

William W. Magruder  
Chief Executive Officer

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PUBLIC SERVICE  
COMMISSION

August 11, 2006

Ms. Elizabeth O'Donnell, Executive Director  
Kentucky Public Service Commission  
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 Duo County 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,

William W. Magruder  
Chief Executive Officer

WWM:spe  
Enclosures

COMMONWEALTH OF KENTUCKY  
BEFORE THE PUBLIC SERVICE COMMISSION

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PUBLIC SERVICE  
COMMISSION

In the Matter of:

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

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

Duo County Telephone Cooperative 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 Duo County 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 of 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 Duo County Telephone Cooperative is eligible to receive high cost support in accordance with 47 USC § 254(e).

Respectfully submitted,



William W. Magruder  
Chief Executive Officer  
Duo County Telephone Coop. Corp., Inc.  
P. O. Box 80  
Jamestown, KY 42629

## AFFIDAVIT

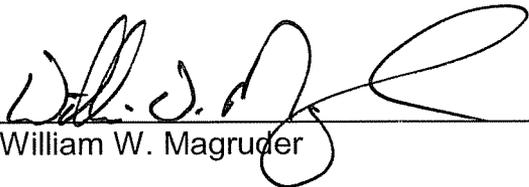
**STATE OF KENTUCKY**

**COUNTY OF RUSSELL**

BEFORE ME, the undersigned authority, on this day personally appeared William W. Magruder of Duo County Telephone Cooperative, ("the Cooperative"), who on his oath deposed and said:

1. My name is William W. Magruder. I am employed by Duo County Telephone Cooperative in the position of Chief Executive Officer. In this position, I am personally familiar with the Federal Universal Service support received by the Cooperative and how these funds are used by the Cooperative.
2. Duo County Telephone Cooperative was designated as an eligible telecommunications carrier by the Kentucky Public Service Commission in PSC Case No. 360 by order dated November 26, 1997.
3. Duo County Telephone Cooperative estimates that it will receive \$2,780,800 of Federal Universal Service high cost support during the January 1, 2007 to December 31, 2007 time period.
4. The Federal Universal Service Support funds that the Cooperative receives during 2007 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 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 services, including 9-1-1 service or enhanced 9-1-1 service, access to operator service, access to interexchange service and access to directory assistance and toll limitation for qualifying low income customers.

5. Duo County Telephone Cooperative 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, Duo County 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, Duo County Telephone Cooperative does not anticipate increasing local rates nor withdrawing any services; therefore, the comparability of rates and service between the rural areas served by Duo County Telephone Cooperative and the urban areas of Kentucky will not be changed because of any action on the part of Duo County Telephone Cooperative.
  
7. The matters addressed above are within my personal knowledge and are true and correct.

  
\_\_\_\_\_  
William W. Magruder

Sworn and subscribed before me, the undersigned authority, on this the 11th day of August, 2006.

  
\_\_\_\_\_  
Notary Public, State of Kentucky

My Commission expires 12-26-06.

(SEAL)