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July 27, 2010

PUBLIC SERVICE COMMISSION

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

RE: USF Certification – Case Nos. PU-439-01-460 & PU-439-02-441

Dear Executive Secretary

Citizens Telecommunications Company of Minnesota, LLC (“CTC-MN”) hereby requests certification by the North Dakota Public Service Commission (“Commission”) to the Federal Communications Commission (“FCC”) and the Universal Service Administrative Corporation (“USAC”) for universal service support, pursuant to the FCC’s May 2001 *Fourteenth Order in CC Docket No. 96-45, In the Matter of Federal-State Joint Board on Universal Service*.

CTC-MN’s Oslo exchange provides service to 99 customers in North Dakota.

The federal high-cost support CTC-MN will receive in 2011 will continue to be used “only for the provision, maintenance and upgrading of facilities and services for which such support is intended” as outlined in 47 USC 254(e). In accordance to Rule 69-09-05-12.1, enclosed is the 2010 report for CTC-MN along with the affidavit confirming CTC-MN’s use of universal service support funds.

If you have any questions please contact me at 585-777-5823.

Sincerely,



Deborah Fasciano
Government & 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 2009.

Citizens Telecommunications Company of Minnesota (CTC MN) serves 99 North Dakota residents. The North Dakota residents are served from the Oslo central office that is located in Minnesota. CTC MN serves approximately 104,000 customers within Minnesota and holds current Eligible Telecommunications Certification status. In 2009, CTC MN did not receive any funding for USF due to a LSS true up.

b) How was the support used in 2009 for provision, maintenance, or upgrading?

Please see response to 1.a) above. CTC MN did not receive support in 2009.

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 2010.

It is estimated that CTC MN will not receive Universal Service Support in 2010.

e) How will the support in 2010 be used for provision, maintenance, or upgrading?

If any support is received in 2010 it 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 are no specific projects for the 99 North Dakota customers. However, attached is the public version of the CTC Minnesota Eligible Telecommunications Certification filing that includes forecasted expenditures. (See Attachment 1)

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 was a single service outage reported to the FCC in 2009 for Citizens Telecommunications Company of Minnesota, LLC.

- a) The outage occurred 8/7/2009 at 00:10 CT
- b) The outage was due to a scheduled High Risk for emergency fiber maintenance to repair a damaged fiber.
- c) There was a toll isolation.
- d) The outage occurred in Ely, MN and Babbitt, MN.
- e) The fiber was repaired ending the toll isolation on 8/7/2009 at 04:23 CT
- f) There were 5,261 customers affected.

- 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 2009 by Citizens Telecommunications Company of Minnesota, LLC.

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

Citizens Telecommunications Company of Minnesota, LLC received 9 complaints in year 2009 resulting in 0.09 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.

PUBLIC DOCUMENT

TRADE SECRET DATA

HAS BEEN EXCISED

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 2011 is currently due to be filed with the FCC and USAC on or before October 1, 2010. 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

103,000 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 2009 and estimates of the expenditures for years 2010 and 2011 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 2010 and 2011 to offset a portion of 2010 and 2011 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. The last year's ETC filing to the state provided a list of certain planned 2009-2010 projects. Attachment B reports the status of those projects. Attachment C details certain planned 2010-2011 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 was a single service outage reported to the FCC in 2009.

- a) The outage occurred 8/7/2009 at 00:10 CT

- b) The outage was due to a scheduled High Risk for emergency fiber maintenance to repair a damaged fiber
- c) There was a toll isolation
- d) The outage occurred in Ely and Babbitt
- e) The fiber was repaired ending the toll isolation on 8/7/2009 at 4:23 CT
- f) There were 5,261 customers affected

We were able to provide service to all potential customers that requested service during 2009 and at December 31, 2009 we had no unfilled requests for service.

The number of complaints of service quality per 1000 handsets or lines for 2009 was approximately 0.09.

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 2011.

AFFIDAVIT

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

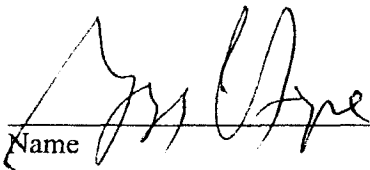
1. My name is Gregg Sayre. I am employed by Citizens Telecommunications Company of Minnesota, LLC., (the "Company") as its Assistant Secretary. I am an officer of the Company and am authorized to give this affidavit on behalf of the Company. This affidavit is provided to support the request of the Company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

2. During the year 2009, the Company received federal universal service support, as shown on Attachment A to this Affidavit and had investments and expenses 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 2009, 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 2011 for the provision, maintenance and upgrading of facilities and services for which such support is intended.

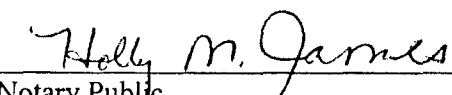
4. The Company also certifies that it is compliance with applicable rules on service quality; service provision in emergency situations and that we do provide equal access to long distance carriers.

FURTHER AFFIANT SAYETH NOT.


Name _____

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

Subscribed and sworn to before me this 27th day of May, 2010.


Notary Public _____

HOLLY M. JAMES
Notary Public, State of New York
Qualified in Monroe County
My Commission Expires Nov. 30, 2010

Citizens Telecommunications Company of Minnesota, LLC.

Attachment A

Year 2009 Federal Universal Service Receipts Subject To Certification.

1 High cost loop support	\$0
2 Local switching support	\$0
3 TOTAL	\$0

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

Plant Specific Operations Expenses	<u>Actual 2009</u>	<u>Estimate 2010</u>	<u>Estimate 2011</u>
4 Network support (Accts. 6110-16)	\$19	\$19	\$19
5 General support (Accts. 6120-24)	\$4,276,596	\$4,276,596	\$4,276,596
6 Central office (Accts. 6210-6215)	\$2,499,571	\$2,499,571	\$2,499,571
7 Cable and wire facilities (Accts. 6410-6441)	\$4,287,195	\$4,287,195	\$4,287,195
8 Network operations (Accts. 6530-35)	\$3,883,060	\$3,883,060	\$3,883,060
9 Depreciation & amortization (Accts. 6560-65)	\$18,677,826	\$18,677,826	\$18,677,826
10 Customer Operations Expenses			
11 Customer services (Accts. 6620-23)	\$4,182,422	\$4,182,422	\$4,182,422
Corporate Operations Expenses			
12 Executive and planning (Accts. 6710-12)	\$1,019,306	\$1,019,306	\$1,019,306
13 General and administrative (Accts. 6720-28)	\$5,377,902	\$5,377,902	\$5,377,902
14 Total Year Supported Expenses, Before Return on Investment	\$44,203,896	\$44,203,896	\$44,203,896
Additions			
15 Total central office switching (Acct. 2210)	\$440,170	\$440,170	\$440,170
16 Total cable and wire (Acct. 2410)	\$7,280,040	\$7,280,040	\$7,280,040
17 TOTAL	\$7,720,210	\$7,720,210	\$7,720,210
18 Total Year Supported Expenditures Before Return On Investment	\$51,924,107	\$51,924,107	\$51,924,107

Attachment B

Citizens Telecommunications Company of Minnesota, LLC
Report on status of 2009-2010 Projects

{Trade Secret begins...

Exchange	Estimated Cost	Description

... Trade Secret ends}

Non-Public Document – Contains Trade Secret Status Data

Attachment C

Citizens Telecommunications Company of Minnesota, LLC
Report on status of 2010-2011 Projects

{Trade Secret begins...

Exchange	Estimated Cost	Description

...Trade Secret ends}

Non-Public Document – Contains Trade Secret Status Data