

COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION RECEIVED

In the Matter of:

SEP 02 2005

A CERTIFICATION OF THE CARRIERS)
RECEIVING UNIVERSAL SERVICE)
HIGH COST SUPPORT)

ADMINISTRATIVE PUBLIC SERVICE)
CASE NO. 381)

On September 25, 2001, the Public Service Commission of Kentucky (the "Commission") issued an order in Administrative Case No. 381 requiring all carriers to file with the Commission their plans for the use of any high-cost federal support by September 1 of each calendar year.

Accordingly, ALLTEL Kentucky, Inc. ("ALLTEL Kentucky") submits the following and respectfully requests that the Commission file, with the Federal Communications Commission ("FCC") and the Universal Service Administrative Company ("USAC"), a certification that ALLTEL Kentucky's proposed capital expenditures for 2006 comply with the FCC's criteria and, accordingly, is eligible to receive federal Universal Service Fund support.

Estimate of USF Support Amount

ALLTEL Kentucky estimates its Federal Universal Service support for 2006 will be approximately [REDACTED].

Intended Use of Support

All Federal USF support received, for ALLTEL Kentucky properties in the Commonwealth of Kentucky, will only be used for the provision, maintenance and upgrading of facilities and services for which the support is intended, consistent with section 254(e) of the Telecommunications Act of 1996 (the Act).

Achieving Comparability of Rates and Services

In Section 254 of the Act, Congress articulated a national goal that consumers in all regions of the nation, including rural, insular and high cost areas, should have access to telecommunications and information services at rates that are reasonably comparable to rates charged for similar services in urban areas¹.

The actual cost to provide service in rural high cost areas is determined by many factors including the cost of the local loop and the costs associated with operating, maintaining, and upgrading facilities. Local loop costs and the costs of operating, maintaining, and upgrading facilities vary widely due to many factors, including subscriber density, terrain, local exchange size, accessibility, and labor costs². To this end, the Federal Universal Service support received by ALLTEL Kentucky will offset some of the financial burden of owning, operating, maintaining, and upgrading facilities in rural areas and allows these services to be offered at rates that are comparable to rates for similar services in non-rural areas.

Listing of Specific Projects

Attachment "A" contains a listing of ALLTEL Kentucky's specific Capital Budget projects and the estimated cost of each project currently budgeted for completion in 2006. ALLTEL Kentucky anticipates that these projects will be completed and associated dollars expended in 2006, but this is subject to change as conditions warrant. Additionally, ALLTEL Kentucky will use the Federal High Cost support funds and other funds generated from various sources to support not only the projects listed in Attachment "A", but also to maintain embedded plant and for various other purposes allowed by the Federal Communications Commission rules.

1 See FCC's 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, released May 23, 2001, paragraph 2.

2 2 See Footnote #525, Page 116 of the FCC's Report and Order CC Docket No. 96-45

As can be seen, the capital projects scheduled for 2006 contained in Attachment "A" far exceed ALLTEL Kentucky's estimated Federal Universal Service support.

Contacts

All questions pertaining to the information contained in this filing should be directed to:

Dan Logsdon
Vice President - External Affairs
130 West New Circle Road
STE 170
Lexington, KY 40505

Phone: 859.357.6125
Fax: 859.357.6163

Submitted this 2nd day of September, 2005.

RESPECTFULLY SUBMITTED

ALLTEL Kentucky, Inc.

By: Noelle Holladay True
James H. Newberry, Jr.
Noelle Holladay True
Wyatt, Tarrant & Combs, LLP
Attorneys for ALLTEL Kentucky, Inc.
250 West Main Street, Suite 1600
Lexington, KY 40507-1746
859.288.7621(O)
859.259.0649(F)

ATTACHMENT A

ALLTEL Kentucky, Inc.

2006 Capital Budget Projects

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

RECEIVED

SEP 02 2005

PUBLIC SERVICE
COMMISSION

In the Matter of:

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

On September 25, 2001, the Public Service Commission of Kentucky (the "Commission") issued an order in Administrative Case No. 381 requiring all carriers to file with the Commission their plans for the use of any high-cost federal support by September 1 of each calendar year.

Accordingly, ALLTEL Kentucky, Inc. ("ALLTEL Kentucky") submits the following and respectfully requests that the Commission file, with the Federal Communications Commission ("FCC") and the Universal Service Administrative Company ("USAC"), a certification that ALLTEL Kentucky's proposed capital expenditures for 2006 comply with the FCC's criteria and, accordingly, is eligible to receive federal Universal Service Fund support.

Estimate of USF Support Amount

ALLTEL Kentucky estimates its Federal Universal Service support for 2006 will be approximately [REDACTED].

Intended Use of Support

All Federal USF support received, for ALLTEL Kentucky properties in the Commonwealth of Kentucky, will only be used for the provision, maintenance and upgrading of facilities and services for which the support is intended, consistent with section 254(e) of the Telecommunications Act of 1996 (the Act).

Achieving Comparability of Rates and Services

In Section 254 of the Act, Congress articulated a national goal that consumers in all regions of the nation, including rural, insular and high cost areas, should have access to telecommunications and information services at rates that are reasonably comparable to rates charged for similar services in urban areas¹.

The actual cost to provide service in rural high cost areas is determined by many factors including the cost of the local loop and the costs associated with operating, maintaining, and upgrading facilities. Local loop costs and the costs of operating, maintaining, and upgrading facilities vary widely due to many factors, including subscriber density, terrain, local exchange size, accessibility, and labor costs². To this end, the Federal Universal Service support received by ALLTEL Kentucky will offset some of the financial burden of owning, operating, maintaining, and upgrading facilities in rural areas and allows these services to be offered at rates that are comparable to rates for similar services in non-rural areas.

Listing of Specific Projects

Attachment "A" contains a listing of ALLTEL Kentucky's specific Capital Budget projects and the estimated cost of each project currently budgeted for completion in 2006. ALLTEL Kentucky anticipates that these projects will be completed and associated dollars expended in 2006, but this is subject to change as conditions warrant. Additionally, ALLTEL Kentucky will use the Federal High Cost support funds and other funds generated from various sources to support not only the projects listed in Attachment "A", but also to maintain embedded plant and for various other purposes allowed by the Federal Communications Commission rules.

1 See FCC's 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, released May 23, 2001, paragraph 2.

2 2 See Footnote #525, Page 116 of the FCC's Report and Order CC Docket No. 96-45.

As can be seen, the capital projects scheduled for 2006 contained in Attachment "A" far exceed ALLTEL Kentucky's estimated Federal Universal Service support.

Contacts

All questions pertaining to the information contained in this filing should be directed to:

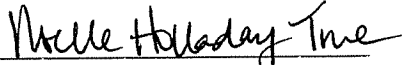
Dan Logsdon
Vice President - External Affairs
130 West New Circle Road
STE 170
Lexington, KY 40505

Phone: 859.357.6125
Fax: 859.357.6163

Submitted this 2nd day of September, 2005.

RESPECTFULLY SUBMITTED

ALLTEL Kentucky, Inc.

By: 
James H. Newberry, Jr.
Noelle Holladay True
Wyatt, Tarrant & Combs, LLP
Attorneys for ALLTEL Kentucky, Inc.
250 West Main Street, Suite 1600
Lexington, KY 40507-1746
859.288.7621(O)
859.259.0649(F)

ATTACHMENT A

ALLTEL Kentucky, Inc.

2006 Capital Budget Projects

