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BEFORE THE ARIZONA CORPORATION CO

COMMISSIONERS

BOB STUMP - Chairman
GARY PIERCE
BRENDA BURNS
BOB BURNS
SUSAN BITTER SMITH

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ARIZONA CORP COMMISSION
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IN THE MATTER OF THE APPLICATION OF SOUTH CENTRAL UTAH TELEPHONE ASSOCIATION, INC., A UTAH NON-PROFIT CORPORATION, FOR A HEARING TO DETERMINE THE EARNINGS OF THE COMPANY, THE FAIR VALUE OF THE COMPANY FOR RATEMAKING PURPOSES, AND TO INCREASE RESIDENTIAL RATES AS NECESSARY TO COMPENSATE FOR THE RATE IMPACTS OF THE FCC'S USF/ICC TRANSFORMATION ORDER.

DOCKET NO. T-01923A-13-0428

**STAFF'S NOTICE OF FILING
TESTIMONY SUMMARY OF PAMELA
GENUNG**

Staff of the Arizona Corporation Commission ("Staff") hereby files the Testimony Summary of Pamela Genung in the above docket.

RESPECTFULLY SUBMITTED this 24th day of March 2014.

Maureen A. Scott, Senior Staff Counsel
Charles H. Hains, Attorney
Legal Division
Arizona Corporation Commission
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Original and thirteen (13) copies of the foregoing filed this 24th day of March 2014 with:

Docket Control
Arizona Corporation Commission
1200 West Washington Street
Phoenix, Arizona 85007

Arizona Corporation Commission

DOCKETED

MAR 24 2014

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**EXECUTIVE SUMMARY OF PAMELA GENUNG
SOUTH CENTRAL UTAH TELEPHONE ASSOCIATION, INC.
DOCKET NO. T-01923A-13-0428**

On December 9, 2013, South Central Utah Telephone Association, Inc. dba South Central Communications (“SCC” or “Applicant”) filed an Application for a determination of its earnings and the fair value of its investment and requested that its residential rates be increased as necessary to compensate for the rate impacts of the Federal Communication Commission’s (“FCC’s”) November 18, 2011, USF/ICC Transformation Order (“USF/ICC Order”); pursuant to Arizona Revised Statute (“A.R.S.”) § 40-250.

Staff recommends that the SCC monthly residential local exchange rate increase from \$14.00 to the lesser of \$19.00 or the 2014 local service rate floor established by the FCC. Staff further recommends that the rate increase become effective on the rate floor compliance date, as determined by the FCC. Staff believes the proposed increase is just, fair and reasonable for the following reasons:

- The increase is necessitated by the FCC’s November 18, 2011 USF/ICC Order;
- The increase is necessary to preserve the entirety of the Federal Universal Service Fund (“FUSF”) funds that may flow to SCC pursuant to the FCC’s rules;
- The increase will minimize/reduce the amount of future rate increases; and
- The increase will allow the Applicant to receive matching funds from the FUSF.

Staff further recommends that any future rate increase applications filed by SCC be processed per full A.A.C. R14-2-103 requirements, not streamlined.