

**BEFORE THE  
SOUTH DAKOTA PUBLIC UTILITIES COMMISSION**

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<b>IN THE MATTER OF THE REQUEST OF</b>	)	
<b>FARMERS MUTUAL TELEPHONE</b>	)	
<b>COMPANY FOR CERTIFICATION</b>	)	<b>ANNUAL ETC CERTIFICATION</b>
<b>REGARDING ITS USE OF FEDERAL</b>	)	<b>FILING</b>
<b>UNIVERSAL SERVICE SUPPORT.</b>	)	

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*Farmers Mutual Telephone Company* (the “Company”), 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 provisions of ARSD §§ 20:10:32:52 and 20:10:32:54 of the Commission’s rules pertaining to eligible telecommunications carriers (“ETCs”).

In accordance with 47 C.F.R. § 54.314, federal universal service support provided to carriers pursuant to 47 C.F.R. § 54.305 54.307, 54.312, 54.800 through 54.809 and/or 54.901 through 54.904 and/or Part 36, Subpart F (interstate access support, interstate common line support, support provided to competitive eligible telecommunications carriers, Connect America Fund support, high-cost loop support, safety net additive support and safety value support) will be made available only if the State Commission files the requisite annual certification with the FCC and USAC. The certification required specifically for rural carriers to receive federal universal service support for all four quarters during calendar year 2017 is currently due to be filed with the FCC and USAC on or before October 1, 2016. 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.

As part of its annual request to the Commission for certification, the Company provides the following information:

1. 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 approximately 13 access lines within its established rural service area in South Dakota.

2. The provisions of ARSD §§ 20:10:32:54 addressing the annual “Certification requirements” adopted by this Commission indicate in part that the ETC must show “how much universal service support was received.” Accordingly, the Company’s 2014 federal universal service receipts are reflected on Exhibit A hereto (presented as part of the Company’s “Progress Report” required by ARSD § 20:10:32:54(2)). This same Exhibit also shows total expenditures made by the Company in 2014 relating to the provision, maintenance and upgrading of facilities and services for which universal service support is intended under federal law. In addition, to the extent that the Company’s actual capital investments in 2014 differ from the 2014 planned investment information earlier provided to this Commission (as part of the two-year “service quality improvement plan” filed in 2013), the differences are noted in Exhibit A.

3. In 2014, the Company provided as part of its annual certification filing a copy of its 2014 "Form 481" filed with the FCC pursuant to 47 C.F.R. §§ 54.313 and 54.422 which included a "five-year service quality improvement plan". This five-year plan provided estimates of expenditures to be made by the Company for calendar years 2015 through 2019, related to the provision, maintenance, and upgrading of facilities and services for which universal service support is intended. A progress report on that five-year plan is now provided to this Commission as part of this year's "Form 481" (line 112) filed with the FCC (attached hereto as Exhibit B). The Company is using federal universal service support amounts received in 2016 to meet the objectives identified in its service quality improvement plans and will continue to do so with respect to universal service amounts received in 2017. 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, including those related to broadband services, and maintain high quality service. The use of federal universal service support for these purposes is clearly consistent with the federal universal service provisions.

4. As noted, attached as Exhibit B to this Application is a copy of *Farmers Mutual Telephone Company's* FCC Form 481 filing. The information in this Exhibit, specifically as set forth on lines 220, 300-330 and 400-450, meets the State requirements established by ARSD §§ 20:10:32:54(3), 20:10:32:54(4) and 20:10:32:54(5).

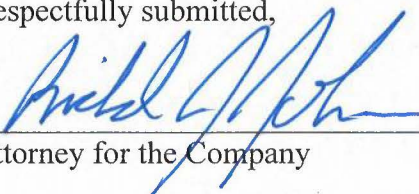
5. As noted, attached is Exhibit C a document containing those certifications required under the provisions of ARSD §§ 20:10:32:54(6) and 20:10:32:54(7). The remaining ETC certification rule provisions found in ARSD §§ 20:10:32:54(8) and 20:10:32:54(9) have by Order been waived by this Commission.

6. Lastly, attached is Attachment 1 a copy of *Farmers Mutual Telephone Company's* FCC Form 477 data as requested by the Public Utilities Commission in Docket TC13-027 (*In the Matter of the Consideration of Eligible Telecommunications Carrier Certification Requirements*) by its "Order Clarifying Eligible Telecommunications Carrier Certification Requirements" issued May 20, 2015.

7. Based on all of the foregoing information, including all information provided within Exhibits A, B, C and Attachment 1 (attached hereto), the Company requests that this Commission issue an appropriate certification to the FCC and USAC indicating that *Farmers Mutual Telephone Company* 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 2016. In order to ensure that this certification is issued to the FCC prior to October 1, 2016, the Company would further ask the Commission to expedite these proceedings, to the extent needed to meet such deadline.

Dated this 29th day of June, 2016.

Respectfully submitted,

  
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Attorney for the Company