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COMMISSIONERS

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2014 MAR 31 P 4:51

ORIGINAL

ARIZONA CORP COMMISSION  
DOCKET CONTROL

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

NOTICE OF FILING POST-HEARING EXHIBITS

1 South Central Utah Telephone Association, Inc., hereby files three post-hearing Exhibits:

- 2 1. Exhibit A-3 – pro forma results of operations with residential rates at \$14/month
- 3 and a federal benchmark at \$20.46/month;
- 4 2. Exhibit A-4 – pro forma results of operations with residential rates at
- 5 \$20.46/month and a federal benchmark at \$20.46/month; and
- 6 3. Exhibit A-5 – typical total residential rates with base rates at \$14/month,
- 7 \$19/month, and \$20.46/month.

8 Respectfully submitted on March 31, 2014.

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on March 31, 2014, with:

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

Arizona Corporation Commission  
DOCKETED

MAR 31 2014

DOCKETED BY

South Central Utah Telephone Association, Inc.

Exhibit A-3

REGULATED RESULTS OF OPERATIONS FOR 12 MONTHS ENDING 09/30/2013  
 REFLECTS CHANGES EFFECTIVE WITH ARC AND CAF IMPLEMENTATION - YEAR 1

		<u>\$14.00 rate / \$20.46 rate floor</u>		
		TOTAL		
		TELEPHONE		
		OPERATIONS	INTERSTATE	INTRASTATE
<u>OPERATING REVENUES</u>				
1	Local	\$ 262,507		\$ 262,507
2	Interstate	821,750	821,750	-
	Reduction in Federal high cost loop support	(50,698)	(50,698)	
3	Intrastate	150,671		150,671
4	Message Toll	-		-
5	Miscellaneous	4,220		4,220
6	Uncollectible	16,200		16,200
7		<u>\$ 1,204,650</u>	<u>\$ 771,052</u>	<u>\$ 433,598</u>
<u>OPERATING EXPENSES</u>				
8	Plant Specific Operations	\$ 181,344	90,529	\$ 90,814
9	Plant Non-specific Operations	11,430	6,585	4,845
10	Depreciation	317,392	130,626	186,766
11	Marketing	27,489	12,591	14,898
12	Customer Operations	83,407	28,024	55,383
13	Corporate Operations	136,146	65,752	70,394
14		<u>\$ 757,208</u>	<u>\$ 334,108</u>	<u>\$ 423,100</u>
15	<u>OPERATING INCOME</u>	<u>\$ 447,442</u>	<u>\$ 436,944</u>	<u>\$ 10,498</u>
16	<u>OPERATING TAXES</u>	119,353	55,164	64,189
17	<u>NET OPERATING INCOME</u>	<u>\$ 328,089</u>	<u>\$ 381,780</u>	<u>\$ (53,690)</u>
<u>NON-OPERATING INCOME</u>				
18	Interest Income	4,063	1,318	\$ 2,745
19	Interest on Funded Debt	(12,475)	(4,072)	(8,403)
20	CoBank dividends	-		-
21	AFUDC	1,738	773	964
22	Other	(211)	(98)	(114)
23		<u>\$ (6,885)</u>	<u>\$ (2,078)</u>	<u>\$ (4,807)</u>
24	<u>NET OPERATING INCOME</u>	<u>\$ 321,204</u>	<u>\$ 379,702</u>	<u>\$ (58,498)</u>
25	<b>Total Rate Base at 09/30/2013</b>		393,935	980,729
26	Return on Rate Base (Ln 23/Ln24)			<b>-5.96%</b>

South Central Utah Telephone Association, Inc.

Exhibit A-4

REGULATED RESULTS OF OPERATIONS FOR 12 MONTHS ENDING 09/30/2013  
 REFLECTS CHANGES EFFECTIVE WITH ARC AND CAF IMPLEMENTATION - YEAR 1

	<u>\$20.46 rate / \$20.46 rate floor</u>		
	TOTAL		
	TELEPHONE	INTERSTATE	INTRASTATE
	OPERATIONS		
<u>OPERATING REVENUES</u>			
1	\$ 313,205		\$ 313,205
2	821,750	821,750	-
	Reduction in Federal high cost loop support		
3	150,671		150,671
4	-		-
5	4,220		4,220
6	16,200		16,200
7	<u>\$ 1,306,046</u>	<u>\$ 821,750</u>	<u>\$ 484,296</u>
<u>OPERATING EXPENSES</u>			
8	\$ 181,344	90,529	\$ 90,814
9	11,430	6,585	4,845
10	317,392	130,626	186,766
11	27,489	12,591	14,898
12	83,407	28,024	55,383
13	136,146	65,752	70,394
14	<u>\$ 757,208</u>	<u>\$ 334,108</u>	<u>\$ 423,100</u>
15	<u>\$ 548,838</u>	<u>\$ 487,642</u>	<u>\$ 61,196</u>
16	<u>119,353</u>	<u>55,164</u>	<u>64,189</u>
17	<u>\$ 429,485</u>	<u>\$ 432,478</u>	<u>\$ (2,992)</u>
<u>NON-OPERATING INCOME</u>			
18	4,063	1,318	\$ 2,745
19	(12,475)	(4,072)	(8,403)
20	-		-
21	1,738	773	964
22	(211)	(98)	(114)
23	<u>\$ (6,885)</u>	<u>\$ (2,078)</u>	<u>\$ (4,807)</u>
24	<u>\$ 422,600</u>	<u>\$ 430,400</u>	<u>\$ (7,800)</u>
25	<b>Total Rate Base at 09/30/2013</b>		393,935      980,729
26	Return on Rate Base (Ln 24/Ln25)		<b>-0.80%</b>

**South Central Utah Telephone Association, Inc.**

**Exhibit A-5**

**Colorado City**

Service Description	Current Rates	Proposed Rates	Proposed Rates
Residential local usage	\$ 14.00	\$ 19.00	\$ 20.46
Federal Subscriber Line Charge	\$ 6.50	\$ 6.50	\$ 6.50
Federal Access Recovery Charge	\$ 1.00	\$ 1.00	\$ 1.00
Federal Universal Service Charge	\$ 1.23	\$ 1.23	\$ 1.23
Telecom Relay Service	\$ 0.15	\$ 0.15	\$ 0.15
E911 Arizona	\$ 0.20	\$ 0.20	\$ 0.20
Federal Tax	\$ 0.65	\$ 0.80	\$ 0.84
State & City Tax	\$ 1.90	\$ 2.35	\$ 2.47
	<u>\$ 25.63</u>	<u>\$ 31.23</u>	<u>\$ 32.86</u>

**Fredonia**

Service Description	Current Rates	Proposed Rates	Proposed Rates
Residential local usage	\$ 14.00	\$ 19.00	\$ 20.46
Federal Subscriber Line Charge	\$ 6.50	\$ 6.50	\$ 6.50
Federal Access Recovery Charge	\$ 1.00	\$ 1.00	\$ 1.00
Federal Universal Service Charge	\$ 1.23	\$ 1.23	\$ 1.23
Telecom Relay Service	\$ 0.15	\$ 0.15	\$ 0.15
E911 Arizona	\$ 0.20	\$ 0.20	\$ 0.20
Federal Tax	\$ 0.65	\$ 0.80	\$ 0.84
State & City Tax	\$ 2.52	\$ 3.11	\$ 3.28
	<u>\$ 26.25</u>	<u>\$ 31.99</u>	<u>\$ 33.66</u>