

John E. Selent  
(502) 540-2315 (direct)  
(502) 585-2207; (502) 581-8111 (faxes)  
john.selent@dinsmore.com

October 24, 2014

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OCT 24 2014

PUBLIC SERVICE  
COMMISSION

**VIA HAND DELIVERY**

Hon. Jeff R. Derouen  
Executive Director  
Kentucky Public Service Commission  
211 Sower Blvd.  
Frankfort KY 40601-8294

***Re: Tariff Filing of Duo County Telephone Cooperative Corporation, Inc., Case No. 2014-00315 before the Public Service Commission of the Commonwealth of Kentucky***

Dear Mr. Derouen:

On behalf of Duo County Telephone Cooperative Corporation, Inc., enclosed for filing with the Public Service of the Commonwealth of Kentucky are one (1) original and ten (10) copies of the following documents.

- 1) Application for a General Adjustment in Rates;
- 2) Motion for Waiver of Certain Rate Application Filing Requirements; and
- 3) Petition for Confidential Treatment

Thank you, and if you have any questions with regard to this matter, please call me.

Very truly yours,

DINSMORE & SHOHL LLP

  
John E. Selent

JES/bmt  
Enclosures

RECEIVED

COMMONWEALTH OF KENTUCKY  
BEFORE THE PUBLIC SERVICE COMMISSION

OCT 24 2014

PUBLIC SERVICE  
COMMISSION

In the Matter of:

APPLICATION OF DUO COUNTY TELEPHONE ) CASE NO. 2014-00315  
COOPERATIVE CORPORATION, INC. )  
FOR A GENERAL ADJUSTMENT IN RATES )

APPLICATION

Applicant Duo County Telephone Cooperative Corporation, Inc. (“Duo County”), by counsel, pursuant to KRS 278.180, 807 KAR 5:001, Sections 14 and 16, and 807 KAR 5:011, Section 6, and consistent with the Public Service Commission of the Commonwealth of Kentucky’s (the “Commission”) June 28, 2013 order in Case No. 2013-00184 (the “2013 Rate Floor Order”), files this application (the “Application”) for authority to adjust its rates and charges for basic local exchange service and gives notice of its intention to increase the same rates and charges effective November 30, 2014.

INTRODUCTION

This Application for a rate increase is filed in response to an order from the Federal Communications Commission (“FCC”) that fundamentally alters the cost structure of providing telecommunications services in high-cost rural areas, like those Duo County serves. *See In the Matter of Connect America Fund et al.*, Report and Order and Further Notice of Proposed Rulemaking, FCC 11-161 (Nov 18, 2011) (“ICC/USF Order”). For decades prior to the ICC/USF Order, high-cost carriers had received subsidies from the federal government’s “Universal Service Fund” (“USF”). Those USF subsidies were intended to fulfill the Federal Communications Act’s requirement that “[c]onsumers in all regions of the Nation, including . . . those in rural, insular, and high cost areas, should have access to telecommunications and

information services . . . that are available at rates that are reasonably comparable to rates charged for similar services in urban areas.” 47 U.S.C. § 254(b)(3). The FCC found, however, that many rural consumers were paying rates that were less than those paid by consumers in urban areas. ICC/USF Order at ¶ 235. In consequence, the FCC's ICC/USF Order sets a rate floor equal to the national average of local rates plus state regulated fees. *Id.* at ¶ 238. The ICC/USF Order also “limit[s] high-cost support where local end-user rates plus state regulated fees” do not meet that national rate floor; those carriers’ federal subsidies will be reduced “on a dollar-for-dollar basis . . . , to the extent that [the] carrier’s local rates (plus state regulated fees) do not meet the urban rate floor.” *Id.* at ¶ 239.

On June 10, 2014, the FCC altered the schedule for the imposition of rate floor penalties, effectively requiring carriers to ensure that their 2014 rate floor obligations are met no later than December 1, 2014. *See In the Matter of Connect America Fund et al.*, Report and Order, Declaratory Ruling, Order, Memorandum Opinion and Order, Seventh Order on Reconsideration, and Further Notice of Proposed Rulemaking, FCC 14-54, ¶¶ 79-80.

Duo County’s proposed rate adjustment is thus necessary to preserve its ability to receive these USF subsidies that are important to its ability to provide telephone and information services in its high-cost rural service territory. Without a minimum rate sufficient to meet the FCC’s new rate floor, high-cost carriers like Duo County will lose significant federal funding that has historically allowed these carriers to provide service to the most costly, rural customers. That loss of federal funding will threaten the financial existence of these rural carriers like Duo County, who have important obligations under federal and state law as carriers of last resort. Moreover, the loss of those subsidies would increase the pressure for Duo County to raise its

rates even higher than the federal rate floor sought here because any loss of federal funds would lead to a need for Duo County to make up that revenue directly from its customer-members.

\* \* \* \* \*

In support of its Application, Duo County states as follows:

1. Pursuant to 807 KAR 5:001, Section 14(1): (i) the full name of the applicant is Duo County Telephone Cooperative Corporation, Inc.; (ii) the mailing address of the applicant is 2150 North Main Street, Jamestown, Kentucky 42629; and (iii) the electronic mailing address of the applicant is dhammond@duotel.com.

2. Pursuant to 807 KAR 5:001, Section 14(2), Duo County states that it is currently in good standing in the Commonwealth of Kentucky, where it is incorporated. A certified copy of Duo County's Articles of Incorporation and all amendments thereto are on file with the Commission in Case No. 2013-00184.

3. Pursuant to 807 KAR 5:001, Section 16(1)(b)(1), Duo County provides the following statement of the reason the adjustment is requested. Further details are provided in Exhibit 1 of this Application.

a. Duo County is a rural incumbent local exchange carrier serving all of Adair, Casey, Cumberland, and Russell Counties (the "Service Territory"). Duo County was established in 1954 as a not-for-profit, member-owned cooperative with the principal purpose of providing local telephone service to business and individual members within the exchanges of Burkesville Rural, Fairplay, Jamestown, and Russell Springs. Duo County provides approximately 8,478 residential lines and 1,867 business lines to its members. Duo County is an eligible telecommunications carrier ("ETC"), and it is also the carrier of last resort ("COLR") in

the Service Territory. In 2013, Duo County received \$1,894,770.00 from the High Cost Loop Support (“HCLS”) Fund to support its COLR responsibilities in the Service Territory.

b. This proceeding was motivated by an order of the FCC that implemented “a rule to limit high-cost support where end-user rates do not meet a specified local rate floor.” See ICC/USF Order at ¶ 235.

c. Under the rule, local exchange carriers such as Duo County must meet a specified rate floor in each year in order to be eligible to receive the maximum possible amount of HCLS funding from the FCC. Failure to meet the rate floor by the deadline will result in a reduction in HCLS funding that the carrier could have otherwise received for that year. ICC/USF Order at ¶¶ 133, 238-40. Therefore, Duo County requires an adjustment of its rates to comply with the FCC’s 2014 rate floor, thereby maintaining eligibility for the 2014 maximum amount of HCLS funding.

4. The requirements of 807 KAR 5:001, Section 16(1)(b)(2), are inapplicable because Duo County does not operate under an assumed name pursuant to KRS 365.015.

5. Pursuant to 807 KAR 5:001, Section 16(1)(b)(3), Duo County has attached its proposed tariff, in such form as is required by 807 KAR 5:011, as part of Exhibit 2. The proposed effective date of the proposed tariff is November 30, 2014, at least 30 days from the date the Application is filed.

6. Pursuant to 807 KAR 5:001, Section 16(1)(b)(4), Duo County has attached as part of Exhibit 2 its present tariff using italicizing, underscoring, and strikethroughs to show proposed revisions.

7. Pursuant to 807 KAR 5:001, Section 16(1)(b)(5), Duo County states that notice has been given in compliance with 807 KAR 5:001, Section 17, as described below:

a. Pursuant 807 KAR 5:001, Section 17(1), Duo County has posted at its place of business a copy of the Public Notice and will, within five days of the filing of the Application, post on its website a copy of the Public Notice and a hyperlink to the location on the Commission's website where the case documents are available. A copy of the Public Notice is attached hereto as part of Exhibit 3.

b. Pursuant to 807 KAR 5:001, Section 17(2), Duo County, which has more than twenty (20) customers and is not a sewage utility, has provided notice to its customers by including the notice with customer bills mailed no later than the date the Application is submitted to the Commission. A copy of the notice sent to customers is attached hereto as part of Exhibit 3.

c. Pursuant to 807 KAR 5:001, Section 17(3), an affidavit verifying Duo County's provision of the required notice to its customers is attached hereto as part of Exhibit 3.

d. Pursuant to 807 KAR 5:001, Section 17(4), Duo County states that the Public Notice attached to this Application as Exhibit 3 complies with all "Notice Content" requirements prescribed by regulation because it contains all of the following elements:

- i. The proposed effective date and the date the proposed rates are expected to be filed with the Commission;
- ii. The present rates and proposed rates for each customer classification to which the proposed rates will apply;
- iii. The amount of the change requested in both dollar amounts and percentage change for each customer classification to which the proposed rates will apply;

- iv. The effect upon the average bill for each customer classification for the proposed rate change in basic local service;
- v. A statement that a person may examine this Application at Duo County's offices;
- vi. A statement that a person may examine this Application at the Commission's offices located at 211 Sower Boulevard, Frankfort, Kentucky, Monday through Friday, 8:00 a.m. to 4:30 p.m., or through the Commission's Web site at <http://psc.ky.gov>;
- vii. A statement that comments regarding the Application may be submitted to the Commission through its Web site or by mail to Public Service Commission, Post Office Box 615, Frankfort, Kentucky 40602;
- viii. A statement that the rates contained in this notice are the rates proposed by Duo County but that the Commission may order rates to be charged that differ from the proposed rates contained in the notice;
- ix. A statement that a person may submit a timely written request for intervention to the Public Service Commission, Post Office Box 615, Frankfort, Kentucky 40602, establishing the grounds for the request including the status and interest of the party; and
- x. A statement that if the Commission does not receive a written request for intervention within thirty (30) days of initial

publication or mailing of the notice, the Commission may take final action on the Application.

8. The requirements of 807 KAR 5:001, Section 16(1)(b)(6), are inapplicable because Duo County is not a water district.

9. Pursuant to 807 KAR 5:001, Section 16(2), Duo County states that it notified the Commission in writing of its intent to file the Application on September 4, 2014, at least thirty (30) days but not more than sixty (60) days prior to filing the Application. A copy of the notice of intent is included as part of Exhibit 4 of this Application. Pursuant to 807 KAR 5:001, Section 16(2)(a), the notice of intent stated whether the Application will be supported by a historical test period or a fully forecasted test period. Pursuant to 807 KAR 5:001, Section 16(2)(c), Duo County sent by electronic mail a .pdf copy of the notice of intent to the Attorney General's Office of Rate Intervention ([rateintervention@ag.ky.gov](mailto:rateintervention@ag.ky.gov)) upon filing it with the Commission. A copy of this email, including the attached notice of intent, is included as part of Exhibit 4 of this Application.

10. The provisions of 807 KAR 5:001, Section 16(3), are inapplicable because Duo County is not an electric utility.

11. Pursuant to 807 KAR 5:001, Section 16(4)(a), a narrative summary of the particular circumstances that justify and support Duo County's Application, including a statement of the reason the adjustment is required, is attached hereto as Exhibit 1 and is incorporated herein by reference. Exhibit 1 is filed subject to a Petition for Confidential Treatment pursuant to 807 KAR 5:001, Section 13, filed contemporaneously with this Application.



12. As more fully explained in Duo County's Motion for Waiver of Certain Rate Application Requirements ("Motion for Waiver") filed contemporaneously with this Application, Duo County seeks waiver of 807 KAR 5:001, Section 16(4)(b), requiring the applicant's witnesses' prepared testimony.

13. The requirements of 807 KAR 5:001, Section 16(4)(c) are inapplicable because Duo County has gross annual revenues in excess of \$5,000,000.00.

14. Pursuant to 807 KAR 5:001, Section 16(4)(d), Duo County estimates that the total amount of revenue increase resulting from the proposed rate adjustment will be \$105,000.00.

15. The requirements of 807 KAR 5:001, Section 16(4)(e), are inapplicable because Duo County is not an electric, gas, sewage, or water utility.

16. Pursuant to 807 KAR 5:001, Section 16(4)(f), Duo County states that the proposed rate adjustment will likely increase the average affected customer bill by approximately \$2.00. Additional details regarding the anticipated impact on affected customers are set forth in Exhibit 1.

17. Pursuant to 807 KAR 5:001, Section 16(4)(g), Duo County states that because the FCC's rate floor requirements apply only to residential rates, only Duo County's Residential customer class will be affected by the proposed rate adjustment. Duo County's analysis of customers' bills and the corresponding revenue impact are provided in Duo County's responses to the requirements of Section 16(4)(d) and 16(4)(f) in paragraphs 14 and 16 above.

18. Pursuant to 807 KAR 5:001, Section 16(4)(h), Duo County states that parts A and B of its 2013 RUS operating report containing its TIER calculation, which assesses Duo County's actual revenue position compared to its required operating revenues, are attached as Exhibit 5. To the extent the Commission believes this section imposes additional requirements

relevant to this Application, Duo County respectfully seeks waiver of those requirements for the reasons set forth in its accompanying Motion for Waiver.

19. As more fully explained in Duo County's Motion for Waiver, Duo County seeks waiver of 807 KAR 5:001, Section 16(4)(i), requiring a reconciliation of the rate base and capital used to determine revenue requirements.

20. Pursuant to 807 KAR 5:001, Section 16(4)(j), Duo County has attached a current chart of accounts as Exhibit 6.

21. Pursuant to 807 KAR 5:001, Section 16(4)(k), a copy of Duo County's independent auditor's annual opinion report is on file with the Commission. The other requirements of this section are inapplicable because Duo County's independent auditor has not indicated "the existence of a material weakness in [Duo County]'s internal controls."

22. The requirements in 807 KAR 5:001, Section 16(4)(l), are inapplicable because Duo County has not been audited by the FCC.

23. Pursuant to 807 KAR 5:001, Section 16(4)(m), Duo County states that its most recent PSC Form T is on file with the Commission.

24. Pursuant to 807 KAR 5:001, Section 16(4)(n), Duo County has adopted the Commission's average depreciation rates and it has provided as Exhibit 7 hereto a schedule identifying current depreciation rates used by major plant accounts. Duo County's test period depreciation rates are identical to the current depreciation rates attached. To the extent the Commission believes this section requires more information than Duo County has provided, Duo County seeks waiver of 807 KAR 5:001, Section 16(4)(n) for the reasons set for in its Motion for Waiver.

25. Pursuant to 807 KAR 5:001, Section 16(4)(o), requiring a schedule of detailed information regarding all software, programs, and models used to prepare the Application, Duo County states that it utilized no specialized software, program, or models, and relied on Microsoft Word and Microsoft Excel to prepare the Application and supporting exhibits.

26. The requirements of 807 KAR 5:001, Section 16(4)(p), are inapplicable because Duo County has never made a stock or bond offering.

27. Pursuant to 807 KAR 5:001, Section 16(4)(q), Exhibit 8 contains the annual report to members. This material is provided to its members as part of its invitation to its annual meeting during which the results are further reviewed.

28. As more fully explained in Duo County's Motion for Waiver, Duo County seeks waiver of 807 KAR 5:001, Section 16(4)(r), requiring monthly managerial reports.

29. The requirements of 807 KAR 5:001, Section 16(4)(s), are inapplicable because Duo County is not required to file the U.S. Securities and Exchange Commission's Form 10-K, Form 8-K, or Form 10-Q.

30. The requirements of 807 KAR 5:001, Section 16(4)(t), are inapplicable because Duo County has not had any amounts charged or allocated to it by an affiliate or general or home office, and has not paid any monies to an affiliate or a general or home office during the test period or during the previous three (3) calendar years.

31. The requirements of 807 KAR 5:001, Section 16(4)(u), are inapplicable because Duo County is not an electric, gas, sewage, or water utility.

32. The requirements of 807 KAR 5:001, Section 16(4)(v), are inapplicable because Duo County has fewer than 50,000 access lines.

33. The requirements of 807 KAR 5:001, Section 16(5), are inapplicable because Duo County's Application does not include any pro forma adjustments. To the extent the Commission believes the requirements of this section apply to this Application, Duo County respectfully seeks waiver of those requirements for the reasons set forth in its accompanying Motion for Waiver.

34. The requirements of 807 KAR 5:001, Section 16(6), are inapplicable because Duo County is not requesting a general adjustment in rates supported by a fully forecasted test period.

35. The requirements of 807 KAR 5:001, Section 16(7), are inapplicable because Duo County is not requesting a general adjustment in rates supported by a fully forecasted test period.

36. The requirements of 807 KAR 5:001, Section 16(8), are inapplicable because Duo County is not requesting a general adjustment in rates supported by a fully forecasted test period.

37. Pursuant to ¶ 2.a of the 2013 Rate Floor Order, Duo County has provided an estimate of the annual revenue to be received in 2014 from HCLS in Exhibit 1, Attachment A.

38. Pursuant to ¶ 2.b of the 2013 Rate Floor Order, Duo County has provided an estimate of the annual revenue to be lost due to adjustment of terminating access rates in the "Financial Support for Filing" section of Exhibit 1.

39. Pursuant to ¶ 2.c of the 2013 Rate Floor Order, Duo County has provided an estimate of the annual revenue to be generated by the tariff changes in Exhibit 1, Attachment C and in response to the requirements of 807 KAR 5:001, Section 16(4)(d), in paragraph 14 above.

40. Pursuant to ¶ 2.d of the 2013 Rate Floor Order, Duo County has provided an estimate of historical and projected line counts in Exhibit 1, Attachment B and Attachment C.

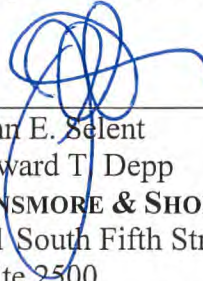
41. Pursuant to ¶ 2.e of the 2013 Rate Floor Order, Duo County has provided historical and projected universal service support information in the narrative response of Exhibit

1 and in Exhibit 1, Attachment A. As is certified annually to the Commission, these funds are used by Duo County to provide voice and advanced data services to its customers, thereby providing its communities with access to critical communications and broadband services.

42. Pursuant to ¶ 2.f of the 2013 Rate Floor Order, Duo County states that narrative support for the proposed rate adjustment is contained in this Application and in Exhibit 1.

WHEREFORE, Duo County Telephone Cooperative Corporation, Inc. respectfully requests that the Public Service Commission of the Commonwealth of Kentucky enter a final order approving Duo County's proposed revisions to the applicable tariffs and grant all other relief to which it is entitled.

Respectfully submitted,



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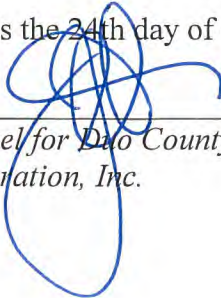
John E. Selent  
Edward T. Depp  
**DINSMORE & SHOHL LLP**  
101 South Fifth Street  
Suite 2500  
Louisville, KY 40202  
Phone: (502) 540-2300  
Fax: (502) 585-2207  
*Counsel to Duo County Telephone  
Cooperative Corporation, Inc.*

**CERTIFICATE OF SERVICE**

I certify that, on the date this Application was filed with the Kentucky Public Service Commission, a true and accurate copy of the foregoing was served by Federal Express or by hand delivery upon the persons listed below.

Kentucky Attorney General  
Office of Rate Intervention  
1024 Capital Center Drive, Suite 200  
Frankfort, Kentucky 40601

On this the 24<sup>th</sup> day of October, 2014.

  
\_\_\_\_\_  
*Counsel for DuBo County Telephone Cooperative  
Corporation, Inc.*

### Description and Reason for Filing

With this filing, Duo County Telephone Cooperative Corporation, Inc. (“Duo County”) proposes to increase its basic residential local service rates by \$2.00, to \$16.00 per month. This filing is in response to the November 18, 2011 order by the Federal Communications Commission that mandates minimum local residential service rate levels as a condition of continue receipt of certain federal universal service supports. In that Order<sup>1</sup> (the so-called “Transformation Order”) the FCC required that local exchange rates be set at or above a rate floor of \$10, as of June 1, 2012; \$14 as of June 1, 2013, and an “urban rate” – at that time undefined – on or before June 1, 2014 (“2014 rate floor”). The Transformation Order mandated that companies with rate levels below the applicable rate floor be penalized with a dollar for dollar reduction in federal high cost loop support (“HCLS”).

On March 20, 2014 the FCC released the results of its controversial urban rate floor survey<sup>2</sup> that established the 2014 rate floor of \$20.46; if implemented, this floor would become the basis on which HCLS recipients below the floor would be subject to the loss of funding as required by the FCC’s Transformation Order. On June 20, 2014 the FCC issued an Order on Reconsideration<sup>3</sup> that modified the proposed 2014 urban rate floor to allow for a phase-in of the residential rate floor. Under its revised implementation schedule, companies were given the option to implement the rates over a 4-year period:

Therefore, we waive the application of section 54.318(b) for lines reported July 1, 2014, with a rate of \$14 or above. Commencing January 2, 2015 (reflecting rates as of December 1, 2014), and thereafter, through June 30, 2016, we waive section 54.318(b) to the extent reported lines are greater than or equal to \$16. For the

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<sup>1</sup> *In the Matter of Connect America Fund et al.*, Report and Order and Further Notice of Proposed Rulemaking, FCC 11-161 (Nov 18, 2011)

<sup>2</sup> *Wireline Competition Bureau Announces Results of Urban Rate Survey for Voice Services; Seeks Comment on Petition for Extension of Time to Comply with New Rate Floor*, Public Notice, DA 14-384, Released March 20, 2014

<sup>3</sup> 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)

period between July 1, 2016, and June 30, 2017, we waive section 54.318(b) to the extent reported rates are greater than or equal to \$18, or the 2016 rate floor, whichever is lower. For the period between July 1, 2017, and June 30, 2018, we waive section 54.318(b) to the extent reported rates are greater than or equal to \$20, or the 2017 rate floor, whichever is lower.<sup>4</sup>

### Proposed Revisions and Customer Impact

With this filing, Duo County's basic residential rates are proposed to rise to \$16.00. Duo County does not propose any changes to its basic business services, which are not subject to the Transformation Order and which are, in any event, priced above the \$16.00 residential rate floor. In its 2013 filing<sup>5</sup> Duo County raised its basic residential rates by 63 cents. In order to meet the 2014 residential rate floor, Duo County must raise its residential rates by an additional \$2 per line. While the company anticipates that its average residential subscriber will have only a 2.4% increase in monthly charges,<sup>6</sup> as discussed further below, Duo County proposes to provide value-added benefits to its subscribers by increasing the number of exchanges included as extended area service ("EAS"), allowing all of its subscribers to enjoy greater local (i.e., toll-free) calling.

To offset the rate increase, Duo County proposes to expand its local calling area for all of its subscribers to include all exchanges within the company as well as an additional non-company exchange. As shown in the following chart, this expansion doubles, on average, the number of subscribers that may be called on a non-toll / locally dialed basis.

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<sup>4</sup> *Ibid.*, para. 80

<sup>5</sup> See generally *In the Matter of Tariff Filing of Duo County Tele. Coop. Corp., Inc.*, Ky. P.S.C. Case No. 2013-00184.

<sup>6</sup> When measured against the typical residential service. Approximately 5% of its subscribers purchase only a basic phone line. Including interstate access tariff fees, those subscribers will have an increase of 9% under this proposal.



**Duo County Proposed Expansion of EAS**

Exchange	Current EAS	Add as EAS	Current Line Est.	Add Line Est.
Fairplay	Columbia *	Russell Springs, Jamestown, Burkesville Rural, Burkesville City *	4,363	8,360
Russell Springs	Jamestown	Fairplay, Burkesville Rural, Burkesville City *	6,242	2,981
Jamestown	Russell Springs	Burkesville Rural, Fairplay, Burkesville City *	6,242	2,981
Burkesville Rural	Burkesville City *	Jamestown, Russell Springs, Fairplay	2,118	7,105

\* Indicates a non-Duo County exchange.

By expanding its EAS, Duo County will forgo originating switched access revenues previously billed as interexchange access on these former toll routes, increase its costs for queries to the newly converted EAS areas, and incur additional costs for traffic termination to a non-Duo County exchange. Due to practical limitations in its carrier billing system, Duo County cannot realistically forecast this revenue loss or the additional query and termination fees, but the company anticipates these operational changes will not have a material impact on its financial health. The benefit of the expanded routes will vary based on the calling patterns of its members. Duo County proposes to extend the EAS benefit to both its business and residential subscribers. Accordingly, this filing represents a cost reduction for its business customers who will enjoy EAS calling on routes previously subject to toll charges. Additionally, depending on their individual community of interest, Duo County expects that, for many of its residential subscribers, the expanded local calling will mitigate the local rate increase and may actually offer savings to some.

While the company recognizes that the conversion of toll routes to EAS will result in reductions in its regulated access revenues, Duo County has not evaluated the anticipated

reductions in this filing. However, as shown in the “Financial Support for Filing” section of this Exhibit, even without these reductions, Duo County’s local service rate increase can be readily justified by changes to access support required in the FCC Transformation Order.

**Company Information**

The full name and address of the company is Duo County Telephone Cooperative Corporation, Inc., 2150 North Main Street, Jamestown, KY 42629. Duo County was established in May 26, 1954 as a not-for-profit, member-owned cooperative to provide local telephone service to business and residential members within the exchanges of Burkesville Rural, Fairplay, Jamestown, and Russell Springs (“Service Territory”). Duo County is a rural incumbent local exchange carrier serving all or parts of Adair, Casey, Cumberland, and Russell counties in southern Kentucky. Per its 2013 PSC Report, Duo County provided 8,478 residential lines and 1,867 business lines to its members.

Duo County is an eligible telecommunications carrier (“ETC”) in the communities it serves and is also the carrier of last resort (“COLR”) in its Service Territory. In 2013, Duo County received \$1,894,770 from the HCLS Fund to support its COLR responsibilities in its Service Territory and anticipates receiving \$1.9M in calendar year 2014. As a high cost company, all HCLS revenues are crucial for Duo County to continue to meet its COLR responsibilities while bringing advanced services to the communities it serves.

A schedule of Duo County’s quarterly high cost support is provided in Attachment A of this Exhibit. Historic access line counts, as reported to the National Exchange Carrier Association, are provided in Attachment B.

**Financial Support for Filing**

While Duo County anticipates that some of its increase in local service revenues will be offset by the cost of expanding its local calling areas, the increase in rates is driven by two factors: first, the offset of HCLS support as required by the FCC's Transformation Order; and, second, FCC-mandated reduction in access charges that have capped and reduced access compensation available to the company.

Companies who fail to meet the 2014 rate floor will experience a dollar for dollar reduction in HCLS beginning in January, 2015. As shown below, by raising its rates by \$2, Duo County will retain approximately 10% of its total HCLS support, or \$189K per year.

	<b>Subscribers</b>	<b>Current Rate</b>	<b>FCC Floor</b>	<b>At Risk</b>
Residential Twelve month estimate 2015	7,864	\$ 14.00	\$ 16.00	\$ 188,726
Annual HCLS (See Attachment A of this Exhibit)				\$ 1,876,404
Support at risk absent a rate increase				10%

Included in the FCC's Transformation Order is a requirement that carriers cap and reduce not only their reciprocal, state, and interstate inter-carrier compensation rates, but also the revenues carriers are allowed to collect. Under the formula specified in the Transformation Order, the FCC capped allowed terminating access revenues from intercarrier compensation at fiscal year 2011<sup>7</sup> collected levels and established a phase down of those allowed amounts over the subsequent 5 years. With this change, Duo County cannot collect more than its current capped revenue amount net 5% *each year*. As shown in the step down illustration below, the cumulative FCC-mandated reductions in Duo County's state access revenue recovery through the fiscal period ending June, 2015 is [REDACTED]

<sup>7</sup> October 1, 2010 through September 30, 2011.

	Eligible State Access Recovery	
	Access Cap	Cumulative Reduction
FY2011		
2012-2013 Fiscal Period		
2013-2014 Fiscal Period		
2014-2015 Fiscal Period		
<b>Cumulative Reduction</b>		

This is the second residential rate increase filed by Duo County to meet the FCC residential rate floor. Duo County increased residential rates by 63 cents on June 1, 2013<sup>8</sup> and proposes in this filing to increase residential rates by another \$2. As shown in Attachment C of this Exhibit, Duo County forecasts the additional revenue of its proposed increase to be \$105K from the effective date of its proposed tariff through the June 2015 (inclusive) fiscal period. The company’s prior modest increase resulted in a revenue increase of \$123K over the two year period between June 2013 and June 2015. Accordingly, Duo County estimates that the combined change in revenue of its two local service rate increases will be significantly less than the cumulative reduction imposed by the FCC’s cap of Eligible State Access Recovery when measured across the same period.

**Summary**

The FCC’s Transformation Order continues to dramatically change the revenue sources historically available to rural telephone companies like Duo County to use in meeting their COLR obligation and to expand the availability of advanced broadband services to their customers. Unfortunately, for many of these affected companies, doing so requires upward pressure on local service rates. As shown in this documentation, Duo County has no other realistic options available to it and requests that its tariff revisions be approved.

<sup>8</sup> See generally *In the Matter of Tariff Filing of Duo County Tele. Coop. Corp., Inc.*, Ky. P.S.C. Case No. 2013-00184.

Attachments to this Exhibit:

Attachment A: Duo County's quarterly high cost support 2014

Attachment B: National Exchange Carrier Association Report of Access Lines

Attachment C: Revenue Forecast Due to Rate Change

Duo County Telephone Cooperative  
2014 High Cost Support

Case 2014-00315  
Exhibit 1  
Attachment A

Report Cycle	State	SAC	Study Area Name	Connect America Fund ICC Monthly Support	HCL Monthly Support	ICLS Monthly Support	Total High Cost Monthly	Total High Cost Quarterly
1Q14	KY	260401	DUO COUNTY TEL COOP	\$ 128,216	\$ 160,246	\$ 176,912	\$ 465,374	\$ 1,396,122
2Q14	KY	260401	DUO COUNTY TEL COOP	\$ 128,216	\$ 157,698	\$ 176,912	\$ 462,826	\$ 1,388,478
3Q14	KY	260401	DUO COUNTY TEL COOP	\$ 128,216	\$ 153,762	\$ 186,423	\$ 468,401	\$ 1,405,203
4Q14	KY	260401	DUO COUNTY TEL COOP	\$ 152,776	\$ 153,762	\$ 186,423	\$ 492,961	\$ 1,478,883

2014 Calendar Year

\$ 1,876,404

The Exhibit 1(B) attachment has been omitted from the public filing. It has been provided under a petition for confidential treatment

REDACTED

Duo County Telephone Cooperative  
Forecasted Revenue Impact

Case 2014-00315  
Exhibit 1  
Attachment C

Date	Demand	Case 2013-00184		Case 2014-00315		AXS Reduction	Revenue Change
		Rate Change	Increase	Rate Change	Increase		
6/2013 thru 5/2014		\$ 0.63					
7/1/2014		\$ 0.63					
8/1/2014		\$ 0.63					
9/1/2014		\$ 0.63					
10/1/2014		\$ 0.63					
<i>start forecast</i> 11/1/2014		\$ 0.63					
12/1/2014		\$ 0.63		\$ 2.00			
1/1/2015 *		\$ 0.63		\$ 2.00			
2/1/2015		\$ 0.63		\$ 2.00			
3/1/2015		\$ 0.63		\$ 2.00			
4/1/2015		\$ 0.63		\$ 2.00			
5/1/2015		\$ 0.63		\$ 2.00			
6/1/2015		\$ 0.63		\$ 2.00			
<b>Cumulative Revenue Impact</b>			\$ 122,909		\$ 104,789		

\* Presumes a one-time doubling of annual loss due to rate increase



**Duo County Telephone Cooperative  
Case 2014-00315**

**Exhibit 2**

- **Proposed Tariff Pages (Proposed)**
- **Proposed Tariff Pages (Proposed with Black Line)**

**Duo County Telephone Cooperative  
Case 2014-00315**

**Exhibit 2**

**Proposed Tariff Pages (Clean)**

**GENERAL RULES AND REGULATIONS  
RUSSELL SPRINGS EXCHANGE**

I. General

- A. This Tariff is governed, except as otherwise specified, by the Board of Directors and the By-Laws of the Duo County Telephone Cooperative Corporation, Inc. Unless otherwise specified, the charges quoted in this Tariff or in the General Rules and Regulations and General Exchange Tariffs are for periods of one month, are payable monthly in advance, and entitle the customer exchange access service within the Russell Springs Exchange.
- B. Touch tone dialing is provided with all services. Rotary dialing may be retained for those Customers already subscribing to that service.
- C. The rates quoted herein also entitle the subscribers of this exchange to call, without additional charge, the exchanges listed below.

EXCHANGE	ADDITIONAL LOCAL CALLING TO
Russell Springs	Burkesville Rural, Burkesville City*, Fairplay, Jamestown

(C)  
(C)

II. Rates

CLASS OF SERVICE	MONTHLY RATE
Business Exchange Access Service – B1	\$ 20.87
Residential Exchange Access Service – R1	\$ 16.00 (I) †
Basic Coin Access Service	\$ 20.87
Key/PABX Trunk	\$ 34.00

† Rate to be implemented with each bill cycle beginning on or after the effective date of this tariff.

\* Indicates an Exchange Area that is not served by Duo County Telephone Cooperative.

Issue Date: October 24, 2014  
Effective Date: November 30, 2014

Issued by: /s/ Thomas E. Preston  
Thomas E. Preston, Chief Executive Officer

**GENERAL RULES AND REGULATIONS  
JAMESTOWN EXCHANGE**

I. General

- A. This Tariff is governed, except as otherwise specified, by the Board of Directors and the By-Laws of the Duo County Telephone Cooperative Corporation, Inc. Unless otherwise specified, the charges quoted in this Tariff or in the General Rules and Regulations and General Exchange Tariffs are for periods of one month, are payable monthly in advance, and entitle the customer exchange access service within the Jamestown Exchange.
- B. Touch tone dialing is provided with all services. Rotary dialing may be retained for those Customers already subscribing to that service.
- C. The rates quoted herein also entitle the subscribers of this exchange to call, without additional charge, the exchanges listed below.

EXCHANGE	ADDITIONAL LOCAL CALLING TO
Jamestown	Burkesville Rural, Burkesville City*, Fairplay, Russell Springs

(C)  
(C)

II. Rates

CLASS OF SERVICE	MONTHLY RATE
Business Exchange Access Service – B1	\$ 20.87
Residential Exchange Access Service – R1	\$ 16.00 (I) †
Basic Coin Access Service	\$ 20.87
Key/PABX Trunk	\$ 34.00

\* Indicates an Exchange Area that is not served by Duo County Telephone Cooperative.

† Rate to be implemented with each bill cycle beginning on or after the effective date of this tariff.

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Issue Date: October 24, 2014  
Effective Date: November 30, 2014

Issued by: /s/ Thomas E. Preston  
Thomas E. Preston, Chief Executive Officer

GENERAL RULES AND REGULATIONS  
BURKESVILLE RURAL EXCHANGE

I. General

- A. This Tariff is governed, except as otherwise specified, by the Board of Directors and the By-Laws of the Duo County Telephone Cooperative Corporation, Inc. Unless otherwise specified, the charges quoted in this Tariff or in the General Rules and Regulations and General Exchange Tariffs are for periods of one month, are payable monthly in advance, and entitle the customer exchange access service within the Burkesville Rural Exchange.
- B. Touch tone dialing is provided with all services. Rotary dialing may be retained for those Customers already subscribing to that service.
- C. The rates quoted herein also entitle the subscribers of this exchange to call, without additional charge, the exchanges listed below.

EXCHANGE	ADDITIONAL LOCAL CALLING TO
Burkesville Rural	Burkesville City *, Fairplay, Jamestown, Russell Springs

(C)  
(C)

II. Rates

CLASS OF SERVICE	MONTHLY RATE
Business Exchange Access Service – B1	\$ 20.87
Residential Exchange Access Service – R1	\$ 16.00 (I) †
Basic Coin Access Service	\$ 20.87
Key/PABX Trunk	\$ 34.00

\* Indicates an Exchange Area that is not served by Duo County Telephone Cooperative.

† Rate to be implemented with each bill cycle beginning on or after the effective date of this tariff.

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Issue Date: October 24, 2014  
Effective Date: November 30, 2014

Issued by: /s/ Thomas E. Preston  
Thomas E. Preston, Chief Executive Officer

**GENERAL RULES AND REGULATIONS  
FAIRPLAY EXCHANGE**

I. General

- A. This Tariff is governed, except as otherwise specified, by the Board of Directors and the By-Laws of the Duo County Telephone Cooperative Corporation, Inc. Unless otherwise specified, the charges quoted in this Tariff or in the General Rules and Regulations and General Exchange Tariffs are for periods of one month, are payable monthly in advance, and entitle the customer exchange access service within the Fairplay Exchange.
- B. Touch tone dialing is provided with all services. Rotary dialing may be retained for those Customers already subscribing to that service.
- C. The rates quoted herein also entitle the subscribers of this exchange to call, without additional charge, the exchanges listed below.

EXCHANGE	ADDITIONAL LOCAL CALLING TO
Fairplay	Burkesville Rural, Burkesville City*, Columbia *, Jamestown, Russell Springs

(C)  
(C)

II. Rates

CLASS OF SERVICE	MONTHLY RATE
Business Exchange Access Service – B1	\$ 20.87
Residential Exchange Access Service – R1	\$ 16.00 (I) †
Basic Coin Access Service	\$ 20.87
Key/PABX Trunk	\$ 34.00

\* Indicates an Exchange Area that is not served by Duo County Telephone Cooperative.

† Rate to be implemented with each bill cycle beginning on or after the effective date of this tariff.

Issue Date: October 24, 2014  
Effective Date: November 30, 2014

Issued by: /s/ Thomas E. Preston  
Thomas E. Preston, Chief Executive Officer

**Duo County Telephone Cooperative  
Case 2014-00315**

**Exhibit 2**

**Proposed Tariff Pages (Proposed with Black Line)**

GENERAL RULES AND REGULATIONS  
RUSSELL SPRINGS EXCHANGE

I. General

- A. This Tariff is governed, except as otherwise specified, by the Board of Directors and the By-Laws of the Duo County Telephone Cooperative Corporation, Inc. Unless otherwise specified, the charges quoted in this Tariff or in the General Rules and Regulations and General Exchange Tariffs are for periods of one month, are payable monthly in advance, and entitle the customer exchange access service within the Russell Springs Exchange.
- B. Touch tone dialing is provided with all services. Rotary dialing may be retained for those Customers already subscribing to that service.
- C. The rates quoted herein also entitle the subscribers of this exchange to call, without additional charge, the exchanges listed below.

EXCHANGE	ADDITIONAL LOCAL CALLING TO
Russell Springs	<u>Burkesville Rural, Burkesville City*</u> , <u>Fairplay, Jamestown</u>

(C)  
(C)

II. Rates

CLASS OF SERVICE	MONTHLY RATE
Business Exchange Access Service – B1	\$ 20.87
Residential Exchange Access Service – R1	<del>\$ 14.00</del> <u>16.00 (I) †</u>
Basic Coin Access Service	\$ 20.87
Key/PABX Trunk	\$ 34.00

† Rate to be implemented with each bill cycle beginning on or after the effective date of this tariff.

\* Indicates an Exchange Area that is not served by Duo County Telephone Cooperative.

Issue Date: October 24, 2014  
Effective Date: November 30, 2014

Issued by: /s/ Thomas E. Preston  
Thomas E. Preston, Chief Executive Officer



GENERAL RULES AND REGULATIONS  
JAMESTOWN EXCHANGE

I. General

- A. This Tariff is governed, except as otherwise specified, by the Board of Directors and the By-Laws of the Duo County Telephone Cooperative Corporation, Inc. Unless otherwise specified, the charges quoted in this Tariff or in the General Rules and Regulations and General Exchange Tariffs are for periods of one month, are payable monthly in advance, and entitle the customer exchange access service within the Jamestown Exchange.
- B. Touch tone dialing is provided with all services. Rotary dialing may be retained for those Customers already subscribing to that service.
- C. The rates quoted herein also entitle the subscribers of this exchange to call, without additional charge, the exchanges listed below.

EXCHANGE	ADDITIONAL LOCAL CALLING TO
Jamestown	<u>Burkesville Rural, Burkesville City*</u> , <u>Fairplay, Russell Springs</u>

(C)  
(C)

II. Rates

CLASS OF SERVICE	MONTHLY RATE
Business Exchange Access Service – B1	\$ 20.87
Residential Exchange Access Service – R1	\$ <del>14.00</del> 16.00 (I) †
Basic Coin Access Service	\$ 20.87
Key/PABX Trunk	\$ 34.00

\* Indicates an Exchange Area that is not served by Duo County Telephone Cooperative.

† Rate to be implemented with each bill cycle beginning on or after the effective date of this tariff.

Issue Date: October 24, 2014  
Effective Date: November 30, 2014

Issued by: /s/ Thomas E. Preston  
Thomas E. Preston, Chief Executive Officer

GENERAL RULES AND REGULATIONS  
BURKESVILLE RURAL EXCHANGE

I. General

- A. This Tariff is governed, except as otherwise specified, by the Board of Directors and the By-Laws of the Duo County Telephone Cooperative Corporation, Inc. Unless otherwise specified, the charges quoted in this Tariff or in the General Rules and Regulations and General Exchange Tariffs are for periods of one month, are payable monthly in advance, and entitle the customer exchange access service within the Burkesville Rural Exchange.
- B. Touch tone dialing is provided with all services. Rotary dialing may be retained for those Customers already subscribing to that service.
- C. The rates quoted herein also entitle the subscribers of this exchange to call, without additional charge, the exchanges listed below.

EXCHANGE	ADDITIONAL LOCAL CALLING TO
Burkesville Rural	Burkesville City *, Fairplay, Jamestown, Russell Springs

(C)  
(C)

II. Rates

CLASS OF SERVICE	MONTHLY RATE
Business Exchange Access Service – B1	\$ 20.87
Residential Exchange Access Service – R1	\$ <del>14.00</del> 16.00 (D) †
Basic Coin Access Service	\$ 20.87
Key/PABX Trunk	\$ 34.00

\* Indicates an Exchange Area that is not served by Duo County Telephone Cooperative.

† Rate to be implemented with each bill cycle beginning on or after the effective date of this tariff.

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Issue Date: October 24, 2014  
Effective Date: November 30, 2014

Issued by: /s/ Thomas E. Preston  
Thomas E. Preston, Chief Executive Officer

GENERAL RULES AND REGULATIONS  
FAIRPLAY EXCHANGE

I. General

- A. This Tariff is governed, except as otherwise specified, by the Board of Directors and the By-Laws of the Duo County Telephone Cooperative Corporation, Inc. Unless otherwise specified, the charges quoted in this Tariff or in the General Rules and Regulations and General Exchange Tariffs are for periods of one month, are payable monthly in advance, and entitle the customer exchange access service within the Fairplay Exchange.
- B. Touch tone dialing is provided with all services. Rotary dialing may be retained for those Customers already subscribing to that service.
- C. The rates quoted herein also entitle the subscribers of this exchange to call, without additional charge, the exchanges listed below.

EXCHANGE	ADDITIONAL LOCAL CALLING TO
Fairplay	<u>Burkesville Rural, Burkesville City*</u> , <u>Columbia *, Jamestown, Russell</u> <u>Springs</u>

(C)  
(C)

II. Rates

CLASS OF SERVICE	MONTHLY RATE
Business Exchange Access Service – B1	\$ 20.87
Residential Exchange Access Service – R1	<del>\$ 14.00</del> <u>16.00 (I) †</u>
Basic Coin Access Service	\$ 20.87
Key/PABX Trunk	\$ 34.00

\* Indicates an Exchange Area that is not served by Duo County Telephone Cooperative.

† Rate to be implemented with each bill cycle beginning on or after the effective date of this tariff.

Issue Date: October 24, 2014  
Effective Date: November 30, 2014

Issued by: /s/ Thomas E. Preston  
Thomas E. Preston, Chief Executive Officer

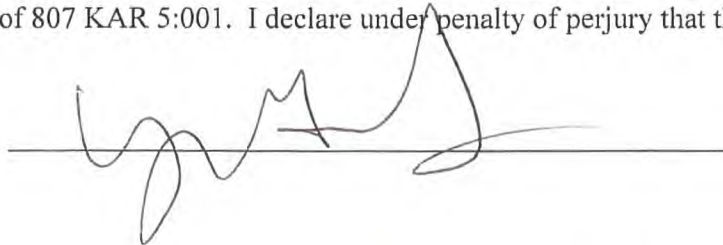
**CUSTOMER NOTICE AFFIDAVIT**

**AFFIDAVIT**

I, Daryl L. Hammond, am a representative of Duo County Telephone Cooperative, Inc. and am authorized to make this statement on its behalf.

I attest that the customer notice accompanying this affidavit was sent to all customers as a bill insert on the following dates: 10/1/2014, 10/10/2014, 10/20/2014 in accordance with Section 17(2) of 807 KAR 5:001. I declare under penalty of perjury that the foregoing is true and correct.

Signature:



Subscribed and sworn to me before this 20th day of October, 2014.

Susan P. Emerson  
Notary Republic

My commission expires: 1-12-15

On or around October 24, Duo County Telephone Cooperative filed with the KY Public Service Commission an increase in basic local service rates charged to residential subscribers due to a Federal Communication Commission mandate. With this change, residential rates are proposed to increase from \$14 to \$16. Business rates are unchanged with this filing. If approved by the PSC, the effective date of this rate change will be December 1, 2014. We anticipate the average bill increase being 2.4%.

To offset this rate change, Duo will expand local calling to several exchanges previously classified as long distance and subject to toll charges. By allowing you to call your communities of interest without additional usage charges, we hope that your savings in long distance charges minimizing your overall increase in cost and depending on your calling patterns, may possibly save you money.

This increase is mandated by recent changes enacted by the Federal Communications Commission which set minimal local service rate levels as a condition of continued receipt of federal high cost support that allows Duo to deploy fiber optic facilities and support advanced voice and broadband services. Because this support is vital to the economic health of our community, Duo had no choice but to request this rate increase.

You may examine this application at the offices of Duo Telephone located at 2150 North Main Street, Jamestown, Kentucky 42629 during regular business hours or at the offices of the Kentucky Public Service Commission located at 211 Sower Boulevard, Frankfort, Kentucky, Monday through Friday, 8:00 a.m. to 4:30 p.m., or through the commission's Web site at <http://psc.ky.gov>.

Comments regarding the application may be submitted to the Public Service Commission through its Web site or by mail to Public Service Commission, Post Office Box 615, Frankfort, Kentucky 40602. Rates contained in this notice are the rates proposed by Duo but that the Public Service Commission may order rates to be charged that differ from the proposed rates contained in this notice.

You may submit a timely written request for intervention to the Public Service Commission, Post Office Box 615, Frankfort, Kentucky 40602, establishing the grounds for the request including the status and interest of the party. If the Commission does not receive a written request for intervention within thirty (30) days of initial publication or mailing of this notice, the Commission may take final action on the application.



September 2, 2014

Case No. 2014-00315

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

RECEIVED

SEP 4 - 2014

PUBLIC SERVICE  
COMMISSION

Dear Mr. Derouen:

Duo County Telephone Cooperative Corporation, Inc. ("Duo County") gives this notice pursuant to 807 KAR 5:001 Section 16(2) of its intent to file no sooner than thirty (30) days from today, but not more than sixty (60) days from today, an application for a general adjustment in its rates. The general adjustment in rates will be supported by a twelve (12) month historical test period that may include adjustments for known and measurable changes.

The anticipated rate application is intended to meet the rate floor mandated in 47 CFR § 54.318, compliance with which is required to ensure that Duo County continues to receive high cost support that is essential to its operations. (See In the matter of Connect America Fund, Report and Order and Further Notice of Proposed Rulemaking, FCC 11-161 (Nov. 18, 2011).)

The FCC's June 10, 2014 Order (See Report and Order, Declaratory Ruling, Order, Memorandum Opinion And Order, Seventh Order On Reconsideration, and Further Notice of Proposed Rulemaking, FCC 14-54) requires Duo County to have reported line rates greater than or equal to \$16, commencing January 2, 2015 (reflecting rates as of December 1, 2014)<sup>1</sup>.

A copy of this notice is being emailed to the Attorney General's Office of Rate Intervention by electronic mail at [rateintervention@ag.ky.gov](mailto:rateintervention@ag.ky.gov).

Please refer any questions to me at 270-343-1111 or via email at [dhammond@duotel.com](mailto:dhammond@duotel.com).

Sincerely,

A handwritten signature in black ink, appearing to read "Daryl L. Hammond", is written over a horizontal line.

Daryl L. Hammond, Vice President/Chief Financial Officer

Cc via email: Eileen Bodamer, Bodamer Consulting

<sup>1</sup> Paragraph 80.

**From:** Daryl Hammond [<mailto:dhammond@duotel.com>]  
**Sent:** Tuesday, September 02, 2014 12:11 PM  
**To:** Eileen Bodamer  
**Subject:** FW: Notice to file general adjustment in rates

fyi

Daryl L. Hammond, Vice President/Chief Financial Officer  
Duo County Telephone Cooperative  
P O Box 80, 2150 North Main Street  
Jamestown, KY 42629  
Business: 270-343-1111  
Mobile: 270-858-9700  
Fax: 270-343-6500  
[dhammond@duotel.com](mailto:dhammond@duotel.com)



Confidentiality Notice This message is intende

**From:** Daryl Hammond  
**Sent:** Tuesday, September 02, 2014 11:09 AM  
**To:** [rateintervention@ag.ky.gov](mailto:rateintervention@ag.ky.gov)  
**Cc:** Daryl Hammond  
**Subject:** Notice to file general adjustment in rates

Office of Kentucky Attorney General,  
Please see attached notice of intention to file general adjustment in rates pursuant to 807 KAR 5:001 Section 16(2).

Daryl L. Hammond, Vice President/Chief Financial Officer  
Duo County Telephone Cooperative  
P O Box 80, 2150 North Main Street  
Jamestown, KY 42629  
Business: 270-343-1111  
Mobile: 270-858-9700  
Fax: 270-343-6500  
[dhammond@duotel.com](mailto:dhammond@duotel.com)



Confidentiality Notice This message is intende



September 2, 2014

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

Dear Mr. Derouen:

Duo County Telephone Cooperative Corporation, Inc. ("Duo County") gives this notice pursuant to 807 KAR 5:001 Section 16(2) of its intent to file no sooner than thirty (30) days from today, but not more than sixty (60) days from today, an application for a general adjustment in its rates. The general adjustment in rates will be supported by a twelve (12) month historical test period that may include adjustments for known and measurable changes.

The anticipated rate application is intended to meet the rate floor mandated in 47 CFR § 54.318, compliance with which is required to ensure that Duo County continues to receive high cost support that is essential to its operations. (See In the matter of Connect America Fund, Report and Order and Further Notice of Proposed Rulemaking, FCC 11-161 (Nov. 18, 2011).)

The FCC's June 10, 2014 Order (See Report and Order, Declaratory Ruling, Order, Memorandum Opinion And Order, Seventh Order On Reconsideration, and Further Notice of Proposed Rulemaking, FCC 14-54) requires Duo County to have reported line rates greater than or equal to \$16, commencing January 2, 2015 (reflecting rates as of December 1, 2014)<sup>1</sup>.

A copy of this notice is being emailed to the Attorney General's Office of Rate Intervention by electronic mail at [rateintervention@ag.ky.gov](mailto:rateintervention@ag.ky.gov).

Please refer any questions to me at 270-343-1111 or via email at [dhammond@duotel.com](mailto:dhammond@duotel.com).

Sincerely,

A handwritten signature in black ink, appearing to read "Daryl L. Hammond", is written over a horizontal line.

Daryl L. Hammond, Vice President/Chief Financial Officer

Cc via email: Eileen Bodamer, Bodamer Consulting

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<sup>1</sup> Paragraph 8f.



According to the Paperwork Reduction Act of 1995, an agency may not conduct or sponsor, and a person is not required to respond to, a collection of information unless it displays a valid OMB control number. The valid OMB control number for this information collection is 0372-0031. The time required to complete this information collection is estimated to average 4 hours per response, including the time for reviewing instructions, searching existing data sources, gathering and maintaining the data needed, and completing and reviewing the collection of information.

USDA-RUS		This data will be used by RUS to review your financial situation. Your response is required by 7 U.S.C. 901 et seq and subject to federal laws and regulations regarding confidential information, will be treated as confidential.			
<b>OPERATING REPORT FOR TELECOMMUNICATIONS BORROWERS</b>		Borrower Name Duo County Telephone Cooperative Corporation, Inc. (Prepared with Audited Data)			
INSTRUCTIONS-Submit report to RUS within 30 days after close of the period. For detailed instructions, see RUS Bulletin 1744-2. Report in whole dollars only.		PERIOD ENDING December, 2013	BORROWER DESIGNATION KY0530		
<b>CERTIFICATION</b>					
We hereby certify that the entries in this report are in accordance with the accounts and other records of the system and reflect the status of the system to the best of our knowledge and belief.					
<b>ALL INSURANCE REQUIRED BY 7 CFR PART 1788, CHAPTER XVII, RUS, WAS IN FORCE DURING THE REPORTING PERIOD AND RENEWALS HAVE BEEN OBTAINED FOR ALL POLICIES.</b>					
<b>DURING THE PERIOD COVERED BY THIS REPORT PURSUANT TO PART 1788 OF 7 CFR CHAPTER XVII</b> (Check one of the following)					
<input checked="" type="checkbox"/> All the obligations under the RUS loan documents have been fulfilled in all material respects.		<input type="checkbox"/> There has been a default in the fulfillment of the obligations under the RUS loan documents. Said default(s) is/are specifically described in the Telecom Operating Report.			
 DATE 3/21/14					
<b>PART A. BALANCE SHEET</b>					
ASSETS	BALANCE PRIOR YEAR	BALANCE END OF PERIOD	LIABILITIES AND STOCKHOLDERS' EQUITY	BALANCE PRIOR YEAR	BALANCE END OF PERIOD
<b>CURRENT ASSETS</b>			<b>CURRENT LIABILITIES</b>		
1. Cash and Equivalents	9,926,800	13,795,139	25. Accounts Payable	1,011,904	1,277,346
2. Cash-RUS Construction Fund	35,546	35,546	26. Notes Payable		
3. Affiliates:			27. Advance Billings and Payments		
a. Telecom, Accounts Receivable	337,544	359,211	28. Customer Deposits	14,400	12,050
b. Other Accounts Receivable			29. Current Mat. L/T Debt	0	0
c. Notes Receivable			30. Current Mat. L/T Debt-Rur Dev.		
4. Non-Affiliates:			31. Current Mat.-Capital Leases		
a. Telecom, Accounts Receivable			32. Income Taxes Accrued	37,000	39,500
b. Other Accounts Receivable	970,877	823,920	33. Other Taxes Accrued	30,036	78,414
c. Notes Receivable			34. Other Current Liabilities	1,608,356	1,736,502
5. Interest and Dividends Receivable	43,767	37,453	35. Total Current Liabilities (25 thru 34)	2,701,696	3,143,812
6. Material-Regulated	948,874	1,116,535	<b>LONG-TERM DEBT</b>		
7. Material-Nonregulated	207,539	182,326	36. Funded Debt-RUS Notes	1,971,033	86,273
8. Prepayments	370,428	376,101	37. Funded Debt-RTB Notes		
9. Other Current Assets			38. Funded Debt-FFB Notes	710,315	97,851
10. Total Current Assets (1 Thru 9)	12,841,375	16,726,231	39. Funded Debt-Other		
<b>NONCURRENT ASSETS</b>			40. Funded Debt-Rural Develop. Loan		
11. Investment in Affiliated Companies			41. Premium (Discount) on L/T Debt		
a. Rural Development	69,014,233	68,500,219	42. Reacquired Debt		
b. Nonrural Development			43. Obligations Under Capital Lease		
12. Other Investments			44. Adv From Affiliated Companies		
a. Rural Development			45. Other Long-Term Debt		
b. Nonrural Development	50,000	50,000	46. Total Long-Term Debt (36 thru 45)	2,681,348	184,124
13. Nonregulated Investments	6,790		<b>OTHER LIAB. &amp; DEF. CREDITS</b>		
14. Other Noncurrent Assets	2,659,827	12,434	47. Other Long-Term Liabilities		
15. Deferred Charges			48. Other Deferred Credits	164,503	257,220
16. Jurisdictional Differences			49. Other Jurisdictional Differences		
17. Total Noncurrent Assets (11 thru 16)	71,730,850	68,582,653	50. Total Other Liabilities and Deferred Credits (47 thru 49)	164,503	257,220
<b>PLANT, PROPERTY, AND EQUIPMENT</b>			<b>EQUITY</b>		
18. Telecom, Plant-in-Service	64,085,133	67,611,557	51. Cap Stock Outstand. & Subscribed		
19. Property Held for Future Use			52. Additional Paid-in-Capital		
20. Plant Under Construction	12,159,044	14,317,931	53. Treasury Stock		
21. Plant Adj., Nonop. Plant & Goodwill	52,008	52,008	54. Membership and Cap. Certificates		
22. Less Accumulated Depreciation	45,263,307	48,812,074	55. Other Capital	61,189,857	66,538,318
23. Net Plant (18 thru 21 less 22)	31,032,878	33,169,422	56. Patronage Capital Credits	38,503,941	40,164,809
<b>TOTAL ASSETS (10+17+23)</b>			57. Retained Earnings or Margins	10,363,758	8,190,023
	115,605,103	118,478,306	58. Total Equity (51 thru 57)	110,057,556	114,893,150
			59. TOTAL LIABILITIES AND EQUITY (35+46+50+58)	115,605,103	118,478,306

Total Equity = 96.97% % of Total Assets

USDA-RUS		BORROWER DESIGNATION	
OPERATING REPORT FOR TELECOMMUNICATIONS BORROWERS		KY0530	
		PERIOD ENDING December, 2013	
INSTRUCTIONS- See RUS Bulletin 1744-2			
PART B. STATEMENTS OF INCOME AND RETAINED EARNINGS OR MARGINS			
ITEM	PRIOR YEAR	THIS YEAR	
1 Local Network Services Revenues	2,792,918	2,666,080	
2 Network Access Services Revenues	9,555,695	9,834,642	
3 Long Distance Network Services Revenues			
4 Carrier Billing and Collection Revenues	123,429	110,081	
5 Miscellaneous Revenues	1,198,665	1,286,350	
6 Uncollectible Revenues	19,608	19,409	
<b>7. Net Operating Revenues (1 thru 5 less 6)</b>	<b>13,651,099</b>	<b>13,877,744</b>	
8 Plant Specific Operations Expense	3,379,962	3,130,667	
9 Plant Nonspecific Operations Expense (Excluding Depreciation & Amortization)	1,422,164	1,648,505	
10 Depreciation Expense	3,987,561	3,962,744	
11 Amortization Expense			
12 Customer Operations Expense	1,391,553	1,410,764	
13 Corporate Operations Expense	1,743,612	1,674,429	
<b>14. Total Operating Expenses (8 thru 13)</b>	<b>11,924,852</b>	<b>11,827,109</b>	
15 Operating Income or Margins (7 less 14)	1,726,247	2,050,635	
16 Other Operating Income and Expenses			
17 State and Local Taxes			
18 Federal Income Taxes	(3,966)	1,669	
19 Other Taxes	762,898	801,044	
<b>J. Total Operating Taxes (17+18+19)</b>	<b>758,932</b>	<b>802,713</b>	
21 Net Operating Income or Margins (15+16-20)	967,315	1,247,922	
22 Interest on Funded Debt	447,202	327,622	
23 Interest Expense - Capital Leases			
24 Other Interest Expense	487	23	
25 Allowance for Funds Used During Construction	145,965	62,898	
<b>26. Total Fixed Charges (22+23+24-25)</b>	<b>301,724</b>	<b>264,747</b>	
27 Nonoperating Net Income	8,582,413	6,075,514	
28 Extraordinary Items			
29 Jurisdictional Differences			
30 Nonregulated Net Income	1,115,754	1,131,334	
<b>31. Total Net Income or Margins (21+27+28+29+30-26)</b>	<b>10,363,758</b>	<b>8,190,023</b>	
32 Total Taxes Based on Income			
33 Retained Earnings or Margins Beginning-of-Year	9,921,874	10,363,758	
34 Miscellaneous Credits Year-to-Date	8,155	7,583	
35 Dividends Declared (Common)			
36 Dividends Declared (Preferred)			
37 Other Debits Year-to-Date	7,438,569	7,917,211	
38 Transfers to Patronage Capital	2,491,460	2,454,130	
<b>39. Retained Earnings or Margins End-of-Period [(31+33+34) - (35+36+37+38)]</b>	<b>10,363,758</b>	<b>8,190,023</b>	
40 Patronage Capital Beginning-of-Year	36,804,922	38,503,941	
41 Transfers to Patronage Capital	2,491,460	2,454,130	
42 Patronage Capital Credits Retired	792,441	793,262	
<b>43. Patronage Capital End-of-Year (40+41-42)</b>	<b>38,503,941</b>	<b>40,164,809</b>	
44 Annual Debt Service Payments	3,748,346	3,633,247	
45 Cash Ratio [(14+20-10-11) / 7]	0.6370	0.6245	
46 Operating Accrual Ratio [(14+20+26) / 7]	0.9512	0.9292	
47 TIER [(31+26) / 26]	35.3485	31.9353	
48 DSCR [(31+26+10+11) / 44]	3.9092	3.4177	

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<u>Div</u>	<u>Account</u>	<u>Description</u>	<u>Type</u>	<u>Category</u>	<u>Group</u>	<u>Status</u>
0	1130.1	CASH - GENERAL FUND	Asset			Active
0	1130.101	CASH - GEN. FUND - PATRONAGE	Asset			Active
0	1130.105	CASH- CREDIT CARD	Asset			Active
0	1130.11	CASH-COLUMBIA CARE CENTER	Asset			Active
0	1130.115	CASH-CITIZENS BANK OF CUMB. CO.	Asset			Active
0	1130.2	CASH-CONSTRUCTION FUND	Asset			Active
0	1130.3	CASH-TRANSFER OF FUNDS	Asset			Active
0	1130.4	CASH - OVER THE COUNTER SALES	Asset			Active
0	1130.5	E-CHECK CLEARING	Asset			Active
0	1130.6	FIFTH THIRD LOCKBOX	Asset			Active
0	1150.1	PETTY CASH	Asset			Active
0	1150.2	WORKING CASH ADVANCE	Asset			Active
0	1150.3	EMPLOYEE TRAVEL ADVANCE	Asset			Active
0	1160.0	TEMPORARY INVESTMENTS	Asset			Active
0	1160.1	INVESTMENT PREMIUM/DISCOUNT	Asset			Active
0	1180.0	TELECOM ACCOUNTS RECEIVABLE	Asset			Active
0	1180.2	A/R TELCOM - BALANCE TRANSFERS	Asset			Active
0	1180.3	A/R TELCOM - UNAPPLIED CASH	Asset			Active
0	1181.0	A/R ALLOWANCE-TELECOM	Asset			Active
0	1190.1	A/R NECA SETTLEMENT	Asset			Active
0	1190.15	A/R NECA B&C	Asset			Active
0	1190.16	A/R IXC ACCESS	Asset			Active
0	1190.2	A/R AT&T CABS	Asset			Active
0	1190.25	A/R - COLLECTION AGENCIES	Asset			Active
0	1190.3	A/R SCB INTRASTATE	Asset			Active
0	1190.34	A/R RESERVE-BELLSOUTH HALO DISPUTE	Asset			Active
0	1190.35	A/R ALLOWANCE-MISCELLANEOUS ACCESS	Asset			Active
0	1190.36	A/R LOTTERY - BELLSOUTH	Asset			Active
0	1190.4	A/R BELLSOUTH HALO DISPUTE	Asset			Active
0	1190.45	A/R BLUEGRASS NETWK-LOC PRIV LIN	Asset			Active
0	1190.5	A/R INTERNAL REVENUE SERVICE	Asset			Active
0	1190.51	A/R-POINT OF SALES	Asset			Active
0	1190.53	A/R POS LEASE/REPAIR	Asset			Active
0	1190.55	A/R DUO COUNTY TELECOM-PO/POS	Asset			Active
0	1190.56	A/R-DUO COUNTY TELECOM-INTERCO	Asset			Active
0	1190.6	A/R UNBILLED ACCESS CHARGES	Asset			Active

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0	1190.65	A/R NECA/KY USF	Asset			Active
0	1190.7	A/R DHC	Asset			Active
0	1190.75	A/R BLUEGRASS CELLULAR	Asset			Active
0	1190.8	A/R CCP/ACC CMRS SETTLEMENT	Asset			Active
0	1190.85	A/R EDI SPECIAL CIRCUITS/LOTTERY	Asset			Active
0	1190.9	A/R DIVIDEND INCOME-RTB	Asset			Active
0	1190.95	A/R SCHOOLS&LIBRARY "E" DISCOUNT	Asset			Active
0	1210.0	INTEREST ACCRUED	Asset			Active
0	1220.1	MATERIAL & SUPPLIES REGULATED	Asset			Active
0	1220.11	MATERIALS & SUPPLIES-EXEMPT	Asset			Active
0	1220.15	INV-DUO CO L.D. PREPAID CARDS	Asset			Active
0	1220.151	CONTRA INV-DUO L.D. PREPD CARDS	Asset			Active
0	1220.2	INV-LAN/WAN	Asset			Active
0	1220.21	INVENTORY-STATION APPARATUS	Asset			Active
0	1220.22	INVENTORY-PBX & KEY	Asset			Active
0	1220.23	INVENTORY-OTHER	Asset			Active
0	1220.24	INVENTORY-TELEPHONE STORE	Asset			Active
0	1220.25	INVENTORY-PAGERS	Asset			Active
0	1220.26	INVENTORY-CELLULAR	Asset			Active
0	1220.27	INVENTORY-PREPAID CARDS	Asset			Active
0	1220.29	INVENTORY-DSL	Asset			Active
0	1220.299	UNREGULATED-INVENTORY ADJUSTMENT	Asset			Active
0	1222.11	EXEMPT MATERIAL-UNDERGROUND	Asset			Active
0	1222.12	EXEMPT MATERIAL-AERIAL CABLE	Asset			Active
0	1222.13	EXEMPT MATERIAL-A.C. STATION CON	Asset			Active
0	1222.14	EXEMPT MATERIAL-UNREG INSIDE WIR	Asset			Active
0	1222.15	EXEMPT MATERIAL-CAT 5/DSL/LANWAN	Asset			Active
0	1222.16	EXEMPT MATERIAL-FTTH (2232)	Asset			Active
0	1222.2	EXEMPT MATERIAL-AERIAL STA CONN	Asset			Active
0	1222.25	EXEMPT MATERIAL-BURIED CABLE	Asset			Active
0	1222.3	EXEMPT MATERIAL-UNREG INSIDE WIR	Asset			Active
0	1222.35	EXEMPT MATERIAL-BURIED STA CONN	Asset			Active
0	1222.4	EXEMPT MATERIAL-DIGITAL COE	Asset			Active
0	1222.45	EXEMPT MATERIAL-AER/BUR FIBER	Asset			Active
0	1222.5	EXEMPT MATERIAL-UNRG STA APP REP	Asset			Active
0	1222.55	EXEMPT MATERIAL-AERIAL FIBER	Asset			Active

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0	1222.6	EXEMPT MATERIAL-POLE LINE	Asset			Active
0	1222.7	EXEMPT MATERIAL-AERIAL CABLE	Asset			Active
0	1222.8	EXEMPT MATERIAL-AERIAL WIRE	Asset			Active
0	1222.9	EXEMPT MATERIAL-AERIAL CABLE	Asset			Active
0	1310.0	PREPAID INSURANCE	Asset			Active
0	1320.0	PREPAID DIRECTORY	Asset			Active
0	1330.0	OTHER PREPAYMENTS	Asset			Active
0	1330.1	PREPAID MAINTENANCE AGREEMENTS	Asset			Active
0	1401.1	INVESTMENT IN AFFILIATE CO-DHC	Asset			Active
0	1401.101	INCOME/LOSS IN AFFILIATE CO-DHC	Asset			Active
0	1401.11	INVESTMENT IN AFFILIATE CO-BNLLC	Asset			Active
0	1401.111	INCOME/LOSS IN AFF CO-BNLLC	Asset			Active
0	1401.112	BNLLC-EMBEDDED PARTNERSHIP DIST	Asset			Active
0	1401.113	BN-LLC PARTNERSHIP DISTRIBUTION	Asset			Active
0	1402.1	INVESTMENT-CLASS B STOCK	Asset			Active
0	1402.11	RTB STOCK DIVIDEND	Asset			Active
0	1402.2	INVESTMENT-CLASS C STOCK	Asset			Active
0	1402.21	CLASS C RTB STOCK-CR	Asset			Active
0	1402.3	INVESTMENT-NECA SERVICES STOCK	Asset			Active
0	1410.0	OTHER NON CURR ASSETS-PREPD OPEB	Asset			Active
0	1438.0	EXTRAORDINARY RETIREMENT	Asset			Active
0	1439.1	DEFERRED CHARGES-MISC PAYMENT	Asset			Active
0	1439.2	DEFERRED CHARGES	Asset			Active
0	2003.102	PUC-KY530-BV-HWY61 ROAD MOVE	Asset			Active
0	2003.103	PUC-TRIPLE D FTTH-FAIRVIEW	Asset			Active
0	2003.104	PUC-FTTH TRIPLE D-ESTO	Asset			Active
0	2003.105	PUC-TRIPLE D-FTTH-ELI	Asset			Active
0	2003.106	PUC-L.B.N. PKWY TO COL BYPASS	Asset			Active
0	2003.107	CAE ENGINEERING CONTRACT M-66E	Asset			Active
0	2003.108	A&C COMM 425-773-26	Asset			Active
0	2003.109	R&L CONTRACTING-FRENCH VALLEY RD	Asset			Active
0	2003.111	PUC-ENG-FIBER TO COLUMBIA	Asset			Active
0	2003.112	PUC-CT #72 OCCAM NETWORKS, INC.	Asset			Active
0	2003.113	PUC-M73 OCCAM	Asset			Active
0	2003.114	A&C COMM-JTOWN FTTP 515 CONTRACT	Asset			Active
0	2003.115	PUC-TRIPLE D COMM.,LLC FTTH	Asset			Active

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<u>Div</u>	<u>Account</u>	<u>Description</u>	<u>Type</u>	<u>Category</u>	<u>Group</u>	<u>Status</u>
0	2003.116	PUC-CT #61 NORTEL-SPECIAL EQUIP	Asset			Active
0	2003.117	PUC-CT #62 A&C COMM-OUTSIDE PLT	Asset			Active
0	2003.118	PUC-CT #63 A&C COMM-OUTSIDE PLT	Asset			Active
0	2003.119	PUC-CT #64 CAE-ENGINEERING	Asset			Active
0	2003.12	PUC-FTTH-HEADQUARTERS	Asset			Active
0	2003.121	PUC-CT#67 R&L CONTRACTING, INC.	Asset			Active
0	2003.122	PUC-CT#69 OCCAM NETWORKS	Asset			Active
0	2003.123	MADISON GROUP-LUMINOUS #68	Asset			Active
0	2003.124	PUC-CT #70 A&C OSP FIBER	Asset			Active
0	2003.32	WORK IN PROGRESS	Asset			Active
0	2003.321	WO 041809-JT FTTH OSP PHASE 1	Asset			Active
0	2003.322	WO 023509-JT FTTH COE PHASE 1	Asset			Active
0	2003.323	WO 113109-JT FTTH ONU PHASE 1	Asset			Active
0	2003.324	FINLEY ENG-JT/RS FTTH-3-25/3-27	Asset			Active
0	2003.325	WO 092609-RS FTTH OSP PHASE 2	Asset			Active
0	2006.0	NONREGULATED PLANT-LAND	Asset			Active
0	2111.0	LAND	Asset			Active
0	2112.0	MOTOR VEHICLES	Asset			Active
0	2114.0	TOOLS & OTHER WORK EQUIPMENT	Asset			Active
0	2114.2	RADIO SYSTEM	Asset			Active
0	2114.3	TEST EQUIPMENT	Asset			Active
0	2121.0	BUILDINGS	Asset			Active
0	2121.1	BUILDINGS-HEADQUARTERS	Asset			Active
0	2122.0	FURNITURE	Asset			Active
0	2123.1	OFFICE SUPPORT EQUIPMENT	Asset			Active
0	2123.2	COMPANY COMMUNICATION EQUIPMENT	Asset			Active
0	2124.1	AS400-BILLING COMPUTER SYSTEM	Asset			Active
0	2124.2	GENERAL PURPOSE COMPUTER	Asset			Active
0	2212.1	DIGITAL COE	Asset		COE - COE/CIR EQ PLANT ACCTS	Active
0	2212.2	DIGITAL COE-FAIRPLAY	Asset		COE - COE/CIR EQ PLANT ACCTS	Active
0	2212.3	DIGITAL COE-JAMESTOWN	Asset		COE - COE/CIR EQ PLANT ACCTS	Active
0	2212.4	DIGITAL COE-RUSSELL SPRINGS	Asset		COE - COE/CIR EQ PLANT ACCTS	Active
0	2212.45	UNREGULATED-VOICE MAIL EQUIPMENT	Asset		COE - COE/CIR EQ PLANT ACCTS	Active
0	2212.5	DIGITAL COE-HOST/REMOTE	Asset		COE - COE/CIR EQ PLANT ACCTS	Active
0	2212.6	DIGITAL COE-COLUMBIA	Asset		COE - COE/CIR EQ PLANT ACCTS	Active
0	2231.2	UNREGULATED PAGING TERMINAL EQ	Asset			Active

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<u>Div</u>	<u>Account</u>	<u>Description</u>	<u>Type</u>	<u>Category</u>	<u>Group</u>	<u>Status</u>
0	2232.0	CIRCUIT EQUIPMENT	Asset			Active
0	2232.1	LUMINOUS/OCCAM WO HOLDING ACCT	Asset			Active
0	2232.13	LUMINOUS - JT	Asset		COE - COE/CIR EQ PLANT ACCTS	Active
0	2232.14	LUMINOUS - RS	Asset		COE - COE/CIR EQ PLANT ACCTS	Active
0	2232.15	LUMINOUS - BV	Asset		COE - COE/CIR EQ PLANT ACCTS	Active
0	2232.16	LUMINOUS - FP	Asset		COE - COE/CIR EQ PLANT ACCTS	Active
0	2232.17	LUMINOUS - COLUMBIA	Asset		COE - COE/CIR EQ PLANT ACCTS	Active
0	2232.23	OCCAM - JT	Asset		COE - COE/CIR EQ PLANT ACCTS	Active
0	2232.24	OCCAM - RS	Asset			Active
0	2232.25	OCCAM - BV	Asset		COE - COE/CIR EQ PLANT ACCTS	Active
0	2232.26	OCCAM - FP	Asset		COE - COE/CIR EQ PLANT ACCTS	Active
0	2232.27	OCCAM-COLUMBIA	Asset		COE - COE/CIR EQ PLANT ACCTS	Active
0	2232.28	FIBER TO THE HOME-JAMESTOWN	Asset		COE - COE/CIR EQ PLANT ACCTS	Active
0	2232.29	FIBER TO THE HOME-RUSSELL SPRNGS	Asset		COE - COE/CIR EQ PLANT ACCTS	Active
0	2232.3	CIRCUIT EQ-SUB CARR-JAMESTOWN	Asset			Active
0	2232.4	CIRCUIT EQ-SUB CARR-RUSSELL SPGS	Asset		COE - COE/CIR EQ PLANT ACCTS	Active
0	2232.5	CIRCUIT EQ-SUB CARR-BURKESVILLE	Asset		COE - COE/CIR EQ PLANT ACCTS	Active
0	2232.6	CIRCUIT EQ-SUB CARR-FAIRPLAY	Asset		COE - COE/CIR EQ PLANT ACCTS	Active
0	2232.7	CIRCUIT EQ-SPECIAL CIRCUITS	Asset		COE - COE/CIR EQ PLANT ACCTS	Active
0	2232.8	CIRCUIT EQ-FIBER RING/HOST/REMOT	Asset		COE - COE/CIR EQ PLANT ACCTS	Active
0	2232.82	TRANSPORT-IXC INTERCONN/SPEC CIR	Asset		COE - COE/CIR EQ PLANT ACCTS	Active
0	2232.84	CIRCUIT EQ-DSL DSLAM-JAMESTOWN	Asset		COE - COE/CIR EQ PLANT ACCTS	Active
0	2232.85	CIRCUIT EQ-DSL DSLAM-RUSSELL SPR	Asset		COE - COE/CIR EQ PLANT ACCTS	Active
0	2232.86	CIRCUIT EQ-DSL DSLAM-BURKESVILLE	Asset		COE - COE/CIR EQ PLANT ACCTS	Active
0	2232.87	CIRCUIT EQ-DSL DSLAM-FAIRPLAY	Asset		COE - COE/CIR EQ PLANT ACCTS	Active
0	2232.9	UNREGULATED INTERNET EQUIPMENT	Asset			Active
0	2311.1	UNREGULATED LEASED STATION APP	Asset			Active
0	2311.2	UNREGULATED LEASED KEY/PBX EQUIP	Asset			Active
0	2311.3	UNREGULATED LEASED OTHER EQUIP	Asset			Active
0	2311.4	UNREGULATED LEASED PAGERS	Asset			Active
0	2321.0	STATION CONN-EMBEDDED INSIDE	Asset			Active
0	2321.1	STATION CONNECTION-1ST YEAR	Asset			Active
0	2321.2	STATION CONNECTION-2ND YEAR	Asset			Active
0	2321.3	STATION CONNECTION-3RD YEAR	Asset			Active
0	2351.1	UNREGULATED PUBLIC TELEPHONE	Asset			Active
0	2411.1	POLE LINE-PRE 1988	Asset			Active

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Div	Account	Description	Type	Category	Group	Status
0	2411.2	POLE LINE-POST 1987	Asset		PLT - PLANT GL ACCOUNTS	Active
0	2421.0	AERIAL CABLE	Asset		PLT - PLANT GL ACCOUNTS	Active
0	2421.1	AERIAL CABLE-STATION CONNECTION	Asset			Active
0	2421.15	AERIAL FIBER-STATION CONNECTION	Asset			Active
0	2421.2	AERIAL CABLE-FIBER OPTIC	Asset		PLT - PLANT GL ACCOUNTS	Active
0	2422.0	UNDERGROUND CABLE	Asset		PLT - PLANT GL ACCOUNTS	Active
0	2422.1	UNDERGROUND CABLE-FIBER OPTIC	Asset		PLT - PLANT GL ACCOUNTS	Active
0	2423.0	BURIED CABLE	Asset		PLT - PLANT GL ACCOUNTS	Active
0	2423.05	BURIED CABLE-FIBER OPTIC	Asset		PLT - PLANT GL ACCOUNTS	Active
0	2423.1	BURIED CABLE-STATION CONNECTION	Asset			Active
0	2423.15	BURIED FIBER-STATION CONNECTION	Asset			Active
0	2424.0	SUBMARINE CABLE	Asset			Active
0	2431.0	AERIAL WIRE	Asset		PLT - PLANT GL ACCOUNTS	Active
0	2441.0	UNDERGROUND CONDUIT	Asset		PLT - PLANT GL ACCOUNTS	Active
0	2690.1	INTANGIBLES-ORGANIZATION	Asset			Active
0	2690.2	INTANGIBLES-FRANCHISE	Asset			Active
0	3100.0	WIP-DEPRECIATION HOLDING ACCOUNT	Asset		PLT - PLANT GL ACCOUNTS	Active
0	3102.112	DEP RES-VEHICLES/OTHER WORK EQ	Asset			Active
0	3102.121	DEP RES-BUILDINGS	Asset			Active
0	3102.122	DEP RES-FURNITURE	Asset			Active
0	3102.125	DEP RES-GENERAL PURPOSE COMPUTER	Asset			Active
0	3102.212	DEP RES-DIGITAL COE	Asset		COE - COE/CIR EQ PLANT ACCTS	Active
0	3102.215	UNREG-DEP RES VOICE MAIL EQUIP	Asset		COE - COE/CIR EQ PLANT ACCTS	Active
0	3102.231	UNREG-DEP RES PAGING TERMINAL	Asset			Active
0	3102.232	DEP RES-CIRCUIT EQUIPMENT	Asset		COE - COE/CIR EQ PLANT ACCTS	Active
0	3102.233	DEP RES-LUMINOUS/MADISON GROUP	Asset		COE - COE/CIR EQ PLANT ACCTS	Active
0	3102.24	UNREG-DEP RES INTERNET EQUIPMENT	Asset		COE - COE/CIR EQ PLANT ACCTS	Active
0	3102.311	UNREG-DEP RES STATION APPARATUS	Asset			Active
0	3102.312	UNREG-DEP RES KEY/PBX EQUIP	Asset			Active
0	3102.313	UNREG-DEP RES OTHER EQUIPMENT	Asset			Active
0	3102.314	UNREG-DEP RES PAGERS	Asset			Active
0	3102.352	UNREG-DEP RES PAYSTATION	Asset			Active
0	3102.411	DEP RES-POLE LINE PRE 1988	Asset		PLT - PLANT GL ACCOUNTS	Active
0	3102.412	DEP RES-POLE LINE POST 1987	Asset		PLT - PLANT GL ACCOUNTS	Active
0	3102.421	DEP RES-AERIAL CABLE	Asset		PLT - PLANT GL ACCOUNTS	Active
0	3102.422	DEP RES-UNDERGROUND CABLE	Asset		PLT - PLANT GL ACCOUNTS	Active



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Div	Account	Description	Type	Category	Group	Status
0	3102.423	DEP RES-BURIED CABLE	Asset		PLT - PLANT GL ACCOUNTS	Active
0	3102.424	DEP RES-SUBMARINE CABLE	Asset			Active
0	3102.425	DEP RES-AERIAL CABLE-FIBER OPTIC	Asset		PLT - PLANT GL ACCOUNTS	Active
0	3102.426	DEP RES-BURIED CABLE-FIBER OPTIC	Asset		PLT - PLANT GL ACCOUNTS	Active
0	3102.427	DEP RES-UNDERGROUND CABLE-FIBER	Asset		PLT - PLANT GL ACCOUNTS	Active
0	3102.431	DEP RES-AERIAL WIRE	Asset		PLT - PLANT GL ACCOUNTS	Active
0	3102.441	DEP RES-UNDERGROUND CONDUIT	Asset		PLT - PLANT GL ACCOUNTS	Active
0	3102.999	DEP RES-UNCLASSIFIED	Asset			Active
0	3121.231	DEP RES-OFFICE SUPPORT EQUIPMENT	Asset			Active
0	3121.232	DEP RES-COMPANY COMM EQUIPMENT	Asset			Active
0	3123.21	DEP RES-EMBEDDED INSIDE	Asset			Active
0	3123.211	DEP RES-STATION CONN-1ST YEAR	Asset			Active
0	3123.212	DEP RES-STATION CONN-2ND YEAR	Asset			Active
0	3123.213	DEP RES-STATION CONN-3RD YEAR	Asset			Active
0	3124.211	DEP RES-AERIAL STATION CONN O/S	Asset		PLT - PLANT GL ACCOUNTS	Active
0	3124.212	DEP RES-AERIAL FIBER STA CONN	Asset		PLT - PLANT GL ACCOUNTS	Active
0	3124.231	DEP RES-BURIED STATION CONN O/S	Asset		PLT - PLANT GL ACCOUNTS	Active
0	3124.232	DEP RES-BURIED FIBER STA CONN	Asset		PLT - PLANT GL ACCOUNTS	Active
0	4010.1	A/P ACCOUNTS PAYABLE	Liability			Active
0	4010.11	A/P HELD INVOICES	Liability			Active
0	4010.24	A/P FEDERAL EXCISE TAX	Liability			Active
0	4010.241	A/P KENTUCKY SALES TAX	Liability			Active
0	4010.242	A/P CUMBERLAND COUNTY SCHOOL TAX	Liability			Active
0	4010.243	A/P RUSSELL COUNTY SCHOOL TAX	Liability			Active
0	4010.244	A/P CASEY COUNTY SCHOOL TAX	Liability			Active
0	4010.245	A/P ADAIR COUNTY SCHOOL TAX	Liability			Active
0	4010.247	A/P DPR SURCHARGE	Liability			Active
0	4010.248	A/P ADAIR COUNTY E911 SURCHARGE	Liability			Active
0	4010.25	A/P KENTUCKY LIFELINE SUPPORT	Liability			Active
0	4010.251	A/P CASEY COUNTY E911 SURCHARGE	Liability			Active
0	4010.252	A/P CUMBERLAND COUNTY E911	Liability			Active
0	4010.3	A/P AT&T PAR	Liability			Active
0	4010.305	A/P OTHER IXC BILLING	Liability			Active
0	4010.31	A/P SCB PAR-INTERSTATE	Liability			Active
0	4010.311	A/P SCB PAR-INTRASTATE	Liability			Active
0	4010.315	A/P DUO COUNTY L.D.-INTERSTATE	Liability			Active

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0	4010.3151	A/P DUO LD (TELECOM)-INTERSTATE	Liability			Active
0	4010.316	A/P DUO COUNTY L.D.-INTRASTATE	Liability			Active
0	4010.3161	A/P DUO LD (TELECOM)-INTRASTATE	Liability			Active
0	4010.317	A/P DUO CO L.D. PREPD CRD SALES	Liability			Active
0	4010.318	A/P-DUO COUNTY TELECOM	Liability			Active
0	4010.32	A/P VERIZON/ALLTEL	Liability			Active
0	4010.35	A/P OTHER	Liability			Active
0	4010.355	A/P CREDIT REFUNDS	Liability			Active
0	4010.4	A/P BNLLC	Liability			Active
0	4010.5	A/P EMPLOYEE FICA W/H	Liability			Active
0	4010.501	A/P EMPLOYEE FICA MEDICARE	Liability			Active
0	4010.51	A/P FEDERAL WITHHOLDING	Liability			Active
0	4010.52	A/P STATE WITHHOLDING	Liability			Active
0	4010.53	A/P CITY TAX WITHHOLDING	Liability			Active
0	4010.54	A/P COUNTY TAX WITHHOLDING	Liability			Active
0	4010.55	A/P SAVINGS-401K & REG	Liability			Active
0	4010.551	A/P SAVINGS-401K & REG-EMPLOYER	Liability			Active
0	4010.552	A/P NTCA FLEX PLAN	Liability			Active
0	4010.553	A/P NTCA LOAN DEDUCTIONS	Liability			Active
0	4010.6	A/P BLUEGRASS CELLULAR-UNLIMITED	Liability			Active
0	4010.7	A/P-TELECOMM PROVIDER TAX	Liability			Active
0	4010.96	A/P PATRONAGE DIVIDEND	Liability			Active
0	4010.99	UNINVOICED MATERIAL	Liability			Active
0	4040.0	CUSTOMER DEPOSITS	Liability			Active
0	4070.0	INCOME TAX ACCRUED	Liability			Active
0	4080.0	OTHER TAXES ACCRUED	Liability			Active
0	4080.2	A/P KENTUCKY UNEMPLOYMENT INSUR.	Liability			Active
0	4080.3	A/P FEDERAL UNEMPLOYMENT INSUR.	Liability			Active
0	4080.4	ACCRUED PROPERTY TAX ASSESSMENTS	Liability			Active
0	4120.001	ACCRUED PAYROLL	Liability			Active
0	4120.1	ACCRUED UNMATURED RUS INTEREST	Liability			Active
0	4120.12	ACCRUED FFB INTEREST	Liability			Active
0	4120.2	ACCRUED JOINT USE POLE RENTAL	Liability			Active
0	4120.3	ACCRUED AUDITING FEE	Liability			Active
0	4120.4	ACCR NTCA, KTA, USTA CONVENTIONS	Liability			Active
0	4120.41	ACCRUED ASSOCIATION DUES	Liability			Active

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0	4120.5	ACCRUED CHARITABLE CONTRIBUTIONS	Liability			Active
0	4120.6	ACCRUED COST SETTLEMENT EXPENSE	Liability			Active
0	4120.7	ACCR SECURITY DEPOSIT INTEREST	Liability			Active
0	4120.8	ACCRUED SICK/VAC LEAVE	Liability			Active
0	4120.85	ACCR-GROSS UP OF EXEC PENSION	Liability			Active
0	4120.9	ACCR EXTERNAL REL-ANNUAL REPORT	Liability			Active
0	4120.91	ACCRUED INTERNAL MEETING	Liability			Active
0	4120.911	ACCRUED ANNUAL MEETING	Liability			Active
0	4120.912	ACCRUED SERVICE/ATTENDANCE AWARD	Liability			Active
0	4120.913	ACCESS RESERVE-HALO DISPUTE	Liability			Active
0	4130.2	ACCESS/END USER BILLING RESERVE	Liability			Active
0	4130.3	NECA SETTLEMENT CLEARING ACCOUNT	Liability			Active
0	4130.4	CAF TRUE UP RESERVE	Liability			Active
0	4210.1	LONG TERM DEBT-RUS LOANS	Liability			Active
0	4210.12	UNADVANCED RUS LOANS	Liability			Active
0	4210.18	RUS ADVANCE PAYMENT	Liability			Active
0	4210.3	LONG TERM DEBT-RTB LOANS	Liability			Active
0	4210.4	UNADVANCED RTB LOANS	Liability			Active
0	4210.5	LONG TERM DEBT - FFB LOANS	Liability			Active
0	4210.6	UNADVANCED FFB LOANS	Liability			Active
0	4210.65	FFB ADVANCE PAYMENT	Liability			Active
0	4210.7	L.T.D.-RUS BROADBAND	Liability			Active
0	4210.8	L.T.D.-UNADVANCED RUS BROADBAND	Liability			Active
0	4310.0	OTHER LIAB & DEFERRED CRED-OPEB	Liability			Active
0	4360.0	OTHER DEFERRED CREDITS	Liability			Active
0	4360.1	DEFERRED CREDITS-2011 NTSR TRUE-UP	Liability			Active
0	4550.15	PRIOR OPERATING MARGIN	Liability			Active
0	4550.3	OTHER MARGINS	Liability			Active
0	4550.35	OTHER EQUITY-UNCLAIMED PATRONAGE	Liability			Active
0	4550.355	OTHER EQUITY-PATRONAGE DIV ADJ	Liability			Active
0	4550.4	PATRONAGE CAPITAL ASSIGNABLE	Liability			Active
0	4550.5	PATRONAGE CAPITAL CRED ASSIGNED	Liability			Active
0	4550.6	ACCUMULATED OTHER COMPREHENISVE INCOME	Liability			Active
0	5001.0	LOCAL SERVICE NETWORK ACCESS	Income	Operating		Active
0	5001.01	LOCAL SERVICE-CENTREX	Income	Operating		Active
0	5001.02	EXT LOCAL CALLING PLAN-RECUR CHG	Income	Operating		Active

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0	5001.03	EXT LOCAL CALLING PLAN-USAGE CHG	Income	Operating		Active
0	5040.0	LOCAL PRIVATE LINE REVENUE	Income	Operating		Active
0	5060.0	OTHER LOCAL EXCHANGE REVENUE	Income	Operating		Active
0	5060.01	OTHER LOCAL EXCHANGE REV-ANI/SR	Income	Operating		Active
0	5060.02	OTHER LOCAL EXCHANGE REVENUE-411	Income	Operating		Active
0	5060.1	REGULATED SERVICE CHARGE REVENUE	Income	Operating		Active
0	5060.101	REGULATED SERVICE CHARGE-PIC	Income	Operating		Active
0	5060.102	REG SVC CHG REV-INTRALATA PIC	Income	Operating		Active
0	5060.2	LIFELINE CREDIT	Income	Operating		Active
0	5060.21	LIFELINE SUPPORT-USF	Income	Operating		Active
0	5069.001	LOCAL EXCH REV-CMRS SETTLEMENTS	Income	Operating		Active
0	5081.0	INTERSTATE RES SUBSCRIBER LINE CHARGE	Income	Operating		Active
0	5081.02	INTERS SINGLE-LINE BUS SUBS LINE CHARGE	Income	Operating		Active
0	5081.025	INTERS MULTI-LINE BUS SUBS LINE CHARGE	Income	Operating		Active
0	5081.05	FEDERAL UNIVERSAL SERV CHG REV	Income	Operating		Active
0	5081.1	END USER-ISDN LINE PORT CHARGE	Income	Operating		Active
0	5081.2	ACCESS RECOVERY CHARGE-RESIDENTIAL	Income	Operating		Active
0	5081.21	ACCESS RECOVERY CHARGE-SINGLE-LINE BUS	Income	Operating		Active
0	5081.22	ACCESS RECOVERY CHARGE-MULTI-LINE BUS	Income	Operating		Active
0	5082.1	INTERSTATE ORIGINATING REVENUE	Income	Operating		Active
0	5082.15	INTERSTATE TERMINATING REVENUE	Income	Operating		Active
0	5082.2	INTERSTATE COST SETTLEMENT REV	Income	Operating		Active
0	5082.5	INTERSTATE USF PAYMENTS	Income	Operating		Active
0	5082.6	TERMINATING TS/CAF INTRASTATE REV REQ	Income	Operating		Active
0	5082.65	FEDERAL CAF SUPPORT REVENUE ADJUSTMENT	Income	Operating		Active
0	5083.0	INTERSTATE SPECIAL ACCESS REV	Income	Operating		Active
0	5083.1	INTERS DSL SPECIAL ACCESS REV	Income	Operating		Active
0	5084.1	INTRASTATE ORIGINATING REVENUE	Income	Operating		Active
0	5084.2	INTRASTATE TERMINATING REVENUE	Income	Operating		Active
0	5084.3	INTRAS INTERL SPECIAL ACCESS	Income	Operating		Active
0	5084.4	INTRAS INTRAL SPECIAL ACCESS	Income	Operating		Active
0	5100.1	TOLLS-INTRASTATE INTRALATA	Income	Operating		Active
0	5100.2	TOLLS-INTRASTATE INTERLATA	Income	Operating		Active
0	5100.3	TOLLS-INTERSTATE INTRALATA	Income	Operating		Active
0	5100.4	TOLLS-INTERSTATE INTERLATA	Income	Operating		Active
0	5230.0	DIRECTORY REVENUE-REGULAR	Income	Operating		Active

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0	5230.001	DIRECTORY REVENUE-DISPLAY	Income	Operating		Active
0	5240.0	RENT REVENUE	Income	Operating		Active
0	5250.0	CONTRACT MANAGEMENT ACCTG SVCS	Income	Operating		Active
0	5262.0	CUSTOMER OPERATIONS REVENUE	Income	Operating		Active
0	5262.01	CUSTOMER OPERATIONS REV-E911 DB	Income	Operating		Active
0	5262.1	CONTRACT CUSTOMER CARE SERVICES	Income	Operating		Active
0	5262.2	CONTRACT MARKETING & SALES SERV	Income	Operating		Active
0	5263.0	CONTRACT INSTALL/MAINT SERVICES	Income	Operating		Active
0	5264.0	OTHER REGULATED REVENUE	Income	Operating		Active
0	5264.1	OTHER REGULATED REV-LATE PMT FEE	Income	Operating		Active
0	5264.2	OTH REG REV-GROSS RECEIPTS 1.3%	Income	Operating		Active
0	5270.2	BLUEGRASS CELLULAR COLLECTIONS	Income	Operating		Active
0	5270.3	INTRASTATE INTRALATA B & C	Income	Operating		Active
0	5270.4	INTERS INTERL NECA B & C	Income	Operating		Active
0	5270.41	OTHER IXC-BILLING & COLLECTIONS	Income	Operating		Active
0	5270.45	INTERSTATE INTRALATA B & C	Income	Operating		Active
0	5270.5	DUO CO LONG DISTANCE INTERS B&C	Income	Operating		Active
0	5270.51	DUO CO LONG DISTANCE INTRAS B&C	Income	Operating		Active
0	5280.1	UNREG TELEPHONE SALES REVENUE	Income	Operating		Active
0	5280.105	UNREG PAGER SALES REVENUE	Income	Operating		Active
0	5280.11	UNREG CELLULAR SALES REVENUE	Income	Operating		Active
0	5280.115	UNREG CELLULAR PREPAID CARD REV	Income	Operating		Active
0	5280.12	UNREG LEASE REVENUE-STATION APP	Income	Operating		Active
0	5280.121	UNREG LEASE REVENUE-KEY/PBX	Income	Operating		Active
0	5280.125	UNREG LEASE REVENUE-PAGERS	Income	Operating		Active
0	5280.13	UNREG WIRING MAINTENANCE REVENUE	Income	Operating		Active
0	5280.135	UNREG KEY/PBX MAINTENANCE REV	Income	Operating		Active
0	5280.14	UNREG SERVICE CHARGE REVENUE	Income	Operating		Active
0	5280.145	UNREG SERVICE REV-INSIDE WIRING	Income	Operating		Active
0	5280.15	UNREG PAGING SERVICE REVENUE	Income	Operating		Active
0	5280.152	UNREG RESOLD PAGING REVENUE	Income	Operating		Active
0	5280.155	UNREG VOICE MAIL REVENUE	Income	Operating		Active
0	5280.157	UNREG VOICE MAIL SERVICE CHARGE	Income	Operating		Active
0	5280.16	UNREG CELL INSTALLATION SERV CHG	Income	Operating		Active
0	5280.17	UNREG CELLULAR COMMISSIONS REV	Income	Operating		Active
0	5280.175	UNREG PAYSTATION REVENUE-COINS	Income	Operating		Active

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0	5280.177	UNREG PAYSTATION REV-PPC COMP	Income	Operating		Active
0	5280.18	UNREG-INTERNET PLAN REVENUE	Income	Operating		Active
0	5280.181	UNREG INTERNET EXCESS PLAN REV	Income	Operating		Active
0	5280.185	UNREG INTERNET ACTIV/SOFTWARE	Income	Operating		Active
0	5280.186	UNREG INTERNET ACTIVATION REV	Income	Operating		Active
0	5280.187	UNREG DSL/INTERNET SERVICE REV	Income	Operating		Active
0	5280.1871	UNREG BROADBAND FREE VOICE CREDIT	Income	Operating		Active
0	5280.1875	UNREG DSL WHOLESALE INTERNET SVC	Income	Operating		Active
0	5280.1876	FREE PROMO-SERVICE & RETENTION	Income	Operating		Active
0	5280.188	UNREG DSL INSTALLATION REVENUE	Income	Operating		Active
0	5280.189	UNREG DSL EQUIP/MODEM SALES	Income	Operating		Active
0	5280.19	UNREG UNCOLLECTIBLE REVENUE	Income	Operating		Active
0	5280.191	UNREG LAN/WAN NETWORK SERV REV	Income	Operating		Active
0	5280.192	UNREG LAN/WAN NETWORK SALES REV	Income	Operating		Active
0	5280.193	UNREG-OFFICE PC SUPPORT-LANWAN	Income	Operating		Active
0	5280.194	UNREG-OFFICE PC SUPPORT-COLUMBIA	Income	Operating		Active
0	5280.2	UNREG COGS TELEPHONE	Income	Operating		Active
0	5280.21	UNREG COGS KEY/PBX	Income	Operating		Active
0	5280.22	UNREG COGS OTHER	Income	Operating		Active
0	5280.23	UNREG COGS PAGERS	Income	Operating		Active
0	5280.235	UNREG COGS CELLULAR	Income	Operating		Active
0	5280.24	UNREG COGS DSL	Income	Operating		Active
0	5301.0	UNCOLLECTIBLE TELECOM REVENUE	Income	Operating		Active
0	6100.0	PAYROLL CLEARIMG	Clearing			Active
0	6112.0	VEHICLE EXPENSE	Expense	Operating		Active
0	6112.0001	VEHICLE EXPENSE	Expense	Operating		Active
0	6112.0002	VEHICLE EXPENSE	Expense	Operating		Active
0	6112.0004	VEHICLE EXPENSE	Expense	Operating		Active
0	6112.1	VEHICLE EXPENSE-EXECUTIVE	Expense	Operating		Active
0	6112.1004	VEHICLE EXPENSE-EXECUTIVE	Expense	Operating		Active
0	6114.0	TOOLS & OTHER WORK EQUIP	Expense	Operating		Active
0	6114.0031	TOOLS & OTHER WORK EQUIPMENT	Expense	Operating		Active
0	6114.0032	TOOLS & OTHER WORK EQUIPMENT	Expense	Operating		Active
0	6114.0034	TOOLS & OTHER WORK EQUIPMENT	Expense	Operating		Active
0	6121.0	LAND & BUILDING EXPENSE	Expense	Operating		Active
0	6121.0001	LAND & BUILDING EXPENSE	Expense	Operating		Active

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0	6121.0002	LAND & BUILDING EXPENSE	Expense	Operating		Active
0	6121.0004	LAND & BUILDING EXPENSE	Expense	Operating		Active
0	6121.1	BUILDING EXPENSE-HEADQUARTERS	Expense	Operating		Active
0	6121.1001	BUILDING EXPENSE-HEADQUARTERS	Expense	Operating		Active
0	6121.1002	BUILDING EXPENSE-HEADQUARTERS	Expense	Operating		Active
0	6121.1004	BUILDING EXPENSE-HEADQUARTERS	Expense	Operating		Active
0	6122.0004	FURNITURE & ARTWORKS EXPENSE	Expense	Operating		Active
0	6123.0	OFFICE EQUIPMENT EXPENSE	Expense	Operating		Active
0	6123.0001	OFFICE EQUIPMENT EXPENSE	Expense	Operating		Active
0	6123.0002	OFFICE EQUIPMENT EXPENSE	Expense	Operating		Active
0	6123.0004	OFFICE EQUIPMENT EXPENSE	Expense	Operating		Active
0	6124.0	GENERAL PURPOSE COMPUTER EXPENSE	Expense	Operating		Active
0	6124.0001	GENERAL PURPOSE COMPUTER EXPENSE	Expense	Operating		Active
0	6124.0002	GENERAL PURPOSE COMPUTER EXPENSE	Expense	Operating		Active
0	6124.0004	GENERAL PURPOSE COMPUTER EXPENSE	Expense	Operating		Active
0	6210.0004	CENTRAL OFC SWITCHING-800 QUERY	Expense	Operating		Active
0	6212.0	DIGITAL COE EXPENSE	Expense	Operating		Active
0	6212.0001	DIGITAL COE EXPENSE	Expense	Operating		Active
0	6212.0002	DIGITAL COE EXPENSE	Expense	Operating		Active
0	6212.0004	DIGITAL COE EXPENSE	Expense	Operating		Active
0	6212.05	UNREG VOICE MAIL REPAIR	Expense	Operating		Active
0	6212.0501	UNREG VOICE MAIL REPAIR	Expense	Operating		Active
0	6212.0502	UNREG VOICE MAIL REPAIR	Expense	Operating		Active
0	6212.0504	UNREG VOICE MAIL REPAIR	Expense	Operating		Active
0	6212.1	REPAIR OF SPECIAL CIRCUITS	Expense	Operating		Active
0	6212.1001	REPAIR OF SPECIAL CIRCUITS	Expense	Operating		Active
0	6212.1002	REPAIR OF SPECIAL CIRCUITS	Expense	Operating		Active
0	6212.1004	REPAIR OF SPECIAL CIRCUITS	Expense	Operating		Active
0	6212.1504	DIGITAL COE EXPENSE-CNAME/DA 411	Expense	Operating		Active
0	6212.2004	DIG COE EXP-LNP(LOCAL # PORTABI)	Expense	Operating		Active
0	6212.4004	DIG COE EXP-CALEA	Expense	Operating		Active
0	6220.0004	OPERATORS SYSTEM EXPENSE	Expense	Operating		Active
0	6232.1	CIRCUIT EQUIPMENT EXPENSE	Expense	Operating		Active
0	6232.1001	CIRCUIT EQUIPMENT EXPENSE	Expense	Operating		Active
0	6232.1002	CIRCUIT EQUIPMENT EXPENSE	Expense	Operating		Active
0	6232.1004	CIRCUIT EQUIPMENT EXPENSE	Expense	Operating		Active

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0	6232.12	DIGITAL CARRIER SUB. EXPENSE	Expense	Operating		Active
0	6232.1201	DIGITAL CARRIER SUB. EXPENSE	Expense	Operating		Active
0	6232.1202	DIGITAL CARRIER SUB. EXPENSE	Expense	Operating		Active
0	6232.1204	DIGITAL CARRIER SUB. EXPENSE	Expense	Operating		Active
0	6232.13	INSTALL/REP OF SPECIAL CIRCUITS	Expense	Operating		Active
0	6232.1301	INSTALL/REP OF SPECIAL CIRCUITS	Expense	Operating		Active
0	6232.1302	INSTALL/REP OF SPECIAL CIRCUITS	Expense	Operating		Active
0	6232.1304	INSTALL/REP OF SPECIAL CIRCUITS	Expense	Operating		Active
0	6232.14	INSTALLATION/REPAIR OF DSL	Expense	Operating		Active
0	6232.1401	INSTALLATION/REPAIR OF DSL	Expense	Operating		Active
0	6232.1402	INSTALLATION/REPAIR OF DSL	Expense	Operating		Active
0	6232.1404	INSTALLATION/REPAIR OF DSL	Expense	Operating		Active
0	6232.2	FTTH - ONT/IAD	Expense	Operating		Active
0	6232.2001	FTTH - ONT/IAD LABOR	Expense	Operating		Active
0	6232.2002	FTTH - ONT/IAD REPAIR	Expense	Operating		Active
0	6232.2004	FTTH - ONT/IAD REPAIRS	Expense	Operating		Active
0	6232.9004	UNREG INTERNET EQUIPMENT REPAIR	Expense	Operating		Active
0	6311.1	UNREG SINGLE STATION REPAIR	Expense	Operating		Active
0	6311.1001	UNREG SINGLE STATION REPAIR	Expense	Operating		Active
0	6311.1002	UNREG SINGLE STATION REPAIR	Expense	Operating		Active
0	6311.1004	UNREG SINGLE STATION REPAIR	Expense	Operating		Active
0	6311.15	UNREG S/L INSTALLATION & REMOVAL	Expense	Operating		Active
0	6311.1501	UNREG S/L INSTALLATION & REMOVAL	Expense	Operating		Active
0	6311.1502	UNREG S/L INSTALLATION & REMOVAL	Expense	Operating		Active
0	6311.1504	UNREG S/L INSTALLATION & REMOVAL	Expense	Operating		Active
0	6311.2	UNREG PBX REP/GENERAL EXPENSE	Expense	Operating		Active
0	6311.2001	UNREG PBX REPAIR/GENERAL EXPENSE	Expense	Operating		Active
0	6311.2002	UNREG PBX REP/GENERAL EXPENSE	Expense	Operating		Active
0	6311.2004	UNREG PBX REP/GENERAL EXPENSE	Expense	Operating		Active
0	6311.22	UNREG KEY SYSTEM REPAIR	Expense	Operating		Active
0	6311.2201	UNREG KEY SYSTEM REPAIR	Expense	Operating		Active
0	6311.2202	UNREG KEY SYSTEM REPAIR	Expense	Operating		Active
0	6311.2204	UNREG KEY SYSTEM REPAIR	Expense	Operating		Active
0	6311.25	UNREG K/S INSTALLATION & REMOVAL	Expense	Operating		Active
0	6311.2501	UNREG K/S INSTALLATION & REMOVAL	Expense	Operating		Active
0	6311.2502	UNREG K/S INSTALLATION & REMOVAL	Expense	Operating		Active



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0	6311.2504	UNREG K/S INSTALLATION & REMOVAL	Expense	Operating		Active
0	6311.4004	UNREG PAGER SUPPLY EXPENSE	Expense	Operating		Active
0	6311.401	UNREG PAGING EQUIPMENT EXPENSE	Expense	Operating		Active
0	6311.4011	UNREG PAGING EQUIPMENT EXPENSE	Expense	Operating		Active
0	6311.4012	UNREG PAGING EQUIPMENT EXPENSE	Expense	Operating		Active
0	6311.4014	UNREG PAGING EQUIPMENT EXPENSE	Expense	Operating		Active
0	6311.4104	UNREG RESOLD PAGING EXPENSE	Expense	Operating		Active
0	6311.5	UNREG CELLULAR INSTALLATION EXP	Expense	Operating		Active
0	6311.5001	UNREG CELLULAR INSTALLATION EXP	Expense	Operating		Active
0	6311.5002	UNREG CELLULAR INSTALLATION EXP	Expense	Operating		Active
0	6311.5004	UNREG CELLULAR INSTALLATION EXP	Expense	Operating		Active
0	6311.51	UNREG CELLULAR REPAIR EXPENSE	Expense	Operating		Active
0	6311.5101	UNREG CELLULAR REPAIR EXPENSE	Expense	Operating		Active
0	6311.5102	UNREG CELLULAR REPAIR EXPENSE	Expense	Operating		Active
0	6311.5104	UNREG CELLULAR REPAIR EXPENSE	Expense	Operating		Active
0	6311.6004	UNREG DSL EQUIP-MODEM REP/PROMO	Expense	Operating		Active
0	6311.7	LAN/WAN NETWORK EXPENSE	Expense	Operating		Active
0	6311.7001	LAN/WAN NETWORK EXPENSE	Expense	Operating		Active
0	6311.7002	LAN/WAN NETWORK EXPENSE	Expense	Operating		Active
0	6311.7004	LAN/WAN NETWORK EXPENSE/COGS	Expense	Operating		Active
0	6321.0	UNREG INSIDE WIRE REPAIR	Expense	Operating		Active
0	6321.0001	UNREG INSIDE WIRE REPAIR	Expense	Operating		Active
0	6321.0002	UNREG INSIDE WIRE REPAIR	Expense	Operating		Active
0	6321.0004	UNREG INSIDE WIRE REPAIR	Expense	Operating		Active
0	6351.1	UNREG PAYSTATION EXPENSE	Expense	Operating		Active
0	6351.1001	UNREG PAYSTATION EXPENSE	Expense	Operating		Active
0	6351.1002	UNREG PAYSTATION EXPENSE	Expense	Operating		Active
0	6351.1004	UNREG PAYSTATION EXPENSE	Expense	Operating		Active
0	6351.5004	UNREG PAYSTATION EXP-BASIC ACCES	Expense	Operating		Active
0	6351.6	UNREG PAYSTATION COLLECTION	Expense	Operating		Active
0	6351.6001	UNREG PAYSTATION COLLECTION	Expense	Operating		Active
0	6351.6002	UNREG PAYSTATION COLLECTION	Expense	Operating		Active
0	6351.6004	UNREG PAYSTATION COLLECTION	Expense	Operating		Active
0	6411.0	POLE EXPENSE	Expense	Operating		Active
0	6411.0001	POLE EXPENSE	Expense	Operating		Active
0	6411.0002	POLE EXPENSE	Expense	Operating		Active

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<u>Div</u>	<u>Account</u>	<u>Description</u>	<u>Type</u>	<u>Category</u>	<u>Group</u>	<u>Status</u>
0	6411.0004	POLE EXPENSE	Expense	Operating		Active
0	6411.1004	POLE EXPENSE-JOINT USE	Expense	Operating		Active
0	6411.2004	POLE EXPENSE-RIGHT OF WAY	Expense	Operating		Active
0	6421.0	AERIAL CABLE EXPENSE	Expense	Operating		Active
0	6421.0001	AERIAL CABLE EXPENSE	Expense	Operating		Active
0	6421.0002	AERIAL CABLE EXPENSE	Expense	Operating		Active
0	6421.0004	AERIAL CABLE EXPENSE	Expense	Operating		Active
0	6421.1	STATION CONN-O/S WIRE REPAIR	Expense	Operating		Active
0	6421.1001	STATION CONN-O/S WIRE REPAIR	Expense	Operating		Active
0	6421.1002	STATION CONN-O/S WIRE REPAIR	Expense	Operating		Active
0	6421.1004	STATION CONN-O/S WIRE REPAIR	Expense	Operating		Active
0	6421.15	AERIAL FIBER-STATION CONN EXP	Expense	Operating		Active
0	6421.1501	AERIAL FIBER-STATION CONN EXP	Expense	Operating		Active
0	6421.1502	AERIAL FIBER-STATION CONN EXP	Expense	Operating		Active
0	6421.1504	AERIAL FIBER-STATION CONN EXP	Expense	Operating		Active
0	6421.2	AERIAL CABLE FIBER OPTIC	Expense	Operating		Active
0	6421.2001	AERIAL CABLE FIBER OPTIC EXPENSE	Expense	Operating		Active
0	6421.2002	AERIAL CABLE FIBER OPTIC EXPENSE	Expense	Operating		Active
0	6421.2004	AERIAL CABLE FIBER OPTIC EXPENSE	Expense	Operating		Active
0	6421.8	CABLE TV REPAIR	Expense	Operating		Active
0	6421.8001	CABLE TV REPAIR	Expense	Operating		Active
0	6421.8002	CABLE TV REPAIR	Expense	Operating		Active
0	6421.8004	CABLE TV REPAIR	Expense	Operating		Active
0	6421.85	INSTALL/REMOVE CABLE TV	Expense	Operating		Active
0	6421.8501	INSTALL/REMOVE CABLE TV	Expense	Operating		Active
0	6421.8502	INSTALL/REMOVE CABLE TV	Expense	Operating		Active
0	6421.8504	INSTALL/REMOVE CABLE TV	Expense	Operating		Active
0	6422.0	UNDERGROUND CABLE EXPENSE	Expense	Operating		Active
0	6422.0001	UNDERGROUND CABLE EXPENSE	Expense	Operating		Active
0	6422.0002	UNDERGROUND CABLE EXPENSE	Expense	Operating		Active
0	6422.0004	UNDERGROUND CABLE EXPENSE	Expense	Operating		Active
0	6422.1	UNDERGROUND CABLE FIBER EXPENSE	Expense	Operating		Active
0	6422.1001	UNDERGROUND CABLE FIBER EXPENSE	Expense	Operating		Active
0	6422.1002	UNDERGROUND CABLE FIBER EXPENSE	Expense	Operating		Active
0	6422.1004	UNDERGROUND CABLE FIBER EXPENSE	Expense	Operating		Active
0	6423.0	BURIED CABLE EXPENSE	Expense	Operating		Active

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<u>Div</u>	<u>Account</u>	<u>Description</u>	<u>Type</u>	<u>Category</u>	<u>Group</u>	<u>Status</u>
0	6423.0001	BURIED CABLE EXPENSE	Expense	Operating		Active
0	6423.0002	BURIED CABLE EXPENSE	Expense	Operating		Active
0	6423.0004	BURIED CABLE EXPENSE	Expense	Operating		Active
0	6423.1	BURIED CABLE FIBER EXPENSE	Expense	Operating		Active
0	6423.1001	BURIED FIBER CABLE EXPENSE	Expense	Operating		Active
0	6423.1002	BURIED FIBER CABLE EXPENSE	Expense	Operating		Active
0	6423.1004	BURIED FIBER CABLE EXPENSE	Expense	Operating		Active
0	6423.15	BURIED FIBER-STATION CONN EXP	Expense	Operating		Active
0	6423.1501	BURIED FIBER-STATION CONN EXP	Expense	Operating		Active
0	6423.1502	BURIED FIBER-STATION CONN EXP	Expense	Operating		Active
0	6423.1504	BURIED FIBER-STATION CONN EXP	Expense	Operating		Active
0	6424.0	SUBMARINE CABLE EXPENSE	Expense	Operating		Active
0	6424.0001	SUBMARINE CABLE EXPENSE	Expense	Operating		Active
0	6424.0002	SUBMARINE CABLE EXPENSE	Expense	Operating		Active
0	6424.0004	SUBMARINE CABLE EXPENSE	Expense	Operating		Active
0	6431.0	AERIAL WIRE EXPENSE	Expense	Operating		Active
0	6431.0001	AERIAL WIRE EXPENSE	Expense	Operating		Active
0	6431.0002	AERIAL WIRE EXPENSE	Expense	Operating		Active
0	6431.0004	AERIAL WIRE EXPENSE	Expense	Operating		Active
0	6512.001	PROVISIONING CLEARING	Expense	Operating		Active
0	6512.0011	PROVISIONING CLEARING	Expense	Operating		Active
0	6512.0012	PROVISIONING CLEARING	Expense	Operating		Active
0	6512.0014	PROVISIONING CLEARING	Expense	Operating		Active
0	6531.0004	POWER EXPENSE	Expense	Operating		Active
0	6532.0	NETWORK ADMINISTRATION EXPENSE	Expense	Operating		Active
0	6532.0001	NETWORK ADMINISTRATION EXPENSE	Expense	Operating		Active
0	6532.0002	NETWORK ADMINISTRATION EXPENSE	Expense	Operating		Active
0	6532.0004	NETWORK ADMINISTRATION EXPENSE	Expense	Operating		Active
0	6533.1	TESTING EXPENSE-LOCAL	Expense	Operating		Active
0	6533.1001	TESTING EXPENSE-LOCAL	Expense	Operating		Active
0	6533.1002	TESTING EXPENSE LOCAL	Expense	Operating		Active
0	6533.1004	TESTING EXPENSE-LOCAL	Expense	Operating		Active
0	6533.2	TESTING EXPENSE-TOLL & SPECIAL	Expense	Operating		Active
0	6533.2001	TESTING EXPENSE-TOLL & SPECIAL	Expense	Operating		Active
0	6533.2002	TESTING EXPENSE-TOLL & SPECIAL	Expense	Operating		Active
0	6533.2004	TESTING EXPENSE-TOLL & SPECIAL	Expense	Operating		Active

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<u>Div</u>	<u>Account</u>	<u>Description</u>	<u>Type</u>	<u>Category</u>	<u>Group</u>	<u>Status</u>
0	6533.3	TESTING EXPENSE - EAS	Expense	Operating		Active
0	6533.3001	TESTING EXPENSE - EAS	Expense	Operating		Active
0	6533.3002	TESTING EXPENSE - EAS	Expense	Operating		Active
0	6533.3004	TESTING EXPENSE - EAS	Expense	Operating		Active
0	6533.4	TESTING/INSTALLATION CENTREX	Expense	Operating		Active
0	6533.4001	TESTING/INSTALLATION CENTREX	Expense	Operating		Active
0	6533.4002	TESTING/INSTALLATION CENTREX	Expense	Operating		Active
0	6533.4004	TESTING/INSTALLATION CENTREX	Expense	Operating		Active
0	6534.1	PLANT ADMINISTRATION EXPENSE	Expense	Operating		Active
0	6534.1001	PLANT ADMINISTRATION EXPENSE	Expense	Operating		Active
0	6534.1002	PLANT ADMINISTRATION EXPENSE	Expense	Operating		Active
0	6534.1004	PLANT ADMINISTRATION EXPENSE	Expense	Operating		Active
0	6535.1	ENGINEERING EXPENSE	Expense	Operating		Active
0	6535.1001	ENGINEERING EXPENSE	Expense	Operating		Active
0	6535.1002	ENGINEERING EXPENSE	Expense	Operating		Active
0	6535.1004	ENGINEERING EXPENSE	Expense	Operating		Active
0	6535.2004	ENGINEERING EXPENSE-MAPPING	Expense	Operating		Active
0	6540.0014	ACCESS EXPENSE-A-LINK	Expense	Operating		Active
0	6540.1004	ACCESS EXPENSE-USF	Expense	Operating		Active
0	6540.2004	EXTENDED LOC CALLING-TERM ACCESS	Expense	Operating		Active
0	6540.3004	EAS TRUNK SETTLEMENT	Expense	Operating		Active
0	6540.4004	CMRS WIRELESS RECIP COMP EXPENSE	Expense	Operating		Active
0	6561.0004	DEPRECIATION EXP-PLANT IN SERVIC	Expense	Operating		Active
0	6561.0104	UNREGULATED DEPRECIATION EXPENSE	Expense	Operating		Active
0	6561.0134	UNREGULATED DEPRECIATION-PAGERS	Expense	Operating		Active
0	6561.0154	UNREG DEP EXP-VOICE MAIL EQUIP	Expense	Operating		Active
0	6561.0174	UNREGULATED DEPR EXP-INTERNET	Expense	Operating		Active
0	6561.0204	UNREGULATED DEPR-PAYSTATIONS	Expense	Operating		Active
0	6561.0264	DEPR EXP-VEHICLE/OTHER WORK EQ	Expense	Operating		Active
0	6561.0274	UNREGULATED DEPRECIATION-VEHCILE	Expense	Operating		Active
0	6561.0304	DEPR EXP-EXTRAORDINARY RETIREMNT	Expense	Operating		Active
0	6564.0	AMORTIZATION EXPENSE-INTANGIBLES	Expense	Operating		Active
0	6613.0	PRODUCT ADVERTISING EXPENSE	Expense	Operating		Active
0	6613.0001	PRODUCT ADVERTISING EXPENSE	Expense	Operating		Active
0	6613.0002	PRODUCT ADVERTISING EXPENSE	Expense	Operating		Active
0	6613.0004	PRODUCT ADVERTISING EXPENSE	Expense	Operating		Active

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Div	Account	Description	Type	Category	Group	Status
0	6621.1004	OPERATOR SERVICES	Expense	Operating		Active
0	6621.2004	CALL COMPLETION DATABASE SERVICE	Expense	Operating		Active
0	6622.1	NUMBER SERVICES-DIRECTORY EXP	Expense	Operating		Active
0	6622.1001	NUMBER SERVICES-DIRECTORY EXP	Expense	Operating		Active
0	6622.1002	NUMBER SERVICES-DIRECTORY EXP	Expense	Operating		Active
0	6622.1004	NUMBER SERVICES-DIRECTORY EXP	Expense	Operating		Active
0	6622.1104	NUMBER SERVICES-LOCAL DA	Expense	Operating		Active
0	6623.0	CUSTOMER SERVICES	Expense	Operating		Active
0	6623.0001	CUSTOMER SERVICES	Expense	Operating		Active
0	6623.0002	CUSTOMER SERVICES	Expense	Operating		Active
0	6623.0004	CUSTOMER SERVICES	Expense	Operating		Active
0	6623.1004	COLLECTION EXPENSE-COLL AGENCY	Expense	Operating		Active
0	6623.1504	COLLECTION EXP-CREDIT CARD DISC	Expense	Operating		Active
0	6623.1704	COLLECTION EXP-LOCKBOX FEES	Expense	Operating		Active
0	6623.2004	CUSTOMER SERVICES-SUPPLIES	Expense	Operating		Active
0	6623.3	CABS BILLING EXPENSE	Expense	Operating		Active
0	6623.3001	CABS BILLING EXPENSE	Expense	Operating		Active
0	6623.3002	CABS BILLING EXPENSE	Expense	Operating		Active
0	6623.3004	CABS BILLING EXPENSE	Expense	Operating		Active
0	6623.5004	UNREG INTERNET CUSTOMER SERVICE	Expense	Operating		Active
0	6623.5014	UNREG INTERNET HELP DESK EXPENSE	Expense	Operating		Active
0	6623.5054	UNREG INTERNET ACCESS SOFTWARE	Expense	Operating		Active
0	6623.5104	UNREG INTERNET DEVELOPMENT EXP	Expense	Operating		Active
0	6623.5154	UNREG INTERNET NETWORK EXPENSE	Expense	Operating		Active
0	6623.5184	N/R BROADBD/INTERNET INSTALL EXP	Expense	Operating		Active
0	6623.5204	UNREG DSL FUSC CHARGES	Expense	Operating		Active
0	6623.5254	UNREG DSL NECA ACCESS CHARGES	Expense	Operating		Active
0	6711.0	EXECUTIVE	Expense	Operating		Active
0	6711.0001	EXECUTIVE	Expense	Operating		Active
0	6711.0002	EXECUTIVE	Expense	Operating		Active
0	6711.0004	EXECUTIVE	Expense	Operating		Active
0	6711.5004	DIRECTOR EXPENSE	Expense	Operating		Active
0	6711.6004	MEETING EXPENSE	Expense	Operating		Active
0	6711.7004	ANNUAL MEETING EXPENSE	Expense	Operating		Active
0	6721.0	ACCOUNTING & FINANCE	Expense	Operating		Active
0	6721.0001	ACCOUNTING & FINANCE	Expense	Operating		Active

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<u>Div</u>	<u>Account</u>	<u>Description</u>	<u>Type</u>	<u>Category</u>	<u>Group</u>	<u>Status</u>
0	6721.0002	ACCOUNTING & FINANCE	Expense	Operating		Active
0	6721.0004	ACCOUNTING & FINANCE	Expense	Operating		Active
0	6721.1004	ANNUAL AUDIT EXPENSE	Expense	Operating		Active
0	6721.2	NECA ADMINISTRATIVE EXPENSE	Expense	Operating		Active
0	6721.2001	NECA ADMINISTRATIVE EXPENSE	Expense	Operating		Active
0	6721.2002	NECA ADMINISTRATIVE EXPENSE	Expense	Operating		Active
0	6721.2004	NECA ADMINISTRATIVE EXPENSE	Expense	Operating		Active
0	6721.4004	ACCOUNTING & FINANCE CONSULTING	Expense	Operating		Active
0	6721.5	INTERSTATE COST SETTLEMENT EXP	Expense	Operating		Active
0	6721.5001	INTERSTATE COST SETTLEMENT EXP	Expense	Operating		Active
0	6721.5002	INTERSTATE COST SETTLEMENT EXP	Expense	Operating		Active
0	6721.5004	INTERSTATE COST SETTLEMENT EXP	Expense	Operating		Active
0	6722.0	EXTERNAL RELATIONS	Expense	Operating		Active
0	6722.0001	EXTERNAL RELATIONS	Expense	Operating		Active
0	6722.0002	EXTERNAL RELATIONS	Expense	Operating		Active
0	6722.0004	EXTERNAL RELATIONS	Expense	Operating		Active
0	6722.1	REGULATORY AFFAIRS	Expense	Operating		Active
0	6722.1001	REGULATORY AFFAIRS	Expense	Operating		Active
0	6722.1002	REGULATORY AFFAIRS	Expense	Operating		Active
0	6722.1004	REGULATORY AFFAIRS	Expense	Operating		Active
0	6722.2004	EXTERNAL REL-MEMBER COMMUNICATIO	Expense	Operating		Active
0	6723.0	HUMAN RESOURCES	Expense	Operating		Active
0	6723.0001	HUMAN RESOURCES	Expense	Operating		Active
0	6723.0002	HUMAN RESOURCES	Expense	Operating		Active
0	6723.0004	HUMAN RESOURCES	Expense	Operating		Active
0	6723.1004	INTERNAL MEETING EXPENSE	Expense	Operating		Active
0	6724.0	INFORMATION MANAGEMENT	Expense	Operating		Active
0	6724.0001	INFORMATION MANAGEMENT	Expense	Operating		Active
0	6724.0002	INFORMATION MANAGEMENT	Expense	Operating		Active
0	6724.0004	INFORMATION MANAGEMENT	Expense	Operating		Active
0	6725.0004	LEGAL	Expense	Operating		Active
0	6726.0	PROCUREMENT	Expense	Operating		Active
0	6726.0001	PROCUREMENT	Expense	Operating		Active
0	6726.0002	PROCUREMENT	Expense	Operating		Active
0	6726.0004	PROCUREMENT	Expense	Operating		Active
0	6728.0	FINANCIALS ONLY-OTH GEN&ADM EXP	Expense	Operating		Active

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<u>Div</u>	<u>Account</u>	<u>Description</u>	<u>Type</u>	<u>Category</u>	<u>Group</u>	<u>Status</u>
0	6728.0004	OTHER GENERAL & ADMIN EXPENSE	Expense	Operating		Active
0	6728.0104	GENERAL & ADM EXP-A/R ADJUSTMNT	Expense	Operating		Active
0	6728.1004	INSURANCE EXPENSE	Expense	Operating		Active
0	6728.3004	ASSOCIATION DUES	Expense	Operating		Active
0	6728.6004	GENERAL PUBLICATIONS	Expense	Operating		Active
0	6728.9004	UNREGULATED-SALE & ADMIN EXPENSE	Expense	Operating		Active
0	7150.0	GAIN/LOSS-LAND & ARTWORKS	Income	Operating		Active
0	7220.0	FEDERAL INCOME TAX	Expense	Operating		Active
0	7240.0	OPERATING OTHER TAXES	Expense	Operating		Active
0	7240.1	UNREGULATED-PROPERTY TAX	Expense	Operating		Active
0	7240.2	TELECOMMUNICATIONS PROVIDER TAX	Expense	Operating		Active
0	7310.0	DIVIDEND INCOME	Income	Operating		Active
0	7320.0	INTEREST INCOME	Income	Operating		Active
0	7340.0	ALLOW. FOR FUNDS USED DUR. CONST	Expense	Operating		Active
0	7360.0	INVESTMENT INCOME IN DHC	Income	Operating		Active
0	7360.001	INVESTMENT INCOME IN BN-LLC	Income	Operating		Active
0	7360.1	OTHER COMPREHENSIVE INCOME	Income	Operating		Active
0	7370.0	SPECIAL CHARGES-DONATIONS	Expense	Operating		Active
0	7510.0	INTEREST-FUNDED DEBT-RUS	Expense	Operating		Active
0	7510.001	INTEREST-FUNDED DEBT-RTB	Expense	Operating		Active
0	7510.002	INTEREST-FUNDED DEBT-FFB	Expense	Operating		Active
0	7540.0	OTHER INTEREST DEDUCTION	Expense	Operating		Active
0	7610.0	EXTRAORDINARY INCOME	Income	Operating		Active
0	7610.0004	EXTRAORDINARY INCOME-CREDIT	Expense	Operating		Active
0	9010.0001	PLANT LABOR CLEARING-NONPRODUCTI	Clearing			Active
0	9010.0002	PLANT BENEFIT CLEARING	Clearing			Active
0	9020.0002	CLEARING-PAYROLL BENEFITS	Clearing			Active
0	9998.0	SUSPENSE DEBIT	Clearing			Active
0	9999.0	SUSPENSE CREDIT	Clearing			Active

Total Accounts: 749

<u>Account</u>	<u>Description</u>	<u>Depreciation rate</u>
2112	Motor Vehicles	12.1%
2116	Other Work Equipment	7.5%
2121	Buildings	2.7%
2122	Furniture	8.7%
2123	Office Equipment	7.5%
2124	General Purpose Computers	15.8%
2212	Digital-Electronic Switching	7.5%
2220	Operator Systems	9.8%
2232	Circuit Equipment	11.9%
2411.1	Poles - pre 1988	8.9%
2411.2	Poles - post 1988	5.6%
2421.0	Aerial Cable (metallic)	6.6%
2421.2	Aerial Cable (fiber)	5.1%
2421.1	Aerial Cable (drop)	6.6%
2422.0	Underground Cable (metallic)	5.0%
2422.1	Underground Cable (fiber)	5.0%
2423	Buried Cable (Metallic)	5.5%
2423.05	Buried Cable (fiber)	5.1%
2424	Submarine Cable	3.7%
2431	Aerial Wire	9.4%
2441	Conduit	2.2%



Duo County Telephone Cooperative  
Case 2014-00315



P.O. Box 80 • Jamestown, KY  
42629-0080

**LOCAL**  
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SERVICE • ECONOMY • CONTENT

Exhibit 8

Adair: (270) 378-4141  
Cumberland: (270) 433-2121  
Russell: (270) 343-3131

www.duocounty.com

## 2014 ANNUAL MEETING NOTICE

### OFFICIAL NOTIFICATION OF ANNUAL MEETING

The Annual Meeting of the members of Duo County Telephone Cooperative Corp., Inc. will be held **TUESDAY, JUNE 3, 2014** at 7:00 P.M. CDT (registration will begin at 6:00 P.M.) at the **RUSSELL COUNTY HIGH SCHOOL** gymnasium, located on Highway 127 between Russell Springs and Jamestown, for the purpose of electing Trustees and transacting such other business as may come before the meeting. In accordance with the bylaws, the Cooperative's Board consists of seven (7) Trustees. Two (2) Trustees are to be elected by the members at this Annual Meeting. The Nominating Committee met April 14, 2014 and nominated the following candidates to serve as Trustees subject to the vote of the members:

Adair County Exchange – **JOSEPH SPARKS**  
Jamestown Exchange – **JAMES MONIN, M.D.**

Three (3) per centum of the total membership (as determined by the number of active members as of the end of April preceding the annual meeting) acting together may make other nominations by petition, provided said petition is duly executed by such members in writing, with active telephone or account numbers listed and delivered to the Cooperative's CEO for verification then shall be posted at the principal office of the corporation not less than fifteen (15) nor more than twenty (20) days prior to June 3, 2014. Members signing said petition must designate their active telephone or account number on the petition. If there are any nominations by petition, in conformity with the bylaws, the names of nominees by petition will appear on the printed ballot along with the names of nominees designated by the nominating committee. Nominations are not permitted from the floor at the annual meeting.

The service area of Duo County Telephone Cooperative Corp., Inc. is divided into four (4) exchanges, to wit: Jamestown, Russell Springs, Cumberland County and Adair County, and shall be represented by the hereinafter designated number of Trustees, to wit:

Jamestown Exchange – Two (2) Trustees  
Russell Springs Exchange – Two (2) Trustees  
Cumberland County Exchange – Two (2) Trustees  
Adair County Exchange – One (1) Trustee

No person shall be eligible to become or remain a Trustee of the Cooperative who is not a member, does not have active telecommunications service and is not presently residing in the exchange which he represents as a Trustee or in the exchange for which he is nominated pursuant to the Cooperative's bylaws.

This is your Cooperative. Your attendance and support are greatly appreciated.

Sharon Hill  
Secretary  
Duo County Telephone Cooperative Corp., Inc.



ANDROID



IPHONE



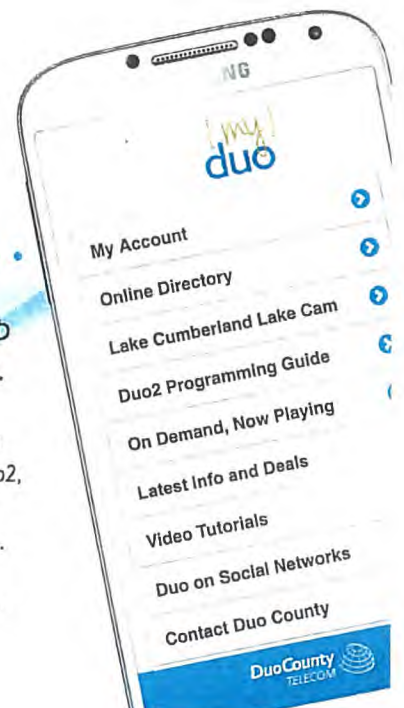
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# LOCAL *matters!*

SUPPORTING AND CONNECTING OUR COMMUNITY



2014 COMMUNITY REPORT

**DuoCounty**  
TELECOM 

Duo County Telephone Cooperative  
Case 2014-00315

# LOCAL SERVICE

DUO COUNTY DONATED A TOTAL OF

# \$75,000

this year to Adair, Russell and Cumberland County schools for technology improvements.

Exhibit 8



## WE'RE HERE TO SERVE

Whether we are answering a DuoCare customer service call or collecting items for the Ronald McDonald House donation drive, we believe in supporting our customers and our community. And by investing in local education, we accomplish both. Duo County recently provided funding to the three school districts in its coverage area for much-needed technology upgrades. The goal: Enhance the learning experience so students want to return home after college to work and raise their families. "This will affect the lives of so many Adair County students, and, in time, the local economy," Adair County Superintendent Alan Reed said.



DUO PRESENTS CHECK TO CUMBERLAND COUNTY SCHOOLS

## FOR 15 YEARS,

Duo County has given a full-time, first-time freshman scholarship to a local student, who is selected by Lindsey Wilson College.

# LOCAL content



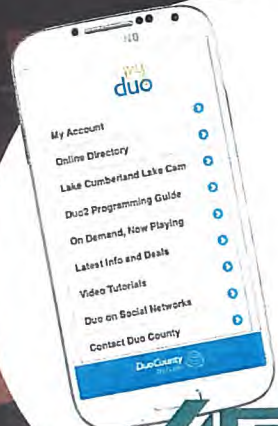
RUSSELL AND ADAIR COLLECT DONATIONS FOR RONALD MCDONALD HOUSE



PLATE IT UP, KENTUCKY PROUD



AARON OUTDOORS



IN Exhibit 8  
**2013,**  
Duo County added **31**

HD channels to the Digital TV lineup

### AND, AIRED CLOSE TO

- 60 government meetings
- 50 high school & college ballgames
- 8 episodes of Plate It Up, Kentucky Proud
- 7 local sports previews

### DESIGNED JUST FOR YOU


At Duo County, we are completely focused on perfecting your entertainment experience — from producing local programming on Duo Channel 2 and adding to our Video on Demand line-up, to installing the cables and wireless signals through which that content is delivered. We expanded our Lightspeed fiber optic services to two more communities in 2013, and, partnering with Bluegrass Cellular, introduced 4G LTE wireless services to five communities in Adair, Cumberland and Russell counties. We also released our first app for iPhone and Android, myDuo, which allows you to view what's playing on VOD, pay your bill and even look up local telephone numbers.

# LOCAL TV economy

## DUO'S PORTFOLIO

**48** employees 

**600,000+**

 paid annually  
in local taxes

**9,466**

cooperative members

### THE BEST RETURN ON INVESTMENT

Did you know that for every \$100 you spend with a locally owned business, \$68 stays in your community? When you do business with Duo County, there's one more advantage: ownership. As a member of your local telecommunications cooperative, you are represented by a local board of directors, and you earn your share of the company's financial success. To date, Duo County has returned almost \$19 million in dividends to its members. In return, Duo County strives to be a good steward of the local business community, staying involved with the Chambers of Commerce in the service area and providing excellent customer service.



CONGRESSMAN ED WHITFIELD SPEAKS AT DUO COUNTY



DUO COUNTY 2013 ANNUAL MEETING



# 60 years OF MILESTONES

# LOCAL matters!

SERVICE • ECONOMY • CONTENT

**1954**  
Incorporation  
papers filed

**1958**

*Began offering automated  
dial service in Russell, Adair  
and Cumberland*

**1959**

*First official annual  
meeting of 900 members*

**1960**

*Headquarters moved from  
Burkesville to Jamestown*

**1974**

*8-party line eliminated;  
5,000 members strong*

**1980**

*Installed one  
of the first computerized  
digital switching offices  
in the state*

**1984**

*Four-party line  
eliminated*

**1999**

*Moved to new  
headquarters with  
drive-thru convenience*

**2000**

*High-speed Internet  
becomes available*

**2004**

*Digital TV services  
introduced*

**2009**

*Fiber optic cable  
services available*

**2014**  
myDuo app  
launches

A quick look across this annual report communicates one very strong message about Duo County Telecom.

We are local. And local matters.



**THOMAS E. PRESTON**  
Chief Executive Officer

I work with this incredible crew of employees every day and I've seen many of these photos before. Yet even now when I look at them, I'm amazed, and proud.

You will not find a telecommunications company serving Adair, Russell

and Cumberland counties that is more invested in these communities than Duo County. Our dedication shows through the top-quality services we bring to your door, the growing line-up of local programming that keeps you informed and entertained, the community events we sponsor and support, and the smiles that we wear on our faces every day.

We are proud to be your service provider. And we're honored that you chose us. We know there are other options available and we take your commitment to this local cooperative seriously.

Duo County celebrates 60 years of business in south central Kentucky this year. We are more committed than ever to providing you with the best and most sophisticated communications technology available and exceptional customer service.

More importantly, we are committed to supporting and connecting our communities in every way possible — from providing much-needed funding to local schools to collecting donations for the Ronald McDonald House. Connections do not just happen through a 4G wireless signal. They are personal. They are local.

And local matters.





**\$19 million**

IN DIVIDENDS RETURNED TO MEMBERS SINCE 1988

**ANNUAL FINANCIAL STATEMENT**

Duo County Telecom  
Consolidated **BALANCE SHEET**  
December 31, 2013

**ASSETS**

Current Assets:	
Cash & Temporary Cash Investments	\$10,487,670
Accounts Receivable, Less Allowance for Doubtful Accounts	1,573,215
Materials and Supplies	2,199,693
Accrued Interest Receivable	100,253
Prepaid Expenses	<u>400,378</u>

**Total Current Assets** \$14,761,209

Other Assets:

Long-Term Investments	\$25,904,234
Nonregulated Investments	182,326
Investment in Affiliated Companies:	43,451,088
Deferred Charges	<u>32,435</u>

**Total Other Assets** \$69,570,083

Telecommunications Plant:

Telecommunications Plant in Service	\$88,417,852
Telecommunications Plant Under Construction	14,461,106
Non-Operating Plant	<u>52,008</u>

**Total Telecommunications Plant** \$102,930,966

Less Accumulated Depreciation	59,098,195
Telecommunications Plant Net	<u>43,832,771</u>

**TOTAL ASSETS** \$128,164,063

**LIABILITIES & MEMBERS' EQUITIES**

Current Liabilities:

Current Portion of Long-Term Debt	\$184,125
Accounts Payable	1,039,612
Customer Deposits	12,050
Accrued Expenses	<u>2,168,597</u>

**Total Current Liabilities** \$3,404,384

Deferred Income Taxes-Noncurrent \$9,059,996

Total Long-Term Liabilities \$9,059,996

Other Liabilities and Deferred Credits \$257,221

Members' Equities:

Patronage Capital	\$48,354,832
Other Equities	68,592,015
Acc. Other Comprehensive Income/Loss	(2,748,694)
Other Member Capital	<u>1,244,309</u>

**Total Members' Equities** \$115,442,462

**TOTAL LIABILITIES/MEMBERS' EQUITIES** \$128,164,063

Duo County Telecom  
Consolidated **STATEMENT OF INCOME**  
For Year Ended December 31, 2013

Operating Revenues:

Local Network Services	\$8,445,289
Network Access Services	9,834,642
Carrier Billing and Collection	110,081
Miscellaneous Operating Revenue	1,765,272
Uncollectible Revenue	<u>(109,354)</u>

**Total Operating Revenues** \$20,055,930

Operating Expenses:

Plant Specific Operations	\$8,086,799
Plant Nonspecific Operations	1,648,505
Depreciation and Amortization	5,526,422
Customer Operations	1,575,845
Corporate Operations	<u>2,480,437</u>

**Total Operating Expenses** \$19,318,008

Operating Income \$737,922

Non-Operating Income	\$10,312,005
Provision for Income Taxes	<u>(3,726,390)</u>
Non-Operating Income Net of Taxes	6,585,615

Income Before Interest and Nonregulated Income \$7,323,537

Interest on Long-Term Debt to RUS	(264,848)
Net of Interest Capitalized \$62,898	

Non-Regulated Income \$1,131,334

**Total Net Income** \$8,190,023

Other Comprehensive Income

Unrealized Loss on Assets on Postretirement Benefits	(493,669)
Unrealized Gain/Loss on Marketable Securities	<u>533,276</u>

**TOTAL COMPREHENSIVE INCOME** \$8,229,630

**BOARD OF DIRECTORS**

Bill Norris  
*Cumberland County, President*

Jerry D. Roy  
*Russell Springs, Vice President*

Sharon Hill  
*Jamestown, Secretary*

Joseph Sparks  
*Adair County, Member*

James E. Monin, MD  
*Jamestown, Member*

Randy Hart  
*Russell Springs, Member*

Douglas Butler  
*Cumberland County, Member*

Howard Kent Cooper  
*Legal Counsel*

Thomas E. Preston  
*Chief Executive Officer*



COLUMBIA STORE



JAMESTOWN HEADQUARTERS

**CONTACT US:**

(270) 343-3131 [Russell]  
(270) 378-4141 [Adair]  
(270) 433-2121 [Cumberland]  
duotel@duo-county.com

