

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. 26-2419-01**, Review of 2025 Annual Report for Direct Communications Cedar Valley and Recommendations for Utah Universal Service Fund assistance for Calendar Year 2027

Recommendation (Approve)

The Utah Division of Public Utilities ("Division" or "DPU") recommends the Public Service Commission of Utah ("Commission" or "PSC") adjust the annual Utah Universal Service Fund ("UUSF") amount payable to Direct Communications Cedar Valley ("DCCV" or "Company") to \$4,335,126 annually or \$361,261 monthly, effective January 1, 2027. This is an increase of 12.8% from the 2026 UUSF distribution of \$3,842,921 annually or \$320,243,42 monthly.

Discussion

Commission Rule R746-8-401 requires the Division to make annual recommendations to the Commission for adjustments to the monthly UUSF distribution to each provider based on an established Federal Communications Commission ("FCC") rate of return and the provider's financial information from its last Annual Report filed with the Commission. On April 13, 2026, the Company filed its annual report of operations in compliance with this rule. The Commission issued an Action Request on April 14, 2026, for the Division to review



the filing and make recommendations by September 1, 2026. In response to a Division data request the Company filed an amended 2025 annual report on May 11, 2026. This memo is the Division's response to the Commission's Action Request. Included with this memo is a comprehensive report that provides a review of the Company's 2025 operations and proposes changes to the 2027 UUSF distribution.

Conclusion

Based on the review completed by the Division, the Division recommends the Commission adjust the UUSF distribution payable to DCCV to be \$4,335,126 annually or \$361,261 monthly, effective January 1, 2027.

cc: Michael Parrish, Direct Communications Cedar Valley