

DIVIDER

STATE OF NORTH DAKOTA

□ INFORMATION TECHNOLOGY DEPARTMENT

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PU-07-560

**Northwest Communications Cooperative
2007 High-Cost Universal Service Support
Annual Report**

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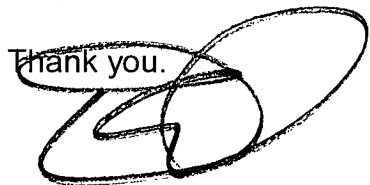


NORTHWEST COMMUNICATIONS COOPERATIVE

We hereby submit the enclosed Annual Report for Essential Telecommunications Carrier Certification to the North Dakota Public Service Commission (the Commission) on behalf of the above-named telecommunications company (the Company), which is an Essential Telecommunications Carrier.

This submission is submitted pursuant to sections 69-09-05-12 and 69-09-05-12.1 of the North Dakota Administrative Code and section 49-21-01.7(12) of the North Dakota Century Code.

Thank you.


Don Negaard

jt

Enclosure

cc/enc: Northwest Communications Cooperative, Attention Dwight Schmitt, Manager
Marlene H. Dortch, Secretary, Federal Communications Commission

ANNUAL REPORT TO THE NORTH DAKOTA PUBLIC SERVICE COMMISSION

ESSENTIAL TELECOMMUNICATIONS CARRIER CERTIFICATION

The undersigned, on behalf of the telecommunications company named below (Northwest Communications Cooperative), does hereby state and certify, as follows:

1. Northwest Communications Cooperative will provide service on a timely basis to requesting customers within Northwest Communications Cooperative's designated service area where Northwest Communications Cooperative's network already passes the potential customer's premises, and

2. Northwest Communications Cooperative will provide service, within a reasonable period of time, if the potential customer is within Northwest Communications Cooperative's designated service area but outside Northwest Communications Cooperative's existing network coverage, if service can be provided at a reasonable cost by:

- a. Modifying or replacing the requesting customer's equipment;
- b. Deploying a roof-mounted antenna or other equipment;
- c. Adjusting the nearest cell tower;
- d. Adjusting network or customer facilities;
- e. Reselling services from another carrier's facilities to provide service;
or
- f. Employing, leasing, or constructing an additional cell site, cell extender, repeater, or other similar equipment.

3. Northwest Communications Cooperative is able to remain functional in emergency situations and has a reasonable amount of back-up power to ensure functionality without an external power source, is able to reroute traffic around damaged facilities, and is capable of managing traffic spikes resulting from emergency situations.

4. Northwest Communications Cooperative is satisfying and will satisfy applicable consumer protection and service quality standards. (If wireless service is involved, Northwest Communications Cooperative has and will comply with the Cellular Telecommunications and Internet Association's Consumer Code for wireless service. If a wireless service complies with another standard, that is explained herein.)

5. If Northwest Communications Cooperative is a non-incumbent local exchange carrier, it will offer a local usage plan comparable to the one offered by the incumbent local exchange carrier in the designated service area.

6. Northwest Communications Cooperative acknowledges that the North Dakota Public Service Commission (the Commission) may require it to provide equal access to long distance carriers in the event that no other eligible telecommunications carrier is providing equal access within the proposed designated service area. (If wireless carriage is involved, Northwest Communications Cooperative acknowledges that the Federal Communications Commission may require Northwest Communications Cooperative to provide equal access to long distance carriers in the event no other eligible telecommunications carrier is providing equal access within the designated service area.)

7. Northwest Communications Cooperative has met and will meet the requirements of eligible telecommunications carrier advertising. This includes:

- a. A full description of available services in Northwest Communications Cooperative's official telephone directory, including the process to be used by customers to qualify for lifeline and link-up service.
- b. Advertising of the availability of universal service in media of general circulation in Northwest Communications Cooperative's designated service area. Availability may be advertised in newspapers, company newsletters, company or civic internet sites, bill stuffers, direct mailings, or other means intended to convey availability throughout the designated service area.

Exhibit A Information

The following information is provided in Exhibit A attached hereto and incorporated herein by reference:

1. A description of the amount of high-cost universal service support received by Northwest Communications Cooperative in the prior calendar year and a description of how that support was used for the provision, maintenance, or upgrading of Northwest Communications Cooperative's facilities and services. (An explanation of any changes from reports previously provided to the Commission is also included.)

2. An estimate of the amount of federal high-cost universal service support Northwest Communications Cooperative anticipates receiving in the following calendar year (the calendar year following this report) and a description of how that support is projected to be used for the provision, maintenance, or upgrading of Northwest Communications Cooperative's facilities and services pursuant to Section 254 of the Telecommunications Act of 1996.

3. Exhibit A also contains, for the prior calendar year and the subsequent calendar year (the calendar year following this report), identification of specific construction or upgrade projects; a description of how service will be improved by each project; the start date and completion date for each improvement; the amount of investment for cash improvement; the specific geographic area where each improvement was made or will be made; and the estimated population that will be served by each improvement. (For an incumbent local exchange carrier (ILEC), this information is submitted at the study area level. For another eligible carrier, this information is submitted at the study area level of the ILEC. If a study area level or designated service area includes geographic areas in more than one state, the information is also submitted at the North Dakota level.)

4. Detailed information of any outage, as that term is defined in 47 C.F.R. § 4.5, of at least thirty (30) minutes in duration for each designated service area for any facilities Northwest Communications Cooperative owns, operates, leases, or otherwise utilizes that potentially affect:

- a. At least ten percent (10%) of the end users served in a designated service area, or
- b. A 911 special facility, as defined in 47 C.F.R. § 4.5(e).

This report includes:

- a. The date and time of the onset of the outage,
- b. A brief description of the outage and its resolution,
- c. The particular services affected,
- d. The geographic areas affected by the outage,
- e. Steps taken to prevent a similar outage in the future, and
- f. The number of customers affected.

(If applicable, a copy of the FCC outage report that includes this information may be attached.)

5. The number of requests for service from potential customers within the designated service area that were unfilled during the past year. A detail of how Northwest Communications Cooperative attempted to provide service to those potential customers is also included.

6. The number of complaints per thousand handsets or lines.

I hereby certify that the above information is true and correct and is submitted on behalf of Northwest Communications Cooperative named below. The information is submitted in the year 2007.

Northwest Communications Cooperative
Company


By: 
Its: Gm / CEO

EXHIBIT A

1. The amount of high-cost universal support the Company received in the prior calendar year and estimate of the amount of high-cost universal support it anticipates receiving in the next calendar year (the calendar year following the date of this report) are listed below:

Year 2006 Federal Universal Service Receipts:

High Cost Loop Support	\$ 685,348
Local Switching Support	\$ 400,286
Safety Net Additive Support	\$ 59,784
Interstate Common Line Support	\$ 721,776
Safety Valve Loop Cost Adjustment	\$ <u>0</u>
TOTAL	\$ 1,867,194

Estimated Year 2008 Federal Universal Service Receipts:

High Cost Loop Support	\$ 1,026,000
Local Switching Support	\$ 432,000
Safety Net Additive Support	\$ 0
Interstate Common Line Support	\$ 671,000
Safety Valve Loop Cost Adjustment	\$ <u>0</u>
TOTAL	\$ 2,129,000

The changes, if any, from reports previously filed with the Commission are, as follows:
(For 2007, there are none. This is the first reporting year.)

- a. **Prior Year's Support.** The ways this support from the prior calendar year was used for the provision, maintenance, or upgrading of the Company's facilities and services are, as follows:

	Actual 2006
Plant Specific Operations Expenses	
Network support (Accts 6110-16)	\$ 7,377
General support (Accts 6120-24)	\$ 229,305
Central office (Accts 6210-6232)	\$ 201,797
Cable and wire facilities (Accts 6410-41)	\$ 286,697
Network operations (Accts 6530-35)	\$ 531,161
Depreciation and amortization (Accts 6560-65)	\$ 1,974,943
Customer Operations Expenses	
Customer services (Accts 6620-23)	\$ 338,201
Corporate Operations Expenses	
Executive and planning (Accts 6710-12)	\$ 449,064
General and administrative (Accts 6720-28)	\$ 805,544
Total Years Supported Expenses, Before Return on Investment	\$ 4,824,089
 Additions	
Switching (Acct 2210)	\$ 401,683
Cable and wire (Acct 2410)	\$ 835,730
Total	\$ 1,237,413
 Total Supported Expenditures, Before Return on Investment	\$ 6,061,502

**NORTHWEST COMMUNICATIONS COOPERATIVE
2006 CONSTRUCTION BY AREA**

<u>START</u>	<u>COMPLETE</u>	<u>AMOUNT</u>	<u>AREA EXCHANGE</u>	<u>POPULATION</u>	<u>JOB DESCRIPTION</u>
3/15/06	9/15/06	4,413.63	ALAMO	4,925	CABLE PLANT ADDITIONS
3/15/06	9/15/06	2,869.50	BOWBELLS	4,925	CABLE PLANT ADDITIONS
1/12/06	8/15/2006	38,997.19	BOWBELLS	4,925	REPLACE 5 MILES OF FIBER
3/15/06	9/15/06	985.08	COLUMBUS	4,925	CABLE PLANT ADDITIONS
2/15/06	11/15/06	1,735.28	COLUMBUS	175	CIRCUITS
3/15/06	9/15/06	17,023.16	CROSBY	850	END TAPS
2/15/06	11/15/06	2,615.18	CROSBY	850	CIRCUITS
11/16/05	3/15/06	7,672.45	EPPING	220	CENTRAL OFFICE EQUIPMENT
3/15/06	9/15/06	14,453.92	EPPING	4,925	CABLE PLANT ADDITIONS
2/15/06	11/15/06	6,749.80	EPPING	220	CIRCUITS
10/16/06	12/15/06	22,366.61	EPPING	220	AFC EQUIPMENT
3/15/06	9/15/06	2,892.88	FLAXTON	4,925	CABLE PLANT ADDITIONS
10/17/05	2/15/06	8,500.33	GRENORA	262	NEW AFC SHELF @ GR-1S
11/22/05	2/15/06	16,544.30	GRENORA	262	BATTERIES @ CENTRAL OFFICE
3/15/06	9/15/06	5,048.43	GRENORA	4,925	CABLE PLANT ADDITIONS
3/15/06	9/15/06	5,081.33	LIGNITE	4,925	CABLE PLANT ADDITIONS
3/15/06	9/15/06	12,256.11	MARMON	4,925	CABLE PLANT ADDITIONS
2/15/06	11/15/06	8,458.71	MARMON	134	CIRCUITS
3/15/06	9/15/06	2,511.74	MCGREGOR	4,925	CABLE PLANT ADDITIONS
3/15/06	9/15/06	1,359.33	MISC	4,925	CABLE PLANT ADDITIONS
1/15/06	11/15/06	23,114.65	MISC	4,925	AFC EQUIPMENT
1/15/06	11/15/06	22,232.47	MISC	4,925	CENTRAL OFFICE EQUIPMENT
3/27/06	5/15/06	9,461.34	MISC	4,925	BATTERIES @ AFC SITES
1/15/06	11/15/06	15,174.65	NOONAN	211	CENTRAL OFFICE EQUIPMENT
3/15/06	9/15/06	6,447.00	NOONAN	4,925	CABLE PLANT ADDITIONS
3/15/06	9/15/06	31,481.94	POWERS LAKE	4,925	CABLE PLANT ADDITIONS
9/22/06	11/15/06	61,902.82	POWERS LAKE	4,925	6 MILES FIBER OPTIC CABLE
2/15/06	11/15/06	270.70	POWERS LAKE	385	CIRCUITS
1/15/06	12/15/06	79,643.11	RAY	4,925	COMPUTER & SOFTWARE
3/15/06	9/15/06	11,895.31	RAY	4,925	CABLE PLANT ADDITIONS
12/6/05	12/15/06	184,210.52	RAY	4,925	FIBER OPTIC CABLE REPLACEMENT
2/15/06	11/15/06	1,217.03	RAY	478	CIRCUITS
1/15/06	12/15/06	102,645.14	RAY	4,925	CENTRAL OFFICE EQUIPMENT
3/15/06	9/15/06	10,192.99	ROUND PRAIRIE	4,925	CABLE PLANT ADDITIONS
1/15/06	12/15/2006	29,991.65	ROUND PRAIRIE	159	CENTRAL OFFICE BATTERIES
2/15/06	11/15/06	2,145.43	ROUND PRAIRIE	159	CIRCUITS
3/15/06	9/15/06	17,684.02	TIOGA	4,925	CABLE PLANT ADDITIONS
2/15/06	11/15/06	1,322.92	TIOGA	957	CIRCUITS
3/15/06	9/15/06	4,343.23	WILDROSE	4,925	CABLE PLANT ADDITIONS
1/25/06	12/15/06	175,264.52	WILDROSE	162	FIBER TO THE HOME
1/25/06	12/15/06	256,936.93	WILDROSE	4,925	UPGRADE FIBER OPTIC RING
2/15/06	11/15/06	143.15	WILDROSE	4,925	CIRCUITS
6/19/06	7/15/06	7,156.58	WILDROSE	162	CENTRAL OFFICE EQUIPMENT

1,237,413.06

ATTACHMENT: B

- b. **Following Year's Support (the calendar year following the date of this report).** The ways the Company anticipates it will use the following calendar year's support for the provision, maintenance, or upgrading of the Company's facilities and services are, as follows:

	<u>Estimated</u> 2008
Plant Specific Operations Expenses	
Network support (Accts 6110-16)	\$ 9,000
General support (Accts 6120-24)	\$ 257,000
Central office (Accts 6210-6232)	\$ 227,000
Cable and wire facilities (Accts 6410-41)	\$ 322,000
Network operations (Accts 6530-35)	\$ 650,000
Depreciation and amortization (Accts 6560-65)	\$2,218,500
Customer Operations Expenses	
Customer services (Accts 6620-23)	\$ 373,700
Corporate Operations Expenses	
Executive and planning (Accts 6710-12)	\$ 460,000
General and administrative (Accts 6720-28)	\$ 819,800
Total Years Supported Expenses, Before Return on Investment	<u>\$5,337,000</u>
Additions	
Switching (Acct 2210)	590,000
Cable and wire (Acct 2410)	493,000
Total	1,083,000
Total Supported Expenditures, Before Return on Investment	\$6,420,000

