

- BEFORE THE PUBLIC SERVICE COMMISSION OF UTAH -

In the Matter of the Consolidation of the)
Local Calling Area and Elimination of the) DOCKET NO.06-2302-02
Existing EAS Within the Carbon/Emery)
Telcom, Inc. Service Territory) REPORT AND ORDER

ISSUED: June 27, 2006

SYNOPSIS

The Commission approves the request of Carbon/Emery Telcom, Inc. (“Petitioner”) to eliminate Extended Area Service (“EAS”) and EAS charges for residential and business lines within its service territory.

By The Commission:

I. PROCEDURAL HISTORY

On June 13, 2006, Carbon/Emery Telcom, Inc. (“Carbon/Emery” or “Petitioner”) filed a Petition to Consolidate the Local Calling Area and Eliminate the Existing EAS (“Petition”) proposing the consolidation of its Helper, Price and East Carbon local calling areas into one local calling area and the elimination of the Extended Area Service (“EAS”) encompassing those calling areas. On June 26, 2006, the Division of Public Utilities (“Division”) filed a memorandum recommending approval of the Petition.

II. BACKGROUND AND DISCUSSION

The Petition notes Carbon/Emery acquired its Helper, Price and East Carbon exchanges (“Exchanges”) from Qwest Corporation in April 2001 under a Qwest rate plan that included the subject EAS. Current EAS rates are \$.99 for residential service and \$1.49 for business service. Carbon/Emery proposes to consolidate the separate local calling areas of these

Exchanges into one local calling area. As such, all calls within the Helper, Price and East Carbon exchanges would be local calls. Since Price acts as a host switch for the Helper and East Carbon exchanges, facilities now designated as EAS circuits would simply be reclassified as local circuits without any change in functionality. Such consolidation would render the current EAS unnecessary and result in its elimination.

Carbon/Emery therefore proposes to eliminate the current EAS charges for residential and business lines and to increase the current basic local residential rate of \$14.00 by \$.99 and the current business rate of \$24.00 by \$1.49. As a result, the elimination of the EAS would be revenue neutral to Carbon/Emery and cost neutral to its customers. Carbon/Emery notes its new rates would remain within the Affordable Base Rate proposed by the Division in Docket No. 05-2302-01, *In the Matter of the Application for Increase of Rates and Charges and USF Eligibility for Carbon/Emery Telcom, Inc.* If its Petition is approved, Carbon/Emery states it will implement this rate increase in accordance with the requirements of *Utah Code Ann.* §54-7-12(7).

The Division concludes elimination of the EAS charge and corresponding increase in local service rates is in the public interest and should be approved because it would be revenue and cost neutral, the new rates do not exceed those recommended by the Division in Docket No. 05-2302-01, the Helper and East Carbon exchanges are remote switches hosted from Price and the Exchanges are located in the same community of interest, the change will simplify customer billing by eliminating a line item, and the change will eliminate the need for a costly EAS study to determine if existing EAS rates are cost based.

III. FINDINGS AND CONCLUSIONS

Commission Rule 746-347-7 permits telephone corporations providing EAS to petition the Commission for approval of restructuring the EAS to reduce the number of EAS areas. The Commission may grant the petition upon finding it in the public interest. Having reviewed the Petition and the Division's recommendation, we find and conclude the proposed consolidation of the Helper, Price and East Carbon local calling areas into one local calling area and elimination of the subject EAS, with the concurrent elimination of EAS rates, to be in the public interest and approve the same. In so doing, we note Carbon/Emery will pursue its proposed local basic rate increases in accordance with *Utah Code Ann.* §54-7-12(7) and therefore make no finding and enter no order herein respecting said increases.

Wherefore, based upon the foregoing information, and for good cause appearing, the Administrative Law Judge enters the following proposed

IV. ORDER

NOW, THEREFORE, IT IS HEREBY ORDERED, that:

1. The proposed consolidation of the Helper, Price and East Carbon local calling areas into one local calling area and elimination of the subject Extended Area Service, and the rates charged therefor, are approved.
2. Carbon/Emery Telcom, Inc. shall file appropriate tariff revisions in accordance with this Order. The Division shall review the tariff revisions for compliance.

This Report and Order constitutes final agency action in this docket. Pursuant to *Utah Code Annotated* §§ 63-46b-12 and 54-7-15, agency review or rehearing of this order may

DOCKET NO. 06-2302-02

-4-

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.

DATED at Salt Lake City, Utah, this 27th day of June, 2006.

/s/ Steven F. Goodwill
Administrative Law Judge

Approved and Confirmed this 27th day of June, 2006, as the Report and Order of the Public Service Commission of Utah.

/s/ Ric Campbell, Chairman

/s/ Ted Boyer, Commissioner

/s/ Ron Allen, Commissioner

Attest:

/s/ Julie Orchard
Commission Secretary
G#49518