COMMONWEALTH OF KENTUCKY

BEFORE THE PUBLIC SERVICE COMMISSION

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In the Matter of:

A CERTIFICATION OF THE CARRIERS RECEIVING FEDERAL UNIVERSAL SERVICE HIGH-COST SUPPORT

ADMINISTRATIVE CASE NO. 381

<u>O R D E R</u>

The Commission has entered Orders pursuant to the Federal Communications Commission's ("FCC") rules certifying that carriers¹ in Kentucky plan to use their "forward looking" high-cost support for authorized purposes for the calendar years 2000, 2001, 2002, 2003, 2004, 2005, 2006, and 2007.² 47 C.F.R. Sections 54.313 and 54.314 require states to ensure that carriers use the federal high-cost support for the provision, maintenance, and upgrading of facilities and services for which the support is intended. Also, states must ensure that federal support is being applied in a manner consistent with Section 254 of the Telecommunications Act of 1996.³ For 2000, only the

² Federal-State Joint Board on Universal Service Ninth Report and Order and Eighteenth Order on Reconsideration ("Ninth Report and Order"), CC Docket Number 99-45; FCC 99-306, released November 2, 1999, Appendix C, Section 54.313 and Administrative Case No. 381 Orders dated March 24, 2000, September 29, 2000, September 25, 2001, September 27, 2002, August 18, 2003, September 24, 2004 September 20, 2005 and September 22, 2006.

³ Ninth Report and Order at Paragraphs 93-110.

¹ Carriers are, in this context, defined as rural and non-rural incumbent local exchange carriers and eligible telecommunications carriers serving lines in the service area of a rural or non-rural incumbent local exchange carrier within their jurisdiction receiving support pursuant to 47 C.F.R. Section 54.309 (Calculation and Distribution of Forward-Looking Support for Non-Rural Carriers), Section 54.311 (Interim Hold-Harmless Support for Non-Rural Carriers), and Section 54.314 (State Certification of Support for Rural Carriers).

use of "forward-looking" support was to be certified. Beginning with the federal support for 2001, certification by state commissions is required regardless of whether the support is "forward-looking" or "hold harmless." On May 23, 2001, the FCC issued an order in CC Docket 96-45 and CC Docket 00-256 that changed the methodology by which rural carriers receive high-cost support. Also, in that order, the FCC required the states to certify that the high-cost support received by rural carriers is consistent with 47 U.S.C. § 254(e).⁴ Certification must occur by October 1 prior to the year for which support is rendered.

All carriers eligible to receive support have certified to the Commission that the use of the federal universal service support will be used in accordance with 47 U.S.C. § 254(e). All carriers propose to use their universal service support to upgrade facilities to ensure that rural services are reasonably comparable to urban services and to maintain their current rates as allowed by the FCC.⁵ Attached as Exhibit 1 is a schedule of support that each carrier is projected to receive.

The Commission finds that the carriers' proposals to use federal support to upgrade facilities and proposals to maintain embedded rates are consistent with the requirements of Congress and the FCC.

⁵ Ninth Report and Order at paragraph 106.

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⁴ In the Matter of Federal-State Joint Board on Universal Service Multi-Association Group (MAG) Plan for Regulation of Interstate Services of Non-Price Cap Incumbent Local Exchange Carriers and Interexchange Carriers, 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; FCC 01- 157, Released May 23, 2001. <u>See generally</u> Paragraphs 185-193.

IT IS THEREFORE ORDERED that:

1. The proposals of all of the carriers are hereby certified as complying with the FCC's criteria and, accordingly, these utilities are eligible to receive federal Universal Service Fund support.

2. A copy of this Order shall be served upon the FCC and the Universal Service Administrative Company to ensure that all carriers receive their 2008 federal high-cost support.

3. By September 1 of each calendar year, all carriers shall file with the Commission their plans for the use of any high-cost federal support.

Done at Frankfort, Kentucky, this 26th day of September, 2007.

By the Commission

ATTEST: cutive Director

Administrative Case No. 381

Universal Service Funding

High Cost Support by Study Area

Fourth Quarter 2007

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260396	BALLARD RURAL COOP	5	,	\$ 23,073	5		8		5	5	37,865	S 4	48,537	\$ 109,475	\$ 328	328,425	5.1.3	1,313,700
260398	BRANDENBURG TEL CO	\$	1	- - - -	\$,	\$,	\$	s	51,925	8	84,502	s 136,427	\$ 409	409,281	\$ 1,6	1,637,124
260401	DUO COUNTY TEL COOP	s	1	\$ 218,515	\$,	s		۰ ۶	s	17,476	\$ 16	166,527		"	,554	4	4,830,216
260402	WINDSTREAM KY WEST	s		5	s	-	\$	-	- S	\$	22,662		35,963			175,875		703,500
260406	FOOTHILLS RURAL COOP	s	•	\$ 248,736	s	26,086	s	•	۰ ۱	\$	42,867		271,820		٦	3,627		7,074,108
260408	GEARHEART-COALFIELDS	\$,	\$ 180	5	•	s		-	s	40,587		37,838	- 1		235,815		943,260
260411	LESUE COUNTY TEL CO	\$	•	\$ 53,353	s	'	s	,		0	11,823		47,450			337,758	-	1,351,032
260412	LEWISPORT TEL CO	\$		\$ 3,150	: 5	۰ ۰	s		'	s	8,686		9,105	1		62,823		261,292
260413	LOGAN TEL. COOP, INC	Ś	•	s 179,778	\$	7,393	\$	•	ه	\$	22,859		97,822	- 1		923,555		3,694,224
260414	MOUNTAIN RURAL COOP	\$	•	\$	\$,	s	•	•	\$	36,897		74,566			334,449		1,337,796
260415	PEOPLES RURAL COOP	\$		\$ 180,817	2	8,592	s		۲ S	s	48,461		115,857		5 1,064,211	4,251		4,256,844
260417	SALEM TEL CO	\$	 	s 216	8	 	5		S	\$	11,563		10,372			66,453		265,812
260418	SOUTH CENTRAL RURAL	S		5 446,233	5	1	\$		\$	\$	9,405		260, 162		64	7,400		8,583,600
260419	THACKERICRISSBY TEL	\$.	s 19.405	~	 ,	\$		•	5	43,675		62,693			377,919		1,511,676
260421	WEST KENTUCKY RURAL	\$	-	\$ 376,549	u)		b)	4	1	s	47,599	\$ 28	281,236		~	5,152	\$ 8,4	8,464,608
265061	CINCINNATI BELL-KY	S9,110	10		5	-	s		s 26.279	ŝ	•	s	,	\$ 85,389	5 256	256,166	\$ 10	1,024,664
265061	CINCINNATI BELL-KY	s	 ,	S	s	+	s		- -	s	•	\$		\$	ŝ	,	S	•
265182	SO CENTRAL BELL-KY	\$ 750,280	80	5	v	ŕ	ş		\$ 523,191	5	•	8	1	\$ 1,273,471	\$ 3,820	3,820,414	5 15,2	15,281,654
265182	SO CENTRAL BELL-KY	s	 -	- s	2	4	5		، ه	64	•	s		1	Ş	,		
269001	SOUTHEAST TELEPHONE, INC.	\$ 22,917	117	- 5	5	4	s	4	\$ 23,800	s	•	s	•	5 46,717	\$ 140	140,150		560,600
269001	SOUTHEAST TELEPHONE, INC.	s		\$ 630	\$7	•	s		\$ 2,250	s	1	\$	•			8,540		34,550
269002	NPCR, INC.	\$ 60,769	69	5 ·	\$	·	\$		Ŷ	\$	٠		•	۳.		376,415	*	,505,658
269002	APCR, MC.	s	,	\$ 32,802	\$	376	\$	•		\$	2,706		20,124			174,075		696,300
269004	CINERGY COMMUNICATIONS COMPANY	\$ 4,8	4,833	s	s	•	s	•	\$ 4,962	s	-	s		\$ 9,815		29,446		117,784
269004	CINERGY COMMUNICATIONS COMPANY	\$	-	8 8	5	•	\$		s .	\$	+	\$		3		5	5	æ
269004	CINERGY COMMUNICATIONS COMPANY	5	 .	\$ 6,932	5	,	\$			\$	160	s				21,276		85,104
269006	NORTH CENTRAL COMMUNICATIONS	5.4.5	4,594	\$	\$		s		\$ 4,399	\$		\$		\$ 8,993	s 26	26,978		107,913
269007	EAST KENTUCKY NETWORK LLC DBA APPALACHIAN WIRELESS	\$ 39,233	58	, , ,	07	,	s		\$ 66,016	s	1	м	+	\$ 105,249	\$ 315	315,745	s 1,2	,262,984
269007	EAST KENTUCKY NETWORK, LLC DBA APPALACHIAN WIRELESS	s	 	\$ 109,033	0 	7,482	s		\$ 735	5	65,038	\$ 15	151,451	\$ 333,739	\$ 1,001	1,001,217		4,004,868
269008	BUDEGRASS CEULULAR	S 74,083	83	·	\$	·	s	,	\$ 117,149	s	•	57	•	1	\$ 213	573,697	[2,294,787
269008	SLUEGRASS CELLULAR	5	 .	\$ 517,729	5	2,520	s		5	s	45,043	\$ 383,	3,718	954	5 2,564	2,564,994	Í,	11,459,976
269009	SOUTH CENTRAL TELCOM LLC	s		- 5	5		\$	•	\$ 520	\$		s	-	\$ 520		1,560	\$	6,240
269009	SOUTH CENTRAL TELCOM LLC	s	 	* \$	4	•	\$	•		*	•	s	•			+		•
269010	WEST VIRGINIA PCS ALLIANCE DBA NTELOS	\$ 1,5	1,635	+ 	\$,	s	•	\$ 3,925	s	-	5	-	S 5,560		16,681		66,724
269010	WEST VIRGINIA PCS ALLANCE DBA NTELOS		•	· .	\$		\$,	1	~	-	5	,			-		-
269690	WINDSTREAM LEXINGTON	\$ 319,693	93		8	,	5	-	5 438,041	~	1	\$	•	\$ 757,734	\$ 2,273,202	202		9,092,807
269630	WINDSTREAM LEXINGTON	s	,	,	s	•	\$			<i>n</i>		- FR	,			•		
269691	WINDSTREAM LONDON	47	•	\$ 12,003	s		57	,	\$ 44,930	s		5		5 56,933		1/0/199		683, 196
269691	WINDSTREAM LONDON	5	•	۶ ۲	s	•	s	-		5	, ,	s		ł		•		•
269905	AMERICAN CELLULAR CORP.	s 65.410	10	•	5		s			\$	•		•	- }	1	473,717		1,894,853
269905	AMERICAN CELLULAR CORP.	\$	•	\$ 89,233	s	•	\$	•	\$ 5,093	\$	7,716	\$ 7	71,495			520,791	8	2.083,164
290598	WEST KENTUCKY RURAL TELEPHONE	s	•	\$ 20,916	s .	•	s	•	\$	\$	13,168	\$	17,414	\$ 51,518		154,554		618,216
290598	WEST KENTUCKY RURAL TELEPHONE	s		· -	s :	•	\$,	- s.	s	•	Ş	*			•		•
290573	NORTH CENTRAL COOP	\$		5 95,237	v	•	S		4	s	28,600	25 \$	175,039	\$ 298,876	\$ 896	896,628	\$ 3,5	3,586,512
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