
From: Dave Bickett [<mailto:dave.bickett@parkregion.com>]
Sent: Tuesday, August 07, 2012 12:14 PM
To: Jacobson, David; johnsonr@moss-barnett.com
Cc: Semmler, Kara; Mary Jo Biegler
Subject: RE: TC12-050 Valley Telephone Company ETC/USF certification

Good afternoon Mr. Jacobson.

We have provided response to the questions you posed regarding Valley Telephones request for ETC/USF certification. Any questions let me know. Thanks.

Dave Bickett, GM/CEO

Park Region Mutual Telephone/Otter Tail Telcom/Valley Telephone

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From: David.Jacobson@state.sd.us [mailto:David.Jacobson@state.sd.us]

Sent: Monday, August 06, 2012 3:33 PM

To: dave.bickett@parkregion.com; johnsonr@moss-barnett.com

Cc: Kara.Semmler@state.sd.us

Subject: TC12-050 Valley Telephone Company ETC/USF certification

Mr. Bickett:

Following are questions regarding your request for ETC/USF certification from the South Dakota PUC.

1. Page 2 of your application refers to the practice of allocating amounts to South Dakota based on the number of access lines. Exhibit A shows actual 2011 HCL receipts allocated to South Dakota as \$25,787. USAC shows a total company amount of \$87,276 resulting in an allocation factor to South Dakota of 29.5%. Page 2 also shows a South Dakota local switching amount of \$18,378, while the USAC total company amount is \$84,528 resulting in an allocation factor to South Dakota of 21.7%. Please explain this difference in allocated amounts.

The difference is related to using the company general ledger balance verses using the amount reported on the USAC website. Our general ledger balance for HCL was \$87,276 which is the same as the USAC website. However on our books we have recorded total LSS on \$93,345, and the MN portion was based off of that at 71%, and the remaining balance for SD was a true-up to the USAC amount.

2. Please explain why Local Switching Support is not expected to be received in 2013. Due to the FCC order, Local Switching Service is to be eliminated 7/1/2012.

3. With the understanding that next year companies will be faced with more USF certification requirements, what is Valley currently doing to prepare for these new standards?

Let me start by saying all of Valley's customers have access to broadband – 100%

We are currently establishing distance in the loops to homes from our fiber nodes to best determine where USF dollars are best spent to either 1) place a fiber node closer to shorten drop length allowing for higher broadband speeds 2) replace electronics in the node allowing for higher speeds 3) continue the deployment of fiber to the home

With these three ongoing initiatives, it is our intent to file electronic maps detailing our plans. These plans will need to be subject to change depending on unexpected expenditures due to population growth, unplanned facility moves, unforeseen equipment failures, etc.

4. Specifically, what are Valley's future broadband plans?

As mentioned under question 3, Valleys broadband plans remain the same. Continue to invest all cash flow into the network serving our customers to in order to provide maximum broadband speeds company wide, as economically as possible, with fiber to the home the goal for drops to consumers.

If you have any questions regarding the above, please reply or contact me at the Commission.

Thank you,
Dave Jacobson
SDPUC

