

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>



July 27, 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 April 2012 through June 2012.

Arkansas 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 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, reading "Colette D. Honorable".

Colette D. Honorable
Chairman

CDH/fg
Attachments

Arkansas Extension of Telecommunications Facilities Fund

Quarterly Statement by Company

April 2012 - June 2012

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

GRANT PAYMENTS	Initial Grants				Year-to-date
	1Q2012	2Q2012	3Q2012	4Q2012	
Northern AR Telephone Company	\$1,355.00	\$0.00	\$0.00	\$0.00	\$1,355.00
Southwest AR Telephone Cooperative	\$226,938.79	\$0.00	\$0.00	\$0.00	\$226,938.79
CenturyLink, LLC	\$0.00	\$15,233.22	\$0.00	\$0.00	\$15,233.22
Windstream Arkansas, LLC	\$0.00	\$28,529.62	\$0.00	\$0.00	\$28,529.62
TOTAL GRANT PAYMENTS	\$228,293.79	\$43,762.84	\$0.00	\$0.00	\$272,056.63

GRANT TRUE-UP PAYMENTS	Grant True-Up Activity				Year-to-date
	1Q2012	2Q2012	3Q2012	4Q2012	
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
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Prepared by Rural Telcom Solutions, LLC from the Monthly reports for the 1st & 2nd 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

April 2012 - June 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>
2012-004	CenturyLink, LLC	\$15,233.22	Rick Siems	Eddie Joe Williams Tiffany Rogers
2012-005	Windstream Arkansas, LLC	\$20,606.46	Mike Scott	Larry Teague Randy Stewart
2012-006	Windstream Arkansas, LLC	\$7,923.16	Renee Perry	Randy Lavery David Branscum
		<u>\$43,762.84</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>
2011-013	Arkansas Telephone Company	(\$10,007.60)	Karen Grillot	Bob Johnson Robert Dale
		<u>\$0.00</u>		
		<u>(\$10,007.60)</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 2nd 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****April 2012 - June 2012 *****Quarterly Report to the Legislative Council (Section 23-17-404(e)(8)(D)(i))**

	<u>1st Quarter</u>	<u>2nd Quarter</u>	<u>Y-T-D 2012</u>
<u>Revenues / Assessments</u>			
AICCLP	\$121,840.00	\$127,512.00	\$249,352.00
Grant True-up Receipts	\$0.00	\$10,007.60	\$10,007.60
Miscellaneous	\$0.00	\$0.00	\$0.00
Interest Income	\$1,064.08	\$1,287.49	\$2,351.57
Total Revenue	\$122,904.08	\$138,807.09	\$261,711.17

<u>Disbursements</u>			
Grant Request Approvals	\$228,293.79	\$43,762.84	\$272,056.63
Grant True-Up Approvals	\$2,084.03	\$0.00	\$2,084.03
External Audit Fees	\$1,500.00	\$5,000.00	\$6,500.00
Program Administration Fees	\$4,650.00	\$4,650.00	\$9,300.00
Miscellaneous	\$291.67	\$0.00	\$291.67
Total Disbursements	\$236,819.49	\$53,412.84	\$290,232.33

Operating Surplus / (Deficit)	(\$113,915.41)	(\$28,521.16)
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Fund Balance as of:	<u>2nd Qtr 2012</u>	<u>Accounts</u>
2012 Opening Fund Balance **	\$1,642,722.66	Investment 1 \$613,031.08
		Investment 2 \$500,939.52
YTD Operating Surplus / Deficit	(\$28,521.16)	Investment 3 \$500,230.90
Closing Fund Balance	\$1,614,201.50	\$1,614,201.50

	<u>1st Quarter</u>	<u>2nd Quarter</u>	<u>Y-T-D 2012</u>
<u># of Grant Requests</u>			
Grants	4	3	7
True-Ups	2	0	2
Denied / Withdrawn	0	0	0
Pending	0	0	0
Total	6	3	9
 # of New Customers	 4	 3	 7

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

Monthly Activity For	<u>June 2012</u>	<u>Y-T-D 2012</u>
<u>Revenues / Assessments</u>		
AICCLP	\$41,571.00	\$249,352.00
Grant True-up Receipts	\$0.00	\$10,007.60
Miscellaneous	\$0.00	\$0.00
Interest Income	\$414.79	\$2,351.57
Total Revenue	<u>\$41,985.79</u>	<u>\$261,711.17</u>
<u>Disbursements</u>		
Grant Request Approvals	\$7,923.16	\$272,056.63
Grant True-Up Approvals	\$0.00	\$2,084.03
External Audit Fees	\$0.00	\$6,500.00
Program Administration Fees	\$1,550.00	\$9,300.00
Miscellaneous	\$0.00	\$291.67
Total Disbursements	<u>\$9,473.16</u>	<u>\$290,232.33</u>
Operating Surplus / (Deficit)	\$32,512.63	(\$28,521.16)

Fund Balance as of:	<u>June 2012</u>	<u>Accounts</u>
2012 Opening Fund Balance	\$1,642,722.66	Investment 1 \$613,031.08
		Investment 2 \$500,939.52
YTD Operating Surplus / Deficit	(\$28,521.16)	Investment 3 \$500,230.90
Closing Fund Balance	<u>\$1,614,201.50</u>	<u>\$1,614,201.50</u>

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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>April 2012</u>	<u>Y-T-D 2012</u>
<u>Revenues / Assessments</u>		
AICCLP	\$44,778.00	\$166,618.00
Grant True-up Receipts	\$10,007.60	\$10,007.60
Miscellaneous	\$0.00	\$0.00
Interest Income	\$419.47	\$1,483.55
Total Revenue	<u>\$55,205.07</u>	<u>\$178,109.15</u>
<u>Disbursements</u>		
Grant Request Approvals	\$15,233.22	\$243,527.01
Grant True-Up Approvals	\$0.00	\$2,084.03
External Audit Fees	\$5,000.00	\$6,500.00
Program Administration Fees	\$1,550.00	\$6,200.00
Miscellaneous	\$0.00	\$291.67
Total Disbursements	<u>\$21,783.22</u>	<u>\$258,602.71</u>
Operating Surplus / (Deficit)	\$33,421.85	(\$80,493.56)

Fund Balance as of:

2012 Opening Fund Balance

YTD Operating Surplus / Deficit

Closing Fund Balance

<u>April 2012</u>	<u>Accounts</u>	
\$1,642,722.66	Investment 1	\$561,693.07
	Investment 2	\$500,536.03
(\$80,493.56)	Investment 3	\$500,000.00
<u>\$1,562,229.10</u>		<u>\$1,562,229.10</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>May 2012</u>	<u>Y-T-D 2012</u>
<u>Revenues / Assessments</u>		
AICCLP	\$41,163.00	\$207,781.00
Grant True-up Receipts	\$0.00	\$10,007.60
Miscellaneous	\$0.00	\$0.00
Interest Income	\$453.23	\$1,936.78
Total Revenue	<u>\$41,616.23</u>	<u>\$219,725.38</u>
<u>Disbursements</u>		
Grant Request Approvals	\$20,606.46	\$264,133.47
Grant True-Up Approvals	\$0.00	\$2,084.03
External Audit Fees	\$0.00	\$6,500.00
Program Administration Fees	\$1,550.00	\$7,750.00
Miscellaneous	\$0.00	\$291.67
Total Disbursements	<u>\$22,156.46</u>	<u>\$280,759.17</u>
Operating Surplus / (Deficit)	\$19,459.77	(\$61,033.79)

Fund Balance as of:

2012 Opening Fund Balance

YTD Operating Surplus / Deficit

Closing Fund Balance

<u>May 2012</u>	<u>Accounts</u>	
\$1,642,722.66	Investment 1	\$580,819.28
	Investment 2	\$500,744.59
(\$61,033.79)	Investment 3	\$500,125.00
<u>\$1,581,688.87</u>		<u>\$1,581,688.87</u>