



State of Utah
Department of Commerce
Division of Public Utilities

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August 25, 2011

TO: PUBLIC SERVICE COMMISSION

FROM: DIVISION OF PUBLIC UTILITIES

Chris Parker, Director
Bill Duncan, Manager, Telecommunications and Water
Paul M. Anderson, Utility Technical Consultant

Re: Utah Docket No. 11-046-T01, In the Matter of Residential and Business line rate increases approved by the Public Service Commission in the Stipulation of Docket No. 08-046-01

ISSUE:

Manti Telephone Company (Manti) and the Division of Public Utilities (Division) entered into a stipulation pursuant to Utah Code Ann. §§ 54-7-1 for approval of an increase in rates and charges. Manti will 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. The rate increase in the stipulation was approved by the Public Service Commission in a Report and Order issued January 20, 2011, and Manti originally requested that it become effective August 1, 2011. Recently Manti has submitted a cost study to the DPU to decrease its EAS (Extended Area Service) rates and desires that both the rate increases above and a proposed EAS rate decrease become effective simultaneously on September 1. In a memo to the Commission on July 25, 2011, the Division recommended that the Commission delay approval of the above new rates until the Division could evaluate the Manti EAS cost study.

The Division has now evaluated the Manti EAS cost study and found that it was based on actual costs of facilities and equipment that are required to provide EAS service. The recommended new rate for business and residence for EAS is calculated to be \$0.75.

Manti is also requesting the elimination of the \$2.00 Zone charge for customers living in Sterling, Utah in the south part of the Manti exchange with less than 100 subscribers.

RECOMMENDATION:

The Division recommends that the Commission approve the above new rates for residential and business service previously approved by the Commission in the rate case and approve an EAS cost based rate reduction of \$3.41 to \$0.75. The Division also recommends that the Commission approve the elimination of the Sterling Zone charge so that all customers of Manti will have the same telephone rate.

The Division believes that these rate changes and adjustments are in the public interest for both Manti Telephone and its subscribers and recommends that they become effective on October 1, 2011.

CC: Paul Cox, General Manager, Manti Telephone Company
Dahnelle Burton-Lee, Assistant Attorney General, Utah Attorney General's Office
Ray Hendershot, Vice President, GVNW
Marialie Martinez, Manager, Customer Service, Utah Division of Public Utilities