

COMMONWEALTH OF KENTUCKY  
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

A CERTIFICATION OF THE CARRIERS )  
RECEIVING FEDERAL UNIVERSAL ) ADMINISTRATIVE  
SERVICE HIGH-COST SUPPORT ) CASE NO. 381

O R D E R

The Commission has entered Orders pursuant to the Federal Communications Commission's ("FCC") rules certifying that carriers<sup>1</sup> in Kentucky plan to use their "forward looking" high-cost support for authorized purposes for the calendar years 2000, 2001, 2002, 2003, 2004, 2005, 2006, 2007, 2008 and 2009.<sup>2</sup> 47 C.F.R. §§ 54.313 and 54.314 require states to ensure that carriers use the federal high-cost support for the provision, maintenance, and upgrading of facilities and services for which the support is intended. Also, states must ensure that federal support is being applied in a manner consistent with Section 254 of the Telecommunications Act of 1996.<sup>3</sup> For 2000, only the

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<sup>1</sup> Carriers are, in this context, defined as rural and non-rural incumbent local exchange carriers and eligible telecommunications carriers serving lines in the service area of a rural or non-rural incumbent local exchange carrier within their jurisdiction receiving support pursuant to 47 C.F.R. Section 54.309 (Calculation and Distribution of Forward-Looking Support for Non-Rural Carriers), Section 54.311 (Interim Hold-Harmless Support for Non-Rural Carriers), and Section 54.314 (State Certification of Support for Rural Carriers).

<sup>2</sup> Federal-State Joint Board on Universal Service Ninth Report and Order and Eighteenth Order on Reconsideration ("Ninth Report and Order"), CC Docket Number 99-45; FCC 99-306, released November 2, 1999, Appendix C, Section 54.313 and Administrative Case No. 381 Orders dated March 24, 2000, September 29, 2000, September 25, 2001, September 27, 2002, August 18, 2003, September 24, 2004 September 20, 2005, September 22, 2006, September 26, 2007 and September 24, 2008.

<sup>3</sup> Ninth Report and Order at Paragraphs 93-110.

use of “forward-looking” support was to be certified. Beginning with the federal support for 2001, certification by state commissions is required regardless of whether the support is “forward-looking” or “hold harmless.” On May 23, 2001, the FCC issued an order in CC Docket 96-45 and CC Docket 00-256 that changed the methodology by which rural carriers receive high-cost support. Also, in that order, the FCC required the states to certify that the high-cost support received by rural carriers is consistent with 47 U.S.C. § 254(e).<sup>4</sup> Certification must occur by October 1 prior to the year for which support is rendered.

All carriers eligible to receive support have certified to the Commission that the use of the federal universal service support will be used in accordance with 47 U.S.C. § 254(e). All carriers propose to use their universal service support to upgrade facilities to ensure that rural services are reasonably comparable to urban services and to maintain their current rates as allowed by the FCC.<sup>5</sup> A schedule of support that each carrier is projected to receive is attached as an Appendix.

The Commission finds that the carriers’ proposals to use federal support to upgrade facilities and proposals to maintain embedded rates are consistent with the requirements of Congress and the FCC.

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<sup>4</sup> In the Matter of Federal-State Joint Board on Universal Service Multi-Association Group (MAG) Plan for Regulation of Interstate Services of Non-Price Cap Incumbent Local Exchange Carriers and Interexchange Carriers, Fourteenth Report and Order, Twenty-Second Order on Reconsideration, and Further Notice of Proposed Rulemaking in CC Docket No. 96-45, and Report and Order in CC Docket No. 00-256; FCC 01- 157, Released May 23, 2001. See generally Paragraphs 185-193.

<sup>5</sup> Ninth Report and Order at paragraph 106.

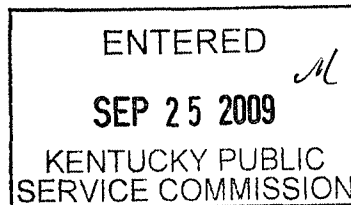
IT IS THEREFORE ORDERED that:

1. The proposals of all of the carriers are hereby certified as complying with the FCC's criteria and, accordingly, these utilities are eligible to receive federal Universal Service Fund support.

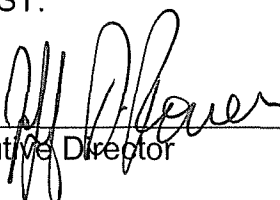
2. A copy of this Order shall be served upon the FCC and the Universal Service Administrative Company to ensure that all carriers receive their 2010 federal high-cost support.

3. By September 1 of each calendar year, all carriers shall file with the Commission their plans for the use of any high-cost federal support.

By the Commission



ATTEST:

  
\_\_\_\_\_  
Executive Director

APPENDIX

APPENDIX TO AN ORDER OF THE KENTUCKY PUBLIC SERVICE  
COMMISSION IN ADMINISTRATIVE CASE NO. 381 DATED **SEP 25 2009**

USAC Projected High Cost Universal Support  
Fourth Quarter 2009

State	SAC	Study Area Name	Rural	Type	ETC	Eligible	State Cap Factors	IAS Factor	High Cost Model Monthly Support	High Cost Lead Monthly Support	Safety Net Additive Monthly Support	Safety Value Monthly Support	Local Subsidy Monthly Support	Total High Cost Monthly Support	Total High Cost Annual
KY	260396	BALLARD RURAL COOP	R	A	Y	Y	NA	NA	\$0	\$9,449	\$0	\$0	\$0	\$36,313	\$435,756
KY	260398	BRANDENBURG TEL CO	R	A	Y	Y	NA	NA	\$0	\$0	\$0	\$0	\$0	\$12,340	\$148,080
KY	260401	DUO COUNTY TEL COOP	R	C	Y	Y	NA	NA	\$0	\$248,785	\$0	\$0	\$0	\$19,692	\$268,477
KY	260402	WINDSTREAM KY WEST	R	C	Y	Y	NA	NA	\$0	\$0	\$112,065	\$0	\$0	\$18,110	\$3,221,724
KY	260406	FOOTHILLS RURAL COOP	R	C	Y	Y	NA	NA	\$0	\$366,384	\$46,000	\$0	\$0	\$26,204	\$438,588
KY	260408	GEARHEART-COALFIELDS	R	A	Y	Y	NA	NA	\$0	\$2,487	\$0	\$0	\$0	\$41,580	\$528,804
KY	260411	LESLIE COUNTY TEL CO	R	C	Y	Y	NA	NA	\$0	\$2,814	\$0	\$0	\$0	\$13,963	\$429,324
KY	260412	LEWISPORT TEL CO	R	A	Y	Y	NA	NA	\$0	\$1,503	\$0	\$0	\$0	\$7,667	\$110,040
KY	260413	LOGAN TEL COOP, INC	R	C	Y	Y	NA	NA	\$0	\$159,659	\$0	\$0	\$0	\$17,979	\$2,131,656
KY	260414	MOUNTAIN RURAL COOP	R	A	Y	Y	NA	NA	\$0	\$2,930	\$0	\$0	\$0	\$42,150	\$45,080
KY	260415	PEOPLES RURAL COOP	R	C	Y	Y	NA	NA	\$0	\$205,960	\$0	\$0	\$0	\$254,213	\$3,050,556
KY	260417	SALEM TEL CO	R	A	Y	Y	NA	NA	\$0	\$874	\$0	\$0	\$0	\$10,200	\$11,074
KY	260418	SOUTH CENTRAL RURAL	R	C	Y	Y	NA	NA	\$0	\$426,099	\$0	\$0	\$0	\$9,417	\$435,516
KY	260419	THACKERGRIGSBY TEL	R	A	Y	Y	NA	NA	\$0	\$9,045	\$0	\$0	\$0	\$36,525	\$55,236,192
KY	260421	WEST KENTUCKY RURAL	R	C	Y	Y	NA	NA	\$0	\$438,328	\$0	\$0	\$0	\$40,829	\$480,640
KY	2650061	CINCINNATI BELL-KY	N	C	Y	Y	NA	NA	\$55,020	\$0	\$0	\$0	\$0	\$55,020	\$5,761,884
KY	265182	SO CENTRAL BELL-KY	N	C	Y	Y	NA	NA	\$666,911	\$0	\$0	\$0	\$0	\$666,911	\$660,235
KY	265182	SO CENTRAL BELL-KY	N	C	Y	Y	NA	NA	\$0	\$0	\$0	\$0	\$0	\$0	\$8,002,934
KY	265001	SOUTHEAST TELEPHONE, INC.	R	X	Y	Y	0.9357356	0.6733	\$0	\$0	\$0	\$0	\$0	\$0	\$0
KY	265001	SOUTHEAST TELEPHONE, INC.	R	X	Y	Y	0.9357356	0.6733	\$32,108	\$0	\$0	\$0	\$0	\$0	\$385,296
KY	265002	NPCR, INC.	R	X	Y	Y	0.9357356	0.6733	\$0	\$36,078	\$0	\$0	\$0	\$3,718	\$39,796
KY	265002	NPCR, INC.	R	X	Y	Y	0.9357356	0.6733	\$66,689	\$0	\$0	\$0	\$0	\$66,689	\$800,268
KY	265004	CINERGY COMMUNICATIONS COMPANY	R	X	Y	Y	0.9357356	0.6733	\$0	\$7,819	\$53	\$0	\$0	\$8,053	\$96,636
KY	265004	CINERGY COMMUNICATIONS COMPANY	R	X	Y	Y	0.9357356	0.6733	\$3,138	\$18	\$0	\$0	\$0	\$1	\$228
KY	265004	CINERGY COMMUNICATIONS COMPANY	N	X	Y	Y	0.9357356	0.6733	\$439	\$0	\$0	\$0	\$0	\$439	\$3,138
KY	265005	CUMBERLAND CELLULAR, INC.	R	X	Y	Y	0.9357356	0.6733	\$0	\$0	\$0	\$0	\$0	\$0	\$5,268
KY	265006	NORTH CENTRAL COMMUNICATIONS	R	X	Y	Y	0.9357356	0.6733	\$3,778	\$0	\$0	\$0	\$0	\$3,778	\$45,336
KY	265007	EAST KENTUCKY NETWORK, LLC DBA APPALACHIAN WIRELESS	R	X	Y	Y	0.9357356	0.6733	\$0	\$177,836	\$14,419	\$0	\$0	\$75,569	\$267,824
KY	265007	EAST KENTUCKY NETWORK, LLC DBA APPALACHIAN WIRELESS	R	X	Y	Y	0.9357356	0.6733	\$45,678	\$0	\$0	\$0	\$0	\$45,678	\$548,136
KY	265008	BLUEGRASS CELLULAR	R	X	Y	Y	0.9357356	0.6733	\$84,647	\$600,733	\$209	\$0	\$0	\$84,647	\$7,686,780
KY	265008	BLUEGRASS CELLULAR	R	X	Y	Y	0.9357356	0.6733	\$0	\$0	\$0	\$0	\$0	\$0	\$1,015,764
KY	265009	SOUTH CENTRAL TELCOM LLC	R	X	Y	Y	0.9357356	0.6733	\$0	\$0	\$0	\$0	\$0	\$0	\$0
KY	265009	SOUTH CENTRAL TELCOM LLC	R	X	Y	Y	0.9357356	0.6733	\$618	\$0	\$0	\$0	\$0	\$618	\$7,416
KY	265010	WEST VIRGINIA PCS ALLIANCE DBA NTELOS	N	C	Y	Y	NA	NA	\$308,910	\$0	\$0	\$0	\$0	\$308,910	\$3,706,915
KY	265650	WINDSTREAM LEXINGTON	R	C	Y	Y	NA	NA	\$0	\$0	\$0	\$0	\$0	\$0	\$0
KY	265651	WINDSTREAM LONDON	R	C	Y	Y	NA	NA	\$0	\$0	\$0	\$0	\$0	\$0	\$0
KY	265651	WINDSTREAM LONDON	R	C	Y	Y	NA	NA	\$0	\$0	\$0	\$0	\$0	\$0	\$0
KY	265651	WINDSTREAM LONDON	R	C	Y	Y	NA	NA	\$0	\$0	\$0	\$0	\$0	\$0	\$0
KY	265905	NEW CINGULAR WIRELESS PCS	R	X	Y	Y	0.9357356	0.6733	\$0	\$47,133	\$0	\$0	\$0	\$2,311	\$49,444
KY	265905	NEW CINGULAR WIRELESS PCS	R	X	Y	Y	0.9357356	0.6733	\$18,036	\$0	\$0	\$0	\$0	\$18,036	\$216,432
TN	290565	HIGHLAND TEL COOP-TN	R	A	Y	Y	NA	NA	\$0	\$35	\$0	\$0	\$0	\$27,555	\$331,080
TN	290573	NORTH CENTRAL COOP	R	C	Y	Y	NA	NA	\$0	\$120,414	\$0	\$0	\$0	\$27,104	\$1,770,216
KY		DIALOG TELECOMMUNICATIONS, INC.	N	X	Y	Y									\$0
KY		TVD BROADBAND SERVICES LLC	N	X	Y	Y									\$0
KY		CUMBERLAND CELLULAR, INC. DBA DUO COUNTY TELECOM	N	X	Y	Y									\$0
KY		E-TEL, LLC	N	X	Y	Y									\$0
KY		TSINEXUS, INC.	N	X	Y	Y									\$0

LEGEND:  
Rural R - Rural Carrier  
N - Non-Rural Carrier  
Type A - Average Schedule Incumbent  
C - Cost Incumbent  
X - Competitive  
Eligible Y - Eligible Participant  
N - Ineligible Participant  
ETC Y - ETC Granted  
N - ETC Not Effective

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