

AN INQUIRY INTO THE STATE UNIVERSAL SERVICE FUND
CASE NO. 2016-00059

The RLEC's and CLEC's Responses to the Commission
Staff's Initial Requests for Information
dated April 6, 2016

April 27, 2016

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COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

AN INQUIRY INTO THE STATE) CASE NO.
UNIVERSAL SERVICE FUND) 2016-00059

The RLECs',¹ CLECs',² and non-ETC CLECs'³ Responses to the Commission
Staff's Initial Requests for Information dated April 6, 2016

FILED: April 27, 2016

¹ Ballard Rural Telephone Cooperative Corporation, Inc.; Brandenburg Telephone Company; Duo County Telephone Cooperative, Inc.; Foothills Rural Telephone Cooperative, Inc.; Gearheart Communications Co., Inc.; Highland Telephone Cooperative, Inc.; Logan Telephone Cooperative, Inc.; Mountain Rural Telephone Cooperative, Inc.; North Central Telephone Cooperative Corporation; Peoples Rural Telephone Cooperative, Inc.; South Central Rural Telephone Cooperative Corporation, Inc.; Thacker-Grigsby Telephone Company, Inc.; and West Kentucky Rural Telephone Cooperative Corporation, Inc. (collectively, the "RLECs").

² Cumberland Cellular, Inc. d/b/a Duo County Telecom; North Central Communications; and South Central Telcom, LLC (collectively, the "CLECs").

³ Brandenburg Telecom, LLC; Cellular Services, LLC; Inter Mountain Cable, Inc.; Peoples Telecom, LLC; and TV Services, Inc. (collectively, the "non-ETC CLECs").

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1 THE RLECs AND CLECs RESPONSES TO THE COMMISSION'S REQUESTS FOR
2 INFORMATION TO PARTIES THAT RECEIVED PAYMENT FROM THE
3 KENTUCKY UNIVERSAL SERVICE FUND ("KUSF")
4

5 **Item 1)** *Provide the KUSF reimbursement forms submitted to the Commission and the*
6 *Department of Finance and Administration from January 2014 to the present.*

7
8 **Response)** Please see the KUSF reimbursement forms submitted to the Commission and the
9 Department of Finance and Administration by each RLEC and CLEC from January 2014 to the
10 present, attached hereto as Exhibits 1 – 16.

11 Highland Telephone Cooperative, Inc., North Central Telephone Cooperative
12 Corporation, North Central Communications, and West Kentucky Rural Telephone Cooperative
13 Corporation have Lifeline customers in Kentucky and Tennessee, but the KUSF reimbursement
14 forms only reflect those Kentucky customers receiving Lifeline support.

15
16 **Witness)** Randy C. Grogan (Ballard Rural Telephone Cooperative Corporation, Inc.)

17 Allison T. Willoughby (Brandenburg Telephone Company)

18 Thomas E. Preston (Duo County Telephone Cooperative, Inc. and Cumberland
19 Cellular, Inc.)

20 Ruth Conley (Foothills Rural Telephone Cooperative, Inc.)

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- 1 James Campbell (Gearheart Communications Co., Inc.)
2 Dave Crawford (Highland Telephone Cooperative, Inc.)
3 Greg Hale (Logan Telephone Cooperative, Inc.)
4 Shayne Ison (Mountain Rural Telephone Cooperative, Inc.)
5 Johnny McClanahan (North Central Telephone Cooperative Corporation and
6 North Central Communications)
7 Keith Gabbard (Peoples Rural Telephone Cooperative, Inc.)
8 Jeff Eaton (South Central Rural Telephone Cooperative Corporation, Inc. and
9 South Central Telcom LLC)
10 William K. Grigsby (Thacker-Grigsby Telephone Company, Inc.)
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1 **Item 2)** *Provide the Federal Communication Commission ("FCC") Form 497 submitted*
2 *to the FCC from January 2014 to the present.*

3

4 **Response)** Please see the FCC Form 497s submitted to the FCC by each RLEC and CLEC
5 from January 2014 to the present, attached hereto as Exhibits 17 – 32.

6 Highland Telephone Cooperative, Inc., North Central Telephone Cooperative
7 Corporation, North Central Communications, and West Kentucky Rural Telephone Cooperative
8 Corporation have Lifeline customers in Kentucky and Tennessee and the FCC Form 497s reflect
9 all customers receiving Lifeline support.

10

11 **Witness)** Randy C. Grogan (Ballard Rural Telephone Cooperative Corporation, Inc.)

12 Allison T. Willoughby (Brandenburg Telephone Company)

13 Thomas E. Preston (Duo County Telephone Cooperative, Inc. and Cumberland
14 Cellular, Inc.)

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- 2 Johnny McClanahan (North Central Telephone Cooperative Corporation and
- 3 North Central Communications)
- 4 Keith Gabbard (Peoples Rural Telephone Cooperative, Inc.)
- 5 Jeff Eaton (South Central Rural Telephone Cooperative Corporation, Inc. and
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1

2 **Item 3)** *Refer to the Lifeline plans you filed with the Commission with your Application*
3 *for Designation as an Eligible Telecommunications Carrier ("ETC"). State whether there*
4 *have been changes to these Lifeline plans since the Commission entered an Order designating*
5 *you as an ETC for the purpose of offering Lifeline service in Kentucky. If there have been*
6 *changes to the Lifeline plans, provide:*

7 *a. Copies of all Lifeline plans currently offered to Kentucky subscribers.*

8 *b. For each new or modified Lifeline plan, explain in detail:*

9 *(1) How the current Lifeline plan modifies the Lifeline plan in effect when*
10 *you were designated as an ETC;*

11 *(2) Whether the current Lifeline plan was offered in addition to Lifeline*
12 *plans in effect when you were designated as an ETC.*

13 *c. An explanation for why existing Lifeline plans were changed or additional*
14 *Lifeline plans were added.*

15

16 **Response)** The RLECs and CLECs state that, for eligible applicants, the Lifeline discount is
17 applied against any voice service that is chosen by the Lifeline eligible customer. The RLECs did
18 not file Lifeline plans with the Commission when they applied for designation as an ETC.

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1 There have been no changes to the Lifeline plans the CLECs filed with the Commission
2 when they applied for designation as an ETC, and the CLECs continue to provide Lifeline
3 services consistent with those plans.

4 a. The CLECs have not made any changes to the Lifeline plans they currently offer
5 to Kentucky subscribers.

6 b.(1) The CLECs have not made any changes to the Lifeline plans they currently offer
7 to Kentucky subscribers.

8 b.(2) The CLECs have not made any changes to the Lifeline plans they currently offer
9 to Kentucky subscribers.

10 c. The CLECs have not made any changes to the Lifeline plans they currently offer
11 to Kentucky subscribers.

12

13 **Witness)** Randy C. Grogan (Ballard Rural Telephone Cooperative Corporation, Inc.)

14 Allison T. Willoughby (Brandenburg Telephone Company)

15 Thomas E. Preston (Duo County Telephone Cooperative, Inc. and Cumberland
16 Cellular, Inc.)

17 Ruth Conley (Foothills Rural Telephone Cooperative, Inc.)

18 James Campbell (Gearheart Communications Co., Inc.)

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- 2 Greg Hale (Logan Telephone Cooperative, Inc.)
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- 4 Johnny McClanahan (North Central Telephone Cooperative Corporation and
5 North Central Communications)
- 6 Keith Gabbard (Peoples Rural Telephone Cooperative, Inc.)
- 7 Jeff Eaton (South Central Rural Telephone Cooperative Corporation, Inc. and
8 South Central Telcom LLC)
- 9 William K. Grigsby (Thacker-Grigsby Telephone Company, Inc.)
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1 **Item 4)** *If the Commission's decision is to maintain state Lifeline support for only voice*
2 *service, describe how that decision would affect whether and how you provide Lifeline service*
3 *in Kentucky.*

4
5 **Response)** The RLECs and CLECs state that if the Commission's decision is to maintain
6 Lifeline support for only voice support, they would likely continue to provide Lifeline service,
7 and this change would not affect how they provide Lifeline service. However, as is explained
8 fully in response to Request No. 5 issued to all parties below, the RLECs and CLECs believe the
9 Commission should wait until the FCC has completed its investigation into Lifeline Reform
10 before the Commission makes any decisions in this proceeding.

11
12 **Witness)** Randy C. Grogan (Ballard Rural Telephone Cooperative Corporation, Inc.)
13 Allison T. Willoughby (Brandenburg Telephone Company)
14 Thomas E. Preston (Duo County Telephone Cooperative, Inc. and Cumberland
15 Cellular, Inc.)
16 Ruth Conley (Foothills Rural Telephone Cooperative, Inc.)
17 James Campbell (Gearheart Communications Co., Inc.)
18 Dave Crawford (Highland Telephone Cooperative, Inc.)

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- 1 Greg Hale (Logan Telephone Cooperative, Inc.)
- 2 Shayne Ison (Mountain Rural Telephone Cooperative, Inc.)
- 3 Johnny McClanahan (North Central Telephone Cooperative Corporation and
- 4 North Central Communications)
- 5 Keith Gabbard (Peoples Rural Telephone Cooperative, Inc.)
- 6 Jeff Eaton (South Central Rural Telephone Cooperative Corporation, Inc. and
- 7 South Central Telcom LLC)
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1 **Item 5)** *Identify any cost-effective procedures that you believe should be implemented*
2 *by the Commission to increase oversight of the Lifeline program.*

3

4 **Response)** The RLECs and CLECs state that the Commission should wait until the FCC has
5 completed its investigation into Lifeline reform before it considers or implements any procedural
6 or other changes to the KUSF.

7

8 **Witness)** Randy C. Grogan (Ballard Rural Telephone Cooperative Corporation, Inc.)

9 Allison T. Willoughby (Brandenburg Telephone Company)

10 Thomas E. Preston (Duo County Telephone Cooperative, Inc. and Cumberland
11 Cellular, Inc.)

12 Ruth Conley (Foothills Rural Telephone Cooperative, Inc.)

13 James Campbell (Gearheart Communications Co., Inc.)

14 Dave Crawford (Highland Telephone Cooperative, Inc.)

15 Greg Hale (Logan Telephone Cooperative, Inc.)

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- 1 Keith Gabbard (Peoples Rural Telephone Cooperative, Inc.)
- 2 Jeff Eaton (South Central Rural Telephone Cooperative Corporation, Inc. and
- 3 South Central Telcom LLC)
- 4 William K. Grigsby (Thacker-Grigsby Telephone Company, Inc.)
- 5 Todd Crandall (West Kentucky Rural Telephone Cooperative Corporation, Inc.)

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1 **Item 6)** *If the Commission's decision is to change the amount of Lifeline support, state*
2 *how soon upon the issuance of an Order by the Commission changing the Lifeline support*
3 *amount that you are or anticipate being able to implement the changes on customer bills.*

4
5 **Response)** The RLECs and CLECs request at least 30 days to give their customers adequate
6 notice of any change that is implemented by the Commission. Subject to any applicable
7 regulatory requirements, the RLECs anticipate they could implement the changes on their
8 customer bills in the following amount of time:

9 **Ballard Rural Telephone Cooperative Cooperation, Inc.:**

10 Within one to two days prior to the current billing cycle.

11 **Brandenburg Telephone Company:**

12 Within fourteen (14) days.

13 **Duo County Telephone Cooperative, Inc.:**

14 Within one to two days prior to the current billing cycle.

15 **Foothills Rural Telephone Cooperative, Inc.:**

16 Within one to two days prior to the current billing cycle.

17 **Gearheart Communications Co., Inc.:**

18 Within ninety (90) days.

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1 **Highland Telephone Cooperative, Inc.:**

2 Within one to two days prior to the current billing cycle.

3 **Logan Telephone Cooperative, Inc.:**

4 Any change could be included on its customers' bills on the following month's bill, as
5 long as the change is received before the last business day of the month.

6 **Mountain Rural Telephone Cooperative, Inc.:**

7 Within one to two days prior to the current billing cycle.

8 **North Central Telephone Cooperative Corporation:**

9 Within one to two days prior to the current billing cycle.

10 **Peoples Rural Telephone Cooperative, Inc.:**

11 Within one to two days prior to the current billing cycle.

12 **South Central Rural Telephone Cooperative Corporation, Inc.:**

13 Within one to two days prior to the current billing cycle.

14 **Thacker-Grigsby Telephone Company, Inc.:**

15 Within forty-five (45) days' notice.

16 **West Kentucky Rural Telephone Cooperative Corporation, Inc.:**

17 Within one to two days prior to the current billing cycle.

18

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1 Subject to any applicable regulatory requirements, the CLECs anticipate that they can
2 implement the changes on their customer bills in the following amount of time:

3 **Cumberland Cellular, Inc.:**

4 Within one to two days prior to the current billing cycle.

5 **North Central Communications:**

6 Within one to two days prior to the current billing cycle.

7 **South Central Telcom LLC:**

8 Within one to two days prior to the current billing cycle.

9

10 **Witness)** Randy C. Grogan (Ballard Rural Telephone Cooperative Corporation, Inc.)
11 Allison T. Willoughby (Brandenburg Telephone Company)
12 Thomas E. Preston (Duo County Telephone Cooperative, Inc. and Cumberland
13 Cellular, Inc.)
14 Ruth Conley (Foothills Rural Telephone Cooperative, Inc.)
15 James Campbell (Gearheart Communications Co., Inc.)
16 Dave Crawford (Highland Telephone Cooperative, Inc.)
17 Greg Hale (Logan Telephone Cooperative, Inc.)
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- 1 Johnny McClanahan (North Central Telephone Cooperative Corporation and
2 North Central Communications)
3 Keith Gabbard (Peoples Rural Telephone Cooperative, Inc.)
4 Jeff Eaton (South Central Rural Telephone Cooperative Corporation, Inc. and
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1 **Item 7)** *Provide, in detail, the methods employed to verify the eligibility of customers*
2 *who participate in the Lifeline program.*

3

4 **Response)** The RLECs and CLECs state that they verify, as described in detail below, the
5 eligibility of customers to participate in the Lifeline program at the time of enrollment and
6 annually thereafter.

7 At the time of enrollment, the customer completes an application that follows the format
8 laid out by the FCC in its Lifeline rules, which requires the customer to certify under penalty of
9 perjury her current and ongoing compliance with Lifeline eligibility. Additionally, the customer
10 provides documentation of enrollment in an eligible plan for Lifeline participation, and, pursuant
11 to FCC rules, the RLECs retain the evidence of eligibility in a secure location. Finally, the
12 customer is verified against the National Lifeline Accountability Database (“NLAD”) for
13 confirmation of non-duplicative service.

14 Annually, all customers enrolled in Lifeline service in February of the audit year are
15 audited to ensure their continued eligibility to participate in the Lifeline program. All customers’
16 eligibility for the Lifeline program is verified using information from the Kentucky Department
17 of Social Services. For customers whose eligibility cannot be verified through information
18 provided by the Kentucky Department of Social Services, a letter is sent to that customer

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1 notifying them that they must provide proof of eligibility for Lifeline services to continue to be
2 enrolled in the program. Customers that fail to provide verification of eligibility are removed
3 from the Lifeline program.

4
5 **Witness)** Randy C. Grogan (Ballard Rural Telephone Cooperative Corporation, Inc.)
6 Allison T. Willoughby (Brandenburg Telephone Company)
7 Thomas E. Preston (Duo County Telephone Cooperative, Inc. and Cumberland
8 Cellular, Inc.)
9 Ruth Conley (Foothills Rural Telephone Cooperative, Inc.)
10 James Campbell (Gearheart Communications Co., Inc.)
11 Dave Crawford (Highland Telephone Cooperative, Inc.)
12 Greg Hale (Logan Telephone Cooperative, Inc.)
13 Shayne Ison (Mountain Rural Telephone Cooperative, Inc.)
14 Johnny McClanahan (North Central Telephone Cooperative Corporation and
15 North Central Communications)
16 Keith Gabbard (Peoples Rural Telephone Cooperative, Inc.)
17 Jeff Eaton (South Central Rural Telephone Cooperative Corporation, Inc. and
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- 1 William K. Grigsby (Thacker-Grigsby Telephone Company, Inc.)
- 2 Todd Crandall (West Kentucky Rural Telephone Cooperative Corporation, Inc.)

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1 **Item 8)** *State whether you have been subjected to FCC investigation, action and/or*
2 *penalties relating to participation in the Lifeline program. If you have been so subjected,*
3 *provide in detail, including citations to the FCC action, the investigation, action, and/or*
4 *penalties to which you were subjected.*

5
6 **Response)** The RLECs and CLECs each state that they have not been subject to an FCC
7 investigation relating to its participation in the Lifeline program.

8
9 **Witness)** Randy C. Grogan (Ballard Rural Telephone Cooperative Corporation, Inc.)
10 Allison T. Willoughby (Brandenburg Telephone Company)
11 Thomas E. Preston (Duo County Telephone Cooperative, Inc. and Cumberland
12 Cellular, Inc.)
13 Ruth Conley (Foothills Rural Telephone Cooperative, Inc.)
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15 Dave Crawford (Highland Telephone Cooperative, Inc.)
16 Greg Hale (Logan Telephone Cooperative, Inc.)
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- 1 Johnny McClanahan (North Central Telephone Cooperative Corporation and
2 North Central Communications)
3 Keith Gabbard (Peoples Rural Telephone Cooperative, Inc.)
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5 South Central Telcom LLC)
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1 **Item 9)** *Describe, in detail, your current marketing programs for Lifeline service in*
2 *Kentucky, including, but not limited to, person-to-person sales.*

3

4 **Response)** The RLECs and CLECs use general public outreach to contact Lifeline eligible
5 subscribers. The RLECs and CLECs do not engage in person-to-person sales, with the limited
6 exception of those customers that contact the RLECs and CLECs requesting service and are
7 determined to be Lifeline eligible. The RLECs further state that their public outreach efforts
8 include:

9 **Ballard Rural Telephone Cooperative Cooperation, Inc.:**

10 Phone book advertisements, brochures, in-store notification, and advertising in or on its
11 website, quarterly newspaper, and local television channel.

12 **Brandenburg Telephone Company:**

13 Phone book advertisements, newspaper advertisements, brochures, in-store notification,
14 and internet advertisements on its website.

15 **Duo County Telephone Cooperative, Inc.:**

16 Phone book advertisements, newspaper advertisements, brochures, in-store notification,
17 radio advertisements, billboards, and internet advertisements on its website.

18

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1 **Foothills Rural Telephone Cooperative, Inc.:**

2 Phone book advertisements, newspaper advertisements, brochures, flyers, in-store
3 notification, radio advertisements, and internet advertisements on its website.

4 **Gearheart Communications Co., Inc.:**

5 Phone book advertisements, newspaper advertisements, brochures, in-store notification,
6 radio advertisements, billboards, and internet advertisements on its website.

7 **Highland Telephone Cooperative, Inc.:**

8 Phone book advertisements, newspaper advertisements, brochures, in-store notification,
9 and internet advertisements on its website.

10 **Logan Telephone Cooperative, Inc.:**

11 Phone book advertisements, newspaper advertisements, brochures, in-store notification,
12 and internet advertisements on its website.

13 **Mountain Rural Telephone Cooperative, Inc.:**

14 Phone book advertisements, newspaper advertisements, brochures, in-store notification,
15 radio advertisements, billboards, and internet advertisements on its website.

16

17

18

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1 **North Central Telephone Cooperative Corporation:**

2 Phone book advertisements, newspaper advertisements, brochures, in-store notification,
3 radio advertisements, internet advertisements on their websites, advertisements on their
4 video fees, and notice on customers' bills.

5 **Peoples Rural Telephone Cooperative, Inc.:**

6 Phone book advertisements, newspaper advertisements, brochures, in-store notification,
7 internet advertisements on its website, advertisements on its video feed, and annual notice
8 on customers' bills.

9 **South Central Rural Telephone Cooperative Corporation, Inc.:**

10 Phone book advertisements, newspaper advertisements, brochures, in-store notification,
11 radio advertisements, billboards, and internet advertisements on its website.

12 **Thacker-Grigsby Telephone Company, Inc.:**

13 Phone book advertisements, newspaper advertisements, brochures, in-store notification,
14 and internet advertisements on its website, and advertisements on its video feed.

15 **West Kentucky Rural Telephone Cooperative Corporation, Inc.:**

16 Phone book advertisements, newspaper advertisements, brochures, in-store notification,
17 and internet advertisements on its website.

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1 The CLECs further state that their public outreach efforts include:

2 **Cumberland Cellular, Inc.:**

3 Phone book advertisements, newspaper advertisements, brochures, in-store notification,
4 radio advertisements, billboards, and internet advertisements on its website.

5 **North Central Communications:**

6 Phone book advertisements, newspaper advertisements, brochures, in-store notification,
7 radio advertisements, internet advertisements on their websites, advertisements on their
8 video fees, and notice on customers' bills.

9 **South Central Telcom LLC:**

10 Phone book advertisements, newspaper advertisements, brochures, in-store notification,
11 radio advertisements, billboards, and internet advertisements on its website.

12

13 **Witness)** Randy C. Grogan (Ballard Rural Telephone Cooperative Corporation, Inc.)

14 Allison T. Willoughby (Brandenburg Telephone Company)

15 Thomas E. Preston (Duo County Telephone Cooperative, Inc. and Cumberland
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5 North Central Communications)
- 6 Keith Gabbard (Peoples Rural Telephone Cooperative, Inc.)
- 7 Jeff Eaton (South Central Rural Telephone Cooperative Corporation, Inc. and
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- 9 William K. Grigsby (Thacker-Grigsby Telephone Company, Inc.)
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1 THE RLECs, CLECs, AND NON-ETC CLECs RESPONSES TO THE COMMISSION'S
2 REQUESTS FOR INFORMATION TO ALL PARTIES
3

4 **Item 1)** *Provide the KUSF reimbursement forms submitted to the Commission and the*
5 *Department of Finance and Administration from January 2014 to the present.*

6
7 **Response)** Please see the KUSF reimbursement forms submitted to the Commission and the
8 Department of Finance and Administration by each RLEC and CLEC from January 2014 to the
9 present, attached hereto as Exhibit A.

10 Highland Telephone Cooperative, Inc., North Central Telephone Cooperative
11 Corporation, North Central Communications, and West Kentucky Rural Telephone Cooperative
12 Corporation have Lifeline customers in Kentucky and Tennessee, but the KUSF reimbursement
13 forms only reflect those Kentucky customers receiving Lifeline support.

14 The non-ETC CLECs do not collect from the KUSF, and therefore, do not submit KUSF
15 reimbursement forms.

16
17 **Witness)** Randy C. Grogan (Ballard Rural Telephone Cooperative Corporation, Inc.)

18 Allison T. Willoughby (Brandenburg Telephone Company and Brandenburg
19 Telecom, LLC)

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- 1 Thomas E. Preston (Duo County Telephone Cooperative, Inc. and Cumberland
2 Cellular, Inc.)
- 3 Ruth Conley (Foothills Rural Telephone Cooperative, Inc. and Cellular Services,
4 LLC)
- 5 James Campbell (Gearheart Communications Co., Inc. and Inter Mountain Cable,
6 Inc.)
- 7 Dave Crawford (Highland Telephone Cooperative, Inc.)
- 8 Greg Hale (Logan Telephone Cooperative, Inc.)
- 9 Shayne Ison (Mountain Rural Telephone Cooperative, Inc.)
- 10 Johnny McClanahan (North Central Telephone Cooperative Corporation and
11 North Central Communications)
- 12 Keith Gabbard (Peoples Rural Telephone Cooperative, Inc. and Peoples Telecom,
13 LLC)
- 14 Jeff Eaton (South Central Rural Telephone Cooperative Corporation, Inc. and
15 South Central Telcom LLC)
- 16 William K. Grigsby (Thacker-Grigsby Telephone Company, Inc. and TV
17 Services, Inc.)
- 18 Todd Crandall (West Kentucky Rural Telephone Cooperative Corporation, Inc.)

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1 **Item 2)** *Explain how the total number of subscriber lines is calculated for the KUSF*
2 *reimbursement form when a new customer receives service in the middle of a month.*

3
4 **Response)** The RLECs state that they calculate subscriber lines for the KUSF reimbursement
5 form in the following manner:

6 **Ballard Rural Telephone Cooperative Cooperation, Inc.:**

7 Actual Lifeline revenues that are credited for the month are tabulated, and then the
8 revenues are divided by a discount rate to determine an effective number of customers.
9 The effective number of customers is rounded to the nearest whole number, with the
10 effective number of customers reported being equal for the state and federal Lifeline
11 program.

12 **Brandenburg Telephone Company:**

13 The total number of subscribers reported on the KUSF reimbursement form is calculated
14 using the number of Kentucky customers receiving Lifeline support at the first of the
15 month.

16 **Duo County Telephone Cooperative, Inc.:**

17 Actual Lifeline revenues that are credited for the month are tabulated, and then the
18 revenues are divided by a discount rate to determine an effective number of customers.

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1 The effective number of customers is rounded to the nearest whole number, with the
2 effective number of customers reported being equal for the state and federal Lifeline
3 program.

4 **Foothills Rural Telephone Cooperative, Inc.:**

5 The total number of subscribers reported on the KUSF reimbursement form is calculated
6 using the number of Kentucky customers receiving Lifeline support at the first of the
7 month.

8 **Gearheart Communications Co., Inc.:**

9 The total number of subscribers reported on the KUSF reimbursement form is calculated
10 using the number of Kentucky customers receiving Lifeline support at the first of the
11 month.

12 **Highland Telephone Cooperative, Inc.:**

13 The total number of subscribers reported on the KUSF reimbursement form is calculated
14 using the number of Kentucky customers receiving Lifeline support at the end of each
15 month.

16 **Logan Telephone Cooperative, Inc.:**

17 Actual Lifeline revenues that are credited for the month are tabulated, and then the
18 revenues are divided by a discount rate to determine an effective number of customers.

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1 The effective number of customers is rounded to the nearest whole number, with the
2 effective number of customers reported being equal for the state and federal Lifeline
3 program.

4 **Mountain Rural Telephone Cooperative, Inc.:**

5 Actual Lifeline revenues that are credited for the month are tabulated, and then the
6 revenues are divided by a discount rate to determine an effective number of customers.

7 The effective number of customers is rounded to the nearest whole number, with the
8 effective number of customers reported being equal for the state and federal Lifeline
9 program.

10 **North Central Telephone Cooperative Corporation:**

11 The total number of subscribers reported on the KUSF reimbursement form is calculated
12 by referring to the number of Kentucky customers receiving Lifeline support at the
13 beginning of each of its two billing cycles that occur each month.

14 **Peoples Rural Telephone Cooperative, Inc.:**

15 The total number of subscribers reported on the KUSF reimbursement form is calculated
16 based upon a flash count of the number of Kentucky customers receiving Lifeline support
17 that is conducted on a date between the 5th and 7th day of each month.

18

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1 **South Central Rural Telephone Cooperative Corporation, Inc.:**

2 The total number of subscribers reported on the KUSF reimbursement form is calculated
3 by referring to the number of Kentucky customers receiving Lifeline support at the
4 beginning of each of its two billing cycles that occur each month.

5 **Thacker-Grigsby Telephone Company, Inc.:**

6 The total number of subscribers reported on the KUSF reimbursement form is calculated
7 using the number of Kentucky customers receiving Lifeline support at the beginning of
8 each bill cycle, which is typically around the 18th of each month.

9 **West Kentucky Rural Telephone Cooperative Corporation, Inc.:**

10 The total number of subscribers reported on the KUSF reimbursement form is calculated
11 based upon a flash count of the number of Kentucky customers receiving Lifeline support
12 that is conducted at the end of each month.

13

14 The CLECs state that they calculate subscriber lines for the KUSF reimbursement form
15 in the following manner:

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1 **Cumberland Cellular, Inc.:**

2 Actual Lifeline revenues that are credited for the month are tabulated, and then the
3 revenues are divided by a discount rate to determine an effective number of customers.
4 The effective number of customers is rounded to the nearest whole number, with the
5 effective number of customers reported being equal for the state and federal Lifeline
6 program.

7 **North Central Communications:**

8 The total number of subscribers reported on the KUSF reimbursement form is calculated
9 by referring to the number of Kentucky customers receiving Lifeline support at the
10 beginning of each of its two billing cycles that occur each month.

11 **South Central Telcom LLC:**

12 The total number of subscribers reported on the KUSF reimbursement form is calculated
13 by referring to the number of Kentucky customers receiving Lifeline support at the
14 beginning of each of its two billing cycles that occur each month.

15

16 The RLECs and CLECs will comply with new FCC rules beginning September 1, 2016,
17 which require ETCs to report the number of Lifeline customers as of the first of the month.

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1 This request does not apply to the non-ETC CLECs because they do not have any
2 Lifeline customers.

3

4 **Witness)** Randy C. Grogan (Ballard Rural Telephone Cooperative Corporation, Inc.)

5 Allison T. Willoughby (Brandenburg Telephone Company and Brandenburg
6 Telecom, LLC)

7 Thomas E. Preston (Duo County Telephone Cooperative, Inc. and Cumberland
8 Cellular, Inc.)

9 Ruth Conley (Foothills Rural Telephone Cooperative, Inc. and Cellular Services,
10 LLC)

11 James Campbell (Gearheart Communications Co., Inc. and Inter Mountain Cable,
12 Inc.)

13 Dave Crawford (Highland Telephone Cooperative, Inc.)

14 Greg Hale (Logan Telephone Cooperative, Inc.)

15 Shayne Ison (Mountain Rural Telephone Cooperative, Inc.)

16 Johnny McClanahan (North Central Telephone Cooperative Corporation and
17 North Central Communications)

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1 Keith Gabbard (Peoples Rural Telephone Cooperative, Inc. and Peoples Telecom,
2 LLC)
3 Jeff Eaton (South Central Rural Telephone Cooperative Corporation, Inc. and
4 South Central Telcom LLC)
5 William K. Grigsby (Thacker-Grigsby Telephone Company, Inc. and TV
6 Services, Inc.)
7 Todd Crandall (West Kentucky Rural Telephone Cooperative Corporation, Inc.)

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1 **Item 3)** *Explain how the total number of subscriber lines is calculated for the KUSF*
2 *reimbursement form when a customer leaves in the middle of a month.*

3

4 **Response)** Please see the Response to Request No. 2 issued to all parties.

5

6 **Witness)** Randy C. Grogan (Ballard Rural Telephone Cooperative Corporation, Inc.)

7 Allison T. Willoughby (Brandenburg Telephone Company and Brandenburg
8 Telecom, LLC)

9 Thomas E. Preston (Duo County Telephone Cooperative, Inc. and Cumberland
10 Cellular, Inc.)

11 Ruth Conley (Foothills Rural Telephone Cooperative, Inc. and Cellular Services,
12 LLC)

13 James Campbell (Gearheart Communications Co., Inc. and Inter Mountain Cable,
14 Inc.)

15 Dave Crawford (Highland Telephone Cooperative, Inc.)

16 Greg Hale (Logan Telephone Cooperative, Inc.)

17 Shayne Ison (Mountain Rural Telephone Cooperative, Inc.)

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- 1 Johnny McClanahan (North Central Telephone Cooperative Corporation and
2 North Central Communications)
3 Keith Gabbard (Peoples Rural Telephone Cooperative, Inc. and Peoples Telecom,
4 LLC)
5 Jeff Eaton (South Central Rural Telephone Cooperative Corporation, Inc. and
6 South Central Telcom LLC)
7 William K. Grigsby (Thacker-Grigsby Telephone Company, Inc. and TV
8 Services, Inc.)
9 Todd Crandall (West Kentucky Rural Telephone Cooperative Corporation, Inc.)

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1 **Item 4)** *Explain how the KUSF surcharge remittance is calculated when you*
2 *experience a bad debt. Explain whether none of the surcharge amount or the full surcharge*
3 *amount billed to, but not paid by, the customer is remitted.*

4
5 **Response)** The RLECs state that the KUSF surcharge is remitted in the following manner
6 when a bad debt is experienced:

7 **Ballard Rural Telephone Cooperative Cooperation, Inc.:**

8 Remits the full amount of the surcharge billed to the customer when it experiences a bad
9 debt.

10 **Brandenburg Telephone Company:**

11 Remits the full amount of the surcharge billed to the customer when it experiences a bad
12 debt.

13 **Duo County Telephone Cooperative, Inc.:**

14 Remits the full amount of the surcharge billed to the customer when it experiences a bad
15 debt.

16 **Foothills Rural Telephone Cooperative, Inc.:**

17 Remits the full amount of the surcharge billed to the customer when it experiences a bad
18 debt.

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1 **Gearheart Communications Co., Inc.:**

2 Remits the KUSF surcharge as it is collected. Therefore, full or partially uncollected
3 KUSF surcharge revenues are not remitted.

4 **Highland Telephone Cooperative, Inc.:**

5 Remits the full amount of the surcharge billed to the customer when it experiences a bad
6 debt.

7 **Logan Telephone Cooperative, Inc.:**

8 Remits the full amount of the surcharge billed to the customer when it experiences a bad
9 debt.

10 **Mountain Rural Telephone Cooperative, Inc.:**

11 Remits the full amount of the surcharge billed to the customer when it experiences a bad
12 debt.

13 **North Central Telephone Cooperative Corporation:**

14 Remits the full amount of the surcharge billed to the customer when it experiences a bad
15 debt.

16 **Peoples Rural Telephone Cooperative, Inc.:**

17 Remits the full amount of the surcharge billed to the customer when it experiences a bad
18 debt.

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1 **South Central Rural Telephone Cooperative Corporation, Inc.:**

2 Nets out any bad debt it experiences.

3 **Thacker-Grigsby Telephone Company, Inc.:**

4 Remits the full amount of the surcharge billed to the customer when it experiences a bad
5 debt.

6 **West Kentucky Rural Telephone Cooperative Corporation, Inc.:**

7 Remits the full amount of the surcharge billed to the customer when it experiences a bad
8 debt.

9
10 The CLECs state that the KUSF surcharge is remitted in the following manner when a
11 bad debt is experienced:

12 **Cumberland Cellular, Inc.:**

13 Remits the full amount of the surcharge billed to the customer when it experiences a bad
14 debt.

15 **North Central Communications:**

16 Remits the full amount of the surcharge billed to the customer when it experiences a bad
17 debt.

18

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1 **South Central Telcom LLC:**

2 Nets out any bad debt it experiences.

3

4 The non-ETC CLECs state that the KUSF surcharge is remitted in the following manner
5 when a bad debt is experienced:

6 **Brandenburg Telecom, LLC:**

7 Remits the full amount of the surcharge billed to the customer when it experiences a bad
8 debt.

9 **Cellular Services, LLC:**

10 Remits the full amount of the surcharge billed to the customer when it experiences a bad
11 debt.

12 **Inter Mountain Cable, Inc.:**

13 Remits the KUSF surcharge as it is collected. Therefore, full or partially uncollected
14 KUSF surcharge revenues are not remitted.

15 **Peoples Telecom, LLC:**

16 Remits the full amount of the surcharge billed to the customer when it experiences a bad
17 debt.

18

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1 **TV Services, Inc.:**

2 Remits the full amount of the surcharge billed to the customer when it experiences a bad
3 debt.

4

5 **Witness)** Randy C. Grogan (Ballard Rural Telephone Cooperative Corporation, Inc.)

6 Allison T. Willoughby (Brandenburg Telephone Company and Brandenburg
7 Telecom, LLC)

8 Thomas E. Preston (Duo County Telephone Cooperative, Inc. and Cumberland
9 Cellular, Inc.)

10 Ruth Conley (Foothills Rural Telephone Cooperative, Inc. and Cellular Services,
11 LLC)

12 James Campbell (Gearheart Communications Co., Inc. and Inter Mountain Cable,
13 Inc.)

14 Dave Crawford (Highland Telephone Cooperative, Inc.)

15 Greg Hale (Logan Telephone Cooperative, Inc.)

16 Shayne Ison (Mountain Rural Telephone Cooperative, Inc.)

17 Johnny McClanahan (North Central Telephone Cooperative Corporation and
18 North Central Communications)

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- 1 Keith Gabbard (Peoples Rural Telephone Cooperative, Inc. and Peoples Telecom,
2 LLC)
3 Jeff Eaton (South Central Rural Telephone Cooperative Corporation, Inc. and
4 South Central Telcom LLC)
5 William K. Grigsby (Thacker-Grigsby Telephone Company, Inc. and TV
6 Services, Inc.)
7 Todd Crandall (West Kentucky Rural Telephone Cooperative Corporation, Inc.)

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1 **Item 5)** *State whether you believe the Commission should wait until the FCC's*
2 *investigation of Lifeline Reform is concluded before rendering a decision in this proceeding,*
3 *and explain the basis for your response.*

4
5 **Response)** The RLECs, CLECs, and non-ETC CLECs believe the Commission should wait
6 until the FCC's investigation of Lifeline Reform is concluded before it renders its decision in this
7 proceeding because the eventual reforms made by the FCC may impact how the Commission
8 decides to administer the KUSF. Waiting to ensure that the KUSF reforms comport with and
9 work with the reforms to the federal Lifeline program could avoid the Commission having to
10 again reform the KUSF after the Lifeline Reform is concluded. While the Commission may have
11 valid concerns about possible fraud or mismanagement of the Lifeline program, introducing a
12 state-specific plan that may contradict the reforms to the federal Lifeline program or add to the
13 work required in administering the plan would prove a hardship on the companies that are not in
14 violation of the Lifeline rules.

15

16 **Witness)** Randy C. Grogan (Ballard Rural Telephone Cooperative Corporation, Inc.)

17 Allison T. Willoughby (Brandenburg Telephone Company and Brandenburg
18 Telecom, LLC)

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1 Thomas E. Preston (Duo County Telephone Cooperative, Inc. and Cumberland
2 Cellular, Inc.)
3 Ruth Conley (Foothills Rural Telephone Cooperative, Inc. and Cellular Services,
4 LLC)
5 James Campbell (Gearheart Communications Co., Inc. and Inter Mountain Cable,
6 Inc.)
7 Dave Crawford (Highland Telephone Cooperative, Inc.)
8 Greg Hale (Logan Telephone Cooperative, Inc.)
9 Shayne Ison (Mountain Rural Telephone Cooperative, Inc.)
10 Johnny McClanahan (North Central Telephone Cooperative Corporation and
11 North Central Communications)
12 Keith Gabbard (Peoples Rural Telephone Cooperative, Inc. and Peoples Telecom,
13 LLC)
14 Jeff Eaton (South Central Rural Telephone Cooperative Corporation, Inc. and
15 South Central Telcom LLC)
16 William K. Grigsby (Thacker-Grigsby Telephone Company, Inc. and TV
17 Services, Inc.)
18 Todd Crandall (West Kentucky Rural Telephone Cooperative Corporation, Inc.)

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1 **Item 6)** *State how soon upon the issuance of an Order by the Commission changing the*
2 *KUSF surcharge that you are or anticipate being able to implement the changes on customer*
3 *bills. If it differs by type of account, provide the information for each type of account, along*
4 *with the number of access lines for each account type.*

5
6 **Response)** The RLECs and CLECs request at least 30 days to give their customers adequate
7 notice of any change that is implemented by the Commission, and the following responses do not
8 vary by the type of account. Subject to any applicable regulatory requirements, the RLECs
9 anticipate they could implement the changes on their customer bills in the following amount of
10 time:

11 **Ballard Rural Telephone Cooperative Cooperation, Inc.:**

12 Within one to two days prior to the current billing cycle.

13 **Brandenburg Telephone Company:**

14 Within fourteen (14) days.

15 **Duo County Telephone Cooperative, Inc.:**

16 Within one to two days prior to the current billing cycle.

17 **Foothills Rural Telephone Cooperative, Inc.:**

18 Within one to two days prior to the current billing cycle.

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1 **Gearheart Communications Co., Inc.:**

2 Within ninety (90) days.

3 **Highland Telephone Cooperative, Inc.:**

4 Within one to two days prior to the current billing cycle.

5 **Logan Telephone Cooperative, Inc.:**

6 Any change could be included on its customers' bills on the following month's bill, as
7 long as the change is received before the last business day of the month.

8 **Mountain Rural Telephone Cooperative, Inc.:**

9 Within one to two days prior to the current billing cycle.

10 **North Central Telephone Cooperative Corporation:**

11 Within one to two days prior to the current billing cycle.

12 **Peoples Rural Telephone Cooperative, Inc.:**

13 Within one to two days prior to the current billing cycle.

14 **South Central Rural Telephone Cooperative Corporation, Inc.:**

15 Within one to two days prior to the current billing cycle.

16 **Thacker-Grigsby Telephone Company, Inc.:**

17 Within forty-five (45) days' notice.

18

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1 **West Kentucky Rural Telephone Cooperative Corporation, Inc.:**

2 Within one to two days prior to the current billing cycle.

3
4 Subject to any applicable regulatory requirements, the CLECs anticipate that they can
5 implement the changes on their customer bills in the following amount of time:

6 **Cumberland Cellular, Inc.:**

7 Within one to two days prior to the current billing cycle.

8 **North Central Communications:**

9 Within one to two days prior to the current billing cycle.

10 **South Central Telcom LLC:**

11 Within one to two days prior to the current billing cycle.

12
13 Subject to any applicable regulatory requirements, the non-ETC CLECs anticipate that
14 they can implement the changes on their customer bills in the following amount of time:

15 **Brandenburg Telecom, LLC:**

16 Within fourteen (14) days.

17 **Cellular Services, LLC:**

18 Within one to two days prior to the current billing cycle.

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1 **Inter Mountain Cable, Inc.:**

2 Within ninety (90) days.

3 **Peoples Telecom, LLC:**

4 Within one to two days prior to the current billing cycle.

5 **TV Services, Inc.:**

6 Within forty-five (45) days' notice.

7

8 **Witness)** Randy C. Grogan (Ballard Rural Telephone Cooperative Corporation, Inc.)

9 Allison T. Willoughby (Brandenburg Telephone Company and Brandenburg
10 Telecom, LLC)

11 Thomas E. Preston (Duo County Telephone Cooperative, Inc. and Cumberland
12 Cellular, Inc.)

13 Ruth Conley (Foothills Rural Telephone Cooperative, Inc. and Cellular Services,
14 LLC)

15 James Campbell (Gearheart Communications Co., Inc. and Inter Mountain Cable,
16 Inc.)

17 Dave Crawford (Highland Telephone Cooperative, Inc.)

18 Greg Hale (Logan Telephone Cooperative, Inc.)

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- 1 Shayne Ison (Mountain Rural Telephone Cooperative, Inc.)
- 2 Johnny McClanahan (North Central Telephone Cooperative Corporation and
- 3 North Central Communications)
- 4 Keith Gabbard (Peoples Rural Telephone Cooperative, Inc. and Peoples Telecom,
- 5 LLC)
- 6 Jeff Eaton (South Central Rural Telephone Cooperative Corporation, Inc. and
- 7 South Central Telcom LLC)
- 8 William K. Grigsby (Thacker-Grigsby Telephone Company, Inc. and TV
- 9 Services, Inc.)
- 10 Todd Crandall (West Kentucky Rural Telephone Cooperative Corporation, Inc.)

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CERTIFICATION

I hereby certify that I have supervised the preparation of the responses on behalf of Ballard Rural Telephone Cooperative Corporation, Inc. to the Requests for Information of the Commission Staff, and that the responses contained herein are true and accurate to the best of my knowledge, information, and belief formed after reasonable inquiry.

Randy C. Grogan
CEO/General Manager
Ballard Rural Telephone Cooperative
Corporation, Inc.

Date: _____

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CERTIFICATION

I hereby certify that I have supervised the preparation of the responses on behalf of Brandenburg Telephone Company and Brandenburg Telecom, LLC to the Requests for Information of the Commission Staff, and that the responses contained herein are true and accurate to the best of my knowledge, information, and belief formed after reasonable inquiry.

Allison T. Willoughby
General Manager/President
Brandenburg Telephone Company

President
Brandenburg Telecom, LLC

Date: _____

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CERTIFICATION

I hereby certify that I have supervised the preparation of the responses on behalf of Duo County Telephone Cooperative, Inc. and Cumberland Cellular, Inc. to the Requests for Information of the Commission Staff, and that the responses contained herein are true and accurate to the best of my knowledge, information, and belief formed after reasonable inquiry.

Thomas E. Preston
CEO/Executive VP
Duo County Telephone Cooperative
Corporation, Inc.

President
Cumberland Cellular, Inc.

Date: _____

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CERTIFICATION

I hereby certify that I have supervised the preparation of the responses on behalf of Foothills Rural Telephone Cooperative, Inc. and Cellular Services, LLC to the Requests for Information of the Commission Staff, and that the responses contained herein are true and accurate to the best of my knowledge, information, and belief formed after reasonable inquiry.

Ruth Conley
CEO/General Manager
Foothills Rural Telephone Cooperative, Inc.

President
Cellular Services, LLC

Date: _____

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CERTIFICATION

I hereby certify that I have supervised the preparation of the responses on behalf of Gearheart Communications Co., Inc. and Inter Mountain Cable, Inc. to the Requests for Information of the Commission Staff, and that the responses contained herein are true and accurate to the best of my knowledge, information, and belief formed after reasonable inquiry.

James Campbell
CFO
Gearheart Communications Co., Inc.

CFO
Inter Mountain Cable, Inc.

Date: _____

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CERTIFICATION

I hereby certify that I have supervised the preparation of the responses on behalf of Logan Telephone Cooperative, Inc. to the Requests for Information of the Commission Staff, and that the responses contained herein are true and accurate to the best of my knowledge, information, and belief formed after reasonable inquiry.

Greg Hale
General Manager and Executive Vice President
Logan Telephone Cooperative, Inc.

Date: _____

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CERTIFICATION

I hereby certify that I have supervised the preparation of the responses on behalf of Mountain Rural Telephone Cooperative, Inc. to the Requests for Information of the Commission Staff, and that the responses contained herein are true and accurate to the best of my knowledge, information, and belief formed after reasonable inquiry.

Shayne Ison
General Manager
Mountain Rural Telephone Cooperative, Inc.

Date: _____

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Staff's Initial Requests for Information
dated April 6, 2016**

April 27, 2016

CERTIFICATION

I hereby certify that I have supervised the preparation of the responses on behalf of North Central Telephone Cooperative Corporation and North Central Communications to the Requests for Information of the Commission Staff, and that the responses contained herein are true and accurate to the best of my knowledge, information, and belief formed after reasonable inquiry.

Johnny McClanahan
Vice-President of Finance &
Administrative Services
North Central Telephone Cooperative Corporation

Vice-President of Finance &
Administrative Services
North Central Communications

Date: _____

**AN INQUIRY INTO THE STATE UNIVERSAL SERVICE FUND
CASE NO. 2016-00059**

**The RLEC's and CLEC's Responses to the Commission
Staff's Initial Requests for Information
dated April 6, 2016**

April 27, 2016

CERTIFICATION

I hereby certify that I have supervised the preparation of the responses on behalf of Peoples Rural Telephone Cooperative, Inc. and Peoples Telecom, LLC to the Requests for Information of the Commission Staff, and that the responses contained herein are true and accurate to the best of my knowledge, information, and belief formed after reasonable inquiry.

Keith Gabbard
CEO
Peoples Rural Telephone Cooperative, Inc.

CEO
Peoples Telecom, LLC

Date: _____

**AN INQUIRY INTO THE STATE UNIVERSAL SERVICE FUND
CASE NO. 2016-00059**

**The RLEC's and CLEC's Responses to the Commission
Staff's Initial Requests for Information
dated April 6, 2016**

April 27, 2016

CERTIFICATION

I hereby certify that I have supervised the preparation of the responses on behalf of South Central Rural Telephone Cooperative Corporation, Inc. and South Central Telecom LLC to the Requests for Information of the Commission Staff, and that the responses contained herein are true and accurate to the best of my knowledge, information, and belief formed after reasonable inquiry.

Jeff Eaton
Acting General Manager
South Central Rural Telephone Cooperative
Corporation, Inc.

Acting General Manager
South Central Telcom LLC

Date: _____

**AN INQUIRY INTO THE STATE UNIVERSAL SERVICE FUND
CASE NO. 2016-00059**

**The RLEC's and CLEC's Responses to the Commission
Staff's Initial Requests for Information
dated April 6, 2016**

April 27, 2016

CERTIFICATION

I hereby certify that I have supervised the preparation of the responses on behalf of Thacker-Grigsby Telephone Company, Inc. and TV Services, Inc. to the Requests for Information of the Commission Staff, and that the responses contained herein are true and accurate to the best of my knowledge, information, and belief formed after reasonable inquiry.

William K. Grigsby
General Manager/ President
Thacker-Grigsby Telephone Company, Inc.

General Manager/President
TV Services, Inc.

Date: _____

**AN INQUIRY INTO THE STATE UNIVERSAL SERVICE FUND
CASE NO. 2016-00059**

**The RLEC's and CLEC's Responses to the Commission
Staff's Initial Requests for Information
dated April 6, 2016**

April 27, 2016

CERTIFICATION

I hereby certify that I have supervised the preparation of the responses on behalf of West Kentucky Rural Telephone Cooperative Corporation, Inc. to the Requests for Information of the Commission Staff, and that the responses contained herein are true and accurate to the best of my knowledge, information, and belief formed after reasonable inquiry.

Todd Crandall
CFO
West Kentucky Rural Telephone
Cooperative Corporation, Inc.

Date: _____

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