



State of Utah
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Division of Public Utilities

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Comments

To: Public Service Commission of Utah

From: Utah Division of Public Utilities

Chris Parker, Director

Artie Powell, Manager

Brenda Salter, Utility Technical Consultant Supervisor

Michael Healy, Utility Analyst

Date: April 5, 2021

Re: **Docket No. 21-999-10**, 2021 UUSF and Speech/Hearing Impaired Funds Surcharge Adjustment.

Recommendation (Request for Extension)

The Division of Public Utilities (DPU) is seeking an extension of one week to gain additional data on how the change to prepaid wireless service fees will impact the Utah Universal Service Fund (UUSF).

Issue

Effective January 1, 2021 prepaid wireless providers are no longer subject to remitting UUSF surcharges to the Public Service Commission (PSC). Prepaid wireless providers are now charged a service fee of 1.2% of the transaction amount which is collected by the Tax Commission and deposited into the UUSF. This change has led to some compliance issues for prepaid wireless companies.

Background

The DPU is aware of the time constraints on adjusting the surcharge rate for the UUSF. Last year the due date for the action request for adjusting the surcharge rate was April 22nd and the date of implementation of the new rate was July 8th. The DPU recognizes that it would be ideal for any rate change to go into effect on the first day of the month and at the beginning of the new fiscal year when possible.

Discussion

Some prepaid wireless providers have continued to remit surcharges to the PSC for periods after January 1, 2021 while also paying service fees to the Tax Commission. These companies are being notified of the error and are due a refund. The process of refunding UUSF remittances is currently being developed.

The impact of prepaid wireless service fees on the UUSF is yet to be determined. Those access lines that were previously subjected to surcharges will be deducted from the total number of connections that is reported to the PSC on the monthly UUSF memo from the DPU. Deducting those prepaid lines is straight forward for companies who offer only prepaid service, however, many companies offer prepaid and postpaid service and that ratio is not reported by the providers. By comparing the monthly access lines reported prior to the new year with reports provided after the new year the ratio of prepaid to postpaid access lines can be calculated.

UUSF remittances for the periods of January and February 2021 will be available this week through March's UUSF remittal statements and will provide more data concerning the change to prepaid wireless access lines that can be used to develop ratios for providers who offer both prepaid and postpaid service.

Conclusion

The DPU respectfully requests an extension of one week on the due date of the 2021 UUSF and Speech/Hearing Surcharge Adjustment to allow time to process data from the March 2021 UUSF remittances to provide a timely report while also having adequate data as the basis for the report.