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PUBLIC SERVICE COMMISSION

July 26, 2010

Darrell Nitschke
ND Public Service Commission
12th Floor State Capitol
600 East Boulevard Ave. Dept 408
Bismarck, ND 58505-0480

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

Dear Mr. Nitschke,

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,



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 2010.

North Dakota Network Co.
Company

By: AK E / p
Its: CEO / General Manager

PUBLIC

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 2009 Federal Universal Service Receipts:

High Cost Loop Support	\$ 141,497
Local Switching Support	\$ 139,976
Interstate Common Line Support	\$ (99,813)
Safety Net Additive Support	\$ 307,043
Safety Valve Loop Cost Adjustment	\$ 0
TOTAL	\$ 488,703*

*In 2008 North Dakota Network Co. received an overpayment of approximately \$1.0 million in Interstate Common Line Support from Universal Service Administrative Company (USAC). NDNC immediately notified USAC of the overpayment, and USAC had been netting NDNC's monthly support against the overpayment. In 2009, the total adjustment in Interstate Common Line Support was (\$815,499). The approximate total High Cost Support for 2009 should have been \$1,369,202.

The changes, if any, from reports previously filed with the Commission are, as follows (changes that are deemed proprietary are included on a non-public Exhibit A):

NORTH DAKOTA NETWORK COMPANY

2. 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 (changes that are deemed propriety are included on a non-public Exhibit A):

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

PROPRIETARY AND CONFIDENTIAL

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 2009 Federal Universal Service Receipts:

This information is separately provided on "Public Exhibit A."

Estimated Year 2011 Federal Universal Service Receipts:

High Cost Loop Support	\$ 228,000
Local Switching Support	\$ 180,000
Interstate Common Line Support	\$ 684,000
Safety Net Additive Support	\$ 132,000
Safety Valve Loop Cost Adjustment	\$ 0
TOTAL	\$ 1,224,000

The changes, if any, are claimed to be "Trade Secret – Private" from reports previously filed with the Commission are, as follows: _____

NORTH DAKOTA NETWORK COMPANY

- a. **Prior Year's Support (2009)**. 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 2009
Plant Specific Operations Expenses	
Network support (Accts 6110-16)	\$ 0
General support (Accts 6120-24)	\$ 6,529
Central office (Accts 6210-6232)	\$ 447,188
Cable and wire facilities (Accts 6410-41)	\$ 41,701
Network operations (Accts 6530-35)	\$ 58,247
Depreciation and amortization (Accts 6560-65)	\$ 818,402
Customer Operations Expenses	
Customer services (Accts 6620-23)	\$ 245,953
Corporate Operations Expenses	
Executive and planning (Accts 6710-12)	\$ 368
General and administrative (Accts 6720-28)	\$ 46,741
Total Years Supported Expenses, Before Return on Investment	\$1,665,129
Additions	
Switching (Acct 2210)	\$ 808,961
Cable and wire (Acct 2410)	\$ 0
Total	\$ 808,961
Total Supported Expenditures, Before Return on Investment	\$2,474,090

NORTH DAKOTA NETWORK COMPANY

2009 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 (6) – Reservation Tel Area	Jan 09	Dec 09	\$ 415,865	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) – Metigoshe Area	Jan 09	Dec 09	\$ 60,988	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.
MTX15 Switch Software Upgrade	Jan 09	Dec 09	\$ 91,239	All ILEC Study Areas in BTA 299	Entire BTA299 116,000	Vendor requirement
PCS Buildout – Wilton (West River Tel are)	Jan 09	Dec 09	\$ 58,929	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 – Columbus II/Stampede (Northwest Communications)	Jan 09	Dec 09	\$ 58,397	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.
General Work Orders & Capital –battery replacements, repeaters, server, data roaming tower cost, lighting and Upgrade and Maintenance of Facilities	Jan 09	Dec 09	\$ 123,543	All ILEC Study Areas in BTA 299	Entire BTA299 116,000	Service enhancements
Total 2009 Actual			\$ 808,961			

NORTH DAKOTA NETWORK COMPANY

b. **Following Year's Support (2011).** 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 2011
Plant Specific Operations Expenses	
Network support (Accts 6110-16)	\$ 0
General support (Accts 6120-24)	\$ 7,000
Central office (Accts 6210-6232)	\$ 470,000
Cable and wire facilities (Accts 6410-41)	\$ 44,000
Network operations (Accts 6530-35)	\$ 60,000
Depreciation and amortization (Accts 6560-65)	\$ 860,000
Customer Operations Expenses	
Customer services (Accts 6620-23)	\$ 260,000
Corporate Operations Expenses	
Executive and planning (Accts 6710-12)	\$ 0
General and administrative (Accts 6720-28)	\$ 50,000
Total Years Supported Expenses, Before Return on Investment	\$ 1,751,000
Additions	
Switching (Acct 2210)	\$5,100,000
Cable and wire (Acct 2410)	\$ 0
Total	\$5,100,000
Total Supported Expenditures, Before Return on Investment	\$6,851,000

NORTH DAKOTA NETWORK COMPANY

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.)