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August 24, 2011

RECEIVED

Mr. Jeff R. Derouen Executive Director Public Service Commission PO Box 615 211 Sower Blvd. Frankfort, KY 40602

AUG 29 2011

PUBLIC SERVICE COMMISSION

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 Mountain Rural 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,

W. A. Gillum General Manager

W A Lillum

WAG:gdh Enclosures





AUG 29 2011

PUBLIC SERVICE COMMISSION

COMMONWEALTH OF KENTUCKY BEFORE THE PUBLIC SERVICE COMMISSION

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

In the Matter of:

HIGH COST SUPPORT

MOUNTAIN RURAL TELEPHONE COOPERATIVE ANNUAL AFFIDAVIT TO COMMISSION'S SEPTEMBER 25, 2001 ORDER

Mountain Rural 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 Mountain Rural 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 Mountain Rural Telephone Cooperative is eligible to receive high cost support in accordance with 47 USC 254(e).

Respectfully submitted,

W. A. Gillum

General Manager

WA Sillum

Mountain Rural Telephone Coop. Corp., Inc.

P.O. Box 399

West Liberty, KY 41472

AFFIDAVIT

STATE OF KENTUCKY

COUNTY OF MORGAN

BEFORE ME, the undersigned authority, on this day personally appeared W. A. Gillum of Mountain Rural Telephone Cooperative ("the Cooperative"), who on his oath deposed and said:

- 1. My name is W. A. Gillum. I am employed by Mountain Rural Telephone Cooperative in the position of General Manager. 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. Mountain Rural Telephone Cooperative was designated as an eligible telecommunications carrier by the Kentucky Public Service Commission in Case No. 360 by order dated November 26, 1997.
- 3. Mountain Rural Telephone Cooperative estimates that it will receive \$6,062,000 of Federal Universal Service high cost support during the January 1, 2012 to December 31, 2012, time period.
- 4. The Federal Universal Support funds the Cooperative receives during 2012 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 Communications 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 usages, dual-tone multi-frequency signaling or its functional equivalent, access to emergency services, including 911 service or enhanced 911 service, access to operator service, access to interexchange service and access to directory assistance and toll limitation for qualifying low income customers.
- 5. Mountain Rural 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, Mountain 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, Mountain Rural 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 Mountain Rural Telephone Cooperative and the urban areas of Kentucky will not be changed because of any action on the part of Mountain Rural Telephone Cooperative.
- 7. The matters addressed above are within my personal knowledge and are true and correct.

WA Lillum General Manager

Sworn and subscribed before me, the undersigned authority, on this the 26th day of August, 2011.

Notary Public, State of Kentucky

My Commission agreement

My Commission expires 10/27/