

TC01-139

KC/LB

TC01-139

DOCKET NO.

In the Matter of — IN THE MATTER OF THE REQUEST OF  
 \_\_\_\_\_ DAKOTA COMMUNITY TELEPHONE  
 \_\_\_\_\_ FOR CERTIFICATION REGARDING ITS  
 \_\_\_\_\_ USE OF FEDERAL UNIVERSAL  
 \_\_\_\_\_ SERVICE SUPPORT

Public Utilities Commission of the State of South Dakota

DATE	MEMORANDA
8/23/01	Filed and Docketed;
8/23/01	Shukly Filing;
9/17/01	Amended Request for Certification;
9/25/01	Order Granting Certification;
9/25/01	Docket Closed.

TC01-139

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August 23, 2001

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HAND DELIVERED

Debra Elofson, Executive Director  
Public Utilities Commission  
State Capitol  
500 East Capitol  
Pierre, South Dakota 57501

RE: MCLEOD TELECOMMUNICATIONS; DAKOTA COMMUNITY TELEPHONE; REQUEST  
FOR CERTIFICATION REGARDING FEDERAL UNIVERSAL SERVICE SUPPORT  
Our file: 1924

Dear Debra:

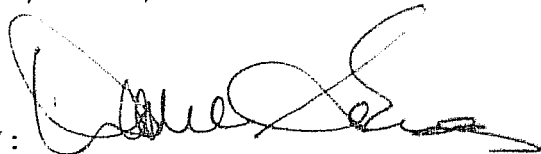
It is my understanding that Dakota Community Telephone filed by telecopier on August 22 its request for certification, subject to filing the request today. Enclosed are original and ten copies of the Request for Certification of Dakota Community Telephone. Please file the enclosures.

I am also enclosing a face page from the Request for Certification. Please date stamp it, enter the docket number and return it to me in the enclosed self-addressed stamped envelope.

I will be appearing as local counsel for McLeod in this docket. Thank you for your help.

Yours truly,

MAY, ADAM, GERDES & THOMPSON LLP

BY: 

DAG:mw

Enclosures

cc: Patrick J. Mastel

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AUG 23 2001

SOUTH DAKOTA PUBLIC  
UTILITIES COMMISSION

TC01-139

FAX Received AUG 22 2001

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AUG 22 2001

BEFORE THE  
SOUTH DAKOTA PUBLIC UTILITIES COMMISSION

SOUTH DAKOTA PUBLIC  
UTILITIES COMMISSION

IN THE MATTER OF THE REQUEST OF DAKOTA COMMUNITY  
TELEPHONE FOR CERTIFICATION  
REGARDING ITS USE OF FEDERAL UNIVERSAL  
SERVICE SUPPORT

DOCKET NO.           

REQUEST FOR CERTIFICATION

Dakota Community Telephone by and through its attorney hereby submits a Request for Certification to the South Dakota Public Utilities Commission ("Commission") seeking certification from the Commission pursuant to 47 C.F.R. § 54.314. In support of this Request, Dakota Community Telephone offers the following:

1. On May 23, 2001, the Federal Communications Commission (FCC) released an Order relative to the federal universal service support mechanism for rural carriers.<sup>1</sup> This Order (hereafter referenced as the "Fourteenth Report and Order"), in part, codifies at 47 C.F.R. § 54.314, a requirement for States to provide a certification regarding federal universal service support that is received by rural incumbent local exchange carriers and/or other eligible telecommunications carriers providing service in rural service areas. Pursuant to such rule, states that desire rural carriers within their jurisdiction 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 such carriers within that State 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

<sup>1</sup> CC Docket No. 96-45, CC Docket No. 00-256, Fourteenth Report and Order, Twenty Second Order on Reconsideration, and Further Notice of Proposed Rulemaking in CC Docket No. 96-45, and Report and Order in CC Docket No. 00-256, FCC 01-157, Released May 23, 2001.

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 § 54.314.

2. The certification required for rural carriers to receive federal universal service support for all four quarters during calendar year 2002 is currently due to be filed with the FCC and USAC on or before October 1, 2001. 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. Dakota Community Telephone is a rural telephone company that has previously been designated by this 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 seven thousand one hundred (7,100) access lines within its established rural service area in South Dakota.

4. This Commission has limited regulatory oversight over Dakota Community Telephone and its provisioning of local exchange services. Under SDCL § 49-31-5.1, the local exchange service rates charged by telecommunications cooperatives, municipal telephone systems, and independent telephone companies serving less than fifty thousand local exchange subscribers are not subject to the Commission's ratemaking authority. In cases where State Commissions have limited regulatory authority over rural carriers, the FCC has indicated that these carriers should themselves initiate the certification process by presenting a plan to ensure compliance with the requirement in 47 U.S.C. § 254(e) that universal service support will only be used for the

provision, maintenance, and upgrading of facilities and services for which the support is intended. Based on this filed plan, it is anticipated that the State Commission may make the appropriate certification to the FCC.<sup>2</sup>

5. The purpose of this filing is to provide information constituting Dakota Community Telephone's plan for the use of its federal universal service support and to otherwise verify that Dakota Community Telephone will use all federal universal service support received in a manner that is consistent with the federal universal service provisions of 47 U.S.C. § 254.

6. In the process of determining whether federal universal service support is used in a manner consistent with the Federal Communications Act, the "universal service principles" established in Section 254(b) are instructive. That Section states that the FCC shall base "policies for the preservation and advancement of universal service" on certain, specifically identified principles:

(1) Quality services should be available at just, reasonable, and affordable rates.

(2) Access to advanced telecommunications and information services should be provided in all regions of the Nation.

(3) Consumers in all regions of the Nation, including low-income consumers and those in rural, insular, and high-cost areas, should have access to telecommunications and information services, including interexchange services and advanced telecommunications and information services, that are reasonably comparable to those services provided in urban areas and that are available at rates that are reasonably comparable to rates charged for similar services in urban areas. . . .

(6) Elementary and secondary schools and classrooms, health care providers, and libraries should have access to [certain] advanced telecommunications services. . .

7. The FCC has declined to dictate specifically how the states should ensure that carriers are using federal universal service support consistent with the federal law, but has offered

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<sup>2</sup> Fourteenth Report and Order, ¶ 188.

examples of how the support can be used to appropriately further universal service goals. The FCC has stated:

[A] state could [use the federal support to] adjust intrastate rates, or otherwise direct carriers to use the federal support to replace implicit intrastate universal service support to high cost rural areas . . .

A state could also require carriers to use the federal support to upgrade facilities in rural areas to ensure that services provided in those areas are reasonably comparable to services provided in urban areas of the state.<sup>3</sup>

8. The FCC provided the above examples as illustrative and not exhaustive examples of how support can be used consistent with Section 254(e). Other uses are appropriate provided the State Commission believes they are consistent with the federal universal service principles contained in Section 254.

9. Dakota Community Telephone as a designated eligible telecommunications carrier has received federal universal service support in the past and expects to receive support during calendar year 2002. As of this time, specific support amounts the Company should receive in 2002 have not yet been identified by USAC. The Company, however, offers the following estimates concerning the support it expects to receive<sup>4</sup>:

High-Cost Loop Support	\$ 960,000.00
Local Switching Support (DEM Weighting)	\$ 1,350,000.00
Safety Net Additive Support	\$ 0
Safety Valve Support	\$ 0

<sup>3</sup> Ninth Report and Order and Eighteenth Order on Reconsideration in CC Docket No. 96-45 (In the Matter of the Federal-State Joint Board on Universal Service), FCC 99-306, ¶ 96, November 2, 1999.

<sup>4</sup> It should be noted that Long Term Support amounts are not referenced because the FCC has indicated that it will deal with certification under 47USC Section 254(e) for these amounts. See 14th Report and Order footnote number 446.

10. For calendar year 2002, Dakota Community Telephone intends to make the following network facility and equipment investments:

*Upgrades to equipment in Alsen, Beresford Rural, Chancellor, Davis, Flyger, Gayville, Hurley, Irene, Lennox, Parker, Monroe, Volin, Wakonda and Worthington will cost in materials alone \$933,350.00. This equipment will include OC12 cards, T Birds, Fiber Optic Cable, AFC's T-1 cards and equipment necessary for general expansion of the ILEC area.*

11. In providing local exchange telecommunications services, Dakota Community Telephone will also incur other costs. In 2002, these costs will include:

*Labor involved to install and test the equipment referenced in # 11 will be approximately \$529,825.00.*

12. Dakota Community Telephone estimates that the total costs described above relating to its planned network facility and equipment investments and other expenses to be incurred in providing local exchange telecommunications services will exceed \$1,463,175.00.

~~13. Consistent with the universal service principles set forth in the federal law and also the recent FCC orders referenced herein, Dakota Community Telephone will use federal universal service amounts received in 2002 (estimated in paragraph 9 herein) to offset a portion of these total costs. This use of federal universal service support will enable Dakota Community Telephone 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.~~

14. Based on all of the foregoing information and also the Affidavit of Brant Norgaard attached as Exhibit A, Dakota Community Telephone requests that this Commission issue an appropriate certification to the FCC and USAC indicating that Dakota Community Telephone 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 2002. In order to ensure that this certification is issued to the FCC prior to October 1, 2001, Dakota Community Telephone would further ask the Commission to expedite the process that is initiated based on this filing.

Dated this 22 day of August, 2001.

Respectfully submitted,



Patrick J. Mastel, Assistant General Counsel

Dakota Community Telephone



DAVID A. GERDES

Dave Gerdes, Licensed South Dakota Attorney

503 S Pierre St., Pierre, SD SD 57501




**AFFIDAVIT**

As an authorized corporate officer of Dakota Community Telephone, I, Brent Norgaard hereby affirm familiarity with and an understanding of the requirements of the Federal Communications Act of 1934 as amended by the Telecommunications Act of 1996 with respect to the receipt of any federal universal service funds received as high-cost loop support, local switching support, safety net additive support, and/or safety valve support and hereby affirm that any such support amounts received by Dakota Community Telephone will be used only for the provision, maintenance, and upgrading of facilities and services for which the support is intended consistent with 47 U.S.C. § 254(e).

  
Brent Norgaard

Subscribed and Sworn to before me this 14<sup>th</sup> day of August, 2001.

NOTARY PUBLIC

  
Commission expires 6-07-2007

South Dakota Public Utilities Commission

**WEEKLY FILINGS**

For the Period of August 16, 2001 through August 22, 2001

If you need a complete copy of a filing faxed, overnight expressed, or mailed to you, please contact Delaine Kolbo within five business days of this filing. Phone: 605-773-3705 Fax: 605-773-3609

**CONSUMER COMPLAINTS**

**CE01-002** In the Matter of the Complaint filed by Dale Riedlinger, Sioux Falls, South Dakota, against Xcel Energy Regarding Poor Maintenance Service.

Complainant states that on or about May 21, 2001, Xcel Energy had a tree trimming company come to their area of town and trim trees. Complainant states that when the company trimmed their tree in the front yard of their home, the tree was destroyed by cutting the tree half off. Complainant states that there are only two customers in his neighborhood that do not have buried cable. Complainant inquired about the line being buried and was told that he would have to pay \$7,500.00. Complainant states that Xcel Energy does not have an easement to have the utility pole on his property. Complainant requests that Xcel Energy bury their lines at no cost or a reasonable cost to the customer. Complainant does not feel he should replace his tree because he believes that the problem will occur again when the tree trimming service happens again.

Staff Analyst: Mary Healy  
Staff Attorney: Kelly Frazier  
Date Docketed: 08/20/01  
Intervention Deadline: N/A

**TELECOMMUNICATIONS**

**TC01-111** In the Matter of the Request of Baltic Telecom Cooperative and East Plains Telecom, Inc for Certification Regarding its Use of Federal Universal Service Support.

The purpose of this filing is to provide information constituting Baltic Telecom Cooperative and its subsidiary East Plains Telecom, Inc.'s plan for the use of its federal universal service support and to otherwise verify that Baltic Telecom Cooperative and its subsidiary East Plains Telecom, Inc. will use all federal universal service support received in a manner that is consistent with the federal universal service provisions of 47 U.S.C. Section 254.

Staff Analyst: Harlan Best  
Staff Attorney: Karen Cremer  
Date Docketed: 08/16/01  
Intervention Deadline: 08/31/01

**TC01-112** In the Matter of the Request of Cheyenne River Sioux Tribe Telephone Authority for Certification Regarding its Use of Federal Universal Service Support.

The purpose of this filing is to provide information constituting Cheyenne River Sioux Tribe Telephone Authority's plan for the use of its federal universal service support and to otherwise verify that Cheyenne River Sioux Tribe Telephone Authority will use all federal universal service support received in a manner that is consistent with the federal universal service provisions of 47 U.S.C. Section 254.

Staff Analyst: Harlan Best  
Staff Attorney: Karen Cremer  
Date Docketed: 08/17/01  
Intervention Deadline: 08/31/01

Staff Analyst: Harlan Best  
Staff Attorney: Karen Cremer  
Date Docketed: 08/20/01  
Intervention Deadline: 08/31/01

**TC01-118 In the Matter of the Request of Kadoka Telephone Company for Certification Regarding its Use of Federal Universal Service Support.**

The purpose of this filing is to provide information constituting Kadoka Telephone Company's plan for the use of its federal universal service support and to otherwise verify that Kadoka Telephone Company will use all federal universal service support received in a manner that is consistent with the federal universal service provisions of 47 U.S.C. Section 254.

Staff Analyst: Harlan Best  
Staff Attorney: Karen Cremer  
Date Docketed: 08/20/01  
Intervention Deadline: 08/31/01

**TC01-119 In the Matter of the Request of Valley Telephone Company for Certification Regarding its Use of Federal Universal Service Support.**

The purpose of this filing is to provide information constituting Valley Telephone Company's plan for the use of its federal universal service support and to otherwise verify that Valley Telephone Company will use all federal universal service support received in a manner that is consistent with the federal universal service provisions of 47 U.S.C. Section 254.

Staff Analyst: Harlan Best  
Staff Attorney: Karen Cremer  
Date Docketed: 08/20/01  
Intervention Deadline: 08/31/01

**TC01-120 In the Matter of the Request of Mount Rushmore Telephone Company and Fort Randall Telephone Company for Certification Regarding its Use of Federal Universal Service Support.**

The purpose of this filing is to provide information constituting Mt. Rushmore Telephone Company and Fort Randall Telephone Company's plan for the use of its federal universal service support and to otherwise verify that Mt. Rushmore Telephone Company and Fort Randall Telephone Company will use all federal universal service support received in a manner that is consistent with the federal universal service provisions of 47 U.S.C. Section 254.

Staff Analyst: Harlan Best  
Staff Attorney: Karen Cremer  
Date Docketed: 08/20/01  
Intervention Deadline: 08/31/01

**TC01-121 In the Matter of the Request of Sanborn Telephone Cooperative, Inc. and SANCOM, Inc. for Certification Regarding its Use of Federal Universal Service Support.**

The purpose of this filing is to provide information constituting Sanborn Telephone Cooperative, Inc./SANCOM, Inc.'s plan for the use of its federal universal service support and to otherwise verify that Sanborn Telephone

Cooperative will use all federal universal service support received in a manner that is consistent with the federal universal service provisions of 47 U.S.C. Section 254.

Staff Analyst: Harlan Best  
Staff Attorney: Karen Cremer  
Date Docketed: 08/20/01  
Intervention Deadline: 08/31/01

**TC01-126 In the Matter of the Request of West River Telecommunications Cooperative (Mobridge) for Certification Regarding its Use of Federal Universal Service Support.**

The purpose of this filing is to provide information constituting West River Telecommunications Cooperative's (Mobridge) plan for the use of its federal universal service support and to otherwise verify that West River Telecommunications Cooperative (Mobridge) will use all federal universal service support received in a manner that is consistent with the federal universal service provisions of 47 U.S.C. Section 254

Staff Analyst: Harlan Best  
Staff Attorney: Karen Cremer  
Date Docketed: 08/20/01  
Intervention Deadline: 08/31/01

**TC01-127 In the Matter of the Request of Midstate Communications, Inc. for Certification Regarding its Use of Federal Universal Service Support.**

The purpose of this filing is to provide information constituting Midstate Communications, Inc.'s plan for the use of its federal universal service support and to otherwise verify that Midstate Communications, Inc. will use all federal universal service support received in a manner that is consistent with the federal universal service provisions of 47 U.S.C. Section 254.

Staff Analyst: Harlan Best  
Staff Attorney: Karen Cremer  
Date Docketed: 08/20/01  
Intervention Deadline: 08/31/01

**TC01-128 In the Matter of the Request of Tri-County Telecom, Inc. for Certification Regarding its Use of Federal Universal Service Support.**

The purpose of this filing is to provide information constituting Tri-County Telecom, Inc.'s plan for the use of its federal universal service support and to otherwise verify that Tri-County Telecom, Inc. will use all federal universal service support received in a manner that is consistent with the federal universal service provisions of 47 U.S.C. Section 254.

Staff Analyst: Harlan Best  
Staff Attorney: Karen Cremer  
Date Docketed: 08/20/01  
Intervention Deadline: 08/31/01

**TC01-129 In the Matter of the Request of McCook Cooperative Telephone Company for Certification Regarding its Use of Federal Universal Service Support.**

The purpose of this filing is to provide information constituting McCook Cooperative Telephone Company's plan for the use of its federal universal service support and to otherwise verify that McCook Cooperative Telephone

The purpose of this filing is to provide information constituting Sioux Valley Telephone Company's plan for the use of its federal universal service support and to otherwise verify that Sioux Valley Telephone Company will use all federal universal service support received in a manner that is consistent with the federal universal service provisions of 47 U.S.C. Section 254.

Staff Analyst: Harlan Best  
Staff Attorney: Karen Cremer  
Date Docketed: 08/21/01  
Intervention Deadline: 08/31/01

**TC01-134 In the Matter of the Request of Dickey Rural Telephone Cooperative for Certification Regarding its Use of Federal Universal Service Support.**

The purpose of this filing is to provide information constituting Dickey Rural Telephone Cooperative's plan for the use of its federal universal service support and to otherwise verify that Dickey Rural Telephone Cooperative will use all federal universal service support received in a manner that is consistent with the federal universal service provisions of 47 U.S.C. Section 254.

Staff Analyst: Harlan Best  
Staff Attorney: Karen Cremer  
Date Docketed: 08/22/01  
Intervention Deadline: 08/31/01

**TC01-135 In the Matter of the Request of Dickey Rural Communications, Inc. for Certification Regarding its Use of Federal Universal Service Support.**

The purpose of this filing is to provide information constituting Dickey Rural Communications, Inc.'s plan for the use of its federal universal service support and to otherwise verify that Dickey Rural Communications, Inc. will use all federal universal service support received in a manner that is consistent with the federal universal service provisions of 47 U.S.C. Section 254.

Staff Analyst: Harlan Best  
Staff Attorney: Karen Cremer  
Date Docketed: 08/22/01  
Intervention Deadline: 08/31/01

**TC01-136 In the Matter of the Request of Farmers Mutual Telephone Company for Certification Regarding its Use of Federal Universal Service Support.**

The purpose of this filing is to provide information constituting Farmers Mutual Telephone Company's plan for the use of its federal universal service support and to otherwise verify that Farmers Mutual Telephone Company will use all federal universal service support received in a manner that is consistent with the federal universal service provisions of 47 U.S.C. Section 254.

Staff Analyst: Harlan Best  
Staff Attorney: Karen Cremer  
Date Docketed: 08/22/01  
Intervention Deadline: 08/31/01

**TC01-137 In the Matter of the Request of RT Communications, Inc. for Certification Regarding its Use of Federal Universal Service Support.**

The purpose of this filing is to provide information constituting RT Communications, Inc.'s plan for the use of its

Staff Analyst: Harlan Best  
Staff Attorney: Karen Cremer  
Date Docketed: 08/22/01  
Intervention Deadline: 08/31/01

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September 17, 2001

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SEP 17 2001

Debra Elofson, Executive Director  
Public Utilities Commission  
State Capitol  
500 East Capitol  
Pierre, South Dakota 57501

SOUTH DAKOTA PUBLIC  
UTILITIES COMMISSION

RE: MCLEOD TELECOMMUNICATIONS; DAKOTA COMMUNITY TELEPHONE; REQUEST  
FOR CERTIFICATION REGARDING FEDERAL UNIVERSAL SERVICE SUPPORT  
Docket TC01-139  
Our file: 1924

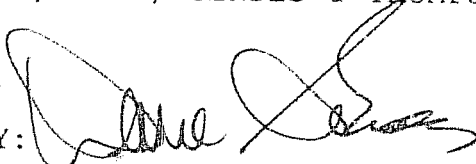
Dear Debra:

Enclosed are original and ten copies of an Amended Request for  
Certification, accompanied by an additional copy of the face page.  
Please file the enclosures, and please date stamp the face page and  
return it to me in the enclosed self-addressed stamped envelope.

This Amended Request for Certification is specifically filed to  
update the cost of improvements to show expenditure of all monies  
available as pointed out by Greg Rislov at the last Commission  
meeting.

Yours truly,

MAY, ADAM, GERDES & THOMPSON LLP

BY:   
DAG:mw  
Enclosures  
cc/enc: Patrick J. Mastel

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SEP 17 2001

BEFORE THE  
SOUTH DAKOTA PUBLIC UTILITIES COMMISSION

IN THE MATTER OF THE REQUEST OF DAKOTA COMMUNITY  
TELEPHONE FOR CERTIFICATION  
REGARDING ITS USE OF FEDERAL UNIVERSAL  
SERVICE SUPPORT

SOUTH DAKOTA PUBLIC  
UTILITIES COMMISSION  
DOCKET NO. *TC01-139*

AMENDED  
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<sup>1</sup> CC Docket No. 96-45, CC Docket No. 00-256, Fourteenth Report and Order, Twenty Second Order on Reconsideration, and Further Notice of Proposed Rulemaking in CC Docket No. 96-45, and Report and Order in CC Docket No. 00-256, FCC 01-157, Released May 23, 2001.



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requirement in 47 U.S.C. § 254(e) that universal service support will only be used for the provision, maintenance, and upgrading of facilities and services for which the support is intended. Based on this filed plan, it is anticipated that the State Commission may make the appropriate certification to the FCC.<sup>2</sup>

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- (2) Access to advanced telecommunications and information services should be provided in all regions of the Nation.
- (3) Consumers in all regions of the Nation, including low-income consumers and those in rural, insular, and high-cost areas, should have access to telecommunications and information services, including interexchange services and advanced telecommunications and information services, that are reasonably comparable to those services provided in urban areas and that are available at rates that are reasonably comparable to rates charged for similar services in urban areas. . . .
- (6) Elementary and secondary schools and classrooms, health care providers, and libraries should have access to [certain] advanced telecommunications services. . .

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<sup>2</sup> Fourteenth Report and Order, ¶ 188.

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A state could also require carriers to use the federal support to upgrade facilities in rural areas to ensure that services provided in those areas are reasonably comparable to services provided in urban areas of the state.<sup>3</sup>

8. The FCC provided the above examples as illustrative and not exhaustive examples of how support can be used consistent with Section 254(e). Other uses are appropriate provided the State Commission believes they are consistent with the federal universal service principles contained in Section 254.

9. Dakota Community Telephone as a designated eligible telecommunications carrier has received federal universal service support in the past and expects to receive support during calendar year 2002. As of this time, specific support amounts the Company should receive in 2002 have not yet been identified by USAC. The Company, however, offers the following estimates concerning the support it expects to receive<sup>4</sup>:

High-Cost Loop Support	\$ 960,000.00
Local Switching Support (DEM Weighting)	\$ 1,350,000.00
Safety Net Additive Support	\$ 0
Safety Valve Support	\$ 0

<sup>3</sup> Ninth Report and Order and Eighteenth Order on Reconsideration in CC Docket No. 96-43 (in the Matter of the Federal-State Joint Board on Universal Service), FCC 99-306, ¶ 96, November 2, 1999.

<sup>4</sup> It should be noted that Long Term Support amounts are not referenced because the FCC has indicated that it will deal with certification under 47USC Section 254(e) for these amounts. See 14th Report and Order footnote number 446.

10. For calendar year 2002, Dakota Community Telephone intends to make the following network facility and equipment investments:

*Upgrades to equipment in Alsen, Beresford Rural, Chancellor, Davis, Flyper, Gayville, Hurley, Irene, Lennox, Parker, Monroe, Volin, Wakanda and Worthing will cost in materials alone \$1,671,000.00. This equipment will include OC12 cards, T Birds, Fiber Optic Cable, AFC's T-1 cards and equipment necessary for general expansion of the ILEC area.*

11. In providing local exchange telecommunications services, Dakota Community Telephone will also incur other costs. In 2002, these costs will include:

*Labor involved to install and test the equipment referenced in # 11 will be approximately \$639,000.00.*

12. Dakota Community Telephone estimates that the total costs described above relating to its planned network facility and equipment investments and other expenses to be incurred in providing local exchange telecommunications services will exceed \$2,310,000.00.

13. Consistent with the universal service principles set forth in the federal law and also the recent FCC orders referenced herein, Dakota Community Telephone will use federal universal service amounts received in 2002 (estimated in paragraph 9 herein) to offset a portion of these total costs. This use of federal universal service support will enable Dakota Community Telephone 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.

14. Based on all of the foregoing information and also the Affidavit of Brant Norgaard attached as Exhibit A, Dakota Community Telephone requests that this Commission issue an appropriate certification to the FCC and USAC indicating that Dakota Community Telephone 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 2002. In order to ensure that this certification is issued to the FCC prior to October 1, 2001, Dakota Community Telephone would further ask the Commission to expedite the process that is initiated based on this filing.

Dated this 10 day of September, 2001.

Respectfully submitted,



Patrick J. Mistel, Assistant General Counsel

Dakota Community Telephone



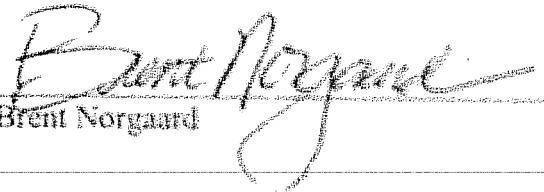
9/17/01

Dave Gerdes, Licensed South Dakota Attorney


503 S Pierre St., Pierre, SD SD 57501

**AFFIDAVIT**

As an authorized corporate officer of Dakota Community Telephone, I, Brent Norgaard hereby affirm familiarity with and an understanding of the requirements of the Federal Communications Act of 1934 as amended by the Telecommunications Act of 1996 with respect to the receipt of any federal universal service funds received as high-cost loop support, local switching support, safety net additive support, and/or safety valve support and hereby affirm that any such support amounts received by Dakota Community Telephone will be used only for the provision, maintenance, and upgrading of facilities and services for which the support is intended consistent with 47 U.S.C. § 254(e).

  
Brent Norgaard

Subscribed and Sworn to before me this 10 day of September, 2001.

  
NOTARY PUBLIC  
Kristie Lyngstad

Commission expires 6-7-2007

**CERTIFICATE OF SERVICE**

David A. Gerdes of May, Adam, Gerdes & Thompson LLP hereby certifies that on the 17<sup>th</sup> day of September, 2001, he mailed by United States mail, first class postage thereon prepaid, a true and correct copy of the foregoing in the above-captioned action to the following at their last known addresses, to-wit:

Karen Cremer  
Staff Attorney  
Public Utilities Commission  
500 East Capitol  
Pierre, SD 57501

Harlan Best  
Staff Analyst  
Public Utilities Commission  
500 East Capitol  
Pierre, SD 57501



David A. Gerdes

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

IN THE MATTER OF THE REQUEST OF )	ORDER GRANTING
DAKOTA COMMUNITY TELEPHONE FOR )	CERTIFICATION
CERTIFICATION REGARDING ITS USE OF )	
FEDERAL UNIVERSAL SERVICE SUPPORT )	TC01-139

On May 23, 2001, the Federal Communications Commission (FCC) released an Order concerning the federal universal service support mechanism for rural carriers.<sup>1</sup> This Order (hereafter referenced as the "Fourteenth Report and Order"), in part, codifies at 47 § C.F.R. 54.314, a requirement for States to provide a certification regarding federal universal service support that is received by rural incumbent local exchange carriers and/or eligible telecommunications carriers providing service in rural service areas. Pursuant to such rule, a state that desires rural carriers within its jurisdiction 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 such carriers within that State 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 be made available in the future if the State Commission files the requisite certification pursuant to § 54.314.

The certification required for rural carriers to receive federal universal support for all four quarters during calendar year 2001 is currently due to be filed with the FCC and USAC on or before October 1, 2001. The certification may be presented to those 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.

On August 22, 2001, the South Dakota Public Utilities Commission (Commission) received a filing from Dakota Community Telephone (Company) regarding its Request for Certification Regarding Its Use of Federal Universal Service Support. On September 17, 2001, the Commission received an amended filing from Company. The purpose of these filings was to provide information constituting Company's plan for the use of its federal

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<sup>1</sup>CC Docket No. 96-45, CC Docket No. 00-256, Fourteenth Report and Order, Twenty Second Order on Reconsideration, and Further Notice of Proposed Rulemaking in CC Docket No. 96-45, and Report and Order in CC Docket No. 00-256, FCC 01-157, Released May 23, 2001.



universal service support and to otherwise verify that Company will use all federal universal service support received in a manner that is consistent with the federal universal service provisions of 47 U.S.C. § 254. As a part of its plan, Company listed estimates of the support it expected to receive from USAC as well as its estimated costs for the provision, maintenance, and upgrading of facilities and services. An Affidavit was attached to the Request for Certification.

On August 23, 2001, the Commission electronically transmitted notice of the filing and the intervention deadline of August 31, 2001, to interested individuals and entities. No parties sought intervention.

At its regularly scheduled meeting of September 18, 2001, 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. § 254. The Commission found that the Company is eligible to receive federal support as it states it will only use the support for the provision, maintenance, and upgrading of facilities and services for which the support is intended. The Commission unanimously voted to approve Company's Request for Certification Regarding Its Use of Federal Universal Service Support. It is therefore

ORDERED, that the Company is eligible to receive federal support as it states it will only use the support for the provision, maintenance, and upgrading of facilities and services for which the support is intended. It is

FURTHER ORDERED, that the Commission approves Company's Request for Certification Regarding Its Use of Federal Universal Service Support.

Dated at Pierre, South Dakota, this 25<sup>th</sup> day of September, 2001.

<b>CERTIFICATE OF SERVICE</b>	
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:	<u><i>Alaine Halbo</i></u>
Date:	<u>9/25/01</u>
(OFFICIAL SEAL)	

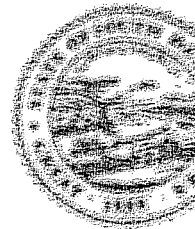
BY ORDER OF THE COMMISSION

*James A. Burg*  
JAMES A. BURG, Chairman

*Pam Nelson*  
PAM NELSON, Commissioner

# South Dakota Public Utilities Commission

State Capitol Building, 500 East Capitol Avenue, Pierre, South Dakota 57501-9070



September 25, 2001

Ms. Magalie R. Salas  
Federal Communications Commission  
Office of the Secretary  
445 12th St. S.W.  
Washington, DC 20554

Ms. Irene Flannery  
Universal Service Administrative Company  
2120 L Street N.W., Suite 600  
Washington, DC 20037

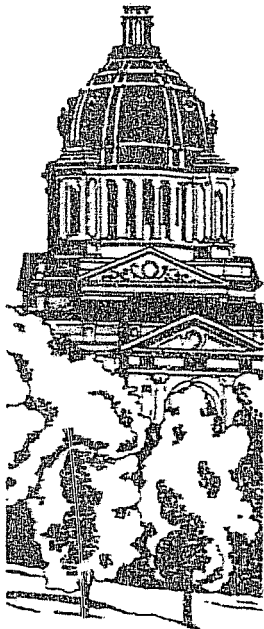
RE: CC Docket No. 98-45, CC Docket No. 00-256, Fourteenth Report and Order, Twenty Second Order on Reconsideration, and Further Notice of Proposed Rulemaking in CC Docket No. 98-45, and Report and Order in CC Docket No. 00-256, FCC 01-157, Released May 23, 2001

Annual State Certification of Support for Rural Carriers

Dear Ms. Salas and Ms. Flannery:

The South Dakota Public Utilities Commission (Commission) hereby states that the following rural incumbent local exchange carriers and/or eligible telecommunications carriers within its jurisdiction have been certified to receive support pursuant to 47 CFR §§ 54.301, 54.305, and/or 54.307 and /or part 36, subpart F. The carriers listed below filed requests for certification with the Commission which support their affirmations that all federal high-cost support provided to them will be used only for the provision, maintenance, and upgrading of facilities and services for which the support is intended. The Commission has granted certification to the following companies:

Armour Independent Telephone Company  
Baltic Telecom Cooperative and East Plains Telecom, Inc.  
Beresford Municipal Telephone Company  
Bridgewater-Canistota Independent Telephone Company  
Cheyenne River Sioux Tribe Telephone Authority  
Citizens Telecommunications Company of Minnesota, Inc.  
City of Brookings Municipal Telephone  
Consolidated Telcom  
Dakota Community Telephone



Capitol Office  
Telephone (605)773-3201  
FAX (605)773-3809

Transportation/  
Warehouse Division  
Telephone (605)773-5280  
FAX (605)773-3225

Consumer Hotline  
1-800-332-1782

TTY Through  
Relay South Dakota  
1-800-877-1113

Internet Website  
[www.state.sd.us/puc/](http://www.state.sd.us/puc/)

Jim Burg  
Chairman

Pam Nelson  
Vice-Chairman

Debra Elofson  
Executive Director

Harian Best  
Martin C. Bettmann  
Sue Cichos  
Karen E. Cremer  
Christopher W. Downs  
Terry Emerson  
Michele M. Farris  
Marlette Fischbach  
Heather K. Forney  
Kelly D. Frazier  
Mary Giddings  
Leni Healy  
Mary Healy  
Lisa Hull  
Dave Jacobson  
Amy Kayser  
Jennifer Kirk  
Bob Knadle  
Delaine Kolbo  
Charlene Lund  
Gregory A. Rislov  
Keith Senger  
Rosalynne Ailts Wiest