

**BEFORE THE
SOUTH DAKOTA PUBLIC UTILITIES COMMISSION**

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| IN THE MATTER OF THE REQUEST OF) KENNEBEC TELEPHONE CO., INC. FOR) CERTIFICATION REGARDING ITS USE) OF FEDERAL UNIVERSAL SERVICE) SUPPORT.) | ANNUAL ETC CERTIFICATION FILING |
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Kennebec Telephone Co., Inc. (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 high cost support provided to carriers pursuant to 47 C.F.R. § 54.305, 54.307, 54.312, 54.801 through 54.806 and/or 54.901 through 54.903 and/or Part 36, Subpart F (Interstate Access Support, Interstate Common Line Support/Connect America Fund Broadband Loop Support, Connect America Fund ICC Support, High-Cost Loop 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 high cost universal service support for all four quarters during calendar year 2018 is currently due to be filed with the FCC and USAC on or before October 1, 2017. 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 high cost 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: (A) local exchange voice services to approximately 653 access lines; and (B) broadband services to approximately 443 customer locations within its established rural service area(s), study area(s) in South Dakota. These services include all the essential services that are included in the federal definition of universal service.

2. The provisions of ARSD § 20:10:32:54 addressing the annual “Certification requirements” adopted by this Commission require a progress report on any previously filed service quality improvement plan. Thus, Kennebec Telephone Co., Inc. files as Exhibit A hereto its progress report. The provisions of ARSD §20:10:32:54 in part ask for information on “how much universal service support was received” by the ETC. Accordingly, Exhibit A includes the Company’s 2016 federal universal service receipts. This same Exhibit also shows total expenditures made by the Company in 2016 relating to the provision, maintenance and upgrading of facilities and services for which universal service support is intended under federal law. In addition, to the extent that the Company’s actual capital investments in 2016 differ from the 2016 planned investment information previously provided to this Commission, the

differences are noted in Exhibit A. Finally, Exhibit A, per the provisions of ARSD §20:10:32:54(2) includes additional information detailing progress made toward meeting 2016 service quality improvement plan targets, providing an explanation regarding any network improvement targets that were not met.

3. Last year, the Company provided as part of its annual certification filing a copy of its 2016 "Form 481" filed with the FCC pursuant to 47 C.F.R. §§ 54.313 and 54.422 and the Company has also previously provided to this Commission a copy of its "five-year service quality improvement plan" as submitted to the FCC. This five-year plan provided estimates of expenditures to be made by the Company for calendar years 2015 through 2019, related to the provision, maintenance, and upgrading of facilities and services for which universal service support is intended. The five-year plan on file with the FCC is now resubmitted to this Commission as Exhibit B and the Company requests that years 2017 and 2018 of such plan be accepted as the "two-service quality improvement plan" required by ARSD §20:10:32:54(1).

4. The Company is using federal high cost universal service support amounts thus far received in 2017 to meet the objectives identified in its service quality improvement plans and will continue to do so with respect to universal service amounts received in 2018. This use of federal universal service support will enable the Company to: (A) 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 (B) upgrade its telecommunications facilities and equipment as necessary to meet evolving service requirements, including those related to broadband services, and maintain high quality service. The use of federal high cost universal service support for these purposes is clearly consistent with the federal universal service provisions.

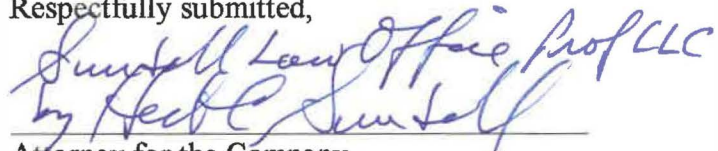
5. The attached Exhibit B also includes a copy of Kennebec Telephone Co., Inc.'s FCC Form 481 filing. The information in this Form, specifically as set forth on lines 220, 300-330 and 400-450, meets the state requirements established by ARSD §§ 20:10:32:54(3), 20:10:32:54(4) and 20:10:32:54(5).

6. Lastly, also attached is Exhibit C a document containing the certifications required under the provisions of ARSD §§ 20:10:32:54(6) and 20:10:32:54(7). The remaining ETC certification rule provisions found in ARSD §§ 20:10:32:54(8) and 20:10:32:54(9) have by Order been waived by this Commission.

7. Based on all the foregoing information, including all information provided within Exhibits A, B, and C (attached hereto), the Company requests that this Commission issue an appropriate certification to the FCC and USAC indicating that Kennebec Telephone Co., Inc. is in compliance with 47 U.S.C. § 254(e) and should receive all federal high cost universal service support determined for distribution to the Company in 2018. In order to ensure that this certification is issued to the FCC prior to October 1, 2017, the Company would further ask the Commission to expedite the process, to the extent needed to meet such deadline.

Dated this 15th day of June 2017.

Respectfully submitted,



Attorney for the Company