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BEFORE THE PUBLIC SERVICE COMMISSION OF UTAH	
In the Matter of the 2019 Utah Universal Service Recommendations	ALL WEST COMMUNICATIONS, INC.'S REDACTED COMMENTS DOCKET NO. 18-2180-01

All West Communications, Inc. (“All West”) hereby files these Comments related to the Recommendations made on October 4, 2018 by the Division of Public Utilities (“Division”) for Utah Universal Public Telecommunications Service Support Fund (“UUSF”) disbursements for rate-of-return providers.

BACKGROUND

The Comments of URTA filed simultaneously herewith adequately summarize the background and the general issues identified in the Division’s Comments filed on October 4, 2018. All West hereby adopts the Comments of URTA and incorporates them herein.

Separate and apart from the four issues raised in the URTA Comments,¹ All West has one particular issue upon which it would like to submit comments. All West believes there is one area in the Division’s Recommendation related to the rate base calculation that should be corrected. All West has identified this issue with the Division and is hopeful that this issue can

¹ URTA identified: (1) Historic Cost-Recovery/Reimbursement vs. Prospective Analysis (tax rates to be applied and rate of return to be applied); (2) Interest Synchronization; and (3) EDIT.

be resolved between the Division and the Company, but is raising it in these comments to preserve the issue.

ALL WEST COMMENTS

The issue that All West is filing these comments on is a required adjustment to the accumulated deferred income tax account as it relates to rate base. Specifically, in the Rate Base Tab of the Division Spreadsheet, Cell J22 the Division has identified the ADIT as a reduction to rate base in the amount of \$ [REDACTED]. This calculation was based on an average of the ADIT account for 2016 (at 34%) and 2017 (at 21%). All West does not believe using an average is appropriate to calculate the ADIT reduction to rate base under the circumstances.

Deferred income taxes are calculated based on the future tax liability on accumulated temporary differences, therefore using an average between the two years would not be representative of the actual future liability to be incurred as a result of those temporary differences. This results in a lower rate base than would be calculated using the actual future federal income tax rate of 21%. If the amount of 2016 federal deferred taxes were calculated using a rate of 21% instead of 34%, as shown in **Confidential Exhibit 1**, attached hereto, the amount in the Rate Base Tab of the Division Spreadsheet, Cell D22 would be \$ [REDACTED] instead of \$ [REDACTED]. Making only this adjustment would result in a decrease in the amount of UUSF of \$ [REDACTED]² instead of the DPU calculated decrease of \$630,738.

CONCLUSION

² This calculation does not include the changes that would result from using the 2017 tax rate for gross-up of the revenue requirement, or the 10.875% rate of return as suggested in the URTA Comments adopted herein.

All West appreciates the opportunity to provide these Comments. In short, All West joins in the Comment of URTA and recommends that the Commission adopt the recommendations of URTA. All West also raises a company specific issue related to an adjustment required to the ADIT resulting in an increase in rate base, which ultimately affects the UUSF calculation as shown herein.

DATED this 30th day of October, 2018.

BLACKBURN & STOLL, LC



Kira M. Slawson
Attorneys for All West Communications, Inc.

CERTIFICATE OF SERVICE

I hereby certify that a true and correct copy of All West Communications, Inc.'s REDACTED Comments, Docket 18-2180-01, was served the 30th day of October, 2018 as follows:

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CONFIDENTIAL EXHIBIT 1

[PLACEHOLDER]