



West River Cooperative Telephone Co.

801 Coleman Ave. P. O. Box 39 Bison, SD 57620

September 17, 2010

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PUBLIC SERVICE COMMISSION

Darrell Nitschke
ND Public Service Commission
12th Floor State Capitol
600 East Blvd Ave.
Bismarck, ND 585-0480

Dear Mr. Nitschke,

Please find enclosed our filing in accordance with Case No. PU-10-476 and Chapter 69-09-05, Section 69-09-05-12.1.

If you have any questions, please feel free to call anytime.

Sincerely,



Jerry P. Reisenauer
General Manager

JPR:ss

Enclosure

1 **PU-10-588** Filed: 9/20/2010 Pages: 4
Annual Report

West River Cooperative Telephone Company

Jerry Reisenauer

EXHIBIT A
Progress Report
West River Cooperative Telephone Company

Year 2009 Federal Universal Service Receipts:

High Cost Loop Support	\$ 1,973,091
Local Switching Support	\$ 606,024
Safety Net Additive Support	\$ 138,036
Safety Valve Loop Cost Adjustment	\$ <u>0</u>
TOTAL	\$ 2,717,151

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

	Actual 2009
Plant Specific Operations Expenses	
Network support (Accts 6110-16)	\$ 1,722
General support (Accts 6120-24)	\$ 269,163
Central office (Accts 6210-6232)	\$ 693,132
Cable and wire facilities (Accts 6410-41)	\$ 742,609
Network operations (Accts 6530-35)	\$ 138,644
Depreciation and amortization (Accts 6560-65)	\$ 2,987,071
Customer Operations Expenses	
Customer services (Accts 6620-23)	\$ 151,974
Corporate Operations Expenses	
Executive and planning (Accts 6710-12)	\$ 370,202
General and administrative (Accts 6720-28)	\$ 601,461
Total Years Supported Expenses, Before Return on Investment	\$ 5,955,978
Additions	
Switching (Acct 2210)	\$ 230,726
Cable and wire (Acct 2410)	\$ 2,811,219
Total	\$ 3,041,945
Total Supported Expenditures, Before Return on Investment	\$ 8,997,923

[In 2009, construction was limited due to waiting for RUS to approve a new work plan and budget for funding of FTTH projects. Loan request was submitted in Fall of 2008 and approved in January 2010. In 2009, we completed Fiber To The Home in the following wire centers: Lemmon - \$137,697; Bison - \$167,644; Meadow - \$178,158; Newell - \$684,634; Buffalo - \$631,314; Sorum and Zeona - \$740,928] Various other projects - \$500,000.

EXHIBIT B
Two-Year Plan
WEST RIVER COOPERATIVE TELEPHONE COMPANY

The Company's service quality improvement plan is to continue to upgrade its telecommunications facilities and equipment as necessary to meet evolving service requirements and maintain high quality service throughout its service area. As an incumbent local exchange carrier and the carrier of last resort in its service area, the Company upgrades and replaces facilities and equipment as necessary. The Company believes that its planned capital additions will improve the reliability of switched calls for its customers, increase the Company's network capacity to serve remote customers and provide customers with state-of-the-art telecommunications service. In furtherance of its service quality improvement plan, the Company will use any high-cost universal service amounts received by it to offset expenditures incurred as it continues to upgrade and replace facilities and equipment.

Estimated Year 2010 Federal Universal Service Receipts:

High Cost Loop Support	\$ 2,827,223
Local Switching Support	\$ 544,318
Safety Net Additive Support	\$ 211,392
Safety Valve Loop Cost Adjustment	\$ <u>0</u>
TOTAL	\$ 3,582,933

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

	Estimated 2011
Plant Specific Operations Expenses	
Network support (Accts 6110-16)	\$ 2,500
General support (Accts 6120-24)	\$ 280,000
Central office (Accts 6210-6232)	\$ 754,000
Cable and wire facilities (Accts 6410-41)	\$ 850,000
Network operations (Accts 6530-35)	\$ 155,000
Depreciation and amortization (Accts 6560-65)	\$ 3,220,000
Customer Operations Expenses	
Customer services (Accts 6620-23)	\$ 190,300
Corporate Operations Expenses	
Executive and planning (Accts 6710-12)	\$ 405,000
General and administrative (Accts 6720-28)	\$ 614,300
Total Years Supported Expenses, Before Return on Investment	\$ 6,471,100
Additions	
Switching (Acct 2210) (Includes FTTH Electronics)	\$ 800,000
Cable and wire (Acct 2410)	\$ 200,000
Total	\$ 1,000,000
Total Supported Expenditures, Before Return on Investment	\$ 7,471,100

Proposed Network Improvements:

The Company's 2011 estimated capital additions included with last year's filing are provided again for reference, together with capital additions planned for 2012.

Wire Center	Estimated Population	Description of Capital Improvement	Start Date	End Date	Estimated Capital Expenditures Each Year	
					2011	2012
Buffalo-Rural	210	FTTH - complete	4-1-11	11-30-11	\$ 500,000	\$
Camp Crook-Rural	30	FTTH - complete	4-1-11	11-30-11	\$ 500,000	\$
Sorum	103	FTTH	4-1-11	11-30-11	\$ 100,000	\$
Meadow	20	FTTH	4-1-12	11-30-12		\$ 500,000
Lemmon	50	FTTH	4-1-12	11-30-12		\$ 1,000,000
Totals					\$ 1,100,000	\$ 1,500,000

In Adams, Grant and Sioux counties located in our Lemmon Exchange in North Dakota, we completed Fiber To The Home (FTTH) to approximately 60% of our subscribers in 2008. The remaining 40% currently have Fiber In The Loop (FITL), which is capable of broadband service. We plan to complete FTTH in north Lemmon in 2012. We have approximately 114 access lines in North Dakota.