



Katherine K. Yunker
P.O. Box 21784
Lexington, KY 40522-1784
859-255-0629
www.yunkerpark.com
yunker@desuetude.com

August 20, 2012

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

RECEIVED
AUG 21 2012
PUBLIC SERVICE
COMMISSION

Re: Budget PrePay, Inc. designation as a wireless ETC (Case No. 2011-00169);
update to notices regarding FCC compliance plan

Dear Mr. Derouen:

By email on April 12, 2012 to the Tariffs Branch (PSC.tariffs@ky.gov) and by letter dated April 13, 2012, addressed to you (stamped received as of April 16, 2012), Budget PrePay, Inc. ("Budget") provided to the Commission a copy of the Compliance Plan it had filed with the FCC on March 1, 2012, and provided additional information about how it intended to comply with the new FCC rules. By letter dated June 7, 2012, addressed to you, Budget provided an update to that April 2012 notice regarding wireless services. Budget was designated as an ETC for the purpose of offering Lifeline and Link-up wireless service in the Commonwealth by Commission Order entered December 8, 2011 (Case No. 2011-00169). This letter provides another update to the Commission, about a reduction in Lifeline and non-Lifeline wireless rates.

Pursuant to its Compliance Plan (as revised) filed with the FCC, Budget has modified its rates to reflect the reduction in the FCC Universal Service Fund ("USF") subsidy to \$9.25 resulting from the Lifeline Reform Order.¹ Although the federal subsidy is lower than before, Budget reduced the Lifeline and non-Lifeline rates it charges effective August 1, 2012. The new rates are summarized on the attached sheet; the changes are:

Old Pricing: The Unlimited Talk and Text Plan was priced at \$45.50; with the \$13.50 in Lifeline credits (USF and KUSF), Lifeline customers paid \$32.00 for that plan. The 250 Minute Talk plan was priced at \$25.00 and Lifeline customers received it for free.

¹ See *In the Matter of Lifeline and Link Up Reform and Modernization*, Report and Order and Further Notice of Proposed Rulemaking, WC Docket No. 11-42, FCC 12-11 (rel. Feb. 6, 2012).

New Pricing: Budget has replaced the Unlimited Talk and Text Plan with the Active User Talk & Text Plan that provides 4000 minutes for \$37.75. After the application of the USF and KUSF subsidy, the Lifeline price is \$25.00. The non-Lifeline price for the 250 Minute Talk plan is \$12.75, and Lifeline customers receive it for free.

Please note that Budget continues to flow through the KUSF subsidy of \$3.50, in addition to the USF subsidy.

Enclosed please find four additional copies of this update. I have also enclosed one extra copy of this letter and a self-addressed, postage-prepaid envelope. Please stamp this extra copy with the date of the Commission's receipt and return it to me in the envelope provided. Thank you for your attention to this matter.

Sincerely,



Katherine K. Yunker

Attachment: Lifeline Offerings

Lifeline Offerings

Plan Description	Retail Price
Active User Talk & Text	
Active User Talk & Text (non Lifeline)	\$ 37.75
Active Talk & Text (Lifeline)	\$ 25.00
250 Minute Talk	
Non-Lifeline	\$ 12.75
Lifeline	FREE

All plans include at no extra charge: Handset, Caller ID, Call Waiting, and Voicemail. Voicemail calls count against the voice minutes provided by the plan.

Service Period: All airtime associated with the 250 Minute Plan and Active User Talk & Text Plan for Lifeline and Non-Lifeline customers, including additional minutes purchased, text messages or other services, expire at the end of each 30 day cycle whether Subscriber uses the airtime or not. Additional airtime purchased separately is available for 30 days after purchased. No airtime is carried over to the next 30-day period.

Prices set forth for the Active User Talk & Text Plan, the 250 Minute Talk Plan (Non-Lifeline), and the purchase of additional minutes, or the text message add-on, do not include taxes or mandatory government fees (where applicable). Although Budget PrePay must pay taxes and government fees in certain states, these taxes or governmental fees are not assessed to Lifeline customers subscribing to the 250 Minute Talk Plan.

*The Active User Talk & Text Plan provides for a combined 4000 voice minutes and text messages. Each text message counts as one minute of voice service.

Plan Additions	Retail Price
Additional Minutes for Active User Talk & Text and 250 Minute Talk Plans	
50 minutes	\$5.00
100 minutes	\$10.00
150 minutes	\$15.00
Data/Picture Message Add-on for any plan	
200 MB data and Unlimited Picture Message	\$15.00
**Text Message Add-on for 250 Minute Talk	\$10.00

*Applicable Taxes and government fees are assessed to the above Plan Additions.

**The Text Message Add-on provides 1000 text messages.

Lifeline Credits	Retail Price
KUSF Lifeline Credit	\$3.50
Federal Lifeline Credit	\$9.25