

RURAL TELCOM SOLUTIONS, LLC.
2200 East 8th Street
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DANVILLE, AR 72833

LARRY FRAZIER - MANAGER

479-495-5881

December 20, 2016

RE: Determinations of Eligibility

Support Levels for 2017

Arkansas High Cost Fund

Docket No. 97-393-A

Secretary of the Commission
Arkansas Public Service Commission
1000 Center Street
Little Rock, AR 72201

Dear Secretary:

Enclosed is the 2017 Annual Determination of the Arkansas High Cost Fund Administrator regarding eligibility and levels of support pursuant to Arkansas Act 385 of 2007 and Arkansas Act 442 of 2013 which initiated the replacement of the Arkansas Universal Service Fund (ARUSF) with the Arkansas High Cost Fund (ARHCF) and increased the fund requirements. Please record this administrative Determination at Commission Docket No. 97-393-A.

Thank you,

Larry Frazier
Rural Telcom Solutions, LLC
Administrator - ARHCF

Enc:2017 Determination

Arkansas High Cost Fund
January 2017 - December 2017 Summary & Conclusion
 Using line data from the 2016 NECA filing
Category I

ID	ETC Company	Per 06-032-U Stipulation (Revenue Base)	Annual ARHCF					Capped ARHCF with ARUSF	Monthly ARHCF				
			unCapped						Capped				
			Annual Support				Annual Total		2017 New Determination Monthly Support				New 2017 Monthly Support Payment
A	B	C	D	E	F=B+C+D+E	F = E * pro rata share of cap	B'	C'	D'	E'	F=B'+C'+D'+E'		
3	Arkansas Tel	\$0	\$311,446	N/A	N/A	N/A	\$311,446	\$256,844	\$21,403.65	\$0.00	\$0.00	N/A	\$21,403.65
29	ArkWest	\$493,416	\$4,011,601	N/A	N/A	N/A	\$4,011,601	\$3,308,296	\$275,691.29	\$0.00	\$0.00	N/A	\$275,691.29
5	Central Arkansas	\$223,092	\$1,430,090	N/A	N/A	N/A	\$1,430,090	\$1,179,369	\$98,280.78	\$0.00	\$0.00	N/A	\$98,280.78
11	Cleveland County	\$563,832	\$451,674	N/A	N/A	N/A	\$451,674	\$372,487	\$31,040.61	\$0.00	\$0.00	N/A	\$31,040.61
12	Decatur Telephone	\$247,032	\$161,545	N/A	N/A	N/A	\$161,545	\$133,224	\$11,101.96	\$0.00	\$0.00	N/A	\$11,101.96
13	E. Ritter Telephone	\$573,900	\$1,417,738	N/A	N/A	N/A	\$1,417,738	\$1,169,183	\$97,431.91	\$0.00	\$0.00	N/A	\$97,431.91
15	Madison County	\$487,728	\$2,047,354	N/A	N/A	N/A	\$2,047,354	\$1,688,417	\$140,701.38	\$0.00	\$0.00	N/A	\$140,701.38
16	Magazine Tele Co	\$106,584	\$432,683	N/A	N/A	N/A	\$432,683	\$356,826	\$29,735.46	\$0.00	\$0.00	N/A	\$29,735.46
17	Mt. View Tele Co	\$304,752	\$2,482,928	N/A	N/A	N/A	\$2,482,928	\$2,047,626	\$170,635.49	\$0.00	\$0.00	N/A	\$170,635.49
18	Northern Arkansas	\$2,392,896	\$3,653,172	N/A	N/A	N/A	\$3,653,172	\$3,012,706	\$251,058.79	\$0.00	\$0.00	N/A	\$251,058.79
14	Pinnacle/Lavaca	\$530,244	\$836,898	N/A	N/A	N/A	\$836,898	\$690,175	\$57,514.56	\$0.00	\$0.00	N/A	\$57,514.56
20	Prairie Grove Tel	\$1,770,180	\$3,890,741	N/A	N/A	N/A	\$3,890,741	\$3,208,624	\$267,385.34	\$0.00	\$0.00	N/A	\$267,385.34
21	Rice Belt	\$66,624	\$783,959	N/A	N/A	N/A	\$783,959	\$646,517	\$53,876.44	\$0.00	\$0.00	N/A	\$53,876.44
22	Scott County	\$63,504	\$67,356	N/A	N/A	N/A	\$67,356	\$55,548	\$4,628.97	\$0.00	\$0.00	N/A	\$4,628.97
23	South Arkansas	\$645,528	\$2,622,043	N/A	N/A	N/A	\$2,622,043	\$2,162,352	\$180,195.99	\$0.00	\$0.00	N/A	\$180,195.99
24	Southwest Arkansas	\$1,190,832	\$4,184,284	N/A	N/A	N/A	\$4,184,284	\$3,450,704	\$287,558.64	\$0.00	\$0.00	N/A	\$287,558.64
26	Tri-County	\$1,303,284	\$2,746,461	N/A	N/A	N/A	\$2,746,461	\$2,264,957	\$188,746.44	\$0.00	\$0.00	N/A	\$188,746.44
27	Walnut Hill	\$1,276,764	\$1,975,928	N/A	N/A	N/A	\$1,975,928	\$1,629,512	\$135,792.68	\$0.00	\$0.00	N/A	\$135,792.68
28	Yelcot	\$412,128	\$1,621,398	N/A	N/A	N/A	\$1,621,398	\$1,337,138	\$111,428.17	\$0.00	\$0.00	N/A	\$111,428.17
Subtotal		\$12,652,320	\$35,129,298	\$0	\$0	\$0	\$35,129,298	\$28,970,503	\$2,414,208.55	\$0.00	\$0.00	\$0.00	\$2,414,208.55

Category II

6	CenturyTel of Arkansas	\$0	\$4,163,894				\$4,163,894	\$2,516,266	\$209,688.80	\$0.00	\$0.00	N/A	\$209,688.80
7	CenturyTel of Mountain Home	\$692,868	\$3,117,530				\$3,117,530	\$1,883,941	\$156,995.12	\$0.00	\$0.00	N/A	\$156,995.12
9	CenturyTel of Redfield	\$819,364	\$490,933				\$490,933	\$296,674	\$24,722.82	\$0.00	\$0.00	N/A	\$24,722.82
10	CenturyTel of South Arkansas	\$747,642	\$436,570				\$436,570	\$263,822	\$21,985.14	\$0.00	\$0.00	N/A	\$21,985.14
Subtotal		\$2,259,874	\$8,208,927	\$0		\$0	\$8,208,927	\$4,960,703	\$413,391.88	\$0.00	\$0.00	\$0	\$413,391.88

Category III

1	Windstream (Alltel Arkansas)	\$0	\$13,621,318				\$13,621,318	\$793,712	\$66,142.70	\$0.00	\$0.00	N/A	\$66,142.70
Subtotal		\$0	\$13,621,318	\$0		\$0	\$13,621,318	\$793,712	\$66,142.70	\$0.00	\$0.00	\$0	\$66,142.70

Category IV

25	AT&T	\$0	\$7,682,758				\$7,682,758	\$4,960,703	\$413,391.88	\$0.00	\$0.00	N/A	\$413,391.88
Subtotal		\$0	\$7,682,758	\$0		\$0	\$7,682,758	\$4,960,703	\$413,391.88	\$0.00	\$0.00	\$0	\$413,391.88

Administration:	\$0	\$114,380					\$114,380		\$9,531.67	\$0.00	\$0.00		\$9,531.67
Total:	\$14,912,194	\$64,756,681	\$0		\$0	\$64,642,301	\$39,800,000	\$3,316,666.67	\$0.00	\$0.00	\$0.00	\$0	\$3,316,666.67

Category I Pro Rata Reduction Factor		New Determination		Current	Transitional	Total		
		cap share	Annual	Determination	Support			
total calculated support for the group	\$35,129,298	73.0%	\$28,970,502.60	\$28,970,502.60	\$0.00	N/A	\$28,970,502.60	
Group cap	\$28,970,503	12.5%	\$4,960,702.50	\$4,960,702.50	\$0.00	N/A	\$4,960,702.50	
difference between calculated group and cap	\$6,158,795	2.0%	\$793,712.40	\$793,712.40	\$0.00	N/A	\$793,712.40	
pro rata share of the cap	82.47%	12.5%	\$4,960,702.50	\$4,960,702.50	\$0.00	N/A	\$4,960,702.50	
		Administration	\$114,380.00	\$114,380.00	N/A	N/A	\$114,380.00	
pro rata share of the cap	82.47%		100.0%	\$39,800,000.00	\$39,800,000.00	\$0.00	\$0	\$39,800,000.00