
2019 Annual Report of Direct
Communications Cedar Valley, LLC

DOCKET NO. 20-2419-01
SUPPLEMENTAL ORDER SETTING 2021
UUSF DISTRIBUTION

ISSUED: May 27, 2021

BACKGROUND

On April 16, 2020, Direct Communications Cedar Valley, LLC (“Direct”) filed its Annual Report for Calendar Year 2019 (“Report”) in support of its 2021 Utah Universal Public Telecommunications Support Fund (“2021 UUSF”) eligibility and proposed disbursement with the Public Service Commission (PSC). The PSC issued an action request to the Division of Public Utilities (DPU) requesting comments by October 1, 2020.

On September 30, 2020, DPU filed its initial recommendation for the 2021 UUSF calendar year disbursement for Direct. Subsequently, the PSC issued a Notice of Filing and Comment Period, seeking comments on DPU’s recommendation by October 30, 2020, and reply comments by November 16, 2020.

On November 17, 2020, DPU filed an updated recommendation modifying its original September 30, 2020 recommendation, and on November 18, 2020, DPU filed another amendment to its November 17, 2020 updated recommendation. On December 7, 2020, DPU filed a motion for extension of time to file reply comments. On December 8, 2020, the Office of Consumer Services filed comments.

On December 8, 2020, the PSC issued an Amended Notice of Comment Period, seeking comments by December 15, 2020. On December 11, 2020, Direct filed a motion to extend time for comments. On December 15, 2020, the PSC issued another Amended Notice of Comment

Period, seeking comments by December 18, 2020. On December 21, 2020, Direct filed comments responding to DPU's recommendation and requesting an evidentiary hearing.

On January 4, 2021, the PSC issued an order setting a 2021 UUSF calendar year distribution of \$2,382,572 for Direct, to be paid in twelve equal monthly disbursements in the amount of \$198,547.67, subject to notice that the amount could change, pursuant to Utah Code Ann. § 54-7-14.5, in a subsequent order upon consideration of additional evidence on the management expenses issue ("January 2021 Order"). Following that order, (1) DPU and Direct engaged in discovery, (2) DPU extensively reviewed Direct's expenses, and (3) DPU and Direct held negotiations which resulted in a stipulation between the parties dated May 3, 2021 that was filed May 4, 2021 ("Stipulation"). The PSC held a hearing on the merits of the Stipulation May 19, 2021.

FINDINGS OF FACT AND CONCLUSIONS OF LAW

Utah Admin. Code R746-8-401 requires DPU to make annual recommendations to the PSC for adjustments to the monthly UUSF distribution to each qualifying provider based on an established Federal Communications Commission rate of return and on the provider's most recent financial information reflected in its annual report filed with the PSC. DPU and Direct mostly agreed on the reasonableness of Direct's expenses with the exception of certain management expenses claimed by Direct, which were the subject of DPU and Direct's negotiations following the January 2021 Order.

The Stipulation recommends the PSC set Direct's 2021 UUSF support at \$2,983,986, with disbursements of \$248,665.50 per month, retroactive and effective January 1, 2021. The

Stipulation states that the difference between the monthly disbursements which began in January 2021 and ending with the last disbursement calculated pursuant to and approved by the January 2021 Order (approximately \$50,100 per month from January 2021 through May 2021), will be added together and included in its entirety to the first monthly UUSF disbursement following this supplemental order, i.e., the June 2021 disbursement.

At hearing, witnesses for DPU and Direct both testified that the Stipulation resolving the issues associated with Direct's 2021 UUSF support was just and reasonable, and in the public interest.

Based on the previous record evidence, our examination of the Stipulation, and DPU and Direct's testimony at hearing, we find and conclude that the Stipulation is just and reasonable, and in the public interest. Therefore, we conclude Direct is eligible to receive the agreed upon 2021 UUSF distribution in the amount of \$2,983,986 per year, to be paid in monthly disbursements of \$248,665.50 to be disbursed as recommended by DPU and Direct in the Stipulation.

ORDER

The PSC approves a 2021 UUSF calendar year distribution of \$2,983,986 for Direct, to be paid in twelve equal monthly disbursements in the amount of \$248,665.50. The difference between the monthly disbursements that have already been paid consistent with the January 2021 Order, and the monthly disbursements established in this order (\$50,117.83 per month or approximately \$250,590.00 in total), shall be added to the June 2021 disbursement of \$248,665.50, to bring the 2021 disbursements to Direct current for the 2021 calendar year.

DOCKET NO. 20-2419-01

- 4 -

DATED at Salt Lake City, Utah, May 27, 2021.

/s/ Thad LeVar, Chair

/s/ David R. Clark, Commissioner

/s/ Ron Allen, Commissioner

Attest:

/s/ Gary L. Widerburg

PSC Secretary

DW#318865

Notice of Opportunity for Agency Review or Rehearing

Pursuant to §§ 63G-4-301 and 54-7-15 of the Utah Code, an aggrieved party may request agency review or rehearing of this written Order by filing a written request with the PSC within 30 days after the issuance of this Order. Responses to a request for agency review or rehearing must be filed within 15 days of the filing of the request for review or rehearing. If the PSC does not grant a request for review or rehearing within 30 days after the filing of the request, it is deemed denied. Judicial review of the PSC's final agency action may be obtained by filing a petition for review with the Utah Supreme Court within 30 days after final agency action. Any petition for review must comply with the requirements of §§ 63G-4-401 and 63G-4-403 of the Utah Code and Utah Rules of Appellate Procedure.

CERTIFICATE OF SERVICE

I CERTIFY that on May 27, 2021, a true and correct copy of the foregoing was delivered upon the following as indicated below:

By Email:

Kip A. Wilson (kip@directcom.com)
R. Michael Parish (michael@directcom.com)
Direct Communications Cedar Valley, LLC

David R. Irvine (drirvine@aol.com)
Counsel for Direct Communications Cedar Valley, LLC

Patricia Schmid (pschmid@agutah.gov)
Justin Jetter (jjetter@agutah.gov)
Robert Moore (rmoore@agutah.gov)
Assistant Utah Attorneys General

Madison Galt (mgalt@utah.gov)
Division of Public Utilities

Alyson Anderson (akanderson@utah.gov)
Bela Vastag (bvastag@utah.gov)
Alex Ware (aware@utah.gov)
(ocs@utah.gov)
Office of Consumer Services

Administrative Assistant