

A CITIZENS COMMUNICATIONS COMPANY

May 29, 2008

Ms. Patricia Vangerpen
Executive Director
South Dakota Public Utilities Commission
Capitol Building – 1st floor
500 East Capitol Avenue
Pierre, South Dakota 57501-5070

Government & External Affairs

180 S. Clinton Ave. 5th Floor Rochester, NY 14646

RECEIVED

JUN 0 2 2008
SOUTH DAKOTA PUBLIC UTILITIES COMMISSION

Dear Ms. Vangerpen,

Citizens Telecommunications Company of Minnesota, LLC, (CTC MN) respectfully files for a waiver of the Commission's ETC filing requirements pursuant to ARSD 20:10:32:56, on the ground that the reporting requirements in support of ETC certification are unduly burdensome and unnecessary. CTC MN also requests the Commission to certify CTC MN as an ETC in its annual ETC certification.

Under the FCC's rules at 47 CFR § 54.314, State certification of support for rural carriers:

(b) <u>Carriers not subject to State jurisdiction</u>. A rural incumbent local exchange carrier not subject to the jurisdiction of a state or an eligible telecommunications carrier not subject to the jurisdiction of a state serving lines in the service area of a rural incumbent local exchange carrier that desires to receive support pursuant to Sec. Sec. 54.301, 54.305, and/or 54.307 and/or part 36, subpart F of this chapter shall file an annual certification with the Administrator and the Commission stating that all federal high-cost support provided to such carriers will be used only for the provision, maintenance, and upgrading of facilities and services for which the support is intended.

A portion of CTC MN's Jasper, Minnesota exchange extends into South Dakota and serves 73 access lines in South Dakota. The Jasper exchange central office switch is located in Minnesota and the study area is under Minnesota jurisdiction. CTC MN completed an extensive ETC certification filing with the Minnesota Commission on June 1, 2008 and expects to receive re-certification. For the Commission's reference, I attach a copy of our Minnesota filing.

Based on the above regulation, because the study area is subject to Minnesota jurisdiction it is at least arguable that CTC MN could self-certify to the Administrator (the Universal Service Administrative Company) and the FCC. However, out of an abundance of caution, CTC MN hereby requests certification from the South Dakota PUC for our 73 access lines in South Dakota.

Completing a full ETC certification filing for South Dakota would be unduly burdensome because only .06% of the CTC MN customer base are South Dakota residents. The switches and vast majority of outside plant that supports the South Dakota customers are located within Minnesota. It is burdensome to extrapolate specific costs and projects specific to South Dakota customers.

Therefore, CTC MN is requesting a permanent waiver from ARSD 20:10:32:56 ETC filing requirements.

CTC MN is attaching an affidavit stating it will only use the federal high-cost support it receives during 2009 for the provision, maintenance and upgrading of facilities and services for which such support is intended.

CTC MN been designated as an Eligible Telecommunications Carrier ("ETC") by the Commission in the past and requests the Commission include CTC MN in its certification to the Universal Service Administrative Company and the Federal Communications Commission.

If there are any questions please feel free to call me at (585) 777-4557.

Sincerely,

Cassandra Guinness Mgr. Compliance

Citizens Communications

AFFIDAVIT

STATE OF NEW YORK)
)ss
COUNTY OF MONROE)

- 1. My name is Gregg Sayre. I am employed by Citizens Telecommunications Company of Minnesota, LLC, (the "Company") as its Assistant Secretary. I am an officer of the Company and am authorized to give this affidavit on behalf of the Company. This affidavit is provided to support the request of the Company for certification by the South Dakota Public Utilities Commission as contemplated in 47 C.F.R. § 54.314.
- 2. During the year 2007, the Company received federal universal service support, and had investments and expense relating to the provision, maintenance and upgrading of facilities and services for which such support was intended. The Company hereby certifies that it will only use the federal high-cost support it receives during 2009 for the provision, maintenance and upgrading of facilities and services for which such support is intended.

FURTHER AFFIANT SAYETH NOT.

Gregg C. Sayre

STATE OF NEW YORK))ss.
COUNTY OF MONROE)

Subscribed and sworn to before me this 30th day of May, 2008.

Notary Public

HOLLY M. JAMES
Notary Public, State of New York
Qualified in Monroe County
My Commission Expires Nov. 30,



May 29th, 2008

Burl W. Haar, Ph.D. Executive Secretary Minnesota Public Utilities Commission 121 Seventh Place East, Suite 350 St. Paul, MN 55101-2147

Re:

In the Matter of Annual Certifications Related to Eligible Telecommunications Carrier's (ETCs) Use of the Federal Universal Service Support Docket No. P999/M-08-507

Frontier Communications of Minnesota, Inc. Citizens Telecommunications Company of Minnesota, LLC

Dear Dr. Haar:

Attached is an electronic filing by Frontier Communications of Minnesota, Inc., and Citizens Telecommunications Company of Minnesota, LLC for certification of federal USF support. This filing includes affidavits and supporting documents.

If you have any questions, please call me at (585) 777-5823.

Sincerely,

Deborah Lascians

Deborah Fasciano Sr. Compliance Analyst Governmental and External Affairs

Enclosures

cc: All Parties on Attached Service List

STATE OF NEW YORK)

COUNTY OF MONROE)

AFFIDAVIT OF SERVICE

Deborah Fasciano, being duly sworn, deposes and says:

That on the 29th day of May, 2008 she served the attached filings by:

<u>Frontier Communications of Minnesota, Inc., and</u>
<u>Citizens Telecommunications of Company of Minnesota, LLC</u>

Related to Annual Certification of Use of Federal Universal Service Support,

by overnight service, to all persons at the addresses indicated on the attached lists (2).

Subscribed and sworn to before me this 29 day of May, 2008

Notary Public

GERALD C. BURCH Notary Public, State of New York Qualified in Genesee County No. 018U6161930

My Commission Expires 2/20/20

CITIZENS TELECOMMUNICATIONS COMPANY OF MINNESOTA, LLC. SERVICE LIST

Linda Chavez *
Minnesota Department of Commerce
85 7th Place East, Suite 500
St. Paul, MN 55101-2198

Jessica Palmer-Denig **
OAG-RUD
900 NCL Tower
445 Minnesota Street
St. Paul, MN 55101-2130

Rick Johnson Public Version ONLY **
Moss & Barnett
4800 Wells Fargo Center
90 South Seventh Street
Minneapolis, MN 55402-4129

electronic copyovernight mail

BEFORE THE MINNESOTA PUBLIC UTILITIES COMMISSION

REQUEST FOR CERTIFICATION

Citizens Telecommunications Company of Minnesota, LLC (Citizens) is seeking certification of eligibility from the Minnesota Public Utilities Commission (Commission) in order to be eligible for support from the federal Universal Service fund.

The certification required for rural carriers to receive federal universal support for all four quarters during calendar year 2009 is currently due to be filed with the FCC and USAC on or before October 1, 2008. 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 clarify that the carrier listed will only use the support for the provision, maintenance, and upgrading of facilities and services for which the support is intended.

Citizens is a rural incumbent telephone company that has previously been designated by the 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

115,386 access lines within its established rural service area in Minnesota.

Based on the information in this filing it is anticipated that the Commission will make the appropriate certification to the FCC and USAC.

Attachment A provides details as to the expenditures that were incurred in 2007 and estimates of the expenditures for years 2008 and 2009 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, Citizens will use federal universal service amounts received in 2008 and 2009 to offset a portion of 2008 and 2009 expenditures incurred within the accounts in Attachment A. This use of federal universal service support will enable Citizens 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; (2) to continue to upgrade its telecommunications facilities and equipment as necessary to meet evolving service requirements and maintain high quality service. The use of federal universal support for these purposes is clearly consistent with the federal universal provisions.

In Docket P-999/M-07-558 the Commission ordered companies seeking certification to comply with the annual filing requirements by the FCC in CC Docket 94-45, FCC 05-46 with the modifications that a report on a two-year service improvement plan is to be used instead of a five year plan and that the information may be filed on a service area basis instead of a wire-center basis. The following information is provided in compliance with this requirement.

Citizens' service quality improvement plan calls for the maintenance of the high quality service that is currently being provided to all service areas of the company. As an incumbent local carrier the company upgrades and replaces facilities and equipment as necessary. Last year's ETC filing to the state provided a list of certain planned 2007-2008 projects. Attachment B reports the status of those projects. Attachment C details certain planned 2008-2009 construction projects.

We have not provided maps of the areas for which we provide service as those maps are on file with the Minnesota Department of Commerce and the Department of Administration. If maps are still desired please contact us and we will be glad to provide them. Additional information required is provided as follows:

There were no outages reportable to the FCC in 2007.

We were able to provide service to all potential customers that requested service during 2007 and at December 31, 2007 we had no unfilled requests for service.

The number of complaints of service quality per 1000 handsets or lines for 2007 was approximately 0.16.

The attached affidavit contains the required certifications as they pertain to an incumbent local exchange carrier.

Based on the foregoing information, the enclosed Attachment A, Attachment B, Attachment C and the Affidavit, Citizens requests that this Commission issue an appropriate certification to the FCC and USAC indicating that Citizens Telecommunications Company of Minnesota, LLC 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 2009.

<u>AFFIDAVIT</u>

STATE OF NEW YORK)
)ss
COUNTY OF MONROE)

- 1. My name is Gregg Sayre. I am employed by Citizens Telecommunications Company of Minnesota, LLC., (the "Company") as its Assistant Secretary. I am an officer of the Company and am authorized to give this affidavit on behalf of the Company. This affidavit is provided to support the request of the Company for certification by the Minnesota Public Utilities Commission as contemplated in 47 C.F.R. § 54.314.
- 2. During the year 2007, the Company received federal universal service support, as shown on Attachment A to this Affidavit and had investments and expense relating to the provision, maintenance and upgrading of facilities and services for which any such support was intended as also shown on Attachment A. During the year 2007, 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 is intended.
- 3. The Company hereby also certifies that it will only use the federal high-cost support it receives during 2009 for the provision, maintenance and upgrading of facilities and services for which such support is intended.
- 4. The Company also certifies that it is compliance with applicable rules on service quality; service provision in emergency situations and that we do provide equal access to long distance carriers.

FURTHER AFFIANT SAYETH NOT.

Name -

STATE OF NEW YORK

))ss.)

COUNTY OF MONROE

Subscribed and sworn to before me this 28 day of May, 2008.

GERALD C. BURCH Notary Public, State of New York Qualified In Genesee County No. 01BU6161930 /

My Commission Expires _ 2 c / ≥ c

Citizens Telecommunications Company of Minnesota, LLC. Attachment A

Year 2007 Federal Universal Service Receipts Subject To Certification.

1 High cost loop support	\$150,465
2 Local switching support	\$100 <u>,</u> 884
3 TOTAL	\$251.349

Year 2007 Expenditures For Provision, Maintenance, and Upgrading Of Facilities and Services Supported By Federal Universal Service Funding

Plant Specific Operations Expenses	Actual 2007	Estimate 2008	Estimate 2009
4 Network support (Accts. 6110-16)	\$49,467	\$49,467	\$49,467
5 General support (Accts. 6120-24)	\$4,260,819	\$4,260,819	\$4,260,819
6 Central office (Accts. 6210-6215)	\$2,328,564	\$2,328,564	\$2,328,564
7 Cable and wire facilities (Accts. 6410-6441)	\$3,935,566	\$3,935,566	\$3,935,566
8 Network operations (Accts. 6530-35)	\$3,912,135	\$3,912,135	\$3,912,135
9 Depreciation & amortization (Accts. 6560-65)	\$24,614,418	\$24,614,418	\$24,614,418
10 Customer Operations Expenses			
11 Customer services (Accts. 6620-23)	\$3,284,338	\$3,284,338	\$3,284,338
Corporate Operations Expenses			
12 Executive and planning (Accts. 6710-12)	\$917,889	\$917,889	\$917,889
13 General and administrative (Accts. 6720-28)	\$4,117,536	\$4,117,536	\$4,117,536
14 Total Year 2007 Supported Expenses,			
Before Return on investment	\$47,420,732	\$47,420,732	\$47,420,732
Additions			
15 Total central office switching (Acct. 2210)	\$878,732	\$878,732	\$878,732
16 Total cable and wire (Acct. 2410)	\$8,950,357	\$8,950,357	\$8,950,357
17 TOTAL	\$9,829,089	\$9,829,089	\$9,829,089
18 Total Year 2007 Supported Expenditures			
Before Return On Investment	\$57,249,821	\$57,249,821	\$57,249,821

PUBLIC DOCUMENT

TRADE SECRET DATA

HAS BEEN EXCISED

Attachment B

Citizens Telecommunications Company of Minnesota, LLC Report on status of 2007-2008 Projects

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(Trade Secret) Exchange	Cost	Description
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... Trade Secret ends}

PUBLIC DOCUMENT

TRADE SECRET DATA

HAS BEEN EXCISED

Attachment C

Citizens Telecommunications Company of Minnesota, LLC 2008-2009 Projects

!Trade Secret begins..

Exchange	Cost	Description
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... Trade Secret ends}