

RURAL TELCOM SOLUTIONS, LLC.
2200 East 8th Street
PO BOX 608
DANVILLE, AR 72833

LARRY FRAZIER - MANAGER

479-495-5881

December 15, 2015

RE: Determinations of Eligibility

Support Levels for 2016

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 2016 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:2016 Determination

Arkansas High Cost Fund
January 2016 - December 2016 Summary & Conclusion
Using line data from the 2015 NECA filing

Category I

ID	ETC Company	Per 06-032-U Stipulation (Revenue Base)	Annual ARHCF					Monthly ARHCF					
			unCapped				Annual Total	Capped ARHCF with ARUSF	Capped				New 2016 Monthly Support Payment
			Annual Support						2016 New Determination Monthly Support				
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	\$246,449	N/A	N/A	N/A	\$246,449	\$212,191	\$17,682.57	\$0.00	\$0.00	N/A	\$17,682.57
29	ArkWest	\$493,416	\$3,714,005	N/A	N/A	N/A	\$3,714,005	\$3,197,736	\$266,478.02	\$0.00	\$0.00	N/A	\$266,478.02
5	Central Arkansas	\$223,092	\$1,526,941	N/A	N/A	N/A	\$1,526,941	\$1,314,687	\$109,557.28	\$0.00	\$0.00	N/A	\$109,557.28
11	Cleveland County	\$563,832	\$412,785	N/A	N/A	N/A	\$412,785	\$355,405	\$29,617.10	\$0.00	\$0.00	N/A	\$29,617.10
12	Decatur Telephone	\$247,032	\$160,961	N/A	N/A	N/A	\$160,961	\$138,587	\$11,548.88	\$0.00	\$0.00	N/A	\$11,548.88
13	E. Ritter Telephone	\$573,900	\$1,355,567	N/A	N/A	N/A	\$1,355,567	\$1,167,135	\$97,261.26	\$0.00	\$0.00	N/A	\$97,261.26
15	Madison County	\$487,728	\$1,963,013	N/A	N/A	N/A	\$1,963,013	\$1,690,143	\$140,845.25	\$0.00	\$0.00	N/A	\$140,845.25
16	Magazine Tele Co	\$106,584	\$412,674	N/A	N/A	N/A	\$412,674	\$355,310	\$29,609.14	\$0.00	\$0.00	N/A	\$29,609.14
17	Mt. View Tele Co	\$304,752	\$2,325,860	N/A	N/A	N/A	\$2,325,860	\$2,002,552	\$166,879.31	\$0.00	\$0.00	N/A	\$166,879.31
18	Northern Arkansas	\$2,392,896	\$3,354,424	N/A	N/A	N/A	\$3,354,424	\$2,888,139	\$240,678.27	\$0.00	\$0.00	N/A	\$240,678.27
14	Pinnacle/Lavaca	\$530,244	\$856,031	N/A	N/A	N/A	\$856,031	\$737,038	\$61,419.82	\$0.00	\$0.00	N/A	\$61,419.82
20	Prairie Grove Tel	\$1,770,180	\$3,755,334	N/A	N/A	N/A	\$3,755,334	\$3,233,320	\$269,443.32	\$0.00	\$0.00	N/A	\$269,443.32
21	Rice Belt	\$66,624	\$771,669	N/A	N/A	N/A	\$771,669	\$664,402	\$55,366.87	\$0.00	\$0.00	N/A	\$55,366.87
22	Scott County	\$63,504	\$69,562	N/A	N/A	N/A	\$69,562	\$59,893	\$4,991.06	\$0.00	\$0.00	N/A	\$4,991.06
23	South Arkansas	\$645,528	\$2,469,071	N/A	N/A	N/A	\$2,469,071	\$2,125,855	\$177,154.61	\$0.00	\$0.00	N/A	\$177,154.61
24	Southwest Arkansas	\$1,190,832	\$3,846,891	N/A	N/A	N/A	\$3,846,891	\$3,312,151	\$276,012.55	\$0.00	\$0.00	N/A	\$276,012.55
26	Tri-County	\$1,303,284	\$2,875,115	N/A	N/A	N/A	\$2,875,115	\$2,475,457	\$206,288.06	\$0.00	\$0.00	N/A	\$206,288.06
27	Walnut Hill	\$1,276,764	\$1,945,923	N/A	N/A	N/A	\$1,945,923	\$1,675,428	\$139,619.02	\$0.00	\$0.00	N/A	\$139,619.02
28	Yelcot	\$412,128	\$1,585,463	N/A	N/A	N/A	\$1,585,463	\$1,365,074	\$113,756.16	\$0.00	\$0.00	N/A	\$113,756.16
Subtotal		\$12,652,320	\$33,647,738	\$0	\$0	\$0	\$33,647,738	\$28,970,503	\$2,414,208.55	\$0.00	\$0.00	\$0.00	\$2,414,208.55

Category II

6	CenturyTel of Arkansas	\$0	\$4,209,914				\$4,209,914	\$2,459,294	\$204,941.13	\$0.00	\$0.00	N/A	\$204,941.13
7	CenturyTel of Mountain Home	\$692,868	\$3,263,315				\$3,263,315	\$1,906,321	\$158,860.10	\$0.00	\$0.00	N/A	\$158,860.10
9	CenturyTel of Redfield	\$819,364	\$540,089				\$540,089	\$315,502	\$26,291.85	\$0.00	\$0.00	N/A	\$26,291.85
10	CenturyTel of South Arkansas	\$747,642	\$478,605				\$478,605	\$279,585	\$23,298.79	\$0.00	\$0.00	N/A	\$23,298.79
Subtotal		\$2,259,874	\$8,491,923	\$0	\$0	\$0	\$8,491,923	\$4,960,703	\$413,391.88	\$0.00	\$0.00	\$0	\$413,391.88

Category III

1	Windstream (Alltel Arkansas)	\$0	\$7,439,069				\$7,439,069	\$793,712	\$66,142.70	\$0.00	\$0.00	N/A	\$66,142.70
Subtotal		\$0	\$7,439,069	\$0	\$0	\$0	\$7,439,069	\$793,712	\$66,142.70	\$0.00	\$0.00	\$0	\$66,142.70

Category IV

25	AT&T	\$0	\$9,141,305				\$9,141,305	\$4,960,703	\$413,391.88	\$0.00	\$0.00	N/A	\$413,391.88
Subtotal		\$0	\$9,141,305	\$0	\$0	\$0	\$9,141,305	\$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	\$58,834,415	\$0	\$0	\$0	\$58,720,035	\$39,800,000	\$3,316,666.67	\$0.00	\$0.00		\$3,316,666.67

Category I Pro Rata Reduction Factor	
total calculated support for the group	\$33,647,738
Group cap	\$28,970,503
difference between calculated group and cap	\$4,677,235
pro rata share of the cap	86.10%
pro rata share of the cap	86.10%

	cap share	New Determination		Current	Transitional	Total
		Annual	Determination	Support	Support	
Category I	73.0%	\$28,970,502.60	\$28,970,502.60	\$0.00	N/A	\$28,970,502.60
Category II	12.5%	\$4,960,702.50	\$4,960,702.50	\$0.00	N/A	\$4,960,702.50
Category III	2.0%	\$793,712.40	\$793,712.40	\$0.00	N/A	\$793,712.40
Category IV	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	\$114,380.00
	100.0%	\$39,800,000.00	\$39,800,000.00	\$0.00	\$0	\$39,800,000.00