

ANNUAL REPORT TO THE NORTH DAKOTA PUBLIC SERVICE COMMISSION

ESSENTIAL TELECOMMUNICATIONS CARRIER CERTIFICATION



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 2013.

Venture Communications Cooperative
Company

By: 
Its: General Manager

Date: 10/16/13

EXHIBIT A
Venture Communications Cooperative

Note: Venture Communications serves 10 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>2012</u>	<u>2014</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>
TOTAL	\$2,833,227	\$2,965,700

We made 2012 expenditures and show estimates for 2014 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> 2012	<u>Estimated</u> 2014
Plant Specific Operations Expenses		
Network support (Accts 6110-16)	\$ 0	\$ 0
General support (Accts 6120-24)	\$ 209,924	\$ 246,418
Central office (Accts 6210-6232)	\$ 1,470,152	\$ 1,577,923
Cable and wire facilities (Accts 6410-41)	\$ 1,160,965	\$ 1,276,479
Network operations (Accts 6530-35)	\$ 435,480	\$ 469,829
Depreciation and amortization (Accts 6560-65)	\$ 6,384,067	\$ 6,210,888
Customer Operations Expenses		
Customer services (Accts 6620-23)	\$ 1,007,943	\$ 1,119,154
Corporate Operations Expenses		
Executive and planning (Accts 6710-12)	\$ 648,286	\$ 716,432
General and administrative (Accts 6720-28)	<u>\$ 1,204,776</u>	<u>\$ 1,281,273</u>
Total Years Supported Expenses, Before Return on Investment	\$12,521,593	\$12,898,396
Additions		
Switching (Acct 2210)	\$ 781,970	<i>(See Exhibit B, Two-Year Plan)</i>
Cable and wire (Acct 2410)	<u>\$ 3,762,502</u>	
Total	<u>\$ 4,544,472</u>	
Total Supported Expenditures, Before Return on Investment	<u><u>\$17,066,065</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	
					2013	2014
Sisseton-Rural	Rebuilding all rural areas with a fiber-to-the-home technology	850	July 2013	Dec 2013	\$2,635,500	
Rosholt-Rural	Rebuilding all rural areas with a fiber-to-the-home technology	200	July 2013	Dec 2013	\$1,210,750	
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	Rebuilding all rural areas with a fiber-to-the-home technology	75	May 2013	Oct 2013	\$750,000	
Pierpont	Rebuilding all rural areas with a fiber-to-the-home technology	100	July 2013	Nov 2013	\$450,000	
539/258/448/ 765/698	Rebuilding certain town areas with a fiber-to-the-node technology	3408	May 2014	Nov 2014		\$552,000

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

4. Outage Information:

During calendar year 2012, 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. Unfilled Service Requests:

Venture Communications was able to provide service to all potential customers that requested service during 2012, and as of December 31, 2012, the Company had no unfilled requests for service.

6. Complaint Information:

During 2012, Venture Communications received an estimated 75 complaints from consumers. This equates to 5 complaints per thousand access lines. Only 6 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.

BEFORE THE NORTH DAKOTA PUBLIC SERVICE COMMISSION IN CASE NO. PU-439-01-460

AND BEFORE THE FEDERAL COMMUNICATIONS COMMISSION IN DOCKET NO. 96-45

AFFIDAVIT OF VENTURE COMMUNICATIONS COOPERATIVE REGARDING
CERTIFICATION OF USE OF FEDERAL UNIVERSAL SERVICE SUPPORT

State of North Dakota)

County of Sargent)ss.

Randy W. Houdek, being first duly sworn on oath, does hereby declare and state upon affiant's own personal knowledge as follows:

1. Affiant is employed by Venture Communications Cooperative, (hereinafter, the "Company"), in the position of General manager/CEO.
2. The Company is an eligible telecommunications carrier within the meaning of Section 214(e) of the Federal Telecommunications Act of 1996 (hereinafter, the "Act"), and the Company is eligible to receive federal high-cost universal service support (hereinafter, the "Support") pursuant to Section 254(e) of the Act. The North Dakota Public Service Commission (hereinafter, the "NDPSC") has designated the Company as an eligible telecommunications carrier.
3. The Company serves 10 access lines within the boundaries of North Dakota and approximately 12,000 access lines within the boundaries of South Dakota.
4. Affiant is personally familiar with all of the Support received by the Company, and with how the Company uses all of Support that it receives.
5. The Company is filing this affidavit in compliance with the order of the Federal Communications Commission (hereinafter, "FCC") dated May 23, 2001 in Docket Number 96-45 (FCC 01-157) (hereinafter, the "Order"), as codified in 47 C.F.R. * 54.314, which requires certification to the FCC that all federal Support will be used by carriers within each state only for the provision, maintenance, and upgrading of facilities and services for which the support is intended, as required by Section 254(e) of the Act and 47 C.F.R. * 54.7. The Company is also filing this affidavit in compliance with the Order of the NDPSC dated August 28, 2001 in Case No. PU-439-01-460. This affidavit is filed to facilitate the Company's receipt of federal Support for all four quarters of 2013, and for all quarters thereafter.
6. The Company hereby certifies that it will only use the Support that the Company receives during the four quarters of 2014 (and all quarters thereafter) for the provision, maintenance, and upgrading of facilities and services for which the Support is intended pursuant to and consistent with Section 254(e) of the Act and 47 C.F.R. * 54.7. The Company will use the Support to support the following services, as designated in 47 C.F.R. * 54.101, throughout the Company's study area: (a) voice grade access to the public switched network; (b) local usage; (c) dual-tone multi-frequency signaling or its functional equivalent; (d) single-party service or its functional equivalent; (e) access to

emergency services; (f) access to operator services; (g) access to interexchange service; (h) access to directory assistance; and (i) toll limitation for qualifying low-income consumers.

Dated this 16th day of October, 2013.

VENTURE COMMUNICATIONS COOPERATIVE

By: 
Randy W. Houdek

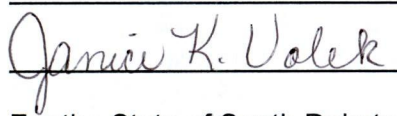
Its: General Manager/CEO

State of South Dakota)

) ss.

County of Hyde)

On this 16th day of October 2013, before me, a Notary Public in and for said County and State, personally appeared RANDY W. HOUDEK, known to me to be the General Manager/CEO for VENTURE COMMUNICATIONS COOPERATIVE, the corporation that is described in and that executed the within instrument, and acknowledged to me that such corporation executed the same.

, Notary Public

For the State of South Dakota

My commission expires: MARCH 10, 2016