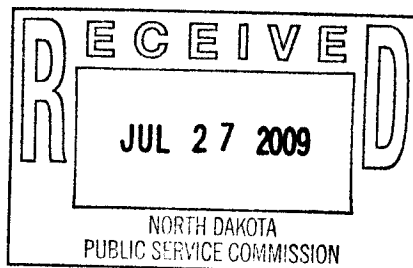


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July 27, 2009

Pat Fahn  
ND Public Service Commission  
State Capitol  
600 East Boulevard Avenue, Dept. 408  
Bismarck, ND 58505-0480

Re: USF Certification – Case Nos. PU-439-01-460 and PU-439-02-441

Dear Mr. Fahn,

Enclosed for filing in accordance with the Commission's Order of August 28, 2002, in the above referenced proceeding, is an Essential Telecommunications Carrier Certification and Exhibit A certifying that all universal service support will only be used for the provision, maintenance, and upgrading of facilities and services for which the support is intended. In making this filing, the undersigned company is at this time neither contesting nor conceding the jurisdiction of the North Dakota Public Service Commission to act in the proceeding.

Sincerely,

A handwritten signature in black ink, appearing to read "A. D. Lysne".

Steven D. Lysne  
CEO/General Manager

Enclosure

**ANNUAL REPORT TO THE NORTH DAKOTA PUBLIC SERVICE COMMISSION**

**ESSENTIAL TELECOMMUNICATIONS CARRIER CERTIFICATION**

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

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

2. The Company will provide service, within a reasonable period of time, if the potential customer is within the Company's designated service area but outside the Company'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. The Company 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. The Company is satisfying and will satisfy applicable consumer protection and service quality standards. (If wireless service is involved, the Company 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 the Company 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. The Company 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, the Company acknowledges that the Federal Communications Commission may require the Company 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. The Company has met and will meet the requirements of eligible telecommunications carrier advertising. This includes:

- a. A full description of available services in the Company'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 the Company'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**

(Reference to Exhibit A in this document is not intended to waive any rights this company has to claim that Exhibit A contains confidential and proprietary 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 the Company in the prior calendar year and a description of how that support was used for the provision, maintenance, or upgrading of the Company'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 the Company 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 the Company'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 the Company 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 the Company 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 the Company named below. The information is submitted in the year 2009.

North Dakota Network Co  
Company

By: A. D. Ho  
Its: CEO/GM

**EXHIBIT A**

**NORTH DAKOTA NETWORK CO.**

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

**Year 2008 Federal Universal Service Receipts:**

High Cost Loop Support	\$ 215,112
Local Switching Support	\$ 368,744
Interstate Common Line Support	\$ 1,823,791
Safety Net Additive Support	\$ 157,510
Safety Valve Loop Cost Adjustment	\$ <u>0</u>
<b>TOTAL</b>	<b>\$ 2,565,157*</b>

\*In 2008 North Dakota Network Co. received an overpayment of approximately \$1.0 million in High Cost Support from Universal Service Administrative Company (USAC). NDNC immediately notified USAC of the overpayment, and USAC has been netting NDNC's monthly support against the overpayment.

**Estimated Year 2010 Federal Universal Service Receipts:**

High Cost Loop Support	\$ 228,000
Local Switching Support	\$ 300,000
Interstate Common Line Support	\$ 684,000
Safety Net Additive Support	\$ 132,000
Safety Valve Loop Cost Adjustment	\$ <u>0</u>
<b>TOTAL</b>	<b>\$ 1,344,000</b>

The changes, if any, from reports previously filed with the Commission are, as follows:

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a. **Prior Year's Support (2008).** The ways this support from the prior calendar year was used for the provision, maintenance, or upgrading of North Dakota Network Co.'s facilities and services are, as follows:

	Actual 2008
<b>Plant Specific Operations Expenses</b>	
Network support (Accts 6110-16)	\$ 0
General support (Accts 6120-24)	\$ 7,353
Central office (Accts 6210-6232)	\$ 340,659
Cable and wire facilities (Accts 6410-41)	\$ 59,268
Network operations (Accts 6530-35)	\$ 47,741
Depreciation and amortization (Accts 6560-65)	\$ 850,239
<b>Customer Operations Expenses</b>	
Customer services (Accts 6620-23)	\$ 160,897
<b>Corporate Operations Expenses</b>	
Executive and planning (Accts 6710-12)	\$ 962
General and administrative (Accts 6720-28)	\$ 68,873
<b>Total Years Supported Expenses, Before Return on Investment</b>	<b>\$1,535,992</b>
<b>Additions</b>	
Switching (Acct 2210)	\$3,284,497
Cable and wire (Acct 2410)	\$ 0
<b>Total</b>	<b>\$3,284,497</b>
<b>Total Supported Expenditures, Before Return on Investment</b>	<b>\$4,820,489</b>

North Dakota Network Co.'s 2008 specific construction or upgrade projects are listed, as follows:

(All information is submitted at the study area level of the ILEC.)

(If a study area or designated service area includes geographic areas in more than one state, the information is provided at the North Dakota level.)

Construction or Upgrade Project Name	Start Date	Completion Date	Amount of Investment	Geographic Area of Improvement	Estimated Population Served by Improvement	Description of How Service Will Be Improved
PCS Buildouts (7) - NCC Wireless	Jan 08	Dec 08	\$ 644,181	All ILEC Study Areas in BTA 299	Entire BTA299 116,000	Greater coverage in BTA 299. Fills gap(s) in coverage area. Expands local calling scope.
PCS Buildouts (6) - Turtle Mtn Area	Jun 08	Dec 08	\$ 1,857,076	All ILEC Study Areas in BTA 299	Entire BTA299 116,000	Greater coverage in BTA 299. Fills gap(s) in coverage area. Expands local calling scope.
PCS Buildouts (6) - start of 2009 sites	Oct 08	Dec 08	\$ 16,027	All ILEC Study Areas in BTA 299	Entire BTA299 116,000	Greater coverage in BTA 299. Fills gap(s) in coverage area. Expands local calling scope.
PCS Buildout - Stanley	Jan 08	May 08	\$ 241,021	All ILEC Study Areas in BTA 299	Entire BTA299 116,000	Greater coverage in BTA 299. Fills gap(s) in coverage area. Expands local calling scope.
PCS Buildout - Washburn	Jan 08	May 08	\$ 178,640	All ILEC Study Areas in BTA 299	Entire BTA299 116,000	Greater coverage in BTA 299. Fills gap(s) in coverage area. Expands local calling scope.

Upgrade and Maintenance of Facilities	May 08	Dec 08	\$ 347,552	North Dakota Telephone Study Area	Entire BTA299 116,000	MTX 15 (Switch) Software Upgrade. Anritsu 6 GHz Sweep. ZK-SAM.
<b>Total 2008 Actual</b>			<b>\$3,284,497</b>			

b. **Following Year's Support (2010).** The ways North Dakota Network Co. anticipates it will use the following calendar year's support for the provision, maintenance, or upgrading of North Dakota Network Co.'s facilities and services are, as follows:

	Estimated 2010
<b>Plant Specific Operations Expenses</b>	
Network support (Accts 6110-16)	\$ 0
General support (Accts 6120-24)	\$ 7,721
Central office (Accts 6210-6232)	\$ 357,692
Cable and wire facilities (Accts 6410-41)	\$ 62,231
Network operations (Accts 6530-35)	\$ 50,128
Depreciation and amortization (Accts 6560-65)	\$ 892,751
<b>Customer Operations Expenses</b>	
Customer services (Accts 6620-23)	\$ 168,941
<b>Corporate Operations Expenses</b>	
Executive and planning (Accts 6710-12)	\$ 1,010
General and administrative (Accts 6720-28)	\$ 72,316
<b>Total Years Supported Expenses, Before Return on Investment</b>	<b>\$1,609,657</b>
<b>Additions</b>	
Switching (Acct 2210)	\$3,720,000
Cable and wire (Acct 2410)	\$ 0
<b>Total</b>	<b>\$3,720,000</b>
<b>Total Supported Expenditures, Before Return on Investment</b>	<b>\$5,329,657</b>



2. **Outages.** Detailed information of any outages, as that term is defined in 47 C.F.R. § 4.5, of at least thirty (30) minutes in duration of each designated service area for any facility which North Dakota Network Co. 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. § 45(e).

Date and Time of Onset	Brief Description of Outage and Resolution of Outage	Particular Services Affected	Geographic Area Affected By Outage	Steps Taken to Prevent Similar Outages in the Future	Number of Customers Affected
	There were no outages that met the threshold(s) listed above.				

(If any FCC outage reports were filed showing this information, they may be attached instead.)

3. The number of requests for service from potential customers within the designated service area that were unfilled in the past year was: **Unsure of the specific number of requests, but if a customer questions why his/her PCS phone does not have signal in a certain area, SRT reviews the location to determine if there is a gap in coverage. It may be a low spot, environment obstacles, or an unfeasible spot for a cell site.**

The ways in which the Company attempted to provide services to these potential customers are, as follows:

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4. The number of complaints per one thousand handsets or lines was: **Less than 1%**