

AUG 01 2003

BEFORE THE SOUTH DAKOTA PUBLIC UTILITIES COMMISSION
SOUTH DAKOTA PUBLIC UTILITIES COMMISSION

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

DOCKET NO. _____

REQUEST FOR CERTIFICATION

Kennebec Telephone Company (the "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, the 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 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, Subpart F (high-cost loop support, local

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.

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 2004 is currently due to be filed with the FCC and USAC on or before October 1, 2003. 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. The 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 768 access lines within its established rural service area in South Dakota.

4. This Commission has limited regulatory oversight over the 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 indicating the Company's use of federal universal service support and to otherwise verify that the 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. . . .
- (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, ¶ 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. The Company as a designated eligible telecommunications carrier has received federal universal service support in the past and expects to receive support during calendar year 2004. As of this time, specific support amounts the Company should receive in 2004 have not yet been identified by USAC. Included in Exhibit A attached hereto, however, are estimated universal service support amounts for such period.

10. The Company also provides in Exhibit A, attached hereto, estimates of the expenditures that will be incurred in year 2004 for the provision, maintenance, and upgrading of facilities and services supported by federal universal service. Consistent with the universal service principles set forth in the federal law and also the FCC orders referenced herein, the Company will use federal universal service amounts received in 2004 to offset a portion of 2004 expenditures incurred within the accounts referenced in Exhibit A. This use of federal universal service support will enable the 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

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.

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.

11. Based on the foregoing information, the attached Exhibit A and Exhibit B, Affidavit of Rod Bowar, the Company requests that this Commission issue an appropriate certification to the FCC and USAC indicating that Kennebec 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 2004. In order to ensure that this certification is issued to the FCC prior to October 1, 2003, the Company would further ask the Commission to expedite the process that is initiated based on this filing.

Dated this 31ST day of July 2003.

Respectfully submitted,

Larson, Sundall, Larson Schaub & Fox P.C.
By: *Heidi Sundall*

(signed by corporate attorney)

Exhibit A
Kennebec Telephone Company

Estimated Year 2004 Federal Universal Service Receipts

High cost loop support	\$ 579,798
Local switching support	\$ 175,164
Safety Net Additive support	\$ 7,260
Safety Valve Loop Cost Adjustment	\$ <u>0</u>
TOTAL	\$ 762,222

Estimated Year 2004 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)	\$ 0
General support (Accts. 6120-24)	\$ 33,942
Central office (Accts. 6210-6232)	\$ 195,235
Cable and wire facilities (Accts. 6410-6441)	\$ 171,284
Network operations (Accts. 6530-35)	\$ 43,697
Depreciation and amortization (Accts. 6560-65)	\$ 454,897

Customer operations expenses

Customer services (Accts. 6620-23)	\$ 104,622
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Corporate operations expenses

Executive and planning (Accts. 6710-6712)	\$ 133,530
General and administrative (Accts. 6720-28)	\$ 296,848

Estimated Total Recurring Year 2004 Supported Expenses, from above, Before Return On Investment	\$ 1,434,055
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Estimated Additions

Switching (Acct. 2210)	\$ 65,000
Cable and wire (Acct. 2410)	\$ <u>180,000</u>
TOTAL	\$ 245,000

Estimated Total Year 2004 Supported Expenditures, Before Return On Investment	\$ 1,679,055
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Exhibit B
AFFIDAVIT

As an authorized representative of Kennebec Telephone Company, I, Rod Bowar, 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 Kennebec 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).


Rod Bowar

Subscribed and Sworn to before me this 31st day of July 2003.

Cherry Comp
NOTARY PUBLIC

My Commission expires: 11-4-2007

South Dakota Public Utilities Commission
WEEKLY FILINGS
For the Period of July 31, 2003 through August 6, 2003

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

CONSUMER COMPLAINTS

CT03-125 In the Matter of the Complaint filed by Kyle L. Ammann, Bowdle, South Dakota, against S&S Communications/Alterna-Cell Regarding Loss of Long Distance Services.

Complainant represents that he purchased a ten-year prepaid long distance service plan on April 21, 1999. Service was terminated without notice in June 2003. Complainant seeks to be reimbursed for the prepaid service not provided plus interest.

Staff Analyst: Jim Mehlhaff
Staff Attorney: Kelly Frazier
Date Docketed: 08/01/03
Intervention Deadline: N/A

CT03-126 In the Matter of the Complaint filed by Rhianne Ammann, Sioux Falls, South Dakota, against S&S Communications/Alterna-Cell Regarding Disconnection.

Complainant represents that she had a calling plan with the respondent. While this plan was in effect she received billing from a third party for calls that should have been included in the plan. To date the third party billing has not been resolved. Complainant seeks to have the third party take responsibility for the unpaid billing.

Staff Analyst: Jim Mehlhaff
Staff Attorney: Kelly Frazier
Date Docketed: 08/01/03
Intervention Deadline: N/A

CT03-127 In the Matter of the Complaint filed by Cindy Steffen, Gregory, South Dakota, against S&S Communications/Alterna-Cell Regarding Loss of Long Distance Services.

Complainant purchased a phone contract from the respondent and set up a payment plan that has resulted in a third party financial institution debiting the complainant's checking account on a monthly basis. In June the respondent stopped providing phone service, however the monthly payment continues to be drawn by the third party. Complainant seeks to have the monthly debits stopped without penalty or damage to her credit rating.

Staff Analyst: Jim Mehlhaff
Staff Attorney: Kelly Frazier
Date Docketed: 08/01/03
Intervention Deadline: N/A

CT03-128 In the Matter of the Complaint filed by Duane O'Neal, Wessington, South Dakota, against S&S Communications/Alterna-Cell Regarding Loss of Long Distance Services.

Complainant represents on behalf of his business, that on July 24, 1999, he purchased a seven-year prepaid long distance service plan. On June 5, 2003, service was terminated without notice. Complainant seeks to be reimbursed for the prepaid service not provided.

Staff Analyst: Jim Mehlhaff
Staff Attorney: Kelly Frazier

TC03-125 In the Matter of the Request of Cheyenne River Sioux Tribe Telephone Authority for Certification Regarding its Use of Federal Universal Service Support.

On August 1, 2003, Cheyenne River Sioux Tribe Telephone Authority (CRST Telephone Authority) provided information constituting CRST Telephone Authority's plan for the use of its federal universal service support and to otherwise verify that CRST 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 E. Cremer
Date Docketed: 08/01/03
Intervention Deadline: 08/22/03

TC03-126 In the Matter of the Request of McCook Cooperative Telephone Company for Certification Regarding its Use of Federal Universal Service Support.

On August 1, 2003, 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: 08/01/03
Intervention Deadline: 08/22/03

TC03-127 In the Matter of the Request of Sioux Valley Telephone Company for Certification Regarding its Use of Federal Universal Service Support.

On August 1, 2003, 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: 08/01/03
Intervention Deadline: 08/22/03

TC03-128 In the Matter of the Request of Tri-County Telcom, Inc. for Certification Regarding its Use of Federal Universal Service Support.

On August 1, 2003, 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: 08/01/03
Intervention Deadline: 08/22/03

TC03-129 In the Matter of the Request of Stockholm-Strandburg Telephone Company for Certification Regarding its Use of Federal Universal Service Support.

On August 1, 2003, Stockholm-Strandburg Telephone Company (Stockholm-Strandburg) provided information constituting Stockholm-Strandburg's plan for the use of its federal universal service support and to otherwise verify that Stockholm-Strandburg 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: 08/01/03
Intervention Deadline: 08/22/03

TC03-130 In the Matter of the Request of West River Cooperative Telephone Company for Certification Regarding its Use of Federal Universal Service Support.

On August 4, 2003, 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: 08/04/03
Intervention Deadline: 08/22/03

TC03-131 In the Matter of the Request of Beresford Municipal Telephone Company for Certification Regarding its Use of Federal Universal Service Support.

On August 4, 2003, 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: 08/04/03
Intervention Deadline: 08/22/03

TC03-132 In the Matter of the Request of Jefferson Telephone Company for Certification Regarding its Use of Federal Universal Service Support.

On August 4, 2003, Jefferson Telephone Company (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: 08/04/03
Intervention Deadline: 08/22/03

TC03-133 In the Matter of the Request of Three River Telco for Certification Regarding its Use of Federal Universal Service Support.

On August 4, 2003, Three River Telco provided information constituting Three River Telco's plan for the use of its federal universal service support and to otherwise verify that Three River Telco 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: 08/04/03
Intervention Deadline: 08/22/03

TC03-134 In the Matter of the Filing for Approval of an Amendment to an Interconnection Agreement between Qwest Corporation and MCIMetro Access Transmission Services, LLC.

On August 4, 2003, the Commission received a Filing for Approval of an Amendment to an Interconnection Agreement between Qwest Corporation and MCIMetro Access Transmission Services, LLC. According to the parties, the Agreement is amended by adding terms, conditions and rates for Collocation Available Inventory, as set forth in Attachment 1 and Exhibit A, attached to 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 August 25, 2003. 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: 08/04/03
Initial Comments Due: 08/25/03

TC03-135 In the Matter of the Request of Midstate Communications, Inc. for Certification Regarding its Use of Federal Universal Service Support.

On August 4, 2003, 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: 08/04/03
Intervention Deadline: 08/22/03

TC03-136 In the Matter of the Request of NebCom, Inc. for Certification Regarding its Use of Federal Universal Service Support.

On August 5, 2003, NebCom, Inc. provided information constituting NebCom, Inc.'s plan for the use of its federal universal service support and to otherwise verify that NebCom, 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 E. Cremer
Date Docketed: 08/05/03
Intervention Deadline: 08/22/03

TC03-137 In the Matter of the Request of Great Plains Communications, Inc. for Certification Regarding its Use of Federal Universal Service Support.

On August 5, 2003, Great Plains Communications, Inc. (Great Plains) provided information constituting Great Plains's 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: 08/05/03
Intervention Deadline: 08/22/03

TC03-138 In the Matter of the Request of James Valley Cooperative Telephone Company for Certification Regarding its Use of Federal Universal Service Support.

On August 5, 2003, James Valley Cooperative Telephone Co (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: 08/05/03
Intervention Deadline: 08/22/03

TC03-139 In the Matter of the Request of Kadoka Telephone Company for Certification Regarding its Use of Federal Universal Service Support.

On August 5, 2003, 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: 08/05/03
Intervention Deadline: 08/22/03

TC03-140 In the Matter of the Request of Union Telephone Company for Certification Regarding its Use of Federal Universal Service Support.

On August 5, 2003, 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: 08/05/03
Intervention Deadline: 08/22/03

TC03-141 In the Matter of the Request of Bridgewater-Canistota Independent Telephone Company for Certification Regarding its Use of Federal Universal Service Support.

On August 5, 2003, Bridgewater-Canistota Independent Telephone Company (Bridgewater-Canistota) provided information constituting Bridgewater-Canistota's plan for the use of its federal universal service support and to otherwise verify that Bridgewater-Canistota 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: 08/05/03
Intervention Deadline: 08/22/03

TC03-142 In the Matter of the Request of Armour Independent Telephone Company for Certification Regarding its Use of Federal Universal Service Support.

On August 5, 2003, 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: 08/05/03
Intervention Deadline: 08/22/03

TC03-143 In the Matter of the Filing for Approval of an Amendment to an Interconnection Agreement between Qwest Corporation and MCIMetro Access Transmission Services, LLC.

On August 6, 2003, the Commission received a Filing for Approval of an Amendment to an Interconnection Agreement between Qwest Corporation and MCIMetro Access Transmission Services, LLC. According to the parties, the Agreement is

amended to incorporate the PAP, as approved by the Commission, as Attachment 1. The PID, which was Exhibit B to the Commission approved SGAT, is incorporated as Attachment 2. The original Agreement was approved by the Commission in Docket TC02-183 on January 28, 2003. 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 August 26, 2003. 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: 08/06/03
Initial Comments Due: 08/26/03

TC03-144 In the Matter of the Request of Western Telephone Company for Certification Regarding its Use of Federal Universal Service Support.

On August 6, 2003, 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: 08/06/03
Intervention Deadline: 08/22/03

TC03-145 In the Matter of the Request of City of Brookings Municipal Telephone for Certification Regarding its Use of Federal Universal Service Support.

On August 6, 2003, City of 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: 08/06/03
Intervention Deadline: 08/22/03

TC03-146 In the Matter of the Request of Venture Communications Cooperative for Certification Regarding its Use of Federal Universal Service Support.

On August 6, 2003, Venture Communications Cooperative (Venture) provided information constituting Venture's plan for the use of its federal universal service support and to otherwise verify that Venture 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: 08/06/03
Intervention Deadline: 08/22/03

TC03-147 In the Matter of the Request of Golden West Telecommunications Cooperative, Inc. for Certification Regarding its Use of Federal Universal Service Support.

On August 6, 2003, 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: 08/06/03
Intervention Deadline: 08/22/03

TC03-148 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 August 6, 2003, Vivian Telephone Company d/b/a Golden West Communications, Inc. (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: 08/06/03
Intervention Deadline: 08/22/03

TC03-149 In the Matter of the Request of Valley Telecommunications Cooperative Association, Inc. for Certification Regarding its Use of Federal Universal Service Support.

On August 6, 2003, Valley Telecommunications Cooperative Association, 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: 08/06/03
Intervention Deadline: 08/22/03

TC03-150 In the Matter of the Request of West River Telecommunications Cooperative for Certification Regarding its Use of Federal Universal Service Support.

On August 6, 2003, West River Telecommunications Cooperative (West River Telecommunications) provided information constituting West River Telecommunications' plan for the use of its federal universal service support and to otherwise verify that West River Telecommunications 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: 08/06/03
Intervention Deadline: 08/22/03

TC03-151 In the Matter of the Request of West River Telecommunications Cooperative (Mobridge) for Certification Regarding its Use of Federal Universal Service Support.

On August 6, 2003, West River Telecommunications Cooperative (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: 08/06/03
Intervention Deadline: 08/22/03

TC03-152 In the Matter of the Request of RT Communications, Inc. for Certification Regarding its Use of Federal Universal Service Support.

On August 6, 2003, RT Communications, Inc. (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: 08/06/03
Intervention Deadline: 08/22/03

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

IN THE MATTER OF THE REQUEST OF)	ORDER GRANTING
KENNEBEC TELEPHONE COMPANY FOR)	CERTIFICATION
CERTIFICATION REGARDING ITS USE OF)	
FEDERAL UNIVERSAL SERVICE SUPPORT)	TC03-123

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 2004 is currently due to be filed with the FCC and USAC on or before October 1, 2003. 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 1, 2003, the South Dakota Public Utilities Commission (Commission) received a filing from Kennebec 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 August 7, 2003, the Commission electronically transmitted notice of the filing and the intervention deadline of August 22, 2003, to interested individuals and entities. No parties sought intervention.

At its regularly scheduled meeting of August 19, 2003, 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 28th day of August, 2003.

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>Nelsine Kolbo</u>
Date:	<u>8/29/03</u>
(OFFICIAL SEAL)	

BY ORDER OF THE COMMISSION:

Robert K. Sahr
ROBERT K. SAHR, Chairman

Gary Hanson
GARY HANSON, Commissioner

James A. Burg
JAMES A. BURG, Commissioner



Bob Sahr, Chair
Gary Hanson, Vice-Chair
Jim Burg, Commissioner

SOUTH DAKOTA PUBLIC UTILITIES COMMISSION

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September 24, 2003

Ms. Marlene H. Dortch, Secretary
Federal Communications Commission
Office of the Secretary
445 12th Street S.W., Room TW-A306
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:

Alliance Communications Cooperative, Inc. (Baltic) (391642)
Alliance Communications Cooperative, Inc. (Splitrock Properties, Inc.) (391657)
Armour Independent Telephone Company (391640)
Beresford Municipal Telephone Company (391649)
Bridgewater-Canistota Independent Telephone Company (391640) (co. no. 0158)
Cheyenne River Sioux Tribe Telephone Authority (391647)
Citizens Telecommunications Company of Minnesota, Inc. (361123)
City of Brookings Municipal Telephone (391650)
City of Faith Municipal Telephone Company (391653)
Consolidated Telcom (381607)
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 Telecommunications Company of Iowa d/b/a Hickory Tech Corporation (351096)
Interstate Telecommunications Cooperative, Inc. (391654)
James Valley Cooperative Telephone Company (391664)
Jefferson Telephone Company (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)
Nebcom, Inc.
PrairieWave Community Telephone, Inc. (391652)
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)
Stockholm-Strandburg Telephone Company (391679)
Three River Telco (371525)
Tri-County Telcom, Inc. (391682)
Union Telephone Company (391684)
Valley Telecommunications Cooperative Association, Inc. (391685)
Valley Telephone Company (361495)
Venture Communications Cooperative (391680)
Vivian Telephone Company d/b/a Golden West Communications, Inc. (391686)
Western Telephone Company (391688)
Western Wireless Corporation (399002)
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,



Robert K. Sahr
Chairman



Gary Hanson
Commissioner



James A. Burg
Commissioner