

**COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION**

In the Matter of:

AN INQUIRY INTO THE STATE)	CASE NO.
UNIVERSAL SERVICE FUND)	2016-00059

**RESPONSES TO COMMISSION STAFF'S SECOND REQUEST
FOR INFORMATION TO ALL PARTIES OF RECORD
DATED JUNE 22, 2016**

Filed on: July 13, 2016

COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

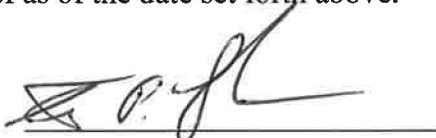
AN INQUIRY INTO THE STATE'S UNIVERSAL
SERVICE FUND

) CASE NO.
) 2016-00059

VERIFICATION OF TIM P. LOKEN

STATE OF ARKANSAS)
)
COUNTY OF PULASKI)

Comes now Tim P. Loken, Director of Regulatory Reporting for Windstream, after being duly sworn, and states that the foregoing prepared responses to data requests are true and correct to the best of his knowledge, information and belief as of the date set forth above.



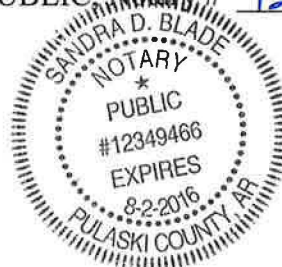
Tim P. Loken
Director, Regulatory Reporting

The foregoing Verification was signed, acknowledged and sworn to before me this 11th day of July, 2016, by Sandra Blade.

Sandra D. Blade

NOTARY PUBLIC, Notary # 12349466

My Commission expires: August 2, 2016



WINDSTREAM COMPANIES
PSC CASE NO. 2016-00059
RESPONSE TO INFORMATION REQUEST

PSC REQUEST FOR INFORMATION DATED 06/22/16

REQUEST 1 TO ALL PARTIES

RESPONSIBLE PARTY: Tim P. Loken, Director, Regulatory Reporting on behalf of McLeod USA Telecommunications Services, LLC; Network Telephone, LLC; PAETEC Communications, LLC; Talk America, LLC; The Other Phone Company, LLC; US LEC of Tennessee, LLC; Windstream Communications, LLC; Windstream KDL, LLC; Windstream Kentucky East, LLC; Windstream Kentucky West, LLC; Windstream Norlight, LLC; Windstream NTI, LLC; and Windstream Nuvox, LLC (collectively, the "Windstream Companies").

- Request 1.** If not already provided in a previous response to a Commission Staff request for information, respond to the following:
- a. Provide the monthly Kentucky Universal Service Fund ("KUSF") forms ("KUSF form") submitted to the Commission and the Department of Finance and Administration from January 2014 to the present.
 - b. Explain how the total number of subscriber lines is calculated for the KUSF form when a new customer receives service in the middle of a month.
 - c. Explain how the total number of subscriber lines is calculated for the KUSF form when a customer leaves in the middle of a month.
 - d. Explain how the KUSF surcharge remittance is calculated when you experience a bad debt. Explain whether none of the surcharge amount or the full surcharge amount billed to, but not paid by, the customer is remitted.
 - e. State whether the KUSF surcharge billed to a customer is prorated if the customer has service for less than a full month.

Response 1. The Windstream Companies already provided the requested information in response to the PSC's previous requests for information dated 04/06/16. For responsive information from the Windstream Kentucky East, LLC and Windstream Kentucky West, LLC, see responses to Request 1 to Parties that Received Payment from the KUSF, and Exhibits A and B. For responsive information from McLeod USA Telecommunications Services, LLC; Network Telephone, LLC; PAETEC Communications, LLC; Talk America, LLC; The Other Phone Company, LLC; US LEC of Tennessee, LLC; Windstream Communications, LLC; Windstream KDL, LLC; Windstream Norlight, LLC; Windstream NTI, LLC; and Windstream Nuvox, LLC, see responses to Request 1 to All Parties and Exhibits F, G, H, I, J and K.

WINDSTREAM COMPANIES
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REQUEST 2 TO ALL PARTIES

RESPONSIBLE PARTY: Tim P. Loken, Director, Regulatory Reporting on behalf of the Windstream Companies.

- Request 2.** If no KUSF forms have been submitted to the Commission and the Kentucky Department of Finance and Administration from January 2014, to the present, explain why the KUSF forms have not been submitted.
- a. If no KUSF forms have been submitted, state whether you collect the KUSF surcharge from your customers.
 - b. If you do not collect the KUSF surcharge from your customers, explain why the KUSF surcharge has not been collected.
 - c. If no KUSF forms have been submitted, state whether you remit the KUSF surcharge to the Kentucky Department of Finance and Administration.
 - d. If you do not remit the KUSF surcharge to the Kentucky Department of Finance and Administration, explain why the KUSF surcharge has not been remitted.

Response 2. Not Applicable. See response to Request 1.

WINDSTREAM COMPANIES

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REQUEST 3 TO ALL PARTIES

RESPONSIBLE PARTY: Tim P. Loken, Director, Regulatory Reporting on behalf of the Windstream Companies.

Request 3. Explain the anticipated impact, if any, that the FCC's recent Lifeline Reform Order will have on the provision of Lifeline service in Kentucky, including, but not limited to, verifying eligibility of Lifeline customers; the potential provision of broadband service; and, the impact of the reduction of Federal Universal Service funding for voice service.

Response 3. It is hard to predict the overall impact of the FCC's Lifeline Reform Order on Lifeline service in Kentucky. Implementation of the nationwide verification tool should stabilize the number of Lifeline discounts, making the Kentucky funding requirements more predictable and ensuring those who are receiving discounts are truly eligible. The biggest impact from the FCC's Lifeline Reform Order will be on voice-only Lifeline customers who will face reductions in Federal Universal Service funding ("FUSF") beginning December 1, 2019, and complete elimination by December 1, 2021. With regard to Broadband Internet Access Service ("BIAS"), it is unclear whether the federal support amount will be sufficient to enable extremely needy Lifeline customers to subscribe to BIAS absent state support.

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REQUEST 4 TO ALL PARTIES

RESPONSIBLE PARTY: Tim P. Loken, Director, Regulatory Reporting on behalf of the Windstream Companies.

Request 4. In light of the Lifeline Reform Order, explain how a reduction in the amount of, or elimination of, KUSF support would impact the provision of Lifeline Service in Kentucky.

Response 4. The only support Kentucky Lifeline service customers that do not have computers or a need for broadband services will receive beginning December 1, 2021 is support through the KUSF under its current structure. As KUSF support decreases for voice-only customers we could see a reduction in Lifeline service customers, particularly from the elderly.