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TO: UTAH PUBLIC SERVICE COMMISSION

FROM: DIVISION OF PUBLIC UTILITIES
Chris Parker, Director
Bill Duncan, Manager, Telecommunications and Water
Paul M. Anderson, Utility Technical Consultant

**Re: Utah Docket No. 13-999-08, AT&T's (fna New Cingular Wireless)
Over-Remittance of USF Surcharge.**

ISSUE:

On October 29, 2013, New Cingular Wireless ("AT&T") notified the Division of Public Utilities (Division) that it had discovered an error in its reporting of intrastate revenue for its Utah State USF filings. It stated that the error resulted in an overpayment of USF of \$12,422.82. AT&T would like to correct this overpayment by crediting this amount to its next monthly remittance of state USF.

RECOMMENDATION: Allow AT&T to credit overpayment on next monthly remittance payment.

The Division reviewed the situation concerning over-payment of USF funds and determined that when customers were issued refunds of service charges they were also refunded applicable taxes and fees. Although AT&T's internal systems generated the credit to the customer, it did not correspondingly deduct the credited revenue from the amount reported on AT&T's state USF filings. As a result, the amount of revenue AT&T reported was higher than the actual amount of revenue it received. The problem was corrected as of June 2013, but for the period September 2010 to May 2013, AT&T remitted Utah USF fees that produced an overpayment totaling \$12,422.82

The Division analyzed the 33 monthly over-remittance payment data provided by AT&T and determined that AT&T has a valid explanation of its request for credit to its next monthly Utah USF remittance and there should be a sufficient amount of money to cover the credit in that payment.

The Division recommends that the Commission allow AT&T to credit this overpayment on its next monthly remittance payment and include an explanatory note on the payment form for the credit entry.