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December 22, 2005

Ms. Patricia Van Gerpen  
Executive Director  
South Dakota Public Utilities Commission  
State of South Dakota  
500 East Capitol Avenue  
Pierre, SD 57501

RECEIVED

DEC 23 2005

SOUTH DAKOTA PUBLIC  
UTILITIES COMMISSION

RE: SSTELECOM, INC. APPLICATION FOR CERTIFICATE OF AUTHORITY TO PROVIDE  
COMPETITIVE LOCAL EXCHANGE SERVICE IN EXCHANGES SERVED BY QWEST.

Dear Ms. Van Gerpen,

On behalf of SSTELECOM, INC., we file the enclosed application for a Certificate of Authority to provide competitive local exchange services in Qwest exchanges in South Dakota. We also request confidentiality for portions of this application this letter.

Confidentiality is requested for a period of five years for the financial information provided in Exhibit B which includes a Balance Sheet, Statement of Income, and Statement of Cash Flows, which are being submitted with the application, in accordance with the Commission's rules ARSD 20:10:01:39 through 20:10:01:44. This information is all confidential and proprietary financial data of SSTELECOM, INC. which is not disclosed to the public.

The contact for the confidentiality request is as follows:

Doug Eidahl  
Vice President of Consulting  
Vantage Point Solutions  
1801 North Main Street  
Mitchell, SD 57301  
(605) 995-1750

If you have any questions or comments, please feel free to contact me at (605) 995-1750

Sincerely,

Doug Eidahl  
Vice President of Consulting  
Vantage Point Solutions

BEFORE THE PUBLIC UTILITIES COMMISSION  
OF THE STATE OF SOUTH DAKOTA

IN THE MATTER OF THE APPLICATION OF )  
SSTELECOM, INC. FOR AUTHORITY TO )  
PROVIDE COMPETITIVE LOCAL EXCHANGE )  
SERVICES IN EXCHANGES SERVED BY QWEST )

Docket No. \_\_\_\_\_

APPLICATION FOR CERTIFICATE OF AUTHORITY

Pursuant to the provisions of SDCL 49-31-3, 49-31-69 through 49-31-76 and ARSD 20:10:32:03, SSTELECOM, INC. (SSTELECOM) hereby applies for a Certificate of Authority to provide competitive local exchange services in South Dakota exchanges served by Qwest.

1. SSTELECOM is a South Dakota corporation and a wholly owned subsidiary of Stockholm – Strandburg Telephone Company (Stockholm). Applicant’s legal name, address, principal office, phone and fax number and e-mail address are:

SSTELECOM, INC.  
210 North Main Street  
P.O. Box 20  
Stockholm, South Dakota 57264

Phone: (605) 676-2311  
Fax: (605) 676-2317  
Email: sstelco@sstel.net

2. The following are the directors of SSTELECOM. All may be contacted at the address and contact numbers listed in Section 1:

Harold Nowick - President  
Marjorie Nowick - Secretary/Treasurer  
Tim Nowick – Vice President  
Wayne Nowick  
Michael Nowick

3. SSTELECOM will overbuild the Milbank Qwest Exchange and will provide local exchange services doing business as SSTELECOM, INC.

4. SSTELECOM's principal office is stated in Section 1. SSTELECOM's current registered agent is Darla Pollman Rogers whose business address is 319 South Coteau Street, P.O. Box 280, Pierre, SD 57501-0280. The following are the shareholders of SSTELECOM that own twenty percent or more of the interest in the business. All may be contacted at the address and contact numbers listed in Section 1:

Harold Nowick  
Marjorie Nowick

SSTELECOM's South Dakota Certificate of Incorporation was granted on May 11, 2000. A copy of the certificate is attached to this application as Exhibit A.

5. Applicant's parent company, Stockholm, has been providing local exchange telecommunications services to portions of eastern South Dakota since 1914. More recently, Stockholm has also provided long distance and calling features. Stockholm has recently entered into an Agreement and Plan of Merger under which Stockholm will become a wholly-owned subsidiary of Interstate Telecommunications Cooperative, Inc. (ITC). Following the completion of this transaction in second quarter 2006, Stockholm will continue to exist as a separate company, but will be under the ownership, management, and operational control of ITC. Stockholm will provide any updates that may be required by the Commission on this transaction. Applicant will provide local dial tone, long distance, DSL, calling features, Internet and other telecommunications services. Applicant is currently providing CATV in the Milbank exchange.

6. SSTELECOM has no subsidiaries or affiliates. It is a wholly owned subsidiary of Stockholm whose address is:

Stockholm – Strandburg Telephone Company  
210 North Main Street  
Stockholm, South Dakota 57264

7. SSTELECOM initially intends to provide service by overbuilding the Milbank, South Dakota exchange of Qwest. It will construct and use its own facilities and may collocate or lease additional facilities as necessary to provide services to residential and business customers. SSTELECOM's Milbank local exchange network will connect with SDN Communications' SONET Ring and Sioux Falls tandem. SSTELECOM will utilize the existing parent company Stockholm switch for Milbank dial tone.

SSTELECOM will provide the following services:

- local dial tone and voice grade access to the public switched telephone network
- 911 service
- access to operator services
- access to IXC services
- access to directory assistance
- nonpublished and nonlisted directory services
- access to Telecommunications Relay Service
- toll and 900 number blocking
- special circuits
- DSL
- calling features

8. SSTELECOM will serve within the boundaries of the Milbank Qwest exchange consistent with the current exchange maps on file with the Commission.

9. Applicant's parent Stockholm already has a long history of providing telecommunications services with a high customer satisfaction level. From this long history of service, its directors, management and staff already possess the technical competence to provide the requested services herein.

10. Stockholm General Manager, Harold Nowick, will lead the SSTELECOM management team. Mr. Nowick has over 39 years of experience from 1966 and 2005 to management. He has attended numerous technical workshops, seminars and industry training over his 39 year career. Stockholm Office Manager, Marjorie Nowick, will also lead the SSTELECOM management team. Mrs. Nowick has over 39 years of experience from 1966 and 2005 to management. She has attended numerous technical workshops, seminars and industry training over her 39 year career. The remainder of the management team will be

determined early in 2006. The SSTELECOM management team will be assisted as needed by Stockholm's current staff and ITC's staff in the future.

11. SSTELECOM has a customer service office in Milbank. It will have a staff to handle all customer service issues or complaints. The office will be open during normal business hours 8am to 5pm Monday-Friday. Customers will be given access to an 800 number call center for after hour emergencies. The call center will be able to contact and dispatch SSTELECOM staff for any after hour emergencies as needed. SSTELECOM's staff will perform all required maintenance and will comply with the Commission's quality of service requirements.

12. SSTELECOM will connect with the Milbank PSAP and will provide enhanced 911 consistent with current Grant County 911 requirements. SSTELECOM will contact the proper county officials and will provision and test E911 before offering any services. SSTELECOM will contract with a vendor to provide operator and directory assistance services. SSTELECOM will provision its switch to provide and properly route all telecommunications relay services. Applicant will connect to SDN Communications to provide interexchange services. Both inter and intrastate equal access will be provided. All toll providers currently registered with the Commission will be notified and given an opportunity to be on the SSTELECOM equal access ballot and to become a picable toll provider by SSTELECOM customers.

13. SSTELECOM is financially capable of establishing and maintaining service as set forth in this application. SSTELECOM has been in existence since 2000. During that time, it has had significant financial activity providing CATV and Internet in the communities of Milbank, Stockholm, Strandburg, LaBolt, South Shore, and Reville, South Dakota. The applicant provides SSTELECOM's financial statements and cash flow statement, as presented in Exhibit B. The applicant hereby requests confidential treatment of this financial information in Exhibit B.

14. SSTELECOM will be competing with Qwest within Qwest exchanges and will not compete with any rural LEC's. SSTELECOM will interconnect with Qwest. Interconnection negotiations with Qwest will begin once this application is filed.

15. A complete price list for services to be offered is currently being developed and will be filed with the Commission as an informational tariff when completed. SSTELECOM will serve far fewer than fifty thousand local exchange customers therefore no cost support is required for this filing.

16. SSTELECOM will market directly to residential and business customers. Marketing will include a variety of methods, such as, direct mail, billboards, newspaper and radio. It will not engage in any multilevel marketing. No brochures currently exist. They are under development.

17. The applicant is not authorized to provide service in any other states. It shall provide service only in South Dakota. It has never been denied certification in any state.

18. All customer complaints can be sent to the SSTELECOM's address in Section 1.

19. SSTELECOM will mail a monthly bill to its customers on the first of the month for all services. The bill will require payment within 30 days. Although exempt from them under SDCL 49-31-5.1, SSTELECOM will generally follow the Commission's billing, collections and credit rules.

20. New customers seeking SSTELECOM's service will be required to sign a letter of agency and a service application form. All consent to switch customers will be in writing greatly minimizing the chance of any unauthorized switching of services.

21. The applicant has never had any complaints filed against it in any state or federal agency for the unauthorized switching of carriers or for charging customers for services not ordered.

22. The applicant will not have any historical costs to develop cost based access rates. Further, SSTELECOM will have a very small customer base over the next couple of years as it constructs its facilities. SSTELECOM lacks the financial, technical and managerial resources needed to determine company specific cost based intrastate switched access rates. The costs to develop cost

based rates outweigh any benefit to SSTELECOM's customers. Therefore, pursuant to ARSD 20:10:27:11, SSTELECOM hereby also requests that its access rates be determined in accordance with ARSD 20:10:27:12 and that it be allowed to adopt the average access rate of all South Dakota companies for a period of three years. The Commission has routinely granted such requests for small start up CLEC's with no historical cost information. This precedent is also appropriate in SSTELECOM's case.

23. SSTELECOM's federal tax id is: 46-0456907

24. The information provided herein and all exhibits fully describe SSTELECOM business plan and its ability to provide high quality telecommunications services to South Dakota consumers. SSTELECOM demonstrates herein that it has the technical, financial and managerial skills to offer telecommunications services in Qwest's South Dakota exchanges and that such service will be in the public interest.

WHEREFORE, SSTELECOM hereby requests that the Public Utilities Commission enter an order granting a certificate of authority to SSTELECOM to provide competitive local exchange services in Qwest's South Dakota exchanges; and

FURTHERMORE, that SSTELECOM, INC. hereby petitions the Commission that it be granted an exemption from developing company specific cost based switched access rates pursuant to ARSD 20:10:27:11 and that its switched access rates shall be determined consistent with ARSD 20:10:27:12 for a period of three years.

Respectfully submitted this 15 day of December, 2005

SSTELECOM, INC.

By: Harold Nowick  
Harold Nowick  
General Manager

# State of South Dakota



## OFFICE OF THE SECRETARY OF STATE

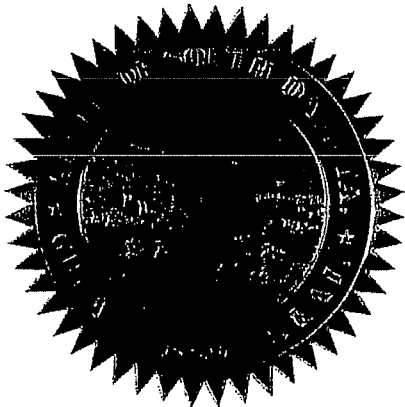
### Certificate of Incorporation

### Business Corporation

I, **JOYCE HAZELTINE**, Secretary of State of the State of South Dakota, hereby certify that the Articles of Incorporation of **SSTELECOM, INC.** duly signed and verified, pursuant to the provisions of the South Dakota Business Corporation Act, have been received in this office and are found to conform to law.

**ACCORDINGLY**, and by virtue of the authority vested in me by law, I hereby issue this Certificate of Incorporation and attach hereto a duplicate of the Articles of Incorporation.

**IN TESTIMONY WHEREOF**, I have hereunto set my hand and affixed the Great Seal of the State of South Dakota, at Pierre, the Capital, this May 11, 2000.



**Joyce Hazeltine**  
Secretary of State



**CONFIDENTIAL**

**# 1**