COMMONWEALTH OF KENTUCKY

BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

A CERTIFICATION OF THE CARRIERS)	
RECEIVING FEDERAL UNIVERSAL) ADMINISTRATI	VΕ
SERVICE HIGH-COST SUPPORT) CASE NO. 38	1

ORDER

The Commission has entered Orders pursuant to the Federal Communications Commission's ("FCC") rules certifying that carriers¹ in Kentucky plan to use their "forward looking" high-cost support for authorized purposes for the calendar years 2000, 2001, 2002, 2003, 2004, 2005, 2006, and 2007.² 47 C.F.R. Sections 54.313 and 54.314 require states to ensure that carriers use the federal high-cost support for the provision, maintenance, and upgrading of facilities and services for which the support is intended. Also, states must ensure that federal support is being applied in a manner consistent with Section 254 of the Telecommunications Act of 1996.³ For 2000, only the

¹ Carriers are, in this context, defined as rural and non-rural incumbent local exchange carriers and eligible telecommunications carriers serving lines in the service area of a rural or non-rural incumbent local exchange carrier within their jurisdiction receiving support pursuant to 47 C.F.R. Section 54.309 (Calculation and Distribution of Forward-Looking Support for Non-Rural Carriers), Section 54.311 (Interim Hold-Harmless Support for Non-Rural Carriers), and Section 54.314 (State Certification of Support for Rural Carriers).

² Federal-State Joint Board on Universal Service Ninth Report and Order and Eighteenth Order on Reconsideration ("Ninth Report and Order"), CC Docket Number 99-45; FCC 99-306, released November 2, 1999, Appendix C, Section 54.313 and Administrative Case No. 381 Orders dated March 24, 2000, September 29, 2000, September 25, 2001, September 27, 2002, August 18, 2003, September 24, 2004 September 20, 2005 and September 22, 2006.

³ Ninth Report and Order at Paragraphs 93-110.

use of "forward-looking" support was to be certified. Beginning with the federal support for 2001, certification by state commissions is required regardless of whether the support is "forward-looking" or "hold harmless." On May 23, 2001, the FCC issued an order in CC Docket 96-45 and CC Docket 00-256 that changed the methodology by which rural carriers receive high-cost support. Also, in that order, the FCC required the states to certify that the high-cost support received by rural carriers is consistent with 47 U.S.C. § 254(e). Certification must occur by October 1 prior to the year for which support is rendered.

All carriers eligible to receive support have certified to the Commission that the use of the federal universal service support will be used in accordance with 47 U.S.C. § 254(e). All carriers propose to use their universal service support to upgrade facilities to ensure that rural services are reasonably comparable to urban services and to maintain their current rates as allowed by the FCC.⁵ Attached as Exhibit 1 is a schedule of support that each carrier is projected to receive.

The Commission finds that the carriers' proposals to use federal support to upgrade facilities and proposals to maintain embedded rates are consistent with the requirements of Congress and the FCC.

⁴ In the Matter of Federal-State Joint Board on Universal Service Multi-Association Group (MAG) Plan for Regulation of Interstate Services of Non-Price Cap Incumbent Local Exchange Carriers and Interexchange Carriers, Fourteenth Report and Order, Twenty-Second Order on Reconsideration, and Further Notice of Proposed Rulemaking in CC Docket No. 96-45, and Report and Order in CC Docket No. 00-256; FCC 01- 157, Released May 23, 2001. <u>See generally</u> Paragraphs 185-193.

⁵ Ninth Report and Order at paragraph 106.

IT IS THEREFORE ORDERED that:

 The proposals of all of the carriers are hereby certified as complying with the FCC's criteria and, accordingly, these utilities are eligible to receive federal Universal Service Fund support.

2. A copy of this Order shall be served upon the FCC and the Universal Service Administrative Company to ensure that all carriers receive their 2008 federal high-cost support.

3. By September 1 of each calendar year, all carriers shall file with the Commission their plans for the use of any high-cost federal support.

Done at Frankfort, Kentucky, this 26th day of September, 2007.

By the Commission

ATTEST:

Executive Director

Universal Service Funding

High Cost Support by Study Area

Fourth Quarter 2007

SAC	Study Area Name	High Cost Model		High Cost Loop		Safety Net Additive		Safety Valve	Interstate Access		Local Switching		Interstate CL		Total High Cost		To
SAC		Monthly S	Support		ly Support	Monthly Support		Monthly Support	Monthly Support		Monthly Support		Monthly Support		Monthly		
260396	BALLARD RURAL COOP	\$	-	\$	23,073	\$	-	\$ -	\$	-	\$	37,865	\$	48,537		109,475	
260398	BRANDENBURG TEL CO	\$	-	\$	-	\$	-	\$ -	\$	-	\$	51,925	\$	84,502		136,427	:
260401	DUO COUNTY TEL COOP	\$	-	\$	218,515	\$	-	\$ -	\$	-	\$	17,476	\$	166,527		402,518	:
260402	WINDSTREAM KY WEST	\$	-	\$	-	\$	-	\$ -	\$	-	\$	22,662	\$	35,963	\$	58,625	:
260406	FOOTHILLS RURAL COOP	\$	-	\$	248,736	\$	26,086	\$ -	\$	-	\$	42,867	\$	271,820		589,509	:
260408	GEARHEART-COALFIELDS	\$	-	\$	180	\$	-	\$ -	\$	-	\$	40,587	\$	37,838	\$	78,605	
260411	LESLIE COUNTY TEL CO	\$	-	\$	53,353	\$	-	\$ -	\$	-	\$	11,823	\$	47,410		112,586	:
260412	LEWISPORT TEL CO	\$	-	\$	3,150	\$	-	\$ -	\$	-	\$	8,686	\$	9,105	\$	20,941	:
260413	LOGAN TEL. COOP. INC	\$	-	\$	179,778	\$	7,393	\$	\$	-	\$	22,859	\$	97,822		307,852	
260414	MOUNTAIN RURAL COOP	\$	-	\$	-	\$	-	\$ -	\$	-	\$	36,897	\$	74,586		111,483	
260415	PEOPLES RURAL COOP	\$	-	\$	180,817	\$	8,592	\$ -	\$	-	\$	48,461	\$	116,867	\$:	354,737	
260417	SALEM TEL CO	\$	-	\$	216	\$	-	\$ -	\$	-	\$	11,563	\$	10,372	\$	22,151	
260418	SOUTH CENTRAL RURAL	\$	-	\$	446,233	\$		\$	\$	-	\$	9,405	\$	260,162	\$	715,800	
260419	THACKER/GRIGSBY TEL	\$	-	\$	19,405	\$		· \$\$	\$	-	\$	43,675	\$	62,893	\$	125,973	
260421	WEST KENTUCKY RURAL	\$	-	\$	376,549	\$		\$	\$	-	\$	47,599	\$	281,236		705,384	
265061	CINCINNATI BELL-KY	\$	59,110	\$	-	\$		\$ -	\$	26,279	\$	-	\$	-	\$	85,389	
265061	CINCINNATI BELL-KY	\$		\$	-	\$		\$ -	\$	-	\$	-	\$	-	\$	-	,
265182	SO CENTRAL BELL-KY	\$	750,280	\$	-	\$		\$ -	\$	523,191	\$		\$	-	\$ 1,3	273,471	,
265182	SO CENTRAL BELL-KY	\$,	\$	-	\$		\$ -	\$	-	\$		\$	-	\$, = 5
269001	SOUTHEAST TELEPHONE, INC.	\$	22,917	\$	-	\$	-	\$ -	\$	23,800	\$	-	\$	-	\$	46,717	
269001	SOUTHEAST TELEPHONE, INC.	\$	-	\$	630	\$	-	\$ -	\$	2,250	\$	-	\$	-	\$	2,880	
269002	NPCR, INC.	\$	60,769	\$	-	\$		\$ -	\$	64,703	\$	-	\$	-	\$	125,472	
269002	NPCR, INC.	\$	-	\$	32,802	\$	376	\$ -	\$	2,017	\$	2,706	\$	20,124	\$	58,025	
269004	CINERGY COMMUNICATIONS COMPANY	\$	4,833	\$	-	\$	-	\$ -	\$	4,982	\$	·	\$	-	\$	9,815	
269004	CINERGY COMMUNICATIONS COMPANY	\$	-	\$	3	\$	-	\$ -	\$	-	\$	·	\$	-	\$	3	
269004	CINERGY COMMUNICATIONS COMPANY	\$	-	\$	6,932	\$	-	\$ -	\$	-	\$	160	\$	-	\$	7,092	- 5
269006	NORTH CENTRAL COMMUNICATIONS	\$	4,594	\$	-	\$	-	\$ -	\$	4,399	\$	-	\$	-	\$	8,993	
269007	EAST KENTUCKY NETWORK, LLC DBA APPALACHIAN WIRELESS	\$	39,233	\$	-	\$	-	\$ -	\$	66,016	\$	-	\$	-	\$	105,249	<u>;</u>
269007	EAST KENTUCKY NETWORK, LLC DBA APPALACHIAN WIRELESS	\$	-	\$	109,033	\$	7,482	\$ -	\$	735	\$	65,038	\$	151,451	\$:	333,739	
269008	BLUEGRASS CELLULAR	\$	74,083	\$	-	\$	-	\$ -	\$	117,149	\$	-	\$	-	\$	191,232	
269008	BLUEGRASS CELLULAR	\$	-	\$	517,729	\$	2,520	\$ -	\$	5,988	\$	45,043	\$	383,718	\$ 9	954,998	
269009	SOUTH CENTRAL TELCOM LLC	\$	-	\$	-	\$	-	\$ -	\$	520	\$	-	\$	-	\$	520	
269009	SOUTH CENTRAL TELCOM LLC	\$	-	\$	-	\$		\$ -	\$	-	\$		\$	-	\$	-	:
269010	WEST VIRGINIA PCS ALLIANCE DBA NTELOS	\$	1,635	\$	-	\$	-	\$ -	\$	3,925	\$	-	\$	-	\$	5,560	,
269010	WEST VIRGINIA PCS ALLIANCE DBA NTELOS	\$	-	\$	-	\$	-	\$ -	\$	-	\$	-	\$	-	\$	-	- :
269690	WINDSTREAM LEXINGTON	\$	319,693	\$	-	\$	-	\$ -	\$	438,041	\$	-	\$	-	\$	757,734	_
269690	WINDSTREAM LEXINGTON	\$	-	\$	-	\$	-	\$ -	\$	-	\$	-	\$	-	\$	-	_
269691	WINDSTREAM LONDON	\$	-	\$	12,003	\$	-	\$ -	\$	44,930	\$	-	\$	-	\$	56,933	-
269691	WINDSTREAM LONDON	\$	-	\$	-	\$	-	\$ -	\$	-	\$	-	\$	-	\$	-	
269905	AMERICAN CELLULAR CORP.	\$	65,410	\$	-	\$	-	\$ -	\$	92,496	\$	-	\$	-	\$	157,906	,
269905	AMERICAN CELLULAR CORP.	\$	-	\$	89,293	\$	-	\$ -	\$	5,093	\$	7,716	\$	71,495	\$	173,597	-
290598	WEST KENTUCKY RURAL TELEPHONE	\$	-	\$	20,916	\$	-	\$ -	\$	-	\$	13,188	\$	17,414	\$	51,518	-
290598	WEST KENTUCKY RURAL TELEPHONE	\$	-	\$	-	\$	-	\$ -	\$	-	\$	-	\$	-	\$	-	
290573	NORTH CENTRAL COOP	\$	-	\$	95,237	\$	-	\$ -	\$	-	\$	28,600	\$	175,039	\$:	298,876	
-	DIALOG TELECOMMUNICATINS, INC	<u> </u>			*			1	1						 		
	E-TEL, LLC								1								
									1								
	TOTAL ANNUAL SUPPORT																
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