

August 16, 2011

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PUBLIC SERVICE COMMISSION

Jeff Derouen, Executive Director Kentucky Public Service Commission 211 Sower Blvd. P O Box 615 Frankfort, KY 40602

RE: Administrative Case No. 360

Dear Mr. Derouen:

Please find enclosed the original and four (4) copies of the certification and results of our annual Lifeline audit, as required by Administrative Case No. 360.

Please call me with any questions you may have at 606-297-3501, or email me at susan@foothills.coop.

Sincerely,

FOOTHILLS TELEPHONE COOPERATIVE

Musan Fairchild

Chief Operations Officer

Enclosure

FOOTHILLS RURAL TELEPHONE COOPERATIVE CORPORATION, INC. 2011 ANNUAL LIFELINE RECERTIFICATION AUDIT

This filing is to certify that Foothills Rural Telephone Cooperative Corporation, Inc. has procedures in place to verify the continued eligibility of its Lifeline customers. Foothills Rural Telephone followed the FCC guidelines for administration of this audit and the results are provided below.

I am an officer of the Foothills Telephone Cooperative. I am authorized to make this certification for the Study Area listed below.

Company Name: FOOTHILLS RURAL TELEPHONE COOPERATIVE CORP., INC.

Study Area: 26-0406

TOTAL ACCOUNTS THAT RECEIVED LIFELINE DISCOUNT	2,266
ACCOUNTS AUDITED, RECERTIFIED	1,940
ACCOUNTS AUDITED, DID NOT RECERTIFY	7
ACCOUNTS AUDITED, DID NOT RESPOND	319
PERCENTAGE INAPPROPRIATELY TAKING LIFELINE DISCOUNT	14%

Signed,

Signature of Officer

Ruth Conley CEO/GM Foothills Telephone Cooperative P O Box 240 Staffordsville, KY 41256 606-297-3501