

**Ted J. Thomas**  
Chairman  
(501) 682-5806

**Elana C. Wills**  
Commissioner  
(501) 682-5809

**Lamar B. Davis**  
Commissioner  
(501) 682-5809

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



February 1, 2016

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 October through December 2015.

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.

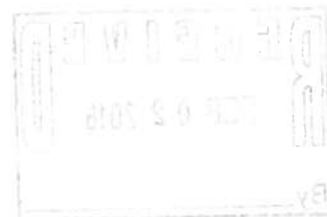
Questions concerning operation of the ETFF or the quarterly report may be referred to Bill Dennis, Manager-Telecommunications and Quality of Service at 501-682-5695.

Sincerely,

A handwritten signature in dark ink, appearing to read "Ted J. Thomas".

Ted J. Thomas  
Chairman

TJT/ms  
Attachments



**RURAL TELCOM SOLUTIONS, LLC.**

**2200 EAST 8<sup>TH</sup> STREET**

**PO BOX 608**

**DANVILLE, AR 72833**

**LARRY FRAZIER - MANAGER**

**479-495-5881**

January 29, 2016

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

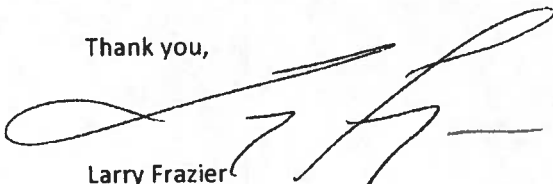
Dear Secretary,

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 October, November, and December 2015.
- (\*) A Statement of the Arkansas Extension of Telecommunications Facilities Fund disbursements by Company for the 4th quarter of 2015.
- (\*) A statement of grant application activity for the 4th quarter of 2015.
- (\*) A statement of grant financial activity for the 4th quarter of 2015.

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

Thank you,



Larry Frazier  
Rural Telcom Solutions, LLC  
Administrator

January 29, 2016

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 October 2015 through December 2015.

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**

**January 2015 - December 2015**

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

<b>GRANT PAYMENTS</b>	<b>Initial Grants</b>				<b>Year-to-date</b>
	<b>1Q2015</b>	<b>2Q2015</b>	<b>3Q2015</b>	<b>4Q2015</b>	
Southwest Arkansas Telephone Coop., Inc.	\$118,500.09	\$20,356.60	\$60,105.20	\$0.00	\$198,961.89
Northern Ar Telephone Company	\$364.80	\$0.00	\$9,098.30	\$454.90	\$9,918.00
Madison County Telephone Company	\$0.00	\$8,975.55	\$0.00	\$0.00	\$8,975.55
CenturyLink	\$0.00	\$10,140.34	\$15,226.89	\$13,986.81	\$39,354.04
Central Arkansas Telephone Cooperative	\$0.00	\$0.00	\$40,706.32	\$0.00	\$40,706.32
<b>TOTAL GRANT PAYMENTS</b>	<b>\$118,864.89</b>	<b>\$39,472.49</b>	<b>\$125,136.71</b>	<b>\$14,441.71</b>	<b>\$297,915.80</b>

<b>GRANT TRUE-UP PAYMENTS</b>	<b>Grant True-Up Activity</b>				<b>Year-to-date</b>
	<b>1Q2015</b>	<b>2Q2015</b>	<b>3Q2015</b>	<b>4Q2015</b>	
Northern Ar Telephone Company	\$0.00	\$2,899.47	\$0.00	\$0.00	\$2,899.47
Southwest Arkansas Telephone Cooperative	\$0.00	\$0.00	\$0.00	(\$3,377.11)	(\$3,377.11)
Arkansas Telephone Company	\$0.00	\$0.00	\$0.00	(\$1,791.09)	(\$1,791.09)
Central Arkansas Telephone Cooperative	\$0.00	\$0.00	\$0.00	\$15,742.24	\$15,742.24
<b>TOTAL GRANT TRUE-UP PAYMENTS</b>	<b>\$0.00</b>	<b>\$2,899.47</b>	<b>\$0.00</b>	<b>\$10,574.04</b>	<b>\$13,473.51</b>

Prepared by Rural Telcom Solutions, LLC from the Monthly reports for the 4th Quarter 2015

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  
October 2015 - December 2015  
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>
2015-012	CenturyLink of Arkansas	\$13,986.81	Regina Curtis	Linda Collins-Smith	James Ratliff
2015-013	Northern Arkansas Telephone	\$454.90	Terry Ahart	Scott Flippo	Kelley Linck
		<u>\$14,441.71</u>			

Grant True-Up Activity			
<u>ARETFF App #</u>	<u>Company Name</u>	<u>Amount</u>	<u>Customer Name</u>
2015-004TU	Southwest Arkansas Telephone Cooperative	(\$3,377.11)	Mike Ware
2014-008TU	Arkansas Telephone Company	(\$1,791.09)	Corning
2015-010TU	Central Arkansas Telephone Cooperative	\$15,742.24	Mike Bingham
		<u>\$10,574.04</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 4th Quarter 2015

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**

**October 2015 - December 2015 \***

**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 2015</u>
<b><u>Revenues / Assessments</u></b>					
AICCLP	\$124,998.00	\$166,664.00	\$124,998.00	\$124,998.00	\$541,658.00
Grant True-up Receipts	\$0.00	\$0.00	\$0.00	\$5,168.20	\$5,168.20
Miscellaneous	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
Interest Income	\$1,423.54	\$1,587.99	\$1,590.55	\$1,623.42	\$6,225.50
<b>Total Revenue</b>	<b>\$126,421.54</b>	<b>\$168,251.99</b>	<b>\$126,588.55</b>	<b>\$131,789.62</b>	<b>\$553,051.70</b>

<b><u>Disbursements</u></b>					
Grant Request Approvals	\$118,864.89	\$39,472.49	\$125,136.71	\$14,441.71	\$297,915.80
Grant True-Up Approvals	\$0.00	\$2,899.47	\$0.00	\$15,742.24	\$18,641.71
External Audit Fees	\$0.00	\$0.00	\$7,785.00	\$0.00	\$7,785.00
Program Administration Fees	\$4,650.00	\$4,650.00	\$4,650.00	\$4,650.00	\$18,600.00
Miscellaneous	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
<b>Total Disbursements</b>	<b>\$123,514.89</b>	<b>\$47,021.96</b>	<b>\$137,571.71</b>	<b>\$34,833.95</b>	<b>\$342,942.51</b>

<b>Operating Surplus / (Deficit)</b>	<b>\$2,906.65</b>	<b>\$121,230.03</b>	<b>(\$10,983.16)</b>	<b>\$96,955.67</b>	<b>\$210,109.19</b>
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<b>Fund Balance as of:</b>	<b><u>4th Quarter</u></b>	<b><u>Accounts</u></b>	
2015 Opening Fund Balance **	\$2,110,473.67	Investment 1	\$1,307,026.00
		Investment 2	\$509,647.87
YTD Operating Surplus / Deficit	\$210,109.19	Investment 3	\$503,908.99
Closing Fund Balance	<b>\$2,320,582.86</b>		<b>\$2,320,582.86</b>

	<u>1st Quarter</u>	<u>2nd Quarter</u>	<u>3rd Quarter</u>	<u>4th Quarter</u>	<u>Y-T-D 2013</u>
<b><u># of Grant Requests</u></b>					
Grants	2	3	6	2	13
True-Ups	0	2	0	3	5
Denied / Withdrawn	0	0	0	0	0
Pending	0	0	0	0	0
<b>Total</b>	<b>2</b>	<b>5</b>	<b>6</b>	<b>5</b>	<b>18</b>
<b># of New Customers</b>	<b>2</b>	<b>3</b>	<b>6</b>	<b>2</b>	<b>13</b>

\* Prepared by Rural Telcom Solutions, LLC from the Monthly reports for the 1st, 2nd, 3rd & 4th Quarter 2015

\*\*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>October 2015</u>	<u>Y-T-D 2015</u>
<b><u>Revenues / Assessments</u></b>		
ARHCF Support	\$41,666.00	\$458,326.00
Grant True-up Receipts	\$5,168.20	\$5,168.20
Miscellaneous	\$0.00	\$0.00
Interest Income	\$527.12	\$5,129.20
Total Revenue	<u>\$47,361.32</u>	<u>\$468,623.40</u>
<b><u>Disbursements</u></b>		
Grant Request Approvals	\$0.00	\$283,474.09
Grant True-Up Approvals	\$0.00	\$2,899.47
External Audit Fees	\$0.00	\$7,785.00
Program Administration Fees	\$1,550.00	\$15,500.00
Miscellaneous	\$0.00	\$0.00
Total Disbursements	<u>\$1,550.00</u>	<u>\$309,658.56</u>
<b>Operating Surplus / (Deficit)</b>	<b>\$45,811.32</b>	<b>\$158,964.84</b>

**Fund Balance as of:**

2015 Opening Fund Balance

YTD Operating Surplus / Deficit

Closing Fund Balance

October 2015Accounts

\$2,110,473.67

Investment 1

\$1,256,435.87

Investment 2

\$509,264.80

Investment 3

\$503,737.84

\$158,964.84

\$2,269,438.51\$2,269,438.51

**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	November 2015	Y-T-D 2015
<b><u>Revenues / Assessments</u></b>		
ARHCF Support	\$41,666.00	\$499,992.00
Grant True-up Receipts	\$0.00	\$5,168.20
Miscellaneous	\$0.00	\$0.00
Interest Income	\$541.88	\$5,671.08
Total Revenue	<u>\$42,207.88</u>	<u>\$510,831.28</u>
<b><u>Disbursements</u></b>		
Grant Request Approvals	\$13,986.81	\$297,460.90
Grant True-Up Approvals	\$0.00	\$2,899.47
External Audit Fees	\$0.00	\$7,785.00
Program Administration Fees	\$1,550.00	\$17,050.00
Miscellaneous	\$0.00	\$0.00
Total Disbursements	<u>\$15,536.81</u>	<u>\$325,195.37</u>
<b>Operating Surplus / (Deficit)</b>	<b>\$26,671.07</b>	<b>\$185,635.91</b>

**Fund Balance as of:**

2015 Opening Fund Balance

YTD Operating Surplus / Deficit

Closing Fund Balance

**November 2015**

\$2,110,473.67

\$185,635.91

\$2,296,109.58**Accounts**

Investment 1 \$1,282,833.01

Investment 2 \$509,453.16

Investment 3 \$503,823.41\$2,296,109.58



**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>December 2015</u>	<u>Y-T-D 2015</u>
<b><u>Revenues / Assessments</u></b>		
ARHCF Support	\$41,666.00	\$541,658.00
Grant True-up Receipts	\$0.00	\$5,168.20
Miscellaneous	\$0.00	\$0.00
Interest Income	\$554.42	\$6,225.50
Total Revenue	<u>\$42,220.42</u>	<u>\$553,051.70</u>
<b><u>Disbursements</u></b>		
Grant Request Approvals	\$454.90	\$297,915.80
Grant True-Up Approvals	\$15,742.24	\$18,641.71
External Audit Fees	\$0.00	\$7,785.00
Program Administration Fees	\$1,550.00	\$18,600.00
Miscellaneous	\$0.00	\$0.00
Total Disbursements	<u>\$17,747.14</u>	<u>\$342,942.51</u>
<b>Operating Surplus / (Deficit)</b>	<b>\$24,473.28</b>	<b>\$210,109.19</b>

**Fund Balance as of:**

2015 Opening Fund Balance

YTD Operating Surplus / Deficit

Closing Fund Balance

November 2015

\$2,110,473.67

\$210,109.19

\$2,320,582.86Accounts

Investment 1

\$1,307,026.00

Investment 2

\$509,647.87

Investment 3

\$503,908.99\$2,320,582.86