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DOCKET# 44703
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FINAL ORDER ADOPTING RULE

TO: (a) Legislative Counsel – State of Georgia
(b) Affected Commission Staff
(c) All Parties on the Commission's Rulemaking Mailing Lists

FROM: Georgia Public Service Commission
244 Washington St., S.W.
Atlanta, Georgia 30334

Docket No. 44703: Notice of Proposed Rulemaking to Adopt Rule 515-12-1-.39 Universal Access Fund

All interested parties are hereby notified pursuant to Ga. Laws 1964, pp. 338, 342, as amended (Official Code of Georgia Annotated ("O.C.G.A.") § 50-13-4) that the Georgia Public Service Commission has considered and adopted a rule regarding contributions to the universal access fund, billing language for surcharges on customer bills related to the universal access fund and minimum filing requirements and deadlines for the filing of applications for disbursements from the universal access fund.

BY THE COMMISSION:

Whereas, during its regularly scheduled January 17, 2022 Administrative Session, the Commission approved the adoption of Commission Utility Rule 515-12-1-.39.

Whereas, copies of written notices of the proposed rule previously were mailed to all interested persons on the mailing list of the Commission pursuant to O.C.G.A. § 50-13-4(a)(1); and

Whereas, a copy of said notice was furnished to the Legislative Counsel of the State of Georgia, pursuant to O.C.G.A. § 50-13-4(e); and

Whereas, the Commission provided parties with the opportunity to provide written comments and to request a hearing to present oral comments on the proposed the rule;

WHEREFORE IT IS ORDERED, that Commission Utility Rule 515-12-1-.39 is hereby approved and adopted as shown below:

RULES OF GEORGIA PUBLIC SERVICE COMMISSION
Chapter 515-12 Telephone Service
Subject 515-12-1 Telephone Service
Rule 515-12-1-.39 Universal Access Fund

Rule 515-12-1-.39. Universal Access Fund

(1) **Quarterly Contributions.** All telecommunications companies holding a certificate of authority issued by the Commission to provide services within Georgia shall contribute quarterly to the Universal Access Fund. The contribution is calculated by multiplying a company's gross intrastate revenues from the provision of telecommunications services to end users by a factor set by order of the Commission.

(2) **Universal Access Fund Surcharge.** A telecommunications company holding a certificate of authority issued by the Commission may add a surcharge to customer bills after filing a letter providing notice to the Commission of its intent to do so. Customers shall be given at least 30 days' notice prior to implementation of the surcharge. The surcharge shall appear on customer bills as "Georgia Universal Access Fund Surcharge." If the number of characters in "Georgia Universal Access Fund Surcharge" exceeds the number of characters allowed in the company's billing software or if the full text will not fit on one line, "Georgia UAF Surcharge" or "GA UAF Surcharge" may be used instead.

(3) **Quarterly Reports and Remission of Funds.** Each telecommunications company that is required to contribute to the Universal Access Fund shall submit quarterly via email a report to the Commission Staff calculating the required contribution for each quarter. The report shall be submitted to the Staff and the contribution shall be remitted to the fund designated for the Universal Access Fund no later than the thirtieth calendar day following the close of each quarter.

(4) **Applications for Distributions from the Universal Access Fund.** The Commission shall determine any such distributions upon application, demonstration, and good cause shown that the reasonable actual costs to provide basic local exchange services exceed the maximum fixed price permitted for such basic local exchange services. Costs shall be determined based on the most recent commission-approved rate of return and the

statutory state and federal income tax rates in effect for the application period. Applications for distributions from the Universal Access Fund shall be limited to local exchange carriers subject to rate of return regulation.

(a) **Filing Deadline.** Applications shall be filed no later than December 15 of each year.

(b) **General Filing Requirements.** Applications shall be made based on losses incurred from July 1 of the prior year through June 30 of the filing year, excluding non-regulated costs, and shall include the following:

1. Publicly-disclosed earnings report (Tab 1) in fully-functional Excel format
2. Publicly-disclosed Form M (Tab 2) in word-searchable format
3. Separations-based cost study (Tab 3)
4. Cost study workpapers (Tab 4)
5. Subjective support for regulated and non-regulated costs (Tab 5)
6. Information related to affiliated transactions (Tab 6)

(c) **Enhanced Filing Requirements.**

1. Trial Balance reports for June 30 of the preceding year, December 31 of the preceding year and June 30 of the filing year (these trial balances may be redacted as needed to remove names and CPNI information).
2. The most recent un-redacted audited financial reports with accompanying notes for each company and its parent company (if applicable).
3. Identification of the depreciation rates applicable to each plant account during the fiscal year.
4. A copy of the company's current Cost Allocation Manual or equivalent documentation that identifies the company's organizational structure and procedures for segregating costs between regulated and nonregulated operations.
5. Documents demonstrating that basic residential local rates are set at the top of the limits allowed by the GPSC or that foregone revenues are imputed.
6. All information necessary to demonstrate that grant funded assets and related expenses are excluded from the UAF request.

(d) **Executive Compensation and Corporate Operations Expense.** Allowable costs for executive compensation and/or corporate operations expense shall be constrained based upon the greater disallowance calculated based upon the following limits:

1. Executive Costs (USOA Account 6711 or 6710 as indicated by company accounting practice) shall be limited to the lesser of actual cost or $200,000 plus $78 times the number of access lines reported on Form 5322 as of December 31 of the preceding year.

2. The overall corporate operations expenses (USOA accounts 6711 through 6728 or 6710 and 6720 as indicated by company accounting practice) shall be equal to the lesser of the average monthly per loop corporate operations expense cap provisions of Sections 36.621(a)(4)(i) and 36.621(a)(4)(ii) of the FCC's rules and regulations (USF Corporate Operations Expense capping mechanism as of December 31, 2010) times the number of access lines reported on Federal USF cost reporting (Data Line 070, total loops) as of December 31 of the preceding year and annualized.

(e) **Reactive Engagements.** Each application for reimbursement from the Universal Access Fund will undergo a reactive engagement conducted by a contractor chosen by the Commission. The procedures employed by the contractor will be determined by the Commission. The cost of the reactive engagement will be borne by the party that filed the application. At the conclusion of the reactive engagement, the Staff will file a report containing the findings, if any, of the contractor.

(f) **Hearing Requests.** Any interested party may file a request for a hearing on any individual application within 14 calendar days of the date of filing of the Reactive Engagement report.

Statutory Authority: O.C.G.A. §§ 46-2-20, 46-5-167.

* * * * *

WHEREFORE IT IS ORDERED, that the Commission hereby adopts Utility Rule 515-12-1-.39.

ORDERED FURTHER, that said adopted rule having been published as provided in O.C.G.A. § 50-13-3(b) shall be filed with the Administrative Procedure Act Division of the Secretary of State as provided in O.C.G.A. § 50-13-6(b).

ORDERED FURTHER, that any motion for reconsideration, rehearing, or oral argument or any other relief shall not stay the effective date of this Order, unless otherwise ordered by the Commission.

ORDERED FURTHER, that jurisdiction over this matter is expressly retained for the purpose of entering such further Order or Orders as this Commission may deem just and proper.

The above by action of the Commission in its Administrative Session on the 17th day of January 2023.

Sallie Tanner
Executive Secretary

1-25-23
Date

Tricia Pridemore
Chairperson

1-25-23
Date