	CASE NO: 2008 00003  Notification/Response from County.	
	Copies of Cell Site Notices.	
	Universal Letter of Soil Bearing Analysis.	tone
	Kentucky Airport Zoning Commission Application.	
	Tower Design.	
6	FAA Approval/Notice of Proposed Construction.	
7	Audited Financial Statements	
3	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	
	Site Survey Map with Property Owners identified in Accordance with PVA of County	
12	Vertical Profile Sketch of Proposed	

Tower.



RECEIVED

FEB 26 2008

PUBLIC SERVICE COMMISSION

# COMMONWEALTH OF KENTUCKY BEFORE THE PUBLIC SERVICE COMMISSION

## RECEIVED

FEB 2 6 2008

In the matter of:

PUBLIC SERVICE COMMISSION

THE APPLICATION OF EAST KENTUCKY NETWORK	)	
LIMITED LIABILITY COMPANY FOR THE ISSUANCE	)	
OF A CERTIFICATE OF PUBLIC CONVENIENCE AND	)	CASE No 2008-00003
NECESSITY TO CONSTRUCT A TOWER IN LESLIE	)	
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 **Leslie 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 Little Asher. The proposed tower will be a 200 foot communications structure (180 foot self-supporting tower plus 20' antenna) located on a ridge near Little Asher approximately two and one-half miles northwest of Hyden (37° 11' 59.0"N 83° 23' 39.6"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.

Leslie County has no formal local planning unit. In absence of this unit the Leslie 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 February 22, 2008 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 last week of February and the first week of March in the Leslie County News. Enclosed is a copy of that notice in Exhibit 1. The Leslie County News is the newspaper with the largest circulation in Leslie 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.

\_\_\_ Date: <u>02-22-08</u>

SUBMITTED BY:

arice Robinson, Cell Site Coordinator

APPROVED BY:

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: <u>jrobinson166a@ekn.com</u>

#### **Mailing Address:**

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

		€

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>U.S. CERTIFIED MAIL</u>

February 22, 2008

Jimmy Sizemore, Judge Executive P. O. Box 619 Hyden, KY 41749

RE: Public Notice-Public Service Commission of Kentucky (Case No. 2008-00003)

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 in Leslie County, Kentucky. The facility will include a 180 foot self supported tower, with attached antennas extending upwards, and an equipment shelter to be located at Little Asher approximately two and one-half miles northwest of Hyden (37° 11' 59.0"N 83° 23' 39.6"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 Leslie 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. 2008-00003 in your correspondence.

Sincerely,

Janice Robinson

Technical Site Coordinator

nice Rolinson

d/b/a Appalachian Wireless 101 TECHNOLOGY TRAIL IVEL, KY 41642 Phone: 606/874-7550 Fax: 606/791-2225



## Fax

Re:	PUBLIC NOTICE ADVERTISEMENT	Date:	February 22, 2008
Phone:	606-672-2841	Pages:	1 Page (INCLUDING COVER
Fax:	606-672-7409	Phone:	606-874-7550, Ext. 166
	Hyden, KY 41749		d/b/a Appalachian Wireless
	P. O. Box 967		East Kentucky Network,
To:	Leslie County News	From:	JANICE ROBINSON, Accounting

#### Nancy,

We would like to have the following public notice printed in Leslie County News for the next two weeks. The notice should state the following:

#### PUBLIC NOTICE:

RE: Public Service Commission of Kentucky (CASE NO. 2008-00003)

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 at Little Asher approximately two and a half miles northwest of Hyden in Leslie County. (37° 11' 59.0"N 83° 23' 39.6"W). The proposed tower will be a 200-foot self-supporting tower. If you would like to respond to this notice, please contact the Executive Director, Public Service Commission, 211 Sower Boulevard, PO Box 615, Frankfort, Kentucky 40602. Please refer to Case No. 2008-00003.

If you have questions about the placement of the above mentioned notice, please call me at 606-874-7550, ext. 166.

Thank you, Janice Robinson, Technical Site Coordinator

**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.

Subject: Public Notice Ads for 2 proposed towers (Thousandsticks Tower and Little Asher Tower)

From: Janice Robinson < irobinson 166a@ekn.com>

Date: Fri, 22 Feb 2008 12:27:43 -0500

To: rebab@tds.net

Advertising Department, Please find attached the public notices we wish printed in Leslie County News for the next two weeks.

Thank you,

Janice Robinson

Accounting Coordinator

Email: jrobinson166a@ekn.com Phone: 606-874-7550, ext/166

Fax: 606-791-2225

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

Fax notice Thousandsticks (Leslie).doc

Content-Type:

application/msword

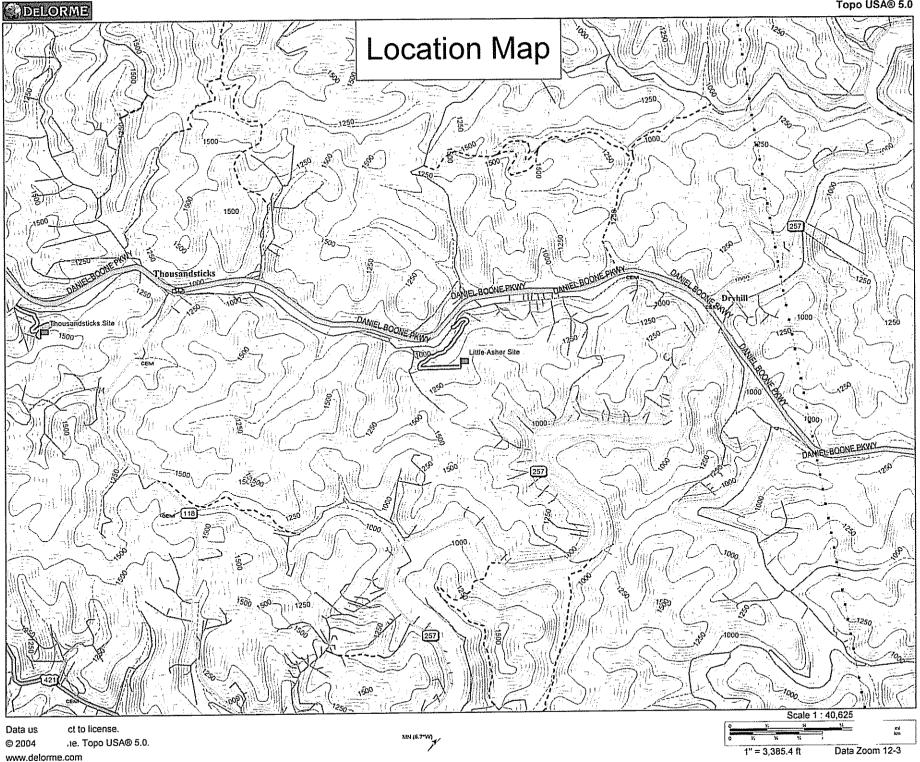
Content-Encoding: base64

Fax notice Little Asher (Leslie).doc

Content-Type:

application/msword

Content-Encoding: base64



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

#### LITTLE ASHER, LESLIE COUNTY, KENTUCKY

#### Statement Pursuant to Section 1 (1) (I) 807 KAR 5:063

<u>Section 1 (1)(1) 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

U. S. Government Forest Service 100 Vault Road Winchester, KY 0391

Elizabeth Nance Owens 2682 Bull Creek Road Hyden, KY 41749

Betty Helen Couch P. O. Box 953 Hyden, Ky 41749

C. Allen Muncy AKA P.A.P., Inc. P. O. Box 252 Hyden, KY 41749

William Roland Muncy 133 Buchingham Lane Winchester, KY 40391

Arnold Ray Slusher P. O. box 1820 Hyden, KY 41749

Donnie Wayne Begley 2682 Bull Creek Road Hyden, KY 41749 Wendlyn Bentley P. O. box 442 Hyden, KY 41749

Johnny & Patricia Turner 3144 Coon Creek Road Wooton, KY 41776

Kyle Brandon Crisp P. O. Box 165 Wooton, KY 41766

Betty Couch P. O. Box 953 Hyden, KY 41749 EAST KENTUCKY NETWORK

101 TECHNOLOGY TRAIL

IVEL, KY 41642

PHONE: (606) 874-7550

FAX: (606) 874-7551

E NFO@EKN COM

4: WWW EKN COM



VIA: U.S. CERTIFIED MAIL

#### PUBLIC NOTICE

February 22, 2008

U. S. Government Forest Service 100 Vault Road Winchester, KY 40391

RE: Public Notice-Public Service Commission of Kentucky (Case No. 2008-00003)

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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. 2008-00003 in your correspondence.

Sincerely,

Vanice Robinson

Technical Site Coordinator

ancie Rolinson

EAST KENTUCKY NETWORK
101 TECHNOLOGY TRAIL
IVEL, KY 41642
PHONE: {606} 874-7550
FAX 1606} 874-7551
I NFO@EKN COM
W d: WWW EKN COM



#### PUBLIC NOTICE

February 22, 2008

Elizabeth Nance Owens 2682 Bull Creek Road Hyden, KY 41749

RE: Public Notice-Public Service Commission of Kentucky (Case No. 2008-00003)

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Sincerely,

Íanice Robinson

Technical Site Coordinator

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FAY: (606) 874-7551
I NFO@EKN COM
W. JE: WWW EKN COM



#### PUBLIC NOTICE

February 22, 2008

Betty Helen Couch P. O. Box 953 Hyden, KY 41749

RE: Public Notice-Public Service Commission of Kentucky (Case No. 2008-00003)

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Sincerely,

Janice Robinson

Technical Site Coordinator

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FAX (606) 874-7551

NFO@EKN.COM

V. E: WWW EKN.COM



#### PUBLIC NOTICE

February 22, 2008

C. Allen Muncy AKA P.A.P., Inc. P.O. Box 252 Hyden, KY 41749

RE: Public Notice-Public Service Commission of Kentucky (Case No. 2008-00003)

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Sincerely,

Janice Robinson

Technical Site Coordinator

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101 TECHNOLOGY TRAIL

IVEL, KY 41642

PHONE: (606) 874-7550

FAX 1606) 874-7551

I NFO@EKN COM

W E: WWW EKN COM



#### PUBLIC NOTICE

February 22, 2008

William Roland Muncy 133 Buchingham Lane Winchester, KY 40391

RE: Public Notice-Public Service Commission of Kentucky (Case No. 2008-00003)

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W. E: WWW EKN COM



#### PUBLIC NOTICE

February 22, 2008

Arnold Ray Slusher P. O. Box 1820 Hyden, KY 41749

RE: Public Notice-Public Service Commission of Kentucky (Case No. 2008-00003)

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NFO@EKN COM
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#### PUBLIC NOTICE

February 22, 2008

Donnie Wayne Begley 2682 Bull Creek Road Hyden, KY 41749

RE: Public Notice-Public Service Commission of Kentucky (Case No. 2008-00003)

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Sincerely,

Janice Robinson

Technical Site Coordinator

EAST KENTUCKY NETWORK
101 TECHNOLOGY TRAIL
IVEL, KY 41642
PHONE: (606) 874-7550
FA'' '406) 874-7551
NFO@EKN COM
Warran JE: WWW EKN COM



#### PUBLIC NOTICE

February 22, 2008

Wendlyn Bentley P.O. Box 442 Hyden, KY 41749

RE: Public Notice-Public Service Commission of Kentucky (Case No. 2008-00003)

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Sincerely,

Janice Robinson

Technical Site Coordinator

EAST KENTUCKY NETWORK

101 TECHNOLOGY TRAIL

IVEL, KY 41642

PHONE: (606) 874-7550

F^ \* \*06) 874-7551

NFO@EKN COM

WEDDITE: WWW EKN COM



#### PUBLIC NOTICE

February 22, 2008

Johnny & Patricia Turner 3144 Coon Creek Road Wooton, KY 41776

RE: Public Notice-Public Service Commission of Kentucky (Case No. 2008-00003)

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#### PUBLIC NOTICE

February 22, 2008

Kyle Brandon Crisp P. O. Box 165 Wooton, KY 41776

RE: Public Notice-Public Service Commission of Kentucky (Case No. 2008-00003)

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anice Robinson

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#### PUBLIC NOTICE

February 22, 2008

Betty Couch P. O. Box 953 Hyden, KY 41749

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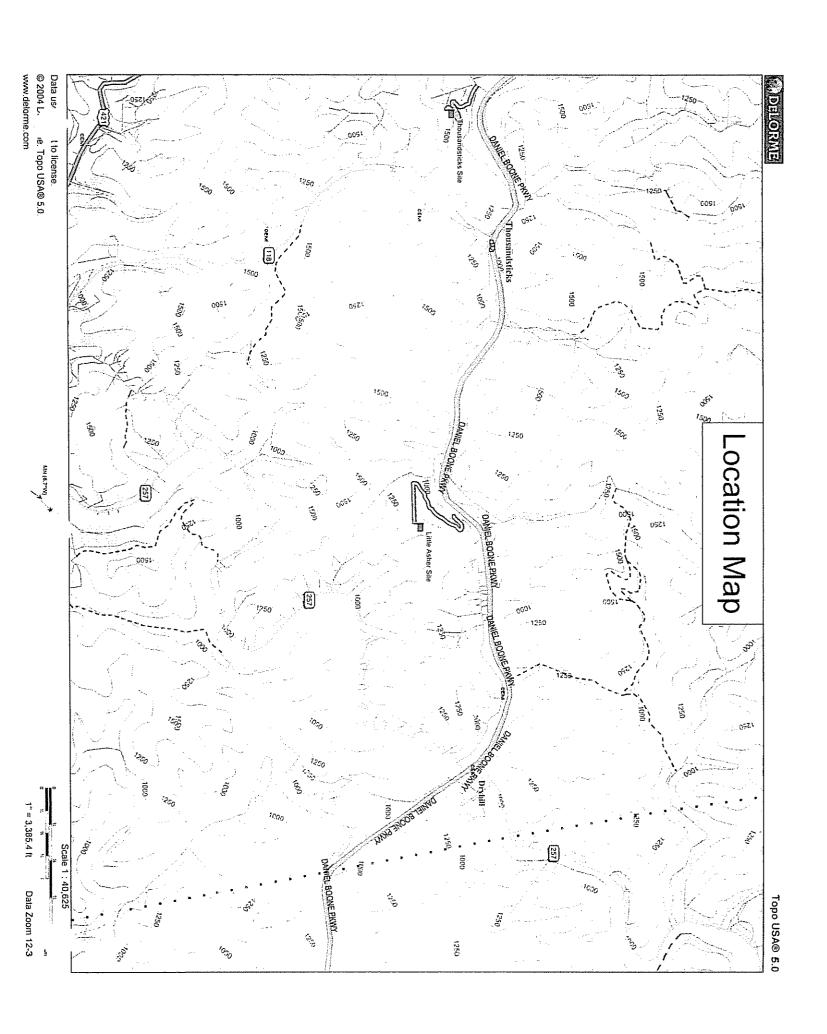
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Sincerely,

ánice Robinson

Technical Site Coordinator



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

120 Church Street
Whitesburg, KY 41858
(606) 438-7250

December 28, 2007

Asher Tower Site

#### Purpose:

A site assessment was conducted for Appalachian Wireless on a tract of land located in Leslie County near Thousandsticks, 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 escavator was used to expose the bedrock material. It is approximately 1.50 feet to the sandstone bedrock. (See attached page for descriptions of materials encountered.) The terrain in Leslie County is moderately to very steep. The tower site is located on a ridge between Thousandsticks Branch and Middle Fork of the Kentucky River, approximately two and a half miles northwest of Hyden in Leslie County. The sandstone formation below the tower site is approximately 25.00 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. Holm

Ofeseloti

# WENDELL R. HOLMES, P.G.

# 120 Church Street Apartment 3 Whitesburg, Ky. 41858 (606)438-7250

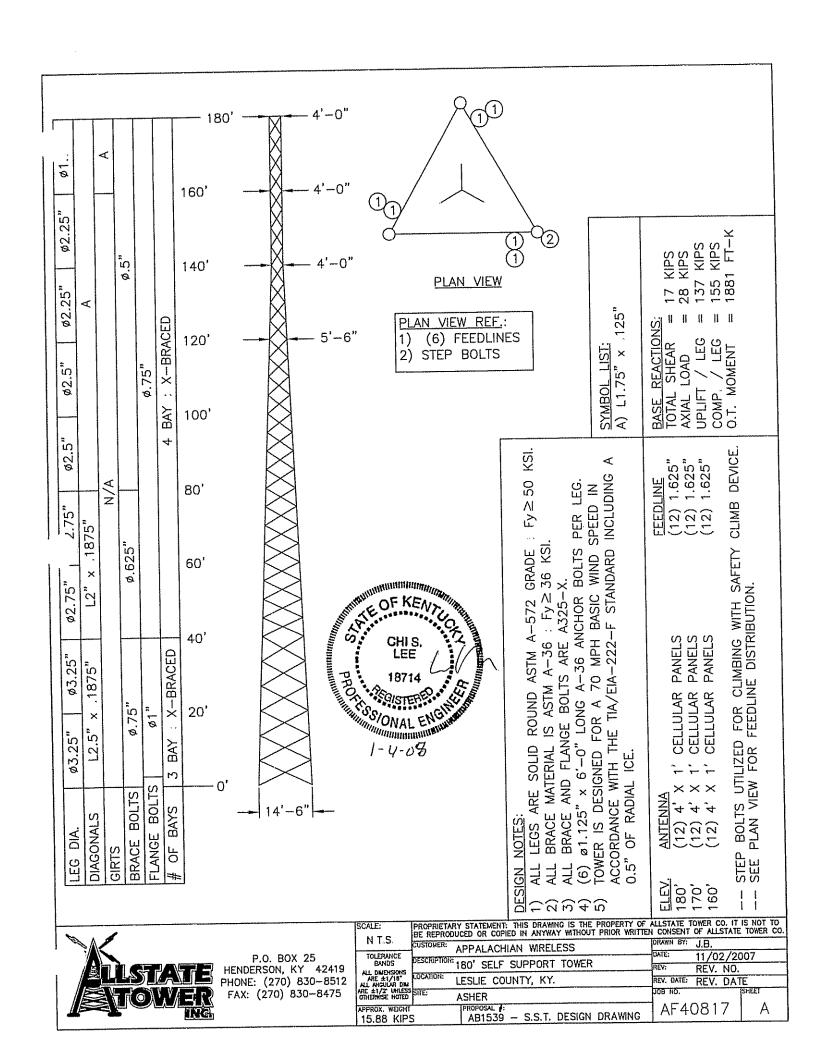
## **Geologist Log**

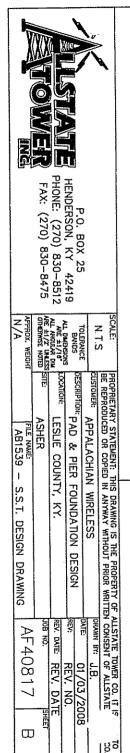
Location: Asher Tower Site

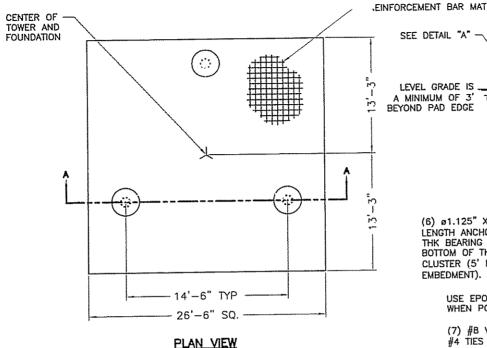
Unit Thickness	Total depth	Strata	Description
0.50′	0.50′	Soil	Brown, with shale and plant fragments
1.00′	1.50′	Shale	Gray, Soft and Weathered
25.00′	26,50'	Sandstone	Gray and Brown



Kentucky Transportation Cabinet, Kentucky Airport Zoning Commission, 200 Mero  APPLICATION FOR PERMIT TO CONSTRUCT OR ALTER INSTRUCTIONS INCLUDED	
PLICANT Name, Address, Telephone, Fax. etc  cast Kentucky Network, LLC c/o Lukas, Nace, Gutlerrez & Sachs, Chtd 1650 Tysons Blvd, Sulte 1500 McLean, VA 22102 T: 703-584-8667 F: 703-584-8692  2 Representative of Applicant — Name, Address, Telephone, Fax	9 Latitude: 37 11 59 0 1  10 Longitude: 83 23 39 6 1  11 Datum: NAD83 NAD27 Other County Leslie  12 Nearest Kentucky City: Dryhill County Leslie  13 Nearest Kentucky public use or Military airport: Wendeli H Ford
Ali Kuzehkanani Lukas, Nace, Gutierrez & Sachs, Chtd 1650 Tysons Blvd, Suite 1500 McLean, VA 22102 T: 703-584-8667 F: 703-584-8692	14 Distance from #13 to Structure: 24.0 km  15 Direction from #13 to Structure: SSW  16 Site Elevation (AMSL): 1,400 00 Feet
3 Application for: ☑ New Construction ☐ Alteration ☐ Existing 4 Duration: ☑ Permanent ☐ Temporary (Months	17 Total Structure Height (AGL): 200.00 Feet  18 Overall Height (#16 + #17) (AMSL): 1,600.00 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 1 8 mi (2 9 km) SSW of Dryhill (Leslie), KY
22. Has a "NOTICE OF CONSTRUCTION OR ALTERATION" (FAA Form 7460-1 No Yes, When February 13, 2008  CERTIFICATION: I hereby certify that all the above statements made by me are.	
All Kuzehkanani/Dir of Engineering	26/1/2008 2/13/2008
Printed Name and Title  PENALTIES: Persons falling to comply with Kentucky Revised Statutes (KRS 18 050:Series) are liable for fines and/or imprisonment as set forth in KRS 183.990(3) in further penalties	33.861 through 183 990) and Kentucky Administrative Regulations (602 KAR
	rman, KAZC Administrator, KAZC
☐ Disapproved	Date







TOTAL VOLUME OF CONCRETE =  $42-1/4 \text{ YD}^3$ 

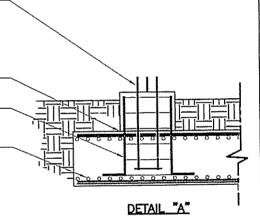
14'-6" C/C OF LEGS -ťω SEE DETAIL "A" ø3'-0" PIER 9-LEVEL GRADE IS A MINIMUM OF 3' BEYOND PAD EDGE ດີ Ġ, ည် 26'-6" SECTION A-A

(6) ø1.125" X 6'-0" OVERALL LENGTH ANCHOR BOLTS W/ 3/4 THE BEARING PLATE AT THE BOTTOM OF THE ANCHOR BOLT CLUSTER (5' MIN. ANCHOR BOLT FMBEDMENT).

> USE EPOXY BONDING AGENT WHEN POURED SEPERATELY

(7) #B VERTICAL BARS w/ #4 TIES AT 12" ON CENTER

(26) #8 HORIZONTAL BARS x 26'-0" LONG EQUALLY SPACED EACH WAY AT TOP AND BOTTOM OF MAT. (TOTAL = 104)



FOUNDATION INSTALLATION/DESIGN NOTES:

1. THIS FOUNDATION IS DESIGNED TO MEET ALL STANDARDS SET FORTH BY ACI 318: AMERICAN CONCRETE INSTITUTE, BUILDING CODE REQUIREMENTS FOR STRUCTURAL CONCRETE, ANSI/TIA/EIA 222—F: STRUCTURAL STANDARDS FOR STEEL ANTENNA TOWERS AND ANTENNA SUPPORTING STRUCTURES. THIS FOUNDATION IS DESIGNED UTILIZING THE GEOTECHNICAL REPORT

PERFORMED BY WENDELL R. HOLMES, P.G.; DATED 12-28-07; THE FOUNDATION CONTRACTOR SHALL INSTALL THE FOUNDATIONS IN ACCORDANCE WITH THE RECOMMENDATIONS OF THE GEOTECHNICAL REPORT.

ALL WORK PERFORMED FROM THESE DRAWINGS SHOULD BE BY QUALIFIED CONTRACTORS EXPERIENCED IN TOWER FOUNDATION CONSTRUCTION.
ALL FOOTING EXCAVATIONS SHALL BE MANUALLY CLEANED PRIOR TO PLACING

ALL FUUTING EXCAVABIONS SHALL BE MANUALLI CLEANED PRIOR TO PLACING CONCRETE. COMPACT THE EXPOSED SOIL SURFACE AND ANY GRANULAR FILL UNDER THE FOUNDATION TO 95% OF THE MODIFIED PROCTOR DENSITY. ALL CONCRETE SHALL HAVE A MINIMUM COMPRESSIVE STRENGTH OF 3000 PSI AFTER 28 DAYS. COPIES OF THE CONCRETE CYLINDER TEST REPORTS

SHALL BE SENT TO THE RESIDENT ENGINEER / INSPECTOR.
MINIMUM CONCRETE COVER FOR REINFORCING BARS SHALL BE 3".
FIELD BENDING OR WELDING OF REINFORCEMENT BARS IS NOT PERMITTED.

PROVIDE CHAMFERS AT ALL EXPOSED CORNERS OF CONCRETE.

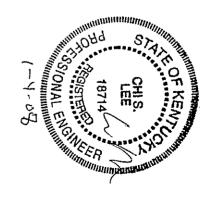
BACKFILL NEAR AND AROUND THE FOUNDATIONS SHALL BE A WELL GRADED FILL MATERIAL PLACED IN 8" THICK LAYERS THAT HAS BEEN COMPACTED TO 95% OF THE MODIFIED PROCTOR DENSITY PER ASTM D1557.

10. SOME DETAIL HAS BEEN PURPOSELY OMITTED TO CLARIFY ILLUSTRATION.

REINFORCEMENT BAR SPLICING: 1. ALL LAP SPLICES SHALL CONFORM

TO ACI 318 REQUIREMENTS. REFER TO CHART BELOW WHEN REINFORCMENT BAR SPLICING IS NECESSARY.

REINFORCING BAR SIZE	LAP SPLICE LENGTH
3	15"
4	17"
5	21"
6	26"
7	30"
8	36"
9	46"
10	58"
11	71



## LUKAS, NACE, GUTIERREZ & SACHS

**'ARTERED** 

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

WWW FCCLAW COM

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DAVID L NACE
THOMAS GUTIERREZ\*
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J K HAGE III\*
JOHN J MCAVOY\*
HON GERALD S MCGOWAN\*
TAMARA DAVIS-BROWN\*

CONSULTING ENGINEERS

\*NOT ADMITTED IN VA

Writers Direct Dial (703) 5848667 akuzehkanani@leclav.com

February 13, 2008

#### 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 200' communications tower structure (180' tower plus 20' antenna/lightning rod) in Dryhill (Leslie), Kentucky. The site ("Little Asher") is located 1.8 mi (2 9 km) SSW of the town of Dryhill

The proponent, East Kentucky Network, LLC, is the licensee for PCS Block A service in a portion of the Knoxville, TN Metropolitan Statistical Area ("Knoxville MTA"), Market No. 44A12. Transmit technology to be employed at this station is CDMA in the PCS Band B frequency band (1850 - 1865 MHz and 1930 - 1945 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,

Ali Kuzehkanani

Director of Engineering

Enclosure

cc: East Kentucky Network, LLC

Attention: Marty Thacker and Gerald Robinett

#### Notice of Proposed Construction or Alteration - Off Airport

Project Name: EAST -000088173-08

Sponsor: East Kentucky Network, LLC

Details for Case: Little Asher

Show Project Summary

**Case Status** 

ASN:

2008-ASO-857-OE

Status:

Accepted

Date Accepted:

02/13/2008

Date Determined:

Letters:

None

**Construction / Alteration Information** 

Notice Of:

Construction

**Duration:** 

Permanent

if Temporary: Months: Days: Work Schedule - Start:

03/01/2008

Work Schedule - End:

03/15/2008

State Filing:

Filed with State

**Structure Details** 

Latitude:

37° 11' 59" N

Longitude:

83° 23' 39 6" W

**Horizontal Datum:** 

NAD83

Site Elevation (SE):

1400 (nearest foot)

Structure Height (AGL):

200 (nearest foot)

Marking/Lighting:

Dual-red and medium Intensity

Other:

**Nearest City:** 

Dryhill

**Nearest State:** 

Kentucky

Description of Location:

Site is located approx. 1 8 mi (2 9 km) SSW of

Dryhill (Leslie), KY

Description of Proposal:

The structure will include a 180' tower with top-mounted cellular antennas (overall height

of 200' AGL) The ERP will be 500 watts

**Structure Summary** 

Structure Type:

Tower

Structure Name:

Little Asher

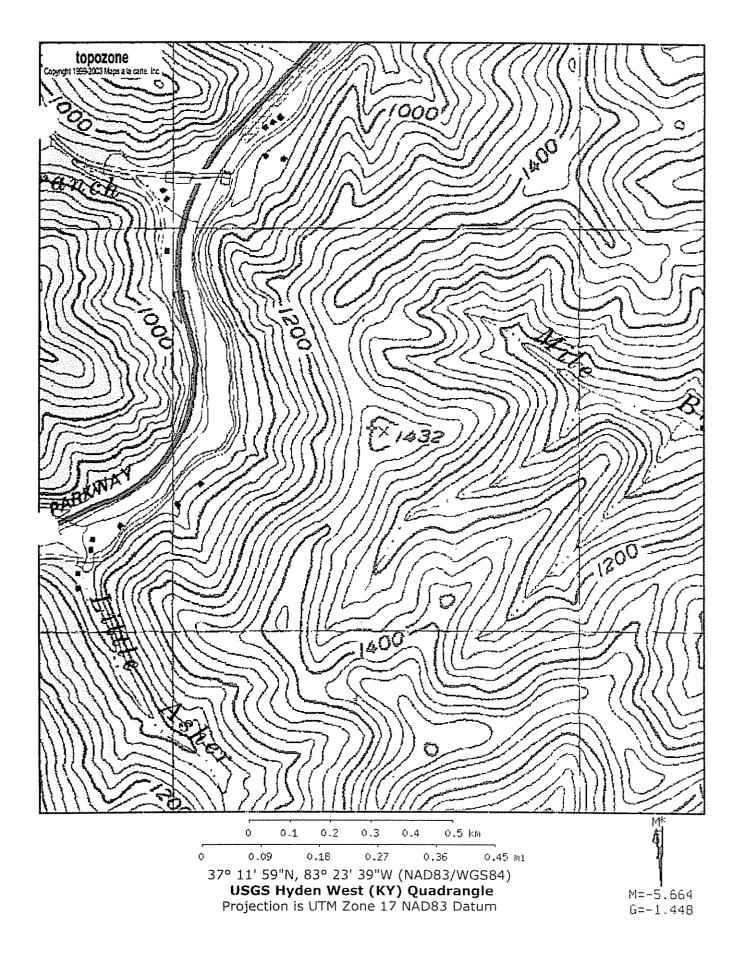
FCC Number:

Prior ASN:

**Common Frequency Bands** 

Low Freq Freq Unit **ERP Uniti** 805 MHz MHz 500 500 W W W W W W MHz MHz 500 500 851 869 896 901 930 3500 3500 MHz MHz 931 932 935 932.5 940 941 MHz MHz 17 1000 dBW W W W W 940 3500 1640 MHz 1850 1930 1910 MHz 1990 MHz 1640 2305 2345 2000

Specific Frequencies



FINANCIAL REPORT

December 31, 2006

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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.

Jones. Male + Mattingly Pic

Louisville, Kentucky 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	\$ 2,818,346 46,271	\$ 1,046,669 43,803
accounts of \$567,790 in 2006 and \$375,856 in 2005 Accounts receivable, members (Notes 5 and 6) USF receivable (Note 7)	2,802,673 37,612	1,560,267 3,149 589,913 1,056,766
Inventory Prepaid expenses Total current assets	1,584,039 173,657 \$ 7,462,598	1,036,766 143,547 \$ 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	\$ 875,133 4,623,855 28,669 \$ 5,527,657
	<u>\$ 61.550.827</u>	<u>\$ 53.073.507</u>

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

<u>\$ 61.550.827</u> <u>\$ 53.073.507</u>

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

	2006	2005
REVENUE	h 04 1 5 5 7 200	# MO OOB 5770
Retail	\$ 24,156,320	\$ 20,908,570
Roamer	6,964,309	6,868,904
Long distance	155,046	177,350
Paging	852,011	1,039,429
Equipment sales, cellular	2,922,817	2,152,962
Equipment sales, paging	27,894	57,632
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
Total expenses		
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	<u>\$ 3.693,734</u>

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

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

	Cellular Services,	Gearhart Communi- cations Company,	Mountain Tele- communi- cations,	Thacker- Grigsby Telephone	Peoples Rural Telephone Coop- erative Corp- oration,	
	Inc.	Inc.	Inc.	Co., Inc.	Inc.	Total
Balance, January 1, 2005 Net income Capital distributions	\$ 6,781,309 738,747 (112,287)	\$ 6,781,309 738,747 (112,287)	\$ 6,781,309 738,747 (112,287)	\$ 6,781,309 738,746 (112,287)	\$ 6,781,308 738,747 (112,287)	\$33,906,544 3,693,734 (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	<u>\$ 8.703.546</u>	<u>\$ 8,703,546</u>	\$ 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		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	<u>\$ 2.818.346</u>	<u>\$ 1.046,669</u>

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

	2006	2005
SUPPLEMENTAL DISCLOSURE OF CASH FLOW INFORMATION Cash payments for interest	<u>\$ 866,941</u>	<u>\$ 788.610</u>
Cash payments for state corporation taxes	\$ 167.000	<u>\$ 84.207</u>
SUPPLEMENTAL SCHEDULE OF NONCASH INVESTING AND FINANCING ACTIVITIES Settlement of note payable from impairment of goodwill	<b>&amp;</b>	\$ 400 <u>,000</u>
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:

	Gro Amo		Accumulated Amortization
Customer lists	\$ 5,36	3,530	\$ (1,795,634)
Non-compete agreements	22	0,348	(106,898)
FCC licenses	1,14	1,593	(264,446)
Use of name	1	0,000	(3,668)
Other	6	8,038	(9,008)
	\$ 6,80	3,509	\$ (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	3	S	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	<b>→</b> →	194,957
Dated 11/13/97, variable rate		
Paid in full 03/01/06	<b></b>	899,406
Dated 11/13/97, fixed rate		
Paid in full 03/01/06	<b></b>	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	ou re'	. n
(5.41% at 12/31/06)	L	
	<u> </u>	\$ 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	
\$	6,471,128	\$	6,245,412
	(982,379)		(773,028)
\$	5,488,749	\$	5,472,384
	\$	\$ 6,471,128 (982,379)	\$ 6,471,128 \$ (982,379)

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

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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:

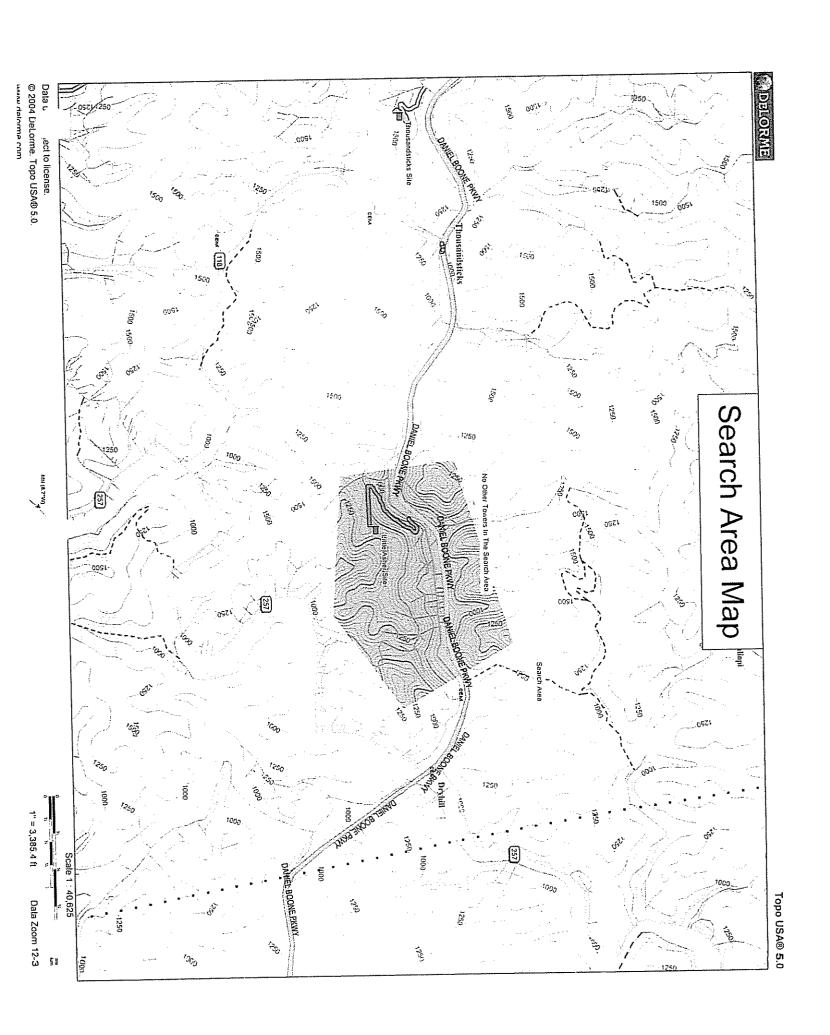
Goodwill	\$ 787,286
Note payable	(400,000)
Accrued interest	 (56,000)
	\$ 331,286

# Directions to Little Asher

From the Courthouse in Hyden Kentucky Take route 421 west .4 miles to route 118. Turn right onto Hwy. 118 North for 3.3 miles to the Jct. of Hwy. 118 and 3424. Turn Right onto Hwy. 3424 (Bull Creek Rd.) and continue for 2 miles to Gravel Rd. on the right side of the road. Turn right onto gravel road going up the hill and continue for .7 miles to the end of road. Tower site is located at end of road.

Directions were written by,

Marty Thacker Appalachian Wireless 606-438-2355 Ext. 111 (office) 606-634-9505 (cell phone) m.thacker@tgtel.com (email)



# DECLARATION and GRANT OF PERPETUAL EASEMENT and RIGHT OF WAY

THIS DECLARATION and GRANT OF PERPETUAL EASEMENT AND RIGHT OF WAY made and executed on the 14th day of Septem Lev 2007 by and between P.A.P. Company, Inc., of P.O. Box 252, Hyden, Kentucky 41749, GRANTOR, and East Kentucky Network, LLC d/b/a Appalachian Wireless, of 101 Technology Trail, Ivel, Kentucky 41642, GRANTEE:

WHEREAS, Grantor is the owner of that certain tract of land located in Leslie County, Kentucky, as more particularly described in that certain Deed of Conveyance from Matt and Beth Sandlin to P.A.P. Company, Inc., dated September 3, 1996, recorded in Deed Book 134, Page 431, Leslie County Clerk's Office.

WHEREAS, Grantor and Grantee have, for a valuable consideration as set out hereinafter, agreed to the dedication and grant of a perpetual easement and right of way in favor of the Grantee, its successors and assigns, for a portion of the 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 the 19<sup>th</sup> day of July, 2007, prepared by James W. Caudill, PLS, and attached hereto and made a part hereof as Exhibit "B", said real property being hereinafter referred to as the "Premises", together with certain non-exclusive easements and right of ways as set out hereinafter;

NOW THEREFORE, for and in consideration of the sum of Fifteen Thousand Dollars (\$15,000.00, inclusive of \$200.00 per Option Agreement of May 24, 2007), the receipt and sufficiency of which is hereby acknowledged, the Grantor does hereby grant and convey unto Grantee, its successors and assigns, the perpetual and exclusive right and easement to use the Premises as described at Exhibit "A" and shown upon the Plat at Exhibit "B",

respectively, attached hereto and made a part hereof, for the purpose of constructing buildings, towers, guy lines, anchors and other related facilities, including, but not limited to telephone lines, coaxial lines, power lines and the installation of any and all other equipment deemed necessary by Grantee to receive and transmit any and all electronic signals in the rural service area now or hereafter to be served by the facility. The parties hereto recognize that technology in the communications field is advancing at a rapid rate and that this site may be used for any other purpose now in the development stage or which may later be developed in the communications industry to carry out the objectives of Grantee, that being to transmit and receive signals and communications by wire, fiber optics, radio and satellite, in connection with Grantee's business.

And for the consideration aforesaid, Grantor grants and conveys to Grantee the non-exclusive easement and right of way for ingress and egress by any method, whether pedestrian or motorized vehicles of all types and descriptions, including any and all roads now existing on the remaining Property of the Grantor, together with the right, privilege and easement to reconstruct or relocate any such roadway or easement for a width of twenty feet (20'); together with

A non-exclusive easement and right of way of twenty feet (20') either side along any such roadway for the construction, installation and maintenance of utility lines, including telephone, electric power, including wires, poles, cables, conduits, and pipes over, under or along a twenty foot (20') wide right of way across the Property of Grantor extending from the nearest public right of way to the Premises.

It is understood that the easements and rights of way granted above whether exclusive or non-exclusive, as applicable, are perpetual in nature. The Grantee, if in its sole and exclusive judgment determines that the Premises are no longer needed in connection

with Grantee's business, shall have the right to surrender the perpetual easements and rights of way granted herein upon sixty (60) days written notice of such intention to Grantor, and thereafter, shall have one hundred eighty (180) days within which to remove any and all of its buildings, equipment or facilities constructed upon the Premises, after such time the Premises shall revert to Grantor.

Grantor warrants generally the Premises, rights, easements, and privileges granted herein.

Grantor shall not use the remainder of the Property of Grantor of which this Grant of Easement and Right of Way is a part for the construction, installation or operation of any wireless communications facilities which would unreasonably interfere with Grantee's communications facility.

This grant and the exhibits attached hereto constitute the entire agreement of the Parties, and no oral or implied agreements or representations will be binding upon the Parties hereto.

This instrument shall be interpreted under the laws of the Commonwealth of Kentucky.

The terms, covenants and provisions of this Grant of Easement and Right of Way shall be binding upon the Parties hereto, their respective executors, administrators, heirs, successors and assigns.

Grantee shall pay all personal property taxes assessed on, or any portion of such taxes attributable to, the equipment used by Grantee on the Premises. Grantor shall pay when due all real property taxes and all other fees and assessments attributable to the Premises. Grantee shall reimburse the Grantor as additional compensation for any increase in real estate taxes levied against the Grantor (or its successors or assigns) which are

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attributable to or arise as a result of the improvements constructed by the Grantee, its

successors or assigns.

Grantee shall indemnify and save harmless the Grantor of any liability by virtue of

Grantee's activities upon the Premises or in the exercise of any of the rights, privileges and

rights of way granted herein, specifically including but not limited to any claim, loss, fine,

penalty and costs (including reasonable attorney's fees) arising out of any violation of any

environmental laws or regulation. This provision shall survive the termination of this Grant

of Easement.

All notices, demands or other writings provided to be given, made or sent hereunder.

shall be deemed to have been given when made in writing and deposited in the United

States mail, certified and postage prepaid, to Grantor and Grantee at the addresses stated

in the caption of this Grant, unless addresses have been changed by written notice given by

either Party.

WITNESS OUR HANDS, the day and year aforesaid.

**GRANTOR:** 

P.A.P. COMPANY, INC.

ITS:

**GRANTEE:** 

EAST KENTUCKY NETWORK, LLC

d/b/a APPALACHIAN WIRELESS

Y:X Jewe

ITS: (DENERAL

MAUXCER-

# STATE OF KENTUCKY COUNTY OF LESLIE

The foregoing Declaration of Gran	nt of Perpetual Easement and Right of Way was this roduced and acknowledged before me by <b>P.A.P.</b>
Company, Inc., by C Allau Mu	ince its President Grantor.
	NOTARY PUBLIC COMMISSION EXPIRES: Oct. 22-2009
STATE OF KENTUCKY COUNTY OF Floy	
4 day of September, 2006;	nt of Perpetual Easement and Right of Way was this produced and acknowledged before me by East dba Appalachian Wireless by neval Managel, Grantee.
	NOTARY PUBLIC COMMISSION EXPIRES 201-2009
This is to certify that this instrument was prepared by:  WILLIAM S. KENDRICK, ATTORNEY FRANCIS, KENDRICK & FRANCIS P.O. Box 268 Prestonsburg, Kentucky 41653 606/886-2812	
STATE OF KENTUCKY COUNTY OF LESLIE	Clerk's Certificate of Lodgment and Record
Right of Way was on the <u>14</u> day of <u>S</u>	, Clerk of the County for the County and Declaration and Grant of Perpetual Easement and EPTEMBER, 2007 lodged for record, whereupon the icate have been duly recorded in my office.
WITNESS my hand, this _	14 day of SEPTEMBER , 2007.
DEED BOOK 175 PAGE 281	JAMES LEWIS Clerk
	By Janes Lewis Clerk  By Dency Sexplicates D.C.

# DEED DESCRIPTION FOR SUB DIVISION OF

Property of
P.A.P Company, Inc
P.O. Box 252, Hyden, KY.
Bull Creek off Middle Fk KY River
Near Thousand Sticks in Leslie County
July 19, 2007

A portion of the property lying within the tract of land located on Bull Cree off Middle Fork of Kentucky River in Leslie County Kentucky, near the community of Thousand Sticks. Being a part of the same land conveyed by deed from Matt B. & Betty Sandlin to P.A.P. Company, Inc, and recorded in Deed Book 134 Page 431 of the Leslie County Court House.

## Note:

Unless stated otherwise, any monument referred to herein as "set iron pin with cap" is a set ½" diameter rebar, at least eighteen (18") in length, with a plastic cap stamped "LS-2259". All bearings stated herein are referred to the NAD83 KY South State Plane north. This survey preformed by James W. Caudill, LS2259, on July 19, 2007.

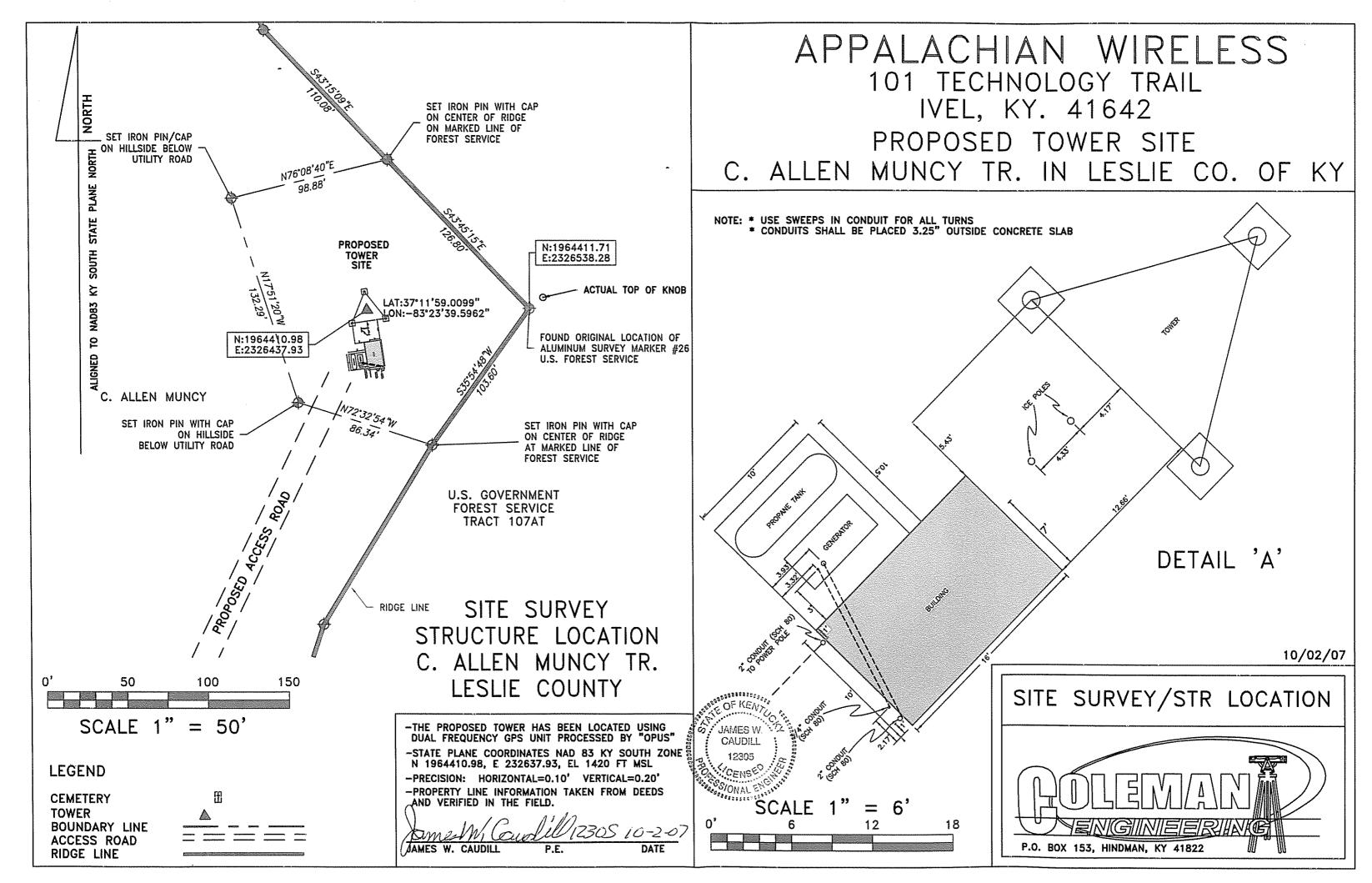
Beginning on a found original location of aluminum survey marker #26 of the U.S. Forest Service tract 107AT on top of the ridge between Bull Creek and Mile Branch at NAD83 coordinates of N:1964411.71, E:2326538.28; thence running with the line of Forest Service tract 107AT and the ridge South 35 deg 54 min 48 sec West, 103.60 feet to a set iron pin with cap on center of ridge at marked line of forest service; thence leaving the line of tract 107AT and running down the hill North 72 deg 32 min 54 sec West, 86.34 feet to a set iron pin with cap on hillside below utility road; thence running around the hill North 17 deg 51 min 20 sec West, 132.29 feet to a set iron pin with cap on hillside below utility road; thence running up the hill North 76 deg 08 min 40 sec East, 98.88 feet to a set iron pin with cap on center of ridge on marked line of forest service; thence running with the line of tract 107AT and the ridge South 43 deg 45 min 15 sec East, 126.80 feet to the beginning. Containing a calculated area of 19865 sq ft or 0.46 acres.

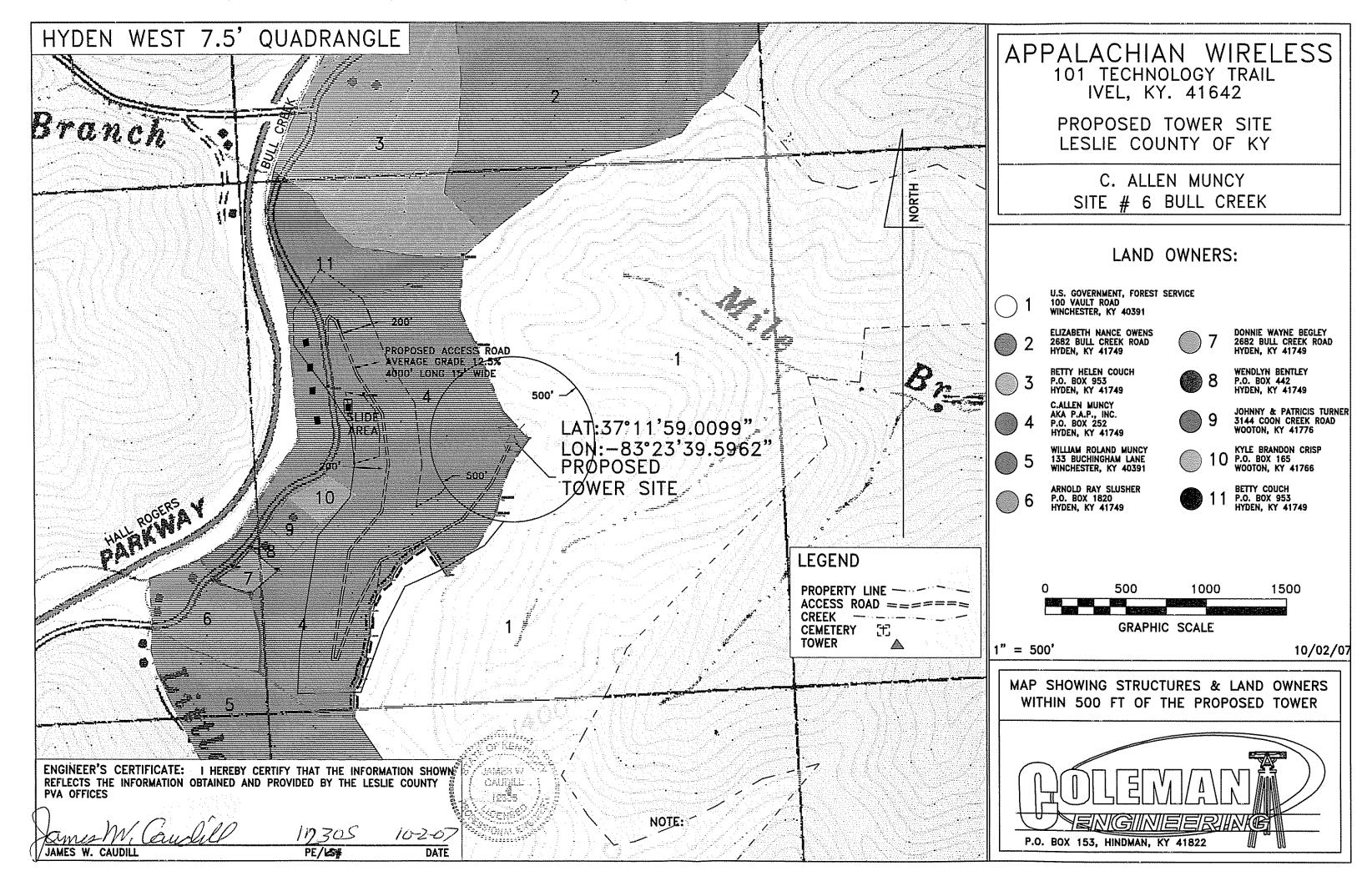
This according to a survey by James W. Caudill, PLS #2259, on July 19, 2007.

Xame W. Caudle antiminimonadinin Ann #2259

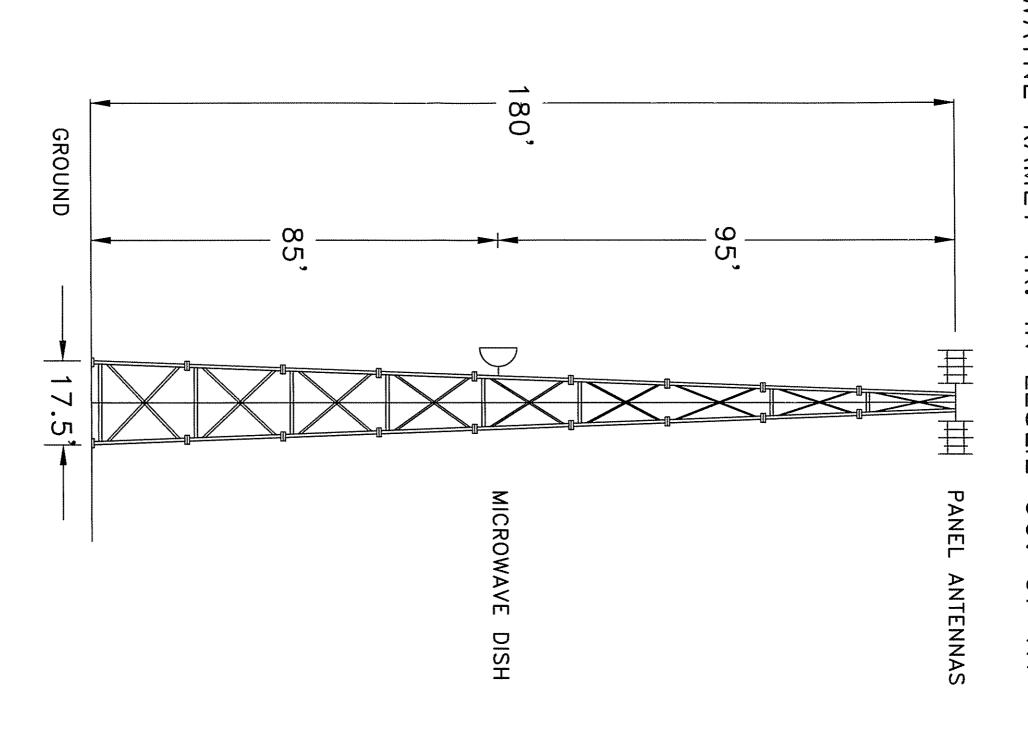
> JAMES W. CAUDILI LS2259

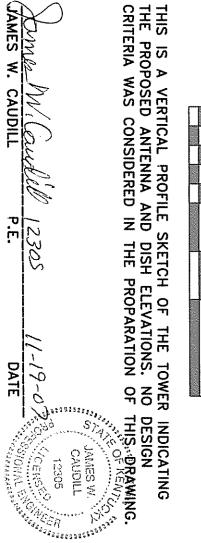
LAND SURVEYOR





# WAYNE RAMEY **PROPOSED** TR. TOWER LESLIE CO. $\stackrel{\sim}{\sim}$





GRAPHIC

SCALE

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**PROFILE** SKETCH

11/19/07

