

LAW OFFICES

KAUFFELT & KAUFFELT

300 CAPITOL STREET STE 803

CHARLESTON, WEST VIRGINIA 25301

(304) 345-1272

MAILING ADDRESS

P. O. BOX 3082

CHARLESTON, WV 25331-3082

FAX (304) 345-1280

JAMES D. KAUFFELT  
MARK E. KAUFFELT

T. D. KAUFFELT  
OF COUNSEL

August 3, 2010

Sandra Squire  
Executive Secretary  
Public Service Commission of WV  
201 Brooks Street  
P.O. Box 812  
Charleston, WV 25323

02:05 PM AUG 03 2010 PSC EXEC SEC DIV

Re: CASE NO. 10-0558-T-GI  
*General Investigation Regarding  
Certification of Federal Universal  
Service Funding for Eligible  
Telecommunications Carriers in West  
Virginia.*

Dear Ms. Squire:

Enclosed for filing in the above-styled case is the original and twelve copies of "Nexus Communications, Inc.'s Annual Report."

Thank you for your attention to this matter.

Very truly yours,



Mark E. Kauffelt

MEK/mmw  
Enclosures  
xc: Nexus Communications, Inc.

**PUBLIC SERVICE COMMISSION OF WEST VIRGINIA  
CHARLESTON**

GENERAL INVESTIGATION REGARDING )  
CERTIFICATION OF FEDERAL UNIVERSAL ) Case No. 10-0558-T-GI  
SERVICE FUNDING FOR ELIGIBLE )  
TELECOMMUNICATIONS CARRIERS IN WEST )  
VIRGINIA )

**NEXUS COMMUNICATIONS, INC.'S ANNUAL REPORT**

Nexus Communications, Inc. d/b/a TSI (“Nexus”, the “Company”) by its undersigned counsel, hereby submits this annual report required of all eligible telecommunications carriers (“ETCs”) as required by the Public Service Commission of West Virginia (“Commission”) in its May 18, 2010 Order in this proceeding.

On December 3, 2009, the Commission issued an Order in Case No. 09-0903-T-PC designating Nexus as an eligible as an ETC. The Order became final on December 18, 2009 following a mandatory fifteen day protest period, with no protest having been filed.

Nexus’s original ETC application was for the sole purpose of offering Lifeline and Link Up to qualifying low income West Virginia consumers and did not include access to funds from the federal Universal Service Fund (“USF”) for the purpose of providing service to high cost locales. On August 18, 2009, Nexus amended its petition to obtain designation as a full ETC carrier, although it still limited its request to obtaining funding from the USF’s low-income mechanism, i.e., not from the USF’s high-cost mechanism.

Nexus provides CMRS in West Virginia using a combination of its own facilities and the facilities and services of the Company’s interconnected carrier and as such is able to provide all services and functions supported by the universal service program, as

detailed in the FCC rules, 47 C.F.R. §54.201(d)(1). However, as Nexus limits its request to funding from the USFs low-income mechanism, some of the information requested by the Commission's May 18 Order is not applicable to Nexus as that information is specifically required from ETCs that receive high cost support. As required, Nexus will, in this report, provide information sought by the Commission that is applicable to the receipt of low income support.

## **I. Verified Statement Regarding Use of Universal Service Support**

As identified in the Verification of Steven Fenker, President, (attached), Nexus complies with the requirements of 47 C.F.R. § 54.7 and uses the federal universal service support it receives only for the purpose for which that support is intended. Specifically, Nexus uses the federal universal service support it receives to provide Lifeline, which is defined in 47 C.F.R. § 54.401 as a local service offering that is available only to qualified low-income consumers for which qualifying low-income consumers pay reduced charges as a result of the application of the Lifeline support amount and Link Up, which according to 47 C.F.R. § 54.411 is a reduction of half of a carrier's customary charge for commencing telecommunications service or \$30.00, whichever is less, which an ETC shall offer as a part of its obligations set forth in § 54.101(a)(9) and 54.101(b).

## **II. Disclosures**

As required by the Commission's May 18 Order, all ETCs are required to provide the following as a part of its Annual Report.

- (1) Reports on the ETC's five-year service quality improvement plan, including maps detailing progress towards meeting plan targets, an explanation of how much universal service support was received and how much support was used to improve signal quality, coverage or capacity and an explanation regarding any network improvement targets that have not been fulfilled.**

According to 47 C.F.R. § 54.202, the purpose of the five-year plan is to describe with specificity the estimated amount of investment for each project that is funded by high-cost support. An ETC is then required, as a part of its Annual Reporting requirements, to provide a progress report on its five-year plan thereby providing an explanation of the amount of high cost support received and how that support was used. As Nexus limits its receipt solely to the receipt of low-income support from the federal USF mechanism, the five-year plan, including annual updates for the same, are not applicable to Nexus.

- (2) Detailed information on any outage lasting at least 30 minutes that potentially affects at least ten percent of the end users served in a designated service area, or that potentially affects a 911 special facility (as defined in subsection (e) of section 4.5 of the Outage Reporting Order.**

For the reporting period, Nexus did not experience any outages lasting at least 30 minutes or that potentially affected at least ten percent of the end users served in the Company's designated service area within the State of West Virginia. As Nexus uses the facilities and services of its interconnected carrier to route all 911 calls, no outage affected or had the potentially to affect a 911 special facility.

- (3) The number of request for service from potential customers that were unfulfilled for the past year and how it attempted to provide service to those potential customers.**

Nexus reports the number of request for service from potential customers that went unfulfilled in the Company's designated service area in the State of West Virginia for the past year to be "0".

**(4) The number of complaints per 1.000 handsets or lines.**

For the current reporting period, Nexus reports the number of complaints per one thousand handsets in the State of West Virginia to be “0”.

**(5) Certification that the ETC is complying with applicable service quality standards and consumer protection rules, e.g., the CTIA Consumer Code for Wireless Service.**

Nexus certifies compliance with all applicable service quality and consumer protection requirements and standards including the CTIA Consumer Code for Wireless Service as required by 47 C.F.R. § 54.202(a)(3).

**(6) Certification that the ETC is able to function in emergency situations.**

In compliance with 47 C.F.R. § 54.209(a)(6), Nexus certifies that it is able to remain functional in emergency situations which includes a reasonable amount of back-up power to ensure functionality without an external power source, the ability to reroute traffic around damaged facilities and the capability of managing traffic spikes resulting from emergency situations.

**(7) Certification that the ETC is offering a local usage plan comparable to that offered by the incumbent LEC in the relevant service area.**

As required by 47 C.F.R. § 54.202(3), Nexus certifies that it offers a local usage plan comparable to that offered by the incumbent LEC in the designated service area. However, it is important to point out that the requirement is to offer a local usage plan that is “comparable” but not “identical.” As the Commission is aware, there are significant differences between wireline and wireless service offerings. For example, wireline service offerings traditionally include unlimited calling within the customer’s local calling area with additional charges for long distance calling. Oppositely, wireless service, such as that offered by Nexus, include a preset amount of minutes of local usage,

but includes a local calling area that includes all fifty-states allowing consumers to avoid the risk of becoming burdened with large and unexpected charges for toll calling. In addition, wireline service is a fixed service while wireless offers consumers a mobile service that allows children to reach their parents wherever they may be, persons seeking work the ability to be contacted by potential employers, and the ability to contact emergency service providers, regardless of location. In addition, Nexus subscribers receive several vertical services, such as call waiting and caller ID, at no additional charge while wireline incumbent LECs traditionally charge additionally for these same features. Given the intrinsic differences between wireline and wireless service, Nexus service is clearly comparable to the service provided by the incumbent LEC.

- (8) Certification that the carrier acknowledges that the FCC may require it to provide equal access to long distance carriers in the event that no other eligible telecommunications carrier is providing equal access within the service area.**

As required by 47 C.F.R. § 54.209(8), Nexus certifies that it may be required to provide equal access to long distance carriers in the event that no other ETC is providing equal access within the service area. However, Nexus feels it is important to remind the Commission that the Company's wireless service includes calling to all fifty states and as such, Nexus does not impose separate charges for what wireline carriers traditionally define as toll calls. As a result, fulfillment of the "equal access" requirement by Nexus could involve payment by consumers of toll charges.

### **III. Rate Information**

In addition to the preceding requirements, West Virginia also annually reviews the comparability of residential rates in rural areas to the rates charges in urban areas and certifies to the FCC and the Universal Service Administrative Company ("USAC") as to

the comparability of rates in the State of West Virginia. As required, Nexus provides the following:

**(1) Monthly line charge**

Nexus does not impose a monthly recurring charge for service. Instead, the Company offers the ability to obtain specified amounts of local usage at uniform rates and on a prepaid basis with no credit check, deposit requirements or term agreement periods. In addition, qualified Lifeline subscribers are provided with sixty-eight (68) minutes of free local usage each month. As a result, the Commission is able to certify to the FCC and USAC that the rates charged by Nexus in rural areas is reasonable comparable to the rates charged by the Company in urban areas.

**(2) Average monthly usage**

As noted above, Nexus provides service with no monthly line charge and qualified Lifeline subscribers receive sixty-eight (68) minutes of free local usage each month. As a result, there are no monthly usage charges for the Company's wireless service.

**(3) Any federal subscriber line charge**

As required by 47 C.F.R. § 54.403(a)(1), Nexus provides all qualified Lifeline subscribers with a Tier One credit which is amount equal to the tariffed rate in effect for the primary residential End User Common Line charge of the incumbent LEC. As a result of this credit, no federal subscriber line charge is applied to the account of any Lifeline eligible subscriber.

**(4) Any federal universal service fund credit**

Not applicable to the Company's universal service offering.

**(5) Any federal universal service surcharge**

As a provider of interstate telecommunications service, Nexus is required to contribute to the federal universal service fund based on the Company's interstate telecommunications service revenues. As Nexus provides service with no monthly line charge, it does not render monthly billing statements to its subscribers and as such has no means for recovering its federal universal service fund contributions through a customer surcharge.

**(6) Any local number portability surcharge**

Consistent with federal requirements, Nexus does not impose local number portability charges to Lifeline qualified subscribers.

**(7) Any telecommunications relay service surcharge**

No.

**(8) Any E-911 surcharge**

Not applicable.

**(9) Federal excise tax**

Not applicable.

**(10) Any other mandatory surcharges that apply to their listed basic calling plan**

No.

VERIFICATION

State of Ohio

County of Franklin

Steven Fenker, being duly sworn, states as follows:

1. I am President of Nexus Communications, Inc., d/b/a TSI. In this position, I am personally familiar with the Federal Universal Service support received by Nexus S and how that support is used.
2. The Federal Universal Service support funds received by Nexus will be used only for the purposes for which that support is intended. Specifically, Nexus will use the support to provide the supported services as designated in 47 C.F.R. § 54.101 which Nexus makes available through its designated service area in the State of West Virginia.
3. I have read Nexus' Annual Report for 2009 and confirm that the information contained is true and correct to the best of my knowledge.

The matters addressed above are within my personal knowledge and are true and correct.

[Signature]  
Steven Fenker, President

Taken, sworn to and subscribes before me this 1st day of August, 2010.

[Signature]  
Notary Public



MUWAFEK ABDULLAH  
NOTARY PUBLIC  
STATE OF OHIO  
Comm. Expires  
April 25, 2014  
Recorded in  
Franklin County

My commission expires on the 25 day of April, 2014