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Department of Commerce Division of Public Utilities

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Recommendation

To: Public Service Commission of Utah

From: Utah Division of Public Utilities

Artie Powell, Director

Brenda Salter, Utility Technical Consultant Supervisor

Shauna Benvegna-Springer, Utility Technical Consultant

Gary Smith, Utility Technical Consultant

Bhavana Venjimuri, Utility Analyst

Date: September 30, 2020

Re: **Docket No. 20-2419-01**, Direct Communications Cedar Valley – 2019 Annual Report UUSF Review.

Preliminary Recommendation (Suspend - Pending Information)

The Division of Public Utilities' (Division) recommends the Utah Public Service Commission (Commission) suspend the 2021 Utah Universal Service Fund (UUSF) payable to Direct Communications Cedar Valley (Company). The Division has not received a complete annual report for the fiscal year ending December 31, 2019.

Issue

The Division has reviewed the 2019 annual report of the Company submitted on April 16, 2020, pursuant to the Commission's rule R746-8-401. The Company's annual report is incomplete. The Division has not received the information needed to provide a recommendation.

Background

Commission rule R746-8-401 requires the Division to recommend to the Commission adjustments to the monthly UUSF distribution for each provider based on the FCC rate of return

set forth in R746-8-401-(3)(a) and the provider's financial information from its last annual report filed with the Commission.

The Division received the Company's 2019 annual report on April 16, 2020. The Division issued a data request on May 5, 2020. The Company responded with incomplete information on June 10, 2020. The Division issued a second data request on August 7, 2020. The Company responded with incomplete information on September 11, 2020. The Division understands the difficulties that can exist during the current pandemic, and has made efforts to accommodate related requests from utilities. The Company has not made a request for additional consideration related to the pandemic.

Conclusion

The Division recommends the Commission suspend the 2021 UUSF payments to Direct Communications Cedar Valley pending the Division receiving and reviewing the necessary requested information.

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