

Colette D. Honorable
Chairman
(501) 682-1455

Olan W. Reeves
Commissioner
(501) 682-1453

Elana C. Wills
Commissioner
(501) 682-1451

**ARKANSAS
PUBLIC SERVICE COMMISSION**
1000 Center
P.O. Box 400
Little Rock, Arkansas 72203-0400
<http://www.Arkansas.gov/psc>



February 6, 2014

Chairmen
Arkansas Legislative Council
State Capitol Building, Room 315
Little Rock, AR 72201

Dear Chairmen:

Attached is the quarterly report concerning operation of the Extension of Telecommunications Facilities Fund (ETFF) for the period October 2013 through December 2013.

Arkansas Code Annotated § 23-17-404(e)(8)(D)(1) requires the Commission to provide quarterly reports to the Legislative Council concerning operation of the fund. The attachment details the quarterly activity regarding grants requested awarded and denied by company and names the Arkansas General Assembly Members whose constituents benefited from the approved grants. Year-to-date data has been provided for all approved grants. ETFF financial information is also provided for each month, the quarter and year-to-date.

Questions concerning operation of the ETFF or the quarterly report may be referred to Bill Dennis, Manager Telecommunications and Quality of Service at 501-682-5695.

Sincerely,

A handwritten signature in blue ink, appearing to read "Colette D. Honorable", written over a faint circular stamp.

Colette D. Honorable
Chairman

CDH/ks
Attachments

RURAL TELCOM SOLUTIONS, LLC.

**810 DAN ARK CIRCLE
PO BOX 608
DANVILLE, AR 72833**

LARRY FRAZIER - MANAGER

479-495-5881

January 31, 2014

Re: Arkansas Extension of Telecommunications Facilities Fund
Arkansas PSC Docket No. 02-080-A

Secretary of the Commission
Arkansas Public Service Commission
1000 Center Street
Little Rock, AR 72201

Dear Secretary,

Enclosed are the following documents for filing in the above captioned docket:

- (*) Suggested language to submit to the Chairman of the appropriate committees to accompany the transmittal of the quarterly report of the Arkansas Extension of Telecommunications Facilities Fund.
- (*) Monthly Status Reports for the Arkansas Extension of Telecommunications Facilities Fund for the activity months of October, November, and December 2013.
- (*) A Statement of the Arkansas Extension of Telecommunications Facilities Fund disbursements by Company for the 4th Quarter of 2013.
- (*) A statement of grant application activity for the 4th Quarter of 2013.
- (*) A statement of grant financial activity for the 4th Quarter of 2013.

Please contact me if you have any questions regarding the enclosed materials.

Thank you,



Larry Frazier
Rural Telcom Solutions, LLC
Administrator

January 31, 2014

Arkansas Public Service Docket 02-080-A

Chairmen
Arkansas Legislative Council
State Capitol Building, Room 315
Little Rock, AR 72201

Dear Chairmen:

Attached is the quarterly report concerning operation of the Extension of Telecommunications Facilities Fund (ARETFF) for the period October 2013 through December 2013.

Ark. Code Ann. § 23-17-404(e)(8)(D)(1) requires the Commission to provide quarterly reports to the Legislative Council concerning operation of the fund. The attachment details the quarterly activity regarding grants requested, awarded, and denied by company and names of the Arkansas General Assembly Members whose constituents benefited from the approved grants. Year-to-date data has been provided for all approved grants. ARETFF financial information is also provided for each month, the quarter and year-to-date.

Questions concerning operation of the ARETFF or the quarterly report may be referred to Bill Dennis, Manager-Telecommunications and Quality of Service at 501-682-5695.

Arkansas Extension of Telecommunications Facilities Fund

Quarterly Financial Activity

October 2013 - December 2013 *

Quarterly Report to the Legislative Council (Section 23-17-404(e)(8)(D)(I))

	<u>1st Quarter</u>	<u>2nd Quarter</u>	<u>3rd Quarter</u>	<u>4th Quarter</u>	<u>Y-T-D 2013</u>
<u>Revenues / Assessments</u>					
AICCLP	\$114,404.00	\$120,143.00	\$124,998.00	\$124,998.00	\$484,543.00
Grant True-up Receipts	\$0.00	\$7,253.21	\$5,014.13	\$0.00	\$12,267.34
Miscellaneous	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
Interest Income	\$1,287.21	\$1,358.61	\$1,471.21	\$1,504.68	\$5,621.71
Total Revenue	\$115,691.21	\$128,754.82	\$131,483.34	\$126,502.68	\$502,432.05

Disbursements

Grant Request Approvals	\$19,354.85	\$38,017.06	\$27,284.59	\$5,474.00	\$90,130.50
Grant True-Up Approvals	\$8,823.05	\$0.00	\$355.41	\$18,740.59	\$27,919.05
External Audit Fees	\$0.00	\$0.00	\$0.00	\$2,455.00	\$2,455.00
Program Administration Fees	\$4,650.00	\$4,650.00	\$4,650.00	\$4,650.00	\$18,600.00
Miscellaneous	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
Total Disbursements	\$32,827.90	\$42,667.06	\$32,290.00	\$31,319.59	\$139,104.55

Operating Surplus / (Deficit)

	\$82,863.31	\$86,087.76	\$99,193.34	\$95,183.09	\$363,327.50
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Fund Balance as of:

2013 Opening Fund Balance **

YTD Operating Surplus / Deficit

Closing Fund Balance

<u>4th Quarter</u>	<u>Accounts</u>	
\$1,688,578.53	Investment 1	\$1,045,375.93
	Investment 2	\$504,660.05
\$363,327.50	Investment 3	\$501,870.05
\$2,051,906.03		\$2,051,906.03

	<u>1st Quarter</u>	<u>2nd Quarter</u>	<u>3rd Quarter</u>	<u>4th Quarter</u>	<u>Y-T-D 2013</u>
<u># of Grant Requests</u>					
Grants	2	2	2	1	7
True-Ups	1	1	1	6	9
Denied / Withdrawn	0	0	1	0	1
Pending	0	0	0	0	0
Total	3	3	4	7	17
<u># of New Customers</u>					
	2	2	2	1	7

* Prepared by Rural Telcom Solutions, LLC from the Monthly reports for the 1st, 2nd, 3rd & 4th Quarter 2013

**See Item Arkansas ARETFF Docket No. 02-080-A. Rural Telcom Solutions, LLC assumed responsibility January 1, 2012. Balance reflects transfers from predecessor and current activity.

Arkansas Extension of Telecommunications Facilities Fund
Quarterly Grant Application Activity
October 2013 - December 2013
Quarterly Report to the Legislative Council (Section 23-17-404(e)(8)(D)(i))

Initial Grants					
<u>ARETFF App #</u>	<u>Company Name</u>	<u>Amount</u>	<u>Customer Name</u>	<u>Senator</u>	<u>Representative</u>
2013-009	Madison County Telephone Company	\$5,474.00	Tyler Toliver	Bryan King	Bill Gossage
		<u>\$5,474.00</u>			

Grant True-Up Activity			
<u>ARETFF App #</u>	<u>Company Name</u>	<u>Amount</u>	<u>Customer Name</u>
2011-015	Northern Ar Telephone Company	\$5,060.17	Roger White
2012-001	Northern Ar Telephone Company	\$4,244.70	Robin Bellach
2012-002	Northern Ar Telephone Company	\$420.92	John Weaver
2012-007	Northern Ar Telephone Company	\$3,179.12	Clarence Young
2012-008	Northern Ar Telephone Company	\$1,998.85	Fred Mahloch
2012-015	Northern Ar Telephone Company	\$3,836.83	Mary Reeve
		<u>\$18,740.59</u>	

Grants Denied / Returned / Withdrawn			
<u>ARETFF App #</u>	<u>Company Name</u>	<u>Amount</u>	<u>Customer Name</u>
		\$0.00	
		\$0.00	
		<u>\$0.00</u>	

Prepared by Rural Telcom Solutions, LLC from the Monthly reports for the 4th Quarter 2013

See item Arkansas ARETFF Docket No. 02-080-A. Rural Telcom Solutions, LLC assumed responsibility January 1, 2012. Balance reflects transfers from predecessor and current activity.

Arkansas Extension of Telecommunications Facilities Fund

Quarterly Statement by Company

October 2013 - December 2013

Prepared for the Arkansas Public Service Commission by Rural Telcom Solutions, LLC.

	Initial Grants				
<u>GRANT PAYMENTS</u>	<u>1Q2013</u>	<u>2Q2013</u>	<u>3Q2013</u>	<u>4Q2013</u>	<u>Year-to-date</u>
Windstream Arkansas	\$19,354.85	\$7,649.47	\$0.00	\$0.00	\$27,004.32
Arkansas Telephone Company	\$0.00	\$30,367.59	\$0.00	\$0.00	\$30,367.59
CenturyLink of Northwest	\$0.00	\$0.00	\$25,324.49	\$0.00	\$25,324.49
Northern Ar Telephone Company	\$0.00	\$0.00	\$1,960.00	\$0.00	\$1,960.00
Madison County Telephone Company	\$0.00	\$0.00	\$0.00	\$5,474.00	\$5,474.00
<u>TOTAL GRANT PAYMENTS</u>	<u>\$19,354.85</u>	<u>\$38,017.06</u>	<u>\$27,284.49</u>	<u>\$5,474.00</u>	<u>\$90,130.40</u>

	Grant True-Up Activity				
<u>GRANT TRUE-UP PAYMENTS</u>	<u>1Q2013</u>	<u>2Q2013</u>	<u>3Q2013</u>	<u>4Q2013</u>	<u>Year-to-date</u>
Southwest Ar Telephone Cooperative	\$8,823.05	\$0.00	\$0.00	\$0.00	\$8,823.05
Arkansas Telephone Company	\$0.00	\$0.00	(\$4,658.72)	\$0.00	(\$4,658.72)
Ritter Communications	\$0.00	(\$7,253.21)	\$0.00	\$0.00	(\$7,253.21)
Northern Ar Telephone Company	\$0.00	\$0.00	\$0.00	\$18,740.59	\$18,740.59
<u>TOTAL GRANT TRUE-UP PAYMENTS</u>	<u>\$8,823.05</u>	<u>(\$7,253.21)</u>	<u>(\$4,658.72)</u>	<u>\$18,740.59</u>	<u>\$15,651.71</u>

Prepared by Rural Telcom Solutions, LLC from the Monthly reports for the 4th Quarter 2013

See item Arkansas ARETFF Docket No. 02-080-A. Rural Telcom Solutions, LLC assumed responsibility January 1, 2012. Balance reflects transfers from predecessor and current activity.

Arkansas Extension of Telecommunications Facilities Fund**Statement of Fund Performance**

Prepared for the Arkansas Public Service Commission by Rural Telcom Solutions, LLC

Monthly Activity For	<u>October 2013</u>	<u>Y-T-D 2013</u>
<u>Revenues / Assessments</u>		
AICCLP	\$41,666.00	\$401,211.00
Grant True-up Receipts	\$0.00	\$12,267.34
Miscellaneous	\$0.00	\$0.00
Interest Income	\$494.52	\$4,611.55
Total Revenue	<u>\$42,160.52</u>	<u>\$418,089.89</u>
<u>Disbursements</u>		
Grant Request Approvals	\$0.00	\$84,656.50
Grant True-Up Approvals	\$0.00	\$9,178.46
External Audit Fees	\$0.00	\$0.00
Program Administration Fees	\$1,550.00	\$15,500.00
Miscellaneous	\$0.00	\$0.00
Total Disbursements	<u>\$1,550.00</u>	<u>\$109,334.96</u>
Operating Surplus / (Deficit)	\$40,610.52	\$308,754.93

Fund Balance as of:

2013 Opening Fund Balance

YTD Operating Surplus / Deficit

Closing Fund Balance

October 2013

\$1,688,578.53

\$308,754.93

\$1,997,333.46Accounts

Investment 1 \$991,392.51

Investment 2 \$504,238.61

Investment 3 \$501,702.34

\$1,997,333.46

Arkansas Extension of Telecommunications Facilities Fund
Statement of Fund Performance

Prepared for the Arkansas Public Service Commission by Rural Telcom Solutions, LLC

Monthly Activity For	<u>November 2013</u>	<u>Y-T-D 2013</u>
<u>Revenues / Assessments</u>		
AICCLP	\$41,666.00	\$442,877.00
Grant True-up Receipts	\$0.00	\$12,267.34
Miscellaneous	\$0.00	\$0.00
Interest Income	\$488.86	\$5,100.41
Total Revenue	<u>\$42,154.86</u>	<u>\$460,244.75</u>
<u>Disbursements</u>		
Grant Request Approvals	\$24,214.59	\$108,871.09
Grant True-Up Approvals	\$0.00	\$9,178.46
External Audit Fees	\$0.00	\$0.00
Program Administration Fees	\$4,005.00	\$19,505.00
Miscellaneous	\$0.00	\$0.00
Total Disbursements	<u>\$28,219.59</u>	<u>\$137,554.55</u>
Operating Surplus / (Deficit)	\$13,935.27	\$322,690.20

Fund Balance as of:	<u>November 2013</u>	<u>Accounts</u>
2013 Opening Fund Balance	\$1,688,578.53	Investment 1 \$1,005,035.34
		Investment 2 \$504,445.83
YTD Operating Surplus / Deficit	\$322,690.20	Investment 3 \$501,787.56
Closing Fund Balance	<u>\$2,011,268.73</u>	<u>\$2,011,268.73</u>

Arkansas Extension of Telecommunications Facilities Fund
Statement of Fund Performance

Prepared for the Arkansas Public Service Commission by Rural Telcom Solutions, LLC

Monthly Activity For	<u>December 2013</u>	<u>Y-T-D 2013</u>
<u>Revenues / Assessments</u>		
AICCLP	\$41,666.00	\$484,543.00
Grant True-up Receipts	\$0.00	\$12,267.34
Miscellaneous	\$0.00	\$0.00
Interest Income	\$521.30	\$5,621.71
Total Revenue	<u>\$42,187.30</u>	<u>\$502,432.05</u>
<u>Disbursements</u>		
Grant Request Approvals	\$0.00	\$108,871.09
Grant True-Up Approvals	\$0.00	\$9,178.46
External Audit Fees	\$0.00	\$0.00
Program Administration Fees	\$1,550.00	\$21,055.00
Miscellaneous	\$0.00	\$0.00
Total Disbursements	<u>\$1,550.00</u>	<u>\$139,104.55</u>
Operating Surplus / (Deficit)	\$40,637.30	\$363,327.50

Fund Balance as of:

2013 Opening Fund Balance

YTD Operating Surplus / Deficit

Closing Fund Balance

December 2013

\$1,688,578.53

\$363,327.50

\$2,051,906.03Accounts

Investment 1 \$1,045,375.93

Investment 2 \$504,660.05

Investment 3 \$501,870.05

\$2,051,906.03