



7840 Morgan County Hwy.  
P.O. Box 119  
Sunbright, TN 37872

EMAIL  
HIGHLAND@HIGHLAND.NET

voice 423/628 2121  
423/663 3939  
606/376 5311

Fax 423/628 2409

F. L. Terry  
MANAGER

Ernest A. Petroff  
ATTORNEY

DIRECTORS  
James E. Terry  
PRESIDENT

Loma Denney  
VICE PRESIDENT

Clara Terry  
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John Tate

Jerry Williams

August 23, 2007

Mrs. Beth O'Donnell, Executive Director  
Kentucky Public Service Commission  
211 Sower Blvd  
P. O. Box 615  
Frankfort, KY 40602-0615

RE: PSC Case No. 381

Please find enclosed the original and four (4) copies of our annual affidavit in response to the Commission's order dated September 25, 2001 supporting the Commission's annual certification to the Federal Communications Commission (FCC) and the Universal Service Administration Company (USAC) that Highland Telephone Cooperative is eligible to receive high-cost support in accordance with 47 USC 254 (3).

Should you have any questions regarding our filing, please don't hesitate to contact me.

Sincerely,

David C. Crawford  
Access Service Manager

DCC/dsd

Enclosures

RECEIVED

AUG 27 2007

PUBLIC SERVICE  
COMMISSION

Highland Telephone Cooperative

RECEIVED

AUG 27 2007

PUBLIC SERVICE  
COMMISSION

COMMONWEALTH OF KENTUCKY  
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

A CERTIFICATION OF THE CARRIERS ) ADMINISTRATIVE  
RECEIVING UNIVERSAL SERVICE ) CASE NO. 381  
HIGH COST SUPPORT )

**HIGHLAND TELEPHONE COOPERATIVE  
ANNUAL AFFIDAVIT TO COMMISSION'S SEPTEMBER 25, 2001 ORDER**

Highland Telephone Cooperative, Inc. is committed to providing excellent customer service and the highest level of telecommunications services at rates that are affordable and comparable to non-rural areas. It is critical that Highland Telephone Cooperative remain eligible to receive federal high cost support to meet these goals.

The state certification for federal support will be an annual process. In order to receive federal support beginning January 1 of each year, the Kentucky Public Service Commission must file its annual certification on or before October 1 to the previous year. The attached affidavit should be accepted by the Kentucky Public Service Commission for the purpose of notifying the Universal Service Administrative Company (USAC) and the Federal Communications Commission (FCC) that Highland Telephone Cooperative is eligible to receive high cost support in accordance with 47 USC 254 (e).

Respectfully submitted,



David C. Crawford  
Access Service Manager  
Highland Telephone Cooperative  
P.O. Box 119  
Sunbright, TN 37872-0119

Original

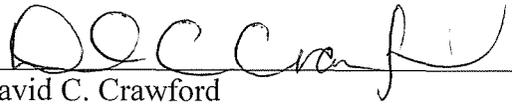
AFFIDAVIT

STATE OF KENTUCKY

COUNTY OF MCCREARY

Before me, the undersigned authority, on this day, personally appeared David C. Crawford of Highland Telephone Cooperative, ("HTC"), who on his oath deposed and said:

1. My name is David C. Crawford. I am employed by HTC in the position of Access Service Manager. In this position, I am personally familiar with the Federal Universal Service support received by HTC and how these funds are used by the Cooperative.
2. HTC was designated as an eligible telecommunications carrier by the Kentucky Public Service Commission in Case No. 360 by order dated November 26, 1997.
3. HTC estimates that it will receive no high-cost support funds during the January 1, 2008 to December 2008 time period. Accordingly HTC is not submitting a plan for the use of high-cost support funds for 2008.
4. The Federal Universal Service Support funds HTC receives during 2008 will 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 HTC'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 services, access to interexchange service and access to directory assistance and toll limitation for qualify low income customers.
5. HTC 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, HTC's accounting and separations procedures are subject to periodic National Exchange Carrier Associations and Kentucky Public Service Commission review.
6. The matters addressed above are within my personal knowledge and are true and correct.

  
David C. Crawford

Sworn and subscribed before me, the undersigned authority, on this 23 day of August, 2007

  
Notary Public, State of Tennessee  
My Commission expires 7-20-2011

(SEAL)