

Colette D. Honorable
Chairman
(501) 682-1455

Olan W. Reeves
Commissioner
(501) 682-1453

Elana C. Willis
Commissioner
(501) 682-1451

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



October 31, 2012

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 July 2012 through September 2012.

Arkansas Code Annotated § 23-17-404(c)(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 cursive script, appearing to read "Colette D. Honorable".

Colette D. Honorable
Chairman

CDH/ks
Attachments

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RURAL TELCOM SOLUTIONS, LLC

810 DAN ARK CIRCLE

PO BOX 608

DANVILLE, AR 72833

LARRY FRAZIER - MANAGER

479-495-5881

October 23, 2012

**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

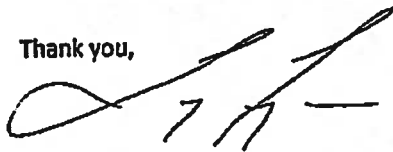
Secretary ,

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 July, August, and September 2012.
- (*) A Statement of the Arkansas Extension of Telecommunications Facilities Fund disbursements by Company for the 3rd Quarter of 2012.
- (*) A statement of grant application activity for the 3rd Quarter of 2012.
- (*) A statement of grant financial activity for the 3rd Quarter of 2012.

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

Thank you,



Larry Frazier
Rural Telcom Solutions, LLC
Administrator

Arkansas Extension of Telecommunications Facilities Fund

Quarterly Statement by Company

July 2012 - September 2012

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

	Initial Grants				
GRANT PAYMENTS	1Q2012	2Q2012	3Q2012	4Q2012	Year-to-date
Northern AR Telephone Company	\$1,355.00	\$0.00	\$4,492.60	\$0.00	\$5,847.60
Arkansas Telephone Company	\$0.00	\$0.00	\$13,195.00	\$0.00	\$13,195.00
Southwest AR Telephone Cooperative	\$226,938.79	\$0.00	\$0.00	\$0.00	\$226,938.79
CenturyLink, LLC	\$0.00	\$15,233.22	\$22,257.09	\$0.00	\$37,490.31
Windstream Arkansas, LLC	\$0.00	\$28,529.62	\$0.00	\$0.00	\$28,529.62
TOTAL GRANT PAYMENTS	\$228,293.79	\$43,762.84	\$39,944.69	\$0.00	\$312,001.32

	Grant True-Up Payment Activity				
GRANT TRUE-UP PAYMENTS	1Q2012	2Q2012	3Q2012	4Q2012	Year-to-date
Northern AR Telephone Company	\$2,084.03	\$0.00	\$0.00	\$0.00	\$2,084.03
TOTAL GRANT TRUE-UP PAYMENTS	\$2,084.03	\$0.00	\$0.00	\$0.00	\$2,084.03

	Grant True-Up Receipt Activity				
GRANT TRUE-UP RECEIPTS	1Q2012	2Q2012	3Q2012	4Q2012	Year-to-date
Arkansas Telephone Company	\$0.00	(\$10,007.60)	\$0.00	\$0.00	(\$10,007.60)
CenturyLink, LLC	\$0.00	\$0.00	(\$644.76)	\$0.00	(\$644.76)
TOTAL GRANT TRUE-UP RECEIPTS	\$0.00	(\$10,007.60)	(\$644.76)	\$0.00	(\$10,652.36)

* Prepared by Rural Telcom Solutions, LLC from the Monthly reports for the 1st, 2nd & 3rd Quarter 2012

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
July 2012 - September 2012
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>
2012-007	Northern Arkansas Telephone	\$2,877.00	Clarence Young	Johnny Key	Kelley Linck
2012-008	Northern Arkansas Telephone	\$1,615.60	Fred & Rae Mchloch	Johnny Key	Kelley Linck
2012-009	CenturyLink, LLC	\$11,090.92	Charles Murray	Missy Irvin	Tommy Wren
2012-010	Arkansas Telephone Company	\$13,195.00	Clint Davidson	Jason Rapert	Robert Dale
2012-011	CenturyLink, LLC	\$11,166.17	William Hurst	Missy Irvin	Lori Benedict
		<u>\$39,944.69</u>			

Grant True-Up Activity					
<u>ARETFF App #</u>	<u>Company Name</u>	<u>Amount</u>	<u>Customer Name</u>	<u>Senator</u>	<u>Representative</u>
2012-004	CenturyLink, LLC	(\$644.76)	Rick Siems	Eddie Joe Williams	Tiffany Rogers
		<u>\$0.00</u>			
		<u>(\$644.76)</u>			

Grants Denied / Returned / Withdrawn					
<u>ARETFF App #</u>	<u>Company Name</u>	<u>Amount</u>	<u>Customer Name</u>	<u>Senator</u>	<u>Representative</u>
	None	\$0.00			
		<u>\$0.00</u>			
		<u>\$0.00</u>			

* Prepared by Rural Telcom Solutions, LLC from the Monthly reports for the 1st, 2nd & 3rd Quarter 2012
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 Financial Activity

July 2012 - September 2012 *

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>Y-T-D 2012</u>
<u>Revenues / Assessments</u>				
AICCLP	\$121,840.00	\$127,512.00	\$125,735.00	\$375,087.00
Grant True-up Receipts	\$0.00	\$10,007.60	\$644.76	\$10,652.36
Miscellaneous	\$0.00	\$0.00	\$0.00	\$0.00
Interest Income	\$1,064.08	\$1,287.49	\$1,335.29	\$3,686.86
Total Revenue	\$122,904.08	\$138,807.09	\$138,807.09	\$389,426.22

<u>Disbursements</u>				
Grant Request Approvals	\$228,293.79	\$43,762.84	\$39,944.69	\$312,001.32
Grant True-Up Approvals	\$2,084.03	\$0.00	\$0.00	\$2,084.03
External Audit Fees	\$1,500.00	\$5,000.00	\$0.00	\$6,500.00
Program Administration Fees	\$4,650.00	\$4,650.00	\$4,650.00	\$13,950.00
Miscellaneous	\$291.67	\$0.00	\$0.00	\$291.67
Total Disbursements	\$236,819.49	\$53,412.84	\$53,412.84	\$334,827.02

Operating Surplus / (Deficit)	(\$113,915.41)	\$85,394.25	\$83,120.36	\$54,599.20
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Fund Balance as of:	<u>3rd Qtr 2012</u>	<u>Accounts</u>	
2012 Opening Fund Balance **	\$1,642,722.66	Investment 1	\$695,224.31
		Investment 2	\$501,552.23
		Investment 3	\$500,545.32
YTD Operating Surplus / Deficit	\$54,599.20		
Closing Fund Balance	\$1,697,321.86		\$1,697,321.86

	<u>1st Quarter</u>	<u>2nd Quarter</u>	<u>3rd Quarter</u>	<u>Y-T-D 2012</u>
<u># of Grant Requests</u>				
Grants	4	3	5	12
True-Ups	2	1	1	4
Denied / Withdrawn	0	0	0	0
Pending	0	0	0	0
Total	6	4	6	16
# of New Customers	4	3	5	12

* Prepared by Rural Telcom Solutions, LLC from the Monthly reports for the 1st, 2nd & 3rd Quarter 2012

**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 Telecom Solutions, LLC

Monthly Activity For	July 2012	Y-T-D 2012
<u>Revenues / Assessments</u>		
AICCLP	\$42,403.00	\$291,755.00
Grant True-up Receipts	\$644.76	\$10,652.36
Miscellaneous	\$0.00	\$0.00
Interest Income	\$452.66	\$2,804.23
Total Revenue	<u>\$43,500.42</u>	<u>\$305,211.59</u>
<u>Disbursements</u>		
Grant Request Approvals	\$4,492.60	\$276,549.23
Grant True-Up Approvals	\$0.00	\$2,084.03
External Audit Fees	\$0.00	\$6,500.00
Program Administration Fees	\$1,550.00	\$10,850.00
Miscellaneous	\$0.00	\$291.67
Total Disbursements	<u>\$6,042.60</u>	<u>\$296,274.93</u>
Operating Surplus / (Deficit)	\$37,457.82	\$8,936.66

Fund Balance as of:

2012 Opening Fund Balance

YTD Operating Surplus / Deficit

Closing Fund Balance

July 2012	Accounts
\$1,642,722.66	Investment 1 \$650,170.80
	Investment 2 \$501,155.11
\$8,936.66	Investment 3 \$500,333.41
<u>\$1,651,659.32</u>	<u>\$1,651,659.32</u>

August 2012 Statement of Account

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Arkansas Extension of Telecommunications Facilities Fund

Statement of Fund Performance

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

Monthly Activity For	August 2012	Y-T-D 2012
<u>Revenues / Assessments</u>		
AICCLP	\$41,666.00	\$333,421.00
Grant True-up Receipts	\$0.00	\$10,652.36
Miscellaneous	\$0.00	\$0.00
Interest Income	\$455.83	\$3,260.06
Total Revenue	<u>\$42,121.83</u>	<u>\$347,333.42</u>
<u>Disbursements</u>		
Grant Request Approvals	\$11,090.92	\$287,640.15
Grant True-Up Approvals	\$0.00	\$2,084.03
External Audit Fees	\$0.00	\$6,500.00
Program Administration Fees	\$1,550.00	\$12,400.00
Miscellaneous	\$0.00	\$291.67
Total Disbursements	<u>\$12,640.92</u>	<u>\$308,915.85</u>
Operating Surplus / (Deficit)	\$29,480.91	\$38,417.57

Fund Balance as of:	August 2012	<u>Accounts</u>	
2012 Opening Fund Balance	\$1,642,722.66	Investment 1	\$679,336.95
		Investment 2	\$501,363.93
YTD Operating Surplus / Deficit	\$38,417.57	Investment 3	\$500,439.35
Closing Fund Balance	<u>\$1,681,140.23</u>		<u>\$1,681,140.23</u>

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September 2012 Statement of Account

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Arkansas Extension of Telecommunications Facilities Fund

Statement of Fund Performance

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

Monthly Activity For	<u>September</u>	<u>Y-T-D 2012</u>
<u>Revenues / Assessments</u>		
AICCLP	\$41,666.00	\$375,087.00
Grant True-up Receipts	\$0.00	\$10,652.36
Miscellaneous	\$0.00	\$0.00
Interest Income	\$426.80	\$3,686.86
Total Revenue	<u>\$42,092.80</u>	<u>\$389,426.22</u>
<u>Disbursements</u>		
Grant Request Approvals	\$24,361.17	\$312,001.32
Grant True-Up Approvals	\$0.00	\$2,084.03
External Audit Fees	\$0.00	\$6,500.00
Program Administration Fees	\$1,550.00	\$13,950.00
Miscellaneous	\$0.00	\$291.67
Total Disbursements	<u>\$25,911.17</u>	<u>\$334,827.02</u>
Operating Surplus / (Deficit)	\$16,181.63	\$54,599.20

Fund Balance as of:	<u>September</u>	<u>Accounts</u>
2012 Opening Fund Balance	\$1,642,722.66	Investment 1 \$695,224.31
		Investment 2 \$501,552.23
YTD Operating Surplus / Deficit	\$54,599.20	Investment 3 \$500,545.32
Closing Fund Balance	<u>\$1,697,321.86</u>	<u>\$1,697,321.86</u>

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