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In the Matter of **IN THE MATTER OF THE REQUEST OF INTERSTATE TELECOMMUNICATIONS COOPERATIVE, INC. FOR CERTIFICATION REGARDING ITS USE OF FEDERAL UNIVERSAL SERVICE SUPPORT**

Public Utilities Commission of the State of South Dakota

DATE	MEMORANDA
7/30 04	Filed and Docketed;
8/5 04	Aably filing;
9/7 04	Order Granting Certification;
9/7 04	Docket Closed.

BEFORE THE
SOUTH DAKOTA PUBLIC UTILITIES COMMISSION

RECEIVED

IN THE MATTER OF THE REQUEST OF
INTERSTATE TELECOMMUNICATIONS COOP,
INC. FOR CERTIFICATION REGARDING ITS USE
OF FEDERAL UNIVERSAL SERVICE SUPPORT

DOCKET NO. JUL 30 2004

SOUTH DAKOTA PUBLIC
UTILITIES COMMISSION

REQUEST FOR CERTIFICATION

INTERSTATE TELECOMMUNICATIONS COOP, INC. (the "Company") 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, the Company 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, 54.305, and/or 54.307, and/or 47 C.F.R. Part 36, Subpart F (high-cost loop support, local

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.

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 2005 is currently due to be filed with the FCC and USAC on or before October 1, 2004. 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. The Company 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 14,441 access lines within its established rural service area in South Dakota.

4. This Commission has limited regulatory oversight over the Company 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 the Company's use of federal universal service support and to otherwise verify that the 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.

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

² Fourteenth Report and Order, ¶ 188.

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. The Company as a designated eligible telecommunications carrier has received federal universal service support in the past and expects to receive support during calendar year 2005. As of this time, specific support amounts the Company should receive in 2005 have not yet been identified by USAC. Included in Exhibit A attached hereto, however, are estimated universal service support amounts for such period.

10. The Company also provides in Exhibit A, attached hereto, estimates of the expenditures that will be incurred in year 2005 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, the Company will use federal universal service amounts received in 2005 to offset a portion of 2005 expenditures incurred within the accounts referenced in Exhibit A. 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

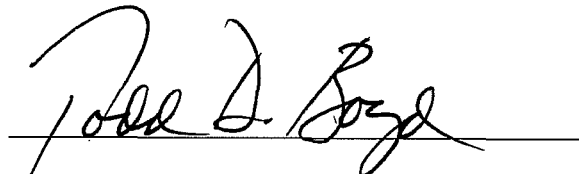
³ Ninth Report and Order and Eighteenth Order on Reconsideration in CC Docket No. 96-45 (In the Matter of the Federal-State Joint Board on Universal Service), FCC 99-306, ¶ 96, November 2, 1999.

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.

11. Based on the foregoing information, the attached Exhibit A and Exhibit B, Affidavit of Jerry Heiberger, the Company requests that this Commission issue an appropriate certification to the FCC and USAC indicating that *INTERSTATE TELECOMMUNICATIONS COOP, INC.* 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 2005. In order to ensure that this certification is issued to the FCC prior to October 1, 2004, the Company would further ask the Commission to expedite the process that is initiated based on this filing.

Dated this 29th day of July 2004.

Respectfully submitted,



Todd Boyd

P.O. Box 977
Clear Lake, SD 57226-0977

Exhibit A
INTERSTATE TELECOMMUNICATIONS COOP, INC.

Estimated Year 2005 Federal Universal Service Receipts

High cost loop support	\$ 727,068
Local switching support	\$ 447,624
Safety Net Additive support	\$ 792
Safety Valve Loop Cost Adjustment	\$ 0
TOTAL	<u>\$1,175,484</u>

Estimated Year 2005 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)	\$ 9,614
General support (Accts. 6120-24)	\$ 398,272
Central office (Accts. 6210-6232)	\$ 456,628
Cable and wire facilities (Accts. 6410-6441)	\$ 1,164,170
Network operations (Accts. 6530-35)	\$ 275,089
Depreciation and amortization (Accts. 6560-65)	\$ 5,324,563

Customer operations expenses

Customer services (Accts. 6620-23)	\$ 897,380
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Corporate operations expenses

Executive and planning (Accts. 6710-6712)	\$ 495,357
General and administrative (Accts. 6720-28)	\$ 1,057,589

Estimated Total Recurring Year 2005 Supported Expenses, from above, Before Return On Investment **\$10,078,662**

Estimated Additions

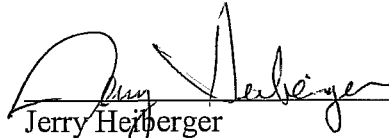
Switching (Acct. 2210)	\$ 200,000
Cable and wire (Acct. 2410)	\$ <u>250,000</u>
TOTAL	\$ 450,000

Estimated Total Year 2005 Supported Expenditures, Before Return On Investment **\$10,528,662**

Exhibit B

AFFIDAVIT

As an authorized representative of *INTERSTATE TELECOMMUNICATIONS COOP, INC.*, I, Jerry Heiberger, 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 *INTERSTATE TELECOMMUNICATIONS COOP, 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).



Jerry Heiberger

Subscribed and Sworn to before me this 29th day of July 2004.



NOTARY PUBLIC

My Commission Expires:
September 10, 2004

My Commission expires: _____

South Dakota Public Utilities Commission
WEEKLY FILINGS
For the Period of July 29, 2004 through August 4, 2004

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: 605-773-3201

CONSUMER COMPLAINTS

CT04-002 In the Matter of the Complaint filed by Jerry Galloway on behalf of Bold Venture, LLC, Sioux Falls, South Dakota, against McLeodUSA Telecommunications Services, Inc. Regarding Over Billing for Services.

Complainant's representative states that he signed an addendum to his contract on 10/19/00. Since that time he has been charged a per line rate that is over the contracted amount and he has been charged for features that according to the contract were to be included at no additional charge. The complainant seeks a refund of all monies paid to the respondent for services that were billed over the contracted amount.

Staff Analyst: Jim Mehlhaff
Staff Attorney: Karen E. Cremer
Date Docketed: 08/03/04
Intervention deadline: N/A

TELECOMMUNICATIONS

TC04-136 In the Matter of the Request of West River Cooperative Telephone Company for Certification Regarding its Use of Federal Universal Service Support.

On July 29, 2004, West River Cooperative Telephone Company (West River) provided information constituting West River's plan for the use of its federal universal service support and to otherwise verify that West River 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: 07/29/04
Intervention Deadline: 08/20/04

TC04-137 In the Matter of the Filing for Approval of a Reciprocal Interconnection, Transport and Termination Agreement between WWC License LLC and McCook Cooperative Telephone Company.

On July 29, 2004, the Commission received a Filing for Approval of a Reciprocal Interconnection, Transport and Termination Agreement between McCook Cooperative Telephone Company and WWC License LLC. According to the parties, the "Agreement sets forth the terms, conditions and prices under which (a) the Parties agree to directly interconnect the networks of the CMRS Provider and the Telephone Company for the purposes of the exchange of telecommunications traffic between the Parties' networks or (b) the Parties will transport and terminate the telecommunications traffic originated by the other Party and delivered via the network of a Third Party Provider." Any party wishing to comment on the Agreement may do so by filing written comments with the Commission and the parties

to the Agreement no later than August 18, 2004. Parties to the Agreement may file written responses to the comments no later than twenty days after the service of the initial comments.

Staff Attorney: Rolayne Ailts Wiest
Date Filed: 07/29/04
Initial Comments Due: 08/18/04

TC04-138 In the Matter of the Request of Kennebec Telephone Company for Certification Regarding its Use of Federal Universal Service Support.

On July 30, 2004, Kennebec Telephone Company, Inc. (Kennebec) provided information constituting Kennebec's plan for the use of its federal universal service support and to otherwise verify that Kennebec 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: 07/30/04
Intervention Deadline: 08/20/04

TC04-139 In the Matter of the Request of Interstate Telecommunications Cooperative, Inc. for Certification Regarding its Use of Federal Universal Service Support.

On July 30, 2004, Interstate Telecommunications Cooperative, Inc. (Interstate) provided information constituting Interstate's plan for the use of its federal universal service support and to otherwise verify that Interstate 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: 07/30/04
Intervention Deadline: 08/20/04

TC04-140 In the Matter of the Request of Heartland Telecommunications Company of Iowa d/b/a Hickory Tech Corporation for Certification Regarding its Use of Federal Universal Service Support.

On August 2, 2004, Heartland Telecommunications Company of Iowa d/b/a Hickory Tech (Hickory Tech) provided information constituting Hickory Tech's plan for the use of its federal universal service support and to otherwise verify that Hickory Tech 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: 08/02/04
Intervention Deadline: 08/20/04

TC04-141 In the Matter of the Request of Consolidated Telcom for Certification Regarding its Use of Federal Universal Service Support.

On August 2, 2004, Consolidated Telcom (Consolidated) provided information constituting Consolidated's plan for the use of its federal universal service support and to otherwise verify that Consolidated 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: 08/02/04
Intervention Deadline: 08/20/04

TC04-142 In the Matter of the Application of Intandem Communications Corp. for a Certificate of Authority to Provide Interexchange Telecommunications Services in South Dakota.

On August 2, 2004, Intandem Communications Corp. filed an application for a Certificate of Authority to provide interexchange telecommunications services in South Dakota. The applicant seeks authority to operate as a reseller of intrastate telecommunications services on a statewide basis. The applicant intends to provide MTS, in-WATS, out-WATS, and calling card services throughout South Dakota.

Staff Analyst: Michele Farris
Staff Attorney: Karen Cremer
Date Filed: 08/02/04
Intervention Deadline: 08/20/04

TC04-143 In the Matter of the Filing for Approval of an Adoption Agreement between Qwest Corporation and Sancom, Inc. d/b/a Mitchell Telecom.

On August 2, 2004, the Commission received a Filing for Approval of an Adoption Agreement between Qwest Corporation and Sancom, Inc. d/b/a Mitchell Telecom. According to the parties, Sancom has chosen "to adopt, in its entirety, the terms and conditions of the Interconnection Agreement and any associated amendments, if applicable, between Sprint Communications Company, L.P. and Qwest Corporation that was approved by the Commission on February 25, 2004 in Docket No. TC04-002." Any party wishing to comment on the Agreement may do so by filing written comments with the Commission and the parties to the Agreement no later than August 23, 2004. Parties to the Agreement may file written responses to the comments no later than twenty days after the service of the initial comments.

Staff Attorney: Rolayne Ailts Wiest
Date Filed: 08/02/04
Initial Comments Due: 08/23/04

TC04-144 In the Matter of the Filing for Approval of a Master Services Agreement between Qwest Corporation and MCImetro Access Transmission Services, LLC.

On August 2, 2004, the Commission received a filing for approval of an Elimination of UNE-P and Implementation of Batch Hot Cut Process and Discounts Amendment (Discounts Amendment) between Qwest Corporation (Qwest) and MCImetro Access Transmission Services, LLC (MCImetro). In addition, the Commission received a "Master Services Agreement," which attached as Exhibit 1 the "Qwest Platform Plus™ Service," which together are referred to as the "QPPTM Agreement." The QPP agreement was also entered into between Qwest and MCImetro. The Discounts Amendment and QPP Agreement were both submitted by MCImetro. However, Qwest had already submitted the Discounts Amendment and that is docketed as TC04-135. Qwest had also submitted the QPP Agreement but for informational purposes only. Based on this informational filing, the Commission did not docket the QPP Agreement but instead requested comments on whether the QPP Agreement should be submitted for approval. Since MCImetro has now submitted the QPP Agreement for filing, the Commission will accept comments on that Agreement in this docket. The Commission will accept comments on the Discounts Amendment in Docket TC04-135. Therefore, any party wishing to comment on the QPP Agreement may

do so by filing written comments with the Commission and the parties to the Agreement no later than August 23, 2004. Parties to the QPP Agreement may file written responses to the comments no later than twenty days after the service of the initial comments.

Staff Attorney: Rolayne Ailts Wiest

Date Filed: 08/02/04

Initial Comments Due: 08/23/04

TC04-145 In the Matter of the Filing for Approval of Transfer of Certificate of Authority from XO Network Services, Inc. to XO Communications Services, Inc.

On August 2, 2004, XO Network Services, Inc. and XO Communications Services, Inc. filed a joint application to transfer XO Network Services, Inc.'s local and IXC authority to XO Communications Services, Inc.

Staff Analyst: Keith Senger

Staff Attorney: Karen Cremer

Date Docketed: 8/02/04

Intervention Deadline: 8/20/04

TC04-146 In the Matter of the Request of Faith Municipal Telephone Company for Certification Regarding its Use of Federal Universal Service Support.

On August 3, 2004, 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: 08/03/04

Intervention Deadline: 08/20/04

TC04-147 In the Matter of the Filing for Approval of a Reciprocal Interconnection, Transport and Termination Agreement between Golden West Telecommunications Cooperative, Inc. and Verizon Wireless (VAW) LLC d/b/a Verizon Wireless, CommNet Cellular License Holding LLC d/b/a Verizon Wireless, Sanborn Cellular, Inc. d/b/a Verizon Wireless and Eastern South Dakota Cellular, Inc. d/b/a Verizon Wireless.

On August 3, 2004, the Commission received a Filing for Approval of a Reciprocal Interconnection, Transport and Termination Agreement between Golden West Telecommunications Cooperative, Inc. and Verizon Wireless. According to the parties, the "Agreement sets forth the terms, conditions and prices under which (a) the Parties agree to directly interconnect the networks of the CMRS Provider and the Telephone Company for the purposes of the exchange of telecommunications traffic between the Parties' networks or (b) the Parties will transport and terminate the telecommunications traffic originated by the other Party and delivered via the network of a Third Party Provider." Any party wishing to comment on the Agreement may do so by filing written comments with the Commission and the parties to the Agreement no later than August 23, 2004. Parties to the Agreement may file written responses to the comments no later than twenty days after the service of the initial comments.

Staff Attorney: Rolayne Ailts Wiest

Date Filed: 08/03/04

Initial Comments Due: 08/23/04

TC04-148 **In the Matter of the Filing for Approval of a Reciprocal Interconnection, Transport and Termination Agreement between Kadoka Telephone Company and CommNet Cellular License Holding LLC d/b/a Verizon Wireless, Missouri Valley Cellular, Inc. d/b/a Verizon Wireless, Sanborn Cellular, Inc. d/b/a Verizon Wireless, Eastern South Dakota Cellular, Inc. d/b/a Verizon Wireless and Verizon Wireless (VAW) LLC d/b/a Verizon Wireless.**

On August 3, 2004, the Commission received a Filing for Approval of a Reciprocal Interconnection, Transport and Termination Agreement between Kadoka Telephone Company and Verizon Wireless. According to the parties, the "Agreement sets forth the terms, conditions and prices under which (a) the Parties agree to directly interconnect the networks of the CMRS Provider and the Telephone Company for the purposes of the exchange of telecommunications traffic between the Parties' networks or (b) the Parties will transport and terminate the telecommunications traffic originated by the other Party and delivered via the network of a Third Party Provider." Any party wishing to comment on the Agreement may do so by filing written comments with the Commission and the parties to the Agreement no later than August 23, 2004. Parties to the Agreement may file written responses to the comments no later than twenty days after the service of the initial comments.

Staff Attorney: Rolayne Ailts Wiest
Date Filed: 08/03/04
Initial Comments Due: 08/23/04

TC04-149 **In the Matter of the Filing for Approval of a Reciprocal Interconnection, Transport and Termination Agreement between Vivian Telephone Company and Verizon Wireless (VAW) LLC d/b/a Verizon Wireless, CommNet Cellular License Holding LLC d/b/a Verizon Wireless, Sanborn Cellular, Inc. d/b/a Verizon Wireless and Eastern South Dakota Cellular, Inc. d/b/a Verizon Wireless.**

On August 3, 2004, the Commission received a Filing for Approval of a Reciprocal Interconnection, Transport and Termination Agreement between Vivian Telephone Company and Verizon Wireless. According to the parties, the "Agreement sets forth the terms, conditions and prices under which (a) the Parties agree to directly interconnect the networks of the CMRS Provider and the Telephone Company for the purposes of the exchange of telecommunications traffic between the Parties' networks or (b) the Parties will transport and terminate the telecommunications traffic originated by the other Party and delivered via the network of a Third Party Provider." Any party wishing to comment on the Agreement may do so by filing written comments with the Commission and the parties to the Agreement no later than August 23, 2004. Parties to the Agreement may file written responses to the comments no later than twenty days after the service of the initial comments.

Staff Attorney: Rolayne Ailts Wiest
Date Filed: 08/03/04
Initial Comments Due: 08/23/04

TC04-150 **In the Matter of the Request of James Valley Cooperative Telephone Company for Certification Regarding its Use of Federal Universal Service Support.**

On August 4, 2004, James Valley Cooperative Telephone Company (James Valley) provided information constituting James Valley's plan for the use of its federal universal service support and to otherwise verify that James Valley 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: 08/04/04

Intervention Deadline: 08/20/04

TC04-151 In the Matter of the Request of Western Telephone Company for Certification Regarding its Use of Federal Universal Service Support.

On August 4, 2004, Western Telephone Company (Western) provided information constituting Western's plan for the use of its federal universal service support and to otherwise verify that Western 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: 08/04/04
Intervention Deadline: 08/20/04

TC04-152 In the Matter of the Request of Tri-County Telcom, Inc. for Certification Regarding its Use of Federal Universal Service Support.

On August 4, 2004, Tri-County Telcom, Inc. (Tri-County) provided information constituting Tri-County's plan for the use of its federal universal service support and to otherwise verify that Tri-County 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: 08/04/04
Intervention Deadline: 08/20/04

TC04-153 In the Matter of the Request of Roberts County Telephone Cooperative Association and RC Communications, Inc. for Certification Regarding its Use of Federal Universal Service Support.

On August 4, 2004, Roberts County Telephone Cooperative Association and RC Communications, Inc. (the Company) provided information constituting the Company's plan for the use of its federal universal service support and to otherwise verify that the 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 E. Cremer
Date Docketed: 08/04/04
Intervention Deadline: 08/20/04

TC04-154 In the Matter of the Request of Stockholm-Strandburg Telephone Company for Certification Regarding its Use of Federal Universal Service Support.

On August 4, 2004, Stockholm-Strandburg Telephone Company (Stockholm) provided information constituting Stockholm's plan for the use of its federal universal service support and to otherwise verify that Stockholm 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: 08/04/04

Intervention Deadline: 08/20/04

TC04-155 In the Matter of the Request of Valley Telecommunications Cooperative Association, Inc. for Certification Regarding its Use of Federal Universal Service Support.

On August 4, 2004, Valley Telecommunications Cooperative Association, Inc. (Valley) provided information constituting Valley's plan for the use of its federal universal service support and to otherwise verify that Valley 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: 08/04/04
Intervention Deadline: 08/20/04

TC04-156 In the Matter of the Request of Golden West Telecommunications Cooperative, Inc. for Certification Regarding its Use of Federal Universal Service Support.

On August 4, 2004, Golden West Telecommunications Cooperative, Inc. (Golden West) provided information constituting Golden West's plan for the use of its federal universal service support and to otherwise verify that Golden West 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: 08/04/04
Intervention Deadline: 08/20/04

TC04-157 In the Matter of the Request of Vivian Telephone Company for Certification Regarding its Use of Federal Universal Service Support.

On August 4, 2004, Vivian Telephone Company (Vivian) provided information constituting Vivian's plan for the use of its federal universal service support and to otherwise verify that Vivian 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: 08/04/04
Intervention Deadline: 08/20/04

TC04-158 In the Matter of the Request of Kadoka Telephone Company for Certification Regarding its Use of Federal Universal Service Support.

On August 4, 2004, Kadoka Telephone Company (Kadoka) provided information constituting Kadoka's plan for the use of its federal universal service support and to otherwise verify that Kadoka 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: 08/04/04
Intervention Deadline: 08/20/04

TC04-159 In the Matter of the Request of Union Telephone Company for Certification Regarding its Use of Federal Universal Service Support.

On August 4, 2004, Union Telephone Company (Union) provided information constituting Union's plan for the use of its federal universal service support and to otherwise verify that Union 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: 08/04/04
Intervention Deadline: 08/20/04

TC04-160 In the Matter of the Request of Bridgewater-Canistota Independent Telephone Company for Certification Regarding its Use of Federal Universal Service Support.

On August 4, 2004, Bridgewater-Canistota Independent Telephone Company (Bridgewater) provided information constituting Bridgewater's plan for the use of its federal universal service support and to otherwise verify that Bridgewater 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: 08/04/04
Intervention Deadline: 08/20/04

TC04-161 In the Matter of the Request of Armour Independent Telephone Company for Certification Regarding its Use of Federal Universal Service Support.

On August 4, 2004, Armour Independent Telephone Company (Armour) provided information constituting Armour's plan for the use of its federal universal service support and to otherwise verify that Armour 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: 08/04/04
Intervention Deadline: 08/20/04

TC04-162 In the Matter of the Request of Sioux Valley Telephone Company for Certification Regarding its Use of Federal Universal Service Support.

On August 4, 2004, Sioux Valley Telephone Company (Sioux Valley) provided information constituting Sioux Valley's plan for the use of its federal universal service support and to otherwise verify that Sioux Valley 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: 08/04/04
Intervention Deadline: 08/20/04

TC04-163 In the Matter of the Request of McCook Cooperative Telephone Company for Certification Regarding its Use of Federal Universal Service Support.

On August 4, 2004, McCook Cooperative Telephone Company (McCook) provided information constituting McCook's plan for the use of its federal universal service support and to otherwise verify that McCook 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: 08/04/04

Intervention Deadline: 08/20/04

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

SOUTH DAKOTA PUBLIC UTILITIES COMMISSION

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September 24, 2004

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 200
Washington, DC 20036

Re: CC Docket No. 96-45

Annual State Certification of Support for Rural Carriers and Non-Rural Carriers

Dear Ms. Dortch and Ms. Flannery:

The South Dakota Public Utilities Commission (Commission) hereby states that the following rural and non-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, 54.307, and/or 54.309 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 rural incumbent local exchange carriers and/or eligible telecommunications carriers:

Alliance Communications Cooperative, Inc. (391642)
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, LLC (361123)
City of Brookings Municipal Telephone Department (391650)
City of Faith Municipal Telephone Company (391653)
Consolidated Telecom (381607)
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)

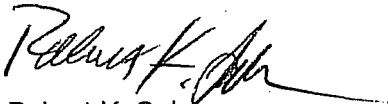
James Valley Cooperative Telephone Company (391664)
Jefferson Telephone Company (391666)
Kadoka Telephone Company (391667)
Kennebec Telephone Company (391668)
McCook Cooperative Telephone Company (391669)
Midstate Communications, Inc. (391670)
Mount Rushmore Telephone Company and Fort Randall Telephone Company (391660)
Northeast Nebraska Telephone Company (371576)
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)
Splitrock Properties, Inc. (391657)
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 (391686)
Western Telephone Company (391688)
Western Wireless Corporation (399002) (competitive ETC)
West River Cooperative Telephone Company (391689)
West River Telecommunications Cooperative (381637) (co. no. 4414)
West River Telecommunications Cooperative (Mobridge) (391671)

The Commission has granted certification to the following non-rural incumbent local exchange carriers and/or eligible telecommunications carriers:

Qwest Corporation (395145)
Western Wireless Corporation (399002) (competitive ETC)

Enclosed are the Orders Granting Certification to the above-referenced rural and non-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.

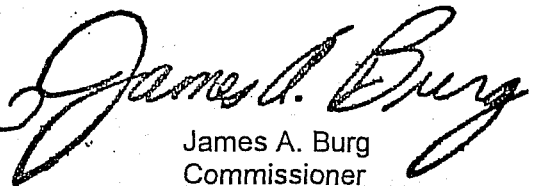
Sincerely,



Robert K. Sahr
Chairman



Gary Hanson
Commissioner



James A. Burg
Commissioner

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

IN THE MATTER OF THE REQUEST OF)	ORDER GRANTING
INTERSTATE TELECOMMUNICATIONS)	CERTIFICATION
COOPERATIVE, INC. FOR CERTIFICATION)	
REGARDING ITS USE OF FEDERAL)	TC04-139
UNIVERSAL SERVICE 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 2005 is currently due to be filed with the FCC and USAC on or before October 1, 2004. 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 July 30, 2004, the South Dakota Public Utilities Commission (Commission) received a filing from Interstate Telecommunications Cooperative, 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

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.

for the use 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 5, 2004, the Commission electronically transmitted notice of the filing and the intervention deadline of August 20, 2004, to interested individuals and entities. No parties sought intervention.

At its regularly scheduled meeting of August 31, 2004, 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 7th day of September, 2004.

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>Arlaine Kolbo</u>
Date:	<u>9/8/04</u>
(OFFICIAL SEAL)	

BY ORDER OF THE COMMISSION:

Robert K. Sahr
ROBERT K. SAHR, Chairman

James A. Burg
JAMES A. BURG, Commissioner