



14450 Burnhaven Drive  
Burnsville, MN 55306

May 26, 2011

Burl W. Haar, Ph.D.  
Executive Secretary  
Minnesota Public Utilities Commission  
121 Seventh Place East, Suite 350  
St. Paul, MN 55101-2147

**PUBLIC VERSION**

Re: In the Matter of Annual Certifications Related to Eligible Telecommunications Carrier's (ETC) Use of the Federal Universal Service Support Docket No. P999/PR-11-329

Citizens Telecommunications Company of Minnesota, LLC

Dear Dr. Haar:

Attached is the public version of an electronic filing by Citizens Telecommunications Company of Minnesota, LLC, ("Citizens") for certification of federal USF support. This filing includes an affidavit and supporting documents.

Attachments B and C of this filing contain TRADE SECRET financial information with independent economic value which is not generally known to, and not readily ascertainable by, Citizens' competitors, which could obtain economic value from its disclosure. Citizens maintains the information as secret. Accordingly, this information qualifies as "trade secret information" as defined in Minn. Stat. § 13.37(1)(b), and Citizens requests that this data be treated as trade secret information.

If you have any questions, please call me at (952) 435-1356.

Sincerely,

A handwritten signature in cursive script that reads "Stephen H. Hegdal".

Stephen H. Hegdal  
Manager – Compliance and Reporting

Enclosures

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 2012 is currently due to be filed with the FCC and USAC on or before October 1, 2011. 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

99,000 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 2010 and estimates of the expenditures for years 2011 and 2012 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 2011 and 2012 to offset a portion of 2011 and 2012 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 2010-2011 projects. Attachment B reports the status of those projects. Attachment C details certain planned 201-2012 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 were four service outages reported to the FCC in 2010.

1. First outage.

- a) The outage occurred 01/08/2010 at 12:28 p.m. CT.
- b) The outage was due to a fiber cut by a local power company.
- c) There was a toll isolation.
- d) The outage occurred in International Falls.
- e) The fiber was repaired ending the toll isolation on 01/08/2010 at 9:30 p.m. CT.
- f) There were 7,753 potentially affected customers.

2. Second outage.

- a) The outage occurred 01/26/2010 at 10:14 a.m. CT.
- b) The outage was due to a fiber cable damaged by a failed steam transport pipe in Qwest territory.
- c) There was a toll isolation.
- d) The outage occurred in Two Harbors.
- e) The fiber was repaired ending the toll isolation on 01/26/2010 at 9:48 p.m.
- f) There were 1,400 potentially affected customers.

3. Third outage.

- a) The outage occurred 06/02/2010 at 11:04 a.m. CT.
- b) The outage was due to a fiber cut by the county water department.
- c) There was a loss of toll service.
- d) The outage occurred in Warren.
- e) The fiber was repaired ending the loss of toll service on 06/02/2010 at 3:26 p.m. CT.
- f) There were 3,801 potentially affected customers.

4. Fourth outage.

- a) The outage occurred on 08/03/2010 at 10:55 a.m. CT.
- b) The outage was due to cut fiber cable, resulting in failure of SS7 signal links.
- c) There was a toll isolation.
- d) The outage occurred in Ely.
- e) The fiber cable was repaired ending the toll isolation on 08/03/2010 at 8:27 p.m. CT

f) There were 5,771 potentially affected customers.

We were able to provide service to all potential customers that requested service during 2010 and at December 31, 2010 we had no unfilled requests for service.

The number of complaints of service quality per 1000 handsets or lines for 2010 was approximately 0.12.

The attached affidavit contains the required certifications as they pertain to an incumbent local exchange carrier.

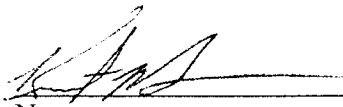
Based on the foregoing information, the enclosed Attachment A, Attachment B, Attachment C and the Affidavit, Citizens requests that this Commission issue an appropriate certification to the FCC and USAC indicating that Citizens Telecommunications Company of Minnesota, LLC is in compliance with 47 U.S.C. § 254(e) and should receive all federal universal service support determined for distribution to the Company in 2012.

**AFFIDAVIT**

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

1. My name is Kenneth Mason. I am employed by Citizens Telecommunications Company of Minnesota, LLC., (the "Company") as its Vice President, Regulatory. 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 2010, 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 2010, 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 2012 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.

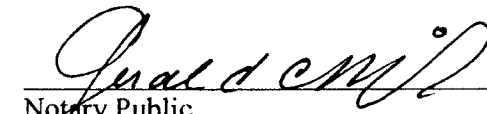
FURTHER AFFIANT SAYETH NOT.

  
\_\_\_\_\_ Name

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

Subscribed and sworn to before me this 26 day of May, 2011.

**GERALD C. BURCH**  
Notary Public, State of New York  
Qualified in Genesee County  
No. 018U6161930  
My Commission Expires 2/24/2015

  
\_\_\_\_\_ Notary Public

**Citizens Telecommunications Company of Minnesota, LLC.**

**Attachment A**

**Year 2010 Federal Universal Service Receipts Subject To Certification.**

1 High cost loop support	\$708
2 Local switching support	\$66,860
3 TOTAL	\$67,568

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

<b>Plant Specific Operations Expenses</b>	<u>Actual 2010</u>	<u>Estimate 2011</u>	<u>Estimate 2012</u>
4 Network support (Accts. 6110-16)	\$124,500	\$124,500	\$124,500
5 General support (Accts. 6120-24)	\$4,531,163	\$4,531,163	\$4,531,163
6 Central office (Accts. 6210-6215)	\$2,585,329	\$2,585,329	\$2,585,329
7 Cable and wire facilities (Accts. 6410-6441)	\$4,421,635	\$4,421,635	\$4,421,635
8 Network operations (Accts. 6530-35)	\$4,717,326	\$4,717,326	\$4,717,326
9 Depreciation & amortization (Accts. 6560-65)	\$19,398,089	\$19,398,089	\$19,398,089
<b>10 Customer Operations Expenses</b>			
11 Customer services (Accts. 6620-23)	\$4,644,298	\$4,644,298	\$4,644,298
<b>Corporate Operations Expenses</b>			
12 Executive and planning (Accts. 6710-12)	\$1,936,053	\$1,936,053	\$1,936,053
13 General and administrative (Accts. 6720-28)	\$9,310,851	\$9,310,851	\$9,310,851
<b>14 Total Year Supported Expenses, Before Return on Investment</b>	<b>\$51,669,245</b>	<b>\$51,669,245</b>	<b>\$51,669,245</b>
<b>Additions</b>			
15 Total central office switching (Acct. 2210)	\$451,939	\$451,939	\$451,939
16 Total cable and wire (Acct. 2410)	\$6,010,475	\$6,010,475	\$6,010,475
17 TOTAL	\$6,462,414	\$6,462,414	\$6,462,414
<b>18 Total Year Supported Expenditures Before Return On Investment</b>	<b>\$58,131,659</b>	<b>\$58,131,659</b>	<b>\$58,131,659</b>

## Attachment B

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

{Trade Secret begins...

Exchange	Estimated Cost	Description

...Trade Secret ends}

**PUBLIC DOCUMENT – TRADE SECRET DATA HAS BEEN EXCISED**

Attachment C

Citizens Telecommunications Company of Minnesota, LLC  
Report on status of 2011-2012 Projects

{Trade Secret begins...

Exchange	Estimated Cost	Description

...Trade Secret ends}

**PUBLIC DOCUMENT – TRADE SECRET DATA HAS BEEN EXCISED**