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Division of Public Utilities

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May 26, 2016

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. 16-052-T01, In the Matter of the Petition of South Central Utah Telephone Association, Inc., for an Increase in Rates to the current Commission approved Affordable Base Rate

ISSUE:

South Central Utah Telephone Association (SCUTA) is requesting an increase in its basic business and residential telephone rates to the current Commission approved "Affordable Base Rate." SCUTA's current monthly rate for Business (1FB) is \$26.00 which will increase by \$1.50 to \$27.50. The current monthly rate for Residence (1FR) is \$16.50 which will increase by \$1.50 to \$18.00. The current monthly rate for Teen Line Service is \$12.38 which will increase by \$5.62 to \$18.00.

RECOMMENDATION:

The FCC requires that the companies participating in the Connect America Fund (CAF), such as SCUTA bring its rate levels to the CAF-mandated floor each year as a condition of continued participation. For 2016, the FCC rate floor is \$18.00 for residential subscribers.

The above basic rate increases are also pursuant to the Public Service Commission's Notice of Requirement to File a Petition to Amend Tariff or to Deviate from the Utah Affordable Base Rate (Notice) issued April 18, 2016, Docket No. 16-R360-01

Since the requested residential rate increase is mandated by the FCC for SCUTA's continued CAF participation, and the rate increases comply with the requirements in the Commission's

Notice, the Division recommends that the Commission approve the new updated tariff sheets for Docket No. 16-052-T01 effective June 1, 2016 as requested.

CC: Michael East, Beehive Telephone Company-Utah
Justin Jetter, Assistant Attorney General, Utah Attorney General's Office
Marialie Martinez, Manager, Customer Service, Utah Division of Public Utilities
Cheryl Murray, Office of Consumer Services
Kira M. Slawson, Blackburn & Stoll, LC