

**ANNUAL REPORT TO THE NORTH DAKOTA PUBLIC SERVICE COMMISSION
ESSENTIAL TELECOMMUNICATIONS CARRIER CERTIFICATION
FOR THE ABSARAKA COOPERATIVE TELEPHONE CO., INC.**

The undersigned, on behalf of the telecommunications company named below (the Company), does hereby state and certify, as follows:

1. The Company will provide service on a timely basis to requesting customers within the Company's designated service area where the Company's network already passes the potential customer's premises, and
2. The Company will provide service, within a reasonable period of time, if the potential customer is within the Company's designated service area but outside the Company's existing network coverage, and if service can be provided at a reasonable cost.
3. The Company is able to remain functional in emergency situations and has a reasonable amount of back-up power to ensure functionality without an external power source, and is capable of managing traffic spikes resulting from emergency situations.
4. The Company is satisfying and will satisfy applicable consumer protection and service quality standards.
5. The Company acknowledges that the North Dakota Public Service Commission (the Commission) may require it to provide equal access to long distance carriers in the event that no other eligible telecommunications carrier is providing equal access within the proposed designated service area.
6. The Company has met and will meet the requirements of eligible telecommunications carrier advertising.

Exhibit A Information

The following information is provided in Exhibit A attached hereto and incorporated herein by reference:

1. A description of the amount of high-cost universal service support received by the Company in the prior calendar year and a description of how that support was used for the provision, maintenance, or upgrading of the Company's facilities and services. (An explanation of any changes from reports previously provided to the Commission is also included).
2. An estimate of the amount of federal high-cost universal service support the Company anticipated receiving in the following calendar year (the calendar year following this report) and a description of how that support is projected to be used for the provision, maintenance, or upgrading of the Company's facilities and services pursuant to Section 254 of the Telecommunications Act of 1996.
3. Exhibit A also contains, for the prior calendar year and the subsequent calendar year (the calendar year following this report), identification of specific construction or upgrade projects; a description of how service will be improved by each project; the start date and completion date for each improvement; the amount of investment for cash improvement; the specific geographic area where each improvement was made or will be made; and the estimated population that will be served by each improvement. (For an incumbent local exchange carrier (ILEC), this information is submitted at the study area level.

4. Detailed information of any outage, as that term is defined in 47 C.F.R. § 4.5, of at least thirty (30) minutes in duration for each designated service area for any facilities the Company owns, operates, leases, or otherwise utilizes that potentially affect:
 - a. At least ten percent (10%) of the end users served in a designated service area, or
 - b. A 911 special facility, as defined in 47 C.F.R. § 4.5(e).

This report includes:

- a. The date and time of the onset of the outage.
 - b. A brief description of the outage and its resolution.
 - c. The particular services affected.
 - d. The geographic areas affected by the outage.
 - e. Steps taken to prevent a similar outage in the future.
 - f. The number of customers affected.
5. The number of requests for service from potential customers within the designated service area that were unfilled during the past year. A detail of how the Company attempted to provide service to those potential customers is also included.
 6. The number of complaints per thousand handsets or lines.

I hereby certify that the above information is true and correct and is submitted on behalf of the Company named below. The information is submitted in the year 2008.

Absaraka Cooperative Telephone Co., Inc.

 7/29/08
Ann Faught, General Manager

EXHIBIT A

1. The amount of high-cost universal support the Company received in the prior calendar year.

Year 2007 Federal Universal Service Receipts:

| | |
|-----------------------------------|------------------|
| High Cost Loop Support | \$ 14,262 |
| Local Switching Support | \$ 8,088 |
| ICLS Support | \$ 16,200 |
| Safety Net Additive Support | \$ 0 |
| Safety Valve Loop Cost Adjustment | <u>\$ 0</u> |
| TOTAL | \$ 38,550 |

2. An estimate of the amount of high-cost universal support the Company anticipates receiving in the next calendar year (the calendar year following the date of this report).

Estimated Year 2009 Federal Universal Service Receipts:

| | |
|-----------------------------------|------------------|
| High Cost Loop Support | \$ 14,928 |
| Local Switching Support | \$ 9,996 |
| ICLS Support | \$ 16,210 |
| Safety Net Additive Support | \$ 0 |
| Safety Valve Loop Cost Adjustment | <u>\$ 0</u> |
| TOTAL | \$ 41,134 |

The changes, if any, from reports previously filed with the Commission are, as follows:
(For 2008, there are none).

3. **Prior Year's Support and Following Year's Support (the calendar year following the date of this report).** The ways this support from the prior calendar year was used, and the ways the Company anticipates it will use the following calendar year's support for the provision, maintenance, or upgrading of the company's facilities and services, are as follows:

| | <u>2007 Actual</u> | <u>2009 Estimated</u> |
|--|---------------------|-----------------------|
| Plant Specific Operations Expenses | | |
| General support (Accts 6120-24) | \$ 4,449.13 | \$ 3,100 |
| Central office (Accts 6210-6232) | \$ 22,499.52 | \$ 20,000 |
| Cable and wire facilities (Accts 6410-41) | \$ 44,311.87 | \$ 14,300 |
| Network operations (Accts 6530-40) | \$ 3,691.13 | \$ 3,800 |
| Depreciation and amortization (Accts 6560-65) | \$ 24,239.00 | \$ 27,300 |
| Retirement of Assets (Acct 6591) | \$ 78,315.00 | |
| Customer Operations Expenses | | |
| Customer services (Accts 6620-28) | \$ 11,992.53 | \$ 11,500 |
| Corporate Operations Expenses | | |
| Executive and planning (Accts 6710-12) | \$ 4,123.78 | \$ 3,800 |
| General and administrative (Accts 6720-28) | <u>\$ 16,688.67</u> | <u>\$ 12,400</u> |
| Total Years Supported Expenses, Before Return on Investment | \$210,310.63 | \$ 96,200 |
| Additions | | |
| Central Office (Acct 2210-2232) | \$ 28,248.21 | \$ 0 |
| Air Conditioner for CO (Acct 2121) | \$ 1,911.20 | \$ 0 |
| Cable and wire (Acct 2410) | <u>\$ 0.00</u> | <u>\$ 10,000</u> |
| Total | \$ 30,159.41 | \$ 10,000 |
| Total Supported Expenditures, Before Return on Investment | \$240,470.04 | \$106,200 |

2007 Specific construction or upgrade projects are listed, as follows:

| Construction or Upgrade Project Name | Start Date | Completion Date | Amount of Investment | Geographic Area of Improvement | Estimated Population Served | Description of How Service Will Be Improved |
|--------------------------------------|------------|-----------------|----------------------|--------------------------------|-----------------------------|---|
| Air Conditioner for CO | 6/28/2007 | 6/28/2007 | 1,911.20 | Study Area 1601 | 72 | Climate Control for CO Equipment |
| Cisco Firewall | 3/2/2007 | 3/2/2007 | 656.78 | Study Area 1601 | 72 | Increased & Improved Service Offerings |
| Pots Cards & VOIP Modem | 5/19/2007 | 7/10/2007 | 1,532.99 | Study Area 1601 | 72 | Increased & Improved Service Offerings |
| CopperCom Softswitch | 2/14/2007 | 7/10/2007 | 12,401.50 | Study Area 1601 | 72 | Increased & Improved Service Offerings |
| 2 ADSL & 6+6 Line Cards | 12/29/2007 | 12/29/2007 | 1,947.61 | Study Area 1601 | 72 | Increased & Improved Service Offerings |
| Circuit AFC Equipment | 1/5/2007 | 7/1/2007 | 11,709.33 | Study Area 1601 | 72 | Increased & Improved Service Offerings |
| Total | | | 30,159.41 | | | |

2009 Specific construction or upgrade projects are listed, as follows:

| Construction or Upgrade Project Name | Start Date | Completion Date | Amount of Investment | Geographic Area of Improvement | Estimated Population Served | Description of How Service Will Be Improved |
|--------------------------------------|------------|-----------------|----------------------|--------------------------------|-----------------------------|---|
| Miscellaneous Cable | 1/1/2008 | 12/31/2008 | 10,000.00 | Study Area 1601 | 72 | Increased & Improved Service Offerings |
| Total | | | 10,000.00 | | | |

4. **Outages.** Detailed information of any outages, as that term is defined in 47 C.F.R. § 4.5(e), of at least thirty (30) minutes in duration of each designated service area for the facility which the Company owns that potentially affect:

- a. At least ten percent (10%) of the end users served in a designated service area, or
- b. A 911 special facility, as defined in 47 C.F.R. § 4.5(e).

| Brief Description of Outage and Resolution of Outage | Date and Time of Onset | Particular Services Affected | Geographic Area Affected By Outage | Number of Customers Affected | Steps Taken to Prevent Similar Outages in the Future |
|--|------------------------|------------------------------|------------------------------------|------------------------------|--|
| NONE | | | | | |

(If any FCC outage reports were filed showing this information, they may be attached instead.)

5. The number of requests for service from potential customers within the designated service area that were unfilled in the past year was **none**.
6. The number of complaints per one thousand handsets or lines was **less than one**.