

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>



April 25, 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 January through March 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 "Colette D. Honorable", written over a faint, larger version of the same signature.

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

April 23, 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

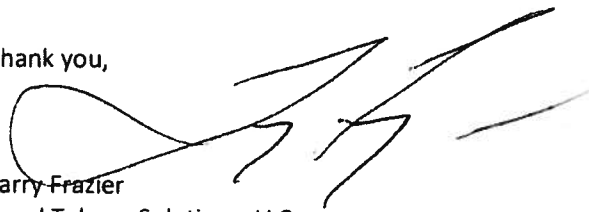
Dear Secretary,

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 January, February, and March 2014.
- (*) A Statement of the Arkansas Extension of Telecommunications Facilities Fund disbursements by Company for the 1st quarter of 2014.
- (*) A statement of grant application activity for the 1st quarter of 2014.
- (*) A statement of grant financial activity for the 1st quarter of 2014.

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

Thank you,



Larry Frazier
Rural Telcom Solutions, LLC
Administrator

April 23, 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 January 2014 through March 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****January 2014 - March 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>
<u>Revenues / Assessments</u>					
AICCLP	\$124,998.00	\$0.00	\$0.00	\$0.00	\$124,998.00
Grant True-up Receipts	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
Miscellaneous	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
Interest Income	\$1,563.56	\$0.00	\$0.00	\$0.00	\$1,563.56
Total Revenue	\$126,561.56	\$0.00	\$0.00	\$0.00	\$126,561.56

<u>Disbursements</u>					
Grant Request Approvals	\$54,146.02	\$0.00	\$0.00	\$0.00	\$54,146.02
Grant True-Up Approvals	\$4,008.82	\$0.00	\$0.00	\$0.00	\$4,008.82
External Audit Fees	\$4,885.00	\$0.00	\$0.00	\$0.00	\$4,885.00
Program Administration Fees	\$4,650.00	\$0.00	\$0.00	\$0.00	\$4,650.00
Miscellaneous	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
Total Disbursements	\$67,689.84	\$0.00	\$0.00	\$0.00	\$67,689.84

Operating Surplus / (Deficit)	\$58,871.72	\$0.00	\$0.00	\$0.00	\$58,871.72
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Fund Balance as of:	<u>1st Quarter</u>	<u>Accounts</u>	
2013 Opening Fund Balance **	\$2,051,906.03	Investment 1	\$1,103,350.16
		Investment 2	\$505,282.49
YTD Operating Surplus / Deficit	\$58,871.72	Investment 3	\$502,145.10
Closing Fund Balance	\$2,110,777.75		\$2,110,777.75

	<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	0	0	0	2
True-Ups	1	0	0	0	1
Denied / Withdrawn	0	0	0	0	0
Pending	0	0	0	0	0
Total	3	0	0	0	3
 # of New Customers	 2	 0	 0	 0	 2

* Prepared by Rural Telcom Solutions, LLC from the Monthly reports for the 1st, 2nd, 3rd & 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
January 2014 - March 2014
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>
2014-001	Northern Arkansas Telephone Co.	\$1,159.80	Guy Nichols	Johnny Key	Kelley Linck
2014-002	Windstream Arkansas	\$52,986.22	Murrell Mouce	Bryan King	Bill Gossage
		<u>\$54,146.02</u>			

Grant True-Up Activity			
<u>ARETFF App #</u>	<u>Company Name</u>	<u>Amount</u>	<u>Customer Name</u>
2013-008TU	Northern Arkansas Telephone Co.	\$4,008.82	Pat Landry
		<u>\$4,008.82</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 1st 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 - March 2014

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

GRANT PAYMENTS	Initial Grants				
	<u>1Q2014</u>	<u>2Q2014</u>	<u>3Q2014</u>	<u>4Q2014</u>	<u>Year-to-date</u>
Windstream Arkansas	\$52,986.22	\$0.00	\$0.00	\$0.00	\$52,986.22
Arkansas Telephone Company	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
CenturyLink of Northwest	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
Northern Ar Telephone Company	\$1,159.80	\$0.00	\$0.00	\$0.00	\$1,159.80
Madison County Telephone Company	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
<u>TOTAL GRANT PAYMENTS</u>	\$54,146.02	\$0.00	\$0.00	\$0.00	\$54,146.02

GRANT TRUE-UP PAYMENTS	Grant True-Up Activity				
	<u>1Q2014</u>	<u>2Q2014</u>	<u>3Q2014</u>	<u>4Q2014</u>	<u>Year-to-date</u>
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
<u>TOTAL GRANT TRUE-UP PAYMENTS</u>	\$4,008.82	\$0.00	\$0.00	\$0.00	\$4,008.82

Prepared by Rural Telcom Solutions, LLC from the Monthly reports for the 1st 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
Statement of Fund Performance

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

Monthly Activity For	<u>January 2014</u>	<u>Y-T-D 2014</u>
<u>Revenues / Assessments</u>		
ARHCF Support	\$41,666.00	\$41,666.00
Grant True-up Receipts	\$0.00	\$0.00
Miscellaneous	\$0.00	\$0.00
Interest Income	\$549.64	\$549.64
Total Revenue	<u>\$42,215.64</u>	<u>\$42,215.64</u>
<u>Disbursements</u>		
Grant Request Approvals	\$0.00	\$0.00
Grant True-Up Approvals	\$0.00	\$0.00
External Audit Fees	\$4,885.00	\$4,885.00
Program Administration Fees	\$1,550.00	\$1,550.00
Miscellaneous	\$0.00	\$0.00
Total Disbursements	<u>\$6,435.00</u>	<u>\$6,435.00</u>
Operating Surplus / (Deficit)	\$35,780.64	\$35,780.64

Fund Balance as of:

2014 Opening Fund Balance

YTD Operating Surplus / Deficit

Closing Fund Balance

January 2014

\$2,051,906.03

\$35,780.64\$2,087,686.67Accounts

Investment 1 \$1,080,829.51

Investment 2 \$504,874.36

Investment 3 \$501,982.80

\$2,087,686.67

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>February 2014</u>	<u>Y-T-D 2014</u>
<u>Revenues / Assessments</u>		
ARHCF Support	\$41,666.00	\$83,332.00
Grant True-up Receipts	\$0.00	\$0.00
Miscellaneous	\$0.00	\$0.00
Interest Income	\$478.94	\$1,028.58
Total Revenue	<u>\$42,144.94</u>	<u>\$84,360.58</u>
<u>Disbursements</u>		
Grant Request Approvals	\$1,159.80	\$1,159.80
Grant True-Up Approvals	\$4,008.82	\$4,008.82
External Audit Fees	\$0.00	\$4,885.00
Program Administration Fees	\$1,550.00	\$3,100.00
Miscellaneous	\$0.00	\$0.00
Total Disbursements	<u>\$6,718.62</u>	<u>\$13,153.62</u>
Operating Surplus / (Deficit)	\$35,426.32	\$71,206.96

Fund Balance as of:	<u>February 2014</u>	<u>Accounts</u>
2014 Opening Fund Balance	\$2,051,906.03	Investment 1 \$1,115,985.16
		Investment 2 \$505,068.01
YTD Operating Surplus / Deficit	\$71,206.96	Investment 3 \$502,059.82
Closing Fund Balance	<u>\$2,123,112.99</u>	<u>\$2,123,112.99</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>March 2014</u>	<u>Y-T-D 2014</u>
<u>Revenues / Assessments</u>		
ARHCF Support	\$41,666.00	\$124,998.00
Grant True-up Receipts	\$0.00	\$0.00
Miscellaneous	\$0.00	\$0.00
Interest Income	\$534.98	\$1,563.56
Total Revenue	<u>\$42,200.98</u>	<u>\$126,561.56</u>
<u>Disbursements</u>		
Grant Request Approvals	\$52,986.22	\$54,146.02
Grant True-Up Approvals	\$0.00	\$4,008.82
External Audit Fees	\$0.00	\$4,885.00
Program Administration Fees	\$1,550.00	\$4,650.00
Miscellaneous	\$0.00	\$0.00
Total Disbursements	<u>\$54,536.22</u>	<u>\$67,689.84</u>
Operating Surplus / (Deficit)	(\$12,335.24)	\$58,871.72

Fund Balance as of:

2014 Opening Fund Balance

YTD Operating Surplus / Deficit

Closing Fund Balance

March 2014

\$2,051,906.03

\$58,871.72

\$2,110,777.75Accounts

Investment 1 \$1,103,350.16

Investment 2 \$505,282.49

Investment 3 \$502,145.10

\$2,110,777.75