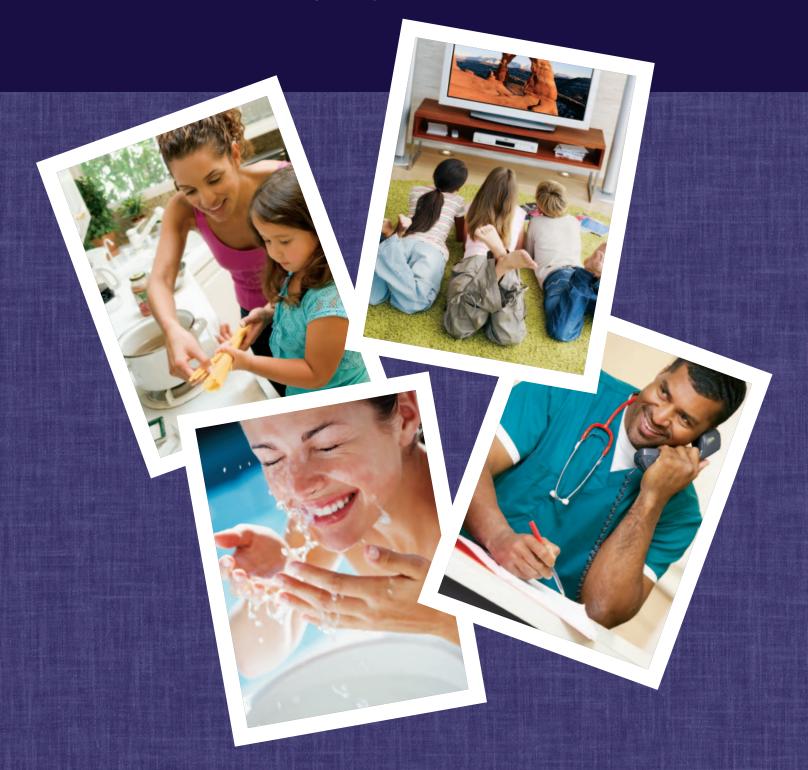
# Public Service Commission of Utah

2007 Annual Report

for the period July 1, 2006, to June 30, 2007



Electricity • Natural Gas • Telecommunications • Water

# **Public Service Commission of Utah**

2007 Annual Report

for the period July 1, 2006, to June 30, 2007

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and Members of the House	
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Public Service Commission

TED BOYER Chairman RIC CAMPBELL RON ALLEN

State of Utah

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

November 6, 2007

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

It is a pleasure to present you the Annual Report for fiscal year 2007 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, 2007.

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,

Ted Boyer, Commission Chairman

Ric Campbell, Commissioner

Ron Allen, Commissioner

Herbert M Wells Building, 160 East 300 South, Box 45585, Salt Lake City, UT 84145-0585 telephone (801) 530-6716 • facsimile (801) 530-6796 • www.psc.state.ut.us

Utah!

# PSC

#### **Personnel**

June 30, 2007

#### Chairman

Ted Boyer

#### Commissioner

Ric Campbell

#### Commissioner

Ron Allen

#### **Commission Secretary**

Julie P. Orchard

#### **Executive Staff Director**

Rebecca Wilson

#### Legal Counsel

Sander J. Mooy

#### Administrative Law Judge

Steven F. Goodwill

#### **Telecommunications Analyst**

John S. Harvey

#### **Chief Utility Economist**

James A. Logan

#### **Utility Economist**

Carol Revelt

#### **Paralegal**

Sheri Bintz

#### TRS Specialist

Mary Beth Green

#### **Accounting Technician**

Kim Royer

#### Office Technician

Trixie Behr

#### Office Technician

Merilee Livingston

#### **Equipment Delivery Personnel**

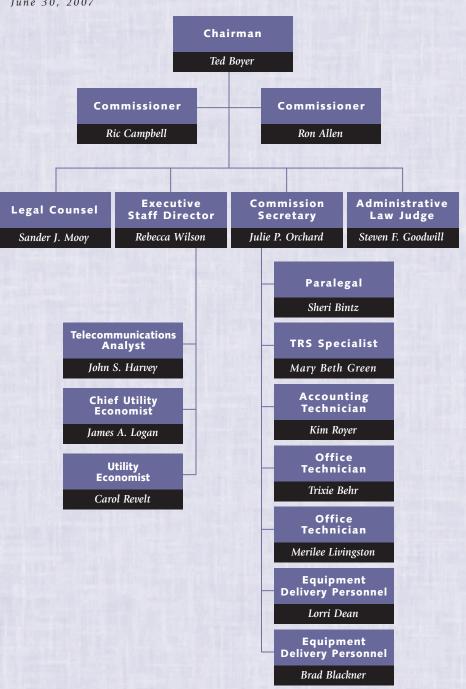
Lorri Dean

#### **Equipment Delivery Personnel**

Brad Blackner

#### **PSC Organization**

June 30, 2007



#### **2007 Commissioners**



Commission Chairman Theodore (Ted) Boyer

Original Term: June 20, 2003 - March 1, 2009 Designated Chairman: May 2, 2007



Commissioner Richard (Ric) Campbell

Original Term: March 1, 2001 - March 1, 2007 Reappointed: March 1, 2007 - March 1, 2013



Commissioner

Ron Allen

Original Term:

March 18, 2001 - March 1, 2011

ed Boyer was appointed as a commissioner of the Public Service Commission on June 20, 2003 and as Chair on May 2, 2007.

Commissioner Boyer is a member of the National Association of Regulatory Utility Commissioners (NARUC) and serves on the Energy, Resources and the Environment Committee and International Committee, as well as 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 BS and MS degrees from Brigham Young University, he earned his Jurist 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, ROW Crop farming and taught at Murray State University.

Ric Campbell was appointed to the Public Service Commission on March 1, 2001 and was reappointed on March 1, 2007 for an additional six year term.

Ric 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. He also serves on the board of Directors of the Western Electricity Coordinating Council. 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.

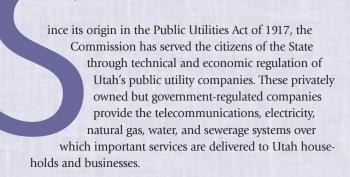
on Allen was appointed to his first term as a Commissioner of the Public Service Commission of Utah by Governor Jon M. Huntsman on March 18, 2005. His term expires March 1, 2011.

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 Bachelor of Science Degree in Accounting and an M.A. degree in Art History from the University of Utah.

# History

Origins of the PSC



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.

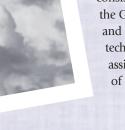


# Organization of the Regulatory Function in Utah Today

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 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, representing 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 2007, 234 cases were docketed. Of these, 171 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				
	Home Town			
•	Kaysville			
Joshua Greenwood	Nephi			
Warren Stoutner	Salt Lake City			
	Ogden			
	Salt Lake City			
	Huntsville			
George F. McGonagle	Salt Lake City			
Thomas H. Humphreys	Logan			
Joseph S. Snow	St. George			
Ward C. Holbrook	Clearfield			
Otto A. Wiesley	Salt Lake City			
Walter K. Granger	Cedar City			
	Provo			
Oscar W. Carlson	Salt Lake City			
Donald Hacking	Price			
W. R. McEntire	Huntsville			
Hal S. Bennett	Salt Lake City			
Stewart M. Hanson	Salt Lake City			
	Price			
	Salt Lake City			
	Salt Lake City			
	Salt Lake City			
,	Salt Lake City			
	Monticello			
	Richfield			
	Salt Lake City			
	Ogden			
	Brigham City			
	Salt Lake City			
	Ogden			
	Salt Lake City			
	Salt Lake City			
Ŭ ,	Bountiful			
	Salt Lake City			
	Salt Lake City			
-	Farmington			
	Salt Lake City			
	Salt Lake City			
Stephen C. Hewlett	Salt Lake City			
	Salt Lake City			
Constance B. White				
	Salt Lake City			
	Salt Lake City			
	Riverton			
	Salt Lake City			
Konaid Allen	West Valley City			
	Abbot R. Heywood Elmer E. Corfman Thomas E. McKay George F. McGonagle Thomas H. Humphreys Joseph S. Snow Ward C. Holbrook Otto A. Wiesley Walter K. Granger George S. Ballif Oscar W. Carlson Donald Hacking W. R. McEntire Hal S. Bennett Stewart M. Hanson Donald Hacking Rue L. Clegg Jesse R. Budge Raymond W. Gee D. Frank Wilkins Donald T. Adams John T. Vernieu Eugene S. Lambert Frank S. Warner Olof E. Zundel James N. Kimball Joseph C. Folley Milly O. Bernard Kenneth Rigtrup David R. Irvine Brent H. Cameron James M. Byrne Brian T. Stewart Stephen F. Mecham Stephen C. Hewlett* Stephen F. Mecham Constance B. White Clark D. Jones Richard M. Campbell Theodore Boyer Ronald Allen			

<sup>\*</sup>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		
1 1 1	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

<ul> <li>Appo</li> </ul>	ointment Years <b>D</b> — Der	mocrat <b>R</b> — Republican	I — Independent
Year	Commissioner 1	Commissioner 2	Commissioner 3
1973	<ul> <li>Bennett - R (49-73)</li> <li>Zundel - R (73-79)</li> </ul>	Warner - <i>D</i> (72-76)	Lambert - <i>D</i> (72-75)
1974			
1975		•	Kimball - D (75-76)
1976		Bernard - D (76-82)	Folley - D (76-77)
1977			Rigtrup - <i>I (77-80)</i>
1978			
1979	● Irvine - R (79-85)		
1980			Cameron - D (80-89)
1981		•	
1982		Bryne - D (82-95)	
1983			•
1984			
1985	• Stewart - <i>R (85-92)</i>		
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 - <i>R (03- )</i>		
2004			
2005		● Allen - <i>D</i> (05- )	
2006			
2007			•
2008			

Yrs. of Service	Name	Home Town
1959–60	Frank A. Yeamans	Salt Lake City
1960-70	C.R. Openshaw, Jr.	Salt Lake City
1970–71	Maurice P. Greffoz*	Salt Lake City
1971–72	Eugene S. Lambert	Salt Lake City
1972-77	Ronald E. Casper	Salt Lake City
1977-79	Victor N. Gibb	Orem
1979–81	David L. Stott	Salt Lake City
1981-83	Jean Mowrey	Salt Lake City
1983-86	Georgia Peterson	Salt Lake City
1986-91	Stephen C. Hewlett	Salt Lake City
1991–Present	Julie Orchard	Bountiful

<sup>\*</sup> Acting Secretary

# Electricity

Overview of Electric Utility

he principal electric utility regulated by the Commission is PacifiCorp, an investor-owned utility doing business in the state as Rocky Mountain Power. PacifiCorp also serves retail customers in five other western states and wholesale customers throughout the west. PacifiCorp provides 80 percent of the electricity to Utah homes 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.

#### **Rocky Mountain Power Rates**

In March 2006, PacifiCorp requested approval of a \$197 million rate increase SEQ CHAPTER  $\h$  1. Following investigation of the reasons for the increase and settlement meetings among interested parties, the rate case concluded in December. The Commission approved a settlement

of revenue requirement issues in the case and authorized a \$115 million, or 9.95 percent, rate increase, based on a rate of return on equity of 10.25 percent SEQ CHAPTER \h \r 1. The increase was subject to a \$30 million rate credit effective December 11, 2006, through May 31, 2007. Including the rate credit, customer rates increased by \$85 million on December 11, 2006 and by an additional \$30 million on June 1, 2007. The Commission's approval included a "stay out provision" whereby PacifiCorp agreed not 11, 2007.

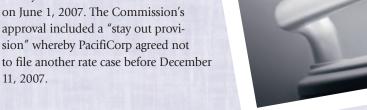
#### **Large Electric Power Plant Procurement**

The Commission implements state law governing the procurement and approval of PacifiCorp's electric generating plants. On April 4, 2007, and pursuant to state law, the Commission approved PacifiCorp's Request for Proposals (RFP) to secure additional supply. On the following day, PacifiCorp issued its RFP for about 1,700 megawatts of base load generation, available by 2012-2014, for delivery to Idaho, Utah or Wyoming. Responses in the form of bids by independent developers were received by June 29, 2007. Evaluation of the bids is underway, and the selection of a short list of bids is expected by mid-summer 2007.

PacifiCorp proposes three options of its own to serve as benchmark resources against which competitive bids will be compared: 1) Participating in a third coal-fired generating unit at the Intermountain Power Project in Utah, 2) building

> a fifth coal-fired generating unit at Pacifi-Corp's Jim Bridger plant in Wyoming, and 3) building an Integrated Gasification Combined Cycle unit, also at the Jim Bridger plant.

The detailed evaluation of the short list of bids and PacifiCorp's benchmark resources is expected to take six months and PacifiCorp's resource decision, which must be approved by the Commission, is expected by the end of 2007. The entire process is monitored by a Commission-appointed independent evaluator and two Oregon-appointed independent evaluators, and is overseen by the Utah Division of Public Utilities.





# Planning for Least Cost and Reliable Power Supply

The Commission requires PacifiCorp to file an integrated resource plan ("IRP") describing how it will meet future electric power needs in its six-state service territory. Following more than a year of public input meetings, on May 31, 2007, PacifiCorp filed its 2007 IRP. In order to meet the projected average annual system growth rate of 2.5 percent, the 2007 IRP concludes additional supply is needed. To meet this need, PacifiCorp proposes a mix of resources to provide a least cost portfolio of supply considering operational and reliability constraints, projected energy prices and known or potential changes to environmental regulatory policy. Specifically, PacifiCorp proposes 1,607 megawatts of natural gas-fired resources, 1,600 megawatts of renewable resources, 867 megawatts of coal resources, 300-600 megawatts of annual unspecified market purchases, transmission additions and energy conservation programs. The Commission requested comments on the IRP and a Commission order on the 2007 IRP is expected in the fall of 2007.

#### **Additional Power Supply**

During fiscal year 2007, the Commission approved two long-term power purchase agreements for PacifiCorp to purchase approximately 80 megawatts of power from generating plants designated as "Qualifying Facilities" or "QFs". QFs are renewable or cogeneration resources of certain sizes. The Pioneer Ridge QF, to be located in Tooele County, is estimated to produce between 66.5 and 73.5 megawatts of power from wind turbines. The Spanish Fork Wind Park II QF, to be located in Utah County, is estimated to produce 18.9 megawatts of power from wind turbines.

#### **Electric Energy Conservation**

A Commission-approved energy efficiency program surcharge of approximately 2 to 3 percent is applied to the bills of Rocky Mountain Power's Utah customers. The revenues collected are used to implement Commission approved demand-side management programs. Annually, approximately \$25 million is generated by the surcharge to cover expenditures in energy efficiency. Funds are used to improve energy efficiency in new buildings and existing buildings, encourage the purchase of energy-efficient appliances and for the direct control of air conditioners. In the summer of 2006, approximately 115 megawatts of power were offset through these programs.

#### **National Energy Policy Act of 2005**

In July 2006 the Commission began its evaluation of five new federal standards: 1) Net metering, 2) fuel sources, 3) fossil fuel generation efficiency, 4) time-based metering and communications, and, 5) interconnection. These standards must be considered by state public service commissions by August of 2008. During fiscal year 2007, the Commission issued its determinations on four of the five standards. The Commission also ordered additional work on the implementation of the interconnection and net metering standards and legislative action may be warranted to remove existing implementation barriers.

### Electric Utility Dockets

#### 04-035-04

In the Matter of the Petition of Desert Power, L.P. for Approval of a Contract for the Sale of Capacity and Energy from its Proposed QF Facilities

Report and Order Resolving Desert Power Contract Dispute issued September 20, 2006. The Commission grants an amendment to the Purchase Power Agreement between PacifiCorp and Desert Power to place the qualifying facility's Commercial Operation Date to be on or before June 1, 2007. All further relief requested by Desert Power or PacifiCorp is denied.

Order On request For Clarification issued October 2, 2006. The Commission grants clarification of its September 20, 2006, report and Order.

Ruling on Request for Explanatory Statement issued January 16, 2007. The Commission explains its prior orders modified the parties' purchase power agreement only as to, and as limited to, the two terms addressed by those orders and none of the other provisions of the parties' purchase power agreement, including sections 2.4 and 11.1.4 have been altered.

#### 05-035-09

In the Matter of the Petition of Pioneer Ridge, LLC and Mountain Wind, LLC for Approval of a Contract for the sale of Capacity and Energy from its Proposed QF Facilities

Order Approving Qualifying Facility Contract issued August 14, 2006. The Commission approves the Power Purchase Agreement between PacifiCorp and Pioneer Ridge, LLC.

#### 05-035-47

In the Matter of the Application of PacifiCorp for Approval of a 2009 Request for Proposals for Flexible Resource

Approval of request for Proposals issued April 4, 2007. The Commission approves PacifiCorp's 2012 request for Proposals for Base Load Resources filed March 26, 2007, subject to the editing changes.

Key:

Docket Number

Short Title

Status as of June 30, 2007

#### Electric Utility Dockets (cont.)

#### 05-035-102

In the Matter of the Application of PacifiCorp for Approval of its Proposed Power Cost Adjustment Mechanism

Order Granting Voluntary Withdrawal and Dismissal issued December 22, 2006. The Commission grants that PacifiCorp's November 23, 2005, Power Cost Adjustment Mechanism Application may be withdrawn and dismisses the matter without prejudice.

#### 06-035-21

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

Report and Order issued December 1, 2006. The Commission approves the Stipulation Regarding Revenue Requirement and Rate Spread increasing PacifiCorp's annual revenue requirement by \$115 million, or 9.95 percent, effective December 11, 2006, based on an allowed rate of return on equity of 10.25 percent. The increase in annual revenue requirement is subject to a \$30 million rate credit beginning December 11, 2006, and terminating May 31, 2007. Net of the rate credit, customer rates increase by \$85 million effective December 11, 2006 and by an additional \$30 million on June 1, 2007.

#### 06-035-42

In the Matter of the Petition of Wasatch Wind, LLC, for Approval of a Contract for the Sale of Capacity and Energy from their Proposed QF Facilities

Report and Order issued May 21, 2007. The Commission denies the request by Spanish Fork Wind Park 2 for a price adjustment to its Power Purchase Agreement with PacifiCorp for avoided transmission line losses.

#### 06-035-46

In the Matter of the Application of PacifiCorp for Approval of the Intercompany Administrative Service Agreement with MidAmerican Energy Holdings Company

Order Acknowledging Intercompany Administrative Services Agreement issued October 6, 2006. The Commission acknowledges PacifiCorp's filing of the Intercompany Administrative Services Agreement (IASA); orders that changes to the allocation methodologies, shall be communicated to regulatory agencies;

requires Parties providing services through the IASA to maintain current, up-to-date, cost allocation manuals or written details documenting the cost allocation methodologies; requires PacifiCorp to provide documentation regarding Berkshire Hathaway Incorporated participation in cost sharing when such information is available; and specifies the IASA is not approved for ratemaking purposes.

#### 06-035-61

In the Matter of the Application of PacifiCorp for Authority to Issue Up to 30,000,000 Shares of Common Stock to its Parent

Report and Order issued July 10, 2006. The Commission approves the application of the Company requesting authority to issue, from time to time and for cash, up to 30,000,000 shares of its Common Stock to the Company's immediate corporate parent, PPW Holdings LLC, a Delaware limited liability company and wholly owned subsidiary of MidAmerican Energy Holdings Company.

#### 06-035-76

In the Matter of the Application of PacifiCorp for Approval of Power Purchase Agreement between PacifiCorp and Spanish Fork Wind Park 2, LLC

Order Approving Qualifying Facility Contract issued July 13, 2006. The Commission approves the Power Purchase Agreement between PacifiCorp and Spanish Fork Wind Park 2, LLC.

#### 06-035-76

In the Matter of the Application of PacifiCorp for Approval of Power Purchase Agreement between PacifiCorp and Spanish Fork Wind Park 2, LLC

Report and Order issued May 21, 2007. The Commission denies the request by Spanish Fork Wind Park 2 for a price adjustment to its Power Purchase Agreement with PacifiCorp for avoided transmission line losses.

#### 06-035-141

In the Matter of the Application of PacifiCorp for Approval of a Power Purchase Agreement between PacifiCorp and Kennecott Utah Cooper Corporation

Report and Order issued December 14, 2006. The Commission approves a Power Purchase Agreement between PacifiCorp and Kennecott Utah Cooper Corporation as discussed.

#### 06-035-142

In the Matter of the Application of PacifiCorp for Approval of an Electric Service Agreement for Westport Field Services

Order Approving an Electric Service Agreement issued December 18, 2006. The Commission approves an Electric Service Agreement between PacifiCorp and Westport Field Services, LLC.

#### 06-035-147

In the Matter of the Application of PacifiCorp for Approval of an Electric Service Agreement for Nucor Steel

Order Approving an Electric Service Agreement issued December 14, 2006. The Commission approves an Electric Service Agreement between PacifiCorp and Nucor Steel. The Electric Service Agreement specifies the rates, terms, and conditions under which PacifiCorp will provide electric service to Nucor Steel for a term spanning January 1, 2007, through December 31, 2013.

Amended Order Approving an Electric Service Agreement issued December 20, 2006. The Commission approves the Electric Service Agreement between PacifiCorp and Nucor Steel, submitted November 17, 2006, and specifies the interruption and curtailment aspects of service to Nucor will be considered and allocated as a system resource. The Commission further orders PacifiCorp to include Nucor's service in future cost of service studies and to provide information concerning amendments to Electric Service Agreement as described.

#### 07-035-05

In the Matter of the Application of Rocky Mountain Power for authority to (1) issue and sell or exchange not more than \$1,500,000,000 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 March 2, 2007. The Commission approves the Application of the Company requesting authority to (1) issue and sell or exchange debt securities in the aggregate principal amount of not more than \$1,500,000,000, (2) enter into currency swaps, and (4) contribute or sell additional debt to SPEs.



In the Matter of the Application of Rocky Mountain Power for Approval of a Power Purchase Agreement between PacifiCorp and Tesoro Refining and Marketing Co

Order on Application issued May 22, 2007. The Commission approves a Power Purchase Agreement between PacifiCorp and Tesoro Refining and Marketing Co., but not for rate-making purposes.

#### 07-035-16

In the Matter of the Application of Rocky Mountain Power for an Exemption under Subsection 54-4-31(4) of the Utah Code Annotated

Report and Order issued May 10, 2007. The Commission grants the exemption sought by the Applicant with certain conditions.

#### 06-2167-02

In the Matter of the Application of South Utah Valley Electric Service District for Authority to Issue Securities and Enter into Contracts

Report and Order issued January 17, 2007. The Commission approves the application of the Company requesting authority to issue Bond Anticipation Notes totaling \$1,000,000 to finance the capacity expansion of its Loafer Substation.

#### 07-2167-01

In the Matter of the Application of South Utah Valley Electric Service District for Authority to Issue Securities and Enter into Contracts

Report and Order issued March 13, 2007. The Commission approves the application of the Company requesting approval to enter into the referenced power purchase agreement with certain conditions.

#### Electric Utility Dockets (cont.)

#### 06-999-03

In the Matter of the Consideration of the Amendment of 16 U.S.C. Section 2621 – Consideration and Determination Respecting Certain Ratemaking Standards for Electric Utilities by the Energy Policy Act of 2005

Determination Concerning the PURPA Time-Based Metering and Communications Standard issued February 14, 2007. The Commission determines it is not appropriate to adopt the federal time-based metering and communications standard as written, directs the Company to file a decision summary report, and directs a review of this report by the PacifiCorp Demand-Side Management Advisory Group.

Determination Concerning the PURPA Fuel Sources Standard issued March 13, 2007. The Commission determines the June 18, 1992, Report and Order on Standards and Guidelines in Docket 90-2035-01 "In the Matter of Analysis of an Integrated Resource Plan for PacifiCorp" constitutes a prior state action with respect to the PURPA Fuel Sources Standard and directs a modification to all future PacifiCorp Integrated Resource Plans.

Determination Concerning the PURPA Net Metering and Interconnection Standards issued May 8, 2007. The Commission determines Utah Code Title 54 Chapter 15 - Net Metering of Electricity constitutes a prior state action with respect to the PURPA Net Metering Standard, no standard comparable to the PURPA Interconnection Standard exists, and it is appropriate to adopt the PURPA Interconnection Standard. Implementation of the PURPA Interconnection Standard and a review of net metering will be addressed jointly in a new docket.

#### 06-035-T04

The purpose of the proposed changes to Regulation 9 and to Schedule 300 is to eliminate the \$150 ceiling on residential security deposits

Approval Letter issued August 30, 2006. The Commission approves the revised tariff with an effective date of August 21, 2006.

### Кеу:

Docket Number Short Title

Status as of June 30, 2007

#### 06-035-T05

The purpose of this filing is to adjust the Demand Side Management Cost Adjustment (appearing on customer bills as Customer Efficiency Services) downward to collect approximately \$24.5 million per year

Approval Letter issued August 8, 2006. The Commission approves the revised tariff with an effective date of August 7, 2006.

#### 06-035-T09

PacifiCorp's First Revised Sheet No. 4 Tariff Index Sheet, First Revised Sheet No. 4.1 Schedule 4 Pole Attachments, and First Revised Sheet No. 4.2 Schedule 4 Pole Attachments

Approval Letter issued September 14, 2006. The Commission approves the revised tariff with an effective date of September 14, 2006.

#### 06-035-T12

The Purpose of this filing is to align the Company's tariffs with recent changes to Utah Administrative Rule 746-200-5, Deferred Payment Agreement

Approval Letter issued December 12, 2006. The Commission approves the revised tariff with an effective date of December 4, 2006.

#### 06-035-T13

PacifiCorp is proposing: New measures and other enhancements for the existing FinAnswer express program for business customers, and enhanced design assistance services and incentives for New Construction/Major Renovation projects along with other changes for the existing Energy FinAnswer program for business customers

Approval Letter issued January 4, 2007. The Commission acknowledges tariff revisions with an effective date of January 1, 2007.

#### 06-035-T14

PacifiCorp hereby submits the company's compliance tariff required for Docket No. 06-035-21

Acknowledgement Letter issued December 11, 2006. The Commission acknowledges tariff revisions with an effective date of December 11, 2006.

#### 07-035-T01

This filing represents housekeeping changes to rule 10 – Termination of Service and Deferred Payment Agreement

Approval Letter issued February 7, 2007. The Commission approves tariff revisions with an effective date of December 11, 2006.

#### 07-035-T02

This filing represents housekeeping changes to Tariff P.S.C.U. No. 47

Approval Letter issued February 2, 2007. The Commission approves tariff revisions with an effective date of January 9, 2007.

#### 07-035-T03

Rocky Mountain Power is proposing to implement an Irrigation Load Control Program for the State of Utah beginning the 2007 irrigation season

Approval Letter issued February 6, 2007. The Commission approves tariff revisions with an effective date of February 8, 2007.

#### 07-035-T05

The Purpose of this filing is to respond to the directive on Page 38 and 39 of the order in Docket No. 06-035-21 to provide greater clarity with respect to the terms and conditions for imposing service fees

Approval Letter issued March 5, 2007. The Commission approves tariff revisions with an effective date of February 23, 2007.

#### 07-035-T06

PacifiCorp is proposing to continue the Rocky Mountain Power ENERGY STAR New Homes Program with modifications necessary to align the program with recent changes to the federal ENERGY STAR program and the introduction of the Questar Gas Company New Homes program. In addition, administrative changes are being proposed

Approval Letter issued March 20, 2007. The Commission approves tariff revisions with an effective date of March 6, 2007.

#### 07-035-T07

The purpose of this filing is to delete reference to "On-Peak Power" in Schedule 6A, General Service Energy Time-of-Day Option, and replace them with "Facilities kW"

Approval Letter issued March 8, 2007. The Commission approves tariff revisions with an effective date of March 13, 2007.

#### 07-035-T08

The objective of this proposal is to maximize the cost effective electricity savings obtained through the program

Approval Letter issued March 20, 2007. The Commission approves tariff revisions with an effective date of March 16, 2007.

#### 07-035-T09

Rocky Mountain Power is proposing to continue the Rocky Mountain Power Home Energy Savings Incentive Program with the modifications necessary to align the program with the recent introduction of Questar Gas Company (Questar) program. In addition, administrative changes are being proposed

Approval Letter issued March 23, 2007. The Commission approves tariff revisions with an effective date of March 23, 2007.

#### 07-035-T11

The purpose of this housekeeping filing is to update Schedule 9A.2 and 23B.2 that were approved by the Commission to become effective on March 1, 2007

Approval Letter issued April 9, 2007. The Commission approves tariff revisions with an effective date of April 16, 2007.

#### 07-035-T12

To help the state build code awareness and infrastructure, Rocky Mountain Power seeks approval from the Commission to provide \$40,000 in funds from the Schedule 193 Demand Side Management (DSM) Cost Adjustment mechanism for the effort

Approval Letter issued April 13, 2007. The Commission approves tariff revisions with an effective date of April 4, 2007.

#### 07-035-T15

The purpose of this filing is to provide greater clarity to various conditions within Regulation No. 12

– Line Extensions

Approval Letter issued June 30, 2007. The Commission approves tariff revisions with an effective date of May 18, 2007.

#### Electric Utility Dockets (cont.)

#### 06-035-T07

In the Matter of the PacifiCorp's Petition to Terminate its Load Lightener Program and Cancel Electric Service Schedule 116, Utah Commercial & Industrial Lighting Load Control Services, Advice Filing 06-08

Order Approving Tariff Revision issued August 30, 2006. The Commission grants PacifiCorp's request to terminate the Load Lightener program and cancel Electric Service Schedule No. 116, the Commercial and Industrial Lighting Load Control Services, effective August 21,

#### 06-035-T06

In the Matter of the Application of PacifiCorp, d.b.a. Utah Power & Light Company, for Approval of Standard Rates for Purchases of Power from Cogeneration Qualifying Facilities having a Design Capacity of 1,000 Kilowatts or Less or Small Power Production Qualifying Facilities having a Design Capacity of 3,000 Kilowatts or Less

Order issued September 12, 2006. The Commission denies approval of the Schedule No. 37 rates as filed and directs the company to refile the rates and tariff sheets with the adjustments.

Order issued November 7, 2006. The Commission approves the Schedule No. 37 rates filed October 6, 2006, effective November 6, 2006.

#### 06-035-T08

In the Matter of the Advice Filing No. 06-09 pf PacifiCorp d.b.a. Rocky Mountain Power for Approval to Offer a Comprehensive Energy Efficiency Program

to its Utah Residential Customers

Order Approving Tariff issued October 5, 2006. The Commission approves Electric Service Schedule No. 111, Home energy Savings Incentive Program, effective September 14, 2006, with the conditions and corrections.

Key:

Docket Number

Short Title

Status as of June 30, 2007

#### 06-035-T10

In the Matter of the Advice Filing No. 06-12 of PacifiCorp d.b.a. Rocky Mountain Power for Approval to revise Time-of-Day Schedules Due to Daylight Saving Time Changes

Order Approving Tariff issued February 20, 2007. The Commission approves Rocky Mountain Power's tariff filing of October 10, 2006, effective March 1, 2007, with the conditions and corrections.

#### 06-035-T11

In the Matter of the Adjustment to increase the monthly surcharges used to fund the Low income Lifeline Credit to collect approximately \$2.35 million per year

Order Approving Increase in Monthly Surcharge to Fund Low Income Residential Lifeline Program issued December 1, 2006. The Commission approves the application requesting an adjustment to increase the monthly surcharge used to fund the Low Income Lifeline Credit to collect approximately \$2.35 million per year.

#### 07-035-T04

In the Matter of Advice Filing 07-04 of PacifiCorp d.b.a. Rocky Mountain Power for Formal Approval -Schedule No. 113 – 2007 Cool Cash Incentive Program

Order issued April 2, 2007. The Commission approves Rocky Mountain Power's proposed tariff filing, as revised on March 13, 2007.

### **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 339

Mountain View, WY 82939-0399 (307) 786-2800 (800) 276-3481

(307) 786-4362 Fax: www.bvea.net

#### **Deseret Generation & Transmission Cooperative**

10714 South Jordan Gtwy Suite 300

South Jordan, UT 84095-3921

(801) 619-6500 (800) 756-3428 (801) 619-6599 Web: www.deseretgt.com

#### **Dixie Escalante Rural Electric**

71 E. Highway 56 HC 76 Box 95 Beryl, UT 84714-5197 (435) 439-5311 (435) 439-5352

#### **Empire Electric Association**

801 N. Broadway PO Box Drawer K Cortez, CO 81321-0676 (970) 565-4444

(800) 709-3726 (970) 564-4404

Web: www.empireelectric.org

#### Flowell Electric Association

495 North 3200 West Fillmore, UT 84631 (435) 743-6214 (435) 743-5722

Garkane Energy 120 West 300 South PO Box 465

Loa, UT 84747-0465 (435) 836-2795 (800) 747-5403

(435) 836-2497 Web: www.garkaneenergy.com

#### **Moon Lake Electric Association**

188 West 200 North PO Box 278 Roosevelt, UT 84066-0278

Tel: (435) 722-5428 (435) 722-5433 Web: www.mleainc.com

#### **MT Wheeler Power**

1600 Great Basin BL. PO Box 151000 Ely, NV 89315 (775) 289-8981

(800) 977-6937 (775) 289-8987 Web: www.mwpower.net

#### **PacifiCorp**

825 NE Multnomah St. Suite 1900 Portland, OR 97232

(503) 813-5000 (503) 813-5900 Fax: Web: www.pacificorp.com

#### **Raft River Rural Electric**

155 N. Main PO Box 617

Malta, ID 83342-0617 (208) 645-2211 Tel: (800) 342-7732 (208) 645-2300 Email: ruth@rrelectric.com

#### **South Utah Valley Electric Service District**

803 North 500 East PO Box 349

Payson, UT 84651-0349 (801) 465-8020 (801) 465-8017 Fax:

Web:

www.strawberryelectric.com Email:

mail@strawberryelectric.org

#### **Strawberry Water Users Association** 745 North 500 East

PO Box 70 Payson, UT 84651-0070 (801) 465-9273 (801) 465-4580

#### **Wells Rural Electric** Company

1451 Humboldt Ave. PO Box 365 Wells, NV 89835-0365

(775) 752-3328 (775) 752-3407 Fax: Web: www.wellsrec.com

# Natural Gas

### Overview of Natural Gas Utility

uestar Gas Company is the only operating natural gas utility regulated by the Utah Public Service Commission. Questar Gas currently serves over 835,000 customers in Utah.

Questar Gas is a local natural

gas distribution company that also owns natural gas production property that provides about 45% of its supply needs.

#### **Questar Gas Rates**

Twice annually, as permitted by law, Questar Gas files a "pass-through" application to adjust its rates so as to recover a portion of the cost of producing its own gas, the cost of purchasing gas from others, and the costs associated with gas gathering, storage, and interstate transportation. The remaining non-gas costs are recovered in general rate case proceedings. About 75 percent of the total cost of providing natural gas service to customers in Utah, some \$700 million

annually, is recovered by means of these pass-through proceedings. Expedited pass-through proceedings allow 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, Questar Gas Company's rates changed one time. On November 1, 2006, the Public Service Commission approved an approximately \$105.4 million decrease in rates. This was composed of a \$104.3 million decrease (10.45 percent) in a gas cost pass-through proceeding and a \$1.1 million decrease (0.15 percent) resulting from the amortization of Questar's commitment associated with the newly established conservation enabling tariff as described below. On May 4, 2007, in its mid-year filing, Questar Gas Company requested no change to its rates.

#### **Resource Planning**

As required by the Commission, on an annual basis Questar Gas Company prepares and files an integrated resource plan (IRP) used as a guide in meeting the natural gas requirements of its customers on both a day-to-day and long term basis. The standards and guidelines on which the IRP is based are intended to ensure Questar's present and future customers are provided natural gas energy services at the

lowest costs consistent with safe and reliable service, the fiscal requirements of a financially healthy utility and the longrun public interest. As part of the IRP process, information on natural gas supply and demand, energy efficiency and conservation, system constraints and capabilities, and gas drilling, gathering, transportation and storage, as well as results from a cost-minimizing linear-programming model, are used to develop a resource acquisition plan and strategy for a 20-year planning horizon, focusing on the immediate future. In addition to projecting gas supply requirements, the 2007 IRP finds that price stabilization measures for purchased gas contracts should





be undertaken to mitigate the risk of volatility and that the Company should continue to identify and implement cost-effective demand-side management measures.

#### **Natural Gas Conservation**

On October 5, 2006, the Commission approved a settlement stipulation addressing Questar Gas Company's Conservation Enabling Tariff (CET) pilot program. The CET separates, or decouples, actual natural gas sales from the revenues used to set rates in order for Questar Gas Company to promote energy efficiency. As a condition of this approval, Questar Gas Company, in collaboration with a Commissionestablished demand-side management advisory group, designed and implemented cost-effective programs to encourage residential and commercial customers to purchase and install energy-efficiency products and appliances. The new programs currently offered by the Company are: the Residential Appliance Program, the ENERGY STAR® New Homes Program, the Commercial Rebate Program, the Residential Home Energy Audit & Weatherization Program, and the Low Income Weatherization Program. These programs offer rebates and information to Questar Gas Company's customers with the goal of decreasing energy consumption.

# Pipeline/Underground Utility Facilities Damage Prevention

The Commission oversees, through delegation by the U.S. Department of Transportation Pipeline and Hazardous Materials Safety Administration, the safety of natural gas distribution pipelines which operate within Utah. Recent federal statutory changes enacted by the Pipeline Inspection, Protection, Enforcement and Safety Act of 2006 require improved excavation damage prevention efforts and increased fines for damage done to these pipelines resulting from demolition, excavation, tunneling, or construction activity. In addition, the provisions of this Act impose new prohibitions relating to one-call notification systems and excavation procedures applicable to pipeline owners/operators and person who engage in excavationrelated activities. The Commission is working with stakeholders to make the necessary changes to Utah law to retain state oversight and inspection authority.

#### **Natural Gas Utility Dockets**

#### 01-057-14

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

Final Order issued July 12, 2006. The Commission makes final interimapproved rates made effective on January 1, 2002.

#### 02-057-13

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

Final Order issued July 12, 2006. The Commission makes final interimapproved rates made effective on January 1, 2003.

#### 03-057-05

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

Final Order issued July 12, 2006. The Commission makes final interimapproved rates made effective on July 1, 2003.

#### 03-057-10

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

Final Order issued July 12, 2006. The Commission makes final interimapproved rates made effective October 1, 2003.

#### 04-057-04

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

Final Report and Order issued October 12, 2006. The Commission makes final interim-approved rates made effective on June 1, 2004.

#### 04-057-11

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

Final Report and Order issued October 12, 2006. The Commission makes final interim-approved rates made effective on October 1, 2004.

#### 05-057-T01

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

Order issued January 16, 2007. The Commission approves the application for expedited approval of demand side management programs and a market transformation initiative, and the associated tariff sheets describing these efforts, as modified by this Order, to be effective January 1, 2006.

#### 05-057-T01

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

Order Approving Stipulation issued October 5, 2006. The Commission orders: 1) the CET Settlement Stipulation is approved; 2) Questar Gas is authorized to establish and utilize a CET balancing account (191.9) and a DSM deferral account (182.4) as provided in the Joint Application as modified by the Settlement Stipulation; 3) Questar Gas shall transfer \$1.3 million of unexpended research and development funds to Account 182.4; 4) Questar Gas shall credit \$1.1 million to Account 191.9; 5) A Natural Gas DSM Advisory Group is established consisting of the Division, the Committee, Questar Gas and any other interested party. Any party wishing to participate in the Natural Gas DSM Advisory Group may do so by providing notice to Questar Gas of its desire to participate and shall be entitled to receive notice of meetings of the Natural Gas DSM Advisory Group following the provision of such notice; 6) The Natural Gas DSM Advisory shall collaborate with Questar Gas in its filing an application no later than 60 days following the date of this Order requesting expedited approval of DSM programs; and 7) A technical conference is scheduled on April 18, 2007 at 9:30 a.m. in Room 427, Heber M. Wells State Office Building, for the purpose of discussing the plans of the parties with respect to proposals for alternatives to or continuation of the CET during the remaining two years of the Pilot Program as provided in the Settlement Stipulation.

Key:

**Docket Number** Short Title

Status as of June 30, 2007

#### Natural Gas Dockets (cont.)

#### 06-057-04

In the Matter of the Analysis of an Integrated Resource Plan for Questar Gas Company: Order on Questar Gas Company's Integrated Resource Plan Dated May 1, 2006, and Notice of Technical Conference: The IRP filed May 1, 2006, is not acknowledged and Questar Gas Company is ordered to modify and re-file its IRP to include demandside resource analysis.

Order on Questar Gas Company's Integrated Resource Plan Dated May 1, 2006, and Notice of Technical Conference issued October 17, 2006. The Commission declines to acknowledge Questar Gas Company's 2006 Integrated Resource Plan and orders Questar to modify and re-file its integrated resource plan to include a demand-side resource analysis.

#### 06-057-09

In the Matter of the Pass-Through Application of Questar Gas Company to Adjust Prices for an Overall Decrease in Rates for Natural Gas Service in Utah

Interim Order issued November 1, 2006. Based upon forecasted projections of a decrease in gas prices in the Rocky Mountain region, the Commission approves on an interim basis the pass-through Application filed in this docket requesting a decrease in Utah gas costs of \$104,329,000 effective November 1,

#### 06-057-10

In the Matter of the Application of Questar Gas Company for Amortization of CET Balance and to Adjust Prices for an Overall Decrease in Rates for Natural Gas Service in Utah

Final Order issued November 1, 2006. The Commission approves the Application filed in this docket requesting an amortization of the CET balance and an adjustment to the distribution non-gas rates effective November 1, 2006.

### Кеу:

Docket Number

Short Title

Status as of June 30, 2007

#### 06-057-T04

In the Matter of the Application to Remove GSS and EAC Rates from Questar Gas Company's Tariff: Decision and Order Designating Oral Presentation as Argument

Decision and Order Designating Oral Presentation as Argument issued April 2, 2007. The Commission determines it will treat Mr. Ball's March 27, 2007, presentation made before the Commission as argument and not evidentiary testimony on whether the Commission should or should not accept and approve the GSS/EAC Stipulation presented for consideration.

#### 06-057-T04

In the Matter of the Application to Remove GSS and EAC Rates from Questar Gas Company's Tariff

Order on Stipulation issued April 24, 2007. The Commission declines approving a stipulation which would excuse some of Questar Gas Company's customers from payment of General Service Southern rates and Expansion Area Charges.

#### 06-057-T04

In the Matter of the Application to Remove GSS and EAC Rates from Questar Gas Company's Tariff: Order on Request for Reconsideration or Clarification and Request to Close Docket

Order on Request for Reconsideration or Clarification and Request to Close Docket issued May 23, 2007. The Commission denies the request of Roger Ball to reconsider or clarify our March 28, 2007, Order Designating Oral Presentation as Argument and grants Questar Gas Company's request to close this docket.

#### 07-057-03

In the Matter of the Application of Questar Gas Company to Amortize the Conservation Enabling Tariff

Interim Order Approving Rate
Changes issued June 29, 2007.
The Commission approves an
increase in rates, on an interim
basis, for the amortization of
the Conservation enabling
Tariff balance identified in
Questar Gas Company's May
4, 2007, Application. The rate
change may be made effective July 1,
2007, and represents an annual increase
of \$1.92 for the average GS-1 customer
using 80 decatherms a year.

# 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 45433
Salt Lake City, UT 84145-0433
Tel: (801) 324-5000
(800) 541-2824 — Emergency

Web: www.questar.com

#### Wendover Gas Company/ Propane of Wendover Inc. 285 S. 1st Street

PO Box 274 Wendover, UT 84083 Tel: (775) 664-3081 Fax: (775) 664-3720



# Telecommunications

#### Overview of Telecommunications Utilities

#### **Industry Changes**

here are over 1.2 million "land line" phone lines in Utah; these lines are provided by various telecommunications companies. The largest telecommunications company in Utah is Qwest. Qwest offers service to customers located along the Wasatch Front and much of the I-15 corridor from Logan to St. George. In addition, there are 106 competitive local exchange companies certificated to provide telecommunications service in Qwest's service territory. The Public Service Commission also regulates incumbent local exchange companies that serve much of the more rural areas of the State; these are commonly referred to as the independents. There are 15 independent phone companies serving customers throughout Utah. Further, there are approximately 1.5 million cell phones used by customers in Utah.

The 1995 Utah Telecommunications Reform Act and the 1996 Federal Telecommunications Act substantially altered the purposes and practices of telecommunications regulation and practice in Utah and set in motion the process

that has resulted in the development of competition for local phone service along the Wasatch Front. During the 2006/2007 fiscal year Utah continued to see some interest on the part of potential competitors to Qwest in qualifying to compete in the state. Several local exchange carriers also left the State. In the 2005/2006 fiscal year the Commission received three requests from companies to compete against the smaller independent local exchange carriers locate in the more rural areas of the State. Since then one of these applications has been granted (for a subsidiary of Beehive Telephone to compete against itself), one has been withdrawn, and one is still in the evaluation process. Since the

time Qwest received federal approval to move into longdistance markets in Utah (2001) it has begun offering new options to its customers, and its potential customers. Qwest is now competing "head-to-head" with competitors by offering bundled services, including local, long-distance, wireless, internet, and some limited video services at various rates. Additionally Comcast has filed to cease provide land line service in the State, and is now providing a Voice over Internet Protocol (VoIP) service to many Utah customers. In January of 2005 the State Legislature amended the 1995 Utah Telecommunications Reform Act. This legislation removed most of the incumbent tariff obligations from Qwest and placed it on a more-or-less equal footing with the competitive local exchange carriers (CLECs) that compete against it. With the exception of being required to offer a basic residential phone line at existing tariff rates, Qwest has received pricing flexibility for all other residential and business services.

> Over the course of the previous four fiscal years many of the FCC's rules that had governed the basic obligations of Qwest (and other major carriers in the US) to make portions of its network available to competitors (as a result of implementing the 1996 Telecommunications Act) were overturned in the federal courts. Since that time the FCC has issued new rules that dramatically reduce the obligations Qwest has to lease portions of its network to CLECs. As a result, Qwest could face reduced competition from CLECs unless the CLECs are capable of building networks of their own, the CLECs are willing to enter into commercial agreements (at higher than past prices) with Qwest, or competi-



tion emerges from the cable or wireless sectors. The Commission will continue to review the level of competition in an effort to ensure that consumers are protected.

An additional change in the marketplace, which the Commission is observing with more frequency, is the practice of real estate developers and property owners/managers making exclusive deals with telecommunications, or other service providers, to offer voice, video and data services to their developments or properties to the exclusion of all other providers. Typically these deals preclude competition among the service providers, land purchasers or tenants have no choice of service providers under these exclusive arrangements. Usually the developers restrict access to rights-of-way or easements making it impossible for any competing service provider to place network facilities. While the Commission views these types of arrangements as contradictory to the legislative intent to promote competition (at both the State and federal levels) we are unable to force access for competing providers under existing laws.

#### **Price or Rate Changes**

Under the 2005 amendments to state law, Qwest has pricing flexibility for all retail level services except for the basic residential line. For customers that choose not to add any features, or bundled services, Qwest is obligated to continue providing that 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.

# **Certificates of Public Convenience and Necessity and Interconnection Agreements**

Currently 108 competitive telecommunications companies hold a Certificate of Public Convenience and Necessity (CPCN) from the Commission allowing them to provide local telephone service to Qwest's customers (an increase of 19 from our last report). The Commission continues to both arbitrate and reviewed "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.

#### State of the Industry

Of the hundreds of telecommunications related 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 intercarrier 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, approval of special contracts for regulated services, and other service issues.

As may be noticed in the following enumeration of orders, such cases were in addition to the Commission's other regulatory responsibilities.

# **Telecommunications Utility Dockets**

# Implementation of the 1996 Telecommunications Act

#### 06-049-40

In the Matter of the Investigation into Qwest Wire Center Data

Report and Order issued September 11, 2006. The Commission determines Qwest Corporation's ("Qwest") use of data from its 2004 ARMIS 43-08 report to develop its initial list of nonimpaired wire centers in February 2005 was appropriate. Because Qwest's Salt Lake City South and West wire centers first appeared on Qwest's July 8, 2005, update to its initial wire center list, the Commission concludes the effective date of non-impairment for these wire centers is July 8, 2005. Furthermore, the Commission concludes it is reasonable for Qwest to charge a non-recurring charge to competitive local exchange carriers when those carriers choose to convert their unbundled network element ("UNE") services and facilities to alternative Owest facilities at non-impaired wire centers. However, the Commission seeks further information from the parties regarding the reasonableness of the respective charges proposed by the parties. Finally, the Commission adopts a process to guide future updates to the Owest non-impaired wire center list

#### **Qwest Business Dockets**

#### 06-049-44

In the Matter of Qwest's Request for exemption from R746-600-1 to Discontinue Funding Post Retirement Benefits Other than Pensions (BPOPs)Report and Order issued July 18, 2006.

The Commission grants the request of Qwest to discontinue depositing cash into a Voluntary Employees Beneficiary Association trust equal to expense accruals for post-retirement benefits such as healthcare and life insurance coverage.

# **Business Reorganization Dockets**

#### 06-2398-01

In the Matter of the Petition of Sorenson Communications, Inc., a Utah Corporation, for Approval of a Name Change from Sorenson Media, Inc., to Sorenson Communications. Inc.

Report and Order issued November 7, 2006. The Commission approves the proposed name change.

#### 06-2434-01

In the Matter of the Joint Application of Lightyear Networks Solutions, LLC., and First Communications, Inc., for Approval of a Transfer of Control

Order Approving Transfer of Control issued January 25, 2007. The Commission finds the proposed transfer of control of Lightyear Network Solutions, LLC., to be in the public interest and approves the same.

#### Telecommunications Utility Dockets (cont.)

#### 06-2305-01

In the Matter of the Joint Application of Pac-West Telecomm, Inc., and Pac-West Acquisition Corporation for Approval of a Transfer of Control of Pac-West Telecomm, Inc

Order Approving Transfer of Control issued January 29, 2007. The Commission finds the proposed transfer of control of Pac-West Telecomm, Inc., to be in the public interest and approves the same.

#### 06-2434-01

In the Matter of the Joint Application of Lightyear Networks Solutions, LLC., and First Communications, Inc., for Approval of a Transfer of Control

Order Rescinding Order of January 23, 2007, in Docket No. 06-2334-01, issued February 14, 2007. The Commission Wherefore, based upon the foregoing information, and for good cause appearing, we enter this Order rescinding the Order issued on January 23, 2007, in the above-entitled docket.

# Interconnection Dockets

#### 06-049-43

In the Matter of the Petition of Qwest vs. Dixie Communications and Old West Paging for Approval of Interconnection Agreement to Implement FCC Ruling in T-Mobile

Order Dismissing Petition issued August 22, 2006. The Petition filed herein is dismissed.

#### 06-2249-01

In the Matter of the Complaint of McLeod USA Telecommunications Services, Inc., vs. Qwest Corporation for Enforcement of Commission-Approved Interconnection Agreement

Report and Order issued September 28, 2006. Having concluded that the parties' DC Power Measuring Amendment does not affect billing for DC power plant rate elements under the parties' interconnection agreement and having concluded that Cwest Corporation's ("Cwest") billing of McLeod USA Telecommunications Services, Inc. ("McLeod") for DC power plant based upon the amperage of distribution cable ordered is not discriminatory, the Commission dismissed McLeod's complaint and ordered McLeod to pay Owest \$146,493.12 withheld from Owest as a result of the parties' dispute.

Key:

Docket Number

Short Title

Status as of June 30, 2007

#### 06-049-58

In the Matter of the Interconnection Agreement between Qwest Corporation and Pacific Centrex Services, Inc.

Report and Order issued October 4, 2006. The interconnection Agreement at issue being defective as involving a non-certificated carrier, the Commission rejects the Interconnection Agreement.

#### Applications for Certificates of Public Convenience and Necessity

#### 06-2468-01

In the Matter of the Application of Ymax Communications Corp. 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 August 14, 2006. By this Report and Order, the Public Service Commission of Utah grants the request of Ymax Communications Corp., 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.

#### 06-2470-01

In the Matter of the Application of Cordia Communications Corp. 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 6, 2006. By this Report and Order, the Public Service Commission of Utah grants the request of Cordia Communications Corp. 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.

#### 06-2472-01

In the Matter of the Application of Xmission Networks, LLC, for a Certificate of Public Convenience and Necessity to Operate as a Competitive Local Exchange Carrier in Utah

Report an Order issued
November 7, 2006. By this
Report and Order, the Public
Service Commission of Utah
grants the request of Xmission
Networks, LLC 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.

#### 06-2467-01

In the Matter of the Petition of Northstar Telecom, Inc., for Authority to Compete as a Telecommunications Corporation and to Offer Public Local Exchange and Interexchange Telecommunications Services

Report and Order issued November 9, 2006. The Petition filed herein is dismissed.

#### 06-2473-01

In the Matter of the Petition of Ygnition Networks, Inc., for Authority to Compete as a Telecommunications Corporation and to Offer Public Local Exchange and Interexchange Telecommunications Services within the State of Utah

Report and Order issued November 9, 2006. By this Report and Order, the Public Service Commission of Utah grants the request of Ygnition Networks, Inc., 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.

#### 06-2464-02

In the Matter of the Applicant 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 November 16, 2006. The application of IDT America, Corp., filed herein is dismissed without prejudice.

#### 06-2471-01

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

Report and Order issued January 16, 2007. By this Report and Order, the Public Service Commission of Utah grants the request of Redline, Inc., 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.

#### 06-2474-01

In the Matter of the Application of Impact Telecom, LLC for a Certificate of Public Convenience and Necessity to Provide Resold Local Exchange and Resold Intrastate Interexchange Service

Report and Order issued February 8, 2007. By this Report and Order, the Public Service Commission of Utah grants the request of Impact Telecom, LLC 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.

#### 06-2469-01

In the Matter of the Applicant of All American Telephone Co., Inc., for a Certificate of Public Convenience and Necessity to Provide Local Exchange Services within the State of Utah

Report and Order issued March 7, 2007. By this Report and Order, the Public Service Commission of Utah grants the request of All American Telephone Co., Inc., 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.

#### Telecommunications Utility Dockets (cont.)

#### 06-051-01

In the Matter of the Applicant of Beehive Telephone Co., Inc., for Certificate of Public Convenience and Necessity to Provide Local Exchange Services within the State of Utah

Report and Order Approving Stipulation and Issuing Certificate issued April 23, 2007. The Commission approves the Stipulation Between Parties filed by Beehive Telephone Co., Inc., Beehive Telecom, and the Utah Division of Public Utilities granting the request of Beehive Telephone for a Certificate of Public Convenience and Necessity authorizing Beehive Telecom to provide public telecommunications services within the State of Utah, including, for limited purposes as agreed in the Stipulation, the service territory for which Beehive Telephone serves as the incumbent local exchange carrier, but excluding all other local exchanges having fewer than 5,000 access lines of an incumbent telephone corporation with fewer than 30,000 access lines in

07-2478-01 In the Matter of the Applicant of Neutral Tandem-Utah, LLC, for a Certificate of Public Convenience and Necessity to Provide Facilities-Based and Resold Local Exchange and Interexchange Telecommunications Services in the State of Utah

Report and Order issued May 8, 2007. By this Report and Order, the Public Service Commission of Utah grants the request of Neutral Tandem-Utah, LLC 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

#### **Clarifications** of Certificates

#### 06-051-02

In the Matter of the Petition and Request for an Amendment and Clarification of Beehive Telephone Company's Dangling Rope Certificate of Public Convenience and Necessity

Report and Order issued September 11, 2006. The Commission grants the request of Beehive Telephone Company, Inc. to revise its certificated service territory in the Glen Canyon National Recreation Area

#### 02-2270-01

In the Matter of the Request of All West Communications, Inc., for Revision to Exchange Boundaries

Report and Order Approving Stipulation issued November 29, 2006. The Commission approves the Settlement Stipulation of All West Communications, Inc., Qwest Corporation, and the Utah Division of Public Utilities approving the adjustment of the service territory boundary between Owest and All West in the Promontory Development.

#### 99-2276-01

In the Matter of the request of Farmers Telephone Company, Inc. for Authority to Provide Local Exchange Services in Utah to Hovenweep National Monument

Report and Order issued November 28, 2006. Waiving Certain Regulatory Requirements, this matter be, and it is, converted to an informal proceeding pursuant to 63-46b-a(3). UCA 1953, as amended.

#### 07-2218-01

In the Matter of the Petition to Expand or Restate the Certificate of Public Convenience and Necessity of Frontier Communications of America to Include Facilities-Based **Operations** 

Report and Order issued June 19, 2007. By this Report and Order, the Public Service Commission of Utah grants the request of Frontier Communications of America amending its Certificate of Public Convenience and Necessity to authorize Applicant to provide facilitiesbased public telecommunications services

#### **Certificate Cancellation or** Reorganization **Dockets**

#### 06-2214-01

In the Matter of the Voluntary Certification Withdrawal by VarTec Telecom, Inc., Excel Telecommunications, Inc., and VarTec Solutions, Inc., and Notice of Asset Sale Closing

Report and Order issued July 25, 2006. Petitioner having voluntarily sought cancellation of its certificate, and no detriment to the public interest appearing, the Commission cancelled the certificate.

#### 06-2213-01

In the Matter of the Voluntary Certification Withdrawal by VarTec Telecom, Inc., Excel Telecommunications, Inc., and VarTec Solutions, Inc., and Notice of Asset Sale Closing

Report and Order issued July 28, 2006. Petitioner having voluntarily sought cancellation of its certificate, and no detriment to the public interest appearing, the Commission cancelled the certificate

#### 06-2377-01

In the Matter of the Voluntary Certification Withdrawal by VarTec Telecom, Inc., Inc., Excel Telecommunications, Inc., and VarTec Solutions, Inc., and Notice of Asset Sale Closing

Report and Order issued August 29, 2006. Petitioner having voluntarily sought cancellation of its certificate, and no detriment to the public interest appearing, the Commission cancelled the certificate.

#### 06-2321-01

In the Matter of the Applicant of Cogent Communications of Utah. Inc. to withdraw its Certificate of Public Convenience and Necessity

Report and Order issued September 6, 2006. Petitioner having voluntarily sought cancellation of its certificate, and no detriment to the public interest appearing, the Commission cancelled the certificate

#### 06-2401-01

In the Matter of the Application of IDACOMM, Inc. to Withdraw its Certificate of Public Convenience and Necessity

Report and Order issued September 6, 2006. Petitioner having voluntarily sought cancellation of its certificate, and no detriment to the public interest appearing, the Commission cancelled the certificate

#### 06-2309-01

In the Matter of the Request of Universal Access, Inc., for the Immediate Cancellation of its Certificate of Public Convenience and Necessity

Report and Order Cancelling Certificate issued December 18, 2006. Petitioner having voluntarily sought cancellation of its certificate, and no detriment to the public interest appearing, the Commission cancelled the certificate

#### 07-2427-01

In the Matter of the Application of SBC Long Distance, LLC, to Discontinue the Provision of Local Exchange Service for Residential Consumers in the State of Utah

Report and Order issued June 15, 2007. SBC is granted approval to discontinue local exchange service to its Utah residential customers, effective June 27, 2007.

#### 07-2408-01

In the Matter of the Application of Suburban Access, LLC, to Discontinue Telecommunications Service

Report and Order issued June 21, 2007. Petitioner having voluntarily sought cancellation of its certificate, and no detriment to the public interest appearing, the Commission cancelled the certificate.

#### Miscellaneous

#### 05-046-01

In the Matter of Extended Area Service for Sanpete County

Report and Order Approving Extended Area Service Application issued September 19, 2006. The establishment of the county-wide Extended Area Service for Sanpete County proposed by Manti Telephone Company, Central Utah Telephone, Gunnison Telephone Company, and Skyline Telecom is approved with prices for said EAS as previously approved in this docket.

#### 07-2270-01

In the Matter of the Provision of Extended Area Service Between All West Communications, Inc.'s Jordanelle Exchange and Owest Corporation's Park City Exchange

Report and Order issued June 4, 2007. The Commission approves the Stipulation by and between All West Communications, Inc. and Qwest Corporation for Extended Area Service between the Jordanelle and Park City Exchanges filed by All West Communications, Inc. and Qwest Corporation and approves establishment of Extended Area Service between All West's Jordanelle exchange and Qwest's Park City exchange pursuant to the terms of the Stipulation.

Кеу:

Docket Number Short Title

Status as of June 30, 2007

# Telecommunications Relay Service and Equipment Distribution Program

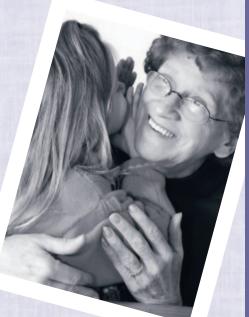
iscal Year 2007 has been another year of great change and advances in telecommunications services and equipment for people with hearing loss or speech disabilities. The Public Service Commission oversees the relay service and equipment distribution program whose statutory authority can be reviewed at §54-8b-10. The relay service is provided through a contract with Sprint. The equipment distribution program provides assistive telecommunication devices such as amplified telephones, captioned telephones, and text telephones to people who meet the program's financial guidelines. New legislation passed in the 2007 General Session of the Legislature as the result of Senator Brent Goodfellow sponsoring and passing S.B. 156 Public Service Commission Equipment Distribution Program. This bill expanded the Commission's responsibility to determine what telecommunications devices will be distributed to the hearing impaired population by allowing distribution to include wireless devices (e.g. BlackBerry). First, the Commission will conduct a trial program with a maximum of 25 wireless devices. These trial customers will submit to periodic questionnaires related to the success of the device for their age group, equipment device type, and geographic location. This change allows for more functional equivalence and independence for people who are deaf and hard of hearing. This service will make possible the ability to access relay services over the internet, allowing for mobility since they are not limited to a landline device. These devices will also enable consumer's easier access to 911 emergency services. As with the relay service, Utah is a pioneer in this field because other states have yet to venture into the distribution of wireless

As a result of expanding technologies, other choices continue to expand for people unable to use a standard telephone since the communications market now includes Video Relay Services (VRS), Internet Protocol Relay (IP 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 in Utah for more than 19 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. One of the notable changes that have occurred recently is the decline in TTY use in as much as other communication services are becoming so accessible and improved. Also, the PSC equipment distribu-

tion 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.

#### **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 services, through Sprint, to allow Utah citizens who are deaf, hard of hearing or speech disabled more efficient communication. The Public Service Commission is pleased to have renewed the contracted services of an advertising agency, Penna Powers Brian Haynes (PPBH), to schedule outreach appointments, assist with marketing, and public relations for Relay Utah as well as the equipment distribution program. PPBH has worked with the PSC for over 4 1/2 years and



#### Relay Utah Presentations 2007

07/17/2006 — 35 attendees Taylorsville Senior Center

08/08/2006 — 45 attendees Friendly Neighborhood Center, Salt Lake City

09/27/2006 — 20 attendees Midvale Senior Center

09/28/2006 — 20 attendees Riverton Senior Center

10/05/2006 — 20 attendees West Jordan Center

10/09/2006 — 45 attendees Northwest Multi-Purpose Center, Salt Lake City

10/11/2006 — 100 attendees Grand County Senior Center, Moab

10/16/2006 — 50 attendees Golden Years Center Bountiful

10/24/2006 Annual Open House St. George

11/20/2006 Draper Senior Center

11/28/2006 Annual Open House Sorensen Center Salt Lake City

12/07/2006 Mount Olympus Senior Center, Salt Lake <u>City</u>

03/06/2007 Union Gardens Ogden

03/08/2007 — 20 residents Golden Link Manor Ogden affordable housing complex

03/22/2007 Riverdale City Senior Center

04/20/2007 — 12 residents Fellowship Manor Ogden affordable housing complex

05/09/2007 — 40 attendees Liberty Senior Center Salt Lake City

05/11/2007 South Jordan Senior

05/17/2007 — 30 directors at sr. centers & nutrition centers Weber Human Services Ogden

05/24/2007 — 25 attendees Three Link Tower Ogden affordable housing center

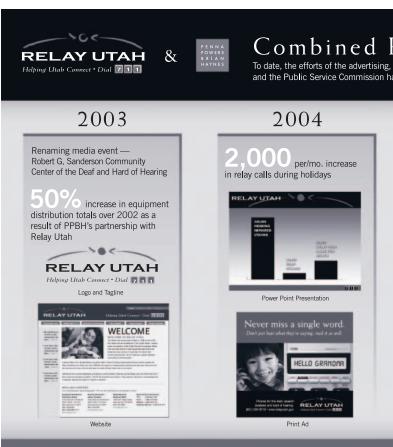
06/13/2007 — 50 attendees Heritage Senior Center Clearfield has become a strong partnership for the Commission as the creative team has developed expertise and understanding of the culture of the deaf as well as issues involved with people who are hard of hearing. They have also created a website at www.relayutah.gov. PPBH created unique and original commercials, advertisements, and brochures on behalf of Relay Utah and the equipment distribution program. Recently the Commission in cooperation with PPBH has aired "Family Portrait" along with three other Relay Utah related commercials that appeared on CBS - Channel 2, ABC - Channel 4, and KJZZ - Channel 14. The television spots emphasize how the telephone equipment distribution programs, and specifically the CapTel phone, have enhanced the lives of family members 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 and has been an excellent means of getting out information about Relay Utah and the equipment distribution programs and services that are available 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 among other community newspapers. 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.

#### **Equipment Distribution**

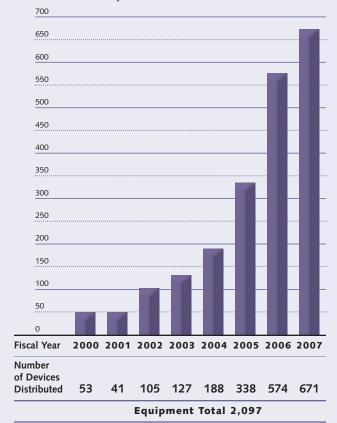
As the number of presentations made across the state increase in coordination with the advertising efforts, requests for applications for specialized telecommunication equipment also continues to increase as seen in the following chart. Due to the increased demand for equipment deliveries, two additional part-time equipment delivery specialists have been hired, trained and added to the Commission staff.

#### **House Bill 145**

As previously stated, 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,



# Following is a chart that demonstrates the increased number of deliveries that have been completed since FY 2000:



#### lesults

marketing, and public relations campaign executed by PPBH ave resulted in a 316% increase in equipment distribution.



applications distributed





there has developed an extreme shortage of American Sign 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 and passed 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 available to those in training.

The Utah Interpreting Program established its Interpreter Certification Advancement Network and had 15 interpreters focusing on both American Sign Language development and interpreting skills with the assistance of seven mentors who are deaf. This individualized mentoring approach seems to be highly effective and should see results of all enrolled to become certified. After completion of almost two years, the Utah Interpreter Program has had 10 students achieve higher certification levels. Six students have passed the Utah Intermediate Interpreter Certification Level, one student passed the Novice Interpreter Certification Level, and one student achieved the EIPA (provisional certificate for interpreting in educational settings). Two additional students passed the Utah Intermediate Interpreter Certification Level along with the Registry of Interpreters for the Deaf (RID) Certification which is the gold standard for the field of sign language interpreting.

As a result of PSC funding, a Fast Track program was implemented at Salt Lake Community College (SLCC), 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. After completing almost two years in the program SLCC reports 91 students who are presently enrolled in the two-year associate degree program or in the Fast Track Program, a 1-year program. Six students have passed the Novice Interpreter Certification Level, and six students have passed the Inter-mediate Interpreter Certification Level.

Local exchange carriers that remitted a surcharge to the State of Utah's Public Service Commission in FY 07 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.
Citizens Telecom Company
of Utah
Comcast Phone of Utah

Direct Comm. Cedar Valley,
LLC
Electric Lightwave

Emery Telecom Frontier Navajo Comm. Co. Gunnison Telephone

Company

Hanksville Telecom

Integra Telecom of Utah,

MCI Communications

Manti Telephone Company

Qwest Corporation SBC

Skyline Telecom South Central Utah Telephone

Telecom

TCG Utah

UBTA-UBET
Communications

**Union Telephone Company** 

Vartec Telecom, Inc.

XO Utah, Inc.

Utah Valley State College, officially Utah Valley University in 2008, implemented its Advanced Certification Interpreter Preparation Program in the fall of 2006. Since that time, the program reports that one student passed the Utah Intermediate Certification Level, three students passed the Novice Interpreter Certification Level, and one student passed the EIPA for educational settings. One additional student has achieved RID Certification as well. Other students have achieved partial components of a variety of levels which once achieved cannot be lost and only built upon. In addition, the other two programs report these results in addition to the certification levels achieved.



### **Relay Utah**

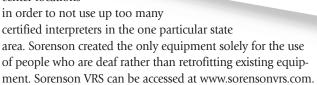
#### **Captioned Telephone (CapTel)**

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 or www.sprintvrs.com.

In 2003, Sorenson Communications, a local Utah company, entered the VRS arena and quickly became the largest carrier. Sorenson has at least 48 VRS call centers across the US. They have expanded their VRS call center locations



#### **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 2007 the total amount received from the local exchange carriers was approximately \$1,367,497. 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 2007, the Commission spent \$2,001,676. The Commission has relied on a diminishing surplus to make up the difference between expenditures and revenues.



#### **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

(503) 982-8000 (800) 732-6639

(503) 982-9000 Fax: Web: www.reconex.com

#### 360Networks (USA) Inc.

867 Coal Creek Circle Suite 160

Louisville, CO 80027-4670

(303) 854-5000 (800) 576-1959

(303) 854-5100 Fax: Web: www.360.net

#### Abovenet Inc.

f.k.a. MFN of Utah LLC

360 Hamilton Ave. 7th Floor

White Plains, NY 10601-1811

(914) 421-6700 (888) 636-2778

(914) 421-7688 Web:www.mfn.com

#### **ACN Communications** Service

32991 Hamilton Court Farmington Hills, MI 48334 (248) 699-4000

(877) 226-1010 (248) 489-5917

Web: www.acninc.com Fmail:

regulatoryteam@acninc.com

#### All West Utah Inc.

d.b.a. All West Utah CLEC 50 West 100 North PO Box 588

Kamas, UT 84036-0588 (435) 783-4361 (866) 255-9378

(435) 783-4928 Web: www.allwest.net

#### All West Utah Inc. d.b.a. All West World

Connect 50 West 100 North PO Box 588

Kamas, UT 84036-0588 (435) 783-4361 (866) 255-9378

(435) 783-4928 Web: www.allwest.net

#### **American Fiber** Network Inc.

9401 Indian Creek Pkwy. Suite 280 Overland Park, KS 66210 (913) 338-2658 (800) 864-0583 (913) 661-0538 Web: www.afnltd.com

#### **American Fiber Systems**

100 Meridian Centre Suite 250 Rochester, NY 14618-3979

(585) 340-5400 Tel: Fax: (585) 756-1966

www.americanfibersystems.com

#### **AT&T Communications** of the Mtn. States

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

#### **Bell South Long Distance**

2180 Lake Blvd. NE Suite 5C48 Atlanta, GA 30319-6004 (404) 829-8269 (800) 316-9385 (404) 829-6370 Fax: Web: www.bellsouth.com

#### **Broadweave Networks**

3940 N. Traverse Mountain Suite 100 Lehi, UT 84043-4984

(801) 407-6000 Tel: (801) 407-6005

#### **BT Communications** Sales LLC

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

#### **Bullseye Telecom Inc.**

25900 Greenfield Road Suite 330 Oak Park, MI 48237 Tel: (248) 784-2605 (877) 638-2855 (248) 784-2501 www.bullseyetelecom.com

#### Chase Com

1612 State Street Santa Barbara, CA 93101

#### **Comcast Phone** of Utah LLC

1500 Market St., 32E Philadelphia, PA 19102 (215) 320-8667 (800) 288-2085 (267) 675-5030 Fax: Web: www.comcast.com

#### Comm Partners, LLC

3291 N. Buffalo Dr. Suite 150 Las Vegas, NV 89129 (702) 367-8647 (702) 365-8647

#### **Computer Network** Technology Corp.

6000 Nathan Lane North Minneapolis, MN 55442 (720) 558-3832 (800) 752-4572 (720) 558-3803 Fax:

#### ComTech 21 LLC

Ones Barnes Park South Wallingford, CT 06492 (203) 679-7173 (877) 312-5544 (203) 679-7387 Web: www.comtech21.com

#### **ComTel Telcom** Assets LP

433 E. Las Colinas Blvd. Suite 1300 Irving, TX 75039-5508 (972) 910-1707

#### Cordia Communications Corp.

445 Hamilton Ave. Suite 408 White Plains, NY 10601 (914) 948-5550 (914) 948-5999

#### Cypress Communications

15 Piedmont Center Atlanta, GA 30305 (404) 869-2500 (888) 528-1788 (404) 338-8798

#### **Dieca Communications**

d.b.a. Covad Communications Co. 7901 Lowry Blvd. Denver, CO 80230-6906 (408) 616-6500 (888) 462-6823 (408) 616-6501

#### dPI Teleconnect LLC

2997 LBJ Freeway Suite 225 Dallas, TX 75234 Tel: (972) 488-5500 (800) 687-6727 (972) 488-8636 Fax:

Web: www.dpiteleconnect.com

#### **DSI Net Communications LLC**

50 Barnes Park North Suite 104 Wallingford, CT 06492 (203) 284-6100 Tel: (877) 375-6691

(203) 284-6101 Web: www.dsl.net

#### **Electric Lightwave Inc.**

1201 NE Lloyd Blvd. Suite 500 Portland, OR 97232-6902 (503) 480-0504 (503) 453-8018 Fax:

Web: www.integratelecom.com

# Emery Telecom and Video Inc.

450 E. Hwy. 29 PO Box 550 Orangeville, UT 84537-0550 (435) 748-2223 (435) 748-5222

Web: www.etv.net

#### **Epinnacle** Communications Inc. 4692 North 300 West

Suite 210 Provo, UT 84604-7714 (877) 355-2394 Tel: (801) 932-1276 Web: www.e-pinnacle.net

#### **Ernest** Communications Inc.

5275 Triangle Pkwy. Suite 150 Norcross, GA 30092 (770) 242-9069 Tel: (800) 456-8353 (770) 448-4115 Web: www.ernestgroup.com

#### **Eschelon Telecom** of Utah Inc.

730 2nd Ave. South Suite 900 Minneapolis, MN 55402-2489 (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 (801) 456-1000 Fax: (801) 456-1010 Web: www.firstdigital.com

#### **France Telecom**

13775 McLearen Rd. Herndon, VA 20171-3402 (703) 375-6100 (703) 925-4715

#### Frontier

#### Communications d.b.a. Citizens Long Distance

PO Box 708970 Sandy, UT 84070-8970 (801) 924-6360 (888) 535-4354 (801) 924-6363 Fax:

#### **Global Connection** of America

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

#### **Global Crossing** Telemanagement

1080 Pittsford Victor Rd. Pittsford, NY 14534 (585) 255-1100 (800) 414-1973 (585) 381-7592 Web:

www.globalcrossing.com

#### Granite **Telecommunications**

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

#### **GTC Telecom Corp.**

PO Box 1680 Costa Mesa, CA 92628 (714) 549-7700 Fax: (714) 549-7707

#### **IDT America Corp.**

520 Broad Street Newark, NJ 07102 (973) 438-1000

#### Industrial **Communications**

c/o General Telephone PO Box 610 Bountiful, UT 84011 (801) 532-3500

#### Competitive Local Exchange Carriers (cont.)

#### Integra Telecom of Utah LLC

1201 NE Lloyd Blvd. Suite 500

Portland, OR 97232-6902 Tel: (503) 480-0504 (503) 453-8018

Web:

www.integratelecom.com

## Intrado Communications Inc.

1601 Dry Creek Dr.

Longmont, CO 80503
Tel: (720) 494-5800
(877-856-7504
Fax: (720) 494-6600
Web: www.intrado.com

#### Ionex Communications North Inc.

2300 Main Street Suite 600

Kansas City, MO 64108-2415

Tel: (816) 300-3342 (913) 908-6371 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.

5909 Northwest Expressway Suite 403 Oklahoma City, OK 73132 Tel: (405) 755-8177 ext. 27

#### 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

#### MCI Communications Services Inc.

d.b.a. Verizon Bus SVC 22001 Loudon 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

#### Metropolitan Telecommunications of Utah

44 Wall St. 6th Floor New York, NY 10005-2401 Tel: (212) 607-2000 Fax:(866) 667-3900

#### 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

#### **Nextg Networks of Calif**

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

#### **OnFiber Carrier Services**

1600 7th Avenue Room 2711 Seattle, WA 98191 Tel: (206) 345-8318 (800) 362-1228 Fax: (206) 346-9001

#### Orbitcom Inc.

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

#### Pac-West Telecom Inc.

4210 Coronado Ave.
Stockton, CA 95204-2341
Tel: (209) 926-2403
(800) 722-9378
Fax: (209) 926-4585
Web: www.pacwest.com

#### Paete

600 Willowbrook Office Parks 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

16380 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 (888) 739-4734

(888) 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 Infocom 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**

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

#### Redline Inc.

770 E. Main St., #105 Lehi, UT 84043 Tel: (801) 735-9950 Fax: (801) 990-3998 Web: www.redlinephone.com

### Reliant Communications

801 International Pkwy. 5th Floor

Lake Mary, FL 32746-4763
Tel: (800) 830-5582
Fax: (800) 774-9216
Web: www.reliantrates.com

#### SBC Telecom Inc.

AT&T Long Distance
1010 N. St. Mary's
Room 1335
San Antonio, TX 78215
Tel: (210) 246-8041
(877) 430-7228

(8//) 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

(800) 931-1791 Fax: (702) 949-7929 Web: www.spfiber.com

#### Sorenson Media Inc.

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

# Sprint Communications Co 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 255 Broomfield, CO 80020 Tel: (303) 466-1723 Fax: (303) 469-9510 Web

www.surburbanaccess.com

#### Syniverse Technologies Inc.

8125 Highwoods Palm Way Tampa, FL 33647-1776 Tel: (813) 637-5940 Fax: (813) 637-5731 Web: www.syniverse.com

#### **Talk America**

6805 Route 202 New Hope, PA 18938 Tel: (215) 862-1500 (800) 291-9699 Fax: (215) 862-1085 Web: www.talk.com

#### TCG Utah

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

#### TelWest Communications

12101 Tukwila International Blvd. Suite 300 PO Box 94447 Seattle, WA 98168-2569 Tel: (206) 933-1119 (877) 463-9366 Fax: (206) 933-1117 Web: www.

## Time Warner Telecom of Utah LLC

telwestcommunications.com

To475 Park Meadows Dr.
Suite 400
Littleton, CO 80124
Tel: (303) 566-1000
(888) 245-0608
Fax: (303) 566-1010
Web: www.twtelecom.com

# Trans National Communications (TNCI)

2 Charlesgate West Boston, MA 02215 Tel: (617) 369-1163 Fax: (617) 369-1187

## Trinsic Communications Inc.

601 S. Harbour Island Blvd. Suite 220 Tampa, FL 33602

Tel: (813) 273-6261 (251) 368-8600 Fax: (813) 233-4538 Web: www.trinsic.com

#### UCN Inc.

14870 S. Pony Express Rd. Bluffdale, UT 84065-4801 Tel: (801) 320-3200 Fax (801) 715-5022



#### Competitive Local Exchange Carriers (cont.)

### United Communications HUB

d.b.a. UC HUB Inc. 10 Appaloosa Lane Bell Canyon, CA 91307-1002

Tel: (909) 945-8563 (800) 862-9970 Fax: (888) 525-5266 Web: www.uchub.net

#### **VCI Company**

Web: www.vcicompany.com

#### Veracity Communications

379 North University Avenue Suite 301

Provo, UT 84601-2878 Tel: (801) 437-6578 Fax: (801) 370-1104

### Communications Inc.

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

#### WilTel Communications

1025 Eldorado Blvd. Broomfield, CO 80021 Tel: (918) 437-2654 (800) 924-8903 Fax: (918) 547-9446

Web: www. wiltelcommunications.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**

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

#### XO Utah Inc.

11111 Sunset Hills Rd. Reston, VA 20190 Tel: (703) 547-2866 Fax: (703) 547-2420 Web: www.xo.com

#### Ygnition Networks, Inc.

565 Andover Park West, #201 Seattle, WA 8-98188 Tel: (206) 574-5480 Fax: (206) 574-5481

#### Ymax

#### Communications Corp.

PO Box 6785 West Palm Beach, FL 33405-6785

Tel: (561) 586-3380 (888) 230-0060 Fax: (561) 586-2328

#### **ILECs Operating in the State of Utah**

under the Jurisdiction of the Public Service Commission

#### **Incumbent Local Exchange Carriers**

#### Albion Telephone Company 225 W. North St.

PO Box 98 Albion, ID 83311 Tel: (208) 673-5335 Fax: (208) 673-6200 Web: www.atccomm.com

#### 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

#### Central Utah Telephone 35 S. State Street

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 71211-4065 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:

# Farmers Telephone Company

www.emerytelcom.net

26077 Hwy. 491 PO Box 369 Pleasant View, CO 81331-0369 Tel: (970) 562-4211 (877) 828-8656

Fax: (970) 562-4214 Web:

www.farmerstelcom.com

#### Gunnison Telephone Company

29 South Main St. PO Box 850 Gunnison, UT 84634-0850 Tel: (435) 528-7236 Fax: (435) 528-5558 Web: www.gtelco.net

#### Hanksville Telecom Inc.

455 E. Hwv. 29

PO Box 629 Orangeville, UT 84537-0629 Tel: (435) 748-2223 Fax: (435) 748-5222 Web: www.emerytelcom.net

#### Manti Telephone Company 34 W. Union St.

Manti, UT 84642-1356 Tel: (435) 835-3391 (877) 835-3391 Fax: (435) 835-7192

#### Navajo Communications

d.b.a. Frontier Navajo Communications PO Box 708970 Sandy, UT 84070-8970 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 Street 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

#### **Uintah Basin Telecom**

d.b.a. 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

# Water

#### Overview of Water Utility

#### **Water Service**

here 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.

However, for the overwhelming majority of Utahns, 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** 

This being the case, many of the new water companies have been set up as non-profit cooperatives with the intent that control and ownership, with all the responsibilities 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.

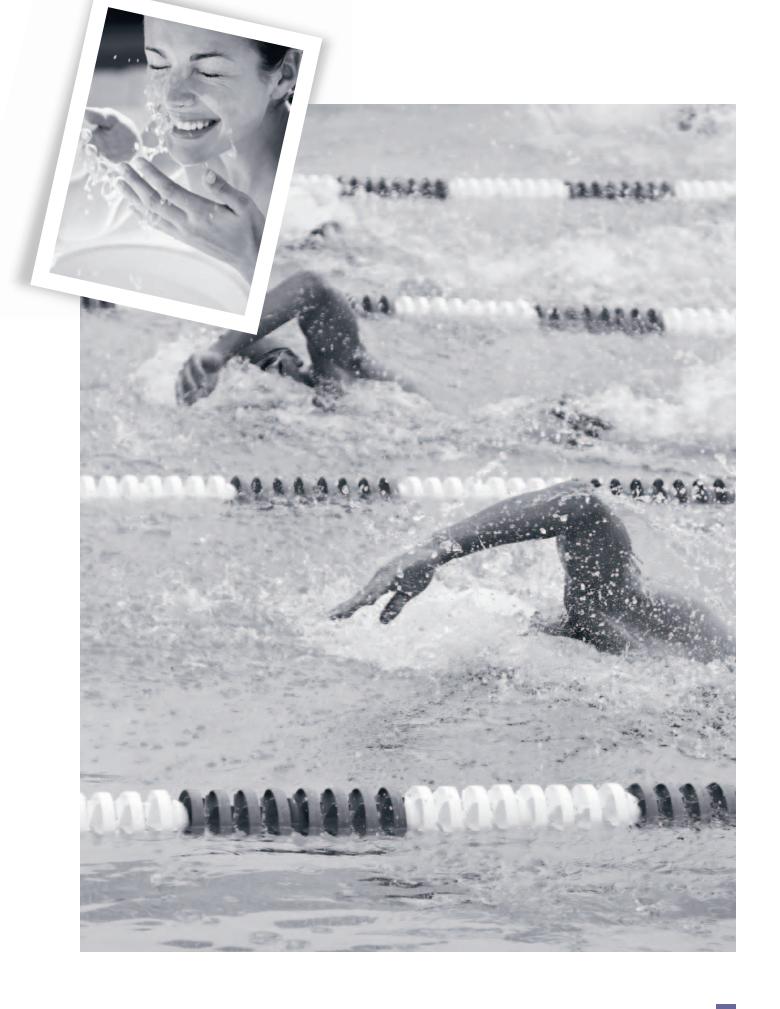
#### **Commission Jurisdiction**

As with other utilities, the Commission exercises regulatory jurisdiction 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 2007, the Commission issued one new Certificate of Public Convenience and Necessity, cancelled the Certificate of one company no longer providing culinary water service, approved rate increases requested by four water companies, and decreased certain rates for one company.





#### **Water Dockets**

#### 06-2189-01

In the Matter of the Investigation into the request to cancel the Certificate of Public Convenience and Necessity for Chekshani Water Company

Report and Order issued September 19, 2006. Chekshani Water Company's Certificate of Public Convenience and Necessity, issued March 18, 1993, in Docket No. 92-2189-01, be, and it is, cancelled and annulled.

#### 06-2280-T01

In the Matter of the Legacy Sweetwater, Inc., Request for Rates, Rules, and Regulations for Water Service

Report and Order issued September 26, 2006. Legacy Sweetwater Water Company's proposed rates and fees are approved as reflected in the Company's revised tariff filed September 21, 2006, and set forth supra, said approval being conditioned upon the continuing cooperation of Legacy Sweetwater Water Company, the developer and all affiliates in making their books and records available for reasonable inspection by the Division of Public Utilities and this Commission.

#### 06-2178-T02

In the Matter of the Apple Valley Water Company Request for Rates, Rules, and Regulations for Water Service

Report and Order issued October 2, 2006. Apple Valley Water Company's proposed connection fee is approved.

#### 06-2443-T01

In the Matter of the Proposed Rate Increase of WaterPro, Inc.

Report and Order issued January 12, 2007. WaterPro, Inc.'s proposed rates as discussed herein are approved.

#### 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

Report and Order Certificate No. 2437 issued January 29, 2007. Bridge Hollow Water Association having failed to demonstrate its qualification for exemption from Commission regulation, but having demonstrated its fitness to serve, the Commission grants a Certificate of Public Convenience and Necessity and approves interim rates as indicated.

#### 06-014-T01

In the Matter of the Proposed Rate Increase of Storm Haven Water Company, Inc.

Report and Order issued February 27, 2007. Storm Haven Water Company, Inc.'s proposed rates as discussed herein are approved as indicated.



#### Key:

Docket Number

Short Title

Status as of June 30, 2007

#### 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

PO Box 1519 Boulder, UT 84716 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) 865-06//

## Community Water c/o Norwest Corporation

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 Valley, UT 84783 Tel: (435) 574-2295

Fax: (435) 627-1478 Web: www.dammeronvalley.com

#### **Duck Creek Pines LLC**

2230 N. University Pkwy. Suite 7B Provo, UT 84604

Tel: (801) 377-0400 Fax: (801) 377-0630

#### **Durfee Creek Homeowners Association**

1941 East 6925 North Liberty, UT 84310 Tel: (801) 476-2373 (801) 775-2488

Fax: (801) 974-5653

#### **Water Utilities** Operating in Utah (cont.)

#### **Elk Ridge Estates Water Company**

PO Box 100013 Alton, UT 84710 (435) 648-2029 Fax: (435) 648-2641

Email: wheaton@scinternet.net

#### **Falcon Crest Water Company** c/o Lonepeak Realty & Management

4115 S. 430 E., #201 Salt Lake City, UT 84107 (801) 268-1087 (801) 262-7937 Fax:

Email: martin@Lonepeakreality.com

#### **Harmony Heights Water Company**

722 East 200 South PO Box 487

New Harmony, UT 84757 (435) 586-9208 (435) 586-9208 Fax:

#### **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 (801) 876-2510 Cell: (801) 391-1105

#### **Homespun Village** Water Company

PO Box 460671 Leeds, UT 84746 (801) 254-9050 (801) 254-1522 Fax:

#### **Horseshoe Mountain Ranch Estates**

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

Fax: (801) 572-7456

#### **Iron Town Property Owners'**

2568 Elizabeth St., #5 Salt Lake City, UT 84106 (801) 484-4220 Email: kwrussell@msn.com



#### Kwu Inc.

d.b.a. Kayenta Water Users 800 N. Kayenta Pkwy. lvins, UT 84738 (435) 628-7234 (435) 628-7707

#### **Lake Front Estates Water Users Association**

PO Box 567 Panguitch, UT 84757 (435) 676-2349

#### Lakeview Water Corporation

932 Ski Lake Dr. Huntsville, UT 84317 (801) 745-3004 (801) 745-3131

#### Legacy Sweetwater Inc.

PO Box 277 Mt. Pleasant, UT 84647 (801) 491-9414 (435) 491-8704 Fax:

#### **Lizard Bench Water Association**

1030 East 2780 North Monroe, UT 84757 (435) 896-6056 Email: jcquitt@altazip.com

#### Long Valley Estates Water Co.

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

#### Mountain Sewer Corporation

932 S. 6525 E. Huntsville, UT 84317 (801) 745-3004 (801) 745-3131

#### **Mountain Valley Ranches Water Service** North Corporation

2274 West 5875 North Cedar City, UT 84720-5917 Tel: (435) 586-2436

#### **New Paria Water Company**

71 S. 7th Ave. Page, AZ 86040-0340 (928) 645-9478 (928) 645-5745

#### **North Creek Ranch HOA**

PO Box 2030 Beaver, UT 84713-2030 (435) 438-6308 (435) 738-2455

2425 North 530 East

**Pine Valley Irrigation Co.** 132 East 100 South Pine Valley, UT 84781-2112 (435) 574-2715

#### Pineview West Water Co.

6084 South 900 East, #202 Salt Lake City, UT 84121 Tel: (801) 521-7330

#### Sherwood Water Co. 3140 North 2000 West.

PO Box 565 Delta, UT 84624-0565 (435) 864-2896 (435) 864-4947

#### South Duchesne Culinary Water Inc.

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

#### Storm Haven Water Company

4782 S. Cove Lane 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 (435) 336-5584 (435) 336-2380 Fax:

#### 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 (435) 867-1001

#### White Hills Water Company

1099 W. South Jordan Pkwy. South Jordan, UT 84095 (801) 485-5274

#### Winchester Hills Water Co.

1090 West 5830 North Saint George, UT 84770 (435) 673-9403 (435) 659-6967

#### **Wolf Creek Ranch** Water System

PO Box 520370 Salt Lake City, UT 84152-0370 Tel: (801) 844-0101 (801) 975-0900 Web: www.wolfcreekranch.com Email: dannypace21@yahoo.com

#### Wolf Creek Water Co.

3718 N. Wolf Creek Dr. PO Box 658 Eden, UT 84310-0658

#### **Wolf Creek Water** Conservancy Inc.

3718 N. Wolf Creek Dr. PO Box 658 Eden, UT 84310-0658 (801) 745-3435 Tel· Fax: (801) 745-3454

# Complaint Resolutions

### **Utility Overview**

#### **Monopolies**

f 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 2007. Of these, 16 became formal complaints before the Commission during FY 2007 requiring a hearing by an Administrative Law Judge.

# Utility Complaint FY 2007

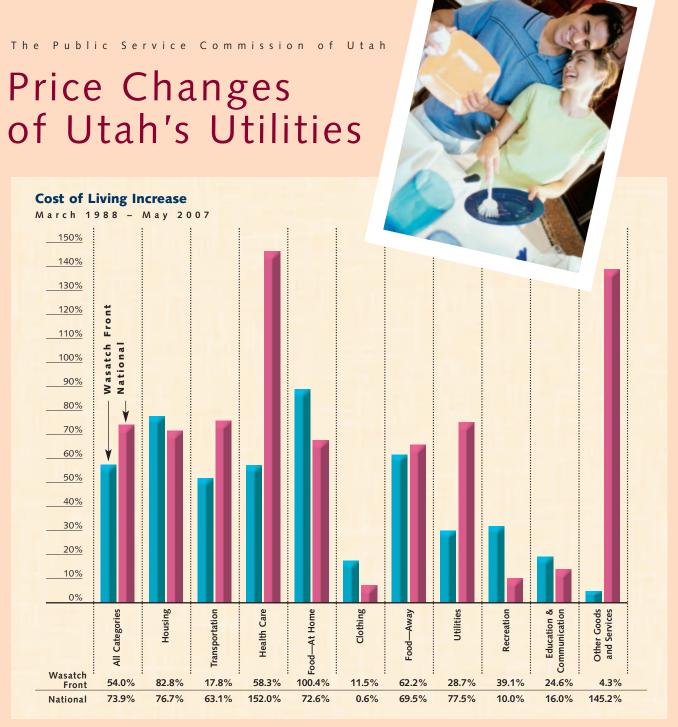
Electric266
Natural Gas253
Telecom – ILEC*318
Telecom – CLEC*178
Telecom – Long Distance43
Water and Sewer7

\* II FC

Incumbent Local Exchange Carrier
\* CLEC –

Total ......1,065

Competitive Local Exchange Carrier



Index: March 1988 = 0%; Source: Wells Fargo Bank Cost of Living Report 5-07

Wells Fargo Bank *Cost of Living Report* describes how prices for different goods and services have changed along the Wasatch Front compared to the nation in the past nineteen 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 nineteen 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 a 2% decline in Rocky Mountain Power electric bills since 1988 and an 86% increase in Questar Gas natural gas bills. About half of Questar Gas's 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 has been higher in recent years.

### The Public Service **Commission of Utah**

P.O. Box 45585 160 East 300 South Salt Lake City



(801) 530-6716

Toll Free (800) 874-0904