

Ted J. Thomas
Chairman
(501) 682-5806

Elana C. Wills
Commissioner
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Kimberly A. O'Guinn
Commissioner
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**ARKANSAS
PUBLIC SERVICE COMMISSION
UTILITIES DIVISION**
1000 Center Street
P.O. Box 400
Little Rock, Arkansas 72203-0400
<http://www.Arkansas.gov/psc>



John P. Bethel
Director
(501) 682-1794

January 31, 2017

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 2016.

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 black ink, appearing to read "Ted J. Thomas".

Ted J. Thomas
Chairman

TJT/ms
Attachments

RURAL TELCOM SOLUTIONS, LLC.

2200 EAST 8TH STREET

PO BOX 608

DANVILLE, AR 72833

LARRY FRAZIER - MANAGER

479-495-5881

January 28, 2017

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 2016.
- (*) A Statement of the Arkansas Extension of Telecommunications Facilities Fund disbursements, by Company, for the 4th quarter of 2016.
- (*) A statement of grant application activity for the 4th quarter of 2016.
- (*) A statement of grant financial activity for the 4th quarter of 2016.

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

Thank you,



Larry Frazier
Rural Telcom Solutions, LLC
Administrator

January 28, 2017

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 2016 through December 2016.

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

October 2016 - December 2016

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

GRANT PAYMENTS	Initial Grants				
	1Q2016	2Q2016	3Q2016	4Q2016	Year-to-date
Centurylink of Arkansas	\$60,812.76	\$52,000.58	\$18,086.50	\$16,091.99	\$146,991.83
Windstream Arkansas	\$0.00	\$2,394.60	\$0.00	(\$2,394.60)	\$0.00
Northern Arkansas Telephone Company	\$0.00	\$2,294.00	\$0.00	\$311.80	\$2,605.80
Madison County Telephone Company	\$0.00	\$0.00	\$5,477.04	\$0.00	\$5,477.04
Southwest Ar Telephone Cooperative	\$0.00	\$0.00	\$0.00	\$20,377.00	\$20,377.00
TOTAL GRANT PAYMENTS	\$60,812.76	\$56,689.18	\$23,563.54	\$34,386.19	\$175,451.67

GRANT TRUE-UP PAYMENTS	Grant True-Up Activity				
	1Q2016	2Q2016	3Q2016	4Q2016	Year-to-date
Southwest Ar Telephone Cooperative	(\$13,276.97)	\$0.00	\$0.00	\$0.00	(\$13,276.97)
Centurylink of Arkansas	\$0.00	(\$16,588.37)	\$1,369.38	(\$981.76)	(\$16,200.75)
Centurylink of Arkansas Withdraw	\$0.00	\$0.00	(\$4,847.75)	\$0.00	(\$4,847.75)
Northern Arkansas Telephone Company	\$0.00	\$0.00	(\$2,036.16)	\$0.00	(\$2,036.16)
TOTAL GRANT TRUE-UP PAYMENTS	(\$13,276.97)	(\$16,588.37)	(\$5,514.53)	(\$981.76)	(\$36,361.63)

Prepared by Rural Telcom Solutions, LLC from the Monthly reports for the 4th Quarter 2016

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 2016 - December 2016
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>
2016-008	Windstream of Arkansas	(\$2,394.60)	Mary Hulsey	Larry Teague	Nate Bell
2016-018	Centurylink of Arkansas	\$896.47	Don Upshaw	Linda Collins-Smith	Scott Baltz
2016-019	Centurylink of Arkansas	\$7,261.96	Kevin Primm	Jonathan Dismang	Jeremy Gillam
2016-020	Centurylink of Arkansas	\$2,663.95	Donnie Smith	Linda Collins-Smith	James Ratliff
2016-021	Northern Arkansas Telephone Company	\$311.80	John Schoendrum	Scott Flippo	Kelley Linck
2016-022	Southwest Arkansas Telephone Cooperative	\$20,377.00	Clark Hicks	Jimmy Hickey, Jr.	Lane Jean
2016-023	Centurylink of Arkansas	\$5,269.61	Todd Smith	Jonathan Dismang	Jeremy Gillam
		\$0.00			
		\$0.00			
		<u>\$34,386.19</u>			

Grant True-Up Activity			
<u>ARETFF App #</u>	<u>Company Name</u>	<u>Amount</u>	<u>Customer Name</u>
2016-004TU	Centurylink of Arkansas	\$981.76	Percillia Mann
		\$0.00	
		\$0.00	
		\$0.00	
		\$0.00	
		\$0.00	
		<u>\$981.76</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 4th Quarter 2016

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 2016 - December 2016 *					
Quarterly Report to the Legislative Council (Section 23-17-404(e)(8)(D)(i))					
	1st Quarter	2nd Quarter	3rd Quarter	4th Quarter	Y-T-D 2016
Revenues / Assessments					
AICCLP	\$124,998.00	\$124,998.00	\$124,998.00	\$124,998.00	\$499,992.00
Grant True-up Receipts	\$13,276.97	\$19,124.55	\$6,883.91	\$981.76	\$40,267.19
Miscellaneous	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
Interest Income	\$1,818.19	\$2,384.01	\$2,854.50	\$2,793.14	\$9,849.84
Total Revenue	\$140,093.16	\$146,506.56	\$134,736.41	\$128,772.90	\$550,109.03
Disbursements					
Grant Request Approvals	\$60,812.76	\$56,689.18	\$23,563.54	\$34,386.19	\$175,451.67
Grant True-Up Approvals	\$0.00	\$2,536.18	\$1,369.38	\$0.00	\$3,905.56
External Audit Fees	\$0.00	\$0.00	\$7,835.00	\$0.00	\$7,835.00
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
Total Disbursements	\$65,462.76	\$63,875.36	\$37,417.92	\$39,036.19	\$205,792.23
Operating Surplus / (Deficit)	\$74,630.40	\$82,631.20	\$97,318.49	\$89,736.71	\$344,316.80
Fund Balance as of:					
2016 Opening Fund Balance **	\$2,320,582.86	Accounts			
		Investment 1		\$1,648,154.91	
		Investment 2		\$511,952.33	
YTD Operating Surplus / Deficit	\$344,316.80	Investment 3		\$504,792.42	
Closing Fund Balance	\$2,664,899.66			\$2,664,899.66	
	1st Quarter	2nd Quarter	3rd Quarter	4th Quarter	Y-T-D 2016
# of Grant Requests					
Grants	4	9	4	5	22
True-Ups	1	2	1	1	5
Denied / Withdrawn	0	0	1	0	1
Pending	0	0	0	0	0
Total	5	11	6	6	28
# of New Customers	4	9	4	5	22

* Prepared by Rural Telcom Solutions, LLC from the Monthly reports for the 1st, 2nd, 3rd & 4th Quarter 2016

**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	October 2016	Y-T-D 2016
<u>Revenues / Assessments</u>		
ARHCF Support	\$41,666.00	\$416,660.00
Grant True-up Receipts	\$0.00	\$39,285.43
Miscellaneous	\$0.00	\$0.00
Interest Income	\$925.37	\$7,982.07
Total Revenue	<u>\$42,591.37</u>	<u>\$463,927.50</u>
<u>Disbursements</u>		
Grant Request Approvals	(\$1,498.13)	\$139,567.35
Grant True-Up Approvals	\$0.00	\$3,905.56
External Audit Fees	\$0.00	\$7,835.00
Program Administration Fees	\$1,550.00	\$15,500.00
Miscellaneous	\$0.00	\$0.00
Total Disbursements	<u>\$51.87</u>	<u>\$166,807.91</u>
Operating Surplus / (Deficit)	\$42,539.50	\$297,119.59

Fund Balance as of:	October 2016	<u>Accounts</u>	
2015 Opening Fund Balance	\$2,320,582.86	Investment 1	\$1,601,466.95
		Investment 2	\$511,567.53
YTD Operating Surplus / Deficit	\$297,119.59	Investment 3	\$504,667.97
Closing Fund Balance	<u>\$2,617,702.45</u>		<u>\$2,617,702.45</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	November 2016	Y-T-D 2016
<u>Revenues / Assessments</u>		
ARHCF Support	\$41,666.00	\$458,326.00
Grant True-up Receipts	\$0.00	\$39,285.43
Miscellaneous	\$0.00	\$0.00
Interest Income	\$910.39	\$8,892.46
Total Revenue	<u>\$42,576.39</u>	<u>\$506,503.89</u>
<u>Disbursements</u>		
Grant Request Approvals	\$7,261.96	\$146,829.31
Grant True-Up Approvals	\$0.00	\$3,905.56
External Audit Fees	\$0.00	\$7,835.00
Program Administration Fees	\$1,550.00	\$17,050.00
Miscellaneous	\$0.00	\$0.00
Total Disbursements	<u>\$8,811.96</u>	<u>\$175,619.87</u>
Operating Surplus / (Deficit)	\$33,764.43	\$330,884.02

Fund Balance as of:	November 2016	Accounts	
2015 Opening Fund Balance	\$2,320,582.86	Investment 1	\$1,634,979.95
		Investment 2	\$511,756.74
YTD Operating Surplus / Deficit	\$330,884.02	Investment 3	\$504,730.19
Closing Fund Balance	<u>\$2,651,466.88</u>		<u>\$2,651,466.88</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>December 2016</u>	<u>Y-T-D 2016</u>
<u>Revenues / Assessments</u>		
ARHCF Support	\$41,666.00	\$499,992.00
Grant True-up Receipts	\$981.76	\$40,267.19
Miscellaneous	\$0.00	\$0.00
Interest Income	\$957.38	\$9,849.84
Total Revenue	<u>\$43,605.14</u>	<u>\$550,109.03</u>
<u>Disbursements</u>		
Grant Request Approvals	\$28,622.36	\$175,451.67
Grant True-Up Approvals	\$0.00	\$3,905.56
External Audit Fees	\$0.00	\$7,835.00
Program Administration Fees	\$1,550.00	\$18,600.00
Miscellaneous	\$0.00	\$0.00
Total Disbursements	<u>\$30,172.36</u>	<u>\$205,792.23</u>
Operating Surplus / (Deficit)	\$13,432.78	\$344,316.80

Fund Balance as of:	<u>December 2016</u>	<u>Accounts</u>	
2015 Opening Fund Balance	\$2,320,582.86	Investment 1	\$1,648,154.91
		Investment 2	\$511,952.33
YTD Operating Surplus / Deficit	\$344,316.80	Investment 3	\$504,792.42
Closing Fund Balance	<u>\$2,664,899.66</u>		<u>\$2,664,899.66</u>