COMMONWEALTH OF KENTUCKY

BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

APPLICATION OF BUDGET PREPAY, INC.) D/B/A BUDGET PHONE FOR DESIGNATION) AS A NON-RURAL WIRELESS ELIGIBLE) TELECOMMUNICATIONS CARRIER)

CASE NO. 2011-00169

COMMISSION STAFF'S FIRST REQUEST FOR INFORMATION TO BUDGET PREPAY INC. D/B/A BUDGET PHONE

Budget PrePay, Inc. d/b/a Budget Phone ("Budget"), pursuant to 807 KAR 5:001, is to file with the Commission the original and five copies of the following information, with a copy to all parties of record. The information requested herein is due on or before August 5, 2011. Responses to requests for information shall be appropriately bound, tabbed, and indexed. Each response shall include the name of the witness responsible for responding to the questions related to the information provided.

Each response shall be answered under oath or, for representatives of a public or private corporation or a partnership or association or a governmental agency, be accompanied by a signed certification of the preparer or person supervising the preparation of the response on behalf of the entity that the response is true and accurate to the best of that person's knowledge, information, and belief formed after a reasonable inquiry.

Budget shall make timely amendment to any prior response if it obtains information which indicates that the response was incorrect when made or, though correct when made, is now incorrect in any material respect. For any request to which Budget fails or refuses to furnish all or part of the requested information, Budget shall provide a written explanation of the specific grounds for its failure to completely and precisely respond.

Careful attention should be given to copied material to ensure that it is legible. If the requested information has been previously provided in this proceeding in the requested format, reference may be made to the specific location of that information in responding to this request. When applicable, the requested information shall be separately provided for total company operations and jurisdictional operations.

1. Kentucky currently requires that all Eligible Telecommunications Carriers ("ETCs") perform an audit of all customers receiving Lifeline benefits. Each customer must provide proof of eligibility. Does Budget agree to audit all Lifeline customers each year rather than conduct a yearly audit of only a sample of customers?

2. Explain the process which Budget will employ to audit each Lifeline customer on an annual basis.

3. Explain the process Budget will use to verify the initial eligibility of Lifeline customers. Provide details about how and where Lifeline subscribers will be able to initiate service.

4. Does Budget understand that Kentucky does not allow consumers to qualify for Lifeline under the guidelines?

5. The Kentucky Universal Service Fund for Lifeline support is maintained by a fee of eight cents per access line per month from every wireline and wireless

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subscriber, which is collected by carriers. Does Budget collect this surcharge from any of its customers?

6. The Kentucky Telecommunications Relay Service and the Kentucky Telecommunications Access Program are supported by a surcharge, which is collected by carriers. Each fund is supported by a fee of two cents per access line per month from every wireline and wireless subscriber, which is collected by the carriers. Does Budget collect this surcharge from any of its customers?

7. Do Budget's customers pay the statewide wireless 911 fee?

8. If Budget receives ETC designation in Kentucky, approximately how long will it take for Budget to offer Lifeline service in the area in which it receives the ETC designation? Elaborate on any extenuating or special circumstances.

9. Does Budget understand that there may be an audit by the Commission of the use of universal service funds and that the eligible telecommunications service designation may be reviewed annually?

10. Has Budget been audited by other state utility commissions regarding its use of universal service funds? If so, list the state and the result of the audit.

11. Does Budget have any outstanding complaints or investigations at any state commissions, the Universal Service Administrative Company ("USAC"), or at the Federal Communications Commission ("FCC")? Provide detailed documentation of any complaints or investigations filed with a state commission, USAC, or at the FCC in the past three years.

12. Affirm or deny that Budget will not seek toll limitation service reimbursement from USAC if granted ETC status.

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13. Affirm that Budget will seek Link-Up reimbursement from USAC if granted ETC status.

14. Budget will seek Lifeline reimbursement from USAC if granted ETC status. What amount per customer will Budget seek?

15. Will Budget seek Lifeline reimbursement from the Kentucky Universal Service Fund if granted ETC status? If so, list the amount per customer Budget would be claiming.

16. Provide the number of requests for service from potential customers in Kentucky that were unfulfilled by Budget in the previous calendar year.

17. Does Budget use agents or other retailers to market and sell its service? If so, provide a list.

18. Will Budget be willing to advertise Lifeline and Link-Up availability in languages other than English? If so, name the other languages.

19. At page 5 of the application, Budget states that it will offer Toll Limitation service using its own facilities. However, Budget proposes to offer long distance as part of its packages, and wireless service minutes do not differentiate between local and long distance minutes. Explain the process and facilities which will offer Toll Limitation.

20. Explain the process in which interexchange toll service will be offered by Budget.

21. Provide the name(s) of the wireless provider(s) resold service which Budget uses.

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22. For the Free 250 plan, will Budget Lifeline customers be able to use minutes to send and receive text messages? If so, at what is the corresponding minutes to texts conversion?

23. Do unused minutes and/or text messages carry forward from month-tomonth? If not, will Budget be willing to make that provision available to Kentucky subscribers?

24. Does Budget charge against the customer account for all calls and text messages both sent and received including calls to customer service, 911, and company initiated text messages?

25. What is the amount of the customary charge for commencing service for Budget?

26. Does Budget monitor non-usage? If so, provide details of the plan and its intention to file this plan with the Commission.

27. Provide a proposed customer agreement for Lifeline service detailing all service conditions and charges.

28. Is Budget currently providing service to any customers in Kentucky? If so, how many?

29. Provide a list of all states in which Budget operates.

30. Provide the docket numbers of Budget's petitions for ETC in any other state.

31. Has Budget filed a petition to provide service in any state and subsequently withdrawn the petition or been denied? If so, list the state, docket number, and Budget's reason for seeking withdrawal of the petition for that state.

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32. Does Budget maintain separate books/general ledgers for each state in which it operates? Where are the books/general ledgers for Kentucky customers maintained? Provide the physical address, office telephone number, and name and title of employee responsible for maintaining those books/general ledgers.

33. Provide the address (URL) to the Budget website, if there is one.

34. Provide the name of the person (with business title) and/or entity that will be filing the Form 497 with USAC if Budget obtains ETC status.

35. Provide a description of Budget's corporate structure, with both names and titles. Also provide a list of Budget's owners or corporate officers and indicate if any are also owners, corporate officers, or employees of any other telecommunications companies and provide a vitae for each listed.

36. Have any owners, officers, or managers of Budget been involved in any bankruptcy proceedings? If so, provide details as to the name of the person, the date on which the petition was filed, the case number, and the name of the federal court district where the petition was filed.

37. Have any owners, officers, or managers of Budget been charged or convicted of a felony criminal offense during the last 10 years (either state or federal)? If so, provide details as to the name of the person, the dates of each charge, the case number, and the name of the state or federal court district where the charges or convictions occurred.

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Stephanic BUL for An Deven Jeff Derouen

Executive Director Public Service Commission P.O. Box 615 Frankfort, KY 40602

DATED: JUN 2 4 2011

cc: Parties of Record

Honorable Katherine K Yunker Yunker & Park PLC P.O. Box 21784 Lexington, KENTUCKY 40522-1784