



# MILLER ISAR INC.

REGULATORY CONSULTANTS

STACEY A. KLINZMAN

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RECEIVED

JUN 08 2004

SOUTH DAKOTA PUBLIC  
UTILITIES COMMISSION

Via Overnight Delivery

June 7, 2004

Ms. Pam Bonrud, Executive Secretary  
South Dakota Public Utilities Commission  
State Capitol Building, 1st Floor  
500 East Capitol Avenue  
Pierre, South Dakota 57501

RE: Granite Telecommunications, LLC ("Granite") – Transmittal of Bond No. 104010501 and Request for Amendment to Order Granting Certificate of Authority in Docket No. TC 03-188 to Permit Advance Payments and Deposits

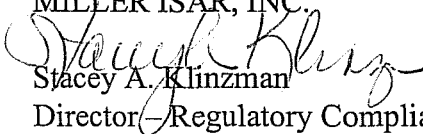
Dear Ms. Bonrud:

Granite hereby submits bond no. 104010501 in the amount of \$25,000.00 in compliance with South Dakota Public Utilities Commission ("Commission") rules and regulations requiring the filing of a bond in order to collect advance payments and deposits. Granite also requests that the Commission amend its order, issued December 17, 2003 in Docket No. TC 03-188, to permit Granite to collect advance payments and deposits from its South Dakota Customers.

Please acknowledge receipt of this filing by file-stamping and returning the additional copy in the self-addressed, postage-paid envelope provided for this purpose. Questions regarding the enclosed bond or Granite's request for amendment may be directed to me at the telephone or facsimile numbers above, or via electronic mail at [sklinzman@millerisar.com](mailto:sklinzman@millerisar.com).

Sincerely,

MILLER ISAR, INC.

  
Stacey A. Klinzman

Director - Regulatory Compliance

Regulatory Consultants to  
Granite Telecommunications, LLC

cc: Geoff Cookman, Granite Telecommunications, LLC

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INDEMNITY BOND  
To the  
PEOPLE OF THE STATE OF SOUTH DAKOTA

SOUTH DAKOTA PUBLIC  
UTILITIES COMMISSION

Bond No. 104010501

We, Granite Telecommunications, LLC, the principal and applicant for a CERTIFICATE OF AUTHORITY to provide telecommunications services within the State of South Dakota, and Travelers Casualty and Surety Company of America, as an admitted surety insurer, bind ourselves unto the Public Utilities Commission of the State of South Dakota and the consumers of South Dakota as Obligees, in the sum of \$25,000.00.

The conditions of the obligation are such that the principal, having been granted such CERTIFICATE OF AUTHORITY subject to the provision that said principal purchases this Indemnity Bond, and if said principal shall in all respects fully and faithfully comply with all applicable provisions of South Dakota State Law, and reimburse its customers for any prepayment or deposits they have made which may be unable or unwilling to return to said customers as a result of insolvency or other business failure, then this obligation shall be void, discharged and forever exonerated, otherwise to remain in full force and effect.

This bond shall take effect as of the date hereon and shall remain in force and effect until the surety is released from liability by the written order of the Public Utilities Commission, provided that the surety may cancel this Bond and be relieved of further liability hereunder by delivering thirty (30) days written notice to the Public Utilities Commission. Such cancellation shall not affect any liability incurred or accrued hereunder prior to the termination of said thirty (30) day period.

Dated this 2<sup>nd</sup> day of June, 2004.

To be effective this 2<sup>nd</sup> day of June, 2004.

*The original bond  
is in Relaines bottom  
desk drawer.*

Granite Telecommunications, LLC

By: 

Travelers Casualty & Surety Company  
Of America

By: 

Eva M. Durkin, Attorney In Fact

**TRAVELERS CASUALTY AND SURETY COMPANY OF AMERICA  
TRAVELERS CASUALTY AND SURETY COMPANY  
FARMINGTON CASUALTY COMPANY  
Hartford, Connecticut 06183-9062**

**POWER OF ATTORNEY AND CERTIFICATE OF AUTHORITY OF ATTORNEY(S)-IN-FACT**

**KNOW ALL PERSONS BY THESE PRESENTS, THAT TRAVELERS CASUALTY AND SURETY COMPANY OF AMERICA, TRAVELERS CASUALTY AND SURETY COMPANY and FARMINGTON CASUALTY COMPANY, corporations duly organized under the laws of the State of Connecticut, and having their principal offices in the City of Hartford, County of Hartford, State of Connecticut, (hereinafter the "Companies") hath made, constituted and appointed, and do by these presents make, constitute and appoint: Frederick Lamb, Eva M. Durkin, Joanne Rivers, James Haughey, of Boston, Massachusetts, their true and lawful Attorney(s)-in-Fact, with full power and authority hereby conferred to sign, execute and acknowledge, at any place within the United States, the following instrument(s): by his/her sole signature and act, any and all bonds, recognizances, contracts of indemnity, and other writings obligatory in the nature of a bond, recognizance, or conditional undertaking and any and all consents incident thereto and to bind the Companies, thereby as fully and to the same extent as if the same were signed by the duly authorized officers of the Companies, and all the acts of said Attorney(s)-in-Fact, pursuant to the authority herein given, are hereby ratified and confirmed.**

This appointment is made under and by authority of the following Standing Resolutions of said Companies, which Resolutions are now in full force and effect:

**VOTED:** That the Chairman, the President, any Vice Chairman, any Executive Vice President, any Senior Vice President, any Vice President, any Second Vice President, the Treasurer, any Assistant Treasurer, the Corporate Secretary or any Assistant Secretary may appoint Attorneys-in-Fact and Agents to act for and on behalf of the company and may give such appointee such authority as his or her certificate of authority may prescribe to sign with the Company's name and seal with the Company's seal bonds, recognizances, contracts of indemnity, and other writings obligatory in the nature of a bond, recognizance, or conditional undertaking, and any of said officers or the Board of Directors at any time may remove any such appointee and revoke the power given him or her.

**VOTED:** That the Chairman, the President, any Vice Chairman, any Executive Vice President, any Senior Vice President or any Vice President may delegate all or any part of the foregoing authority to one or more officers or employees of this Company, provided that each such delegation is in writing and a copy thereof is filed in the office of the Secretary.

**VOTED:** That any bond, recognizance, contract of indemnity, or writing obligatory in the nature of a bond, recognizance, or conditional undertaking shall be valid and binding upon the Company when (a) signed by the President, any Vice Chairman, any Executive Vice President, any Senior Vice President or any Vice President, any Second Vice President, the Treasurer, any Assistant Treasurer, the Corporate Secretary or any Assistant Secretary and duly attested and sealed with the Company's seal by a Secretary or Assistant Secretary, or (b) duly executed (under seal, if required) by one or more Attorneys-in-Fact and Agents pursuant to the power prescribed in his or her certificate or their certificates of authority or by one or more Company officers pursuant to a written delegation of authority.

**This Power of Attorney and Certificate of Authority is signed and sealed by facsimile (mechanical or printed) under and by authority of the following Standing Resolution voted by the Boards of Directors of TRAVELERS CASUALTY AND SURETY COMPANY OF AMERICA, TRAVELERS CASUALTY AND SURETY COMPANY and FARMINGTON CASUALTY COMPANY, which Resolution is now in full force and effect:**

**VOTED:** That the signature of each of the following officers: President, any Executive Vice President, any Senior Vice President, any Vice President, any Assistant Vice President, any Secretary, any Assistant Secretary, and the seal of the Company may be affixed by facsimile to any power of attorney or to any certificate relating thereto appointing Resident Vice Presidents, Resident Assistant Secretaries or Attorneys-in-Fact for purposes only of executing and attesting bonds and undertakings and other writings obligatory in the nature thereof, and any such power of attorney or certificate bearing such facsimile signature or facsimile seal shall be valid and binding upon the Company and any such power so executed and certified by such facsimile signature and facsimile seal shall be valid and binding upon the Company in the future with respect to any bond or undertaking to which it is attached.

**South Dakota Public Utilities Commission**  
**WEEKLY FILINGS**  
**For the Period of June 3, 2004 through June 9, 2004**

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

**ELECTRIC**

**EL04-022**      **In the Matter of the Joint Request for an Electric Service Rights Exception between  
Otter Tail Power Company and H-D Electric Cooperative, Inc.**

On June 4, 2004, Otter Tail Power Company and H-D Electric Cooperative, Inc. filed a joint request to the Public Utilities Commission for approval of an Electric Service Rights Exception. The exception would allow for H-D Electric to provide electrical service to an irrigation pivot owned by Jonathan Wollman, located in Otter Tail Power Company's service territory in Section 35, Township 115, Range 52 of Hamlin County.

Staff Analyst: Michele Farris  
Staff Attorney: Karen Cremer  
Date Filed: 06/04/04  
Intervention Deadline: 06/18/04

**NATURAL GAS**

**NG04-004**      **In the Matter of the Filing by Montana-Dakota Utilities Co. for Authority to Increase  
Rates for Natural Gas Service.**

Application by Montana-Dakota Utilities Co. for approval to increase rates for natural gas service in its Black Hills service territory by \$1,281,417 or 2.2% based on an adjusted test year ended 12/31/2003. The company states the proposed increase for a residential customer would average about \$1.96 per month. The proposed rates may potentially affect 43,100 customers in the Black Hills area of South Dakota.

Staff Analyst: Dave Jacobson  
Staff Attorney: Karen Cremer  
Date Filed: 06/07/04  
Intervention Deadline: 07/09/04

**TELECOMMUNICATIONS**

**TC04-099**      **In the Matter of the Application of Public Communications Services, Inc. for a  
Certificate of Authority to Provide Interexchange Telecommunications Services in  
South Dakota.**

Public Communications Services, Inc. is seeking a Certificate of Authority to provide interexchange telecommunications services in South Dakota. The Applicant intends to offer collect, prepaid and debit basis interexchange telecommunications services to inmates of prisons, jails and other confinement institutions.

Staff Analyst: Keith Senger  
Staff Attorney: Karen Cremer

Date Docketed: 06/03/04  
Intervention Deadline: 06/25/04

**TC04-100 In the Matter of the Filing for Approval of a Statement of Generally Available Terms and Conditions for Interconnection, Unbundled Network Elements, Ancillary Services and Resale of Telecommunications Services between Qwest Corporation and 1-800-Reconex, Inc. d/b/a USTel (Fourth Revision)**

On June 8, 2004, the Commission received a filing for approval of a Statement of Generally Available Terms and Conditions for Interconnection, Unbundled Network Elements, Ancillary Services, and Resale of Telecommunication Services Provided by Qwest Corporation in the State of South Dakota, Fourth Revision, between Qwest Corporation and 1-800-Reconex, Inc. d/b/a USTel. According to the parties, the Agreement "is a negotiated agreement which sets forth the terms, conditions and prices under which Qwest will provide services for resale to Reconex for the provision of local exchange 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 June 28, 2004. 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: Rolayne Ailts Wiest  
Date Filed: 06/08/04  
Initial Comments Due: 06/28/04

**TC04-101 In the Matter of the Filing by Granite Telecommunications, LLC for an Amended Certificate of Authority to Provide Interexchange Telecommunications Services and Local Exchange Services in South Dakota.**

In an Order dated December 17, 2003, the Commission granted Granite Telecommunications, LLC (Granite) authority to provide local exchange and interexchange telecommunications services in South Dakota, subject to restrictions from offering prepaid services or from accepting customer deposits and advance payments. On June 8, 2004, the Commission received a filing from Granite requesting relief from those restrictions.

Staff Analyst: Keith Senger  
Staff Attorney: Karen Cremer  
Date Docketed: 06/8/04  
Intervention Deadline: 06/25/04

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

<b>IN THE MATTER OF THE FILING BY GRANITE )</b>	<b>ORDER GRANTING</b>
<b>TELECOMMUNICATIONS, LLC FOR AN )</b>	<b>AMENDED CERTIFICATE OF</b>
<b>AMENDED CERTIFICATE OF AUTHORITY TO )</b>	<b>AUTHORITY</b>
<b>PROVIDE INTEREXCHANGE )</b>	
<b>TELECOMMUNICATIONS SERVICES AND )</b>	<b>TC04-101</b>
<b>LOCAL EXCHANGE SERVICES IN SOUTH )</b>	
<b>DAKOTA )</b>	

On October 17, 2003, the Public Utilities Commission (Commission) received an application for a certificate of authority from Granite Telecommunications, LLC (Granite).

Granite proposed to offer facilities-based and resold local exchange and resold intrastate interexchange telecommunications services within Qwest's service area in South Dakota. A proposed tariff was filed by Granite.

On October 23, 2003, the Commission electronically transmitted notice of the filing and the intervention deadline of November 7, 2003, to interested individuals and entities. No petitions to intervene or comments were filed and at its regularly scheduled December 2, 2003, meeting, the Commission considered Granite's request for a certificate of authority. Commission Staff recommended granting a certificate of authority, with an effective date of December 17, 2003, subject to rural safeguards, and subject to the condition that Granite not offer prepaid services or require or accept deposits or advance payments without prior approval of the Commission.

On June 8, 2004, Granite filed a \$25,000 surety bond with the Commission and requested that the restrictions be removed from its certificate of authority and that it be allowed to offer prepaid services.

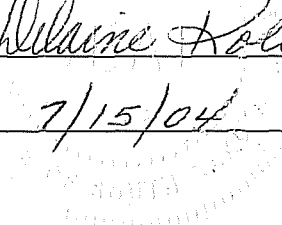
At its regularly scheduled July 6, 2004, meeting, Staff recommended that the Commission reconsider the terms and conditions of Granite's certificate of authority to permit Granite to post a \$25,000 surety bond, and remove the restrictions that Granite not offering a prepaid calling card or require deposits or advance payments without prior approval of the Commission.

The Commission finds that it has jurisdiction over this matter pursuant to SDCL Chapter 49-31, specifically 49-31-3 and 49-31-69 and ARSD 20:10:24:02, 20:10:24:03 and 20:10:32:03. The Commission finds that Granite has met the legal requirements established for the granting of a certificate of authority. Granite has, in accordance with SDCL 49-31-3 and 49-31-71, demonstrated sufficient technical, financial and managerial capabilities to offer telecommunications services in South Dakota.

The Commission approves Granite's application for an amended certificate of authority, subject to a continuous \$25,000 surety bond, it is therefore

ORDERED, that Granite's application for an amended certificate of authority to provide interexchange telecommunications services and local exchange services is hereby granted, subject to a continuous \$25,000 surety bond.

Dated at Pierre, South Dakota, this 15<sup>th</sup> day of July, 2004.

<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>          <i>Delaine Kolbs</i>          </u>
Date:	<u>          7/15/04          </u>
 (OFFICIAL SEAL)	

BY ORDER OF THE COMMISSION:

          *Robert K. Sahr*            
ROBERT K. SAHR, Chairman *dk*

          *Gary Hanson*            
GARY HANSON, Commissioner



# SOUTH DAKOTA PUBLIC UTILITIES COMMISSION

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## *AMENDED CERTIFICATE OF AUTHORITY*

To Conduct Business As A Telecommunications Company  
Within The State of South Dakota

Authority was Granted as of the date of the  
Original Order Granting Certificate of Authority  
Docket No. TC04-101

*This is to certify that*

### **GRANITE TELECOMMUNICATIONS, LLC**

is authorized to provide interexchange telecommunications services,  
including local exchange services in nonrural areas in South Dakota.

This certificate is issued in accordance with SDCL 49-31-3 and 49-31-69  
and ARSD 20:10:24:02 and 20:10:32:03, and is subject to all of the conditions  
and limitations contained in the rules and statutes governing its conduct of  
offering telecommunications services.

Dated at Pierre, South Dakota, this 15<sup>th</sup> day of July, 2004.

**SOUTH DAKOTA PUBLIC  
UTILITIES COMMISSION:**



*Robert K. Sahr*  
ROBERT K. SAHR, Chairman *dk*

*Gary Hanson*  
GARY HANSON, Commissioner