

- BEFORE THE PUBLIC SERVICE COMMISSION OF UTAH -

In the Matter of the Request of CITIZENS)
UTILITIES COMPANY and US WEST)
COMMUNICATIONS, INC., Regarding)
the Sale of 38 Arizona Wire Centers to)
Citizens)

DOCKET NO. 00-2218-03

REPORT AND ORDER

Issued: July 27, 2000

SYNOPSIS

No detriment to the public interest appearing, the Commission granted the petition and issued a statement of no objection to FCC study area boundary changes.

By the Commission:

PROCEDURAL HISTORY

On May 1, 2000, Citizens Utilities Company ("Citizens") petitioned the commission for a statement of no objection to the Federal Communications Commission's (FCC) granting study area waivers or study area boundary changes in connection with Citizens purchasing 38 wire centers in Arizona. This Commission's interest derives from the fact that approximately 300 customers in Utah are served by the Page, Arizona, wire center. The matter was referred to the Division of Public Utilities, Utah Department of Commerce (DPU) for review and recommendation, and DPU filed a memorandum recommending approval July 7, 2000. No opposition having emerged in the interim, and none appearing likely, and an evidentiary hearing in the matter appearing to be superfluous, the Commission has determined to dispose of the matter without further proceedings. The Administrative Law Judge, having been fully advised in the matter, now enters the following Report, containing proposed findings of fact, conclusions of law, and the Order based thereon.

FINDINGS OF FACT

- o On December 22, 1999, Citizens and U S West Communications, Inc., (USWC) filed a joint application with the Arizona Corporation Commission for the approval of the transfer of assets in certain telephone wire centers to Citizens and the deletion of those wire centers from U S West's service territory. Included in the proposed transaction is the Page, Arizona wire center which serves customers on both sides of the Utah/Arizona border.
- o The Page wire center provides service to approximately 300 Utah customers in White Water, Utah. These Utah customers have historically been included in jurisdiction of USWC's Arizona study area boundaries and have been charged the rates and tariffs set by the Arizona Corporation Commission. The change in study area would move the sold exchanges (including Page, Arizona) from USWC to Citizens. The 300 Utah customers will continue to receive service via the Page, Arizona wire center and will continue to pay rates and charges set by the Arizona Corporation Commission. The Division has no objection to this modification of study area and contends that this modification is consistent with other Utah exchange sales cases.
- o The Commission does not need to approve the Arizona exchange sales due to the inclusion of the 300 Utah customers; however, DPU has obtained numerous documents filed in the Arizona exchange sale and obtained additional documentation through data requests to USWC and Citizens. It appears, based on DPU's review, that the Arizona Corporation Commission staff and intervening parties are presenting a case to the Arizona Corporation Commission that appears to be comprehensive and adequately addresses issues

of public interest. Two major issues being addressed are: (1) quality of service, and (2) potential costs of network reconfiguration. It further appears that the best interest of the Utah/Page customers are being adequately addressed and do not need any additional oversight by this Commission.

DISCUSSION

Given our minimal interest in the proposed transaction and the appearance of adequate oversight on the part of cognizant Arizona authorities, there appears to be no reasonable basis for our objection to FCC action.

CONCLUSIONS OF LAW

The petition should be granted.

ORDER

NOW, THEREFORE, IT IS HEREBY ORDERED that:

The Commission states that it has no objection to the FCC's granting study area waivers in connection with the sale by US West Communications, Inc., of 38 wire centers in Arizona to Citizens Utility Company, nor does the Commission object to any study area boundary reconfigurations in connection with said sale.

Any person aggrieved by this Order may petition the Commission for review within 20 days of the date of this Order. Failure so to do will forfeit the right to appeal to the Utah Supreme Court.

DATED at Salt Lake City, Utah, this 27th day of July, 2000.

/s/ A. Robert Thurman, Administrative Law Judge

Approved and Confirmed this 27th day of July, 2000, as the Report and Order of the Public Service Commission of Utah.

/s/ Stephen F. Mecham, Chairman

/s/ Constance B. White, Commissioner

/s/ Clark D. Jones, Commissioner

Attest:

/s/ Julie Orchard, Commission Secretary