eagle Mountain system, the Company filed a petition with the Federal Communications Commission ("FCC" hereinafter) requesting immediate support for its operations through the federal USF.

d. The Company operated without support from the Utah USF (except for Lifeline service) [until May 2008].

e. Pursuant to the terms of the Stipulation and Order approved by this Commission on August 9, 2004, the Company was required to operate without receiving Utah USF for a period of eighteen months from the date it commenced operation. The stated reason for this delay was to permit the collection of actual data necessary to support the Company's revenue requirement and rate structure over that period of time (Stipulation in Docket No. 04-2419-01, paragraph 8(k) at page 26.)

f. That eighteen month period ended on August 1, 2007, based on the Company's commencement of operations as of February 1, 2006.

g. The Company's rates [were] higher than the base affordable rate for certain other independent telephone companies in the state who are eligible for and receive Utah USF support. The Company requested that it receive \$2,317,889 annually from the Utah USF.

2. As a result of a review by the Division of Public Utilities ("the Division" hereinafter) the Company and the Division agreed to the use of a 2007 test year (ending December 31, 2007) with certain 2008 and 2009 adjustments.

3. Based on a stipulation between the Company and the Division, this Commission, on July 15, 2008, ordered that the Company would receive Utah USF in the amount of \$732,972 for 2008, beginning in May 2008 at the rate of \$61,081 per month. The same Order provided for a reduction of Utah USF to \$49.025 per month beginning January 1, 2009, and further provided (Paragraph 7, Appendix 1) for a "one-year USF true-up for the year ending December 31, 2008 and for the portion of 2009 preceding the review."

4. In Paragraph 8 of Appendix 1 (the Stipulation between the parties), this Commission ordered:

The Division will review the Company's NECA settlements and federal USF payments beginning on June 15, 2009, which is the earliest estimated time that the Company will have actual payment information. On this date, the Company will file with the Commission and all parties its actual Federal USF payments and NECA Settlement payments, which the Division will validate through its review. The Division will make its best efforts to complete its review in no more than 30 days. Once completed, the Division will file its recommendations with the Commission. This review shall establish the Company's state USF payment going forward, and will establish any amount subject to true-up as provided herein.

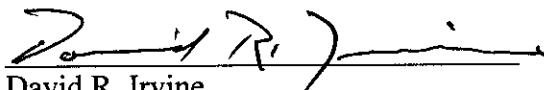
The Company, on July 20-21, 2009, informally filed the above-required information with the Division staff in the form of three confidential exhibits [filed pursuant to the Protective Order in the above-referenced case]. For purposes of simplified document accountability, the Company will file these exhibits with this Commission upon issuance of the Protective Order in this case.

5. This Petition is therefore filed as a consequence of the ongoing review which has been undertaken by the Division pursuant to the July 15, 2008 Order in the above-referenced docket.

#### REQUESTED RELIEF

The Company is requesting that its 2009 revenue requirement and Utah USF support be adjusted by an amount to be established in accordance with the calculations and documentation which are the basis for Exhibits 1, 1.1, and 2 (as well as the three confidential exhibits previously delivered informally to the Division), which the Company proposes to file in support of this Petition subject to the terms of a Protective Order for which the Commission's approval will also be requested.

DATED this 14<sup>th</sup> day of September, 2009.



David R. Irvine  
Attorney for Direct Communications  
Cedar Valley, LLC, Petitioner