Revised 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
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Date: September 2, 2026

Re: **Docket No. 26-2201-01,** Review of 2025 Annual Report of Bear Lake Communications, Inc. d/b/a CentraCom and Recommendation for Utah Universal Service Fund Assistance for Calendar Year 2027.

Preliminary Recommendation

The Division of Public Utilities ("Division" or "DPU") recommends the Public Service Commission of Utah ("PSC" or "Commission") maintain the annual Utah Universal Service Fund ("UUSF") payable to Bear Lake Communications ("Bear Lake" or "Company") of $0 annually, or $0 monthly, effective January 1, 2027. For the 2026 calendar year, Bear Lake received $0 annually or $0 monthly. Bear Lake does not qualify for UUSF for the calendar year 2027.

Issue

On April 16, 2026, the Company filed its 2025 Annual Report for UUSF assistance. On April 17, 2026, 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 Bear Lake, 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 – Bear Lake utilizes a group asset depreciation method rather than single asset straight-line depreciation.
3) After reviewing the 2025 Annual Report, Bear Lake does not qualify for UUSF and has not qualified for the past seven years.
4) Deferred Regulatory Liability – Bear Lake 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. Bear Lake calculated an amortization schedule for the Excess Deferred Income Tax. Since Bear Lake does not qualify for UUSF, the EDIT adjustment is not used.

Conclusion

The DPU recommends keeping Bear Lake's current UUSF payment of zero.

Attachments (2) - 2025 Audit Report and 2025 Annual Report

cc: Robert Nielsen, Senior Accountant, CentraCom
Brad Harwell, CentraCom
Brad Welch, COO, CentraCom