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UTAH DEPARTMENT OF COMMERCE

Division of Public Utilities

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Executive Director

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Memorandum

To: Public Service Commission of Utah
From: Utah Division of Public Utilities
Chris Parker, Director
Brenda Salter, Assistant Director
Abdinasir Abdulle, Utility Technical Consultant Supervisor
Date: November 1, 2023
Re: **23-999-03**, UUSF Annual Review – Final Recommendation

Recommendation (Approve)

The Division of Public Utilities (Division) recommends final approval of the Utah Universal Service Fund (UUSF) for High-Cost Loop Support to telecom providers in 2024 totaling \$35,315,592 for the year. This is an increase of \$13,715,511 from the 2023 annual UUSF distribution of \$21,600,081. The Division also recommends the Public Service Commission of Utah (Commission) increase the UUSF surcharge from \$0.36 to \$0.71 per line.

Issue and Background

Pursuant to PSC rule R746-8-401(10)(e) and (f), the Division is required to file with the Public Service Commission of Utah (Commission) a final recommendation of UUSF High Cost Loop Support distributions by November 1. Parties may challenge the Division's final recommendation by notifying the Commission by November 15.

This memorandum provides the Commission with a summary of the Division's final recommended UUSF High-Cost Loop Support distributions commencing January 1, 2024. These recommended UUSF distributions are discussed in greater detail in contemporaneously filed dockets.

Division of Public Utilities

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Amended recommendations were made to both Navajo Communications Company, Inc (Navajo) and Citizens Telecommunications Company of Utah (Citizen) based on the company's initially submitting annual reports using an older version of the annual report form. The Division requested and received new reports on updated forms from Navajo and Citizen on September 14, and September 8, 2023, respectively.

Consequently, the Division filed amended recommendations on September 26, 2023, and September 27, 2023, modifying UUSF eligibility to \$749,326 annually for Navajo¹ and \$3,798,495 annually for Citizen.² On October 10, 2023, Citizen provided detailed information on its asset additions. The Division analyzed this information and determined that a second adjustment was warranted.³ As a result of this, the Division calculated UUSF eligibility for Citizen decreased from the Division's initial recommendation by \$849,351 to \$3,084,978 annually. Based on this, the Division recommends distributions from the Utah Universal Service Fund (UUSF) for High Cost Loop Support to telecom providers in 2024 totaling \$35,315,592 for the year.

Conclusion

The Division recommends the Commission approve as final, the 2023 UUSF distributions as provided in the aforementioned dockets commencing January 1, 2024. Also, the Division is proposing the Commission increase the UUSF surcharge rate from \$0.36 to \$0.71 per line.

¹ Docket No. 23-050-01, Review of 2022 Annual Report for Navajo Communications Company, Inc. d/b/a Frontier Navajo Communications Company, and Recommendation for Utah Universal Service Fund assistance for Calendar Year 2024. Filed on September 27, 2023.

² Docket No. 23-041-01, Review of 2022 Annual Report for Citizens Telecommunications for Utah, and Recommendations for Utah Universal Service Fund assistance for Calendar Year 2024. Filed on September 26, 2023.

³ Docket No. 23-041-01, Review of 2022 Annual Report for Citizens Telecommunications for Utah, and Recommendations for Utah Universal Service Fund assistance for Calendar Year 2024. Filed on November 1, 2023.