



Steven L. Beshear  
Governor

Leonard K. Peters  
Secretary  
Energy and Environment Cabinet

Commonwealth of Kentucky  
**Public Service Commission**  
211 Sower Blvd.  
P.O. Box 615  
Frankfort, Kentucky 40602-0615  
Telephone: (502) 564-3940  
Fax: (502) 564-3460  
psc.ky.gov

David L. Armstrong  
Chairman

James W. Gardner  
Vice Chairman

Linda Breathitt  
Commissioner

July 30, 2014

Edward T. Depp  
101 South Fifth Street  
Suite 2500  
Louisville, Kentucky 40202

RE: Case No. 2014-00127: Notice of Intent to File Rate Application of South Central Rural Telephone Cooperative Corporation, Inc.

Dear Mr. Depp:

On April 2, 2014, you filed a notice of intent to file a rate application with the Commission on behalf of South Central Rural Telephone Cooperative Corporation, Inc. ("South Central"). In the notice you state that South Central is proposing to make a general adjustment in rates in order to meet the minimum rate floor for basic local exchange service mandated in 47 C.F.R. § 54.318, which will allow South Central to receive high-cost support essential to its operations. You also state that the rate increase must be effective no later than June 1, 2014 in order to comply with the Federal Communications Commission's ("FCC") directive.

You, however, also state that pending FCC action may delay the implementation of the rate floor, in which case South Central might elect to withdraw this notice and postpone the filing of an application for a general adjustment in rates. If this occurs, South Central would then submit a new notice of intent at a later date.

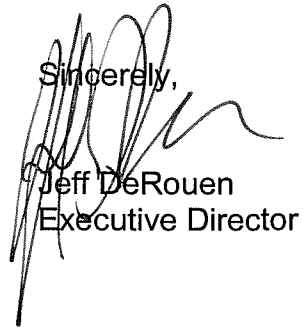
807 KAR 5:001 Section 16(a)(2) states that a utility shall provide notice of intent to file a proposed general adjustment in rates at least 30 days, but not more than 60 days, prior to the filing of the application. South Central's notice of intent was filed on April 2, 2014. Therefore, the latest date by which South Central could file its application under the terms of that notice was June 2, 2014. As of the date of this letter South Central has made no such filing.

The Commission is cognizant that South Central's failure to file timely its application is due to the FCC's recent actions that, *inter alia*, delayed the increase to the rate floor until January 2, 2015. (See *In the matter of Connect America Fund*, Report and Order, Declaratory Ruling, Order, Memorandum Opinion and Order, Seventh Order on Reconsideration, and Further Notice of Proposed Rulemaking, FCC 14-54 (June 10, 2014)). The Commission also recognizes that, due to FCC actions, South Central will

likely be required to file a general adjustment of rates in the near future. However, South Central's April 2, 2014 notice of intent to file a general adjustment of rates has expired, and a new notice of intent must be filed 30 days prior to filing such a rate application in accordance with 807 KAR 5:001 Section 16(a)(2).

Thank you for your letter pertaining to the matters discussed above. Should you have any questions or concerns, please contact Staff Attorney J.E.B. Pinney at 502-782-2587 or at [jeb.pinney@ky.gov](mailto:jeb.pinney@ky.gov).

Sincerely,

A handwritten signature in black ink, appearing to read "Jeff DeRouen", is written over the typed name and title. The signature is fluid and cursive, with a long horizontal stroke extending to the right.

Jeff DeRouen  
Executive Director