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BEFORE THE PUBLIC SERVICE COMMISSION OF UTAH

2019 ANNUAL REPORT OF DIRECT COMMUNICATIONS CEDAR VALLEY, LLC	Docket No. 20-2419-01 Confidential Settlement Stipulation
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STIPULATION

Pursuant to Utah Code 54-7-1 the Utah Division of Public Utilities (“Division” or “DPU”), and Direct Communications Cedar Valley, LLC (“DCCV”) (collectively the “Stipulating Parties” or the “Parties”), through their respective undersigned representatives enter this Stipulation regarding Utah Universal Telecommunications Service Support Funding for DCCV for 2021 in this docket. The Parties submit this Stipulation for approval by the Public Service Commission of Utah (the “Commission” or the “PSC”) pursuant to the Commission's Rules of Practice and Procedure, Utah Admin. Code R746-1.

INTRODUCTION

1. On April 16, 2020, DCCV filed its Annual Report with the Commission.
2. On April 16, 2020 the Commission issued an Action Request to the Division directing the Division to review the filing for compliance and make recommendations.

3. On September 30, 2020, the Division filed Comments recommending the Commission suspend the 2021 UUSF payments to DCCV pending the Division receiving and reviewing additional requested information.

4. On November 16, 2020, the Division filed Comments recommending the Commission adjust the UUSF support for DCCV to \$2,465,886 annually effective January 1, 2021. The Division filed Amended Comments on November 18, 2020 to correct the November 16, 2020 Comments for Excess Deferred Income Taxes reducing the recommendation by \$83,314 annually.

5. On November 23, 2020, the Commission issued a Notice of Filing and Comment Period allowing any interested party to file comments regarding the Division's Comments by December 8, 2020.

6. On December 7, 2020, the Division filed a motion for extension of time to file comments informing the Commission that the Division and DCCV were in discussions regarding DCCV's UUSF support and seeking additional time.

7. On December 8, 2020, the Utah Office of Consumer Services filed Comments supporting the Division's initial recommendations.

8. On December 8, 2020, the Commission Granted the Division's request for extension of time.

9. Analysts from the Division continued discussions and information gathering from DCCV during this time.

10. On December 11, 2020, DCCV filed a motion requesting an extension of time to file its comments. DCCV's motion was granted on December 15.

11. On December 21, 2020, DCCV filed Comments and requested the matter be set for hearing.

12. On January 4, 2021, the Commission issued its Order Setting 2021 UUSF

Distribution and Notice of Telephonic Scheduling Conference. In that order the Commission adopted the recommendation by the Division and the UUSF support in the amount of \$2,382,572 annually and provided notice to the parties that it intended to hold an evidentiary hearing to determine DCCV's eligibility for certain expenses disputed between the parties. The Commission set a scheduling conference for February 1, 2021.

13. Prior to the February 1, 2021 scheduling conference, the Division and DCCV continued to engage in settlement discussions and the Division moved to amend the date of the scheduling conference. The Commission converted the scheduling conference to a virtual status update meeting. The Commission has held three status update meetings providing the parties additional time to pursue a settlement regarding the disputed expenses.

14. The Division and DCCV have engaged in significant additional review of DCCV's expenses and lengthy good faith negotiations regarding the management expenses in dispute.

AGREEMENT

Based on their review of the information provided through informal discovery, filings, and their settlement discussions, the Parties hereby stipulate and agree as follows:

1. The Parties agree that DCCV is eligible for [REDACTED] a total of \$2,983,986 in UUSF support during the 2021 calendar year. Calculation of this value is provided in greater detail in Confidential Attachment A.

2. The Parties agree that DCCV's UUSF support will be retroactive to begin on January 1, 2021 in the amount of \$248,665.50 per month. The difference between the monthly payments beginning in January 2021 through the last payment prior to Commission order will be summed and included in DCCV's next monthly UUSF payment after the Commission's final order in this docket.

GENERAL PROVISIONS

1. The Parties stipulate to the admission into evidence in this docket of all filings, comments, and exhibits. This Stipulation to the admission of the filings does not represent an agreement by the Parties as to any positions taken in such filings.

2. Not all Parties agree that each aspect of this Stipulation is warranted or supportable in isolation. Utah Code Ann. § 54-7-1 authorizes the Commission to approve a settlement so long as the settlement is just and reasonable in result. While the Parties may not be able to agree that each specific component of this Stipulation is just and reasonable in isolation, all of the Parties agree that this Stipulation as a whole is just and reasonable in result and in the public interest.

3. All negotiations related to this Stipulation are confidential, and no Party shall be bound by any position asserted in negotiations. Except as expressly provided in this Stipulation, neither the execution of this Stipulation nor the order adopting it shall be deemed to constitute an admission or acknowledgment by any Party of the validity or invalidity of any principle; nor shall they be construed to constitute the basis of an estoppel or waiver by any Party; nor shall they be introduced or used as evidence for any other purpose in a future proceeding by any Party except in a proceeding to enforce this Stipulation.

4. The Parties agree that no part of this Stipulation or the formulae and methods used in developing the same or a Commission order approving the same shall in any manner be argued or considered as precedential in any future case except with regard to issues expressly called-out and resolved by this Stipulation. This Stipulation does not resolve and does not provide any inferences regarding, and the Parties are free to take any position with respect to, any issues not specifically called-out and settled herein.

5. The Parties request that the Commission hold a hearing on this Stipulation. The Parties will support the Commission's approval of this Stipulation. As applied to the DPU, the

explanation and support shall be consistent with their statutory authority and responsibility.

6. The Parties agree that if any person challenges the approval of this Stipulation or requests rehearing or reconsideration of any order of the Commission approving this Stipulation, each Party will use its best reasonable efforts to support the terms and conditions of this Stipulation. As applied to the DPU, the phrase "use its best reasonable efforts" means that they shall do so in a manner consistent with their statutory authority and responsibility. In the event any person seeks judicial review of a Commission order approving this Stipulation, no Party shall take a position in that judicial review proceeding in opposition to the Stipulation.

7. Except with regard to the obligations of the Parties under the four (4) immediately preceding paragraphs of this Stipulation, this Stipulation shall not be final and binding on the Parties until it has been approved without material change or condition by the Commission.

8. This Stipulation is an integrated whole, and any Party may withdraw from it if it is not approved without material change or condition by the Commission or if the Commission's approval is rejected or materially conditioned by a reviewing court. If the Commission rejects any part of this Stipulation or imposes any material change or condition on approval of this Stipulation or if the Commission's approval of this Stipulation is rejected or materially conditioned by a reviewing court, the Parties agree to meet and discuss the applicable Commission or court order within five (5) business days of its issuance and to attempt in good faith to determine if they are willing to modify the Stipulation consistent with the order. No Party shall withdraw from the Stipulation prior to complying with the foregoing sentence. If any Party withdraws from the Stipulation, any Party retains the right to seek additional procedures before the Commission, including presentation of testimony and cross-examination of witnesses, with respect to issues resolved by the Stipulation, and no party shall be bound or prejudiced by the terms and conditions of the Stipulation.

Redacted

9. This Stipulation may be executed by individual Parties through two (2) or more separate, conforming copies, the aggregate of which will be considered as an integrated instrument.

Redacted

WHEREFORE, the Parties respectfully submit this Stipulation and Settlement Agreement for approval by the Commission and request that the Commission grant such approval.

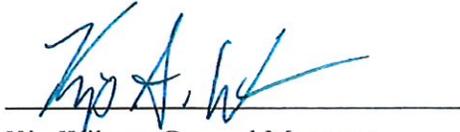
Dated this 3rd day of May, 2021.

THE UTAH DIVISION OF PUBLIC
UTILITIES

A handwritten signature in black ink, appearing to read 'Chris Parker', written over a horizontal line.

Chris Parker, Director
160 E 300 S, 4th Floor
Salt Lake City, UT 84114-6751

DIRECT COMMUNICATIONS CEDAR VALLEY, LLC.

A handwritten signature in blue ink, appearing to read 'Kip Wilson', written over a horizontal line.

Kip Wilson, General Manager
Box 269
Rockland, ID 83271

Confidential Attachment A