TC01-134

DOCKET NO.

In the Matter of IN THE MATTER OF THE REQUEST OF DICKEY RURAL TELEPHONE COOPERATIVE FOR CERTIFICATION REGARDING ITS USE OF FEDERAL UNIVERSAL SERVICE SUPPORT

Public Utilities Commission of the State of South Dakota

DATE	MEMORANDA
8/22/01	Filed and Docketed;
8/23/01	Weekly Filing;
9/20/01	Order Granting Certification,
9/20/01	Docket Closed.

STATE PUBLISHING CO., PIERRE, SOUTH DAKOTA—SMEAD 59 SP14130

TC01-134

Dickey Rural Networks

Dickey Rural Telephone Cooperative

Dickey Rural Communications, Inc.

Dickey Rural Services, Inc.

August 20, 2001

Harlan Best, Telecommunications Analyst
South Dakota, PUC
Capitol Building, 1st Floor
500 East Capitol Av
Pierre, SD 57501-5070

Dear Mr. Best,

Please find enclosed a request of Dickey Rural Telephone Cooperative for certification regarding use of FEDERAL UNIVERSAL SERVICE FUNDS (FUSF).

If you have any questions, please do not hesitate to contact me at 701-344-5010.

Sincerely,

Darren D. Moser

Darren D. Moser
General Manager

DDM/seb

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SOUTH DAKOTA PUBLIC
UTILITIES COMMISSION

TC01-134
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SOUTH DAKOTA PUBLIC
UTILITIES COMMISSION

BEFORE THE
SOUTH DAKOTA PUBLIC UTILITIES COMMISSION

IN THE MATTER OF THE REQUEST OF
DICKEY RURAL TELEPHONE COOPERATIVE
FOR CERTIFICATION
REGARDING ITS USE OF FEDERAL UNIVERSAL
SERVICE SUPPORT

DOCKET NO. __

REQUEST FOR CERTIFICATION

Dickey Rural Telephone Cooperative (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, Dickey Rural Telephone Cooperative 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.[1] 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,

[1] 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.

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 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. Dickey Rural Telephone Cooperative 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 forty-four (44) access lines in parts of 4 exchanges within its established rural service area in South Dakota.

4. This Commission has limited regulatory oversight over Dickey Rural Telephone Cooperative 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.[2]

5. The purpose of this filing is to provide information constituting Dickey Rural Telephone Cooperative plan for the use of its federal universal service support and to otherwise verify that Dickey Rural Telephone Cooperative 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. . . .
>
> (6) Elementary and secondary schools and classrooms, health care providers, and libraries should have access to [certain] advanced telecommunications services. . .

[2] Fourteenth Report and Order, ¶ 188.

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.[3]

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. Dickey Rural Telephone Cooperative 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 in 2002 have not yet been identified by USAC. The Company, however, offers the following estimates concerning the support it expects to receive[4]:

High-Cost Loop Support	$ 780,000
Local Switching Support (DEM Weighting)	$ 160,000
Safety Net Additive Support	$ 0
Safety Valve Support	$ 0

[3] 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.
[4] 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 14th Report and Order footnote number 446.

10. For calendar year 2002, Dickey Rural Telephone Cooperative intends to make the following network facility and equipment investments:

The information presented represents the entire company of Dickey Rural Telephone Cooperative with customers in both North and South Dakota.

Dickey Rural Telephone Cooperative has historically over the past 4 years committed nearly $500,000 annually in plant upgrades. In addition to this figure are capital costs for electronics upgrades and switching upgrades, both of which are done on the basis of growth and technology needs and customer demands.

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

The information presented represents the entire company of Dickey Rural Telephone Cooperative with customers in both North and South Dakota.

The other costs that Dickey Rural Telephone Cooperative expects to incur are as follows:

Plant and Related Expenses	$800,000
Depreciation	$2,000,000
Customer/Corporate Operations	$1,100,000

12. Dickey Rural Telephone Cooperative 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 exceed $4,400,000.

South Dakota Public Utilities Commission
WEEKLY FILINGS
For the Period of August 16, 2001 through August 22, 2001

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

CONSUMER COMPLAINTS

CE01-002 **In the Matter of the Complaint filed by Dale Riedlinger, Sioux Falls, South Dakota, against Xcel Energy Regarding Poor Maintenance Service.**

Complainant states that on or about May 21, 2001, Xcel Energy had a tree trimming company come to their area of town and trim trees. Complainant states that when the company trimmed there tree in the front yard of their home, the tree was destroyed by cutting the tree half off. Complainant states that their are only two customers in his neighborhood that do not have buried cable. Complainant inquired about the line being buried and was told that he would have to pay $7,500.00. Complainant states that Xcel Energy does not have an easement to have the utility pole on his property. Complainant requests that Xcel Energy bury their lines at no cost or a reasonable cost to the customer. Complainant does not feel he should replace his tree because he believes that the problem will occur again when the tree trimming service happens again.

Staff Analyst: Mary Healy
Staff Attorney: Kelly Frazier
Date Docketed: 08/ 20/01
Intervention Deadline: N/A

TELECOMMUNICATIONS

TC01-111 **In the Matter of the Request of Baltic Telecom Cooperative and East Plains Telecom, Inc for Certification Regarding its Use of Federal Universal Service Support.**

The purpose of this filing is to provide information constituting Baltic Telecom Cooperative and its subsidiary East Plains Telecom, Inc 's plan for the use of its federal universal service support and to otherwise verify that Baltic Telecom Cooperative and its subsidiary East Plains Telecom, 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 Cremer
Date Docketed: 08/16/01
Intervention Deadline: 08/31/01

TC01-112 **In the Matter of the Request of Cheyenne River Sioux Tribe Telephone Authority for Certification Regarding its Use of Federal Universal Service Support.**

The purpose of this filing is to provide information constituting Cheyenne River Sioux Tribe Telephone Authority's plan for the use of its federal universal service support and to otherwise verify that Cheyenne River Sioux Tribe Telephone Authority 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 Cremer
Date Docketed: 08/17/01
Intervention Deadline: 08/31/01

Staff Analyst: Harlan Best
Staff Attorney: Karen Cremer
Date Docketed: 08/20/01
Intervention Deadline: 08/31/01

TC01-118 **In the Matter of the Request of Kadoka Telephone Company for Certification Regarding its Use of Federal Universal Service Support.**

The purpose of this filing is to provide information constituting Kadoka Telephone Company's plan for the use of its federal universal service support and to otherwise verify that Kadoka 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 Cremer
Date Docketed: 08/20/01
Intervention Deadline: 08/31/01

TC01-119 **In the Matter of the Request of Valley Telephone Company for Certification Regarding its Use of Federal Universal Service Support.**

The purpose of this filing is to provide information constituting Valley Telephone Company's plan for the use of its federal universal service support and to otherwise verify that Valley 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 Cremer
Date Docketed: 08/20/01
Intervention Deadline: 08/31/01

TC01-120 **In the Matter of the Request of Mount Rushmore Telephone Company and Fort Randall Telephone Company for Certification Regarding its Use of Federal Universal Service Support.**

The purpose of this filing is to provide information constituting Mt. Rushmore Telephone Company and Fort Randall Telephone Company's plan for the use of its federal universal service support and to otherwise verify that Mt. Rushmore Telephone Company and Fort Randall 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 Cremer
Date Docketed: 08/20/01
Intervention Deadline: 08/31/01

TC01-121 **In the Matter of the Request of Sanborn Telephone Cooperative, Inc. and SANCOM, Inc. for Certification Regarding its Use of Federal Universal Service Support.**

The purpose of this filing is to provide information constituting Sanborn Telephone Cooperative, Inc./Sancom, Inc.'s plan for the use of its federal universal service support and to otherwise verify that Sanborn Telephone

Cooperative 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 Cremer
Date Docketed: 08/20/01
Intervention Deadline: 08/31/01

TC01-126 **In the Matter of the Request of West River Telecommunications Cooperative (Mobridge) for Certification Regarding its Use of Federal Universal Service Support.**

The purpose of this filing is to provide information constituting West River Telecommunications Cooperative's (Mobridge) plan for the use of its federal universal service support and to otherwise verify that West River Telecommunications Cooperative (Mobridge) 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 Cremer
Date Docketed: 08/20/01
Intervention Deadline: 08/31/01

TC01-127 **In the Matter of the Request of Midstate Communications, Inc. for Certification Regarding its Use of Federal Universal Service Support.**

The purpose of this filing is to provide information constituting Midstate Communications, Inc.'s plan for the use of its federal universal service support and to otherwise verify that Midstate Communications, 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 Cremer
Date Docketed: 08/20/01
Intervention Deadline: 08/31/01

TC01-128 **In the Matter of the Request of Tri-County Telecom, Inc. for Certification Regarding its Use of Federal Universal Service Support.**

The purpose of this filing is to provide information constituting Tri-County Telecom, Inc.'s plan for the use of its federal universal service support and to otherwise verify that Tri-County Telecom, 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 Cremer
Date Docketed: 08/20/01
Intervention Deadline: 08/31/01

TC01-129 **In the Matter of the Request of McCook Cooperative Telephone Company for Certification Regarding its Use of Federal Universal Service Support.**

The purpose of this filing is to provide information constituting McCook Cooperative Telephone Company's plan for the use of its federal universal service support and to otherwise verify that McCook Cooperative Telephone

The purpose of this filing is to provide information constituting Sioux Valley Telephone Company's plan for the use of its federal universal service support and to otherwise verify that Sioux Valley 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 Cremer
Date Docketed: 08/21/01
Intervention Deadline: 08/31/01

TC01-134 **In the Matter of the Request of Dickey Rural Telephone Cooperative for Certification Regarding its Use of Federal Universal Service Support.**

The purpose of this filing is to provide information constituting Dickey Rural Telephone Cooperative's plan for the use of its federal universal service support and to otherwise verify that Dickey Rural Telephone Cooperative 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 Cremer
Date Docketed: 08/22/01
Intervention Deadline: 08/31/01

TC01-135 **In the Matter of the Request of Dickey Rural Communications, Inc. for Certification Regarding its Use of Federal Universal Service Support.**

The purpose of this filing is to provide information constituting Dickey Rural Communications, Inc.'s plan for the use of its federal universal service support and to otherwise verify that Dickey Rural Communications, 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 Cremer
Date Docketed: 08/22/01
Intervention Deadline: 08/31/01

TC01-136 **In the Matter of the Request of Farmers Mutual Telephone Company for Certification Regarding its Use of Federal Universal Service Support.**

The purpose of this filing is to provide information constituting Farmers Mutual Telephone Company's plan for the use of its federal universal service support and to otherwise verify that Farmers Mutual 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 Cremer
Date Docketed: 08/22/01
Intervention Deadline: 08/31/01

TC01-137 **In the Matter of the Request of RT Communications, Inc. for Certification Regarding its Use of Federal Universal Service Support.**

The purpose of this filing is to provide information constituting RT Communications, Inc.'s plan for the use of its

Staff Analyst: Harlan Best
Staff Attorney: Karen Cremer
Date Docketed: 08/22/01
Intervention Deadline: 08/31/01

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BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF SOUTH DAKOTA

IN THE MATTER OF THE REQUEST OF DICKEY RURAL TELEPHONE COOPERATIVE FOR CERTIFICATION REGARDING ITS USE OF FEDERAL UNIVERSAL SERVICE SUPPORT	)))))	ORDER GRANTING CERTIFICATION TC01-134

On May 23, 2001, the Federal Communications Commission (FCC) released an Order concerning the federal universal service support mechanism for rural carriers.[1] 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 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, 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 22, 2001, the South Dakota Public Utilities Commission (Commission) received a filing from Dickey Rural Telephone Cooperative (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 23, 2001, the Commission electronically transmitted notice of the filing and the intervention deadline of August 31, 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 20th 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.

By Delaine Kolbo

Date 9/25/01

(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 following rural incumbent local exchange carriers and/or eligible telecommunicatio carriers within its jurisdiction have been certified to receive support pursuant to CFR §§ 54.301, 54.305, and/or 54.307 and /or part 36, subpart F. The carriers lis below filed requests for certification with the Commission which support th affirmations that all federal high-cost support provided to them will be used only the provision, maintenance, and upgrading of facilities and services for which support is intended. The Commission has granted certification to the follow 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