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ANNUAL REPORT TO THE NORTH DAKOTA PUBLIC SERVICE COMMISSION

MAY 29 2012

ESSENTIAL TELECOMMUNICATIONS CARRIER CERTIFICATION  
PUBLIC SERVICE COMMISSION

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 network or customer facilities; or
- d. Reselling services from another carrier's facilities to provide service.

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.

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.

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**

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 2012.

Venture Communications Cooperative  
Company

By:   
Its: General Manager

Date: 5/24/12

**EXHIBIT A**  
**Venture Communications Cooperative**

**Note: Venture Communications serves 11 access lines in North Britton, ND (701-443). The remainder of our service area is in SD. I am submitting information for our company as a whole. The Britton, SD and North Britton, ND exchange were rebuilt to provide broadband service and to improve the existing service using a fiber-in-the-loop technology in 2000.**

**1 & 2. Federal Universal Service Receipts:**

	<u>2011</u>	<u>2013</u>
High Cost Loop Support	\$2,595,190	\$2,600,000
Local Switching Support	\$ 250,968	\$ 365,700
Safety Net Additive Support	\$ -13,987	\$ 0
Safety Valve Loop Cost Adjustment	<u>\$ 1,056</u>	<u>\$ 0</u>
<b>TOTAL</b>	<b>\$2,833,227</b>	<b>\$2,965,700</b>

**We made 2010 expenditures and show estimates for 2012 expenditures for Provision, Maintenance, and Upgrading of Facilities and Services Supported By Federal Universal Service Funding as shown in the following chart:**

	<u>Actual</u> 2011	<u>Estimated</u> 2013
<b>Plant Specific Operations Expenses</b>		
Network support (Accts 6110-16)	\$ 0	\$ 0
General support (Accts 6120-24)	\$ 233,844	\$ 238,521
Central office (Accts 6210-6232)	\$ 1,289,434	\$ 1,315,223
Cable and wire facilities (Accts 6410-41)	\$ 1,132,548	\$ 1,155,199
Network operations (Accts 6530-35)	\$ 413,163	\$ 421,426
Depreciation and amortization (Accts 6560-65)	\$ 6,280,585	\$ 6,594,614
<b>Customer Operations Expenses</b>		
Customer services (Accts 6620-23)	\$ 985,933	\$ 1,005,652
<b>Corporate Operations Expenses</b>		
Executive and planning (Accts 6710-12)	\$ 596,845	\$ 608,782
General and administrative (Accts 6720-28)	<u>\$ 1,192,896</u>	<u>\$ 1,216,754</u>
<b>Total Years Supported Expenses, Before Return on Investment</b>	<b>\$12,125,248</b>	<b>\$12,556,171</b>
<b>Additions</b>		
Switching (Acct 2210)	\$ 166,299	<i>(See Exhibit B,</i>
Cable and wire (Acct 2410)	<u>\$ 6,479,319</u>	<i>Two-Year Plan)</i>
<b>Total</b>	<u>\$ 6,645,618</u>	
<b>Total Supported Expenditures, Before Return on Investment</b>	<u><u>\$18,770,866</u></u>	

**3. Specific Construction and Upgrade Projects:**

Wire Center	Description of Capital Improvement	Estimated Population Served by Improvement	Start Date	Completion Date	Estimated Capital Expenditures Each Year	
					2012	2013
Sisseton	Replace Switch	2500	Aug 2012	Oct 2012	\$225,000	
Sisseton Rural	Rebuilding all rural areas with a fiber-to-the-home technology	850	May 2012	Dec 2012	\$2,635,500	
Rosholt Rural	Rebuilding all rural areas with a fiber-to-the-home technology	200	May 2012	Dec 2012	\$1,210,750	
Britton	Replace Switch	800	Aug 2013	Oct 2013		\$225,000
Selby	Rebuilding all rural areas with a fiber-to-the-home technology	225	Jun 2012	Oct 2012	\$3,015,000	
Britton	Rebuilding all rural areas with a fiber-to-the-home technology	565	May 2013	Oct 2013		\$2,700,000
Roslyn	Rebuilding all rural areas with a fiber-to-the-home technology	558	July 2013	Dec 2013		\$2,000,000

Langford/Pierpont	Rebuilding all rural areas with a fiber-to-the-home technology	176	Jun 2013	Nov 2013		\$1,175,000
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No capital improvements are planned in the following wire centers but nonetheless may be necessary in connection with the provision of service to new customers.

Wire Center
Onida, SD
Bowdle, SD
Pierpont, SD
Gettysburg, SD
Blunt, SD
East Onida, SD
Hitchcock, SD
Hoven, SD
Lebanon, SD
Onaka, SD
Ree Heights, SD
Roscoe, SD
Seneca, SD
Tolstoy, SD
Tulare, SD
Wessington, SD
West Onida, SD
Harrold, SD
Highmore, SD

**4. Outage Information:**

During calendar year 2011, Venture Communications experienced no service outages lasting longer than 30 minutes and affecting at least 10 percent of its end-user customers. There were also no outages that affected a 911 special facility.

**5. Unfiled Service Requests:**

Venture Communications was able to provide service to all potential customers that requested service during 2011, and as of December 31, 2011, the Company had no unfilled requests for service.

**6. Complaint Information:**

During 2011, Venture Communications received an estimated 50 complaints from consumers. This equates to 4 complaints per thousand access lines. Only 7 of these complaints were received by the Company more formally as written complaints or as complaints that needed to be resolved with the involvement of other Company representatives outside of the customer service department.