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2023 Annual Report of Navajo Communications Company, Inc. dba Frontier Navajo Communications Company	<u>DOCKET NO. 24-050-01</u> <u>ORDER APPROVING 2025 DISTRIBUTION</u>
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ISSUED: December 24, 2024

**BACKGROUND**

On April 11, 2024, Navajo Communications Company, Inc. dba Frontier Navajo Communications Company (“Frontier Navajo”) filed its Annual Report for Calendar Year 2023 (“Report”) with the Public Service Commission (PSC). On September 3, 2024, the Division of Public Utilities (DPU) filed its initial recommendation for the 2025 Utah Universal Public Telecommunications Service Support Fund (“UUSF”) calendar year distribution. On September 4, 2024, the PSC issued a Notice of Filing and Comment Period, seeking comments on DPU’s initial recommendation on or before October 4, 2024. No comments were filed.

On November 1, 2024, DPU filed its final comments which included final recommended UUSF annual disbursements, consistent with Utah Admin. Code R746-8-401(10)(e). Challenges to DPU’s final recommendations were accepted until November 15, 2024, in accordance with Utah Admin. Code R746-8-401(10)(f). Additional comments were provided by DPU and the Utah Rural Telecom Association in support of the DPU’s final recommendation and no challenges to that final recommendation were filed.

**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 provider based on an established Federal Communications Commission rate of return and the provider's most recent financial information reflected in its annual report filed with the PSC. DPU recommends a decrease of \$231,058.00 to the prior year's UUSF distribution for Frontier Navajo (\$749,326.00). Specifically, in calculating Frontier Navajo's eligibility for the UUSF distribution, DPU reviewed its rate of return, state and federal income taxes, depreciation, federal USF excluded costs, UUSF eligibility, accumulated deferred income taxes, and federal USF assistance. DPU recommends a 2025 UUSF calendar year distribution for Frontier Navajo in the amount of \$518,268.00<sup>1</sup> to be distributed in twelve monthly payments of \$43,189.<sup>2</sup> As illustrated in Exhibit A, the 2025 UUSF distribution for Frontier Navajo is a 30.84% decrease from its 2024 distribution.

Based on the Report and DPU's review, investigation, analysis, and uncontested final recommendation, we find and conclude that Frontier Navajo is eligible to receive

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<sup>1</sup> See *Miscellaneous Correspondence and Reports Regarding Telecommunications Utility Services; 2024*, Docket No. 24-999-03, Comments from the Division of Public Utilities filed November 1, 2024, DPU Exhibit 1.

<sup>2</sup> Monthly payments are substantially equal with the twelfth payment used to true-up the amount to the ordered annual distribution.

DPU's recommended 2025 UUSF calendar year distribution in the amount of \$518,268.00, pursuant to Utah Code Ann. § 54-8b-15.

**ORDER**

The PSC approves a 2025 UUSF calendar year distribution of \$518,268.00 for Frontier Navajo, to be disbursed in twelve monthly payments in the amount of \$43,189.00.

DATED at Salt Lake City, Utah, December 24, 2024.

/s/ Jerry D. Fenn, Chair

/s/ David R. Clark, Commissioner

/s/ John S. Harvey, Ph.D., Commissioner

Attest:

/s/ Gary L. Widerburg  
PSC Secretary  
DW#337294

Exhibit A  
Summary of 2025 UUSF Disbursements

	<b>Disbursement 2024</b>	<b>Disbursement 2025</b>	<b>Increase/ (decrease)</b>	<b>individual change</b>
All West	\$3,445,674.00	\$3,689,761.00	\$244,087.00	7.08%
Bear Lake	-	-	-	-
Central	\$42,836.00	\$266,962.00	\$224,126.00	523.22%
Skyline	-	-	-	-
Beehive	\$2,398,770.00	\$2,503,095.00	\$104,325.00	4.35%
Direct CCV	\$2,604,685.00	\$2,355,173.00	(\$249,512.00)	-9.58%
Emery	\$2,392,909.00	\$977,603.00	\$(1,415,306.00)	-59.15%
Carbon/Emery	\$2,262,786.00	\$3,115,153.00	\$852,367.00	37.67%
Hanksville	\$51,194.00	\$71,138.00	\$19,944.00	38.96%
Gunnison	\$454,946.00	\$638,375.00	\$183,429.00	40.32%
Frontier (Citizens)	\$3,084,978.00	\$3,022,487.00	\$(62,491.00)	-2.03%
Frontier Navajo	\$749,326.00	\$518,268.00	\$(231,058.00)	-30.84%
Manti	\$919,431.00	\$993,263.00	\$73,832.00	8.03%
SCUTA	\$8,598,237.00	\$8,995,500.00	\$397,263.00	4.62%
Strata (UBTA-UBET)	\$6,049,028.00	\$6,962,845.00	\$913,817.00	15.11%
Union	-	-	-	-
E-Fiber Moab	\$1,114,971.00	\$2,322,274.00	\$1,207,303.00	108.28%
E-Fiber San Juan	\$1,145,821.00	\$2,010,987.00	\$865,166.00	75.51%
Total	\$35,315,592.00	\$38,442,884.00	\$3,127,292.00	

Notice of Opportunity for Agency Review or Rehearing

Pursuant to Utah Code Ann. §§ 63G-4-301 and 54-7-15, a party may seek agency review or rehearing of this written order by filing a request for review or rehearing with the PSC within 30 days after the issuance of the 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 fails to grant a request for review or rehearing within 30 days after the filing of a request for review or rehearing, 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 Utah Code Ann. §§ 63G4-401, 63G-4-403, and the Utah Rules of Appellate Procedure.

CERTIFICATE OF SERVICE

I CERTIFY that on December 24, 2024, a true and correct copy of the foregoing was served upon the following as indicated below:

By Email:

Leslie Zink ([leslie.zink@ftr.com](mailto:leslie.zink@ftr.com))  
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Office of Consumer Services

/s/ Melissa R. Paschal  
Administrative Assistant