COMMONWEALTH OF KENTUCKY BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

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

ORDER

On February 1, 2016, the Commission, on its own motion, initiated this administrative proceeding to investigate the current and future funding, distribution, and administration of the Kentucky Universal Service Fund ("KUSF"), which provides supplemental support for authorized telecommunications carriers that also participate in the federal Lifeline program. The Commission stated that the need for the investigation arose from the projected depletion of the KUSF by April 2016, at which time the fund would no longer be able to meet its monthly obligation, absent action to increase funding or reduce spending. On March 10, 2016, the Commission raised the KUSF surcharge to \$.14 on an interim basis pending the outcome of this investigation.

The balance of the KUSF has now reached sufficient levels and warrants a reduction in the monthly surcharge to \$.09 per access line. This surcharge will remain in place for the pendency of this proceeding. As in the past, for carriers maintaining tariffs with the Commission, this surcharge should be shown on the customer's bill as "Kentucky Lifeline Surcharge." Additionally, carriers that maintain tariffs with the Commission must submit to the Commission updated tariffs no later than September 30, 2017, to reflect the change in surcharge.

IT IS THEREFORE ORDERED that:

1. The surcharge for the Kentucky Lifeline Program shall, on an interim basis, be \$0.09 per access line per month beginning with bills rendered on and after the date of this Order, or, as soon as allowed by applicable contracts between customers and carriers.

2. By September 30, 2017, where applicable, carriers shall submit tariff revisions to reflect this change.

By the Commission

ENTERED

AUG 3 1 2017

KENTUCKY PUBLIC SERVICE COMMISSION

ATTEST:

Acting Executive Director

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