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PUBLIC SERVICE COMMISSION

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

RE: Eligible Telecommunications Carrier 2011 Annual Report – Rule 69-09-05-12.1

Dear Mr. Nitschke:

Citizens Telecommunications Company of Minnesota, LLC ("CTC-MN") files the attached Eligible Telecommunications Carrier 2011 annual report, pursuant to Rule 69-09-05-12.1.

If you have any questions, please contact me at 952-435-1356.

Sincerely,

A handwritten signature in cursive script, appearing to read "Stephen H. Hegdal".

Stephen H. Hegdal
Manager – Compliance and Reporting

Enclosure

cc: Scott Bohler

Citizens Telecommunications Company of Minnesota, LLC – Oslo
Exchange Annual Report

1. a) Amount of High-Cost Universal Service Support received in 2010.

Citizens Telecommunications Company of Minnesota, LLC (CTC MN) serves 90 North Dakota residents. The North Dakota residents are served from the Oslo central office that is located in Minnesota. CTC MN serves approximately 99,000 customers within Minnesota and holds current Eligible Telecommunications Carrier Certification status. In 2010, CTC MN received \$67,568 in High-Cost Universal Service Support (\$708 from High Cost Loop Support and \$66,680 from Local Switching Support).

b) How was the support used in 2010 for provision, maintenance, or upgrading?

There were no specific projects for the 90 North Dakota customers. However, attached is the public version of the CTC MN Minnesota Eligible Telecommunications Carrier Certification filing that includes forecasted expenditures. (See Attachment 1)

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 receive approximately \$71,000 in Universal Service Support in 2012. No High Cost Loop Support and \$71,000 Local Switching Support.)

e) How will the support in 2012 be used for provision, maintenance, or upgrading?

If any support is received in 2012 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 90 North Dakota customers. However, attached is the public version of the CTC MN 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 were four service outages reported to the FCC in 2010 for CTC MN.

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

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 2010 by CTC MN.

4. The number of complaints per one thousand handsets.

CTC MN received 12 complaints in year 2010 resulting in 0.12 complaints per 1000 lines.

5. Does the carrier comply with applicable service quality standards and consumer protection rules?

CTC MN complies with applicable service quality standards and consumer protection rules.

6. Is the carrier able to function in emergency situations?

CTC MN is able to remain functional in an emergency situation through the use of back-up power to ensure functionality without an external power source. CTC MN has backup battery reserve in its central office, which enables it to provide service for a minimum of eight 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?

CTC MN offers local exchange service on a flat-rate unlimited usage basis but not on a measured usage basis. CTC MN 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?

CTC MN 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.

ATTACHMENT 1



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.
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- c) There was a toll isolation.
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- 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.
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- 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)

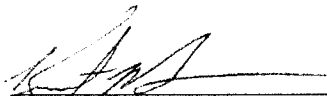
1. My name is Kenneth Mason. I am employed by Citizens Telecommunications Company of Minnesota, LLC., (the "Company") as its Vice President, Regulatory. I am an officer of the Company and am authorized to give this affidavit on behalf of the Company. This affidavit is provided to support the request 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.

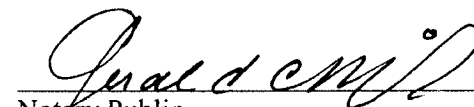
FURTHER AFFIANT SAYETH NOT.


_____ 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. 01BU6161930
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

Plant Specific Operations Expenses	<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
10 Customer Operations Expenses			
11 Customer services (Accts. 6620-23)	\$4,644,298	\$4,644,298	\$4,644,298
Corporate Operations Expenses			
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
14 Total Year Supported Expenses, Before Return on Investment	\$51,669,245	\$51,669,245	\$51,669,245
Additions			
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
18 Total Year Supported Expenditures Before Return On Investment	\$58,131,659	\$58,131,659	\$58,131,659

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