

**SOUTH DAKOTA PUBLIC UTILITIES COMMISSION
LIFELINE/LINK UP ADVERTISING/OUTREACH
ANNUAL REPORT
JUNE 1, 2011**

Company: Midstate Telecom, Inc.

Address: 120 E. 1st Street

P.O. Box 48

Kimball, SD 57355

Telephone number: (605) 778-6221

Company contact: Peggy Reinesch

Study Area Code: 391670

Lifeline/Link Up Advertising/Outreach Activities:

- Advertise in media of general distribution.* (See attached advertisement(s).)

- Letter to existing and new customers regarding the availability of Lifeline/Link Up.* (See attached letter.)

- Company's Lifeline/Link Up information in directory.

- Company's Lifeline/Link Up information available on Company website. (www.midstatesd.net)

- Company's information posted on USAC website.

- Other (describe): _____

*Required

Publisher's Affidavit of Publication

STATE OF SOUTH DAKOTA)
)SS
 COUNTY OF BRULE)

Holly Endres, of said county and state being duly sworn on her oath says: The Chamberlain/Oacoma Sun is a weekly newspaper of general circulation and published in Chamberlain, Brule County, and State of South Dakota; and has been such newspaper during the times hereinafter mentioned; That said newspaper is a legal weekly, that it has a bonafide circulation of more than 200 copies weekly, that it has been published within said County of Brule more than fifty-two successive weeks next prior to publication of the notice hereinafter mentioned and maintained at the place of publication; That I, the undersigned am editor of said newspaper, in charge of the advertising department thereof, and have personal knowledge of all the facts stated in this affidavit; that the advertisement headed:

Universal Telephone Service

a printed copy of which is hereto attached and published in the said newspaper for 1 consecutive week(s).

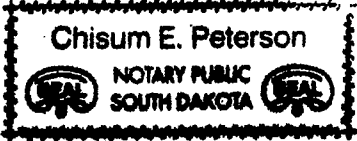
The first publication of said notice in said newspaper aforesaid was on Wednesday, the 13 day of April, A.D., 2011 and that the succeeding publications were severally

Wednesday, the _____ day of _____ A.D., 2011
 Wednesday, the _____ day of _____ A.D., 2011
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 Wednesday, the _____ day of _____ A.D., 2011

and the last publication on Wednesday, the 13 day of April, 2011, that the full sum of fees charged for publishing the same, to-wit; the sum of \$ 107.50 insures solely to the editor of The Chamberlain/Oacoma Sun. That no agreement or understanding for any division thereof had been made with any other person, and that no part thereof has been agreed to be paid to any person whatsoever.

Holly Endres
[Signature]
 Notary Public

Subscribed and sworn to before me this 27 day of April, 2011
 My Commission expires July 25, 2013



Universal Telephone Service

Under the Telecommunications Act of 1996, "Universal Telephone Service" means basic telephone service is available to all consumers. Universal Telephone service is voice grade access to the telecommunications network, including local usage, touch tone calling, single part service, access to emergency 911 services, access to operator services, access to directory assistance, access to long distance telephone service and discounted services to qualifying low income consumers.

Midstate's 2011 charges for Universal Telephone Service are:

- Basic monthly local residential service, not time limit on calls:
 - o 726 Academy \$19.95
 - o 234 Chamberlain/Oacoma \$19.95
 - o 245 Fort Thompson \$19.95
 - o 778 Kimball \$19.95
 - o 894 Pukwana \$19.95
 - o 249 White Lake \$19.95
 - o 732 Stickney \$19.95
 - o 243 New Holland \$19.95
 - o 337 Platte/Geddes \$19.95
 - o 293 Gann Valley \$19.95
 - o 779 Delmont \$19.95
- Touch tone calling service – No additional charge.
- Access to emergency service – No additional charge. (Note: where applicable. County 911 tax collected by Midstate Communications).
- Access to operator services – Not additional charge.
- Access to directory assistance per call \$.65. (Note: If you call a long distance company for assistance, there may be a charge from that carrier).
- Access to long distance telephone companies - \$6.50. (Note: Monthly flat rate mandated by the FCC).
- Low income monthly discounts to qualifying consumers - \$8.25; Enhanced Lifeline is also available. (Note: Toll blocking is available upon request).
- If you have any questions on Universal Services, please call Midstate Communications toll free by dialing 1-888-214-1431.

Midstate
 COMMUNICATIONS
 PO Box 48
 Kimball, SD 57355

GENERAL RULES & REGULATIONS-Cont'd

Customer-Provided Equipment

Customer-provided equipment may not be attached to or connected with telephone facilities unless (1) it is registered or otherwise approved by the Federal Communications Commission (2) it meets the conditions set forth in the company's tariffs, and (3) advance notification is given to the telephone company, by the customer, of the type of equipment to be connected and the type of telephone company facility required to make the connections. These rules and tariffs are designed to meet the convenience of the customer and at the same time protect the telephone network against any possible hazards to customers and company employees.

The telephone companies will not maintain and may not be able to repair customer-provided equipment. A service charge may apply if the telephone company visits the premises of the customer and the service difficulty or trouble is found to have been caused by the customer-provided equipment or facilities.

If you have any questions concerning the use of customer-provided equipment, please contact your Business Office.

Public Utilities Commission (PUC)

If the problem cannot be solved to your satisfaction, you may refer your complaint to the South Dakota Public Utilities Commission (SDPUC) at 500 East Capitol Ave, Pierre, South Dakota 57501-5070 or telephone 605-773-3201 or toll free 1-800-332-1782.

Taxes

Federal law requires a 3 percent excise tax on telephone rental and long distance charges. These taxes are billed to all telephone users not specifically exempt by law. All taxes collected are remitted to the proper federal and state agencies.

Allowance for Failure Of Service

The Telephone Companies do not guarantee uninterrupted working of its lines or equipment. In case service is interrupted otherwise than

by the negligence or willful act of the subscriber, an adjustment will, upon application by a subscriber, be made in the amount of charges for such service, equipment, and facilities furnished as are rendered useless or inoperative. Any adjustment shall apply only to the period the interruption continues beyond 24 hours after notice of the interruption is received by the Telephone Companies. No other liability shall in any case attach to the Telephone Companies.

Billing And Payment For Service

If you desire assistance or explanation regarding your bill, please call the Business Office.

National Do Not Call Registry

The federal government created the National Do Not Call Registry to make it easier and more efficient for you to stop getting most telemarketing sales calls you don't want. You can register online at www.donotcall.gov if you have an active e-mail address, or you can call toll-free, 1-888-382-1222 (TTY 1-866-290-4236), from the number you wish to register. Registration is free and your number will stay in the registry until it is disconnected, or until you delete it from the registry.

If you receive telemarketing calls after you have registered your telephone number and it has been in the registry for three months, you can file a complaint at www.donotcall.gov or by calling 1-888-382-1222 (TTY 1-866-290-4236). You will have to know the company's name or phone number to file a "do not call" complaint.

Annoying, Obscene And Threatening Calls

If you get an annoying, obscene, or threatening call, hang up immediately. See page 30 for instructions on using Customer Originated Trace. Threatening calls should be reported immediately to the police. Obscene or harassing calls are prohibited by federal and state laws. A person who makes or permits such calls to be made over a telephone under his/her control may be fined or imprisoned, or both.

Telephone Assistance Programs

Low Income Assistance Available to Telephone Subscribers

Santel Communications and Midstate Communications/Midstate Telecom are authorized to offer Lifeline and Link-up to our customers. Lifeline and Link-up are federal telephone assistance programs. To be eligible for either of these programs, the applicant must participate in at least one of the following public assistance programs: Free Reduced School Lunch Program, Food Stamps, Federal Public Housing Assistance, Low-Income Home Energy Assistance, Medicaid, Supplemental Security Income (SSI), or meet poverty level income guidelines.

Lifeline provides eligible subscribers with a credit of \$6.25 each month on the basic service portion of their telephone bill. The discount applies on the main home telephone line listed in the name of the eligible telephone company subscriber. Lifeline subscribers may also receive blocking of long distance calls on their telephone line at no charge.

Link-Up provides eligible subscribers with reduced installation charges for their basic home telephone service. The reduction is 50% of the applicable charges or \$30, whichever is less. It does not cover the cost of wiring inside the home and is limited to one time per home address per subscriber.

Tribal Lifeline/Link-Up

The Tribal Lifeline program provides a reduction in monthly charges to telephone customers who live on tribal lands and are currently receiving benefits from a qualifying public assistance program.

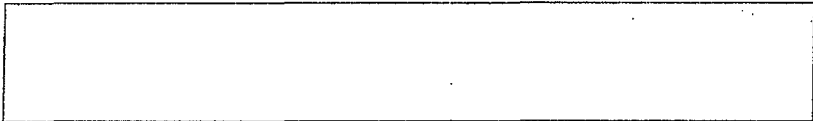
The Tribal Link-Up program provides a reduction in connection charges to telephone customers who live on tribal lands and are currently receiving benefits from a qualifying public assistance program.

For more information, call Midstate Customer Service at: 605-778-8221, 605-234-8000, or 1-888-214-1431

OR

Santel Communications Customer Service at: 1-888-978-7777, 605-798-4411, or 777 from any Santel Exchange
Email: info@santel.net
For more information, you may also contact: www.lifelinesupport.org

NOTE: All rules & regulations in effect at time of printing are subject to change without notice.



Internet



LEARN MORE

Telephone

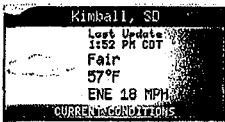


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Television



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Answer the Midstate Trivia Question here

Lifeline-linkup Assistance

No one should be without telephone service because they can't afford it. Access to a telephone provides access to vital emergency services and community resources. If you need help paying for your telephone services, there is help. You may qualify for Lifeline or Link Up programs through Midstate Communications if you receive benefits such as Food Stamps, Medicaid, or other similar programs. You can save money and stay connected with Midstate Communications and Lifeline and Link Up.

What type of discount is available?

Lifeline assistance lowers the cost of basic, monthly local telephone service. Eligible consumers can receive up to \$8.25 per month in discounts. Eligible residents of Indian reservations or tribal lands can receive up to an additional \$25 in Lifeline support, but must pay at least \$1 for basic monthly service.

Link Up reduces the cost of initiating new telephone service. Eligible consumers can receive a 50% discount off of the one-time costs associated with initiating telephone service, up to a maximum of \$30. Eligible consumers also qualify for a deferred payment schedule for remaining costs of up to \$200. Eligible low-income consumers living on tribal lands are eligible for an additional discount of up to \$70 to cover 100% of the charges between \$60 and \$130.

Toll Limitation Service (TLS) support allows eligible consumers who wish to avoid incurring large long distance fees to choose toll blocking or toll control at no cost.

Eligibility

Eligibility for Lifeline, Link Up, and TLS support varies by state. Individuals who reside in states that have their own discount programs qualify for federal Lifeline, Link Up, and TLS support if they meet the eligibility criteria established by their state. In states that do not provide state support, an individual is eligible if he or she participates in one of the following programs:

- Low-Income Home Energy Assistance Program (LIHEAP)
- Federal Public Housing Assistance or Section 8
- Medicaid
- Food Stamps
- Supplemental Security Income (SSI)
- Temporary Assistance for Needy Families (TANF)
- National School Lunch Program's free lunch program

In addition, a consumer may be eligible if his or her household income is at or below 135% of the federal poverty guidelines. Residents of Indian reservations or tribal lands qualify if they participate in any of the programs listed above, have a household income that is at or below 135% of the federal poverty guidelines, or participate in one of these programs:

- Bureau of Indian Affairs (BIA) general assistance
- Head Start (income eligible)
- Tribal TANF

Income Requirements

[CLICK HERE TO APPLY](#)



120 E. First, P.O. Box 48, Kimball, SD 57355 • (605) 778-6221 • Fax: (605) 778-8080 • Email

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Internet



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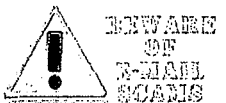
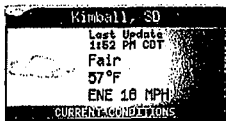


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[Click here](#) for more information

[Answer the Midstate Trivia Question here](#)

Tribal Lifeline-linkup Assistance

Lifeline-linkup provides reduced monthly charges to telephone subscribers who qualify. Qualifying customers can receive basic phone service for as low as \$1.00 per month.

Items covered by the \$1.00 Lifeline portion of the program include basic one-party telephone service equipped with touch-tone and toll restriction (if requested). Not covered are second lines, leased equipment, long distance calls, 911 surcharge, the CIF or hearing impaired fund, taxes and optional calling features like Call Waiting and Caller ID.

Linkup

Provides reduced connection charges to telephone subscribers who qualify. The credit applies on the main home telephone line listed in the name of the eligible telephone subscriber.

The reduction is up to \$100 (50% of the first \$60 and 100% of charges between \$60 and \$130).

Link-Up also provides for deferred payment of connection charges without interest. It does not cover the cost of wiring inside your home and is limited to one time per home address per subscriber.

Those qualifying for Enhanced Lifeline Program will also qualify for the Link-Up Program which provides reduced connection charges to telephone subscribers who qualify.

Eligibility

Applicants must live on tribal lands and participate in at least one of the following public assistance programs to qualify:

- Food Stamps
- Medicaid
- Supplemental Security Income (SSI)
- Federal Public Housing Assistance
- Low Income Home Energy Assistance Program
- BIA General Assistance Programs
- Tribally Administered Temporary Assistance for Needy Families
- Head Start (Meeting Income Test)
- National School Lunch Program
- Income-Based Criterion (income at or below 135% of the Federal Poverty Guidelines)

** Participating members and members of the qualified member's household MUST:

-
- 1). Be in good standing as a member of the Midstate Communications Cooperative.
 - 2). Be current in all payments to Midstate Communications. Customers will be approved on an individual basis upon receipt of properly filed forms.

"Tribal Land" for purposes of the Enhanced Lifeline and Link-Up Assistance Programs includes the BIA definitions of "reservation." The term "reservation" means any federally recognized Indian Tribe's reservation, Pueblo, or Colony, and Indian Allotments.

[CLICK HERE TO APPLY](#)



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Midstate Communications Inc.

May 25, 2011

Agenda

- **2009 Cost Study (latest filed) Financial Analysis**
- **2010, 2011 and 2012 Forecasts Review**
- **National Broadband Plan NPRM Potential Impacts**
- **Other Industry Issues (retail LD, LECA, FRRPA, SDN, etc.)**
- **2010 Cost Study Data Requirements***
- **Other Items**

***The order of the items can be changed as desired. I purposely moved the 2010 data requirements toward the bottom because the discussion may take significantly more amount time.**



Telephone Assistance Programs for Low Income Households

Selected state:

South Dakota

Please select your local phone company from the list below.

(Not all phone companies are listed. Please call your local phone company for more information if they are not listed here.)

Midstate Communications, Inc.

Lifeline and Link Up Information for Midstate Communications, Inc. Customers in South Dakota

Landline Service

Lifeline is a government program that offers qualified low income households a discount on their monthly local telephone bill. Each state has its own guidelines to qualify. The application and qualification process differs by state and sometimes by individual phone company.

- **How much can I save?**

You will save up to \$8.25-22.45 on your basic monthly bill. These benefits apply to your local telephone service charges that you purchase as flat rate service. These benefits will also cover your subscriber line charge.

- **How do I know if I am eligible?**

Program based eligibility:

- Federal Public Housing Assistance / Section 8
- Supplemental Nutrition Assistance Program (SNAP)
- Medicaid
- Low Income Home Energy Assistance Program (LIHEAP)
- Supplemental Security Income (SSI)
- National School Lunch (free program only)
- Temporary Assistance for Needy Families (TANF)
- Additional eligibility criteria may apply to residents of federally recognized tribal lands

Income based eligibility:

- Total household income at or below 135% of the Federal Poverty Guidelines.

- **Are there any restrictions?**

Lifeline can only be used for the primary telephone line in a household. You may purchase additional services available to a non-Lifeline customer. The name on the phone bill must match the name of the household member participating on the eligible program with the exception of the National School Lunch free Program.

- **How do I apply?**

To apply for Lifeline call Midstate directly at 605-778-6221 or 605-234-8000. You may find more information about Lifeline and other telephone services available from Midstate Communications, Inc. at <http://www.midstatesd.net>. An application can be obtained via phone, or from Midstate Office in Kimball or Chamberlain,.

- **What proof of eligibility do I need to provide?**

You will be asked for proof of your eligibility by submitting a form signed under penalty of perjury that you receive benefits from or a copy of any dated document which verifies your participation in one of the qualifying programs listed above. Proof of total household income may be required for income based qualification. Your Lifeline benefits will take effect when proof of eligibility is received.

- **How do I continue to receive Lifeline benefits?**

Eligibility is reviewed periodically. Your benefits will be discontinued when you no longer meet the eligibility requirements or when proof of eligibility is not received. Customers who are no longer eligible for Lifeline benefits must notify their service provider.

- **Other Useful information**

There are other options that can help you save money, including free toll blocking, waived deposit with toll blocking and voluntary limit on long distance calling (toll control).

Link Up helps households reduce the cost of initiating telephone service. This program pays some of the cost of connecting local telephone service to your home or activating wireless phone service. However, Link Up does not cover the cost of wiring inside your home.

- **How much will I save?**

Link Up will pay 50% of your installation charges for total discount of \$12.75. (Maximum benefit \$30.00) An additional discount may apply to residents of federally recognized tribal lands.

- **How do I know if I am eligible?**

If you qualify for Lifeline, you also qualify for Link Up.

- **Are there any restrictions?**

Link Up can only be used for the charges for activating a primary telephone line or moving existing service to a new address. Charges related to wiring and telephone jacks within your home and wireless handsets are not eligible for the Link Up discount.

- **How do I apply?**

To apply for Link Up you will follow the same application process as Lifeline and the same proof of eligibility as Lifeline.

Being a Lifeline or Link Up customer does not protect you from being disconnected if you fail to pay your telephone bill.

Lifeline and Link Up discounts cannot be applied to an outstanding balance owed to your phone company.

Lifeline can only be applied to one wireless OR wireline telephone per household.

Permanent link to this posting:

[Click here to access this page directly.](#)

Last modified on 9/28/2009

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5/11/2011

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GI:1

Dear Customer:

The Public Utilities Commission (PUC) requires that we notify our customers on an annual basis of the Lifeline Link-up Assistance program. We have enclosed the paperwork explaining eligibility for this program as well as the application. Please review this information and if you qualify for the assistance please complete the application and return it to us with the documentation of the program you are participating in. Examples of documentation would be a copy of the food stamp EBT card if you qualify for food stamps, a copy of the Medicaid card in your name or a copy of the fuel assistance letter if you qualify for the Home Energy Assistance program. Each program has a document of proof that we would need to see as verification that you are eligible.

If you have questions about Lifeline or Link-up, the application form or your telephone service, please contact us at 778-6221 or 234-8000 for more information.

Sincerely,
MIDSTATE COMMUNICATIONS, INC.

Mark D. Benton
General Manager

MDB/jt

Enclosures

*Coop Existing Customer
For availability of
Lifeline / Linkup*

NOTICE

TO ALL MIDSTATE COMMUNICATIONS, INC. CUSTOMERS

Recent changes brought about by the Federal Telecommunications Act of 1996 have resulted in the introduction as of January 1, 1998, of new low-income assistance programs in South Dakota. Effective January 1st, low-income subscribers may qualify to receive reduced monthly and installation charges for basic telephone service. Details regarding the Lifeline and Link-Up programs are included on the reverse side of this notice.

If you, as a subscriber, qualify, you may complete the enclosed application form and return it along with the appropriate documentation to our office at: Midstate Communications, Inc., 120 E First St., PO Box 48, Kimball, SD 57355-0048

It is required in signing and submitting the application that you certify under penalty of perjury that you, in fact, qualify for Lifeline and Link-Up benefits, and if, at any time, you become ineligible, you will notify Midstate Communications Inc.

Please read the enclosed materials carefully. If you have any questions regarding these programs, call Midstate Communications, Inc. at (605)778-6221 or 1-888-214-1431.

LOW-INCOME ASSISTANCE AVAILABLE

Midstate Communications, Inc. is authorized to provide two federal telephone assistance programs that were developed in response to concerns about the affordability of telephone service for low-income citizens.

The Lifeline program provides reduced monthly charges to telephone subscribers who qualify. The Link-Up program provides reduced connection charges to telephone subscribers who qualify.

WHO IS ELIGIBLE?

Telephone service must be in the applicant's name. The applicant must participate in at least one of the following public assistance programs to be eligible:

- Low Income Individuals Living on Tribal Land
- National School Lunch Program's Free lunch program
- Supplemental Security Income (SSI)
- Supplemental Nutrition Assistance Program (formerly Food Stamps)
- Temporary Aid to Needy Families (TANF) or Tribal TANF
- Federal Housing Assistance
- Medicaid
- Low Income Home Energy Assistance
- Individual's whose household income is at or below 135% of the Federal Poverty Guidelines

WHAT DO THE PROGRAMS PROVIDE?

Lifeline provides eligible subscribers with a credit of \$8.25 each month on the basic service portion of their telephone bill. If you participate in any of the above programs and reside on tribal reservation lands you may be eligible for an additional discount. The credit applies on the main home telephone line listed in the name of the eligible telephone company subscriber. **Lifeline** subscribers may also receive blocking of long distance calls on their telephone line at no charge.

Link-Up provides eligible subscribers with reduced connection charges for their basic home telephone service. This reduction is 50 percent of the applicable charges or \$30.00, whichever is less. **Link-Up** also provides for deferred payment of connection charges without interest. It does not cover the cost of wiring inside your home and is limited to one time per home address per subscriber.

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COULD I BECOME INELIGIBLE?

When you no longer participate in any of the qualifying public assistance programs, you are no longer eligible for **Lifeline** or **Link-Up**. You are obligated by law to notify Midstate Communications, Inc. and advise the company that you are no longer eligible for **Lifeline** and **Link-Up**. Periodic audits may be performed to verify ongoing eligibility.

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**Estimated Income Requirements for a Household at or
Below 135% of the Federal Poverty Guidelines**

PERSONS IN FAMILY UNIT	48 CONTIGUOUS STATES AND D.C.	ALASKA	HAWAII
1	\$14,702	\$18,360	\$16,929
2	19,859	24,813	22,856
3	25,016	31,266	28,782
4	30,173	37,719	34,709
5	35,330	44,172	40,635
6	40,487	50,625	46,562
7	45,644	57,078	52,488
8	50,801	63,531	58,415
For each additional person, add	5,157	6,453	5,927

**SELF-CERTIFICATION FOR LIFELINE/LINK UP APPLICANTS
QUALIFYING UNDER INCOME-BASED CRITERION**

I, _____, certify under penalty of perjury that I qualify for Lifeline/Link Up assistance based on my household income that is at or below 135 percent of the Federal Poverty Guidelines. I further certify under penalty of perjury that there are _____ members in my household and that the supporting income documentation presented to my telecommunications provider accurately represents the annual income of all members of my household.

Signature: _____

Date: _____



April 8, 2011

000017 1 SP 0.440 NoTray
[Barcode]

GI:17

Dear Lifeline Customer,

You currently participate in Midstate Communications' Lifeline assistance program. Federal Communications Commission guidelines require telephone companies like ours to annually verify a sample of Lifeline customers' continued eligibility. If you are still eligible for Lifeline assistance, please complete the enclosed application and provide supporting documentation (such as a copy of your Medicaid card) to us by April 25, 2011.

Lifeline assistance is available to participants in one or more of the following programs: Medicaid; Food Stamps; Supplemental Security Income (SSI); Federal Public Housing Assistance; Low Income Housing Energy Assistance; Temporary Aid to Needy Families (TANF); or the National School Lunch (NSL) free lunch program. Individuals whose household income is at or below 135 percent of the Federal Poverty Guidelines are also eligible for Lifeline assistance.

Documentation of income eligibility includes the previous year's state or federal tax return, a current income statement from an employer or paycheck stub, a Social Security statement of benefits, or other such official documents. If your documentation does not cover an entire year, please provide three consecutive month's worth of the same type of document. Please note that income is all income actually received by all members of the household. Income includes salary before deductions for taxes, public assistance benefits, Social Security payments, pensions, unemployment compensation, veteran's benefits, inheritances, alimony, child support payments, worker's compensation benefits, gifts and lottery winnings. The only exceptions are student financial aid, military housing and cost-of-living allowances and irregular income from occasional small jobs such as baby-sitting or lawn mowing.

If you qualify based on household income or by participating in one of the programs listed above, please drop the application and appropriate documentation off at either our Kimball or Chamberlain office or you may mail them back to us in the enclosed return envelope. If we do not receive your recertification paperwork back by April 25, 2011, you may be removed from the Lifeline/Link Up program.

Please feel free to call us at 778-6221 or 234-8000 with any questions you may have regarding the application or the Lifeline program.

Sincerely,

Midstate Communications/Midstate Telecom

*Lifeline Audit Letter
eo-op*