



July 31, 2006

Ms. Patty Van Gerpen  
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 Black Hills LLC for Certification  
Regarding Its Use of Federal Universal Service Support

Dear Ms. Van Gerpen:

On behalf of PrairieWave Black Hills, LLC enclosed for electronic filing is the Request for Certification Regarding Its Use of Federal Universal Service Support submitted for Commission approval. The original signed copy will be sent via UPS overnight mail.

Sincerely,

A handwritten signature in blue ink that reads "Dawn Haase".

Dawn Haase  
Legal Assistant

Enclosures

**BEFORE THE  
SOUTH DAKOTA PUBLIC UTILITIES COMMISSION**

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

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PrairieWave Black Hills, LLC. (the “Company”), by and through its attorney, makes this filing requesting 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

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 competitive local exchange telephone company that has previously been designated by this Commission as a Competitive 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 13,807 access lines within its established 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 September 30, 2004 served as competitive eligible telecommunications 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 Competitive 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 years 2006, 2007 and 2008. Consistent with federal universal service principles, the Company will use federal universal service amounts received in those years to offset expenditures for those years. 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 a competitive local exchange carrier willing to accept the carrier of last resort responsibilities 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 Actual Capital Expenditures for 2005 and Estimated 2006 Capital Expenditures are attached as Exhibit B. The Company's "two-year service quality improvement plan," required under the provisions of ARSD 20:10:32:54, is attached hereto as "Exhibit C."

- During calendar year 2005, the Company experienced no service outages affecting at least 10 percent of its end user customers, for a period lasting longer than 30 minutes:
- The Company was able to provide service to all potential customers that requested service during 2005, and as of December 31, 2005, the Company had no unfulfilled requests for service.
- During 2005, 2 complaints were received by PrairieWave Black Hills, LLC.
- Also attached as "Exhibit D" 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, C, and D the Company requests that this Commission issue an appropriate certification to the FCC and USAC indicating that PrairieWave Black Hills, LLC 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 31st day of July 2006.

Respectfully submitted,



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William P. Heaston  
General Counsel

**EXHIBIT A**  
**PrairieWave Black Hills, LLC**

**Year 2005 Federal Universal Service Receipts:**

High Cost Model Support	\$ 162,210
Interstate Access Support	\$ 12,599
Safety Net Additive support	\$
Safety Valve Loop Cost Adjustment	\$ _____
<b>TOTAL</b>	<b>\$ 174,809</b>

**Expenditures For Provision, Maintenance, and Upgrading Of Facilities and Services Supported By Federal Universal Service Funding:**

**Plant Specific Operations Expenses:**

<b>CETC</b>	<b>Actual 2005</b>	<b>Estimated 2006</b>	<b>Estimated 2007</b>	<b>Estimated 2008</b>
<b>Sturgis</b>	<b>\$1,129,260</b>	<b>\$1,747,268</b>	<b>\$1,333,258</b>	<b>\$1,257,272</b>
<b>Spearfish</b>	<b>\$1,584,939</b>	<b>\$2,452,325</b>	<b>\$1,871,254</b>	<b>\$1,764,606</b>
<b>Lead</b>	<b>\$ 413,802</b>	<b>\$ 640,262</b>	<b>\$ 488,554</b>	<b>\$ 460,710</b>
<b>Belle Fourche</b>	<b>\$ 730,719</b>	<b>\$1,130,617</b>	<b>\$ 862,721</b>	<b>\$ 813,552</b>
<b>Deadwood</b>	<b>\$ 358,084</b>	<b>\$ 554,052</b>	<b>\$ 422,771</b>	<b>\$ 398,676</b>
<b>Black Hawk</b>	<b>\$ 474,133</b>	<b>\$ 733,611</b>	<b>\$ 559,784</b>	<b>\$ 527,880</b>
<b>Whitewood</b>	<b>\$ 140,182</b>	<b>\$ 216,898</b>	<b>\$ 165,505</b>	<b>\$ 156,072</b>

**EXHIBIT B – ACTUAL CAPITAL EXPENDITURES AND ESTIMATED 2006**  
 ARSD 20:10:32:43.02

As part of its ongoing plan to upgrade and enhance its network, the Company anticipates the following capital expenditures over the next two years. The Company believes that its planned capital additions will improve the reliability of switched calls for its customers, assure CALEA compliance and increase the Company's network capacity to serve remote customers. The upgraded facilities will also be more cost-effective for the Company to maintain. Any federal high-cost universal service support the Company receives will help defray the following estimated costs for plant improvements and upgrades.

*Provide data for each wire center in the Company's service area where switching, exchange transmission equipment or cable and wire upgrades are planned.*

Wire Center	Description of Capital Improvement	Estimated Population Served by Improvement	Start Date	Completion Date	Capital Expenditure 2005	Estimated Capital Expenditure 2006
STURGIS	OSP/ISP	6,442	Jan 1, 05/06	Dec 31, 05/06	\$250,812	\$145,802
SPEARFISH	OSP/ISP	8,606	Jan 1, 05/06	Dec 31, 05/06	\$248,438	\$210,150
LEAD	OSP/ISP	3,027	Jan 1, 05/06	Dec 31, 05/06	\$ 13,426	\$ 61,008
BELLE FOURCHE	OSP/ISP	4,565	Jan 1, 05/06	Dec 31, 05/06	\$ 13,121	\$106,294
DEADWOOD	OSP/ISP	1,380	Jan 1, 05/06	Dec 31, 05/06	\$ 23,446	\$ 46,487
BLACK HAWK	OSP/ISP	2,432	Jan 1, 05/06	Dec 31,05/06	\$116,339	\$ 92,149
WHITEWOOD	OSP/ISP	844	Jan 1, 05/06	Dec 31,05/06	\$ 29,796	\$ 27,277
TOTAL						\$689,167

Capital improvements are planned in all wire centers.



**EXHIBIT C – TWO-YEAR PLAN**  
 ARSD 20:10:32:43.02

As part of its ongoing plan to upgrade and enhance its network, the Company anticipates the following capital expenditures over the next two years. The Company believes that its planned capital additions will improve the reliability of switched calls for its customers, assure CALEA compliance and increase the Company's network capacity to serve remote customers. The upgraded facilities will also be more cost-effective for the Company to maintain. Any federal high-cost universal service support the Company receives will help defray the following estimated costs for plant improvements and upgrades.

*Provide data for each wire center in the Company's service area where switching, exchange transmission equipment or cable and wire upgrades are planned.*

Wire Center	Description of Capital Improvement	Estimated Population Served by Improvement	Start Date	Completion Date	Estimated Capital Expenditures Each Year	
					2007	2008
STURGIS	OSP/ISP	6,442	Jan 1, 07/08	Dec 31, 07/08	\$147,552	\$149,323
SPEARFISH	OSP/ISP	8,606	Jan 1, 07/08	Dec 31, 07/08	\$212,672	\$215,223
LEAD	OSP/ISP	3,027	Jan 1, 07/08	Dec 31, 07/08	\$ 61,740	\$ 62,481
BELLE FOURCHE	OSP/ISP	4,565	Jan 1, 07/08	Dec 31, 07/08	\$107,570	\$108,861
DEADWOOD	OSP/ISP	1,380	Jan 1, 07/08	Dec 31, 07/08	\$ 47,045	\$ 47,609
BLACK HAWK	OSP/ISP	2,432	Jan 1, 07/08	Dec 31, 07/08	\$ 93,255	\$ 94,373
WHITEWOOD	OSP/ISP	844	Jan 1, 07/08	Dec 31, 07/08	\$ 27,604	\$ 27,935
TOTAL					\$697,438	\$705,805

Capital improvements are planned in all wire centers.

