RECEIVED

DEC 0 5 2007

PUBLIC SERVICE

COMMISSION

# EAST KENTUCKY NETWORK

d/b/a

APPALACHIAN WIRELESSS

# WRIGLEY CELLULAR TOWER APPLICATION

**Morgan County** P.S.C. CASE # 2007- 00486

RECEIVED

# COMMONWEALTH OF KENTUCKY BEFORE THE PUBLIC SERVICE COMMISSION

DEC 0 5 2007

PUBLIC SERVICE

COMMISSION

In the matter of:

THE APPLICATION OF EAST KENTUCKY NETWORK	)	
LIMITED LIABILITY COMPANY FOR THE ISSUANCE	)	
OF A CERTIFICATE OF PUBLIC CONVENIENCE AND	)	CASE No 2007-00486
NECESSITY TO CONSTRUCT A TOWER IN MORGAN	)	
COUNTY, KENTUCKY).		

In case number 91-002 East Kentucky Network, LLC, formerly Mountaineer Cellular Limited Liability Company was granted a Certificate of Public Convenience and Necessity by the Kentucky Public Service Commission to construct and operate a cellular radio telecommunications system for KY RSA 10.

In an effort to improve service in Morgan County, East Kentucky Network, LLC pursuant to KRS 278.020 Subsection 1 and 807 KAR 5:001 Section 9 is seeking the Commission's approval to construct a tower near Wrigley. The proposed tower will be a 300 foot self-supporting tower located on a ridge between Road Fork and North Fork, both are tributaries of the Licking River, approximately one mile north of the community of Redwine (38° 01' 53.9" N 83° 13' 34.4 W). A map and detailed directions to the site can be found in Exhibit 8.

East Kentucky Network LLC merger documents were filed with the Commission on February 2, 2001 in Case # 2001-022.

FAA and Kentucky Airport Zoning Commission approvals have been applied for and a copy of the application is included as Exhibit 4 and 6.

No Federal Communications Commission approval is required prior to construction of this facility. Once service is established from this tower we must immediately notify the Federal Communications Commission of its operation. Prior approval is needed only if the proposed

facility increases the size of the cellular geographic service area. This cell site will not expand the cellular geographic service area.

A geologist was employed to determine soil and rock types and to ascertain the distance to solid bedrock. The geotechnical report is enclosed as Exhibit 3

A copy of the tower design information is enclosed as Exhibit 5. The proposed tower has been designed by engineers at Allstate Tower, Inc and will be constructed under their supervision. Their qualifications are evidenced in Exhibit 5 by the seal and signature of the registered professional engineer responsible for this project.

The tower will be erected by A & D Communication of Cattlesburg, Kentucky. A & D has vast experience in the erection of communications towers.

Enclosed, and should be filed with Exhibit 10 is a survey of the proposed tower site signed by a Kentucky registered professional engineer. There is no structure within 500 feet of the proposed tower as indicated in this enclosure. Exhibit 2 is a list of all Property owners or residents according to the property valuation administrator's record who reside or own property within 500 feet of the proposed tower in accordance with the Public Valuation Administrator'. No other properties are contiguous with East Kentucky's property.

Exhibit 12, back of folder, contains a vertical sketch of the tower supplied by Coleman Engineering.

Pursuant to 807 KAR5:063 Sections1 (1)(L) and Section 1(1)(n)(1) all affected property owners according to the property valuation administrator's record who reside or own property within 500 feet of the proposed Tower were notified by certified mail return receipt requested of East Kentucky Network, LLC's proposed construction and informed of their right to intervene. They were given the docket number under which this application is filed. Enclosed in Exhibit 2 is a copy of that notification.

,

Morgan County has no formal local planning unit. In absence of this unit the Morgan County Judge Executive's office was notified by certified mail, return receipt requested of East Kentucky Network Limited Liability Company's proposal and informed of their right to intervene. They were given the docket number under which this application is filed. Enclosed in Exhibit 1 is a copy of that notification.

East Kentucky Network, LLC will finance the subject Construction with earned surplus in its General Fund.

Estimated Cost of Construction 140, 000.00 Annual Operation Expense of Tower 12,500.00

Two notice signs meeting the requirements prescribed by 807 KAR 5:063, Section 1(2), measuring at least two (2) feet in height and four (4) feet in width and containing all required language in letters of required height, have been posted, one at a visible location on the proposed site and one on the nearest public road. The two signs were posted on November 30, 2007 and will remain posted for at least two weeks after filing of this application as specified.

Enclosed in Exhibit 9 is a copy of East Kentucky Network LLC's deeds to the site.

Notice of the location of the proposed construction was published on the first two weeks of November in the Licking Valley Courier. Enclosed is a copy of that notice in Exhibit 1. The Licking Valley Courier is the newspaper with the largest circulation in Morgan County.

The proposed construction site is on a very rugged mountaintop some feet from the nearest structure. Prior to construction the site was wooded.

Due to the steep hillside surrounding the proposed site, the property in close proximity is unsuitable for any type of development. East Kentucky Network LLC's operation will not affect the use of nearby land nor its value. No more suitable site exists in the area. A copy of the search area map is enclosed in Exhibit 8. No other tower capable of supporting East Kentucky Network LLC's load exists in the general area; therefore, there is no opportunity for co-location of our facilities with anyone else.

WHEREFORE, Applicant respectfully requests that the PSC accept the foregoing Application for filing, and having met the requirements of KRS [278.020(1), 278.650, and 278.665] and all applicable rules and regulations of the PSC, grant a Certificate of Public Convenience and Necessity to construct and operate the proposed tower.

The foregoing document was prepared by Janice Robinson, Technical Site Coordinator for East Kentucky Network d/b/a Appalachian Wireless. All related questions or correspondence concerning this filing should be mailed to East Kentucky Network, LLC d/b/a Appalachian Wireless, 101 Technology Trail, Ivel, KY 41642.

anire Bolenson DATE: 123-07

Janice Robinson, Cell Site Coordinator

DATE: 12-4-07

Gerald Robinette, General Manager

#### **Contacts:**

Gerald Robinette, General Manager

Phone: (606) 791-2375, Ext. 111 Email: grobinette110@ekn.com

Janice Robinson, Technical Site Coordinator

Phone: (606) 791-2375, Ext. 166 Email: jrobinson166a@ekn.com

#### **Mailing Address:**

East Kentucky Network, LLC. d/b/a Appalachian Wireless 101 Technology Trail Ivel, KY 41642

	Notification/Response from County.	
	Copies of Cell Site Notices.	
3	Universal Letter of Soil Bearing Analysis.	
4	Kentucky Airport Zoning Commission Application.	
5	Tower Design.	
6	FAA Approval/Notice of Proposed Construction.	
7	Audited Financial Statements	1.2
	Driving Directions and Map to Suitable Scale.	
9	Deed/Lease Agreement for Proposed Site.	
10	Survey of Site Signed/Sealed by Professional Engineer Registered in State of Kentucky.	
11	Site Survey Map with Property Owners identified in Accordance with PVA of County.	
12	Vertical Profile Sketch of Proposed Tower.	



	· paramount was a second
	i

EAST KENTUCKY NETWORK

101 TECHNOLOGY TRAIL

IVEL, KY 41642

PHONE: (606) 874-7550

F^ '406) 874-7551

NFO@EKN.COM

E: WWW.EKN.COM



VIA: U.S. CERTIFIED MAIL

December 3, 2007

Tim Conley, Judge/Executive Morgan County Courthouse 450 Prestonsburg Street West Liberty, KY 41472

RE: Public Notice-Public Service Commission of Kentucky (Case No. 2007-00486)

East Kentucky Network, LLC d/b/a Appalachian Wireless has applied to the Public Service Commission of Kentucky for a Certificate of Public Convenience and Necessity to construct and operate a new facility to provide cellular telecommunications service. The facility will include a 300 foot self-supporting tower with attached antennas extending upwards, and an equipment shelter located on a ridge near Wrigley approximately one mile north of the community of Redwine (38° 01' 53.9" N 83° 13' 34.4 W). A map showing the location of the proposed new facility is enclosed. This notice is being sent to you because you are the County Judge Executive of Morgan County.

The Commission invites your comments regarding the proposed construction. You also have the right to intervene in this matter. The Commission must receive your initial communication within 20 days of the date of this letter as shown above.

Your comments and request for intervention should be addressed to: Executive Director's Office, Public Service Commission of Kentucky, P.O. Box 615, Frankfort, KY 40602. Please refer to Case No. 2007-00486 in your correspondence.

Sincerely,

Janice Robinson

Technical Site Coordinator

ranici Polinson

enclosure

 \* East Kentucky Network, LLC d/b/a Appalachian Wireless 101 Technology Trail Ivel, KY 41642

Phone: 606/874-7550 Fax: 606/791-2225



# Fax

To:	The Licking Valley Courier	From:	JANICE ROBINSON
***************************************	ATT: Public Notice Advertising		Accounting Department
Fax:	606-743-3565	Phone:	606-874-7550, Ext.166
Phone:	606 - 743 - 3551	Pages:	1 Pages (INCLUDING COVER
Re:	PUBLIC NOTICE ADVERTISEMENT	Date:	November 30, 2007

We would like to have the following public notice printed in <u>The Licking Valley</u> Courier for the next two weeks.

The notice should state the following:

#### PUBLIC NOTICE:

RE: Public Service Commission of Kentucky (CASE NO. 2007-00486)

Notice is hereby given that East Kentucky Network, LLC, dba Appalachian Wireless has applied to the Kentucky Public Service Commission to construct a tower located on a ridge near Wrigley one mile north of the community of Redwine (38° 01' 53.9" N 83° 13' 34.4 W. The proposed tower will be a 300 foot self-supporting tower with attached antennas extending upwards and an equipment shelter.

If you would like to respond to this notice, please contact the Executive Director, Public Service Commission, 211 Sower Boulevard, P o Box 615, Frankfort, Kentucky 40602. Please refer to Case No. 2007-00486.

If you have questions about the placement of the above mentioned notice, please call me at 606-791-2375, ext. 166.

Thank you, Janice Robinson

**Accounting Department** If you have any problems with this fax, please call 606/886-6007. The message above and the information contained in the documents transmitted are confidential and intended only for the person(s) named above. Dissemination, distribution or copying of this communication by anyone other than the person(s) named above is prohibited. If you have received this communication in error, please notify us immediately by telephone and return the original message to us at the address listed above via regular mail. Thank you.

\* \* \* Communication Result Report ( Dec. 3. 2007 12:14PM ) \* \* \*  $\frac{1}{1}$ 

e/Time: Dec. 3. 2007 12:13PM

File No. Mode Destination		Pg (s)	Pg(s) Result	
0487 Memory TX	6067433565	P. 1	OK	

Reason for error
E. 1) Hang up or line fail
E. 3) No answer
E. 5) Exceeded max. E-mail size

E. 2) Busy
E. 4) No facsimile connection

\* East Kantucky Notwork, LLC dfb/a Appalachtan Wireless 191 Technology Trail tvol, KY 41642

Phone: 606/874-7550 Fax: 606/791-2225



#### Fax

(

To:	The Licking Valley Courier	From:	JANICE ROBINSON
	ATT: Public Notice Advertising		Accounting Department
Fax:	606-743-3565	Phones	606-874-7550, Ext.108
Phono	606 - 743 - 3551	Pagest	1 Pages (INCLUDING COVER
Ret	PUBLIC NOTICE ADVERTISEMENT	Dates	November 30, 2007

We would like to have the following public notice printed in <u>The Licking Valley Courier</u> for the next two weeks.

The notice should state the following:

#### PUBLIC NOTICE:

RE: Public Service Commission of Kentucky (CASE NO. 2007-00486)

Notice is hereby given that East Kentucky Network, LLC, dbn Appalachian Wireless has applied to the Kentucky Public Service Commission to construct a tower located on a ridge near Wrigley one mile north of the community of Redwine (38° 01' 53.9" N 83° 13' 34.4 W. The proposed tower will be a 300 foot self-supporting tower with attached autennas extending upwards and an equipment shelter.

If you would like to respond to this notice, please contact the Executive Director, Public Service Commission, 211 Sower Boulevard, P o Box 615, Frankfort, Kentucky 40602, Please refer to Case No. 2007-00486.

If you have questions about the placement of the above mentioned notice, please call me at 606-791-2375, ext. 166.

Thankyou, Janice Robinson

Accounting Department If you have any problems with this fax, please call 6080804-6097. The message above and the information contained in the documents transmitted are confidential and intended only for the percency named above. Descendingly, distribution or copying of this communication by anyone other than the percency and above is probled. If you have received this communication from, please notify us immediately by tolaphone and return the original message to us of the address isded above via regular malt. Thank you.

Next Generation Communications

#### **EXHIBIT II: LIST OF PROPERTY OWNERS:**

# WRIGLEY SITE, MORGAN COUNTY, KENTUCKY Statement Pursuant to Section 1 (1) (I) 807 KAR 5:063

<u>Section 1 (1)(I) 1</u>. The following is a list of every property owner who according to property valuation administrator's records, owns property within 500 feet of the proposed tower and each have been: notified by certified mail, return receipt requested, of the proposed construction.,

<u>Section 1 (1) I 2.</u>: Every person listed below who, according to the property valuation administrator's records, owns property within 500 feet of the proposed tower has been: Given the Commission docket number under which the application will be processed: and

<u>Section 1 (1) I 3</u>. Every person listed below who, according to property valuation administrator's records, owns property within 500 feet of the proposed tower has been: Informed of his right to request intervention.

#### LIST OF PROPERTY OWNERS

Emory Cecil Smith 12154 HWY 7 West Liberty, KY 41472

Maurice Newsome Box 2195 Pikeville, KY 41501

Mike Ross, Inc. & ETAL c/o Trio Petroleum Corp. P. O. Box 880 Glenville, WV 26351

Gary Bishop 11808 HWY 7 West Liberty, KY 41472

Elton & Brenda Oneal 11808 HWY 7 West Liberty, KY 41472

Danny Ray & Kathy Fannin 51 Wells Hill Lane West Liberty, KY 41472

David Allen 11807 HWY 7 West Liberty, KY 41472

Gerry Nell Allen 11803 HWY 7 West Liberty, KY 41472

Edna Blankenship 9487 HWY 711 West Liberty, KY 41472 EAST KENTUCKY NETWORK

101 TECHNOLOGY TRAIL

IVEL, KY 41642

PHONE: (606) 874-7550

F\* '06) 874-7551

NFO@EKN.COM

E: WWW.EKN.COM



VIA: U.S. CERTIFIED MAIL

(CASE NO. 2007-00486)

#### PUBLIC NOTICE

December 3, 2007

Edna Blankenship 9487 HWY 711 West Liberty, KY 41472

RE: Public Notice-Public Service Commission of Kentucky (Case No. 2007-00486)

East Kentucky Network, LLC d/b/a Appalachian Wireless has applied to the Public Service Commission of Kentucky for a Certificate of Public Convenience and Necessity to construct and operate a new facility to provide cellular telecommunications service. The proposed tower will be a 300 foot self-supporting tower with attached antennas extending upwards, and an equipment shelter located on a ridge near Wrigley approximately one mile north of the community of Redwine (38° 01' 53.9" N 83° 13' 34.4 W). A map showing the location of the proposed new facility is enclosed. This notice is being sent to you because you may own property or reside within a 500' radius of the proposed tower.

The Commission invites your comments regarding the proposed construction. You also have the right to intervene in this matter. The Commission must receive your initial communication within 20 days of the date of this letter as shown above.

Your comments and request for intervention should be addressed to: Executive Director's Office, Public Service Commission of Kentucky, P.O. Box 615, Frankfort, KY 40602. Please refer to Case No. 2007-00486 in your correspondence.

Sincerely,

Janice Robinson
Technical Site Coordinator
Enclosure 1

EAST KENTUCKY NETWORK

101 TECHNOLOGY TRAIL

IVEL, KY 41642

PHONE: (606) 874-7550

F '406) 874-7551

INFO@EKN.COM

V. IE: WWW.EKN.COM



VIA: <u>U.S. CERTIFIED MAIL</u>

(CASE NO. 2007-00486)

#### PUBLIC NOTICE

December 3, 2007

Gerry Nell Allen 11807 HWY 7 West Liberty, KY 41472

RE: Public Notice-Public Service Commission of Kentucky (Case No. 2007-00486)

East Kentucky Network, LLC d/b/a Appalachian Wireless has applied to the Public Service Commission of Kentucky for a Certificate of Public Convenience and Necessity to construct and operate a new facility to provide cellular telecommunications service. The proposed tower will be a 300 foot self-supporting tower with attached antennas extending upwards, and an equipment shelter located on a ridge near Wrigley approximately one mile north of the community of Redwine (38° 01' 53.9" N 83° 13' 34.4 W). A map showing the location of the proposed new facility is enclosed. This notice is being sent to you because you may own property or reside within a 500' radius of the proposed tower.

The Commission invites your comments regarding the proposed construction. You also have the right to intervene in this matter. The Commission must receive your initial communication within 20 days of the date of this letter as shown above.

Your comments and request for intervention should be addressed to: Executive Director's Office, Public Service Commission of Kentucky, P.O. Box 615, Frankfort, KY 40602. Please refer to Case No. 2007-00486 in your correspondence.

Sincerely,

Janice Robinson

Technical Site Coordinator

ance Rolinson

EAST KENTUCKY NETWORK

101 TECHNOLOGY TRAIL

IVEL, KY 41642

PHONE: (606) 874-7550

F''' (606) 874-7551

INFO@EKN.COM

E: WWW.EKN.COM



VIA: U.S. CERTIFIED MAIL

(CASE NO. 2007-00486)

#### PUBLIC NOTICE

December 3, 2007

David Allen 11807 HWY 7 West Liberty, KY 41472

RE: Public Notice-Public Service Commission of Kentucky (Case No. 2007-00486)

East Kentucky Network, LLC d/b/a Appalachian Wireless has applied to the Public Service Commission of Kentucky for a Certificate of Public Convenience and Necessity to construct and operate a new facility to provide cellular telecommunications service. The proposed tower will be a 300 foot self-supporting tower with attached antennas extending upwards, and an equipment shelter located on a ridge near Wrigley approximately one mile north of the community of Redwine (38° 01' 53.9" N 83° 13' 34.4 W). A map showing the location of the proposed new facility is enclosed. This notice is being sent to you because you may own property or reside within a 500' radius of the proposed tower.

The Commission invites your comments regarding the proposed construction. You also have the right to intervene in this matter. The Commission must receive your initial communication within 20 days of the date of this letter as shown above.

Your comments and request for intervention should be addressed to: Executive Director's Office, Public Service Commission of Kentucky, P.O. Box 615, Frankfort, KY 40602. Please refer to Case No. 2007-00486 in your correspondence.

Sincerely,

Janice Robinson

Technical Site Coordinator

EAST KENTUCKY NETWORK

101 TECHNOLOGY TRAIL

IVEL, KY 41642

PHONE: (606) 874-7550

F' '406) 874-7551

NFO@EKN.COM

V E: WWW.EKN.COM



VIA: U.S. CERTIFIED MAIL

(CASE NO. 2007-00486)

#### PUBLIC NOTICE

December 3, 2007

Danny Ray & Kathy Fannin 51 Wells Hill Lane West Liberty, KY 41472

RE: Public Notice-Public Service Commission of Kentucky (Case No. 2007-00486)

East Kentucky Network, LLC d/b/a Appalachian Wireless has applied to the Public Service Commission of Kentucky for a Certificate of Public Convenience and Necessity to construct and operate a new facility to provide cellular telecommunications service. The proposed tower will be a 300 foot self-supporting tower with attached antennas extending upwards, and an equipment shelter located on a ridge near Wrigley approximately one mile north of the community of Redwine (38° 01' 53.9" N 83° 13' 34.4 W). A map showing the location of the proposed new facility is enclosed. This notice is being sent to you because you may own property or reside within a 500' radius of the proposed tower.

The Commission invites your comments regarding the proposed construction. You also have the right to intervene in this matter. The Commission must receive your initial communication within 20 days of the date of this letter as shown above.

Your comments and request for intervention should be addressed to: Executive Director's Office, Public Service Commission of Kentucky, P.O. Box 615, Frankfort, KY 40602. Please refer to Case No. 2007-00486 in your correspondence.

Sincerely,

Janice Robinson

Technical Site Coordinator

Lance Holerson

EAST KENTUCKY NETWORK

101 TECHNOLOGY TRAIL

IVEL, KY 41642

PHONE: (606) 874-7550

F^ '406) 874-7551

NFO@EKN.COM

V a: WWW.EKN.COM



VIA: U.S. CERTIFIED MAIL

(CASE NO. 2007-00486)

#### PUBLIC NOTICE

December 3, 2007

Elton & Brenda Oneal 11808 HWY 7 West Liberty, KY 41472

RE: Public Notice-Public Service Commission of Kentucky (Case No. 2007-00486)

East Kentucky Network, LLC d/b/a Appalachian Wireless has applied to the Public Service Commission of Kentucky for a Certificate of Public Convenience and Necessity to construct and operate a new facility to provide cellular telecommunications service. The proposed tower will be a 300 foot self-supporting tower with attached antennas extending upwards, and an equipment shelter located on a ridge near Wrigley approximately one mile north of the community of Redwine (38° 01' 53.9" N 83° 13' 34.4 W). A map showing the location of the proposed new facility is enclosed. This notice is being sent to you because you may own property or reside within a 500' radius of the proposed tower.

The Commission invites your comments regarding the proposed construction. You also have the right to intervene in this matter. The Commission must receive your initial communication within 20 days of the date of this letter as shown above.

Your comments and request for intervention should be addressed to: Executive Director's Office, Public Service Commission of Kentucky, P.O. Box 615, Frankfort, KY 40602. Please refer to Case No. 2007-00486 in your correspondence.

Sincerely,

Janice Robinson

Technical Site Coordinator

Jania Rolinson

EAST KENTUCKY NETWORK

101 TECHNOLOGY TRAIL

IVEL, KY 41642

PHONE: (606) 874-7550

F '06) 874-7551

NFO@EKN.COM

V. E: WWW.EKN.COM



VIA: U.S. CERTIFIED MAIL

(CASE NO. 2007-00486)

#### PUBLIC NOTICE

December 3, 2007

Gary Bishop 11808 HWY 7 West Liberty, KY 41472

RE: Public Notice-Public Service Commission of Kentucky (Case No. 2007-00486)

East Kentucky Network, LLC d/b/a Appalachian Wireless has applied to the Public Service Commission of Kentucky for a Certificate of Public Convenience and Necessity to construct and operate a new facility to provide cellular telecommunications service. The proposed tower will be a 300 foot self-supporting tower with attached antennas extending upwards, and an equipment shelter located on a ridge near Wrigley approximately one mile north of the community of Redwine (38° 01' 53.9" N 83° 13' 34.4 W). A map showing the location of the proposed new facility is enclosed. This notice is being sent to you because you may own property or reside within a 500' radius of the proposed tower.

The Commission invites your comments regarding the proposed construction. You also have the right to intervene in this matter. The Commission must receive your initial communication within 20 days of the date of this letter as shown above.

Your comments and request for intervention should be addressed to: Executive Director's Office, Public Service Commission of Kentucky, P.O. Box 615, Frankfort, KY 40602. Please refer to Case No. 2007-00486 in your correspondence.

Sincerely,

Janice Robinson

Technical Site Coordinator

EAST KENTUCKY NETWORK

101 TECHNOLOGY TRAIL

IVEL, KY 41642

PHONE: (606) 874-7550

F 406) 874-7551

NFO@EKN.COM

V. .E. WWW EKN.COM



VIA: <u>U.S. CERTIFIED MAIL</u>

(CASE NO. 2007-00486)

#### PUBLIC NOTICE

December 3, 2007

Mike Ross, Inc. & ETAL C/O Trio Petroleum Corp. P.O. Box 880 Glenville, WV 26351

RE: Public Notice-Public Service Commission of Kentucky (Case No. 2007-00486)

East Kentucky Network, LLC d/b/a Appalachian Wireless has applied to the Public Service Commission of Kentucky for a Certificate of Public Convenience and Necessity to construct and operate a new facility to provide cellular telecommunications service. The proposed tower will be a 300 foot self-supporting tower with attached antennas extending upwards, and an equipment shelter located on a ridge near Wrigley approximately one mile north of the community of Redwine (38° 01' 53.9" N 83° 13' 34.4 W). A map showing the location of the proposed new facility is enclosed. This notice is being sent to you because you may own property or reside within a 500' radius of the proposed tower.

The Commission invites your comments regarding the proposed construction. You also have the right to intervene in this matter. The Commission must receive your initial communication within 20 days of the date of this letter as shown above.

Your comments and request for intervention should be addressed to: Executive Director's Office, Public Service Commission of Kentucky, P.O. Box 615, Frankfort, KY 40602. Please refer to Case No. 2007-00486 in your correspondence.

Sincerely,

Janice Robinson

Technical Site Coordinator

Janice Polinser

EAST KENTUCKY NETWORK

101 TECHNOLOGY TRAIL

IVEL, KY 41642

PHONE: (606) 874-7550

FA'' '606) 874-7551

NFO@EKN.COM

V. E: WWW.EKN.COM



#### VIA: <u>U.S. CERTIFIED MAIL</u>

(CASE NO. 2007-00486)

#### PUBLIC NOTICE

December 3, 2007

Maurice Newsome Box 2195 Pikeville, KY 41501

RE: Public Notice-Public Service Commission of Kentucky (Case No. 2007-00486)

East Kentucky Network, LLC d/b/a Appalachian Wireless has applied to the Public Service Commission of Kentucky for a Certificate of Public Convenience and Necessity to construct and operate a new facility to provide cellular telecommunications service. The proposed tower will be a 300 foot self-supporting tower with attached antennas extending upwards, and an equipment shelter located on a ridge near Wrigley approximately one mile north of the community of Redwine (38° 01' 53.9" N 83° 13' 34.4 W). A map showing the location of the proposed new facility is enclosed. This notice is being sent to you because you may own property or reside within a 500' radius of the proposed tower.

The Commission invites your comments regarding the proposed construction. You also have the right to intervene in this matter. The Commission must receive your initial communication within 20 days of the date of this letter as shown above.

Your comments and request for intervention should be addressed to: Executive Director's Office, Public Service Commission of Kentucky, P.O. Box 615, Frankfort, KY 40602. Please refer to Case No. 2007-00486 in your correspondence.

Sincerely,

Janice Robinson

Technical Site Coordinator

EAST KENTUCKY NETWORK

101 TECHNOLOGY TRAIL

IVEL, KY 41642

PHONE: (606) 874-7550

FAX: (606) 874-7551

INFO@EKN.COM

E: WWW.EKN.COM



VIA: U.S. CERTIFIED MAIL

(CASE NO. 2007-00486)

PUBLIC NOTICE

December 3, 2007

Emory Cecil Smith 12154 HWY 7 West Liberty, KY 41472

RE: Public Notice-Public Service Commission of Kentucky (Case No. 2007-00486)

East Kentucky Network, LLC d/b/a Appalachian Wireless has applied to the Public Service Commission of Kentucky for a Certificate of Public Convenience and Necessity to construct and operate a new facility to provide cellular telecommunications service. The proposed tower will be a 300 foot self-supporting tower with attached antennas extending upwards, and an equipment shelter located on a ridge near Wrigley approximately one mile north of the community of Redwine (38° 01' 53.9" N 83° 13' 34.4 W). A map showing the location of the proposed new facility is enclosed. This notice is being sent to you because you may own property or reside within a 500' radius of the proposed tower.

The Commission invites your comments regarding the proposed construction. You also have the right to intervene in this matter. The Commission must receive your initial communication within 20 days of the date of this letter as shown above.

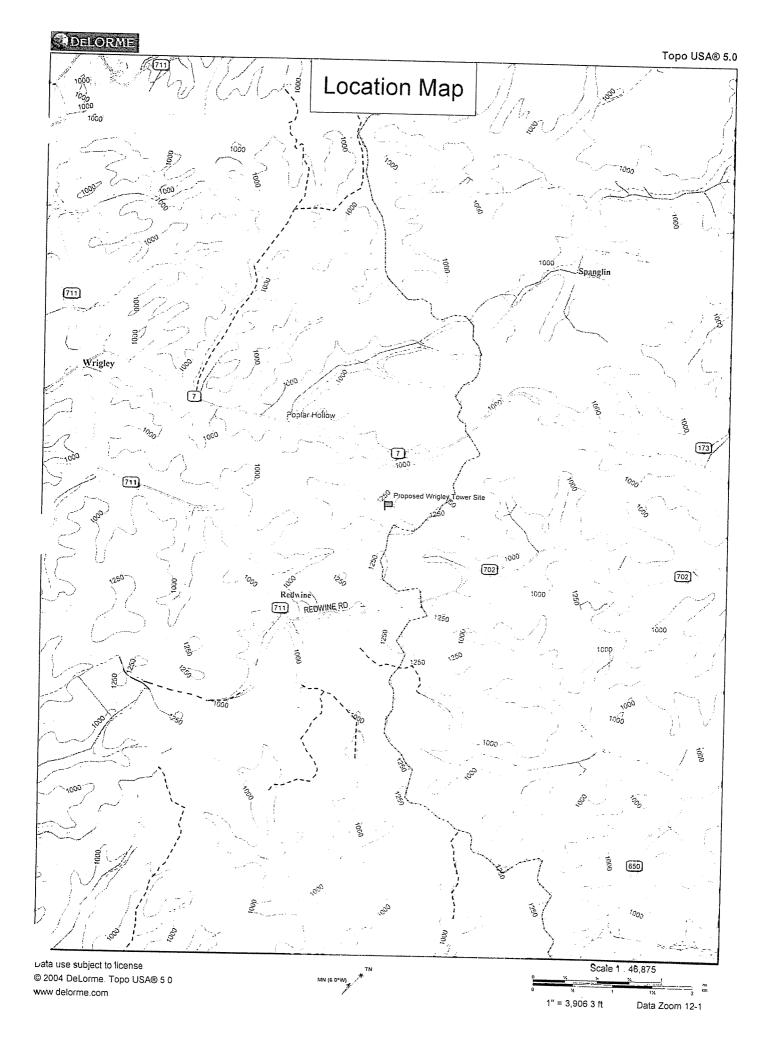
Your comments and request for intervention should be addressed to: Executive Director's Office, Public Service Commission of Kentucky, P.O. Box 615, Frankfort, KY 40602. Please refer to Case No. 2007-00486 in your correspondence.

Sincerely,

Janice Robinson

Technical Site Coordinator

aniel Relinser



#### WENDELL R. HOLMES, P.G.

120 Church Street Whitesburg, KY 41858 (606) 633-1511

August 3, 2007

Wrigley Tower Site

#### Purpose:

A site assessment was conducted for Appalachian Wireless on a tract of land located in Morgan County near Wrigley, Kentucky. The site of the proposed tower is now forestland. The purpose of this investigation was to determine the depth to bedrock and of what type of rock the bedrock consists.

#### Site Investigation:

The trenching method was used to determine the type of bedrock material at the proposed tower site. A Caterpillar 320 excavator was used to expose the bedrock material. It is approximately 2.75 feet to the sandstone bedrock. (See attached page for descriptions of materials encountered.) The terrain in Morgan County is slightly to moderately steep. The tower site is located on a ridge between Road Fork and North Fork, both are tributaries of the Licking River, approximately one mile north of the community of Redwine. The sandstone formation below the tower site is approximately 10.00 feet thick based on the information obtained from the site investigation and geological maps of the area.

#### Conclusions:

The proposed tower site is located on a ridge in the area. The sandstone bedrock on the proposed tower site is part of the Breathitt Formation, and is middle to lower Pennsylvanian in age. Tests were not conducted to determine the load-bearing strength of the bedrock. However, it is apparent that the tower will be constructed on the sandstone bedrock formation.

The field work for this site was performed by Wendell R. Holmes, using generally accepted methods in the practice of geological science.

Wendell R. Holines R.G.

## WENDELL R. HOLMES, P.G.

# 120 Church Street Apartment 3 Whitesburg, Ky. 41858

# **Geologist Log**

Location: Wrigley Tower Site

Unit Thickness	Total depth	Strata	Description
2.00′	2.00′	Soil	yellow and brown, with shale and plant fragments
0.25′	2.25′	Coal	black and weathered
0.50′	2.75′	Fireclay	gray and weathered
10.00′	12.75′	Sandstone	gray, brown with some shale streaks



entucky Transportation Cabinet, Kentucky Alrport Zoning Commission, 200 Mero PPLICATION FOR PERMIT TO CONSTRUCT OR ALTER STRUCTIONS INCLUDED	Street, Frankfort, KY 40622 Kentucky Aeronautical Study Number  R A STRUCTURE
APPLICANT Name, Address, Telephone, Fax, etc.     East Kentucky Network, LLC     c/o Lukas, Nace, Gutierrez & Sachs, Chtd     1650 Tysons Blvd, Suite 1500     McLean, VA 22102     T: 703-584-8667 F: 703-584-8692	9 Latitude: 38 ° 01 53 9 "  10 Longitude: 83 ° 13 34 4 "  11 Datum: NAD83 NAD27 Other  12 Nearest Kentucky City: Wrigley County Morgan  13 Nearest Kentucky public use or Military alroort:
Ali Kuzehkanani Lukas, Nace, Gutierrez & Sachs, Chtd 1650 Tysons Blvd, Suite 1500 McLean, VA 22102 T: 703-584-8667 F: 703-584-8692	West Liberty  14 Distance from #13 to Structure: 8.7 mi  15 Direction from #13 to Structure: North
3. Application for: New Construction Alteration Existing  4 Duration: Permanent Temporary (Months Days )  5 Work Schedule: Start 12/1/2007 End 12/15/2007  6 Type: Antenna Tower Crane Building Power Line Landfill Water Tank Other Marking/Painting and/or Lighting Preferred:    Red Lights and Paint Dual - Red & Medium Intensity White White - Medium Intensity Dual - Red & High Intensity White Other Dual - Red & High Intensity White Dual - Red & High Intensity White High Intensity Other The structure will include a 300' tower with top-mounted cellular antennal Control of Proposal:	16 Site Elevation (AMSL):  1,340 00 Feet  17 Total Structure Height (AGL):  18 Overall Height (#16 + #17) (AMSL):  1,655.00 Feet  19 Previous FAA and/or Kentucky Aeronautical Study Number(s):  20 Description of Location: (Attach USGS 7 5 minute Quadrangle Map or an Airport layout Drawing with the precise site marked and any certified survey)  Site is located approx 2 6 mi (4 2 km) ENE of Wrigley (Morgan), KY
22 Has a "NOTICE OF CONSTRUCTION OR ALTERATION" (FAA Form 7460-1	
All Kuzehkanani/Dir of Engineering Printed Name and Title  PENALTIES: Persons falling to comply with Kentucky Revised Statutes (KRS 10 050:Series) are liable for fines and/or imprisonment as set forth in KRS 183 990(3	11/16/2007 Date  33.861 through 183.990) and Kentucky Administrative Regulations (602 KAR
Commission Action:	rman. KAZC Administrator, KAZC
☐ Disapproved	Date

#### Notice of Proposed Construction or Alteration (7460-1)

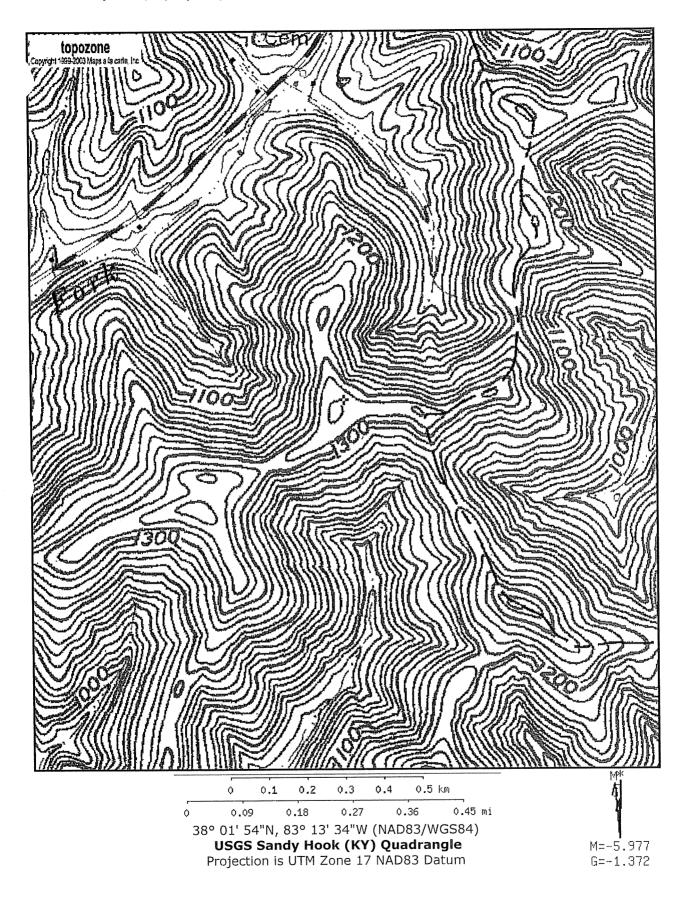
Project Name: EAST -000082397-07	Sponsor: East Kentucky Network, LLC	į

#### **Details for Case: Wrigley**

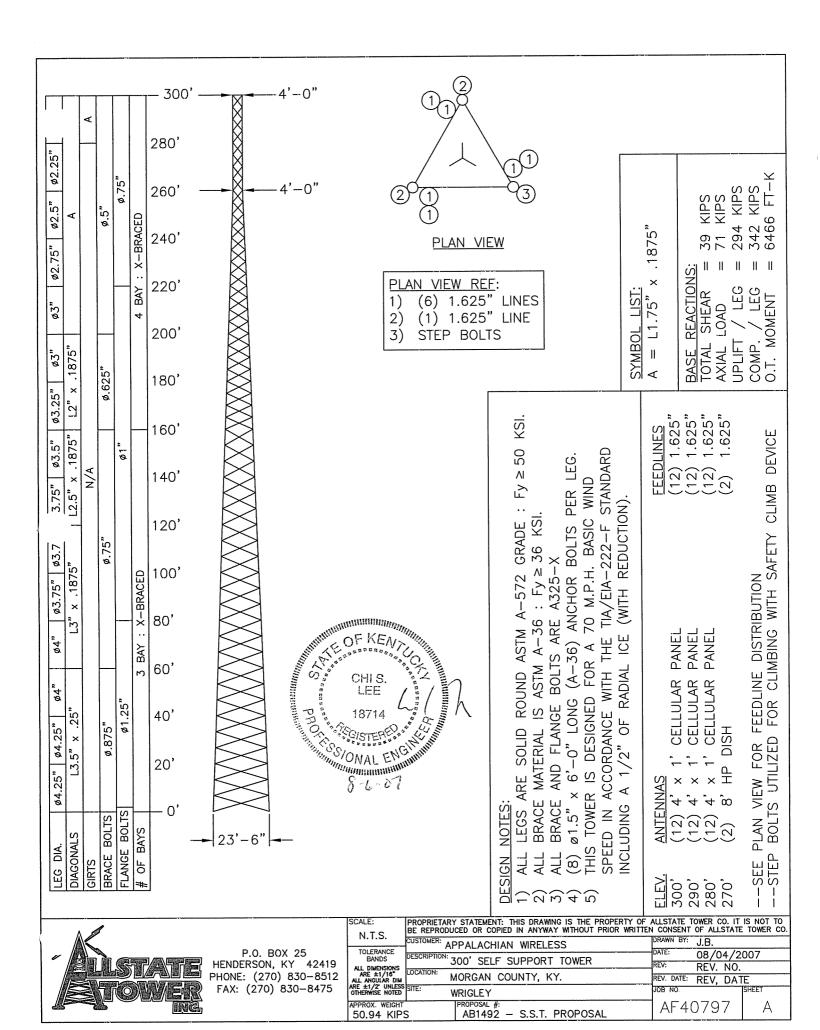
Show Project Summary

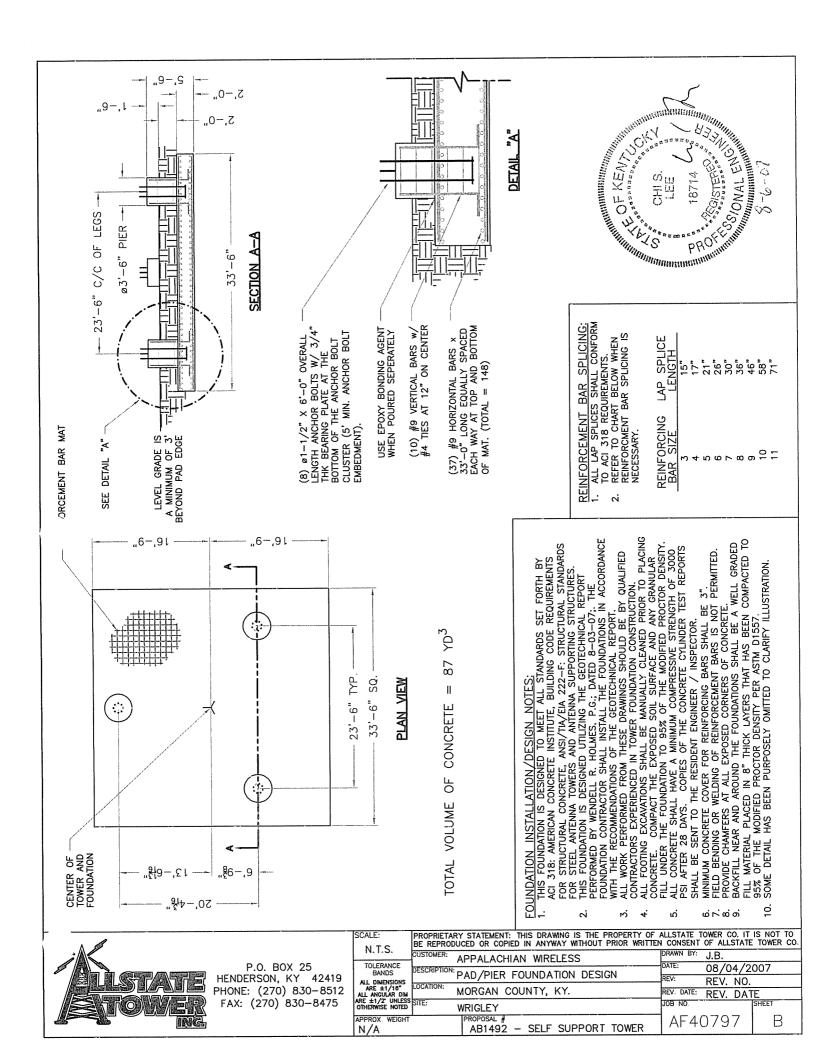
Case Status								
ASN: 2007-AS	O-6558-OE	Date Accepted:	11/16/2007					
Status: Accepted	ı.	Date Determined:						
		Letters:	None					
Construction / Alteration Information		Structure Summary						
Notice Of:	Construction	Structure Type:	Tower					
Duration:	Permanent	Structure Name:	Wrigley					
if Temporary: Months: Days:		FCC Number:						
Work Schedule - Start: 12/01/2007		Prior ASN:						
Work Schedule - End:	12/15/2007							
State Filing:	Filed with State							
Structure Details		Common Frequen	cy Bands					
Latitude:	38° 1' 53.9" N	Low Freq 806	High Freq 824	Freq Unit MHz	ERP 500	ERP Un		
Longitude:	000 401 04 411 141	824	849	MHz	500	W		
Longitude.	83° 13' 34.4" W					W		
-		851	866 894	MHz MHz	500 500	w		
Horizontal Datum:	NAD83	851 869 896	894 901	MHz MHz	500 500	w		
Horizontal Datum:		851 869 896 901	894 901 902	MHz MHz MHz	500 500 7	W W W		
Horizontal Datum: Site Elevation (SE):	NAD83 1340 (nearest foot)	851 869 896	894 901	MHz MHz	500 500	w		
Horizontal Datum: Site Elevation (SE): Structure Height (AGL)	NAD83 1340 (nearest foot) 315 (nearest foot)	851 869 896 901 930 931	894 901 902 931 932 932.5	MHz MHz MHz MHz MHz MHz	500 500 7 3500 3500 17	W W W W W dBW		
Horizontal Datum: Site Elevation (SE): Structure Height (AGL) Marking/Lighting:	NAD83 1340 (nearest foot) ): 315 (nearest foot) Dual-red and medium intensity	851 869 896 901 930 931 932 935	894 901 902 931 932 932.5 940	MHz MHz MHz MHz MHz MHz MHz	500 500 7 3500 3500 17 1000	W W W W W dBW W		
Horizontal Datum: Site Elevation (SE): Structure Height (AGL)	NAD83 1340 (nearest foot) ): 315 (nearest foot) Dual-red and medium intensity	851 869 896 901 930 931 932 935	894 901 902 931 932 932.5 940	MHz MHz MHz MHz MHz MHz MHz MHz	500 500 7 3500 3500 17 1000 3500	W W W W W dBW W		
Horizontal Datum: Site Elevation (SE): Structure Height (AGL) Marking/Lighting: Other	NAD83 1340 (nearest foot) ): 315 (nearest foot) Dual-red and medium intensity	851 869 896 901 930 931 932 935 940 1850 1930	894 901 902 931 932 932.5 940	MHz MHz MHz MHz MHz MHz MHz	500 500 7 3500 3500 17 1000	W W W W W dBW		
Horizontal Datum: Site Elevation (SE): Structure Height (AGL) Marking/Lighting: Other Nearest City:	NAD83 1340 (nearest foot) ): 315 (nearest foot) Dual-red and medium intensity :	851 869 896 901 930 931 932 935 940 1850 1930 2305	894 901 902 931 932 932.5 940 941 1910 1990 2310	MHz MHz MHz MHz MHz MHz MHz MHz MHz MHz	500 500 7 3500 3500 17 1000 3500 1640 1640 2000	W W W W dBW W W		
Horizontal Datum: Site Elevation (SE): Structure Height (AGL) Marking/Lighting:	NAD83 1340 (nearest foot) ): 315 (nearest foot) Dual-red and medium intensity r: Wrigley	851 869 896 901 930 931 932 935 940 1850 1930	894 901 902 931 932 932.5 940 941 1910 1990 2310 2360	MHz MHz MHz MHz MHz MHz MHz MHz MHz MHz	500 500 7 3500 3500 17 1000 3500 1640 1640	W W W W dBW W W W		

1 of 1 11/16/2007 10:42 AM



1 of 1 11/16/2007 10:21 AM





## LUKAS, NACE, GUTIERREZ & SACHS

CHARTERED

1650 TYSONS BOULEVARD, SUITE 1500 MCLEAN, VIRGINIA 22102 703 584 8678 • 703 584 8696 FAX

WWW FCCLAW COM

RUSSELL D. LUKAS
DAVID L. NACE
THOMAS GUTIERREZ\*
ELIZABETH R. SACHS\*
GEORGE L. LYON, JR
PAMELA L. GIST
DAVID A. LAFURIA
TODD SLAMOWITZ\*
B. LYNN F. RATNAVALE\*
STEVEN M. CHERNOFF\*
KATHERINE PATSAS\*

CONSULTING ENGINEERS
ALI KUZEHKANANI
LEILA REZANAVAZ

OF COUNSEL
LEONARD S KOLSKY\*
JOHN CIMKO\*
J K HAGE III\*
JOHN J MCAVOY\*
HON GERALD S MCGOWAN\*
TAMARA DAVIS-BROWN\*

\*NOT ADMITTED IN VA

Writers Direct Dial (703) 584-8667 akuzehkanani@fcclaw.com

November 16, 2007

#### Via U.S. Mail

EXPRESS PROCESSING CENTER Federal Aviation Administration Southwest Regional Office Air Traffic Airspace Branch, ASW-520 2601 Meacham Blvd. Fort Worth, TX 76137-4298

Dear FAA Evaluator:

Enclosed is an FAA Form 7460-1 (Notice of Proposed Construction or Alteration) for a new 315' communications tower structure (300' tower plus 15' antenna/lightning rod) near Wrigley (Morgan), Kentucky. The site ("Wrigley") is approximately 2.6 mi (4.2 kilometers) ENE of Wrigley.

The proponent, East Kentucky Network, LLC, is the licensee for Cellular Block B service in Kentucky 9 - Elliot Rural Service Area (KY9B RSA), Market No. 451B. Transmit technology to be employed at this station is CDMA in the Cellular Band B frequency band (880 -890 MHz and 891 - 894 MHz); the maximum ERP is 500 Watts.

The transmitting systems at this site will be installed and maintained such that transmitter spurious radiation in the frequency range of 118 MHz to 137 MHz is attenuated at least 71 dB below the unmodulated carrier level.

Should you have any questions or require additional information, please do not hesitate to call the undersigned at the above identified telephone number.

Sincerely, Alexander

Ali Kuzehkanani

Director of Engineering

Enclosure

cc:

East Kentucky Network, LLC

Attention: Paul Delong and Gerald Robinett

#### Notice of Proposed Construction or Alteration (7460-1)

Project Name: EAST -000082397-07 Sponsor: East Kentucky Network, LLC

#### Details for Case: Wrigley

Show Project Summary

Case Status								
SN: 2007-ASO-6558-OE		Date Accepted:	11/16/2007	,				
Status: Accepted		Date Determined:						
		Letters:	None					
Construction / Alteration Information		Structure Summary						
Notice Of:	Construction	Structure Type:	Tower					
Duration:	Permanent	Structure Name:	Wrigley					
if Temporary: Months: Days:		FCC Number:						
Work Schedule - Start: 12/01/2007		Prior ASN:						
Work Schedule - End:	12/15/2007							
State Filing:	Filed with State							
Structure Details		Common Frequen	cy Bands					
Latitude:	38° 1′ 53.9″ N	Low Freq 806	High Freq 824	Freq Unit MHz	ERP 500	ERP Uni		
Longitude:	83° 13' 34.4" W	824	849	MHz	500	W		
Horizontal Datum:	NAD83	851 869	866 894	MHz MHz	500 500	W W		
		896	901	MHz	500	W		
Site Elevation (SE):	1340 (nearest foot)	901	902	MHz	7	W W		
Structure Height (AGL):	315 (nearest foot)	930 931	931 932	MHz MHz	3500 3500	W		
		932	932.5	MHz	17	dBW		
Marking/Lighting:	Dual-red and medium intensity	935	940	MHz	1000	W		
Other:		940	941	MHz	3500	w		
Nearest City:	Wrigley	1850 1930	1910 1990	MHz MHz	1640 1640	W W		
Hearest City:	whytey	2305	2310	MHz	2000	ŵ		
Nearest State:	Kentucky	2345	2360	MHz	2000	W		
Description of Location:	Site is located approx. 2.6 ml ENE of Wrigley (Morgan), KY	Specific Frequencies						
Description of Proposal:	A new 300' tower with top-mounted antennas for an overall height of 315' AGL.							

1 of 1 11/16/2007 10:42 AM

FINANCIAL REPORT

**December 31, 2006** 

## CONTENTS

	Page
INDEPENDENT AUDITOR'S REPORT ON THE FINANCIAL STATEMENTS	1
FINANCIAL STATEMENTS	
Balance sheets Statements of income Statements of members' equity Statements of cash flows Notes to financial statements	2 3 4 5-6 7-13
INDEPENDENT AUDITOR'S REPORT ON THE SUPPLEMENTARY INFORMATION	14
SUPPLEMENTARY INFORMATION	
Statement of income detail	15 and 16



#### INDEPENDENT AUDITOR'S REPORT

To the Members East Kentucky Network, LLC dba Appalachian Wireless Ivel, Kentucky 41642

We have audited the accompanying balance sheets of East Kentucky Network, LLC, dba Appalachian Wireless as of December 31, 2006 and 2005 and the related statements of income, members' equity and cash flows for the years then ended. These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audits.

We conducted our audits in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for our opinion.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of East Kentucky Network, LLC, dba Appalachian Wireless as of December 31, 2006 and 2005 and the results of its operations and its cash flows for the years then ended in conformity with accounting principles generally accepted in the United States of America.

Louisville, Kentucky

Jones. Male : Mattingly Pic

March 15, 2007



## BALANCE SHEETS December 31, 2006 and 2005

ASSETS	2006	2005
CURRENT ASSETS Cash and cash equivalents Short-term investments Accounts receivable, less allowance for doubtful accounts of \$567,790 in 2006 and \$375,856 in 2005 Accounts receivable, members (Notes 5 and 6) USF receivable (Note 7) Inventory Prepaid expenses Total current assets	\$ 2,818,346 46,271 2,802,673 37,612  1,584,039 173,657 \$ 7,462,598	\$ 1,046,669 43,803 1,560,267 3,149 589,913 1,056,766 143,547 \$ 4,444,114
PROPERTY, PLANT AND EQUIPMENT (Note 3)  Plant in service:     General support     MTSO equipment     Cell equipment     Paging equipment     Fiber ring     Unfinished plant  Less accumulated depreciation	\$ 18,914,927 13,354,875 39,339,797 3,321,068 6,471,128 657,524 \$ 82,059,319 33,358,066 \$ 48,701,253	\$ 10,633,736 11,934,434 34,785,982 3,320,416 6,245,412 3,992,696 \$ 70,912,676 27,810,940 \$ 43,101,736
OTHER ASSETS Investment in affiliated company, RTFC (Note 3) Intangible assets, net of accumulated amortization of \$2,646,913 in 2006 and \$2,179,654 in 2005 (Note 2) Other	\$ 862,394 4,497,032 27,550 \$ 5,386,976 \$ 61,550,827	\$ 875,133 4,623,855 28,669 \$ 5,527,657 \$ 53,073,507

LIABILITIES AND MEMBERS' EQUITY		2006	 2005
CURRENT LIABILITIES			
Current maturities of long-term debt (Note 3)	\$	1,200,000	\$ 48,033
Accounts payable		1,166,909	851,643
Accounts payable, member (Notes 5 and 6)		2,899	2,936
Accrued expenses		2,113,530	1,457,463
Accrued state corporation taxes		232,157	85,989
Customer deposits		317,603	291,380
Total current liabilities	\$	5,033,098	\$ 2,737,444
LONG-TERM DEBT, less current maturities (Note 3)		13,000,000	13,297,220
MEMBERS' EQUITY	4	43,517,729	37,038,843

\$ 61,550,827 \$ 53,073,507

## STATEMENTS OF INCOME Years Ended December 31, 2006 and 2005

	2006	2005
REVENUE	Φ 04 1 π 6 200	ф. <b>2</b> 0.000 570
Retail	\$ 24,156,320	\$ 20,908,570
Roamer	6,964,309	6,868,904 177,350
Long distance	155,046 852,011	•
Paging  Environment released by large	2,922,817	1,039,429 2,152,962
Equipment sales, cellular	2,922,817	57,632
Equipment sales, paging Other	3,065,078	2,359,809
Total revenue	\$ 38,143,475	\$ 33,564,656
EXPENSES		
Cost of cellular service	\$ 7,888,446	\$ 7,924,553
Cost of paging service	411,177	510,665
Cost of equipment sales, cellular	6,813,457	4,912,998
Cost of equipment sales, paging	58,755	78,428
Customer service	1,330,573	1,208,726
Billing	1,097,834	1,200,135
Selling	2,703,570	2,131,009
Maintenance	1,267,034	1,042,844
Utilities	454,008	354,870
Bad debts	800,268	672,263
Recovery of bad debts	(90,925)	(120,673)
Cell site rental	158,500	135,012
Taxes	565,271	257,247
Advertising	1,574,298	1,139,697
General and administrative	2,238,348	2,249,226
Occupancy	334,981	359,928
Depreciation	5,541,628	4,635,200
Amortization	508,526	495,241
Total expenses	\$ 33,655,749	\$ 29,187,369
Income from operations	\$ 4,487,726	\$ 4,377,287
OTHER INCOME (EXPENSE)		
Interest income	\$ 49,052	\$ 23,915
Interest expense	(821,277)	(795,898)
Universal Service Fund income (Note 7)	3,716,602	589,913
Impairment of goodwill (Note 8)		(331,286)
	\$ 2,944,377	\$ (513,356)
Income before taxes	\$ 7,432,103	\$ 3,863,931
Kentucky corporation tax expense	399,157	170,197
Net income	\$ 7,032,946	\$ 3,693,734

The Notes to Financial Statements are an integral part of these statements.

## STATEMENTS OF MEMBERS' EQUITY Years Ended December 31, 2006 and 2005

					Peoples Rural	
					Telephone	
		Gearhart	Mountain		Coop-	
		Communi-	Tele-	Thacker-	erative	
	Cellular	cations	communi-	Grigsby	Corp-	
	Services,	Company,	cations,	Telephone	oration,	
	Inc.	Inc.	Inc.	Co., Inc.	Inc.	Total
Balance, January 1, 2005	\$ 6,781,309	\$ 6,781,309	\$ 6,781,309	\$ 6,781,309	\$ 6,781,308	\$33,906,544
Net income	738,747	738,747	738,747	738,746	738,747	3,693,734
Capital distributions	(112,287)	(112,287)	(112,287)	(112,287)	(112,287)	(561,435)
Balance, December 31, 2005	\$ 7,407,769	\$ 7,407,769	\$ 7,407,769	\$ 7,407,768	\$ 7,407,768	\$37,038,843
Net income	1,406,589	1,406,589	1,406,589	1,406,590	1,406,589	7,032,946
Capital distributions	(110,812)	(110,812)	(110,812)	(110,812)	(110,812)	(554,060)
Balance, December 31, 2006	\$ 8,703,546	\$ 8,703,546	\$ 8,703,546	\$ 8,703,546	\$ 8,703,545	\$43,517,729

## STATEMENTS OF CASH FLOWS Years Ended December 31, 2006 and 2005

	2006	2005
CASH FLOWS FROM OPERATING ACTIVITIES		
Net income	\$ 7,032,946	\$ 3,693,734
Adjustments to reconcile net income to net cash provided		
by operating activities:		
Depreciation	5,541,628	4,635,200
Amortization	508,526	495,241
Impairment of goodwill	77	331,286
Changes in assets and liabilities, net of the effects		
of investing and financing activities:		
(Increase) in accounts receivable	(1,242,406)	(78,367)
Decrease in accounts receivable, members	(34,463)	51,248
(Increase) decrease in USF receivable	589,913	(589,913)
(Increase) in inventory	(527,273)	(230,130)
(Increase) decrease in prepaid expenses	(30,110)	5,012
(Increase) decrease in other assets	13,858	(646)
Increase (decrease) in accounts payable	315,266	(291,123)
Increase (decrease) in accounts payable, member	(37)	2,332
Increase in accrued expenses	656,067	339,038
Increase in accrued state corporation taxes	146,168	85,989
Increase in customer deposits	26,223	139,030
Net cash provided by operating activities	\$ 12,996,306	\$ 8,587,931
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of property, plant and equipment	\$ (11,182,411)	\$ (11,469,668)
Purchase of intangible assets	(340,437)	(299,159)
Proceeds from sale of short-term investments	(2,468)	56,197
Net cash (used in) investing activities	\$ (11,525,316)	\$ (11,712,630)
CASH FLOWS FROM FINANCING ACTIVITIES		
Capital distributions	\$ (554,060)	\$ (561,435)
Proceeds from long-term borrowings	14,200,000	3,450,000
Payments on long-term borrowings	(13,345,253)	(832,731)
Net cash provided by financing activities	\$ 300,687	\$ 2,055,834
Net increase (decrease) in cash and cash equivalents	\$ 1,771,677	\$ (1,068,865)
Cash and cash equivalents:		
Beginning	1,046,669	2,115,534
Ending	\$ 2,818,346	\$ 1.046,669

## STATEMENTS OF CASH FLOWS (Continued) Years Ended December 31, 2006 and 2005

GUDDI EMENTAL DIGGLOGUDE OF CAGUELOW INFORMATION	2006	2005
SUPPLEMENTAL DISCLOSURE OF CASH FLOW INFORMATION  Cash payments for interest	\$ 866,941	\$ 788,610
Cash payments for state corporation taxes	\$ 167,000	\$ 84,207
SUPPLEMENTAL SCHEDULE OF NONCASH INVESTING AND FINANCING ACTIVITIES Settlement of note payable from impairment of goodwill	\$	\$ 400,000
Settlement of accrued interest from impairment of goodwill	\$	\$ 56,000

#### NOTES TO FINANCIAL STATEMENTS

#### Note 1. Summary of Significant Accounting Policies

#### Nature of operations

East Kentucky Network, LLC, dba Appalachian Wireless, is a Kentucky limited liability company formed by the merger of Appalachian Cellular, LLC, Mountaineer Cellular, LLC and East Kentucky Network, LLC on January 1, 2000. The Company is engaged in cellular telephone communications and paging services to residential and commercial customers located in eastern Kentucky. The Company's five members consist of Cellular Services, Inc.; Gearheart Communications Company, Inc.; Mountain Telecommunications, Inc.; Peoples Rural Telephone Cooperative Corporation, Inc.; and Thacker-Grigsby Telephone Co., Inc.

#### Cash

The Company maintains its cash balances, which exceed the \$100,000 federally insured limit, with several financial institutions. These financial institutions have strong credit ratings and management believes that credit risk related to the accounts is minimal.

#### Cash equivalents

For purposes of the statement of cash flows, the Company considers temporary investments having a maturity of three months or less to be cash equivalents.

#### Short-term investments

Certificates of deposit having original maturities between three and nine months are classified as short-term investments, are carried at cost, which approximates fair value, and are held to maturity.

#### Inventory

Inventory is composed of cellular telephone equipment, paging equipment, and accessories purchased for resale during the ordinary course of business. The inventory is valued at the lower of cost or market, cost being determined by the first-in, first-out (FIFO) method.

#### Property, plant and equipment

Property, plant and equipment are recorded at cost. Depreciation is provided using the straight-line method over the estimated useful lives of the assets.

#### Investment

The investment in affiliated company is composed of equity certificates in Rural Telephone Finance Cooperative and is reported at cost, which approximates fair value.

#### Note 1. Summary of Significant Accounting Policies (Continued)

#### Intangible assets

The customer lists, non-compete agreements, FCC licenses, and use of name are recorded at cost and are being amortized over 15 years by the straight-line method. The excess cost over the fair value of the net assets acquired (goodwill) related to paging acquisitions is measured for impairment on an annual basis, and written down, if necessary, to its estimated value at that time. During the prior year, the Company expensed the remaining balance of goodwill as an impairment (see Note 8).

#### Recognition of revenue

Cellular service and paging revenues are recognized when earned. Monthly access and feature charges are billed one month in advance and recognized as revenue the following month. Revenue from telephone and accessories sold are recognized as revenue upon delivery to the customer.

#### Advertising

Advertising costs are expensed as incurred. At December 31, 2006 and 2005, these costs were \$1,574,298 and \$1,139,697, respectively.

#### Income taxes

Under existing provisions of the Internal Revenue Code, the income or loss of a limited liability company is recognized by the members for income tax purposes. Accordingly, no provision for federal income taxes has been provided for in the accompanying financial statements. Effective for years beginning on or after January 1, 2005, the State of Kentucky enacted legislation which now provides for the taxation of limited liability companies' at the entity level. The accompanying financial statements include the related state tax liability under the new regulations.

#### Use of estimates

Management uses estimates and assumptions in preparing financial statements. Those estimates and assumptions affect the reported amounts of assets and liabilities, the disclosure of contingent assets and liabilities, and the reported revenues and expenses.

Note 2. Intangible Assets

Intangible assets consist of the following at December 31, 2006:

	Gross Amount		Accumulated Amortization	
Customer lists	\$	5,363,530	\$ (2,152,951)	
Non-compete agreements		220,348	(121,577)	
FCC licenses		1,141,593	(330,542)	
Use of name		10,000	(4,334)	
Other		408,474	(37,509)	
	\$	7,143,945	\$ (2,646,913)	

Intangible assets consist of the following at December 31, 2005:

		Gross	Accumulated
	-	Amount	Amortization
Customer lists	\$	5,363,530	\$ (1,795,634)
Non-compete agreements		220,348	(106,898)
FCC licenses		1,141,593	(264,446)
Use of name		10,000	(3,668)
Other		68,038	(9,008)
	\$	6,803,509	\$ (2,179,654)

Aggregate amortization expense related to these intangible assets for the years ended December 31, 2006 and 2005 totaled \$467,259 and \$437,982, respectively. The following represents the total estimated amortization of intangible assets for each of the succeeding five years:

## Year ending December 31:

2006		\$ 450,000
2007		450,000
2008		450,000
2009		450,000
2010		450,000

Note 3. Long-Term Debt

Long-term debt consists of the following at December 31:

	2006	2005
Note payable, Fifth Third Bank (a)		
Dated 02/28/06, variable rate		
(5.41% at 12/31/06)	\$ 14,200,000	\$
Notes payable, RTFC (b)		
Dated 11/13/97, variable rate		
Paid in full 03/01/06	No.	194,957
Dated 11/13/97, variable rate		
Paid in full 03/01/06	NA NA	899,406
Dated 11/13/97, fixed rate		
Paid in full 03/01/06		727,521
Dated 12/31/98, fixed rate		
Paid in full 03/01/06		618,521
Dated 02/13/01, variable rate		
Paid in full 03/01/06		786,457
Dated 02/13/01, variable rate		
Paid in full 03/01/06	·····	932,200
Dated 07/27/01, variable rate		
Paid in full 03/01/06	·	2,845,311
Lines of Credit, RTFC		
Line of credit, variable rate (c)		
Paid in full 03/01/06		5,000,000
Line of credit, variable rate (d)		
Paid in full 03/01/06		1,750,000
Line of Credit, Fifth Third Bank (e)		
Due 03/28/08, variable rate	- ~	
(5.41% at 12/31/06)		
	\$	\$ 13,754,373

- (a) On February 28, 2006, the Company borrowed \$14,200,000 to restructure its debt. The note is payable in 10 annual installments of \$1,200,000 for 2007, \$1,400,000 for 2008 through 2012, and \$1,500,000 for 2013 through 2016, with a variable interest rate. The note is collateralized by the assets of the Company.
- (b) The notes payable to Rural Telephone Finance Cooperative (RTFC) were secured by mortgage and security agreements that include substantially all of the assets of the Company. In addition, the Company was required to purchase equity certificates in RTFC equal to 5% of the total amounts borrowed. The notes were payable in quarterly installments over 15 years with interest at variable or fixed rates set by RTFC. The notes were paid in full on March 1, 2006.

#### Note 3. Long-Term Debt (Continued)

- (c) The line of credit agreement with RTFC provided for borrowings up to \$5,000,000. The agreement carried an interest rate at prime, plus one and one-half percent, was unsecured and was renewed June 28, 2004 for 24 months. The line of credit was paid in full on March 1, 2006.
- (d) The line of credit agreement with RTFC provided for borrowings up to \$2,000,000. The agreement carried an interest rate at prime, plus one and one-half percent, was unsecured and due May 16, 2006. The line of credit was paid in full on March 1, 2006.
- (e) The line of credit agreement with Fifth Third Bank provides for borrowing up to \$3,000,000. The agreement carries a variable interest rate, is secured by certain assets of the company, and is due March 28, 2008.

Approximate maturities or payments required on principal under note payable agreements for each of the succeeding five years are as follows:

#### Year ending December 31:

2006	\$ 1,200,000
2007	1,400,000
2008	1,400,000
2009	1,400,000
2010	1,400,000

#### Note 4. Retirement Plans

The Company has a 401(k) plan for qualifying employees who have reached twenty-one years of age. Eligible employees are allowed to invest up to 15% of their compensation and the Company has agreed to match 100% of the first 3% of the employees' contribution and 50% of the employees' contribution between 3% and 5%. The Company contributed \$73,607 and \$67,460 matching funds for its 401(k) plan during the years ended December 31, 2006 and 2005, respectively.

The Company also offers an employer sponsored retirement savings plan for qualified employees who have reached twenty-one years of age. The Company has agreed to contribute 9% of the eligible employee's compensation, plus an additional 5% of the original contribution.

The Company contributed \$259,859 and \$221,669 to its retirement savings plan during the years ended December 31, 2006 and 2005, respectively.

#### Note 5. Related Party Transactions

The Company shares personnel with one of its members. The Company paid \$114,996 and \$132,681 for shared personnel during the years ended December 31, 2006 and 2005 respectively. The Company also leased offices and warehouse space from two members. The leases are for an unspecified length of time. The monthly lease payments total approximately \$7,000. In addition, the Company incurred interconnection and telephone charges from its members aggregating \$752,095 and \$786,283 for the years ended December 31, 2006 and 2005, respectively.

The Company leases two cellular tower sites from the officers and majority shareholders of a member for \$100 per month for each site. The leases are for an unspecified length of time. In addition, the Company leases two other sites from a company owned by this member for \$600 each on a month to month basis.

The Company leases cellular tower sites from the parent company of one of its other members for \$1,039 per month. The leases are for five years with options to renew.

The Company pays commissions to two of it members for phone sales to customers. The amount of commissions paid to related parties was \$45,484 and \$43,873 for 2006 and 2005 respectively.

#### Note 6. Operating Leases

The Company has entered into operating leases with its members and other customers to provide fiber optic transmission capacity and ancillary services. The terms of these leases are for 15 years.

Total rental income earned from these operating lease commitments included in the statements of income were \$1,130,809 and \$1,254,902 for the years ended December 31, 2006 and 2005, respectively. Rental income earned from the Company's members from these leases was \$631,789 and \$713,599 for the years ended December 31, 2006 and 2005, respectively.

Investments in operating leases are as follows at December 31:

	-	2006	 2005
Fiber ring	\$	6,471,128	\$ 6,245,412
Accumulated depreciation		(982,379)	(773,028)
	\$	5,488,749	\$ 5,472,384

The future minimum rental payments expected to be received under these lease agreements for each of the succeeding five years are approximately \$700,000 each year based upon new contracts negotiated during 2005.

#### Note 6. Operating Leases (Continued)

The Company has also entered into lease agreements with its members to obtain fiber optic transmission and digital microwave transmission services. The terms of these leases are for 15 years.

Rental expenses incurred under these operating lease commitments included in the statements of income were \$194,083 and \$33,329 for the years ended December 31, 2006 and 2005, respectively. The future minimum lease payments required under these lease agreements for each of the succeeding five years are \$115,734 each year.

#### Note 7. Eligible Telecommunication Carrier

During the prior year, the Company was granted Eligible Telecommuniation Carrier (ETC) status by the Kentucky Public Service Commission. As an ETC, the Company receives funding from the federal Universal Service Fund (USF) to support the high cost of providing local telephone service in rural areas. USF payments amounted to \$3,716,602 and \$589,913 for 2006 and 2005 respectively.

#### Note 8. Impairment of Goodwill

During 2005, the Company completed its annual valuation of the acquired goodwill related to paging acquisitions. Pursuant to the valuation, the Company expensed the remaining balance of goodwill. In management's judgment, the underlying assets associated with the goodwill were determined to be of substantially less value than the amount originally paid. The Company disputed the amount based upon the estimated current market value of the purchased customer lists, which approximates the current amortized book value. Accordingly, the entire balance of the remaining note payable issued as part of the acquisitions, along with the related accrued interest, has been written off due to the impairment of goodwill.

The following is a summary of the impairment of goodwill expense included in the financial statements for the year ended December 31, 2005:

Goodwill	\$	787,286
Note payable		(400,000)
Accrued interest		(56,000)
	\$	331,286
	***************************************	

# DIRECTIONS TO WRIGLEY TOWER MORGAN COUNTY KENTUCKY

Starting in front of the Morgan County Courthouse, West Liberty, Kentucky on U S Route 460 going North.

Follow Rt. 460 a distance of one tenth (.1) mile to the junction of Rt. 460 and Route 7.

Take Route 7 North and follow it for a distance of 10.8 miles.

Turn right onto a gravel road and follow that road to the tower site, a distance of .7 tenths miles.

Total distance is 11.6 miles.

Directions provided by;

Dennis Shepherd Thacker-Grigsby Telephone Co. P O BOX 789 Hindman, Kentucky 41822

Phone; 606-785-2215 Cell Phone; 606-791-6263

LODGED FOR RECORD MORGAN COUNTY CLERK

JUN 122007
TIME: 3007
RANDY WILLIAMS, GLERK

#### **DEED OF CONVEYANCE**

THIS DEED OF CONVEYANCE, entered into this \_\_\_\_\_\_\_, day of \_\_\_\_\_\_\_, 2007, between Emory Cecil Smith and Lois Smith, married, Grantors, of 12154 Highway 7, West Liberty, Kentucky 41472, and East Kentucky Network, LLC, d/b/a Appalachian Wireless, 101 Technology Trail, Ivel, Kentucky 41642, Grantee:

#### WITNESSETH:

That said Grantors for and in consideration of the sum of Ten Thousand Dollars (\$10,000.00), cash in hand paid, the receipt and sufficiency of which is hereby acknowledged, do hereby grant, sell and convey to the Grantee, its successors and assigns, the following described property, to-wit:

BEING a part of the same property conveyed from Hannah Smith, widow to Emory Cecil Smith dated October 13, 1987 of record in Deed Book 145, Page 738, Morgan County Clerk's Office.

BEING the same property described by metes and bounds in the description attached hereto and made a part hereof as Exhibit "A", and as shown on the plat dated 3rd day of May, 2007, prepared by Randal Coleman, Licensed Land Surveyor, and attached hereto and made a part hereof as Exhibit "B."

Grantors grant and convey unto Grantee, its successors or assigns, a permanent easement and right of way for a roadway of sufficient width for ingress and egress with men, vehicles, equipment and machinery over and across Grantors' retained surface property to the tract or parcel of land granted and conveyed herein to Grantee, its successors and assigns together with the right to reconstruct or use any existing roadways over Grantors' retained surface for such purposes.

Grantors grant and convey unto Grantee, its successors or assigns, an easement and right of way to construct and maintain any and all power lines, telephone lines, co-axial

lines or any other utilities or related facilities needed and/or necessary for use by Grantee, its successors or assigns, over and across Grantors' retained surface property to the tract or parcel of land granted and conveyed herein to Grantee, its successor and assigns.

Grantors further grant and convey unto Grantee, its successors and assigns, the right to remove any trees, tree limbs, undergrowth or obstructions upon Grantors' retained surface property that might interfere with or damage any towers or structures that Grantee, its successors or assigns, may place upon the above described tract of land, or with the easements and rights of way granted herein.

TO HAVE AND TO HOLD the same with all appurtenances thereunto belonging unto the Grantee, its successors and assigns forever, with covenant of General Warranty.

We, the undersigned, do hereby certify and swear pursuant to KRS Chapter 382, that the full and complete consideration paid for the transfer of the hereinabove described property was Ten Thousand Dollars (\$10,000.00).

INTESTIMONY WHEREOF, the parties have hereunto subscribed their names, this day and year aforesaid.

**GRANTORS:** 

Emory Cecil Smith

Lois Smith

**GRANTEE:** 

EAST KENTUCKY NETWORK, LLC d/b/a APPALACHIAN WIRELESS

ITS: Canana / Manager (CE)

# STATE OF KENTUCKY

Certificate was this day produced, acknow	, a Notary Public in and for the County and oregoing Deed of Conveyance and Consideration eledged, subscribed and sworn before me in the ory Cecil Smith and Lois Smith, Grantors,  NOTARY PUBLIC Commission Expires: 27, 32-2009
Certificate was this day produced, acknowledge	a Notary Public in and for the county and state egoing Deed of Conveyance and Consideration ledged, subscribe and sworn to before me in said ntucky Network, LLC, d/b/a Appalachian
County and State and signed by East Ker Wireless, by Gerald F. Robinette , 2007.  STATE LARGE KENTUCKY JUNE , 2007.  STATE LARGE KENTUCKY JUNE , 2007.  STATE LARGE KENTUCKY JUNE , 2007.	NOTARY PUBLIC Commission Expires: Jure 22, 2009
WILLIAM S. KENDRICK, ATTORNEY FRANCIS, KENDRICK & FRANCIS P.O. Box 268 Prestonsburg, Kentucky 41653 606/886-2812	

# STATE OF KENTUCKY

# COUNTY OF MORGAN

# Clerk's Certificate of Lodgment and Record

	I,					, Clerl	c of the	e Cou	nty fo	or the Co	untya	and
State	aforesaid,	certify	that	the	foregoing	Deed	was	on	the		day	of
		, 2007	lodge	dfor	record, whe	reupon	the sa	me,	with t	he foreg	oing a	and
this ce	ertificate hav	ve been d	luly re	$\operatorname{cord}\epsilon$	ed in my off	ice.						
					4	c						
	WIT	'NESS m	y han	d, this	s day	of				, 2007.		
											Cl	erk
					By						D	.C.

# **Emory Cecil Smith**

#### **LOT #1**

Lying and being on Road Fork in Morgan County near Redwine and bounded as follows:

Beginning on a #5 rebar (found/cap #2735-2652) at the base of a dead marked 20" chestnut oak, said point being the Northwest corner of the Maurice Newsom tract and also a corner to Mike Ross Inc., and also a corner to Gary Bishop and being on the top of the ridge between Road Fork and the North Fork of the Licking River, thence with Bishop's line down the center of the point, NE 01°07'42", 74.91' to a #4 rebar (set/cap#2437) at the base of a 20" chestnut oak in the old fence line, thence NW 13°32'48", 89.37' to a #4 rebar (set/cap#2437) at the base of a 24" chestnut oak in the old fence line and the line of Emory Cecil Smith, thence down the hill with said Smith's line, NE 88°32'52", 189.66' to a #4 rebar (set/cap#2437), thence up the hill SW 24°26'32", 104.40' to a #4 rebar (set/cap#2437), thence SW 24°26'32", 62.13' to a #4 rebar (set/cap#2437) at the base of a 16" White Oak in the old fence line on the top of the ridge, witness a found GPS point SE 70°30'03", 5.12' (Coordinates N:2268430.56, E:2367345.22, el: 1339.33'), thence with the top of the ridge SW 81°34'55", 102.34' to the beginning containing 0.50 acres.

Randall L. Coleman PLS #2437

"Exhibit A"

STATE OF KENTUCKY COUNTY OF MORGAN

I, Randy Williams, Clerk Morgan County for the county and state aforesaid do hereby certify that the foregoing LLC was on the day of LLC 20 lodged for record, whereapon the foregoing and this certificate have been duly recorded in my order Given under my hand this the day of LCC 20 logged for record.

day of \_

Randy Williams, Cler

# APPALACHIAN WIRELESS 101 TECHNOLOGY TRAIL IVEL, KY. 41642 PROPOSED TOWER SITE EMORY SMITH TR. WRIGLEY IN MORGAN CO

