

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

In the Matter of:

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

**SI WIRELESS LLC'S RESPONSES**  
**TO COMMISSION STAFF'S FIRST REQUESTS FOR INFORMATION**

SI Wireless, LLC hereby serves its Responses to the Kentucky Public Service Commission Request for Information dated April 6, 2016.

**DATA RESPONSES**

**REQUESTS FOR INFORMATION TO PARTIES THAT RECEIVED PAYMENT FROM THE KENTUCKY UNIVERSAL SERVICE FUND ("KUSF")**

**REQUEST NO. 1.** Provide the KUSF reimbursement forms submitted to the Commission and the Department of Finance and Administration from January 2014 to the present. The forms include confidential information and a motion for confidential treatment is filed herewith.

**RESPONSE:** See attached *Exhibit 1*.

**RESPONSIBLE WITNESS:** Michael Beehn, Chief Operating Officer

**REQUEST NO. 2.** Provide the Federal Communication Commission ("FCC") Form 497 submitted to the FCC from January 2014 to the present.

**RESPONSE:** See attached *Exhibit 2*.

**RESPONSIBLE WITNESS:** Michael Beehn, Chief Operating Officer

**REQUEST NO. 3.** Refer to the Lifeline plans you filed with the Commission with your Application for Designation as an Eligible Telecommunications Carrier ("ETC"). State whether there have been changes to these Lifeline plans since the Commission entered an Order designating you as an ETC for the purpose of offering Lifeline service in Kentucky. If there have been changes to the Lifeline plans, provide:

- a. Copies of all Lifeline plans currently offered to Kentucky subscribers.
- b. For each new or modified Lifeline plan, explain in detail:
  - i. How the current Lifeline plan modifies the Lifeline plan in effect when you were designated as an ETC:
  - ii. Whether the current Lifeline plan was offered in addition to Lifeline plans in effect when you were designated as an ETC.
- c. An explanation for why existing Lifeline plans were changed or additional Lifeline plans were added.

**RESPONSE:** SI Wireless was designated an ETC in Case No. 2012-00145. The Commission did not require SI Wireless to file any Kentucky-specific Lifeline plans in the case. In its 2012 application, SI Wireless stated it would allow the Lifeline discount to be applied against all plans being offered in Kentucky. SI Wireless has introduced additional rate plans for Lifeline (and non-Lifeline) customers to remain competitive. The plans range from a voice and text plan at no monthly charge to plans that include unlimited calling minutes, texts and data.

Current Lifeline Service Offering Available to low-income Kentucky residents are shown here:

Plans	FREE monthly service	\$10 per month	\$15 per month	\$20 per month	\$20 per month	\$25 per month
<b>Talk</b>	300 Minutes	Unlimited	Unlimited	Unlimited	Unlimited	Unlimited
<b>Text</b>	Unlimited	-	Unlimited	Unlimited	Unlimited	Unlimited
<b>Picture Messaging</b>	-	-	-	Unlimited	-	Unlimited
<b>Data</b>	-	-	-	Unlimited	-	Unlimited
<b>Coverage</b>	Nationwide	Regional	Regional	Regional	Nationwide	Nationwide

**RESPONSIBLE WITNESS:** Michael Beehn, Chief Operating Officer

**REQUEST NO. 4.** If the Commission's decision is to maintain state Lifeline support for only voice service, describe how that decision would affect whether and how you provide Lifeline service in Kentucky.

**RESPONSE:** Should the Commission decide to maintain state Lifeline support for voice-only service, SI Wireless would examine its current Lifeline offer in conjunction with any rate plan changes required from the implementation of minimum service standards outlined in the FCC's Order in an effort to satisfy a competitive marketplace and meet the communication needs of low-income Kentuckians.

**RESPONSIBLE WITNESS:** Michael Beehn, Chief Operating Officer

**REQUEST NO. 5.** Identify any cost-effective procedures that you believe should be implemented by the Commission to increase oversight of the Lifeline program.

**RESPONSE:** SI Wireless does not have recommendations for additional regulations by the Commission.

**RESPONSIBLE WITNESS:** Michael Beehn, Chief Operating Officer

**REQUEST NO. 6.** If the Commission's decision is to change the amount of Lifeline support, state how soon upon the issuance of an Order by the Commission changing the Lifeline support amount that you are or anticipate being able to implement the changes on customer bills.

**RESPONSE:**

We anticipate we would need 60 days to implement changes on customers' statement.

**RESPONSIBLE WITNESS:** Michael Beehn, Chief Operating Officer

**REQUEST NO. 7.** Provide, in detail, the methods employed to verify the eligibility of customers who participate in the Lifeline program.

**RESPONSE:**

- \* Verify Customers Current ID
- \* Verify Eligibility Program Documentation provided by the Customer
- \* Verify in NLAD the Customers ability to be enrolled in the Lifeline Program

**RESPONSIBLE WITNESS:** Michael Beehn, Chief Operating Officer



**REQUEST NO. 8.** State whether you have been subjected to FCC investigation, action, and/or penalties relating to participation in the Lifeline program. If you have been so subjected, provide in detail, including citations to the FCC action, the investigation, action, and/or penalties to which you were subjected.

**RESPONSE:**

No.

**RESPONSIBLE WITNESS:** Michael Beehn, Chief Operating Officer

**REQUEST NO. 9.** Describe, in detail your current marketing programs for Lifeline service in Kentucky, including, but not limited to, person-to-person sales.

SI Wireless markets Lifeline in retail stores and communicates the Lifeline offer through one or more of the following on a quarterly level:

- Direct Mail Pieces to home
- News Print Advertising
- Radio Advertising
- Company Owned retail stores located in Paducah and Mayfield, KY

**RESPONSIBLE WITNESS:** Michael Beehn, Chief Operating Officer

**REQUESTS FOR INFORMATION TO ALL PARTIES**

**REQUEST NO. 1.** Provide the KUSF reimbursement forms submitted to the Commission and the Department of Finance and Administration from January 2014 to the present.

**RESPONSE:** *See* SI Wireless' response to RFI No. 1 to parties that receive reimbursement from the Kentucky Universal Service Fund.

**RESPONSIBLE WITNESS:** Michael Beehn, Chief Operating Officer

**REQUEST NO. 2.** Explain how the total number of subscriber lines is calculated for the KUSF reimbursement form when a new customer receives service in the middle of a month.

**RESPONSE:**

The subscriber lines are calculated by the number of total Lifeline subscribers as of the last day of the month.

If a subscriber begins service in the middle of the month they will be counted as customer on the KUSF report at the end of the month for full reimbursement. However, during the final month of a customer life when that customer is cancelled from the system that customer will not be counted in the KUSF reimbursement for the partial month that they were an SI Wireless customer. By using this methodology, KUSF is reimbursing SI Wireless for days the subscriber was not a customer during the first month of service, but SI Wireless is not reporting or receiving any KUSF reimbursement during the final month of service. For example, if a subscriber was cancelled from the system on September 29, SI Wireless would not include that customer on the September KUSF reimbursement, because they had been cancelled prior to the last day of the month.

**RESPONSIBLE WITNESS:** Michael Beehn, Chief Operating Officer

**REQUEST NO. 3.** Explain how the total number of subscriber lines is calculated for the KUSF reimbursement form when a customer leaves in the middle of a month.

**RESPONSE:**

During the final month of a customer life when that customer is cancelled from the system, that customer will not be counted in the KUSF reimbursement for the partial month they were an SI Wireless customer. SI Wireless is not reporting or receiving any KUSF reimbursement during the final month of service. For example, if a subscriber was cancelled from the system on any day from September 1 to September 29, SI Wireless would not include that customer on the September KUSF reimbursement because they had been cancelled prior to the last day of the month.

**RESPONSIBLE WITNESS:** Michael Beehn, Chief Operating Officer

**REQUEST NO. 4.** 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.

**RESPONSE:**

All KUSF surcharges are submitted to KUSF based on the month that they were billed as collected revenue. If the amount billed goes unpaid and turns to bad debt, SI Wireless does not recover or try and offset the amounts paid into KUSF that went uncollected.

**RESPONSIBLE WITNESS:** Michael Beehn, Chief Operating Officer

**REQUEST NO. 5.** State whether you believe the Commission should wait until the FCC's investigation of Lifeline Reform is concluded before rendering a decision in this proceeding, and explain the basis for your response.

**RESPONSE:** Yes. In its Lifeline Reform FNPRM, the FCC stated that combined state and federal contributions to Lifeline have long been a critical part of the Lifeline program and expressed interest on ways to further encourage states to provide additional subsidies for Lifeline. Knowing the outcome of the FCC proceeding will inform additional steps the PSC may consider.

**RESPONSIBLE WITNESS:** Michael Beehn, Chief Operating Officer

**REQUEST NO. 6.** State how soon upon the issuance of an Order by the Commission changing the KUSF surcharge that you are or anticipate being able to implement the changes on customer bills. If it differs by type of account, provide the information for each type of account, along with the number of access lines for each account type.

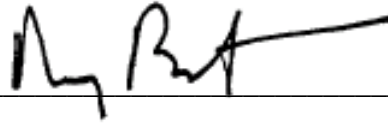
**RESPONSE:**

60 days

**RESPONSIBLE WITNESS:**



Respectfully Submitted,



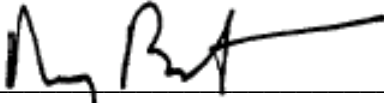
---

Douglas F. Brent  
STOLL KEENON OGDEN PLLC  
500 West Jefferson St.  
2000 PNC Plaza  
Louisville, Kentucky 40202  
Ph: (502) 333-6000  
Fax: (502) 333-6099  
Email: [douglas.brent@skofirm.com](mailto:douglas.brent@skofirm.com)

*Counsel for SI Wireless, LLC*

**CERTIFICATE OF SERVICE**

In accordance with 807 KAR 5:001, Section 8, I certify that the September 16, 2016 electronic filing of these Data Responses is a true and accurate copy of the same document being filed in paper medium; that the electronic filing was transmitted to the Commission on September 16, 2016; that there are currently no parties that the Commission has excused from participation by electronic means in this proceeding; and that an original paper medium of these Data Responses will be mailed to the Commission by first class United States mail, postage prepaid, on September 16, 2016.

  
\_\_\_\_\_  
Douglas F. Brent