

TC 98-063

Hyde & Allred Law Office

C. W. (Bill) Hyde—of counsel
Kent Hyde
Forrest C. Allred

1001 First Avenue SE
Aberdeen, SD 57401-4702
(605) 225-3933

FAX (605) 225-3936

Internet FCA: allred@iw.net
KH: hyde@nvc.net

March 17, 1998

Public Utilities Commission
500 East Capitol
Pierre, SD 57501

RECEIVED

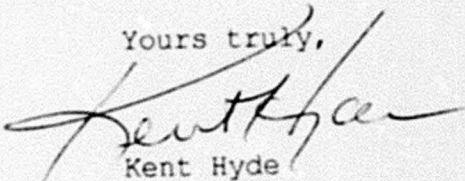
MAR 18 1998

SOUTH DAKOTA PUBLIC
UTILITIES COMMISSION

Re: Northern Valley Communications, Inc.
Application for Certificate of Authority to Provide
Telecommunications Services in South Dakota

Enclosed please find an original and ten copies of the above-referenced application along with the application fee of \$250. Please let us know if there is anything else we can provide to enable approval of this application.

Yours truly,



Kent Hyde

STATE OF SOUTH DAKOTA
BEFORE THE PUBLIC UTILITIES COMMISSION

MAR 18 1998

IN THE MATTER OF THE APPLICATION)	
OF NORTHERN VALLEY COMMUNICATIONS,)	APPLICATION FOR
L.L.C., FOR A CERTIFICATE OF AUTHORITY)	CERTIFICATE OF AUTHORITY TO PROVIDE
TO PROVIDE TELECOMMUNICATIONS SERVICES)	TELECOMMUNICATIONS
IN SOUTH DAKOTA)	SERVICES IN SOUTH
)	DAKOTA
)	

Northern Valley Communications, L.L.C. ("NVC") is requesting a certificate of authority to provide telecommunications services in those areas in South Dakota where U S WEST Communications, Inc. is the incumbent local exchange carrier.

The following information is provided pursuant to ARSD 20:10:24:02:

(1) The name, address, and telephone number of the applicant is as follows:

Northern Valley Communications, L.L.C.
P.O. Box 455
Bath, SD 57427-0455
(605) 225-0310

(2) The applicant will provide these services under the name shown in (1) above.

(3) (a) The applicant is a limited liability company organized under the laws of the State of South Dakota. It received its certificate of organization on March 27, 1997. A copy of the certificate is attached.

(b) The location of its principal office in this state is at the Northern Electric Cooperative headquarters in Bath, South Dakota, and the name and address of its current registered agent is Kent Hyde, of 1001 First Avenue SE, Aberdeen, SD 57401.

(c) The names and addresses of any corporation, association, partnership, cooperative, or individual holding a 20 percent or greater ownership or management interest in the applicant and the amount and character of the ownership or management interest are as follows:

James Valley Communications, Inc.
(a subsidiary of James Valley Cooperative Telephone Company)
235 East First Avenue
Groton, SD 57445

Northern Rural Cable Television Cooperative
(a subsidiary of Northern Electric Cooperative, Inc.)
P.O. Box 488
Bath, SD 57427

These entities each own 50% of NVC and share management equally.

- (d) There are no subsidiaries owned or controlled by the applicant.
- (4) NVC will provide telecommunications services including local exchange services, intraLATA services and interLATA services through a combination of reseller and facilities-based provisioning. NVC will enter into agreements with local exchange companies for the resale of telecommunications services.
- (5) Transmission facilities will include combinations of copper twisted pair and fiber optic cable. Local switching will be provided through new digital switch technology. Services may be provided by reassembling unbundled network elements purchased from the incumbent local exchange carrier or from alternative providers. James Valley Cooperative Telephone Company, the parent of NVC member James Valley Communications, Inc. has decades of experience in providing consistently high quality telecommunications service to its customers. Northern Electric Cooperative, Inc., the parent of NVC member Northern Rural Cable Television Cooperative, likewise has a long history of customer service to its electric customers which spans decades.
- (6) NVC will provide service in those areas in South Dakota where U S WEST Communications, Inc. is the incumbent local exchange carrier (ILEC). NVC concurs in the ILEC's exchange boundaries and map currently on file with the Commission.
- (7) A balance sheet for NVC as of January 31, 1998 is attached. As a new entity, NVC does not have an annual report or report to investors or a copy of the applicant's tariff with the terms and conditions of service. In lieu thereof, the most recent consolidated audit reports of the members' parents James Valley Cooperative Telephone Company and Northern Electric Cooperative, Inc. are enclosed. It is anticipated that NVC will be managed and operated consistent with the quality and service-orientation of its cooperative member owners.
- (8) The names and addresses of the applicant's representatives to whom all inquiries should be made regarding complaints and regulatory matters are:

Dennis W. Hagny
Northern Valley Communications, L.L.C.
P.O. Box 457
Bath, SD 57427-0455

Clinton Hanson
James Valley Coop Tel Co
235 East First Avenue
Groton, SD 57445

Service complaints, customer service and billing matters will be handled at the Bath address with the assistance of or under contract with James Valley Cooperative Telephone Company at its headquarters at 235 First Ave. E., Groton, SD 57445-0260. NVC will maintain a 24-hour toll free number for handling customer complaints. Service and repairs will be attended by technicians located in the Company's headquarters in Bath and in Groton by calling the toll-free numbers 24 hours per day, 7 days per week.

- (9) The applicant is not registered or certified to do business in any other state and has not been denied registration or certification in any state.
- (10) The applicant intends to market its services initially under contract with its member owners, cooperatives which have provided telephone and electric service to the region for many decades. It is expected that, in time, NVC will hire its own marketing staff. The initial target market is residential, commercial and industrial businesses located in South Dakota cities served by U S WEST Communications. The applicant does not expect to engage in multilevel marketing.
- (11) The cost to provide local exchange service cannot be estimated until resale interconnection agreements between the parties have been reached and contracts executed. On the basis of these agreements, the extent to which construction of new facilities may be required will be determined. A waiver of the cost support and tariff requirement is therefore requested.

It is therefore requested that the application be granted and that the requirements of ARSD 20:10:24:02 (8) and (12) be waived in considering this application.

Dated this 16th day of March, 1998.

HYDE & ALLRED LAW OFFICE
Attorneys for Northern Valley Communications, Inc.

By: 

KENT HYDE
1001 First Avenue SE
Aberdeen, SD 57401
TEL 605 225-3933
FAX 605 225-3936
hyde@nvc.net

State of South Dakota



OFFICE OF THE SECRETARY OF STATE

CERTIFICATE OF ORGANIZATION

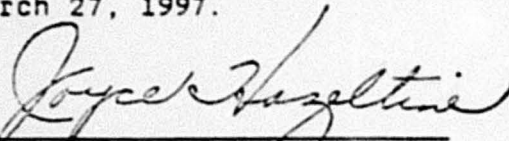
LIMITED LIABILITY COMPANY

I, JOYCE HAZELTINE, Secretary of State of the State of South Dakota, hereby certify that the Articles of Organization of NORTHERN VALLEY COMMUNICATIONS, L.L.C. duly signed and verified, pursuant to the provisions of the South Dakota Limited Liability Company Act, have been received in this office and are found to conform to law.

ACCORDINGLY and by virtue of the authority vested in me by law, I hereby issued this Certificate of Organization and attach hereto a duplicate of the Articles of Organization of NORTHERN VALLEY COMMUNICATIONS, L.L.C.



IN TESTIMONY WHEREOF, I have hereunto set my hand and affixed the Great Seal of the State of South Dakota, at Pierre, the Capital, this March 27, 1997.


JOYCE HAZELTINE
Secretary of State

Northern Valley Communications, L.L.C.

Balance Sheet

January 31, 1998

	Jan 31, '98
Total 390.0 · Equipment-Internet	255,000.67
808.61 · Accum. Depreciation-Internet	-12,746.55
Total 390 · Internet Equipment	242,254.12
391 · Cable Equipment	
391.1 · Equipment-Cable	6,732.42
808.62 · Accum. Depreciation-Cable	-330.60
Total 391 · Cable Equipment	6,401.82
393 · General Plant	
393.1 · Hardware & Software	344.75
Total 393 · General Plant	344.75
Total Fixed Assets	249,000.69
Other Assets	
392 · SDN Agreements	
392.1 · SDN Rack Agreements	1,253.00
808.64 · Accum. Amort.-SDN	-78.30
Total 392 · SDN Agreements	1,174.70
395 · Organizational Setup	
395.1 · Organizational Setup-Legal	1,886.63
808.63 · Accum. Amort.-Org. Setup	-282.96
Total 395 · Organizational Setup	1,603.67
396 · Special Projects	
396.1 · CLEC Application	5,000.82
808.65 · Accum. Amort.-CLEC App.	-98.70
Total 396 · Special Projects	4,902.12
Total Other Assets	7,680.49
TOTAL ASSETS	288,940.22
LIABILITIES & EQUITY	
Liabilities	
Current Liabilities	
Accounts Payable	
232.1 · Accounts Payable-NEC	4,148.95

Northern Valley Communications, L.L.C.

Balance Sheet

January 31, 1998

	<u>Jan 31, '98</u>
232.3 · Accounts Payable-Other	29,734.11
233.1 · Short Term Payable-NRCTV	<u>24,037.09</u>
Total Accounts Payable	<u>57,920.15</u>
Total Current Liabilities	<u>57,920.15</u>
Total Liabilities	57,920.15
Equity	
201.1 · Member Equity-NRCTV	130,000.00
201.2 · Member Equity-James Valley	130,000.00
201.3 · Other Equity	24,047.18
3900 · Retained Earnings	-50,342.52
Net Income	<u>-2,684.59</u>
Total Equity	<u>231,020.07</u>
TOTAL LIABILITIES & EQUITY	<u><u>288,940.22</u></u>

OLSEN THIELEN & CO., LTD.

Certified Public Accountants & Consultants

INDEPENDENT AUDITORS' REPORT

Board of Directors
James Valley Cooperative Telephone
Company and Subsidiary
Groton, South Dakota

We have audited the accompanying consolidated balance sheet of James Valley Cooperative Telephone Company and subsidiary as of December 31, 1996 and 1995, and the related consolidated statements of operations, members' equity and cash flows for the years then ended. These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these consolidated financial statements based on our audits.

We conducted our audits in accordance with generally accepted auditing standards and the *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for our opinion.

In our opinion, the consolidated financial statements referred to above present fairly, in all material respects, the consolidated financial position of James Valley Cooperative Telephone Company and subsidiary as of December 31, 1996 and 1995, and the consolidated results of their operations and their cash flows for the years then ended, in conformity with generally accepted accounting principles.

In accordance with *Government Auditing Standards*, we have also issued a report dated February 6, 1997, on our consideration of James Valley Cooperative Telephone Company and subsidiary's internal control structure and a report dated February 6, 1997, on their compliance with laws, regulations, contracts and grants.

February 6, 1997

Olsen Thielen & Co., Ltd.

2

Associated World-wide with Jeffreys Henry International *lll*

223 Little Canada Road, St. Paul, Minnesota 55117-1376 612 483 4521 FAX 612 483 2467

6640 Shady Oak Road, Eden Prairie, Minnesota 55344 -7709 612 941 9242

**JAMES VALLEY COOPERATIVE TELEPHONE COMPANY
AND SUBSIDIARY**

**CONSOLIDATED BALANCE SHEET
DECEMBER 31, 1996 AND 1995**

ASSETS		
	1996	1995
CURRENT ASSETS:		
Cash	\$ 826,900	\$ 1,089,166
Cash - RUS Construction Fund	126,570	2,800
Certificates of Deposits	1,238,648	1,118,903
Accounts Receivable, Less Allowance for Uncollectibles of \$6,900 and \$18,639	489,820	312,090
Inventories	87,509	109,834
Prepaid Expenses	26,800	17,150
Total Current Assets	2,796,247	2,649,943
INVESTMENTS AND OTHER ASSETS:		
Investment Securities	1,927,802	1,326,595
Nonregulated Telecommunications Plant, Net	10,761	3,250
Other Investments	200,676	226,258
Excess of Cost Over Net Assets Acquired	2,480,286	-
Deferred Charges and Intangible Asset	209,776	486,666
Total Investments and Other Assets	4,829,301	2,042,769
PROPERTY, PLANT AND EQUIPMENT, NET	5,975,744	2,681,661
TOTAL ASSETS	\$ 13,601,292	\$ 7,374,373
LIABILITIES AND MEMBERS' EQUITY		
CURRENT LIABILITIES:		
Current Portion of Long-Term Debt	\$ 386,420	\$ 156,000
Accounts Payable	127,905	80,363
Accrued Interest	26,409	-
Accrued Taxes	122,633	94,959
Other Current Liabilities	63,661	48,222
Total Current Liabilities	727,028	379,544
LONG-TERM DEBT	9,451,433	4,144,329
DEFERRED INCOME TAXES	73,961	-
MEMBERS' EQUITY	3,348,870	2,850,500
TOTAL LIABILITIES AND MEMBERS' EQUITY	\$ 13,601,292	\$ 7,374,373

The accompanying notes are an integral part of the financial statements.

**JAMES VALLEY COOPERATIVE TELEPHONE COMPANY
AND SUBSIDIARY**

**CONSOLIDATED STATEMENT OF OPERATIONS
YEARS ENDED DECEMBER 31, 1996 AND 1995**

	<u>1996</u>	<u>1995</u>
REVENUES:		
Local Network	\$ 404,572	\$ 183,201
Network Access	1,954,480	1,520,697
Equipment Sales, Net of Costs	12,135	8,851
Lease Revenue	84,000	83,479
Cable Television Service	196,023	195,796
DBS Revenue	256,357	120,657
Miscellaneous	190,839	86,245
Total Operating Revenues	<u>3,098,406</u>	<u>2,198,926</u>
COSTS AND EXPENSES:		
Plant Specific	428,695	205,479
Depreciation and Amortization	847,811	556,025
Plant Support	55,700	52,503
Customer	306,370	205,697
General and Administrative	343,389	286,120
Programming Fees	221,527	131,672
Other Operating Expenses	178,997	165,868
Total Operating Expenses	<u>2,382,489</u>	<u>1,603,364</u>
OPERATING INCOME	<u>715,917</u>	<u>595,562</u>
OTHER INCOME AND (EXPENSES):		
Interest and Dividend Income	254,287	245,226
Interest Expense	(338,545)	(218,909)
Net Other Income and (Expenses)	<u>(84,258)</u>	<u>26,317</u>
INCOME BEFORE INCOME TAXES	631,659	621,879
INCOME TAX EXPENSE	<u>11,463</u>	<u>39,900</u>
NET INCOME	<u>\$ 620,196</u>	<u>\$ 581,979</u>

The accompanying notes are an integral part of the financial statements.

**JAMES VALLEY COOPERATIVE TELEPHONE COMPANY
AND SUBSIDIARY**

**CONSOLIDATED STATEMENT OF MEMBERS' EQUITY
YEARS ENDED DECEMBER 31, 1996 AND 1995**

	<u>Capital Credits</u>	<u>Accumu- lated Deficit of DBS and CATV Divisions</u>	<u>Accumulated Deficit of Subsidiary</u>	<u>Unrealized Gain (Loss) on Available- for-Sale Investments</u>	<u>Total</u>
BALANCE - December 31, 1994	\$ 2,916,089	\$ (150,524)	\$ (121,886)	\$ (54,755)	\$ 2,588,924
Net Income (Loss)	650,854	(53,599)	(15,276)		581,979
Retirement of Capital Credits	(381,434)				(381,434)
Excise Tax Refund	11,441				11,441
Valuation Adjustment for Securities Available-for-Sale				49,590	49,590
BALANCE - December 31, 1995	3,196,950	(204,123)	(137,162)	(5,165)	2,850,500
Net Income (Loss)	590,780	29,460	(44)		620,196
Retirement of Capital Credits	(383,151)				(383,151)
Excise Tax Refund	12,286				12,286
Valuation Adjustment for Securities Available-for-Sale				246,918	246,918
Reallocate Capital Credit Retirement Checks Not Cashd	2,121				2,121
BALANCE - December 31, 1996	<u>\$ 3,418,986</u>	<u>\$ (174,663)</u>	<u>\$ (137,206)</u>	<u>\$ 241,753</u>	<u>\$ 3,348,870</u>

The accompanying notes are an integral part of the financial statements.

**JAMES VALLEY COOPERATIVE TELEPHONE COMPANY
AND SUBSIDIARY**

**CONSOLIDATED STATEMENT OF CASH FLOWS
YEARS ENDED DECEMBER 31, 1996 AND 1995**

	1996	1995
CASH FLOWS FROM OPERATING ACTIVITIES:		
Net Income	\$ 620,196	\$ 581,979
Adjustments to Reconcile Net Income to Net Cash Provided By Operating Activities:		
Depreciation and Amortization	847,811	556,029
Capital Credits From Other Cooperatives	-	(4,069)
Receivables	(177,730)	7,462
Other Current Assets	12,675	68,205
Current Liabilities	117,064	19,586
Deferred Income Taxes	(54,837)	-
Net Cash Provided By Operating Activities	1,365,179	1,229,192
CASH FLOWS FROM INVESTING ACTIVITIES:		
Purchase of Property, Plant and Equipment, Net	(3,828,377)	(992,650)
Purchase of Investments	(699,475)	(720,126)
Sale of Investments	379,821	1,275,580
Cash - RUS Construction Fund	(123,770)	(1,512)
Deferred Charges	41,389	(51,159)
Excess of Cost Over Net Assets Acquired	(2,565,813)	-
Net Cash Used In Investing Activities	(6,796,225)	(489,867)
CASH FLOWS FROM FINANCING ACTIVITIES:		
Proceeds from Issuance of Long-Term Debt	5,712,218	656,000
Principal Payments of Long-Term Debt	(174,694)	(168,361)
Capital Credits Retired	(383,151)	(381,434)
Excise Tax Refund and Reassigned Capital Credits	14,407	11,441
Net Cash Provided By Financing Activities	5,168,780	117,646
NET INCREASE (DECREASE) IN CASH	(262,266)	856,971
CASH at Beginning of Year	1,089,166	232,195
CASH at End of Year	\$ 826,900	\$ 1,089,166

The accompanying notes are an integral part of the financial statements.

Eide Helmeke PLLP

Certified Public Accountants & Consultants

INDEPENDENT AUDITOR'S REPORT ON THE CONSOLIDATED FINANCIAL STATEMENTS

The Board of Directors
Northern Electric Cooperative, Inc.
and Subsidiary
Bath, South Dakota

We have audited the accompanying consolidated balance sheet of Northern Electric Cooperative, Inc. and subsidiary as of April 30, 1997, and the related consolidated statements of operations, equities, and cash flows for the four months then ended. These financial statements are the responsibility of management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with generally accepted auditing standards. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

In our opinion, the consolidated financial statements referred to above present fairly, in all material respects, the financial position of Northern Electric Cooperative, Inc. and subsidiary as of April 30, 1997, and the results of their operations, changes in equities, and their cash flows for the four months then ended in conformity with generally accepted accounting principles.

Eide Helmeke PLLP

May 30, 1997
Sioux Falls, South Dakota

**NORTHERN ELECTRIC COOPERATIVE, INC.
AND SPINK ELECTRIC COOPERATIVE, INC.**

MERGED BALANCE SHEETS
APRIL 30, 1997

	Northern Electric Cooperative, Inc.	Spink Electric Cooperative, Inc.	Merged
ASSETS			
ELECTRIC PLANT:			
In service	\$ 15,622,543	\$ 7,447,490	\$ 23,070,033
Under construction	475,148	82,131	557,279
Total electric plant	16,097,691	7,529,621	23,627,312
Less accumulated depreciation	5,658,351	3,762,276	9,420,627
Electric plant - net	10,439,340	3,767,345	14,206,685
OTHER PROPERTY AND INVESTMENTS:			
Nonutility property - net	170,697		170,697
Investments in associated companies	2,255,594	831,033	3,086,627
Investment in subsidiary plant	826,481		826,481
Other investments	1,276,720	36,364	1,313,084
Total other property and investments	4,529,492	867,397	5,396,889
CURRENT ASSETS:			
Cash and cash equivalents	27,693	706,276	733,969
Accounts receivable - net	866,598	200,573	1,067,171
Materials and supplies	414,304	234,946	649,250
Prepayments	24,303	25,144	49,447
Interest receivable	1,181	297	1,478
Total current assets	1,334,079	1,167,236	2,501,315
DEFERRED DEBITS	4,655	8,085	12,740
	\$ 16,307,566	\$ 5,810,063	\$ 22,117,629

	Northern Electric Cooperative, Inc.	Spink Electric Cooperative, Inc.	Merged
EQUITIES AND LIABILITIES			
EQUITIES:			
Patronage capital	\$ 5,529,084	\$ 2,209,351	\$ 7,738,435
Other equities	251,303	87,594	338,897
Retained earnings - subsidiary	214,716		214,716
Total equities	5,995,103	2,296,945	8,292,048
LONG-TERM DEBT, LESS CURRENT MATURITIES			
	8,970,737	3,134,870	12,155,607
CURRENT LIABILITIES:			
Note payable - CFC line of credit	50,000		50,000
Current maturities of long-term debt	363,000	147,000	510,000
Accounts payable	441,400	67,530	508,930
Customer deposits	57,671	2,340	60,011
Taxes accrued	209,999	58,383	268,382
Other current liabilities	104,140	31,044	135,184
Total current liabilities	1,226,210	306,297	1,532,507
DEFERRED CREDITS	115,516	21,951	137,467
	\$ 16,307,566	\$ 5,810,063	\$ 22,117,629

268

NORTHERN VALLEY COMMUNICATIONS, LLC

P.O. BOX 455 PH. 605-225-0310
BATH, SD 57401

DATE March 17, 1998 ⁷⁹⁻¹108
914

PAY TO THE ORDER OF S.O. Public Utilities Commission

\$ 250.00

Two Hundred Fifty Dollars & 00/100

DOLLARS



Norwest Bank South Dakota, N.A.
2016 SE. Sixth Ave.
P.O. Box 1556
Aberdeen, SD 57401

FOR CHEC application

Samuel Peter

⑈000268⑈ ⑆091400046⑆ 1080007763⑈

South Dakota
Public Utilities Commission
State Capitol 500 E. Capitol
Pierre, SD 57501-5070
Phone: (605) 773-3705
Fax: (605) 773-3809

TELECOMMUNICATIONS SERVICE FILINGS

These are the telecommunications service filings that the Commission has received for the period of:

03/06/98 through 03/19/98

If you need a complete copy of a filing faxed, overnight expressed, or mailed to you, please contact Delaine Kolbo within five days of this filing.

DOCKET NUMBER	TITLE/STAFF/SYNOPSIS	DATE FILED	INTERVENTION DEADLINE
REQUEST FOR CERTIFICATE OF AUTHORITY			
TC98-063	Application by Northern Valley Communications, L.L.C. for a Certificate of Authority to operate as a telecommunications company within the state of South Dakota. (Staff: TS/KC) Applicant seeks to provide "telecommunications services including local exchange services, intraLATA services and interLATA services through a combination of reseller and facilities-based provisioning. NVC will enter into agreements with local exchange companies for the resale of telecommunications services."	03/18/98	04/03/98

Important Notice: The Commission is compiling a list of internet addresses. If you have an internet address please notify the Commission by: E-mailing it to Terry Norum at terryn@puc.state.sd.us. Faxing the address to the Commission at: 605-773-3809

South Dakota
Public Utilities Commission
State Capitol 500 E. Capitol
Pierre, SD 57501-5070
Phone: (605) 773-3705
Fax: (605) 773-3809

TELECOMMUNICATIONS SERVICE FILINGS

These are the telecommunications service filings that the Commission has received for the period of:

03/06/98 through 03/19/98

If you need a complete copy of a filing faxed, overnight expressed, or mailed to you, please contact Delaine Kolbo within five days of this filing.

DOCKET NUMBER	TITLE/STAFF/SYNOPSIS	DATE FILED	INTERVENTION DEADLINE
REQUEST FOR CERTIFICATE OF AUTHORITY			
TC98-063	Application by Northern Valley Communications, L.L.C. for a Certificate of Authority to operate as a telecommunications company within the state of South Dakota. (Staff: TS/KC) Applicant seeks to provide "telecommunications services including local exchange services, intraLATA services and interLATA services through a combination of reseller and facilities-based provisioning. NVC will enter into agreements with local exchange companies for the resale of telecommunications services."	03/18/98	04/03/98

Important Notice: The Commission is compiling a list of internet addresses. If you have an internet address please notify the Commission by E-mailing it to Terry Norum at terryn@puc.state.sd.us. Faxing the address to the Commission at: 605-773-3809



P.O. Box 455
Bath, SD 57427-0455

1-800-529-0310
Phone: 225-0310
Fax: 605-225-1684

e-mail: nvc@nvc.net

RECEIVED

MAY 24 1998

SOUTH DAKOTA PUBLIC
UTILITIES COMMISSION

May 22, 1998

Mr. Bill Bullard
Executive Director
SD Public Utilities Commission
State Capitol
Pierre, SD 57501-5070

RE: Docket TC 98-063

Dear Bill:

Consistent with the Commission's decision at its May 12, 1998, commission meeting, attached please find Northern Valley Communication's (NVC) indemnity bond. This bond supports NVC's application for a certificate of authority in the above docket. If you have any questions please contact me.

Sincerely,

Doug Eidahl
Chief Executive Officer



RECEIVED

MAY 22 1998

SOUTH DAKOTA PUBLIC UTILITIES COMMISSION

INDEMNITY BOND
to the
PEOPLE OF THE STATE OF SOUTH DAKOTA

Bond No. JP9003

We, **Northern Valley Communications**, the principal and applicant for a **CERTIFICATE OF AUTHORITY** to resell long distance telecommunications services within the State of South Dakota, and **St. Paul Fire and Marine Insurance Co.**, as an admitted surety insurer, bind ourselves unto the Public Service Commission of the State of South Dakota and the consumers of South Dakota as Obligee, in the sum of \$25,000.

The conditions of the obligation are such that the principal, having been granted such **CERTIFICATE OF AUTHORITY** subject to the provision that said principal purchase this indemnity Bond, and if said principal shall in all respects fully and faithfully comply with all applicable provisions of South Dakota State Law, and reimburse customers of **Northern Valley Communications** for any prepayment or deposits they have made which may be unable or unwilling to return to said customers as a result of insolvency or other business failure, then this obligation shall be void, discharged and forever exonerated, otherwise to remain in full force and effect.

This bond shall take effect as of the date hereon and shall remain in force and effect until the surety is released from liability by the written order of the Public Service Commission, provided that the surety may cancel this Bond and be relieved of further liability hereunder by delivering thirty (30) days written notice to the Public Service Commission. Such cancellation shall not affect any liability incurred or accrued hereunder prior to the termination of said thirty (30) day period.

In no event shall the aggregate liability of the surety exceed the penal sum specified herein.

Dated this 22nd day of May, 1998.

To be effective this 22nd day of May, 1998.

Original bond is in Delaine's bottom desk drawer.

Countersigned this 22nd day of May, 1998

Countersigned for South Dakota
By *[Signature]*
Resident Agent

NORTHERN VALLEY COMMUNICATIONS

By *[Signature]*
Principal

ST. PAUL FIRE AND MARINE INS. CO.

By *[Signature]*
Attorney-in-Fact
Surety

CERTIFIED COPY NO.

For verification of the authenticity of this Power of Attorney, you may telephone toll free 1-800-421-3880 and ask for the Power of Attorney Clerk. Please refer to the Certificate of Authority No. and the named individual(s).

1871392

F-12736

GENERAL POWER OF ATTORNEY - CERTIFIED COPY
(Original on File at Home Office of Company. See Certification.)

KNOW ALL MEN BY THESE PRESENTS: That **St. Paul Fire and Marine Insurance Company**, a corporation organized and existing under the laws of the State of Minnesota, having its principal office in the City of St. Paul, Minnesota, does hereby constitute and appoint:

George A. Olson, Jim Harr, Thomas Seyer, individually, Aberdeen, South Dakota

its true and lawful attorney(s)-in-fact to execute, seal and deliver for and on its behalf as surety, any and all bonds and undertakings, recognizances, contracts of indemnity and other writings obligatory in the nature thereof, which are or may be allowed, required or permitted by law, statute, rule, regulation, contract or otherwise.

NOT TO EXCEED IN PENALTY THE SUM OF TEN MILLION DOLLARS (\$10,000,000) EACH

and the execution of all such instrument(s) in pursuance of these presents, shall be as binding upon said **St. Paul Fire and Marine Insurance Company**, as fully and amply, to all intents and purposes, as if the same had been duly executed and acknowledged by its regularly elected officers at its principal office.

This Power of Attorney is executed, and may be certified to and may be revoked, pursuant to and by authority of Article V, Section 6(C), of the By-Laws adopted by the Shareholders of **ST. PAUL FIRE AND MARINE INSURANCE COMPANY** at a meeting called and held on the 28th day of April, 1978, of which the following is a true transcript of said Section 6 (C):

"The President or any Vice President, Assistant Vice President, Secretary or Service Center General Manager shall have power and authority

- (1) To appoint Attorneys-in-fact, and to authorize them to execute on behalf of the Company, and attach the Seal of the Company thereto, bonds and undertakings, recognizances, contracts of indemnity and other writings obligatory in the nature thereof, and
- (2) To appoint special Attorneys-in-fact, who are hereby authorized to certify to copies of any power-of-attorney issued in pursuance of this section and/or any of the By-Laws of the Company, and
- (3) To remove, at any time, any such Attorney-in-fact or Special Attorney-in-fact and revoke the authority given him."

Further, this Power of Attorney is signed and sealed by facsimile pursuant to resolution of the Board of Directors of said Company adopted at a meeting duly called and held on the 5th day of May, 1959, of which the following is a true excerpt:

"Now therefore the signatures of such officers and the seal of the Company may be affixed to any such power of attorney or any certificate relating thereto by facsimile, and any such power of attorney or certificate bearing such facsimile signatures or facsimile seal shall be valid and binding upon the Company and any such power so executed and certified by facsimile signatures and facsimile seal shall be valid and binding upon the Company in the future with respect to any bond or undertaking to which it is attached."

IN TESTIMONY WHEREOF, **St. Paul Fire and Marine Insurance Company** has caused this instrument to be signed and its corporate seal to be affixed by its authorized officer, this 30th day of November, A.D. 1990.



ST. PAUL FIRE AND MARINE INSURANCE COMPANY

STATE OF NEW JERSEY }
County of Somerset } ss

Michael B. Keegan
MICHAEL B. KEEGAN, Secretary

On this 5th day of October, 1994, before me came the individual who executed the preceding instrument, to me personally known, and, being by me duly sworn, said that he/she is the therein described and authorized officer of **St. Paul Fire and Marine Insurance Company**; that the seal affixed to said instrument is the Corporate Seal of said Company, that the said Corporate Seal and his/her signature were duly affixed by order of the Board of Directors of said Company.

IN TESTIMONY WHEREOF, I have hereunto set my hand and affixed my Official Seal, at the township of Bedminster, New Jersey, the day and year first above written.



Linda Smethers
LINDA SMETHERS, Notary Public, Middlesex, NJ
My Commission Expires December 16, 1996

CERTIFICATION

I, the undersigned officer of **St. Paul Fire and Marine Insurance Company**, do hereby certify that I have compared the foregoing copy of the Power of Attorney and affidavit, and the copy of the Section of the By-Laws of said Company as set forth in said Power of Attorney, with the **ORIGINALS ON FILE IN THE HOME OFFICE OF SAID COMPANY**, and that the same are correct transcripts thereof, and of the whole of the said originals, and that the said Power of Attorney has not been revoked and is now in full force and effect.



IN TESTIMONY WHEREOF, I have hereunto set my hand this

22nd day of May, 1998

Michael W. Anderson
MICHAEL W. ANDERSON, Asst. Secretary

Only a certified copy of Power of Attorney bearing the Certificate of Authority No. printed in red on the upper right corner is binding. Photocopies, carbon copies or other reproductions of this document are invalid and not binding upon the Company.

ANY INSTRUMENT ISSUED IN EXCESS OF THE PENALTY AMOUNT STATED ABOVE IS TOTALLY VOID AND WITHOUT ANY VALIDITY.

ACKNOWLEDGEMENT OF ATTORNEY-IN-FACT

STATE OF South Dakota)
COUNTY OF Brown)

On this 22nd day of May 19 98 before me, a Notary Public, within and for said County and State, personally appeared Thomas Seyer to me personally known, and known to me to be the Attorney-in-Fact of and for the ST. PAUL FIRE AND MARINE INSURANCE COMPANY, Saint Paul, Minnesota, a corporation, created, organized and existing under and by virtue of the laws of the State of Minnesota, upon oath did say that the corporate seal affixed to the attached instrument is the seal of the said Company; that the seal was affixed and the said instrument was executed by the authority of its Board of Directors; and he/she did also acknowledge that he/she executed the said instrument as the free act and deed of said Company.

Carol King

11/15/2003

My Commission Expires

**BEFORE THE PUBLIC UTILITIES COMMISSION
OF THE STATE OF SOUTH DAKOTA**

IN THE MATTER OF THE APPLICATION OF)
NORTHERN VALLEY COMMUNICATIONS,)
L.L.C. FOR A CERTIFICATE OF AUTHORITY)
TO PROVIDE TELECOMMUNICATIONS)
SERVICES, INCLUDING LOCAL EXCHANGE)
SERVICES, IN SOUTH DAKOTA)

**ORDER GRANTING
CERTIFICATE OF
AUTHORITY**

TC98-063

On March 18, 1998, the Public Utilities Commission (Commission), in accordance with SDCL 49-31-3 and ARSD 20:10:24:02, received an application for a certificate of authority from Northern Valley Communications, L.L.C. (NVC).

NVC seeks to provide telecommunications services including local exchange services, intraLATA services and interLATA services through a combination of reseller and facilities-based provisioning. NVC will enter into agreements with local exchange companies for the resale of telecommunications services. A proposed tariff was filed by NVC. The Commission has classified long distance service as fully competitive.

On March 19, 1998, the Commission electronically transmitted notice of the filing and the intervention deadline of April 3, 1998, to interested individuals and entities. No petitions to intervene or comments were filed and at its regularly scheduled May 12, 1998, meeting, the Commission considered NVC's request for a certificate of authority. Commission Staff recommended granting NVC a certificate of authority, provided NVC furnished the Commission with a surety bond. NVC proposed filing an Irrevocable Letter of Credit rather than the bond.

The Commission finds that it has jurisdiction over this matter pursuant to Chapter 49-31, specifically 49-31-3 and ARSD 20:10:24:02 and 20:10:24:03. The Commission finds that NVC has met the legal requirements established for the granting of a certificate of authority. NVC has, in accordance with SDCL 49-31-3, demonstrated sufficient technical, financial and managerial capabilities to offer telecommunications services in South Dakota. The Commission approves NVC's application for a certificate of authority, provided that NVC furnishes the Commission with a bond. As the Commission's final decision in this matter, it is therefore

ORDERED, that NVC's application for a certificate of authority is hereby granted, provided that NVC furnishes the Commission with a bond. It is

FURTHER ORDERED, that NVC shall file informational copies of tariff changes with the Commission as the changes occur.

Dated at Pierre, South Dakota, this 26th day of May, 1998.

CERTIFICATE OF SERVICE

The undersigned hereby certifies that this document has been served today upon all parties of record in this docket, as listed on the docket service list, by first class mail, in properly addressed envelopes, with charges prepaid thereon.

By

Alicia Kalbs

Date

5/26/98

(OFFICIAL SEAL)

BY ORDER OF THE COMMISSION:

James A. Burg
JAMES A. BURG, Chairman

Pam Nelson
PAM NELSON, Commissioner

Laska Schoenfelder
LASKA SCHOENFELDER, Commissioner

SOUTH DAKOTA PUBLIC UTILITIES COMMISSION

CERTIFICATE OF AUTHORITY

To Conduct Business As A Telecommunications Company
Within The State Of South Dakota

Authority was Granted May 12, 1998
Docket No. TC98-063

This is to certify that

NORTHERN VALLEY COMMUNICATIONS, L.L.C.

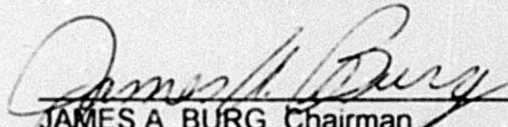
is authorized to provide telecommunications services in South Dakota.

This certificate is issued in accordance with SDCL 49-31-3 and ARSD 20:10:24:02, and is subject to all of the conditions and limitations contained in the rules and statutes governing its conduct of offering telecommunications services.

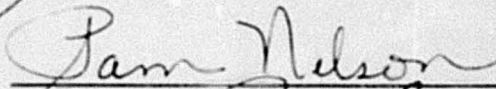
Dated at Pierre, South Dakota, this 26th day of May, 1998.

**SOUTH DAKOTA PUBLIC
UTILITIES COMMISSION:**





JAMES A. BURG, Chairman



PAM NELSON, Commissioner



LASKA SCHOENFELDER, Commissioner

**BEFORE THE PUBLIC UTILITIES COMMISSION
OF THE STATE OF SOUTH DAKOTA**

IN THE MATTER OF THE APPLICATION OF)	AMENDED ORDER
NORTHERN VALLEY COMMUNICATIONS,)	GRANTING CERTIFICATE
L.L.C. FOR A CERTIFICATE OF AUTHORITY)	OF AUTHORITY
TO PROVIDE TELECOMMUNICATIONS)	
SERVICES, INCLUDING LOCAL EXCHANGE)	TC98-063
SERVICES, IN SOUTH DAKOTA)	

On March 18, 1998, the Public Utilities Commission (Commission), in accordance with SDCL 49-31-3 and ARSD 20:10:24:02, received an application for a certificate of authority from Northern Valley Communications, L L C. (NVC).

NVC seeks to provide telecommunications services including local exchange services, intraLATA services and interLATA services through a combination of reseller and facilities-based provisioning. NVC will provide service in those areas in South Dakota where U S WEST Communications, Inc. is the incumbent local exchange carrier. NVC will enter into agreements with local exchange companies for the resale of telecommunications services. NVC has requested a waiver of ARSD 20:10:24:02(8) and (12). The Commission has classified long distance service as fully competitive.

On March 19, 1998, the Commission electronically transmitted notice of the filing and the intervention deadline of April 3, 1998, to interested individuals and entities. No petitions to intervene or comments were filed and at its regularly scheduled May 12, 1998, meeting, the Commission considered NVC's request for a certificate of authority. Commission Staff recommended granting NVC a certificate of authority, subject to rural safeguards, provided NVC furnished the Commission with a surety bond. NVC proposed filing an Irrevocable Letter of Credit rather than the bond. Commission Staff further recommended a waiver of 20:10:24:02(8) and (12).

The Commission finds that it has jurisdiction over this matter pursuant to Chapter 49-31, specifically 49-31-3 and ARSD 20:10:24:02 and 20:10:24:03. The Commission finds that NVC has met the legal requirements established for the granting of a certificate of authority. NVC has, in accordance with SDCL 49-31-1, demonstrated sufficient technical, financial and managerial capabilities to offer telecommunications services in South Dakota. Further, the Commission finds that there is good cause to waive subparagraphs (8) and (12) of ARSD 20:10:24:02.

The Commission approves NVC's application for a certificate of authority, subject to rural safeguards, provided that NVC furnishes the Commission with a bond. The certificate of authority for NVC shall authorize it to offer local exchange services in those areas in South Dakota where U S WEST Communications, Inc. is the incumbent local exchange carrier. In the future, should NVC choose to provide local exchange services statewide, with respect to rural telephone companies, NVC will have to come before the

Commission in another proceeding before being able to provide local service in that rural service area pursuant to 47 U.S.C. § 253(f) which allows the Commission to require a company that seeks to provide service in a rural service area to meet the requirements in 47 U.S.C. § 214(e)(1) for designation as an eligible telecommunications carrier. In addition, the granting of statewide certification will not affect the exemptions, suspensions, and modifications for rural telephone companies found in 47 U.S.C. § 251(f). It is therefore

ORDERED, that NVC's application for a Certificate of Authority to provide telecommunications services, including local exchange services, is granted, provided that NVC furnishes the Commission with a bond, and it is

FURTHER ORDERED, that NVC shall file informational copies of tariff changes with the Commission as the changes occur, and it is

FURTHER ORDERED, that the Commission shall authorize NVC to offer its services in those areas in South Dakota where U S WEST Communications, Inc. is the incumbent local exchange carrier, and it is

FURTHER ORDERED, that the Commission finds good cause to waive subparagraphs (8) and (12) of ARSD 20.10.24.02.

Dated at Pierre, South Dakota, this 5th day of June, 1998.

CERTIFICATE OF SERVICE	
The undersigned hereby certifies that this document has been served today upon all parties of record in this docket, as listed on the docket service list, by facsimile or by first class mail, in properly addressed envelopes, with charges prepaid thereon.	
By	<u><i>Alvin Kalls</i></u>
Date	<u>6/8/98</u>
(OFFICIAL SEAL)	

BY ORDER OF THE COMMISSION:

James A. Burg
JAMES A. BURG, Chairman

Pam Nelson
PAM NELSON, Commissioner

Laska Schoenfelder
LASKA SCHOENFELDER, Commissioner

SOUTH DAKOTA PUBLIC UTILITIES COMMISSION

AMENDED CERTIFICATE OF AUTHORITY

To Conduct Business As A Telecommunications Company
Within The State Of South Dakota

Authority was Granted May 12, 1998
Docket No. TC98-063

This is to certify that

NORTHERN VALLEY COMMUNICATIONS, L.L.C.

is authorized to provide telecommunications services in South Dakota.

This certificate is issued in accordance with SDCL 49-31-3 and ARSD 20:10:24:02, and is subject to all of the conditions and limitations contained in the rules and statutes governing its conduct of offering telecommunications services.

Dated at Pierre, South Dakota, this 5th day of June, 1998

**SOUTH DAKOTA PUBLIC
UTILITIES COMMISSION:**



James A. Burg

JAMES A. BURG, Chairman

Pam Nelson

PAM NELSON, Commissioner

Laska Schoenfelder

LASKA SCHOENFELDER, Commissioner



South Dakota Public Utilities Commission



State Capitol Building, 500 East Capitol Avenue, Pierre, South Dakota 57501-5070

June 8, 1998

Mr. Doug Eidahl
Chief Executive Officer
Northern Valley Communications, L.L.C.
P. O. Box 455
Bath, SD 57427-0455

Re: Northern Valley Communications, L.L.C.
Docket TC98-063

Dear Doug:

Enclosed you will find a copy of the Amended Order Granting Certificate of Authority and the original Amended Certificate of Authority for Northern Valley Communications, L.L.C.

The Order has been amended to include the waiver of ARSD 20:10:24:02(8) and (12) and also includes rural safeguard language.

Very truly yours,

Karen E. Cremer
Staff Attorney

KEC:dk
Enc.

cc: Mr. Kent Hyde

Capitol Office
Telephone (605)773-3201
FAX (605)773-3809

Transportation/
Warehouse Division
Telephone (605)773-5280
FAX (605)773-3225

Consumer Hotline
1-800-332-1782

TTY Through
Relay South Dakota
1-800-877-1113

Internet
billb@puc.state.sd.us

Jim Burg
Chairman
Pam Nelson
Vice-Chairman
Laska Schoenfelder
Commissioner

William Bullard Jr.
Executive Director

Edward R. Anderson
Harlan Best
Martin C. Bettmann
Charlie Bolle
Sue Cichos
Karen E. Cremer
Marlette Fischbach
Shirleen Fugitt
Lewis Hammond
Katie Hartford
Leri Healy
Cameron Hoseck
Dave Jacobson
Bob Knadle
Delaine Kolbo
Jeffrey P. Lorenson
Terry Norum
Gregory A. Rislav
Tammie Stangoluz
Steven M. Wegman
Rosalynne Alts Wiest