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BEFORE THE PUBLIC SERVICE COMMISSION OF UTAH

**IN THE MATTER OF THE UTAH
DIVISION OF PUBLIC UTILITIES'
PETITION FOR INCREASED USF
DISTRIBUTIONS TO HANKSVILLE
TELECOM , INC.**

Docket No. 14-2303-__

PETITION

Pursuant to Utah Code Ann. §§ 54-8b-15, 63G-4-201, and Utah Admin. Code r746-100 the Utah Division of Public Utilities (“Division”), hereby submits this Petition requesting approval of increased Utah Universal Telecommunication Service Support Fund (“USF”) distribution to Hanksville Telcom, Inc. (“Hanksville”) to the Public Service Commission of Utah (“Commission”).

1. The Commission has jurisdiction over the Division’s Request for Agency Action under Utah Code Ann. §§ 54-1-1, 54-8b-15, and Utah Admin. Code r746-360.

2. The Division is established by Utah Code Ann. §54-4a-1 and has authority both “investigate and study... on its own initiative... any matter within the jurisdiction of the commission” as well as “conduct audits and inspections, or take enforcement actions regarding any matter within the jurisdiction of the Commission.” The Division may “commence original

proceedings... before the Public Service Commission.” *Id.*

3. Hanksville is an ILEC operating in Hanksville, Utah. Hanksville currently serves approximately 94 access lines.

4. The Division has audited Hanksville’s operations and believes, based on its thorough review and investigation, that Hanksville is eligible for an increase in USF based on the calculation of fund distributions found in Utah Admin. Code r746-360-8. The Division therefore commences this proceeding for the purpose of presenting the Commission with the findings of the Division’s audit and review of Hanksville’s operations.

5. Hanksville is not seeking a rate increase. Therefore an Application for Rate Increase pursuant to r746-700 is not required.

6. The Division’s Request is supported by the attached exhibits detailing the review conducted by the Division and the calculations of Hanksville’s revenue deficiency.

Exhibit 1 – Calculates the revenue deficiency currently experienced by Hanksville. After imputation to account for the Affordable Base Rate, annual Utah USF distribution of \$78,554 is appropriate. This exhibit also shows adjustments to the test year.

Exhibit 2 - Calculates the Rate Base of Hanksville.

Exhibit 3 – Calculates the applicable Rate of Return for Hanksville.

Exhibit 4 – This exhibit summarizes the revenue, expense and rate base adjustments to the test year agreed to by Hanksville and the Division.

Exhibit 5 – Summarizes the Plant additions completed by Hanksville in 2013.

Exhibit 6 - Summarizes the Plant additions under construction by Hanksville in 2014.

Exhibit 7 – Shows the calculation of imputed revenue Hanksville could receive by increasing customer rates to the current Commission authorized Affordable Base Rate.

Exhibit 8 – Audited financial statements for Hanksville for 2013.

7. The Division requests that the Commission set an initial comment period, during which time parties may request a scheduling conference if additional time is necessary, followed by a period for responsive comments.

WHEREFORE, the Division respectfully submits this Petition for increase in USF distribution to Hanksville Telecom, Inc.

Submitted this 20th day of May, 2014.

/s/ Justin C. Jetter
Justin C. Jetter
Assistant Attorney General
Utah Division of Public Utilities