

PUA INSTRUCTIONS FOR TELECOM COMPANIES

On December 23, 1997, the Michigan Court of Appeals issued an opinion in consolidated cases 194751 and 202934 (LCI and ATT respectively) stating that interstate revenues could not be included for purposes of the PUA, but that intrastate revenues from both regulated and non-regulated services may be included.

Pursuant to Section 211 of the MTA, each telecommunication provider of a regulated service in the State of Michigan shall pay an assessment based on the expenses of the Michigan Public Service Commission. All providers of a regulated service, as defined by the MTA, are subject to the public utility assessment (PUA). The list of providers subject to the PUA includes incumbent local exchange carriers and competitive local exchange carriers, as well as facilities based competitive access and interexchange providers that have filed a tariff with the MPSC for regulated services. Regulated and unregulated intrastate revenues received from Michigan operations should be reported separately from other operating revenues since only those revenues will be the basis for your assessment.

Excluded from the PUA are toll resellers who acquire interexchange telephone service capacity (on a wholesale basis) and establish rates to sell telecommunication services to end users. Providers who are a toll reseller of unlicensed services, and who otherwise have no regulated revenues, are exempt from the PUA based upon Section 401 of the MTA. Further, unlicensed telecommunications enhanced services are not to be considered part of local exchange service revenues.

Also, per Section 401 of the MTA the following services shall **not** be considered part of basic local exchange service and therefore are **not to be included in the revenue reported for the PUA**: paging, cellular, mobile, answering services, retail broadband service, video, cable service, pay-for-view, shared tenant, private networks, financial services networks, radio and television, WATS, personal communication networks, municipally owned telecommunication system, 800 prefix services, burglar and fire alarm services, energy management services, except for state institutions of higher education, the reselling of Centrex or its equivalent, payphone services, the reselling of an unlicensed telecommunication service, VoIP (Voice Over Internet Protocol) services. Data services (computer, broadband), consulting or professional fees, equipment sales and commissions are excluded as well.

Unlicensed Regulated Services, if part of licensed regulated service, that should be included in the PUA include: Toll service providers (intrastate), toll access service, operator services, payphone services, services for the hearing impaired, lifeline services, and local interconnection services.

You can obtain the PUA Form at <http://www.dleg.state.mi.us/mpsc/forms/utilityforms.htm>. The body of the page will provide an option for downloading available forms.

Please mail or email your completed PUA Form to Jennifer Brooks, Regulated Energy Division to the address or email address below.

If you are unable to access the PUA Form online or if you have questions regarding this report then please contact Jennifer at (517) 284-8251 or at BrooksJ10@michigan.gov and she can assist you further.

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