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*Division Director*

## Action Request Response

**To:** Public Service Commission of Utah

**From:** Utah Division of Public Utilities

Chris Parker, Director  
Brenda Salter, Assistant Director  
Abdinasir Abdulle, Utility Technical Consultant Supervisor  
Shauna Benvegna-Springer, Utility Technical Consultant  
Joanna Matyjasik, Utility Analyst

**Date:** September 3, 2025

**Re:** **Docket No. 25-576-01**, Review of 2024 Annual Report of Skyline Telecom, Inc. d/b/a CentralCom and Recommendation for Utah Universal Service Fund Assistance for Calendar Year 2026.

## Recommendation (Approve)

The Division of Public Utilities ("Division" or "DPU") recommends the Public Service Commission of Utah ("PSC" or "Commission") adjust the annual Utah Universal Service Fund ("UUSF") payable to Skyline Telecom ("Skyline" or "Company") to \$0 annually, or \$0 monthly, effective January 1, 2026. For the 2025 calendar year, Skyline received \$0 annually, or \$0 monthly. Skyline does not qualify for UUSF for the calendar year 2026.

## Issue

On April 15, 2025, the Company filed its 2024 Annual Report for UUSF assistance. On April 15, 2025, the Commission issued an Action Request to the Division to provide analysis, evaluation results, and the basis for conclusions and recommendations regarding the Company's report. This memorandum represents the Division's response to the Commission's Action Request.



## Discussion

In calculating the UUSF eligibility for Skyline, the Division utilized the following:

- 1) Rate of Return – The DPU used a 9.75% rate, the rate of return prescribed by the FCC.
- 2) Depreciation – Skyline utilizes a group asset depreciation method rather than single asset straight-line depreciation.
- 3) Annual Report Review – After reviewing the 2024 Annual Report, Skyline did not qualify for UUSF, and it has not qualified for the past six years.
- 4) Deferred Regulatory Liability – Skyline used accelerated depreciation in 2018. Because of the changes in federal and state tax rates and accelerated depreciation in prior years, the Company has a Deferred Regulatory Liability that should be returned to the UUSF. Skyline calculated an amortization schedule for the Excess Deferred Income Tax. Since Skyline does not qualify for UUSF, the EDIT adjustment is not used.

## Conclusion

The DPU recommends keeping Skyline's current UUSF payment of zero. Skyline did not qualify for UUSF in 2025 or 2026.

Attachment (2) 2024 Audit Report and 2024 Annual Report for Skyline Telecom, Inc.

cc: Bawb Nielsen, Senior Accountant, CentraCom  
Chad Wray, Controller, CentraCom  
Mike Plows, CFO, CentraCom  
Brad Welch, COO, CentraCom