

- BEFORE THE PUBLIC SERVICE COMMISSION OF UTAH -

In the Matter of the Request of)
Sharon Cooke for USF from South)
Central Utah Telephone)

DOCKET NO. 05-052-01

REPORT AND ORDER

ISSUED: May 13, 2005

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 Sharon Cooke and customers in the immediate surrounding area of Elephant Butte.

By The Commission:

The initial request from Sharon Cooke for a one-time distribution from the State Universal Public Telecommunications Service Support Fund (USSF), that she made to her incumbent local exchange company South Central Utah Telephone Association (South Central) was not timely communicated to the Public Service Commission. The Commission did not receive notice of the request until May 5, 2005. Sharon Cooke also contacted Utah Power and requested electrical service at about the same time she requested phone service. Utah Power is ready to place the electrical cables in trenches at this time. In order to reduce costs the Commission is expediting the approval of this request.

There is currently no telephone service in the area. The Division of Public Utilities ("Division") investigated this request. On April 12, 2005, the Division filed its analysis, finding there were between five and eight other potential subscribers in the area who may also desire phone service depending on the cost, and recommending Commission approval of the requested one-time USSF distribution for the service extension.

The Division's recommendation states that total expected cost of the service extension is \$78,000.00 for cable, pedestals, excavation, labor, permits, splicing and a drops to the potential subscribers' residences. Due to the uncertainty of the number of participants the amounts that will be paid by the company, subscribers (individually and collectively), and the USSF is not certain. The following table shows the amounts that will be paid according to the

number of subscribers by application of Rule R746-360-9:

| Number of Subscribers | Amount Paid by Each Customer | Amount Paid by All Customers | Amount Paid by South Central | Amount Paid by the USSF |
|-----------------------|------------------------------|------------------------------|------------------------------|-------------------------|
| 1 | \$64,385.00 | \$64,385.00 | \$3,615.00 | \$10,000.00 |
| 2 | \$25,385.00 | \$50,770.00 | \$7,230.00 | \$20,000.00 |
| 3 | \$12,385.00 | \$37,155.00 | \$3,615.00 | \$30,000.00 |
| 4 | \$6,625.00 | \$26,500.00 | \$14,460.00 | \$37,040.00 |
| 5 | \$4,675.00 | \$23,375.00 | \$18,075.00 | \$36,550.00 |
| 6 | \$3,375.00 | \$20,250.00 | \$21,690.00 | \$36,060.00 |
| 7 | \$2,446.43 | \$17,125.00 | \$25,305.00 | \$35,570.00 |
| 8 | \$1,812.50 | \$14,500.00 | \$28,920.00 | \$34,580.00 |
| 9 | \$1,541.67 | \$13,875.00 | \$32,535.00 | \$31,590.00 |

South Central has provided the Division with an estimated project cost which the Division used to calculate the payment amounts above. South Central will be responsible for submitting its actual incurred costs to the Division for verification of the costs' reasonableness and necessity, with the final payment from the Fund being for those costs deemed to be reasonable and necessary for the project. Amounts in excess of \$78,000.00, if any, shall be paid by South Central.

We conclude that 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.

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, in an amount estimated to be between \$10,000.00 and \$37,040.00, is in the public interest and is approved.
2. Each subscriber will pay the amount indicated in the table above depending on the number of subscribers that commit to pay the indicated amount prior to the start of South Central Utah Telephone Association's construction

of the project.

3. If no subscribers commit to the service extension, South Central 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 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 63-46b-14, 63-46b-16 and the Utah Rules of Appellate Procedure.

DATED at Salt Lake City, Utah this 13th day of May, 2005.

/s/ Ric Campbell, Chairman

/s/ Ted Boyer, Commissioner

/s/ Ron Allen, Commissioner

Attest:

/s/ Julie Orchard

Commission Secretary

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