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UTAH DEPARTMENT OF COMMERCE

Division of Public Utilities

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Action Request Response

To: Public Service Commission of Utah

From: Utah Division of Public Utilities

Chris Parker, Director
Brenda Salter, Assistant Director
Abdinasir Abdulle, Utility Technical Consultant Supervisor
Shauna Benvegnu-Springer, Utility Technical Consultant
Annette Orton, Utility Analyst

Date: May 15, 2023

Re: **Docket No. 23-040-T01**, TARIFF Central Utah Telephone, Inc.'s Tariff Revisions pertaining to compliance with the Federal Communications Commission's (FCC) rules governing the rate of return carrier access charges and 8YY Access Reform.

Recommendation (Approve Tariff Sheets)

The Division of Public Utilities (DPU or Division) has reviewed the tariff filing and recommends that the Public Service Commission (PSC or Commission) approve Central Utah Telephone, Inc.'s (Central Utah or Company) request to revise tariff rates to comply with FCC's interstate carrier compensation rules and to conform with the FCC's 8YY Access Reform order. The Division, therefore, recommends the tariff change become effective on July 1, 2023,

Issue

On May 1, 2023, Central Utah submitted to the Commission Central Utah's Advice Letter 23-040-T01, including revised tariff sheets, to change the tariff rates to conform with a switched access rate increase announced April 6, 2023, by the National Exchange Carrier Association (NECA)¹, and also to comply with the FCC's 8YY Access Charge Reform,

¹ See *In the Matter of Connect America Fund, et al., WC Docket No. 10-90 et al., Order DA 13-564 (rel. March 27, 2013)*.

Report and Order FCC 20-143, WC Docket No, 18-156, adopted October 7, 2020. ² The Commission issued an Action Request on May 1, 2023, for the Division to investigate the proposed changes and report its findings and recommendation to the Commission on May 15, 2023. This memorandum represents the Division's response to the Commission's Action Request.

Background

On April 6, 2023, NECA announced a rate increase of 0.4225 percent to interstate switched access rates which are expected to be effective July 1, 2023. The NECA Tariff F.C.C. No. 5 contains the interstate terminating switched access rates that the issuing carriers must match by the same date. The tariff may be found at <https://www.neca.org/Tariff 5.aspx>.

In addition, the FCC adopted an order in October 2020 to modernize rules for toll-free (8YY) calling. The order steps down 8YY originating access charges to a bill-and-keep system over a transition period beginning July 1, 2021, and ending July 1, 2023. Originating 8YY transport and tandem switching fees were combined to a single transport service rate capped at \$0.001 per minute, effective July 1, 2021. Charges for 8YY database queries will also be transitioned to \$0.0002 over the three-year transition period. Additionally, the order combines separate 8YY transport and tandem switching charges into a single access charge.³

Discussion

The Division reviewed the redlined version of the tariff sheets submitted with the Company's filing. The proposed rates for terminating access have been adjusted according to the announced NECA rate increase. Also, the step-down reduction plan has changed the toll-free access rates and appears to comply with the FCC's 8YY Reform Order. No other rates were affected by the order, and no further rate changes were proposed.

The Division reviewed and analyzed the impact on the revenue due to the rate changes. In Central Utah's case, the Company uses five changing rates. The Group 1 and Group 2 toll-free rates decreased to \$0.00, the Local Transport Voice Grade 2 Wire and 4 Wire

² FCC Order 20-143, WC Docket No.18-156 adopted October 7, 2020.

³ Ibid p.2 (4)

increased by \$0.35 and \$0.56, respectively, and the Direct Transport Voice Grade rate increased by \$0.02. The overall revenue impact was a nominal reduction.

Conclusion

The Division has reviewed Central Utah's filing and has no objections to the proposed revisions. Therefore, the Division recommends that the Commission approve this filing as submitted, effective July 1, 2023, as requested.

cc: Mike Plows, Central Utah Telephone, Inc.
Valerie Wimer, JSI.