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July 25, 2012

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VIA FEDERAL EXPRESS

PUBLIC SERVICE COMMISSION

Executive Secretary
North Dakota Public Service Commission
600 East Boulevard – Dept. 408
Bismarck, ND 58505-0480

Re: 2012 ETC Compliance Report of Badlands Cellular of North Dakota Limited Partnership
Case No. _____

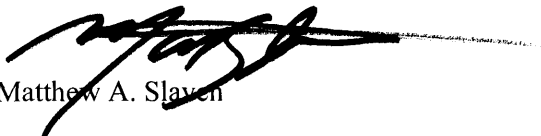
Dear Sir or Madam:

Enclosed for filing please find the 2012 ETC Compliance Report of Badlands Cellular of North Dakota Limited Partnership as required by N.D. Admin. Code § 69-09-05-12.1.

Certain exhibits to this Report contain information and data considered to be trade secret/confidential under N.D. Cent. Code 44-04-18.4 and N.D. Admin. Code § 69-02-09-01 *et seq.* Accordingly, also enclosed herein for filing is Badlands Cellular of North Dakota Limited Partnership's Application to Protect Trade Secret and Confidential Information submitted with the 2012 ETC Compliance Report. An original, plus seven copies, of the ETC Compliance Report containing the trade secret/confidential material has been placed in a separate sealed envelope marked TRADE SECRET – PRIVATE. Seven public copies of the ETC Compliance Report, with the trade secret/confidential material redacted, as well as an original and seven copies of the Confidentiality Application, are also enclosed. In addition, pursuant to direction I received from Jon Hamre at the Commission, a PDF copy of the public version of the ETC Compliance Report will be e-mailed to him.

An eighth copy of the Confidentiality Application and an eighth public copy of the ETC Compliance Report are also enclosed. Please file-stamp the copies and return them to me in the enclosed self-addressed stamped envelope. Please contact me immediately if there are any questions about this filing.

Sincerely,



Matthew A. Slaven

MAS/pk
Enclosures

2 **PU-12-522** Filed: 7/26/2012 Pages: 21
ND Admin Code Section 69-09-05-12.1 Annual Report

STATE OF NORTH DAKOTA
BEFORE THE PUBLIC SERVICE COMMISSION

BADLANDS CELLULAR OF NORTH
DAKOTA LIMITED PARTNERSHIP
2012 ETC ANNUAL REPORT

CASE NO. _____

as Required by N.D. Admin. Code
§ 69-09-05-12.1

In accordance with the regulations adopted by the North Dakota Public Service Commission (“Commission”), Badlands Cellular of North Dakota Limited Partnership (the “Company”) submits this 2012 ETC Annual Report.

I. BACKGROUND

Badlands Cellular of North Dakota Limited Partnership is a limited partnership, organized under the laws of Colorado, which provides wireless telecommunications services in North Dakota. The Company is licensed by the Federal Communications Commission (“FCC”) to provide commercial mobile radio service (“CMRS”) in North Dakota Rural Service Area (“RSA”) No. 4 and serves customers in the following North Dakota counties: McKenzie, Dunn, Billings, Golden Valley, Stark, Slope, Bowman, Hettinger, Adams, Grant, Sioux, Mercer, and Oliver.

The Company has been designated as a competitive eligible telecommunications carrier (“ETC”) in areas of North Dakota pursuant to the Commission’s February 25, 2004 *Designation Order*.¹ The Commission designated the Company as an ETC in certain full and partial study

¹ *Northwest Dakota Cellular of North Dakota Limited Partnership Designated Eligible Carrier*

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areas identified in the *Designation Order* (the “Designated Area”). *Designation Order*, pp. 4-9, 13-14. Designation in some areas was contingent on redefinition of the study area requirement by the FCC. The FCC granted redefinition effective September 17, 2004.²

II. THE COMPANY’S ANNUAL REPORT IN ACCORDANCE WITH N.D. ADMIN. CODE § 69-09-05-12.1

N.D. Admin. Code § 69-09-05-12.1 requires an ETC to file with the Commission an annual report on or before August 1 of each year. The Company respectfully submits the following information in satisfaction of the Commission’s annual reporting requirement. By submitting this information, the Company commits to complying with applicable Commission regulations and North Dakota statutes to the extent required by law. Nothing in this submission constitutes a waiver of the Company’s rights under federal law.

A. Report Regarding Federal High-Cost Universal Service Support Received in 2011 and Expected to be Received in 2013

N.D. Admin. Code § 69-09-05-12.1(1) requires an ETC to submit a report describing the amount of federal high-cost universal service support the carrier received in the prior calendar year and how that support was used for the provision, maintenance, or upgrading of the carrier’s facilities and services pursuant to 47 U.S.C. § 254(e). The report must also include an estimate of the amount of federal high-cost universal service support the carrier anticipates receiving in

Application, Case No. PU-1226-03-597; *North Central RSA 2 of North Dakota Limited Partnership Designated Eligible Carrier Application*, Case No. PU-386-03-598; *North Dakota RSA No. 3 Limited Partnership Designated Eligible Carrier Application*, Case No. PU-897-03-599; *Badlands Cellular of North Dakota Limited Partnership Designated Eligible Carrier Application*, Case No. PU-1225-03-600; *North Dakota 5 – Kidder Limited Partnership Designated Eligible Carrier Application*, Case No. PU-338-03-601; *Bismarck MSA Limited Partnership Designated Eligible Carrier Application*, Case No. PU-494-03-602, Order, (Feb. 25, 2004) (“*Designation Order*”).

² *Wireline Competition Bureau Seeks Comment on Petition to Redefine Certain Rural Telephone Company Study Areas in the State of North Dakota*, CC Docket No. 96-45, *Public Notice*, DA 04-1739 (rel. June 17, 2004) (“*Public Notice*”); 47 C.F.R. § 54.207(c)(3)(ii) (because the FCC did not initiate a proceeding, the Petition is deemed effective 90 days after issuance of the Public Notice).

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the following calendar year and describe how that support is projected to be used for the provision, maintenance, or upgrading of the carrier's facilities and services pursuant to 47 U.S.C. § 254(e).

The Company has developed a "2012 Report of Federal High-Cost Universal Service Support" ("2012 USF Report") which contains the required information concerning the Company's use of federal high-cost universal service support. The Company's 2012 USF Report is attached as Exhibit A.³ In calendar year 2011, the Company received \$3,761,098 in federal universal service high-cost support. For calendar year 2013, the Company projects it will receive approximately \$2,841,250 in federal high-cost support.⁴

The Company's 2012 USF Report includes all information required by N.D. Admin. Code § 69-09-05-12.1(1). It describes how support received in calendar year 2011 was used for the provision, maintenance or upgrading of the Company's facilities and services, including network maintenance and operating expenses, pursuant to 47 U.S.C. § 254(e) and explains any changes from reports that have been previously provided to the Commission. The 2012 USF

³ Confidential Exhibits A-1, A-2, A-3, and A-4 to the USF Report contain trade secret and confidential information and are accordingly being filed separately in an envelope labeled Trade Secret pursuant to N.D. Cent. Code. 44-04-18.4 and N.D. Admin. Code ch. 69-02-09, consistent with the Commission's March 12, 2008 Order Granting Trade Secret Protection to analogous information provided by the Company in a previous year. *Badlands Cellular of North Dakota Limited Partnership 2007 High-Cost Universal Service Support Annual Report*, Case No. PU-07-587, *North Dakota RSA No. 3 Limited Partnership 2007 High-Cost Universal Service Support Annual Report*, Case No. PU-07-588, *North Central RSA 2 of ND Limited Partnership 2007 High-Cost Universal Service Support Annual Report*, Case No. PU-07-590, *North Dakota 5 – Kidder Limited Partnership*, Case No. PU-07-591, *Northwest Dakota Cellular of North Dakota Limited Partnership*, Case No. PU-07-592, *Bismarck MSA Limited Partnership*, Case No. PU-07-593, Order Granting Trade Secret Protection (March 12, 2008) ("Trade Secret Order").

⁴ In November 2011, the FCC determined that universal service support for competitive ETCs per study area shall be frozen, and calculated based on a 2011 baseline. See *Connect America Fund et al.*, WC Docket No. 10-90 et al., *Report and Order and Further Notice of Proposed Rulemaking*, FCC 11-161 (rel. Nov. 18, 2011).

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Report further includes a projection of how federal universal service high-cost support projected to be received in calendar year 2013 will be used for the provision, maintenance, or upgrading of the Company's facilities and services, including network maintenance and operating expenses. It identifies specific construction or upgrade projects expected to be undertaken in 2013, including a description of each project, a description of how service is expected to be improved by the project, the anticipated start and completion dates for each improvement, the estimated amount of investment for each project, the geographic location of each project, and the estimated population to be served by each improvement.

B. Outage Information

N.D. Admin. Code § 69-09-05-12.1(2) requires an ETC to include in its annual report detailed information on certain service outages within its Designated Area. Section 69-09-05-12.1(2) does not establish the time period for which an outage report is required. The Company has adopted the prior calendar year as an appropriate time period for providing the outage report. Attached as Confidential Exhibit B-1⁵ is the Company's Outage Report in satisfaction of this requirement.

C. Unfulfilled Requests for Service

N.D. Admin. Code § 69-09-05-12.1(3) requires an ETC to include in its annual report the number of requests for service from potential customers within the ETC's designated service area that were unfulfilled during the past year, and to detail how the ETC attempted to provide services to those potential customers. Section 69-09-05-12.1(3) does not establish the applicable

⁵ Confidential Exhibit B-1 to the Outage Report contains trade secret and confidential information and is accordingly being filed separately in an envelope labeled Trade Secret, pursuant to N.D. Cent. Code 44-04-18.4 and N.D. Admin. Code ch. 69-02-09, consistent with the *Trade Secret Order*, which granted trade secret protection to analogous information provided by the Company in a previous year.

time period for which unfulfilled requests for service must be reported. The Company has adopted the prior calendar year as an appropriate time period for reporting unfulfilled requests for service. As shown on Exhibit C, the Company had no unfulfilled requests for service within its Designated Area to report for 2011.

D. Complaints per One Thousand Handsets

N.D. Admin. Code § 69-09-05-12.1(4) requires an ETC to include in its annual report the number of complaints per 1,000 handsets or lines. Section 69-09-05-12.1(4) does not establish the applicable time period for which complaints should be reported. The Company has adopted the prior calendar year as an appropriate time period for providing complaint information. Exhibit D identifies the number of complaints per 1,000 handsets for its Designated Area that the Company received during 2011.

E. Certification of Compliance with Applicable Service Quality Standards and Consumer Protection Rules

N.D. Admin. Code § 69-09-05-12.1(5) requires an ETC to certify in its annual report that it is complying with applicable service quality standards and consumer protection rules. Pursuant to N.D. Admin. Code § 69-09-05-12(3)(d), a wireless carrier's commitment to comply with the CTIA Consumer Code for Wireless Service ("CTIA Code") within its Designated Area satisfies this requirement. The Company certifies it is complying with the CTIA Code.

F. Certification of Functionality in Emergency Situations

N.D. Admin. Code § 69-09-05-12.1(6) requires an ETC to certify in its annual report that it is able to function in emergency situations. The Company certifies it is able to remain functional in emergency situations within its Designated Area, including that it has a reasonable amount of back-up power to ensure functionality without an external power source, it is able to

reroute traffic around damaged facilities, and it is capable of managing traffic spikes arising from emergency situations.

G. Comparable Local Usage Certification

N.D. Admin. Code § 69-09-05-12.1(7) requires an ETC to certify in its annual report that it offers a local usage plan comparable to that offered by the incumbent LECs in its designated service area. The Company certifies it is offering a local usage plan comparable to that offered by the incumbent local exchange carriers serving its Designated Area.

H. Equal Access Certification

N.D. Admin. Code § 69-09-05-12.1(8) requires a wireless ETC to certify in its annual report that the FCC may require it to provide equal access to long distance carriers in the event no other ETC is providing equal access within its designated service area. The Company certifies and acknowledges that the FCC, pursuant to 47 U.S.C. § 332(c)(8), may require it to provide equal access to long distance carriers in the event no other ETC in its Designated Area is providing equal access.

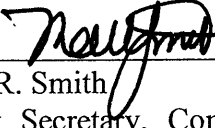
III. CONCLUSION

Based on these certifications, demonstrations and acknowledgements, the Company respectfully states that it has complied with the requirements of N.D. Admin. Code § 69-09-05-12.1.

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Badlands Cellular of North Dakota Limited
Partnership

Dated: July 20, 2012

By  _____
Mark R. Smith
Assistant Secretary, CommNet Cellular Inc. d/b/a
Verizon Wireless, Managing Agent of Badlands
Cellular of North Dakota Limited Partnership

One Verizon Place
Alpharetta, GA 30004-8511
678-339-5121

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**EXHIBIT A
THE COMPANY'S 2012 USF REPORT**

BADLANDS CELLULAR OF NORTH DAKOTA LIMITED PARTNERSHIP
2012 REPORT OF FEDERAL HIGH-COST UNIVERSAL SERVICE SUPPORT
for 2011 and 2013

I. INTRODUCTION

In accordance with the regulations established by the North Dakota Public Service Commission (“Commission”), Badlands Cellular of North Dakota Limited Partnership (the “Company”) submits this 2012 Report of Federal High-Cost Universal Service Support (“USF Report”).

N.D. Admin. Code § 69-09-05-12.1(1) requires an ETC to submit a report concerning the use of federal high-cost universal service support the ETC has received in the prior calendar year and expects to receive in the following calendar year. The Company respectfully submits this USF Report in compliance with the requirements of N.D. Admin. Code §§ 69-09-05-12.1(1).

II. USE OF SUPPORT RECEIVED IN 2011

Pursuant to 47 U.S.C. § 254(e), federal high-cost universal service support may be used by an ETC only for the provision, maintenance and upgrading of facilities and services for which the support is intended. For calendar year 2011, all federal high-cost universal service support the Company received for its Designated Area in North Dakota was used only for either network improvements, such as construction or upgrade projects, or for operating expenses and maintenance or repair of its network, for purposes of providing the supported services in the Company’s Designated Area.

Attached as Confidential Exhibit A-1 is a spreadsheet identifying specific construction or upgrade projects that the Company undertook in its Designated Area in North Dakota in 2011 in

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order to expand or improve service. For each improvement, the spreadsheet includes a description of the project, the purpose for the project, the completion date of the project, the amount of investment made in the project, the location of the project, and the estimated population served by the project.¹

The Company also used some of the federal high-cost universal service support it received in 2011 for operating and maintenance expenses, as contemplated and permitted by 47 U.S.C. § 254(e). The categories of operating and maintenance expenses include the costs of telecommunications, long distance, switching, service allocations, rent and lease payments, buildings and utilities, network and other related support services, and roaming charges associated with providing service. The Company's total operating and maintenance expenses for providing service in its Designated Area in North Dakota for 2011 is set forth on Confidential Exhibit A-2.

III. UPDATED PROJECTED NETWORK IMPROVEMENTS AND OPERATING AND MAINTENANCE EXPENSE FOR 2012

The Company had previously reported 2012 construction or upgrade projects intended to expand or improve service within its Designated Area in North Dakota. An updated projected network improvement plan for 2012 is attached as Confidential Exhibit A-3. [REDACTED] Confidential Exhibit A-2 contains an updated estimate of operating and maintenance expenses for 2012. The expense estimate is being updated based upon 2011 actual expenses.

¹ The Company has estimated the population covered based on 2000 U.S. Census Bureau information. For cell sites, the Company has assumed a radius of signal propagation and has estimated the population residing within the projected coverage.

IV. PROJECTED NETWORK IMPROVEMENTS FOR 2013

The Company projects that in calendar year 2013 it will receive approximately \$2,841,250 in federal high-cost universal service support for the provision of service within its Designated Area in the State of North Dakota. The actual amount of federal universal service support to be received by the Company may vary from this estimate as universal service funding levels change over time. If the projected amount of support is not received, the Company reserves the right to modify the projects and other information in this Report accordingly.

All federal high-cost universal service support the Company receives in 2013 for its Designated Area in North Dakota will be used only for either network improvements, such as construction or upgrade projects, or for operating expenses and maintenance or repair of its network, for purposes of providing the supported services in the Designated Area.

The Company has identified certain 2013 construction or upgrade projects that are intended to expand or improve service within its Designated Area in North Dakota. Attached as Confidential Exhibit A-4 is a spreadsheet containing detailed information about these projects, including a description of each project, the purpose for each project, the estimated start and end dates of each project, the amount of investment expected to be made in the project, the expected location of the project, and the estimated population to be served by the project.

The selection of these 2013 facility construction projects is based on the Company's evaluation of many factors, including current consumer demand, competitive forces, and available capital. These and other external factors are not within the Company's control and are subject to change. Such changes may affect the Company's assumptions and calculations of where current network facilities could be improved to provide better coverage and service and where current and projected consumer demand may require increased capacity. As these

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externally-driven changes occur, the Company will reevaluate and modify its estimates for implementing these projects accordingly. The order in which the Company's proposed 2013 projects will be undertaken has not been finally determined and may be revised over time. As a result, the content and timing of the 2013 projects in Confidential Exhibit A-4 is subject to change.

The Company will also use some of the federal high-cost universal service support it receives in 2013 for operating and maintenance expenses, as contemplated and permitted by 47 U.S.C. § 254(e). The categories of projected operating and maintenance expenses include the costs of telecommunications, long distance, switching, service allocations, rent and lease payments, buildings and utilities, network and other related support services, and roaming charges associated with providing service. The Company's estimated total operating and maintenance expenses for providing service in its Designated Area in North Dakota in 2013 are set forth on Confidential Exhibit A-2.

CONFIDENTIAL EXHIBIT A-1
2011 Network Improvements

Badlands Cellular of North Dakota Limited Partnership

Location of Improvement	Project Description	Project Purpose	2011 Actual Spend	Estimated Population Served	Project Status	Project Completion Date	Wire Centers Benefited
[REDACTED]							

CONFIDENTIAL EXHIBIT A-2

**2011, 2012, and 2013 Operating and Maintenance Expenses
Badlands Cellular of North Dakota Limited Partnership**

Operating and Maintenance Expenses, January 1, 2011 – December 31, 2011:

[REDACTED]

Estimated Operating and Maintenance Expenses, January 1, 2012 – December 31, 2012:

[REDACTED]

Estimated Operating and Maintenance Expenses, January 1, 2013 – December 31, 2013:

[REDACTED]

CONFIDENTIAL EXHIBIT A-3
Projected 2012 Network Improvements

Badlands Cellular of North Dakota Limited Partnership

Location of Improvement	Project Description	Project Purpose	Budget (est)	Estimated Population Served	Projected Start Date	Projected Completion Date	Wire Centers Benefited
[REDACTED]							

CONFIDENTIAL EXHIBIT A-4
Projected 2013 Network Improvements

Badlands Cellular of North Dakota Limited Partnership

Location of Improvement	Project Description	Project Purpose	Budget (est)	Estimated Population Served	Projected Start Date	Projected Completion Date	Wire Centers Benefited
[REDACTED]							

EXHIBIT B

THE COMPANY'S 2011 ETC OUTAGE REPORT

N.D. Admin. Code § 69-09-05-12.1(2) requires an ETC to report outages of over 30 minutes in length that potentially affect at least 10% of end users served in the ETC's designated area, or that potentially affect a 911 special facility.

Confidential Exhibit B-1 lists the Company's outages for the reporting period of January 1, 2011 through December 31, 2011.

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CONFIDENTIAL EXHIBIT B-1

Badlands Cellular of North Dakota Limited Partnership

Reporting period: January 1, 2011 through December 31, 2011

Outage Description	Start Date	Start Time	End Date	End Time	Duration	# of customers affected	Site ID	Site Name	Address	City
[REDACTED]										

EXHIBIT C

THE COMPANY'S UNFULFILLED REQUESTS FOR SERVICE FOR 2011

Reporting period: January 1, 2011 through December 31, 2011

Number of Unfulfilled Requests for Service
within Designated Area

- 0 -

Description of Steps Taken To
Extend Service
Not Applicable

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EXHIBIT D

COMPLAINTS PER 1,000 HANDSETS FOR 2011

Reporting period: January 1, 2011 through December 31, 2011

Complaints per 1,000 handsets: 0.2196