



LAW OFFICES  
**RITER, ROGERS, WATTIER & BROWN, LLP**  
Professional & Executive Building  
319 South Coteau Street  
P.O. Box 280  
Pierre, South Dakota 57501-0280  
[www.riterlaw.com](http://www.riterlaw.com)

TC04-169

ROBERT C. RITER, Jr.  
DARLA POLLMAN ROGERS  
JERRY L. WATTIER  
JOHN L. BROWN

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MARGO D. NORTHRUP, Associate

OF COUNSEL  
Robert D. Hofe  
E. D. Mayer  
TELEPHONE  
605-224-5825  
FAX  
605-224-7102

August 5, 2004

Ms. Pamela Bonrud  
Executive Director  
SD Public Utilities Commission  
500 East Capitol Ave.  
Pierre, South Dakota 57501

RECEIVED

AUG 05 2004

SOUTH DAKOTA PUBLIC  
UTILITIES COMMISSION

Re: Midstate Communications, Inc.  
Request for USF Certification in South Dakota  
Our File Number 2001-65

Dear Ms. Bonrud:

Enclosed herein are the original and eight copies of Midstate Communications, Inc.'s Request for USF Certification in the state of South Dakota.

Sincerely yours,



Darla Pollman Rogers  
Attorney at Law

DPR/ph

Enclosures

CC: Mark D. Benton

**BEFORE THE  
SOUTH DAKOTA PUBLIC UTILITIES COMMISSION**

**IN THE MATTER OF THE REQUEST OF DOCKET NO.  
MIDSTATE COMMUNICATIONS, INC. FOR  
CERTIFICATION REGARDING ITS USE OF  
FEDERAL UNIVERSAL SERVICE SUPPORT**

**RECEIVED**

AUG 05 2004

SOUTH DAKOTA PUBLIC  
UTILITIES COMMISSION

**REQUEST FOR CERTIFICATION**

Midstate Communications, Inc. (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.<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 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

<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.

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 2005 is currently due to be filed with the FCC and USAC on or before October 1, 2004. 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 5000 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.<sup>2</sup>

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

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<sup>2</sup> 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.<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. 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 2005. As of this time, specific support amounts the Company should receive in 2005 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 2005 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 2005 to offset a portion of 2005 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

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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, 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 Mark D. Benton, the Company requests that this Commission issue an appropriate certification to the FCC and USAC indicating that Midstate Communications, Inc., 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 2005. In order to ensure that this certification is issued to the FCC prior to October 1, 2004, the Company would further ask the Commission to expedite the process that is initiated based on this filing.

Dated this fifth day of August, 2004.

Respectfully submitted,

  
Darla Pollman Rogers  
Riter, Rogers, Wattier & Brown, LLP  
P. O. Box 280  
Pierre, South Dakota 57501  
Telephone (605) 224-7889

**Exhibit A**  
**Midstate Communications, Inc.**

**Estimated Year 2005 Federal Universal Service Receipts**

High cost loop support	\$ 1,495,000
Local switching support	\$ 362,000
Safety Net Additive support	\$ 49,000
Safety Valve Loop Cost Adjustment	\$ 0
<b>TOTAL</b>	<b>\$ 1,906,000</b>

**Estimated Year 2005 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)	\$ 68,053
Central office (Accts. 6210-6232)	\$ 222,573
Cable and wire facilities (Accts. 6410-6441)	\$ 539,857
Network operations (Accts. 6530-35)	\$ 76,631
Depreciation and amortization (Accts. 6560-65)	\$ 2,665,007

**Customer operations expenses**

Customer services (Accts. 6620-23)	\$ 356,745
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**Corporate operations expenses**

Executive and planning (Accts. 6710-6712)	\$ 246,986
General and administrative (Accts. 6720-28)	\$ 392,018

<b>Estimated Total Recurring Year 2005 Supported Expenses, from above, Before Return On Investment</b>	<b>\$ 4,567,870</b>
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**Estimated Additions**

Switching (Acct. 2210)	\$ 250,000
Cable and wire (Acct. 2410)	\$ 500,000
<b>TOTAL</b>	<b>\$ 750,000</b>

<b>Estimated Total Year 2005 Supported Expenditures, Before Return On Investment</b>	<b>\$ 5,317,870</b>
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**Exhibit B**

**AFFIDAVIT**

As an authorized representative of Midstate Communications, Inc. I, Mark D. Benton 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 Midstate Communications, Inc. 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).



\_\_\_\_\_  
Mark D. Benton

Subscribed and Sworn to before me this 3rd day of August 2004.

  
\_\_\_\_\_  
NOTARY PUBLIC

My Commission expires: 8/24/2006

**South Dakota Public Utilities Commission**  
**WEEKLY FILINGS**  
**For the Period of August 5, 2004 through August 11, 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**

**EL04-025**      In the Matter of the Joint Request for an Electric Service Territory Boundary Change between Xcel Energy, Inc. and Sioux Valley-Southwestern Electric Cooperative, Inc. d/b/a Sioux Valley Energy.

On August 6, 2004, Sioux Valley Energy filed, for Commission approval, a Service Territory Exchange Agreement between Xcel Energy, Inc. and Sioux Valley-Southwestern Electric Cooperative, Inc. The agreement seeks a modification to the existing service territories of the respective companies allowing each party to better serve present and future customers within the modified territories.

Staff Analyst: Michele Farris  
Staff Attorney: Karen Cremer  
Date Filed: 08/06/04  
Intervention Deadline: 08/27/04

**NATURAL GAS**

**NG04-006**      In the Matter of the Filing by Montana-Dakota Utilities Co., a Division of MDU Resources Group, Inc. for Approval of an Amendment to a Contract with Deviation with Merillat Corporation.

Application by Montana-Dakota Utilities Co. (MDU) for an amendment to its existing contract with Merillat Corporation which will expire on October 31, 2004. The proposed amendment provides for service to continue to Merillat for a one year period ending October 31, 2005, under the terms of the original contract. MDU has requested approval with less than 30 days notice.

Staff Analyst: Dave Jacobson  
Staff Attorney: Karen Cremer  
Date Filed: 08/06/04  
Intervention Deadline: 08/27/04

**NG04-007**      In the Matter of the Filing by MidAmerican Energy Company for Approval of Tariff Revisions.

Application by MidAmerican Energy Company for approval of tariff provisions which will make backbilling customers in cases of incorrect billing an option instead of mandatory. MidAmerican has recently discovered a problem with certain electronic meter reading devices which caused customers to be billed for less gas than actually used. MidAmerican proposes to not backbill these customers for the usage not previously billed for.

Staff Analyst: Dave Jacobson

Staff Attorney: Karen Cremer  
Date Filed: 08/09/04  
Intervention Deadline: 08/27/04

## TELECOMMUNICATIONS

**TC04-164 In the Matter of the Request of Splitrock Properties, Inc. for Certification Regarding its Use of Federal Universal Service Support.**

On August 5, 2004, Splitrock Properties, Inc. (Splitrock) provided information constituting Splitrock's plan for the use of its federal universal service support and to otherwise verify that 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 Filed: 08/05/04  
Intervention Deadline: 08/27/04

**TC04-165 In the Matter of the Request of Alliance Communications Cooperative, Inc. for Certification Regarding its Use of Federal Universal Service Support.**

On August 5, 2004, Alliance Communications Cooperative, Inc. (Alliance) provided information constituting Alliance's plan for the use of its federal universal service support and to otherwise verify that Alliance 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 Filed: 08/05/04  
Intervention Deadline: 08/27/04

**TC04-166 In the Matter of the Request of Northeast Nebraska Telephone Company for Certification Regarding its Use of Federal Universal Service Support.**

On August 5, 2004, Northeast Nebraska Telephone Company (Northeast) provided information constituting Northeast's plan for the use of its federal universal service support and to otherwise verify that Northeast 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 Filed: 08/05/04  
Intervention Deadline: 08/27/04

**TC04-167 In the Matter of the Request of City of Brookings Municipal Telephone Department for Certification Regarding its Use of Federal Universal Service Support.**

On August 5, 2004, 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 Filed: 08/05/04  
Intervention Deadline: 08/27/04

**TC04-168 In the Matter of the Request of Venture Communications Cooperative for Certification Regarding its Use of Federal Universal Service Support.**

On August 5, 2004, 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 Filed: 08/05/04  
Intervention Deadline: 08/27/04

**TC04-169 In the Matter of the Request of Midstate Communications, Inc. for Certification Regarding its Use of Federal Universal Service Support.**

On August 5, 2004, 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 Filed: 08/05/04  
Intervention Deadline: 08/27/04

**TC04-170 In the Matter of the Request of Three River Telco for Certification Regarding its Use of Federal Universal Service Support.**

On August 6, 2004, Three River Telco (Three River) provided information constituting Three River's plan for the use of its federal universal service support and to otherwise verify that Three 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 Filed: 08/06/04  
Intervention Deadline: 08/27/04

**TC04-171 In the Matter of the Request of Jefferson Telephone Company for Certification Regarding its Use of Federal Universal Service Support.**

On August 6, 2004, 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 Filed: 08/06/04  
Intervention Deadline: 08/27/04

**TC04-172 In the Matter of the Request of Beresford Municipal Telephone Company for Certification Regarding its Use of Federal Universal Service Support.**

On August 6, 2004, 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 Filed: 08/06/04  
Intervention Deadline: 08/27/04

**TC04-173 In the Matter of the Request of RT Communications, Inc. for Certification Regarding its Use of Federal Universal Service Support.**

On August 6, 2004, RT Communications, Inc. provided information constituting RT Communications' plan for the use of its federal universal service support and to otherwise verify that RT Communications 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 Filed: 08/06/04  
Intervention Deadline: 08/27/04

**TC04-174 In the Matter of the Request of West River Telecommunications Cooperative for Certification Regarding its Use of Federal Universal Service Support.**

On August 6, 2004, West River Telecommunications Cooperative (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 Filed: 08/06/04  
Intervention Deadline: 08/27/04

**TC04-175 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, 2004, 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 Filed: 08/06/04  
Intervention Deadline: 08/27/04

**TC04-176 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 9, 2004, Mount Rushmore Telephone Company and Fort Randall Telephone Company (the Companies) provided information constituting the Companies' plan for the use of its federal universal service support and to otherwise verify that the Companies 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 Filed: 08/09/04  
Intervention Deadline: 08/27/04

**TC04-177 In the Matter of the Request of Valley Telephone Company for Certification Regarding its Use of Federal Universal Service Support.**

On August 9, 2004, 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 Filed: 08/09/04  
Intervention Deadline: 08/27/04

**TC04-178 In the Matter of the Request of Red River Telecom, Inc. for Certification Regarding its Use of Federal Universal Service Support.**

On August 9, 2004, Red River Telecom, Inc. (Red River) provided information constituting Red River's plan for the use of its federal universal service support and to otherwise verify that Red River will use all federal universal service support received in a manner that is consistent with the federal universal service provisions of 47 U.S.C. Section 254.

Staff Analyst: Harlan Best  
Staff Attorney: Karen E. Cremer  
Date Filed: 08/09/04  
Intervention Deadline: 08/27/04

**TC04-179 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 9, 2004, Cheyenne River Sioux Tribe Telephone Authority (CRSTTA) provided

information constituting CRSTTA's plan for the use of its federal universal service support and to otherwise verify that CRSTTA 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 Filed: 08/09/04  
Intervention Deadline: 08/27/04

**TC04-180      In the Matter of the Filing for Approval of an Amendment to an  
Interconnection Agreement between Qwest Corporation and Midcontinent  
Communications.**

On August 10, 2004, the Commission received a filing for approval of a Resale and Local Switching Amendment to the Interconnection Agreement between Qwest Corporation and Midcontinent Communications. The parties state that the Amendment adds terms, conditions, and rates for Resale and Local Switching. Any party wishing to comment on the Amendment may do so by filing written comments with the Commission and the parties to the Amendment no later than August 30, 2004. Parties to the Amendment 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: 08/10/04  
Initial Comments Due: 08/30/04

**TC04-181      In the Matter of the Application of VCI Company for a Certificate of Authority  
to Provide Local Exchange Services in South Dakota.**

On August 10, 2004, VCI Company filed an application for a Certificate of Authority to provide facilities-based and resold local exchange, and intra-LATA toll services within the State of South Dakota. Applicant's services include, but are not limited to, basic local exchange services, intraLATA toll and customer calling features. Applicant also intends to provide exchange access services to interconnecting carriers pursuant to the rates, terms and conditions in an access services tariff to be filed with the Commission after Applicant's Certificate of Authority has been issued. Applicant proposes to provide facilities-based local exchange services using Unbundled Network Elements-Platform (UNE-P) leased or purchased from South Dakota certificated facilities-based local exchange carriers. Applicant may further resell the local exchange services of other South Dakota certificated local exchange carriers. Applicant proposes to provide service throughout the area in South Dakota currently served by Qwest Corporation.

Staff Analyst: Christine Hibbeler  
Staff Attorney: Karen Cremer  
Date Filed: 08/10/04  
Intervention Deadline: 08/27/04

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Bob Sahr, Chair  
Mary 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  
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1-800-332-1782

September 24, 2004

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 200  
Washington, DC 20036

Re: CC Docket No. 96-45

### Annual State Certification of Support for Rural Carriers and Non-Rural Carriers

Dear Ms. Dortch and Ms. Flannery:

The South Dakota Public Utilities Commission (Commission) hereby states that the following rural and non-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, 54.307, and/or 54.309 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 rural incumbent local exchange carriers and/or eligible telecommunications carriers:

Alliance Communications Cooperative, Inc. (391642)  
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, LLC (361123)  
City of Brookings Municipal Telephone Department (391650)  
City of Faith Municipal Telephone Company (391653)  
Consolidated Telcom (381607)  
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)



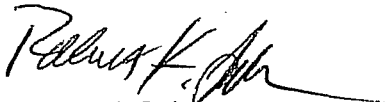
James Valley Cooperative Telephone Company (391664)  
Jefferson Telephone Company (391666)  
Kadoka Telephone Company (391667)  
Kennebec Telephone Company (391668)  
McCook Cooperative Telephone Company (391669)  
Midstate Communications, Inc. (391670)  
Mount Rushmore Telephone Company and Fort Randall Telephone Company (391660)  
Northeast Nebraska Telephone Company (371576)  
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)  
Splitrock Properties, Inc. (391657)  
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 (391686)  
Western Telephone Company (391688)  
Western Wireless Corporation (399002) (competitive ETC)  
West River Cooperative Telephone Company (391689)  
West River Telecommunications Cooperative (381637) (co. no. 4414)  
West River Telecommunications Cooperative (Mobridge) (391671)

The Commission has granted certification to the following non-rural incumbent local exchange carriers and/or eligible telecommunications carriers:

Qwest Corporation (395145)  
Western Wireless Corporation (399002) (competitive ETC)

Enclosed are the Orders Granting Certification to the above-referenced rural and non-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.

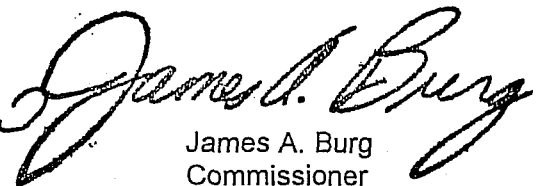
Sincerely,



Robert K. Sahl  
Chairman



Gary Hanson  
Commissioner



James A. Burg  
Commissioner

**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>MIDSTATE COMMUNICATIONS, INC. FOR )</b>	<b>CERTIFICATION</b>
<b>CERTIFICATION REGARDING ITS USE OF )</b>	
<b>FEDERAL UNIVERSAL SERVICE SUPPORT )</b>	<b>TC04-169</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 2005 is currently due to be filed with the FCC and USAC on or before October 1, 2004. 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 5, 2004, the South Dakota Public Utilities Commission (Commission) received a filing from Midstate Communications, Inc. (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

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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 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 12, 2004, the Commission electronically transmitted notice of the filing and the intervention deadline of August 27, 2004, to interested individuals and entities. No parties sought intervention.

At its regularly scheduled meeting of August 31, 2004, 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 7<sup>th</sup> day of September, 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>Neilino Kalbo</u>
Date:	<u>9/8/04</u>
(OFFICIAL SEAL)	

BY ORDER OF THE COMMISSION:

Robert K. Sahr

ROBERT K. SAHR, Chairman

James A. Burg

JAMES A. BURG, Commissioner