

**BEFORE THE PUBLIC UTILITIES COMMISSION
OF THE STATE OF SOUTH DAKOTA**

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| IN THE MATTER OF THE FILING BY) | ORDER GRANTING |
| MIDCONTINENT COMMUNICATIONS FOR) | ELIGIBLE |
| DESIGNATION AS AN ELIGIBLE) | TELECOMMUNICATIONS |
| TELECOMMUNICATIONS CARRIER WITHIN) | DESIGNATION |
| QWEST SERVICE AREAS) | TC04-003 |

On January 8, 2004, the Public Utilities Commission (Commission) received a Petition for Eligible Telecommunications Carrier Designation within Qwest Service Areas from Midcontinent Communications (Midcontinent). Midcontinent sought designation as an eligible telecommunications carrier (ETC) for all Qwest Corporation (Qwest) f/k/a U S West Communications, Inc. service areas, except for 13 service areas which were listed in the Petition. On January 22, 2004, Midcontinent filed its Notice of Filing of ETC Petition on Qwest Corporation and Other Interested Carriers. Midcontinent filed a Motion to Amend Petition on March 24, 2004. The purpose of the amendment was to add two exchanges to the Qwest service areas that Midcontinent wanted excluded from its ETC designation. Midcontinent made a Supplemental Filing on June 3, 2004.

On January 15, 2004, the Commission electronically transmitted notice of the filing and the intervention deadline of January 30, 2004, to interested individuals and entities. No person or entity filed to intervene.

Pursuant to 47 U.S.C. § 214(e)(2), the Commission is required to designate a common carrier that meets the requirements of section 214(e)(1) as an ETC for a service area designated by the Commission. Pursuant to 47 U.S.C. § 214(e)(1), a common carrier that is designated as an ETC is eligible to receive universal service support and shall, throughout its service area, offer the services that are supported by federal universal service support mechanisms either using its own facilities or a combination of its own facilities and resale of another carrier's services. The carrier must also advertise the availability of such services and the rates for the services using media of general distribution.

The Federal Communications Commission (FCC) has designated the following services or functionalities as those supported by federal universal service support mechanisms: (1) voice grade access to the public switched network; (2) local usage; (3) dual tone multi-frequency signaling or its functional equal; (4) single party service or its functional equivalent; (5) access to emergency services; (6) access to operator services; (7) access to interexchange service; (8) access to directory assistance; and (9) toll limitation for qualifying low-income consumers. 47 C.F.R. § 54.101(a).

As part of its obligations as an ETC, an ETC is required to make available Lifeline and Link Up services to qualifying low-income consumers. 47 C.F.R. § 54.405; 47 C.F.R. § 54.411.

On March 24, 2004, Midcontinent filed a letter stating that Midcontinent will provide the following services to all of its customers in the Qwest service areas for which it seeks ETC designation:

1. Voice grade access to the public switched network;
2. Local exchange service, including an amount of local usage free of per minute charges under a flat-rated local service package;
3. Dual tone multi-frequency signaling;
4. Single party service;
5. Access to emergency services such as 911 or Enhanced 911 public services when such services are available;
6. Access to operator services;
7. Access to interexchange services;
8. Access to directory assistance; and
9. Toll block service to qualified low-income consumers.

With respect to the obligation to advertise the availability of services supported by the federal universal service support mechanism and the charges for those services using media of general distribution, Midcontinent stated that it will advertise the availability of its local exchange services in media of general distribution in the Qwest service areas for which it seeks ETC designation. Midcontinent stated it will offer the Lifeline and Link Up service discounts in the Qwest service areas for which it seeks ETC designation. Pursuant to its June 3, 2004, Supplemental Filing, Midcontinent requested ETC status in the following Qwest service areas:

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|----------------|--------------|-----------------|
| Aberdeen | Huron | Redfield |
| Bath | Lead | Renner |
| Belle Fourche | Madison | St. Lawrence |
| Big Stone City | McIntosh | Sioux Falls |
| Black Hawk | Milbank | Spearfish |
| Box Elder | Miller | Sturgis |
| Canton | Mina | Tea |
| Central City | Mitchell | Timber Lake |
| Deadwood | Piedmont | Warner |
| Ellsworth AFB | Pierre | Watertown |
| Ft. Pierre | Rapid City | West Ortonville |
| Harrisburg | Rapid Valley | |

At its June 22, 2004, meeting, the Commission considered this matter. The Commission has jurisdiction over this matter pursuant to SDCL Chapters 1-26, 49-31, and 47 U.S.C. § 214. The Commission finds that Midcontinent currently provides and will continue to provide the following services or functionalities throughout the Qwest service areas for which it seeks ETC designation: (1) voice grade access to the public switched network; (2) local usage; (3) dual tone multi-frequency signaling; (4) single-party service; (5) access to emergency services; (6) access to operator services; (7) access to interexchange service; (8) access to directory assistance; and (9) toll blocking for qualifying low-income consumers.

The Commission finds that Midcontinent intends to provide Lifeline and Link Up programs to qualifying customers throughout the Qwest service areas for which it seeks ETC designation consistent with state and federal rules and orders.

The Commission finds that Midcontinent shall advertise the availability of the services supported by the federal universal service support mechanism and the charges therefor throughout its service area using media of general distribution once each year.

The Commission designates Midcontinent as an ETC for the Qwest service areas as listed above. It is therefore

ORDERED, that Midcontinent is designated as an ETC for the Qwest service areas as listed above; it is

FURTHER ORDERED, that Midcontinent shall follow the advertising requirements as listed above.

Dated at Pierre, South Dakota, this 29th day of June, 2004.

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| CERTIFICATE OF SERVICE |
| The undersigned hereby certifies that this document has been served today upon all parties of record in this docket, as listed on the docket service list, by facsimile or by first class mail, in properly addressed envelopes, with charges prepaid thereon. |
| By: _____ |
| Date: _____ |
| (OFFICIAL SEAL) |

BY ORDER OF THE COMMISSION:

ROBERT K. SAHR, Chairman

GARY HANSON, Commissioner

JAMES A. BURG, Commissioner