



September 2, 2008

Via Electronic Filing

Patricia Van Gerpen, Executive Director
South Dakota Public Utilities Commission
500 East Capitol Ave.
Pierre, SD 57501-5070

RE: MIDSTATE TELECOM, Inc., APPLICATION FOR CERTIFICATE OF
AUTHORITY TO PROVIDE INTEREXCHANGE SERVICE IN THE EXCHANGES
SERVED BY QWEST THROUGHOUT SOUTH DAKOTA

Dear Ms. Van Gerpen,

Enclosed please find for filing with the South Dakota Public Utilities Commission (Commission) *Midstate Telecom, Inc.'s (MTI) Application for a Certificate of Authority to Provide Interexchange Service in the Exchanges Served by Qwest throughout South Dakota* (Application), which is submitted for Commission approval. A \$250.00 Commission filing fee has been forwarded with a copy of this Transmittal letter, via overnight delivery.

As required by Commission rules, the Application contains a copy of confidential financial information (balance sheet, income statement, and cash flow for 2007). This information is provided in the attached CONFIDENTIAL Exhibit B (stamped accordingly), therefore MTI requests that the Commission treat CONFIDENTIAL Exhibit B as confidential information, to be reviewed by Commission staff only and not to be released to the public.

Please acknowledge receipt of this filing via electronic mail.

If you have any questions regarding this filing, please contact me at (605) 995-1750. Thank you in advance for your consideration of this request.

Sincerely,

Doug Eidahl
Vantage Point Solutions

Enclosures

cc: Mark Benton, Midstate Telecom, Inc.

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

**IN THE MATTER OF THE APPLICATION OF)
MIDSTATE TELECOM, INC., FOR A CERTIFICATE)
OF AUTHORITY TO PROVIDE INTEREXCHANGE)
SERVICE IN THE EXCHANGES SERVED)
BY QWEST THROUGHOUT SOUTH DAKOTA)**

Docket No. _____

APPLICATION FOR CERTIFICATE OF AUTHORITY

Pursuant to the provisions of SDCL 49-31-3 and ARSD 20:10:24:02, MIDSTATE TELECOM, Inc., (MTI) hereby applies for a Certificate of Authority to provide interexchange services in South Dakota exchanges served by Qwest.

1. The applicant's name, address, telephone number, facsimile number, web page URL, and E-mail address.

MIDSTATE TELECOM, Inc.
200 S. Paul Gust Road #108
Chamberlain, SD 57325
Phone: (605) 234-8000
Fax: (605) 231-8080
Web Site: midstatesd.net
Email: mbenton@midstatesd.net

2. A description of the legal and organizational structure of the applicant's company.

MTI is a South Dakota corporation and a wholly owned subsidiary of Midstate Communications, Inc. (MCI), located in Kimball, SD. MTI has no subsidiaries or affiliates.

3. The name under which the applicant will provide interexchange services if different than in subdivision (1) of this section.

MTI will provide interexchange services under Midstate Long Distance.

4. A copy of the applicant's certificate of authority to transact business in South Dakota from the Secretary of State.

A copy of MTI's certificate of authority to transact business in South Dakota is attached to this application as **Exhibit A**.

5. The location of the applicant's principal office, if any, in this state and the name and address of its current registered agent, if applicable.

MTI's principal office is stated in subdivision (1). MTI's current registered agent is Mark D. Benton, whose address is 120 East 1st Street, Kimball, SD 57355.

6. A list and specific description of the telecommunications services the applicant intends to offer.

MTI provides the following services:

- interexchange services
- operator services
- directory assistance
- access to Telecommunications Relay Service
- toll and 900 number blocking
- special circuits
- other interLATA/intraLATA interexchange services

7. A detailed statement of how the applicant will provide its services.

MTI will purchase wholesale long distance minutes of use from interexchange carrier vendors interconnected to South Dakota Network (SDN) where SDN will pass the traffic for origination and termination of the calls.

8. A service area map or narrative description indicating with particularity the geographic area proposed to be served by the applicant.

MTI currently serves within the boundaries of the Chamberlain-Oacoma Qwest exchange consistent with the current exchange maps on file with the Commission. MTI may expand its interexchange services to other Qwest exchanges in the future.

9. **For the most recent 12 month period, financial statements of the applicant including a balance sheet, income statement, and cash flow statement. The applicant shall provide audited financial statements, if available.**

See CONFIDENTIAL Exhibit B attached to this application.

10. **The names, addresses, telephone number, facsimile number, E-mail address, and toll free number of the applicant's representatives to whom all inquiries must be made regarding complaints and regulatory matters and a description of how the applicant handles customer service matters.**

Mark Benton, General Manager
Midstate Telecom, Inc.
200 S. Paul Gust Road #108
Chamberlain, SD 57325
Phone: (605) 234-8000
Fax: (605) 231-8080
After Hours: (605) 778-1000 (Technical Support Line)
Email: mbenton@midstatesd.net

MTI has a customer service office in Chamberlain with staff to handle all customer service issues or complaints. (Customers may also send complaints to the MTI address in subdivision (1), above.) The office is open during normal business hours, 8 am to 5 pm Monday through Friday (also open through the lunch hour). Customers are given access to an after-hours tech support call center number. Our end users are currently all local; therefore a toll free number is not necessary at this time. The call center is able to contact and dispatch MTI staff for any after-hour emergencies as needed. MTI staff performs all required maintenance and complies with the Commission's quality of service requirements.

11. **Information concerning how the applicant plans to bill and collect charges from customers.**

MTI mails a monthly bill to its customers on the last day of the month for all services. The bill requires payment by the 20th of the next month or it will be considered a late payment. Although exempt from the Commission's billing, collections and credit rules under SDCL 49-31-5.1, MTI generally follows them.

12. Information concerning the applicant's policies relating to solicitation of new customers and a description of the efforts the applicant shall use to prevent the unauthorized switching of interexchange customers.

MTI markets services directly to current and potential residential and business customers. Marketing includes a variety of methods, such as direct mail, billboards, newspaper, direct sales, web site, and radio. MTI utilizes established customer authorization procedures in full compliance with the FCC rules and requirements for all new customers in order to prevent unauthorized switching of interexchange customers.

13. Information concerning how the applicant will make available to any person information concerning the applicant's current rates, terms, and conditions for all of its telecommunications services.

For our MTI end user customers, we have a pricing guide in place, along with customer brochures available at our office; our toll services and pricing information are also posted on our website at www.midstatesd.net.

14. Information concerning how the applicant will notify a customer of any materially adverse change to any rate, term, or condition of any telecommunications service being provided to the customer. The notification must be made at least thirty days in advance of the change.

If end user rates for toll services are adjusted, we will notify the customer in writing of the revisions at least 30 days prior to the change via billing notices such as bill messages or bill inserts and the rates will be posted on our website at www.midstatesd.net.

15. **A list of the states in which the applicant is registered or certified to provide telecommunications services, whether the applicant has ever been denied registration or certification in any state and the reasons for any such denial, a statement as to whether or not the applicant is in good standing with the appropriate regulatory agency in the states where it is registered or certified, and a detailed explanation of why the applicant is not in good standing in a given state, if applicable.**

MTI is not authorized to provide service in any other states. It provides service only in South Dakota. MTI has never been denied certification in any state. MTI is in good standing with the South Dakota Public Utilities Commission.

16. **A description of how the applicant intends to market its services, its target market, whether the applicant engages in any multilevel marketing, and copies of any company brochures used to assist in the sale of services.**

MTI markets services directly to current and potential residential and business customers. Marketing includes a variety of methods, such as, direct mail, billboards, newspaper, web site, and radio. MTI does not engage in any multilevel marketing. Please see **Exhibit C** attached to this application for a copy of a brochure that includes marketing information for our long distance services.

17. **Federal tax identification number and South Dakota sales tax number.**

MTI's federal tax identification number is 46-0459319 and its South Dakota sales tax number is 07-001-460459319E-ST-001.

18. **The number and nature of complaints filed against the applicant with any state or federal regulatory commission regarding the unauthorized switching of a customer's telecommunications provider and the act of charging customers for services that have not been ordered.**

MTI has never had any complaints filed against them in any state or federal agency for the unauthorized switching of carriers or for charging customers for services not ordered.

19. **A written request for waiver of those rules the applicant believes to be inapplicable.**

MTI does not request any waivers.

20. **Other information requested by the commission needed to demonstrate that the applicant has sufficient technical, financial, and managerial capabilities to provide the interexchange services it intends to offer consistent with the requirements of this chapter and other applicable rules and laws.**

The information provided herein and all exhibits fully describe MTI's ability to provide high quality telecommunications interexchange services to South Dakota consumers. MTI demonstrates herein that it has the technical, financial and managerial skills to offer interexchange services in South Dakota and that such services will be in the public interest.

MTI will notify the commission of any changes in subdivisions (1), (3), (5), and (10) if they occur.

WHEREFORE, MTI hereby requests that the Public Utilities Commission enter an order granting a certificate of authority to MTI to provide interexchange services in South Dakota exchanges served by Qwest.

Respectfully submitted this 11th day of September, 2008.

Midstate Telecom, Inc.

By: _____



Mark Benton
General Manager