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September 2, 2008

STEPHANIE L STUMBO
EXECUTIVE DIRECTOR
KY PUBLIC SERVICE COMM
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P O BOX 615
FRANKFORT KY 40602-0615

RECEIVED

SEP - 4 2008

PUBLIC SERVICE
COMMISSION

2008-367

**RE: SOUTH CENTRAL TEL COM, LLC
PETITION FOR DESIGNATION AS
AN ELIGIBLE TELECOMMUNICATIONS
CARRIER IN THE COMMONWEALTH
OF KENTUCKY**

Dear Ms. Stumbo:

Enclosed for filing in the above-styled matter is the original and 10 copies of the Petition of South Central Tel Com, LLC, for designation as an eligible telecommunications carrier in the Commonwealth of Kentucky.

Thank you, and if you have any questions, feel free to call.

Yours truly,

**RICHARDSON, GARDNER,
BARRICKMAN & ALEXANDER**

BY: 

BOBBY H. RICHARDSON

el

Encls.

**BEFORE THE
KENTUCKY PUBLIC SERVICE COMMISSION**

In the matter of:

**SOUTH CENTRAL TELCOM, LLC)
PETITION FOR DESIGNATION AS)
AN ELIGIBLE TELECOMMUNICATIONS)
CARRIER IN THE COMMONWEALTH)
OF KENTUCKY)**

Case No. _____

INTRODUCTION AND SUMMARY

1. South Central Telcom, LLC (“SCT”) under the Act as well as modifications set out in the FCC’s press release dated February 28, 2005, hereby submits to the Public Service Commission of Kentucky its request for Eligible Telecommunication Provider (“ETC”) status in the Park City and Tompkinsville, Kentucky exchanges currently served by Windstream Kentucky – London and Windstream Kentucky – Lexington, respectively (“Windstream”). Grant of this Petition is in the public interest because it will allow SCT to continue to bring high quality competitive services to the communities in which it seeks ETC designation, including the ability to serve Lifeline eligible subscribers.

2. SCT is a facilities-based competitive local exchange carrier with its principal business address at 1399 Happy Valley Road, Glasgow, KY 42141-1261. SCT has been providing service since June 2002 and currently provides both residential and business services to approximately 3,000 access lines in Glasgow, KY. The company applied for and received ETC designation pursuant to PSC Case No. 2005-00541. ETC status was granted on May 2, 2006.

3. Since April of 2007, SCT has expanded its facilities-based competitive offering to include the additional Windstream exchanges of Tompkinsville and Park City, Kentucky. At this time the company has approximately 600 subscribers in those areas all served on

its own facilities. Because it lacks ETC designation however SCT has been unable to effectively serve low income subscribers in the applicable areas; ETC designation will permit the company to serve those subscribers on equal footing with the serving incumbent.

4. As demonstrated herein and certified in this Petition, SCT satisfies all the requirements for designation as an ETC in the additional service areas and respectfully requests that the Kentucky Public Service Commission ("Commission") promptly grant its Petition.

5. SCT is a wholly owned subsidiary of South Central Telephone Cooperative Corporation, Inc. which, in turn, is owned by its cooperative members.

6. Designation as an ETC is in the public's interest as it will allow SCT to continue to bring high quality innovative services to these rural communities including customers whose income qualification makes the eligible for Lifeline support.

I. SCT PROVIDES ALL SERVICES AND FUNCTIONALITIES SUPPORTED BY THE FEDERAL UNIVERSAL SERVICE PROGRAM AS SET FORTH IN 47 C.F.R 54.101.

7. SCT already provides and will continue to provide all services and functionalities supported by the federal universal service program as set forth in 47 C.F.R 54.101¹. As demonstrated below, SCT provides the required services for the area in which it seeks ETC designation.

¹ (a) Voice grade access to the public switched network; (b) Local usage; (c) DTMF signaling; (d) Single party service; (e) Access to emergency services; (f) Access to operator services; (g) Access to interexchange services; (h) Access to directory assistance services as well as white page directory listings); and (i) Toll limitation for qualifying consumers

8. For purposes of ETC applications, carriers must certify that they provide each of the support services or where appropriate a functional equivalent. As shown below, SCT provides the required services throughout the area for which it seeks designation.

(a) Voice grade access to the public switched network. The FCC has concluded that voice-grade access means the ability to make and receive phone calls, within a specified bandwidth and frequency range. SCT meets this requirement by providing a voice grade access to the public switched network through its Siemens EWSD switches in Tompkinsville² and Park City. Through its interconnection arrangements with Windstream and other local exchange carriers, SCT customers are able to make and receive calls on the public switched network within the specified bandwidth.

(b) Local usage. ETC's must include local usage beyond providing simple access to the public switched network as part of a universal service offering. SCT currently does so by providing unlimited flat rate calling (i.e., non-metered or measured) access to its customers to local and EAS calling plans established and tarified by the incumbent carrier.

(c) DTMF signaling. The FCC requires ETC carrier to offer DTMF signaling or its functional equivalent. SCT's network is fully DTMF-compliant.

(d) Single party service. As required by the FCC, SCT provides single party service to its customers in the areas in which it seeks ETC designation.

(e) Access to emergency services. The ability to reach a public emergency service provider by dialing 911 is required in any universal service offering. SCT

² In this exchange SCT utilizes the same switch used to serve its Glasgow customers for which it has already received ETC designation.

provides access to 911 and enhanced E911 and is fully interconnected with the Barren county public safety answering point (PSAP) that serves the areas for which the company seeks ETC designation.

(f) Access to operator services. SCT provides access to operator services to its customers under contractual arrangements with an operator services provider.

(g) Access to interexchange services. An ETC must offer access to interexchange carriers to make or receive toll calls. SCT meets this requirement. In addition to its own affiliate long distance company, SCT allows consumers to presubscribe to other interexchange carriers and complete dial-around calls for those carriers who have provisioned the appropriate facilities and support such services.

(h) Access to directory assistance services. SCT customers can access directory assistance services by dialing 411 or through the service offering of their presubscribed carrier by dialing 1+NPA+555-1212. SCT also provides, through contractual arrangements with its parent company and through the incumbent telephone company against whom it competes, listing in the white pages telephone directory published for the general area.

(i) Toll limitation for qualifying consumers. SCT already makes toll limitation services available to its customers who request such services. Lacking ETC designation, however, SCT has been unable to serve "lifeline" subscribers who would be most eligible for such services. Upon receiving its ETC designation, SCT will provide the appropriate toll limitation services at no charge to lifeline customers to fully satisfy this requirement.

9. List of services

SCT provides all of its intrastate telecommunications services pursuant to state tariff filed and approved by the State of Kentucky. Its jurisdictionally interstate services, that are exclusively interstate and international long distance calling and access services, are provided pursuant to FCC regulation. The company's service offerings are similar to Windstream but competitively differentiated through price and service level.

10. SCT is fully 911 compliant and populates the E911 database for SCT subscribers in the service areas in which it already provides services and seeks ETC designation.

II. SCT PROVIDES ALL SUPPORTED SERVICES OVER ITS OWN FACILITIES

11. SCT already provides all of the services and functions noted above to all of its subscribers. The Company has deployed its own facilities and all of its voice grade services are DTMF single party services.

12. Pursuant to its tariffs on file with the Kentucky Public Service Commission, all local services currently include flat rate calling within the designated local calling areas. The Company's network is connected with the county PSAP for the provision of 911 services and to BellSouth under contract for its operator and directory assistance services. Access to interexchange services is through either direct trunking from its switch to the carriers or through tandem trunk arrangements.

13. A carrier requesting ETC designation must provide services over its own facilities or through a combination of its own facilities and resale of another carrier's service. SCT currently provides its services exclusively through its own facilities. SCT's agreements with Windstream include resale services and accordingly SCT will use resale capabilities

to meet its service obligations in those isolated instances in which it might currently lack such facilities.

14. SCT provides service to approximately 4,000 lines exclusively on its own facilities, including the 600 subscriber in the targeted exchanges.

15. Despite the high economic risk in doing so, SCT has successfully over built 99% of the Glasgow market and has deployed facilities in the two new markets as market opportunity warrants doing so. Like Glasgow, SCT finds many of its potential subscribers in Tompkinsville and Park City are lifeline eligible and unlikely to purchase service from SCT absent a lifeline discount further limiting SCT's ability to prove-in the cost of construction.

16. There is no technical restriction on the use of SCT's service as either a primary service or secondary service. SCT customers may have both SCT services and service from another provider at the same premises. SCT has no way of determining how many of its lines might be considered "primary" or "secondary."

III. SCT ADVERTISES THE AVAILABILITY OF ITS SERVICES

17. SCT advertises the availability of its services through media of general distribution including newspaper advertisements, billboard advertising, direct mail, and radio announcements. A sample of the company's advertising is included in Attachment 1 of this Application.

18. SCT's annual marketing expenditure is \$15K per year primarily for printed advertisements. The Company does no telemarketing nor does it have a dedicated sales force.

IV. SCT PROVIDES SERVICES THROUGHOUT THE AREA FOR WHICH IT SEEKS ETC DESIGNATION

19. SCT's ETC approved service area is currently limited to the Glasgow, Kentucky rate center area now served by Windstream. The company seeks to add the exchanges of Tompkinsville and Park City to its ETC designation. SCT has facilities in place to portions of the exchanges but would utilize resale services were it asked to serve a customer that it could not. To date, SCT has not utilized resale service in lieu of deploying its own facilities.

20. Attachment 2 of this submission includes a map showing the company's current network and the two additional exchanges.

V. GRANT OF THIS APPLICATION IS IN THE PUBLIC INTEREST

21. To the best of its knowledge, the Tompkinsville exchange is served by 3 ETCs and Park City by only one, excluding Windstream. Unlike the companies designated as ETC in these communities, however, SCT appears to be the only one who will do so on a land line (non-CMRS) basis. Accordingly, it is uniquely qualified to deliver high quality reliable services without the CPE or contract restrictions of other providers. The continued growth of the company in its target markets even without ETC designation clearly points to a demand from the subscribers of the two exchanges for an alternative solution to available providers in those areas.

22. As an ETC, SCT will continue its effort to provide high quality competitively priced telecommunication services that aides the economic development to its service areas as only a locally owned and run business can provide. In addition, by expanding

the company's ability to provide a true lifeline service, SCT will bring the benefits of competition to a market segment too frequently overlooked by other providers.

23. When granted ETC, SCT will provide the lifeline discount against qualifying residential services selected by the subscriber. Similar discounting will be applied for qualifying installation fees for new service establishment with SCT.

24. SCT believes that grant of this request is in the public interest because ETC status will allow SCT to continue to expand the range of competitive choices available to customers in these markets.

VI. SCT MEETS THE ADDITIONAL REQUIREMENTS ADOPTED BY THE FCC ON FEBRUARY 28, 2005

25. In its February 28, 2005 press release, the FCC adopted additional requirements for ETC proceedings as summarized below:

(1) **Eligibility Requirements** – In satisfying its burden of proof necessary to obtain ETC designation, an ETC applicant must now: 1) provide a five-year plan demonstrating how high-cost universal service support will be used to improve its coverage, service quality or capacity throughout the service area for which it seeks designation; 2) demonstrate its ability to remain functional in emergency situations; 3) demonstrate that it will satisfy consumer protection and service quality standards; 4) offer local usage plans comparable to those offered by the incumbent local exchange carrier (LEC) in the areas for which it seeks designation; and 5) acknowledge that it may be required to provide equal access if all other ETCs in the designated service area relinquish their designations. In addition, these requirements are made applicable on a prospective basis to all ETCs previously designated by the Commission, and such ETCs are required to submit evidence demonstrating how they comply with this new ETC designation framework by October 1, 2006.

In support of these additional requirements, SCT offers the following:

26. SCT has undertaken considerable financial risk to overbuild the exchanges in which it now seeks ETC designation. Absent access to funds, it is unlikely that the

Company will be able to continue its aggressive plan of providing high quality services to the communities it serves. Its five-year plan upon receipt of ETC designation is to improve its coverage in the few areas it now lacks facilities; improve redundancy within its network; offer lifeline services to eligible subscribers; expand local calling options; and upgrade its network to new technologies as such technologies arrive. Serving lifeline customers, however, is the primary goal.

27. SCT's network is alternately powered by an emergency generator and battery back up in the event of a power failure. Wherever feasible, the company has diversely routed facilities between its network and the public switched network. In addition, the company participates in the disaster recovery and operations plan adopted by its parent company, South Central Rural Telephone Cooperative, in the event of a disaster. Included in this plan is a provision that allows for the loan of a switch by the company's switch vendor to provide dial tone functionality as quickly as possible following an extended outage.

28. SCT adheres to the same Kentucky Public Commission guidelines as its parent telephone company. It is fully compliant with provisions of federal truth-in-billing laws. Its services are available to the public in a non-discriminatory basis pursuant to tariff. In its almost six years of operation, the company has no record of a state or federal complaint being leveraged against it regarding the provision of services.

29. SCT provides unlimited flat rate local calling to the same calling scope standard as the incumbent telephone Company, Windstream. In addition, subscribers have the option for expanded calling for an additional fee.

30. Applicant acknowledges that it may be required to provide equal access if all other ETCs in the designated service area relinquish their designations.

31. SCT proposes its ETC designation will apply for the entire Tompkinsville and Park City exchanges. Those exchanges carry a non-rural designation and the Company has already shown a willingness and ability to meet the needs of the exchanges. Accordingly, there is no risk of "cream-skimming" and grant of its ETC request is in the public interest.

VII. CERTIFICATIONS


32. SCT is fully capable of meeting additional reporting and certification requirements contained in the FCC's February press release as summarized below. It already does so for its existing ETC-certified areas.

(3) **Annual Certification and Reporting Requirements** – Each ETC designated by the Commission, including those designated prior to this decision, must submit on an annual basis: 1) progress updates on its five-year service quality improvement plan; 2) detailed information on outages in the ETC's network; 3) how many requests for service from potential customers were unfulfilled for the past year and the number of complaints per 1,000 handsets or lines; and 4) certifications that the ETC is complying with applicable service quality standards and consumer protection rules, is able to function in emergency situations, is offering a local usage plan comparable to that offered by the incumbent LEC in the relevant service areas, and acknowledge that the Commission may require it to provide equal access to long distance carriers.

IX. CONCLUSIONS

33. For the foregoing reasons, and in accordance with the Act and the FCC's regulations, SCT respectfully requests that the Commission promptly grant its petition for designation as an eligible telecommunications carrier.

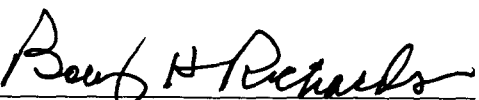
Respectfully submitted,


Bobby H Richardson, Attorney at Law

CERTIFICATE OF SERVICE

It is hereby certified that a true and accurate copy of the foregoing was served by first class United States mail this 2nd of September, 2008, upon the following:

Windstream
130 West New Circle Road, Suite 170
Lexington, Kentucky 40505


Bobby H Richardson, Attorney at Law

**BEFORE THE
KENTUCKY PUBLIC SERVICE COMMISSION**

In the matter of:

**SOUTH CENTRAL TELCOM, LLC)
PETITION FOR DESIGNATION AS)
AN ELIGIBLE TELECOMMUNICATIONS)
CARRIER IN THE COMMONWEALTH)
OF KENTUCKY)**

Case No. _____

DECLARATION OF MAX PHIPPS

I, the undersigned Max Phipps, hereby declare under penalty of perjury as follows:

1. I am the authorized representative of South Central Telcom, LLC ("SCT").
2. SCT is a facilities-based local exchange carrier providing local exchange services in Glasgow, Tompkinsville and Park City Kentucky.
3. I declare and certify, as described in SCT's attached petition for eligible telecommunications carrier status, that SCT will offer all of the services supported by the universal Service Fund pursuant to 27 U.S.C. § 254(c)(3); that SCT will offer the supported services using a combination of its own facilities and those of other carriers; and that SCT will advertise the availability of supported services, and the charges therefore, using media of general distribution.
4. I further declare that the foregoing, as well as the content of the attached petition for eligible telecommunications carrier status is, to the best of my knowledge and belief, true and correct.

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Case No. _____

HIGH COST CERTIFICATION

South Central Telcom, LLC ("SCT") pursuant to 47 C.F.R. §§54.313 and 54.314, hereby submits the following high-cost certification in support of its Petition for Designation as an Eligible Telecommunications Carrier in the Commonwealth of Kentucky (the "Petition"), and in order to begin receiving high-cost support in its designated eligible telecommunications carrier areas.

I, the undersigned Max Phipps, hereby declare under penalty of perjury as follows:

1. I am the authorized representative of South Central Telcom, LLC ("SCT").
2. South Central is attaching this document to its Petition that is being filed with the Public Service Commission of the Commonwealth of Kentucky simultaneously
3. All high-cost support provided to South Central will be used only for the provision, maintenance, and upgrading of facilities and services for which the support is intended, pursuant to Section 254(e) of the Telecommunications Act of 1996, codified at 47 U.S.C. § 254(e).



Max Phipps, CEO
South Central Telcom, LLC

Dated: September ____, 2008

COUNTY OF BARREN)
)
STATE OF KENTUCKY)

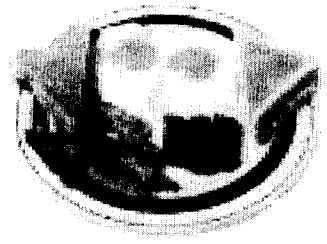
Subscribed and sworn to me be Max Phipps, on this 2 day of September, 2008.

My commission expires: 5/22/09.

Bettina R Harlow
NOTARY PUBLIC, STATE AT LARGE, KY

Attachment 1

Sample Advertising for South Central Telcom service area



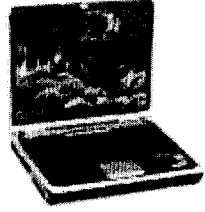
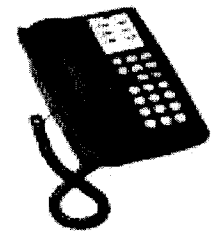
Great For
Breakfast!

Great for
lunch!



GREAT ALL THE TIME!!

Telephone Service

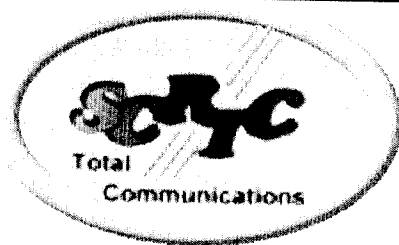


High Speed Internet

Digital Television



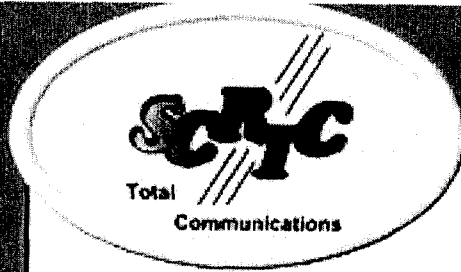
South Central Rural Telephone



South Central Telcom

Do Business Locally
Call 678-2111 or 629-2111

17(B)



NOT Just A Phone Company

Local "Reliable" Telephone Service

Dedicated High Speed Internet

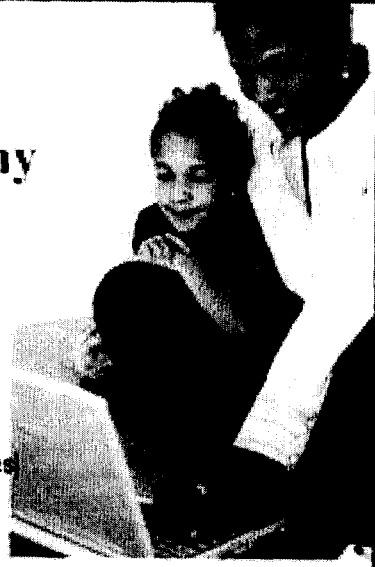
All Digital Television Service

- Caller ID Displays on TV Screen
- 6 Local School Channels
- Local Weather Radar (Updated every 5 minutes)

Long Distance (System Wide Calling Plans)

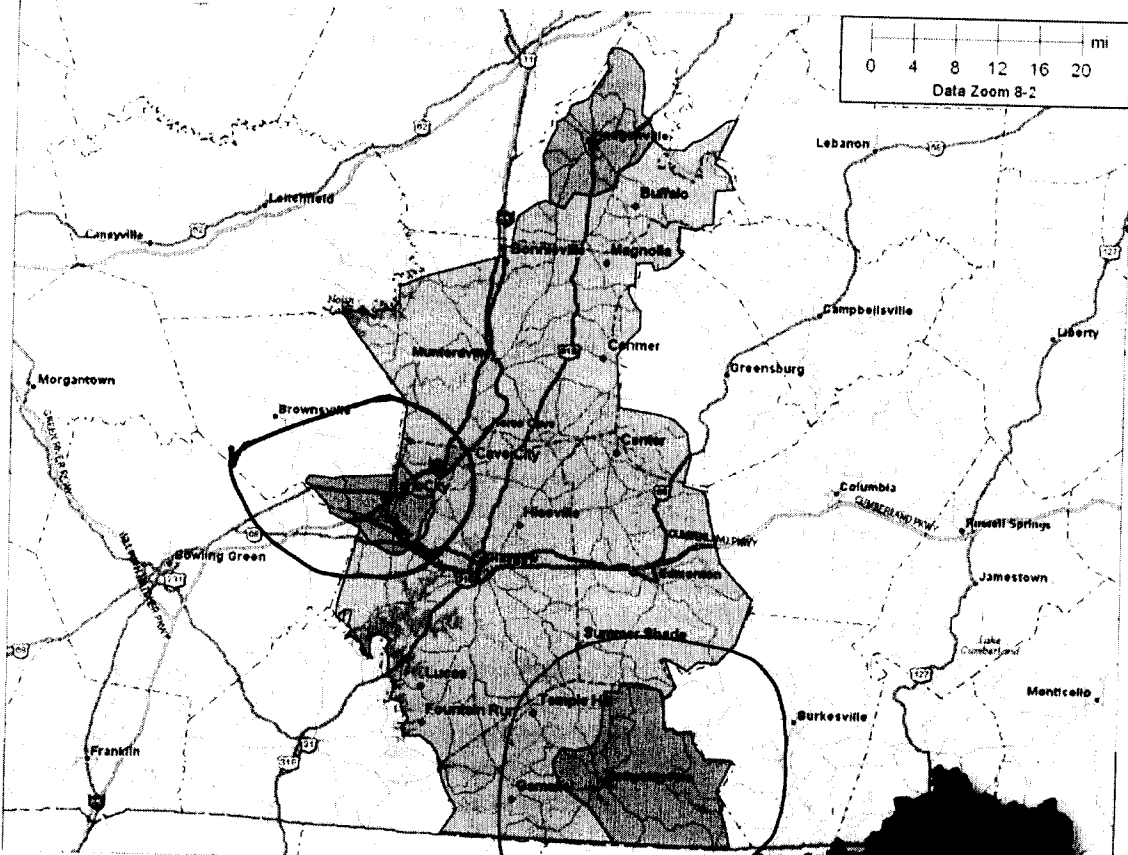
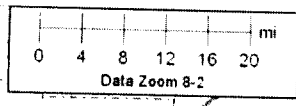
Business Telephone Systems

Telephone/Digital TV/High Speed Internet - ONE BILL !!



Attachment 2

Map



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www.esri.com

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