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May 29, 2009

Ms. Patricia Van Gerpen  
SD Public Utilities Commission  
500 E Capitol Ave  
Pierre SD 57501

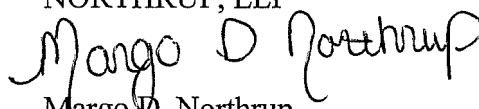
RE: In the Matter of the Request of Sioux Valley Telephone Company for  
Certification Regarding Its Use of Federal Universal Service Support

Dear Patty:

Attached for electronic filing, please find Sioux Valley Telephone Company's  
("Sioux Valley") Annual ETC Certification Filing with Confidential Exhibits A & B and Exhibit  
C and Sioux Valley's Lifeline/Link Up Annual Report, in the above entitled matter.

If you have any questions, please contact me.

Sincerely yours,  
RITER, ROGERS, WATTIER, &  
NORTHROP, LLP

By:   
Margo D. Northrup

MDN/ed  
Enclosure  
cc: Client

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**BEFORE THE  
SOUTH DAKOTA PUBLIC UTILITIES COMMISSION**

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<b>IN THE MATTER OF THE REQUEST OF )</b>	
<b>SIOUX VALLEY TELEPHONE )</b>	
<b>COMPANY FOR CERTIFICATION )</b>	<b>ANNUAL ETC CERTIFICATION</b>
<b>REGARDING ITS USE OF FEDERAL )</b>	<b>FILING</b>
<b>UNIVERSAL SERVICE SUPPORT. )</b>	

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Sioux Valley 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 provisions of ARSD §§ 20:10:32:52 and 20:10:32:54 of the Commission's rules pertaining to eligible telecommunications carriers ("ETCs").

In accordance with 47 C.F.R. § 54.314, federal universal service support provided to carriers pursuant to 47 C.F.R. §§ 54.301, 54.305 and/or 54.307 and/or Part 36, Subpart F (high-cost loop support, local switching support, safety net additive support and safety valve support) will be made available only if the State Commission files the requisite annual certification with the FCC and USAC. The certification required specifically for rural carriers to receive federal universal service support for all four quarters during calendar year 2010 is currently due to be filed with the FCC and USAC on or before October 1, 2009. 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.

As part of its annual request to the Commission for certification, the Company provides the following information:

1. 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 4,683 access lines within its established rural service area in South Dakota.

2. 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, the

Company's 2008 federal universal service receipts are reflected on Confidential Exhibit A hereto (presented as part of the Company's "Progress Report."). This same Confidential Exhibit also shows total expenditures of the Company in 2008 related to the provision, maintenance and upgrading of the facilities and services that are supported by federal universal service funding. In addition, to the extent changes have occurred, to date, with respect to the Company's planned 2009 investments noted in last year's two-year plan, the changes are referenced in that Confidential Exhibit. Estimates of the expenditures to be made by the Company for calendar year 2010, related to the provision, maintenance, and upgrading of facilities and services supported by federal universal service, are provided on Confidential Exhibit B hereto as part of the Company's current Two-Year Plan. Consistent with federal universal service principles, the Company will use federal universal service amounts received in 2010 to offset a portion of these 2010 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.

3. In addition to the information included in Confidential Exhibits A and B, the following information is provided to meet the Commission's "Certification requirements" set forth in § 20:10:32:54:

- During calendar year 2008, 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 2.8 percent of total access lines.
- The Company was able to provide service to all potential customers that requested service during 2008, and as of December 31, 2008, the Company is not aware of any unfulfilled requests for service.
- During 2008, the Company's customer service department averaged approximately 1,182 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(6), 20:10:32:54(7), 20:10:32:54(8) and 20:10:32:54(9).

4. Based on all of the foregoing information, including the information provided on Confidential Exhibits A, B and Exhibit C, the Company requests that this Commission issue an appropriate certification to the FCC and USAC indicating that Sioux Valley 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 2010. In order to ensure that this certification is issued to the FCC prior to October 1, 2009, the Company would further ask the Commission to expedite the process that is initiated based on this filing.

Dated this 29<sup>th</sup> day of May 2009.

Respectfully submitted,

  
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