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PUBLIC SERVICE
COMMISSION

August 31, 2006

Ms. Beth A. O'Donnell, Executive Director
Kentucky Public Service Commission
P.O. Box 615
Frankfort, KY 40602-0615

RE: PSC Case No. 381

Dear Ms. O'Donnell:

Please find enclosed the original and four (4) copies of our response to the Public Service Commission's order dated September 27, 2002 requesting a detailed proposal for the certification process from carriers receiving federal high cost support for the Public Service Commission's annual certification to the Federal Communications Commission (FCC) and the Universal Service Administrative Company (USAC).

Please call me should you have any questions regarding our filing.

Sincerely,

A handwritten signature in cursive script, appearing to read "Harlon E. Parker", written in black ink.

Harlon E. Parker
General Manager

Enclosures

BALLARD RURAL TELEPHONE COOPERATIVE CORPORATION, INC.

159 West Second Street • P.O. Box 209 • La Center, Kentucky 42056-0209
Phone/270.665.5186 • Fax/270.665.9186 • www.brctc.net

Harlon E. Parker
Manager

AFFIDAVIT

STATE OF KENTUCKY COUNTY OF BALLARD

BEFORE ME, the undersigned authority, on this day appeared Harlon E. Parker, who on his oath deposed and said:

1. My name is Harlon E. Parker. I am employed by Ballard Rural Telephone Cooperative Corporation, Inc. in the position of General Manager. In this capacity, I am personally familiar with the Federal Universal Service support received by the Cooperative and how these funds are used by the Cooperative.
2. Ballard Rural Telephone Cooperative Corporation, Inc. was designated as an eligible telecommunications carrier by the Kentucky Public Service Commission in Case Number 360 by order dated November 26, 1997.
3. Ballard Rural Telephone Cooperative Corporation, Inc. estimates that it will receive \$1,300,000 of Federal Universal Service high cost support during the calendar year of 2007.
4. The Federal Universal Service support funds Ballard Rural Telephone Cooperative Corporation, Inc. receives during 2007 will continue to be used for the provision, maintenance and upgrading of facilities and services for which the support is intended, as designated by the Federal Communications Commission consistent with Section 254(e) of the federal Telecommunications Act. These funds will be used to provide the following supported services as outlined in 47 CFR § 54.10(a), which are available to any customer in the Cooperative's service area: single-party voice grade access to the public switched network, unlimited local usage, dual-tone multi-frequency signaling or its functional equivalent, access to emergency enhanced 9-1-1 service, access to operator service, access to interexchange service, access to directory assistance and toll limitation for qualifying low income customers.
5. Ballard Rural Telephone Cooperative Corporation, Inc. follows Federal Communications Commission Part 32 accounting requirements for regulated local exchange carriers and Part 36 separations provisions used to determine high cost support amounts. As a regulated utility, Ballard Rural Telephone Cooperative's accounting and separations procedures are subject to periodic National Exchange Carrier Association and Kentucky Public Service Commission reviews.
6. While continuing to receive the estimated amount of Federal Universal Service support as described and using this support for the purposes as described, Ballard Rural Telephone Cooperative Corporation, Inc. does not anticipate increasing local rates nor withdrawing any services; therefore, the comparability of rates and service between the rural areas served by Ballard Rural Telephone Cooperative Corporation, Inc. and the urban areas of

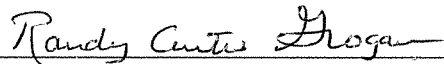
Kentucky will not be changed because of any action on the part of Ballard Rural Telephone Cooperative Corporation, Inc.

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



Harlon E. Parker

Sworn and subscribed before me, the undersigned authority, on this the 31st day of AUGUST, 2006.



Notary Public, State of Kentucky
My Commission expires JUNE 14, 2008