

- BEFORE THE PUBLIC SERVICE COMMISSION OF UTAH -

In the Matter of the Petition by U S WEST)
COMMUNICATIONS, INC. for a One-Time)
Distribution From the Universal Service Fund for the)
Snow Basin Road Project.)

DOCKET NO. 97-049-14
ORDER MODIFYING PRIOR ORDER AND
GRANTING ONE-TIME DISTRIBUTION FROM
UNIVERSAL SERVICE FUND

ISSUED: August 21, 2002

By the Commission:

On May 12, 1997, U S WEST Communications, Inc., now known as Qwest Corporation ("Qwest"), filed a petition, pursuant to Utah Administrative Code R746-408-13, requesting that the Commission approve a one-time distribution from the Utah Universal Service Fund ("USF") in the amount of \$39,000 to support the construction of facilities to serve customers located near Snow Basin Road in Weber County, Utah. After investigation and a hearing, we issued an Order Granting One-Time Distribution From Universal Service Fund dated June 16, 1997. The one-time distribution required a contribution of \$500 per line from each subscriber, and for Qwest to commence construction when it had received \$2,000 in such payments. On September 12, 1997, Qwest filed a Motion to Modify Order, seeking suspension of the prior order while Qwest attempted to obtain a waiver of certain requirements of the Utah Department of Transportation ("UDOT") that would make installation of the facilities much more expensive than assumed in the original order. On October 16, 1997, this Commission issued an Order Suspending Requirement that US West Proceed with Project. Rather than install the facilities contemplated by the original order, Qwest installed digital radio loop facilities in the area which currently serve eight lines for six customers. Those facilities are inadequate for current needs, and are of questionable reliability.

On August 8, 2002, Qwest filed a Motion to Modify Prior Order. In that Motion, Qwest represented that the road had been transferred from the jurisdiction of UDOT to Weber County, and that Qwest had obtained a permit from Weber County to install the facilities at a more reasonable cost. Qwest further stated that it had made additional investments in its network for other purposes that will assist with the completion of this project. Qwest now estimates that the total cost of the project will be \$205,273.

Property owners in the area have been surveyed and twelve customers have indicated a willingness to pay \$500 per line, for a total of nineteen lines, in aid of construction for telephone services. The proposed method of allocating the costs is not consistent with R746-360-9. However, since that rule did not exist when this project was initially approved, Qwest requests that this project should be grandfathered under the prior rule and practice. Under that approach a one-time distribution from the USF in the amount of up to \$102,636.50 will be required.

On August 19, 2002, the Division of Public Utilities ("Division") submitted a memorandum in support of the motion, with one modification. The Division recommends, consistent with the cost recovery established in the current one-time distribution rule, that the customer contribution amount of \$500 be grandfathered only for the period of one year. After one year, the Division recommends that new lines be charged the statewide average of \$2,365, and that Qwest subtract connection fees from that amount and return the balance to the USF.

We conclude that the proposed modification of our prior order is in the public interest in providing telephone service to an under served area, and furthers universal service goals. We agree with the Division's recommendations regarding customer connection charges, and possible reimbursement of some of the costs paid for by the USF.

ORDER

NOW, THEREFORE, IT IS HEREBY ORDERED, that:

1. Our June 16, 1997, Order in this Docket is hereby modified to provide for a one time distribution from the State Universal Public Telecommunications Service Support Fund, in an amount up to \$102,636.50.
2. Subscribers in the area commencing service within one year of installation of the facilities will be required to pay \$500 per line toward the cost of the project.
3. Qwest shall make a good faith effort to survey all potential customers in the area and offer them service at the \$500 per line rate before the beginning of construction.
4. Qwest shall commence the project upon receipt of \$9,500 in contributions in aid of construction from customers.
5. Any additional subscribers that sign up in the area of this extension one year after completion of the project, or later, will pay a customer contribution payment of \$2,365.00. Qwest shall subtract connection fees and return the balance of such payments to the USF.
6. Pursuant to Utah Code Ann. § 63-46b-13, an aggrieved party may file, within 20 days after the date of this Order, a written request for reconsideration by the Commission. Pursuant to Utah Code Ann. § 54-7-15, failure to file such a request precludes judicial review of the Order. If the Commission fails to issue an order within 20 days after the filing of such a request, the request shall be deemed denied. Judicial review of this Order may be sought pursuant to the Utah Administrative Procedures Act (Utah Code Ann. §§ 63-46b-1 et seq.)

DATED at Salt Lake City, Utah this 21st day of August, 2002.

/s/ Stephen F. Mecham, Chairman

/s/ Constance B. White, Commissioner

/s/ Richard M. Campbell, Commissioner

Attest:

/s/ Julie Orchard

Commission Secretary

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