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JohnsonR@moss-barnett.com

September 5, 2002

VIA UPS OVERNIGHT

Debra Elofson

South Dakota Public Utilities Commission

State Capitol Building

500 East Capitol

Pierre, South Dakota 57501

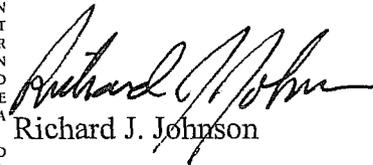
Re: In the Matter of the Request of Valley Telephone Company for Certification Regarding
Their Use of Federal Universal Service Support
Docket No.

Dear Ms. Elofson:

Enclosed for filing please find the original and 10 copies of the Request for Certification by
Valley Telephone Company in the above-referenced docket. Also enclosed is a Certificate of
Service.

Please call the undersigned if further information is needed.

Very truly yours,



Richard J. Johnson

RETIRE
STANLEY R. STASEL
PATRICK F. FLAHERTY
WAYNE A. HERGOTT
MICHAEL L. FLANAGAN
PAUL VAN VALKENBURG
W. SCOTT HERZOG
PAUL G. NEIMANN
WILLIAM N. KOSTER

RJJ/jjh

Enclosures

532216/1

RECEIVED

SEP 06 2002

**SOUTH DAKOTA PUBLIC
UTILITIES COMMISSION**

SEP 06 2002

BEFORE THE
SOUTH DAKOTA PUBLIC UTILITIES COMMISSIONSOUTH DAKOTA PUBLIC
UTILITIES COMMISSION
DOCKET NO. _____IN THE MATTER OF THE REQUEST OF
VALLEY TELEPHONE COMPANY FOR
CERTIFICATION REGARDING ITS USE OF
FEDERAL UNIVERSAL SERVICE SUPPORT

REQUEST FOR CERTIFICATION

Valley 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, Valley 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.¹ The Fourteenth Report 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 said 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, Subpart F (high-cost loop support, local switching support, safety net additive

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 ("Fourteenth Report and Order").

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 2003 is currently due to be filed with the FCC and USAC on or before October 1, 2002. 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. Valley 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 200 access lines within its established rural service area in South Dakota.

4. This Commission has limited regulatory oversight over Valley 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.²

5. 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. § 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 area, 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 . . .

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

² Fourteenth Report and Order at ¶ 188.

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. Valley 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 2003. As of this time, specific support amounts the Company should receive in 2003 have not yet been identified by USAC. Included in Exhibit B attached hereto, however, are estimated universal service support amounts for such period.

10. Valley Telephone Company also provides in Exhibit B, attached hereto, estimates of the expenditures that will be incurred in year 2003 for the provision, maintenance, and upgrading of facilities and service supported by federal universal service.

11. Consistent with the universal service principles set forth in the federal law and also the recent FCC orders referenced herein, Valley Telephone Company will use federal universal service amounts received in 2003 to offset a portion of the 2003 expenditures incurred within the accounts referenced in Exhibit B. This use of federal universal service support will enable Valley Telephone Company to: (1) maintain rates for its local exchange services that are

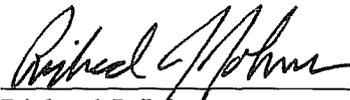
³ Ninth Report and Order and Eighteenth Order on Reconsideration in CC Docket No. 96-45 (In the Matter of the Federal-State Joint Board on Universal Service), FCC 99-306, ¶ 96, released November 2, 1999.

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.

12. Based on all of the foregoing information, the attached Exhibit B, and the Affidavit of Paul Hoff attached as Exhibit A, Valley Telephone Company requests that this Commission issue an appropriate certification to the FCC and USAC indicating that Valley 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 2003. In order to ensure that this certification is issued to the FCC prior to October 1, 2002, Valley Telephone Company would further ask the Commission to expedite the process that is initiated based on this filing.

Dated this 5th day of September, 2002

Respectfully submitted,



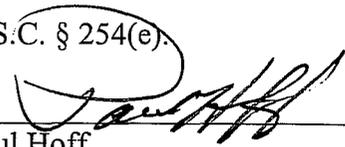
Richard J. Johnson

MOSS & BARNETT
A Professional Association
4800 Wells Fargo Center
90 S Seventh Street
Minneapolis, MN 55402
Telephone: 612-347-0275

Attorneys on Behalf of Valley
Telephone Company

AFFIDAVIT

As an authorized corporate officer of Valley Telephone Company, I, Paul Hoff, 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 Valley Telephone Company will be used only for the provision, maintenance, and upgrading of facilities and services for which the support is intended consistent with 47 U.S.C. § 254(e).



Paul Hoff

Subscribed and Sworn to before me this 19th day of August, 2002.

NOTARY PUBLIC

KAREN D. THOMPSON

Commission expires: _____

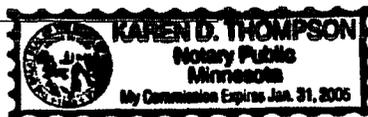


Exhibit B
Valley Telephone Company

Estimated Year 2003 Federal Universal Service Receipts

High cost loop support	\$ 8,800.00
Local switching support	\$ 45,000.00
Safety Net Additive Support	
Safety Valve Loop Cost Adjustment	
TOTAL	\$ 53,800.00

Estimated Year 2003 Expenditures For Provision, Maintenance, and Upgrading Of Facilities and Services Supported By Federal Universal Service Funding

Estimated Plant Specific Operations Expenses

Network support (Accts. 6110-16)	\$ 800.00
General support (Accts. 6120-24)	\$ 4,200.00
Central office (Accts. 6210-6215)	\$ 4,600.00
Cable and wire facilities (Accts. 6410-6441)	\$ 15,200.00
Network operations (Accts. 6530-35)	\$ 4,500.00
Depreciation and amortization (Accts. 6560-65)	\$ 36,500.00

Customer operations expenses

Customer services (Accts. 6620-23)	\$ 27,700.00
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Corporate operations expenses

Executive and planning (Accts. 6710-6712)	\$ 31,900.00
General and administrative (Accts. 6720-28)	\$ 67,000.00

Estimated Total Year 2003 Supported Expenses, Before Return On Investment **\$ 192,400.00**

Additions

Switching (Acct. 2210)	\$ -
Cable and wire (Acct. 2410)	\$ -
TOTAL	\$ -

Estimated Total Year 2003 Supported Expenditures, Before Return On Investment **\$ 192,400.00**

(Allocation done based on access lines)

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SEP 06 2002

**SOUTH DAKOTA PUBLIC
UTILITIES COMMISSION**

Certificate of Service

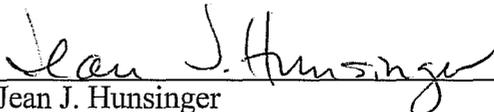
I hereby certify that an original and ten copies of the above and foregoing Request of Valley Telephone Company for Certification Regarding Their Use of Federal Universal Service Support were sent via overnight service on the 5th day of September, 2002, to the following:

Debra Elofson
Executive Director
South Dakota Public Utilities Commission
Capitol Building, First Floor
500 East Capitol Avenue
Pierre, South Dakota 57501

and a true and correct copy was sent by overnight service to the following:

Rolayne Ailts Wiest
South Dakota Public Utilities Commission
Capitol Building
500 East Capitol Avenue
Pierre, South Dakota 57501

and a true and correct copy by overnight service or United States Mail, postage prepaid, to the persons on the attached list.



Jean J. Hunsinger

Paul Hoff
Valley Telephone Company
100 Main Street
P O Box 277
Underwood, MN 56586

South Dakota Public Utilities Commission

WEEKLY FILINGS

For the Period of September 5, 2002 through September 11, 2002

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 report. Phone: 605-773-3705 Fax: 605-773-3809

CONSUMER COMPLAINTS

CT02-036 In the Matter of the Complaint filed by Al Leibman, Sioux Falls, South Dakota, against Qwest Corporation Regarding a Billing Dispute.

Complainant states that in May 2002, he requested service from Qwest to his residence. Although the service was connected by Qwest, he did not have dial tone service in his residence. Because he felt Qwest would be unable to fix the problem in an expedient amount of time, Complainant requested that the service be disconnected. Complainant was told by the Qwest representative that the account would be closed and that there would be no charges billed to the Complainant. Complainant has since been billed by Qwest for the service. Complainant requests that Qwest remove all charges from his account.

Staff Analyst: Mary Healy
Staff Attorney: Karen Cremer
Date Docketed: 09/09/02
Intervention Deadline: N/A

CT02-037 In the Matter of the Complaint filed by Len Scherr on behalf of Sammy's Restaurant, Aberdeen, South Dakota, against McLeodUSA Telecommunications Services, Inc. Regarding a Contract Dispute.

Complainant's representative states that when he agreed to phone service from McLeod, he was not told that he was signing a term agreement and believed that he was authorizing McLeod to be Complainant's phone provider. Complainant did not receive a copy of the McLeod contract until August 27, 2002. Complainant's representative believes that the McLeod representative filled in the terms of the contract after the contract had been signed. On more than one occasion Complainant's representative states that Complainant's phone service did not work. Complainant's representative requests that Complainant be released from its McLeod service without penalty.

Staff Analyst: Mary Healy
Staff Attorney: Karen Cremer
Date Docketed: 09/10/02
Intervention Deadline: N/A

TELECOMMUNICATIONS

TC02-121 In the Matter of the Request of Beresford Municipal Telephone Company for Certification Regarding its Use of Federal Universal Service Support.

On September 5, 2002, Beresford Municipal Telephone Company (Beresford) provided information constituting Beresford's plan for the use of its federal universal service support and to otherwise verify that Beresford 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 E. Cremer
Date Docketed: 09/05/02
Intervention Deadline: 09/20/02

TC02-122 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.

On September 5, 2002, Mount Rushmore Telephone Company and Fort Randall Telephone Company (Mt. Rushmore/Ft. Randall) provided information constituting Mt. Rushmore/Ft. Randall's plan for the use of its federal universal service support and to otherwise verify that Mt. Rushmore/Ft. Randall 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 E. Cremer
Date Docketed: 09/05/02
Intervention Deadline: 09/20/02

TC02-123 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.

On September 6, 2002, Baltic Telecom Cooperative and East Plains Telecom, Inc. (Baltic/East Plains) provided information constituting Baltic/East Plains' plan for the use of its federal universal service support and to otherwise verify that Baltic/East Plains 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 E. Cremer
Date Docketed: 09/06/02
Intervention Deadline: 09/20/02

TC02-124 In the Matter of the Request of Jefferson Telephone Co., Inc. for Certification Regarding its Use of Federal Universal Service Support.

On September 6, 2002, Jefferson Telephone Co., Inc. (Jefferson) provided information constituting Jefferson's plan for the use of its federal universal service support and to otherwise verify that Jefferson 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 E. Cremer
Date Docketed: 09/06/02
Intervention Deadline: 09/20/02

TC02-125 In the Matter of the Request of Western Telephone Company for Certification Regarding its Use of Federal Universal Service Support.

On September 6, 2002, Western Telephone Company (Western) provided information constituting Western's plan for the use of its federal universal service support and to otherwise verify that Western 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 E. Cremer
Date Docketed: 09/06/02
Intervention Deadline: 09/20/02

TC02-126 In the Matter of the Request of Valley Telephone Company for Certification Regarding its Use of Federal Universal Service Support.

On September 6, 2002, Valley Telephone Company (Valley) provided information constituting Valley's plan for the use of its federal universal service support and to otherwise verify that Valley 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 E. Cremer
Date Docketed: 09/06/02
Intervention Deadline: 09/20/02

TC02-127 In the Matter of the Request of Splitrock Telecom Cooperative, Inc. and Splitrock Properties, Inc. for Certification Regarding its Use of Federal Universal Service Support.

On September 6, 2002, Splitrock Telephone Cooperative, Inc. and Splitrock Properties, Inc. (Splitrock Cooperative/Splitrock Properties) provided information constituting Splitrock Cooperative/Splitrock Properties' plan for the use of its federal universal service support and to otherwise verify that Splitrock Cooperative/Splitrock Properties 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 E. Cremer
Date Docketed: 09/06/02
Intervention Deadline: 09/20/02

TC02-128 In the Matter of the Request of Santel Communications Cooperative, Inc. for Certification Regarding its Use of Federal Universal Service Support.

On September 6, 2002, Santel Communications Cooperative, Inc. (Santel) provided information constituting Santel's plan for the use of its federal universal service support and to otherwise verify that Santel 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 E. Cremer
Date Docketed: 09/06/02
Intervention Deadline: 09/20/02

TC02-129 In the Matter of the Request of Great Plains Communications, Inc. for Certification Regarding its Use of Federal Universal Service Support.

On September 6, 2002, Great Plains Communications, Inc. (Great Plains) provided information constituting Great Plains' plan for the use of its federal universal service support and to otherwise verify that Great Plains 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 E. Cremer
Date Docketed: 09/06/02
Intervention Deadline: 09/20/02

TC02-130 In the Matter of the Request of Brookings Municipal Telephone for Certification Regarding its Use of Federal Universal Service Support.

On September 6, 2002, Brookings Municipal Telephone (Brookings) provided information constituting Brookings' plan for the use of its federal universal service support and to otherwise verify that Brookings 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 E. Cremer
Date Docketed: 09/06/02
Intervention Deadline: 09/20/02

TC02-131 In the Matter of the Filing for Approval of an Amendment to an Interconnection Agreement between Qwest Corporation and Black Hills FiberCom, L.L.C.

On September 9, 2002, the Commission received for approval a Filing of Amendment for Internet Service Provider (ISP) Bound Traffic to the Interconnection Agreement between Black Hills FiberCom Inc. for the State of South Dakota, (Black Hills) and Qwest Corporation (Qwest). According to the parties, the Amendment is a negotiated agreement between Black Hills and Qwest which was originally approved by the Commission effective January 6, 1999, in Docket TC98-205. The purpose of the Amendment is to delete paragraphs 3.2.1 and 3.2.3 and replace them with language in the Amendment. Any party wishing to comment on the agreement may do so by filing written comments with the Commission and the parties to the agreement no later than September 30, 2002. Parties to the agreement may file written responses to the comments no later than twenty days after the service of the initial comments.

Staff Attorney: Kelly Frazier
Date Docketed: 09/09/02
Initial Comments Due: 09/30/02

TC02-132 In the Matter of the Request of Heartland Telecommunications Company of Iowa d/b/a Hickory Tech Corporation for Certification Regarding its Use of Federal Universal Service Support.

On September 9, 2002, Heartland Telecommunications Company of Iowa d/b/a HickoryTech (HickoryTech) provided information constituting HickoryTech's plan for the use of its federal universal service support and to otherwise verify that HickoryTech 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 E. Cremer
Date Docketed: 09/09/02
Intervention Deadline: 09/20/02

TC02-133 - In the Matter of the Request of James Valley Cooperative Telephone Company for Certification Regarding its Use of Federal Universal Service Support.

On September 9, 2002, James Valley Cooperative Telephone Company (James Valley) provided information constituting James Valley's plan for the use of its federal universal service support and to otherwise verify that James Valley 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 E. Cremer
Date Docketed: 09/09/02
Intervention Deadline: 09/20/02

TC02-134 In the Matter of the Request of Red River Telecom, Inc. for Certification Regarding its Use of Federal Universal Service Support.

On September 9, 2002, Red River Telecom, Inc. (Red River) provided information constituting Red River's plan for the use of its federal universal service support and to otherwise verify that Red River 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 E. Cremer
Date Docketed: 09/09/02
Intervention Deadline: 09/20/02

TC02-135 In the Matter of the Request of Faith Municipal Telephone Company for Certification Regarding its Use of Federal Universal Service Support.

On September 9, 2002, Faith Municipal Telephone Company (Faith) provided information constituting Faith's plan for the use of its federal universal service support and to otherwise verify that Faith 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 E. Cremer
Date Docketed: 09/09/02
Intervention Deadline: 09/20/02

TC02-136 In the Matter of the Request of Kadoka Telephone Company for Certification Regarding its Use of Federal Universal Service Support.

On September 9, 2002, Kadoka Telephone Company (Kadoka) provided information constituting Kadoka's plan for the use of its federal universal service support and to otherwise verify that Kadoka 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 E. Cremer
Date Docketed: 09/09/02
Intervention Deadline: 09/20/02

TC02-137 In the Matter of the Request of Union Telephone Company for Certification Regarding its Use of Federal Universal Service Support.

On September 9, 2002, Union Telephone Company (Union) provided information constituting Union's plan for the use of its federal universal service support and to otherwise verify that Union 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 E. Cremer
Date Docketed: 09/09/02
Intervention Deadline: 09/20/02

TC02-138 In the Matter of the Request of Bridgewater-Canistota Independent Telephone Company for Certification Regarding its Use of Federal Universal Service Support.

On September 9, 2002, Bridgewater-Canistota Telephone Company (Bridgewater) provided information constituting Bridgewater's plan for the use of its federal universal service support and to otherwise verify that Bridgewater 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 E. Cremer
Date Docketed: 09/09/02
Intervention Deadline: 09/20/02

TC02-139 In the Matter of the Request of Armour Independent Telephone Company for Certification Regarding its Use of Federal Universal Service Support.

On September 9, 2002, Armour Independent Telephone Company (Armour) provided information constituting Armour's plan for the use of its federal universal service support and to otherwise verify that Armour 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 E. Cremer
Date Docketed: 09/09/02
Intervention Deadline: 09/20/02

TC02-140 In the Matter of the Request of Dakota Community Telephone, Inc. for Certification Regarding its Use of Federal Universal Service Support.

On September 9, 2002, Dakota Community Telephone, Inc. (Dakota) provided information constituting Dakota's plan for the use of its federal universal service support and to otherwise verify that Dakota 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 E. Cremer
Date Docketed: 09/09/02
Intervention Deadline: 09/20/02

TC02-141 In the Matter of the Request of Golden West Telecommunications Cooperative, Inc. for Certification Regarding its Use of Federal Universal Service Support.

On September 9, 2002, Golden West Telecommunications Cooperative, Inc. (Golden West) provided information constituting Golden West's plan for the use of its federal universal service support and to otherwise verify that Golden West 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 E. Cremer
Date Docketed: 09/09/02
Intervention Deadline: 09/20/02

TC02-142 In the Matter of the Request of McCook Cooperative Telephone Company for Certification Regarding its Use of Federal Universal Service Support.

On September 9, 2002, McCook Cooperative Telephone Company (McCook) provided information constituting

McCook's plan for the use of its federal universal service support and to otherwise verify that McCook 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 E. Cremer
Date Docketed: 09/09/02
Intervention Deadline: 09/20/02

TC02-143 In the Matter of the Request of Midstate Communications, Inc. for Certification Regarding its Use of Federal Universal Service Support.

On September 9, 2002, Midstate Communications, Inc. (Midstate) provided information constituting Midstate's plan for the use of its federal universal service support and to otherwise verify that Midstate 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 E. Cremer
Date Docketed: 09/09/02
Intervention Deadline: 09/20/02

TC02-144 In the Matter of the Request of Roberts County Telephone Cooperative Association and RC Communications, Inc. for Certification Regarding its Use of Federal Universal Service Support.

On September 9, 2002, Roberts County Telephone Cooperative Association and RC Communications, Inc. (Roberts County and RC) provided information constituting Roberts County and RC's plan for the use of its federal universal service support and to otherwise verify that Roberts County and RC 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 E. Cremer
Date Docketed: 09/09/02
Intervention Deadline: 09/20/02

TC02-145 In the Matter of the Request of RT Communications, Inc. for Certification Regarding its Use of Federal Universal Service Support.

On September 9, 2002, RT Communications (RT) provided information constituting RT's plan for the use of its federal universal service support and to otherwise verify that RT 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 E. Cremer
Date Docketed: 09/09/02
Intervention Deadline: 09/20/02

TC02-146 In the Matter of the Request of Sioux Valley Telephone Company for Certification Regarding its Use of Federal Universal Service Support.

On September 9, 2002, Sioux Valley Telephone Company (Sioux Valley) provided information constituting Sioux Valley's plan for the use of its federal universal service support and to otherwise verify that Sioux Valley 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 E. Cremer
Date Docketed: 09/09/02
Intervention Deadline: 09/20/02

TC02-147 In the Matter of the Request of Stockholm-Strandburg Telephone Company for Certification Regarding its Use of Federal Universal Service Support.

On September 9, 2002, Stockholm-Strandburg Telephone Company (Stockholm) provided information constituting Stockholm's plan for the use of its federal universal service support and to otherwise verify that Stockholm 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 E. Cremer
Date Docketed: 09/09/02
Intervention Deadline: 09/20/02

TC02-148 In the Matter of the Request of Sully Buttes Telephone Cooperative, Inc. for Certification Regarding its Use of Federal Universal Service Support.

On September 9, 2002, Sully Buttes Telephone Cooperative, Inc. (Sully Buttes) provided information constituting Sully Buttes' plan for the use of its federal universal service support and to otherwise verify that Sully Buttes 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 E. Cremer
Date Docketed: 09/09/02
Intervention Deadline: 09/20/02

TC02-149 In the Matter of the Request of Tri-County Telcom, Inc. for Certification Regarding its Use of Federal Universal Service Support.

On September 9, 2002, Tri-County Telcom, Inc. (Tri-County) provided information constituting Tri-County's plan for the use of its federal universal service support and to otherwise verify that Tri-County 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 E. Cremer
Date Docketed: 09/09/02
Intervention Deadline: 09/20/02

TC02-150 In the Matter of the Request of Valley Telecommunications Cooperative Association, Inc. for Certification Regarding its Use of Federal Universal Service Support.

On September 9, 2002, Valley Telecommunications Cooperative Assn., Inc. (Valley) provided information constituting Valley's plan for the use of its federal universal service support and to otherwise verify that Valley 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 E. Cremer
Date Docketed: 09/09/02
Intervention Deadline: 09/20/02

TC02-151 In the Matter of the Request of Vivian Telephone Company d/b/a Golden West Communications, Inc. for Certification Regarding its Use of Federal Universal Service Support.

On September 9, 2002, Vivian Telephone Company (Vivian) provided information constituting Vivian's plan for the use of its federal universal service support and to otherwise verify that Vivian 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 E. Cremer
Date Docketed: 09/09/02
Intervention Deadline: 09/20/02

TC02-152 In the Matter of the Request of West River Telecommunications Cooperative for Certification Regarding its Use of Federal Universal Service Support.

On September 9, 2002, West River Telecommunications (West River) provided information constituting West River's plan for the use of its federal universal service support and to otherwise verify that West River 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 E. Cremer
Date Docketed: 09/09/02
Intervention Deadline: 09/20/02

TC02-153 In the Matter of the Request of West River Telecommunications Cooperative (Mobridge) for Certification Regarding its Use of Federal Universal Service Support.

On September 9, 2002, West River Telecommunications (Mobridge) provided information constituting Mobridge's plan for the use of its federal universal service support and to otherwise verify that 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 E. Cremer
Date Docketed: 09/09/02
Intervention Deadline: 09/20/02

TC02-154 In the Matter of the Request of Cheyenne River Sioux Tribe Telephone Authority for Certification Regarding its Use of Federal Universal Service Support.

On September 10, 2002, Cheyenne River Sioux Tribe Telephone Authority (Cheyenne River) provided information constituting Cheyenne River's plan for the use of its federal universal service support and to

otherwise verify that Cheyenne River 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 E. Cremer
Date Docketed: 09/10/02
Intervention Deadline: 09/20/02

TC02-155 In the Matter of the Filing by Qwest Corporation for Approval of Revisions to its Access Services Tariff.

On September 11, 2002, Qwest Corporation filed changes to its Access Services Tariff. The purpose of the changes is to correct Pricing Flexibility USOCs for six transport rate elements. There are no rate changes proposed. Qwest requests an effective date as soon as possible.

Staff Analyst: Heather Forney
Staff Attorney: Karen E. Cremer
Date Docketed: 09/11/02
Intervention Deadline: 09/23/02

TC02-156 In the Matter of the Request of WWC License LLC for Certification Regarding its Use of Federal Universal Service Support.

On September 11, 2002, WWC License LLC, a subsidiary of Western Wireless Corporation, verified that WWC License LLC 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 E. Cremer
Date Docketed: 09/11/02
Intervention Deadline: 09/20/02

TC02-157 In the Matter of the Request of West River Cooperative Telephone Company for Certification Regarding its Use of Federal Universal Service Support.

On September 11, 2002, West River Cooperative Telephone Company (West River) provided information constituting West River's plan for the use of its federal universal service support and to otherwise verify that West River 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 E. Cremer
Date Docketed: 09/11/02
Intervention Deadline: 09/20/02

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

IN THE MATTER OF THE REQUEST OF)	ORDER GRANTING
VALLEY TELEPHONE COMPANY FOR)	CERTIFICATION
CERTIFICATION REGARDING ITS USE OF)	
FEDERAL UNIVERSAL SERVICE SUPPORT)	TC02-126

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 2002 is currently due to be filed with the FCC and USAC on or before October 1, 2002. 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 September 6, 2002, the South Dakota Public Utilities Commission (Commission) received a filing from Valley 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 of its federal universal service support and to otherwise verify that Company will use all federal

¹CC 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.

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 September 12, 2002, the Commission electronically transmitted notice of the filing and the intervention deadline of September 20, 2002, to interested individuals and entities. No parties sought intervention.

At its regularly scheduled meeting of September 24, 2002, 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 27th day of September, 2002.

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>Neilino Kalbo</i></u>
Date: <u>9/27/02</u>
(OFFICIAL SEAL)

BY ORDER OF THE COMMISSION:

James A. Burg
JAMES A. BURG, Chairman

Pam Nelson
PAM NELSON, Commissioner

Robert K. Sahr
ROBERT K. SAHR, Commissioner

South Dakota Public Utilities Commission

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



September 27, 2002

Ms. Marlene H. Dortch, Secretary
Federal Communications Commission
Office of the Secretary
445 12th Street S.W.
Washington, DC 20554

Ms. Marlene H. Dortch, Secretary
Federal Communications Commission
Office of the Secretary
9300 East Hampton Drive
Capitol Heights, MD 20743

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. Dortch 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, consistent with section 254(e) of the Communications Act. The Commission has granted certification to the following companies:

Armour Independent Telephone Company (391640)
Baltic Telecom Cooperative and East Plains Telecom, Inc. (391642)
Beresford Municipal Telephone Company (391649)
Bridgewater-Canistota Independent Telephone Company (391640) (co. no. 0158)
Brookings Municipal Telephone (391650)
Cheyenne River Sioux Tribe Telephone Authority (391647)
Citizens Telecommunications Company of Minnesota, Inc. (361123)
City of Faith Municipal Telephone Company (391653)



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 Website
www.state.sd.us/puc

♦
Jim Burg
Chairman
Pam Nelson
Vice-Chairman
Bob Sahr
Commissioner

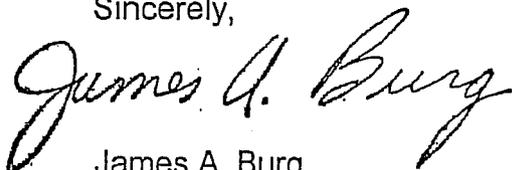
Debra Elofson
Executive Director

Harlan Best
Martin C. Bettmann
Karen E. Cremer
Tina Douglas
Christopher W. Downs
Terry Emerson
Michele M. Farris
Marlette Fischbach
Heather K. Forney
Kelly D. Frazier
Mary Giddings
Tom Graham
Mary A. Healy
Terri Iverson
Lisa Hull
Dave Jacobson
Amy Kayser
Bob Knadle
Delaine Kolbo
Gregory A. Rislov
Keith Senger
John Smith
Rolayne Ailts Wiest
♦

Dakota Community Telephone, Inc. (391652)
Dickey Rural Communications, Inc. (381611) (co. no. 1681)
Dickey Rural Telephone Cooperative (381611) (co. no. 1611)
Golden West Telecommunications Cooperative, Inc. (391659)
Great Plains Communications, Inc. (371577)
Heartland Telecommunication Company of Iowa d/b/a Hickory Tech Corporation (351096)
Interstate Telecommunications Cooperative, Inc. (391654)
James Valley Cooperative Telephone Company (391664)
Jefferson Telephone Co., Inc. (391666)
Kadoka Telephone Company (391667)
Kennebec Telephone Company (391668)
McCook Cooperative Telephone Company (391669)
Midstate Communications, Inc. (391670)
Mount Rushmore Telephone Company and Fort Randall Telephone Company (391660)
Red River Telecom, Inc. (381631)
Roberts County Telephone Cooperative Association and RC Communications, Inc. (391674)
RT Communications, Inc. (512251)
Santel Communications Cooperative, Inc. (391676)
Sioux Valley Telephone Company (391677)
Splitrock Telecom Cooperative, Inc. and Splitrock Properties, Inc. (391657)
Stockholm-Strandburg Telephone Company (391679)
Sully Buttes Telephone Cooperative, Inc. (391680)
Three River Telco (371525)
Tri-County Telecom, Inc. (391682)
Union Telephone Company (391684)
Valley Telecommunications Cooperative Association, Inc. (391685)
Valley Telephone Company (361495)
Vivian Telephone Company d/b/a Golden West Communications, Inc. (391686)
Western Telephone Company (391688)
West River Cooperative Telephone Company (391689)
West River Telecommunications Cooperative (381637) (co. no. 4414)
West River Telecommunications Cooperative (Mobridge) (391671)

Also enclosed are the Orders Granting Certification to the above-referenced rural incumbent local exchange carriers and/or eligible telecommunications carriers. Should you have any questions, please do not hesitate to contact us for further information.

Sincerely,



James A. Burg
Chairman



Pam Nelson
Commissioner



Robert K. Sahr
Commissioner