



DIVIDER

STATE OF NORTH DAKOTA
INFORMATION TECHNOLOGY DEPARTMENT
SFN 2053 (4-2002)

DESCRIPTION

PU-04-546
Midcontinent Communications
Local Exchange
Public Convenience & Nece
Filed 10/6/2004 Closed 1/28/2005

04

STATE OF NORTH DAKOTA
PUBLIC SERVICE COMMISSION

(case title and number)

Mediantus Commencement PC & N Appeal
PU-04-546

PROTECTIVE AGREEMENT

I understand that the Commission has granted Trade Secret protection to certain information filed by *Mediantus Commencement* in the captioned matter. I agree to keep the designated information confidential and to be bound by the terms of this agreement, North Dakota Administrative Code chapter 69-02-09, and any Commission order regarding trade secret protection issued in this case.

I intend to review the following trade secret information:

Financial Information

Dated: *11-2-04*

[Signature]

(signature of person reviewing information)

WARNING: A violation of this agreement may subject the violator to civil and criminal liability.

cgclprotagmt

Trade Secret Material shredded

by Public Service Commission

02/16/2006C Comm Legal Ilona Jerry Annette Mike



Public Service Commission
Receipt of Payment

Receipt# 6203

Received 4/4/2005 Check# 33648 for \$142 52
Subject Utility Valuation pd for Midcontinent Comm

Docket # PU-04-546

Pearce & Durick
314 E Thayer Ave PO Box 400
Bismarck ND 58501

30 PU-04-546

Pages 1

Receipt# 6,203 \$142 52

by Pearce & Durick

04/04/2005



APPROVED

DATE: 3-23-05
KMF

MOTION

March 23, 2005

Midcontinent Communications
Local Exchange
Public Convenience and Necessity

Case No. PU-04-546

I move the Commission bill Midcontinent Communications for costs incurred to date in Case No. PU-04-546, Midcontinent Communications, Local Exchange, Public Convenience and Necessity.



Public Service Commission

State of North Dakota

COMMISSIONERS

Tony Clark, President
Susan E Wefald
Kevin Cramer

Executive Secretary
Illona A Jeffcoat-Sacco

600 E Boulevard Ave Dept 408
Bismarck, North Dakota 58505-0480
web www.psc.state.nd.us
e-mail ndpsc@state.nd.us
TDD 800-366-6888
Fax 701-328-2410
Phone 701-328-2400

March 23, 2005

Patrick W Durick
Pearce & Durick
PO Box 400
Bismarck ND 58502-0400

RE: Case No. PU-04-546
Midcontinent Communications
Local Exchange
Public Convenience and Necessity

Enclosed is a copy of the statement approved at the March 23, 2005 Public Service Commission meeting for the expenses incurred to date in Case No. PU-04-546.

Under N.D C.C. 49-21-01 7, these expenses are billed through the Valuation Fund and must be paid for by the telecommunications company involved.

Please make your check payable to the *Public Service Commission*

Sincerely,


Gloria Geiger
Admin Staff Officer
701-328-2401

Enc.

Billing Statement

March 23, 2005

Midcontinent Communications
Local Exchange
Public Convenience and Necessity

Case No. PU-04-546

Bill To:

Midcontinent Communications \$142.52

Expenses Incurred to Date:

Advertising Costs \$142 52

Send Payment and a Copy of this Statement To:

Public Service Commission
600 E Boulevard Ave Dept 408
Bismarck ND 58505-0480

Federal Tax ID 45-0309764

STATE OF NORTH DAKOTA
PUBLIC SERVICE COMMISSION

Midcontinent Communications
Local Exchange
Public Convenience and Necessity

Case No. PU-04-546

AFFIDAVIT OF SERVICE BY CERTIFIED MAIL

STATE OF NORTH DAKOTA
COUNTY OF BURLEIGH

Sharon Helbling deposes and says that

she is over the age of 18 years and not a party to this action and, on the **27th day of January, 2005**, she deposited in the United States Mail, Bismarck, North Dakota, **two** envelopes with certified postage, return receipt requested, fully prepaid, securely sealed and each containing a photocopy of

Order

The envelopes were addressed as follows

Patrick W Durick
Pearce & Durick
314 E Thayer Ave
Bismarck ND 58502
Cert. No. 7003 2260 0001 3517 9411

Don Negaard
Pringle & Herigstad
P O Box 1000
Minot ND 58702-1000
Cert. No. 7003 2260 0001 3517 9442

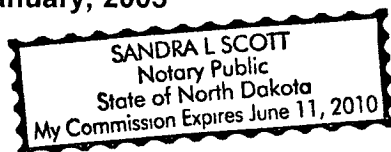
Sharon Helbling further deposes and says that on the **27th day of January, 2005**, she deposited in the United States Mail, Bismarck, North Dakota, **one** envelope by regular mail, with postage fully prepaid, securely sealed, each containing a photocopy of the same

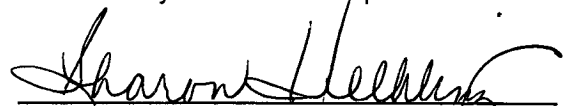
Mary Lohnes
Midcontinent Communications
410 S Phillips Ave
Sioux Falls SD 57104

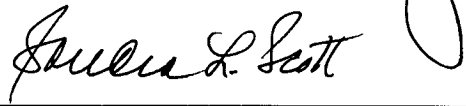
Each address shown is the respective addressee's last reasonably ascertainable post office address

Subscribed and sworn to before me
this **27th day of January, 2005**

SEAL







Notary Public

28 PU-04-546 Pages 1

Affidavit of Service

by Public Service Commission

01/27/2005C Comm Legal Ilona Jerry Annette Mike



Public Service Commission
State of North Dakota

COMMISSIONERS

Tony Clark, President
Susan E Wefald
Kevin Cramer

Executive Secretary
Illona A Jeffcoat-Sacco

600 E Boulevard Ave Dept 408
Bismarck, North Dakota 58505-0480
web www.psc.state.nd.us
e-mail ndpsc@state.nd.us
TDD 800-366-6888
Fax 701-328-2410
Phone 701-328-2400

January 27, 2005

Patrick Durick
Pearce & Durick
314 E Thayer Ave
Bismarck ND 58502

Dear Mr. Durick:

On January 26, 2005, the Commission issued Certificate of Public Convenience and Necessity No. 5182 to Midcontinent Communications to provide local exchange telecommunications services, with facilities, throughout North Dakota, Case No. PU-04-546.

The original certificate is enclosed for your files.

If you have any questions, please call me at 701-328-4076.

Sincerely,


Sharon Helbling
Public Utilities Division

sdh

Enclosures

MOTION

DATE 1-26-05 **January 26, 2005**
KME

**Midcontinent Communications
Local Exchange
Public Convenience and Necessity**

Case No. PU-04-546

I move the Commission adopt the Order granting the application of Midcontinent Communications for a certificate of public convenience and necessity to provide telecommunication services in North Dakota.

JRL/sdh

**STATE OF NORTH DAKOTA
PUBLIC SERVICE COMMISSION**

**Midcontinent Communications
Local Exchange
Public Convenience and Necessity**

Case No. PU-04-546

ORDER

January 26, 2005

On October 6, 2004, Midcontinent Communications (Midcontinent), formerly Midco Communications, Inc. (Midco) d/b/a Midcontinent Communications of Sioux Falls, SD filed an application, amended November 30, 2004, for a certificate of public convenience and necessity to provide facilities-based competitive local exchange telecommunication services throughout North Dakota.

On December 1, 2004, the Commission issued a Notice of Opportunity for Hearing that provided until January 4, 2005 for receiving comments or hearing requests. In accordance with North Dakota Century Code chapter 49-03.1 and North Dakota Administrative Code section 69-09-05-11(3), the Commission's notice identified the following issues to be considered in this matter:

1. Fitness and ability of the applicant to provide service.
2. Adequacy of the proposed service.
3. Technical, financial and managerial ability of the applicant to provide service.

On January 3, 2005, the Rural Telephone Company Group (RTCG) filed comments requesting limitations to preserve the rural exemption under 47 U.S.C. 251 (f). RTCG stated it did not oppose the application and was not requesting a hearing.

On January 11, 2005, the Public Service Commission's Director of Accounting filed a memorandum indicating that Midcontinent has the financial ability to provide service.

On January 12, 2005, the Commission discussed the issues in this matter with the applicant and Commission staff at an informal hearing.

On August 11, 1999, Midco was issued certificates of public convenience and necessity, under the trade name Midcontinent Communications, authorizing the provision of competitive local exchange service in Qwest exchanges. Following a series of corporate reorganizations, Midcontinent is now the successor to Midco. Midcontinent requests that the certificates previously issued to Midco be cancelled and that Midcontinent be granted certificates for statewide authority.

Midcontinent is a South Dakota general partnership owned equally by Midcontinent Communications Investor LLC, a SD Limited Liability Company, and TCI Midcontinent, LLC, a Delaware Limited Liability Company. Midcontinent provides cable television, competitive local and long distance telephone service, high-speed Internet

access, cable advertising, and data network services to more than 200 communities in North and South Dakota, Northern Nebraska and Minnesota. Midcontinent and its predecessors have been serving this region for more than 60 years.

Midcontinent reports that it is not planning any changes to the telephone services of existing customers and proposes to adopt the Midco price schedules currently on file with the Commission.

Midcontinent intends to continue offering competitive local exchange services using UNE-P and resale products. Midcontinent states that it plans to collocate facilities in Bismarck and may eventually purchase or construct switching and/or transmission facilities throughout the state.

Exhibit B to the application provides biographical information indicating that Midcontinent's senior management team has the ability to provide service and that many of the managers were also employed by Midco.

The Commission finds Midcontinent's proposed service adequate.

The Commission finds Midcontinent is fit, able, and has the technical, financial and managerial ability to provide service.

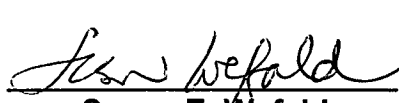


In this Case, as in other cases in which statewide authority was requested, the Commission will adhere to the precedent established in the AT&T certificate case, Case No. PU-453-96-83. In AT&T, the Commission held that its determination of the public interest with regard to the service territories of rural telephone companies is subject to any future proceedings under Section 251(f)(1) or (2) of the Telecommunications Act of 1996 (47 U.S.C. §251(f)(1) or (2)). The Commission also held that granting the certificate on a statewide basis is not a ruling that affects the rights of specific rural telephone companies under 47 U.S.C. §251(f).

Order

The Commission Orders:

1. The application of Midcontinent Communications for a certificate of public convenience and necessity to provide facilities-based competitive local exchange telecommunications services throughout North Dakota is GRANTED.
2. The certificates previously issued to Midco under the trade name Midcontinent Communications are canceled.

PUBLIC SERVICE COMMISSION

 _____ Susan E. Wefald Commissioner	 _____ Tony Clark President	 _____ Kevin Cramer Commissioner
---------------------------------------------------------------------------------------------------------------------------------	-------------------------------------------------------------------------------------------------------------------------	-------------------------------------------------------------------------------------------------------------------------------

Public Service Commission
STATE OF NORTH DAKOTA

Certificate of Public Convenience and Necessity

Certificate Number 5182

This is to certify that public convenience and necessity require, and permission is granted for Midcontinent Communications, a telecommunications public utility, to provide statewide local exchange telecommunications services, with facilities, in North Dakota.

This certificate is issued in Case No. PU-04-546 and is conditioned upon Midcontinent Communications securing the franchise or other authority of the proper municipal or other authority for the exercise of these rights and privileges.

Bismarck, North Dakota, January 26, 2005.

ATTEST:

PUBLIC SERVICE COMMISSION


Executive Secretary


Commissioner

North Dakota Public Service Commission
INFORMAL HEARING
January 12, 2005

Midcontinent Communications
Local Exchange
Public Convenience & Necessity

PU-04-546
Filed: 10/6/04

Summary of Proposal: Midcontinent Communications (Midcontinent), formerly Midco Communications, Inc. (Midco) d/b/a Midcontinent Communications, of Sioux Falls, SD has filed an application, amended November 30, 2004, for a certificate of public convenience and necessity to provide facilities-based competitive local exchange telecommunication services throughout North Dakota.

Procedural History: On December 1, 2004 the Commission issued a Notice of Opportunity for Hearing, which provided until January 4, 2005 for receiving comments or hearing requests regarding the instant application for a certificate of public convenience and necessity. On January 3, 2005 the Rural Telephone Company Group filed comments requesting that any order granting authority on a state-wide basis include language to preserve the "rural safeguard" rights of rural telephone companies under 47 U.S.C. 251(f). No requests for hearing have been received.

Discussion: On August 11, 1999, Midco was issued certificates of public convenience and necessity authorizing the provision of competitive local exchange service in Qwest exchanges. Following a series of corporate reorganizations, Midcontinent is now the successor to Midco. Midcontinent requests that the certificates previously issued to Midco be cancelled and that Midcontinent be granted certificates for statewide authority. Midcontinent has a reseller registration pending in Case No. PU-04-546

Midcontinent is a South Dakota general partnership owned equally by Midcontinent Communications Investor LLC, a SD Limited Liability Company, and TCI Midcontinent, LLC, a Delaware Limited Liability Company. Midcontinent provides cable television, competitive local and long distance telephone service, high-speed Internet access, cable advertising, and data network services to more than 200 communities in North and South Dakota, Northern Nebraska and Minnesota. Midcontinent and its predecessors have been serving this region for more than 60 years.

Midcontinent reports that it currently provides competitive local exchange service to approximately 62,622 access lines, of which 8,499 are in North Dakota. The majority of these customers are residential. Midcontinent is not planning any changes to the telephone services of these customers and proposes to adopt the Midco price schedules currently on file with the Commission. No tariff changes

will be needed as Midco operated under the trade name of Midcontinent Communications.

Midcontinent intends to continue offering competitive local exchange services using UNE-P and resale products. Midcontinent states that it plans to collocate facilities with Qwest in Bismarck and may eventually purchase or construct switching and/or transmission facilities throughout the state.

Exhibit B to the application provides biographical information indicating that Midcontinent's senior management team has the ability to provide service and that many of the managers were also employed by Midco.

A limited staff financial review (see staff memo dated January 11, 2005) indicated that Midcontinent has access to sufficient equity to provide service in North Dakota.

Recommendation: I recommend approval.

Prepared by: Jerry Lein

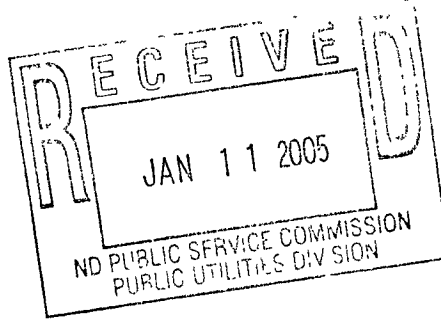


WILLIAM P. PEARCE
 PATRICK W. DURICK
 B. TIMOTHY DURICK
 GARY R. THUNE
 DAVID E. REICH
 JEROME C. KETTLESON
 LARRY L. BOSCHEE •
 LAWRENCE BENDER, P.C. •
 JONATHAN P. SANSTEAD
 BONNIE L. CHRISTNER •

ATTORNEYS AT LAW
 314 EAST THAYER AVENUE
 P.O. BOX 400
 BISMARCK, NORTH DAKOTA 58502

TELEPHONE (701) 223-2890
 FAX (701) 223-7865
 E-MAIL law.office@pearce-durick.com

January 11, 2005



HAND DELIVERED

Mr. Mike Diller
 Public Service Commission
 Capitol
 600 East Boulevard Avenue
 Bismarck, North Dakota 58505

RE: Midcontinent Communications, a South Dakota Partnership
 Application for Certificate of Public Convenience

Dear Mr. Diller.

Enclosed for filing with the Commission is an original and seven (7) copies of an Affidavit of W. Tom Simons in support of the captioned Application for a Certificate of Public Convenience for Midcontinent Communications, Inc. The Application is on the Commission's Informal Hearing Agenda for Wednesday, January 12, 2005.

Should you have any questions concerning this filing, please contact me.

Sincerely,

PEARCE & DURICK


 PATRICK W. DURICK

PWD/jf
 Enclosures.
 cc w/enc: Ms. Mary Lohnes

5. A copy of Applicant's latest Financial Statements and Report of Independent Certified Public Accountants ("Financial Statement") has been filed with the Commission. This Financial Statement of Applicant demonstrates that Applicant is financially qualified to provide local exchange service throughout the state of North Dakota.

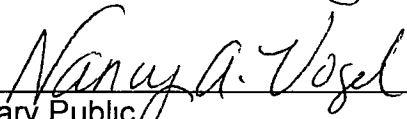
6. Applicant has an excellent senior management team, having extensive experience and competence in telephone engineering, operations and marketing. A significant number of Applicant's senior managerial team were employed by Midco Communications in North Dakota and those managers have experience in providing telecommunications services. The names and biographies of Applicant's senior management team are attached to the Application herein.

7. Applicant proposes to offer local exchange telecommunications service to customers throughout the state of North Dakota utilizing combinations of unbundled network elements (UNEs), specifically the unbundled network element platform ("UNE-P") and resale products purchased from the incumbent local exchange provider. Service will feature basic local lines and associated features (i.e., touch tone dialing, 911 access, and custom calling features). The Applicant also has plans to build facilities and collocate with Qwest in Bismarck. As its market presence grows, Applicant may re-evaluate its network configuration and undertake alternative plans, possibly to include the purchase or construction of switching and/or transmission facilities throughout the state of North Dakota.

8 Applicant acknowledges its obligation to aid in attaining the goal of universal local service, to the extent non-discriminatory, competitively neutral universal funding mechanisms are established by the Commission. The goal will be to bring a full range of competitive telecommunication choices to consumers in the state of North Dakota. Approval of this Application will not in any way adversely affect universal service in the service areas for which authority is granted.

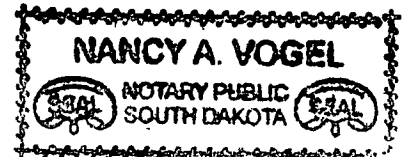

W TOM SIMMONS

Subscribed and sworn to before me this 10 day of January, ²⁰⁰⁵ 2004


Notary Public

My commission expires

**My Commission Expires
January 24, 2010**



STATE OF NORTH DAKOTA
PUBLIC SERVICE COMMISSION

Midcontinent Communications
Local Exchange
Public Convenience and Necessity

Case No. PU-04-546

AFFIDAVIT OF SERVICE BY ORDINARY MAIL

STATE OF NORTH DAKOTA
COUNTY OF BURLEIGH

Sharon Helbling deposes and says that.

she is over the age of 18 years and not a party to this action and, on the **11th day of January, 2005**, she deposited in the United States Mail, Bismarck, North Dakota, **two** envelopes with certified postage, return receipt requested, fully prepaid, securely sealed and each containing a photocopy of:

Staff Memorandum on Financial Ability

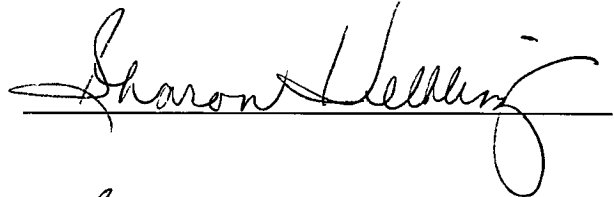
The envelopes were addressed as follows:

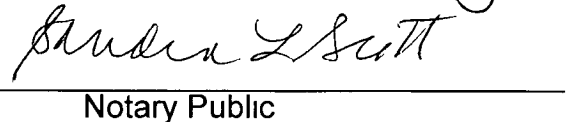
Patrick W Durick
Pearce & Durick
314 E Thayer Ave
Bismarck ND 58502

Mary Lohnes
Midcontinent Communications
410 S Phillips Ave
Sioux Falls SD 57104

Each address shown is the respective addressee's last reasonably ascertainable post office address.

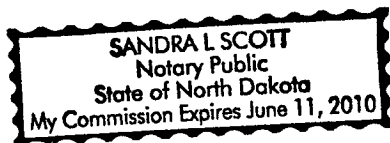
Subscribed and sworn to before me
this **11th day of January, 2005**.





Notary Public

SEAL





Public Service Commission
State of North Dakota

COMMISSIONERS

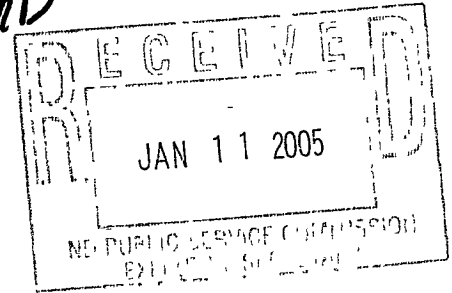
Tony Clark, President
Susan E Wefald
Kevin Cramer

Executive Secretary
Illona A Jeffcoat-Sacco

600 E Boulevard Ave Dept 408
Bismarck, North Dakota 58505-0480
web www.psc.state.nd.us
e-mail ndpsc@state.nd.us
TDD 800-366-6888
Fax 701-328-2410
Phone 701-328-2400

Memorandum

To: Illona Jeffcoat-Sacco, Executive Secretary
From: Mike Diller, Director of Accounting *MD*
Date: January 11, 2005
Re: **Midcontinent Communications
Local Exchange PC&N
Case No. PU-04-546**



The following is written to provide the commission with a very limited review of the applicant's financial ability to provide service.

Staff reviewed the financial information filed by the applicant for the period ending August 31, 2003, noting partnership capital of \$158 million.

Based on its review, staff concludes that the applicant has access to sufficient capital to provide service in North Dakota.

Staff sees no reason to deny this application and will provide this document to the applicant.

DONALD A NEGAARD
JAMES E NOSTDAHL
CAROL K LARSON
DAVID J HOGUE
REED A SODERSTROM
BRENT M OLSON
DEBRA L HOFFARTH
SCOTT M KNUDSVIG
ERIKA L SLEGER
RYAN D SANDBERG



LAW OFFICES OF
PRINGLE & HERIGSTAD, P.C.

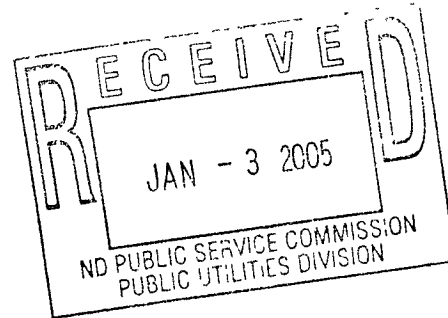
2525 ELK DRIVE
POST OFFICE BOX 1000
MINOT, NORTH DAKOTA 58702
(701) 852-0381
FAX (701) 857-1361
E-mail pringle@srt.com

OF COUNSEL
HERBERT L MESCHKE

RETIRED
THOMAS A WENTZ
MARK F PURDY
JAN M SEBBY

KENNETH G PRINGLE
(1914-1983)
ROGER O HERIGSTAD
(1919-2003)

December 30, 2004



Ms Illona Jeffcoat-Sacco
Executive Secretary
PUBLIC SERVICE COMMISSION
600 East Boulevard Avenue
Bismarck, ND 58505-0480

**MIDCONTINENT COMMUNICATIONS LOCAL EXCHANGE PUBLIC CONVENIENCE
AND NECESSITY
CASE NO. PU-04-546**

**BULLSEYE TELECOM, INC. LOCAL EXCHANGE PUBLIC CONVENIENCE AND
NECESSITY
CASE NO. PU-04-603**

**TRANS NATIONAL COMMUNICATIONS INTERNATIONAL, INC. LOCAL EXCHANGE
PUBLIC CONVENIENCE AND NECESSITY
CASE NO. PU-04-627**

Enclosed herewith for filing in each of the above matters are an original and seven copies of the Comments of the Rural Telephone Company Group on the Applications for Certificate of Public Convenience and Necessity of Midcontinent Communications, Case No PU-04-546, BullsEye Telecom, Inc, Case No PU-04-603, and Trans National Communications International, Inc, Case No PU-04-627


Don Negaard

jt

Enclosures

18 PU-04-546 ✓ Pages 2

Cover letter re Comments
by Rural Telephone Company Group

8 PU-04-603 Pages 2

Cover letter re Comments

8 PU-04-627 Pages 2

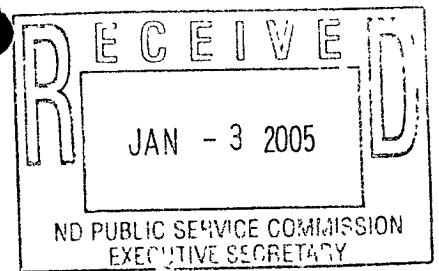
Cover letter re Comments
by Rural Telephone Company Group

01/03/2005

CC Comm Lectr, Illona Jerry

cc/enc Jerome Tishmack, Manager - BEK Communications Cooperative
Paul Schuetzler, Manager - Consolidated Telcom
Keith Larson, Manager - Dakota Central Telecommunications Cooperative and
Dakota Central Telecom I, Inc
Mark Scallon, Manager, Dickey Rural Telephone Cooperative
Ray Brown, Manager, Griggs County Telephone and Moore & Liberty Telephone
Keith Andersen, Manager - Inter-Community Telephone Company, LLC
Mark Wilhelm, Manager - Midstate Telephone Company and Midstate Communications, Inc
Dick Thronson, Manager, Nemont Telephone Company and Missouri Valley Communications, Inc
Dave Dircks, Manager - North Dakota Telephone Company
Dwight Schmitt, Manager - Northwest Communications Cooperative
David L. Dunning, Manager - Polar Communications Mutual Aid Corporation
and Polar Telecommunications, Inc
Jeffrey J. Olson, Manager, Red River Telephone Association and Red River Telecom, Inc
Royce S. Aslakson, Manager - Reservation Telephone Cooperative
Steve Lysne, Manager - SRT Communications, Inc
Kenneth Carlson, Manager, United Telephone Mutual Aid Corporation and Turtle Mountain
Communications
Albert R. Grosz, Manager - West River Telecommunications Cooperative
David Crothers, North Dakota Association of Telecommunications Cooperatives

STATE OF NORTH DAKOTA
PUBLIC SERVICE COMMISSION



Midcontinent Communications
Local Exchange
Public Convenience and Necessity

Case No. PU-04-546

**COMMENTS OF THE RURAL TELEPHONE COMPANY GROUP ("RTCG")
ON THE APPLICATION FOR CERTIFICATE OF
PUBLIC CONVENIENCE AND NECESSITY
OF MIDCONTINENT COMMUNICATIONS ("Midco")**

The Rural Telephone Company Group (RTCG) is a group of telecommunications carriers, each of which is an "incumbent local exchange carrier" and a "rural telephone company" under the federal Telecommunications Act of 1996 (the Act) and each has legal interests in this case under the Act

The RTCG includes

BEK Communications Cooperative
Consolidated Telcom
Dakota Central Telecommunications Cooperative and Dakota Central Telecom I
Dickey Rural Telephone Cooperative, Dickey Rural Communications, Inc , and
Dickey Rural Access, Inc
Griggs County Telephone Company and Moore & Liberty Telephone Company
Inter-Community Telephone Company, L L C
Midstate Telephone Company and Midstate Communications, Inc
Nemont Telephone Company and Missouri Valley Communications, Inc
North Dakota Telephone Company
Northwest Communications Cooperative
Polar Communications Mutual Aid Corporation and Polar Telecommunications, Inc
Red River Rural Telephone Association and Red River Telecom, Inc
Reservation Telephone Cooperative
SRT Communications, Inc
United Telephone Mutual Aid Corporation and Turtle Mountain Communications
West River Telecommunications Cooperative

The application from Midco is somewhat ambiguous as to what areas Midco intends to serve. Initially, Midco says it is applying "throughout the QWEST service area in the state of North Dakota. In Article IV(A) of the application, Midco states it intends to "offer local exchange telecommunications service to customers throughout the state of North Dakota" utilizing UNEs, UNEPs, and resale products purchased "from the incumbent local exchange provider."

The RTCG does not oppose issuance of certificates to Midco if it is strictly limited to exchanges currently served by Qwest. To the extent it might be construed otherwise, the RTCG offers the following comments:

In PSC Case No. PU-453-96-83, AT&T applied for and was granted a Certificate of Public Convenience and Necessity to provide local telecommunications service throughout the state of North Dakota, subject to limitations in the Commission's Order:

"8. Public convenience and necessity requires the granting of a statewide certificate to AT&T to provide local service. However, the Commission's determination of the public interest with regard to the service territories of rural telephone companies is subject to any future proceedings under §251(f)(1) or (2) of the Act.

9. Granting AT&T's application for a statewide certificate is not a ruling that affects the rights of specific rural telephone companies pursuant to 47 U.S.C. §251(f)."

In PSC Case No. PU-987-96-390, Sprint applied for and was granted a Certificate of Public Convenience and Necessity to provide local telecommunications service throughout the state of North Dakota, subject to limitations based on the precedent established in the AT&T case:

"One issue which has been addressed in other Certificate of Public Convenience and Necessity cases was raised by the intervener, NDATC. This issue concerns rural telephone companies and what effect the grant of a certificate would have on them. NDATC identified its interest in this proceeding, and the interests of its members, as a concern that the grant of a certificate of public convenience and necessity not defeat the rural protections provided by the Telecommunications Act of 1996.

The Commission agrees with NDATC that the question is important and must be addressed. This issue will apply to all certificate requests affecting any service area of any rural telephone company in North Dakota. It is the opinion of the Commission that in all such cases, any determination of public interest is subject to future proceedings regarding rural protections or exemptions.

In the instant case, the Commission will adhere to the precedent established in the AT&T certificate case, Docket No. PU-453-96-83, on this issue. In AT&T, the Commission held that its determination of the public interest with regard to the service territories of rural telephone companies is subject to any future proceedings under Section 251(f)(1) or (2) of the

Telecommunications Act of 1996 (47 U S C §251(f)(1) or (2)) The Commission also held that granting the certificate on a statewide basis is not a ruling that affects the rights of specific rural telephone companies under 47 U S C §251(f) Both Sprint and NDATC agree that the qualifications expressed in the AT&T case appropriately apply to Sprint's request for a statewide certificate of public convenience and necessity The inclusion of these conditions satisfies NDATC's concerns, and is not objectionable to Sprint "

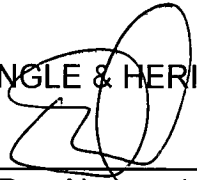
The AT&T precedent has been cited at least one time following the Sprint case, in Case No PU-1693-97-269, where a statewide certificate was granted to Eclipse Communications Corp (a subsidiary of Western Wireless Corporation), subject to the rights of rural telephone companies under 47 U S C 251(f)

In reliance on the precedent established by the Commission in the AT&T, Sprint, and Eclipse/Western Wireless cases, the RTCG does not request intervention and does not request a hearing on the pending application The RTCG does request that any order issued to grant the pending application (if it is construed to apply to exchanges not now served by Qwest) should include limitations substantially the same as those in the AT&T, Sprint, and Eclipse/Western Wireless cases, to preserve the "rural safeguard" rights of rural telephone companies under 47 U S C 251(f)

By the comments contained herein, none of the above-named companies shall be deemed to have waived its rights to claim that Midcontinent Communications is prohibited from competing with the RTCG or their subsidiaries

Dated at Minot, North Dakota, this 30th day of December, 2004

PRINGLE & HERIGSTAD, P C

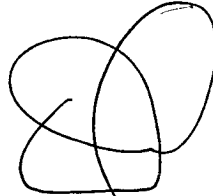


By Don Negaard, ND Bar ID #03598
Attorneys for RTCG
2525 Elk Drive
P O Box 1000
Minot, ND 58702-1000
(701) 852-3081

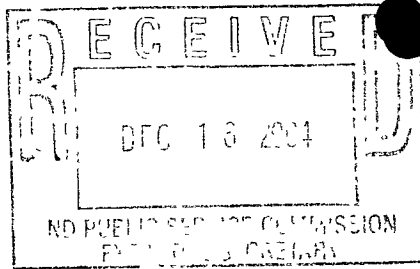
CERTIFICATE OF SERVICE

A true and correct copy of the foregoing Comments of the Rural Telephone Company Group was mailed on the 30th day of December, 2004, to

Patrick W Durick
Pearce & Durick
314 East Thayer Avenue
P O Box 400
Bismarck, ND 58502-0400

A handwritten signature in black ink, consisting of several overlapping loops and a long horizontal stroke extending to the right.

Don Negaard



Affidavit of Publication

Colleen Park, being duly sworn, state as follows:

1. I am the designated agent, under the provisions and for the purposes of, Section 31-04-06, NDCC, for the newspapers listed on the attached exhibits.
2. The newspapers listed on the exhibits published the advertisement of:
PSC, Midcontinent - Trans National, 1 time(s)
as required by law or ordinance.
3. All of the listed newspapers are legal newspapers in the State of North Dakota and, under the provisions of Section 46-05-01, NDCC, are qualified to publish any public notice or any matter required by law or ordinance to be printed or published in a newspaper in North Dakota.

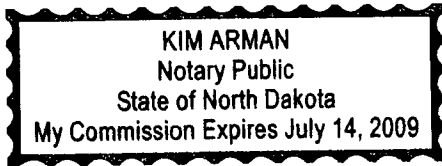
Signed: Colleen Park

State of ND

County of Burleigh

Subscribed and sworn to before me this 14 day of December 2004.

Kim Arman

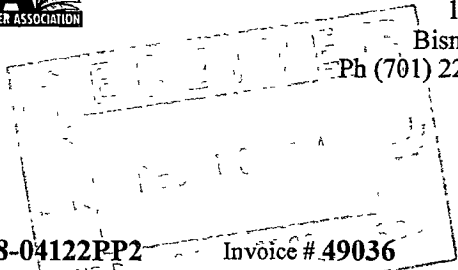


16	PU-04-546	Pages 1
	Affidavit of Publication	
	by North Dakota Advertising Service Inc	
	12/16/2004C Comm Legal Ilona Jerry, Annette, Mike	
6	PU-04-603	Pages 1
	Affidavit of Publication	
	by North Dakota Advertising Service, Inc	
6	PU-04-627	Pages 1
	Affidavit of Publication	
	by North Dakota Advertising Service, Inc	
	12/16/2004	CC Comm Legal Ilona Jerry



North Dakota Newspaper Association

1435 Interstate Loop
Bismarck, ND 58503-0567
Ph (701) 223-6397 • Fax (701) 223-8185



INVOICE

Order **19988-04122PP2** Invoice # **49036**

December 15, 2004

Attn: **ILLONAA. JEFECOAT-SACCO**
PUBLIC SERVICE COMMISSION
600 E. BOULEVARD AVE.
STATE CAPITOL
BISMARCK, ND 58505

Advertiser: **Public Utilities Division**

P O.#: **PU-04-546,603,627**

Voice 701-328-4076

Amount Due **\$427.55**

Amount Paid

Please detach and return this portion with your payment

Public Utilities Division Invoice # 19988-04122PP2-49036 PO# PU-04-546,603,627

Ad Size	Rate Type	Rate	Total	Discount (%)	Caption	Page	Run Date
Bismarck Tribune (Bismarck ND)							
67 00	SPR2	0 64	42 88	0 00	Midcontinent - Trans N		12/06/04
Devils Lake Daily Journal (Devils Lake ND)							
70 00	SPR2	0 63	44 10	0 00	Midcontinent - Trans N		12/06/04
Dickinson Press (Dickinson ND)							
73 00	SPR2	0 57	41.61	0 00	Midcontinent - Trans N		12/08/04
Fargo, The Forum (Fargo ND)							
62 00	SPR2	0 71	44 02	0 00	Midcontinent - Trans N		12/13/04
Grand Forks Herald (Grand Forks ND)							
64 00	SPR2	0 69	44.16	0 00	Midcontinent - Trans N		12/07/04
Jamestown Sun (Jamestown ND)							
74.00	SPR2	0 54	39 96	0 00	Midcontinent - Trans N		12/06/04
Minot Daily News (Minot ND)							
76 00	SPR2	0 54	41 04	0 00	Midcontinent - Trans N		12/06/04
Valley City Times-Record (Valley City ND)							
68.00	SPR2	0 61	41 48	0 00	Midcontinent - Trans N		12/06/04
Wahpeton Daily News (Wahpeton ND)							
93 00	SPR2	0 51	47 43	0 00	Midcontinent - Trans N		12/08/04
Williston Herald (Williston ND)							
67 00	SPR2	0 61	40 87	0 00	Midcontinent - Trans N		12/06/04

Gross Advertising	427 55	Total Misc	0 00	Amount Paid	0 00
Agency Discount		Tax	0 00	Adjustments	0 00
Other Discount	0 00	Total Billed	427.55	Payment Date	
Service Charge	0 00	Unbilled	0 00	Balance Due	427 55

6 PU-04-603 Pages 1

Affidavit of Publication

16 PU-04-546 Pages 1

Affidavit of Publication

by North Dakota Advertising Service, Inc

12/16/2004C Comm Legal Ilona Jerry Annette, Mike

6 PU-04-627 Pages 1

Affidavit of Publication

by North Dakota Advertising Service, Inc

12/16/2004

CC Comm Legal Ilona Jerry

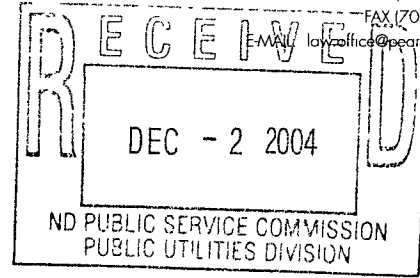


WILLIAM P. PEARCE
 PATRICK W. DURICK
 B. TIMOTHY DURICK
 GARY R. THUNE
 DAVID E. REICH
 JEROME C. KETTLESON
 LARRY L. BOSCHEE •
 LAWRENCE BENDER, P.C. •
 JONATHAN P. SANSTEAD
 BONNIE L. CHRISTNER •

ATTORNEYS AT LAW
 314 EAST THAYER AVENUE
 P.O. BOX 400
 BISMARCK, NORTH DAKOTA 58502

TELEPHONE (701) 223 2890
 FAX (701) 223 7865
 E-MAIL: law@office@pearce-durick.com

December 1, 2004



Public Service Commission
 Capitol
 600 East Boulevard Avenue
 Bismarck, North Dakota 58505

Attention: Sharon Helbling

RE: Midcontinent Communications, a South Dakota Partnership

Dear Sharon:

Enclosed for filing is the original signature page of the Company for the Amended Application. Please substitute this original signature page for the facsimile copy submitted yesterday.

Thank you for your attention to this matter. Should you have any questions concerning this filing, please contact me.

Sincerely,

PEARCE & DURICK

 PATRICK W. DURICK

PWD/jf
 Enclosures.
 cc w/enc: Ms. Mary Lohnes

STATE OF NORTH DAKOTA
PUBLIC SERVICE COMMISSION

Midcontinent Communications
Local Exchange
Public Convenience and Necessity

Case No. PU-04-546

BullsEye Telecom, Inc.
Local Exchange
Public Convenience and Necessity

Case No. PU-04-603

Trans National Communications International, Inc.
Local Exchange
Public Convenience and Necessity

Case No. PU-04-627

AFFIDAVIT OF SERVICE BY CERTIFIED MAIL

STATE OF NORTH DAKOTA
COUNTY OF BURLEIGH

Sharon Helbling deposes and says that

she is over the age of 18 years and not a party to this action and, on the **2nd day of December, 2004**, she deposited in the United States Mail, Bismarck, North Dakota, **one** envelope with certified postage, return receipt requested, fully prepaid, securely sealed and each containing a photocopy of

Notice of Opportunity for Hearing

The envelope was addressed as follows

Patrick W Durick
Pearce & Durick
314 E Thayer Ave
Bismarck ND 58502
Cert. No. 7003 2260 0001 3517 9152

Monique Byrnes
Technologies Management Inc
210 N Park Ave
Winter Park FL 32790-0200
Cert. No. 7003 2260 0001 3517 9169

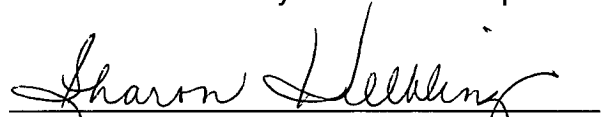
Erick Robinson
TNCI Inc
2 Charlesgate West
Boston MA 02215
Cert. No. 7003 2260 0001 3517 9213


Sharon Helbling further deposes and says that on the **2nd day of December, 2004**, she deposited in the United States Mail, Bismarck, North Dakota, **one** envelope by regular mail, with postage fully prepaid, securely sealed, each containing a photocopy of the same

Mary Lohnes
Midcontinent Communications
410 S Phillips Ave
Sioux Falls SD 57104

Each address shown is the respective addressee's last reasonably ascertainable post office address.

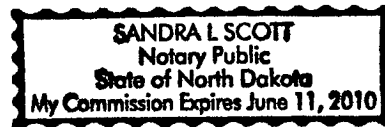
Subscribed and sworn to before me
this **2nd day of December, 2004**.





Notary Public

SEAL



STATE OF NORTH DAKOTA
PUBLIC SERVICE COMMISSION

Midcontinent Communications
Local Exchange
Public Convenience and Necessity

Case No. PU-04-546

BullsEye Telecom, Inc.
Local Exchange
Public Convenience and Necessity

Case No. PU-04-603

Trans National Communications International,
Inc.
Local Exchange
Public Convenience and Necessity

Case No. PU-04-627

AFFIDAVIT OF SERVICE BY ORDINARY MAIL OR E-MAIL

STATE OF NORTH DAKOTA
COUNTY OF BURLEIGH

Sharon Helbling deposes and says that

she is over the age of 18 years and not a party to this action and, on the **2nd day of December, 2004**, she deposited in the United States Mail, Bismarck, North Dakota, envelopes by first class mail, fully prepaid, securely sealed, and e-mailed, each containing a photocopy of

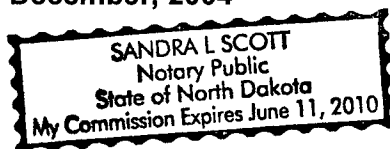
Notice of Opportunity for Hearing

The envelopes were addressed as follows

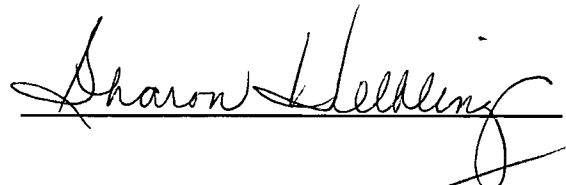
See Attached List


Each address shown is the respective addressee's last reasonably ascertainable post office address

Subscribed and sworn to before me
this **2nd day of December, 2004**



SEAL





Notary Public

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Marie Pierre-Paul

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William Brudvik

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Atlanta GA 30339

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Glenn Richards
ShawPittman
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Hubbard OR 97032

Patrick Summers
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Louisville CO 80027-4670

Ann Faught
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Absaraka ND 58002

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Farmington Hills MI 48334

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Santa Rosa CA 95404-4920

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Eden Prairie MN 55344

Kimberly Nielsen
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Redmond WA 98052

Jack Medaris
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John Broten
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Arlington VA 22201

Jennifer Whitley
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Long Beach CA 90831-0800

C12 Inc
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Atlanta GA 30339

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Fargo ND 58106-0624

Citizens Telecomm Co of Minnesota
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Stamford CT 06905

Robert Fallan
Coast International
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Lenexa KS 66215-5210

Beth Choroser
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Philadelphia PA 19102

Computer Integrated Communications Inc
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Potomac MD 20854-4071

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Consolidated Telcom
PO Box 1077
Dickinson ND 58601-1077

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Riverton WY 82501

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Chatanooga TN 37416

D D D Calling Inc
6300 Richmond Ave Ste 304
Houston TX 77057

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Carrington ND 58421-0299

Keith Larson
Dakota Central Telecom I
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William Jackson
Dakota Justice
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Dave Dircks
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Ellendale ND 58436-0069

Dickey Rural Services Inc
P O Box 69
Ellendale ND 58436

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New Haven CT 06511

Easton Telecom Services Inc
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Richfield OH 44286-9399

Regulatory Dept
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Kennebunk ME 04043

Evercom Systems Inc
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Irving TX 75063-2824

Chere Heintzmann
Extend America Inc
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Dave Waters
Fairpoint Communications Solutions
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Charlotte NC 28202-2695

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Fleischman & Walsh
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Washington DC 20006-3420

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Mobile AL 36607-3104

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Granite Telecommunications LLC
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Griggs County Telephone Co
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Houlton Enterprises Inc
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Council Bluffs IA 51501

HTC Services Inc
P O Box 55
Halstad MN 56548

Julia Waysdorf
ICG Telecom Group Inc
161 Inverness Dr W
Englewood CO 80112

Robert K Johnson
IdeaOne Telecom Group LLC
3239 39th St SW
Fargo ND 58104

Ken Hanks
International Telcom Ltd
417 2nd Ave W
Seattle WA 98119

Intrado Communications Inc
1601 Dry Creek Dr
Longmont CO 80503-6493

David A. Huberman
Intrado Communications Inc
1601 Dry Creek Dr
Longmont CO 80503-6493

Nanette Edwards
ITC DELTACOM INC
7037 Old Madison Pike NW #400
Huntsville AL 35806-2107

James Valley Coop Telephone Co
235 E 1st Ave
Groton SD 57445

KMC Telecom V Inc
1545 Rt 206
Bedminster NJ 07921

Myer Shark
Knollwood Place Apts #221
3630 Phillips Pkwy
St Louis Park MN 55426

Thomas K Crowe
Law Offices of Thomas K Crowe PC
1250 24th St NW Ste 300
Washington DC 20037

Level 3 Communications LLC
3555 Farnam St
Omaha NE 68131

Local Telcom Holdings LLC
485 Madison Ave 15th Fl
New York NY 10022-5803

Jan Lowe
Long Dist Consolidated Billing Co
145 S Livernois Rd #199
Rochester MI 48307-1837

Steven Katka
Loretel Systems Inc
13 E 4th Ave
Ada MN 56510

Marilyn Foss
MCI WorldCom Inc
707 17th St Ste 3600
Denver CO 80202

Michel Murray
MCI WorldCom Inc
707 17th St Ste 3600
Denver CO 80202

MCImetro Access Transmission Services
707 17th ST Ste 3600
Denver CO 80202

McKenzie Consolidated Telecom LLC
P O Box 1408
Dickinson ND 58602-1408

McLeodUSA
P O Box 3177
Cedar Rapids IA 52406-3177

Gordon Wilhelmi
Midstate Communications Inc
PO Box 400
Stanley ND 58784-0400

Minnesota Independent Equal Access Corp
300 S Hwy 169
Minneapolis MN 55426

Jim Arbury
National Multi Housing Council
1850 M St NW Ste 540
Washington DC 20036

New Edge Network Inc
3000 Columbia House Blvd Ste 106
Vancouver WA 98661

Carmine Russo
North Dakota Big Sky Telecom
374 Ansin Blvd
Hallandale FL 33009

Steven Lysne
North Dakota Network Co
P O Box 2027
Minot ND 58702-2027

NOW Communications Inc
711 S Tejon St Ste 201
Colorado Springs CO 80903

Brad Van Leur
OrbitCom Inc
1701 N Louise Ave
Sioux Falls SD 57107

Premiere Network Services Inc
1510 N Hampton Rd Ste 120
DeSoto TX 75115

Midcontinent Communications
410 South Phillips Ave
Sioux Falls SD 57104

Mark Wilhelmi
Midstate Telephone Co
PO Box 400
Stanley ND 58784-0400

Mike Strand
MITS
PO Box 5237
Helena MT 59604-5237

Dave Crothers
NDATC
Box 1144
Mandan ND 58554-1144

Bob Edgerly
Nextel West Corp
2001 Edmund Halley Dr
Reston VA 20191

Dave Dircks
North Dakota Long Distance Inc
P O Box 180
Devils Lake ND 58301-0180

Dave Dircks
North Dakota Telephone Company
PO Box 180
Devils Lake ND 58301-0180

Mary Buley
Onvoy Inc
300 South Highway 169
Minneapolis MN 55426

Jeff Walker
Preferred Carrier Services Inc
14681 Midway Rd Ste 105
Dallas TX 75001

Primus Telecommunications Inc
1700 Old Meadow Rd 3rd Fl
McLean VA 22102

Scott Lee
Protel Advantage Inc
1308 Medora Rd
St. Paul MN 55118-1734

Public Communications Services Inc
11859 Wilshire Blvd Ste 600
Los Angeles CA 90025

QuantumShift Communications Inc
88 Rowland Way Ste 200
Novato CA 94945-5000

Kristin L Smith
Qwest
1801 California St Ste 4700
Denver CO 80202

Melissa Thompson
Qwest Corporation
1801 California St 49th Fl
Denver CO 80202

Qwest Interprise America Inc
1801 California St 49th Fl
Denver CO 80202

Dean Polkow
RCC Network Inc
PO Box 2000
Alexandria MN 56308-2000

Reliant Communications Inc
801 International Pkwy 5th Fl
Lake Mary FL 32746

Kimberly Nielson
RTC-1
Legal & External Affairs
7277 164th Ave NE
Redmond WA 98052

Sandra Adams
NewPath Holdings Inc
4364 114th St
Des Moines IA 50322

ServiSense.com Inc
60 Glacier Dr #3000
Westwood MA 02090-1818

Arthur H Paquette
SNET America Inc
310 Orange St
North Haven CT 06510-1719

Andrew Jones
Sprint
6391 Sprint Pkwy
Overland Park KS 66251-6100

SRT Communications Inc
P O Box 2027
Minot ND 58702-2027

Randy Burckhard
SRT Communications Inc
P O Box 2027
Minot ND 58702-2027

Harris Saele
T P C Inc
PO Box 180
Devils Lake ND 58301-0180

Tel Tech Inc
1300 W 57th St Ste G204
Sioux Falls SD 57108-2885

Jack Medaris
Telco Partners Inc
P O Box 807
Conshohocken PA 19428-0807

William Staycoff
Telcom Billing Services Inc
2989 Brookdale Dr
Brooklyn Park MN 55444

Al Bosch
Tele-Beep Company
PO Box 7072
Bismarck ND 58502-7072

Telera Communications Inc
910 E Hamilton Ave Ste 200
Campbell CA 95008

Jonathan Marashlian
The Helein Law Group P C
8180 Greensboro Dr Ste 700
McLean VA 22102

T-Netix Inc
P O Box 701028
Dallas TX 75370-1028

Kenneth Carlson
Turtle Mountain Communications
PO Box 729
Langdon ND 58249-0729

United Communications HUB Inc
10390 Commerce Ctr Dr Ste 250
Rancho CA 91730-5860

Kenneth Carlson
United Telephone Mut Aid Corp
P O Box 729
Langdon ND 58249-0729

Christina Tygielski
Universal Access Inc
Sears Tower 233 S Wacker Dr Ste 600
Chicago IL 60606-6307

Dennis Houston
Universal Network Services of ND
1572 North Batavia St Ste 1A
Orange CA 92867

Val-Ed Joint Venture LLP
702 Main Ave
Moorhead MN 56560

VarTec Telecom Inc
1600 Viceroy Dr
Dallas TX 75235

VCI Company
3875 Steilacoom Blvd #A
Lakewood WA 98498

Randy Houdek
Venture Communications Inc
PO Box 157
Highmore SD 57345-0157

David Armev
Verizon Communications
750 SH121 Bypass Ste 100
Louisville TX 75067

Molli Harper
Verizon Wireless
6350 E Crescent Pkwy Ste 200
Greenwood Village CO 80111

West River Coop Telephone Co
P O Box 39
Bison SD 57620-0039

Darrell Henderson
West River Coop Telephone Company
PO Box 39
Bison SD 57620-0039

Doris Cooper
West River Long Distance Co
PO Box 467
Hazen ND 58545-0467

Mick Grosz
West River Telecomm Coop
PO Box 467
Hazen ND 58545-0467

Western CLEC Corporation
3650 131st Ave SE #400
Bellevue WA 98006

WTC Competitive Services Inc
P O Box 270
Park River MN 56594-0270

XO Communications Services Inc
11111 Sunset Hills Rd
Reston VA 20190

Z-Tel Communications Inc
601 S Harbour Island Blvd Ste 220
Tampa FL 33602-5925

Helbling, Sharon D.

From: Helbling, Sharon D
Sent: Thursday, December 02, 2004 7:34 AM
To: ndna
Subject: Notice of Hearing, Case No PU-04-402, Notice of Opportunity for Hearing, Case Nos PU-04-546, PU-04-603, PU-04-627

Colleen Park
North Dakota Newspaper Association

Colleen:

Could you please have the attached notices published as legal notices in the next issue of the ten North Dakota daily newspapers, and run them as "News Item Only" articles as well?

Please send the bill to the Public Service Commission along with a tear sheet for billing purposes.

If you have any questions, let me know.

Thank you.

Sharon Helbling
Public Utilities Division



**12-01-04 1.doc (40
of hearing KB)**

13 PU-04-546

Page 1

Notice e-mailed to NDNA requesting
publication
by Public Service Commission

APPROVED

DATE: 12-1-04
KMF

MOTION

December 1, 2004

**Midcontinent Communications
Local Exchange
Public Convenience and Necessity**

Case No. PU-04-546

**BullsEye Telecom, Inc.
Local Exchange
Public Convenience and Necessity**

Case No. PU-04-603

**Trans National Communications International, Inc.
Local Exchange
Public Convenience and Necessity**

Case No. PU-04-627

I move the Commission issue a Notice of Opportunity for Hearing in the captioned applications for certificates of public convenience and necessity to provide telecommunication services in North Dakota.

JRL/sdh

**STATE OF NORTH DAKOTA
PUBLIC SERVICE COMMISSION**

**Midcontinent Communications
Local Exchange
Public Convenience and Necessity**

Case No. PU-04-546

**BullsEye Telecom, Inc.
Local Exchange
Public Convenience and Necessity**

Case No. PU-04-603

**Trans National Communications International, Inc.
Local Exchange
Public Convenience and Necessity**

Case No. PU-04-627

NOTICE OF OPPORTUNITY FOR HEARING

December 1, 2004

On October 6, 2004, Midcontinent Communications of Sioux Falls, SD filed an application, amended November 30, 2004, for a certificate of public convenience and necessity to provide facilities-based competitive local exchange telecommunication services throughout North Dakota.

On November 16, 2004, BullsEye Telecom, Inc. of Oak Park, MI filed an application for a certificate of public convenience and necessity to provide facilities-based competitive local exchange telecommunication services throughout North Dakota.

On November 30, 2004, Trans National Communications International, Inc. of Boston, MA filed an application for certificates of public convenience and necessity to provide facilities-based competitive local exchange telecommunication services in all North Dakota exchanges currently served by Qwest Corporation.

The issues to be considered in these matters are:

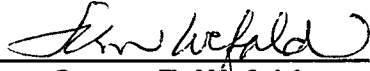

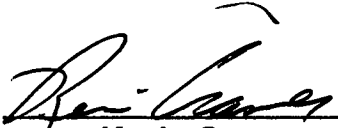
1. Fitness and ability of the applicant to provide service.
2. Adequacy of the proposed service.
3. Technical, financial and managerial ability of the applicant to provide service.

Those interested are invited to comment on the application in writing. Persons desiring a hearing must file a written request identifying their interest in the proceeding and the reasons for requesting a hearing. Comments and requests for hearings must be received by **January 4, 2004**. If deemed appropriate, the Commission can determine the matter without a hearing.

For more information contact the Public Service Commission, State Capitol, Bismarck, North Dakota 58505, 701-328-2400; or Relay North Dakota 1-800-366-6888

TTY If you require any auxiliary aids or services, such as readers, signers, or Braille materials please notify Illona Jeffcoat-Sacco, Executive Secretary.

PUBLIC SERVICE COMMISSION

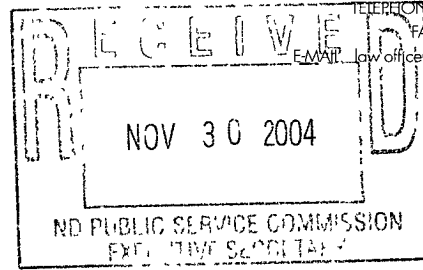
 _____ Susan E. Wefald Commissioner	 _____ Tony Clark President	 _____ Kevin Cramer Commissioner
---------------------------------------------------------------------------------------------------------------------------------------------	-------------------------------------------------------------------------------------------------------------------------------------	--------------------------------------------------------------------------------------------------------------------------------------------



WILLIAM P. PEARCE
 PATRICK W. DURICK
 B. TIMOTHY DURICK
 GARY R. THUNE
 DAVID E. REICH
 JEROME C. KETTLESON
 LARRY L. BOSCHEE •
 LAWRENCE BENDER, PC •
 JONATHAN P. SANSTEAD
 BONNIE L. CHRISTNER •

ATTORNEYS AT LAW
 314 EAST THAYER AVENUE
 P.O. BOX 400
 BISMARCK, NORTH DAKOTA 58502

November 30, 2004



TELEPHONE (701) 223-2890
 FAX (701) 223-7865
 EMAIL law.office@pearce-durick.com

Public Service Commission
 Capitol
 600 East Boulevard Avenue
 Bismarck, North Dakota 58505

VIA HAND DELIVERY

Attention: Sharon Helbling

RE: Midcontinent Communications, a South Dakota Partnership

Dear Sharon:

Enclosed for filing with the Commission, please find an original and seven (7) copies of an Amended Application for a Certificate of Public Convenience to Provide Local Exchange Service with Facilities for the above captioned company. Please withdraw the previous Application for a Certificate of Public Convenience to Provide Local Exchange Service with Facilities and the accompanying Application for Trade Secret Protection filed in conjunction with the application.

The signature of the Company on the Amended Application is by facsimile and I will substitute the original signature at a later date.

In addition, enclosed is a duplicate copy of this letter. Please date-stamp the duplicate and return it to me in the enclosed return envelope.

Should you have any questions concerning this filing, please contact me.

Sincerely,

PEARCE & DURICK


 PATRICK W. DURICK

PWD/jf

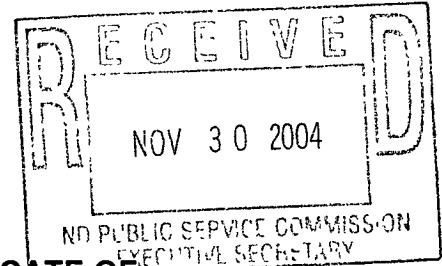
Enclosures.

cc w/enc: Ms. Mary Lohnes

**PUBLIC SERVICE COMMISSION
STATE OF NORTH DAKOTA**

Docket No. _____

In the Matter of the Application of)
Midcontinent Communications, a South)
Dakota Partnership, for a Certificate of)
Public Convenience to Provide Local)
Exchange Services, with Facilities.)



**AMENDED APPLICATION FOR A CERTIFICATE OF
PUBLIC CONVENIENCE TO PROVIDE LOCAL EXCHANGE
SERVICES WITH FACILITIES**

Pursuant to the provisions of North Dakota Administrative Code § 69-09-05-11, Midcontinent Communications, a South Dakota Partnership ("Applicant") respectfully requests a Certificate of Public Convenience and Necessity authorizing it to provide local exchange services, with facilities throughout the State of North Dakota. Initially, facilities will be limited to those necessary to offer unbundled network element platform ("UNE-P") services from the incumbent local exchange carrier ("ILEC") In support of this Application, Applicant states as follows:

I. INTRODUCTION

Applicant is a successor to Midco Communications, Inc. ("Midco"). Midco, operating under the trade name of Midcontinent Communications, was issued Certificates of Public Convenience and Necessity dated August 11, 1999 for providing local exchange services, with facilities for exchanges in the QWEST service area. Applicant requests that the Certificates of Public Convenience and Necessity previously issued to Midco operating as Midcontinent Communications be cancelled and that Applicant be granted certification for authority to provide local exchange services with facilities throughout the state of North

Dakota. Granting this Application is in the public interest and it will enable Applicant to continue to extend to North Dakota customers the benefits of competitive supply, increased choice and market sensitive prices. This Application and its associated Exhibit demonstrate that Applicant possesses sufficient technical, financial and managerial resources and that Applicant has the ability to provide the local exchange telecommunications services requested.

Any inquiries regarding this Application and copies of all pleadings, correspondence, and orders in this matter should be delivered to:

Patrick W Durick
PEARCE & DURICK
P. O. Box 400
Bismarck, ND 58502-0400
(701) 223-2890 (Telephone)
(701) 223-7865 (Facsimile)

II. FACTS

1. Applicant's complete name is Midcontinent Communications, a South Dakota Partnership. Applicant's headquarters is located at 410 South Phillips Ave., Sioux Falls, SD 57104-6824.

2. Applicant is a general partnership organized under the laws of the State of South Dakota. Applicant has filed a Fictitious Name Certificate with the Secretary of State of North Dakota. and a copy of that Certificate is on file with the Commission

3. Applicant is authorized to do business in the State of North Dakota and is in good standing. A copy of Applicant's Certificate of Authority to Transact Business in North Dakota is on file with the Commission.

III. FITNESS TO PROVIDE THE SERVICE

Applicant has extensive managerial, technical and operational experience in the provisioning, marketing and operation of telecommunications facilities and services in North Dakota

A. Financial Fitness

A copy of Applicant's latest Financial Statements and Report of Independent Certified Public Accountants ("Financial Statement") is attached hereto as **Exhibit A**. This Financial Statement of Applicant demonstrates that Applicant is financially qualified to provide local exchange service throughout the state of North Dakota.

B. Managerial Fitness

Applicant has an excellent senior management team, having extensive experience and competence in telephone engineering, operations and marketing. A significant number of Applicant's senior managerial team were employed by Midco Communications and those managers have experience in providing telecommunications services. Applicant attaches hereto as **Exhibit B** the names and biographies of Applicant's senior management team.

IV. DESCRIPTION OF SERVICES TO BE PROVIDED

A. Competitive Services

Applicant proposes to offer local exchange telecommunications service to customers throughout the state of North Dakota utilizing combinations of unbundled network elements ("UNEs"), specifically the unbundled network element platform ("UNE-P"), and resale products purchased from the incumbent local exchange provider. Service

will feature basic local lines and associated features (i.e., touch tone dialing, 911 access, and custom calling features). The Applicant also has plans to build facilities and collocate with Qwest in Bismarck. As its market presence grows, Applicant may re-evaluate its network configuration and undertake alternative plans, possibly to include the purchase or construction of switching and/or transmission facilities throughout the state of North Dakota.

B. Universal Service

Applicant acknowledges its obligation to aid in attaining the goal of universal local service, to the extent non-discriminatory, competitively neutral universal funding mechanisms are established by the Commission. The goal will be to bring a full range of competitive telecommunication choices to consumers in the state of North Dakota. Approval of this Application will not in any way adversely affect universal service in the service areas for which authority is granted.

C. Filing of Tariffs

Midco, a predecessor to Midcontinent Communications, was authorized to provide local exchange service on a resold basis in North Dakota, and had approved tariffs on file with the Commission. Applicant has filed an application for a Certificate of Registration to provide local service and long distance service as a reseller and proposes to adopt the approved tariffs of Midco operating under the trade name Midcontinent Communications. No tariff charge is necessary at this time for the provision of facilities-based services.

V. RELIEF SOUGHT

Applicant's qualifications, as set forth in the body of this Application and the

supporting Exhibit, clearly demonstrate that Applicant has the requisite financial, technical and managerial resources and capabilities to provide UNE-P facilities based local exchange service.

WHEREFORE, Midcontinent Communications respectfully requests that the Commission grant it a certificate of public convenience to provide local exchange services with facilities throughout the State of North Dakota subject to the conditions described herein

Dated this 30th day of November, 2004.

Respectfully Submitted,

MIDCONTINENT COMMUNICATIONS

By: 

PATRICK W. DURICK ND #03141
PEARCE & DURICK
314 E. Thayer Avenue
P. O. Box 400
Bismarck, ND 58502-0400
(701) 223-2890

**Financial Statements and Report of
Independent Certified Public Accountants**

Midcontinent Communications

August 31, 2003 and 2002

CONTENTS

	<u>Page</u>
REPORT OF INDEPENDENT CERTIFIED PUBLIC ACCOUNTANTS	3
FINANCIAL STATEMENTS	
BALANCE SHEETS	4
STATEMENTS OF OPERATIONS AND COMPREHENSIVE INCOME (LOSS)	5
STATEMENTS OF PARTNERSHIP CAPITAL.....	6
STATEMENTS OF CASH FLOWS	7
NOTES TO FINANCIAL STATEMENTS.....	8

REPORT OF INDEPENDENT CERTIFIED PUBLIC ACCOUNTANTS

The Partners
Midcontinent Communications

We have audited the accompanying balance sheets of Midcontinent Communications (the Company) as of August 31, 2003 and 2002, and the related statements of operations and comprehensive income (loss), partnership capital, and cash flows for the years then ended. These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audits.

We conducted our audits in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe our audits provide a reasonable basis for our opinion.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Midcontinent Communications as of August 31, 2003 and 2002, and the results of its operations and its cash flows for the years then ended, in conformity with accounting principles generally accepted in the United States of America.

As discussed in note C to the financial statements, the Company adopted Statement of Financial Accounting Standards No. 142, *Goodwill and Other Intangible Assets*, on September 1, 2002.



Minneapolis, Minnesota
October 2, 2003

Midcontinent Communications

BALANCE SHEETS

August 31,

(In thousands)

ASSETS	<u>2003</u>	<u>2002</u>
Cash and cash equivalents	\$ 952	\$ 47
Accounts receivable, less allowance for doubtful receivables of \$251 in 2003 and \$410 in 2002	11,938	10,829
Prepaid expenses	1,841	1,559
Financial instruments	181	997
Property, plant and equipment, net	118,036	121,880
Franchise costs	221,960	221,960
Goodwill	8,487	8,487
Other assets, net	<u>8,033</u>	<u>6,992</u>
	<u>\$371,428</u>	<u>\$372,751</u>
LIABILITIES AND PARTNERSHIP CAPITAL		
LIABILITIES		
Accounts payable	\$ 8,447	\$ 6,090
Accrued liabilities	16,575	9,685
Unearned revenue	8,057	7,925
Notes payable	<u>180,575</u>	<u>194,863</u>
	213,654	218,563
PARTNERSHIP CAPITAL		
Partnership capital	157,593	153,191
Accumulated other comprehensive income	<u>181</u>	<u>997</u>
	<u>157,774</u>	<u>154,188</u>
	<u>\$371,428</u>	<u>\$372,751</u>

The accompanying notes are an integral part of these statements.

Midcontinent Communications

STATEMENTS OF OPERATIONS AND COMPREHENSIVE INCOME (LOSS)

Years ended August 31,

(In thousands)

	<u>2003</u>	<u>2002</u>
Net revenues	\$127,498	\$110,096
Operating expenses	84,916	74,039
Depreciation of property, plant and equipment	33,113	34,704
Amortization of intangible assets	<u>170</u>	<u>10,045</u>
Earnings/(loss) from operations	9,299	(8,692)
Other income (expense)		
Interest expense	(7,281)	(10,448)
Interest income	62	105
Other, net	<u>2,322</u>	<u>(239)</u>
	<u>(4,897)</u>	<u>(10,582)</u>
NET EARNINGS/(LOSS)	4,402	(19,274)
Unrealized loss on financial instruments	<u>(816)</u>	<u>(567)</u>
COMPREHENSIVE INCOME (LOSS)	<u>\$ 3,586</u>	<u>\$ (19,841)</u>

The accompanying notes are an integral part of these statements.

Midcontinent Communications
STATEMENTS OF PARTNERSHIP CAPITAL

Years ended August 31, 2003 and 2002

Balance at August 31, 2001	\$172,465
Net loss	<u>(19,274)</u>
Balance at August 31, 2002	153,191
Net earnings	<u>4,402</u>
Balance at August 31, 2003	<u>\$157,593</u>

The accompanying notes are an integral part of these statements.

Midcontinent Communications
STATEMENTS OF CASH FLOWS

Years ended August 31,

(In thousands)

	<u>2003</u>	<u>2002</u>
Cash flows from operating activities		
Net earnings (loss)	\$ 4,402	\$(19,274)
Adjustments to reconcile net earnings (loss) to net cash provided by operating activities:		
Depreciation of property, plant and equipment	33,113	34,704
Amortization of intangible assets	170	10,045
Changes in operating assets and liabilities:		
Accounts receivable	(1,109)	(937)
Prepaid expenses	(282)	(434)
Other assets	(1,211)	(2,237)
Bank funding deficit	-	(2,824)
Accounts payable	2,357	(241)
Accrued liabilities	6,890	2,134
Unearned revenue	<u>132</u>	<u>1,245</u>
Net cash provided by operating activities	44,462	22,181
Cash flows used in investing activities		
Purchase of property, plant, and equipment	<u>(29,269)</u>	<u>(28,897)</u>
Net cash used in investing activities	(29,269)	(28,897)
Cash flows from financing activities		
Proceeds from notes payable	32,400	39,350
Payments on notes payable	<u>(46,688)</u>	<u>(32,587)</u>
Net cash provided by (used in) financing activities	<u>(14,288)</u>	<u>6,763</u>
Net increase in cash and cash equivalents	905	47
Cash and cash equivalents at beginning of year	<u>47</u>	<u>-</u>
Cash and cash equivalents at end of year	\$ <u>952</u>	\$ <u>47</u>
Supplemental disclosure:		
Cash paid for interest	\$ <u>7,685</u>	\$ <u>11,179</u>

Non-cash investing activity:

At August 31, 2002, there were \$811 of accounts payable related to capital expenditures.

The accompanying notes are an integral part of these statements.

Midcontinent Communications

NOTES TO FINANCIAL STATEMENTS

August 31, 2003 and 2002

(Dollars in thousands)

NOTE A – NATURE OF OPERATIONS

Midcontinent Communications (“the Company”) is a partnership that primarily operates cable television and telecommunication systems in Minnesota, Nebraska, North Dakota and South Dakota.

The Company was formed on April 7, 2000 as a general partnership between Midcontinent Media, Inc. (MMI) and AT&T. During 2003, AT&T’s partnership interest was transferred to Comcast. No change in partnership equity was recorded.

NOTE B – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Significant accounting policies consistently applied in preparing the financial statements are as follows:

Cash and Cash Equivalents

The Company considers highly liquid investments with original maturities of three months or less to be cash equivalents. Cash and cash equivalents were held in one financial institution located in the Midwest. Cash equivalents of \$185 consisted of overnight repurchase agreements at August 31, 2002. There were no overnight purchase agreements at August 31, 2003.

Accounts Receivable

The majority of the Company’s accounts receivables are due from customers who receive cable television services. Credit is extended based on evaluation of a customer’s financial condition and, generally, collateral is not required. Accounts receivable are typically due from customers within 30 days and are stated at amounts due from customers net of an allowance for doubtful accounts. Accounts outstanding longer than the contractual payment terms are considered past due. The Company determines its allowance by considering a number of factors, including the length of time trade receivables are past due, the Company’s previous loss history, the customer’s current ability to pay its obligation to the Company, and the condition of the general economy and the industry as a whole. The Company writes-off accounts receivable when they become uncollectible, and payments subsequently received on such receivables are credited to the allowance for doubtful accounts.

Midcontinent Communications

NOTES TO FINANCIAL STATEMENTS – CONTINUED

August 31, 2003 and 2002

(Dollars in thousands)

NOTE B – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – Continued

Changes in the Company's allowance for doubtful accounts are as follows:

	<u>2003</u>	<u>2002</u>
Beginning balance	\$ 410	\$ 292
Bad debt expense	1,899	2,055
Accounts written-off	(2,147)	(1,977)
Recoveries	<u>89</u>	<u>40</u>
Ending balance	<u>\$ 251</u>	<u>\$ 410</u>

Depreciation and Amortization

Depreciation and amortization are recorded to relate the cost of assets to operations over their estimated service lives using straight-line and accelerated methods. Estimated service lives range from 3–15 years for equipment and 30–40 years for buildings and improvements.

Income Taxes

The Company is organized as a partnership. Therefore, the effects of taxable earnings or losses are reported by the partners and, accordingly, a provision for income taxes is not recorded in the accompanying financial statements.

Financial Instruments

The Company uses derivatives as part of its risk-management strategy. Certain interest rate swap and interest rate cap agreements are required as part of the terms of the notes payable agreement. Derivatives are designated at inception as a hedge and measured for effectiveness both at inception and on an ongoing basis. Interest rate differentials associated with the interest rate swaps and caps used to hedge the Company's debt obligation are recorded as an adjustment to accrued liabilities, with the offset to interest expense over the life of the swaps and caps.

Midcontinent Communications

NOTES TO FINANCIAL STATEMENTS – CONTINUED

August 31, 2003 and 2002

(Dollars in thousands)

NOTE B – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – Continued

The Company accounts for its derivative instruments in accordance with SFAS No. 133, *“Accounting for Derivative Instruments and Hedging Activities.”* This pronouncement requires derivative instruments be measured at their fair value and recorded as either an asset or liability on the balance sheet with changes in their fair value reflected in other comprehensive income. The interest rate swap and interest rate cap agreements meet the criteria of a cash flow hedge.

Fair Values of Financial Instruments

Due to their short-term nature, the carrying value of financial assets and liabilities approximate their fair values. The fair value of notes payable, if recalculated based on current interest rates, would not significantly differ from the recorded amounts.

Revenue Recognition

Revenue, consisting primarily of monthly cable television fees, is recognized as services are provided to customers. Unearned revenue represents cable television fees billed in advance of the service to be provided.

Reclassifications

Certain reclassifications were made to the 2002 financial statements to conform with the 2003 presentation.

Use of Estimates

Preparing financial statements in accordance with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities, the disclosure of contingent assets and liabilities at the date of the financial statements, and the reported amounts of revenues and expenses during the reporting periods. Actual results could differ from those estimates.

Midcontinent Communications

NOTES TO FINANCIAL STATEMENTS – CONTINUED

August 31, 2003 and 2002

(Dollars in thousands)

NOTE C – INTANGIBLE ASSETS

The Company adopted Statement of Financial Accounting Standards No. 142 *Goodwill and Other Intangible Assets* (SFAS 142) on September 1, 2002. Accordingly, with the adoption of SFAS 142, the Company discontinued the amortization of goodwill and franchise costs. In addition, useful lives of intangible assets with finite lives were reevaluated on adoption of SFAS 142.

Under SFAS 142, goodwill and intangible assets with indefinite lives are no longer amortized but reviewed for impairment annually, or more frequently if certain indicators arise. Company management has determined that the Company is the reporting unit.

The Company completed the transitional goodwill impairment analysis as of September 1, 2002 by comparing the estimated fair value of the reporting unit with its carrying value. No impairment loss was recognized.

The Company completed the goodwill impairment analysis as of August 31, 2003. If the implied fair value of goodwill for the reporting unit was less than its carrying value, an impairment loss was recognized. Based on the analysis performed by management, no impairment loss was recognized.

The information presented below reflects adjustments to information reported in 2002 as if SFAS 142 had been applied in 2002. The adjustments include the effects of not amortizing the goodwill or franchise costs.

	<u>Years ended August 31,</u>	
	<u>2003</u>	<u>2002</u>
Reported net earnings (loss)	\$4,402	\$(19,274)
Add back: Goodwill amortization	-	1,327
Add back: Franchise cost amortization	-	<u>8,536</u>
Adjusted net earnings (loss)	<u>\$4,402</u>	<u>\$ (9,411)</u>

Midcontinent Communications

NOTES TO FINANCIAL STATEMENTS – CONTINUED

August 31, 2003 and 2002

(Dollars in thousands)

NOTE D – PROPERTY, PLANT AND EQUIPMENT

Property, plant and equipment consist of the following at August 31:

	<u>2003</u>	<u>2002</u>
Land	\$ 1,039	\$ 1,043
Buildings and improvements	6,590	6,061
Equipment	215,529	186,479
Construction in progress	<u>3,123</u>	<u>4,312</u>
	226,281	197,895
Less accumulated depreciation	<u>108,245</u>	<u>76,015</u>
	<u>\$118,036</u>	<u>\$121,880</u>

The Company is expanding its cable television and communication services and capabilities. Costs are capitalized as incurred and the depreciation of project costs begins at various stages of implementation based upon when sections of the project are placed into service.

NOTE E – NOTES PAYABLE

The Company has a credit agreement that includes term notes of \$165,000 and a \$65,000 revolving credit facility. The outstanding balances are \$144,375 and \$36,200 at August 31, 2003 and \$158,813 and \$36,050 at August 31, 2002. The notes are secured by pledged equity, as defined in the agreement. The Company is subject to certain covenants, including a limitation on using its assets as security for other financing without the banks' prior consent, the maintenance of certain financial ratios, and limitations on capital expenditures.

Beginning May 2002, quarterly payments are required on the term notes through September 2008, at which time the revolving credit notes also expire. Interest accrues at the Company's election of an interest rate of prime rate plus:

The additional rate depends upon the Company's leverage ratio at the time of election. The effective interest rate on the outstanding debt, including the effect of certain interest rate protection agreements, is at August 31, 2003 and 2002.

Midcontinent Communications

NOTES TO FINANCIAL STATEMENTS – CONTINUED

August 31, 2003 and 2002

(Dollars in thousands)

NOTE E – NOTES PAYABLE – Continued

As required by the debt agreement, the Company enters into interest rate protection agreements which effectively protect at least 40% of the outstanding term balance plus the full capacity of the revolving debt from undue variable interest rate risk. At August 31, 2003, the Company has two interest rate cap agreements and three interest rate swap agreements.

Under the terms of the interest rate cap agreements, the Company made three one-time payments totaling \$124 in exchange for which the counterparty is obligated to make payments to the Company offsetting any interest payments in excess of the cap rate. The Company expensed these payments to interest expense when paid. In fiscal year 2003, one of these agreements expired. The notional amount of the outstanding agreements total \$45,000, the cap rates are 10%, and the expiration dates are April 2004 for both cap agreements. The fair value of the interest rate cap agreements were \$0 at August 31, 2003 and 2002.

Under the terms of the interest rate swap agreements, the Company makes payments at fixed rates of _____, and receives payments at variable rates based on LIBOR. The notional amount of these swap agreements total \$45,000 and the expiration dates range from May 2006 to August 2007. The fair value of the interest rate swap agreements were \$181 and \$997 at August 31, 2003 and 2002.

At August 31, 2003 and 2002, the carrying values of the open interest rate swap and interest rate cap agreements were adjusted to the fair value on that date and recorded as an asset on the balance sheet. The offset is recorded in the Partnership Capital section as a component of accumulated other comprehensive income. If it is determined that a derivative ceases to be a highly effective hedge or the forecasted transaction will no longer occur, the Company will discontinue hedge accounting, and any gains or losses on the derivative instrument would be recognized in earnings during the period it no longer qualifies as a hedge. No such instances have occurred. Gains and losses incurred on these contracts are recorded in interest expense.

Amounts paid or received on these agreements are recognized as adjustments to interest expense related to the debt. The related amounts payable to and receivable from the counterparties are included in accrued liabilities. Upon expiration of the agreements, the Company will enter into other interest rate protection agreements in accordance with the debt agreement.

Midcontinent Communications

NOTES TO FINANCIAL STATEMENTS – CONTINUED

August 31, 2003 and 2002

(Dollars in thousands)

NOTE E – NOTES PAYABLE – Continued

Aggregate maturities of notes payable are as follows at August 31:

2004	\$ 18,563
2005	22,687
2006	28,875
2007	35,062
2008	65,591
Thereafter	<u>9,797</u>
	<u>\$180,575</u>

(Interest rate information excised from Note E)

Handwritten signature/initials

NOTE F – RELATED PARTY TRANSACTIONS

The Company purchases programming from one of its partners. Costs of such services were approximately \$24,029 and \$24,792 for the years ended August 31, 2003 and 2002. Accounts payable with this partner were approximately \$2,575 and \$4,692 as of August 31, 2003 and 2002. Also, an accrued liability with this partner was approximately \$9,661 as of August 31, 2003.

The Company also receives management services from one of its partners. Costs incurred for these services were approximately \$4,275 and \$3,551 for the years ended August 31, 2003 and 2002.

NOTE G – EMPLOYEE RETIREMENT PLAN

The Company has a profit sharing plan which covers substantially all employees who meet certain eligibility requirements. The plan includes a 401(k) feature. Employees may contribute a percentage of their gross wages, up to the maximum allowed by the Internal Revenue Service. The Company may make a matching contribution and may contribute a lump-sum amount for the benefit of all participants in the plan at the end of the year. All employer contributions are at the Company's discretion, and vest 50% each in years two and three. Contribution expense was \$1,071 and \$972 for the years ended August 31, 2003 and 2002.

Midcontinent Communications

NOTES TO FINANCIAL STATEMENTS – CONTINUED

August 31, 2003 and 2002

(Dollars in thousands)

NOTE H – COMMITMENTS AND CONTINGENCIES

Legal Proceedings

The Company is subject to various legal proceedings in the normal course of business. Management believes that these proceedings will not have a material adverse effect on the financial statements.

Franchise Agreements

The Company is required to pay a percentage of the applicable cable television service revenues annually to the cities in which it operates, according to the terms of its franchise agreements. Franchise fees totaled approximately \$3,376 and \$3,229 for the years ended August 31, 2003 and 2002. The cost of the franchise fees are passed through to customers.

Midcontinent Communications Management Team includes:

N. Larry Bentson, Chairman

Mr. Bentson is a founder of Midcontinent Media, Inc., and has been active in the ownership and management of television and radio stations, cable TV systems, conventional theatres, satellite transmission and reception, and other communications related companies in Minnesota, North Dakota, South Dakota and Wisconsin. Mr. Bentson graduated from the Institute of Technology at the University of Minnesota in 1943. He served as a naval officer for three years in the South Pacific during World War II. He has served as a board member of numerous industry and non-profit organizations.

Joseph H. Floyd, Vice Chariman

Mr. Floyd has been active in the ownership and management of television and radio stations, cable television systems, conventional theatres, satellite transmission and reception, and other communications related companies in Minnesota, North Dakota, South Dakota, and Wisconsin. He has held a number of positions with Midcontinent, including President and COO, and has been involved with Midcontinent since 1968. He is presently a member of the Board of Directors of the National Cable Television Association and C-SPAN. Previous employers include Martin Marietta Corporation and Public Service Co. of Colorado. Mr. Floyd holds undergraduate degrees in physics from Augustana College and electrical engineering from the University of Denver.

Mark S. Niblick, President and CEO

Mr. Niblick has been with Midcontinent since 1985 and in his current position since July 2001. Prior to his current position, he was Executive Vice President and General Counsel for the company and was responsible for the financial and legal management of the company. Mr. Niblick was previously employed as an attorney and CPA. Mr. Niblick earned a BS in accounting (1975) and a JD (1978) from Indiana University.

Steven Grosser, Sr. Vice President Finance

Mr. Grosser has been with Midcontinent in his current capacity since July 2001. He is responsible for company

accounting, management reporting, financial policies and procedures, budgeting, and financial management. Mr. Grosser started with Midcontinent in 1990 and held the position of Assistant Controller, Controller, and Vice President of Finance prior to his current position. He was previously employed by Grant Thornton as an audit supervisor. Mr. Grosser earned a BS in accounting from St. Cloud State University in St. Cloud, MN in December 1985. He is a CPA.

Patrick McAdaragh, Sr. Vice President Operations

Mr. McAdaragh has served in his current position since July 2001. He is responsible for the day to day operations of all of the company's cable and telecommunications operations including field operations, customer services, sales, marketing, and public relations. Mr. McAdaragh joined the company in 1981 as a staff accountant and held the positions of Controller, Director of Treasury Operations, and Vice President of Operations, prior to current position. Mr. McAdaragh joined the company in June, 1981 after graduating from Augustana College in May 1981 with a BA in accounting.

Dick Busch, Sr. Vice President Technology

Mr. Busch was named Sr. Vice President Technology in July 2001. He joined Midcontinent Media in 1976 and has served in many capacities within data processing and information technology. Mr. Busch is responsible for the technical operations of Midcontinent including engineering, construction, network maintenance, and information systems. He is a 1976 computer science graduate of the North Dakota State School of Science and a 1995 degree completion program graduate at Sioux Falls College.

W. Thomas Simmons, Vice President of Public Policy

Mr. Simmons joined MMI in 1987 as the general manager of Midcontinent Media's South Dakota radio group. Prior thereto, Mr. Simmons worked in radio broadcasting as an engineer, producer, announcer, operations manager, and general manager. His total radio experience covered 25 years, 16 of which were in general management. In 1995, Mr. Simmons joined Midco Communications, Midcontinent's telecommunications company, as Vice President and General Manager. Mr. Simmons holds BA and MS degrees in psychology from Concordia College, Moorhead, MN and North Dakota State University.

Mark Powell, Director of Sales

Mr. Powell began his career with Midco Communications in 1993 as an account manager in long distance resale. In 1995, he became local sales manager. In 1999, he became director of Commercial Sales, and in May 2000, he was promoted to director of sales for all Midcontinent Communications products and services. Mr. Powell holds BA degrees from Augustana College and the University of Central Oklahoma, and an MBA from the University of Sioux Falls.

Kristina Viggers, Director of Customer Service

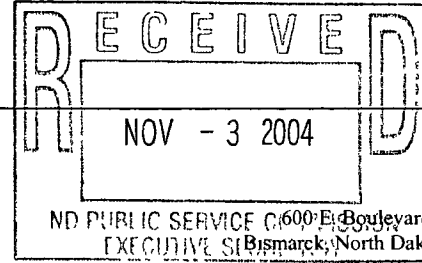
Ms. Viggers has been with Midcontinent since October of 1999. She is responsible for the customer service organization. Kristina earned her BS in business administration from the University of South Dakota in May, 1985. She previously worked in the banking and telecommunications industries. Prior to joining Midcontinent she was employed seven years with MCI Telecommunications as a senior manager for their International Customer Service Center.

Nancy Vogel, Business Director

Ms. Vogel joined Midco Communications in 1986. She has served as the controller of the telephony division since that time. Her responsibilities include financial reporting, budgeting, pricing and billing. Nancy graduated from Dakota State University with a BS degree in business administration. Nancy is a CPA, and, before joining Midcontinent, was employed as a senior auditor with the Minnesota State Auditors Office and First Bank System



Public Service Commission
State of North Dakota



COMMISSIONERS

Tony Clark, President
Susan E Wefald
Kevin Cramer

Executive Secretary
Illona A Jeffcoat-Sacco

ND PUBLIC SERVICE COMMISSION
600 E Boulevard Ave Dept 408
Bismarck, North Dakota 58505-0480
web www.psc.state.nd.us
e-mail ndpsc@state.nd.us
TDD 800-366-6888
Fax 701-328-2410
Phone 701-328-2400

November 3, 2004

Illona A. Jeffcoat-Sacco
Executive Secretary
Public Service Commission
600 E Boulevard Ave. Dept. 408
Bismarck, ND 58505-0480

RE: **Midcontinent Communications
Local Exchange PC&N
Application
Case No. PU-04-546**

Dear Illona:

Enclosed for filing in the above referenced case are the original and seven copies of the **Staff Response to Midcontinent Communications' Application Requesting Trade Secret Protection.**

Thank you.

Sincerely,



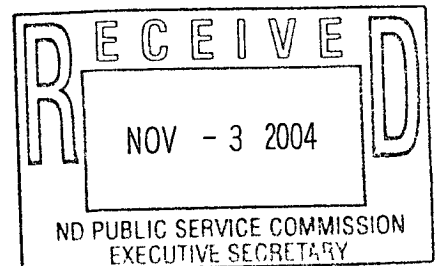
William W. Binek
Chief Counsel

WWBsls
Enclosure

C: Patrick W. Durick

**STATE OF NORTH DAKOTA
PUBLIC SERVICE COMMISSION**

**Midcontinent Communications
Local Exchange
Public Convenience and Necessity**



Case No. PU-04-546

**STAFF RESPONSE TO MIDCONTINENT COMMUNICATIONS APPLICATION
REQUESTING TRADE SECRET PROTECTION**

On October 28, 2004, Midcontinent Communications (Midcontinent) filed an application for a protective order limiting the disclosure of its Financial Statements and Report of Independent Certified Public Accountants August 31, 2003 and 2002 included in its application for a Certificate of Public Convenience and Necessity to provide facilities-based local exchange telecommunications services. In support of its application, Midcontinent provided information as follows:

1. A General Description of the Nature of the Information Sought to be Protected.

Midcontinent seeks to protect its latest audited financial statements submitted to the Commission in support of its application.

2. An Explanation of Why the Information Derives Independent Economic Value, Actual or Potential, From not Being Generally Known to Other Persons.

Midcontinent states that the information sought to be protected derives independent economic value from not being generally known to other persons and organizations because it is proprietary information concerning Midcontinent's business operations.

3. An Explanation of Why the Information is Not Readily Ascertainable by Proper Means by Other Persons.

Midcontinent states that the information is not readily ascertainable by proper means by other persons because the information is not public or published data, and that the information is confidential proprietary information of Midcontinent.

4. A General Description of the Persons or Entities that would Obtain Economic Value from Disclosure or Use of the Network.

Midcontinent states that competitors of Midcontinent including other companies offering cable or telecommunications services including other competitive local exchange carriers and incumbent local exchange carriers are the persons or entities that would obtain economic value from the disclosure or use of the network.

5. A Specific Description of Known Competitors and Competitors' Goods and Services that are Pertinent to the Tariff or Rate Filing.

See Midcontinent's response to No. 4 above.

6. A Description of the Efforts Used to Maintain the Secrecy of Information.

Midcontinent states that the confidentiality of the information sought to be protected is maintained by limiting access to the data to employees of Midcontinent who have a need for the information in their duties.

Staff has reviewed Midcontinent's request for trade secret protection of financial information. N.D.C.C. § 47-25.1-01 defines the term "trade secret" as follows:

- "Trade secret" means information, including a formula, pattern, compilation, program, device, method, technique, or process, that:
- a. Derives independent economic value, actual or potential, from not being generally known to, and not being readily ascertainable by proper means by, other persons who can obtain economic value from its disclosure or use; and
 - b. Is the subject of efforts that are reasonable under the circumstances to maintain its secrecy."

N.D. Admin. Code § 69-02-09-04 requires that the “commission staff examine the information and application and make a prima facie recommendation of whether the information is relevant and a trade secret under the definition of trade secret in North Dakota Century Code section 47-25.1-01.”

The information is relevant to the application because, under N.D.C.C. § 49-03.1-04(5), the company must show that it has the financial ability to provide service. This Commission has considered several requests for certificates of public convenience and necessity, and staff is not aware of any similar case where the Commission has considered general financial statements as being information that can be protected as trade secret under section 47-25.1-01. This is general information required to show that the company has sufficient financial ability to provide the service that it seeks authority to provide. The public should be entitled to see this type of information because the law requires that such information be provided by a company before the Commission can give it authority to provide service. Certainly the public has a right to have reasonable access to general financial information about a company that is seeking authority to provide service to the public. The Commission has granted trade secret protection to specific financial information that could reasonably be of value to a competitor such as the cost of providing a specific service or minutes of use of customers.

For reasons set forth above, staff recommends that the Commission deny Midcontinent’s Application Requesting Trade Secret Protection in this case.

Dated November 3, 2004.


William W. Binek
Chief Counsel

STATE OF NORTH DAKOTA
PUBLIC SERVICE COMMISSION

**Midcontinent Communications
Local exchange PC&N
Application**

Case No. PU-04-546

AFFIDAVIT OF SERVICE BY E-MAIL

STATE OF NORTH DAKOTA
COUNTY OF BURLEIGH

Sandra L. Scott deposes and says that:

she is over the age of 18 years and not a party to this action and, on the **3rd day of November, 2004**, she deposited in the United States Mail, Bismarck, North Dakota, **one** envelope with first class postage, fully prepaid, securely sealed and each containing a photocopy of:

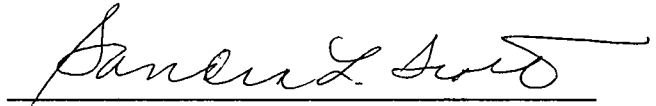
**STAFF RESPONSE TO MIDCONTINENT COMMUNICATIONS APPLICATION
REQUESTING TRADE SECRET PROTECTION**

To: Patrick W. Durick
Pearce & Durick
P. O. Box 400
Bismarck, ND 58502

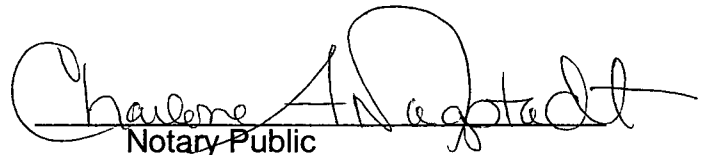
Sandra L. Scott further deposes and says that on the **3rd day of November, 2004**, she sent by e-mail a photo copy of the same as follows:

Patrick W. Durick, E-Mail Address: law.office@pearce-durick.com

Each address shown is the respective addressee's last reasonably ascertainable mailing and e-mail address.

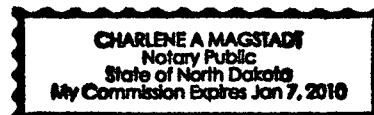


Subscribed and sworn to before me
this **3rd day of November, 2004**.



Notary Public

SEAL



Scott, Sandi L.

From: Scott, Sandi L
Sent: Wednesday, November 03, 2004 10 20 AM
To: Scott, Sandi L ; law.office@pearce-durick.com
Cc: Binek, William W
Subject: RE Staff Response to Midcontinent Communication's Application Requesting Trade Secret Protection - Case No PU-04-546
Attachments: 7 doc

I apologize, I forget to attach the document in my previous e-mail
Sorry for the inconvenience

Sandi

From: Scott, Sandi L.
Sent: Wednesday, November 03, 2004 10:12 AM
To: 'law.office@pearce-durick.com'
Cc: Scott, Sandi L.; Binek, William W.
Subject: Staff Response to Midcontinent Communication's Application Requesting Trade Secret Protection - Case No. PU-04-546

Patrick Durick,

Attached please find a copy of the Staff Response to Midcontinent Communication's Application Requesting Trade Secret Protection, in Case No PU-04-546 – Midcontinent Communications, Local Exchange, Public Convenience and Necessity

If you have any questions, please contact Bill Binek at 328-4088.

Thank you

*Sandi Scott
ND Public Service Commission
600 E Blvd. Ave , Dept 408
Bismarck, ND 58505-0480
Telephone, 701-328-4081
Fax 701-328-2410
E-Mail Address slscott@state nd us*

11/3/2004

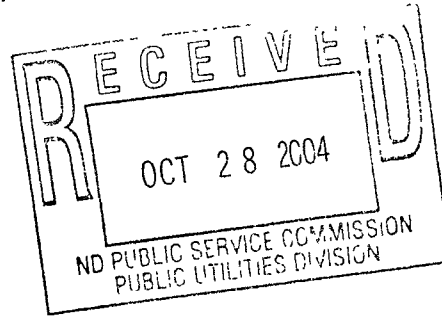


WILLIAM P. PEARCE
 PATRICK W. DURICK
 B. TIMOTHY DURICK
 GARY R. THUNE
 DAVID E. REICH
 JEROME C. KETTLESON
 LARRY L. BOSCHEE •
 LAWRENCE BENDER, P.C. •
 JONATHAN P. SANSTEAD
 BONNIE L. CHRISTNER •

ATTORNEYS AT LAW
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 P.O. BOX 400
 BISMARCK, NORTH DAKOTA 58502

TELEPHONE (701) 223 2890
 FAX (701) 223 7865
 E-MAIL law.office@pearce-durick.com

October 27, 2004



Mr. Mike Diller
 Public Service Commission
 Capitol
 600 East Boulevard Avenue
 Bismarck, North Dakota 58505

RE: Midcontinent Communications, a South Dakota Partnership

Dear Mr. Diller:

Enclosed for filing with the Commission is an original and seven (7) copies of the Application for Trade Secret Protection in conjunction with the filing of an Application for a Certificate of Public Convenience to Provide Local Exchange Services, with Facilities for the above captioned company.

Should you have any questions concerning this filing, please contact me.

Sincerely,

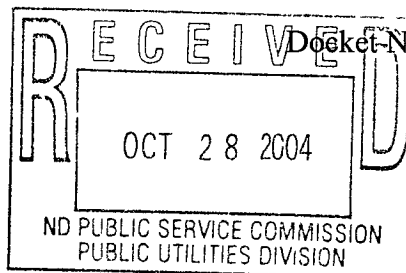
PEARCE & DURICK


 PATRICK W. DURICK

PWD/jf
 Enclosures.
 cc w/enc: Ms. Mary Lohnes

**PUBLIC SERVICE COMMISSION
STATE OF NORTH DAKOTA**

In the Matter of the Application of)
Midcontinent Communications, a South)
Dakota Partnership, for a Certificate of)
Public Convenience to Provide Local)
Exchange Services, with Facilities.)



Docket No. PU-04-546

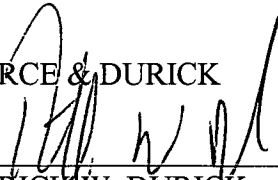
APPLICATION FOR TRADE SECRET PROTECTION

Pursuant to 69-02-09-01, North Dakota Administrative Code, Midcontinent Communications (“Midcontinent”) hereby makes application for trade secret protection for its Financial Statements and Report of Independent Certified Public Accountants August 31, 2003 and 2002. In support of this application, Midcontinent states as follows:

1. The information sought to be protected is Midcontinent’s latest audited financial statements submitted to the Commission in support of Midcontinent’s captioned application for a Certificate of Public Convenience to Provide Local Exchange Services, with Facilities in North Dakota.
2. The information sought to be protected derives independent economic value from not being generally known to other persons and organizations because it is proprietary information concerning Midcontinent’s business operations.
3. The information sought to be protected is not readily ascertainable by proper means by other persons because the information is not public or published data. The information is confidential proprietary information of Midcontinent.
4. Entities that would obtain economic value from disclosure of the information sought to be protected include competitors of Midcontinent including other companies offering cable or telecommunications services including other competitive local exchange carriers (“CLEC”) and incumbent local exchange carriers (“ILEC”).
5. The confidentiality of the information sought to be protected is maintained by limiting access to the data to employees of Midcontinent who have need for the information in their duties.

Dated this 27 day of October, 2004.

PEARCE & DURICK



PATRICK W. DURICK ND #03141

P. O. Box 400

314 E. Thayer Avenue

Bismarck, ND 58502-0400

(701) 223-2890

Attorney for Midcontinent Communications

**Financial Statements and Report of
Independent Certified Public Accountants**

Midcontinent Communications

August 31, 2003 and 2002

CONTENTS

	<u>Page</u>
REPORT OF INDEPENDENT CERTIFIED PUBLIC ACCOUNTANTS.....	3
FINANCIAL STATEMENTS	
BALANCE SHEETS	4
STATEMENTS OF OPERATIONS AND COMPREHENSIVE INCOME (LOSS)	5
STATEMENTS OF PARTNERSHIP CAPITAL.....	6
STATEMENTS OF CASH FLOWS	7
NOTES TO FINANCIAL STATEMENTS.....	8

REPORT OF INDEPENDENT CERTIFIED PUBLIC ACCOUNTANTS


The Partners
Midcontinent Communications

We have audited the accompanying balance sheets of Midcontinent Communications (the Company) as of August 31, 2003 and 2002, and the related statements of operations and comprehensive income (loss), partnership capital, and cash flows for the years then ended. These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audits.

We conducted our audits in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe our audits provide a reasonable basis for our opinion.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Midcontinent Communications as of August 31, 2003 and 2002, and the results of its operations and its cash flows for the years then ended, in conformity with accounting principles generally accepted in the United States of America.

As discussed in note C to the financial statements, the Company adopted Statement of Financial Accounting Standards No. 142, *Goodwill and Other Intangible Assets*, on September 1, 2002.



Minneapolis, Minnesota
October 2, 2003

Midcontinent Communications

BALANCE SHEETS

August 31,

(In thousands)

ASSETS	<u>2003</u>	<u>2002</u>
Cash and cash equivalents	\$ 952	\$ 47
Accounts receivable, less allowance for doubtful receivables of \$251 in 2003 and \$410 in 2002	11,938	10,829
Prepaid expenses	1,841	1,559
Financial instruments	181	997
Property, plant and equipment, net	118,036	121,880
Franchise costs	221,960	221,960
Goodwill	8,487	8,487
Other assets, net	<u>8,033</u>	<u>6,992</u>
	<u>\$371,428</u>	<u>\$372,751</u>
LIABILITIES AND PARTNERSHIP CAPITAL		
LIABILITIES		
Accounts payable	\$ 8,447	\$ 6,090
Accrued liabilities	16,575	9,685
Unearned revenue	8,057	7,925
Notes payable	<u>180,575</u>	<u>194,863</u>
	213,654	218,563
PARTNERSHIP CAPITAL		
Partnership capital	157,593	153,191
Accumulated other comprehensive income	<u>181</u>	<u>997</u>
	<u>157,774</u>	<u>154,188</u>
	<u>\$371,428</u>	<u>\$372,751</u>

The accompanying notes are an integral part of these statements.

Midcontinent Communications

STATEMENTS OF OPERATIONS AND COMPREHENSIVE INCOME (LOSS)

Years ended August 31,

(In thousands)

	<u>2003</u>	<u>2002</u>
Net revenues	\$127,498	\$110,096
Operating expenses	84,916	74,039
Depreciation of property, plant and equipment	33,113	34,704
Amortization of intangible assets	<u>170</u>	<u>10,045</u>
Earnings/(loss) from operations	9,299	(8,692)
Other income (expense)		
Interest expense	(7,281)	(10,448)
Interest income	62	105
Other, net	<u>2,322</u>	<u>(239)</u>
	<u>(4,897)</u>	<u>(10,582)</u>
NET EARNINGS/(LOSS)	4,402	(19,274)
Unrealized loss on financial instruments	<u>(816)</u>	<u>(567)</u>
COMPREHENSIVE INCOME (LOSS)	<u>\$ 3,586</u>	<u>\$ (19,841)</u>

The accompanying notes are an integral part of these statements

Midcontinent Communications
STATEMENTS OF PARTNERSHIP CAPITAL

Years ended August 31, 2003 and 2002

Balance at August 31, 2001	\$172,465
Net loss	<u>(19,274)</u>
Balance at August 31, 2002	153,191
Net earnings	<u>4,402</u>
Balance at August 31, 2003	<u>\$157,593</u>

The accompanying notes are an integral part of these statements.

Midcontinent Communications
STATEMENTS OF CASH FLOWS

Years ended August 31,

(In thousands)

	<u>2003</u>	<u>2002</u>
Cash flows from operating activities		
Net earnings (loss)	\$ 4,402	\$(19,274)
Adjustments to reconcile net earnings (loss) to net cash provided by operating activities:		
Depreciation of property, plant and equipment	33,113	34,704
Amortization of intangible assets	170	10,045
Changes in operating assets and liabilities:		
Accounts receivable	(1,109)	(937)
Prepaid expenses	(282)	(434)
Other assets	(1,211)	(2,237)
Bank funding deficit	-	(2,824)
Accounts payable	2,357	(241)
Accrued liabilities	6,890	2,134
Unearned revenue	<u>132</u>	<u>1,245</u>
Net cash provided by operating activities	44,462	22,181
Cash flows used in investing activities		
Purchase of property, plant, and equipment	<u>(29,269)</u>	<u>(28,897)</u>
Net cash used in investing activities	(29,269)	(28,897)
Cash flows from financing activities		
Proceeds from notes payable	32,400	39,350
Payments on notes payable	<u>(46,688)</u>	<u>(32,587)</u>
Net cash provided by (used in) financing activities	<u>(14,288)</u>	<u>6,763</u>
Net increase in cash and cash equivalents	905	47
Cash and cash equivalents at beginning of year	<u>47</u>	<u>-</u>
Cash and cash equivalents at end of year	<u>\$ 952</u>	<u>\$ 47</u>
Supplemental disclosure:		
Cash paid for interest	<u>\$ 7,685</u>	<u>\$ 11,179</u>

Non-cash investing activity:

At August 31, 2002, there were \$811 of accounts payable related to capital expenditures

The accompanying notes are an integral part of these statements.

Midcontinent Communications

NOTES TO FINANCIAL STATEMENTS

August 31, 2003 and 2002

(Dollars in thousands)

NOTE A – NATURE OF OPERATIONS

Midcontinent Communications (“the Company”) is a partnership that primarily operates cable television and telecommunication systems in Minnesota, Nebraska, North Dakota and South Dakota.

The Company was formed on April 7, 2000 as a general partnership between Midcontinent Media, Inc. (MMI) and AT&T. During 2003, AT&T’s partnership interest was transferred to Comcast. No change in partnership equity was recorded.

NOTE B – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Significant accounting policies consistently applied in preparing the financial statements are as follows:

Cash and Cash Equivalents

The Company considers highly liquid investments with original maturities of three months or less to be cash equivalents. Cash and cash equivalents were held in one financial institution located in the Midwest. Cash equivalents of \$185 consisted of overnight repurchase agreements at August 31, 2002. There were no overnight purchase agreements at August 31, 2003.

Accounts Receivable

The majority of the Company’s accounts receivables are due from customers who receive cable television services. Credit is extended based on evaluation of a customer’s financial condition and, generally, collateral is not required. Accounts receivable are typically due from customers within 30 days and are stated at amounts due from customers net of an allowance for doubtful accounts. Accounts outstanding longer than the contractual payment terms are considered past due. The Company determines its allowance by considering a number of factors, including the length of time trade receivables are past due, the Company’s previous loss history, the customer’s current ability to pay its obligation to the Company, and the condition of the general economy and the industry as a whole. The Company writes-off accounts receivable when they become uncollectible, and payments subsequently received on such receivables are credited to the allowance for doubtful accounts.

Midcontinent Communications

NOTES TO FINANCIAL STATEMENTS – CONTINUED

August 31, 2003 and 2002

(Dollars in thousands)

NOTE B – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – Continued

Changes in the Company's allowance for doubtful accounts are as follows:

	<u>2003</u>	<u>2002</u>
Beginning balance	\$ 410	\$ 292
Bad debt expense	1,899	2,055
Accounts written-off	(2,147)	(1,977)
Recoveries	<u>89</u>	<u>40</u>
Ending balance	<u>\$ 251</u>	<u>\$ 410</u>

Depreciation and Amortization

Depreciation and amortization are recorded to relate the cost of assets to operations over their estimated service lives using straight-line and accelerated methods. Estimated service lives range from 3–15 years for equipment and 30–40 years for buildings and improvements.

Income Taxes

The Company is organized as a partnership. Therefore, the effects of taxable earnings or losses are reported by the partners and, accordingly, a provision for income taxes is not recorded in the accompanying financial statements.

Financial Instruments

The Company uses derivatives as part of its risk-management strategy. Certain interest rate swap and interest rate cap agreements are required as part of the terms of the notes payable agreement. Derivatives are designated at inception as a hedge and measured for effectiveness both at inception and on an ongoing basis. Interest rate differentials associated with the interest rate swaps and caps used to hedge the Company's debt obligation are recorded as an adjustment to accrued liabilities, with the offset to interest expense over the life of the swaps and caps.

Midcontinent Communications

NOTES TO FINANCIAL STATEMENTS – CONTINUED

August 31, 2003 and 2002

(Dollars in thousands)

NOTE B – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – Continued

The Company accounts for its derivative instruments in accordance with SFAS No. 133, *“Accounting for Derivative Instruments and Hedging Activities.”* This pronouncement requires derivative instruments be measured at their fair value and recorded as either an asset or liability on the balance sheet with changes in their fair value reflected in other comprehensive income. The interest rate swap and interest rate cap agreements meet the criteria of a cash flow hedge.

Fair Values of Financial Instruments

Due to their short-term nature, the carrying value of financial assets and liabilities approximate their fair values. The fair value of notes payable, if recalculated based on current interest rates, would not significantly differ from the recorded amounts.

Revenue Recognition

Revenue, consisting primarily of monthly cable television fees, is recognized as services are provided to customers. Unearned revenue represents cable television fees billed in advance of the service to be provided.

Reclassifications

Certain reclassifications were made to the 2002 financial statements to conform with the 2003 presentation.

Use of Estimates

Preparing financial statements in accordance with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities, the disclosure of contingent assets and liabilities at the date of the financial statements, and the reported amounts of revenues and expenses during the reporting periods. Actual results could differ from those estimates.

Midcontinent Communications

NOTES TO FINANCIAL STATEMENTS – CONTINUED

August 31, 2003 and 2002

(Dollars in thousands)

NOTE C – INTANGIBLE ASSETS

The Company adopted Statement of Financial Accounting Standards No. 142 *Goodwill and Other Intangible Assets* (SFAS 142) on September 1, 2002. Accordingly, with the adoption of SFAS 142, the Company discontinued the amortization of goodwill and franchise costs. In addition, useful lives of intangible assets with finite lives were reevaluated on adoption of SFAS 142.

Under SFAS 142, goodwill and intangible assets with indefinite lives are no longer amortized but reviewed for impairment annually, or more frequently if certain indicators arise. Company management has determined that the Company is the reporting unit.

The Company completed the transitional goodwill impairment analysis as of September 1, 2002 by comparing the estimated fair value of the reporting unit with its carrying value. No impairment loss was recognized.

The Company completed the goodwill impairment analysis as of August 31, 2003. If the implied fair value of goodwill for the reporting unit was less than its carrying value, an impairment loss was recognized. Based on the analysis performed by management, no impairment loss was recognized.

The information presented below reflects adjustments to information reported in 2002 as if SFAS 142 had been applied in 2002. The adjustments include the effects of not amortizing the goodwill or franchise costs.

	<u>Years ended August 31,</u>	
	<u>2003</u>	<u>2002</u>
Reported net earnings (loss)	\$4,402	\$(19,274)
Add back: Goodwill amortization	-	1,327
Add back: Franchise cost amortization	-	<u>8,536</u>
Adjusted net earnings (loss)	<u>\$4,402</u>	<u>\$(9,411)</u>

Midcontinent Communications

NOTES TO FINANCIAL STATEMENTS – CONTINUED

August 31, 2003 and 2002

(Dollars in thousands)

NOTE D – PROPERTY, PLANT AND EQUIPMENT

Property, plant and equipment consist of the following at August 31:

	<u>2003</u>	<u>2002</u>
Land	\$ 1,039	\$ 1,043
Buildings and improvements	6,590	6,061
Equipment	215,529	186,479
Construction in progress	<u>3,123</u>	<u>4,312</u>
	226,281	197,895
Less accumulated depreciation	<u>108,245</u>	<u>76,015</u>
	<u>\$118,036</u>	<u>\$121,880</u>

The Company is expanding its cable television and communication services and capabilities. Costs are capitalized as incurred and the depreciation of project costs begins at various stages of implementation based upon when sections of the project are placed into service.

NOTE E – NOTES PAYABLE

The Company has a credit agreement that includes term notes of \$165,000 and a \$65,000 revolving credit facility. The outstanding balances are \$144,375 and \$36,200 at August 31, 2003 and \$158,813 and \$36,050 at August 31, 2002. The notes are secured by pledged equity, as defined in the agreement. The Company is subject to certain covenants, including a limitation on using its assets as security for other financing without the banks' prior consent, the maintenance of certain financial ratios, and limitations on capital expenditures.

Beginning May 2002, quarterly payments are required on the term notes through September 2008, at which time the revolving credit notes also expire. Interest accrues at the Company's election of an interest rate of prime rate plus 0.00% to 0.75% or LIBOR plus 1.00% to 2.00%. The additional rate depends upon the Company's leverage ratio at the time of election. The effective interest rate on the outstanding debt, including the effect of certain interest rate protection agreements, is 2.99% and 4.50% at August 31, 2003 and 2002.

Midcontinent Communications

NOTES TO FINANCIAL STATEMENTS – CONTINUED

August 31, 2003 and 2002

(Dollars in thousands)

NOTE E – NOTES PAYABLE – Continued

As required by the debt agreement, the Company enters into interest rate protection agreements which effectively protect at least 40% of the outstanding term balance plus the full capacity of the revolving debt from undue variable interest rate risk. At August 31, 2003, the Company has two interest rate cap agreements and three interest rate swap agreements.

Under the terms of the interest rate cap agreements, the Company made three one-time payments totaling \$124 in exchange for which the counterparty is obligated to make payments to the Company offsetting any interest payments in excess of the cap rate. The Company expensed these payments to interest expense when paid. In fiscal year 2003, one of these agreements expired. The notional amount of the outstanding agreements total \$45,000, the cap rates are 10%, and the expiration dates are April 2004 for both cap agreements. The fair value of the interest rate cap agreements were \$0 at August 31, 2003 and 2002.

Under the terms of the interest rate swap agreements, the Company makes payments at fixed rates of 2.08% and 3.31%, and receives payments at variable rates based on LIBOR. The notional amount of these swap agreements total \$45,000 and the expiration dates range from May 2006 to August 2007. The fair value of the interest rate swap agreements were \$181 and \$997 at August 31, 2003 and 2002.

At August 31, 2003 and 2002, the carrying values of the open interest rate swap and interest rate cap agreements were adjusted to the fair value on that date and recorded as an asset on the balance sheet. The offset is recorded in the Partnership Capital section as a component of accumulated other comprehensive income. If it is determined that a derivative ceases to be a highly effective hedge or the forecasted transaction will no longer occur, the Company will discontinue hedge accounting, and any gains or losses on the derivative instrument would be recognized in earnings during the period it no longer qualifies as a hedge. No such instances have occurred. Gains and losses incurred on these contracts are recorded in interest expense.

Amounts paid or received on these agreements are recognized as adjustments to interest expense related to the debt. The related amounts payable to and receivable from the counterparties are included in accrued liabilities. Upon expiration of the agreements, the Company will enter into other interest rate protection agreements in accordance with the debt agreement.

Midcontinent Communications

NOTES TO FINANCIAL STATEMENTS – CONTINUED

August 31, 2003 and 2002

(Dollars in thousands)

NOTE E – NOTES PAYABLE – Continued

Aggregate maturities of notes payable are as follows at August 31:

2004	\$ 18,563
2005	22,687
2006	28,875
2007	35,062
2008	65,591
Thereafter	<u>9,797</u>
	<u>\$180,575</u>

NOTE F – RELATED PARTY TRANSACTIONS

The Company purchases programming from one of its partners. Costs of such services were approximately \$24,029 and \$24,792 for the years ended August 31, 2003 and 2002. Accounts payable with this partner were approximately \$2,575 and \$4,692 as of August 31, 2003 and 2002. Also, an accrued liability with this partner was approximately \$9,661 as of August 31, 2003.

The Company also receives management services from one of its partners. Costs incurred for these services were approximately \$4,275 and \$3,551 for the years ended August 31, 2003 and 2002.

NOTE G – EMPLOYEE RETIREMENT PLAN

The Company has a profit sharing plan which covers substantially all employees who meet certain eligibility requirements. The plan includes a 401(k) feature. Employees may contribute a percentage of their gross wages, up to the maximum allowed by the Internal Revenue Service. The Company may make a matching contribution and may contribute a lump-sum amount for the benefit of all participants in the plan at the end of the year. All employer contributions are at the Company's discretion, and vest 50% each in years two and three. Contribution expense was \$1,071 and \$972 for the years ended August 31, 2003 and 2002.

Midcontinent Communications

NOTES TO FINANCIAL STATEMENTS – CONTINUED

August 31, 2003 and 2002

(Dollars in thousands)

NOTE H – COMMITMENTS AND CONTINGENCIES

Legal Proceedings

The Company is subject to various legal proceedings in the normal course of business. Management believes that these proceedings will not have a material adverse effect on the financial statements.

Franchise Agreements

The Company is required to pay a percentage of the applicable cable television service revenues annually to the cities in which it operates, according to the terms of its franchise agreements. Franchise fees totaled approximately \$3,376 and \$3,229 for the years ended August 31, 2003 and 2002. The cost of the franchise fees are passed through to customers.

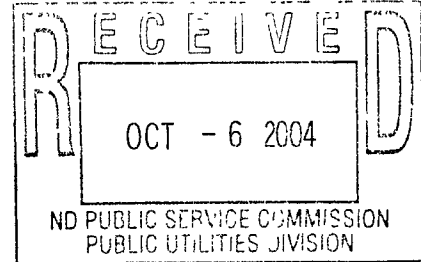


WILLIAM P. PEARCE
 PATRICK W. DURICK
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TELEPHONE (701) 223-2890
 FAX (701) 223-7865
 E-MAIL law.office@pearce-durick.com

October 6, 2004



Public Service Commission
 Capitol
 600 East Boulevard Avenue
 Bismarck, North Dakota 58505

Attention: Sharon Helbling

RE: Midcontinent Communications, a South Dakota Partnership

Dear Sharon:

Enclosed for filing with the Commission, please find an original and seven (7) copies of the Application for a Certificate of Public Convenience to Provide Local Exchange Service with Facilities for the above captioned company.

Also enclosed for filing is an original and seven (7) copies Application for Certificate of Registration for Midcontinent Communications.

In addition, enclosed is a duplicate copy of this letter. Please date-stamp the duplicate and return it to me in the enclosed return envelope.

Should you have any questions concerning this filing, please contact me.

Sincerely,

PEARCE & DURICK

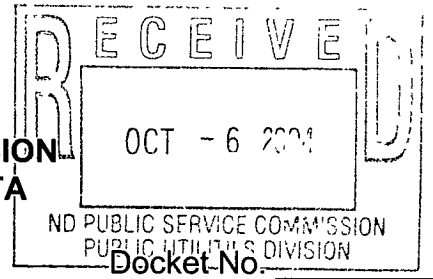

 PATRICK W. DURICK

PWD/jf

Enclosures.

cc w/enc: Ms. Mary Lohnes

**PUBLIC SERVICE COMMISSION
STATE OF NORTH DAKOTA**



In the Matter of the Application of)
Midcontinent Communications, a South)
Dakota Partnership, for a Certificate of)
Public Convenience to Provide Local)
Exchange Services, with Facilities.)

**APPLICATION FOR A CERTIFICATE OF PUBLIC
CONVENIENCE TO PROVIDE LOCAL EXCHANGE
SERVICES, WITH FACILITIES**

Pursuant to the provisions of North Dakota Administrative Code § 69-09-05-11, Midcontinent Communications, a South Dakota Partnership ("Applicant") respectfully requests a Certificate of Public Convenience and Necessity Authorizing it to provide local exchange services, with facilities throughout the QWEST service areas in the State of North Dakota. Initially, facilities will be limited to those necessary to offer unbundled network element platform ("UNE-P") services from the incumbent local exchange carrier ("ILEC"). In support of this Application, Applicant states as follows:

I. INTRODUCTION

Applicant is a successor to Midco Communications, Inc. ("Midco"). Midco, operating under the trade name of Midcontinent Communications, was issued Certificates of Public Convenience and Necessity dated August 11, 1999 for providing local exchange services, with facilities for exchanges in the QWEST service area. Applicant requests that the Certificates of Public Convenience and Necessity previously issued to Midco operating as Midcontinent Communications be cancelled and that Applicant be granted certification for authority to provide local exchange services with facilities in those exchanges in the

QWEST service area. Granting this Application is in the public interest and it will enable Applicant to continue to extend to North Dakota customers the benefits of competitive supply, increased choice and market sensitive prices. This Application and its associated Exhibit demonstrate that Applicant possesses sufficient technical, financial and managerial resources and that Applicant has the ability to provide the local exchange telecommunications services requested.

Any inquiries regarding this Application and copies of all pleadings, correspondence, and orders in this matter should be delivered to:

Patrick W. Durick
PEARCE & DURICK
P. O. Box 400
Bismarck, ND 58502-0400
(701) 223-2890 (Telephone)
(701) 223-7865 (Facsimile)

II. FACTS

1. Applicant's complete name is Midcontinent Communications, a South Dakota Partnership. Applicant's headquarters is located at 410 South Phillips Ave., Sioux Falls, SD 57104-6824.
2. Applicant is a general partnership organized under the laws of the State of South Dakota. Applicant has filed a Fictitious Name Certificate with the Secretary of State of North Dakota. and a copy of that Certificate is on file with the Commission
3. Applicant is authorized to do business in the State of North Dakota and is in good standing. A copy of Applicant's Certificate of Authority to Transact Business in North Dakota is on file with the Commission.

III. FITNESS TO PROVIDE THE SERVICE

Applicant has extensive managerial, technical and operational experience in the provisioning, marketing and operation of telecommunications facilities and services in North Dakota.

A. Financial Fitness

A copy of Applicant's latest Financial Statements and Report of Independent Certified Public Accountants ("Financial Statement") has been separately submitted to the commission in this proceeding in an Application for Trade Secret Protection. This Financial Statement of Applicant demonstrates that Applicant is financially qualified to provide local exchange service in its proposed service territory.

B. Managerial Fitness

Applicant has an excellent senior management team, having extensive experience and competence in telephone engineering, operations and marketing. A significant number of Applicant's senior managerial team were employed by Midco Communications and those managers have experience in providing telecommunications services in the QWEST service area. Applicant attaches hereto as **Exhibit A** the names and biographies of Applicant's senior management team.

IV. DESCRIPTION OF SERVICES TO BE PROVIDED

A. Competitive Services.

Applicant proposes to offer local exchange telecommunications service to customers throughout the state of North Dakota utilizing combinations of unbundled

network elements (“UNEs”), specifically the unbundled network element platform (“UNE-P”), and resale products purchased from the incumbent local exchange provider. Service will feature basic local lines and associated features (i.e., touch tone dialing, 911 access, and custom calling features). The Applicant also has plans to build facilities and collocate with Qwest in Bismarck. As its market presence grows, Applicant may re-evaluate its network configuration and undertake alternative plans, possibly to include the purchase or construction of switching and/or transmission facilities.

B. Universal Service

Applicant acknowledges its obligation to aid in attaining the goal of universal local service, to the extent non-discriminatory, competitively neutral universal funding mechanisms are established by the Commission. The goal will be to bring a full range of competitive telecommunication choices to consumers in the state of North Dakota. Approval of this Application will not in any way adversely affect universal service in the service areas for which authority is granted.

C. Filing of Tariffs

Midco, a predecessor to Midcontinent Communications, was authorized to provide local exchange service on a resold basis in North Dakota, and had approved tariffs on file with the Commission. Applicant has filed an application for a Certificate of Registration to provide local service and long distance service as a reseller and proposes to adopt the approved tariffs of Midco operating under the trade name Midcontinent Communications. No tariff charge is necessary at this time for the provision of facilities-based services.

V. RELIEF SOUGHT

Applicant's qualifications, as set forth in the body of this Application and the supporting Exhibit, clearly demonstrate that Applicant has the requisite financial, technical and managerial resources and capabilities to provide UNE-P facilities based local exchange service.

WHEREFORE, Midcontinent Communications respectfully requests that the Commission grant it a certificate of public convenience to provide local exchange services with facilities throughout the QWEST service areas in the State of North Dakota subject to the conditions described herein.

Midcontinent Communications Management Team includes:

N. Larry Bentson, Chairman

Mr. Bentson is a founder of Midcontinent Media, Inc., and has been active in the ownership and management of television and radio stations, cable TV systems, conventional theatres, satellite transmission and reception, and other communications related companies in Minnesota, North Dakota, South Dakota and Wisconsin. Mr. Bentson graduated from the Institute of Technology at the University of Minnesota in 1943. He served as a naval officer for three years in the South Pacific during World War II. He has served as a board member of numerous industry and non-profit organizations.

Joseph H. Floyd, Vice Chariman

Mr. Floyd has been active in the ownership and management of television and radio stations, cable television systems, conventional theatres, satellite transmission and reception, and other communications related companies in Minnesota, North Dakota, South Dakota, and Wisconsin. He has held a number of positions with Midcontinent, including President and COO, and has been involved with Midcontinent since 1968. He is presently a member of the Board of Directors of the National Cable Television Association and C-SPAN. Previous employers include Martin Marietta Corporation and Public Service Co. of Colorado. Mr. Floyd holds undergraduate degrees in physics from Augustana College and electrical engineering from the University of Denver.

Mark S. Niblick, President and CEO

Mr. Niblick has been with Midcontinent since 1985 and in his current position since July 2001. Prior to his current position, he was Executive Vice President and General Counsel for the company and was responsible for the financial and legal management of the company. Mr. Niblick was previously employed as an attorney and CPA. Mr. Niblick earned a BS in accounting (1975) and a JD (1978) from Indiana University.

Steven Grosser, Sr. Vice President Finance

Mr. Grosser has been with Midcontinent in his current capacity since July 2001. He is responsible for company

accounting, management reporting, financial policies and procedures, budgeting, and financial management. Mr. Grosser started with Midcontinent in 1990 and held the position of Assistant Controller, Controller, and Vice President of Finance prior to his current position. He was previously employed by Grant Thornton as an audit supervisor. Mr. Grosser earned a BS in accounting from St. Cloud State University in St. Cloud, MN in December 1985. He is a CPA.

Patrick McAdaragh, Sr. Vice President Operations

Mr. McAdaragh has served in his current position since July 2001. He is responsible for the day to day operations of all of the company's cable and telecommunications operations including field operations, customer services, sales, marketing, and public relations. Mr. McAdaragh joined the company in 1981 as a staff accountant and held the positions of Controller, Director of Treasury Operations, and Vice President of Operations, prior to current position. Mr. McAdaragh joined the company in June, 1981 after graduating from Augustana College in May 1981 with a BA in accounting.

Dick Busch, Sr. Vice President Technology

Mr. Busch was named Sr. Vice President Technology in July 2001. He joined Midcontinent Media in 1976 and has served in many capacities within data processing and information technology. Mr. Busch is responsible for the technical operations of Midcontinent including engineering, construction, network maintenance, and information systems. He is a 1976 computer science graduate of the North Dakota State School of Science and a 1995 degree completion program graduate at Sioux Falls College.

W. Thomas Simmons, Vice President of Public Policy

Mr. Simmons joined MMI in 1987 as the general manager of Midcontinent Media's South Dakota radio group. Prior thereto, Mr. Simmons worked in radio broadcasting as an engineer, producer, announcer, operations manager, and general manager. His total radio experience covered 25 years, 16 of which were in general management. In 1995, Mr. Simmons joined Midco Communications, Midcontinent's telecommunications company, as Vice President and General Manager. Mr. Simmons holds BA and MS degrees in psychology from Concordia College, Moorhead, MN and North Dakota State University.

Mark Powell, Director of Sales

Mr. Powell began his career with Midco Communications in 1993 as an account manager in long distance resale. In 1995, he became local sales manager. In 1999, he became director of Commercial Sales, and in May 2000, he was promoted to director of sales for all Midcontinent Communications products and services. Mr. Powell holds BA degrees from Augustana College and the University of Central Oklahoma, and an MBA from the University of Sioux Falls.

Kristina Viggers, Director of Customer Service

Ms. Viggers has been with Midcontinent since October of 1999. She is responsible for the customer service organization. Kristina earned her BS in business administration from the University of South Dakota in May, 1985. She previously worked in the banking and telecommunications industries. Prior to joining Midcontinent she was employed seven years with MCI Telecommunications as a senior manager for their International Customer Service Center.

Nancy Vogel, Business Director

Ms. Vogel joined Midco Communications in 1986. She has served as the controller of the telephony division since that time. Her responsibilities include financial reporting, budgeting, pricing and billing. Nancy graduated from Dakota State University with a BS degree in business administration. Nancy is a CPA, and, before joining Midcontinent, was employed as a senior auditor with the Minnesota State Auditors Office and First Bank System



Public Service Commission

State of North Dakota

COMMISSIONERS

Tony Clark, President
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Kevin Cramer

Executive Secretary
Illona A Jeffcoat-Sacco

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TDD 800-366-6888
Fax 701-328-2410
Phone 701-328-2400

September 2, 2004

Patrick Durick
P O Box 400
Bismarck ND 58502-0400

RE: Midcontinent Communications Reorganization

Dear Mr. Durick:

Enclosed is an Application for Certificate of Registration, and an example of a local PC&N application, as well as copies of the PC&N certificates and registration certificates currently held by Midcontinent Communications

As you, Bill and I discussed, because this involves a completely new entity, you need to reapply for the new entity. The reseller registration process is pretty routine and notice is not required. We will have to do a Notice of Opportunity for the local PC&N application

When you send in the application, please request cancellation of the current certificates. Since we have all the required corporate papers, you don't have to send those again. Will the current tariffs on file still apply after this transaction?

If you have any questions, please let us know

Sincerely,

A handwritten signature in cursive script that reads "Sharon Helbling".

Sharon Helbling
Public Utilities Division

Sdh

Enclosures



WILLIAM P. PEARCE
PATRICK W. DURICK
B. TIMOTHY DURICK
GARY R. THUNE •
DAVID E. REICH
JEROME C. KETTLESON
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ATTORNEYS AT LAW
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TELEPHONE (701) 223-2890
FAX (701) 223-7865
E-MAIL law.office@pearce-durick.com

August 27, 2004

HAND DELIVERED

Public Service Commission
Capitol
600 East Boulevard Avenue
Bismarck, North Dakota 58505

Attention: Sharon

RE: Midcontinent Communications
Organizational Structure



Dear Sharon:

Enclosed in conjunction with Midcontinent's request for the issuance of Notices of Intent to Amend Certificates of Registration and PCNs is a certified copy of a Partnership Fictitious Name Certificate issued by the Secretary of State of North Dakota for Midcontinent Communications, a general partnership, and Certificates of Good Standing for Midcontinent Communications Investor, LLC and TCI Midcontinent, LLC, the general partners of the general partnership.

Thank you for your attention to this matter. I am available to answer any questions you may have on this matter.

Sincerely,

PEARCE & DURICK

PATRICK W. DURICK

PWD/jf

Enclosures.

cc w/enc: Ms. Mary Lohnes



WILLIAM P PEARCE
 PATRICK W DURICK
 B TIMOTHY DURICK
 GARY R THUNE •
 DAVID E REICH
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 JONATHAN P SANSTEAD
 BONNIE L CHRISTNER •

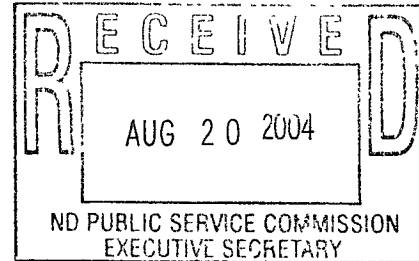
ATTORNEYS AT LAW
 314 EAST THAYER AVENUE
 P O BOX 400
 BISMARCK NORTH DAKOTA 58502

TELEPHONE (701) 223-2890
 FAX (701) 223-7865
 E MAIL law.office@pearce-durick.com

August 17, 2004

Public Service Commission
 Capitol
 600 East Boulevard Avenue
 Bismarck, North Dakota 58505

RE: Midcontinent Communications
 Organizational Structure



Dear Commissioners:

The purpose of this letter is to outline some organizational changes in the structure of Midcontinent Communications and to request that the Commission issue Notices of Intent to Amend Certificates of Registration 542 and 543 and PCNs issued pursuant to case No. PU-2063-99-124 to reflect the current organizational structure of Midcontinent Communications. Midcontinent Communications is presently a general partnership organized under the laws of the State of South Dakota. Midcontinent Communications is operating in North Dakota under a Fictitious Name Filing with a System ID of 13379800, evidence of this Fictitious Name filing is attached hereto and marked as Exhibit A.

Midcontinent Communications is owned equally by Midcontinent Communications Investor, LLC, a South Dakota Limited Liability Company and TCI Midcontinent, LLC, a Delaware Limited Liability Company. Both Midcontinent Communications Investor, LLC and TCI Midcontinent, LLC are authorized to do business in the State of North Dakota. Evidence of the registration of these two companies in the form of Corporate Details from the North Dakota Secretary of State are attached hereto as Exhibits B and C respectively.

When the above mentioned PCNs and Certificates of Registration for Midcontinent Communications were issued, Midcontinent Communications was a Trade Name owned by Midco Communications, Inc.. The Trade Name was cancelled on March 13, 2003, the same date that the Fictitious Name for Midcontinent Communications was filed for the partnership as outlined above.

Since the issuance of the Certificates of Registration and PCNs, Midco Communications, Inc., was merged into Midcontinent Communications, Inc. which was in turn merged into Midcontinent Media, Inc. The cable assets of Midcontinent Media, Inc., were contributed to

August 17, 2004 -2-

Midcontinent Communications Investor, LLC, which is presently a partner in Midcontinent Communications, a South Dakota Partnership.

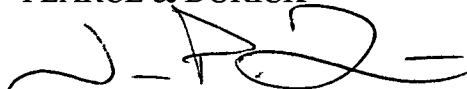
The other partner in Midcontinent Communications, TCI Midcontinent, LLC was formed as a result of the merger of all of AT & T Broadband and Internet Services cable assets in North Dakota, South Dakota and Minnesota into one organization. That organization has since been acquired by Comcast Corporation.

There has been a continuity of management of the various organizations involved in providing services to North Dakota. Mr. W. Tom Simmons was the Vice President and General Manager of Midco Communications at the time that it was operating as Midcontinent Communications and Mr. Simmons remains as the Vice-President of the present partnership.

We would be pleased to respond to any questions or comments on this matter. Thank you for your attention to this matter.

Sincerely,

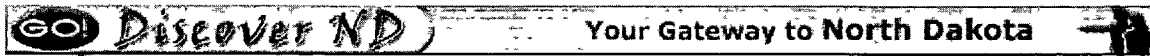
PEARCE & DURICK


PATRICK W. DURICK

PWD/jf

Enclosures.

cc w/enc: Ms. Mary Lohnes



**North Dakota Secretary of State
Fictitious Name Details**

Fictitious Name

MIDCONTINENT COMMUNICATIONS

System ID: 13379800

Phone: (952) 844-2600

Type: General

Status: Active

Original File Date: 3/13/2003

Last Renew Date: N/A

State of Origin: South Dakota

Nature of Business

PROVISION OF TELECOMMUNICATIONS SERVICES - LONG DISTANCE, LOCAL VOICE, VIDEO & DATA SERVICES AND PAGING SERVICES

Principal Office

410 S PHILLIPS AVE
SIOUX FALLS, SD 57104-6824

Owners

MIDCONTINENT COMMUNICATIONS INVESTOR, LLC

3600 MINNESOTA DR STE 700
MINNEAPOLIS, MN 55435-7918

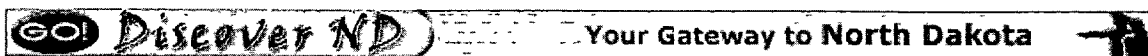
TCI MIDCONTINENT, LLC

1201 N MARKET ST STE 1405
WILMINGTON, DE 19801-1163

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**North Dakota Secretary of State
Corporate Details**

Company

MIDCONTINENT COMMUNICATIONS INVESTOR, LLC

System ID: 15627400

Phone: (701) 224-0897

Type: FOREIGN LIMITED LIABILITY COMPANY

Status: Active & Good Standing

Original File Date: 3/1/2000

Effective Date: 3/1/2000

State of Origin: South Dakota

Principal Office

410 S PHILLIPS AVE

SIOUX FALLS, SD 57104-6824

Registered Agent

DARRELL WREGE

719 MEMORIAL HWY

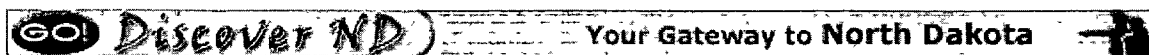
BISMARCK,ND 58504

Established Date: Mar 1, 2000

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**North Dakota Secretary of State
Corporate Details**

Company

TCI MIDCONTINENT, LLC

System ID: 15761700

Phone: (215) 981-7557

Type: FOREIGN LIMITED LIABILITY COMPANY

Status: Active & Good Standing

Original File Date: 4/17/2000

Effective Date: 4/17/2000

State of Origin: Delaware

Principal Office

1500 MARKET ST

PHILADELPHIA, PA 19102-2100

Registered Agent

C T CORPORATION SYSTEM

314 E THAYER AVE

PO BOX 400

BISMARCK,ND 58502

Established Date: Apr 17, 2000

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PH-04-546

SENDER: COMPLETE THIS SECTION	COMPLETE THIS SECTION ON DELIVERY	
<ul style="list-style-type: none"> Complete items 1, 2, and 3. Also complete item 4 if Restricted Delivery is desired. Print your name and address on the reverse so that we can return the card to you. Attach this card to the back of the mailpiece, or on the front if space permits. 	A Signature <input checked="" type="checkbox"/> <i>James A. Faust</i> <input type="checkbox"/> Agent <input type="checkbox"/> Addressee	
1. Article Addressed to <i>Patrick W Durick</i> <i>Pearce & Durick</i> <i>314 E Shayer Ave</i> <i>Bismarck ND 58502</i>	B Received by (Printed Name)	C Date of Delivery <i>12-3-04</i>
	D Is delivery address different from item 1? <input type="checkbox"/> Yes If YES, enter delivery address below: <input type="checkbox"/> No	
2. Article Number (Transfer from service label)	7003 2260 0001 3517 9152	
	PS Form 3811, February 2004 Domestic Return Receipt 102595-02-M-1540	

PH-04-546, PH-04-603, PH-04-627

SENDER: COMPLETE THIS SECTION	COMPLETE THIS SECTION ON DELIVERY	
<ul style="list-style-type: none"> Complete items 1, 2, and 3. Also complete item 4 if Restricted Delivery is desired. Print your name and address on the reverse so that we can return the card to you. Attach this card to the back of the mailpiece, or on the front if space permits. 	A. Signature <input checked="" type="checkbox"/> <i>Charlotte Miller</i> <input type="checkbox"/> Agent <input type="checkbox"/> Addressee	
1. Article Addressed to Patrick W Durick <i>Pearce & Durick</i> <i>314 E Shayer Ave</i> <i>Bismarck ND 58502</i>	B. Received by (Printed Name) <i>Charlotte Miller</i>	C Date of Delivery <i>1/31/05</i>
	D Is delivery address different from item 1? <input type="checkbox"/> Yes If YES, enter delivery address below <input type="checkbox"/> No	
2. Article Number (Transfer from service label)	7003 2260 0001 3517 9411	
	PS Form 3811, February 2004 Domestic Return Receipt 102595-02-M-1540	

PH-04-546, PH-04-603, PH-04-627

SENDER: COMPLETE THIS SECTION	COMPLETE THIS SECTION ON DELIVERY	
<ul style="list-style-type: none"> Complete items 1, 2, and 3. Also complete item 4 if Restricted Delivery is desired. Print your name and address on the reverse so that we can return the card to you. Attach this card to the back of the mailpiece, or on the front if space permits. 	A. Signature <input checked="" type="checkbox"/> <i>Angela Keller</i> <input type="checkbox"/> Agent <input type="checkbox"/> Addressee	
1. Article Addressed to <i>Don Megaard</i> <i>Sender Unregistered</i> <i>PO Box 1000</i> <i>Minut ND 58902-1000</i>	B Received by (Printed Name)	C Date of Delivery <i>JAN 28 2005</i>
	D. Is delivery address different from item 1? <input type="checkbox"/> Yes If YES, enter delivery address below <input type="checkbox"/> No	
2. Article Number (Transfer from service label)	7003 2260 0001 3517 9442	
	PS Form 3811, February 2004 Domestic Return Receipt 102595-02-M-1540	