



4800 Wells Fargo Center  
90 South Seventh Street  
Minneapolis, MN 55402-4129  
Telephone 612.347.0300  
Facsimile 612.339.6686  
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AUG 15 2003

SOUTH DAKOTA PUBLIC  
UTILITIES COMMISSION

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EDWARD L. WINER  
WILLIAM A. HAUG  
CHARLES A. PARSONS, JR. RICHARD J. JOHNSON  
THOMAS E. HARMS 612.347.0275  
RICHARD J. JOHNSON JohnsonR@moss-barnett.com  
ROBERT J. LUKES

JAMES A. RUBENSTEIN  
THOMAS R. SHERAN  
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THOMAS J. SHROYER August 14, 2003  
DAVID P. JENDRZEJEK  
CURTIS D. SMITH

DAVE F. SENGEL  
MITCHELL H. COX VIA FEDERAL EXPRESS  
MICHAEL J. BRADLEY  
PETER A. KOLLER

RICHARD J. KELBER Pam Bonrud  
KEVIN M. BUSCH South Dakota Public Utilities Commission  
SUSAN C. RHODE State Capitol Building  
THOMAS A. JUDD 500 East Capitol  
DEANNE M. GRECO Pierre, South Dakota 57501  
CASS S. WEIL  
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M. CECILIA RAY  
NANCY M. KISKIS  
BARRY LAZARUS

RONALD A. EISENBERG  
PAUL B. ZISLA  
BRIAN T. GROGAN Re: In the Matter of the Request of Mount Rushmore Telephone Company and Fort Randall  
J. MICHAEL COLLOTTON Telephone Company for Certification Regarding Their Use of Federal Universal  
ERIC J. OLSEN Service Support  
JOSEPH G. MATERNOWSKI Docket No.  
WILLIAM A. CUMMING  
JAYMES D. LITTLEJOHN  
MICHAEL R. NIXT  
JAMES F. BALDWIN  
DAVID S. JOHNSON  
PHILIP J. YOUNG

ARTHUR W. DICKINSON Dear Ms. Bonrud:  
BEN M. HENSCHEL  
MARK B. PETERSON  
DAN LIPSCHULTZ Enclosed for filing please find the original and 10 copies of the Request for Certification by  
MARCY R. FROST Mount Rushmore Telephone Company and Fort Randall Telephone Company in the above-  
JOHN K. ROSSMAN referenced docket. Also enclosed is a Certificate of Service.  
MATHEW M. MEYER  
GREGORY J. WILEY  
TIMOTHY L. GUSTIN  
YURI B. BERNDT  
JERRIE M. HAYES

KELLI A. ENDERS Very truly yours,  
ELIZABETH H. KIERNAT  
MELISSA A. BAER  
JAMES J. VEDDER  
MICHAEL S. PONCIN MOSS & BARNETT  
JANA AUNE DEACH  
CINDY J. ACKERMAN A Professional Association  
ANTHONY A. DORLAND  
SHAREEN R. LUZE  
LORIE A. KLEIN  
TERESE A. WEST  
ANDREA R. SCOTT  
JEFFREY L. BODENSTEINER

  
Richard J. Johnson  
OF COUNSEL  
ARTHUR J. GLASSMAN

RJJ/jjh  
Enclosures  
611727/1

AUG 15 2003

BEFORE THE  
SOUTH DAKOTA PUBLIC UTILITIES COMMISSION

SOUTH DAKOTA PUBLIC  
UTILITIES COMMISSION

**IN THE MATTER OF THE REQUEST OF  
MOUNT RUSHMORE TELEPHONE COMPANY  
AND FORT RANDALL TELEPHONE COMPANY  
FOR CERTIFICATION REGARDING THEIR USE  
OF FEDERAL UNIVERSAL SERVICE SUPPORT**

DOCKET NO. \_\_\_\_\_

**REQUEST FOR CERTIFICATION**

Mount Rushmore Telephone Company and Fort Randall 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, Mount Rushmore Telephone Company and Fort Randall Telephone Company offer the following:

1. On May 23, 2001, the Federal Communications Commission ("FCC") released an Order relative to the federal universal service support mechanism for rural carriers.<sup>1</sup> 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,

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<sup>1</sup> CC Docket No. 96-45, CC Docket No. 00-256, Fourteenth Report and Order, Twenty Second Order on Reconsideration, and Further Notice of Proposed Rulemaking in CC Docket No. 96-45, and Report and Order in CC Docket No. 00-256, FCC 01-157, released May 23, 2001 ("Fourteenth Report and Order").

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 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. Mount Rushmore Telephone Company and Fort Randall Telephone Company are rural telephone companies that have previously been designated by this Commission as eligible telecommunications carriers. The Companies provide local exchange telephone services, including all of the essential services that are included in the federal definition of universal service, to approximately 7,500 access lines within its established rural service area in South Dakota.

4. This Commission has limited regulatory oversight over Mount Rushmore Telephone Company and Fort Randall Telephone Company and their provisioning of local exchange services. Under SDCL § 49-31-5.1, the local exchange service rates charged by telecommunications cooperatives, municipal telephone systems, and independent telephone companies serving less than fifty thousand local exchange subscribers are not subject to the

Commission's ratemaking authority. In cases where State Commissions have limited regulatory authority over rural carriers, the FCC has indicated that these carriers should themselves initiate the certification process by presenting a plan to ensure compliance with the requirement in 47 U.S.C. § 254(e) that universal service support will only be used for the provision, maintenance, and upgrading of facilities and services for which the support is intended. Based on this filed plan, it is anticipated that the State Commission may make the appropriate certification to the FCC.<sup>2</sup>

5. The purpose of this filing is to provide information constituting Mount Rushmore Telephone Company and Fort Randall Telephone Company's plan for the use of its federal universal service support and to otherwise verify that Mount Rushmore Telephone Company and Fort Randall Telephone Company will use all federal universal service support received in a manner that is consistent with the federal universal service provisions of 47 U.S.C. § 254, as set forth in the Affidavit of Bruce Hanson attached as Exhibit A.

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

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<sup>2</sup> Fourteenth Report and Order at ¶ 188.

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 offered examples of how the support can be used to appropriately further universal service goals.

The FCC has stated:

[A] state could [use the federal support to] adjust intrastate rates, or otherwise direct carriers to use the federal support to replace implicit intrastate universal service support to high cost rural areas . . . A state could also require carriers to use the federal support to upgrade facilities in rural areas to ensure that services provided in those areas are reasonably comparable to services provided in urban areas of the state.<sup>3</sup>

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

9. Mount Rushmore Telephone Company and Fort Randall Telephone Company as designated eligible telecommunications carriers have received federal universal service support in the past and expect to receive support during calendar year 2004. As of this time, specific support amounts the Companies should receive in 2004 have not yet been identified by USAC. Included in Exhibit B attached hereto, however, are estimated universal service support amounts

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

for such period. Exhibit B is for Mount Rushmore Telephone and Fort Randall Telephone Company combined because they have a single, combined study area.

10. Mount Rushmore Telephone Company and Fort Randall Telephone Company also provide in Exhibit B, attached hereto, estimates of the combined expenditures that will be incurred in year 2003 for the provision, maintenance, and upgrading of facilities and services supported by federal universal service.

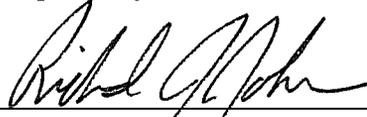
11. Consistent with the universal service principles set forth in the federal law and also the recent FCC orders referenced herein, Mount Rushmore Telephone Company and Fort Randall Telephone Company will use federal universal service amounts received in 2004 to offset a portion of the 2004 expenditures incurred within the accounts referenced in Exhibit B. This use of federal universal service support will enable Mount Rushmore Telephone Company and Fort Randall Telephone Company to: (1) maintain rates for its local exchange services that are affordable and reasonably comparable to rates being charged for the same services in urban areas; and (2) to upgrade its telecommunications facilities and equipment as necessary to meet evolving service requirements and maintain high quality service. The use of federal universal service support for these purposes is clearly consistent with the federal universal service provisions.

12. Based on all of the foregoing information, the attached Exhibit B, and the Affidavit of Bruce Hanson attached as Exhibit A, Mount Rushmore Telephone Company and Fort Randall Telephone Company request that this Commission issue an appropriate certification to the FCC and USAC indicating that Mount Rushmore Telephone Company and Fort Randall Telephone Company are 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, Mount Rushmore Telephone Company and Fort Randall Telephone Company would further ask the Commission to expedite the process that is initiated based on this filing.

Dated this 14<sup>th</sup> day of August 2003

Respectfully submitted,



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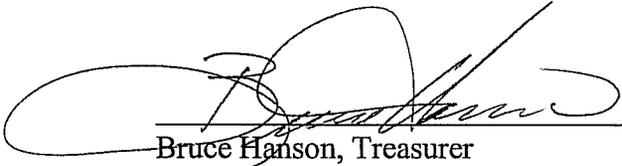
Richard J. Johnson

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

Attorneys on Behalf of Mount Rushmore Telephone  
Company and Fort Randall Telephone Company

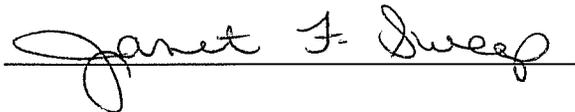
**AFFIDAVIT**

As an authorized corporate officer of Mount Rushmore Telephone Company and Fort Randall Telephone Company, I, Bruce Hanson, 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 Mount Rushmore Telephone Company and Fort Randall 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).

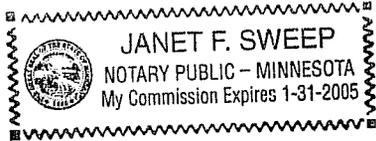
  
Bruce Hanson, Treasurer

Subscribed and Sworn to before me this 29<sup>th</sup> day of July, 2003.

NOTARY PUBLIC



Commission expires: \_\_\_\_\_



**Exhibit B**

***Mt. Rushmore Telephone Company and Fort Randall Telephone Company***

**Estimated Year 2004 Federal Universal Service Receipts**

High cost loop support	\$ 253,000
Local switching support	\$ 451,000
Safety Net Additive support	\$ 0
Safety Valve Loop Cost Adjustment	\$ <u>0</u>
TOTAL	\$ 544,600

**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)	\$ 153,000
General support (Accts. 6120-24)	\$ 88,300
Central office (Accts. 6210-6232)	\$ 624,400
Cable and wire facilities (Accts. 6410-6441)	\$ 371,400
Network operations (Accts. 6530-35)	\$ 61,800
Depreciation and amortization (Accts. 6560-65)	\$1,300,000

**Customer operations expenses**

Customer services (Accts. 6620-23)	\$ 379,600
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**Corporate operations expenses**

Executive and planning (Accts. 6710-6712)	\$ 41,200
General and administrative (Accts. 6720-28)	\$ 598,300

**Estimated Total Recurring Year 2004  
Supported Expenses, from above,**

<b>Before Return On Investment</b>	<b>\$ 3,618,000</b>
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**Estimated Additions**

Switching (Acct. 2210)	\$ 550,000
Cable and wire (Acct. 2410)	<u>\$ 380,000</u>
TOTAL	\$ 930,000

**Estimated Total Year 2004 Supported**

<b>Expenditures, Before Return On Investment</b>	<b>\$ 3,896,700</b>
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South Dakota Public Utilities Commission

**WEEKLY FILINGS**

For the Period of August 14, 2003 through August 20, 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**

**CT03-130** In the Matter of the Complaint filed by Jack R. Leininger, Sioux Falls, South Dakota, against S&S Communications/Alterna-Cell Regarding Loss of Long Distance Services.

Complainant represents that he purchased a ten-year pre-paid long distance service plan on August 18, 1998. Service was terminated without notice in June of 2003. Complainant seeks to be reimbursed for the prepaid service not provided.

Staff Analyst: Jim Mehlhaff  
Staff Attorney: Kelly Frazier  
Date Docketed: 08/14/03  
Intervention deadline: N/A

**CT03-131** In the Matter of the Complaint filed by Debbie and Rich Branaugh, Tyndall, South Dakota, against Fort Randall Telephone Company Regarding Charging Business Rates for Residential Line.

Complainants represent that the respondent is charging them the business rate for phone service on their residential line. Complainants seek to have the rate charged on their residential line restored to the residential rate and to be reimbursed for the difference they have paid, plus the costs incurred in bringing this complaint forward.

Staff Analyst: Jim Mehlhaff  
Staff Attorney: Kelly Frazier  
Date Docketed: 08/15/03  
Intervention deadline: N/A

**CT03-132** In the Matter of the Complaint filed by Gregory S. Wilson on behalf of Variable Investment Advisors, Sioux Falls, South Dakota, against S&S Communications/Alterna-Cell Regarding Loss of Long Distance Services.

Complainant's representative states that it purchased a seven-year pre-paid long distance service plan on November 11, 1999. Service was terminated without notice in June of 2003. Complainant seeks to be reimbursed for the pre-paid service not provided, plus damages of \$500.00 per day for each day that they went without service as a result of the respondent's failure.

Staff Analyst: Jim Mehlhaff  
Staff Attorney: Kelly Frazier  
Date Docketed: 08/18/03  
Intervention deadline: N/A

**TELECOMMUNICATIONS**

**TC03-157** In the Matter of the Filing for Approval of a Reciprocal Transport and Termination Agreement between PrairieWave Telecommunications, Inc. and Midwest Wireless Communications, LLC.

On August 14, 2003, the Commission received a filing for approval of a Reciprocal Transport and Termination Agreement between PrairieWave Telecommunications, Inc. and Midwest Wireless Communications, LLC. According to the filing, the parties wish to put in place an arrangement for the mutual exchange and reciprocal compensation of local telecommunications traffic which is intended to supersede any previous arrangements between the parties relating to such traffic. 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 4, 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: 08/14/03

Initial Comments Due: 09/04/03

**TC03-158 In the Matter of the Request of Western Wireless Corporation for Certification Regarding its Use of Federal Universal Service Support.**

On August 15, 2003, Western Wireless Corporation provided information constituting Western Wireless Corporation's plan for the use of its federal universal service support, excluding the support amounts received for the Pine Ridge Reservation, and to otherwise verify that Western Wireless Corporation 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: 08/15/03  
Intervention Deadline: 09/05/03

**TC03-159 In the Matter of the Application of Telrite Corporation for a Certificate of Authority to Provide Interexchange Telecommunications Services in South Dakota.**

Telrite Corporation is seeking a Certificate of Authority to provide interexchange telecommunications services in South Dakota. The Applicant will provide its interexchange services on a resale basis utilizing the underlying facilities of Qwest, and/or Global Crossing.

Staff Analyst: Keith Senger  
Staff Attorney: Kelly Frazier  
Date Docketed: 08/15/03  
Intervention Deadline: 09/05/03

**TC03-160 In the Matter of the Application of South Dakota Big Sky Telecom for a Certificate of Authority to Provide Local Exchange Services in South Dakota.**

On August 15, 2003, South Dakota Big Sky Telecom filed an application for a Certificate of Authority to provide telecommunications services in South Dakota. South Dakota Big Sky Telecom intends to provide resold local dial-up and long distance to both residential and business customers throughout the areas where Qwest provides service in South Dakota.

Staff Analyst: Michele Farris  
Staff Attorney: Karen E. Cremer  
Date Docketed: 08/15/03  
Intervention Deadline: 09/05/03

**TC03-161 In the Matter of the Request of Santel Communications Cooperative Inc. for Certification Regarding its Use of Federal Universal Service Support.**

On August 15, 2003, 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: 08/15/03  
Intervention Deadline: 09/05/03

**TC03-162 In the Matter of the Request of Valley Telephone Company for Certification Regarding its Use of Federal Universal Service Support.**

On August 15, 2003, 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: 08/15/03

Intervention Deadline: 09/05/03

**TC03-163 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 August 15, 2003, Mount Rushmore Telephone Company and Fort Randall Telephone Company (Mount Rushmore/Fort Randall) provided information constituting Mount Rushmore/Fort Randall's plan for the use of its federal universal service support and to otherwise verify that Mount Rushmore/Fort 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: 08/15/03  
Intervention Deadline: 09/05/03

**TC03-164 In the Matter of the Request of Alliance Communications Cooperative, Inc. and Splitrock Properties, Inc. for Certification Regarding its Use of Federal Universal Service Support.**

On August 18, 2003, Alliance Communications Cooperative, Inc., and its subsidiary Splitrock Properties, Inc. (Alliance/Splitrock) provided information constituting Alliance/Splitrock's plan for the use of its federal universal service support and to otherwise verify that Alliance/Splitrock 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: 08/18/03  
Intervention Deadline: 09/05/03

**TC03-165 In the Matter of the Filing for Approval of a Resale Agreement between Qwest Corporation and Alticomm, Inc.**

On August 19, 2003, the Commission received a filing for approval of a Resale Agreement between Qwest Corporation (Qwest) and Alticomm, Inc. (Alticomm). According to the filing, the agreement sets forth the terms, conditions and pricing under which Qwest will offer and provide to Alticomm ancillary services and telecommunications services available for resale within the geographical areas in which both parties are providing local exchange service at that time, and for which Qwest is the incumbent local exchange carrier within the state of South Dakota for purposes of providing local telecommunications services. 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 8, 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: 08/19/03  
Initial Comments Due: 09/08/03

**TC03-166 In the Matter of the Filing for Approval of a Reciprocal Transport and Termination Agreement between Midcontinent Communications and Cellco Partnership d/b/a Verizon Wireless, CommNet Cellular License Holding, LLC, Missouri Valley Cellular Inc., Sanborn Cellular Inc. and Eastern South Dakota Cellular Inc.**

On August 20, 2003, the Commission received a filing for approval of a Reciprocal Transport and Termination Agreement between Midcontinent Communications and Cellco Partnership d/b/a Verizon Wireless, CommNet Cellular License Holding, LLC, Missouri Valley Cellular Inc., Sanborn Cellular Inc. and Eastern South Dakota Cellular Inc. According to the filing, the parties wish to put in place an arrangement for the mutual exchange and reciprocal compensation of telecommunications traffic in accordance with the Act, and which is intended to supersede any previous arrangements between the parties relating to such traffic. 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 9, 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: 08/20/03  
Initial Comments Due: 09/09/03

# MOSS & BARNETT

A Professional Association

RICHARD J. JOHNSON  
612.347.0275  
JohnsonR@moss-barnett.com

4800 Wells Fargo Center  
90 South Seventh Street  
Minneapolis, MN 55402-4129  
Telephone 612.347.0300  
Facsimile 612.339.6686  
www.moss-barnett.com

August 27, 2003

**VIA FEDERAL EXPRESS**

Pam Bonrud  
South Dakota Public Utilities Commission  
State Capitol Building  
500 East Capitol  
Pierre, South Dakota 57501

**RECEIVED**

AUG 28 2003

**SOUTH DAKOTA PUBLIC  
UTILITIES COMMISSION**

Re: In the Matter of the Request of Mount Rushmore Telephone Company and Fort Randall Telephone Company for Certification Regarding Their Use of Federal Universal Service Support  
Docket No. TC03-163

Dear Ms. Bonrud:

Enclosed for filing please find the original and 10 copies of a revised Exhibit A to the Affidavit of Bruce Hanson filed in the above-referenced docket. Also enclosed is a Certificate of Service.

Please contact the undersigned if further information is needed.

Very truly yours,

MOSS & BARNETT  
A Professional Association



Richard J. Johnson

RJJ/krm

Enclosures

cc: Harlan Best (w/enc.)  
Bruce Hanson (w/enc.)

614849/1

Exhibit A

*Mt. Rushmore Telephone Company and Fort Randall Telephone Company*

**RECEIVED**

**Estimated Year 2004 Federal Universal Service Receipts**

AUG 28 2003

High cost loop support	\$ 253,000
Local switching support	\$ 451,000
Safety Net Additive support	\$ 0
Safety Valve Loop Cost Adjustment	\$ <u>0</u>
TOTAL	\$ 704,000

**SOUTH DAKOTA PUBLIC  
UTILITIES COMMISSION**

**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)	\$ 153,000
General support (Accts. 6120-24)	\$ 88,300
Central office (Accts. 6210-6232)	\$ 624,400
Cable and wire facilities (Accts. 6410-6441)	\$ 371,400
Network operations (Accts. 6530-35)	\$ 61,800
Depreciation and amortization (Accts. 6560-65)	\$1,300,000

**Customer operations expenses**

Customer services (Accts. 6620-23)	\$ 379,600
------------------------------------	------------

**Corporate operations expenses**

Executive and planning (Accts. 6710-6712)	\$ 41,200
General and administrative (Accts. 6720-28)	\$ 598,300

**Estimated Total Recurring Year 2004**

**Supported Expenses, from above,**

**Before Return On Investment \$ 3,618,000**

**Estimated Additions**

Switching (Acct. 2210)	\$ 550,000
Cable and wire (Acct. 2410)	\$ <u>380,000</u>
TOTAL	\$ 930,000

**Estimated Total Year 2004 Supported**

**Expenditures, Before Return On Investment \$ 4,548,000**

Certificate of Service

I hereby certify that an original and ten copies of the above and foregoing revised Exhibit A were sent via overnight service on the 27<sup>th</sup> day of August, 2003, to the following:

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

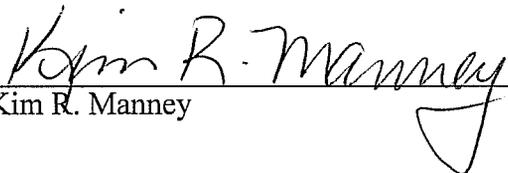
**RECEIVED**

AUG 28 2003

**SOUTH DAKOTA PUBLIC  
UTILITIES COMMISSION**

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

  
\_\_\_\_\_  
Kim R. Manney

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

<b>IN THE MATTER OF THE REQUEST OF )</b>	<b>ORDER GRANTING</b>
<b>MOUNT RUSHMORE TELEPHONE COMPANY )</b>	<b>CERTIFICATION</b>
<b>AND FORT RANDALL TELEPHONE COMPANY )</b>	
<b>FOR CERTIFICATION REGARDING ITS USE )</b>	<b>TC03-163</b>
<b>OF FEDERAL UNIVERSAL SERVICE )</b>	
<b>SUPPORT )</b>	

On May 23, 2001, the Federal Communications Commission (FCC) released an Order concerning the federal universal service support mechanism for rural carriers.<sup>1</sup> This Order (hereafter referenced as the "Fourteenth Report and Order"), in part, codifies at 47 § C.F.R. 54.314, a requirement for States to provide a certification regarding federal universal service support that is received by rural incumbent local exchange carriers and/or eligible telecommunications carriers providing service in rural service areas. Pursuant to such rule, a state that desires rural carriers within its jurisdiction to receive 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 15, 2003, the South Dakota Public Utilities Commission (Commission) received a filing from Mount Rushmore Telephone Company and Fort Randall Telephone Company (Company) regarding its Request for Certification Regarding its Use of Federal

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<sup>1</sup>CC Docket No. 96-45, CC Docket No. 00-256, Fourteenth Report and Order, Twenty Second Order on Reconsideration, and Further Notice of Proposed Rulemaking in CC Docket No. 96-45, and Report and Order in CC Docket No. 00-256, FCC 01-157, Released May 23, 2001.

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 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 21, 2003, the Commission electronically transmitted notice of the filing and the intervention deadline of September 5, 2003, to interested individuals and entities. No parties sought intervention.

At its regularly scheduled meeting of September 16, 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.

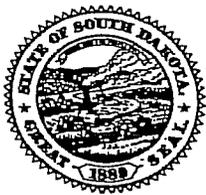
Dated at Pierre, South Dakota, this 23<sup>rd</sup> day of September, 2003.

<b>CERTIFICATE OF SERVICE</b>	
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>Melaine Kolbo</u>
Date:	<u>9/24/03</u>
(OFFICIAL SEAL)	

BY ORDER OF THE COMMISSION:

Robert K. Sahr  
ROBERT K. SAHR, Chairman

Gary Hanson  
GARY HANSON, Commissioner



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

## SOUTH DAKOTA PUBLIC UTILITIES COMMISSION

500 East Capitol Avenue  
Pierre, South Dakota 57501-5070  
[www.state.sd.us/puc](http://www.state.sd.us/puc)

Capitol Office  
(605) 773-3201  
(605) 773-3809 fax

Transportation/Warehouse  
(605) 773-5280  
(605) 773-3225 fax

Consumer Hotline  
1-800-332-1782

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