

**BEFORE THE
SOUTH DAKOTA PUBLIC UTILITIES COMMISSION**

IN THE MATTER OF THE REQUEST OF

MIDSTATE COMMUNICATIONS, INC.

) **ANNUAL ETC**
) **CERTIFICATION**
) **FILING**

**FOR CERTIFICATION REGARDING ITS USE OF
FEDERAL UNIVERSAL SERVICE SUPPORT.**

Midstate Communications, Inc., a South Dakota corporation (*the "Company"*), by and through its attorney, makes this filing to seek certification from the South Dakota Public Utilities Commission (the "Commission") 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 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 2019 is currently due to be filed with the FCC and USAC on or before October 1, 2018. 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 5,686 access lines; and (B) broadband services to approximately 3,896 customer locations within its established rural service areas and study areas 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, the Company 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 2017 federal universal service receipts. This same Exhibit also shows total expenditures made by the Company in 2017 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 2017 differ from the 2017 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 2017 service quality improvement plan targets, providing an explanation regarding any network improvement targets that were not met.

3. The Company previously provided to this Commission a copy of its "five-year service quality improvement plan" as submitted to the FCC. This five-year plan includes estimates of expenditures to be made by the Company for calendar years 2015 through 2019. At this time, however, consistent with the Commission's Order Waiving ETC Certification Requirements issued on April 5, 2018 in Docket AA18-01, the Company also provides the Commission with a "two-year service quality improvement plan" as required by ARSD § 20:10:32:54(1) including planned expenditures for calendar years 2019 and 2020 relating to the provision, maintenance, and upgrading of facilities and services for which universal service support is intended.

4. The Company is using federal high cost universal service support amounts thus far received in 2018 to meet the objectives identified in previously filed service quality improvement plans and will continue to do so with respect to universal service amounts received in 2019. 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. 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.

6. Based on all the foregoing information, including all information provided within Exhibits A, B, C, and D (attached hereto), the Company requests that this Commission issue an appropriate certification to the FCC and USAC indicating that the Company is in compliance with 47 § 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, 2018, the Company would further ask the Commission to expedite this process, to the extent needed to meet such deadline.

Dated this 28th day of June 2018.

Respectfully submitted,

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