

COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION

In the matter of:

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

**RESPONSE OF EXTENET SYSTEMS, INC.
TO PUBLIC SERVICE COMMISSION'S DATA REQUESTS**

ExteNet Systems, Inc. ("ExteNet") hereby responds to the Kentucky Public Service Commission's ("Commission") inquiry in Case No. 2016-00059. Brian Kirk, Assistant General Counsel for ExteNet, supervised the preparation of these responses on behalf of ExteNet.

RESPONSE TO FIRST COMMISSION REQUEST FOR INFORMATION:

1. Provide the KUSF reimbursement forms submitted to the Commission and the Department of Finance and Administration from January 2014 to the present.

ExteNet does not provide telecommunications services directly to end users (subscribers) and therefore, does not have revenues that are subject to KUSF nor receive reimbursement for KUSF. Rather, ExteNet's wholesale customers, which do serve end users, are responsible for collecting and remitting KUSF surcharges to the extent applicable. ExteNet has only provided services in Kentucky since October 2015 and has not submitted any KUSF reimbursement forms.

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.

ExteNet does not provide telecommunications services directly to end users, and therefore does not serve subscriber lines. Rather, ExteNet provides non-switched, point-to-point

wholesale telecommunications services to Wireless Service Providers who uses ExteNet's services to provide services to subscribers. Accordingly, ExteNet does not calculate the number of subscriber lines.

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.

ExteNet does not provide telecommunications services directly to end users, and therefore does not serve subscriber lines. ExteNet provides non-switched, point-to-point telecommunications services only to Wireless Service Providers who uses ExteNet's services to provide services to subscribers. Accordingly, ExteNet does not calculate the number of subscriber lines.

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.

ExteNet does not provide telecommunications services directly to end users and therefore does not have revenues that are subject to KUSF nor receive reimbursement for KUSF. ExteNet provides telecommunications services only to Wireless Service Providers who provide services to subscribers and contributes KUSF surcharges.

5. State whether you believe the Commission should wait until the FCC's investigation of Lifeline Reform 1 is concluded before rendering a decision in this proceeding, and explain the basis for your response.

ExteNet does not have a position on this matter.

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.

ExteNet does not provide telecommunications services directly to end users and therefore does not have revenues that are subject to KUSF. ExteNet provides non-switched, point-to-point telecommunications services only to Wireless Service Providers who uses ExteNet's services to provide services to subscribers. Accordingly, ExteNet would not anticipate material changes necessary to comply with an Order by the Commission.

RESPONSE TO COMMISSION'S SUPPLEMENTAL REQUEST FOR INFORMATION:

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 1 ("KUSF form") submitted to the Commission and the Department of Finance and Administration from January 2014 to the present.

Response previously provided.

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.

Response previously provided.

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.

Response previously provided.

- 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.

Response previously provided.

- e. State whether the KUSF surcharge billed to a customer is prorated if the customer has service for less than a full month.

Response previously provided.

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.

ExteNet has not submitted KUSF forms to the Commission and Kentucky Department of Finance and Administration. ExteNet does not provide telecommunications services directly to end users (subscribers) and therefore, does not have revenues that are subject to KUSF nor receive reimbursement for KUSF. Rather, ExteNet's wholesale customers, which do serve end users (subscribers), are responsible for collecting and remitting KUSF surcharges to the extent applicable.

- a. If no KUSF forms have been submitted, state whether you collect the KUSF surcharge from your customers.

See previous response.

b. If you do not collect the KUSF surcharge from your customers, explain why the KUSF surcharge has not been collected.

See previous response.

c. If no KUSF forms have been submitted, state whether you remit the KUSF surcharge to the Kentucky Department of Finance and Administration.

See previous response.

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.

See previous response.

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.

ExteNet does not provide telecommunications services directly to end users and therefore does not have revenues that are subject to KUSF. ExteNet provides non-switched, point-to-point telecommunications services only to Wireless Service Providers who uses ExteNet's services to provide services to subscribers. Accordingly, ExteNet would not anticipate material changes necessary to comply with an Order by the Commission.

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.

ExteNet does not provide telecommunications services directly to end users and therefore does not have revenues that are subject to KUSF. ExteNet provides non-switched, point-to-point telecommunications services only to Wireless Service Providers who uses ExteNet's services to provide services to subscribers. Accordingly, ExteNet would not anticipate material changes necessary to comply with an Order by the Commission.

AN INQUIRY INTO THE STATE UNIVERSAL SERVICE FUND

CASE NO. 2016-00059

ExteNet Systems, Inc. Responses to the Commission's Requests for Information

CERTIFICATION

I hereby certify that I have supervised the preparation of the responses on behalf of ExteNet Systems, Inc. to the Requests for Information of the Commission Staff upon All Parties, and that the responses contained herein are true and accurate to the best of my knowledge, information, and belief formed after reasonable inquiry.



Brian S. Kirk
Assistant General Counsel

September 12, 2016

CERTIFICATE OF SERVICE

AND ACKNOWLEDGEMENT OF ELECTRONIC FILING PROCEDURES

In accordance with 807 KAR 5:002, Section 8, I certify that the September 12, 2016 electronic filing of this Response is a true and accurate copy of the same document being filed in paper medium; that the electronic filing was transmitted to the Commission of September 12, 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 this Response will be mailed to the Commission by first class United States mail, postage prepaid, on September 12, 2016.



Inna Vinogradov