

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>



October 29, 2013

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 2013 through September 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".

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

October 28, 2013

**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

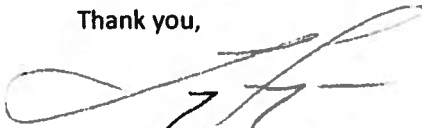
Dear Secretary,

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 July, August, and September 2013.
- (*) A Statement of the Arkansas Extension of Telecommunications Facilities Fund disbursements by Company for the 3rd Quarter of 2013.
- (*) A statement of grant application activity for the 3rd Quarter of 2013.
- (*) A statement of grant financial activity for the 3rd Quarter of 2013.

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

Thank you,



Larry Frazier
Rural Telcom Solutions, LLC
Administrator

October 25, 2013

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 July 2013 through September 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 Statement by Company

July 2013 - September 2013

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

| <u>GRANT PAYMENTS</u> | Initial Grants | | | | |
|------------------------------------|--------------------|--------------------|--------------------|---------------|---------------------|
| | <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 |
| <u>TOTAL GRANT PAYMENTS</u> | \$19,354.85 | \$38,017.06 | \$27,284.49 | \$0.00 | \$84,656.40 |

| <u>GRANT TRUE-UP PAYMENTS</u> | Grant True-Up Activity | | | | |
|--|------------------------|---------------------|---------------------|---------------|---------------------|
| | <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) |
| <u>TOTAL GRANT TRUE-UP PAYMENTS</u> | \$8,823.05 | (\$7,253.21) | (\$4,658.72) | \$0.00 | (\$3,088.88) |

Prepared by Rural Telcom Solutions, LLC from the Monthly reports for the 3rd 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
July 2013 - September 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> |
| 2013-007 | CenturyLink of Northwest | \$25,324.49 | John Dilworth | Bryan King | Justin Harris |
| 2013-008 | Northern Ar Telephone Company | \$1,960.10 | Pat Landry | Johnny Key | Kelley Linck |
| | | <u>\$27,284.59</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> |
| 2012-016 | Arkansas Telephone Company | \$355.41 | Robert Haynes | Jason Rapert | Robert Dale |
| 2012-014 | Arkansas Telephone Company | (\$5,014.13) | Ky Stevens | Jason Rapert | Robert Dale |
| | | <u>(\$4,658.72)</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> |
| 2013-006 | Arkansas Telephone Company | \$11,671.93 | customer withdrawi | | |
| | | \$0.00 | | | |
| | | <u>\$11,671.93</u> | | | |

Prepared by Rural Telcom Solutions, LLC from the Monthly reports for the 3rd 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 Financial Activity****July 2013 - September 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>Y-T-D 2013</u> |
|--------------------------------------|--------------------|--------------------|--------------------|-------------------|
| <u>Revenues / Assessments</u> | | | | |
| AICCLP | \$114,404.00 | \$120,143.00 | \$124,998.00 | \$359,545.00 |
| Grant True-up Receipts | \$0.00 | \$7,253.21 | \$5,014.13 | \$12,267.34 |
| Miscellaneous | \$0.00 | \$0.00 | \$0.00 | \$0.00 |
| Interest Income | \$1,287.21 | \$1,358.61 | \$1,471.21 | \$4,117.03 |
| Total Revenue | \$115,691.21 | \$128,754.82 | \$131,483.34 | \$375,929.37 |

| | | | | |
|-----------------------------|-------------|-------------|-------------|--------------|
| <u>Disbursements</u> | | | | |
| Grant Request Approvals | \$19,354.85 | \$38,017.06 | \$27,284.59 | \$84,656.50 |
| Grant True-Up Approvals | \$8,823.05 | \$0.00 | \$355.41 | \$9,178.46 |
| External Audit Fees | \$0.00 | \$0.00 | \$0.00 | \$0.00 |
| Program Administration Fees | \$4,650.00 | \$4,650.00 | \$4,650.00 | \$13,950.00 |
| Miscellaneous | \$0.00 | \$0.00 | \$0.00 | \$0.00 |
| Total Disbursements | \$32,827.90 | \$42,667.06 | \$32,290.00 | \$107,784.96 |

| | | | | |
|--------------------------------------|-------------|-------------|-------------|--------------|
| Operating Surplus / (Deficit) | \$82,863.31 | \$86,087.76 | \$99,193.34 | \$268,144.41 |
|--------------------------------------|-------------|-------------|-------------|--------------|

| | | | |
|---------------------------------|--------------------|-----------------|----------------|
| Fund Balance as of: | <u>3rd Quarter</u> | <u>Accounts</u> | |
| 2013 Opening Fund Balance ** | \$1,688,578.53 | Investment 1 | \$951,074.36 |
| | | Investment 2 | \$504,031.45 |
| YTD Operating Surplus / Deficit | \$268,144.41 | Investment 3 | \$501,617.13 |
| Closing Fund Balance | \$1,956,722.94 | | \$1,956,722.94 |

| | <u>1st Quarter</u> | <u>2nd Quarter</u> | <u>3rd Quarter</u> | <u>Y-T-D 2013</u> |
|-----------------------------------|--------------------|--------------------|--------------------|-------------------|
| <u># of Grant Requests</u> | | | | |
| Grants | 2 | 2 | 2 | 6 |
| True-Ups | 1 | 1 | 1 | 3 |
| Denied / Withdrawn | 0 | 0 | 1 | 1 |
| Pending | 0 | 0 | 0 | 0 |
| Total | 3 | 3 | 4 | 10 |
| # of New Customers | 2 | 2 | 2 | 6 |

* Prepared by Rural Telcom Solutions, LLC from the Monthly reports for the 1st, 2nd & 3rd 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>July 2013</u> | <u>Y-T-D 2013</u> |
|--------------------------------------|--------------------|---------------------|
| <u>Revenues / Assessments</u> | | |
| AICCLP | \$41,666.00 | \$276,213.00 |
| Grant True-up Receipts | \$5,014.13 | \$12,267.34 |
| Miscellaneous | \$0.00 | \$0.00 |
| Interest Income | \$503.72 | \$3,149.54 |
| Total Revenue | <u>\$47,183.85</u> | <u>\$291,629.88</u> |
| <u>Disbursements</u> | | |
| Grant Request Approvals | \$0.00 | \$57,371.91 |
| Grant True-Up Approvals | \$355.41 | \$9,178.46 |
| External Audit Fees | \$0.00 | \$0.00 |
| Program Administration Fees | \$1,550.00 | \$10,850.00 |
| Miscellaneous | \$0.00 | \$0.00 |
| Total Disbursements | <u>\$1,905.41</u> | <u>\$77,400.37</u> |
| Operating Surplus / (Deficit) | \$45,278.44 | \$214,229.51 |

| Fund Balance as of: | <u>July 2013</u> | <u>Accounts</u> |
|---------------------------------|-----------------------|---------------------------|
| 2013 Opening Fund Balance | \$1,688,578.53 | Investment 1 \$897,742.75 |
| | | Investment 2 \$503,618.53 |
| YTD Operating Surplus / Deficit | \$214,229.51 | Investment 3 \$501,446.76 |
| Closing Fund Balance | <u>\$1,902,808.04</u> | <u>\$1,902,808.04</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>August 2013</u> | <u>Y-T-D 2013</u> |
|--------------------------------------|--------------------|---------------------|
| <u>Revenues / Assessments</u> | | |
| AICCLP | \$41,666.00 | \$317,879.00 |
| Grant True-up Receipts | \$0.00 | \$12,267.34 |
| Miscellaneous | \$0.00 | \$0.00 |
| Interest Income | \$473.31 | \$3,622.85 |
| Total Revenue | <u>\$42,139.31</u> | <u>\$333,769.19</u> |
| <u>Disbursements</u> | | |
| Grant Request Approvals | \$0.00 | \$57,371.91 |
| Grant True-Up Approvals | \$0.00 | \$9,178.46 |
| External Audit Fees | \$0.00 | \$0.00 |
| Program Administration Fees | \$1,550.00 | \$12,400.00 |
| Miscellaneous | \$0.00 | \$0.00 |
| Total Disbursements | <u>\$1,550.00</u> | <u>\$78,950.37</u> |
| Operating Surplus / (Deficit) | \$40,589.31 | \$254,818.82 |

| Fund Balance as of: | <u>August 2013</u> | <u>Accounts</u> | |
|---------------------------------|-----------------------|-----------------|-----------------------|
| 2013 Opening Fund Balance | \$1,688,578.53 | Investment 1 | \$938,043.91 |
| | | Investment 2 | \$503,821.50 |
| YTD Operating Surplus / Deficit | \$254,818.82 | Investment 3 | \$501,531.94 |
| Closing Fund Balance | <u>\$1,943,397.35</u> | | <u>\$1,943,397.35</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>September 2013</u> | <u>Y-T-D 2013</u> |
|--------------------------------------|-----------------------|---------------------|
| <u>Revenues / Assessments</u> | | |
| AICCLP | \$41,666.00 | \$359,545.00 |
| Grant True-up Receipts | \$0.00 | \$12,267.34 |
| Miscellaneous | \$0.00 | \$0.00 |
| Interest Income | \$494.18 | \$4,117.03 |
| Total Revenue | <u>\$42,160.18</u> | <u>\$375,929.37</u> |
| <u>Disbursements</u> | | |
| Grant Request Approvals | \$27,284.59 | \$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 | \$13,950.00 |
| Miscellaneous | \$0.00 | \$0.00 |
| Total Disbursements | <u>\$28,834.59</u> | <u>\$107,784.96</u> |
| Operating Surplus / (Deficit) | \$13,325.59 | \$268,144.41 |

| Fund Balance as of: | <u>September 2013</u> | <u>Accounts</u> |
|---------------------------------|-----------------------|---------------------------|
| 2013 Opening Fund Balance | \$1,688,578.53 | Investment 1 \$951,074.36 |
| | | Investment 2 \$504,031.45 |
| YTD Operating Surplus / Deficit | \$268,144.41 | Investment 3 \$501,617.13 |
| Closing Fund Balance | <u>\$1,956,722.94</u> | <u>\$1,956,722.94</u> |