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PUBLIC SERVICE
COMMISSION

VIA HAND DELIVERY

Hon. Jeff Derouen
Executive Director
Public Service Commission
211 Sower Blvd.
P. O. Box 615
Frankfort, KY 40601

Re: Administrative Case No. 360, An Inquiry Into Universal Service and Funding Issues

Dear Mr. Derouen:

We are legal counsel to Bluegrass Wireless, LLC, Kentucky RSA #3 Cellular General Partnership, Kentucky RSA #4 Cellular General Partnership, and Cumberland Cellular Partnership (collectively "Bluegrass Cellular"). In that capacity, we have been requested to respond to the May 24, 2007 Order of the Public Service Commission (the "Commission") ordering all eligible telecommunications carriers to perform an annual audit of their entire Lifeline subscribership and to submit the results of the audit to the Commission by no later than August 15 of each year. Accordingly, the following are the results of Bluegrass Cellular's audit of its Lifeline subscribership.

Number of Lifeline Customers:

| | |
|---------------------|------------|
| RSA #3 | 1789 |
| RSA #4 | 1065 |
| Cumberland Cellular | 1626 |
| Bluegrass Wireless | <u>650</u> |
| TOTAL: | 5130 |

Number of Lifeline Customers who responded to audit request:

| | |
|--------|------|
| RSA #3 | 1337 |
| RSA #4 | 841 |

| | |
|---------------------|------------|
| Cumberland Cellular | 1334 |
| Bluegrass Wireless | <u>449</u> |
| TOTAL: | 3961 |

Number of Lifeline Customers who are no longer eligible:

| | |
|---------------------|----------|
| RSA #3 | 7 |
| RSA #4 | 3 |
| Cumberland Cellular | 6 |
| Bluegrass Wireless | <u>2</u> |
| TOTAL: | 18 |

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

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HCW/sdt