

**Ted J. Thomas**  
Chairman  
(501) 682-5806

**Elana C. Wills**  
Commissioner  
(501) 682-5809

**Lamar B. Davis**  
Commissioner  
(501) 682-5809

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



February 2, 2015

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 through December 2014.

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 "Ted J. Thomas".

Ted J. Thomas  
Chairman

TJT/ms  
Attachments

RURAL TELCOM SOLUTIONS, LLC.  
810 DAN ARK CIRCLE  
PO BOX 608  
DANVILLE, AR 72833

LARRY FRAZIER - MANAGER

479-495-5881

January 27, 2015

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

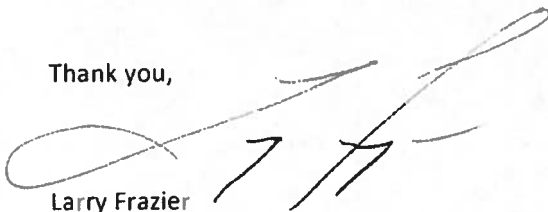
Dear Secretary,

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 2014.
- (\*) A Statement of the Arkansas Extension of Telecommunications Facilities Fund disbursements by Company for the 4th quarter of 2014.
- (\*) A statement of grant application activity for the 4th quarter of 2014.
- (\*) A statement of grant financial activity for the 4th quarter of 2014.

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

Thank you,



Larry Frazier  
Rural Telcom Solutions, LLC  
Administrator

January 27, 2015

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 2014 through December 2014.

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 2014 - December 2014 \*****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 2014</u>
<b><u>Revenues / Assessments</u></b>					
AICCLP	\$124,998.00	\$124,998.00	\$124,998.00	\$83,332.00	\$458,326.00
Grant True-up Receipts	\$0.00	\$9,960.12	\$0.00	\$0.00	\$9,960.12
Miscellaneous	\$0.00	\$1,219.00	\$0.00	\$0.00	\$1,219.00
Interest Income	\$1,563.56	\$1,545.85	\$1,597.33	\$1,583.54	\$6,290.28
<b>Total Revenue</b>	<b>\$126,561.56</b>	<b>\$137,722.97</b>	<b>\$126,595.33</b>	<b>\$84,915.54</b>	<b>\$475,795.40</b>

**Disbursements**

Grant Request Approvals	\$54,146.02	\$153,527.97	\$87,005.00	\$86,380.99	\$381,059.98
Grant True-Up Approvals	\$4,008.82	\$1,113.96	\$0.00	\$0.00	\$5,122.78
External Audit Fees	\$4,885.00	\$0.00	\$4,370.00	\$3,190.00	\$12,445.00
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
<b>Total Disbursements</b>	<b>\$67,689.84</b>	<b>\$159,291.93</b>	<b>\$96,025.00</b>	<b>\$94,220.99</b>	<b>\$417,227.76</b>

**Operating Surplus / (Deficit)**

	<b>\$58,871.72</b>	<b>(\$21,568.96)</b>	<b>\$30,570.33</b>	<b>(\$9,305.45)</b>	<b>\$58,567.64</b>
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**Fund Balance as of:**

2013 Opening Fund Balance \*\*

**3rd Quarter**

\$2,051,906.03

**Accounts**

Investment 1

\$1,100,382.27

Investment 2

\$507,189.14

Investment 3

\$502,902.26

YTD Operating Surplus / Deficit

\$58,567.64

Closing Fund Balance

\$2,110,473.67

\$2,110,473.67

	<u>1st Quarter</u>	<u>2nd Quarter</u>	<u>3rd Quarter</u>	<u>4th Quarter</u>	<u>Y-T-D 2014</u>
<b><u># of Grant Requests</u></b>					
Grants	2	3	1	3	9
True-Ups	1	2	0	0	3
Denied / Withdrawn	0	0	0	0	0
Pending	0	0	0	0	0
<b>Total</b>	<b>3</b>	<b>5</b>	<b>1</b>	<b>3</b>	<b>12</b>
<b># of New Customers</b>	<b>2</b>	<b>3</b>	<b>1</b>	<b>3</b>	<b>9</b>

\* Prepared by Rural Telcom Solutions, LLC from the Monthly reports for the 1st, 2nd, 3rd &amp; 4th Quarter 2014

\*\*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 2014 - December 2014  
Quarterly Report to the Legislative Council (Section 23-17-404(e)(8)(D)(I))

Initial Grants					
ARETFF App #	Company Name	Amount	Customer Name	Senator	Representative
2014-011	CenturyTel of Arkansas	\$19,675.76	Dennis Allen	Missy Irvin	John Payton
2014-012	Windstream Arkansas	\$34,016.04	Bradley & Lisa Mumford	David Sanders	Tommy Thompson
2014-013	Windstream Arkansas	\$32,689.19	Mike Burnett	Bryan King	Bill Gossage
		\$86,380.99			

Grant True-Up Activity			
ARETFF App #	Company Name	Amount	Customer Name
		\$0.00	

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

Prepared by Rural Telcom Solutions, LLC from the Monthly reports for the 4th Quarter 2014

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**  
**January 2014 - September 2014**  
**Prepared for the Arkansas Public Service Commission by Rural Telcom Solutions, LLC.**

<b>GRANT PAYMENTS</b>	<b>Initial Grants</b>				
	<b>1Q2014</b>	<b>2Q2014</b>	<b>3Q2014</b>	<b>4Q2014</b>	<b>Year-to-date</b>
Windstream Arkansas	\$52,986.22	\$11,977.08	\$0.00	\$66,705.23	\$131,668.53
Arkansas Telephone Company	\$0.00	\$18,954.90	\$0.00	\$0.00	\$18,954.90
CenturyLink of Arkansas	\$0.00	\$60,515.38	\$0.00	\$19,675.76	\$80,191.14
Northern Ar Telephone Company	\$1,159.80	\$0.00	\$0.00	\$0.00	\$1,159.80
Madison County Telephone Company	\$0.00	\$5,403.52	\$0.00	\$0.00	\$5,403.52
Mountain View Telephone Company	\$0.00	\$4,074.19	\$0.00	\$0.00	\$4,074.19
Southwest Arkansas Tele Cooperative	\$0.00	\$52,602.90	\$87,005.00	\$0.00	\$139,607.90
<b>TOTAL GRANT PAYMENTS</b>	<b>\$54,146.02</b>	<b>\$153,527.97</b>	<b>\$87,005.00</b>	<b>\$86,380.99</b>	<b>\$381,059.98</b>

<b>GRANT TRUE-UP PAYMENTS</b>	<b>Grant True-Up Activity</b>				
	<b>1Q2014</b>	<b>2Q2014</b>	<b>3Q2014</b>	<b>4Q2014</b>	<b>Year-to-date</b>
Southwest Ar Telephone Cooperative	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
Arkansas Telephone Company	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
Ritter Communications	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
Northern Ar Telephone Company	\$4,008.82	\$0.00	\$0.00	\$0.00	\$4,008.82
Mountain View Telephone	\$0.00	\$1,113.96	\$0.00	\$0.00	\$1,113.96
<b>TOTAL GRANT TRUE-UP PAYMENTS</b>	<b>\$4,008.82</b>	<b>\$1,113.96</b>	<b>\$0.00</b>	<b>\$0.00</b>	<b>\$5,122.78</b>

Prepared by Rural Telcom Solutions, LLC from the Monthly reports for the 4th Quarter 2014

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.

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**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	October 2014	Y-T-D 2014
<b>Revenues / Assessments</b>		
ARHCF Support	\$0.00	\$374,994.00
Grant True-up Receipts	\$0.00	\$9,960.12
Miscellaneous	\$0.00	\$1,219.00
Interest Income	\$532.71	\$5,239.45
Total Revenue	<u>\$532.71</u>	<u>\$391,412.57</u>
<b>Disbursements</b>		
Grant Request Approvals	\$0.00	\$294,678.99
Grant True-Up Approvals	\$0.00	\$5,122.78
External Audit Fees	\$3,190.00	\$12,445.00
Program Administration Fees	\$1,550.00	\$15,500.00
Miscellaneous	\$0.00	\$0.00
Total Disbursements	<u>\$4,740.00</u>	<u>\$327,746.77</u>
<b>Operating Surplus / (Deficit)</b>	<b>(\$4,207.29)</b>	<b>\$63,665.80</b>

**Fund Balance as of:**

2014 Opening Fund Balance

YTD Operating Surplus / Deficit

Closing Fund Balance

October 2014

\$2,051,906.03

\$63,665.80

\$2,115,571.83Accounts

Investment 1

\$1,106,072.03

Investment 2

\$506,765.59

Investment 3

\$502,734.21

\$2,115,571.83

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**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	November 2014	Y-T-D 2014
<b>Revenues / Assessments</b>		
ARHCF Support	\$83,332.00	\$458,326.00
Grant True-up Receipts	\$0.00	\$9,960.12
Miscellaneous	\$0.00	\$1,219.00
Interest Income	\$493.01	\$5,732.46
Total Revenue	<u>\$83,825.01</u>	<u>\$475,237.58</u>
<b>Disbursements</b>		
Grant Request Approvals	\$86,380.99	\$381,059.98
Grant True-Up Approvals	\$0.00	\$5,122.78
External Audit Fees	\$0.00	\$12,445.00
Program Administration Fees	\$1,550.00	\$17,050.00
Miscellaneous	\$0.00	\$0.00
Total Disbursements	<u>\$87,930.99</u>	<u>\$415,677.76</u>
<b>Operating Surplus / (Deficit)</b>	<b>(\$4,105.98)</b>	<b>\$59,559.82</b>

**Fund Balance as of:**

2014 Opening Fund Balance

YTD Operating Surplus / Deficit

Closing Fund Balance

**November 2014**

\$2,051,906.03

\$59,559.82

\$2,111,465.85**Accounts**

Investment 1

\$1,101,680.66

Investment 2

\$506,973.85

Investment 3

\$502,811.34

\$2,111,465.85

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**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 2014</u>	<u>Y-T-D 2014</u>
<b><u>Revenues / Assessments</u></b>		
ARHCF Support	\$0.00	\$458,326.00
Grant True-up Receipts	\$0.00	\$9,960.12
Miscellaneous	\$0.00	\$1,219.00
Interest Income	\$557.82	\$6,290.28
Total Revenue	<u>\$557.82</u>	<u>\$475,795.40</u>
<b><u>Disbursements</u></b>		
Grant Request Approvals	\$0.00	\$381,059.98
Grant True-Up Approvals	\$0.00	\$5,122.78
External Audit Fees	\$0.00	\$12,445.00
Program Administration Fees	\$1,550.00	\$18,600.00
Miscellaneous	\$0.00	\$0.00
Total Disbursements	<u>\$1,550.00</u>	<u>\$417,227.76</u>
<b>Operating Surplus / (Deficit)</b>	<b>(\$992.18)</b>	<b>\$58,567.64</b>

**Fund Balance as of:**

2014 Opening Fund Balance

YTD Operating Surplus / Deficit

Closing Fund Balance

December 2014

\$2,051,906.03

\$58,567.64

\$2,110,473.67Accounts

Investment 1 \$1,100,382.27

Investment 2 \$507,189.14

Investment 3 \$502,902.26

\$2,110,473.67