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**BEFORE THE PUBLIC SERVICE COMMISSION OF UTAH**

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In the Matter of the Increase of Rates And Charges and Increase in USF Eligibility for Manti Telephone Company	<b>Stipulation</b>  <b>Docket No. 08-046-01</b>
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Pursuant to Utah Code Ann. § 54-7-1 and R746-100-10.F.5 the Utah Division of Public Utilities (Division) and Manti Telephone Company (Manti) enter into this Stipulation on rate base as follows:

**Procedural History and Background**

1. On April 25, 2008 Manti filed a request for rate relief and for an increase in its USF eligibility. In its Application, Manti proposed an annual increase in its USF eligibility of \$3,392,983. Manti also proposed changes in its basic rates, proposing to increase its residential rate from \$13.50 to \$14.50, and its single line business rate from \$23.00 to \$24.00. Manti also proposed to change a variety of other rates including EAS rates and access rates.

2. Manti proposed that its revenue requirement and USF distribution be based on a 2007 test year with certain known and measurable changes. Manti's proposed rate base for 2007 is shown on column D of Confidential Attachment 1 "Plant balances 2007."

3. The Division submitted multiple data requests to Manti and conducted several on site audits of Manti. As a result of the audit, the Division believed that the accounting records of

Manti did not reflect an accurate rate base calculation as of December 31, 2007, and would not project an accurate result of operations for the period ending December 31, 2007.

4. As a result of these accounting issues, the Division and Manti entered into a stipulation whereby, among other things, Manti and the Division would attempt to determine Manti's rate base, for the year ending December 2008, prior to the Division completing a review of Manti's revenue requirement. This Stipulation was filed with the Commission on December 11, 2008. The Commission approved this Stipulation on February 2, 2009.

#### **STIPULATION**

Based upon the foregoing and the audit conducted by the Division, Manti and the Division hereby stipulate as follows:

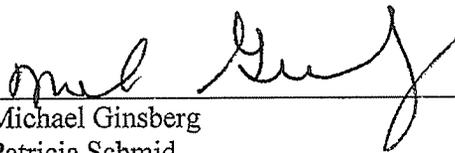
1. Manti's Rate base as of December 31, 2008, is reflected on Column G of Confidential Attachment 1 "Net Plant Stipulated Balance 12/31/2008."
2. Paragraph 15 of the December 11, 2008 Stipulation between Manti and the Division approved by the Commission establishes the process to establish a non interim USF distribution and revenue requirement for Manti. Manti and the Division Stipulate to use Column G of Confidential Attachment 1 in any filings made pursuant to Paragraph 15 of the December 11, 2008 Stipulation. Manti agrees to use Column G of Confidential Attachment 1 in its Annual Report to be filed with the Commission for 2009 and to Amend its 2008 Annual Report to the Commission to reflect this Stipulation.
3. The parties agree that this Stipulation should be filed with the Commission upon execution but do not require the Commission to either hold a hearing or approve this Stipulation prior to any final proceedings by Manti pursuant to Paragraph 15 of the December 11, 2008 Stipulation.

4. All negotiations related to this Stipulation are privileged and confidential, and no Party shall be bound by any position asserted in negotiations. Neither the execution of this Stipulation nor any order adopting it shall be deemed to constitute an admission or acknowledgment by any Party of the validity or invalidity of any principle or practice of ratemaking; nor shall they be construed to constitute the basis of an estoppel or waiver by any Party; nor shall they be introduced or used as evidence for any other purpose in a future proceeding by any Party except in a proceeding to enforce this Stipulation

5. The Division and Manti will each make a witness available to support this Stipulation.

6. The Parties agree that if any person challenges the approval of this Stipulation or requests rehearing or reconsideration of any order of the Commission involving any matter contained in this Stipulation, each Party will use its best efforts to support the terms and conditions of the Stipulation. As applied to the Division and Office of Consumer Services, the phrase "use its best efforts" means that they shall do so in a manner consistent with their statutory authority and responsibility. No Party shall take a position in any judicial review that is in opposition to this Stipulation.

Respectfully submitted this \_\_\_\_\_ day of April, 2010.

  
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Michael Ginsberg  
Patricia Schmid  
Attorneys for the Division of Public Utilities

BLACKBURN & STOLL L.C.

  
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Stanley K. Stoll  
Kira M Slawson

CERTIFICATE OF SERVICE

I hereby certify that a copy of the **Stipulation** was transmitted electronically (email) on  
this the \_\_\_\_\_ day of April, 2010 to the following:

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