



A CITIZENS COMMUNICATIONS COMPANY

Government & External Affairs
180 S. Clinton Ave.
5th Floor
Rochester, NY 14646

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AUG 21 2008

PUBLIC SERVICE COMMISSION

August 20, 2008

Executive Secretary
North Dakota Public Service Commission
600 East Boulevard Ave., Dept. 408
Bismarck, ND 58505-0480

Dear Executive Secretary:

In response to the request to submit the annual report in accordance to Rule 69-09-05-12.1 Citizens Telecommunications Company of Minnesota, LLC ("CTC-MN") has enclosed its report for 2008.

The North Dakota Public Service Commission previously received a signed affidavit and other supporting documents for ETC Certification in North Dakota. The enclosed document should allow the process to move forward.

If you have any questions please contact Cassandra Guinness at 585-777-4557.

Sincerely,

Carissa Nickel
Governmental and External Affairs

Enclosure

Cc: S. Bohler

Citizens Telecommunications Company of Minnesota, LLC – Oslo
Exchange Annual Report

1. a) Amount of High-Cost Universal Service Support received in 2007.

Citizens Telecommunications Company of Minnesota (CTC MN) serves 90 North Dakota residents. The North Dakota residents are served from the Oslo central office that is located in Minnesota. CTC MN serves approximately 119,000 customers within Minnesota and holds current Eligible Telecommunications Certification status. In 2007, CTC MN received \$251,349 of USF.

b) How was the support used in 2007 for provision, maintenance, or upgrading?

During the year 2007, the Company used the federal universal service support it received only for the provision, maintenance and upgrading of facilities and services for which the support is intended.

c) Any changes for reports previously filed?

No, there are no changes to reports previously filed.

d) Estimate amount of High-Cost Universal Service Support the carrier expects to receive in 2008.

It is estimated that CTC MN will receive \$50,000 of High-Cost Universal Service Support in 2008. The receipt of monies will continue to benefit the 90 North Dakota customers.

e) How will the support in 2008 be used for provision, maintenance, or upgrading?

The support received in 2008 will be used only for the provision, maintenance and upgrading of facilities and services for which the support is intended.

f) Identify specific construction or upgrade projects, how will the service be improved by each project, and what is the start and completion date for each project. Also, what is the amount of investment for each project, the geographic area of each improvement, and the estimated population that will be served?

There is no specific project for the 90 North Dakota customers. However, attached is the public version of the Minnesota Eligible

Telecommunications Certification filing that includes forecasted expenditures. (See Attachment A)

NOTE: This information has to be submitted at the study area level if the carrier is an ILEC. For other eligible carriers the information has to be submitted at the ILEC study area level. If a study area or designated service area includes geographic areas in more than one state, the information must also be submitted at the North Dakota level.

The North Dakota customers are part of the Minnesota study area.

- 2. Detailed information on any outage, as that term is defined in 47 C.F.R. section 4.5, of at least thirty minutes in duration for each designated service area for any facilities it owns, operates, leases, or otherwise utilizes that potentially affect at least ten percent of the end users served in a designated service area, or a 911 special facility, as defined in 47 C.F.R. section 4.5(e).**

There were not any outages meeting the reporting criteria in year 2007 for Citizens Telecommunications Company of Minnesota, LLC.

- 3. The number of requests for service from potential customers within the designated service area that were unfulfilled during the past year.**

There were not any requests for service from potential customers within the designated service area that were unfulfilled during 2007 by Citizens Telecommunications Company of Minnesota, LLC.

- 4. The number of complaints per one thousand handsets.**

Citizens Telecommunications Company of Minnesota, LLC received 0 complaints in year 2007 resulting in 0.00 complaints per 1000 lines.

- 5. Does the carrier comply with applicable service quality standards and consumer protection rules?**

Citizens Telecommunications Company of Minnesota, LLC complies with applicable service quality standards and consumer protection rules.

- 6. Is the carrier able to function in emergency situations?**

Citizens Telecommunications Company of Minnesota, LLC is able to remain functional in an emergency situation through the use of back-up power to ensure functionality without an external power source. Citizens Telecommunications Company of Minnesota, LLC has backup battery reserve in its central office, which enables it to provide service for a minimum of 8 hours.

- 7. Does your company offer a local usage plan? If so, and if you are a CETC, is this plan comparable to that offered by the incumbent LEC in your designated area?**

Citizens Telecommunications Company of Minnesota, LLC offers local exchange service on a flat-rate unlimited usage basis but not on a measured usage basis. Citizens Telecommunications Company of Minnesota, LLC is the incumbent carrier.

- 8. Does your company acknowledge that the FCC may require it to provide equal access to long distance carriers in the event that no other ETC is providing equal access within the service area?**

Citizens Telecommunications Company of Minnesota, LLC acknowledges that it may be required to provide equal access to long distance carriers in the event that no other ETC is providing equal access within the service area.

Attachment A

frontier[®]
COMMUNICATIONS SOLUTIONS

May 29th, 2008

Burl W. Haar, Ph.D.
Executive Secretary
Minnesota Public Utilities Commission
121 Seventh Place East, Suite 350
St. Paul, MN 55101-2147

Re: In the Matter of Annual Certifications Related to Eligible Telecommunications
Carrier's (ETCs) Use of the Federal Universal Service Support
Docket No. P999/M-07-558

Frontier Communications of Minnesota, Inc.
Citizens Telecommunications Company of Minnesota, LLC

Dear Dr. Haar:

Attached is an electronic filing by Frontier Communications of Minnesota, Inc., and
Citizens Telecommunications Company of Minnesota, LLC for certification of federal
USF support. This filing includes affidavits and supporting documents.

If you have any questions, please call me at (585) 777-5823.

Sincerely,

Deborah Fasciano

Deborah Fasciano
Sr. Compliance Analyst
Governmental and External Affairs

Enclosures

cc: All Parties on Attached Service List

STATE OF NEW YORK)
COUNTY OF MONROE)

AFFIDAVIT OF SERVICE

Deborah Fasciano, being duly sworn, deposes and says:

That on the 29th day of May, 2008 she served the attached filings by:

Frontier Communications of Minnesota, Inc., and
Citizens Telecommunications of Company of Minnesota, LLC

Related to Annual Certification of Use of Federal Universal Service Support,
by overnight service, to all persons at the addresses indicated on the attached lists (2).

Deborah Fasciano

Subscribed and sworn to before me
this 29 day of May, 2008

Gerald C. Burch
Notary Public

GERALD C. BURCH
Notary Public, State of New York
Qualified in Genesee County
No. 01BU6161930
My Commission Expires 2/26/2011

CITIZENS TELECOMMUNICATIONS COMPANY OF MINNESOTA, LLC.
SERVICE LIST

Linda Chavez *
Minnesota Department of Commerce
85 7th Place East, Suite 500
St. Paul, MN 55101-2198

Jessica Palmer-Denig **
OAG-RUD
900 NCL Tower
445 Minnesota Street
St. Paul, MN 55101-2130

Rick Johnson Public Version ONLY **
Moss & Barnett
4800 Wells Fargo Center
90 South Seventh Street
Minneapolis, MN 55402-4129

* electronic copy
** overnight mail

FRONTIER COMMUNICATIONS OF MINNESOTA, INC.
SERVICE LIST

Linda Chavez *
Minnesota Department of Commerce
85 7th Place East, Suite 500
St. Paul, MN 55101-2198

Jessica Palmer-Denig **
Manager
Office of the Attorney General
Residential Utilities Division
1200 NCL Tower
445 Minnesota Street
St. Paul, MN 55101-2130

Rick Johnson Public Version ONLY **
Moss & Barnett
4800 Wells Fargo Center
90 South Seventh Street
Minneapolis, MN 55402-4129

* electronic copy
** overnight mail

Citizens Telecommunications Company of Minnesota, LLC.

Attachment A

Year 2007 Federal Universal Service Receipts Subject To Certification.

1 High cost loop support	\$150,465
2 Local switching support	<u>\$100,884</u>
3 TOTAL	\$251,349

Year 2007 Expenditures For Provision, Maintenance, and Upgrading Of Facilities and Services Supported By Federal Universal Service Funding

Plant Specific Operations Expenses	Actual 2007	Estimate 2008	Estimate 2009
4 Network support (Accts. 6110-16)	\$49,467	\$49,467	\$49,467
5 General support (Accts. 6120-24)	\$4,260,819	\$4,260,819	\$4,260,819
6 Central office (Accts. 6210-6215)	\$2,328,564	\$2,328,564	\$2,328,564
7 Cable and wire facilities (Accts. 6410-6441)	\$3,935,566	\$3,935,566	\$3,935,566
8 Network operations (Accts. 6530-35)	\$3,912,135	\$3,912,135	\$3,912,135
9 Depreciation & amortization (Accts. 6560-65)	\$24,614,418	\$24,614,418	\$24,614,418
10 Customer Operations Expenses			
11 Customer services (Accts. 6620-23)	\$3,284,338	\$3,284,338	\$3,284,338
Corporate Operations Expenses			
12 Executive and planning (Accts. 6710-12)	\$917,889	\$917,889	\$917,889
13 General and administrative (Accts. 6720-28)	\$4,117,536	\$4,117,536	\$4,117,536
14 Total Year 2007 Supported Expenses, Before Return on Investment	\$47,420,732	\$47,420,732	\$47,420,732
Additions			
15 Total central office switching (Acct. 2210)	\$878,732	\$878,732	\$878,732
16 Total cable and wire (Acct. 2410)	\$8,950,357	\$8,950,357	\$8,950,357
17 TOTAL	\$9,829,089	\$9,829,089	\$9,829,089
18 Total Year 2007 Supported Expenditures Before Return On Investment	\$57,249,821	\$57,249,821	\$57,249,821

BEFORE THE
MINNESOTA PUBLIC UTILITIES COMMISSION

REQUEST FOR CERTIFICATION

Citizens Telecommunications Company of Minnesota, LLC (Citizens) is seeking certification of eligibility from the Minnesota Public Utilities Commission (Commission) in order to be eligible for support from the federal Universal Service fund.

The certification required for rural carriers to receive federal universal support for all four quarters during calendar year 2009 is currently due to be filed with the FCC and USAC on or before October 1, 2008. The certification may be presented to these entities in the form of a letter from the State Commission. The letter must identify which carriers in the State are eligible to receive federal support during the 12-month period and must clarify that the carrier listed will only use the support for the provision, maintenance, and upgrading of facilities and services for which the support is intended.

Citizens is a rural incumbent telephone company that has previously been designated by the Commission as an eligible telecommunications carrier. The Company provides local exchange telephone services, including all of the essential services that are included in the federal definition of universal service, to approximately

115,386 access lines within its established rural service area in Minnesota.

Based on the information in this filing it is anticipated that the Commission will make the appropriate certification to the FCC and USAC.

Attachment A provides details as to the expenditures that were incurred in 2007 and estimates of the expenditures for years 2008 and 2009 for the provision, maintenance, and upgrading of facilities and services supported by federal universal service. Consistent with the universal service principles set forth in the federal law and also the FCC orders referenced herein, Citizens will use federal universal service amounts received in 2008 and 2009 to offset a portion of 2008 and 2009 expenditures incurred within the accounts in Attachment A. This use of federal universal service support will enable Citizens to: (1) maintain rates for its local exchange services that are affordable and reasonably comparable to rates being charged for the same services in urban areas; (2) to continue to upgrade its telecommunications facilities and equipment as necessary to meet evolving service requirements and maintain high quality service. The use of federal universal support for these purposes is clearly consistent with the federal universal provisions.

In Docket P-999/M-07-558 the Commission ordered companies seeking certification to comply with the annual filing requirements by the FCC in CC Docket 94-45, FCC 05-46 with the modifications that a report on a two-year service improvement plan is to be used instead of a five year plan and that the information may be filed on a service area basis instead of a wire-center basis. The following information is provided in compliance with this requirement.

Citizens' service quality improvement plan calls for the maintenance of the high quality service that is currently being provided to all service areas of the company. As an incumbent local carrier the company upgrades and replaces facilities and equipment as necessary. Last year's ETC filing to the state provided a list of certain planned 2007-2008 projects. Attachment B reports the status of those projects. Attachment C details certain planned 2008-2009 construction projects.

We have not provided maps of the areas for which we provide service as those maps are on file with the Minnesota Department of Commerce and the Department of Administration. If maps are still desired please contact us and we will be glad to provide them. Additional information required is provided as follows:

There were no outages reportable to the FCC in
2007.

We were able to provide service to all potential customers that requested service during 2007 and at December 31, 2007 we had no unfilled requests for service.

The number of complaints of service quality per 1000 handsets or lines for 2007 was approximately 0.16.

The attached affidavit contains the required certifications as they pertain to an incumbent local exchange carrier.

Based on the foregoing information, the enclosed Attachment A, Attachment B, Attachment C and the Affidavit, Citizens requests that this Commission issue an appropriate certification to the FCC and USAC indicating that Citizens Telecommunications Company of Minnesota, LLC is in compliance with 47 U.S.C. § 254(e) and should receive all federal universal service support determined for distribution to the Company in 2009.

PUBLIC DOCUMENT

TRADE SECRET DATA

HAS BEEN EXCISED

Attachment B

Citizens Telecommunications Company of Minnesota, LLC
Report on status of 2007-2008 Projects

{Trade Secret begins...

Exchange	Cost	Description

... Trade Secret ends}

PUBLIC DOCUMENT

TRADE SECRET DATA

HAS BEEN EXCISED

Attachment C

Citizens Telecommunications Company of Minnesota, LLC
2008-2009 Projects

{Trade Secret begins...

Exchange	Cost	Description

... Trade Secret ends}

BEFORE THE
MINNESOTA PUBLIC UTILITIES COMMISSION

REQUEST FOR CERTIFICATION

Frontier Communications of Minnesota, Inc. (Frontier) is seeking certification of eligibility from the Minnesota Public Utilities Commission (Commission) in order to be eligible for support from the federal Universal Service fund.

The certification required for rural carriers to receive federal universal support for all four quarters during calendar year 2009 is currently due to be filed with the FCC and USAC on or before October 1, 2008. The certification may be presented to these entities in the form of a letter from the State Commission. The letter must identify which carriers in the State are eligible to receive federal support during the 12-month period and must clarify that the carrier listed will only use the support for the provision, maintenance, and upgrading of facilities and services for which the support is intended.

Frontier is a rural incumbent telephone company that has previously been designated by the Commission as an eligible telecommunications carrier. The Company provides local exchange telephone services, including all of the essential services that are included in the federal definition of universal service, to approximately

101,441 access lines within its established rural service area in Minnesota.

Based on the information in this filing it is anticipated that the Commission will make the appropriate certification to the FCC and USAC.

Attachment A provides details as to the expenditures that were incurred in 2007 and estimates of the expenditures for years 2008 and 2009 for the provision, maintenance, and upgrading of facilities and services supported by federal universal service. Consistent with the universal service principles set forth in the federal law and also the FCC orders referenced herein, Frontier will use federal universal service amounts received in 2008 and 2009 to offset a portion of 2008 and 2009 expenditures incurred within the accounts in Attachment A. This use of federal universal service support will enable Frontier to: (1) maintain rates for its local exchange services that are affordable and reasonably comparable to rates being charged for the same services in urban areas; (2) to continue to upgrade its telecommunications facilities and equipment as necessary to meet evolving service requirements and maintain high quality service. The use of federal universal support for these purposes is clearly consistent with the federal universal provisions.

In Docket P-999/M-07-558 the Commission ordered companies seeking certification to comply with the annual filing requirements by the FCC in CC Docket 94-45, FCC 05-46 with the modifications that a report on a two-year service improvement plan is to be used instead of a five year plan and that the information may be filed on a service area basis instead of a wire-center basis. The following information is provided in compliance with this requirement.

Frontier's service quality improvement plan calls for the maintenance of the high quality service that is currently being provided to all service areas of the company. As an incumbent local carrier the company upgrades and replaces facilities and equipment as necessary. Last year's ETC filing to the state provided a list of certain planned 2007-2008 projects. Attachment B reports the status of those projects. Attachment C details certain planned 2008-2009 construction projects.

We have not provided maps of the areas for which we provide service as those maps are on file with the Minnesota Department of Commerce and the Department of Administration. If maps are still desired please contact us and we will be glad to provide them. Additional information required is provided as follows:

There were no outages reportable to the FCC in
2007.

We were able to provide service to all potential customers that requested service during 2007 and at December 31, 2007 we had no unfilled requests for service.

The number of complaints of service quality per 1000 handsets or lines for 2007 was approximately 0.23.

The attached affidavit contains the required certifications as they pertain to an incumbent local exchange carrier.

Based on the foregoing information, the enclosed Attachment A, Attachment B, Attachment C and the Affidavit, Frontier requests that this Commission issue an appropriate certification to the FCC and USAC indicating that Frontier Communications of Minnesota, Inc. is in compliance with 47 U.S.C. § 254(e) and should receive all federal universal service support determined for distribution to the Company in 2009.

AFFIDAVIT

STATE OF NEW YORK)
)ss.
COUNTY OF MONROE)

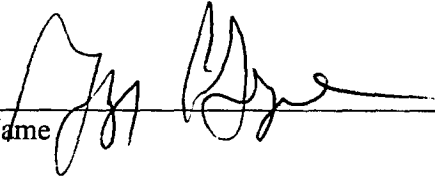
1. My name is Gregg Sayre. I am employed by Frontier Communications of Minnesota, Inc., (the "Company") as its Assistant Secretary. I am an officer of the Company and am authorized to give this affidavit on behalf of the Company. This affidavit is provided to support the request of the Company for certification by the Minnesota Public Utilities Commission as contemplated in 47 C.F.R. § 54.314.

2. During the year 2007, the Company received federal universal service support, as shown on Attachment A to this Affidavit and had investments and expense relating to the provision, maintenance and upgrading of facilities and services for which any such support was intended as also shown on Attachment A. During the year 2007, the Company used the federal universal service support it received only for the provision, maintenance and upgrading of facilities and services for which the support is intended.

3. The Company hereby also certifies that it will only use the federal high-cost support it receives during 2009 for the provision, maintenance and upgrading of facilities and services for which such support is intended.

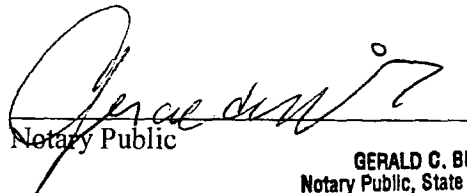
4. The Company also certifies that it is compliance with applicable rules on service quality; service provision in emergency situations and that we do provide equal access to long distance carriers.

FURTHER AFFIANT SAYETH NOT.


Name _____

STATE OF NEW YORK)
)ss.
COUNTY OF MONROE)

Subscribed and sworn to before me this 28 day of May, 2008.


Notary Public _____

GERALD C. BURCH
Notary Public, State of New York
Qualified in Genesee County
No. 01BU6161930
My Commission Expires 2/26/2011

Frontier Communications of Minnesota, Inc.

Attachment A

Year 2007 Federal Universal Service Receipts Subject To Certification.

1 High cost loop support	\$41,320
2 Local switching support	<u>\$0</u>
3 TOTAL	\$41,320

Year 2007 Expenditures For Provision, Maintenance, and Upgrading Of Facilities and Services Supported By Federal Universal Service Funding

Plant Specific Operations Expenses	Actual 2007	Estimate 2008	Estimate 2009
4 Network support (Accts. 6110-16)	\$2,786	\$2,786	\$2,786
5 General support (Accts. 6120-24)	\$3,035,754	\$3,035,754	\$3,035,754
6 Central office (Accts. 6210-6215)	\$1,556,007	\$1,556,007	\$1,556,007
7 Cable and wire facilities (Accts. 6410-6441)	\$3,720,191	\$3,720,191	\$3,720,191
8 Network operations (Accts. 6530-35)	\$3,452,827	\$3,452,827	\$3,452,827
9 Depreciation & amortization (Accts. 6560-65)	\$31,172,692	\$31,172,692	\$31,172,692
10 Customer Operations Expenses			
11 Customer services (Accts. 6620-23)	\$4,923,909	\$4,923,909	\$4,923,909
Corporate Operations Expenses			
12 Executive and planning (Accts. 6710-12)	\$860,514	\$860,514	\$860,514
13 General and administrative (Accts. 6720-28)	\$4,129,251	\$4,129,251	\$4,129,251
14 Total Year 2007 Supported Expenses, Before Return on Investment	\$52,853,931	\$52,853,931	\$52,853,931
Additions			
15 Total central office switching (Acct. 2210)	\$451,857	\$451,857	\$451,857
16 Total cable and wire (Acct. 2410)	\$5,386,595	\$5,386,595	\$5,386,595
17 TOTAL	\$5,838,452	\$5,838,452	\$5,838,452
18 Total Year 2007 Supported Expenditures Before Return On Investment	\$58,692,383	\$58,692,383	\$58,692,383

PUBLIC DOCUMENT

TRADE SECRET DATA

HAS BEEN EXCISED

Attachment B

Frontier Communications of Minnesota, Inc.
Report on status of 2007-2008 Projects

{Trade Secret begins...

Exchange	Cost	Description

... Trade Secret ends}

PUBLIC DOCUMENT

TRADE SECRET DATA

HAS BEEN EXCISED

Attachment C

Frontier Communications of Minnesota, Inc.
2008-2009 Projects

{Trade Secret begins...

Exchange	Cost	Description

... Trade Secret ends}