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July 31, 2006

Patty Van Gerpen  
South Dakota Public Utilities Commission  
500 East Capitol Avenue  
Pierre, South Dakota 57501

RECEIVED

JUL 31 2006

SOUTH DAKOTA PUBLIC  
UTILITIES COMMISSION

Re: In the Matter of Certification regarding use of Federal Universal Service Support of the Golden West Companies:

Golden West Telecommunications Cooperative  
Vivian Telephone Company  
Sioux Valley Telephone Company  
Union Telephone Company  
Amour Independent Telephone Company  
Bridgewater-Canistota Independent Telephone Company  
Kadoka Telephone Company

Dear Patty:

Please find enclosed herein for filing the original and four (4) copies of the Annual ETC Certification Filing submitted pursuant to ARSD §§ 20:10:32:52 *et seq.*, on behalf of each of the above-named Golden West Companies ("Golden West Companies"). Golden West Companies hereby request confidential treatment of Exhibit A and Exhibit B, which are submitted as confidential pursuant to the requirements of ARSD § 20:10:01:41. These Exhibits contain company specific financial data and strategy, and disclosure of the information contained therein could jeopardize Golden West Companies' financial and competitive position. Golden West Companies request that such information be maintained as confidential by the Commission in perpetuity.

Please contact me should you have any questions.

Sincerely yours,



Darla Pollman Rogers  
Attorney at Law

DPR/ea

Enclosures

cc: George Strandell

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JUL 31 2006

**BEFORE THE  
SOUTH DAKOTA PUBLIC UTILITIES COMMISSION**

SOUTH DAKOTA PUBLIC  
UTILITIES COMMISSION

<b>IN THE MATTER OF THE REQUEST OF</b>	)	
<b>KADOKA TELEPHONE COMPANY FOR</b>	)	<b>ANNUAL ETC CERTIFICATION</b>
<b>CERTIFICATION REGARDING ITS USE</b>	)	<b>FILING AND SUBMITTAL</b>
<b>OF FEDERAL UNIVERSAL SERVICE</b>	)	<b>PURSUANT TO ARSD § 20:10:32:53</b>
<b>SUPPORT.</b>	)	

Kadoka Telephone Company (the “Company”), by and through its attorney, makes this filing to seek certification from the South Dakota Public Utilities Commission (the “Commission”) as is required under 47 C.F.R. § 54.314 and to comply with the Commission’s new rules pertaining to ETCs, including the provisions of ARSD §§ 20:10:32:52, 20:10:32:53 and 20:10:32:54. As part of this filing, the Company offers the following:

1. Pursuant to 47 C.F.R. § 54.314, each carrier that has been designated as an eligible telecommunications carrier (“ETC”) that is eligible 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 the carrier 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 in the future be made available if the State Commission files the requisite certification pursuant to 47 C.F.R. § 54.314.

2. The certification required specifically for rural carriers to receive federal universal service support for all four quarters during calendar year 2007 is currently due to be filed with the FCC and USAC on or before October 1, 2006. 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 ETC. The Company provides local exchange telephone services, including all of the essential services that are included in the federal definition of universal service, to approximately 518 access lines within its established rural service area in South Dakota.

4. As is required by the provisions of ARSD § 20:10:32:43.01, the Company is committed to providing service throughout its existing rural service area, or study area, to all customers making a reasonable request for service. The Company has since 1975 served as the incumbent local exchange carrier within its established service area and has operated as a “carrier of last resort” in such area. As the carrier of last resort, the Company already has extended wireline local exchange network facilities throughout its service area as necessary to make all essential local exchange services that are supported by federal universal service available to all end-user customers within its service area. Consistent with its past practice, the Company hereby certifies that it will provide service on a timely basis to all requesting customers within its designated ETC service area. In certain cases, the provisioning of this service may require a customer in a new location to first meet the requirements of the Company’s line extension policies. These line extension policies are, however, consistent with the requirement under both federal and state law to meet all reasonable requests for service.

5. The Company has the ability to remain functional in emergency situations as required by the provisions of ARSD § 20:10:32:43.03. The Company is currently in compliance with this Commission's "auxiliary and battery power requirements" set forth in ARSD 20:10:33:19.

6. The provisions of ARSD § 20:10:32:54 addressing the annual "Certification requirements" set forth by this Commission indicate in part that the ETC must show "how much universal service support was received." Accordingly, attached hereto as "Exhibit A" is information indicating "Year 2005 Federal Universal Service Receipts" received by the Company. This same Exhibit also shows total expenditures of the Company in 2005 related to the provision, maintenance and upgrading of the facilities and services that are supported by Federal Universal Service Funding and further estimates these same expenditures for calendar year 2007. Consistent with federal universal service principles, the Company will use federal universal service amounts received in 2007 to offset a portion of these 2007 expenditures. This use of federal universal service support will enable the Company to: (1) maintain rates for its local exchange services that are affordable and reasonably comparable to rates being charged for the same services in urban areas; and (2) to upgrade its telecommunications facilities and equipment as necessary to meet evolving service requirements and maintain high quality service. The use of federal universal service support for these purposes is clearly consistent with the federal universal service provisions.

7. In addition to the information included in Exhibit A, the following information is provided to meet the Commission's "Certification requirements" set forth in 20:10:32:54:

- The Company's service quality improvement plan is to continue to upgrade its telecommunications facilities and equipment as necessary to meet evolving service

requirements and maintain high quality service throughout its service area. As an incumbent local exchange carrier and the carrier of last resort in its service area, the Company upgrades and replaces facilities and equipment as necessary. In furtherance of its service quality improvement plan, the Company will use any high-cost universal service amounts received by it to offset expenditures incurred as it continues to upgrade and replace facilities and equipment. The Company's "two-year service quality improvement plan," required under the provisions of ARSD 20:10:32:54, is attached hereto as "Exhibit B."

- During calendar year 2005, the Company did not experience any known service outages affecting at least 10 percent of its end user customers, for a period lasting longer than 30 minutes: The average trouble reports logged each month are approximately 2 percent of total access lines.
- The Company was able to provide service to all potential customers that requested service during 2005, and as of December 31, 2005, the Company is not aware of any unfulfilled requests for service.
- During 2005, the Company's customer service department averaged approximately 132 calls from consumers each month for new or additional service requests, billing questions, payment arrangements and reports of technical issues. The majority of calls received are resolved by the customer service representative during the initial contact. When necessary, appropriate Company personnel make a second contact, within 24 hours, to help resolve issues. Few calls require escalation from the customer service department to other management staff for resolution. The Company has no record of complaint(s) received more formally as written complaints or as complaints that needed

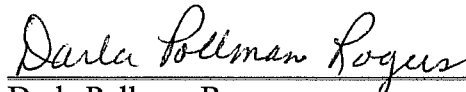
to be resolved with the involvement of other Company representatives outside of the customer service department.

- Also attached as "Exhibit C" is a document containing other certifications, including those required under the provisions of ARSD §§ 20:10:32:54(5), 20:10:32:54(6), 20:10:32:54(7) and 20:10:32:54(8).

8. Based on all of the foregoing information, including the information provided on Exhibits A, B and C, the Company requests that this Commission issue an appropriate certification to the FCC and USAC indicating that Kadoka Telephone Company is in compliance with 47 U.S.C. § 254(e) and should receive all federal universal service support determined for distribution to the Company in 2007. In order to ensure that this certification is issued to the FCC prior to October 1, 2006, the Company would further ask the Commission to expedite the process that is initiated based on this filing.

Dated this 31<sup>st</sup> day of July 2006.

Respectfully submitted,



Darla Pollman Rogers  
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P.O. Box 280  
Pierre, South Dakota 57501-0280

Attorney for Kadoka Telephone Company

CONFIDENTIAL

# [ 1 ]

Exhibit C

EXHIBIT C - AFFIDAVIT

STATE OF SOUTH DAKOTA )
) ss.
COUNTY OF PENNINGTON )

1. I am the General Manager/CEO of Kadoka Telephone Company and am authorized to give this affidavit on behalf of the Company. This affidavit is provided to support the Company's Request for Certification to the South Dakota Public Utilities Commission as contemplated in 47 C.F.R. § 54.314.

2. As an authorized representative of the Company, I 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.

3. During 2005, the Company received federal universal service support as shown on Exhibit A to this affidavit and had investment and expenses relating to the provision, maintenance and upgrading of facilities and services for which such support was intended as also shown on Exhibit A. During 2005, the Company used the federal universal service support it received only for the provision, maintenance and upgrading of facilities and services for which the support was intended consistent with 47 U.S.C. § 254(e).

4. The Company will use the federal universal service support it receives during 2007 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).

5. The Company (i) is in compliance with applicable service quality and consumer protection rules; (ii) is able to function in emergency situations; and (iii) provides equal access to long distance carriers.

George Strandell
George Strandell, General Manager/CEO

Subscribed and Sworn to before me this 27 day of July 2006.

Kathy Swan
NOTARY PUBLIC

My Commission Expires: 8-20-07