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BEFORE THE PUBLIC SERVICE COMMISSION OF UTAH

IN THE MATTER OF SOUTH CENTRAL
UTAH TELEPHONE ASSOCIATION, INC.'s
APPLICATION FOR USE ELEGIBILITY

AMENDMENT TO
APPLICATION FOR USE ELIGIBILITY
DOCKET NO. 10-052-01

South Central Utah Telephone Association, Inc. (“SCUTA” or “Company”) pursuant to Utah Code Annotated §54-8b-11, §54-8b-15, and Rules R746-360 and R746-700 of the Commission’s Rules of Practice and Procedure, hereby amends its application to the Public Service Commission of Utah (“Commission”) for State Universal Service Fund (“USF”) eligibility to provide information and amended schedules as specified in the Total Company Rule, R746-360-8 which became effective October 25, 2010. SCUTA represents and states as follows:

1. SCUTA’s amended Application is supported by the following amended Schedules 1 and 3 which replace Schedules 1 and 3 contained in SCUTA’s original filing and are

considered confidential subject to Utah Public Service Rule 746-100-16 and subject to the protective order issued in this docket:

Schedule 1 Total Company Revenue Deficiency (Replacement Schedule)

Schedule 3 Pro Forma Results for Utah Operations (Revised Schedule)

2. In lieu of paragraph 6 of SCUTA's original Application, SCUTA provides the following replacement paragraphs:

a. The "Total Company Revenue Deficiency" presented on *Schedule 1* represents SCUTA's revenue shortfall for its Utah regulated state and interstate operations of [Begin Confidential] XXXX [End Confidential] in compliance with Utah's definition of "Average Revenue Per Line".¹ This amended schedule includes SCUTA's interstate operations and replaces the previously filed *Schedule 1*, "Summary of Pro Forma Utah Operating Revenue Deficiency", that reflected the shortfall for Utah state operations only. The source for the information summarized in *Schedule 1* is provided on amended *Schedule 3*, "Pro Forma Summary Results of Utah Operations".

b. *Schedule 1*, Line 37, reflects an annual revenue shortfall of [Begin Confidential] XXXX [End Confidential] which is computed based on the difference between SCUTA's average test period revenue per line of [Begin Confidential] XXXX [End Confidential] and its average cost per line of [Begin Confidential] XXXX [End Confidential] multiplied by total USF loops at December 31, 2009 of [Begin Confidential] XXXX [End Confidential] in accordance with Utah Rules R746-360-2 and R746-360-8. SCUTA's average revenue per line of [Begin Confidential] XXXX [End Confidential] is determined based on

¹ Utah Rule 746-360-2, Definitions

SCUTA's adjusted Utah regulated revenues of [Begin Confidential] XXXX [End Confidential] (Line 10) divided by USF loops of [Begin Confidential] XXXX [End Confidential].² SCUTA's average embedded cost per loop of [Begin Confidential] XXXX [End Confidential] is determined by combining a return on Utah rate base of [Begin Confidential] XXXX [End Confidential] (Line 31) with Utah operating expenses of [Begin Confidential] XXXX [End Confidential] (Line 19) and dividing the sum by total USF loops of [Begin Confidential] XXXX [End Confidential].

c. *Schedule 1* utilizes a total company rate-of-return ("ROR") of [Begin Confidential] XXXX [End Confidential]%. This is a simple average of the interstate ROR of 12.33% (Line 27) and the state ROR of [Begin Confidential] XXXX [End Confidential]% (Line 28). The interstate return of 12.33% is derived from the National Exchange Carrier Association's ("NECA") recent FCC form 492 interstate return for the period of January 1, 2009 through December 31, 2009 that was provided to the Federal Communications Commission ("FCC") on September 30, 2010 for Carrier Common Line ("CCL") and Traffic Sensitive ("TS") pool participants. A copy of NECA's September 30, 2010 notification is included with this amended application. The state return of [Begin Confidential] XXXX [End Confidential]% represents SCUTA's test period return calculated from its imputed capital structure at December 31, 2009.³

3. Amending paragraph 16 of SCUTA's original Application, the "Pro Forma Summary Results of Utah Operations", *Schedule 3*, was amended to remove the information for Utah state revenues, expenses and rate base, and to use the balances for Utah's total company

² Refer to Schedule 3c in the original application, 10-052-01.

³ Refer to Schedule 5 in the original application, Docket 10-052-01

operations, (column “e”).⁴ *Schedule 3* was also amended to add the additional adjustment to reverse the historical Part 64 adjustment which excluded interstate billing and collection revenue of [Begin Confidential] XXXX [End Confidential] from the “Historical Results of Operations”.⁵ The support for the interstate billing and collection adjustment is provided as “Total Company Adjustment 1”.

4. SCUTA requests that the revenue shortfall of [Begin Confidential] XXXX [End Confidential] be recovered through Utah Universal Service Fund support. When Utah Universal Service Fund support revenue of [Begin Confidential] XXXX [End Confidential] is added to Utah state and interstate revenues on *Schedule 3*, column “h”, the ROR for Utah operations, Line 31, column “i” is [Begin Confidential] XXXX [End Confidential]%, which complies with the provisions in Utah Rule 746-380-8.

WHEREFORE, South Central Utah Telephone Association, Inc. respectfully submits this amended Application for USF eligibility.

DATED this _____ day of December, 2010.

BLACKBURN & STOLL, LC

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Association, Inc.

⁴ Refer to Schedule 3 in the original application, Docket 10-052-01.

⁵ Refer to Schedule 2, in the original application, Docket 10-052-01

CERTIFICATE OF MAILING

I hereby certify that a true and correct copy of the Redacted South Central Utah Telephone Association, Inc. Amendment to Application for USF Eligibility, Docket No. 10-052-01 was sent to the following individuals by electronic mail, this _____ day of December, 2010.

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