

PUBLIC SERVICE COMMISSION OF UTAH

ELECTRICITY • NATURAL GAS • TELECOMMUNICATIONS • WATER

2006 Annual Report

for the period July 1, 2005 to June 30 2006



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State of Utah

JON M. HUNSTMAN, JR.
Governor
GARY HERBERT
Lieutenant Governor

Public Service Commission

RIC CAMPBELL
Chairman
TED BOYER
Commissioner
RON ALLEN
Commissioner

November 6, 2006

Honorable Jon M. Huntsman, Jr.
Governor, State of Utah
Honorable Members of the Senate
Honorable Members of the House of Representatives

It is a pleasure to present you the Annual Report for fiscal year 2006 of the Public Service Commission of Utah. This report has been prepared in accordance with Utah Code § 54-1-10, which requires the Commission submit to you a report of its activities during the fiscal year ending June 30, 2006.

This annual report highlights the issues and activities the Commission has focused on during the year.

We look forward to your continued support as we serve the citizens of Utah.

Respectfully submitted,


Ric Campbell, Commission Chairman


Ted Boyer, Commissioner


Ron Allen, Commissioner

Herbert M Wells Building, 160 East 300 South, Box 45585, Salt Lake City, UT 84145-0585
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Utah!

2006 PUBLIC SERVICE COMMISSION OF UTAH

Annual Report for the period July 1, 2005 to June 30, 2006

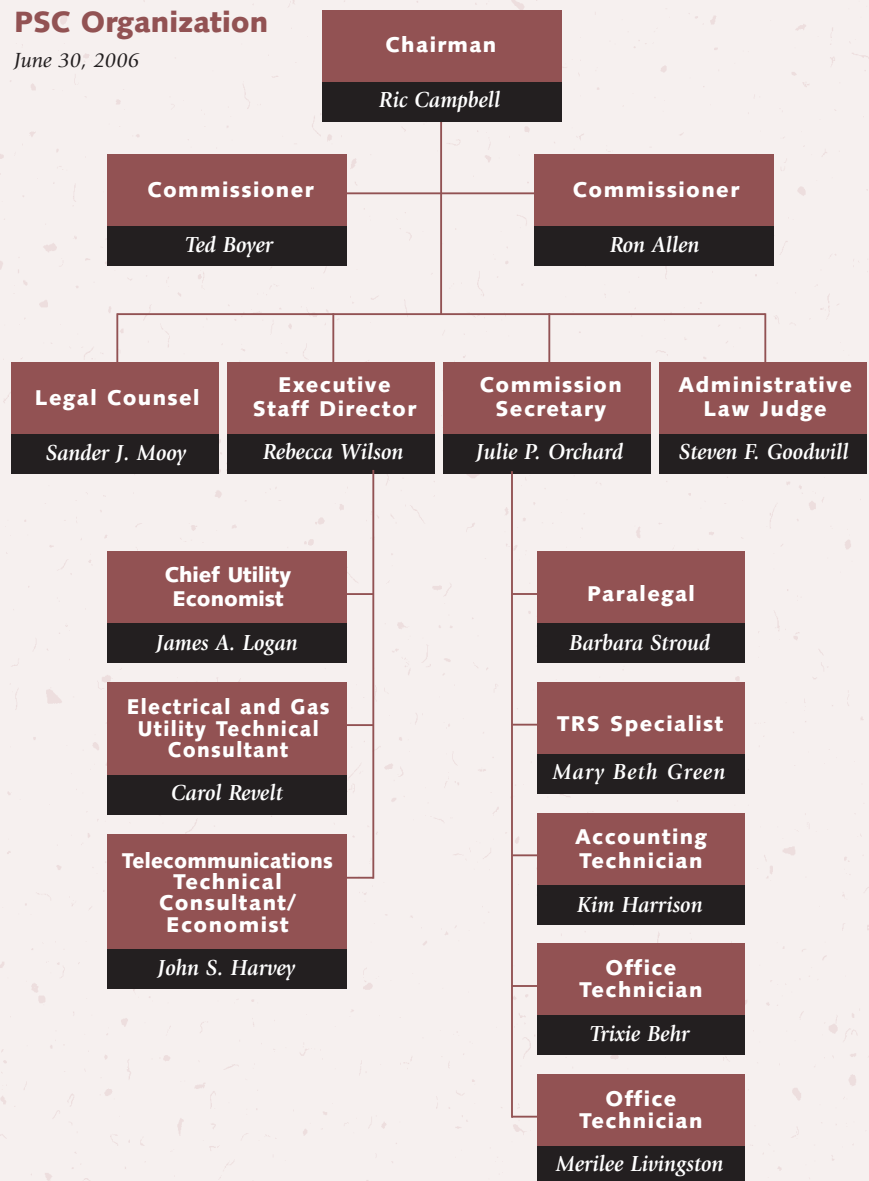
Personnel

June 30, 2006

ChairmanRic Campbell
 CommissionerTed Boyer
 CommissionerRon Allen
 Commission
 SecretaryJulie P. Orchard
 Executive
 Staff DirectorRebecca Wilson
 Legal Counsel.....Sander J. Mooy
 Administrative
 Law JudgeSteven F. Goodwill
 Chief Utility
 EconomistJames A. Logan
 Electrical and
 Gas Utility
 Technical Consultant.....Carol Revelt
 Telecommunications
 Technical
 Consultant/EconomistJohn S. Harvey
 ParalegalBarbara Stroud
 TRS SpecialistMary Beth Green
 Accounting TechnicianKim Harrison
 Office TechnicianTrixie Behr
 Office TechnicianMerilee Livingston

PSC Organization

June 30, 2006



2 0 0 6 C O M M I S S I O N E R S



COMMISSION CHAIRMAN

Richard Campbell

Original Term:

March 1, 2001 - March 1, 2007

Designated Chairman: June 1, 2003

Ric Campbell was appointed to the Public Service Commission (PSC) on March 1, 2001, and was designated chairman of the Commission on June 1, 2003. Chairman Campbell is a member of the National Association of Regulatory Utility Commissioners (NARUC) and serves on the Committee on Electricity, as well as on the Board of Directors.

Prior to his appointment, he was the director of the Utah Division of Public Utilities. While at the Division, Ric also served as a member of the Utah Telecommunications Advisory Council and on the Utah Rural Telecommunications Task Force.

Before joining the Division, Ric was the Executive Director of the Utah Health Policy Commission. Prior to Ric's public service in state government, he worked for Shell Oil Company. Ric has a B.S. degree in Accounting from Brigham Young University and a M.S. degree in Economics from the University of Utah.



COMMISSIONER

Ted Boyer

Original Term:

June 20, 2003 - March 1, 2009

Ted Boyer was appointed as a Commissioner of the Public Service Commission on June 20, 2003.

Commissioner Boyer is a member of the National Association of Regulatory Utility Commissioners (NARUC) and serves on the Telecommunications Committee and International Committee, as well as the 2006-2007 President of the Western Conference of Public Service Commissioners (WCPSC).

Prior to his appointment, Commissioner Boyer served as Executive Director of the Utah Department of Commerce and before that as Director of the Utah Real Estate Division. After receiving his B.S. and M.S. degrees from Brigham Young University, he earned his Juris Doctorate from the University of Utah and practiced law in Salt Lake City for over 20 years. He has also worked in the steel industry and in row crop farming and taught at Murray State University.



COMMISSIONER

Ron Allen

Original Term:

March 18, 2005 - March 1, 2011

Ron Allen was appointed to his first term as a Commissioner of the Public Service Commission of Utah by Governor Jon M. Huntsman on March 18, 2005.

His term expires March 1, 2011. Commissioner Allen is a member of the National Association of Regulatory Utility Commissioners (NARUC) and serves on the Gas Committee.

Prior to his appointment, he served as a Utah State Senator representing Magna, West Valley and Stansbury Park. While in the senate he served as Minority Whip and on the Executive Appropriations and Executive Management Committees. Ron also served on the Utah Tax Review Commission and on the Privatization Review Board. He also served on the Energy and Electric Utilities Committee for the National Conference of State Legislatures.

Ron was formerly a self-employed business and technology consultant and has owned and operated several Utah businesses, making the list of Utah's 100 fastest growing firms several times. Ron has a B.S. degree in Accounting and an M.A. degree in Art History from the University of Utah.

H I S T O R Y

O R I G I N S O F T H E P S C

Since its origin in the Public Utilities Act of 1917, the Commission has served the citizens of the State through technical and economic regulation of Utah's public utility companies. These privately owned but government-regulated companies provide the telecommunications, electricity, natural gas, water, and sewerage systems over which important services are

delivered to Utah households and businesses.

Utility systems are key structural elements of Utah's economy. Collectively, all such structural elements, whether provided by public authorities or regulated private companies, are known as "infrastructure." Roads, railways and other modes of transportation, and communications and other network-based services like electricity, natural gas and water, facilitate the flow of goods and services between buyers and sellers, making this infrastructure a prerequisite for economic growth.

Utility companies are certificated monopolies. With recent exceptions primarily in the telecommunications industry, each is the sole provider of utility service in designated geographic areas of the State called "certificated service territories."

Because there is no competition, Federal and State law obligates the Commission to promote and protect the public interest by ensuring that public utility service is adequate in quality and reliability, and is available to everyone at just and reasonable prices. This is the Commission's goal. The prices, terms and conditions of utility service affect the quality of the State's infrastructure.

Organization of the Regulatory Function in Utah Today

Since 1983, when the legislature last reorganized Utah's public utility regulatory function, the Commission has been an independent entity with a small clerical, legal, and technical advisory staff. The Office of the Commission consists of a three-member commission, each commissioner

appointed by the Governor to a six-year term; an administrative secretary and clerical staff; an executive staff director and technical staff; a legal counsel and paralegal staff; and an administrative law judge. Currently the Commission employs 15 persons.





The Division of Public Utilities, Department of Commerce, performs public utility audits and investigations, helps to resolve customer complaints, and enforces Commission Orders. Since the 1983 reorganization, the Division has been empowered to represent an impartially determined, broad public interest before the Commission. The Division employs a Director and a clerical and technical staff of approximately 30 people and receives legal assistance from the Office of the Attorney General. Also functioning within the Department of Commerce is the Committee of Consumer Services, the state agency advocate before the Commission for the interests of residential, small commercial and agricultural customers. The Committee, established by the legislature in 1977, consists of six citizens appointed by the Governor. It employs a director and an eight-member clerical and technical staff including legal assistance provided by the Office of the Attorney General.

How the Commission Works

As a regulatory decision making body, the Commission exercises a delegated legislative power. Each regulatory decision is reached quasi-judicially — that is to say, the decision must be based on evidence of record gathered in open public hearings in docketed proceedings. All dockets are closely scheduled, but the due process rights of parties, carefully observed by the Commission, mainly govern their timing.

In the course of a hearing, parties participating may include the subject public utility, the Division of Public Utilities (representing an impartial view of the overall public interest), and the Committee of Consumer Services (representing the particular group interests of residential, small commercial, and agricultural customers). Parties present the sworn testimony and evidence of expert witnesses on matters at issue and witnesses are cross-examined by the attorneys assisting each party.

In cases where tens of millions of dollars may be at stake, or important issues of regulatory policy arise, a number of other interveners, repre-

senting interests as diverse as low-income customers and large industrial customers, may also participate. They too will employ expert witnesses and attorneys. They will want to be involved because regulatory decisions distribute outcomes as gains or losses to particular parties. Cases raise issues of law, economics, accounting, finance, and engineering.

Reaching decisions, which balance the often-competing interests of concerned parties, in pursuit of outcomes, which protect and promote the overall public interest, is the Commission's task. These decisions, reviewed by the Utah Supreme Court, must be drawn directly from the evidentiary record created in open public hearings.

During fiscal year 2006, 279 cases were docketed. Of these, 211 were resolved by written Commission order, following hearing and deliberation on the evidentiary record. Many of the remaining cases were handled informally. The more important cases, whether for regulatory policy or financial implications, are highlighted in the following discussions of electricity, natural gas, telecommunications, and water.



Public Service Commission of Utah

Commissioners

Yrs. of Service	Name	Home Town
1917–21	Henry H. Blood	Kaysville
1917–23	Joshua Greenwood	Nephi
1917–25	Warren Stoutner	Salt Lake City
1921–23	Abbot R. Heywood	Ogden
1923–37	Elmer E. Corfman	Salt Lake City
1923–37	Thomas E. McKay	Huntsville
1925–33	George F. McGonagle	Salt Lake City
1933–35	Thomas H. Humphreys	Logan
1935–37	Joseph S. Snow	St. George
1937–41	Ward C. Holbrook	Clearfield
1937–41	Otto A. Wiesley	Salt Lake City
1937–40	Walter K. Granger	Cedar City
1941–43	George S. Ballif	Provo
1941–49	Oscar W. Carlson	Salt Lake City
1941–51	Donald Hacking	Price
1943–52	W. R. McEntire	Huntsville
1949–73	Hal S. Bennett	Salt Lake City
1951–56	Stewart M. Hanson	Salt Lake City
1952–72	Donald Hacking	Price
1956–57	Rue L. Clegg	Salt Lake City
1957–63	Jesse R. Budge	Salt Lake City
1963–65	Raymond W. Gee	Salt Lake City
1965–67	D. Frank Wilkins	Salt Lake City
1967–69	Donald T. Adams	Monticello
1969–72	John T. Vernieu	Richfield
1972–75	Eugene S. Lambert	Salt Lake City
1972–76	Frank S. Warner	Ogden
1973–79	Olof E. Zundel	Brigham City
1975–76	James N. Kimball	Salt Lake City
1976–77	Joseph C. Folley	Ogden
1976–82	Milly O. Bernard	Salt Lake City
1977–80	Kenneth Rigtrup	Salt Lake City
1979–85	David R. Irvine	Bountiful
1980–89	Brent H. Cameron	Salt Lake City
1982–95	James M. Byrne	Salt Lake City
1985–92	Brian T. Stewart	Farmington
1989–91	Stephen F. Mecham	Salt Lake City
1991–92	Stephen C. Hewlett*	Salt Lake City
1992–95	Stephen C. Hewlett	Salt Lake City
1992–2003	Stephen F. Mecham	Salt Lake City
1995–2005	Constance B. White	Salt Lake City
1995–2001	Clark D. Jones	Salt Lake City
2001–Present	Richard M. Campbell	Riverton
2003–Present	Theodore Boyer	Salt Lake City
2005–Present	Ronald Allen	West Valley City

*Commissioner Pro Tempore

Secretaries

Yrs. of Service	Name	Home Town
1917–23	Thomas E. Banning	Salt Lake City
1923–35	Frank L. Ostler	Salt Lake City
1935–36	Theodore E. Thain	Logan
1936–38	Wendell D. Larson	Salt Lake City
1938–40	J. Allan Crockett	Salt Lake City
1941–43	Charles A. Esser	Salt Lake City
1943–44	Theodore E. Thain	Logan
1945–48	Royal Whitlock	Gunnison
1949–49	C.J. Stringham	Salt Lake City
1949–56	Frank A. Yeamans	Salt Lake City
1956–59	C.R. Openshaw, Jr.	Salt Lake City

Appointment Dates of Commissioners

● Appointment Years D — Democrat R — Republican I — Independent

Year	Commissioner 1	Commissioner 2	Commissioner 3
1973	● Bennett - R (49-73) Zundel - R (73-79)	Warner - D (72-76)	Lambert - D (72-75)
1974			
1975		●	Kimball - D (75-76)
1976		Bernard - D (76-82)	Folley - D (76-77)
1977			● Rigtrup - I (77-80)
1978			
1979	● Irvine - R (79-85)		
1980			Cameron - D (80-89)
1981		●	
1982		Bryne - D (82-95)	
1983			●
1984			
1985	● Stewart - R (85-92)		
1986			
1987		●	
1988			
1989			● Mecham - R (89-91)
1990			
1991	●		Hewlett - R (91-95)
1992	Mecham - R (92-03)		
1993		●	
1994			
1995		White - I (95-05)	● Jones - R (95-01)
1996			
1997	●		
1998			
1999		●	
2000			
2001			● Campbell - R (01-)
2002			
2003	● Boyer - R (03-)		
2004			
2005		● Allen - D (05-)	
2006			
2007			●

* Acting Secretary



ELECTRICITY

UTILITY OVERVIEW

The principal electric utility regulated by the Commission is PacifiCorp, an investor-owned utility doing business in the state as Utah Power and Light Company. PacifiCorp also serves retail customers in five other western states and wholesale customers throughout the west. PacifiCorp provides more than 80 percent of the electricity consumed by Utah's households

and businesses. Other Utah customers are served either by municipal utilities, which are not regulated by the Commission, or by rural electric cooperatives, which are subject to minimal state regulation. Thus, most of the Commission's work in the electric industry arises from regulation of PacifiCorp.

MidAmerican Energy Holdings Company Acquires PacifiCorp

On July 15, 2005, MidAmerican Energy Holdings Company ("MEHC") and PacifiCorp filed an application requesting the Commission authorize a proposed transaction whereby MEHC would acquire all of the common stock of PacifiCorp from ScottishPower. On January 27, 2006, the Commission approved a stipulation

by parties supporting the transaction. The stipulation contains 50 general commitments and 28 Utah-specific commitments agreed to by MEHC and parties to the case as conditions for approval of the transaction. In its approval order the Commission states the tangible benefits articulated by the parties in the case, though very small in comparison to Utah's revenue requirement, provide net positive benefits to Utah customers, and are sufficient to meet the standard for approval of the transaction. The Commission also found the risks regarding the affiliate relationship of the utility within the corporate structure of a holding company to be appropriately addressed by the ring-fencing provisions. Finally, the Commission stated the intangible benefits also support approval of the transaction,

particularly the willingness to make the long-term capital investments necessary to provide adequate, reliable and reasonably priced service for Utah customers, as well as the increase in local presence and decision-making authority.





Planning for Least Cost and Reliable Power Supply

On July 21, 2005, the Commission acknowledged PacifiCorp's biennial Integrated Resource Plan 2004 ("2004 IRP") final report stating it generally conforms to applicable standards and guidelines. Through the IRP, PacifiCorp evaluates additional power supply options and energy efficiency programs to determine the least cost way to providing adequate and reliable service. The 2004 IRP presents PacifiCorp's plan to supply and manage growing demand for electricity throughout its six state service territory over a 20-year planning horizon. The report identifies as its least cost plan, its "Preferred Portfolio," of investment in a diversified portfolio of power plants and power purchases, coupled with customer efficiency programs and direct-control load management. The type, timing and magnitude of resource additions are noted and an action plan provided. The action plan identified the need to procure a natural gas-fired, flexible generating resource in 2009. The Commission declined to acknowledge the IRP action plan and stated it would be further considered in the approval process for PacifiCorp's solicitation for new significant energy resources.

On November 4, 2005, PacifiCorp filed an update report to the 2004 IRP to reflect changes in resource assumptions. The net effect of the changes was a decrease in resource deficit relative to that projected in the 2004 IRP. The update included a significantly revised action plan, including the elimination of a need for the 2009 natural gas-fired, flexible generating resource. The updated action plan identified a need for a 575 megawatt coal-fired, base load generating resource in Utah in 2012.

Additional Power Supply

During fiscal year 2006, the Commission approved a method for pricing power from electric generating plants designated as "Qualifying Facilities" or "QFs" by federal law. QFs are renewable or cogeneration generating resources of certain sizes. The development of an approved method for pricing QF power was requested by stakeholders as a way to remove regulatory barriers to the development of clean and efficient QF resources. The Commission approved two QF contracts based on the new pricing method. The projects are two cogeneration projects totaling 57 megawatts of generating capacity.

Utah Power Rates

In March 2006, PacifiCorp filed a request for a \$197 million rate increase based on a future test period beginning October 2006 and ending September 2007. The increase, if approved, would raise tariff rates by about 17.1 percent. PacifiCorp requested the increase to ensure adequate supply for Utah's growing population and associated economic activity. The rate case is pending investigation and Commission decision. The process is expected to be completed by December 2006.

Electric Utility Dockets

05-2035-01

In the Matter of the Acknowledgment of PacifiCorp's Integrated Resource Plan 2004

Report and Order issued July 21, 2005. PacifiCorp's Integrated Resource Plan 2004 generally conforms to applicable Standards and Guidelines and is acknowledged. The Action Plan is not acknowledged, but will be further considered in the approval process for PacifiCorp's solicitation for new significant energy resources.

05-035-08

In The Matter of the Petition of Spring Canyon LLC for Approval of a Contract for the Sale of Capacity and Energy from its Proposed of Facilities Report and Order Issued August 19, 2005

Pursuant to discussion, findings and conclusions, any Qualifying Facility contract between PacifiCorp and Spring Canyon submitted to the Commission for approval shall contain the provisions accepted in this Report and Order.

03-035-14

In the Matter of the Application of PacifiCorp for Approval of an IRP-Based Avoided Cost Methodology for QF Projects Larger than One Megawatt

Report and Order issued October 31, 2005. The Commission approves an avoided cost method for pricing contracts for power purchases from Qualifying Facility projects larger than one megawatt for cogeneration facilities and three megawatts for small power production facilities.

05-035-86

In the Matter of the Petition of ExxonMobil Production Company for Expedited Approval of a Contract for the Sale of Capacity and Energy from its Shute Creek QF Facility

Order Denying and Dismissing Petition issued November 14, 2005. ExxonMobil's September 15, 2005, petition is denied and the matter is dismissed.

Key:

Docket Number
Short Title

Status as of June 30, 2006

Electric Utility Dockets (cont.)

04-035-21

In the Matter of HELP, Electric Lifeline Program Evaluation

Report and Order issued November 23, 2005. The Commission approves the continuation of the Home Electric Lifeline Program (HELP), reduces customer surcharge rates and refunds to customers the excess account balance.

05-506-01

In the Matter of the Application of Deseret Generation & Transmission Co-operative for Authority to Issue Security in the Form of Promissory Note to National Rural Utilities Cooperative Finance Corporation

Report and Order issued December 14, 2005. Deseret is hereby authorized to participate in the Note Purchase Transaction as generally described in this Report and Order, or on other terms and conditions substantially consistent with the Report and Order.

05-035-54

In the Matter of the Application of MidAmerican Energy Holdings Company and PacifiCorp dba Utah Power & Light Company for an Order Authorizing Proposed Transaction

Report and Order issued January 27, 2006. The Commission approves a Stipulation by parties supporting the acquisition of PacifiCorp from Scottish Power by MidAmerican Energy Holdings Company. The Commission orders MidAmerican Energy Holdings Company and PacifiCorp to comply with the commitments appended to the Stipulation.

04-999-03

In the Matter of an Investigation into Pole Attachments

Order Granting Temporary Exemption issued February 8, 2006. For the application of Rule 746-345-3.C.8., the Commission will not require the pole owner to allow the applicant to self build the portion of the make ready work which would require the movement or replacement of poles or working with the electric utility's facilities located on a pole.

06-035-10

In the Matter of the Application of PacifiCorp for Approval of a Power Purchase Agreement with Tesoro Refining and Marketing Company

Report and Order issued February 10, 2006. The Commission approves the 2006 Purchase Power Agreement between PacifiCorp and Tesoro Refining and Marketing Company.

06-035-21

In the Matter of the Application of PacifiCorp for Approval of its Proposed Electric Service Schedules & Electric Service Regulations

Order Approving Stipulation with Modification issued May 25, 2006. The Commission approves, with modification, a Stipulation on filing requirements, discovery, and timing of a test period hearing.

05-035-112

In the Matter of the Application of PacifiCorp for Approval of a Power Purchase Agreement with Kennecott Utah Copper Corporation

Report and Order issued February 22, 2006. The Commission approves the Purchase Power Agreement between PacifiCorp and Kennecott Utah Copper Corporation for January through December, 2006.

05-035-54

In the Matter of the Application of MidAmerican Energy Holdings Company and PacifiCorp dba Utah Power & Light Company for an Order Authorizing Proposed Transaction

Report and Order issued March 14, 2006. The Amendment to Stipulation executed on March 3, 2006, by MidAmerican Energy Holdings Company, PacifiCorp, the Division, the Committee, UAE Intervention Group, UIEC, Utah Clean Energy and Western Resource Advocates is adopted by the Commission and incorporated by reference in this Order.

06-035-T03

In the Matter of the Proposed Revisions of PacifiCorp, dba Utah Power & Light Company, to Regulation 9 and Schedule 300 to eliminate the \$150 ceiling on residential security deposits per Advice Filing 06-04

Order Suspending Tariff issued March 16, 2006. The proposed PacifiCorp tariff filing is suspended pending further Order of the Commission.

06-035-27

In the Matter of the Application of PacifiCorp for Authority to (1) issue its promissory notes to and borrow from commercial banks for (a) not more than \$1.5 billion under revolving credit agreements, and (b) not more than \$1.5 billion under other borrowing arrangements; and (2) issue and sell its commercial paper in principal amounts not to exceed \$1.5 billion outstanding at any one time

Report and Order issued March 17, 2006. The application of the Company is approved.

06-035-28

In the Matter of the Application of PacifiCorp for Authority to Enter into an Umbrella Loan Agreement with its Wholly Owned Subsidiaries and to Issue Promissory Notes to Evidence the Short-term Indebtedness

Order Approving Amendment to Umbrella Loan Agreement issued March 23, 2006. The Commission approves the March 25, 2006, request for approval of the proposed amendment and for authority to enter into an Amended Agreement with the Subsidiaries.

05-035-98

In the Matter of the Excess PacifiCorp Income Tax Cost Monies Collected in Rates

Report and Order issued April 10, 2006. The Commission approves a Settlement Agreement which resolves all issues in this docket and dismisses the Committee of Consumer Services' Request for Agency Action without prejudice.

03-035-14

In the Matter of the Application of PacifiCorp for Approval of an IRP-based Avoided Cost Methodology for QF Projects Larger than One Megawatt

Order issued April 19, 2006. The Commission approves a method to determine avoided transmission costs for indicative pricing pursuant to Schedule 38, for QFs integrating as a firm Network Resource, regardless of fuel type

06-035-43

In the Matter of the Application of PacifiCorp for authority to (1) issue and sell or exchange not more than \$700,000,000 of debt, (2) enter into credit support arrangements, (3) enter into currency swaps, and (4) contribute or sell additional debt to special purpose entities Report and Order issued May 3, 2006.

The Commission approves the application.

03-035-04

In the Matter of the Formal Complaint of Dammeron Valley Water Works vs. Utah Power and Light

Third Report and Order issued May 18, 2006. The Commission dismissed the complaint, having concluded the evidence does not support the complaint of Dammeron Valley Water Works that its equipment failures and protective equipment faults are the result of substandard power supplied by Utah Power and Light.

06-035-43

In the Matter of the Application of PacifiCorp for authority to (1) issue and sell or exchange not more than \$700,000,000 of debt, (2) enter into credit support arrangements, (3) enter into currency swaps, and (4) contribute or sell additional debt to special purpose entities

Order Amending May 3, 2006, Report and Order issued May 18, 2006. The Commission amends the May 3, 2006, Report and Order by ordering PacifiCorp to continue filing Quarterly Financing Activity Reports and providing the Division of Public Utilities with copies of such reports as filed.



Electric Utility Dockets (cont.)

05-035-09

In the Matter of the Petition of Pioneer Ridge LLC & Mountain Wind for Approval of a Contract for the Sale of Capacity and Energy for its Existing and Proposed of Facilities

Report and Order issued May 19, 2006. The Commission approves the method proposed by the Company for adjusting wind proxy prices to account for wind QF profile differences.

04-035-70

In the Matter of the Complaint of Georgia B. Peterson, Janet B. Ward, William Van Cleaf, David Hiller, GP Studio, Inc., Truck Insurance Exchange, and Farmers Insurance Exchange on Behalf of Themselves and All Other Members of the Class Described Below Against Scottishpower Plc and PacifiCorp, dba Utah Power & Light Co, Requesting an Investigation, and Enforcement of the Commission's Orders in Docket Nos. 87-035-27 and 98-2035-04, and Compensation for Losses

Report and Order Approving Stipulation and Dismissing Petitions issued May 22, 2006. The Commission approves the May 5, 2006, Stipulation and dismisses the first and second petitions without prejudice.

05-035-54

In the Matter of the Application of MidAmerican Energy Holdings Company And PacifiCorp dba Utah Power & Light Company for an Order Authorizing Proposed Transaction

Report and Order issued June 5, 2006. The Commission approves the Second Amendment to Stipulation by parties supporting the acquisition of PacifiCorp from ScottishPower by MidAmerican Energy Holdings Company.

06-035-41

In the Matter of the Application of PacifiCorp dba Utah Power for a Deferred Accounting Order

Report and Order issued June 23, 2006. The Application is approved, and PacifiCorp is authorized to defer the rate credits associated with fulfillment of its obligations under commitment U 46 beginning April 1, 2006, as proposed.

Electric Utility Companies Operating in the State of Utah

under the Jurisdiction of the Public Service Commission

Bridger Valley Electric

40014 Business Loop I-80
PO Box 399
Mountain View WY 82939-0399
Tel: (307) 786-2800
(800) 276-3481
Fax: (307) 786-4362
Web: www.bvea.net

Deseret Generation & Transmission Cooperative

10714 South Jordan Gtwy
Suite 300
South Jordan UT 84095-3921
Tel: (801) 619-6500
(800) 756-3428
Fax: (801) 619-6599
Web: www.deseretgt.com

Dixie Escalante Rural Electric

71 E Highway 56
HC 76 Box 95
Beryl UT 84714-5197
Tel: (435) 439-5311
Fax: (435) 439-5352

Empire Electric Association

801 N Broadway
PO Drawer K
Cortez CO 81321-0676
Tel: (970) 565-4444
(800) 709-3726
Fax: (970) 564-4404
Web: www.empireelectric.org
Web: www.eea.coop

Flowell Electric Association

495 North 3200 West
Fillmore UT 84631
Tel: (435) 743-6214
Fax: (435) 743-5722

Garkane Energy

120 West 300 South
PO Box 465
Loa UT 84747-0465
Tel: (435) 836-2795
(800) 747-5403
Fax: (435) 836-2497
Web: www.garkaneenergy.com

Moon Lake Electric Association

188 West 200 North
PO Box 278
Roosevelt UT 84066-2302
Tel: (435) 722-5428
Fax: (435) 722-5433
Web: www.mleainc.com

Mt Wheeler Power

1600 Great Basin Blvd
PO Box 151000
Ely NV 89315
Tel: (775) 289-8981
(800) 977-6937
Fax: (775) 289-8987
Web: www.mwpower.net

North Creek Ranch HOA

2425 North 530 East
PO Box 2030
Beaver UT 84713-2030
Tel: (435) 438-6308
Fax: (435) 738-2455

PacifiCorp

Regulatory Reporting
825 NE Multnomah St
Suite 1900
Portland OR 97232
Tel: (503) 813-5000
Fax: (503) 813-5900
Web: www.pacificorp.com

Raft River Rural Electric

155 N Main
Malta ID 83342-0617
Tel: (208) 645-2211
(800) 342-7732
Fax: (208) 645-2300

Rocky Mountain Power

825 NE Multnomah St
Suite 1900
Portland OR 97232
Tel: (888) 221-7070
Fax: (887) 548-3768

Strawberry Electric Service

803 North 500 East
PO Box 349
Payson UT 84651-0349
Tel: (801) 465-8020
Fax: (801) 465-8017
Web: www.strawberryelectric.com

Strawberry Water Users Association

745 North 500 East
PO Box 70
Payson UT 84651-0070
Tel: (801) 465-9273
Fax: (801) 465-4580

Wells Rural Electric Company

1451 N Humboldt Ave
PO Box 365
Wells NV 89835-0365
Tel: (775) 752-3328
Fax: (775) 752-3407
Web: www.wellsrec.com



NATURAL GAS

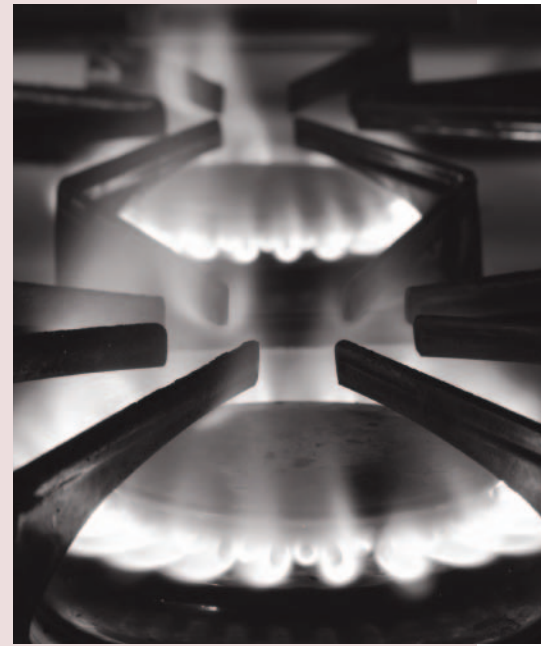
UTILITY OVERVIEW

Questar Gas Company is the only operating natural gas utility regulated by the Public Service Commission of Utah. Questar Gas currently serves over 745,000 customers in Utah. Questar Gas is a local natural gas distribution company, which also owns natural gas production property providing about half of its supply needs.

Questar Gas Rates

Twice annually, as permitted by law, Questar Gas files a "pass-through" application to adjust the commodity and associated cost portions of its Utah natural gas rates. The remaining costs are recovered in general rate case proceedings. About 77 percent of the total cost of providing natural gas service to customers in Utah, some \$865 million annually, is for the gas itself. Expedited pass-through proceedings allow for the timely recovery of gas costs actually incurred. New rates are established on a projected basis. When actual costs vary from those projected, the difference is maintained in a special balancing account and an appropriate rate adjustment is made in the following pass-through proceeding.

During this fiscal year, rates charged by Questar changed five times. On October 1, 2005, the Commission approved an approximately \$29 million increase when a prior rate refund to customers for gas-processing costs found to be imprudently incurred expired. On November 1, 2005, the Public Service Commission approved a \$196.5 million gas cost pass-through rate increase (20.31%). This rate change was driven by higher wholesale natural gas prices. On February 1, 2006, the Commission approved a \$93.7 million gas cost pass-through rate decrease (8.08%) due to lower wholesale natural gas prices. On April 1, 2006, the Commission approved a \$38.6 million rate decrease (3.7%) due to a balancing account cost adjustment. On June 1, 2006, the Commission approved a stipulated settlement to reduce non-gas costs by \$9.7 million (1.16%).





Natural Gas Utility Dockets

05-057-13

In the Matter of the Verified Application of Questar Gas Company for a Change in the Interest Rate Used in the Extension Area Charge Calculations

Report and Order issued September 30, 2005. The Commission grants Questar Gas Company's application for a change in the interest rate applied to the non-refundable contribution being paid by certain communities of the Company's service territory through Extension Area Charges ("EAC") and instructs Questar Gas to use the after-tax rate of return in analyzing the payoff date for each EAC area in accordance with the orders issued by this Commission in each EAC docket.

05-057-11

In the Matter of the Application of Questar Gas Company to Adjust Rates for Natural Gas Service in Utah

Interim Order issued October 28, 2005. Based upon recent significant increases in the price of purchased gas in the Rocky Mountain region, the Commission approves on an interim basis the Amended Application of Questar Gas Company to implement rates and charges reflecting an increase in Utah gas costs of \$196,481,000 effective November 1, 2005, and authorizes the Company to record system-wide gathering costs in the Supplier Non-Gas portion of the 191 Account.

04-057-04, 04-057-11, 04-057-13, 04-057-09, 05-057-01

In the Matter of the Application of Questar Gas Company to Adjust Rates for Natural Gas Service in Utah

Report and Order issued January 6, 2006. The Commission approves the Gas Management Cost Stipulation of Questar Gas Company, the Utah Division of Public Utilities and the Utah Committee of Consumer Services, authorizing recovery in rates of a portion of the costs incurred by Questar Gas Company in managing the heat content of the gas supplies delivered to its system commencing February 1, 2005

06-057-01

In the Matter of the Application of Questar Gas Company to Adjust Rates for Natural Gas Service in Utah

Interim Order issued February 1, 2006. Based upon recent changes in the price of purchased gas in the Rocky Mountain region, the Commission approves on an interim basis the Amended Application of Questar Gas Company to implement rates and charges reflecting a decrease in Utah gas costs of \$93,731,000 effective February 1, 2006.

06-057-T02

In the Matter of the Proposed Changes to the Questar Gas Company Tariff which can be assigned to four categories; (1) Elimination of I-2, IS-2, I-3 Rate Schedules, (2) Required changes to make the tariff consistent with current company practices, (3) Movement or deletion of sections, (4) Clean-up changes such as rewording, referencing, punctuation, formatting and grammatical corrections that do not affect the meaning or applicability of the Tariff.

Order Suspending Tariff issued March 28, 2006. The proposed tariff filing is suspended pending further order of the Commission.

06-057-T03

In the Matter of the Proposal to Remove the \$0.38094 Debit Amortization from the Commodity Portion of Rates for all Firm Sales Classes

Order Granting Reduction in Rates issued April 7, 2006. The Commission grants Questar Gas Company's request to reduce its rates.

05-057-T01

In the Matter of the Approval of the Conservation Enabling Tariff Adjustment Option and Accounting Orders

Order Approving Rate Reduction Stipulation issued May 26, 2006. The Commission approves the rate reduction stipulation submitted May 10, 2006.

Key:

Docket Number
Short Title

Status as of June 30, 2006

Natural Gas Utility Companies in the State of Utah under the Jurisdiction of the Public Service Commission

Questar Gas Company

180 East 100 South
PO Box 45360
Salt Lake City UT 84145-0433
Tel: (801) 324-5555
(800) 541-2824 – Emergency
Web: www.questar.com

Wendover Gas Company Propane of Wendover Inc.

City of West Wendover
801 Alpine St.
PO Box 2825
West Wendover, UT 89883
Tel: (775) 664-3081
Fax: (775) 664-3720



TELECOMMUNICAT

UTILITY OVERVIEW

The 1995 Utah Telecommunications Reform Act and the 1996 Federal Telecommunications Act substantially altered the purposes and practices of telecommunications regulation in Utah and set in motion the process of developing competition for local phone service along the Wasatch Front. Various telecommunications companies now provide service over

1.2 million phone lines in Utah. The Commission's regulatory authority varies depending upon the extent to which competitive alternatives are available. The Commission regulates complaints regarding the service quality of the largest telecommunications

company in Utah, Qwest, and adjudicates interconnection agreements between Qwest and the 108 competitive local exchange companies ("competitors"), which have been granted permission by the Commission to provide telecommunications service along the Wasatch Front and the I-15 corridor from Logan to St. George. The Commission also fully regulates the rates, terms and conditions of service for 15 incumbent local exchange companies ("independents") serving rural areas of Utah.

Industry Changes

During fiscal year 2006, Utah continued to see interest from companies requesting to qualify to compete with Qwest. The Commission also received three requests from companies to compete with the independents in the rural areas of the state. Several competitive local exchange companies also

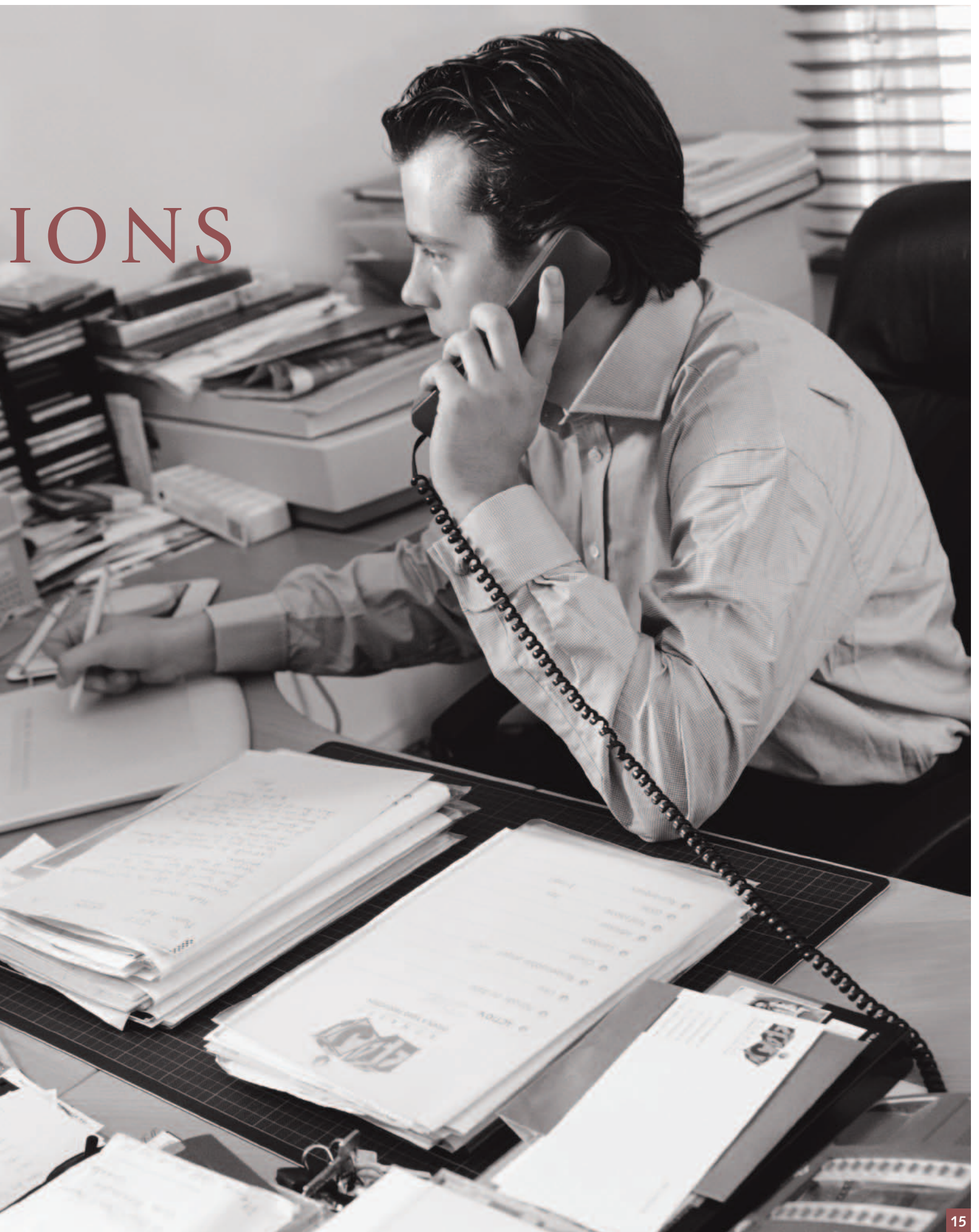
left the state. Since receiving federal approval in 2001 to enter long-distance markets in Utah, Qwest is now offering new options to its existing and potential customers. Qwest is now competing "head-to-head" with competitors by offering bundled services, including local, long-distance, wireless, and Internet services, at various unregulated rates.

In January of 2005, the State Legislature amended the 1995 Utah Telecommunications Reform Act. This legislation removed most of Qwest's tariff obligations to place it on a more equal footing with its competitors. With the exception of being required to offer a basic residential phone line at existing tariff rates, Qwest received pricing flexibility for all other residential and business services.

In the past three fiscal years, most of the Federal Communication Commission's ("FCC") rules governing



IONS



Qwest's basic obligations to make portions of its network available to competitors were overturned in federal court. The FCC has issued new rules dramatically reducing Qwest's obligations to lease portions of its network to competitors. As a result, Qwest could face reduced competition from competitors unless the competitors are capable of building networks of their own, or the competitors are willing to enter into commercial agreements, at higher prices, with Qwest. The Commission will continue to review the level of competition to ensure that consumers are protected.

An additional change in the marketplace is the practice of real estate developers and property owners/managers transacting exclusive agreements with a single telecommunications or other service provider, to offer voice, video and data services within their developments or properties. Such transactions can restrict access rights-of-way or easements making it impossible for any competing service provider to install network facilities thereby precluding competition among companies to directly serve land purchasers or tenants. While the Commission considers these types of arrangements to be contradictory to the legislative intent to promote competition, the transactions comply with existing law.

Regulatory Activity

Of the hundreds of telecommunications dockets the Commission addressed this year, a significant portion of them dealt with either the entry or exit of competitors, or the interaction between Qwest and competitors as the marketplace adjusted to, and implemented, the new FCC rules regarding inter-carrier relationships. These dockets addressed topics such as certificate applications and

cancellations, mergers and acquisitions, approval and enforcement of interconnection agreements, resolution of inter-carrier complaints, approvals of special contracts for regulated services, and other service issues.

Certificates of Public Convenience and Necessity and Interconnection Agreements

Currently 108 competitive telecommunications companies hold a Certificate of Public Convenience and Necessity from the Commission allowing them to provide local telephone service to Qwest's customers. This is an increase of 19 from our last report. The Commission continues to both arbitrate and review "interconnection agreements" and "commercial agreements" — terms by which the incumbent and the competitor will interconnect facilities to provide effective and efficient service. The agreements, both interconnection and commercial, facilitate competition by providing a means for the competitors and Qwest's networks to communicate.

Price or Rate Regulation

Under the 2005 amendments to state law, Qwest has pricing flexibility for all retail services except for the basic residential line. For customers that choose not to add any features, or bundled services, Qwest is obligated to provide the basic residential line at the existing tariff rate. The law allows all local exchange companies in Qwest's service area to implement new prices five days after filing them with the Commission. The law also allows the Commission to review whether the new prices are just and reasonable either during the five days after filing, or after the pricing change is implemented.

Telecommunications Utility Dockets

General Interest Orders

03-049-62

In the Matter of Qwest Corporation's Land Development Agreements (LDA) Tariff Provisions

Order on Clear Wave Petition for Temporary Restraining Order and Preliminary Injunction and Qwest Request for Expedited Relief issued August 3, 2005. The Commission denies Clear Wave's petition for a temporary restraining order and preliminary injunction and Qwest's request for expedited relief. The Commission orders Qwest and Clear Wave to negotiate and attempt to resolve what may be reasonable completion dates for the additional Option 2 projects anticipated under the March 9, 2004, Joint Stipulation, and which have been identified in this Order.

05-052-02

In the Matter of the Request of Qwest Corporation ("Qwest") and South Central Utah Telephone Association, Inc. ("South Central"), for Approval of the Transfer of Service Territory between the Qwest Cedar City Exchange and the South Central Beryl Exchange

Order on Joint Petition to Transfer Service Territory issued November 28, 2005. The Commission amends the certificate of convenience and necessity of Qwest by deleting the following described area in Iron County, Utah: Sections 15, 16, 17, 18, 19, 20, 21, 22, 28, 29, 30, 31, 32, 33, and 34 in Township 36 South, Range 14, West and Sections 3, 4, 5, 6, 7, 8, 9, and 10 in Township 37 South, Range 14 West, State of Utah.

04-049-102

In the Matter of Qwest's Request to Discontinue JR Accounting

Order Allowing Discontinuance of JR Accounting issued November 14, 2005. The Commission orders that Qwest is no longer required to maintain Utah jurisdictionally specific (JR) accounting standards.

06-2302-02

In the Matter of the Consolidation of the Local Calling Area and Elimination of the Existing EAS within the Carbon/Emery Telecom, Inc. Service Territory

Report and Order issued June 27, 2006. The commission approves the request of Carbon/Emery Telecom, Inc. to eliminate extended area service ("EAS") and EAS charges for residential and business lines within its service territory.

Key:

Docket Number
Short Title

Status as of June 30, 2006

Telecommunications Utility Dockets (cont.)

00-049-80

In the Matter of the Request for EAS of the Citizens of Leeds, Utah

Report and Order issued December 6, 2005. The Commission, having concluded it lacks jurisdiction to require Qwest Communications to establish new Extended Area Service Calling plans, closes all of the outstanding Qwest Extended Area Service Dockets, as well as, Docket No. 00-2354-01, which would incorporate a Qwest exchange as part of the proposed area.

00-2354-01

In the Matter of the EAS Request for Box Elder County

Report and Order issued December 6, 2005. The Commission, having concluded it lacks jurisdiction to require Qwest Communications to establish new Extended Area Service Calling plans, closes all of the outstanding Qwest Extended Area Service Dockets, as well as, Docket No. 00-2354-01, which would incorporate a Qwest exchange as part of the proposed area.

05-046-01

In the Matter of Extended Area Services (EAS) for Sanpete County

Order approving proposed EAS Rates issued February 24, 2006. The Commission approves the proposed EAS rates submitted by Manti Telephone Company, Gunnison Telephone Company and Central Utah Telephone.

91-049-15

In The Matter of the Petitions Received by the Committee for Extended Area Services, from Residential Telephone Consumers from Alta/Snowbird Exchange.

Report and Order issued December 6, 2005. The Commission, having concluded it lacks jurisdiction to require Qwest Communications to establish new Extended Area Service Calling plans, closes all of the outstanding Qwest Extended Area Service Dockets, as well as, Docket No. 00-2354-01, which would incorporate a Qwest exchange as part of the proposed area.

96-049-02

In the Matter of the Petition for EAS from Lehi to Salt Lake City

Report and Order issued December 6, 2005. The Commission, having concluded it lacks jurisdiction to require Qwest Communications to establish new Extended Area Service Calling plans, closes all of the outstanding Qwest Extended Area Service Dockets, as well as, Docket No. 00-2354-01, which would incorporate a Qwest exchange as part of the proposed area.

96-049-09

In the Matter of the EAS Petition between Blanding, Bluff, Lake Powell, and Mexican Hat

Report and Order issued December 6, 2005. The Commission, having concluded it lacks jurisdiction to require Qwest Communications to establish new

Extended Area Service Calling plans, closes all of the outstanding Qwest Extended Area Service Dockets, as well as, Docket No. 00-2354-01, which would incorporate a Qwest exchange as part of the proposed area.

96-049-21

In the Matter of the EAS Petition between Alta and Salt Lake City

Report and Order issued December 6, 2005. The Commission, having concluded it lacks jurisdiction to require Qwest Communications to establish new Extended Area Service Calling plans, closes all of the outstanding Qwest Extended Area Service Dockets, as well as, Docket No. 00-2354-01, which would incorporate a Qwest exchange as part of the proposed area.

96-049-22

In the Matter of the Petition for EAS from Brigham City to Ogden, Clearfield, and Kaysville

Report and Order issued December 6, 2005. The Commission, having concluded it lacks jurisdiction to require Qwest Communications to establish new Extended Area Service Calling plans, closes all of the outstanding Qwest Extended Area Service Dockets, as well as, Docket No. 00-2354-01, which would incorporate a Qwest exchange as part of the proposed area.

96-049-26

In the Matter of the EAS Petition between Leeds and Hurricane

Report and Order issued December 6, 2005. The Commission, having concluded it lacks jurisdiction to require Qwest Communications to establish new Extended Area Service Calling plans, closes all of the outstanding Qwest Extended Area Service Dockets, as well as, Docket No. 00-2354-01, which would incorporate a Qwest exchange as part of the proposed area.

97-049-03

In the Matter of EAS between Brian Head-Cedar City/Parowan

Report and Order issued December 6, 2005. The Commission, having concluded it lacks jurisdiction to require Qwest Communications to establish new Extended Area Service Calling plans, closes all of the outstanding Qwest Extended Area Service Dockets, as well as, Docket No. 00-2354-01, which would incorporate a Qwest exchange as part of the proposed area.

97-049-07

In the Matter of EAS for Tooele

Report and Order issued December 6, 2005. The Commission, having concluded it lacks jurisdiction to require Qwest Communications to establish new Extended Area Service Calling plans, closes all of the outstanding Qwest Extended Area Service Dockets, as well as, Docket No. 00-2354-01, which would incorporate a Qwest exchange as part of the proposed area.

97-049-19

In the Matter of the Petition for EAS from Richfield and the Junction Utah area to Salt Lake City

Report and Order issued December 6, 2005. The Commission, having concluded it lacks jurisdiction to require Qwest Communications to establish new Extended Area Service Calling plans, closes all of the outstanding Qwest Extended Area Service Dockets, as well as, Docket No. 00-2354-01, which would incorporate a Qwest exchange as part of the proposed area.

97-049-28

In the Matter of EAS for Nephi to Goshen, Payson, Provo, Orem, Salem, Santaquin, Spanish Fork, and Springville Exchanges

Report and Order issued December 6, 2005. The Commission, having concluded it lacks jurisdiction to require Qwest Communications to establish new Extended Area Service Calling plans, closes all of the outstanding Qwest Extended Area Service Dockets, as well as, Docket No. 00-2354-01, which would incorporate a Qwest exchange as part of the proposed area.

99-049-02

In the Matter of the Petition for Extended Area Service (EAS) for the Coalville-Henefer Area

Report and Order issued December 6, 2005. The Commission, having concluded it lacks jurisdiction to require Qwest Communications to establish new Extended Area Service Calling plans, closes all of the outstanding Qwest Extended Area Service Dockets, as well as, Docket No. 00-2354-01, which would incorporate a Qwest exchange as part of the proposed area.

99-049-03

In the Matter of the petition for Extended Area Service (EAS) for the Roosevelt Area Filed by Shar Benson

Report and Order issued December 6, 2005. The Commission, having concluded it lacks jurisdiction to require Qwest Communications to establish new Extended Area Service Calling plans, closes all of the outstanding Qwest Extended Area Service Dockets, as well as, Docket No. 00-2354-01, which would incorporate a Qwest exchange as part of the proposed area.

Rural Incumbent Exchange Carriers and Universal Service Fund Orders

06-052-01

In the Matter of the Division of Public Utilities' Compliance Audit of South Central Utah Telephone Association, Inc.

Report and Order Terminating State Universal Service Fund ("USF") Payments issued May 3, 2006. The Commission terminates State USF payments to South

Central Utah Telephone as requested by South Central and recommended by the Division.

06-2218-01

In the Matter of the Request of Michael and Laverne Coseo for One-Time Distribution from the State Universal Public Telecommunications Support Fund

Report and Order issued June 12, 2006. The Commission grants a one-time distribution from the state universal public telecommunications service fund to facilitate the provision of telecommunications service by Frontier Communications to customers in Monticello, Utah serving area.

01-052-02

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

Report and Order issued January 12, 1006. The Commission 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.

05-053-01

In the Matter of the Application for Increase in USF Eligibility for Uintah Basin Telecommunications Association, Inc. and UBET Telecom, Inc.

Report and Order issued November 4, 2005. The Commission approves the Stipulation between Uintah Basin Telecommunications Association, Inc., UBET Telecom, Inc., the Division of Public Utilities and the Committee of Consumer Services, increasing Applicants' intrastate revenue requirement and annual Universal Service Support Fund disbursement.

06-042-01

In the Matter of the Division of Public Utilities' Compliance Audit Emery Telephone

Report and Order Terminating State USF Payments issued June 13, 2006. The Commission terminates Universal Service Fund payments to Emery Telephone as requested by Emery Telephone and recommended by the Division.

05-2302-01

In the Matter of the Application for Increase of Rates and Charges and USF Eligibility for Carbon/Emery Telecom, Inc.

Report and Order issued January 3, 2006. The Commission approves the stipulation and amendment of stipulation of Carbon/Emery Telecom, Inc. ("applicant"), the Utah Division of Public Utilities intrastate revenue requirement and base affordable rate, and approving disbursement from the Universal Service Support Fund.

Telecommunications Utility Dockets (cont.)

Arbitration Orders

03-049-19

In the Matter of the Petition of Autotel for Arbitration of an Interconnection Agreement with Qwest Corporation Pursuant to Section 252(b) of the Telecommunications Act

Order Denying Request for Approval of Proposed Agreement issued August 17, 2005. The Commission orders that the request for approval of proposed agreement is denied.

05-049-95

In the Matter of the Petition of Autotel for Arbitration of an Interconnection Agreement with Qwest Corporation Pursuant to Section 252(b) of the Telecommunications Act

Order Granting Motion to Dismiss issued December 7, 2005. The Commission grants Qwest Corporation's motion to dismiss and dismisses Autotel's petition for arbitration.

Certificate and ETC Applications

05-2446-01

In the Matter of the Petition of VCI Company dba Vilaire for Designation as an Eligible Telecommunications Carrier Providing Service to Customers under the Utah Low-Income Telephone Assistance Plan

Report and Order issued August 17, 2005. The Commission grants VCI Company's request for Federal ETC status for the Qwest exchanges in Utah. The Commission limits the designation to eligibility for the Federal Lifeline/Link Up program, thereby limiting withdrawal from the Utah Universal Service Fund to the state contribution for low-income households under the Lifeline program.

05-2449-01

In the Matter of the Application of Vycera Communications, Inc. for a Certificate of Public Convenience and Necessity Allowing Operation as a Competitive Local Exchange Carrier and Provider of Resold Intrastate Inter-Exchange Telecommunication Services

Report and Order issued October 26, 2005. The Commission grants the request of Vycera Communication, Inc. ("Applicant") for a certificate of public convenience and necessity authorizing Applicant to provide public telecommunications services within the state of Utah, excluding those local exchanges having fewer than 5,000 access lines of an incumbent telephone corporation with fewer than 30,000 access lines in the state.

Key:

Docket Number
Short Title

Status as of June 30, 2006

05-2451-01

In the Matter of the Application of Ernest Communications, Inc. for a Certificate of Public Convenience and Necessity to Provide Resold and Facilities-Based Local Exchange Services within the State of Utah

Report and Order issued October 12, 2005. The Commission grants the request of Ernest Communications, Inc. ("Applicant") for a certificate of public convenience and necessity authorizing Applicant to provide public telecommunications services within the state of Utah, excluding those local exchanges having fewer than 5,000 access lines of an incumbent telephone corporation with fewer than 30,000 access lines in the state.

05-2452-01

In the Matter of the Application of Matrix Telecom, Inc. for a Certificate of Public Convenience and Necessity to Resell Local Exchange Telecommunications Services within the State of Utah

Report and Order issued December 15, 2005. The Commission grants the request of Matrix Telecom, Inc. ("Applicant") for a certificate of public convenience and necessity authorizing Applicant to provide public telecommunications services within the state of Utah, excluding those local exchanges having fewer than 5,000 access lines of an incumbent telephone corporation with fewer than 30,000 access lines in the state.

05-2453-01

In the Matter of the Application of Chase Com for a Certificate of Public Convenience and Necessity to Provide Switched and Dedicated, Resold and Facilities-Based Local Exchange and Facilities-Based Inter-Exchange Services Within the State of Utah

Report and Order issued July 13, 2005. The Commission grants the request of Chase Com ("Applicant") for a certificate of public convenience and necessity authorizing Applicant to provide public telecommunications services within the state of Utah, excluding those local exchanges having fewer than 5,000 access lines of an incumbent telephone corporation with fewer than 30,000 access lines in the state.

05-2457-01

In the Matter of the Petition of Metropolitan Telecommunications of Utah, Inc. for Authority to Compete as a Telecommunications Corporation and to Offer Inter-Exchange and Public Local Exchange Telecommunications Services

Report and Order issued September 21, 2005. The Commission grants the request of Metropolitan telecommunications of Utah, Inc. ("Applicant") for a certificate of public convenience and necessity authorizing Applicant to provide public telecommunications services within the State of Utah, excluding those local exchanges having fewer than 5,000

access lines of an incumbent telephone corporation with fewer than 30,000 access lines in the state.

05-2458-01

In the Matter of the Application of LSSi Corp. for a Certificate of Public Convenience and Necessity to Provide Facilities-Based Competitive Local Exchange and Inter-Exchange Services Within the State of Utah

Report and Order issued July 12, 2005. The Commission grants the request of LSSi Corp. ("Applicant") for a certificate of public convenience and necessity authorizing Applicant to provide public telecommunications services within the state of Utah, excluding those local exchanges having fewer than 5,000 access lines of an incumbent telephone corporation with fewer than 30,000 access lines in the state.

05-2460-01

In the Matter of the Application of BellSouth Long Distance, Inc. for a Certificate of Public Convenience and Necessity to Provide Resold and Facilities Based Local Exchange Services Within the State of Utah

Report and Order issued September 7, 2005. The Commission grants the request of BellSouth Long Distance, Inc. ("Applicant") for a certificate of public convenience and necessity authorizing Applicant to provide public telecommunications services within the State of Utah, excluding those local exchanges having fewer than 5,000 access lines of an incumbent telephone corporation with fewer than 30,000 access lines in the state.

05-2461-01

In the Matter of the Application of Veracity Communications, Inc. for a Certificate of Public Convenience and Necessity to Provide Facilities-Based Local Exchange Service within the State of Utah

Report and Order and Erratum Report and Order issued September 21, 2005. The Commission grants request of Veracity Communications, Inc. ("Applicant") for a certificate of public convenience and necessity authorizing Applicant to provide public telecommunications services within the state of Utah, excluding those local exchanges having fewer than 5,000 access lines of the incumbent telephone corporation with fewer than 30,000 access lines in the state.

05-2462-01

In the Matter of the Application of OrbitCom, Inc. for a Certificate of Public Convenience and Necessity to Provide Local Exchange Telecommunications Services, and to Provide Emerging Competitive Telecommunications Services in the State of Utah

Report and Order issued October 19, 2005. The Commission grants the request of OrbitCom, Inc. ("Applicant") for a certificate of public convenience and

necessity authorizing Applicant to provide public telecommunications services within the state of Utah, excluding those local exchanges having fewer than 5,000 access lines of an incumbent telephone corporation with fewer than 30,000 access lines in the state.

05-2463-01

In the Matter of the Application for a Certificate of Public Convenience and Necessity of Comtel Telecom Assets LP and Joint Notice of Asset Transfer

Report and Order issued January 27, 2006. The Commission grants the request of Comtel Telecom assets LP ("Comtel") for a certificate of public convenience and necessity authorizing Comtel to provide public telecommunications services within the state of Utah, excluding those local exchanges having fewer than 5,000 access lines of an incumbent telephone corporation with fewer than 30,000 access lines in the state. The Commission also finds Comtel's proposed acquisition of certain assets of VarTec Telecom, Inc., Excel Telecommunications, Inc., and VarTec Telecom Solutions, Inc. (the "VarTec Companies") to be in the public interest and approves the same.

06-2464-01

In the Matter of the Application of IDT America Corp. for a Certificate of Public Convenience and Necessity to Provide Facilities-Based and Resold Local Exchange Services

Report and Order issued April 3, 2006. The Commission grants the request of IDT America Corp. ("Applicant") for a certificate of public convenience and necessity authorizing Applicant to provide public telecommunications services within the State of Utah, excluding those local exchanges having fewer than 5,000 access lines of an incumbent telephone corporation with fewer than 30,000 access lines in the state.

04-2432-01

In the Matter of the Request for Action of Global Connection, Inc. of America to do Business in the State of Utah as a Reseller of Long Distance Service

Amendatory Order issued July 19, 2005. The Commission amends its order of November 17, 2004, to require Global Connection, Inc. of America ("Global Connection") to post a \$100,000 bond because Global Connection has indicated its intent to begin collecting customer deposits and prepayments. The Commission acknowledges Global Connection has posted the requisite bond.

Telecommunications Utility Dockets (cont.)

Cancellation of Certificates

05-2210-01

In the Matter of the Petition of Winstar Communications, LLC to Voluntarily Surrender its Certificate of Convenience and Necessity

Cancellation of Certificate issued September 14, 2005. Applicant having sought voluntary certificate cancellation, and no detriment to the public interest appearing, the Commission cancelled the certificate.

05-2359-01

In the Matter of the Decertification of NetTronix, Inc.

Report and Order Canceling Certificate issued March 13, 2006. As NetTronix, Inc. failed to appear and show cause why it failed to file its annual report for 2004, and further show cause why it should not be fined and have its Certificate of Public Convenience and Necessity ("Certificate") cancelled for failure to file the annual report, the Commission cancelled the Certificate.

05-2391-01

In the Matter of the Petition of U.S. TelePacific Corp. dba TelePacific Communications for Cancellation of Certificate of Public Convenience and Necessity

Order Canceling Certificate issued January 26, 2006. Petitioner having sought voluntary certificate cancellation, and no detriment to the public interest appearing, the Commission cancelled the certificate.

05-2250-01

In the Matter of the Petition of Comm. South Companies, Inc., for Discontinuance of Telecommunications Services and Cancellation of Certificate of Public Convenience and Necessity

Order Canceling Certificate issued December 15, 2005. Petitioner having sought voluntary certificate cancellation, and no detriment to the public interest appearing, the Commission cancelled the certificate.

05-2264-01

In the Matter of the Change of Control of Western CLEC Corporation to AllTec Corporation

Cancellation of Certificate issued September 21, 2005. Applicant having sought voluntary certificate cancellation, and no detriment to the public interest appearing, the Commission cancelled the certificate.

05-2293-01

In the Matter of the Petition of C12, Inc., for Discontinuance of Telecommunications Services and Cancellation of Certificate of Public Convenience and Necessity

Order Canceling Certificate issued December 19, 2005. Petitioner having sought voluntary certificate cancellation, and no detriment to the public interest appearing, the Commission cancelled the certificate.

06-2259-01

In the Matter of ICG Telecom Group, Inc.'s Request to Abandon Service

Report and Order Canceling Certificate issued May 3, 2006. Petitioner having sought voluntary certificate cancellation, and no detriment to the public interest appearing, the Commission cancelled the certificate.

06-2294-01

In the Matter of the Application for Withdrawal of Certificate of Public Convenience and Necessity

Order Canceling Certificate issued February 23, 2006. Petitioner having sought voluntary certificate cancellation, and no detriment to the public interest appearing, the Commission cancelled the certificate.

06-2355-01

In the Matter of the Application of KMC Telecom V, Inc. to Cancel its Certificate of Public Convenience and Necessity

Report and Order Canceling Certificate issued June 20, 2006. Petitioner having voluntarily sought cancellation of its certificate, and no detriment to the public interest appearing, the Commission cancelled the certificate.

06-2380-01

In the Matter of the Decertification of CeriStar

Report and Order Canceling Certificate issued March 13, 2006. CeriStar having failed to appear and show cause why it has failed to pay its public utilities regulation fee and file its annual report for 2004, and further to show cause why it should not be fined and have its Certificate of Public Convenience and Necessity ("Certificate") cancelled for these failures, and no detriment to the public interest appearing, the Commission cancelled the certificate.

84-095-02

In the Matter of the Application of MCI Telecommunications Corp. (through Verizon Business) to Cancel its Certificate

Order Canceling Certificate issued April 10, 2006. At the petitioner's request and due to corporate reorganization and restructuring the Commission cancelled the Certificate of Public Convenience and Necessity originally given to MCI Telecommunications Corporation, on November 16, 1984, in this docket.

Interconnection Dockets

05-049-81

In the Matter of the Interconnection Agreement between Qwest Corporation and Prime Time Ventures, LLC

Report and Order issued November 8, 2005. The Commission rejects the Amendments to the Interconnection Agreement filed on July 14, 2005, as being defective involving a non-certificated carrier.

05-049-82

In the Matter of the Interconnection Agreement between Qwest Corporation and Prime Time Ventures, LLC

Report and Order issued November 8, 2005. The Commission rejects the Amendments to the Interconnection Agreement filed on July 14, 2005, as being defective involving a non-certificated carrier.

06-049-13

In the Matter of the Interconnection Agreement between Qwest Corporation and Cordia Communications Corp.

Report and Order issued April 25, 2006. The Commission rejects the Interconnection Agreement at issue being defective as involving a non-certificated carrier.

06-049-20

In the Matter of the Filing Under Protest of the Commercial Agreement between Qwest Corporation and Cordia Communications Corp. for the Provision of Qwest Platform Plus Service

Report and Order issued April 25, 2006. The Commission rejects the Master Services Agreement at issue being defective as involving a non-certificated carrier.

06-049-25

In the Matter of the Interconnection Agreement between Qwest Corporation and Navigator Telecommunications, LLC

Report and Order issued April 24, 2006. The Commission rejects the Interconnection Agreement at issue being defective as involving a non-certificated carrier.

06-049-39

In the Matter of the Filing Under Protest of the Commercial Agreement between Qwest Corporation and Navigator Telecommunications, LLC for the Provision of Qwest Platform Plus™ Service

Report and Order issued June 20, 2006. The Commission rejects the interconnection agreement at issue being defective as involving a non-certificated carrier.



Customer Complaints

05-999-10

In the Matter of the Investigation of the Customer Complaints and Compliance with FCC Rules, Commission Administrative Rules and State Statutes by National Access Long Distance

Report and Order issued January 10, 2006. The Commission approves the settlement agreement and motion for adoption of settlement agreement between the Utah Division of Public Utilities, the Utah Division of Consumer Protection and National Access Long Distance ("NALD") requiring NALD to pay a \$250,000.00 fine to the state of Utah to settle allegations of unauthorized switching of customers' long distance provider and failure to respond to complaints in a timely manner.

06-2263-01

In the Matter of National Telecommunication Consultants, Inc. as Agent for Little Caesars Pizza, Utah, LLC vs. Eschelon Telecom of Utah, Inc.

Report and Order Dismissing Complaint issued May 25, 2006. The complaint is dismissed.

05-049-93

In the Matter of the Formal Complaint of Kenneth Jarvi vs. Qwest

Report and Order Dismissing Complaint issued October 19, 2005. The complaint is dismissed.

05-049-108

In the Matter of the Formal Complaint of Geoff Boston vs. Qwest Corporation

Order Granting Extension of Time to File Answer or Other Response issued January 4, 2006. Qwest's motion for extension of time to file answer or other response is granted.

05-049-108

In the Matter of the Formal Complaint of Geoff Boston vs. Qwest

Report and Order issued April 25, 2006. Complainant Geoff Boston shall have thirty days from the date of this order to show cause to the Commission why the Commission should not adopt the settlement agreement offered by Qwest Corporation and dismiss the subject complaint.

Telecommunications Utility Dockets (cont.)

05-087-43

In the Matter of the Formal Complaint of Hillary and Kyle Thornock vs. AT&T

Report and Order Dismissing Complaint issued July 19, 2005. The complaint is dismissed.

05-049-74

In the Matter of the Formal Complaint of Everett Peck vs. Qwest

Report and Order issued October 24, 2005. The complaint is dismissed.

05-2208-01

In the Matter of the Formal Complaint of Dial Mark LLC vs. XO Communications

Report and Order Dismissing Complaint issued November 9, 2005. The complaint is dismissed.

05-2224-02

In the Matter of the Formal Complaint of Jared Beagley vs. U.S. Tel.

Report and Order issued March 1, 2006. U.S. Tel shall remove the disputed technician dispatch charge from complainant's final bill and account records and terminate any activities undertaken to collect said charge.

05-2249-01

In the Matter of the Formal Complaint of Edgemont Auto Service vs. McLeod USA

Report and Order issued December 28, 2005. The complaint is dismissed.

06-049-45

In the Matter of the Formal Complaint of Dave Holman vs. Qwest

Report and Order issued May 15, 2006. The complaint is dismissed.

06-087-01

In the Matter of the Formal Complaint of Stampin Up vs. AT&T

Report and Order Dismissing Complaint issued June 12, 2006. The complaint is dismissed.

06-2224-0

In the Matter of the Formal Complaint of LaVonne and David Truss vs. U.S. Tel.

Report and Order issued April 10, 2006. U.S. Tel shall refund the \$49.00 reconnection fee to complainants, remove from the \$22.07 monthly service charge from their final bill and account records, and terminate any activities undertaken to collect said charge.

06-2224-02

In the Matter of the Formal Complaint of Robert Finch vs. U.S. Tel.

Report and Order issued June 28, 2006. The complaint is dismissed.

Key:

Docket Number

Short Title

Status as of June 30, 2006

Carrier to Carrier Complaints

05-054-01

In the Matter of the Complaint of Union Telephone Company, a Wyoming Corporation, against Qwest Corporation, fka US West Communications Inc., a Colorado Corporation

Order Granting Motion for a More Definite Statement issued May 4, 2005. The Commission grants Qwest's motion for a more definite statement.

05-054-01

In the Matter of the Complaint of Union Telephone Company, a Wyoming Corporation, against Qwest Corporation, fka US West Communications Inc., a Colorado Corporation

Order Granting Partial Motion to Dismiss issued September 28, 2005. The Commission grants Qwest's partial motion to dismiss second amended complaint. All Union Telephone claims seeking compensation for termination of wireless calls are dismissed.

05-054-01

In the Matter of the Complaint of Union Telephone Company, a Wyoming Corporation, against Qwest Corporation, fka US West Communications Inc., a Colorado Corporation

Order Granting Motion to Voluntarily Dismiss Complaint issued December 28, 2005. The Commission grants Union's motion to voluntarily dismiss complaint. All remaining Union claims against Qwest in this docket are dismissed without prejudice.

06-2249-01

In the Matter of the Complaint of McLeod USA Telecommunications Services, Inc., against Qwest Corporation for enforcement of Commission-approved interconnection agreement

Order Denying Motion to Compel Discovery issued May 5, 2006. The Commission denies McLeod's motion to compel.

05-2266-01

In the Matter of the Petition of Level 3 Communications, LLC for Enforcement of the Interconnection Agreement between Qwest and Level 3

Report and Order issued August 18, 2005. The Commission concludes the method of calculation of the relative use factor for direct trunk transport facilities under the parties' previous interconnection agreement for the period in dispute properly excludes internet service provider-bound traffic. The Commission denies the petition of Level 3 Communications, LLC, and grants Qwest Corporation's counter-claim while making no finding regarding the amount owed by Level 3 to Qwest.

05-2266-01

In the Matter of the Petition of Level 3 Communications, LLC for Enforcement of the Interconnection Agreement between Qwest and Level 3

Order Granting Limited Reconsideration issued October 4, 2005. Limited reconsideration of the August 18 Report and Order is granted for 45 days.

05-2266-01

In the Matter of the Petition of Level 3 Communications, LLC for Enforcement of the Interconnection Agreement between Qwest and Level 3

Order Granting Leave to File Reply Brief and Motion to Extend Schedule issued November 23, 2005. Level 3 shall have ten days from the date of this order to file a reply to Qwest's response.

Mergers and Transfers of Controls

05-094-01

In the Matter of the Application of Sprint Communications Company L.P. to Transfer Utah Sprint Complete Sense (sm) and Sprint Complete Sense for Business (sm) Customer Base and Withdraw the Provision of UNE-P

Report and Order issued February 17, 2006. On the recommendation of the Division of Public Utilities, Utah Department of Commerce, and no detriment to the public interest appearing, the Commission approves the application.

06-087-02

In the Matter of the Joint Application of AT&T Inc. and BellSouth Corporation for Approval of Agreement and Plan of Merger

Order Approving Merger issued May 16, 2006. The Commission finds the proposed merger of AT&T Inc., and BellSouth Corporation to be in the public interest and approves the same.

06-2287-01

In the Matter of the Application of EarthLink, Inc. and New Edge Networks, Inc., for Approval of an Indirect Transfer of Control

Order Approving Indirect Transfer of Control issued March 3, 2006. The Commission approves the proposed indirect transfer of control of New Edge Networks to EarthLink, Inc.

06-2299-01

In the Matter of the Joint Application for an Integra Telecom Holdings, Inc., and Electric Lightwave, LLC

Order Approving Transfer of Control issued April 17, 2006. The Commission finds the proposed transfer of control of Electric Lightwave, LLC, to be in the public interest and approves the same.

06-2330-01

In the Matter of the Application for Approval of the Transfer of Control of Ionex Communications North, Inc., Debtor-in-Possession

Order Approving Indirect Transfer of Control issued March 23, 2006. The Commission approves the proposed indirect transfer of control of Ionex Communications North, Inc.

05-2266-02

In the Matter of the Joint Application of Level 3 Communications, LLC and WiTel Communications Group, LLC for Approval of an Indirect Transfer of Control of WiTel Communications, LLC

Order Approving Indirect Transfer of Control issued December 8, 2005. The Commission finds the proposed indirect transfer of control of WiTel Communications, LLC to be in the public interest and approves the same.

05-2430-01

In the Matter of the Proposed Acquisition of MCI, Inc. by Verizon Communications, Inc.

Order Granting Withdrawal of Intervening Party and Approving Merger issued September 16, 2005. The Commission grants the request of Covad Communications Company to withdraw as an intervening party to this docket. The Commission finds the proposed merger of MCI, Inc., and Verizon Communications, Inc., to be in the public interest and approves the same.

Tariffs

06-2302-T01

In the Matter of the Utah Exchange Tariff, 1st Revised sheet No. 20, Appendix A, Canceling Original Sheet 20, Appendix A, Local Exchange Service, Dial Tone Line

Report and Order issued January 19, 2006. The Commission approves the revised tariff filed by Carbon/Emery Telecom, Inc. ("Carbon/Emery"), and, for good cause shown, grants Carbon/Emery's request that the revised tariff become effective on January 20, 2006.

Miscellaneous

04-087-73

In the Matter of AT&T Corp. vs. Qwest Corporation

Report and Order Granting Joint Motion to Terminate Proceedings With Prejudice issued July 13, 2005. The complaint is dismissed with prejudice.

05-2359-01

In the Matter of the Petition of the Division of Public Utilities for an Order to Show Cause Why NetTronix, Inc. Should Not be Penalized for Failure to File its Annual Report and Pay its Public Utilities Regulation Fee

Order to Show Cause issued August 11, 2005. NetTronix Inc., and its officers, shall show cause, if any, why the company should not be fined for failing to file the report, and other remedies imposed on the company and its named officers.

TELECOMMUNICATIONS
RELAY SERVICE AND EQUIPMENT
DISTRIBUTION PROGRAM



Relay Utah Presentations

7/5/05 — 70 attendees
Crossroads Senior and Community
Center, Roosevelt

9/16/05 — 20 seniors
Murray Heritage Center

11/2/05 — 80 seniors
Smithfield City Senior Citizens
Center

11/10/05 — 30 seniors
South Sevier Senior Center, Monroe

12/5/05 — 30 seniors
Park City Senior Citizens Center

12/16/05 — 25 seniors
Coalville Senior Center

1/9/06 — 75 attendees
Columbus Senior Center,
Salt Lake City

1/11/06 — 65 attendees
Tooele County Senior Citizens Center

2/2/06 — 39 attendees
Richfield Senior Citizen Center

2/16/06 — 45 attendees
South Summit Senior Center

3/22/06 — 80 attendees
Provo Eldred Center

3/29/06 — 40 attendees
Golden Hours

4/13/06 — 7 attendees
Harmon Home Senior Center,
West Valley City

4/27/06 — 100 attendees
Orem Senior Friendship Center

5/3/06 — 40 attendees
Harmon Home Senior Center,
West Valley City

Fiscal Year 2006 has been another year of great change and advances in telecommunications services and equipment for people with hearing loss or speech disabilities. Choices continue to expand for people unable to use a standard telephone now that there are

Video Relay Services, Internet Protocol Relay, captioned telephones in addition to the improvements to equipment such as amplified telephones and text telephones. Traditional Telecommunications Relay Service (TRS) has been available for more than 17 years now, and other more non-traditional uses of TRS are accessible with services in Spanish, Speech-to-Speech, Voice Carry Over/CapTel, and Hearing Carry Over. Equipment distribution has seen enormous growth over the last few years as the Commission continues with advertising and public relations targeted to those people who are hard of hearing, a population whose number is predicted to grow as baby boomers age and health services improve resulting in increased longevity of life.

services, through Sprint, to allow Utah citizens who are deaf, hard of hearing or speech disabled more efficient communication. The Public Service Commission has been using the services of an advertising agency, Penna Powers Brian Haynes (PPBH), to help with outreach, marketing, and public relations for Relay Utah and the equipment distribution program. PPBH created a new television spot entitled "Family Portrait" that aired along with three other Relay Utah related commercials that appearing on CBS-Channel 2, ABC-Channel 4, and KJZZ-Channel 14. The television spot emphasizes how the telephone equipment distribution program and specifically the CapTel phone has enhanced a grandmother's life and the lives of her family because of their ability to communicate easily. "Senior Minute," a television program for seniors has run a few different interviews regarding information about Relay Utah and the CapTel phone. This three-minute program aired on KJZZ has been an excellent means of getting out information about Relay Utah and the equipment distribution to the public. Print ads appeared in publications such as Utah Spirit, Prime Times, Shakespearean Festival Play Bills for summer and fall, Best Years magazine, and Salt Lake City Senior Directory. Media placements appeared in the Deseret Morning News and The Enterprise.



Outreach Efforts

The Relay Utah service was initiated in 1988 as one of the first Relay services established in the United States. Housed under the umbrella of the Public Service Commission, Relay Utah provides access to hearing assistive equipment and telephone relay

Other accomplishments include the creation of a new Relay Utah/Sprint brochure that provides details of the services and equipment options available for the deaf, hard of hearing and speech disabled. The Relay Utah display was also updated showing the new equipment that is available. To round out methods of outreach, a more grassroots means of informing the public has been through speaker's bureau presentations made by the Public Service Commission at senior centers throughout the state. These presentations have led to increases in applications for, and distribution of, specialized telecommunications equipment.

Language interpreters available to meet these growing needs. Besides the need in the video relay service area, the demand for interpreters in the community and in the educational field has also increased. As a result, during the 2005 legislative session, Senator Brent Goodfellow sponsored House Bill 145, "Amendments to Hearing and Speech Impaired Telecommunications Program," which passed unanimously in the Senate. This bill allowed for the PSC to solicit bids through the state procurement process with the goal of increasing the number of Novice, Intermediate, and Advanced American Sign Language interpreters in Utah. Following the process, the PSC was able to award contracts to three separate sign language interpreter training programs: Utah Valley State College (UVSC), the Utah Interpreter Program, and Salt Lake Community. It is a time of great opportunity to be studying sign language interpreting because there are three different training programs available to meet a variety of needs in Orem or the Salt Lake area. These new programs have allowed for the creation of new, paid positions as well as the use of mentors who are deaf to improve the skills and abilities of interpreters in training.

Scholarships or grants are often available to those in training.

Utah Valley State College has 11 students enrolled at this time. UVSC is also trying to expand a Novice Level Program by offering a bachelors degree in American Sign Language and Interpreting. Two levels of approval remain in that process. Eight new courses specifically for interpreting students will be offered which will expand the Novice Level Program.

The Utah Interpreting Program established its Interpreter Certification Advancement Network and has 15 interpreters focusing on both American Sign Language development and interpreting skills with the assistance of seven mentors who are deaf. Only being at the midpoint of the first year, this individualized mentoring approach seems to be highly effective and should see results of all enrolled to become certified.

As a result of PSC funding, a Fast Track program was implemented at Salt Lake Community College, which supplements the regular interpreter-training program already in progress. Nine students are enrolled in the Fast Track, while 55 first year students and 16-second year students round out the more traditional interpreting training program

Fiscal Year Pieces of Equipment Distributed

2000.....	53
2001.....	41
2002.....	105
2003.....	127
2004.....	188
2005.....	338
2006.....	515

Total...1,367

Equipment Distribution

With the number of presentations made across the state in addition to the advertising efforts, requests for applications for specialized telecommunication equipment continue to increase as seen in the following chart. Only one Commission staff member has been handling the equipment distribution and training, but the Public Service Commission is in the process of hiring additional help to meet the growing demands.

House Bill 145

With new technological developments and changes in the telecommunication industry, designed to meet the needs of the deaf and hard of hearing, there has been a decline in use of the traditional text telephone ("TTY") and an increase in other services such as video relay service and Internet protocol relay. As these options for communication have expanded, there has developed an extreme shortage of American Sign





Captioned Telephone (CapTel)

CapTel is a newer technology designed for people who are hard of hearing but are able to speak for themselves over the telephone line by using voice recognition technology. Ultratec designed the captioned telephone and ran several trials before distribution became public. The State of Utah was able to participate in one of those trials in the fall of 2003 and has been distributing the equipment ever since. The CapTel allows people who are hard of hearing to not only hear, but it also has captioning on a screen that allows users to read the conversation of the other person speaking on the telephone. This technology makes a conversation more natural and enjoyable for everyone involved, and the CapTel is considered to be one of the most functionally equivalent forms of communication to be introduced for deaf and hard of hearing individuals.

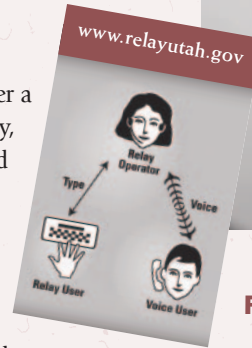
Video Relay Service (VRS)

Video Relay Service (VRS) is one of the most exciting developments in the field of telecommunication relay services, and it has experienced tremendous growth throughout Utah and nationally. VRS is a method of communication that allows a person who uses sign language to connect with a Video Interpreter (VI) who is certified in American Sign Language. The VI is obtained using a computer or television, a web camera, and a high-speed Internet connection such as DSL, cable modem, or ISDN. The VI works from a remote location and can see the person who is deaf on a screen. The phone conversation is interpreted real time and allows people who are deaf to clearly express their message in their own language without delay. Sprint and Communication Service for the Deaf were the

first to establish and offer a video relay service in July, 2002 and can be reached at www.utvrs.com. In 2003, Sorenson Communications, a local Utah company, entered the VRS arena and quickly became the largest carrier. At the conclusion of fiscal year 2006 Sorenson has 48 VRS call centers across the US. They have expanded their VRS call center locations in order to not use up too many certified interpreters in the one particular state area. Sorenson created the only equipment solely for the use of people who are deaf rather than retrofitting existing equipment. Sorenson VRS can be accessed at www.sorensonvrs.com.

Internet Protocol Relay (IP Relay)

People who have hearing or speech disabilities may make telephone calls on their computer through the use of an internet connection with IP Relay. This can be used in place of a text telephone (TTY) and a telephone or using VRS. IP Relay can be accessed through providers like Sprint at www.sprintip.com and Sorenson at www.siprelay.com. Benefits of IP Relay include that it is available to anyone who has access to the Internet via a computer, a personal digital assistant, Web-capable telephone, or some other device and not necessarily with a high-speed connection. IP Relay is available when a TTY may not be available, and some users say it is easier than a TTY because typing on a computer keyboard can be faster. One can see more of the conversation than can be viewed on a TTY screen, and the conversation can be printed out or saved. IP Relay is available 24 hours a day, 7 days a week just as traditional TRS is available.



Funding

Funding for Relay Utah, the equipment distribution program, and the interpreter training programs all come from a monthly surcharge on Utah residential and business telephone lines, with a mandated maximum not to exceed \$.25 per month per land telephone line. This rate is set by the Public Service Commission rule, and the current surcharge is set at \$.10 per line per month. During fiscal year 2006 the total amount received from the local exchange carriers was approximately \$1,355,778. The surcharge collections pay for the Relay Utah services, finances the equipment distribution programs, pays for outreach and education, pays for the amounts awarded to the interpreter training programs, as well as covers the administrative costs related to all the above. During FY 2006, the Commission spent \$1,476,387. The Commission has relied on a surplus to make up the difference between expenditures and revenues.

Community Feedback

Utah Code 54-8b-10 (7) states, "The Commission shall solicit the advice, counsel, and physical assistance of severely hearing or speech impaired persons and organizations serving them in the design and implementation of the program." In order to comply with this rule, in FY 06 the Public Service Commission held quarterly meetings with the Relay Utah Consumer Council ("RUCC") which includes representatives of different groups or organizations, and individuals who are deaf, hard of hearing, or speech disabled and also

Local exchange carriers that remitted a surcharge to the State of Utah's Public Service Commission in FY 06 include:

AT&T Communications
 Albion Telephone Company, Inc.
 All West/World Connect
 American Fiber Network
 Beehive Telephone Company
 Bear Lake Communications
 Carbon/Emery Telecom, Inc.
 Central Utah Telephone, Inc.
 Century Telephone
 Citizens Telecom Company of Utah
 Comcast Phone of Utah
 Comm. South Companies
 Direct Comm. Cedar Valley, LLC
 Electric Lightwave
 Emery Telecom
 Farmers Telephone Company, Inc.
 Frontier Navajo Comm. Co.
 Gunnison Telephone Company
 Hanksville Telecom
 Integra Telecom of Utah, Inc.
 MCI Worldcom
 Manti Telephone Company
 Qwest Corporation SBC Telecom
 Skyline Telecom
 South Central Utah Telephone
 TCG Utah UBTA-UBET Communications
 Union Telephone Company
 Universal Access, Inc.
 Vartec Telecom, Inc.
 XO Utah, Inc.
 Z-Tel, Inc.

individuals who use the services provided by the PSC.

The RUCC meetings are held in conjunction with Sprint due to its being the Telecommunications Relay Services provider for the State of Utah since 2000. The RUCC members are active in providing feedback and ideas of how to best meet the needs of relay consumers in Utah. Through these meetings and continued contact with relay consumers, the Commission is able to gather information for better implementation of TRS and of the equipment distribution program.

The Commission also held four open house meetings across the state in Taylorsville, Orem, Logan, and St. George during FY 06. Open houses provide a great opportunity to educate relay users and equipment distribution recipients about newer technologies and provide an opportunity to receive feedback as well as answer questions.

Another accomplishment this past year was the collection of surveys regarding the Captioned Telephone. Approximately 135 surveys were sent out and 67 were returned, about half, which seems to be a great achievement in and of itself due to typical survey return rates usually are at about 20%. Other states were very interested in Utah's survey itself, as well as the results, due to the CapTel still being a relatively new equipment option. The Commission was pleased to see one statistic that about 81% of the respondents "enjoy" using their CapTel, six said they don't enjoy their CapTel, five said they were neutral, and two did not respond. Most importantly the Commission was able to discover who needed retraining or more information as well as was able to provide feedback to the creator of the device and the provider of the service.

The Public Service Commission is committed to improving and maintaining the quality of Relay Utah services. TRS is experiencing many changes and with the newer services of VRS, CapTel, and IP Relay, the Commission is trying to be proactive and provide the most functionally equivalent forms of telecommunications available for people who are deaf, hard of hearing, and/or speech disabled. All of the new rules from the Federal Communications Commission and the improved services that have evolved continue to bring Relay Utah closer to what standard telephone users experience and enjoy every day. These new rules and services expand Relay Utah to many new groups who were unable to use Telecommunication Relay Services in the past. The Commission looks forward to the development of new and improved technologies as well as better customer service in order to best serve those in need.

CLECs Operating in the State of Utah under the Jurisdiction of the Public Service Commission

Competitive Local Exchange Carriers

1 800 Reconex Inc
 2500 Industrial Ave
 PO Box 40
 Hubbard OR 97032-9558
 Tel: (503) 982-8000
 (800) 732-6639
 Fax: (503) 982-9000
 Web: www.reconex.com

360Networks (USA) Inc
 867 Coal Creek Circle
 Suite 160
 Louisville CO 80027-4670
 Tel: (303) 854-5000
 (800) 576-1959
 Fax: (303) 854-5100
 Web: www.360.net

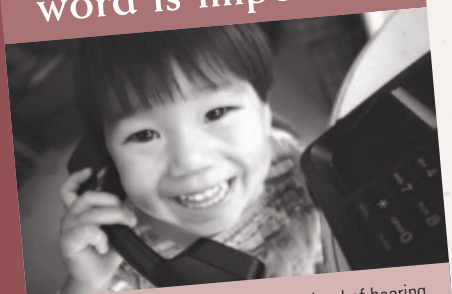
AboveNet Inc
dba MFN of Utah LLC
 360 Hamilton Ave
 7th Floor
 White Plains NY 10601
 Tel: (914) 421-6700
 (888) 636-2778
 Fax: (914) 421-7688
 Web: www.mfn.com

ACN Communications Services
 32991 Hamilton Court
 Farmington Hills MI 48334
 Tel: (248) 699-4000
 (877) 226-1010
 Fax: (248) 489-5917
 Web: www.acninc.com

All West Utah Inc
dba All West World Connect
 50 West 100 North
 PO Box 588
 Kamas UT 84036-0588
 Tel: (435) 783-4361
 (866) 255-9378
 Fax: (435) 783-4928
 Web: www.allwest.net

American Fiber Network Inc
dba AFN
 9401 Indian Creek Pky
 Suite 140
 Overland Park KS 66210-2005
 Tel: (913) 338-2658
 (800) 864-0583
 Fax: (913) 661-0538
 Web: www.afnlttd.com

When every
 word is important



Making it possible for Utah's deaf, hard of hearing, deafblind and speech disabled to connect.



Competitive Local Exchange Carriers (cont.)

American Fiber Systems

100 Meridian Centre
Suite 250
Rochester NY 14618-3979
Tel: (716) 340-5400
Fax: (716) 756-1966
Web: www.americanfibersystems.com

AT&T Communications of the Mountain States

2535 E 40th Ave
Denver CO 80205-3601
Tel: (303) 298-6741
Fax: (303) 298-6301
Web: www.att.com

Bell South Long Distance

5375 Chamblee Dunwoody
Atlanta GA 30338
Tel: (770) 391-8594

BT Communications Sales LLC

fka Concert Communications
11440 Commerce Park Dr
Reston VA 20191-1555
Tel: (703) 755-6730
Fax: (703) 755-6750
Web: www.bt.com

BullsEye Telecom Inc

25900 Greenfield Road
Suite 330
Oak Park MI 48237-1267
Tel: (248) 784-2500
(877) 638-2855
Fax: (248) 784-2501

Chase Com

1612 State Street
SantaBarbara CA 93101

Ciera Network/ New Access

c/o New Access Communications
801 Nicollet Mall, Suite 350
Minneapolis MN 55402
Tel: (800) 525-9510

Citizens Long Distance

4 Triad Center
Suite 200
Salt Lake City UT 84180-1413
Tel: (801) 924-6360
(888) 535-4354
Fax: (801) 924-6363

Comcast Phone of Utah LLC

440 Yauger Way SW
Olympia WA 98502-8153
Tel: (360) 705-2537
ext 3404
(800) 288-2085
Fax: (360) 754-5811
Web: www.comcast.com

Computer Network Technology Corp

11802 Ridge Parkway
Broomfield CO 80021

ComTech 21 LLC

One Barnes Park South
Allingford CT 06492
Tel: (877) 312-5560
Fax: (877) 312-5544

ComTel Telecom Assets LP

500 Boylston St, 17th Floor
Boston, MA 02116
Tel: (617) 603-3508
Fax: (617) 603-3509

Comm Partners LLC

3291 N Buffalo Dr, Suite 8
Las Vegas, NV 89129
Tel: (702) 367-8647
Fax: (702) 365-8647

Cordia

Communications Corp
445 Hamilton Ave, Suite 408
White Plains NY 10601
Tel: (914) 948-5550
Fax: (814) 948-5999
Tel: (561) 832-8377

Cypress

Communications
1180 W Peachtree St NE
Atlanta GA 30305-1572
Tel: (404) 897-1754
(888) 528-1788
Fax: (404) 338-8798

DIECA

Communications dba Covad Communications Company
7901 Lowry Blvd
Denver CO 80230-6906
Tel: (408) 616-6500
(888) 462-6823
Fax: (408) 616-6501
Web: www.covad.com

dPi Teleconnect LLC

2997 LBJ Fwy, Suite 225
Dallas TX 75234
Tel: 972) 488-5500
(800) 687-6727
Fax: (972) 488-8636
Web: www.dpiteleconnect.com

DSLnet

Communications LLC

545 Long Wharf Dr
5th Floor
New Haven CT 06511
Tel: (203) 772-1000
(800) 375-6691
Fax: 203) 624-3612

Electric Lightwave Inc

4 Triad Center
Suite 200
Salt Lake City UT 84180-1413
Tel: (801) 924-3000
(888) 521-3001
Fax: (801) 524-0640
Web: www.eli.net

Emery

Telecommunications & Video Inc

450 E Hwy 29
PO Box 550
Orangeville UT 84537-0550
Tel: (435) 748-2223
Fax: (435) 748-5222
Web: www.etv.net

e-Pinnacle

Communications Inc.
4692 North 300 West
Suite 210
Provo UT 84604-7714
(877) 355-2394
Fax: (801) 932-1276
Web: www.e-pinnacle.net

Ernest

Communications, Inc.
5275 Triangle Pkwy
Suite 150
Norcross GA 30092-6511

Eschelon Telecom of Utah Inc

730 Second Ave South
Suite 900
Minneapolis MN 55402-2489
Tel: (612) 376-4400
(888) 372-4356
Fax: (612) 376-4411
Web: www.eschelon.com

FirstDigital Telecom LLC

90 South 400 West
Suite M-100
Salt Lake City UT 84101
Tel: (801) 456-1000
Fax: (801) 456-1010
Web: www.firstdigital.com

France Telecom

13775 McLearn Rd
Herndon VA 20171-3402
Tel: (703) 375-6100

Global Connection of America

3957 Pleasantdale Rd
Atlanta GA 30340
Tel: (770) 457-7174
(877) 511-3009
Web: www.globalc-inc.com

Global Crossing Telemanagement Inc

1080 Pittsford Victor Rd
Pittsford NY 14534
Tel: (585) 245-1100
(800) 414-1973
Fax: (585) 381-7592
Web: www.globalcrossing.com

Granite

Telecommunications

100 Newport Avenue
Ext. #1
Quincy MA 02171-3402
Tel: (617) 745-5000
Fax: (617) 847-0931
Web: www.granitenet.com

GTC Telecom

3151 Airway Ave
Suite P-3
Costa Mesa CA 92626-4626
Tel: (714) 549-7700
Fax: (714) 549-7707

Integra Telecom of Utah LLC

1201 NE Lloyd BL
Suite 500
Portland OR 97232-6902
Tel: (503) 480-0504

Intrado

Communications Inc Regulatory Manager

1601 Dry Creek Dr
Longmont CO 80503-6493
Tel: (720) 494-5800
(877) 856-7504
Fax: (720) 494-6600
Web: www.intrado.com

Ionex Communications North Inc

2300 Main Street
Floor 600
Kansas City MO 64108-2415
Tel: (816) 300-3000
(888) 472-4724
Fax: (816) 300-3350
Web: www.birch.com

Level 3 Communications LLC

1025 Eldorado Blvd
Broomfield CO 80021-8869
Tel: (720) 888-1000
(877) 453-8353
Fax: (720) 888-5127
Web: www.level3.com

Lightyear Network Solutions LLC

1901 Eastpoint Parkway
Louisville KY 40223
Tel: (502) 244-6666

LSSI Corp

101 Fieldcrest Avenue
Edison NJ 08837
Tel: (732) 512-2100

Matrix Telecom Inc

5835 NW 50th St
Oklahoma City OK 73122
Tel: (405) 717-9694

MCI Metro Access Transmission

22001 Loudoun County Pkwy
Ashburn VA 20147
Tel: (415) 228-1072
(800) 893-7589
Fax: (415) 228-1094
Web: www.mci.com

McLeod USA Telecommunications

One Martha's Way
Hiawatha IA 52233-2402
Tel: (319) 790-7055
(800) 500-3453
Fax: (319) 790-7901
Web: www.mcleodusa.com

New Edge Network Inc

3000 Columbia House Blvd
Suite 106
Vancouver WA 98661-2969
Tel: (360) 693-9009
(877) 725-3343
Fax: (360) 737-0828
Web: www.newedgenetworks.com

Competitive Local Exchange Carriers (cont.)

Nextg Networks of California

2216 Otoole Avenue
San Jose CA 95131-1326
Tel: (408) 954-1580

North County Communications

3802 Rosecrans St
Suite 485
San Diego CA 92110
Tel: (619) 364-4750
Fax: (619) 364-4777
Web: www.nccom.com

Orbitcom Inc

1701 N Louise Ave
Sioux Falls SD 57101
Tel: (605) 977-6900

Pac-West Telecom Inc

1776 W March Ln
Suite 250
Stockton CA 95207
Tel: (209) 926-3300
(800) Pac West
Fax: (209) 926-4585
Web: www.pacwest.com

Paetec

600 Willowbrook Office Park
One Paetec Plaza
Fairport NY 14450-4223
Tel: (585) 340-2500

Preferred Carrier Services Inc

14681 Midway Road
Suite 105
Addison TX 75001-3147
Tel: (972) 503-3388
(800) 288-0910
Fax: (972) 503-3385
Web: www.phonesforall.com

Preferred Long Distance Inc

16830 Ventura Blvd
Suite 350
Encino, CA 91436-1716

Premiere Network Services Inc

500 N Akard Street
Suite 2980
Dallas TX 75201-6800
Tel: (972) 228-8881
(800) 739-4734
Fax: (972) 228-8889
Web: www.rewirit.com

QuantumShift Communications Inc

12657 Alcosta Blvd
Suite 418
San Ramon CA 94583-4433
Tel: (415) 893-7180
(888) 800-1490
Fax: (415) 893-0569
Web: www.quantumshift.com

Questar InfoComm, Inc

180 East 100 South
PO Box 45433
Salt Lake City UT 84145-0433
Tel: (801) 324-5938
(800) 729-6790
Fax: (801) 324-5131
Web: www.questarinfo.com

Qwest Corporation

1005 17th Street
Suite 200
Denver CO 80202
Tel: (303) 965-3524
Fax: (303) 992-6433

Redline Inc

8184 S Highland Dr
Suite C
Sandy UT 84093
Tel: (801) 735-9950
Fax: (801) 735-9950

Reliant

Communications Inc
801 International Parkway
5th Floor
Lake Mary FL 32746-4763
Tel: (800) 830-5582
Fax: (800) 774-9216
Web: www.relianrates.com

SBC Telecom Inc AT&T Long Distance

1010 N St Mary's
Room 1335
San Antonio TX 78215
Tel: (210) 246-8750
(877) 430-7228
Fax: (210) 246-8759
Web: www.sbctelecom.com

Sierra Pacific Communications

5860 S Pecos Rd
Bldg G, Suite 100
Las Vegas NV 89120-5429
Tel: (702) 949-7947
(800) 931-1791
Fax: (702) 949-7929
Web: www.spfiber.com

Sorenson Media Inc

4393 S Riverboat Rd
Suite 300
Salt Lake City UT 84123
Tel: (801) 287-9400
Fax: (801) 287-9401
Web: www.sorenson.com

Sprint Communications Company LP

6391 Sprint Pkwy
MS:ksopht0101-Z2400
Overland Park KS 66241-2400
Tel: (913) 315-4279
(800) 829-0965
Fax: (913) 315-3303
Web: www.sprint.com

Suburban Access LLC

590 Burbank St
Suite 225
Broomfield CO 80020
Tel: (303) 466-1723
Fax: (303) 469-9510
Web: www.suburbanaccess.com

Talk America

2134 W Laburnum Ave
Richmond VA 23277
Tel: (407) 422-4100
(877) 474-4926
Fax: (804) 422-4392
Web: www.talk.com

TCG Utah

c/o AT&T
One AT&T Way
Room 2B115D
Bedminister NJ 07921

Tel West

Communications
12101 Tukwila Int'l Blvd
Suite 300
PO Box 94447
Seattle WA 98168-2569
Tel: (206) 933-1119
(877) 463-9366 ext 302
Fax: (206) 933-1117
Web: www.telwestcommunications.com

Time Warner Telecom of Utah LLC

2805 Dallas Parkway
Suite 140
Plano TX 75093

Trans National Communications

133 Federal St.
Boston MA 02215-3540
Tel: (617) 369-1000

Trinsic

Communications Inc
604 S. Harbour Island Blvd
Suite 220
Tampa FL 33602

TSI

Telecommunications Network Services Inc
One Tampa City Center #700
Tampa FL 33602
Tel: (813) 273-3307
Fax: (813) 273-3307

UCN Inc

14870 S Pony Express Road
Bluffdale UT 84065-4801

United

Communications Hub
dba UC Hub Inc
10 Appaloosa Lane
Bell Canyon CA 91307-1002
Tel: (909) 945-8563
(800) 862-9970 ext 209
Fax: (888) 525-5266
Web: www.uchub.net

VCI Company

3875 Steilacoom BL SW#A
Lakewood WA 98499-4558

Veracity Communications

379 North University Ave.
Suite 301
Provo UT 84601-2878

Vycera

Communications Inc
12750 High Bluff Dr
Suite 200
San Diego CA 92130
Tel: (858) 792-2400

WilTel Communications

fka Williams
Communications
171 South 122nd East Ave
Mail Drop TC-7B
Tulsa OK 74128
Tel: (918) 437-2654
(800) 924-8903
Fax: (918) 547-9446
Web: www.wiltelcommunications.com

WorldCom Technologies

201 Spear St
9th Floor
San Francisco CA 94105
Tel: (415) 228-1072
(800) 893-7589
Fax: (415) 228-1094
Web: www.intermedia.com
www.mci.com

X5 Solutions

1501 4th Ave
Suite 303
Seattle WA 98101
Tel: (206) 839-4060
(888) 588-1501
Fax: (206) 973-5899
Web: www.x5solutions.com

Xmission Networks LLC

510 East 400 South
Suite 100
Salt Lake City UT 84111
Tel: (801) 303-0819

XO Utah Inc

111 E Broadway
Suite 1000
Salt Lake City UT 84111
Tel: (801) 983-1600
(886) 963-9696
Fax: (801) 983-1667
Web: www.xo.com

Ygnition Networks Inc

565 Andover Park West
#201
Seattle WA 98188
Tel: (206) 574-5480
Faz: (561) 574-5481

Ymax

Communications Corp
223 Sunset Ave,
Suite 223
Palm Beach FL 33480
Tel: (561) 832-3021
Faz: (561) 832-8377

ILECs Operating in the State of Utah under the Jurisdiction of the Public Service Commission

Incumbent Local Exchange Carriers

Albion Telephone Company Inc

225 W North St
PO Box 98
Albion ID 83311
Tel: (208) 673-5335
Fax: (208) 673-6200
Web: www.atccomm.com
Web: www.atcnet.net

All West Communications

50 West 100 North
PO Box 588
Kamas UT 84036-0588
Tel: (435) 783-4361
(888) 292-1414
Fax: (435) 783-4928
Web: www.allwest.net

Bear Lake Communications

35 S State St
PO Box 7
Fairview UT 84629
Tel: (435) 427-3331
(800) 427-8449
Fax: (435) 427-3200
Web: www.cutel.com

Beehive Telephone Company

2000 E Sunset Rd
Lake Point UT 84074-9779
Tel: (801) 250-6639
(800) 629-9993
Fax: (801) 250-4420
Web: www.beehive.net

Carbon Emery Telecom

455 E Hwy 29
PO Box 421
Orangeville UT 84537-0421
Tel: (435) 748-2223
Fax: (435) 748-5222
Web: www.emerytel.com.net

Central Utah Telephone

35 S State St
PO Box 7
Fairview UT 84629
Tel: (435) 427-3331
(800) 427-8449
Fax: (435) 427-3200
Web: www.cutel.com

CenturyTel of Eagle Inc

100 Century Park Dr
PO Box 4065
Monroe LA 71203-4065
Tel: (318) 388-9000
(800) 562-3956
Fax: (318) 388-9602
Web: www.centurytel.com

Citizens TeleCommunications

PO Box 708970
Sandy UT 84070-8970
Tel: (801) 924-6360
(800) 373-5627
Fax: (801) 924-6363
Web: www.frontieronline.com

Direct Communications Cedar Valley

PO Box 324
Rockland ID 83271-0324

Emery Telephone

455 E Hwy 29
PO Box 629
Orangeville UT 84537-0629
Tel: (435) 748-2223
Fax: (435) 748-5222
Web: www.emerytel.com.net

Farmers Telephone Company

26077 Highway 491
PO Box 369
Pleasant View CO
81331-0369
Tel: (970) 562-4211
(877) 828-8656
Fax: (970) 562-4214
Web: www.farmerstel.com.com

Gunnison Telephone Company

29 S Main St
PO Box 850
Manti UT 84642-0850
Tel: (435) 528-7236
Fax: (435) 528-5558
Web: www.gtclco.net

Hanksville Telecom Inc

455 E Hwy 29
PO Box 629
Orangeville UT 84537-0629
Tel: (435) 748-2223
Fax: (435) 748-5222
Web: www.emerytel.com.net

Industrial Communications

c/o General Telephone
PO Box 610
Bountiful UT 84011-0610

Manti Telephone Company

40 W Union St
Manti UT 84642-1356
Tel: (435) 835-3391
(877) 835-3391
Fax: (435) 835-7192

Navajo Communications Company

dba Frontier Navajo Communications
PO Box 708970
Salt Lake City UT
84180-1201
Tel: (801) 924-6360
(800) 373-5627
Fax: (801) 924-6363
Web: www.frontieronline.com

Qwest Corporation

1801 California Street
Denver CO 80202
Tel: (801) 237-7200
(888) 642-9996
Fax: (801) 237-6542
Web: www.qwest.com

Skyline Telecom

35 S State St
PO Box 7
Fairview UT 84629-0007
Tel: (435) 427-3331
(800) 427-8449
Fax: (435) 427-3200
Web: www.cutel.com

South Central Utah Telephone

45 North 100 West
PO Box 555
Escalante UT 84726
Tel: (435) 826-0225
Fax: (435) 826-0826
Web: www.socen.com

UBET Telecom

211 East 200 North
PO Box 398
Roosevelt UT 84066-2343
Tel: (435) 646-5007
(888) 546-8282
Fax: (435) 646-5011
Web: www.ubtanet.com

Uintah Basin Telecom dba UBTA Communications

211 East 200 North
PO Box 398
Roosevelt UT 84066-2343
Tel: (435) 646-5007
(888) 546-8282
Fax: (435) 646-5011
Web: www.ubtanet.com

Union Telephone Company

PO Box 160
Mountain View WY 82939-0160
Tel: (307) 782-6131
(800) 646-2355
Fax: (307) 782-6913
Web: www.union-tel.com





W A T E R

U T I L I T Y O V E R V I E W

Water Service

There is no utility service more crucial to Utah's citizens than safe, clean, culinary water at affordable rates. For this reason, privately owned water companies have been under the

Commission's jurisdiction since its inception

For the overwhelming majority of Utahans, however, culinary water is delivered either by municipal systems or quasi-governmental special improvement or water districts. The Commission has no jurisdiction over such entities. Irrigation water, delivered by irrigation cooperatives, is likewise not subject to Commission jurisdiction.

Nevertheless, there are Utah residents, primarily in sparsely populated rural areas, who receive their water from privately owned water utilities subject to Commission jurisdiction. In recent years, relatively few new culinary water companies have been organized, and most of these have been formed more with a view toward serving as a marketing tool for real estate development than as economically viable enterprises in their own right.

Water Companies

Many of the new water companies have been set up as non-profit cooperatives with the intent that control and ownership, with the entire responsi-

bilities attendant thereto, will transfer to the lot owners as the lots are sold. In the meantime, many developers subsidize their water companies to enable them to offer attractive rates.

The Commission's policy is to exercise its jurisdiction, which under the law it is required to do, so long as the developer retains effective voting control of the water company. Once the lot owners/water users have attained voting control, the Commission relinquishes jurisdiction — again as required by law.

In uncontested cases, the Commission adjudicates the status of a water company informally, and those companies, which appear to be bona-fide cooperatives, are issued informal letters of exemption without the formal entry of a Commission Order. Those companies found to be subject to Commission jurisdiction are issued Certificates of Public Convenience and Necessity by formal Commission order. Currently there are 36 certified water companies.

Commission Jurisdiction

As with other utilities, the Commission exercises regulatory jurisdic-

tion over rates. Rate cases in the water context are relatively infrequent. Filing and prosecuting a rate case is somewhat costly, so companies tend to apply only when the need for an increase is acute. The Commission also entertains consumer complaints regarding water companies as it does other utilities.

During fiscal 2006, the Commission issued two new Certificates of Public Convenience and Necessity, cancelled the Certificate of one company no longer providing culinary water service, and approved requests to modify the certificated service territories of five water companies.



Water Dockets

04-2443-01

In the Matter of the Application of Waterpro, Inc. for a Certificate of Convenience and Necessity to Operate as a Public Utility Rendering Culinary Water Services

Order Granting Intervention issued July 7, 2005. Leave to intervene in this docket is granted to D.J. Investments and Concerned Citizens of Draper.

04-2437-01

In the Matter of the Investigation of the Water System Operations of Bridge Hollow Water Association for Certification as a Public Utility or Exemption as a Mutual Water Company

Order Granting Motion to Compel issued July 14, 2005. The Commission grants interveners' Motion to Compel.

05-001-T01

In the Matter of the Proposed Rate Increase for Bridgerland Water Company

Report and Order issued August 26, 2005. The Commission approves Bridgerland Water Company's proposed rates effective the date of the Order.

04-2443-01

In the Matter of the Application of WaterPro, Inc., for a Certificate of Public Convenience and Necessity to Operate as a Public Utility Rendering Culinary Water Service

Report and Order Certificate No. 2443 issued November 7, 2005. The Commission grants the certificate and approves rates as indicated.

05-2265-01

In the Matter of Long Valley Estates Water Company's Change of Service Territory Request

Order Granting Change of Service Territory issued November 9, 2005. The Commission grants the request of Long Valley Estates Water Company to change its service territory by exchanging two specified lots currently within the service territory for two specified lots currently outside the service territory.

Key:

Docket Number
Short Title

Status as of June 30, 2006

05-071-T01

In the Matter of Wolf Creek Water and Sewer Company Regarding Schedule of Rates, Rules and Regulations

Report and Order issued December 1, 2005. The Commission approves Wolf Creek Water and Sewer Company's proposed rates effective the date of the Order, conditioned upon Wolf Creek Water and Sewer Company's continued cooperation in making available for reasonable inspection all books and records of Wolf Creek Water and Sewer Company and its affiliates.

03-071-T01

In the Matter of Wolf Creek Water and Sewer Company Regarding Schedule of Rates, Rules and Regulations

Report and Order issued December 1, 2005. The Commission approves Wolf Creek Water and Sewer Company's proposed rates effective the date of the Order, conditioned upon Wolf Creek Water and Sewer Company's continued cooperation in making available for reasonable inspection all books and records of Wolf Creek Water and Sewer Company and its affiliates.

05-2417-T01

In the Matter of Wolf Creek Water Conservancy Regarding Schedule of Rates, Rules and Regulations

Report and Order issued December 14, 2005. The Commission approves Wolf Creek Water Conservancy's proposed rates effective the date of the Order, conditioned upon Wolf Creek Water Conservancy ensuring all connections are metered prior to the start of the 2006 irrigation season and upon its continued cooperation in making available for reasonable inspection all books and records of Wolf Creek Water Conservancy and its affiliates.

03-2417-01

In the Matter of the Application of a Certificate of Convenience and Necessity to Operate as a Public Utility Rendering Service, or for an Exemption from PSC Regulation for Wolf Creek Water Conservancy

Report and Order issued December 14, 2005. The Commission approves Wolf Creek Water Conservancy's proposed rates effective the date of the Order, conditioned upon Wolf Creek Water Conservancy ensuring all connections are metered prior to the start of the 2006 irrigation season and upon its continued cooperation in making available for reasonable inspection all books and records of Wolf Creek Water Conservancy and its affiliates.

05-2280-T01

In the Matter of the Tariff Filing of Legacy Sweetwater Water Company Regarding Schedule of Rates, Rules and Regulations

Report and Order of Dismissal issued February 23, 2006. The Commission dismisses Legacy Sweetwater Water Company's tariff filing of proposed rates, rules, and regulations.

06-2178-T01

In the Matter of the Proposed Expansion of Service Area for Apple Valley Water Company

Order Expanding Service Territory issued March 23, 2006. The Commission grants the request of Apple Valley Water Company to expand its service territory to include the provision of one metered connection to a 40 acre parcel adjacent to its previously certificated service territory.

05-001-T02

In the Matter of the Proposed Amended Rate Increase for Bridgerland Water Company

Report and Order issued April 24, 2006. The Commission approves Bridgerland Water Company's proposed late fee effective the date of the Order.

06-2192-01

In the Matter of the Proposed Expansion of Service Area for Elk Ridge Estates Water Company

Order Approving Expansion of Service Territory issued May 18, 2006. The Commission grants the request of Elk Ridge Estates Water Company to expand its service territory to include Elk Ridge Estates Unit Nos. 3 and 4 in its certificated service territory.

06-071-01

In the Matter of the Request of Wolf Creek Water and Sewer Company to Change Name to Wolf Creek Water Company, Inc.

Report and Order Approving Name Change issued May 25, 2006. No detriment to the public interest appearing, the Commission approved the proposed name change.

06-2265-01

In the Matter of Long Valley Estates Water Company's Request for Change of Service Territory

Report and Order Granting Change of Service Territory issued June 13, 2006. The Commission grants the request of Long Valley Estates Water Company to change its service territory by exchanging two specified lots currently within the service territory for two specified lots currently outside the service territory.

06-2178-01

In the Matter of the Proposed Expansion of Service Area for Apple Valley Water Company

Order Expanding Service Territory issued June 15, 2006. The Commission grants the request of Apple Valley Water Company to expand its certificated service territory to include three parcels located in Phase I of the Apple Valley Subdivision.

06-2256-01

In the Matter of the Investigation of Lake Mountain Mutual Water Company to Discontinue Certificate of Public Convenience and Necessity

Report and Order Canceling Certificate issued June 26, 2006. Petitioner having notified the Commission that it has been sold to a municipality and having requested to be excused from all future reporting requirements, and no detriment to the public interest appearing, the Commission cancelled Petitioner's certificate.

06-2179-01

In the Matter of the Formal Complaint of Hilda Stucki Investment Company vs. Pine Valley Irrigation Company

Report and Order issued June 27, 2006. The complaint filed is dismissed.

05-2454-01

In the Matter of the Application for a Certificate of Public Convenience and Necessity for North Creek Ranch Homeowners Association

Report and Order Certificate No. 2454 issued July 19, 2005. The Commission grants the certificate and approves rates as indicated.



Water Utilities Operating in the State of Utah

under the Jurisdiction of the Public Service Commission

Apple Valley Water Company

2894 S Cartland Dr
Box 225-9
Apple Valley UT 84737
Tel: (435) 877-1023
Fax: (435) 877-1072

Boulder King Ranch Estates Water

30 East Center St
Suite 200
Kanab UT 84741
Tel: (435) 335-7441
Fax: (435) 645-3354

Bridgerland Water Company Inc

PO Box 314
Logan UT 84323-0314
Tel: (435) 755-3006
Fax: (435) 755-3009

Cedar Point Water Company

20 South 850 West, #1
Hurricane UT 84737-4867
Tel: (435) 635-3394
Fax: (435) 635-0264

Color Country Owners Association

2283 West 2350 North
PO Box 912
Cedar City UT 84721-0912
Tel: (435) 865-0677
Fax: (435) 865-1090

Community Water

1840 Sunpeak Dr
Park City UT 84098
Tel: (435) 615-4840
Fax: (435) 615-4855

Dammeron Valley Water Company

1 Dammeron Valley Dr East
Dammeron UT 84783
Tel: (435) 574-2295
Fax: (435) 627-1478
www.dammeronvalley.com

Duck Creek Pines LLC

2230 N University Pkwy
Suite 7B
Orem UT 84604
Tel: (801) 377-0400
Fax: (801) 377-0630

Durfee Creek Homeowners Association

1941 E 6925 S
Liberty UT 84130
Tel: (801) 972-8666
Fax: (801) 974-5653

Elk Ridge Estates Water Company

PO Box 723
Cedar City UT 84721-0723
Tel: (435) 682-2515
Fax: (435) 682-2520

Falcon Crest Water Company

2333 S Falcon Way
Huntsville UT 84317-9735
Tel: (801) 668-6889

Harmony Heights Water Company

722 East 200 South
PO Box 487
New Harmony UT 84757
Tel: (435) 586-9208
Fax: (435) 586-9208

Harmony Mountain Ranch Water Company

2116 N Canyon Greens Dr
Washington UT 84780-1963
Tel: (435) 531-1717
Fax: (435) 627-9383

Hidden Creek Water Company

5225 S Alvera Circle
Salt Lake City UT 84117-7105
Tel: (801) 272-3525
Fax: (801) 277-6691

Highlands' Water Company Inc

5880 Highland Drive
Morgan UT 84050
Tel: (801) 876-2510
Cell: (801) 391-1105

Homespun Village Water Company

2021 Hideout Circle
Riverton UT 84065
Tel: (801) 254-9050
Fax: (801) 254-1522

Horseshoe Mountain Ranch Estates

10160 Roseboro Road
Sandy UT 84092
Tel: (801) 572-4728
Fax: (801) 572-7456

Iron Town Property Owners' Association

2568 Elizabeth St, Suite 5
Salt Lake City UT 84106
Tel: (801) 484-4220

KWU Inc

dba Kayenta Water Users
800 N Kayenta Pkwy
Ivins UT 84738
Tel: (435) 628-7234
Fax: (435) 628-7707

Lake Front Estates Water Users Association

PO Box 567
Panguitch UT 84759
Tel: (435) 676-2349

Lakeview Water Corporation

932 Ski Lake Dr
Huntsville UT 84317-9414
Tel: (801) 745-3004
Fax: (801) 745-3131

Legacy Sweetwater Inc

276 West 100 North
PO Box 201
Springville UT 84663
Tel: (801) 491-9414
Fax: (435) 491-8704

Little Plains Water Company

4155 Apple Blossom Lane
Apple Valley UT 84737-2864
Tel: (435) 877-1072
Fax: (435) 877-1023

Long Valley Estates Water Company

610 San Miguel Canyon Rd
Royal Oaks CA 95076-9024
Tel: (831) 224-5059

Mountain Sewer Corporation

932 South 6525 East
Huntsville UT 84317
Tel: (801) 745-3004
Fax: (801) 745-3131

Mountain Valley Ranches Water Service

North Corporation
2226 W 5875 N
Cedar City UT 84720-5917
Tel: (435) 586-2436

New Paria Water Company

71 South 7th Ave
Page AZ 86040-0340
Tel: (928) 675-9478
Fax: (928) 645-5745

Pine Valley Irrigation Company

132 East 100 South
Pine Valley UT 84781-2112
Tel: (435) 574-2715

Pineview West Water Company

1568 Connecticut Dr
Salt Lake City UT 84103
Tel: (801) 521-7330
(Pineview)

SCSC

2005 East 2700 South, #180
Salt Lake City UT 89109
Tel: (801) 363-4819

Shadow Mountain Estates

2350 North 1250 East
Monroe UT 84754
Tel: (435) 896-9096

Sheradon Hills Water

1736 Summertree Drive
Cedar City UT 84726
Tel: (435) 586-4812

Silver Springs Water Company

2252 Lenwood Court SW
Rochester MN 55902-1048
Tel: (952) 946-8989

South Duchesne Culinary Water Inc

289 W Main St
PO Box 294
Duchesne UT 84021-0294
Tel: (435) 738-6000
Fax: (435) 738-6003

Storm Haven Water Company Inc

4782 S Cove Ln
Heber City UT 84032-9641
Tel: (435) 654-3119

Wanship Cottage Site Water Company

340 S Main St
PO Box 176
Coalville UT 84017-0176
Tel: (435) 336-5584
Fax: (435) 336-2380

WaterPro Inc.

12421 South 800 East
PO Box 156
Draper UT 84020
Tel: (801) 571-2232
Fax: (801) 571-8054
Web: www.waterpro.net

West Slope Water Company

94 East 2530 North
PO Box 1081
Cedar City UT 84721-1081
Tel: (435) 586-7688
Fax: (435) 867-1001

White Hills Water Company

PO Box 9440
Salt Lake City UT 84109-0440
Tel: (801) 485-5274

Winchester Hills Water Company

1090 West 5830 North
St George UT 84770
Tel: (435) 673-9403

Wolf Creek Ranch Water System

PO Box 520370
Salt Lake City UT 84152-0370
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COMPLAINT RESOLUTIONS

OPERATING UTILITIES

Monopolies

If a privately owned company is a monopoly, it is in position to exploit its customers. Since that company will be the sole source of a good or service, its dissatisfied customers have nowhere else to turn to acquire the monopolized service or product at better

price or quality. The customer takes what the monopoly offers or does without. This picture changes in the case of services provided by regulated public utility companies, as it should, because public utility services are necessities of modern life. Households and businesses cannot do without these services. The Commission is the intermediary between public utility monopolies and customers.

The Role of the Division

A dissatisfied customer who cannot resolve service problems through contact with the utility comes to state regulators for help. A walk-in, visit, a local call, or a toll-free 800 number connects the customer with the staff of the Division of Public Utilities. Division staff constructs a factual statement, through discussions with both the complainant and the utility, of the problem. Often, this is enough to resolve the difficulty.

In other instances, after Division contact, the utility itself takes action to correct the problem. At times, a customer facing service difficulty may ask the Committee of Consumer Services for help. Though following the same

sort of process the Division does, if the Committee learns that other customers face similar problems, it may petition the Commission for action in a manner having wider applicability. An example might be changes in late payment arrangements to assist low-income customers or others having difficulty paying their bills.

The Role of the Commission

Oftentimes customers contact the Commission to converse directly with a Commissioner, the administrative secretary or a member of the technical staff. This has the dual benefit, whether or not the complaint is resolved this way, of giving the customer direct contact with either an expert or a decision-maker, while it keeps the Commission aware of circumstances of utility service current in the community. But in cases where informal processes do not satisfy the customer, he or she is free to pursue formal action at the Commission.

Formal Complaints

In cases involving factual disputes over which the Commission has jurisdiction, the Commission resolves a

formal complaint by hearing before an administrative law judge, who establishes the facts on the record and renders a recommended decision.

Docketed complaint cases resolved by the Commission through formal processes during the fiscal year are listed below. By far most customer complaints are resolved, however, in the informal ways mentioned.

The following table shows the number of informal complaints processed by the Division of Public Utilities in FY 2006. Of these, 23 became formal complaints before the Commission during FY 2006 requiring a hearing by an Administrative Law Judge.

2006 Informal Utility Complaints

Utility Complaint	for the year 2006
Electric	232
Natural Gas	520
Telecom – ILEC*	252
Telecom – CLEC*	190
Telecom – Long Distance	81
Water and Sewer	7
Total	1,282

*ILEC – Incumbent Local Exchange Carrier

*CLEC – Competitive Local Exchange Carrier



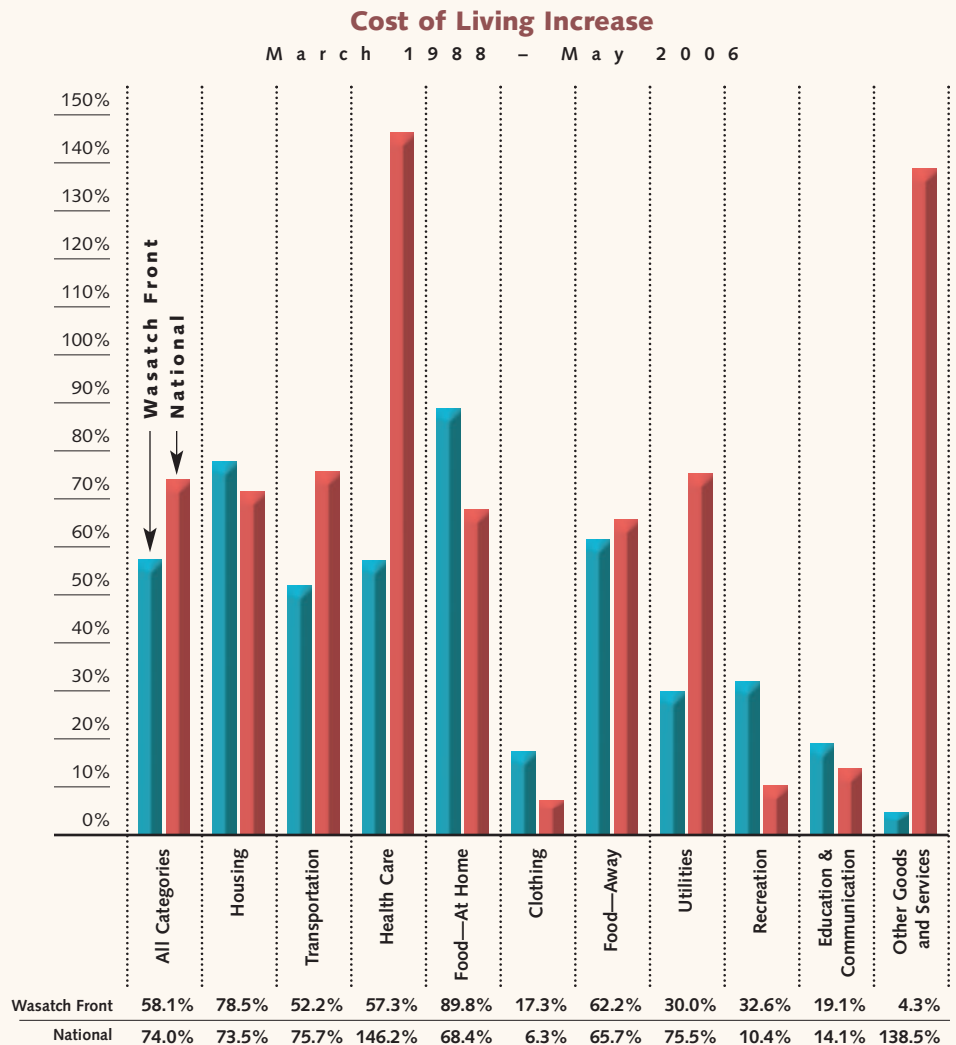
PRICE CHANGES OF UTAH'S UTILITIES

A June 15, 2006 *Deseret News* article describes how prices for different goods and services have changed along the Wasatch Front compared to the nation in the past eighteen years. Wells Fargo Bank's analysis looks at ten different categories of goods

and services and shows that utilities is one of only five categories that show percentage increases less for the Wasatch Front than nationally. The percentage increase over the seventeen years for Wasatch Front Utilities was less than half that of the nation.

Looking solely at utility services regulated by the Utah Public Service Commission, the typical residential customer has experienced an 11% decline in Utah Power electric bills since 1988 and a 108% increase in Questar Gas natural gas bills. About half of Questar Gas' rates are determined by the cost of the natural gas commodity, which is passed through to consumers at cost. Questar Gas purchases about half of its natural gas supplies from an open market and market price soared to unprecedented levels in fiscal year 2006.

Index: March 1988 = 0%
Source:
Deseret News 5-06





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