

**BEFORE THE
SOUTH DAKOTA PUBLIC UTILITIES COMMISSION**

RECEIVED

OCT 01 2003

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

**SOUTH DAKOTA PUBLIC
UTILITIES COMMISSION**

DOCKET NO. ___

REQUEST FOR CERTIFICATION

Farmers Mutual 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, *Farmers Mutual 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 This Order (hereafter referenced as the “Fourteenth Report and Order”), in part, codifies at 47 C.F.R. § 54.314, a requirement for States to provide a certification regarding federal universal service support that is received by rural incumbent local exchange carriers and/or other eligible telecommunications carriers providing service in rural service areas. Pursuant to such rule, states that desire rural carriers within their jurisdiction to receive future federal universal service support must file an annual certification with the FCC and the Universal Service Administrative Company (“USAC”) stating that federal high cost support provided to such carriers within that State will be used only for the provision, maintenance, and upgrading of facilities and services for which the support is intended. This certification requirement applies to various categories of federal universal service support, including support provided pursuant to 47 C.F.R. §§ 54.301,

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

54.305, and/or 54.307, and/or 47 C.F.R. Part 36, Subpart F (high-cost loop support, local switching support, safety net additive support, and safety valve support). Support provided under these FCC rule provisions will only in the future be made available if the State Commission files the requisite certification pursuant to § 54.314.

2. The certification required for rural carriers to receive federal universal service support for all four quarters during calendar year 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. *Farmers Mutual 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 35 access lines within its established rural service area in South Dakota.

4. This Commission has limited regulatory oversight over *Farmers Mutual 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 indicating *Farmers Mutual Telephone Company's* use of federal universal service support and to otherwise verify that *Farmers Mutual Telephone Company* will use all federal universal service support received in a manner that is consistent with the federal universal service provisions of 47 U.S.C. § 254.

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

- (1) Quality services should be available at just, reasonable, and affordable rates.
- (2) Access to advanced telecommunications and information services should be provided in all regions of the Nation.
- (3) Consumers in all regions of the Nation, including low-income consumers and those in rural, insular, and high-cost areas, should have access to telecommunications and information services, including interexchange services and advanced telecommunications and information services, that are reasonably comparable to those services provided in urban areas and that are available at rates that are reasonably comparable to rates charged for similar services in urban areas. . . .
- (6) Elementary and secondary schools and classrooms, health care providers, and libraries should have access to [certain] advanced telecommunications services. . .

² Fourteenth Report and Order, ¶ 188.

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

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

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

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

9. *Farmers Mutual 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 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. \$163,746

10. *Farmers Mutual Telephone 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, *Farmers Mutual Telephone Company* will use federal universal service amounts received

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.

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 *Farmers Mutual Telephone Company* to: (1) maintain rates for its local exchange services that are affordable and reasonably comparable to rates being charged for the same services in urban areas; and (2) to upgrade its telecommunications facilities and equipment as necessary to meet evolving service requirements and maintain high quality service. The use of federal universal service support for these purposes is clearly consistent with the federal universal service provisions.

14. Based on the foregoing information, the attached Exhibit A and Exhibit B, Affidavit of Lloyd G. Hanson, *Farmers Mutual Telephone Company* requests that this Commission issue an appropriate certification to the FCC and USAC indicating that *Farmers Mutual 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, *Farmers Mutual Telephone Company* would further ask the Commission to expedite the process that is initiated based on this filing.

Dated this 26th day of September, 2003.

Respectfully submitted,



Donald A. Wilcox
Attorney for Farmers Mutual Telephone Company
1150 Wisconsin Avenue
Benson, Minnesota 56215
(320) 842-5391
Atty Reg. No. 117018

Exhibit A
Farmers Mutual Telephone Company

Estimated Year 2004 Federal Universal Service Receipts

High cost loop support	\$ 60,882.00
Local switching support	\$102,864.00
Safety Net Additive support	\$ 0
Safety Valve Loop Cost Adjustment	\$ <u>0</u>
TOTAL	\$163,746.00

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)	\$ 26,643.00
Central office (Accts. 6210-6232)	\$ 74,299.00
Cable and wire facilities (Accts. 6410-6441)	\$ 172,885.00
Network operations (Accts. 6530-35)	\$ 13,417.00
Depreciation and amortization (Accts. 6560-65)	\$ 399,717.00

Customer operations expenses

Customer services (Accts. 6620-23)	\$ 141,305.00
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Corporate operations expenses

Executive and planning (Accts. 6710-6712)	\$ 115,472.00
General and administrative (Accts. 6720-28)	\$ <u>148,272.00</u>

Estimated Total Recurring Year 2004 Supported Expenses, from above,

Before Return On Investment **\$1,200,000.00**

Estimated Additions

Switching (Acct. 2210)	\$ 200,000.00
Cable and wire (Acct. 2410)	\$ <u>200,000.00</u>
TOTAL	\$ 400,000.00


Estimated Total Year 2004 Supported

Expenditures, Before Return On Investment **\$1,600,000.00**

EXHIBIT B

AFFIDAVIT

As an authorized corporate officer of *Farmers Mutual Telephone Company*, I, Kevin Beyer, General Manager 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 *Farmers Mutaul 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).



Kevin Beyer

Subscribed and Sworn to before me this 29th day of September, 2003.


NOTARY PUBLIC



Commission expires 01/31/2005

South Dakota Public Utilities Commission
WEEKLY FILINGS

For the Period of September 25, 2003 through October 1, 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: 605-773-3201

CONSUMER COMPLAINTS

CT03-149 **In the Matter of the Complaint filed by Allen Funk, Bath, South Dakota, against S&S Communications/Alterna-Cell Regarding Loss of Long Distance Services.**

Complainant states that he purchased a seven-year pre-paid long distance service plan with a December 14, 1999, activation date. The calling cards are no longer valid. Complainant seeks to be reimbursed for the pre-paid service not provided plus any punitive damages that can be levied by the Commission.

Staff Analyst: Jim Mehlhaff
Staff Attorney: Kelly Frazier
Date Docketed: 09/25/03
Intervention deadline: N/A

CT03-150 **In the Matter of the Complaint filed by Derek Jensen on behalf of Evanson-Jensen Funeral Home, Lemmon, South Dakota, against S&S Communications/Alterna-Cell Regarding Loss of Long Distance Services.**

Complainant's representative states that it purchased a four-year pre-paid long distance service plan on September 11, 2002. Service was terminated on or about June 2, 2003. Complainant seeks to be reimbursed for the pre-paid service not provided.

Staff Analyst: Jim Mehlhaff
Staff Attorney: Kelly Frazier
Date Docketed: 09/26/03
Intervention deadline: N/A

CT03-151 **In the Matter of the Complaint filed by Tim Sandress on behalf of Auto Shoppe Inc., Mitchell, South Dakota, against S&S Communications/Alterna-Cell Regarding Loss of Long Distance Services.**

Complainant's representative states that it purchased a five-year pre-paid long distance service plan. Service was terminated after only five months of service. Complainant seeks to be reimbursed for the pre-paid service not provided.

Staff Analyst: Jim Mehlhaff
Staff Attorney: Kelly Frazier
Date Docketed: 09/29/03
Intervention deadline: N/A

CT03-152 In the Matter of the Complaint filed by Joseph A. and Penny L. Schonebaum, Burke, South Dakota, against S&S Communications/Alterna-Cell Regarding Loss of Long Distance Services.

Complainants state that they purchased a seven year pre-paid long distance service plan. Service was terminated after only three years of service. Complainants seek to be reimbursed for the pre-paid service not provided.

Staff Analyst: Jim Mehlhaff
Staff Attorney: Kelly Frazier
Date Docketed: 10/01/03
Intervention deadline: N/A

ELECTRIC

EL03-024 In the Matter of the Petition of Otter Tail Power Company, a Division of Otter Tail Corporation, to Revise its Fuel Adjustment Clause Tariff to Accommodate Purchased Energy from Renewable Resources.

On September 25, 2003, Otter Tail Power Company filed a petition for approval to revise its Fuel Adjustment Clause Tariff. The revisions are requested to permit the inclusion of purchase power costs related to renewable energy purchases. On April 1, 2003, Otter Tail entered into a Power Purchase Agreement with FPL Energy to purchase the electric energy generated by 14 wind turbines with an approximate output of 21 megawatts. Otter Tail believes that approval of the inclusion of the costs of energy purchased from renewable sources is appropriate because when it is competitively priced, renewable energy is an appropriate addition to Otter Tail's resource mix.

Staff Analyst: Michele Farris
Staff Attorney: Karen Cremer
Date Docketed: 09/25/03
Intervention Deadline: 10/15/03

EL03-025 In the Matter of the Filing by Otter Tail Power Company for Approval of Tariff Revisions.

Application by Otter Tail Power Company for approval to revise its tariffed Summary List of Contracts with Deviations. The existing contract with the City of Veblen will expire on November 3, 2003. Otter Tail states the new agreement does not contain any deviations from Otter Tail's currently filed tariff and therefore requests that reference to a contract with the City of Veblen be removed from the Summary List of Contracts with Deviations.

Staff Analyst: Dave Jacobson
Staff Attorney: Kelly Frazier
Date Docketed: 09/29/03
Intervention Deadline: 10/15/03

EL03-026 In the Matter of the Filing by Otter Tail Power Company for Approval of Tariff Revisions.

Application by Otter Tail Power Company for approval to revise its tariffed Summary List of Contracts with Deviations. The existing contract with the City of Clair City will expire on November 1, 2003. Otter Tail states the new agreement does not contain any deviations from Otter Tail's currently filed tariff and therefore requests that reference to a contract with the City of Clair City be removed from the Summary List of Contracts with Deviations.

Staff Analyst: Dave Jacobson
Staff Attorney: Kelly Frazier
Date Docketed: 09/29/03
Intervention Deadline: 10/15/03

TELECOMMUNICATIONS

TC03-180 In the Matter of the Application of Gold Line Telemanagement Inc. for a Certificate of Authority to Provide Interexchange Telecommunications Services in South Dakota.

On September 26, 2003, Gold Line Telemanagement Inc. filed an application seeking a Certificate of Authority to provide interexchange telecommunications services in South Dakota. The Applicant is a reseller which intends to offer interexchange services, including 1+ and 101XXXX outbound dialing, 800/888 toll-free inbound dialing, directory assistance, data services, travel card services and prepaid calling card services.

Staff Analyst: Keith Senger
Staff Attorney: Kelly Frazier
Date Docketed: 09/26/03
Intervention Deadline: 10/17/03

TC03-181 In the Matter of the Implementation of the Federal Communications Commission's Triennial Review Order Regarding Unbundling Obligations.

On August 21, 2003, the Federal Communications Commission (FCC) released its Triennial Review Order. Memorandum Opinion and Order, Review of the Section 251 Unbundling Obligations of Incumbent Local Exchange Carriers, CC Docket Nos. 01-338, 96-98, 98-147. In its Triennial Review Order, the FCC directed the state commissions to make certain determinations regarding the unbundling obligations of incumbent local exchange carriers. The FCC required the state commissions to make these determinations within nine months from the effective date of the Order. On September 29, 2003, the Commission opened a docket requesting that any person or entity that intends to present evidence challenging the FCC's findings of impairment regarding access to loops, dedicated transport, or local circuit switching for mass market customers shall file a notice of such intent on or before October 10, 2003. The notice shall identify each network element that the person or entity intends to challenge regarding the FCC's findings of impairment. In addition, the Commission requested written comments regarding recommendations on how the Commission should proceed. These comments are also due on or before October 10, 2003.

Staff Analyst: Harlan Best
Staff Attorney: Karen Cremer
Date Opened: 09/29/03
Comments and Notices Due: 10/10/03

TC03-182 In the Matter of the Filing for Approval of an Amendment to an Interconnection Agreement between Qwest Corporation and PrairieWave Telecommunications, Inc.

On September 29, 2003, the Commission received a Filing of Toll and Local Billing Records Terms and Conditions Amendment to the Interconnection Agreement between PrairieWave Telecommunications, Inc. and Qwest Corporation). According to the parties, the amendment is a negotiated amendment to the agreement made between the parties in Docket TC97-126, which was approved by the Commission on October 21, 1998. The amendment is made in order to add the Toll and Local Billing Records Terms and Conditions as set forth in Attachment 1 and Exhibit A, attached to the filing. 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 October 20, 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: 09/29/03
Initial Comments Due: 10/20/03

TC03-183 In the Matter of the Request of Farmers Mutual Telephone Company for Certification Regarding its Use of Federal Universal Service Support.

On October 1, 2003, Farmers Mutual Telephone Company (Farmers Mutual) provided information constituting Farmers Mutual's plan for the use of its federal universal service support and to otherwise verify that Farmers Mutual 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: 10/01/03
Intervention Deadline: 10/10/03

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TC03-183

WILCOX & ULMANIEC

a Professional Association

1150 Wisconsin Avenue * P.O. Box 100

Benson, Minnesota 56215

Donald A. Wilcox
Attorney at Law
dwilcox@willmar.com

Telephone (320) 842-5391
Facsimile (320) 843-4285

Tara J. Ulmaniec
Attorney at Law
tulmaniec@willmar.com

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OCT 06 2003

October 3, 2003

**SOUTH DAKOTA PUBLIC
UTILITIES COMMISSION**

Ms. Pam Bonrud
South Dakota Public Utilities Commission
500 East Capitol Avenue
Pierre, SD 57501

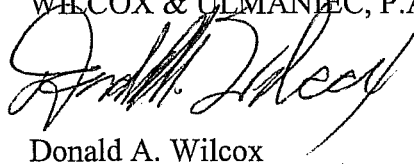
Re: Farmers Mutual Telephone Company

Dear Ms. Bonrud:

On behalf of Farmers Mutual Telephone Company I have enclosed a revised Exhibit A (original and ten copies) for the Request for Certification dated September 26, 2003 which we filed on behalf of the Company. I was informed by Mr. Harland Best that the original Exhibit A filed with the Request contained errors. This revised Exhibit A is intended to replace the incorrect version. Thank you very much.

Very truly yours,

WILCOX & ULMANIEC, P.A.



Donald A. Wilcox

DAW:sj

Encs.

cc: Kevin Beyer, Farmers Mutual Telephone Company

Exhibit A
Farmers Mutual Telephone Company

RECEIVED

OCT 06 2003

Estimated Year 2004 Federal Universal Service Receipts

**SOUTH DAKOTA PUBLIC
UTILITIES COMMISSION**

High cost loop support	\$ 60,882.00
Local switching support	\$102,864.00
Safety Net Additive support	\$ 0
Safety Valve Loop Cost Adjustment	\$ <u>0</u>
TOTAL	\$163,746.00

**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)	\$ 30,000.00
Central office (Accts. 6210-6232)	\$ 80,000.00
Cable and wire facilities (Accts. 6410-6441)	\$ 180,000.00
Network operations (Accts. 6530-35)	\$ 20,000.00
Depreciation and amortization (Accts. 6560-65)	\$ 450,000.00

Customer operations expenses

Customer services (Accts. 6620-23)	\$ 150,000.00
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Corporate operations expenses

Executive and planning (Accts. 6710-6712)	\$ 130,000.00
General and administrative (Accts. 6720-28)	\$ <u>160,000.00</u>

Estimated Total Recurring Year 2004

Supported Expenses, from above,

Before Return On Investment **\$1,200,000.00**

Estimated Additions

Switching (Acct. 2210)	\$ 200,000.00
Cable and wire (Acct. 2410)	\$ <u>200,000.00</u>
TOTAL	\$ 400,000.00

Estimated Total Year 2004 Supported

Expenditures, Before Return On Investment **\$1,600,000.00**

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

IN THE MATTER OF THE REQUEST OF)	ORDER GRANTING
FARMERS MUTUAL TELEPHONE COMPANY)	CERTIFICATION
FOR CERTIFICATION REGARDING ITS USE)	
OF FEDERAL UNIVERSAL SERVICE)	TC03-183
SUPPORT)	

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 October 1, 2003, the South Dakota Public Utilities Commission (Commission) received a filing from Farmers Mutual 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

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.

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 October 2, 2003, the Commission electronically transmitted notice of the filing and the intervention deadline of October 10, 2003, to interested individuals and entities. No parties sought intervention.

At its regularly scheduled meeting of October 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 28th day of October, 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>Alaine Kolbo</u>
Date: <u>10/30/03</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

500 East Capitol Avenue
Pierre, South Dakota 57501-5070
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

October 29, 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:

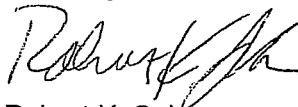
The South Dakota Public Utilities Commission (Commission) hereby states that the following rural incumbent local exchange carrier and/or eligible telecommunications carrier within its jurisdiction has been certified to receive support pursuant to 47 CFR §§ 54.301, 54.305, and/or 54.307 and/or part 36, subpart F. The carrier listed below filed a request for certification with the Commission which supports its affirmations that all federal high-cost support provided to it 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 company:

Farmers Mutual Telephone Company (361389)

The Commission is aware that this certification is being filed after the October 1st deadline. The reason for the late filing is that Farmers Mutual Telephone Company failed to request certification until October 1st. As with all requests for certification, the Commission allowed a certain period of time for any interested person to intervene in the docket. After the intervention period closed, the Commission then voted on the certification at a public meeting.

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

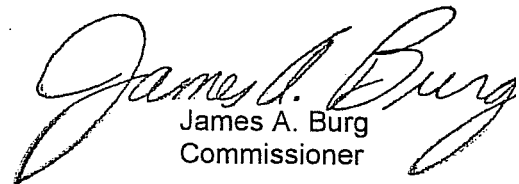
Sincerely,



Robert K. Sahr
Chairman



Gary Hanson
Commissioner



James A. Burg
Commissioner