

ARKANSAS RURAL STRATEGIES, LLC.
2200 East 8th Street
PO BOX 608
DANVILLE, AR 72833

KALA MITCHELL - MANAGER

479-495-5881

December 11, 2017

RE: Determinations of Eligibility

Support Levels for 2018

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 2018 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. The method used to make this determination was developed consistent to previous determinations and Arkansas Statute. Please record this administrative Determination at Commission Docket No. 97-393-A.

Thank you,



Kala Mitchell
Arkansas Rural Strategies, LLC
Administrator - ARHCF

Enc:2018 Determination

Arkansas High Cost Fund
January 2018 - December 2018 Summary & Conclusion
 Using line data from the 2017 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		2018 New Determination Monthly Support				New 2018 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	\$301,191	N/A	N/A	N/A	\$301,191	\$236,940	\$19,745.00	\$0.00	\$0.00	N/A	\$19,745.00
29	ArkWest	\$493,416	\$5,276,909	N/A	N/A	N/A	\$5,276,909	\$4,151,218	\$345,934.87	\$0.00	\$0.00	N/A	\$345,934.87
5	Central Arkansas	\$223,092	\$1,477,412	N/A	N/A	N/A	\$1,477,412	\$1,162,244	\$96,853.71	\$0.00	\$0.00	N/A	\$96,853.71
11	Cleveland County	\$563,832	\$474,499	N/A	N/A	N/A	\$474,499	\$373,277	\$31,106.44	\$0.00	\$0.00	N/A	\$31,106.44
12	Decatur Telephone	\$247,032	\$248,363	N/A	N/A	N/A	\$248,363	\$195,381	\$16,281.76	\$0.00	\$0.00	N/A	\$16,281.76
13	E. Ritter Telephone	\$573,900	\$1,278,750	N/A	N/A	N/A	\$1,278,750	\$1,005,962	\$83,830.18	\$0.00	\$0.00	N/A	\$83,830.18
15	Madison County	\$487,728	\$2,208,993	N/A	N/A	N/A	\$2,208,993	\$1,737,763	\$144,813.54	\$0.00	\$0.00	N/A	\$144,813.54
16	Magazine Tele Co	\$106,584	\$405,285	N/A	N/A	N/A	\$405,285	\$318,828	\$26,569.03	\$0.00	\$0.00	N/A	\$26,569.03
17	Mt. View Tele Co	\$304,752	\$2,435,140	N/A	N/A	N/A	\$2,435,140	\$1,915,666	\$159,638.86	\$0.00	\$0.00	N/A	\$159,638.86
18	Northern Arkansas	\$2,392,896	\$3,671,223	N/A	N/A	N/A	\$3,671,223	\$2,888,064	\$240,672.00	\$0.00	\$0.00	N/A	\$240,672.00
14	Pinnacle/Lavaca	\$530,244	\$975,743	N/A	N/A	N/A	\$975,743	\$767,594	\$63,966.16	\$0.00	\$0.00	N/A	\$63,966.16
20	Prairie Grove Tel	\$1,770,180	\$3,585,455	N/A	N/A	N/A	\$3,585,455	\$2,820,592	\$235,049.37	\$0.00	\$0.00	N/A	\$235,049.37
21	Rice Belt	\$66,624	\$813,705	N/A	N/A	N/A	\$813,705	\$640,122	\$53,343.52	\$0.00	\$0.00	N/A	\$53,343.52
22	Scott County	\$63,504	\$74,052	N/A	N/A	N/A	\$74,052	\$58,255	\$4,854.55	\$0.00	\$0.00	N/A	\$4,854.55
23	South Arkansas	\$645,528	\$2,545,139	N/A	N/A	N/A	\$2,545,139	\$2,002,200	\$166,850.01	\$0.00	\$0.00	N/A	\$166,850.01
24	Southwest Arkansas	\$1,190,832	\$4,734,697	N/A	N/A	N/A	\$4,734,697	\$3,724,674	\$310,389.47	\$0.00	\$0.00	N/A	\$310,389.47
26	Tri-County	\$1,303,284	\$2,749,824	N/A	N/A	N/A	\$2,749,824	\$2,163,221	\$180,268.43	\$0.00	\$0.00	N/A	\$180,268.43
27	Walnut Hill	\$1,276,764	\$2,032,810	N/A	N/A	N/A	\$2,032,810	\$1,599,163	\$133,263.62	\$0.00	\$0.00	N/A	\$133,263.62
28	Yelcot	\$412,128	\$1,552,900	N/A	N/A	N/A	\$1,552,900	\$1,221,630	\$101,802.47	\$0.00	\$0.00	N/A	\$101,802.47
Subtotal		\$12,652,320	\$36,842,090	\$0	\$0	\$0	\$36,842,090	\$28,982,796	\$2,415,232.99	\$0.00	\$0.00	\$0.00	\$2,415,232.99

Category II

6	CenturyTel of Arkansas	\$0	\$3,970,186				\$3,970,186	\$2,509,178	\$209,098.14	\$0.00	\$0.00	N/A	\$209,098.14
7	CenturyTel of Mountain Home	\$692,868	\$2,989,688				\$2,989,688	\$1,889,498	\$157,458.18	\$0.00	\$0.00	N/A	\$157,458.18
9	CenturyTel of Redfield	\$819,364	\$450,574				\$450,574	\$284,765	\$23,730.41	\$0.00	\$0.00	N/A	\$23,730.41
10	CenturyTel of South Arkansas	\$747,642	\$442,032				\$442,032	\$279,367	\$23,280.57	\$0.00	\$0.00	N/A	\$23,280.57
Subtotal		\$2,259,874	\$7,852,480	\$0	\$0	\$0	\$7,852,480	\$4,962,808	\$413,567.29	\$0.00	\$0.00	\$0	\$413,567.29

Category III

1	Windstream (Alltel Arkansas)	\$0	\$12,993,916				\$12,993,916	\$794,049	\$66,170.77	\$0.00	\$0.00	N/A	\$66,170.77
Subtotal		\$0	\$12,993,916	\$0	\$0	\$0	\$12,993,916	\$794,049	\$66,170.77	\$0.00	\$0.00	\$0	\$66,170.77

Category IV

25	AT&T	\$0	\$8,371,244				\$8,371,244	\$4,962,808	\$413,567.29	\$0.00	\$0.00	N/A	\$413,567.29
Subtotal		\$0	\$8,371,244	\$0	\$0	\$0	\$8,371,244	\$4,962,808	\$413,567.29	\$0.00	\$0.00	\$0	\$413,567.29

Administration:	\$0	\$97,540					\$97,540	\$8,128.33	\$0.00	\$0.00		\$8,128.33
Total:	\$14,912,194	\$66,157,270	\$0	\$0	\$0	\$66,059,730	\$39,800,000	\$3,316,666.67	\$0.00	\$0.00		\$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	\$36,842,090	73.0%	\$28,982,795.80	\$28,982,795.80	\$0.00	N/A	\$28,982,795.80
Group cap	\$28,982,796	12.5%	\$4,962,807.50	\$4,962,807.50	\$0.00	N/A	\$4,962,807.50
difference between calculated group and cap	\$7,859,294	2.0%	\$794,049.20	\$794,049.20	\$0.00	N/A	\$794,049.20
pro rata share of the cap	78.67%	12.5%	\$4,962,807.50	\$4,962,807.50	\$0.00	N/A	\$4,962,807.50
Administration			\$97,540.00	\$97,540.00	N/A	N/A	\$97,540.00
pro rata share of the cap	78.67%	100.0%	\$39,800,000.00	\$39,800,000.00	\$0.00	\$0	\$39,800,000.00