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Auburn, KY 4220

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FEB 21 2014

PUBLIC SERVICE  
COMMISSION

Jeff R. Derouen, Executive Director  
KY Public Service Commission  
211 Sower Boulevard  
P.O. Box 615  
Frankfort, KY 40602-0615

February 19, 2014

Re: In the Matter of the Application of Logan Telephone Cooperative, Inc. for a Certificate of Public Convenience and Necessity for Construction of a Fiber-to-the-Premise Network

Dear Mr. Derouen,

Attached for your review is an Application for a Certificate of Public Convenience and Necessity for the construction of a fiber-to-the-premise (FTTP) network in a specific operating area of Logan Telephone Cooperative, Inc.

Enclosed are one (1) original application and ten (10) copies. Also enclosed are one (1) copy of the maps, plans, specs and drawings of the proposed construction in pdf format on compact disk and two (2) copies on paper.

If you have any questions about this application please do not hesitate to contact me.

Sincerely,

A handwritten signature in black ink that reads "Gregory A. Hale".

Gregory A Hale  
General Manager/Executive Vice President  
[ghale@loganphone.com](mailto:ghale@loganphone.com)  
Main: 270.542.4121  
Fax: 270.542.4800

COMMONWEALTH OF KENTUCKY  
BEFORE THE PUBLIC SERVICE COMMISSION

RECEIVED

FEB 21 2014

PUBLIC SERVICE  
COMMISSION

In the Matter of:

THE APPLICATION OF LOGAN TELEPHONE )  
COOPERATIVE, INC. FOR A CERTIFICATE )  
OF PUBLIC CONVENIENCE AND NECESSITY )  
FOR THE CONSTRUCTION OF FIBER-TO-THE- )  
PREMISE IN A PORTION OF LOGAN COUNTY, )  
KENTUCKY )

Case No. \_\_\_\_\_

APPLICATION FOR CERTIFICATE OF PUBLIC CONVENIENCE AND  
NECESSITY FOR CONSTRUCTION OF FIBER-TO-THE-PREMISE

Logan Telephone Cooperative, Inc.(Logan), pursuant to KRS 278.020 and 807 KAR 5:001, hereby submits this application for a certificate of public convenience and necessity (CPCN) for the construction of Fiber-to-the-Premise (FTTP) in a portion of Logan County, Kentucky.

1. Pursuant to 807 KAR 5:001 Section 14(1) The full name, address and email address of Logan is Logan Telephone Cooperative, Inc., P.O. Box 97, 10725 Bowling Green Road, Auburn, KY 42206, ghale@loganphone.com.
2. Pursuant to 807 KAR 5:001 Section 14(2) Logan is a Kentucky Cooperative Corporation in good standing and our Articles of Incorporation are attached as Exhibit A.
3. Pursuant to 807 KAR 5:001 Section 15(2)(a) we provide the following facts relied upon to show that the proposed construction will be required by public convenience and necessity.
  - a. Currently Logan members are requesting higher speed broadband services than are available through Logan's existing copper/fiber hybrid network.
  - b. In the February 2013 FCC Measuring Broadband Report<sup>1</sup> the FCC found that the average speed subscribed had reached 15.6 Megabytes, an increase of 20% over the previous year. This type of speed and the

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<sup>1</sup> <http://transition.fcc.gov/cgb/measuringbroadbandreport/2013/Measuring-Broadband-America-feb-2013.pdf>  
page 6 See Exhibit B

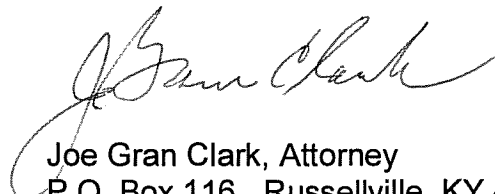
speeds Logan members will require in the future will require a FTTP network.

- c. It is generally known that fiber will be an economic engine for long term growth and will create new opportunities in employment, education, health care and entrepreneurship. Quality of life for members will increase as work-from-home opportunities, entertainment services, cloud computing, and other IP offerings require very high speed broadband only available through FTTP networks like those proposed in this application.
4. Pursuant to 807 KAR 5:001 Section 15(2)(b) Logan does not require franchise approval from any public authority to deploy the facilities described herein. Any highway or railway permits will be obtained prior to start of construction. The majority of this construction will be on private right-of-way.
5. Pursuant to 807 KAR 5:001 Section 15(2)(c) Logan provides the following description of the proposed location, construction manner and identifies any competitors.
  - a. The proposed location for this construction is an area around the north side of the city of Auburn that Logan currently serves by copper cable coming directly from the Auburn Central Office located on Main Street. Maps showing the proposed area and the effected routes are included with this application.
  - b. This project will enable Logan to provide enhanced broadband services to an additional 363 locations and up to 410 unique customers near the city of Auburn. Initially Logan will offer members service up to 100 megabits per second through this active fiber network. The proposed project will provide members with the most advanced broadband infrastructure available. This infrastructure will allow for the offering of other advanced services in the future.
  - c. Fiber optic cable will be placed between the central office in Auburn and each inhabitable residential and business premise that desires service on the proposed route. The cable will be direct buried at a depth of at least 30 inches. The interface between the buried main line cable and the subscriber cable or drop will be in a below ground level handhole or an above ground pedestal.
  - d. In addition to the fiber-optic cable facilities, Logan will place electronic equipment in their Auburn central office to transport the optical signal from the central switch and central network to each customer. This optical signal will be converted at the customer's premise to an electrical signal for service to the customer's telephone, computer or other network device.

- e. Even though this project will not use RUS financing, the construction will be performed under Rural Utilities Service (RUS) specifications for direct buried plant and for customer premise cable.
  - f. Logan has competition in fixed broadband services from Suddenlink Communications in portions of the proposed construction area but no other companies provide basic voice services in our service areas. No other companies have deployed FTTP networks in our service areas.
6. Pursuant to 807 KAR 5:001 Section 15(2)(d), two copies of the required maps, plan, specs and drawings are being included with this application as well as one copy in pdf format on compact disk.
  7. Pursuant to 807 KAR 5:001 Section 15(e) Logan plans to finance all proposed construction, engineering and electronics through the use of existing capital assets. Logan currently holds zero debt and has more than enough cash on hand to meet the financial requirements of this project.
  8. Pursuant to 807 KAR 5:001 Section 15(f) Logan estimates that annual operational costs will significantly decline in the areas where FTTP is deployed. While it is difficult to identify costs savings in just a portion of our network, A FTTP Council study<sup>2</sup> reports that survey respondents estimate an average of over 20 percent savings in operational costs due to Active FTTP deployment.
  9. At this time, Logan does not anticipate any local telephone rate adjustments associated with the project. As the commission is well aware, Logan may be required by the Federal Communications Commission to raise rates in the future to meet federal urban benchmarks in order to receive Logan's full share of Universal Service or Connect America Fund dollars.

Based on the foregoing, and in accordance with KRS 278.020, Logan Telephone Cooperative respectfully requests that the Commission issue a CPCN to deploy a FTTP network in the included service area.

Respectfully submitted,



Joe Gran Clark, Attorney  
P.O. Box 116 Russellville, KY 42276  
Main: 270.726.2085  
Fax: 270.726.2081  
jgclarklaw@bellsouth.net

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<sup>2</sup> <http://www.ftthcouncil.org/d/do/1136> page 10 See Exhibit C

LOGAN TELEPHONE  
COOPERATIVE  
EXHIBIT A

ARTICLES OF INCORPORATION OF LOGAN  
COUNTY RURAL TELEPHONE COOPERATIVE CORPORATION

KNOW ALL MEN BY THESE PRESENTS: that the following persons do associate themselves together to form a corporation under the laws of the Commonwealth of Kentucky: W. Gaston Coke, Auburn, Kentucky; Loyd Johns, R. F. D., Lewisburg, Kentucky; John McCarley, R. F. D., Russellville, Kentucky; R. B. Porter, Quality, Kentucky; Buford Campbell, R. F. D., Adairville, Kentucky; R. H. Bailey, R. F. D., Homer, Kentucky; H. L. Barnes, Lewisburg, Kentucky; A. G. Johnson, R. F. D., Adairville, Kentucky; T. I. Mobley, R. F. D., Auburn, Kentucky.

ARTICLE I. The Logan County Rural Telephone Cooperative Corporation, Inc. is formed pursuant to provisions of KRS 279.310 to KRS 270.600.

ARTICLE II. The name of the corporation shall be Logan County Rural Telephone Cooperative Corporation, Inc.

ARTICLE III. The address of its principal office shall be Russellville, Kentucky, and the incorporators are as follows: W. Gaston Coke, Auburn, Kentucky; Loyd Johns, R. F. D., Lewisburg, Kentucky; John McCarley, R. F. D., Russellville, Kentucky; R. B. Porter, Quality, Kentucky; Buford Campbell, R. F. D., Adairville, Kentucky; R. H. Bailey, R. F. D., Homer, Kentucky; H. L. Barnes, Lewisburg, Kentucky; A. G. Johnson, R. F. D., Adairville, Kentucky; T. I. Mobley, R. F. D., Auburn, Kentucky.

ARTICLE IV. The trustees shall be the same as the Incorporators and they shall have the power to adopt by-laws for this corporation.

ARTICLE V. The corporation shall operate in parts of Logan, Todd, Muhlenberg, Butler, Warren, and Simpson counties, Kentucky.

ARTICLE VI. The private property of the trustees and members of the cooperative shall not be subject to the payment of the debts of the corporation.

ARTICLE VII. The corporation shall have perpetual existence.

ARTICLE VIII. W. Gaston Coke, Auburn, Kentucky, shall be process agent.

IN TESTIMONY WHEREOF, witness the hands of the parties  
hereto this 15<sup>th</sup> day of May, 1954.

R. H. Bailey  
Loyd Johns  
H. L. Barnes  
A. G. Johnson  
T. I. Mobley

J. B. Campbell  
John D. McCarley  
F. B. Porter  
W. Gaston Coke

STATE OF KENTUCKY  
COUNTY OF LOGAN

I, J. Cranville Clark, a notary public in and for the  
county and state aforesaid, do hereby certify that the foregoing  
Articles of Corporation of Logan County Rural Telephone Cooperative  
Corporation, Incorporated were this day produced to me in my  
office by W. Gaston Coke, Loyd Johns, John McCarley, F. B. Porter,  
Ruford Campbell, R. H. Bailey, H. L. Barnes, A. G. Johnson,  
T. I. Mobley, and acknowledged and delivered by said parties to  
be their act and deed.

Witness my hand this 15<sup>th</sup> day of May, 1954.

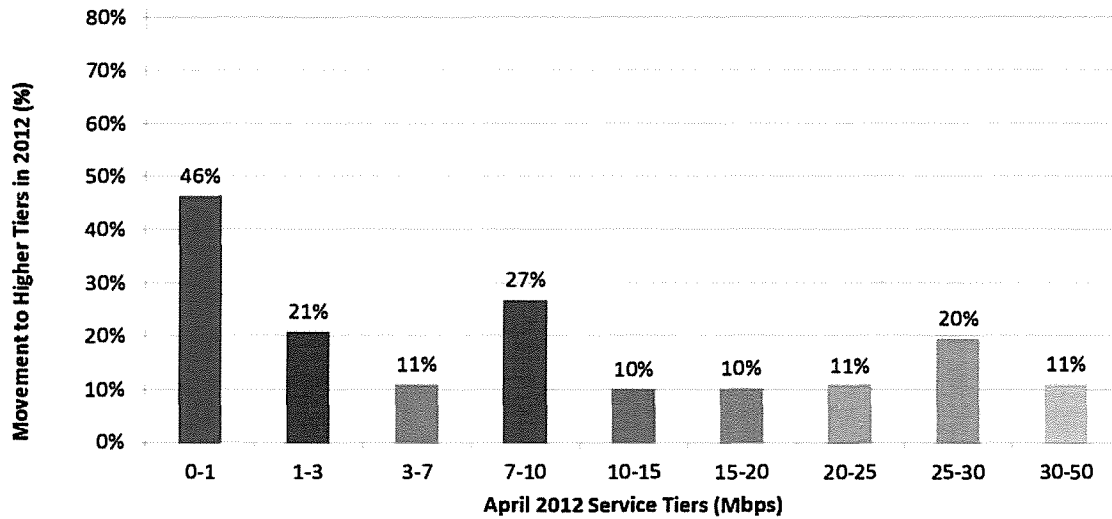
J. Cranville Clark  
Notary Public, Logan County, Ky.  
Comm Exp 20 Jan 1958

ORIGINAL COPY  
FILED AND RECORDED

MAY 24 1954

Charles K. Conner  
SECRETARY OF STATE OF KENTUCKY  
FRANKFORT, KENTUCKY  
BY W. H. Lewis  
CHIEF CORP. CLERK

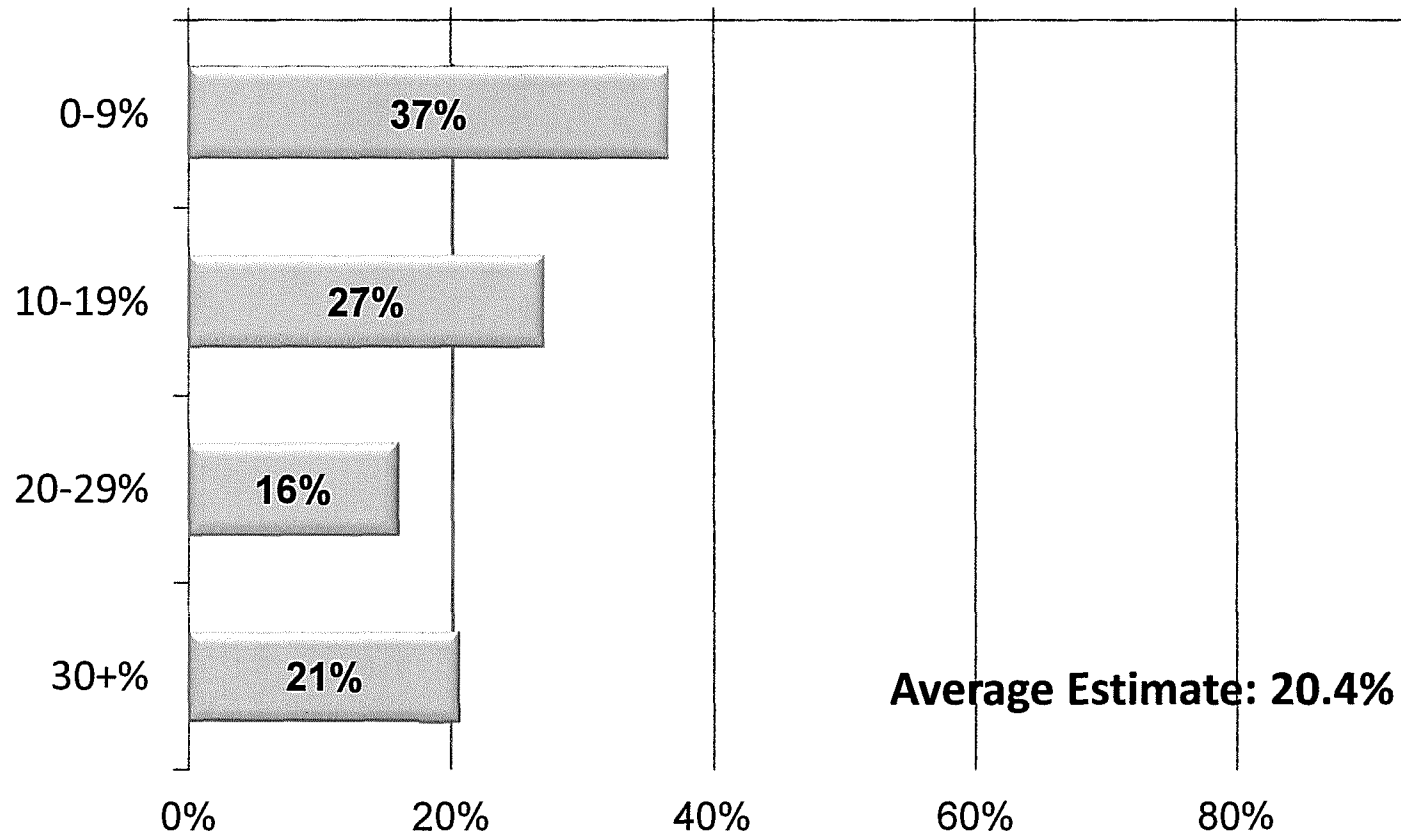
2. Consumers are continuing to migrate to faster speed tiers.



This chart shows that consumers are moving to faster speed tiers, continuing the trend that we highlighted in the July 2012 Report. The bars represent the percentage of volunteers from each of the April 2012 tiers that moved to a higher speed tier by the September 2012 testing period. ISPs also continue to upgrade their networks to provide faster and faster speed tiers. We are encouraged that we are now testing service tiers up to 75 Mbps and plan to evolve our testing program to include even higher tiers as they are rolled out by providers and adopted by consumers. In our tests of download speed, we added five new tiers above 30 Mbps from the last testing period,<sup>7</sup> and our tests of upload performance included one additional offering above 8 Mbps.<sup>8</sup> In this report, we find the average subscribed speed is now 15.6 Mbps, representing an average annualized speed increase of about 20 percent.

# FTTH Reduces Operations Costs

## Estimated Opex Savings among Those with Active FTTH Customers



**Building Fiber-to-the-Home  
Communities Together**