

TC01-106

KJ/AB

In the Matter of \_\_\_\_\_ IN THE MATTER OF THE REQUEST OF \_\_\_\_\_  
 \_\_\_\_\_ WEST RIVER COOPERATIVE \_\_\_\_\_  
 \_\_\_\_\_ TELEPHONE COMPANY FOR \_\_\_\_\_  
 \_\_\_\_\_ CERTIFICATION REGARDING ITS USE \_\_\_\_\_  
 \_\_\_\_\_ OF FEDERAL UNIVERSAL SERVICE \_\_\_\_\_  
 \_\_\_\_\_ SUPPORT \_\_\_\_\_

### Public Utilities Commission of the State of South Dakota

DATE	EVENT
8/14/01	<i>Filed and Docketed;</i>
8/16/01	<i>Weekly Filing;</i>
9/20/01	<i>Order Granting Certification;</i>
9/20/01	<i>Docket Closed.</i>



# West River Cooperative Telephone Co.

801 Coleman Ave • PO Box 39 • Bison, SD 57620  
Phone: 605-244-5213 • Fax: 605-244-7188  
Email: westriver@sdplains.com

August 13, 2001

Debra Elofson, Exec. Dir.  
South Dakota Public Utilities Commission  
Pierre, SD 57501

Dear Debra:

Enclosed is an original and ten copies of our "Request for Certification" for West River Cooperative Telephone Company.

If there are any questions, please feel free to give me a call.

Thank you.

Sincerely,

Colgan Huber  
Administrative Assistant

CH:pk

Enclosures

RECEIVED  
4 / 13 / 2001  
SOUTH DAKOTA PUBLIC  
UTILITIES COMMISSION

BEFORE THE SOUTH DAKOTA PUBLIC UTILITIES COMMISSION

IN THE MATTER OF THE REQUEST OF WEST RIVER COOPERATIVE TELEPHONE COMPANY FOR CERTIFICATION REGARDING ITS USE OF FEDERAL UNIVERSAL SERVICE SUPPORT

DOCKET NO. \_\_

REQUEST FOR CERTIFICATION

West River Cooperative Telephone Company by and through its attorney hereby submits a Request for Certification to the South Dakota Public Utilities Commission ("Commission") seeking certification from the Commission pursuant to 47 C.F.R. § 54.314. In support of this Request, West River Cooperative Telephone Company offers the following:

1. On May 23, 2001, the Federal Communications Commission (FCC) released an Order relative to the federal universal service support mechanism for rural carriers.<sup>1</sup> This Order (hereafter referenced as the "Fourteenth Report and Order"), in part, codifies at 47 C.F.R. § 54.314, a requirement for States to provide a certification regarding federal universal service support that is received by rural incumbent local exchange carriers and/or other eligible telecommunications carriers providing service in rural service areas. Pursuant to such rule, states that desire rural carriers within their jurisdiction to receive future federal universal service support must file an annual certification with the FCC and the Universal Service Administrative Company ("USAC") stating that federal high cost support provided to such carriers within that State will be used only for the provision, maintenance, and upgrading of facilities and services for which the support is intended. This certification requirement applies to various categories of federal universal service support, including support provided pursuant to 47 C.F.R. §§ 54.301, 54.305, and/or 54.307, and/or 47 C.F.R. Part 36,

<sup>1</sup> CC Docket No. 96-45, CC Docket No. 00-256, Fourteenth Report and Order, Twenty Second Order on Reconsideration, and Further Notice of Proposed Rulemaking in CC Docket No. 96-45, and Report and Order in

Subpart F (high-cost loop support, local switching support, safety net additive support, and safety valve support). Support provided under these FCC rule provisions will only in the future be made available if the State Commission files the requisite certification pursuant to § 54.314.

2. The certification required for rural carriers to receive federal universal service support for all four quarters during calendar year 2002 is currently due to be filed with the FCC and USAC on or before October 1, 2001. The certification may be presented to these entities in the form of a letter from the State Commission. The letter must identify which carriers in the State are eligible to receive federal support during the 12-month period and must certify that the carriers listed will only use the support for the provision, maintenance, and upgrading of facilities and services for which the support is intended.

3. West River Cooperative Telephone Company is a rural telephone company that has previously been designated by this Commission as an eligible telecommunications carrier. The Company provides local exchange telephone services, including all of the essential services that are included in the federal definition of universal service, to approximately 3,844 access lines within its established rural service area in South Dakota.

4. This Commission has limited regulatory oversight over West River Cooperative Telephone Company and its provisioning of local exchange services. Under SDCL § 49-31-5.1, the local exchange service rates charged by telecommunications cooperatives, municipal telephone systems, and independent telephone companies serving less than fifty thousand local exchange subscribers are not subject to the Commission's ratemaking authority. In cases where State Commissions have limited regulatory authority over rural carriers, the FCC has indicated that these carriers should themselves initiate the certification process by presenting a plan to ensure compliance with the requirement in 47 U.S.C. § 254(e) that universal service support will only be used for the provision, maintenance, and upgrading of facilities and services for which the support is intended.

Based on this filed plan, it is anticipated that the State Commission may make the appropriate certification to the FCC.<sup>2</sup>

5. The purpose of this filing is to provide information constituting West River Cooperative Telephone Company's plan for the use of its federal universal service support and to otherwise verify that West River Cooperative Telephone Company will use all federal universal service support received in a manner that is consistent with the federal universal service provisions of 47 U.S.C. § 254.

6. In the process of determining whether federal universal service support is used in a manner consistent with the Federal Communications Act, the "universal service principles" established in Section 254(b) are instructive. That Section states that the FCC shall base "policies for the preservation and advancement of universal service" on certain, specifically identified principles:

(1) Quality services should be available at just, reasonable, and affordable rates.

(2) Access to advanced telecommunications and information services should be provided in all regions of the Nation.

(3) Consumers in all regions of the Nation, including low-income consumers and those in rural, insular, and high-cost areas, should have access to telecommunications and information services, including interexchange services and advanced telecommunications and information services, that are reasonably comparable to those services provided in urban areas and that are available at rates that are reasonably comparable to rates charged for similar services in urban areas. . . .

(4) Elementary and secondary schools and classrooms, health care providers, and libraries should have access to [certain] advanced telecommunications services. . .

7. The FCC has declined to dictate specifically how the states should ensure that carriers are using federal universal service support consistent with the federal law, but has offered examples of how the support can be used to appropriately further universal service goals. The FCC has stated:

[A] state could [use the federal support to] adjust intrastate rates, or otherwise direct carriers to use the federal support to replace implicit intrastate universal service support to high cost rural areas . . . .

A state could also require carriers to use the federal support to upgrade facilities in rural areas to ensure that services provided in those areas are reasonably comparable to services provided in urban areas of the state.<sup>3</sup>

8. The FCC provided the above examples as illustrative and not exhaustive examples of how support can be used consistent with Section 254(e). Other uses are appropriate provided the State Commission believes they are consistent with the federal universal service principles contained in Section 254.

9. West River Cooperative Telephone Company as a designated eligible telecommunications carrier has received federal universal service support in the past and expects to receive support during calendar year 2002. As of this time, specific support amounts the Company should receive

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<sup>3</sup> Ninth Report and Order and Eighteenth Order on Reconsideration in CC Docket No. 96-45 (In the Matter of the Federal-State Joint Board on Universal Service), FCC 99-306, ¶ 96, November 2, 1999.

in 2002 have not yet been identified by USAC. The Company, however, offers the following estimates concerning the support it expects to receive<sup>4</sup>

High-Cost Loop Support	\$ 695,000
Local Switching Support (DEM Weighting)	\$ 468,000
Safety Net Additive Support	\$ 0
Safety Valve Support	\$ 0

10. For calendar year 2002, West River Cooperative Telephone Company anticipates to incur the following network facility and equipment investments:

Cable and Carrier Replacement/New Services:	\$470,000
Central Office Additions and Upgrades	\$290,000
Sonet/DSL/ATM Additions:	\$290,000

11. In providing local exchange telecommunications services, West River Cooperative Telephone Company will also incur other costs. In 2002, these costs will include:

Digital Switching and Circuit Equipment:	\$370,000
Buried Cable:	\$200,000
Network Operations:	\$115,000
Customer Services/Executive/General Admin	\$95,000

12. West River Cooperative Telephone Company estimates that the total costs described above relating to its planned network facility and equipment investments and other expenses to be incurred in providing local exchange telecommunications services will amount to \$1,870,000.

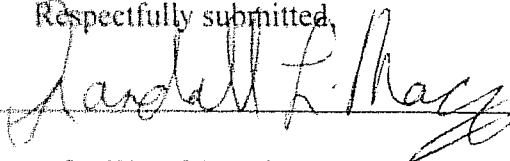
<sup>4</sup> It should be noted that Long Term Support amounts are not referenced because the FCC has indicated that it will deal with certification under 47USC Section 254(e) for these amounts. See 1998 Report and Order, paragraph 446.

13. I am aware with the universal service principles set forth in the federal law and also the  
amount of federal universal service support. West River Cooperative Telephone Company will use federal  
universal service support received in 2002 (estimated in paragraph 9 herein) to offset a portion of  
these total costs. The use of federal universal service support will enable West River Cooperative  
Telephone Company to (1) maintain rates for its local exchange services that are affordable and  
reasonably comparable to rates being charged for the same services in urban areas; and (2) to  
upgrade its telecommunications facilities and equipment as necessary to meet evolving service  
requirements and maintain high quality service. The use of federal universal service support for  
these purposes is clearly consistent with the federal universal service provisions.

14. Based on all of the foregoing information and also the Affidavit of Jerry P. Reisenauer  
attached as Exhibit A, West River Cooperative Telephone Company requests that this Commission  
issue an appropriate certification to the FCC and USAC indicating that West River Cooperative  
Telephone Company is in compliance with 47 U.S.C. § 254(e) and should receive all federal  
universal service support determined for distribution to the Company in 2002. In order to ensure that  
this certification is issued to the FCC prior to October 1, 2001, West River Cooperative Telephone  
Company would further ask the Commission to expedite the process that is initiated based on this  
 filing.

Dated this 10<sup>th</sup> day of August, 2001.

Respectfully submitted,



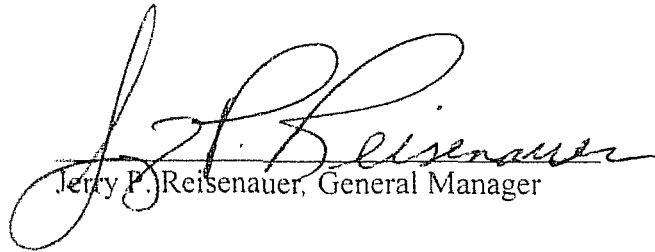
Attorney for West River Cooperative Telephone Company



EXHIBIT A

AFFIDAVIT

As an authorized corporate officer of West River Cooperative Telephone Company, I, Jerry P. Reisenauer hereby affirm familiarity with and an understanding of the requirements of the Federal Communications Act of 1934 as amended by the Telecommunications Act of 1996 with respect to the receipt of any federal universal service funds received as high-cost loop support, local switching support, safety net additive support, and/or safety valve support and hereby affirm that any such support amounts received by West River Cooperative Telephone Company will be used only for the operation, maintenance, and upgrading of facilities and services for which the support is intended consistent with 47 U.S.C. § 254(c).

  
Jerry P. Reisenauer, General Manager

Subscribed and sworn to before me this 10 day of August, 2001.

  
NOTARY PUBLIC

Commission expires 6-18-05

**South Dakota Public Utilities Commission**  
**WEEKLY FILINGS**  
For the Period of August 9, 2001 through August 15, 2001

If you need a complete copy of a filing faxed, overnight expressed, or mailed to you, please contact  
Debbie Kolbe within five business days of this filing. Phone: 605-773-3705 Fax: 605-773-3809

**CONSUMER COMPLAINTS**

**TC01-018**      In the Matter of the Complaint filed by Calvin L. Plienis, Sioux Falls, South Dakota, against  
Direct One Com.Long Distance Regarding Unauthorized Billing for Services.

The Complainant states that Direct One Com.Long Distance charged his credit card for unauthorized service. Complainant states that when he contacted Direct One Com.Long Distance, he was told that he ordered something from a company called Cornerstone and in the order he agreed to Direct One Com.Long Distance. Complainant denies that he authorized service and states that he does not know what Cornerstone is. Complainant requests that the Public Utilities Commission put this company out of business in South Dakota, assess any penalties under South Dakota Law, and remove the charges.

Staff Analyst: Mary Hoaly  
Staff Attorney: Kelly Frazier  
Date Docketed: 08/13/01  
Intervention Deadline: N/A

**TELECOMMUNICATIONS**

**TC01-150**      In the Matter of the Request of Faith Municipal Telephone Company for Certification  
Regarding its Use of Federal Universal Service Support.

The purpose of this filing is to provide information constituting Faith Municipal Telephone Company's plan for the use of its federal universal service support and to otherwise verify that Faith Municipal Telephone Company will use all federal universal service support received in a manner that is consistent with the federal universal service provisions of 47 U.S.C. Section 254.

Staff Analyst: Marian Best  
Staff Attorney: Karen Cremer  
Date Docketed: 08/10/01  
Intervention Deadline: 08/24/01

**TC01-101**      In the Matter of the Request of Kennebec Telephone Co., Inc. for Certification Regarding its  
Use of Federal Universal Service Support.

The purpose of this filing is to provide information constituting Kennebec Telephone Co., Inc.'s plan for the use of its federal universal service support and to otherwise verify that Kennebec Telephone Co., Inc. will use all federal universal service support received in a manner that is consistent with the federal universal service provisions of 47 U.S.C. Section 254.

Staff Analyst: Marian Best  
Staff Attorney: Karen Cremer  
Date Docketed: 08/10/01  
Intervention Deadline: 08/24/01

**TC01-102**      In the Matter of the Request of Interstate Telecommunications Cooperative, Inc. for  
Certification Regarding its Use of Federal Universal Service Support.

**Date Document:** 08/14/01  
**Intervention Deadline:** 08/24/01

**7000-107      In the Matter of the Application of Vitcom Corporation for a Certificate of Authority to Provide Local Exchange Services in South Dakota.**

Application by Vitcom Corporation for a certificate of authority to provide resold and facilities based local exchange service in South Dakota. Applicant does not propose to offer services in rural areas but to the extent any independent local exchange carrier or competitive local exchange carrier in South Dakota is granted a small or rural carrier exemption pursuant to Section 251(f) of the Federal Telecommunications Act of 1996 in the future, then Vitcom will seek authority to operate in such service area(s) as well.

**Staff Analyst:** Dave Jacobson  
**Staff Attorney:** Kelly Frazier  
**Date Document:** 08/14/01  
**Intervention Deadline:** 08/31/01

**7000-108      In the Matter of the Request of Beresford Municipal Telephone Company for Certification Regarding its Use of Federal Universal Service Support.**

The purpose of this filing is to provide information constituting Beresford Municipal Telephone Company's plan for the use of its federal universal service support and to otherwise verify that Beresford Municipal Telephone Company will use all federal universal service support received in a manner that is consistent with the federal universal service provisions of 47 U.S.C. Section 254.

**Staff Analyst:** Harlan Best  
**Staff Attorney:** Karen Cramer  
**Date Document:** 08/15/01  
**Intervention Deadline:** 08/24/01

**7000-109      In the Matter of the Request of Jefferson Telephone Company for Certification Regarding its Use of Federal Universal Service Support.**

The purpose of this filing is to provide information constituting Jefferson Telephone Co.'s plan for the use of its federal universal service support and to otherwise verify that Jefferson Telephone Co. will use all federal universal service support received in a manner that is consistent with the federal universal service provisions of 47 U.S.C. Section 254.

**Staff Analyst:** Harlan Best  
**Staff Attorney:** Karen Cramer  
**Date Document:** 08/15/01  
**Intervention Deadline:** 08/24/01

**7000-110      In the Matter of the Request of Valley Telecommunications Cooperative Association, Inc. for Certification Regarding its Use of Federal Universal Service Support.**

The purpose of this filing is to provide information constituting Valley Telecommunications Cooperative Assn., Inc.'s plan for the use of its federal universal service support and to otherwise verify that Valley Telecommunications Cooperative Assn., Inc. will use all federal universal service support received in a manner that is consistent with the federal universal service provisions of 47 U.S.C. Section 254.

**Staff Analyst:** Harlan Best  
**Staff Attorney:** Karen Cramer

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

<b>IN THE MATTER OF THE REQUEST OF WEST )</b>	<b>ORDER GRANTING</b>
<b>RIVER COOPERATIVE TELEPHONE )</b>	<b>CERTIFICATION</b>
<b>COMPANY FOR CERTIFICATION REGARDING )</b>	
<b>ITS USE OF FEDERAL UNIVERSAL SERVICE )</b>	<b>TC01-106</b>
<b>SUPPORT )</b>	

On May 23, 2001, the Federal Communications Commission (FCC) released an Order concerning the federal universal service support mechanism for rural carriers.<sup>1</sup> This Order (hereafter referenced as the "Fourteenth Report and Order"), in part, codifies at 47 C.F.R. 54.314, a requirement for States to provide a certification regarding federal universal service support that is received by rural incumbent local exchange carriers and/or eligible telecommunications carriers providing service in rural service areas. Pursuant to such rule, a state that desires rural carriers within its jurisdiction to receive federal universal service support must file an annual certification with the FCC and the Universal Service Administrative Company (USAC) stating that federal high cost support provided to such carriers within that State will be used only for the provision, maintenance, and upgrading of facilities and services for which the support is intended. This certification requirement applies to various categories of federal universal service support, including support provided pursuant to 47 C.F.R. §§ 54.301, 54.305, and/or 54.307, and/or 47 C.F.R. Part 36, Subpart F (high-cost loop support, local switching support, safety net additive support, and safety valve support). Support provided under these FCC rule provisions will only be made available in the future if the State Commission files the requisite certification pursuant to § 54.314.

The certification required for rural carriers to receive federal universal support for all four quarters during calendar year 2001 is currently due to be filed with the FCC and USAC on or before October 1, 2001. The certification may be presented to these entities in the form of a letter from the State Commission. The letter must identify which carriers in the state are eligible to receive federal support during the 12-month period and must certify that the carriers listed will only use the support for the provision, maintenance, and upgrading of facilities and services for which the support is intended.

On August 14, 2001, the South Dakota Public Utilities Commission (Commission) received a filing from West River Cooperative Telephone Company (Company) regarding its Request for Certification Regarding Its Use of Federal Universal Service Support. The purpose of this filing was to provide information constituting Company's plan for the use

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CC Docket No. 96-45, CC Docket No. 00-256, Fourteenth Report and Order, Twenty Second Order on Reconsideration, and Further Notice of Proposed Rulemaking in CC Docket No. 96-45, and Report and Order in CC Docket No. 00-256, FCC 01-157, Released May 23, 2001.

of its federal universal service support and to otherwise verify that Company will use all federal universal service support received in a manner that is consistent with the federal universal service provisions of 47 U.S.C. § 254. As a part of its plan, Company listed estimates of the support it expected to receive from USAC as well as its estimated costs for the provision, maintenance, and upgrading of facilities and services. An Affidavit was attached to the Request for Certification.

On August 16, 2001, the Commission electronically transmitted notice of the filing and the intervention deadline of August 24, 2001, to interested individuals and entities. No parties sought intervention.

At its regularly scheduled meeting of September 7, 2001, the Commission considered this matter.

The Commission has jurisdiction over this matter pursuant to SDCL Chapters 1-26, 49-31, and 47 U.S.C. § 254. The Commission found that the Company is eligible to receive federal support as it states it will only use the support for the provision, maintenance, and upgrading of facilities and services for which the support is intended. The Commission unanimously voted to approve Company's Request for Certification Regarding Its Use of Federal Universal Service Support. It is therefore

ORDERED, that the Company is eligible to receive federal support as it states it will only use the support for the provision, maintenance, and upgrading of facilities and services for which the support is intended. It is

FURTHER ORDERED, that the Commission approves Company's Request for Certification Regarding Its Use of Federal Universal Service Support.

Dated at Pierre, South Dakota, this 20<sup>th</sup> day of September, 2001.

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.	
Signed by	<u>Melanie Kalbo</u>
Date	<u>9/25/01</u>
(OFFICIAL SEAL)	

BY ORDER OF THE COMMISSION:

James A. Burg  
JAMES A. BURG, Chairman

Pam Nelson  
PAM NELSON, Commissioner

# South Dakota Public Utilities Commission

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



September 25, 2001

Ms. Magalie R. Salas  
Federal Communications Commission  
Office of the Secretary  
445 12th St. S.W.  
Washington, DC 20554

Ms. Irene Flannery  
Universal Service Administrative Company  
2120 L Street N.W., Suite 600  
Washington, DC 20037

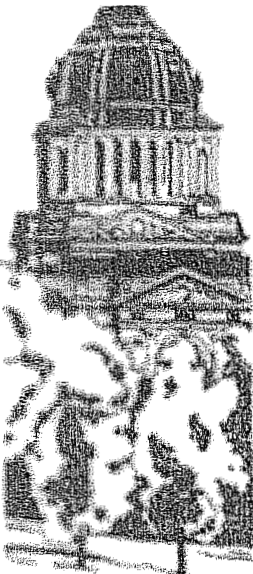
RE: CC Docket No. 96-45, CC Docket No. 00-256, Fourteenth Report and Order, Twenty Second Order on Reconsideration, and Further Notice of Proposed Rulemaking in CC Docket No. 96-45, and Report and Order in CC Docket No. 00-256, FCC 01-157, Released May 23, 2001

Annual State Certification of Support for Rural Carriers

Dear Ms. Salas and Ms. Flannery:

The South Dakota Public Utilities Commission (Commission) hereby states that the following rural incumbent local exchange carriers and/or eligible telecommunications carriers within its jurisdiction have been certified to receive support pursuant to 47 CFR §§ 54.301, 54.305, and/or 54.307 and /or part 36, subpart F. The carriers listed below filed requests for certification with the Commission which support their affirmations that all federal high-cost support provided to them will be used only for the provision, maintenance, and upgrading of facilities and services for which the support is intended. The Commission has granted certification to the following companies:

Armour Independent Telephone Company  
Baltic Telecom Cooperative and East Plains Telecom, Inc.  
Beresford Municipal Telephone Company  
Bridgewater-Canistota Independent Telephone Company  
Cheyenne River Sioux Tribe Telephone Authority  
Citizens Telecommunications Company of Minnesota, Inc.  
City of Brookings Municipal Telephone  
Consolidated Telcom  
Dakota Community Telephone



Capitol Office  
Telephone (605) 773-3201  
Fax (605) 773-3909

Transportation/  
Workforce Division  
Telephone (605) 773-5240  
Fax (605) 773-3235

Customer Hotline  
1-800-333-1792

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

Internet Website  
[www.sdpub.utah.gov/](http://www.sdpub.utah.gov/)

Jim Burg  
Chairman  
Paul Nelson  
Vice-Chairman

Debra Nelson  
Executive Director

Robert West  
Michael C. Betman  
Dale Cochran  
Walter E. Ganser  
Christopher W. Downs  
Terry Anderson

Michelle M. Farris  
Walter Pischback  
Walter E. Farney  
Kathy D. Franer  
Mary Oshroff  
Lara Healy  
Mary Haly  
Lara Hill

Dave Jacobson  
Amy Kayser  
Jennifer Kirk  
Bob Kresche  
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Keith Senger  
Evelyn A. West