

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

TELEPHONE
605-224-5825
FAX
605-224-7102

OF COUNSEL:
Robert D. Hofer
E. D. Mayer

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

MARGO D. NORTHRUP, Associate

July 31, 2006

Patty Van Gerpen
South Dakota Public Utilities Commission
500 East Capitol Avenue
Pierre, South Dakota 57501

RECEIVED
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SOUTH DAKOTA PUBLIC
UTILITIES COMMISSION

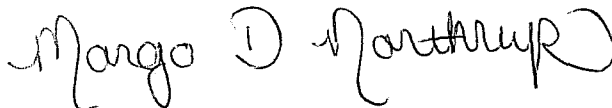
Re: In the Matter of Tri-County Telcom for Certification regarding its use of Federal Universal Service Support.

Dear Patty:

Please find enclosed herein for filing the original and four (4) copies of the Annual ETC Certification Filing submitted pursuant to ARSD §§ 20:10:32:52 *et seq.*, on behalf of Tri-County Telcom ("Tri-County"). Tri-County hereby requests confidential treatment of Exhibit A and Exhibit B, which are submitted as confidential pursuant to the requirements of ARSD § 20:10:01:41. These Exhibits contain company specific financial data and strategy, and disclosure of the information contained therein could jeopardize Tri-County's financial and competitive position. Tri-County requests that such information be maintained as confidential by the Commission in perpetuity.

Please contact me should you have any questions.

Sincerely yours,



Margo D. Northrup
Attorney at Law

MDN/ea

Enclosures

cc: Bryan Roth

**BEFORE THE
SOUTH DAKOTA PUBLIC UTILITIES COMMISSION**

RECEIVED
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SOUTH DAKOTA PUBLIC
UTILITIES COMMISSION

IN THE MATTER OF THE REQUEST OF)	
TRI-COUNTY TELCOM, INC., FOR)	ANNUAL ETC CERTIFICATION
CERTIFICATION REGARDING ITS USE)	FILING AND SUBMITTAL
OF FEDERAL UNIVERSAL SERVICE)	PURSUANT TO ARSD § 20:10:32:53
SUPPORT.)	

Tri-County Telcom, Inc., (Tri-County), by and through its attorney, 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, Tri-County 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 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. Tri-County is a rural telephone company that has previously been designated by this Commission as an ETC. Tri-County provides local exchange telephone services, including all of the essential services that are included in the federal definition of universal service, to approximately 435 access lines within its established rural service area in South Dakota.

4. As is required by the provisions of ARSD § 20:10:32:43.01, Tri-County is committed to providing service throughout its existing rural service area, or study area, to all customers making a reasonable request for service. Since 1926 Tri-County has served as the incumbent local exchange carrier within its established service area and has operated as a “carrier of last resort” in such area. As the carrier of last resort, Tri-County 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, Tri-County 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 Tri-County’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. Tri-County has the ability to remain functional in emergency situations as required by the provisions of ARSD § 20:10:32:43.03. Tri-County 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 "Year 2005 Federal Universal Service Receipts" received by Tri-County. This same Exhibit also shows total expenditures of Tri-County 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, Tri-County 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 Tri-County 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.

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:

- Tri-County'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, Tri-

County upgrades and replaces facilities and equipment as necessary. In furtherance of its service quality improvement plan, Tri-County 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. Tri-County'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, Tri-County experienced no service outages affecting at least 10 percent of its end user customers, for a period lasting longer than 30 minutes.
- Tri-County was able to provide service to all potential customers that requested service during 2005, and as of December 31, 2005, Tri-County had no unfulfilled requests for service.
- During 2005, Tri-County's customer service department received no complaints from consumers. No complaints were received by Tri-County 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. Based on all of the foregoing information, including the information provided on Exhibits A, B and C, Tri-County requests that this Commission issue an appropriate certification to the FCC and USAC indicating that Tri-County Telcom, Inc., is in compliance with 47 U.S.C. § 254(e) and should receive all federal universal service support determined for distribution to Tri-County in 2007. In order to ensure that this certification is issued to the FCC prior to

October 1, 2006, Tri-County would further ask the Commission to expedite the process that is initiated based on this filing.

Dated this 31st day of July 2006.

Respectfully submitted,

Darla Pollman Rogers
Attorney for Tri-County

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