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PUBLIC SERVICE
COMMISSION

August 16, 2012

Jeff R. Derouen
Executive Director
Public Service Commission
211 Sower Boulevard
Post Office Box 615
Frankfort, KY 40602-0615

RE: PSC Case No. 381

Dear Mr. Derouen:

Please find enclosed the original and four (4) copies of our annual affidavit in response to the Commission's ordered dated September 25, 2001 supporting the Commission's annual certification to the Federal Communications Commission (FCC) and the Universal Service Administration Company (USAC) that Peoples 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,

A handwritten signature in cursive script, appearing to read "Keith Gabbard".

Keith Gabbard
General Manager

KG: kv
Enclosures

General Manager: Keith Gabbard

P.O. Box 159 U.S. Highway 421 McKee, Kentucky 40447

McKee: (606) 287-7101 Booneville: (606) 593-5000

Fax: (606) 287-8332 Email: prtc@prtcnet.org

COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION

RECEIVED
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PUBLIC SERVICE
COMMISSION

In the Matter of:

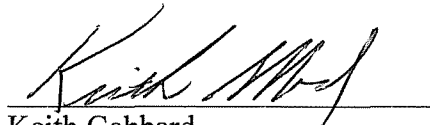
A CERTIFICATION OF THE CARRIERS) ADMINISTRATIVE
RECEIVING UNIVERSAL SERVICE) CASE NO. 381
HIGH COST SUPPORT)

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

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

Respectfully submitted,



Keith Gabbard
General Manager
Peoples Rural Telephone Coop. Corp., Inc.
P O Box 159
McKee, KY 40447

AFFIDAVIT

STATE OF KENTUCKY COUNTY OF JACKSON

BEFORE ME, the undersigned authority, on this day personally appeared Keith Gabbard of Peoples Rural Telephone Cooperative, (“the Cooperative”), who on his oath deposed and said:

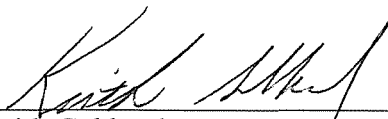
1. My name is Keith Gabbard. I am employed by Peoples Rural Telephone Cooperative in the position of General Manager. In this position, I am personally familiar with the Federal Universal Service support received by the Cooperative and how these funds are used by the Cooperative.
2. Peoples Rural Telephone 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. Peoples Rural Telephone Cooperative estimates that it will receive \$2,320,388. of Federal Universal Service high cost support during January 1, 2012, to December 31, 2012 time period. This estimate is based on an estimated National Average Cost Per Loop that won't actually be determined until the first of October.
4. All federal high-cost support provided to the Cooperative was used in the preceding calendar year and will be used in the coming calendar year only 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. Peoples 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, Peoples Rural Telephone Cooperative's accounting and separations procedures are subject to periodic National Exchange Carrier Association and Kentucky Public Service Commission reviews.

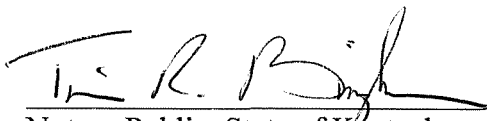
6. While continuing to receive the estimated amount of Federal Universal Service support as described and using this support for the purposes as described, Peoples Rural Telephone Cooperative does not anticipate withdrawing any services; therefore, the comparability of service between the rural areas served by Peoples Rural Telephone Cooperative and the urban areas of Kentucky will not be changed because of any action on the part of Peoples Rural Telephone Cooperative.

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



Keith Gabbard

Sworn and subscribed before me, the undersigned authority, on this the 27th day of August, 2012.



Notary Public, State of Kentucky

My Commission expires 5-20-16.