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PUBLIC SERVICE
COMMISSION

August 15, 2011

VIA OVERNIGHT MAIL

Jeff R. Derouen

Executive Director

Kentucky Public Service Commission

211 Sower Boulevard

Frankfort, Kentucky 40602-0615

**Re: An Inquiry Into Universal Service and Funding Issues
Administrative Case 360**

Dear Mr. Derouen:

This filing is in response to the Commission's Order in the above referenced docket requiring Eligible Telecommunications Carriers ("ETCs") to perform annual audits to verify the eligibility of participants in the Lifeline program.

Virgin Mobile USA, L.P. ("Virgin Mobile") was only recently designated an ETC in Kentucky on June 10, 2011. Given that all its Kentucky Lifeline customers have only recently enrolled, Virgin Mobile has not performed the annual audit for 2011 but anticipates performing such an audit for 2012 and filing the results next year.

Thank you for your assistance with this matter and please do not hesitate to contact me if you have questions about this filing or wish to discuss this matter.

Sincerely yours,

Susan J. Berlin

cc: Jim Stevens
Doug Brent