

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>



August 1, 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 April through June 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 that reads "Colette D. Honorable".

Colette D. Honorable
Chairman

CDH/ks
Attachments

810 DAN ARK CIRCLE
PO BOX 608
DANVILLE, AR 72833

LARRY FRAZIER - MANAGER

479-495-5881

July 28, 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 April, May, and June 2014.
- (*) A Statement of the Arkansas Extension of Telecommunications Facilities Fund disbursements by Company for the 2nd quarter of 2014.
- (*) A statement of grant application activity for the 2nd quarter of 2014.
- (*) A statement of grant financial activity for the 2nd quarter of 2014.

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

Thank you,



Larry Frazier
Rural Telcom Solutions, LLC
Administrator

July 28, 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 April 2014 through June 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****April 2014 - June 2014 *****Quarterly Report to the Legislative Council (Section 23-17-404(e)(8)(D)(ii))**

	<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	\$124,998.00	\$0.00	\$0.00	\$249,996.00
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	\$0.00	\$0.00	\$3,109.41
Total Revenue	\$126,561.56	\$137,722.97	\$0.00	\$0.00	\$264,284.53

Disbursements

Grant Request Approvals	\$54,146.02	\$153,527.97	\$0.00	\$0.00	\$207,673.99
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	\$0.00	\$0.00	\$4,885.00
Program Administration Fees	\$4,650.00	\$4,650.00	\$0.00	\$0.00	\$9,300.00
Miscellaneous	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
Total Disbursements	\$67,689.84	\$159,291.93	\$0.00	\$0.00	\$226,981.77

Operating Surplus / (Deficit)

	\$58,871.72	(\$21,568.96)	\$0.00	\$0.00	\$37,302.76
--	--------------------	----------------------	---------------	---------------	--------------------

Fund Balance as of:

2013 Opening Fund Balance **

<u>2nd Quarter</u>	<u>Accounts</u>	
\$2,051,906.03	Investment 1	\$1,080,900.65
	Investment 2	\$505,912.62
	Investment 3	\$502,395.52
YTD Operating Surplus / Deficit		
Closing Fund Balance		\$2,089,208.79

	<u>1st Quarter</u>	<u>2nd Quarter</u>	<u>3rd Quarter</u>	<u>4th Quarter</u>	<u>Y-T-D 2014</u>
<u># of Grant Requests</u>					
Grants	2	3	0	0	5
True-Ups	1	2	0	0	3
Denied / Withdrawn	0	0	0	0	0
Pending	0	0	0	0	0
Total	3	5	0	0	8
# 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
April 2014 - June 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>
2014-003	Madison County Telephone	\$5,403.52	Thomas Haris	Bryan King	Bill Gossage
2014-004	Southwest Ar Telephone Cooperative	\$52,602.90	Norman Scott Dodd	Jimmy Hickey	Lane Jean
2014-005	CenturyTel of Arkansas	\$42,935.17	Thomas McGuire	David Wyatt	James Ratliff
2014-006	CenturyTel of Arkansas	\$17,580.21	Katie O'Conner	David Wyatt	James Ratliff
2014-007	Mountain View Telephone Company	\$4,074.19	David Bean	Missy Irvin	John Payton
2014-008	Arkansas Telephone Company	\$18,954.90	Wanda Corning	Jason Rapart	Robert E. Dale
2014-009	Windstream Arkansas	\$11,977.08	Grace Garrett	Bryan King	Charlette Douglas
		<u>\$153,527.97</u>			

Grant True-Up Activity			
<u>ARETFF App #</u>	<u>Company Name</u>	<u>Amount</u>	<u>Customer Name</u>
2014-007TU	Mountain View Telephone Company	\$1,113.96	David Bean
		<u>\$1,113.96</u>	

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

Prepared by Rural Telcom Solutions, LLC from the Monthly reports for the 2nd 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 - June 2014

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

GRANT PAYMENTS	Initial Grants				Year-to-date
	1Q2014	2Q2014	3Q2014	4Q2014	
Windstream Arkansas	\$52,986.22	\$11,977.08	\$0.00	\$0.00	\$64,963.30
Arkansas Telephone Company	\$42,935.17	\$18,954.90	\$0.00	\$0.00	\$61,890.07
CenturyLink of Arkansas	\$0.00	\$60,515.38	\$0.00	\$0.00	\$60,515.38
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	\$0.00	\$0.00	\$52,602.90
TOTAL GRANT PAYMENTS	\$97,081.19	\$153,527.97	\$0.00	\$0.00	\$250,609.16

GRANT TRUE-UP PAYMENTS	Grant True-Up Activity				Year-to-date
	1Q2014	2Q2014	3Q2014	4Q2014	
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
TOTAL GRANT TRUE-UP PAYMENTS	\$4,008.82	\$1,113.96	\$0.00	\$0.00	\$5,122.78

Prepared by Rural Telcom Solutions, LLC from the Monthly reports for the 2nd 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>April 2014</u>	<u>Y-T-D 2014</u>
<u>Revenues / Assessments</u>		
ARHCF Support	\$41,666.00	\$166,664.00
Grant True-up Receipts	\$0.00	\$0.00
Miscellaneous	\$0.00	\$0.00
Interest Income	\$511.12	\$2,074.68
Total Revenue	<u>\$42,177.12</u>	<u>\$168,738.68</u>
<u>Disbursements</u>		
Grant Request Approvals	\$58,006.42	\$112,152.44
Grant True-Up Approvals	\$0.00	\$4,008.82
External Audit Fees	\$0.00	\$4,885.00
Program Administration Fees	\$1,550.00	\$6,200.00
Miscellaneous	\$0.00	\$0.00
Total Disbursements	<u>\$59,556.42</u>	<u>\$127,246.26</u>
Operating Surplus / (Deficit)	(\$17,379.30)	\$41,492.42

Fund Balance as of:

2014 Opening Fund Balance

YTD Operating Surplus / Deficit

Closing Fund Balance

<u>April 2014</u>	<u>Accounts</u>
\$2,051,906.03	Investment 1 \$1,085,680.67
	Investment 2 \$505,490.14
\$41,492.42	Investment 3 \$502,227.64
<u>\$2,093,398.45</u>	<u>\$2,093,398.45</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 2014</u>	<u>Y-T-D 2014</u>
<u>Revenues / Assessments</u>		
ARHCF Support	\$41,666.00	\$208,330.00
Grant True-up Receipts	\$0.00	\$0.00
Miscellaneous	\$0.00	\$0.00
Interest Income	\$519.32	\$2,594.00
Total Revenue	<u>\$42,185.32</u>	<u>\$210,924.00</u>
<u>Disbursements</u>		
Grant Request Approvals	\$83,544.47	\$195,696.91
Grant True-Up Approvals	\$0.00	\$4,008.82
External Audit Fees	\$0.00	\$4,885.00
Program Administration Fees	\$1,550.00	\$7,750.00
Miscellaneous	\$0.00	\$0.00
Total Disbursements	<u>\$85,094.47</u>	<u>\$212,340.73</u>
Operating Surplus / (Deficit)	(\$42,909.15)	(\$1,416.73)

Fund Balance as of:

2014 Opening Fund Balance

YTD Operating Surplus / Deficit

Closing Fund Balance

<u>May 2014</u>	<u>Accounts</u>	
\$2,051,906.03	Investment 1	\$1,042,471.55
	Investment 2	\$505,704.80
(\$1,416.73)	Investment 3	\$502,312.95
<u>\$2,050,489.30</u>		<u>\$2,050,489.30</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>June 2014</u>	<u>Y-T-D 2014</u>
<u>Revenues / Assessments</u>		
ARHCF Support	\$41,666.00	\$249,996.00
Grant True-up Receipts	\$9,960.12	\$9,960.12
Miscellaneous	\$1,219.00	\$1,219.00
Interest Income	\$515.41	\$3,109.41
Total Revenue	<u>\$53,360.53</u>	<u>\$264,284.53</u>
<u>Disbursements</u>		
Grant Request Approvals	\$11,977.08	\$207,673.99
Grant True-Up Approvals	\$1,113.96	\$5,122.78
External Audit Fees	\$0.00	\$4,885.00
Program Administration Fees	\$1,550.00	\$9,300.00
Miscellaneous	\$0.00	\$0.00
Total Disbursements	<u>\$14,641.04</u>	<u>\$226,981.77</u>
Operating Surplus / (Deficit)	\$38,719.49	\$37,302.76

Fund Balance as of:

2014 Opening Fund Balance

YTD Operating Surplus / Deficit

Closing Fund Balance

<u>June 2014</u>	<u>Accounts</u>
\$2,051,906.03	Investment 1 \$1,080,900.65
	Investment 2 \$505,912.62
\$37,302.76	Investment 3 \$502,395.52
<u>\$2,089,208.79</u>	<u>\$2,089,208.79</u>