

1602-CMN1

KC/HB

TC03-156

DOCKET NO. _____

In the Matter of _____ IN THE MATTER OF THE REQUEST OF _____
 _____ PRAIRIEWAVE COMMUNITY _____
 _____ TELEPHONE, INC. FOR _____
 _____ CERTIFICATION REGARDING ITS USE _____
 _____ OF FEDERAL UNIVERSAL SERVICE _____
 _____ SUPPORT _____

Public Utilities Commission of the State of South Dakota

DATE	MEMORANDA
8/11 03	<i>Filed and Docketed;</i>
8/14 03	<i>Weekly Filing;</i>
4/5 03	<i>Order Granting Certification;</i>
9/5 03	<i>Docket Closed.</i>



August 8, 2003

RECEIVED

AUG 11 2003

SOUTH DAKOTA PUBLIC
UTILITIES COMMISSION

Ms. Pamela Bonrud
Executive Director
South Dakota Public Utilities Commission
Capitol Building, First Floor
500 East Capitol Avenue
Pierre, SD 57501

RE: In the Matter of the Request of PrairieWave Community Telephone, Inc. for
Certification Regarding Its Use of Federal Universal Service Support

Dear Ms. Bonrud:

On behalf of PrairieWave Community Telephone, Inc. enclosed for filing are an original and ten (10) copies of the Request for Certification Regarding Its Use of Federal Universal Service Support.

Sincerely,

A handwritten signature in cursive script that reads "Dawn Haase".

Dawn Haase
Legal Administrative Assistant

AUG 11 2003

BEFORE THE
SOUTH DAKOTA PUBLIC UTILITIES COMMISSION

SOUTH DAKOTA PUBLIC
UTILITIES COMMISSION

IN THE MATTER OF THE REQUEST OF)
PRAIRIEWAVE COMMUNITY)
TELEPHONE, INC. FOR CERTIFICATION)
REGARDING ITS USE OF FEDERAL)
UNIVERSAL SERVICE SUPPORT)

DOCKET NO. __

REQUEST FOR CERTIFICATION

PrairieWave Community Telephone, Inc. ("PrairieWave") 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, PrairieWave 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.¹ 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,

¹ 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.

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 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 2004 is currently due to be filed with the FCC and USAC on or before October 1, 2003. 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. PrairieWave 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 6600 access lines within its established rural service area in South Dakota.

4. This Commission has limited regulatory oversight over PrairieWave 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.²

5. The purpose of this filing is to provide information indicating PrairieWave's use of federal universal service support and to otherwise verify that PrairieWave 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. . .

² Fourteenth Report and Order, ¶ 188.

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 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.³

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. PrairieWave, as a designated eligible telecommunications carrier, has received federal universal service support in the past and expects to receive support during calendar year 2004. As of this time, specific support amounts the Company should receive in 2004 have not yet been identified by USAC. Included in Exhibit A attached hereto, however, are estimated universal service support amounts for such period.

10. PrairieWave also provides in Exhibit A, attached hereto, estimates of the expenditures that will be incurred in year 2004 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, PrairieWave will use federal universal service amounts received in 2004 to offset a portion of

³ 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.

2004 expenditures incurred within the accounts referenced in Exhibit A. This use of federal universal service support will enable PrairieWave 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 the foregoing information, the attached Exhibit A and Exhibit B, Affidavit of Brent Norgaard, VP & COO, PrairieWave requests that this Commission issue an appropriate certification to the FCC and USAC indicating that PrairieWave 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 2004. In order to ensure that this certification is issued to the FCC prior to October 1, 2004, PrairieWave would further ask the Commission to expedite the process that is initiated based on this filing.

Dated this 1st day of August, 2003.

Respectfully submitted,



William P. Heaston,

Corporate Counsel

Exhibit A
PrairieWave Community Telephone, Inc.

Estimated Year 2004 Federal Universal Service Receipts

High cost loop support	\$ 700,000
Local switching support	\$2,000,000
Safety Net Additive support	\$
Safety Valve Loop Cost Adjustment	\$ _____
TOTAL	\$2,700,000

Estimated Year 2004 Expenditures For Provision, Maintenance, and Upgrading Of Facilities and Services Supported By Federal Universal Service Funding

Estimated Plant Specific Operations Expenses

Network support (Accts. 6110-16)	\$ 6,000
General support (Accts. 6120-24)	\$ 600,000
Central office (Accts. 6210-6232)	\$ 420,000
Cable and wire facilities (Accts. 6410-6441)	\$ 325,000
Network operations (Accts. 6530-35)	\$ 320,000
Depreciation and amortization (Accts. 6560-65)	\$4,000,000

Customer operations expenses

Customer services (Accts. 6620-23)	\$ 370,000
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Corporate operations expenses

Executive and planning (Accts. 6710-6712)	\$ 300,000
General and administrative (Accts. 6720-28)	\$ 950,000

Estimated Total Recurring Year 2004 Supported Expenses, from above, Before Return On Investment **\$7,291,000**

Estimated Additions

Switching (Acct. 2210)	\$ 240,000
Cable and wire (Acct. 2410)	\$1,040,000
TOTAL	\$1,280,000

Estimated Total Year 2004 Supported Expenditures, Before Return On Investment **\$8,571,000**

EXHIBIT B

AFFIDAVIT

As an authorized corporate officer of PrairieWave Community Telephone, Inc., 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 PrairieWave Community Telephone, Inc. 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, VP & COO

Subscribed and Sworn to before me this 17th day of August, 2003.


NOTARY PUBLIC

Commission expires _____
KRISTIE LYNSTAD
Notary Public, South Dakota
My Commission Expires June 7, 2007

South Dakota Public Utilities Commission
WEEKLY FILINGS
For the Period of August 7, 2003 through August 13, 2003

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 report. Phone: 605-773-3705

CONSUMER COMPLAINTS

CT03-129 **In the Matter of the Complaint filed by Stuart L. Thomsen on behalf of Erv's Furniture, Bowdle, South Dakota, against S&S Communications/Alterna-Cell Regarding Loss of Long Distance Services.**

Complainant's representative states that a six year pre-paid long distance service plan was purchased on May 29, 2001. Service was terminated without notice after two years. Complainant seeks to be reimbursed for the pre-paid service not provided.

Staff Analyst: Jim Mehlhaff
Staff Attorney: Kelly Frazier
Date Docketed: 08/07/03
Intervention deadline: N/A

TELECOMMUNICATIONS

TC03-153 **In the Matter of the Request of City of Faith Municipal Telephone Company for Certification Regarding its Use of Federal Universal Service Support.**

On August 7, 2003, Faith Municipal Telephone Company (Faith) provided information constituting Faith's plan for the use of its federal universal service support and to otherwise verify that Faith 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 E. Cremer
Date Docketed: 08/07/03
Intervention Deadline: 08/29/03

TC03-154 **In the Matter of the Request of Consolidated Telcom for Certification Regarding its Use of Federal Universal Service Support.**

On August 8, 2003, Consolidated Telcom provided information constituting Consolidated Telcom's plan for the use of its federal universal service support and to otherwise verify that Consolidated Telcom 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 E. Cremer
Date Docketed: 08/08/03
Intervention Deadline: 08/29/03

TC03-155 **In the Matter of the Application of 1-800-RECONEX, Inc. d/b/a USTel for a Certificate of Authority to Provide Interexchange Telecommunications Services in South Dakota.**

1-800-RECONEX, Inc. d/b/a USTel is seeking a Certificate of Authority to provide interexchange telecommunications services in South Dakota. The Applicant is a non-facilities based provider who will provision services through both resale and UNE-P.

Staff Analyst: Keith Senger
Staff Attorney: Kelly Frazier
Date Docketed: 08/11/03
Intervention Deadline: 08/29/03

TC03-156 In the Matter of the Request of PrairieWave Community Telephone, Inc. for Certification Regarding its Use of Federal Universal Service Support.

On August 11, 2003, PrairieWave Community Telephone, Inc. (PrairieWave Community) provided information constituting PrairieWave Community's plan for the use of its federal universal service support and to otherwise verify that PrairieWave Community 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 E. Cremer
Date Docketed: 08/11/03
Intervention Deadline: 08/29/03

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

IN THE MATTER OF THE REQUEST OF)	ORDER GRANTING
PRAIRIEWAVE COMMUNITY TELEPHONE,)	CERTIFICATION
INC. FOR CERTIFICATION REGARDING ITS)	
USE OF FEDERAL UNIVERSAL SERVICE)	TC03-156
SUPPORT)	

On May 23, 2001, the Federal Communications Commission (FCC) released an Order concerning the federal universal service support mechanism for rural carriers.¹ 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 2004 is currently due to be filed with the FCC and USAC on or before October 1, 2003. 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.

On August 11, 2003, the South Dakota Public Utilities Commission (Commission) received a filing from PrairieWave Community Telephone, Inc. (Company) regarding its Request for Certification Regarding its Use of Federal Universal Service Support. The purpose of this filing was to provide information constituting Company's plan for the use

¹CC 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.

of its federal 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 14, 2003, the Commission electronically transmitted notice of the filing and the intervention deadline of August 29, 2003, to interested individuals and entities. No parties sought intervention.

At its regularly scheduled meeting of September 2, 2003, 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 5th day of September, 2003.

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: <u>Helaine Karbo</u>
Date: <u>9/8/03</u>
(OFFICIAL SEAL)

BY ORDER OF THE COMMISSION:

Robert K. Sahr
ROBERT K. SAHR, Chairman *JK*

Gary Hanson
GARY HANSON, Commissioner

James A. Burg
JAMES A. BURG, Commissioner



Bob Sahr, Chair
Gary Hanson, Vice-Chair
Jim Burg, Commissioner

SOUTH DAKOTA PUBLIC UTILITIES COMMISSION

500 East Capitol Avenue
Pierre, South Dakota 57501-5070
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Transportation/Warehouse
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(605) 773-3225 fax

Consumer Hotline
1-800-332-1782

September 24, 2003

Ms. Marlene H. Dortch, Secretary
Federal Communications Commission
Office of the Secretary
445 12th Street S.W., Room TW-A306
Washington, DC 20554

Ms. Marlene H. Dortch, Secretary
Federal Communications Commission
Office of the Secretary
9300 East Hampton Drive
Capitol Heights, MD 20743

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

Re: 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

Annual State Certification of Support for Rural Carriers

Dear Ms. Dortch and Ms. Flannery:

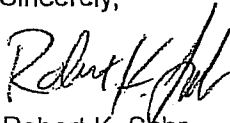
The South Dakota Public Utilities Commission (Commission) hereby states that the following rural incumbent local exchange carriers and/or eligible telecommunications carriers within its jurisdiction have been certified to receive support pursuant to 47 CFR §§ 54.301, 54.305, and/or 54.307 and/or part 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, consistent with section 254(e) of the Communications Act. The Commission has granted certification to the following companies:

Alliance Communications Cooperative, Inc. (Baltic) (391642)
Alliance Communications Cooperative, Inc. (Splitrock Properties, Inc.) (391657)
Armour Independent Telephone Company (391640)
Beresford Municipal Telephone Company (391649)
Bridgewater-Canistota Independent Telephone Company (391640) (co. no. 0158)
Cheyenne River Sioux Tribe Telephone Authority (391647)
Citizens Telecommunications Company of Minnesota, Inc. (361123)
City of Brookings Municipal Telephone (391650)
City of Faith Municipal Telephone Company (391653)
Consolidated Telcom (381607)
Dickey Rural Communications, Inc. (381611) (co. no. 1681)
Dickey Rural Telephone Cooperative (381611) (co. no. 1611)

Golden West Telecommunications Cooperative, Inc. (391659)
Great Plains Communications, Inc. (371577)
Heartland Telecommunications Company of Iowa d/b/a Hickory Tech Corporation (351096)
Interstate Telecommunications Cooperative, Inc. (391654)
James Valley Cooperative Telephone Company (391664)
Jefferson Telephone Company (391666)
Kadoka Telephone Company (391667)
Kennebec Telephone Company (391668)
McCook Cooperative Telephone Company (391669)
Midstate Communications, Inc. (391670)
Mount Rushmore Telephone Company and Fort Randall Telephone Company (391660)
Nebcom, Inc.
PrairieWave Community Telephone, Inc. (391652)
Red River Telecom, Inc. (381631)
Roberts County Telephone Cooperative Association and RC Communications, Inc. (391674)
RT Communications, Inc. (512251)
Santel Communications Cooperative, Inc. (391676)
Sioux Valley Telephone Company (391677)
Stockholm-Strandburg Telephone Company (391679)
Three River Telco (371525)
Tri-County Telcom, Inc. (391682)
Union Telephone Company (391684)
Valley Telecommunications Cooperative Association, Inc. (391685)
Valley Telephone Company (361495)
Venture Communications Cooperative (391680)
Vivian Telephone Company d/b/a Golden West Communications, Inc. (391686)
Western Telephone Company (391688)
Western Wireless Corporation (399002)
West River Cooperative Telephone Company (391689)
West River Telecommunications Cooperative (381637) (co. no. 4414)
West River Telecommunications Cooperative (Mobridge) (391671)

Also enclosed are the Orders Granting Certification to the above-referenced rural incumbent local exchange carriers and/or eligible telecommunications carriers. Should you have any questions, please do not hesitate to contact us for further information.

Sincerely,



Robert K. Sahr
Chairman



Gary Hanson
Commissioner



James A. Burg
Commissioner