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BEFORE THE PUBLIC SERVICE COMMISSION OF UTAH

In the Matter of the Overpayment of New Cingular Wireless PCS, LLC Into the Utah Universal Service Support Fund	Docket No. 24-087-02
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SETTLEMENT STIPULATION

Pursuant to Utah Code § 54-7-1 and the Rules of the Public Service Commission of Utah (the “Commission”), New Cingular Wireless PCS, LLC (“Company”), the Division of Public Utilities (“Division”), and the Utah Rural Telecom Association (“URTA”) (collectively, the “Parties” or singly “Party”) submit this Settlement Stipulation. This Settlement Stipulation shall be effective upon the entry of a final order of approval by the Commission.

PROCEDURAL HISTORY

1. On April 10, 2024, Company filed a Verified Request for Recovery of Overpayment to UUSF (“Request”).
2. The Commission conducted a virtual scheduling conference on May 1, 2024.
3. On May 14, 2024, the Commission issued a Scheduling Order and Notice of Hearing which, in addition to setting deadlines for testimony and providing notice of the hearing, directed interested persons to submit by May 30, 2024, legal briefs regarding certain questions posed by the Commission at the scheduling conference.
4. On May 24, 2024, the Company filed, in support of its Request, the Direct Testimony of Janet Tolley and the Direct Testimony of Randy E. Phoenix with accompanying exhibits.
5. On May 30, 2024, the Division, the Company, and URTA each filed legal briefs in response to the Scheduling Order addressing the jurisdiction of the Commission to resolve the issues raised in this docket and identifying specific legal authority authorizing the Commission to resolve the issues raised in this docket.
6. On June 21, 2024, the Division filed the Direct Testimony of Gary Smith in response to the Request and to the direct testimony filed by the Company.
7. On June 28, 2024, URTA filed a Petition to Intervene, which the Commission granted on July 16, 2024.
8. On July 10, 2024, the Company filed a Stipulated Motion to Suspend Deadlines in Scheduling Order and Request for Expedited Treatment, supported by the Division and URTA, indicating that the parties had engaged in settlement negotiations and hoped to resolve disputes in the docket through further negotiations. The motion sought to suspend all remaining dates in the

Scheduling Order other than the August 13, 2024, hearing date. The Commission granted the stipulated motion on July 10, 2024.

9. On July 30, 2024, the Commission held a technical conference to share information regarding a potential reimbursement from the Utah Universal Service Fund (“UUSF”), including UUSF fund balances and the Commission’s obligation to report on certain UUSF balance performance measures.

10. On August 8, 2024, the Division filed a Stipulated Motion to Continue Hearing and Request for Expedited Treatment, proposing to continue the hearing to September 19, 2024. The Commission granted the motion on August 9, 2024.

11. Other than the Division and URTA, no party has sought to participate in this docket and the deadline for filing a petition to intervene has expired.

12. The Company and the Division met on multiple occasions in July and August of 2024 to discuss settlement of disputed issues. URTA joined these discussions after filing its Petition to Intervene. The Company has responded to data requests from the Division and URTA and to informal requests for information during settlement discussions.

13. The Parties have reached agreement as set forth below.

TERMS AND CONDITIONS

Accordingly, based on a review of all testimony and exhibits submitted and upon the settlement discussions, the Division and Company agree for purposes of settlement that the Company’s request for a refund of its overpayment to the UUSF should be granted. The Division and Company further agree for purposes of settlement that the Company implement certain policies and procedures for Company’s conduct and reporting of its monthly number of access lines subject to the UUSF surcharge. URTA does not take a position on whether the Company is

entitled to a refund, and if so, how much the Company is entitled to receive, but URITA does not oppose the settlement of the issues as set forth in this Settlement Stipulation.

Specifically, the Division and Company stipulate and agree as follows:

14. Based on the evidence submitted and information made available by Company, the Division and the Company agree for purposes of settlement that Company is entitled to recover from the UUSF **\$2,262,120** for its overpayment into the UUSF from July 2021 through June 2023 (“UUSF Overpayment”).

15. Provided Company has complied with its obligation set forth in paragraph 22 below, beginning in February 2025, and in each succeeding month until the UUSF Overpayment has been fully reimbursed, when each of the conditions set forth below has been met, the Commission shall provide to the Company a refund payment by check within 30 days of receiving the Division’s UUSF status report for the previous month.

a. Condition 1: When, as a result of the remittances into the fund and distributions from the fund in the immediately preceding month, the UUSF balance increases from the prior month.

b. Condition 2: The Company has remitted to the Commission all UUSF surcharge assessments currently due.

16. The amount of the check to be distributed to the Company shall be determined by the Commission based on the Commission’s consideration of factors affecting the UUSF balance, but in any event shall not be less than 5% of the growth of the UUSF fund in the previous month. The Commission may, in its discretion, suspend such payment for a month in which the Commission determines the payment will impair the function or stability of the UUSF.

17. In the event that the UUSF in any month maintains a balance equal to or above the legislative performance measures for which the Commission is required to report to the Office of the Legislative Fiscal Analyst, the Governor's Office of Planning and Budget, and/or any other government office or committee of the Utah government, the payment to the Company shall be the total amount of the balance above such performance measures for that month, so long as, as determined by the Commission, paying this amount would not preclude the UUSF from satisfying the legislative performance measures but in any event consistent with the Commission's intent to complete reimbursement of the UUSF Overpayment as soon as prudently possible.

18. The Division and Company shall coordinate on and maintain an accounting of all refund payments to the Company and the balance of the UUSF Overpayment that remains unpaid. After the Commission has commenced UUSF refund payments to the Company, the Division shall provide this accounting to the Commission as part of the Division's monthly UUSF status reports.

19. Notwithstanding the foregoing, the payment to be provided to the Company pursuant to this Settlement shall not exceed the amount of the UUSF Overpayment as described in paragraph 14 above.

20. Company is performing software development work that will allow a direct query of its applicable billing system detail files to identify active, non-exempt customers with an access line that has a primary place of use in Utah ("Utah PPU") at the end of the reporting month.

21. The query is designed to directly identify the number of Company access lines that, as of the end of the reporting month, are subject to the UUSF surcharge for its monthly statement.

22. Beginning in October 2024, for the November 2024 UUSF surcharge remittance statement, Company will utilize the following methodology to report its monthly number of access lines subject to the surcharge:

- a. Company's transaction tax compliance team will perform a direct query of its applicable billing system detail files at the end of the reporting month to identify active, non-exempt customers with a Utah PPU ("Monthly Access Line Count").
- b. Company's transaction tax compliance team will multiply the Monthly Access Line Count by the applicable UUSF surcharge rate that is populated in the UUSF remittal statement to arrive at the total "amount collected" reflected in the remittal statement.
- c. Company's transaction tax compliance team will reconcile the total "amount collected" reported in the UUSF remittal statement back to the amount of UUSF surcharge invoiced to customers during the relevant reporting month. Where a material difference between these two amounts is identified, Company will investigate, resolve, and document the variance.
- d. Company shall maintain written remittance procedures that reflect its current remittance procedures.
- e. Company shall, upon request, make available to the Commission and DPU the Company's reconciliation reports and written remittance procedures.

GENERAL PROVISIONS

23. Not all Parties agree that each aspect of this Stipulation is warranted or supportable in isolation. Utah Code § 54-7-1 authorizes the Commission to approve a settlement so long as the settlement is just and reasonable in result. While the Parties are not 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.

24. 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, and in accordance with Utah Code § 54-7-1, 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.

25. 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 any issues not specifically identified and settled herein. The Parties are free to take any position concerning such issues.

26. The Parties request that the Commission hold a hearing on this Stipulation. The Company and the Division will support the Commission's approval of this Stipulation. As applied to the Division, the explanation and support shall be consistent with its statutory authority and responsibility.

27. 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 Division, the phrase "use its best reasonable efforts" means that it shall do so in a manner consistent with its 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.

28. 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.

29. 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.

30. This Stipulation may be executed by individual Parties through two or more separate, conformed copies, the aggregate of which will be considered as an integrated instrument.

RELIEF REQUESTED

Based on the foregoing, the Parties request that the Commission issue an order approving this Settlement Stipulation and adopting its terms and conditions.

RESPECTFULLY SUBMITTED: September ⁶, 2024.



New Cingular Wireless PCS, LLC



Utah Division of Public Utilities

Utah Rural Telecom Association

RELIEF REQUESTED

Based on the foregoing, the Parties request that the Commission issue an order approving this Settlement Stipulation and adopting its terms and conditions.

RESPECTFULLY SUBMITTED: September 6, 2024.

New Cingular Wireless PCS, LLC

Utah Division of Public Utilities



Utah Rural Telecom Association

Certificate of Service
Docket No. 24-087-02

I hereby certify that a true and correct copy of the foregoing was served by email this 6
day of September 2024 on the following:

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