



South Central Rural Telephone

Cooperative Corporation, Inc.

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PUBLIC SERVICE
COMMISSION

Jeff Derouen, Executive Director
Kentucky Public Service Commission
211 Sower Blvd.,
PO Box 615
Frankfort, KY 40602-0615

December 9, 2013

Subject: Petition for Designation as an Eligible Telecommunications Carrier ("ETC")
Pursuant to 47 U.S.C. § 214(e)

Dear Mr. Derouen:

Please accept this letter as a petition to the Commission for designation of South Central Telcom, LLC ("SCT") to extend its current eligible telecommunications carrier ("ETC") designation issued pursuant to 47 U.S.C. § 214(e) to additional exchanges provided for herein.

On May 2, 2006, under PSC Case No. 2005-00541 SCT received ETC designation for the wire center of Glasgow, KY and subsequently received ETC designation in Tompkinsville and Park City, KY, under 2008-00367. The Company is expanding its service territory and by this Petition, is requesting that it be designated as ETC in the exchanges provided for herein. As shown in the supporting documentation of this Petition, South Central Telcom, LLC has met the requirements for ETC designation in the additional exchanges. Grant of this request will serve the public good by allowing SCT to serve low-income subscribers and permit the company additional revenue streams with which it may continue to build-out its network in the new markets identified herein.

With this filing, South Central Telcom, LLC certifies that it will use the USF it receives, including lifeline support, for the provision of services for which the support is intended pursuant to the rules of the Federal Communications Commission.

Please refer any question about this application to Donnie Bennett via email at Donnie_Bennett@scrtc.net or telephone at 270-678-8225.

Sincerely,

A handwritten signature in black ink, appearing to read 'David R. Davis', is written over a white background.

David R. Davis, Chairman, CEO
South Central Telcom, LLC

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 Windstream Kentucky East - Lexington exchanges of Greensburg and Hodgenville and Windstream Kentucky East - London exchange of Bee Springs collectively ("Windstream" and "Windstream Exchanges"). 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 5,000 access lines in its operating areas including approximately 500 lifeline subscribers. The company applied for and received ETC designation pursuant to PSC Case Nos. 2005-00541 and 2008-00367 and was granted ETC status on May 2, 2006 and October 7, 2008, respectively.

3. On June 27th 2013 the managing board of SCT authorized its expansion into the additional Windstream Exchanges. The company has made considerable progress in its construction efforts and anticipates serving customers early in first quarter of 2014. Because it lacks ETC designation however SCT will be 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 MetaSwitch soft-switches in Horse Cave and Glasgow, Kentucky. 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 tariffed 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 provides access to 911 and enhanced E911 and is, or will be, fully interconnected with

the applicable county public safety answering points (PSAP) that serve 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.

11. SCT has in place the necessary processes to both determine eligibility of Lifeline subscribers to participate in Lifeline service offerings and to annually re-verify the eligibility of those subscribers pursuant to state and federal requirements.

II. SCT PROVIDES ALL SUPPORTED SERVICES OVER ITS OWN FACILITIES

12. 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.

13. All local services provided by the company include flat rate calling within designated local calling areas. The company is nearing completion of its 911 connection arrangements and will offer full 911 access capability in the Windstream Exchanges. Operator and directory assistance services are provided through contracts with third party providers. Access to interexchange services is through either direct trunking from its switch to the carriers or through tandem trunk arrangements.

14. 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. Although SCT provides its services exclusively through its own facilities, its agreements with Windstream include resale services and accordingly, SCT will use resale capabilities

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

15. SCT provides service to approximately 5,000 lines exclusively on its own facilities.

16. Despite the high economic risk in doing so, SCT has successfully over built 99% of the Glasgow and Park City markets and continues to expand in Tompkinsville as market opportunity warrants doing so. As in its current operating areas, SCT finds many of its potential subscribers in the Windstream Exchanges will likely be lifeline eligible and unlikely to purchase service from SCT absent a lifeline discount. These customers are critical to SCT's ability to prove-in the cost of construction in these new operating areas.

17. There is no technical restriction on the use of SCT's service as either a primary service or secondary service. Subject to limitations on duplicate services for its lifeline offering, 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" and does not differentiate between these lines in its pricing.

III. SCT ADVERTISES THE AVAILABILITY OF ITS SERVICES

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

19. 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

20. SCT's ETC approved service area is currently limited to the Glasgow, Tompkinsville and Park City rate center areas now served by Windstream. The company seeks to add the exchanges of Greensburg, Hodgenville and Bee Springs to its ETC designation. SCT has begun to construct facilities in the exchanges and would utilize resale services were it asked to serve a customer that it could not serve via its own facilities.

21. 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

22. To the best of its knowledge, the Greensburg and Hodgenville exchanges appeared to be served by several service providers but, other than Windstream, none of the ETCs in each market provide service on a landline / non-CMRS basis. It is unclear if the Bee Spring exchange is served by any alternative providers besides possibly wireless carriers. Even among those providers who do serve the area, SCT differentiates itself as a locally managed, member-owned provider and accordingly, it is uniquely qualified to deliver high quality reliable services without the CPE or contract restrictions of other providers. Calls, petitions, and inquiries from county and state officials, as well as favorable media articles on behalf of and by potential customers in the Windstream

Exchanges clearly point to demand from the subscribers in these markets for an alternative solution to available providers in those areas.

23. As an ETC, SCT will continue its effort to provide high quality competitively priced telecommunication services that aids 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.

24. When granted ETC, SCT will provide the lifeline discount against qualifying residential services selected by the subscriber.

25. 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

26. 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:

27. 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.

28. SCT's network is alternately powered by an emergency generator and battery backup 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.

29. 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 twelve years of operation, the company has no record of a state or federal complaint being leveraged against it regarding the provision of services.

30. SCT will provide unlimited flat rate local calling at no less than the calling scope of the incumbent telephone company. In addition, subscribers have the option for expanded calling capabilities under a variety of calling plans.

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

32. SCT proposes its ETC designation will apply for the entire Greensburg, Hodgenville and Bee Springs exchanges. Accordingly, there is no risk of “cream-skimming” and grant of its ETC request is in the public interest.

VII. CERTIFICATIONS

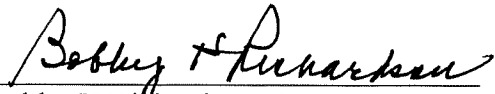
33. SCT is fully capable of meeting additional reporting and certification requirements contained in the FCC’s February press release as summarized below. It already does so for its existing ETC-certified areas.

(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

34. 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.

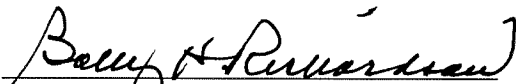
Respectfully submitted,


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 16 of December, 2013, upon the following:

Windstream
Attn: Jeanne Shearer
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 DAVID R. DAVIS

I, the undersigned David R. Davis, 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 and is constructing facilities in Greensburg, Hodgenville and Bee Springs.
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.

5. I further declare that to the best of my knowledge and belief, SCT, including its officers, directors and shareholders, is not subject to denial of federal benefits pursuant to 21 U.S.C. § 862.



David R. Davis, Chairman, CEO
South Central Telcom, LLC

Dated: December 9, 2013

COUNTY OF)
)
STATE OF KENTUCKY)

Subscribed and sworn to me by David R. Davis, on this 5 day of December, 2013.

My commission expires: 5/22/2017



NOTARY PUBLIC, STATE AT LARGE, KY

Attachment 1

Sample Advertising for South Central Telcom service area

July 2013

Discounted telephone service available to SCRTC/SCT Customers

The Lifeline program was designed to preserve and promote telephone services to qualified low-income households. The program provides a discount on local service, which can be either LAND-LINE or WIRELESS service. The combined federal and state discount in Kentucky is up to \$12.75 per month. Only one Lifeline service per household.

Additionally, you qualify for waiver of deposit for local service, if toll restriction and free toll blocking service are selected.

WHO IS ELIGIBLE?

You are eligible to enroll in the Lifeline program if you participate in one of the following:

- * Medicaid
- * Supplemental Nutrition Assistance Program (Food Stamps or SNAP)
- * Supplemental Security Income (SSI)
- * Federal Public Housing
- * Low-Income Home Energy Assistance Program
- * Temporary Assistance to Needy Families
- * National School Free Lunch Program

Or

have income at or below 135% of the federal poverty guidelines (shown below)

Household Size	135% of Federal Poverty Levels
1	\$15,080
2	\$20,426
3	\$25,772
4	\$31,118

For each additional person after 4 add \$5,346.



For More Information Call the Business Office
270-678-2111 or 270-528-2361 or 270-407-5111

Radio spot broadcast on all local radio stations:

SCRTC/SCT WANTS YOU TO KNOW THAT IF YOU ARE ENROLLED IN GOVERNMENT PROGRAMS SUCH AS MEDICAID, FOOD STAMPS, SUPPLEMENTAL SECURITY INCOME, FEDERAL PUBLIC HOUSING, HOME ENERGY ASSISTANCE, TEMPORARY ASSISTANCE, SCHOOL FREE LUNCH, OR HAVE INCOME AT OR BELOW THE FEDERAL POVERTY GUIDELINES THEN YOU ARE ELIGIBLE FOR DISCOUNT SCRTC /SCT PHONE SERVICE. SCRTC/SCT OFFERS THEIR LIFELINE PROGRAM FOR SCRTC PHONE SERVICES TO QUALIFIED LOW INCOME HOUSEHOLDS. DEPOSIT WAIVER IS ALSO AVAILABLE. CALL SCRTC FOR INFORMATION ON THEIR LIFELINE PROGRAM AND START RECEIVING DISCOUNTS TODAY FROM SCRTC.