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PUBLIC SERVICE
COMMISSION

August 14, 2008

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

This letter is to request that the Kentucky Public Service Commission notify the Federal Universal Fund Administrator (USAC) and the Federal Communications Commission (FCC) that Leslie County Telephone Company, Salem Telephone Company and Lewisport Telephone Company d/b/a TDS Telecom are eligible to receive federal universal service support in accordance with the above-referenced statute and federal rule.

The amount of federal universal service the Companies will receive in 2009 will continue to be used for the services and functionality's outlined in 47 C.F.R. Sec 54.101(a) and, as the attached affidavit shows, the Companies all certify that it will use the federal universal service support it receives for the provision, maintenance and upgrading of facilities and service for which such support is intended.

This 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 year before.

Leslie County Telephone Company, Salem Telephone Company and Lewisport Telephone Company d/b/a TDS Telecom respectfully requests that the Commission notify the FCC and USAC prior to October 1 of this year that they are eligible to receive federal universal service support for 2009.

Sincerely,

A handwritten signature in cursive script that reads "Amber Gaudreau".

Amber Gaudreau
Sr. Administrator - Federal Affairs
TDS Telecom
525 Junction Road, Suite 700S
Madison, WI 53717

525 JUNCTION RD
MADISON, WI 53717

WWW.TDSTELECOM.COM

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

LESLIE COUNTY TELEPHONE COMPANY D/B/A TDS TELECOM
LEWISPORT TELEPHONE COMPANY D/B/A TDS TELECOM
SALEM TELEPHONE COMPANY D/B/A TDS TELECOM
RESPONSE TO COMMISSION DATA REQUEST

Pursuant to the Commission's August 21, 2001 data request, TDS Telecom submits the following information to demonstrate that federal universal support has been used as intended by the Federal Communications Commission (FCC), consistent with Section 254 (e) of the Telecommunications Act of 1996.

Exhibit 1 - Summary of 2009 USF-HCL & LSS for Leslie County Telephone Company
Exhibit 2 - Summary of investments & expense for Leslie County Telephone Company
Exhibit 3 - Summary of 2009 USF-HCL & LSS for Lewisport Telephone Company
Exhibit 4 - Summary of investments & expense for Lewisport Telephone Company
Exhibit 5 - Summary of 2009 USF-HCL & LSS for Salem Telephone Company
Exhibit 6 - Summary of investments & expense for Salem Telephone Company

As in prior years, TDS Telecom will utilize the federal universal support payments received in 2009 for the provision, maintenance, and construction of facilities for which the support was intended. These expenditures, those already made and those that will be made in the future, are what the USF payments are meant to support.

Exhibit 2 (Leslie County), Exhibit 4 (Lewisport) and Exhibit 6 (Salem) detail the investments & expenses that have already occurred over the last several years. For a cost company (eg, Leslie County), 12/31/2007 investments & expenses are used in the USF-HCL algorithm to calculate USF-HCL support for 2009. For average schedule companies (eg, Lewisport and Salem) USF support is received under average schedule formulas. Exhibits 2, 4, and 6 illustrate that all three companies have historically

invested in their networks. It is expected that future investment increases will be similar to those displayed on these exhibits.

The expenditures, those already made and those that will be made in the future, far exceed any federal universal support payments received by the TDS Telecom companies. In addition, USF support is already an existing revenue flow. The amounts to be received in 2009 are not significantly different than amounts received in prior years. Therefore, no proposal for reducing intrastate access rates will be submitted.

The attached affidavit signed by Kevin G. Hess, Senior Vice President, Government & Regulatory Affairs, certifies that USF funds have been expended for intended purposes. TDS Telecom respectfully requests the Commission to submit the certification to the FCC on or before October 1, 2008 in order for the companies to receive federal support during 2009.

Respectfully submitted,

Amber Gaudreau
Sr. Administrator - Federal Affairs

Summary of 2009 USF-HCL & LSS For Leslie County Telephone Company
 (NECA SAC 260411)
 Estimated Support Information

Year USF Is Received	Total Estimated Amount For Support Funds	Note	Estimated Federal High Cost Loop (HCL)	Estimated Federal Local Switching Support (LSS)
2009	\$428,746	*1, 2	\$290,518	\$138,228
1 LSS from NECA Latest View File, 07-200 *2 HCL for cost company from most recent filing				

Summary of Investments & Expenses for Leslie County Telephone Company

Acc # Investment	<u>12/31/2006</u>	<u>12/31/2007</u>
22** Cental Office Switching	5,405,429	5,471,060
223* Central Office Transmission (Total)	6,258,493	6,576,832
Central Office Loop Circuit (Incl. In Line 2)	2,990,708	2,903,350
24** Cable and Wire	17,266,401	17,551,692
21** General Support	2,244,146	2,181,544
Total Tel. Plant in Service	31,174,469	31,781,128
Expenses		
61** General Support	138,133	112,144
6212 Central Office Switching	133,658	168,606
623* Central Office Transmission (Total)	156,134	178,735
64** Cable and Wire	655,017	774,907
Plant Non Specific	722,005	819,860
65** Depreciation	2,036,955	2,116,326
Customer Oper	903,420	872,695
67** Corporate Oper	1,470,497	987,455
Other Oper Inc & Exp	(1,248)	(1,248)
72** Operating Taxes	1,548,138	1,472,192
Total Operating Expenses	7,762,709	7,501,672
Total Expenditures		39,282,800
Total USF Received		\$ 428,746

Summary of 2009 USF-HCL & LSS For Lewisport Telephone Company
 (NECA SAC 260412)
 Estimated Support Information

Year USF Is Received	Total Estimated Amount For Support Funds	Note	Estimated Federal High Cost Loop (HCL)	Estimated Federal Local Switching Support (LSS)
2009	\$108,353	*1, 2	\$25,841	\$82,512

1 HCL same as most recent 200 NECA statements in which no change in HCL is shown for average schedule companies.
 2 LSS from NECA Latest View file, 07-200

Summary of Investments & Expenses for Lewisport Telephone Company

Acc # Investment	<u>12/31/2006</u>	<u>12/31/2007</u>
22** Cental Office Switching	1,282,974	1,294,222
223* Central Office Transmission (Total)	725,968	817,848
Central Office Loop Circuit (Incl. In Line 2)	278,780	296,604
24** Cable and Wire	2,058,593	2,072,172
21** General Support	612,741	616,096
Total Tel. Plant in Service	4,680,276	4,800,338
Expenses		
61** General Support	25,787	25,217
6212 Central Office Switching	21,683	23,968
623* Central Office Transmission (Total)	26,241	30,775
64** Cable and Wire	53,329	59,392
Plant Non Specific	132,427	157,633
65** Depreciation	254,202	238,305
Customer Oper	158,548	120,593
67** Corporate Oper	168,292	166,935
Other Oper Inc & Exp	(1,404)	(1,404)
72** Operating Taxes	255,424	228,452
Total Operating Expenses	1,094,529	1,049,866
Total Expenditures		5,850,204
Total USF Received		\$ 108,353

Summary of 2009 USF-HCL & LSS For Salem Telephone Company
 (NECA SAC 260417)
 Estimated Support Information

Year USF Is Received	Total Estimated Amount For Support Funds	Note	Estimated Federal High Cost Loop (HCL)	Estimated Federal Local Switching Support (LSS)
2009	\$142,845	*1, 2	\$22,641	\$120,204
1 HCL same as most recent 200 NECA statements in which no change in HCL is shown for average schedule companies. *2 LSS from NECA Latest View file, 07-200*				

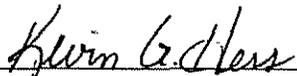
Summary of Investments & Expenses for Salem Telephone Company

Acc # Investment	<u>12/31/2006</u>	<u>12/31/2007</u>
22** Cental Office Switching	1,049,744	1,052,986
223* Central Office Transmission (Total)	588,471	700,916
Central Office Loop Circuit (Incl. In Line 2)	399,402	432,331
24** Cable and Wire	3,117,448	3,167,523
21** General Support	630,542	618,786
Total Tel. Plant in Service	5,386,205	5,540,211
Expenses		
61** General Support	12,265	20,154
6212 Central Office Switching	28,010	28,750
623* Central Office Transmission (Total)	39,164	61,744
64** Cable and Wire	86,989	110,005
Plant Non Specific	134,591	152,879
65** Depreciation	328,317	311,814
Customer Oper	203,556	180,737
67** Corporate Oper	325,337	262,260
Other Oper Inc & Exp	(1,140)	(1,140)
72** Operating Taxes	221,913	206,052
Total Operating Expenses	1,379,002	1,333,255
Total Expenditures		6,873,466
Total USF Received		\$ 142,845

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 Company'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 911 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.

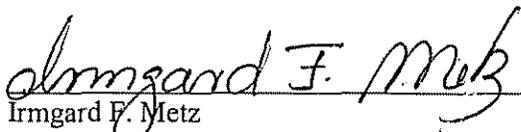
5. Leslie County Telephone Company, Salem Telephone Company and Lewisport Telephone Company all d/b/a TDS Telecom follows Federal Communication Commission Part 32 *accounting requirements for regulated local exchange carriers* and Part 36 *separations provisions* used to determine high cost support amounts. As a regulated utility, Leslie County Telephone Company's, Salem Telephone Company and Lewisport Telephone Company's all d/b/a TDS Telecom 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, Leslie County Telephone Company, Salem Telephone Company and Lewisport Telephone Company all d/b/a TDS Telecom does not anticipate increasing local rates nor withdrawing any services; therefore, the comparability of rates and service between the rural areas served by Leslie County Telephone Company, Salem Telephone Company, Lewisport Telephone Company all d/b/a TDS Telecom and the urban areas of Kentucky will not be changed because of any action on the part of Leslie County Telephone Company, Salem Telephone Company and Lewisport Telephone Company all d/b/a TDS Telecom.

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



Kevin G. Hess
Senior Vice President
Government & Regulatory Affairs

Sworn and subscribed before me, the undersigned authority, on this the 14th day of
August, 2008.



Irmgard F. Metz
Notary Public, State of Wisconsin
My Commission expires: May 8, 2011