







# The Public Service Commission of Utah 2008 Annual Report

for the period July 1, 2007, through June 30, 2008



Electricity Natural Gas Telecommunications Water



**Public Service Commission of Utah** 2008 Annual Report

for the period July 1, 2007, through June 30, 2008

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RIC CAMPBELL RON ALLEN Commissioner

State of Utah

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

November 10, 2008

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 of the Public Service Commission of Utah for fiscal year 2008. 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.

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

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Utah!

# The Public Service Commission of Utah

#### **Personnel**

June 30, 2008

Chairman

Teд 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

Chief Utility Economist

James A. Logan

Telecommunications Technical Consultant/Economist

John S. Harvey

Electric and Gas Utility
Technical Consultant
Carol Revelt

Paralegal
Sheri Bintz

TRS Specialist
Mary Beth Green

Accounting Technician
Kimberly Royer

Office Technician
Trixie Behr

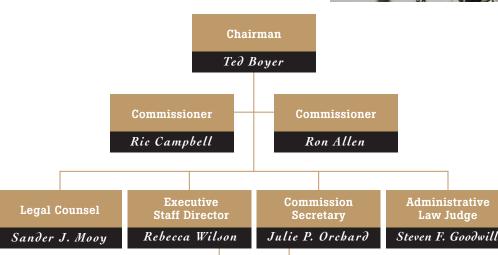
Office Technician
Merilee Livingston

Equipment Delivery Personnel  $Lorri\ Dean$ 

Equipment Delivery Personnel Brad Blackner

#### **Organization Chart**

June 30, 2008



Chief Utility Economist

James A. Logan

Telecommunications
Technical
Consultant /
Economist

John S. Harvey

Electric and Gas Utility Technical Consultant

Carol Revelt

Paralegal

Sheri Bintz

TRS Specialist

Mary Beth Green

Accounting Technician

Kimberly Royer

Technician

Trixie Bebr

Technician

Merilee Livingston

Equipment Delivery Personnel

Lorri Dean

Equipment Delivery Personnel

Brad Blackner

# 2008 Commissioners

**Commission Chair** 

Ted Boyer

Original Term: June 20, 2003 - March 1, 2009

Ted Boyer was appointed as a commissioner of the Public Service Commission on June 20, 2003 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, the Regional Oversight Committee, the Utah Privatization Policy Board, the Utah Telecommunications Advisory Council, the Steering Committee of the Western Renewable Energy Zones Project of the Western Governor's Association, and is a past presi-

dent of the Western Conference of Public Service Commissioners (WCPSC).

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



Original Term: March 18, 2005 - March 1, 2011

Ron Allen was appointed to his first term as a Commissioner of the Utah Public Service Commission 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 Utah Senate he served as Minority Whip and on the Executive Appropriations and Executive Management Committees. Ron also served on the Utah Tax Review





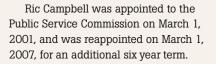
Commission and on the Privatization Review Board. In addition, he served on the Energy and Electric Utilities Committee for the National Conference of State Legislatures.

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

### Commissioner

Ric Campbell

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



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.

# History of the Public Service Commission

#### Origins of the Public Service Commission of Utah

ince its origin in the Public Utilities Act of 1917, the Commission has served the citizens of Utah through technical and economic regulation of the states public utility companies. These privately owned but government-regulated companies provide the telecommunications, electricity, natural gas, water, and sewerage systems through which important services are delivered to Utah households and businesses.

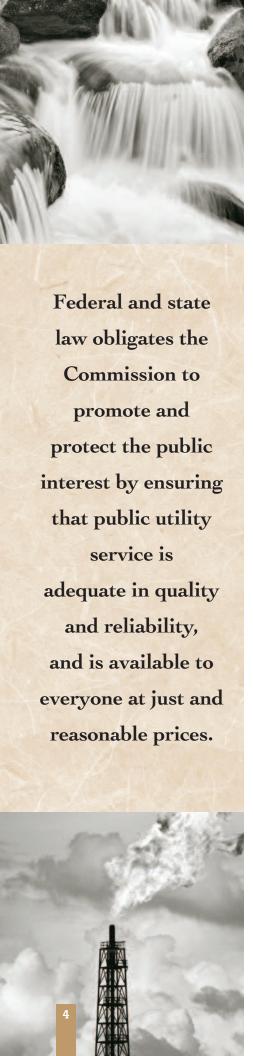
Utility systems are key structural elements of Utah's economy. Collectively, all such structural elements, whether provided by public authorities or regulated private companies, are known as "infrastructure." Roads, railways and other modes of transportation, and communications and other network-based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

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

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.



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 17 persons.

The Division of Public Utilities, within the Utah Department of Commerce, performs public utility audits and investigations, helps 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 and the Committee of Consumer Services

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, environmental groups, 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, engineering, and service quality.

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 or filed on the public record.

During fiscal year 2008, 273 cases were docketed. Of these, 157 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. The Public Service Commission regulates 153 utility companies with gross intrastate revenues exceeding \$2.9 billion.

# PSC Commissioners

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

# PSC Secretaries

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

# 

| <ul><li>Appo</li><li>Year</li></ul> | intment Years<br>Commission                      |            |   | nocrat R — Republ<br>Commissioner 2 |   | n I —<br>Commissioner 3    |  |
|-------------------------------------|--|------------|---|-------------------------------------|---|----------------------------|--|
| 1973                                | <ul><li>Bennett - R</li><li>Zundel - R</li></ul> |            |   | Warner - D (72-76)                  |   | Lambert - <i>D (72-75)</i> |  |
| 1974                                |  |            |   |                                     |   |                            |  |
| 1975                                |  |            | • |                                     |   | Kimball - D (75-76)        |  |
| 1976                                |  |            |   | Bernard - D (76-82)                 |   | Folley - D (76-77)         |  |
| 1977                                |  |            |   | , ,                                 |   | Rigtrup - I (77-80)        |  |
| 1978                                |  |            |   |                                     |   | 3-11 (/                    |  |
|                                     | ■ Irvine – R                                     | (79-85)    |   |                                     |   |                            |  |
| 1980                                |  | ,          |   |                                     |   | Cameron - D (80-89)        |  |
| 1981                                |  |            | • |                                     |   | 2 (00 00)                  |  |
| 1982                                |  |            | Ī | Bryne - D (82-95)                   |   |                            |  |
| 1983                                |  |            |   | Diyilo D (02 00)                    |   |                            |  |
| 1984                                |  |            |   |                                     |   |                            |  |
|                                     | • Stewart - I                                    | R (85_92)  |   |                                     |   |                            |  |
| 1986                                | bicwart 1  | 11 (00 02) |   |                                     |   |                            |  |
| 1987                                |  |            | • |                                     |   |                            |  |
| 1988                                |  |            |   |                                     |   |                            |  |
| 1989                                |  |            |   |                                     |   | Mecham - R (89-91)         |  |
| 1990                                |  |            |   |                                     |   | Wechain - It (03-31)       |  |
| 1991                                | •  |            |   |                                     |   | Hewlett - R (91-95)        |  |
| 1992                                | Mecham -   | D (02 02)  |   |                                     |   | 11ewiett - 11 (91-93)      |  |
| 1993                                | Wechain -  | 11 (32-03) |   |                                     |   |                            |  |
| 1994                                |  |            |   |                                     |   |                            |  |
| 1995                                |  |            |   | Mbita I (OF OF)                     |   | Ionog P (05 01)            |  |
| 1996                                |  |            |   | White - <i>I (95-05)</i>            |   | Julies - 11 (90-01)        |  |
| 1997                                |  |            |   |                                     |   |                            |  |
| 1998                                |  |            |   |                                     |   |                            |  |
| 1999                                |  |            |   |                                     |   |                            |  |
| 2000                                |  |            |   |                                     |   |                            |  |
|                                     |  |            |   |                                     |   | Comphall D (01             |  |
| 2001                                |  |            |   |                                     | • | Campbell - R (01- )        |  |
|                                     | Dorror D   | (02        |   |                                     |   |                            |  |
|                                     | Boyer - R (                                      | 03- )      |   |                                     |   |                            |  |
| 2004                                |  |            |   | Aller D /05 1                       |   |                            |  |
| 2005                                |  |            |   | Allen - D (05- )                    |   |                            |  |
| 2006                                |  |            |   |                                     |   |                            |  |
| 2007                                |  |            |   |                                     |   |                            |  |
| 2008                                |  |            |   |                                     |   |                            |  |
| 2009                                |  |            |   |                                     |   |                            |  |
| 2010                                |  |            |   |                                     |   |                            |  |
| 2011                                |  |            |   |                                     |   |                            |  |
| 2012                                |  |            |   |                                     |   |                            |  |
| 2013                                |  |            |   |                                     |   |                            |  |
|                                     |  |            |   |                                     |   |                            |  |

| 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      |
|                 |                     |                |

\*Acting Secretary

# Overview of Electric Utilities

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.

#### **Rate Changes**

In December 2007, PacifiCorp filed an application requesting approval to increase revenues by \$161.2 million and to implement a large load surcharge. Subsequent to the Commission's test period determination and negotiations with parties, PacifiCorp reduced its request to \$74.5 million. Unresolved issues associated with the case were presented before the Commission during the week of June 2. The Commission's decision regarding the PacifiCorp's requested revenue increase is to be issued during the third quarter of 2008. In April 2008, before conclusion of the December 2007 rate case, the Company notified the Commission of its intention to file another rate case on or after June 6, 2008.

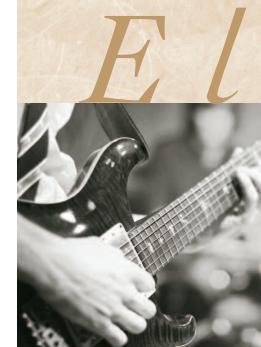
#### Legislative Changes — Renewable Energy, Net Metering, and Federal Standards

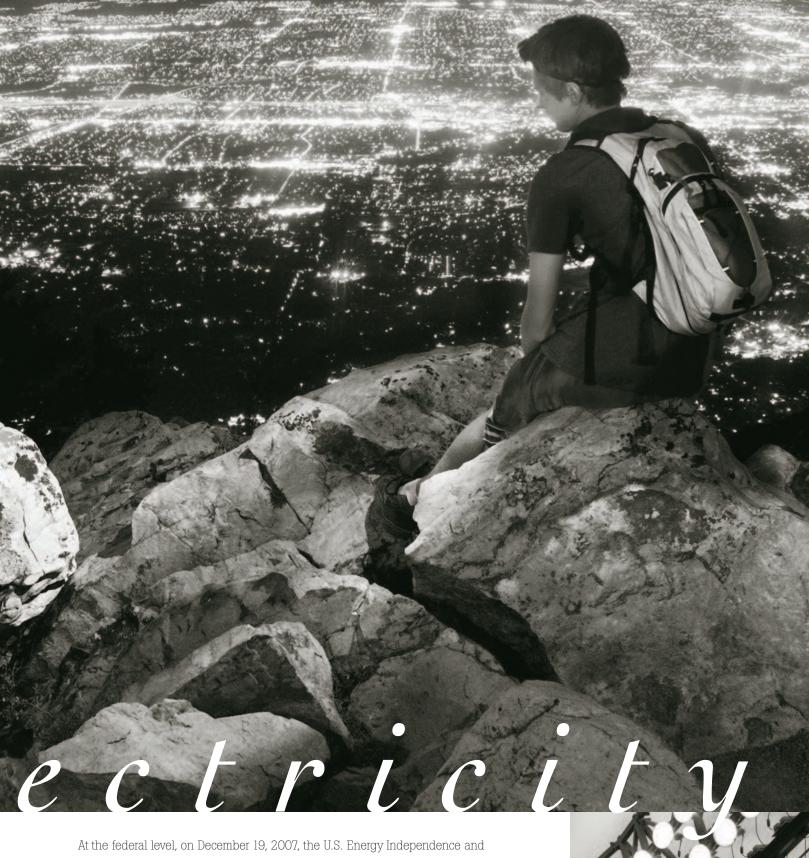
During the 2008 Utah legislative session two bills were passed which amended the Commission's responsibilities identified in Utah Code Title 54 — Public Utilities. Senate Bill 202 — Energy Resource and Carbon Emission Reduction Initiative provides that 20 percent of an electrical corporation's adjusted retail electric sales beginning in the year 2025 comes from qualifying electricity, including renewable energy, if cost effective. Senate Bill 202 also contains provisions for reporting, cost recovery, and issuance and recognition of renewable energy certificates, modifies definitions, and requires certain state agencies to make rules concerning carbon capture and geologic storage of captured carbon emission.

Senate Bill 84, also passed during the 2008 Utah legislative session, resulted in changes to Utah's net metering law. The major changes include expanding the types of eligible facilities which qualify for net metering, providing methods for the determination of the value of excess customer–generation and changing the circumstances under which an electrical corporation's discontinuance of net metering is allowed. PacifiCorp has since submitted revisions to their net metering tariff to make it consistent with revisions enacted by Senate Bill 84.



Most of the
Commission's work
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from regulation
of PacifiCorp,
the provider of
80 percent of
the electricity to
Utah homes
and business.





At the federal level, on December 19, 2007, the U.S. Energy Independence and Security Act of 2007 was enacted which requires the Commission to evaluate five new standards applicable to electric utilities. These Standards address Integrated Resource Planning, Rate Design Modifications to Promote Energy Efficiency Investments, Consideration of Smart Grid Investments, Smart Grid Information, and Waste Heat Recovery. The Commission's consideration and determination of the new standards will commence during the latter part of 2008.

# 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. After having undergone considerable review by regulators and interested parties, the Commission issued a Report and Order in which it declined to acknowledge the 2007 IRP filed on by PacifiCorp in May 2007. The Commission provided guidance to assist in development of the next IRP. In June 2008 PacifiCorp filed an update to the 2007 IRP which is currently undergoing review by regulators and interested parties. In order to meet the projected average annual system growth rate of 1.7 percent and Utah load growth of 2.2 percent through 2017, the 2007 IRP Update 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, through 2017, PacifiCorp proposes 1,096 megawatts of natural gas-fired resources, 1,270 megawatts of renewable resources, 35 megawatts of geothermal resources, 75 megawatts resulting from hydro generation upgrades, 200 megawatts resulting from thermal generation upgrades, 19 megawatts from combined heat and power sources, 400 to 1,731 megawatts of annual unspecified market purchases, transmission additions and energy conservation programs. The Commission has solicited comments on the 2007 IRP Update.

# 8

# Large Electric Power Plant Procurement

The Commission implements state law governing the procurement and approval of PacifiCorp's electric generating plants. During the past year PacifiCorp has been engaged in several activities requiring Commission oversight and/or authorization with respect to energy resource solicitations. Activities associated with evaluation and bidder short-list selection for the 2012 Request for Proposal, approved by the Commission in April 2007, have been completed and negotiations are underway. The Commission's independent evaluator has been monitoring PacifiCorp's process since its inception.

In February 2008, pursuant to state law, PacifiCorp filed its 2008 Request for Proposal with the Commission for Approval of a Solicitation Process for a Flexible Resource for the 2012–2017 Time Period. In May 2008 the Commission provided PacifiCorp with suggested modifications to the solicitation process. Prior to issuance of the 2008 Request for Proposal PacifiCorp will revise its solicitation in accordance with Commission guidance.

In April 2008 PacifiCorp filed a request for waiver of the solicitation process required for a significant energy resource and for approval of a significant energy resource decision. This waiver relates to the acquisition of a recently constructed natural-gas fired generating station located in Chehalis, Washington. The Commission will issue its decision on this application during the summer of 2008.



PacifiCorp is also actively pursuing renewable resources. In January 2008 Pacifi-Corp issued a request for proposals for up to 200 megawatts of renewable resources in 2008 and 100 megawatts of renewable resources in 2009. This solicitation is below the threshold for Commission involvement. In April 2008, pursuant to the requirements of the recently passed Senate Bill 202, PacifiCorp notified the Commission of its intent to issue a request for proposal for up to 300 megawatts of renewable resources by December 31, 2011. In accordance with the requirements Senate Bill 202, the Commission has initiated steps to engage a consultant to review and comment on the process.

#### **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 to \$30 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. During 2008, approximately 130 megawatts of power were offset through these programs.

#### **Depreciation Rates**

By law the Commission has the authority to ascertain, determine and fix, by order, the proper and adequate rates of depreciation for several classes of property for each public utility. In February 2008 the Commission exercised this authority when it issued an order adopting and approving a Stipulation on Depreciation Rate Changes entered into by PacifiCorp, the Utah Division of Public Utilities, and the Utah Committee of Consumer Services. This Stipulation reduces PacifiCorp's composite depreciation rate from 2.91 percent to 2.69 percent which represents a decrease of approximately \$22.1 million in Rocky Mountain Power's annual depreciation expense in Utah based on December 31, 2006 depreciable plant balances and relative allocation factors.

# Public Utility Regulatory Policies Act

Pursuant to the requirements of the U.S. Energy Policy Act of 2005, the Commission completed its consideration and determination of the Fossil Fuel Generation Efficiency Standard contained in the federal Public Utility Regulatory Policies Act ("PURPA"). As no standard comparable to the PURPA Fossil Fuel Generation Efficiency Standard exists in Utah, the Commission adopted this standard and commenced a process to determine implementation. Following the Commission's May 2007 determination regarding the PURPA Interconnection Standard, the Commission also commenced a process to begin development of electrical interconnection standards.



# Electric Utility Dockets

#### 00-035-T01

In the Matter of the Tariff P.S.C.U.

No. 42, Re: Proposed Schedule 70 —
Tariff Revisions Attributable to the
Recently Approved Merger between
PacifiCorp and Scottish Power in
Docket No. 98-2035-04

Report and Order issued March 21, 2008. The Commission finds acceptable Rocky Mountain Power's Annual Report of the Blue Sky Program for the Period September 2006 through August 2007, as modified and filed by the Division, subject to the comments and conditions in this Order

#### 06-035-163

In the Matter of the Application of Rocky Mountain Power, a Division of PacifiCorp, for a Deferred Accounting Order to Defer the Costs of Loans Made to Grid West, the Regional Transmission Organization

Report and Order issued January 2, 2008. The Commission denies the requests for an accounting order for Grid West loan expenses.

#### 06-999-03

In the Matter of the Consideration of the Amendment of 16 U.S.C. § 2621 — Consideration and Determination Respecting Certain Rate Making Standards for Electric Utilities by the Energy Policy Act of 2005

Determination Concerning the PURPA Fossil Fuel Generation Efficiency Standard issued on August 10, 2007.

The Commission determines no standard comparable to the PURPA Fossil Fuel Generation Efficiency Standard exists and adopts the PURPA Fossil Fuel Generation Efficiency Standard.

#### 07-025-01

In the Matter of the Application of Empire Electric Association, Inc. for Approval of Financing

Report and Order Approving Issuance of Securities issued December 7, 2007. No detriment to the public interest appearing, the Commission granted the authority sought by the Applicant with certain conditions.

# Key: Docket Number

Status as of June 30, 2008

#### 07-028-01

In the Matter of the Application of Garkane Energy Cooperative, Inc. for Authority to Issue Securities

Report and Order Approving Issuance of Securities issued November 2, 2007. No detriment to the public interest appearing, the Commission granted the authority sought by the Applicant with certain conditions.

#### 07-035-04

In the Matter of the Application of Rocky Mountain Power for an Accounting Order to Defer the Costs Related to the MidAmerican Energy Holdings Company Transaction

Report and Order issued January 3, 2008. The Commission denies the requests for an accounting order for employee severance costs.

#### 07-035-13

In the Matter of the Application of Rocky Mountain Power, a Division of PacifiCorp, for Authority to Change its Depreciation Rates Effective January 1, 2008

Order Adopting and Approving Stipulation on Depreciation Rate Changes issued February 4, 2008. The Commission approves the Stipulation, authorizes Rocky Mountain Power to implement the depreciation rates proposed in the Stipulation effective January 1, 2008; requires Rocky Mountain Power to incorporate the depreciation rates into its calculation of its revenue requirement in its pending general rate case, Docket No. 07-035-93; requires Rocky Mountain Power to complete a new depreciation study, including a review and analysis of net salvage values, within five years of the date of this Order or prior to the Company's next request for a change in depreciation rates, whichever comes first; and, effective January 1, 2008, requires that when Rocky Mountain Power is reimbursed by a third party for a retirement of plant, the amounts the Company is reimbursed shall first be treated as credits against removal costs on the related project and, to the extent there are excess reimbursed amounts beyond the amount of removal costs incurred in connection with the project, the excess reimbursement shall then be credited against the cost of replacing the plant and shown as contributions in aid of construction.

#### Electric Utility Dockets (Continued)

#### 07-035-14

In the Matter of the Application of Rocky Mountain Power for an Accounting Order for Costs related to the Flooding of the Powerdale Hydro Facility

Report and Order issued January 3, 2008. The Commission grants the request for an accounting order for Powerdale costs.

#### 07-035-71

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

Order on Application issued December 21, 2007. The Commission approves the proposed power purchase agreement, as amended herein, but not for rate-making purposes.

#### 07-035-78

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

Order on Application issued December 20, 2007. The Commission approves the proposed power purchase agreement, but not for rate-making purposes.

#### 07-035-93

In the Matter of the Application of Rocky Mountain Power for Authority to Increase its Retail Electric Utility Service Rates in Utah and for Approval of Its Proposed Electric Service Schedules and Electric Service Regulations, Consisting of a General Rate Increase of Approximately \$161.2 Million per Year, and for Approval of a New Large Load Surcharge

Order on Test Period issued February 14, 2008. The Commission orders that the calendar-year of 2008 shall be the test period in this docket, orders Rocky Mountain Power to update its filling to provide the information for the 2008 test period, and orders that any Rocky Mountain Power response to data requests must conform to the test period ordered.

#### 07-035-94

In the Matter of the Application of PacifiCorp, by and through its Rocky Mountain Power Division for Approval of a Solicitation Process for a Flexible Resource for the 2012–2017 Time Period, and for Approval of a Significant Energy Resource Decision

Report and Order issued January 28, 2008. The Commission denies, at this time, PacifiCorp's request to appoint Merrimack Energy as the Independent Evaluator for the 2017 All Source RFP and denies PacifiCorp's request for expedited review to the extent of explicitly following the time lines contained in the Application. The Commission grants the portion of PacifiCorp's request that the Independent Evaluator, once one is obtained, immediately begin performing the duties and tasks contemplated by the Act for the 2017 All Source RFP and as directed by the Commission.

Commission's Suggested Modifications and Order issued May 23, 2008. The Commission suggests modifications to PacifiCorp's All Source Request for Proposals for Resources in the 2012 to 2016 time period. The Commission directs further work on the economic evaluation of bids and grants a waiver from rules requiring the specific blinding of bids.

#### 07-035-95

In the Matter of the Request of Rocky Mountain Power to Eliminate the Requirement to File the Utah State Version of the FERC Form No. 1

Order issued March 26, 2008. The Commission determines that the portion of the Utah Annual Report relating to operating income, expenses, taxes, utility plant and accumulated provisions for depreciation amortization and depletion, utility plant by account, and materials and supply is duplicative of other filed information and no longer required to be included in the Utah Annual Report and the portion of the Utah Annual Report relating to electric operating revenues shall continue to be filed with the existing content, format and filing date.



#### 07-035-99

In the Matter of the Application of Rocky Mountain Power for an Order Approving an Amendment to its Power Purchase Agreement with Sunnyside Cogeneration Associates

Report and Order on Application issued April 3, 2008. The Commission approves the Fourth Amendment to the Power Purchase Agreement between Sunnyside Cogeneration Associates (SCA) and PacifiCorp, but not for rate-making purposes. As requested by PacifiCorp and SCA, the Commission also dismisses two related actions pending before the Commission.

#### 07-035-T13

In the Matter of the Advice No. 07–13, Rocky Mountain Power's Proposed Revisions to Schedules 70, Renewable Energy Rider — Optional and 72, Renewable Energy Rider — Optional Bulk Purchase Option

Order Approving Tariff Revisions with Certain Conditions issued September 6, 2007. The Commission approves revisions to Schedule 68, Renewable Energy Rider — Optional, and Schedule 70, Renewable Energy Rider — Optional Bulk Purchase Option subject to the comments and conditions in this Order.

#### 07-035-T14

In the Matter of the Approval of Rocky Mountain Power's Tariff P.S.C.U. No. 47, Re: Scheduling 107 — Solar Incentive Program

Order Approving Tariff with Certain Conditions issued August 3, 2007. The Commission approves Schedule 107 – Solar Incentive Program subject to the comments and conditions in this Order.

#### 07-2035-01

In the Matter of the PacifiCorp 2006 Integrated Resource Plan

Report and Order issued February 6, 2008. The Commission does not acknowledge Integrated Resource Plan 2007 as it does not adequately adhere to the Standards and Guidelines for PacifiCorp. The Commission provides guidance herein to assist in the development of the next IRP.

#### 07-506-01

In the Matter of the Application of Deseret Generation & Transmission Co-operative for Authority to Issue Securities in the Form of an Extended Existing Line of Credit

Report and Order issued October 12, 2007. No detriment to the public interest appearing, the Commission granted the authority sought by the Applicant with certain conditions.

Key:
Docket Number

Status as of June 30, 2008

#### Electric Utility Dockets (Cont.)

#### 08-035-35

In the Matter of the Request of Rocky Mountain Power for a Waiver of the Solicitation Process and for Approval of Significant Energy Resource Decision

Order Granting Request for Waiver of Solicitation issued April 30, 2008. The Commission grants the requested waiver determining it is in the public interest.

#### 08-035-T01

In the Matter of the Advice Filing No. 08-01 of PacifiCorp dba Rocky Mountain Power for Formal Approval of Proposed Revisions to Tariff Schedule 110 Energy Star Homes Program

Order Approving Tariff Revision and Vacating March 27, 2008, Tariff Suspension Order issued May 2, 2008. The Commission vacates the March 27, 2008, Order and approves with an effective date of April 18, 2008, the proposed tariff revisions filed April 15, 2008.

#### 08-035-T04

In the Matter of the Approval of Rocky Mountain Power's Tariff P.S.C.U. No. 47, Re: Schedule 135 — Net Metering Service

Order Approving Tariff with Certain Conditions issued June 13, 2008. The Commission approves Schedule 135 - Net Metering Service subject to the comments and conditions in this Order.

#### 08-066-01

In the matter of the Application of Dixie-Escalante Rural Electric Association, Inc., for Authority to Issue Securities in the Form of a Secured Promissory, a Revolving Line of Credit Agreement and Related Documents

Report and Order Approving Issuance of Securities issued June 11, 2008. No detriment to the public interest appearing, the Commission grants the authority sought by the Applicant.

#### 08-2490-01

In the matter of the Application of Milford Wind Corridor Phase I, LLC and Milford Wind Corridor Phase II, LLC for Certificates of Convenience and Necessity for the Milford Phase I and Phase II Wind Power Project

Order Granting Motion to Dismiss the Application of Milford I and Milford II for Certificates of Convenience and Necessity issued May 16, 2008. The Commission grants the Motion to Dismiss and dismisses the Application of Milford Wind Corridor Phase I. LLC and Milford Wind Corridor Phase II, LLC for Certificates of Public Convenience and Necessity for Phase I and Phase II of the Milford Wind Power Project

#### Key: Docket Number

Status as of June 30, 2008

# 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 Web: www.bvea.net

#### **Deseret Generation & Transmission Cooperative** 10714 South Jordan Gtwy.

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

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

71 E. Highway 56 HC 76 Box 95 Beryl, UT 84714-5197 Tel: (435) 439-5311 Fax: (435) 439-5352 Web: www.dixiepower.com

#### **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 N. 3200 W. Fillmore, UT 84631 (435) 743-6214 Fax: (435) 743-5722

#### **Garkane Energy**

120 W. 300 S. PO Box 465 Loa, UT 84747-0465 (435) 836-2795 (800) 747-5403 Fax: (435) 836-2497

Web:

www.garkaneenergy.com

#### Moon Lake Electric Association

188 W. 200 N.

PO Box 278 Roosevelt, UT 84066-0278 (435) 722-5428 (435) 722-5433 Web: www.mleainc.com

#### Mt. Wheeler Power

1600 Great Basin Blvd. PO Box 151000 Ely, NV 89315 (775) 289-8981 (800) 977-6937 Fax: (775) 289-8987

#### Web: www.mwpower.net **PacifiCorp**

dba Rocky Mountain Power One Utah Center 201 S. Main St., Suite 2300 Salt Lake City UT 84140

Tel: (801) 220-2000 Fax: (801) 220-2798 Power Outage: (877) 548-3768

www.rockymtnpower.net/ Homepage/Homepage35888.

#### PacifiCorp

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

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

155 N. Main Street PO Box 617 Malta, ID 83342-0617 (208) 645-2211 (800) 342-7732 (208) 645-2300 Web: www.rrelectric.com

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

803 N. 500 E. PO Box 349 Payson, UT 84651-0349 Tel: (801) 465-8020 (801) 465-8017 Fax: www.strawberryelectric.com

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

1451 Humboldt Ave. PO Box 365

Wells, NV 89835-0365 Tel: (775) 752-3328 Fax: (775) 752-3407 Web: www.wellsrec.com

# Overview of Natural Gas Utility



uestar Gas Company is the only operating natural gas utility regulated by the Utah Public Service Commission for rate making purposes. Questar Gas currently provides natural gas distribution services to over 835,000 customers in Utah and, unlike other natural gas utilities, also owns natural gas production resources which provide about 45 percent of its supply needs.

#### **Rate Changes**

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 periodic general rate case proceedings. About 75 percent of the total cost of providing natural gas service to customers in Utah, some \$650 million annually, is recovered by means of these pass-through proceedings. Expedited pass-through proceedings allow timely recovery of gas costs actually incurred. During the proceeding 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.

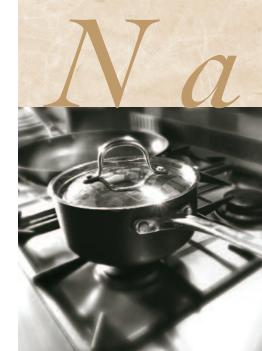
With the approval of the Conservation Enabling Tariff Pilot Program in October 2006 and its two-year continuation in November 2007, Questar was provided a fixed rate per customer to cover the costs of distributing natural gas in exchange for promoting energy conservation through demand-side management (DSM) programs. Questar Gas files applications to amortize the conservation enabling tariff balance and the demand-side management program balance with its pass-through application.

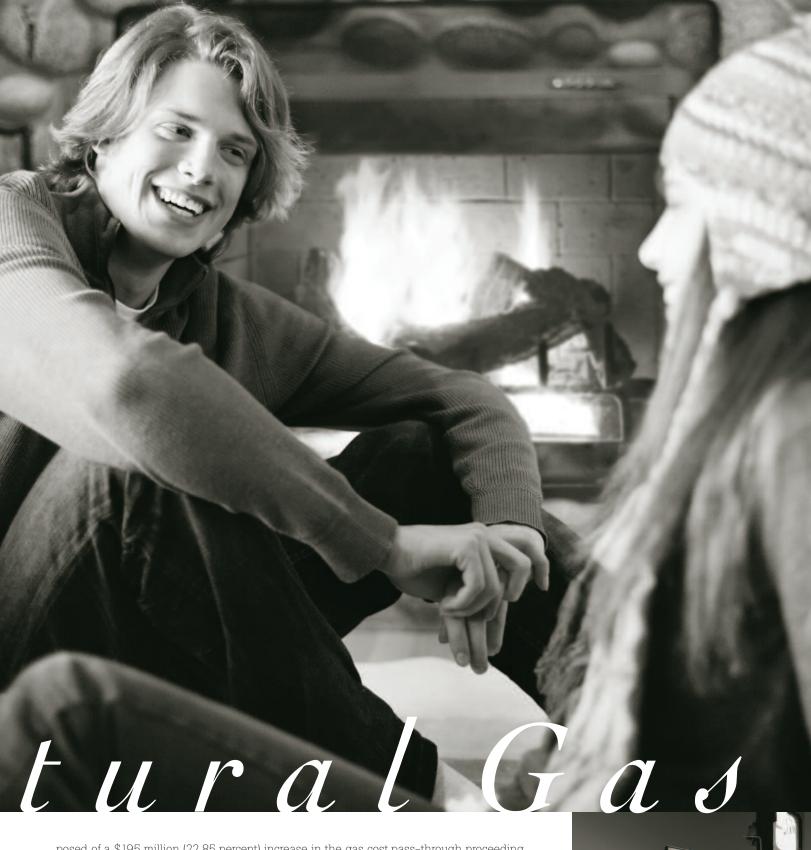
During fiscal year 2008, Questar Gas Company's gas rates changed three times. On October 31, 2007, the Public Service Commission approved an approximately \$84 million decrease in rates as proposed by Questar. This decrease in rates was composed of a \$89.6 million (9.56 percent) decrease associated with the gas cost pass-through proceeding, a \$3.5 million (0.40 percent) increase in rates associated with the amortization of Questar's conservation enabling tariff, and a \$2.33 million (0.31 percent) increase associated with the amortization of Questar's Demand Side Management (DSM) deferred account balance. On February 1, 2008, Questar Gas reduced rates by \$4.6 million (0.58 percent) to account for the removal of the carbon dioxide processing costs from gas management expenses. With the installation of a new pipeline, carbon dioxide is now being managed through natural gas blending.

On June 20, 2007, in its mid-year filing, the Commission approved an approximately \$195 million increase in rates as proposed by Questar. This increase in rates was com-



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posed of a \$195 million (22.85 percent) increase in the gas cost pass-through proceeding, a 0.4 million (0.38 percent) decrease resulting from the amortization of Questar's conservation enabling tariff balancing account, and an 8.7 million (0.7 percent) increase resulting from the amortization of the DSM deferred account.

As of June 30, 2008, the balance in the Gas Balancing Account is \$11.394 million and in Conservation Enabling Tariff Account is \$0.406 million.

# **General Rate Case to Increase Distribution Non-Gas Rates**

In December 2007 Questar Gas filed an application requesting a \$27 million increase in its rates and charges associated with the distribution of natural gas. The distribution non-gas rate constitutes approximately 25 percent of Questar's total rate. The application, prompted by the rising costs associated with serving a steadily increasing number of customers and replacing aging infrastructure with high pressure feeder lines, was based upon a future test year ending June 30, 2009, and a rate of return on equity of 11.25 percent.

Based upon the Commission's February 2009 test period determination that the calendar year 2008 would best reflect the rate-effective period, Questar revised its application and requested a \$22.12 million increase in rates and charges based on a rate of return on equity of 11.25 percent. In June 2008 parties in the case reached an agreement on the requested rate increase on all issues except rate of return on equity. In late June 2008, the Commission issued its Report and Order on Revenue Requirement which approved the revenue requirement stipulation and increased Questar Gas Company's annual distribution non-gas revenue requirement by \$11.97 million, effective August 15, 2008, based on an allowed rate of return on equity of 10 percent. This decision resulted in an increase of less than one dollar per month to the typical residential customer using 80 decatherms of natural gas per year or about \$11 per year per household. Cost of service and rate design issues associated with the case are scheduled to be addressed later in 2008 during Phase II of the case.

# Resource Planning — Revisions to the Planning Process

As required by the Commission, annually Questar Gas prepares and files an integrated resource plan (IRP) which it uses 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 long-run 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 the 2008 IRP Questar indicates a balanced portfolio of 65.3 million decatherms of purchased gas and 51.6 million decatherms of Company-owned natural gas will be necessary to meet its annual demand. In addition to projecting gas supply requirements, Questar found that price stabilization measures for purchased gas contracts should be undertaken to mitigate the risk of volatility in the marketplace and that it should continue to identify and implement cost-effective demand-side management measures.

The IRP Standards and Guidelines currently applicable to Questar were approved by the Commission in 1994. Early in 2008 the Commission commenced a review of and proposed revisions to these guidelines. Comments were received by the Commission in late May 2008.

#### **Natural Gas Conservation**

Since the Commission's 2006 approval of Questar's Conservation Enabling Tariff and the 2007 approval of a two-year continuation, Questar, in collaboration with a Commissionestablished demand-side management advisory group, has actively designed, implemented, evaluated and revised cost-effective programs to encourage residential and commercial customers to conserve energy through education and the utilization of energy-efficiency products and appliances. The programs currently offered by Questar Gas are: ThermWise Appliance Rebase Program, ThermWise Builder Rebates Program, ThermWise Business Rebates Program, ThermWise Weatherization Rebates Program, ThermWise Home Energy Audit Program, Low Income Weatherization Assistance Program,

ThermWise Multi-Family Rebates Program, ThermWise Business Custom Rebates Program, and 2007 Energy Codes Training. These programs offer rebates and information to Questar Gas Company's customers with the goal of decreasing energy consumption.

In December 2007 the Commission approved Questar's estimated \$10.5 million 2008 budget for its DSM programs and market transformation initiative. Questar estimates its 2008 DSM plan will reduce natural gas consumption by 206,588 decatherms, which is equivalent to the annual natural gas consumption of approximately 2,600 homes based on an annual average usage of 80 decatherms. Questar also projects approximately 29,000 customers will participate in the program.

#### Legislative Changes Relating to Prevention of Damage to Underground Utility Facilities and Newly Issued Federal Standards

During the 2008 Utah legislative session H.B. 341 - Damage to Underground Facilities Amendments was passed which amended the Commission's responsibilities identified in Utah Code Title 54 Chapter 8a relating to damage prevention activities for underground utilities. H.B. 341, among other things, created an Underground Facilities Damage Dispute Board to arbitrate disputes arising between a utility and other party resulting from that party's damage to an underground utility facility, provides a civil penalty for a violation of the law, provides for enforcement by the attorney general, outlines a method for determining the precise location of a marked underground facility, and requires an excavator to call 911 if certain damage occurs.

At the federal level, on December 19, 2007, the U.S. Energy Independence and Security Act of 2007 was enacted which requires the Commission to evaluate two new standards applicable to natural gas utilities. The first standard addresses integrated resource planning and the second standard addresses rate design modifications to promote energy efficiency. Consideration and determination of the new standards will commence during the latter part of 2008.

# Natural Gas Utility Dockets

#### 05-057-T01

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

Order issued November 5, 2007. The Commission approves the continuation of the Conservation Enabling Tariff for the remaining two years of its Pilot Program, retains the limits on the CET accrual and amortization balances and orders Questar Gas Company to file a general rate case by March 1, 2008, to set distribution non-gas rates.

#### 05-057-01

In the Matter of the Filing of Questar Gas Company's Integrated Resource Plan for Plan Year: May 1, 2007 to April 30, 2008

Report and Order issued December 14, 2007. The Commission provides guidance on Questar Gas Company's Integrated Resource Planning process and establishes a new docket to address modifications to the Standards and Guidelines.

#### 07-057-06

In the Matter of the Petition of Questar Gas Company for an Investigation and Determination of Right of U.S. Magnesium, LLC, to Preferential Service under Main Extension Agreement

Order Denying Motion to Dismiss issued January 29, 2008. The Commission denies US Mag's motion to dismiss the petition.

Order Dismissing Petition issued April 3, 2008. Based on a Joint Motion of the parties, the Commission dismisses the petition.

# Key: Docket Number Short Title

Status as of June 30, 2008

#### 07-057-08

In the Matter of the Application for Approval of Second Year Budget for 2008 Demand Side Management Programs and Market Transformation Initiative

Order issued December 17, 2007. The Commission approves Questar Gas Company's proposed demand side management and market transformation budget for 2008.

#### 07-057-09

In the Matter of the Pass-Through Application of Questar Gas Company for an Adjustment in Rates and Changes for Natural Gas Service in Utah

Interim Order issued October 31, 2007. The Commission approves Questar Gas Company's proposed rate decrease, in the annualized amount of \$89,563,000, on an interim basis as of November 1, 2007.

Order Approving Reduction in Rates issued January 31, 2008. The Commission approves Questar Gas Company's proposed rate decrease, in the annualized amount of \$4.6 million, as of February 1, 2008.

#### 07-057-10

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

Interim Order Approving Rate Changes issued October 31, 2007. The Commission approves an increase in Questar Gas Company's rates, on an interim basis, for the amortization of the Conservation Enabling Tariff (ACET@) balance.

Final Order issued December 20, 2007. The Commission approves as final the interim rates made effective November 1, 2007.

#### 07-057-11

In the Matter of the Application of Questar Gas Company to Amortize the Demand Side Management Deferred Account Balance

Interim Order issued October 31, 2007.

The Commission approves an increase in Questar Gas Company's rates, on an interim basis, for the amortization of the Demand Side Management (ADSM@) balance.

Final Order issued November 29, 2007. The Commission approves as final the interim rates made effective November 1, 2007.

#### 07-057-13

In the Matter of the Application of Questar Gas Company to File a General Rate Case

Order on Test Period issued February 14, 2008. The Commission orders the calendar-year of 2008 shall be the test period in this docket and the Company shall update its filing to provide the information for the 2008 test period.

Order on Motion to Strike Testimony issued May 16, 2008. The Commission denies Questar Gas Company's Motion to Strike Mr. Ball's March 31, 2008, pre-filed written testimony.

Report and Order on Revenue
Requirement issued June 27, 2008.
The Commission approves a revenue
requirement stipulation and thereby
increases Questar Gas Company's
annual distribution non-gas revenue
requirement by \$11,966,500, effective
August 15, 2008. The revenue requirement is based on an allowed rate of
return on equity of 10 percent. This
Order completes Phase I of this proceeding.

#### 08-057-11

In the Matter of the Consolidated Docket of Formal Complaints Against Questar Gas Company Relating to Back-Billing Order

Consolidating Dockets and Notice of Procedural Conference issued April 1, 2008. The Commission consolidates eight dockets relating to the recently identified issue of back-billing due to problems with the measurement of the customers' gas consumption.

#### 08-057-15

In the Matter of the Pass-Through Application of Questar Gas Company for an Adjustment in Rates and Charges for Natural Gas Service in Utah

Interim Order issued June 30, 2008. The Commission approves an increase in Questar Gas Company's rates, on an interim basis, based on an annualized gas cost increase of \$195,000,000 as identified in Questar Gas Company's June 6, 2008, 191 Account Application.

#### 08-057-16

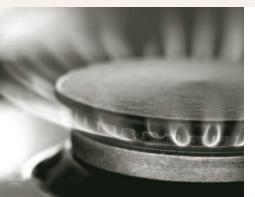
In the Matter of the Application of Questar Gas Company to Amortize the Conservation Enabling Tariff Balancing Account

Interim Order issued June 30, 2008. The Commission approves a decrease in Questar Gas Company's rates, on an interim basis, for the amortization of the Conservation Enabling Tariff ("CET") balance identified in Questar Gas Company's June 6, 2008, CET Application.

#### 08-057-17

In the Matter of the Application of Questar Gas Company to Amortize the Demand Side Management Deferred Account Balance

Interim Order issued June 30, 2008. The Commission approves an increase in Questar Gas Company's rates, on an interim basis, for the amortization of the Demand Side Management ("DSM") balance identified in Questar Gas Company's June 6, 2008, DSM Application.



# Natural Gas Utility Company Operating in the State of Utah

**Under the Jurisdiction of the Public Service Commission** 

Questar Gas Company Regulatory Affairs

180 E. 100 S.
PO Box 45360
Salt Lake City, UT 84145-0360

Tel: (801) 324-5555 Emergency: (800) 541-2824 Web: www.questar.com

# Overview of Telecommunications Utilities

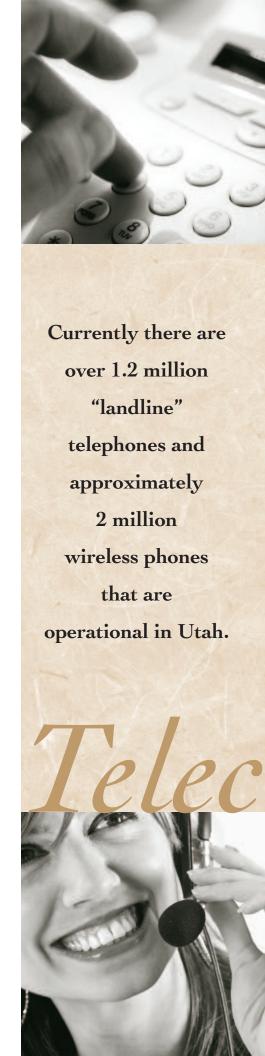
he regulation of telecommunications companies that provide telephone service in the State of Utah has changed significantly over the past 13 years. Currently the rural independent (incumbent) telephone companies are regulated as traditional rate-of-return utilities, while Qwest operates under a pricing flexibility regime where it only faces the same type of limited service quality regulation that its competitors operate under. Wireless providers, toll resellers, and voice over internet

protocol ("VoIP") providers are not regulated by the Commission. Currently there are over 1.2 million "landline" telephones that are operational in Utah. There are also approximately 2 million wireless phones, and an unknown, but increasing number of VoIP accounts within the state.

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 113 competitive local exchange companies certificated to provide telecommunications service in Qwest's service territory, although only about 20 of them actually provide service. The Public Service Commission (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.

#### **Industry Trends**

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 as well as in rural Utah. During the 2008 fiscal year Utah continued to see some interest on the part of potential competitors to Qwest in qualifying to compete in the state. Several competitive local exchange carriers also left the State. Additionally a few companies have expressed an interest in competing in the rural (non-Qwest) areas of the State. In the 2006 and 2007 fiscal years the Commission dealt with three requests from companies desiring to compete against the smaller independent local exchange carriers located in the more rural areas of the State. Since then two of these applications have been granted (first for a subsidiary of Beehive Telephone to compete against itself, and second for a cable company to compete against the incumbent in the Vernal area.), and one has been withdrawn. While the certificate has been granted in the Vernal area, the incumbent has refused to allow interconnection and the process is being litigated. As a result competition has yet to arrive in the Vernal area even though a Certificate of Public Convenience and Necessity has been granted by the Commission to a potential competitor.





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 implemented pricing flexibility for all other residential and business services. Since the time Qwest received federal approval to move into long–distance 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. Qwest faces competition for both residential and business customers. On the residential side one of Qwest's main competitors is Comcast. Comcast previously provided land line service in the State, but is now providing service by using VoIP technologies.

Over the course of the previous five fiscal years many of the Federal Communications Commission's (FCC) 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 of Qwest (and other national carriers) to lease portions of its network to CLECs. As a result, Owest now faces different kinds of competition as the markets have evolved. To compete, CLECs must either build networks of their own or enter into commercial agreements (at higher than past prices) with Qwest. Both of these realities have tended to reduce the CLEC presence in the market. However, potential competitors have emerged in the form of cable, internet, or wireless providers that are bundling "phone service" (or something very similar) with their other product offerings. The Commission will continue to review the level of competition in the market place 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 in their developments or properties to the exclusion of all other providers. Typically these deals preclude competition among the service providers. As a result the land purchasers or tenants have no choice of service providers under these exclusive arrangements. Often 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) it is unable to require access for competing providers under existing laws.

#### **Area Code Relief**

In June of 2008 the permissive dialing period of the 801/385 overlay began. The permissive dialing period means that users may use either 7 or 10 digits to complete local calls within the 801 area code region. The overlay is the method chosen by the Commission to bring about area code relief along the Wasatch Front. In 1999 the Federal Communications Commission (FCC) notified the Commission that the 801 area code was in jeopardy, meaning it was running out of spare telephone numbers and some type of relief (an overlay or split) was required. At that time the Commission started efforts to require the telecommunications industry in Utah to use telephone numbers more efficiently. The Commission ordered audits, implemented new utilization standards, and petitioned the FCC to allow number pooling in the 801 area code region. These efforts delayed the need to implement area code relief for a full eight years. However we are now at a utilization level were relief must be undertaken. The Commission decided an overlay made more sense from the public's point of view than a geographic split. The primary benefits of an overlay include:

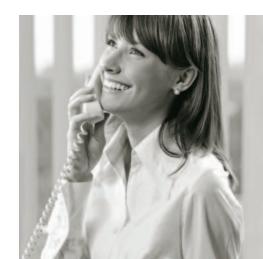
- Every single telephone customer in the 801 region is able to keep their current phone number.
- No one has to reprint stationary, business cards, business forms, or other contact or billing documents because of a telephone number change.

- Telecommunications providers do not need to coordinate service cutovers between multiple service providers providing multiple services on the same account.
- Wireless hand sets do not need to be reprogrammed for a new number.
- Businesses do not lose customers when their number changes.
- Residential customers do not need to notify friends, businesses, creditors, etc. of changed contact information.
- Future area code relief is simplified.

In March of 2009 the overlay will enter the mandatory stage, at that point users will need to use 10 digits to complete local calls within the 801 area code region.

#### **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 113 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 five from our last report). The Commission continues to both arbitrate and review "interconnection agreements" and "commercial agreements," i.e., 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.

# Telecommunication Dockets

Of the hundreds of telecommunications dockets the Commission addressed this year, a significant portion of them dealt with either the entry or exit of competitors, or the interaction between Qwest and competitors as the marketplace adjusted to, and implemented, the new FCC rules regarding inter-carrier relationships. These dockets addressed topics such as certificate applications and cancellations, mergers and acquisitions, approval and enforcement of interconnection agreements, resolution of intercarrier complaints, approval of special contracts for regulated services, and other service issues.

# Telecommunications Utility Dockets

# Implementation of the 1996 Telecommunications Act

#### 06-046-40

In the Matter of the TRRO/Request for Commission Review and Approval of Wire Center Lists

Report and Order Approving Settlement Agreement issued July 31, 2007. This matter was converted to an informal proceeding pursuant to §63–46b-4(3), UCA 1953. The Multi-State Settlement Agreement Regarding Wire Center Designations and Related Issues filed June 27, 2007, was approved. The approval granted by this order became effective on July 31, 2007.

#### 07-049-30

In the Matter of Qwest Corporation's Petition for Commission Approval of 2007 Additions to Non-Impaired Wire Center List and Motion for Expedited Issuance of Protective Order

Report and Order issued November 20, 2007 Approving Tier 2 Designation of Qwest's Orem Main Wire Center: The Commission approved Qwest Corporation's designation of the Orem Main central office as a Tier 2 non-impaired wire center and its addition as such to Qwest's non-impaired wire center list. The Commission further determined this to be effective on November 20, 2007, the date of order issuance.

#### 07-049-56

In the Matter of the Request of Qwest Corporation for a Waiver Relieving Qwest from Equal Access Scripting Requirements

Report and Order issued March 13, 2008. The Commission granted the request of Qwest Corporation for a permanent waiver from the Equal Access scripting requirements of Utah Administrative Code Rule 746-356.

#### 07-2432-01

In the Matter of the Application of Global Connection Inc. of America for Designation as an Eligible Telecommunications Carrier Pursuant to Section 214(e)(2) of the Communications Act of 1934

Report and Order Dismissing this Application was issued August 7, 2007. The filed application was dismissed due to the Applicant's request to withdraw.

#### **General Rate Case**

#### 06-2419-01

In the Matter of the Application of Direct Communications Cedar Valley (DCCV) to Lower Rates

#### 06-2419-02

In the Matter of the Petition of Direct Communications Cedar Valley, LLC to Establish a Rate Base

These two Dockets were heard jointly by the Commission in order to be able to set just and reasonable rates, the proper rate base had to be established. The Commission issued a separate Report and Order for each Docket, but the two Dockets were jointly settled by Stipulation between the Division and Direct Communications. The Commission found the Stipulation to be just and reasonable and in the public interest. The Stipulation established the initial plant balances and depreciation rates for the assets of Direct, and set the rates which Direct will charge its customers, and determined the amount of money that would be paid to Direct on an on-going basis from the Utah Universal Service Support Fund.

The Report and Order Approving the Stipulation and Closing Dockets was issued on November 6, 2007, with no further action pending.

#### Applications for Certificates of Public Convenience and Necessity (CPCN)

#### 07-2476-01

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

In the Report and Order issued September 26, 2007, the Commission granted the request of the Applicant, Bresnan Broadband of Utah, LLC to receive a Certificate of Public Convenience and Necessity and to provide public telecommunication services in and around the Vernal, Utah exchange.

#### 07-2476-02

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

The Report and Order issued September 26, 2007 by the Commission granted the request of Bresnan Broadband of Utah, LLC for a Certificate of Public Convenience and Necessity and authorized Bresnan to provide public telecommunications services within the Cedar City exchange; in and around Cedar City, Itah

#### 07-2480-01

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

In the Report and Order issued July 25, 2007, the Commission granted the request of Inter-Tel NetSolutions, Inc., for a Certificate of Public Convenience and Necessity authorizing InterTel NetSolutions 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.

#### 07-2482-01

In the Matter of the Application of Affinity Network, Inc., dba ANI Networks, to Provide Facilities-Based Wholesale Interexchange Telecommunications Services within the State of Utah

In the Report and Order issued October 3, 2007, the Commission granted the request of Affinity Network, Inc. dba ANI Networks for a Certificate of Public Convenience and Necessity authorizing ANI Networks to provide public telecommunications services within the State of Utah, excluding those local exchanges having fewer than 5,000 access lines of an incumbent telephone corporation with fewer than 30,000 access lines in the state.

Key:
Docket Number
Short Title

Status as of June 30, 2008

#### Telecommunications Utility Dockets (Continued)

#### 07-2485-01

In the Matter of the Application of Sage Telecom, Inc., for a Certificate of Public Convenience and Necessity to Provide Local Exchange and Interexchange Telecommunications Services

In the Report and Order issued December 10, 2007, the Commission granted the request of Sage Telecom, Inc. for a Certificate of Public Convenience and Necessity authorizing the 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

#### 07-2487-01

In the Matter of the Application by Prime Time Communications, L.L.C., for a Certificate of Public Convenience and Necessity to Provide Telecommunications Services

A Report and Order Dismissing the Application of Prime Time Communications, L.L.C., was issued January 16, 2008 dismissing the Application.

#### 07-2484-01

In the Matter of the Application of Telrite Corporation for a Certificate of Public Convenience and Necessity Authorizing It to Provide Facilities— Based Interexchange and Local Exchange Telecommunications Services

A Report and Order Dismissing the Application of Telrite Corporation for a CPCN was issued January 29, 2008. This matter was converted to an informal proceeding pursuant to §63-46b-4(3), UCA 1953.

#### 07-2388-01

In the Matter of the Application of Central Telcom Services for a Certificate of Public Convenience and Necessity to Provide Facilities Based Local Exchange Services Within Utah

In the Report and Order issued February 4, 2008, the Commission granted the request of Central Telcom Services, LLC to receive a Certificate of Public Convenience and Necessity authorizing Central Telecom Services to provide public telecommunications services within the State of Utah, excluding those local exchanges having fewer than 5,000 access lines of an incumbent telephone corporation with fewer than 30,000 access lines in the state.

# Key: Docket Number Short Title

Status as of June 30, 2008

#### 00-2330-01

In the Matter of Ionex Communications North, Inc.'s Application for a Certificate of Convenience and Necessity to Provide Local Exchange Telecommunications Services within the State of Utah

The Commission issued a Report and Order Canceling the Certificate of Ionex Communications North, Inc. on April 3, 2008. Ionex Communications voluntarily sought cancellation of its certificate in as much as no telecommunications customers were being served in the state of Utah.

#### 08-2489-01

In the Matter of the Application of Baldwin County Internet/DSSI Service, LLC, for Certification as a Competitive Local Exchange Carrier

In a Report and Order issued April 3, 2008, the Commission granted the request of Baldwin County Internet/DSSI Service, LLC 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.

#### Cancellation of Certificates of Public Convenience and Necessity

#### 07-2298-01

In the Matter of the Decertification of United Communications Hub dba UC Hub. Inc.

Report and Order Canceling Certificate was issued February 11, 2008. United Communications Hub dba UC Hub, Inc ("UC Hub") having failed to appear and show cause why UC Hub had failed to pay its Public Utilities Regulation Fee ("PURF") for calendar year 2006 and further to show cause why UC Hub should not be fined and have its Certificate of Public Convenience and Necessity cancelled for its failure to pay the PURF, the Commission, therefore, cancelled the certificate.

#### 07-2296-01

In the Matter of the Decertification of Preferred Carrier Services, Inc.

Report and Order Canceling Certificate was issued February 11, 2008. Preferred Carrier Services, Inc having failed to appear and show cause why Preferred has failed to pay it Public Utilities Regulation Fee ("PURF") for calendar year 2006 and further to show cause why Preferred should not

be fined and have its Certificate of Public Convenience and Necessity cancelled for its failure to pay the PURF, the Commission, therefore, cancelled the certificate.

#### 07-2449-01

In the Matter of the Decertification of Vycera Communications, Inc.

Report and Order Canceling Certificate was issued February 11, 2008. Vycera Communications, Inc having failed to appear and show cause why Vycera has failed to pay it Public Utilities Regulation Fee ("PURF") for calendar year 2006 and further to show cause why Vycera should not be fined and have its Certificate of Public Convenience and Necessity cancelled for its failure to pay the PURF, the Commission, therefore, cancelled the certificate.

#### 07-2433-01

In the Matter of the Decertification of Epinnacle Communications, Inc.

Report and Order Canceling Certificate was issued February 11, 2008. Epinnacle Communications, Inc having failed to appear and show cause why Epinnacle has failed to pay it Public Utilities Regulation Fee ("PURF") for calendar year 2006 and further to show cause why Epinnacle should not be fined and have its Certificate of Public Convenience and Necessity cancelled for its failure to pay the PURF, the Commission, therefore, cancelled the certificate.

#### 07-2339-01

In the Matter of the Decertification of Premiere Network Services, Inc.

Report and Order Canceling Certificate was issued February 11, 2008. Premiere Network Services, Inc having failed to appear and show cause why Premiere has failed to pay it Public Utilities Regulation Fee ("PURF") for calendar year 2006 and further to show cause why Premiere should not be fined and have its Certificate of Public Convenience and Necessity cancelled for its failure to pay the PURF, the Commission, therefore, cancelled the certificate.

#### 08-2427-01

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

Report and Order Approving Application to Discontinue Service was issued April 21, 2008. The Commission vacates and rescinds its April 9, 2008, Report and Order Canceling Certificate and approves Petitioner's request to discontinue business local exchange voice service in the State of Utah.

#### Interconnection Agreements

#### 07-049-40

In the Matter of the Interconnection Agreement between Qwest Corporation and NOS Communications, Inc.

Report and Order was issued December 17, 2007. The Interconnection Agreement at issue being defective involving a non-certificated carrier, the Commission rejects the Interconnection Agreement.

#### 07-049-43

In the Matter of the Interconnection Agreement between Qwest Corporation and Utility Telephone, Inc.

Report and Order was issued December 17, 2007. The Interconnection Agreement at issue being defective involving a non-certificated carrier, the Commission rejects the Interconnection Agreement.

#### 04-049-145

In the Matter of the Petition of Qwest Corporation for Arbitration of an Interconnection Agreement with Union Telephone Company dba Union Cellular under Section 252 of the Federal Telecommunications Act

Report and Order was issued April 3, 2008. The Commission adopted the proposed language of Qwest Corporation with respect to the issues of asymmetrical rates, locations of points of interconnection, and non-local traffic. The Commission adopted the proposed language of Union Cellular regarding type of interconnection and access tandem definition. Qwest and Union were directed to submit an interconnection agreement that includes the terms and conditions reflecting their mutual agreement and the Commission's resolution of the disputed issues were discussed and resolved.

# **Mergers and Acquisitions**

#### 07-2418-01

In the Matter of the Joint Application of Computer Network Technology Corporation and Bandwidth.com CLEC, LLC for Authority to Complete the Transfer of the Certificate of Public Convenience and Necessity to Provide Competitive Telecommunications Services of Computer Network Technology Corporation to Bandwidth.com CLEC, LLC

The Report and Order Approving Transfer of Control and Granting Certificate of Public Convenience and Necessity was issued April 3, 2008. The Commission found the proposed transfer of control of certain assets of Computer Network Tech-nology Corporation

#### Telecommunications Utility Dockets (Cont.)

("CNTC") to Bandwidth.com CLEC, LLC to be in the public interest and granted approval. By an Order, the Commission canceled the Certificate of Public Convenience and Necessity issued to CNTC on April 8, 2004, in Docket No. 03–2418–01 and issued a Certificate to Bandwidth, with the cancellation and issuance to be effective upon Commission notification of the execution of the Asset Purchase Agreement between Bandwidth and CNTC.

#### 08-2494-01

In the Matter of the Joint Application of Computer Network Technology Corporation and Bandwidth.com CLEC, LLC for Authority to Complete the Transfer of the Certificate of Public Convenience and Necessity to Provide Competitive Telecommunications Services of Computer Network Technology Corporation to Bandwidth.com CLEC, LLC

The Report and Order Approving Transfer of Control and Granting Certificate of Public Convenience and Necessity was issued April 3, 2008. The Commission found the proposed transfer of control of certain assets of Computer Network Technology Corporation ("CNTC") to Bandwidth.com CLEC, LLC to be in the public interest and granted approval. By this Order the Commission canceled the Certificate of Public Convenience and Necessity issued to CNTC on April 8, 2004, in Docket No. 03–2418–01 and issued a Certificate to Bandwidth, with the cancellation and issuance to be effective upon Commission notification of the execution of the Asset Purchase Agreement between Bandwidth and CNTC.

#### 08-049-15

In the Matter of the Notification of Qwest Corporation's Intended Merger with QLDC

An Order Approving Transfer of Control was issued June 24, 2008. The Commission found the proposed merger of Qwest Corporation and QLDC to be in the public interest and granted approval of the Transfer.

#### 08-2410-01

In the Matter of the Joint Application of Broadweave Networks, Inc., and Veracity Communications, Inc., for Expedited Approval of a Plan of Merger

An Order on the Joint Application Approving the Merger was issued June 30, 2008. The proposed merger between Broadweave Networks and Veracity Communications was approved. The antislamming requirements contained in Utah Code §54–8b–18 do not apply and those of Commission Rule 746–349–5 are waived.

#### 08-2461-01

In the Matter of the Joint Application of Broadweave Networks, Inc., and Veracity Communications, Inc., for Expedited Approval of a Plan of Merger

An Order approving the proposed merger in the Joint Application of Broadweave Networks, Inc and Veracity Communications, Inc., was issued June 30, 2008. The anti-slamming requirements contained in Utah Code §54-8b-18 do not apply and those of Commission Rule 746-349-5 are waived.

# Incumbent Local Exchange Carriers (ILECs) Operating in the State of Utah

**Under the Jurisdiction of the Public Service Commission** 

#### **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
Web: www.atcnet.net

#### **All West Communications**

50 W. 100 N. 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

#### **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 Telcom

455 E. Hwy. 29 PO Box 421

Orangeville, UT 84537-0421 Tel: (435) 748-2223

Fax: (435) 748-5222 Web: www.emerytelcom.com

#### Central Utah Telephone

35 S. State St. PO Box 7

Fairview, UT 84629

Tel: (435) 427-3331 (800) 427-8449 Fax: (435) 427-3200 Web: www.cutel.com

#### CenturyTel of Eagle, Inc.

100 Century Park Dr. PO Box 4065

Monroe, LA 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

150 South Main PO Box 324

Rockland, ID 83271-0324
Tel: (208) 548-2345
Fax: (208) 548-9911
Web: www.dcdi.net/eaglemtn

#### **Emery Telephone**

455 E. Hwy. 29 PO Box 629

Orangeville, UT 84537-0629 Tel: (435) 748-2223 Fax: (435) 748-5222

# Web: www.emerytelcom.net Farmers Telephone Company

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 PO Box 850

Gunnison, UT 84634-0850 Tel: (435) 528-7236 Fax: (435) 528-5558

# Web: www.gtelco.net Hanksville Telecom Inc.

455 E. Hwy. 29 PO Box 711

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

#### **Manti Telephone Company**

#### Navajo Communications dba 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**

250 Bell Plaza, Room 1603
Salt Lake City UT 84111
Tel: (801) 237-7200
(888) 642-9996
(800) 244-1111
Customer service
Web: www.qwest.com

#### **Skyline Telecom**

35 S. State St. PO Box 7

#### South Central Utah Telephone

45 N. 100 W. PO Box 555

211 E. 200 N.

Escalante, UT 84726
Tel: (435) 826-0225
Fax: (435) 826-0826
Web: www.socen.com

#### **Uintah Basin Telecom** dba UBTA Communications

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**

850 N. Hwy. 414 PO Box 160

Mountain View, WY 82939-0160

Tel: (307) 782-6131 (800) 646-2355 Fax: (307) 782-6913 Web: www.union-tel.com

# Competitive Local Exchange Carriers (CLECs) Operating in the State of Utah

**Under the Jurisdiction of the Public Service Commission** 

1800 Reconex Inc.

2500 Industrial Ave. PO Box 40 Hubbard, OR 97032-9558 (503) 982-8000

(800) 732-6639 (503) 982-9000 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

Web: www.360.net

Abovenet Inc. fka MFN of IItah I.I.C

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

All West Utah Inc.

dba All West Utah CLEC

50 W. 100 N. PO Box 588

Kamas, UT 84036-0588 (435) 783-4361

(866) 255-9378 (435) 783-4928 Web: www.allwest.net

All West Utah Inc. dba All West World Connect

50 W. 100 N. PO Box 588

Kamas, UT 84036-0588 (435) 783-4361

(866) 255-9378 (435) 783-4928 Fax: 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 Tel: (585) 340-5400

Fax: (585) 756-1966

www.americanfibersystems.com

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

1875 Lawrence Street Suite 1405 Denver CO 80202-1847 (303) 298-6741 (303) 298-6301

Web: www.att.com

**Bell South Long Distance** 

400 Perimeter Center Terrace Suite 400 Atlanta, GA 30346-1231 Tel Res: 888-757-6500

Tel Bus: 800-228-6075 Web: www.bellsouth.com

**Broadweave Networks** 

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

(801) 407-6000 (801) 407-6005

BT Communications Sales LLC

fka Concert Comm.

11440 Commerce Park Dr. Reston, VA 20191-1555 (703) 755-6730 (703) 755-6750 Web: www.bt.com

Bullseye Telecom Inc.

25900 Greenfield Road Suite 330 Oak Park, MI 48237

(248) 784-2605 (877) 638-2855 (248) 784-2501 Fax:

www.bullseyetelecom.com

Comcast Phone of Utah LLC fka AT&T Broadband Phone of Utah LLC

440 Yauger Way SW Olympia WA 98502-8153 (360) 705-2537 ext 3404 (800) 288-2085

(360) 754-5811 Web: www.comcast.com

Comm Partners, LLC

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

**Computer Network** Technology Corp.

7144 N. Harlem Ave. Suite 323 Chicago, IL 60631 (800) 752-8081 (763) 268-6000 Tel: (763) 268-6800

Web: www.CNT.com

Comtech 21 LLC

One Barnes Park South Wallingford, CT 06492 (203) 679-7257 (203) 679-7387

ComTel Telcom Assets LP

500 Boylston Street 17th Floor Boston MA 02116 For Local Service (877) 668-0808 For Long Distance Service (800) 875-9235 Web: www.Excel.com

**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 Fax: (404) 338-8798

**Dieca Communications** dba Covad

Communications Co.

7901 Lowry Blvd. Denver, CO 80230-6906 (408) 616-6500

(888) 462-6823 (408) 616-6501

**DPI Teleconnect LLC** 

2997 LBJ Fwy., Suite 225 Dallas, TX 75234 (972) 488-5500 (800) 687-6727 (972) 488-8636

www.dpiteleconnect.com

**Communications LLC** 

545 Long Wharf Dr. 5th Floor New Haven CT 06511 (203) 772-1000 (877) 375-6691 (203) 624-3612

**Emery Telecom** and Video Inc.

Web: www.dsl.net

450 E. Hwy. 29 PO Box 550 Orangeville, UT 84537-0550

Tel: (435) 748-2223 Fax: (435) 748-5222 Web: www.etv.net

**Ernest** 

Communications Inc.

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

**Eschelon Telecom** of Utah Inc.

730 2nd Ave. South Suite 900

Minneapolis, MN 55402-2489 (612) 376-4400 (888) 372-4356

Web: www.ernestgroup.com

(612) 376-4411 Web: www.eschelon.com

FirstDigital Telecom LLC

90 S. 400 W., Suite M-100 Salt Lake City, UT 84101 (801) 456-1000 (801) 456-1010 Web: www.firstdigital.com **France Telecom** 

2300 Corporate Park Drive Mailstop SPO606 Herndon VA 20171 (703) 375-4919 (703) 375-4905

**Frontier Communications** dba Citizens Long Distance

PO Box 708970 Sandy, UT 84070-8970

(801) 924-6360 (888) 535-4354 (801) 924-6363

**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

**Telecommunications** 

234 Copeland Street Quincy MA 02169 (617) 847-1500 (617) 847-0931 Web: www.granitenet.com

GTC Telecom Corp.

3151 Airway Ave., Suite P-3 Costa Mesa CA 92626 (714) 549-7700 (714) 549-7707

IDT America Corp.

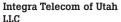
520 Broad Street Newark, NJ 07102 Tel: (800) 888-9126 Fax: (973) 438-1455 Web: http://www.idt.net

**Industrial Communications** c/o General Telephone

PO Box 610

Bountiful, UT 84011 801-532-3500

#### Competitive Local Exchange Carriers (Continued)



1201 NE Lloyd Blvd. Suite 500

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

(503) 453-8018

Web:

www.integratelecom.com

#### Intrado Communications Inc.

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.

2020 Baltimore Avenue Kansas City MO 64108

Tel: (816) 300-3000 (888) 472-4724 Fax: (816) 300-3350

Web www.birch.com

## Level 3 Communications LLC

1025 Eldorado Blvd. Broomfield, CO 80021-8869

Tel: (720) 888-1000 (877) 453-8353 Fax: (720) 888-5127 Web: www.level3.com

#### Lightyear Network Solutions LLC

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

#### LSSI Corp.

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

#### Matrix Telecom Inc.

300 N Meridian, Suite 200-N Oklahoma City, OK 73107 Tel: (888)-411-0111

Fax: (405)-951-6312 Web: www.matrixtele.com

#### MCI Metro Access Transmission

201 Spear St., 9th Floor San Francisco CA 94105 Tel: (415) 228-1072

(800) 893-7589 Fax: (415) 228-1094 Web: www.mci.com

#### McLeod USA Telecommunications

6400 C St. SW PO Box 3177

Cedar Rapids IA 52406-3177 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 California

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

#### North County Communications

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

#### Onfiber Carrier Services, Inc.

1801 California Suite 5100 Denver, CO 80202 |Tel: (206)-345-8318 Fax: (206)-346-9001

#### Orbitcom Inc.

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

#### Pac-West Telecom Inc.

1776 W March Ln., Suite 250 Stockton CA 95207 Tel: (209) 926-3300

(800) Pac West Fax: (209) 926-4585 Web: www.pacwest.com

#### Paetec

600 Willowbrook Office Parks One Paetec Plaza Pairport, NY 14450-4223 Tel: (585) 340-2500 Web: www.paetec.com

## Preferred Long Distance Inc.

16380 Ventura Blvd. Suite 350 Encino, CA 91436-1716

#### Quantumshift Communications Inc.

88 Rowland Way Suite 300 Novato CA 94945 Tel: (415) 893-7180

(888) 800-1490 Fax: (415) 893-0569 Web: www.quantumshift.com

#### Questar Infocom Inc.

180 E. 100 S. 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 Communication Corporation**

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

#### Redline Inc.

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

Web:

www.redlinecommunications.

#### Reliant Communications Inc.

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
Fax: (210) 246-8759
Web: www.sbctelecom.com

#### Sierra Pacific Communications

6100 Neil Road Reno, NV 89520 Tel: (775) 834-3173 Fax: (775) 834-4920

#### Sorenson Media Inc. 4393 S.Riverboat Rd.

Suite 300 Salt Lake City, UT 84123 Tel: (801) 287-9400

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
Tal: (012) 215 4270

Tel: (913) 315-4279 (800) 829-0965 Fax: (913) 315-3303 Web: www.sprint.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

1875 Lawrence St., Suite 1405 Denver CO 80202-1847 Tel: (303) 298-6741 Fax: (303) 298-6301 Web: www.att.com

# Time Warner Telecom of Utah LLC

15303 Dallas Pkwy., Suite 610 Addison TX 75001 Tel: (972) 455-7833 Fax: (972) 455-7801

Web: www.twtelecom.com

#### Trans National Communications (TNCI)

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

#### UCN Inc.

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

#### **VCI** Company

3875 Steilacom Blvd. SW

Suite #A

Lakewood, WA 98499-4558
Tel: (800)-923-8375
Fax: (253)-475-6328
Web: www.vcicompany.com

#### **Veracity Communications**

379 North University Ave.

Suite 301

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

# Wiltel Communications LLC aka Williams

 $Communications \ LLC$ 

One Technology Center Mail Drop TC-7B Tulsa OK 74103

Tel: (918) 547-6000 (800) 924-8903 Fax: (918) 547-9446

Web:

www.wiltelcommunications.com

#### **X5 Solutions**

1520 4th Ave Ste 500 Seattle WA 98101 Tel: (206) 973-5800 Tel: (888) 973-5899



# Telecommunications Relay Service and Equipment Distribution Program

he Public Service Commission hit a milestone of 20 years of providing telecommunications relay services (TRS) in the State of Utah. Technology has grown and changed since 1988, and the Commission makes every effort to provide the most up to date equipment and service to Utah residents who are unable to use a standard telephone. When the relay first started, a person who was deaf had only one option of using a text telephone (TTY) and TRS. Now there are available options such as video relay services, internet protocol relay, wireless pagers, captioned telephones, and amplified telephones. In addition to traditional TRS, there are non-traditional forms of TRS of services in Spanish, Speech-to-Speech, Voice Carry Over/CapTel, and Hearing Carry Over.

The equipment available continues to improve, and the Commission has witnessed enormous growth in the program over the last few years as the Commission continues with education, advertising, and public relations targeted towards people who are deaf or hard-of-hearing. The number of applicants, customers, and users of the program has been expanding as more and more Utahns find out about the services that are provided by the Commission. The hard-of-hearing population continues to grow and is predicted this will continue as baby boomers age and as health services keep improving resulting in increased longevity of life.

#### Outreach

Housed under the umbrella of the Public Service Commission, Relay Utah, the State's TRS program, provides access to hearing assistive equipment and to TRS. The PSC contracts with Sprint to provide the necessary service allowing Utah citizens who are deaf, hard of hearing or speech disabled a means to more efficient communication. The Commission has been

working with an advertising agency, Penna Powers Brian Haynes (PPBH), to help with education, outreach, public relations, and grassroots activities for Relay Utah and the equipment distribution program. This year the PSC ran a television ad featuring the CapTel phone and its benefits for different people of different walks of life in different life situations. It aired on KUTV, KSL, KJZZ, and Comcast. Promoting both the telecommunications equipment and relay services available, PSC staff appeared on interviews for "Comcast Newsmakers" for CNN as well as participating in "Senior Minute" as in past years. "Senior Minute" is a threeminute program that airs on KJZZ and is an excellent means of getting the word out to the public about Relay Utah and the equipment distribution program.

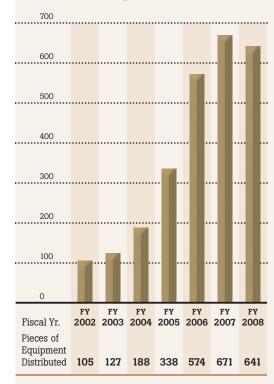
Print advertisements appeared in publications such as Prime Times and the Shakespearean Festival Play Bills for summer and fall. This year a new tactic was implemented with a narrow, vertical ad on the edge of the Obituary Section of the Salt Lake Tribune and the Deseret News promot-



#### **Equipment Distribution**

Because of the statewide presentations and the advertising efforts, applications for specialized telecommunication equipment have grown over the last few years. Currently one Commission staff member works full time to distribute equipment and provide the necessary educational opportunities and training with the assistance of two part-time employees.

Following is a chart that demonstrates the increased number of deliveries that have been completed since FY 2002:



Equipment Total: 2,644

#### **Relay Utah Fiscal Year 2008 Presentations**

| Tiolay otal |   |
|-------------|---|
| 9/17/2007   | Romney Plaza, Salt Lake City - senior affordable housing 5 phone deliveries               |
| 9/18/2007   | Peery House, Salt Lake City - senior affordable housing, 5 phone deliveries               |
| 9/18/2007   | Mountainland Dept. of Aging and Family Services, Orem<br>15 case workers                  |
| 9/19/2007   | City Plaza, Salt Lake City - senior affordable housing, 7 phone deliveries                |
| 9/24/2007   | Wasatch Manor, Salt Lake City - senior affordable housing, 7 deliveries                   |
| 9/25/2007   | Salt Lake County Aging Services   |
| 9/26/2007   | Philips Plaza, Salt Lake City – affordable housing community residents                    |
| 10/03/2007  | Springville Senior Center - 80 attendees  |
| 10/12/2007  | Coventry Cove Apartments - 6 applications   |
| 10/15/2007  | Heritage Senior Center  |
| 10/16/2007  | St. Mark's Gardens - 4 applications   |
| 10/18/2007  | Provo Health & Wellness Extravaganza  |
| 10/19/2007  | Senior Expo – approximately 900 attendees   |
| 10/23/2007  | Autumn Glow Senior Center – 12 attendees, 5 applications                                  |
| 10/24/2007  | Brigham City Fair - 500 attendees   |
| 11/12/2007  | Seville Independent Living Senior Housing Facility 22 attendees, 12 applications          |
| 11/30/2007  | South Town Ranch - 6 applications   |
| 12/03/2007  | Sandy Senior Center - 20 attendees  |
| 12/04/2007  | Wasatch County Senior Citizen Center - 2 applications                                     |
| 2/08/2008   | Thorneberry Atrium - 2 attendees  |
| 2/13/2008   | Moroni Senior Center - 32 attendees, 7 applications                                       |
| 2/19/2008   | Center for Independent Living - 12 staff members  |
| 2/26/2008   | Wellington Senior Residence - 13 attendees, 6 applications                                |
| 3/25/2008   | Mountainland Continuum of Care Meeting - 23 case workers                                  |
| 3/26/2008   | Minersville Senior Center - 15 phones delivered   |
| 3/27/2008   | Milford Senior Center - 20 applications   |
| 3/28/2008   | Bear River Senior Companion Program Training Meeting 25 attendees                         |
| 4/01/2008   | Moab Senior Center - 60 attendees   |
| 4/02/2008   | Blanding Senior Center  |
| 4/03/2008   | Monticello Senior Center  |
| 4/15/2008   | Lincoln Tower Apartments  |
| 4/29/2008   | Capitol Villa Apartments  |
| 5/01/2008   | Bountiful Family Health & Wellness Fair – 500 attendees                                   |
| 5/14/2008   | Legacy Village Apartments   |
| 5/29/2008   | Five County Senior Companion Program - 19 case workers                                    |
| 6/04/2008   | Golden Years Senior Center  |
| 6/11/2008   | Adult Macular Degeneration Support Group - 9 attendees                                    |
| 6/12/2008   | Beaver Senior Fair - 150 attendees  |
| 6/18/2008   | Harmon Senior Center - 22 attendees   |
| 6/20/2008   | Secure Horizons/Ever Clear - 19 case workers attended                                     |
| 6/20/2008   | Foster Grandparent, Legacy, SLC Senior Companion Program Picnic 250 case workers attended |

ing the Captioned Telephone. In order to educate Utah seniors about Relay Utah and its services, the Commission and PPBH placed print advertising in the Senior Directory and the St. George Senior Directory in addition to a listing in the 55 Plus Directory. To inform listeners of the available equipment and services, public service announcements over the radio were added to the marketing mix. Articles featuring equipment and Relay Utah services were placed in senior housing newsletters. The Commission was also able to reach seniors throughout the state by providing information about the equipment program at health fairs as well as senior fairs. Finally, the PSC has always made an effort through grassroots presentations at senior centers, at senior housing facilities, for foster grandparents associations, for macular degeneration support groups, and for homebound healthcare workers.

#### House Bill 145

With new technological developments and changes in the telecommunication industry designed to meet the needs of the deaf and hard of hearing, there has been a decline in use of the traditional text telephone. At the same time there has been an increase in services such as Video Relay Service and Internet Protocol Relay. Because of the technology improvements with the Internet, computers, and web cameras, these options for communication have expanded. A new need for American Sign Language (ASL) interpreters for VRS has arisen which has brought about a shortage in the industry overall of certified interpreters with the appropriate skills and abilities. In order to meet the growing need of ASL interpreters for VRS, the educational field, and other community interpreter needs, Senator Brent Goodfellow sponsored House Bill 145, "Amendments to Hearing and Speech Impaired Telecommunications Program." During the 2005 Legislative session, this bill passed with overwhelming support. The bill provides the Commission with the opportunity to solicit bids through the state procurement process with the goal of increasing the number of certified ASL interpreters in Utah. Following the process, the PSC awarded three separate contracts to sign language interpreter training programs: Salt Lake Community College (SLCC), the Utah Interpreter Program's ICAN Program housed with the Division of Services for the Deaf and Hard of Hearing, and Utah Valley University (formerly Utah Valley State College). It is a time of great opportunity to study sign language interpreting because the three different training programs are available to meet a variety of needs between Orem and Salt Lake, in addition to a new mentor program in St. George. These new programs have allowed for the creation of new, paid positions for teachers and mentors. The mentors are people who are deaf who help to improve the skills and abilities of interpreters in training. Scholarships or grants are typically available to those in training with hope of further expansion in the future.

According to the Utah Interpreter Program, which provides the testing and certification of interpreters, back in 2005 when the Commission initially went through the procurement process, the number of advanced sign language interpreters had remained flat at around 74. Now, three years later, it is promising to see that the number of advanced sign language interpreters is now 107 strong.

#### Senate Bill 156

During the 2007 General Session of the Utah Legislature, Senator Brent Goodfellow sponsored and passed legislation, S.B. 156, "Public Service Commission — Equipment Distribution Program" that made it possible for the Commission to distribute wireless pagers such as Blackberrys to deaf and hard of hearing customers who are eligible. The Commission established a wireless trial program to begin distributing the wireless devices to determine the preferred methods for authorizing, distributing, and training potential users. Toward the middle of 2008, about 15 participants began using the pagers in order to communicate via text messaging and IP Relay. Customer surveys

have been issued to those participating in the program trial to evaluate its success and make adjustments to optimize the program implementation and future success. Because of the income restrictions for those participating in the program, it has been difficult for some customers to afford the monthly service charges when they receive the wireless pager equipment from the Commission. Perhaps a voucher system or other options may be more effective and will be further examined during FY 2009.

#### **FCC Recertification**

During FY 2008, the Commission filed its application with the Federal Communications Commission for its TRS certification for a five-year period. In July, 2008, the PSC was notified of its recertification which will be valid until July, 2013.

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

CapTel is a more recent 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 CapTel 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**

Video Relay Service is one of the most exciting developments in the field of telecommunication relay services, and it has experienced tremendous growth in Utah as well as 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 user 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 the Communication Service for the Deaf were the first to establish and offer a video relay service in July, 2002. VRS calls can be made through several certified providers as well as Sprint at www.utvrs.com. In 2003, Sorenson Communications, a local Utah company, entered the VRS arena and quickly became the largest carrier. Sorenson has continued to grow and expand the number of VRS call center locations in order to avoid drawing too many certified interpreters away from other employment locations such as schools and other community service opportunities. Sorenson is known for creating the only equipment solely for the use of people who are deaf, the Videophone, rather than retrofitting existing equipment. Sorenson VRS can be accessed at www.sorensonvrs.com.

#### **Internet Protocol Relay (IP Relay)**

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

a TTY screen, and the conversation can be printed out or saved. IP Relay is available 24 hours a day, 7 days a week just as traditional TRS is available.

#### **Funding**

Funding for Relay Utah, the equipment distribution program, and the interpreter training programs all comes 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 Public Service Commission rule, and the current surcharge is presently set at \$.10 per line per month. During Fiscal Year 2008, the total amount received from the local exchange carriers was approximately \$1,364,600. The surcharge pays for the Relay Utah services, finance 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 2008, the Commission spent \$1,587,808. The Commission has relied upon surplus funds to make up the difference between expenditures and revenues, however, the surplus amount is quickly dwindling. This may promote action by either the Commission or the Legislature to ensure the stability of the services in the near future.

#### **Community Feedback**

Utah Code 54-8b-10 (7) states, "The Commission shall solicit the advice, counsel, and physical assistance of severely hearing or speech impaired persons and organizations serving them in the design and implementation of the program." In order to comply with this rule, in FY 2008 the Public Service Commission held quarterly meetings with the Relay Utah Consumer Council (RUCC). This council is comprised of representatives of different groups or organizations; individuals who are deaf, hard of hearing, or speech disabled; and also individuals who use the services provided by the Commission.



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

The Commission submits a mandatory yearly report to the FCC regarding complaints and commendations for all of Relay Utah's services e.g. VRS, Speech to Speech, TRS, and CapTel.

The Public Service Commission is committed to improving and maintaining the quality of Relay Utah services. TRS is experiencing change with VRS, CapTel, and IP Relay; the Commission is trying to be proactive by providing the most functionally equivalent forms of telecommunications available for people who are deaf, hard of hearing, and/or speech disabled. Equipment has also changed so the Commission strives to provide the most appropriate telecommunications equipment for all disability types. As new services and equipment evolve, new FCC rules are being designed and implemented to continue to bring Relay Utah closer to what standard telephone users experience and enjoy every day. These new rules and services expand Relay Utah to many new groups who were unable to use Telecommunication Relay Services in the past. The Commission looks forward to the development of new and improved technologies as well as continually providing better customer service to those in need

Local exchange carriers that remitted a surcharge to the State of Utah's Public Service Commission in FY 2008 include:

1-800-Reconex **ACN Communication Services. Inc. All West Communications American Fiber Network AT&T Communications Bear Lake Communications Beehive Telephone Company** Bullseye Telecom Inc. Carbon/Emery Telecom Central Utah Telephone Citizens Telecom of Utah Comcast Phone of Utah Comtel Telcom Assets, LP Cordia Communication Corp. Direct Comm. Cedar Valley **Electric Lightwave Emery Telecom Ernest Communications, Inc.** Frontier Navajo Comm. Co. Eschelon Telecom of Utah, inc. **First Digital Telecom** France Telecom Corp. **Gunnison Telephone Company** Hanksville Telecom Impact Telecom, LLC ntegra Telecom of Utah, Inc. Inter-Tel NetSolutions, Inc. **Level 3 Communications Lightyear Network Solutions Manti Telephone Company** Matrix Telecom, Inc. **MCI Metro Access** McLeod USA Metropolitan Telecom of Utah Mitel NetSoulutions, Inc. **Navajo Communications** Preferred Long Distance, Inc. **Qwest Corporation SBC Telecom Skyline Telecom** South Central Utah Telephone TCG Utah Trans National Communications **Uintah Basin Telephone, ASN Union Telephone Company** Vartacity Communications. XO Utah, Inc.

# Overview of Water Utilities

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

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.

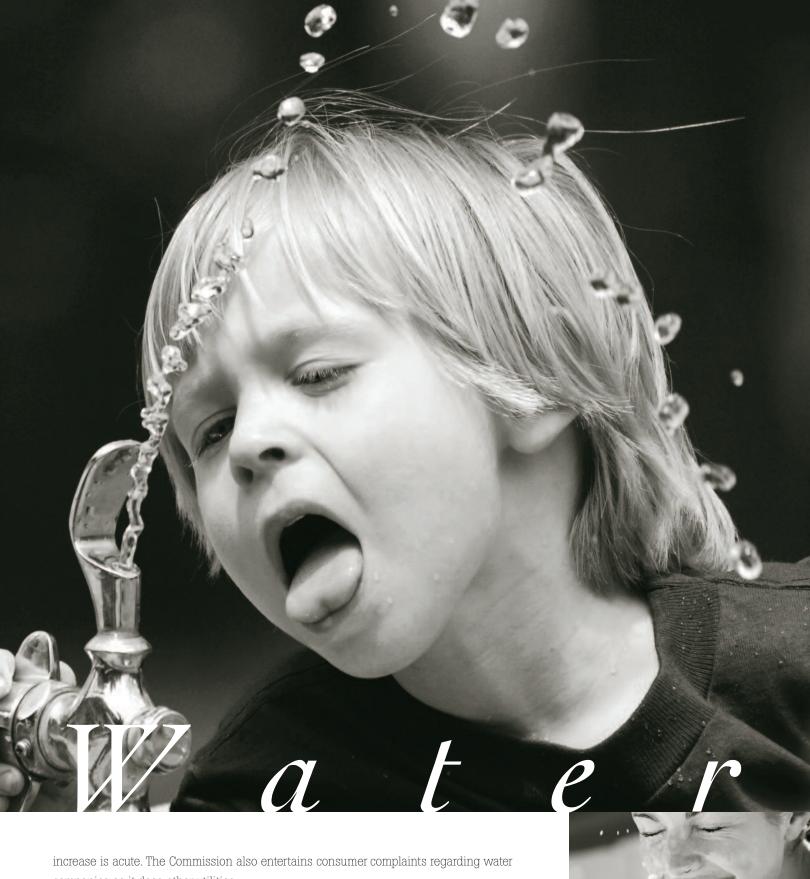
#### **Commission Jurisdiction**

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



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companies as it does other utilities.

During fiscal year 2008, the Commission issued two new Certificates of Public Convenience and Necessity, issued three letters of exemption, and approved rate changes requested by two water companies.

# Water Utility Dockets

#### 06-540-T01

In the Matter of the Application of Lakeview Water Corporation for Approval of its Proposed Water Rate Schedules and Water Service Regulations

Report and Order issued November 29, 2007. The Commission approves the three-year phased-in Base Rates proposed by the Division of Public Utilities and agreed by Lakeview Water Corporation and approves Lakeview Water Corporation's proposed tiered usage rates, connection fees and standby fees.

#### 07-2025-T01

In the Matter of the Request of Dammeron Valley Water Works to Add a Conservation Rate to its Tariff

Report and Order issued June 24, 2008. The Commission approves Dammeron Valley Water Works' proposed Conservation Culinary Rate, fees for Conveyance of Irrigation Water Rights and Non-sufficient Funds, and textual tariff changes.

#### 07-2483-01

In the Matter of the Application of Coyotes 'N Cowboys Line Camp Subdivision for a Certificate of Convenience and Necessity to Operate as a Public Utility Rendering Culinary Water Service, or for an Exemption from Public Service Commission Regulation

Report and Order Certificate No. 2483 issued November 1, 2007. The Commission grants the certificate and approves rates.

# Key:

Status as of June 30, 2008

#### Docket Number Short Title

#### 08-2492-01

In the Matter of the Application of North Fork Water Company for a Certificate of Convenience and Necessity to Operate as a Public Utility Rendering Culinary Water Service, or for an Exemption from Public Service Commission Regulation

Report and Order Certificate No. 2492 issued June 19, 2008. The Commission grants the certificate and approves rates.

#### 86-999-08

In the Matter of Water Companies Exemption Rule

The Commission issues a Letter of Exemption for Winchester Hill Water Company on August 10, 2007.

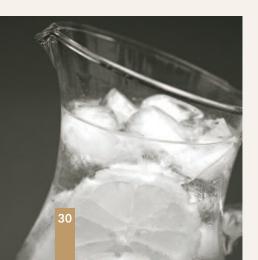
In the Matter of the Application of Homespun Village Water Company for a Certificate of Public Convenience and Necessity to Operate as a Public Utility Rendering Culinary Water Service, or for an Exemption from Public Service Commission Regulation

The Commission issued a Letter of Exemption for Homespun Village Water Company on March 21,

#### 08-2491-01

In the Matter: The Application of Old Irontown Mutual Water Company, for a Certificate of Public Convenience and Necessity to Operate as a Public Utility Rendering Culinary Water Service, or for an Exemption From Public Service Commission Regulation

The Commission issued a Letter of Exemption for Old Irontown Mutual Water Company on April 2, 2008.



# Water Utility Companies 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 (435) 877-1023 Tel: 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 S. 850 W. #1

Hurricane, UT 84737-4867 (435) 635-3394 (435) 635-0264

#### **Color Country Owners Association**

2283 W. 2350 N. PO Box 912

Cedar City, UT 84721-0912 Tel: (435) 865-0677 Fax: (435) 865-1090

#### **Community Water**

#### c/o Norwest Corporation

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

#### **Dammeron Valley Water Company**

1 Dammeron Valley Dr. East Dammeron Valley, UT 84783 Tel: (435) 574-2295

(435) 627-1478

Web: www.dammeronvalley.com

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

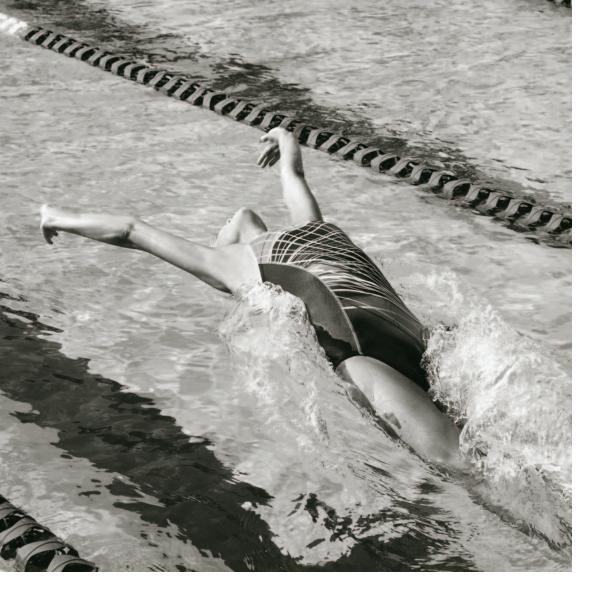
2230 N. University Pkwy, Suite 7B

Provo, UT 84604 (801) 377-0400 Fax: (801) 377-0630

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

1941 E. 6925 N. Liberty, UT 84310 (801) 476-2373

(801) 775-2488 Fax: (801) 974-5653



Elk Ridge Estates Water Company

PO Box 100013 Alton, UT 84710

Tel: (435) 648-2029 Fax: (435) 648-2641

Falcon Crest Water Company c/o Lonepeak Realty & Mgt.

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

Harmony Heights Water Company

722 E. 200 S. PO Box 487

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

Harmony Mountain Ranch Water Company

2116 N. Canyon Greens Dr. Washington, UT 84780-1963 Tel: (435) 531-1717 Fax: (435) 627-9383 **Hidden Creek Water Company** 

5225 S. Alvera Circle Salt Lake City, UT 84117-7105 Tel: (801) 272-3525

Fax: (801) 277-6691

Highlands' Water Company Inc.

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

Horseshoe Mountain Ranch Estates

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

Kwu Inc.

dba Kayenta Water Users

800 N. Kayenta Pkwy. Ivins, UT 84738 Tel: (435) 628-7234 Fax: (435) 628-7707

Lake Front Estates Water Users Association

PO Box 567 Panguitch, UT 84757 Tel: (435) 676-2349 **Lakeview Water Corporation** 

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

Legacy Sweetwater Inc.

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

Lizard Bench Water Association

1030 E. 2780 N. Monroe, UT 84757 Tel: (435) 896-6056

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 Tel: (801) 745-3004 Fax: (801) 745-3131 The Public Service Commission of Utah

Water Utilities (Continued)

Mountain Valley Ranches Water Service

2274 W. 5875 N. Cedar City, UT 84720-5917 Tel: (435) 586-2436

**New Paria Water Company** 

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

North Creek Ranch HOA

2425 N. 530 E. PO Box 2030 Beaver, UT 84713-2030 Tel: (435) 438-6308 Fax: (435) 738-2455

Pine Valley Irrigation Co.

132 E. 100 S. Pine Valley, UT 84781-2112 Tel: (435) 574-2715

Pineview West Water Co.

6084 S. 900 E. #202 Salt Lake City, UT 84121 Tel: (801) 521-7330

Sherwood Water Co. 3140 N. 2000 W.

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

South Duchesne Culinary Water Inc.

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

**Storm Haven Water Company** 

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

Strawberry Water Users Association

745 N. 500 E. PO Box 70

Payson, UT 84651-0070 Tel: (801) 465-9273 Fax: (801) 465-4580

Web: www.strawberrywater.com

Wanship Cottage Site Water Co.

340 S. Main St. PO Box 176

Coalville, UT 84017-0176 Tel: (435) 336-5584 Fax: (435) 336-2380

WaterPro Inc.

12421 S. 800 E. PO Box 156 Draper, UT 84020

# Complaint Resolution

#### **Monopolies**

f a privately owned company is a monopoly, it is in a position to exploit its customers. Since that company is 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. The Division staff construct 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. Through following a process similar to that of the Division, if the Committee learns 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 keeping the Commission aware of circumstances of utility service currently been implemented 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.

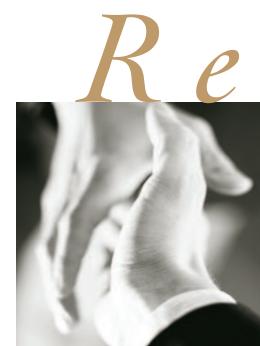


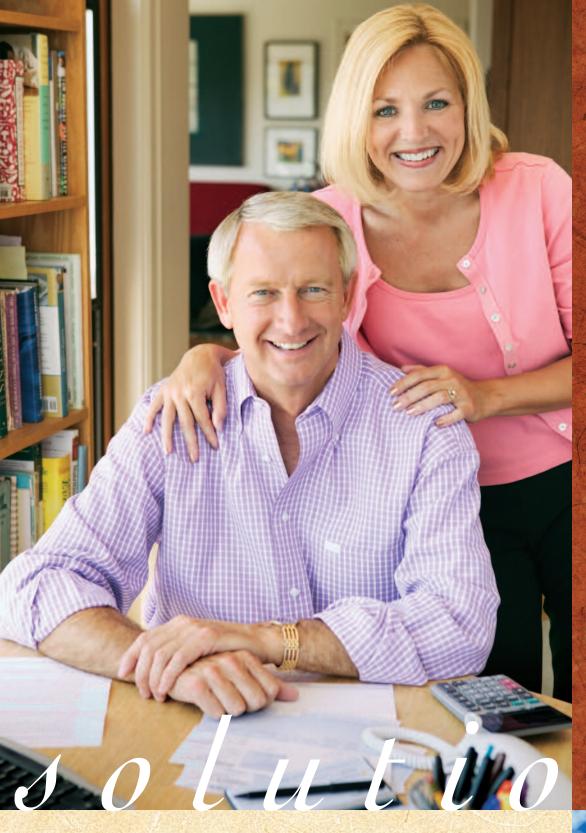
#### **Formal Complaints**

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 for approval by the Commission.

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

The table on page 33 shows the number of informal complaints processed by the Division of Public Utilities in FY 2008. Of these, 26 became formal complaints before the Commission during FY 2008 requiring a hearing by the Commission's Administrative Law Judge.





is the intermediary between household and business customers and public utility monopolies.

 Utility Complaint
 FY 2008

 Electric
 265

 Natural Gas
 261

 Telecom – ILEC\*
 306

 Telecom – CLEC\*
 112

 Telecom – Long Distance
 35

 Water and Sewer
 2

Total......981

\* ILEC - Incumbent Local Exchange Carrier

\* CLEC - Competitive Local Exchange Carrier



