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UTAH DEPARTMENT OF COMMERCE

Division of Public Utilities

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Executive Director

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Action Request Response

To: Public Service Commission of Utah

From: Utah Division of Public Utilities

Chris Parker, Director
Artie Powell, Manager
Brenda Salter, Utility Technical Consultant Supervisor
Paul Hicken, Technical Consultant

Date: August 23, 2022

Re: **Docket No. 22-053-T03**, TARIFF UBTA-UBET Communications Inc.'s Tariff Revisions to adjust B1 rates to accommodate changes to the Access Recovery Charge rate.

Recommendation (Approve Tariff Sheets)

The Division of Public Utilities (DPU or Division) has reviewed the tariff filing and recommends the Public Service Commission (PSC or Commission) approve UBTA-UBET Communications Inc.'s (UBTA-UBET or Company) request to revise the B1 rates on Sheet 20 of its P.S.C. Utah No. 1 tariff. The Division therefore recommends the tariff change become effective on September 16, 2022.

Issue

On August 15, 2022, UBTA-UBET submitted to the Commission, Advice Letter UBTA-UBET Communications Inc./Tariff Filing Docket No. 22-053-T03 including revised tariff sheets, with the purpose to decrease the B1 tariff rates in each exchange to accommodate an increase to the federal Access Recovery Charge (ARC) rate. The Commission issued an Action Request on August 15, 2022, for the Division to investigate the proposed changes

Division of Public Utilities

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and report its findings and recommendation to the Commission by August 29, 2022. This memorandum represents the Division's response to the Commission's Action Request.

Background

On November 16, 2021, UBTA-UBET filed 1st Revised Sheet No. 28 which rolled the Subscriber Line Charge (SLC) in with the residential and business rates but did not result in an overall rate increase to the customers. When the SLC charge was rolled into the B1 rate, it became necessary to increase the ARC rate¹ so that federal USF would not be lost. On July 8, 2022, UBTA-UBET filed a reformatted tariff which was approved by the Commission on August 10, 2022. The revised B1 rate, although different for each exchange, when added with the Extended Area Service (EAS) rate, totaled \$37.50 per month which is \$1.00 more than the rate previously paid by multi-line business customers. The Company's Board of Directors did not approve an overall increase to the B1 rate, rather they agreed to a modification of the rate elements. UBTA-UBET should have reduced its business B1 rate by \$1.00 to accommodate the increased ARC rate but because of an oversight this did not happen. The 2nd Revised Sheet No. 20 submitted with this filing takes care of this oversight.

Discussion

The Division reviewed the advice letter and redlined version of the tariff sheets submitted with the Company's filing. The reduction of the B1 rate by \$1.00 to offset the increased ARC rate keeps the overall business rate at \$36.50 which is consistent with the goals of the Company's Board of Directors and does not create an increase to customers. No other rates were affected by the order and no other rate changes were proposed.

¹ Rate of Return carriers are not required to charge the full ARC rate, but it will be imputed against them for federal USF purposes. 47 CFR 51.917(f).

Conclusion

The Division has no objections to the proposed revisions. Therefore, the Division recommends the Commission approve the revised filing as submitted, with an effective date of September 16, 2022, as requested.

cc: Kira Slawson, Blackburn & Stoll, LC.
Bruce Todd, UBTA-UBET Communications, Inc.
Jason McKee, UBTA-UBET Communications, Inc.