

**COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION**

In the Matter of:

**AN INQUIRY INTO THE STATE)
UNIVERSAL SERVICE FUND)**

**CASE NO.
2016-00059**

**BUDGET PREPAY, INC. RESPONSE TO COMMISSION STAFF'S SECOND
REQUEST FOR INFORMATION**

Budget PrePay, Inc. hereby serves its Responses to the Kentucky Public Service Commission
Request for Information dated June 22, 2016.

REQUEST NO. 1. If not already provided in a previous response to a Commission Staff request for information, respond to the following:

- a. Provide the monthly Kentucky Universal Service Fund ("KUSF") forms ("KUSF form") submitted to the Commission and the Department of Finance and Administration from January 2014 to the present.
- b. Explain how the total number of subscriber lines is calculated for the KUSF form when a new customer receives service in the middle of a month.
- c. Explain how the total number of subscriber lines is calculated for the KUSF form when a customer leaves in the middle of a month. Commission Staff's First Request for Information referred to these forms as "reimbursement" forms. In this request, Commission Staff is referring to the forms that the parties are to file monthly pursuant to the Commission's decision in *An Inquiry into Universal Service Funding Issues*, Administrative Case No. 360 (KY. PSC May, 22, 1998) (form last revised March 10, 2016). These forms are to be filed regardless of whether a party is seeking reimbursement from the KUSF.
- d. Explain how the KUSF surcharge remittance is calculated when you experience a bad debt. Explain whether none of the surcharge amount or the full surcharge amount billed to, but not paid by, the customer is remitted.
- e. State whether the KUSF surcharge billed to a customer is prorated if the customer has service for less than a full month.

RESPONSE:

See Budget Prepay's Responses to Staff's First Set of Requests.

RESPONSIBLE WITNESS: Robin Enkey

REQUEST NO. 2. If no KUSF forms have been submitted to the Commission and the Kentucky Department of Finance and Administration from January 2014, to the present, explain why the KUSF forms have not been submitted.

- a.** If no KUSF forms have been submitted, state whether you collect the KUSF surcharge from your customers.
- b.** If you do not collect the KUSF surcharge from your customers, explain why the KUSF surcharge has not been collected.
- c.** If no KUSF forms have been submitted, state whether you remit the KUSF surcharge to the Kentucky Department of Finance and Administration.
- d.** If you do not remit the KUSF surcharge to the Kentucky Department of Finance and Administration, explain why the KUSF surcharge has not been remitted.

RESPONSE:

Not applicable.

RESPONSIBLE WITNESS: Robin Enkey

REQUEST NO. 3. Explain the anticipated impact, if any, that the FCC's recent *Lifeline Reform Order*¹ will have on the provision of Lifeline service in Kentucky, including, but not limited to, verifying eligibility of Lifeline customers; the potential provision of broadband service; and, the impact of the reduction of Federal Universal Service funding for voice service.

RESPONSE:

Budget is currently reviewing the anticipated impact that the FCC's recent Lifeline Reform Order will have on the Lifeline program. In regards to verifying eligibility of Lifeline consumers, Budget is in support of the National Lifeline Eligibility Verifier to reduce waste, fraud, and abuse in the Lifeline program. With the primary function of the Lifeline Eligibility Database (LED) to verify eligibility for Lifeline applicants, carriers will submit applications to LED and receive an approval or denial of Lifeline eligibility. This review will ensure that documentation is properly reviewed and lifeline eligibility is properly determined. The LED shall also help to implement the new Lifeline eligibility programs established by the Lifeline Reform Order. Although, the elimination of some programs may hinder some Kentucky residents, Budget does not believe a large number of residents shall be affected in Kentucky.

During Budget's review of the anticipated impact of the FCC's recent Lifeline Reform Order, much discussion has gone to the impact of the reduction of Federal Universal Service funding and the minimum standards. In order to receive the \$9.25 per month federal Lifeline support, carriers will be required to provide minimum voice and data standards. Though the \$9.25 per month support will help offset costs for low income consumers, Budget believes that the additional KUSF will help ETCs reach additional eligible Kentucky consumers.

RESPONSIBLE WITNESS: Robin Enkey

¹ See *Lifeline and Link Up Reform and Modernization*, WC Docket No. 11-42; *Telecommunications Carriers Eligible for Universal Service Support*, WC Docket No. 09-197; *Connect America Fund*, WC Docket No. 10-90, *Third Report and Order*, *Further Report and Order*, and *Order on Reconsideration* (Rel. April 27, 2016). ("Lifeline Reform Order").

REQUEST NO. 4. In light of the *Lifeline Reform Order*, explain how a reduction in the amount of, or elimination of, KUSF support would impact the provision of Lifeline service in Kentucky.

RESPONSE:

As stated in Request 3, in order to receive the \$9.25 per month federal Lifeline support, carriers will be required to provide minimum voice and data standards. The \$9.25 per month support will help offset costs for consumers, but this federal support will be phased out for voice only services under the federal plan. Elimination of KUSF support Kentucky would effectively eliminate the Lifeline program altogether for customers that depend on mobile voice services.

RESPONSIBLE WITNESS: .Robin Enkey

Respectfully Submitted,

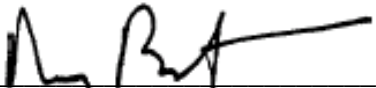


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CERTIFICATE OF SERVICE

In accordance with 807 KAR 5:001, Section 8, I certify that the July 14, 2016 electronic filing of these Data Responses is a true and accurate copy of the same document being filed in paper medium; that the electronic filing was transmitted to the Commission on July 14, 2016; that there are currently no parties that the Commission has excused from participation by electronic means in this proceeding; and that an original paper medium of these Data Responses will be mailed to the Commission by first class United States mail, postage prepaid, on July 14, 2016.



Douglas F. Brent