

- BEFORE THE PUBLIC SERVICE COMMISSION OF UTAH -

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In the Matter of the Request One-Time )  
USF Distribution for Facility Placement in )  
the Navajo Lake Area )

DOCKET NO. 01-052-02

REPORT AND ORDER

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ISSUED: January 12, 2006

SYNOPSIS

The Public Service Commission of Utah grants a one-time distribution from the State Universal Public Telecommunications Service Support Fund to facilitate the provision of telecommunications service by South Central Utah Telephone Association to customers in the Navajo Lake area.

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By The Commission:

On March 21, 2001, John Eckert, Fire Warden in the Navajo Lake area, filed a request for a one-time distribution from the State Universal Public Telecommunications Service Support Fund (“USSF” or “Fund”) to South Central Utah Telephone Association (“South Central”) in order to provide Navajo Lake area residents telephone access to emergency services. There is currently no telephone service in the area.

The Division of Public Utilities (“Division”) investigated this request. On December 2, 2005, the Division filed its analysis, recommending Commission approval based on an estimated 53 customers requesting service at a surveyed customer contribution rate of \$3,000 each, resulting in a total estimated customer contribution of \$159,000. The total estimated cost

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of the service extension is \$900,280.00. In accordance with Commission Rule 746-360-9, the Division recommends a one-time USSF distribution of \$424,128 (\$8,003 per customer). The remaining \$317,152 project cost would be paid by South Central.

We conclude the proposed extension of land line telephone service is in the public interest in providing telephone service to an underserved area, and furthers universal service goals. South Central will be responsible for submitting its actual incurred costs to the Division for verification, with the final payment from the Fund being for those costs deemed reasonable and necessary for the project. Amounts in excess of \$900,280.00, if any, shall be paid by South Central. We recognize that the estimates provided by the Division are based upon an assumed 53 customers requesting telephone service, and that these amounts will change depending upon the number of customers ultimately requesting service. However, in accordance with Rule 746-360-9(B), any one-time USSF distribution provided under this Order shall not exceed \$10,000 per customer.

ORDER

NOW, THEREFORE, IT IS HEREBY ORDERED, that:

1. The request for a one time distribution from the State Universal Public Telecommunications Service Support Fund, calculated in accordance with Commission Rule 746-360-9(B), estimated to be \$424,128.00, is in the public interest and is approved.
2. Each subscriber will pay \$3,000.00 prior to the start of project construction by South Central Utah Telephone Association.

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3. If no subscribers commit to the service extension, South Central Utah Telephone Association shall formally withdraw the project and its request for USF support or, alternatively, petition the Commission for exemption under Rule 746-360-8(C).

4. Any additional subscribers who sign up in the area of this extension within five years of completion of the project will pay a customer contribution payment in accordance with Rule 746-360-9.

5. South Central Utah Telephone Association shall place the same type of facilities and technology as was assumed in developing the Division's construction cost estimate, and will size its facilities to accommodate future growth.

6. Pursuant to *Utah Code Annotated* §§ 63-46b-12 and 54-7-15, agency review or rehearing of this order may be obtained by filing a request for review or rehearing with the Commission within 30 days after the issuance of the order. Responses to a request for agency review or rehearing must be filed within 15 days of the filing of the request for review or rehearing. If the Commission fails to grant a request for review or rehearing within 20 days after the filing of a request for review or rehearing, it is deemed denied. Judicial review of the Commission's final agency action may be obtained by filing a Petition for Review with the Utah Supreme Court within 30 days after final agency action. Any Petition for Review must comply with the requirements of *Utah Code Annotated* §§ 63-46b-14, 63-46b-16 and the Utah Rules of Appellate Procedure.

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DATED at Salt Lake City, Utah this 12<sup>th</sup> day of January, 2006.

/s/ Ric Campbell, Chairman

/s/ Ted Boyer, Commissioner

/s/ Ron Allen, Commissioner

Attest:

/s/ Julie Orchard

Commission Secretary

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