

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

KALA MITCHELL - MANAGER

479-495-5881

December 7, 2018

RE: Determinations of Eligibility

Support Levels for 2019

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 2019 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:2019 Determination

Arkansas High Cost Fund
January 2019 - December 2019 Summary & Conclusion
Using line data from the 2018 NECA filing
Category I

ID		ETC Company	Per 06-032-U Stipulation (Revenue Base)	Annual ARHCF				Monthly ARHCF							
				unCapped				Capped ARHCF with ARUSF	Capped						
				Annual Support					Annual Total	2019 New Determination Monthly Support				New 2019 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	\$1,244,123	N/A	N/A	N/A	\$1,244,123	\$918,432	\$76,535.97	\$0.00	\$0.00	\$0.00	N/A	\$76,535.97
29		ArkWest	\$493,416	\$5,731,545	N/A	N/A	N/A	\$5,731,545	\$4,231,119	\$352,593.25	\$0.00	\$0.00	\$0.00	N/A	\$352,593.25
5		Central Arkansas	\$223,092	\$1,724,798	N/A	N/A	N/A	\$1,724,798	\$1,273,274	\$106,106.15	\$0.00	\$0.00	\$0.00	N/A	\$106,106.15
11		Cleveland County	\$563,832	\$496,132	N/A	N/A	N/A	\$496,132	\$366,253	\$30,521.08	\$0.00	\$0.00	\$0.00	N/A	\$30,521.08
12		Decatur Telephone	\$247,032	\$275,238	N/A	N/A	N/A	\$275,238	\$203,185	\$16,932.07	\$0.00	\$0.00	\$0.00	N/A	\$16,932.07
13		E. Ritter Telephone	\$573,900	\$1,178,194	N/A	N/A	N/A	\$1,178,194	\$869,761	\$72,480.12	\$0.00	\$0.00	\$0.00	N/A	\$72,480.12
15		Madison County	\$487,728	\$2,305,584	N/A	N/A	N/A	\$2,305,584	\$1,702,020	\$141,834.96	\$0.00	\$0.00	\$0.00	N/A	\$141,834.96
16		Magazine Tele Co	\$106,584	\$387,651	N/A	N/A	N/A	\$387,651	\$286,171	\$23,847.54	\$0.00	\$0.00	\$0.00	N/A	\$23,847.54
17		Nt. View Tele Co	\$304,752	\$2,356,991	N/A	N/A	N/A	\$2,356,991	\$1,739,969	\$144,997.38	\$0.00	\$0.00	\$0.00	N/A	\$144,997.38
18		Northern Arkansas	\$2,392,696	\$3,955,493	N/A	N/A	N/A	\$3,955,493	\$2,920,009	\$243,334.06	\$0.00	\$0.00	\$0.00	N/A	\$243,334.06
14		Pinnacle/Lavaca	\$530,244	\$902,183	N/A	N/A	N/A	\$902,183	\$666,006	\$55,500.50	\$0.00	\$0.00	\$0.00	N/A	\$55,500.50
20		Prairie Grove Tel	\$1,770,180	\$3,624,403	N/A	N/A	N/A	\$3,624,403	\$2,675,593	\$222,966.05	\$0.00	\$0.00	\$0.00	N/A	\$222,966.05
21		Rice Belt	\$66,624	\$829,950	N/A	N/A	N/A	\$829,950	\$612,683	\$51,056.89	\$0.00	\$0.00	\$0.00	N/A	\$51,056.89
22		Scott County	\$63,504	\$95,555	N/A	N/A	N/A	\$95,555	\$70,540	\$5,878.33	\$0.00	\$0.00	\$0.00	N/A	\$5,878.33
23		South Arkansas	\$645,528	\$2,460,990	N/A	N/A	N/A	\$2,460,990	\$1,816,742	\$151,395.20	\$0.00	\$0.00	\$0.00	N/A	\$151,395.20
24		Southwest Arkansas	\$1,190,832	\$5,103,054	N/A	N/A	N/A	\$5,103,054	\$3,767,156	\$313,929.69	\$0.00	\$0.00	\$0.00	N/A	\$313,929.69
26		Tri-County	\$1,303,284	\$3,181,958	N/A	N/A	N/A	\$3,181,958	\$2,348,972	\$195,747.70	\$0.00	\$0.00	\$0.00	N/A	\$195,747.70
27		Walnut Hill	\$1,276,764	\$1,934,842	N/A	N/A	N/A	\$1,934,842	\$1,428,331	\$119,027.60	\$0.00	\$0.00	\$0.00	N/A	\$119,027.60
28		Yocot	\$412,128	\$1,471,902	N/A	N/A	N/A	\$1,471,902	\$1,086,581	\$90,548.46	\$0.00	\$0.00	\$0.00	N/A	\$90,548.46
		Subtotal	\$12,652,320	\$39,260,586	\$0	\$0	\$0	\$39,260,586	\$28,982,796	\$2,415,233.00	\$0.00	\$0.00	\$0.00	\$0.00	\$2,415,233.00

Category II

6	CenturyTel of Arkansas	\$0	\$3,185,245				\$3,185,245	\$2,187,834	\$182,319.49	\$0.00	\$0.00	N/A	\$182,319.49
7	CenturyTel of Mountain Home	\$692,868	\$2,524,266				\$2,524,266	\$1,733,830	\$144,485.86	\$0.00	\$0.00	N/A	\$144,485.86
9	CenturyTel of Redfield	\$819,364	\$1,081,906				\$1,081,906	\$743,123	\$61,926.94	\$0.00	\$0.00	N/A	\$61,926.94
10	CenturyTel of South Arkansas	\$747,642	\$433,884				\$433,884	\$298,020	\$24,835.00	\$0.00	\$0.00	N/A	\$24,835.00
	Subtotal	\$2,259,874	\$7,225,301	\$0		\$0	\$7,225,301	\$4,962,808	\$413,567.29	\$0.00	\$0.00	\$0	\$413,567.29

Category III

1	Windstream (Alltel Arkansas)	\$0	\$14,252,764				\$14,252,764	\$794,049	\$66,170.77	\$0.00	\$0.00	N/A	\$66,170.77
	Subtotal	\$0	\$14,252,764	\$0		\$0	\$14,252,764	\$794,049	\$66,170.77	\$0.00	\$0.00	\$0	\$66,170.77

Category IV

25	AT&T	\$0	\$7,599,490				\$7,599,490	\$4,962,808	\$413,567.29	\$0.00	\$0.00	N/A	\$413,567.29
	Subtotal	\$0	\$7,599,490	\$0		\$0	\$7,599,490	\$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	\$68,435,681	\$0		\$0	\$68,338,141	\$39,800,000	\$3,316,666.68	\$0.00	\$0.00	\$0.00	\$3,316,666.68

Category I Pro Rata Reduction Factor	
total calculated support for the group	\$39,260,586
Group cap	\$28,982,796
difference between calculated group and cap	\$10,277,790
pro rata share of the cap	73.82%
pro rata share of the cap	73.82%

		New Determination		Current		Transitional		Total
		cap share	Annual	Determination	Support			
Category I	73.0%		\$28,982,795.80	\$28,982,795.80	\$0.00	N/A		\$28,982,795.80
Category II	12.5%		\$4,962,807.50	\$4,962,807.50	\$0.00	N/A		\$4,962,807.50
Category III	2.0%		\$794,049.20	\$794,049.20	\$0.00	N/A		\$794,049.20
Category IV	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
	100.0%		\$39,800,000.00	\$39,800,000.00	\$0.00	\$0		\$39,800,000.00