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*"Your Total Communications Company ~
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To: Patricia Van Gerpen
 Company: SD PUC
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 Phone: 605-773-3201

From: Jeff Olson
 Date sent: 9/18/06
 Pages sent
 (including cover sheet): 11

Urgent

For Review

For comment

Please Reply

Message:

Here is our filing for state USF certification.

Donna Thiel, Admin Asst.



506 Broadway • P.O. Box 136
Abercrombie, ND 58001

September 15, 2006

VIA FACSIMILE AND FEDERAL EXPRESS

Patricia Van Gerpen
South Dakota Public Utilities Commission
State Capitol Building
500 East Capitol
Pierre, South Dakota 57501

Re: **In the Matter of the Request of Red River Rural Telephone Association for Certification
Regarding Their Use of Federal Universal Service Support
Docket No.:**

Dear Ms. Van Gerpen:

Enclosed for filing please find the original and 10 copies of the Request for Certification Regarding Their Use of Federal Universal Service Support by Red River Rural Telephone Association in the above-referenced docket.

We recognize that this filing is quite late. The delay was due to an inadvertent oversight on our part. We apologize for any resulting inconvenience, and request that the Commission grant its approval as soon as reasonably possible in light of the October 1st time requirement. We note that only one access line is affected within the state of South Dakota.

Please contact me if you have any questions or need further information.

Sincerely,

A handwritten signature in black ink that reads 'Jeffrey J. Olson'.

Jeffrey J. Olson
General Manager

Enclosures

cc: Rolayne Ailts Wiest
 Harlan Best

"For All Your Telecommunications Needs"

Phone 701/553-8309 • FAX 701/553-8396

**BEFORE THE
SOUTH DAKOTA PUBLIC UTILITIES COMMISSION**

IN THE MATTER OF THE REQUEST OF)	
RED RURAL TELEPHONE)	ANNUAL ETC CERTIFICATION
ASSOCIATION FOR CERTIFICATION)	FILING AND SUBMITTAL
REGARDING ITS USE OF FEDERAL)	PURSUANT TO ARSD § 20:10:32:53
UNIVERSAL SERVICE SUPPORT.)	

Red River Rural Telephone Association (the "Company"), by and through the undersigned, makes this filing to seek certification from the South Dakota Public Utilities Commission (the "Commission") as is required under 47 C.F.R. § 54.314 and to comply with the Commission's new rules pertaining to ETCs, including the provisions of ARSD §§ 20:10:32:52, 20:10:32:53 and 20:10:32:54. As part of this filing, the Company offers the following:

1. Pursuant to 47 C.F.R. § 54.314, each carrier that has been designated as an eligible telecommunications carrier ("ETC") that is eligible to receive future federal universal service support must file an annual certification with the Federal Communications Commission ("FCC") and the Universal Service Administrative Company ("USAC") stating that federal high-cost support provided to the carrier 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 in the future be made available if the State Commission files the requisite certification pursuant to 47 C.F.R. § 54.314.

2. The certification required specifically for rural carriers to receive federal universal service support for all four quarters during calendar year 2007 is currently due to be filed with

the FCC and USAC on or before October 1, 2006. 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 ETC. The Company provides local exchange telephone services, including all of the essential services that are included in the federal definition of universal service, to 1 access line within its established rural service area in South Dakota.

4. As is required by the provisions of ARSD § 20:10:32:43.01, the Company is committed to providing service throughout its existing rural service area, or study area, to all customers making a reasonable request for service. Since 1996, the Company has served as the incumbent local exchange carrier within its established service area as Red River Telecom, Inc., which merged with its parent company Red River Rural Telephone Association in 2005, and has operated as a "carrier of last resort" in such area. As the carrier of last resort, the Company already has extended wireline local exchange network facilities throughout its service area as necessary to make all essential local exchange services that are supported by federal universal service available to all end-user customers within its service area. Consistent with its past practice, the Company hereby certifies that it will provide service on a timely basis to all requesting customers within its designated ETC service area. In certain cases, the provisioning of this service may require a customer in a new location to first meet the requirements of the Company's line extension policies. These line extension policies are, however, consistent with the requirement under both federal and state law to meet all reasonable requests for service.

5. The Company has the ability to remain functional in emergency situations as required by the provisions of ARSD § 20:10:32:43.03. The Company is currently in compliance with this Commission's "auxiliary and battery power requirements" set forth in ARSD 20:10:33:19.

6. The provisions of ARSD § 20:10:32:54 addressing the annual "Certification requirements" set forth by this Commission indicate in part that the ETC must show "how much universal service support was received." Accordingly, attached hereto as "Exhibit A" is information indicating "Federal Universal Service Receipts" both actual Year 2005 received by the Company and estimated for Year 2007. This same Exhibit also shows total expenditures of the Company in 2005 related to the provision, maintenance and upgrading of the facilities and services that are supported by Federal Universal Service Funding and further estimates these same expenditures for calendar year 2007. Consistent with federal universal service principles, the Company will use federal universal service amounts received in 2007 to offset a portion of these 2007 expenditures. 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 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. The Company does not maintain records to separate federal universal service support received with respect to South Dakota access lines from federal universal service support received with respect to North Dakota access lines. Accordingly, the information contained on Exhibit A reflects an allocation of total

amounts in each category by the respective number of access lines in South Dakota and North Dakota.

7. In addition to the information included in Exhibit A, the following information is provided to meet the Commission's "Certification requirements" set forth in 20:10:32:54:

- The Company's service quality improvement plan is to continue to upgrade its telecommunications facilities and equipment as necessary to meet evolving service requirements and maintain high quality service throughout its service area. As an incumbent local exchange carrier and the carrier of last resort in its service area, the Company upgrades and replaces facilities and equipment as necessary. In furtherance of its service quality improvement plan, the Company will use any high-cost universal service amounts received by it to offset expenditures incurred as it continues to upgrade and replace facilities and equipment. The Company's "two-year service quality improvement plan," required under the provisions of ARSD 20:10:32:54, is attached hereto as "Exhibit B."
- During calendar year 2005, the Company experienced no service outages affecting at least 10 percent of its end user customers, for a period lasting longer than 30 minutes.
- The Company was able to provide service to all potential customers that requested service during 2005, and as of December 31, 2005, the Company had no unfulfilled requests for service.
- During 2005, the Company's customer service department received no complaints from consumers. No complaints were received by the Company more formally as written complaints or as complaints that needed to be resolved with the involvement of other Company representatives outside of the customer service department.

- Also attached as "Exhibit C" is a document containing other certifications, including those required under the provisions of ARSD §§ 20:10:32:54(5), 20:10:32:54(6), 20:10:32:54(7) and 20:10:32:54(8).

8. Pursuant to the requirements of ARSD 20:10:32:43.04, the Company is required to demonstrate how it satisfies consumer protection (see also ARSD 20:10:33:31, 20:10:34:09, and 20:10:34:10) and service quality standards (see ARSD 20:10:33).

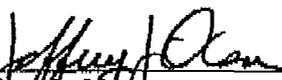
- 20:10:33:31 - Failure to pay for services other than local exchange services – the Company applies payments to local exchange services first. If partial payment is received, local service would continue, with toll and internet services subject to disconnection. The Company will also make special arrangements with customers, if reasonable terms are agreed to.
- 20:10:34:09 - Billing requirements – the Company monthly provides an itemized billing to each customer. The bill identifies Red River Rural Telephone Association by its address and phone number (toll free from its exchanges) for billing questions and service changes.
- 20:10:34:10 - Notification of increase in rates – the Company sends written notification to its customers in the form of individual letters.
- 20:10:33 – Service Quality Standards – the Company has reviewed the service quality standards contained in ARSD 20:10:33 and certifies that it is complying with the applicable service quality standards and consumer protection rules.

9. Based on all of the foregoing information, including the information provided on Exhibits A, B and C, the Company requests that this Commission issue an appropriate certification to the FCC and USAC indicating that Red River Rural Telephone Association 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 2007. In order to ensure that this certification is issued to the FCC prior to October 1, 2006, the Company would further ask the Commission to expedite the process that is initiated based on this filing.

Dated this 15th day of September 2006.

Respectfully submitted,



Jeffrey J. Olson
General Manager of Red River Rural Telephone
Association

Exhibit A
Red River Rural Telephone Association

Federal Universal Service Receipts	Actual	Estimated
	<u>2005</u>	<u>2007</u>
High cost loop support	\$ 80	\$ 80
Local switching support	\$ 70	\$ 70
Safety Net Additive support	\$ 0	\$ 0
Safety Valve Loop Cost Adjustment	\$ 0	\$ 0
TOTAL	\$ 150	\$ 150

Expenditures for Provision, Maintenance, and Upgrading Of Facilities and Services Supported By Federal Universal Service Funding

Plant Specific Operations Expenses	Actual	Estimated
	<u>2005</u>	<u>2007</u>
Network support (Accts. 6110-16)	\$ 0	\$ 0
General support (Accts. 6120-24)	\$ 17	\$ 20
Central office (Accts. 6210-6232)	\$ 128	\$ 130
Cable and wire facilities (Accts. 6410-6441)	\$ 146	\$ 150
Network operations (Accts. 6530-35)	\$ 29	\$ 30
Depreciation and amortization (Accts. 6560-65)	\$ 314	\$ 310
 Customer operations expenses		
Customer services (Accts. 6620-23)	\$ 82	\$ 80
 Corporate operations expenses		
Executive and planning (Accts. 6710-6712)	\$ 48	\$ 50
General and administrative (Accts. 6720-28)	\$ 102	\$ 100
 Total Recurring Supported Expenses,		
From above, Before Return on Investment	\$ 866	\$ 870
 Plant Additions		
	Actual	Estimated
	<u>2005</u>	<u>2007</u>
Switching (Acct. 2210)	\$ 246	\$ 250
Cable and wire (Acct. 2410)	\$ 488	\$ 490
TOTAL	\$ 734	\$ 740
 Total Supported Expenditures,		
Before Return on Investment	\$ 1,600	\$ 1,610
(The above amounts were estimated on the basis of access lines)		

Exhibit B**EXHIBIT B - TWO-YEAR PLAN**
ARSD 20:10:32:43.02

As part of its ongoing plan to upgrade and enhance its network, the Company anticipates the following capital expenditures over the next two years. The Company believes that its planned capital additions will improve the reliability of switched calls for its customers, assure CALEA compliance and increase the Company's network capacity to serve remote customers. The upgraded facilities will also be more cost-effective for the Company to maintain. Any federal high-cost universal service support the Company receives will help defray the following estimated costs for plant improvements and upgrades.

Provide data for each wire center in the Company's service area where switching, exchange transmission equipment or cable and wire upgrades are planned.

Wire Center	Description of Capital Improvement	Estimated Population Served by Improvement	Start Date	Completion Date	Estimated Capital Expenditures Each Year	
					2007	2008
					\$	\$
					\$	\$
					\$	\$

Based on current information, no improvements are anticipated at this time that will affect this single customer.

Exhibit C

EXHIBIT C - AFFIDAVIT

STATE OF NORTH DAKOTA)
) ss.
COUNTY OF RICHLAND)

1. I am the General Manager of Red River Rural Telephone Association and am authorized to give this affidavit on behalf of the Company. This affidavit is provided to support the Company's Request for Certification to the South Dakota Public Utilities Commission as contemplated in 47 C.F.R. § 54.314.

2. As an authorized representative of the Company, I 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.

3. During 2005, the Company received federal universal service support as shown on Exhibit A to this affidavit and had investment and expenses relating to the provision, maintenance and upgrading of facilities and services for which such support was intended as also shown on Exhibit A. During 2005, the Company used the federal universal service support it received only for the provision, maintenance and upgrading of facilities and services for which the support was intended consistent with 47 U.S.C. § 254(e).

4. The Company will use the federal universal service support it receives during 2007 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).

5. The Company (i) is in compliance with applicable service quality and consumer protection rules; (ii) is able to function in emergency situations; and (iii) provides equal access to long distance carriers.

Jeffrey J. Olson

Jeffrey J. Olson

Subscribed and sworn to before me this 18th day of Sept 2006.

LARRY H. BONTJES
Notary Public
State of North Dakota
My Commission Expires Aug. 15, 2012

Larry H. Bontjes

NOTARY PUBLIC

My Commission Expires: Aug 15, 2012