



Steven L. Beshear
Governor

Robert D. Vance, Secretary
Environmental and Public
Protection Cabinet

Timothy J. LeDonne
Commissioner
Department of Public Protection

Commonwealth of Kentucky
Public Service Commission
211 Sower Blvd.
P.O. Box 615
Frankfort, Kentucky 40602-0615
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Mark David Goss
Chairman

John W. Clay
Vice Chairman

Caroline Pitt Clark
Commissioner

Daryl L. Hammond
Cumberland Cellular, Inc. dba Duo County Telecom
P. O. Box 80
2150 N. Main Street
Jamestown, KY 42629

December 14, 2007

RE: Case No. 2007-00518
Cumberland Cellular, Inc. dba Duo County Telecom
(Telecommunications Act of 1996)
Designation of Eligible Telecommunications Carrier

This letter is to acknowledge receipt of initial application in the above case. The application was date-stamped received December 14, 2007 and has been assigned Case No. 2007-00518. In all future correspondence or filings in connection with this case, please reference the above case number.

If you need further assistance, please contact my staff at (502) 564-3940.

Sincerely,

A handwritten signature in black ink, appearing to read "Beth O'Donnell".

Beth O'Donnell
Executive Director

BOD/tw



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Honorable Holly C. Wallace
Attorney at Law
Dinsmore & Shohl, LLP
1400 PNC Plaza
500 West Jefferson Street
Louisville, KY 40202

December 14, 2007

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Beth O'Donnell
Executive Director

BOD/tw

Dinsmore & Shohl LLP
ATTORNEYS

Holly C. Wallace
502-540-2309
hwallace@dinslaw.com

2007-518

December 13, 2007

RECEIVED

DEC 14 2007

PUBLIC SERVICE
COMMISSION

VIA FEDERAL EXPRESS

Hon. Beth O'Donnell
Executive Director
Public Service Commission
211 Sower Blvd.
Frankfort, KY 40601

**Re: *In the Matter of: Cumberland Cellular, Inc. d/b/a Duo County Telecom's
Petition for Designation as an Eligible Telecommunications Carrier in the
Commonwealth of Kentucky***

Dear Ms. O'Donnell:

Enclosed for filing in the above-referenced case is the original and eleven (11) copies of the Petition for Designation as an Eligible Telecommunications Carrier in the Commonwealth of Kentucky.

Please return a file-stamped copy to me in the in the self-addressed, postage-prepaid envelope furnished herewith.

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

Very truly yours,

DINSMORE & SHOHL LLP



Holly C. Wallace

HCW/rk

Enclosures

Beth O'Donnell
October 19, 2007
Page 2

cc: Bill Magruder
Daryl Hammond
Daniel Logsdon
John E. Selent, Esq.

127986v1

**BEFORE THE
KENTUCKY PUBLIC SERVICE COMMISSION**

RECEIVED
DEC 14 2007
PUBLIC SERVICE
COMMISSION
Case No. 518

In the matter of:

**CUMBERLAND CELLULAR, INC.)
D/B/A DUO COUNTY TELECOM'S PETITION)
FOR DESIGNATION AS AN ELIGIBLE)
TELECOMMUNICATIONS CARRIER)
IN THE COMMONWEALTH OF)
KENTUCKY)**

**PETITION FOR DESIGNATION AS AN ELIGIBLE TELECOMMUNICATIONS
CARRIER IN THE COMMONWEALTH OF KENTUCKY**

1. Cumberland Cellular, Inc. d/b/a Duo County Telecom (“DCT”), by counsel, and pursuant to the Communications Act of 1934, as amended (the “Act”), hereby submits to the Public Service Commission of the Commonwealth of Kentucky (the “Commission”) its request for Eligible Telecommunications Carrier (“ETC”) status in the Commonwealth of Kentucky in the Columbia exchange served by Windstream Kentucky – East. Windstream is a non-rural carrier. Grant of this Petition is in the public interest because it will allow DCT to bring high quality competitive services to the community in which it seeks ETC designation. An affidavit attesting to DCT’s use of funds is attached as Exhibit A.
2. DCT will provide service pursuant to its PSC Kentucky Tariffs Nos. 1 and 2 on file with the Commission as well as additional tariffs to be filed as warranted.
3. DCT is a wholly-owned subsidiary of Diversified Holding Corporation, which is itself a wholly owned subsidiary of Duo County Telephone Cooperative Corporation, Inc. DCT’s business address is 2150 North Main Street, Jamestown, KY 42629.

4. DCT is currently deploying its own facilities to allow it to provide voice and other services on a facilities basis in the exchange in which it now seeks ETC designation and began selling its facilities-based services in October of this year.

5. Upon completion of deployment of its facilities, DCT will provide facilities-based service throughout its service area, as indicated in the map attached as Exhibit B, to customers making a reasonable request for service.

6. DCT will have sufficient facilities and capacity to provide supported services throughout its service area in Kentucky. Additionally, DCT may provide supported services using a combination of its own facilities and resale of another carrier's facilities as necessary to fill in potential gaps in its network.

I. DCT QUALIFIES FOR DESIGNATION AS AN ETC.

DCT satisfies each of the elements required for ETC designation, as shown below.

- a. DCT will provide each of the services supported by the Federal High Cost Universal Service Program, as set forth in Section 214(e) of the Act and Section 54.101(a) of the Federal Communications Commission's rules.¹ In order to be designated as an ETC, a carrier must be a common carrier and both offer and advertise the supported services throughout the designated service area. The Federal Communications Commission has identified the following services as the core services to be offered by an ETC and supported by federal USF mechanisms. DCT will advertise and make available a "universal service" offering that includes all of the supported services for consumers in the designated service areas in Kentucky.

¹ 47 C.F.R. § 54.101(a).

1. Voice-Grade Access to the Public Switched Network – DCT will provide voice-grade access to the public switched network. DCT will have the capability to originate and terminate local and long distance telephone service for all of its subscribers.
2. Local Usage – DCT will offer several service options that include amounts of local usage in monthly service plans. DCT will also offer a rate plan that includes unlimited local usage. DCT will satisfy the local usage criterion for ETC designation based upon its offering of unlimited local usage calling plans.
3. Functional Equivalent of Touch-Tone (“DTMF”) Signaling – DCT’s switch will utilize DTMF signaling.
4. Single Party Service – DCT will meet the requirement of single-party service by providing a dedicated message path for the length of all customer calls.²
5. Access to Emergency Service – DCT will offer access to emergency service throughout its service area by dialing 911. Enhanced 911 (“E911”), which includes the capability of providing both automatic numbering information (“ANI”) and automatic location information (“ALI”), will be supported if a public emergency service provider makes arrangements for the delivery of such information.³ DCT will provide access to E911 services consistent with FCC rules and local public service answering point requests. Therefore, DCT meets the requirement to provide access to emergency service.
6. Access to Operator Services – DCT will offer its subscribers access to operator services and will make such services available throughout its designated service area.
7. Access to Interexchange Service – DCT will provide all of its customers with the ability to make and receive interexchange or toll calls through arrangements with an interexchange carrier (“IXC”).
8. Access to Directory Assistance – DCT will provide all of its customers with access to directory assistance by dialing “411” or “555-1212.”
9. Services for Qualifying Low-Income Customers – Once designated as an ETC, DCT will participate in Lifeline and Linkup programs for low-income subscribers as required, and will offer toll blocking to meet the FCC’s requirement.

² *Universal Service First Report and Order*, 12 FCC Rcd. at 8810, ¶ 62 (1997).

³ *Id.* at 8826-27, ¶ 90.

- b. DCT will provide the supported services under Section 214(e)(1)(A) of the Act and Section 54.101(a) of the Federal Communications Commission's rules using DCT's network infrastructure, consisting of switching, trunking, and network equipment, together with any expansions and enhancements to that network. DCT will have the ability and willingness to provide universal service throughout its service area and commits to using alternative methods, such as resale, to provide service within a reasonable period of time to any customer that cannot be easily reached by DCT's facilities-based service if service can be provided at a reasonable cost consistent with 47 CFR 54.202(a).

II. DCT WILL ADVERTISE ITS UNIVERSAL SERVICE OFFERING.

DCT will advertise the availability of its universal service offering, and the associated charges, using media of general distribution once it is fully operational. DCT will use these media, as necessary, to insure that consumers within its designated service area are fully informed of its universal service offering. As a locally owned provider of services in the very communities it serves, DCT is financially vested in its market and is uniquely capable of meeting the needs of that market. Sample advertising, including proposed print and radio advertisement, are included in Exhibit C.

III. DESIGNATING DCT AS AN ETC WILL ADVANCE THE PUBLIC INTEREST.

DCT seeks designation in the non-rural Columbia exchange and is not seeking designation in any rural service areas. In areas served by non-rural ILECs a finding of advancing the public interest is not required. 47 USC § 214(e)(2). However designation of DCT as an ETC would promote competition and facilitate the provision of advanced communications

services and the use of innovative technologies to residents of Columbia, Kentucky. Therefore, designation of DCT as an ETC will serve the public interest.

IV. ADDITIONAL INFORMATION SUPPLIED BY DCT.

- 1) Identify areas in which designation is sought where there is more than one ETC and explain the additional benefits to customers by allowing an additional ETC to be designated in these areas.

Several applicants, exclusively wireless providers, have sought and received ETC status in the areas in which DCT seeks to serve. The Company is not a wireless provider, however, and is one of the few to bring a landline-based service to the areas in which it proposes to receive ETC designation. Despite the Windstream exchange being designated “non-rural,” the exchange in which DCT seeks designation is geographically and economically rural and hence, underserved. Few if any competitive service options exist for the customers in the communities in which the company seeks its designation.

- 2) Identify those facilities that will be used that are leased from other carriers, if any.
DCT leases facilities from wireline carriers to connect its switch in Russell Springs with the public switched telephone network, including the Windstream Columbia end office for the exchange of local, intraLATA and interexchange traffic.

- 3) Provide a list and description of service offerings including number of minutes of use, rates and calling scope.

DCT provides non-metered local service on the same mandatory EAS calling scope as Windstream in the Columbia exchange. In addition, the company currently bundles two-hours of long distance in its base local exchange rate.

Additional long distance usage is charged at 10-cents per minute for calls to domestic areas beyond the mandatory local calling area. While DCT expects that the majority of its subscribers will utilize its long distance and will modify its rates as necessary to remain attractive in its market, DCT does not restrict the use of other long distance service providers by its subscribers.

- 4) Identify any gaps (areas where phone service is unavailable) in any of the areas in which ETC designation is sought.

Upon completion of its network, DCT will not have any significant gaps in its Columbia coverage area. The company anticipates that it will readily serve any customer making a reasonable request for service that it cannot serve on its own facilities via resale arrangements.

- 5) How will Lifeline and Link-up services be provided? How will toll limitation service for Lifeline customers be provided?

DCT will participate in Lifeline and Link-up programs for low-income subscribers as required, and will offer toll blocking to meet the FCC's requirement.

- 6) Describe the steps in place to provide service when a customer requests service and the request cannot be served by existing network facilities.

If a customer resides in an area where DCT is designated as an ETC and the customer makes a reasonable request for service but cannot be served by DCT, the Company will provide the service via resale.

- 7) Describe and estimate the amount of USF support that the applicant expects to receive on an annual basis. Also, describe how these funds will be used to maintain or upgrade the applicant's network.

DCT estimates that it will receive approximately \$4.00 per month per access line in USF support if designated as an ETC in the requested areas of Kentucky in addition to whatever Lifeline support it may receive for serving eligible subscribers. This is only an estimate and the annual total will vary based on the company's mix of residential and business subscribers and the funding by wire center or zone established by the Universal Service Administration Company (USAC). DCT will use the funds to improve coverage in the existing DCT market in Columbia, Kentucky.

- 8) DCT is capable of remaining functional in an emergency.

DCT shares its ownership with Duo County Telephone Cooperative an incumbent local service provider in the neighboring area to the Columbia exchange in which it seeks designation. It utilizes the same disaster recovery plan for its competitive network as it does for its incumbent provider. Its equipment operates on a redundant basis and its network is and will be deployed on as diverse a route as financially practical.

- 9) DCT will satisfy consumer protection and service quality standards.

DCT anticipates that its service quality will be its primary sales advantage in its market. Accordingly, the company intends to meet or exceed service quality standards. DCT will adhere to all applicable state and federal laws regarding, but not limited to, consumer protection.

- 10) DCT will offer local usage plans comparable to those offered by the incumbent local exchange carrier (ILEC) in the areas for which it seeks designation.

DCT will offer calling plans that are competitive with the ILECs in the exchanges it seeks to serve. The Company will provide *at a minimum* the same local calling area as the ILEC. As a full facilities-based service provider, the Company anticipates that its ability to offer more options to its subscribers will result in a superior grade of service as compared to that available from the ILECs.

- 11) DCT acknowledge that it may be required to provide equal access if all other ETCs in the designated service area relinquish their designations.

DCT will also provide any other required information that is requested by the Kentucky Public Service Commission or Federal Communications Commission as a part of any current or future rulings.

V. DCT CERTIFICATION OF THE DISPOSITION OF FEDERAL UNIVERSAL SERVICE FUNDING.

DCT certifies that it will use federal universal support “only for the provision, maintenance and upgrading of facilities and service for which the support is necessary” consistent with Section 254(e) of the Telecommunications Act of 1996. The affidavit (attached hereto as Exhibit A) from William W. Magruder, President of Cumberland Cellular, Inc. d/b/a Duo County Telecom, certifies such and fully describes the telecommunications services DCT will offer.

VI. ANTI-DRUG ABUSE CERTIFICATION.

DCT certifies that no party to this Petition is subject to a denial of federal benefits pursuant to Section 5301 of the Anti-Drug Abuse Act of 1988, 21 U.S.C. § 862, and Sections

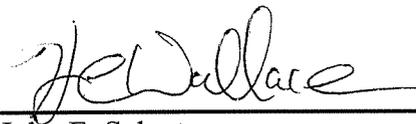
1.2001-1.2003 of the Federal Communications Commission's rules, 47 C.F.R. §§ 1.2001-1.2003.

See Exhibit A.

VII. CONCLUSION.

WHEREFORE, for the reasons set forth above, DCT respectfully requests that the Commission issue an order as soon as is practicable designating DCT as an Eligible Telecommunications Carrier in the Columbia exchange.

Respectfully submitted,

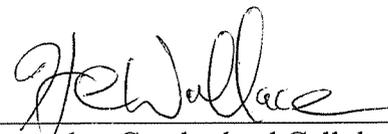


John E. Selent
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1400 PNC Plaza
500 West Jefferson Street
Louisville, Kentucky 40202
(502) 540-2300 Telephone
(502) 585-2207 Facsimile
*Counsel to Cumberland Cellular, Inc. d/b/a
Duo County Telecom*

Certificate of Service

I hereby certify that a true and accurate copy of the above was served upon the following via U.S. first-class mail, postage pre-paid, this 13th day of December, 2007.

Daniel Logsdon
Vice President State Governmental Affairs
Windstream Kentucky East
130 West New Circle Road
Suite 170
Lexington, Kentucky 40505



Counsel to Cumberland Cellular, Inc.
d/b/a Duo County Telecom

EXHIBIT A

Declaration of William W. Magruder

Pursuant to 47 C.F.R. § 1.16, I, William W. Magruder, do declare under penalty of perjury the following is true and correct.

1. I am William W. Magruder, President of Cumberland Cellular, Inc. d/b/a Duo County Telecom (“DCT”). The foregoing “Petition of Cumberland Cellular, Inc. d/b/a Duo County Telecom for Designation as an Eligible Telecommunications Carrier in the Commonwealth of Kentucky” has been prepared under my direction, supervision and control. The factual statements and representations contained therein are true and accurate to the best of my knowledge and belief.
2. DCT is a certified provider of resold and facilities-based telecommunications services in Kentucky.
3. DCT intends to obtain universal service support funding in certain high-cost areas served by non-rural Kentucky incumbent local exchange carriers (“ILECs”), specifically Windstream Kentucky East. DCT will use federal universal support “only for the provision, maintenance and upgrading of facilities and services for which the support is necessary” consistent with Section 254 (e) of the Telecommunications Act of 1996. As an ETC, DCT will offer a reduced-rate universal service package to subscribers who are eligible for Lifeline support. DCT’s service offerings will be competitive with the ILECs.
4. DCT will be capable of providing all of the service offerings required by and set forth in Section 214 (e) of the Communications Act of 1934, as amended, for “eligible telecommunications carriers.”
5. DCT will market the availability of its local services throughout its service area in the Commonwealth of Kentucky. In this regard, DCT’s marketing efforts may include printed, radio, television and billboard advertising. DCT will continue to expand upon these marketing efforts on a prospective basis as it expands its telecommunications services and products in Kentucky.
6. DCT certifies that it will offer the supported services using its existing network facilities and interconnection facilities owned or leased by DCT as well as leased facilities on a resale basis from the ILECs.
7. DCT requests ETC designation for the Columbia exchange.
8. High Cost Certification: DCT certifies that all high-cost universal service support received in Kentucky will be used only for the provision, maintenance and upgrading of facilities and services for which the support is intended.

9. Anti-Drug Abuse Certification: To the best of my knowledge, the applicant referred to in the foregoing Petition, including all officers, directors, or persons holding 5% or more of the outstanding stock or shares (voting and/or non-voting) of the applicant as specified by Section 1.2002 (b) of the Federal Communications Commission's rules, are not subject to a denial of federal benefits, including FCC benefits, pursuant to Section 5301 of the Anti-Drug Abuse Act of 1988, 21 U.S.C. § 862.



William W. Magruder, President
Cumberland Cellular, Inc. d/b/a
Duo County Telecom

COUNTY OF Russell)
)
STATE OF KENTUCKY)

Subscribed and sworn to before me by William W. Magruder on this 3rd day of December, 2007.

NOTARY PUBLIC

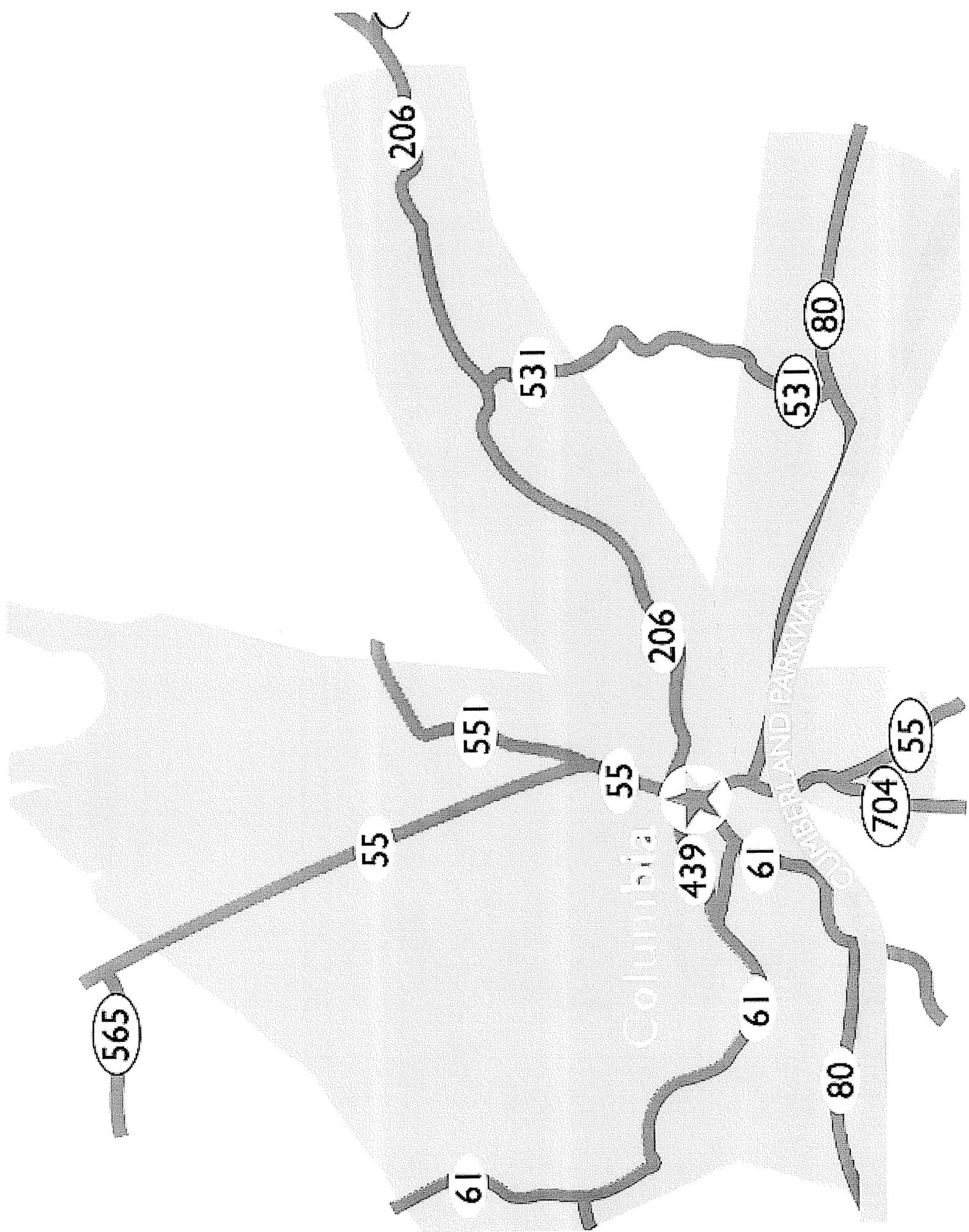
Name Susan Emerson / Susan P. Emerson

Signature Susan P. Emerson

Commission expiration 1-26-11

EXHIBIT B

Map of DCT Service Areas in Kentucky



565

55

61

551

531

55

439

61

206

61

80

531

80

704

55

Columbia

GIMBLETT PARKWAY

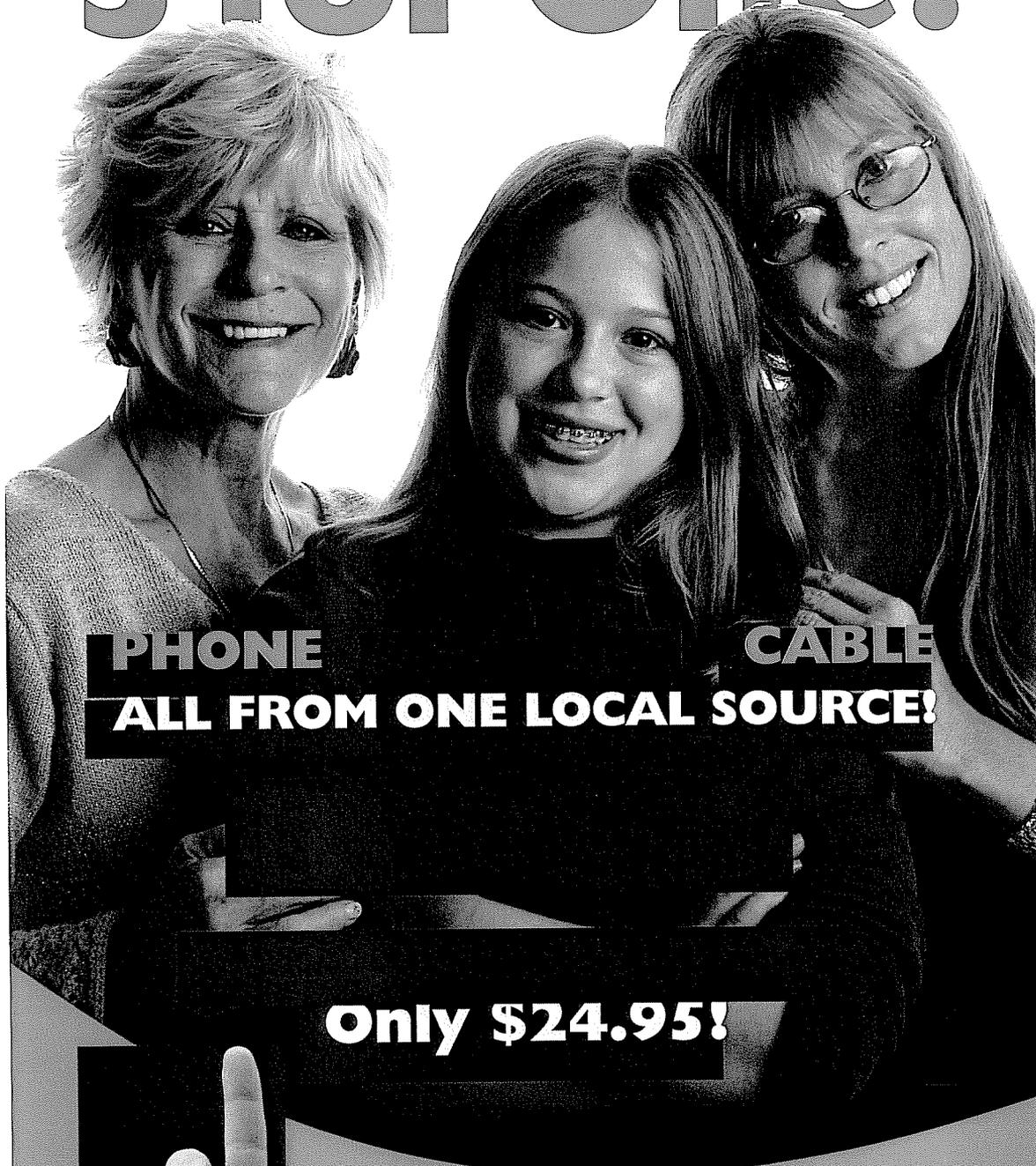


EXHIBIT C

Sample Advertising

Announcer: Phone, internet and cable service just got better. Duo County introduces the triple play community plan. You get phone service which includes long distance and calling features. You get high speed internet service with a free modem and installation. And you get cable service with local programming, local weather and local customer service. And all for the low price of \$99.95. This great triple play package is available to existing or new Duo County customers. Call 378-4141 and get totally connected today.

3 for One!



PHONE CABLE
ALL FROM ONE LOCAL SOURCE!

Only \$24.95!



**ONE
ONE**



*totally
connected*

* Certain restrictions apply.



706 Russell Road, Columbia, KY 42728
www.duocounty.com

Save a Bundle with Duo County's Community Plan!

WITH 2 Mbps HIGH SPEED INTERNET AS LOW AS **\$24.95**

Announcing a triple play of services from Duo County Telecom. Get reliable phone, high-speed Internet and cable TV from one local source for only \$99.95. Already have one of these services? Since you're one of our valued cable customers, it's FREE to switch your phone and Internet to Duo County!

PHONE

- Keep your existing number or get a new number
- Unlimited local calling
- 2 hours of Long Distance
- Deluxe Caller ID
- Call Waiting
- Basic Voice Mail
- Call Forwarding
- Anonymous Call Rejection

Begin Saving Today!

Call 378-4141

INTERNET

- 2 Mbps High-Speed Internet*
- Free modem
- DuoCare technical support available
- Always on – unlimited access
- Optional Internet speeds up to 6 Mbps
- Experience video & audio streaming at its best!

CABLE TV

- Standard Video package (63 quality channels on every TV without a box.)
- Local programming
- Local customer service
- Lexington HD channels available

3 for One!

Save a Bundle with Duo County's Community Plan!

Announcing a triple play of services from Duo County Telecom. Get reliable phone, high-speed Internet and cable TV from one local source for only \$99.95. It's FREE to switch to this great bundle with Duo County whether you're a new or existing customer!

PHONE

- Keep your existing phone number or get a new one.
- Includes Long Distance.
- Includes Calling Features.

INTERNET

- Local programming.
- Local weather.
- Local customer service.
- HDTV available. (Lexington channels available)

CABLE

Begin Saving Today!

Call 378-4141

Only \$24.95!

ONE BILL—
ONE LOCAL
SERVICE
PROVIDER!

totally
connected

* Certain restrictions apply.