



October 28, 2008

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North Dakota Public Service Commission
Attn: Darrell Neitschke, Executive Director
600 East Boulevard Avenue
Bismarck, North Dakota 58505

NOV 03 2008

PUBLIC SERVICE COMMISSION

**RE: HALSTAD TELEPHONE COMPANY/HTC SERVICE, INC.
APPLICATION FOR EXPANSION OF ELIGIBLE
TELECOMMUNICATIONS CARRIER DESIGNATED GEOGRAPHIC
SERVICE AREA**

**HALSTAD TELEPHONE COMPANY/HTC SERVICES, INC.
APPLICATION FOR CERTIFICATE OF PUBLIC CONVENIENCE AND
NECESSITY**

Dear Mr. Neitschke:

Enclosed herewith please find one original and seven copies, each, of the above filings for Halstad Telephone Company. Halstad Telephone Company is the parent of HTC Services, Inc. Effective December 31, 2008, HTC Services, Inc. will be transferring its assets including the Hillsboro exchange which is a competitive local exchange carrier, to the parent company. The purpose for the transfer is to enable the customers of Halstad Telephone Company in the Hillsboro exchange to become members of the cooperative.

Also enclosed herewith in connection with the Application for Certificate of Public Convenience and Necessity please find the following:

1. Certificate of Good Standing
2. Consolidated Balance Sheet - December 31, 2007 & 2006
3. Consolidated Statement of Operations - December 31, 2007 & 2006

Please review the filings and notify me if there is anything additional that you should require or any corrections or amendments that would be necessary. Otherwise please process this in the normal course and advise me of any hearing dates. Thank you.

Sincerely yours,

William J. Brudvik

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1 **PU-08-872** Filed: 11/3/2008 Pages: 6
**Application for Expansion of Eligible Telecom
Carrier Designated Geographic Service Area**

Halstad Telephone Company

Ohnstad Twichell Attnys/William Brudvik

State of North Dakota

SECRETARY OF STATE



CERTIFICATE OF GOOD STANDING OF

HALSTAD TELEPHONE COMPANY

The undersigned, as Secretary of State of the State of North Dakota, hereby certifies that HALSTAD TELEPHONE COMPANY, a Minnesota corporation, authorized to transact business in the State of North Dakota on April 20, 1956, and according to the records of this office as of this date, has paid all fees due this office as required by North Dakota statutes governing foreign corporations.

ACCORDINGLY the undersigned, as such Secretary of State, and by virtue of the authority vested in him by law, hereby issues this Certificate of Good Standing to

HALSTAD TELEPHONE COMPANY

Issued: October 30, 2008

A handwritten signature in cursive script, reading "Alvin A. Jaeger".

Alvin A. Jaeger
Secretary of State

STATE OF NORTH DAKOTA

PUBLIC SERVICE COMMISSION

**Application of Halstad Telephone Company
for Expansion of Eligible Telecommunications
Carrier Designated Geographical Service
Area**

Case No. _____

APPLICATION

I.

Halstad Telephone Company, (hereunder "Halstad"), a Minnesota telephone cooperative, under Certificates of Public Convenience and Necessity issued by the North Dakota Public Service Commission (hereinafter the "Commission"), is engaged in the business of providing local exchange telecommunications service, exchange access, and other telecommunications activities in the following North Dakota exchanges, which shall hereinafter be collectively referred to as "West Halstad", "West Nielsville", "West Shelly" and "West Climax" (North Dakota access lines of Halstad Telephone Company, Halstad, Minnesota).

II.

HTC Services, Inc., a subsidiary of Halstad Telephone Company, (hereinafter "Subsidiary"), a Minnesota corporation, under a Certificate of Public Convenience and Necessity issued by the Commission, is engaged in the business of providing local exchange telecommunications service, exchange access, and other telecommunications services in the following exchange: Hillsboro (PC&N No. 4339). The Subsidiary has approximately 736 access lines in the Hillsboro exchange.

III.

The Boards of Directors of Halstad Telephone Company and HTC, Services, Inc. have resolved to transfer the assets of HTC Services, Inc. into Halstad Telephone Company effective 11:59 P.M., December 31, 2008. The Subsidiary assets include the current assets and facilities relating to the provision of local exchange telecommunication service, exchange access, and other telecommunications services in the Hillsboro exchange. The effect of the transfer of assets will be to enable Halstad Telephone Company to make the customers of the Hillsboro exchange members of the cooperative. Upon transfer of these and all remaining assets, the Subsidiary will be dissolved.

IV.

Halstad and the Subsidiary, have filed a joint Application with the Commission wherein the Subsidiary seeks to relinquish its Certificate of Public Convenience and Necessity No. 4339 for the Hillsboro exchange effective as of the Closing Date and to

have the Certificate of Public Convenience and Necessity issued to Halstad.

V.

Halstad has been designated by the Commission as an eligible telecommunications carrier to receive universal service support under §§ 214 and 254 of the Federal Communications Act of 1934, as amended by the Federal Telecommunications Act of 1996 (hereinafter the "1996 Act"). Halstad's eligible telecommunications carrier (ETC) designated geographical service area for the purpose of determining universal service obligations and support mechanisms under the 1996 Act is currently the Halstad Service Area including access lines in North Dakota in the Halstad, Nielsville, Shelly and Climax Exchanges. Effective as of the Closing Date, Halstad will expand its designated geographical service area for ETC purposes to include the Hillsboro exchange, for purposes of determining universal service obligations and support mechanisms under the 1996 Act.

VI.

All subscribers served by the Subsidiary in the Hillsboro exchange area prior to the Closing Date will be served by Halstad beginning on the Closing Date. Halstad intends to charge the same rates for basic local service in the Hillsboro exchange as Subsidiary is currently charging its subscribers in said exchange. Halstad has previously, as part of its annual filings with this Commission, provided information required by Section 69-09-05-12 of the Commission's Rules and will do so in the future.

VII.

There is a clear need for continuing quality telecommunications services in the Hillsboro exchange. The pending application for relinquishment of the Subsidiary's Certificate of Public Convenience and Necessity has no effect on other public utilities providing similar services in the Hillsboro exchange. Halstad having served the North Dakota customers of its Halstad, Nielsville, Climax and Shelly exchanges, has demonstrated that it has the technical, financial, and managerial fitness and ability to provide adequate essential and nonessential telecommunications service in the Hillsboro exchange. The technical fitness and ability of Halstad to provide services in this exchange will be enhanced by the transfer of the assets that the Subsidiary is currently using to provide such services in the Hillsboro exchange to Halstad. The provision of adequate essential and nonessential telecommunications service in the Hillsboro exchange will be facilitated and supported by the full current technical and financial capabilities of Halstad. While Halstad currently has ETC status issued by the Commission, it wishes to further this by receiving an affirmative designation from the Commission in this petition.

VIII.

Beginning on the Closing Date, Halstad will offer all services that are supported by federal universal service support mechanisms under § 254 (c) of the 1996 Act and 47 C.F.R. §§ 54.101 and 54.401, using its own facilities and will advertise the availability of such services and the charges therefore using media of general distribution, throughout the Hillsboro exchange. Halstad will and has met all the criteria necessitated by Section

69-09-05-12.

IX.

The Commission has authority under N.D.C.C. § 49-21-01.7(7) and § 49-21-01.7(13) to designate geographic service areas for designated eligible telecommunications carriers for the purpose of determining universal service obligations and support mechanisms under the 1996 Act.

X.

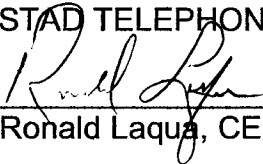
WHEREFORE, Halstad and the Subsidiary have applied, simultaneously to: (1) transfer eligible telecommunications status for the Hillsboro, North Dakota exchange from the Subsidiary to Halstad by this application, pursuant to N.D.C.C. § 49-21-01.7(13), (effective as of the Closing Date), and (2) relinquish its Certificate of Public Convenience and Necessity No. 4339, effective as of the Closing Date, pursuant to N.D.A.C. § 69-09-05-11(6) and to have it transferred to its parent, Halstad, by a companion application.

XI.

WHEREFORE, pursuant to N.D.C.C. § 49-03.1-05, Applicant requests that the Commission grant the above-requested relief without a hearing, if no interested party has requested a hearing on this application after receiving at least twenty (20) days notice of opportunity to request such a hearing and to grant ETC status to Halstad for the service area of the Subsidiary being transferred into Halstad; namely Hillsboro exchange, listed in paragraph II above.

Dated this 24 day of OCTOBER, 2008.

HALSTAD TELEPHONE COMPANY


By: Ronald Laqua, CEO

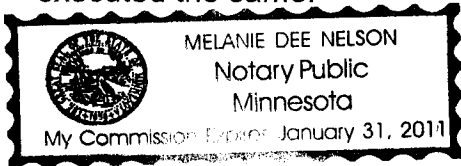
HTC SERVICES, INC.


By: Ronald Laqua, CEO

STATE OF MINNESOTA)

COUNTY OF Norman)

On this 24 day of October, 2008, before me, a Notary Public in and for said County and State, personally appeared Ronald Laqua, known to me to be the CEO of Halstad Telephone Company and HTC Services, Inc., the corporations that are described in and that executed the within instrument, and acknowledged to me that such corporations executed the same.



Melanie Dee Nelson

Notary Public
My Commission Expires

OHNSTAD TWICHELL, P.C.

William J. Brudvik

By: William J. Brudvik, ND Bar ID #03290
Attorneys for Applicant
Halstad Telephone Company
P. O. Box 547
Mayville, North Dakota 58257-0547
Telephone: (701) 788-3251
Fax: (701) 788-4243

STATE OF NORTH DAKOTA)

COUNTY OF TRAILL)

On this 24th day of October, 2008, before me a Notary Public in and for said County and State, personally appeared William J. Brudvik, known to me to be the person who is described in and who executed the within instrument, and acknowledged to me that he executed the same.

Shireen G. Grinager

Notary Public
My Commission Expires:

