



October 11, 2013



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

RE: ETC Annual Report Filing (Form 481)

Enclosed you will find Dakota Central Telecommunications Cooperative and Dakota Central Telecom I, Inc., ETC Annual Report filing for study area 381610.

Please contact me at 701-652-6120 or cindyh@daktel.net, if you have any questions or need additional information.

Sincerely,

A handwritten signature in blue ink that reads 'Cindy Hewitt'.

Cindy Hewitt
CFO
Dakota Central Telecommunications Cooperative & Dakota Central Telecom I, Inc.

Enclosures
Original Filings and 7 Copies for each company

5 PU-13-366 Filed 10/11/2013 Pages: 24
ETC Annual Report - FCC Form 481
Dakota Central Telecommunications Cooperative

**FCC Form 481 - Carrier Annual Reporting
Data Collection Form**

FCC Form 481
OMB Control No. 3060-0986/OMB Control No. 3060-0819
July 2013

<010> Study Area Code	381610
<015> Study Area Name	DAKOTA CENTRAL
<020> Program Year	2014
<030> Contact Name: Person USAC should contact with questions about this data	Cindy Hewitt
<035> Contact Telephone Number: Number of the person identified in data line <030>	701-652-6120
<039> Contact Email Address: Email of the person identified in data line <030>	cindyh@daktel.com

ANNUAL REPORTING FOR ALL CARRIERS	54.313	54.422
	Completion Required	Completion Required

			<i>(check box when complete)</i>	
<100> Service Quality Improvement Reporting	<i>(complete attached worksheet)</i>		<input checked="" type="checkbox"/>	<input type="checkbox"/>
<200> Outage Reporting (voice)	<i>(complete attached worksheet)</i>		<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
<210> <input checked="" type="checkbox"/> <-- check box if no outages to report				
<300> Unfulfilled Service Requests (voice)	<input type="text" value="0"/>		<input checked="" type="checkbox"/>	<input type="checkbox"/>
<310> Detail on Attempts (voice)		<i>(attach descriptive document)</i>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
<320> Unfulfilled Service Requests (broadband)	<input type="text" value="0"/>		<input checked="" type="checkbox"/>	<input type="checkbox"/>
<330> Detail on Attempts (broadband)		<i>(attach descriptive document)</i>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
<400> Number of Complaints per 1,000 customers (voice)			<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
<410> Fixed	<input type="text" value="0.0"/>			
<420> Mobile	<input type="text" value="0.0"/>			
<430> Number of Complaints per 1,000 customers (broadband)			<input checked="" type="checkbox"/>	<input type="checkbox"/>
<440> Fixed	<input type="text" value="0.0"/>			
<450> Mobile	<input type="text" value="0.0"/>			
<500> Service Quality Standards & Consumer Protection Rules Compliance		<i>(check to indicate certification)</i>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
<510> <input type="text" value="381610nd510"/>		<i>(attached descriptive document)</i>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
<600> Functionality in Emergency Situations		<i>(check to indicate certification)</i>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
<610> <input type="text" value="381610nd610"/>		<i>(attached descriptive document)</i>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
<700> Company Price Offerings (voice)		<i>(complete attached worksheet)</i>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
<710> Company Price Offerings (broadband)		<i>(complete attached worksheet)</i>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
<800> Operating Companies and Affiliates		<i>(complete attached worksheet)</i>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
<900> Tribal Land Offerings (Y/N)? <input type="radio"/> <input checked="" type="radio"/>		<i>(if yes, complete attached worksheet)</i>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
<1000> Voice Services Rate Comparability		<i>(check to indicate certification)</i>	<input type="checkbox"/>	<input type="checkbox"/>
<1010> <input type="text"/>		<i>(attach descriptive document)</i>	<input type="checkbox"/>	<input type="checkbox"/>
<1100> Terrestrial Backhaul (Y/N)? <input checked="" type="radio"/> <input type="radio"/>		<i>(if not, check to indicate certification)</i>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
<1110>		<i>(complete attached worksheet)</i>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
<1200> Terms and Condition for Lifeline Customers		<i>(complete attached worksheet)</i>	<input type="checkbox"/>	<input checked="" type="checkbox"/>

Price Cap Carriers, Proceed to Price Cap Additional Documentation Worksheet
Including Rate-of-Return Carriers affiliated with Price Cap Local Exchange Carriers

<2000>	<i>(check to indicate certification)</i>	<input type="checkbox"/>	<input type="checkbox"/>
<2005>	<i>(complete attached worksheet)</i>	<input type="checkbox"/>	<input type="checkbox"/>

Rate of Return Carriers, Proceed to ROR Additional Documentation Worksheet

<3000>	<i>(check to indicate certification)</i>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
<3005>	<i>(complete attached worksheet)</i>	<input checked="" type="checkbox"/>	<input type="checkbox"/>

1. Demonstration of Compliance with Applicable Service Quality Standards and Consumer Protection Rules:

In establishing this certification in its *2005 ETC Order*,¹ the FCC found that an ETC must make “a specific commitment to objective measures to protect consumers.”² The FCC found that for wireless ETCs, compliance with CTIA’s Consumer Code for Wireless Service would satisfy this requirement” and that the sufficiency of other commitments would be considered on a case-by-case basis.³ In this context, the FCC stated, “to the extent a wireline or wireless ETC applicant is subject to consumer protection obligations under state law, compliance with such laws may meet our requirement.”⁴

Dakota Central Telecommunications Cooperative (“Company”) hereby certifies that it is complying with applicable service quality standards and consumer protection rules. The Company is subject to consumer protection obligations under federal law and, to a limited extent under North Dakota state law as a telecommunications carrier subject to North Dakota Public Service Commission regulation. These obligations include, but are not limited to, the following: (1) adherence to state requirements that the Company complies with consumer protection and service quality standards pursuant to North Dakota Administrative Code Article 69,

¹ *Federal-State Joint Board on Universal Service*, CC Docket No. 96-45, Report and Order, FCC 05-46 (rel. Mar. 17, 2005) (“*2005 ETC Order*”).

² *Id.* at para. 28.

³ *Id.* The FCC noted that under the CTIA Consumer Code, wireless carriers agree to: “(1) disclose rates and terms of service to customers; (2) make available maps showing where service is generally available; (3) provide contract terms to customers and confirm changes in service; (4) allow a trial period for new service; (5) provide specific disclosures in advertising; (6) separately identify carrier charges from taxes on billing statements; (7) provide customers the right to terminate service for changes to contract terms; (8) provide ready access to customer service; (9) promptly respond to consumer inquiries and complaints received from government agencies; and (10) abide by policies for protection of consumer privacy.” *Id.* at n. 71.

⁴ *Id.* at n. 72.

including customer requests for lowest price service alternatives (69-09-05-01), discontinuance of telecommunications services (69-09-05-02), deposits and guarantees (69-09-05-03); (2) truth-in-billing requirements, and (3) CPNI, Red Flag Rules and other applicable federal and state requirements governing the protection of customers' privacy.

1. Ability to Function in Emergency Situations

Dakota Central Telecommunications Cooperative hereby certifies that it is able to function in emergency situations as set forth in §54.202(a)(2)¹ and North Dakota Administrative Code 69-09-05-12. The Company's network is designed to remain functional in emergency situations without an external power source, is able to reroute traffic around damaged facilities, and is capable of managing traffic spikes resulting from emergency situations as required by Section 54.202(a)(2). The Company can change call routing translations as needed to reroute traffic around damaged facilities. Changing call routing translations will also allow the Company to manage traffic spikes throughout its network, as emergency situations require.

For decades the telephone providers have valued a five 9s (99.999%) of reliability within their overall networks. What does this really mean; the five nines reliability equates into 5 minutes and 15 seconds or less of total down time per year. To do this requires a great deal of redundancy and alternate sources throughout the telephone network. To ensure the five 9s of reliability/availability, Dakota Central Telecommunications has incorporated the following standards and implementations within their network.

- Central Office building(s) or hut(s) that hold the equipment to service the customer has redundant power sources to include a battery system that can maintain the office or hut for at least 8 hours and a generator backup system to

¹ Section 54.202(a)(2) requires ETCs that are designated by the Commission to “demonstrate its ability to remain functional in emergency situations, including a demonstration that it 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.”

provide power for those outages that are longer than 8 hours. It shall be noted that the generators are started immediately once a power outage is determined. This ensures that the generator starts and is functional prior to the depletion of the batteries. If the generator fails to start immediately, a service personnel and a backup generator is deployed prior to the depletion of the batteries to ensure the office does not lose power.

- The Central Office building(s) or hut(s) have alternate paths (consists of buried fiber cables) in and out to assure survivability if one of the paths is damaged or cut. These paths are how each office receives and delivers to the customer the request services which is comprised of voice, video and/or data services. It shall be noted that the path from the Central Office building or hut to the subscriber are not redundant.
- The Central Office equipment that delivers services to and from the customer also has redundancy in all primary facilities such as power and transport (alternate path) sources.
- Throughout the network all customers are served utilizing fiber to the home technology. To ensure reliability at the customer home, each home is equipped with an 8 hour battery backup system.
- All the redundancy in the world inside the network doesn't ensure reliability without full redundancy to the outside network. In other words, like the alternate paths for the Central Offices the overall network needs alternate paths to the outside network. These alternate paths should also be geographically separated to

ensure reliability. Dakota Central Telecommunications has four primary paths to the outside network at four geographically separated areas in their network.

(100) Service Quality Improvement Reporting Data Collection Form	FCC Form 481 OMB Control No. 3060-0986/OMB Control No. 3060-0819 July 2013
---	--

<010>	Study Area Code	381610
<015>	Study Area Name	DAKOTA CENTRAL
<020>	Program Year	2014
<030>	Contact Name - Person USAC should contact regarding this data	Cindy Hewitt
<035>	Contact Telephone Number - Number of person identified in data line <030>	701-652-6120
<039>	Contact Email Address - Email Address of person identified in data line <030>	cindyh@daktel.com

<110>	Has your company received its ETC certification from the FCC? If your answer to Line <110> is yes, do you have an existing §54.202(a) "5	(yes / no) <input type="radio"/> <input checked="" type="radio"/>
<111>	year plan" filed with the FCC?	(yes / no) <input type="radio"/> <input type="radio"/>

If your answer to Line <111> is yes, then you are required to file a progress report, on line <112> delineating the status of your company's existing § 54.202(a) "5 year plan" on file with the FCC, as it relates to your provision of voice telephony service.

<112> Attach Five-Year Service Quality Improvement Plan or, in subsequent years, your annual progress report filed pursuant to 47 C.F.R. § 54.313(a)(1). If your company is a CETC which only receives frozen support, your progress report is only required to address voice telephony service.

Name of Attached Document (.pdf)

Please check these boxes below to confirm that the attached PDF, on line 112, contains a progress report on its five-year service quality improvement plan pursuant to § 54.202(a). The information shall be submitted at the wire center level or census block as appropriate.

- <113> Maps detailing progress towards meeting plan targets
- <114> Report how much universal service (USF) support was received
- <115> How (USF) was used to improve service quality
- <116> How (USF) was used to improve service coverage
- <117> How (USF) was used to improve service capacity
- <118> Provide an explanation of network improvement targets not met in the prior calendar year.

**(1100) No Terrestrial Backhaul Reporting
Data Collection Form**FCC Form 481
OMB Control No. 3060-0986/OMB Control No. 3060-0819
July 2013

<010>	Study Area Code	381610
<015>	Study Area Name	DAKOTA CENTRAL
<020>	Program Year	2014
<030>	Contact Name - Person USAC should contact regarding this data	Cindy Hewitt
<035>	Contact Telephone Number - Number of person identified in data line <030>	701-652-6120
<039>	Contact Email Address - Email Address of person identified in data line <030>	cindyh@daktel.com

<1120> Please check this box to confirm no terrestrial backhaul options exist within the supported area pursuant to § 54.313(G)

<1130> Please check this box to confirm the reporting carrier offers broadband service of at least 1 Mbps downstream and 256 kbps upstream within the supported area pursuant to § 54.313(G)

(1200) Terms and Condition for Lifeline Customers Lifeline Data Collection Form	FCC Form 481 OMB Control No. 3060-0986/OMB Control No. 3060-0819 July 2013
--	--

<010>	Study Area Code	381610
<015>	Study Area Name	DAKOTA CENTRAL
<020>	Program Year	2014
<030>	Contact Name - Person USAC should contact regarding this data	Cindy Hewitt
<035>	Contact Telephone Number - Number of person identified in data line <030>	701-652-6120
<039>	Contact Email Address - Email Address of person identified in data line <030>	cindyh@daktel.com

<1210> Terms & Conditions of Voice Telephony Lifeline Plans 381610nd1210

Name of attached document (.pdf) _____

<1220> Link to Public Website HTTP _____

"Please check these boxes below to confirm that the attached PDF, on line 1210, or the website listed, on line 1220, contains the required information pursuant to § 54.422(a)(2) annual reporting for ETCs receiving low-income support, carriers must annually report:

- <1221> Information describing the terms and conditions of any voice telephony service plans offered to Lifeline subscribers,
- <1222> Details on the number of minutes provided as part of the plan,
- <1223> Additional charges for toll calls, and rates for each such plan.

DAKOTA CENTRAL TELECOMMUNICATIONS (DCT) - LIFELINE PROGRAM

What is Lifeline?

Lifeline is a government supported benefit for qualifying low-income consumers. The Lifeline Telephone Assistance Program provides discounts on basic monthly service for qualified telephone customers. Lifeline assistance lowers the cost of basic monthly local telephone service. Eligible consumers will receive a \$9.25 per month credit.

Who is eligible for Lifeline?

You or someone in your household participates in one of the following federal assistance programs:

- Federal Public Housing Assistance (FPHA) or Section 8;
- Supplemental Nutrition Assistance Program (SNAP), formerly known as Food Stamps;
- Low Income Home Energy Assistance Program (LIHEAP);
- Medicaid;
- National School Lunch Program (NSLP) and receives lunch through the program;
- Supplemental Security Income (SSI);
- Temporary Assistance for Needy Families (TANF);
- Any additional qualifying program established by your state; or
- Your household income is at or below 135 percent of the federal poverty guidelines

You reside on Tribal lands (any federally recognized Indian tribe's reservation, Pueblo, or Colony including former reservations in Oklahoma, Alaska Native regions, Hawaiian Home Lands, and Indian Allotments) and you participate in any of the above federal assistance programs; or

You, or someone in your household, participates in one of the following assistance programs:

- Bureau of Indian Affairs General Assistance,
- Head Start (only households meeting the income qualifying standard),
- Tribal Temporary Assistance for Needy Families (Tribal TANF), or
- Food Distribution Program on Indian Reservations.

What restrictions apply to Lifeline?

Lifeline benefits are limited to one per household, including landline and cell phones. (Household is defined, for purposes of the Lifeline program, as any individual or group of individuals who live together at the same address and share income and expenses.

Lifeline is a non-transferrable benefit. Lifeline service may not be transferred to any other person.

Lifeline customers may be required to recertify their eligibility at any time and will be required to recertify on an annual basis. Failure to recertify will result in de-enrollment from the Lifeline program.

Lifeline customers must notify DCT within 30 days if they move or their household is no longer eligible for the Lifeline program.

Number of minutes-of-use provided as part of Lifeline program:

DCT's Voice Lifeline Program includes unlimited local minutes-of-use within the toll-free calling area.

Additional charges for toll calls:

DCT's Voice Lifeline Program does not include any free minutes-of-use for toll. Toll is billed at the standard toll rate depending which interexchange carrier the Voice Lifeline customer selects.

Rates for Lifeline program:

Qualified customers may choose a standard landline telephone service or a bundled service that includes a landline telephone service that are normally offered by DCT.

Lifeline Program Certification:

Eligible customers must complete and sign a Lifeline application form, attach documentation of Lifeline eligibility, and send the completed, signed form and documentation to DCT before any Lifeline benefits can be provided. Information required to receive Lifeline benefits include: full name, full residential address, permanent or temporary residence, billing address (if different from residential address, date of birth, last 4 digits of social security number and proof of program eligibility. Applications that are incomplete, not signed, or do not have supporting documentation of eligibility will be denied.

DCT will confirm customer's eligibility based on customer provided documentation. After the NLAD is in production, DCT will also confirm customer is eligible to receive Lifeline program benefits and is not already receiving Lifeline program benefits from another carrier.

DCT will record the following information based on supporting documentation: date or expiration date of documentation, identifying information about documentation provided, date it was reviewed, method the documentation was provided (fax, mail, electronically, or in person), name of the employee who reviewed documentation, name of the documentation demonstrating program participation (if different from name of applicant), certification that the individual named on the documentation who is demonstrating program participation is part of the applicant's household (if different from name of applicant).

DCT retain the application and destroy the documentation provided for eligibility.

Lifeline Program Recertification:

DCT's Lifeline Program recertification will be done on an annual basis by USAC. DCT will provide a list of customers to be recertified based on requirements set by USAC.

De-enrolling Lifeline Program Customers:

DCT Lifeline Program customers has an obligation to inform DCT if they no longer qualify for Lifeline Program benefits. Customers who become ineligible must de-enroll by contacting DCT directly.

In addition, there are several other situations that might result in a subscriber being de-enrolled from discounts including the following:

- If DCT has a reasonable basis to believe a customer is no longer an eligible consumer, DCT will send the customer a notice of impending termination. The customer has 30 days from the date of the impending termination letter to demonstrate continued eligibility by re-certifying his or her continued.
- If USAC, the administrator of universal service, provides notification to a telecommunications carrier that a subscriber has more than one discounted account, or that more than one member of a subscriber's household is receiving service, DCT will de-enroll the subscriber within five business days.
- Customers have an obligation to re-certify annually that only one member of their household receives program-supported service and they continue to be eligible. If the customer fails to provide the requested certification within the 30-day notification period, DCT will de-enroll the subscriber from program-supported service within five business days from the end of the 30-day notification. DCT can de-enroll a customer who fails to re-certify after an initial 30-day notification; DCT does not need to provide 30 days in addition to the initial notification and request for certification.

Where can the consumer get more information on the Lifeline Program?

www.lifelinesupport.org

(2000) Price Cap Carrier Additional Documentation
Data Collection Form
Including Rate-of-Return Carriers affiliated with Price Cap Local Exchange Carriers

FCC Form 481
 OMB Control No. 3060-0986/OMB Control No. 3060-0819
 July 2013

<010> Study Area Code	381610
<015> Study Area Name	DAKOTA CENTRAL
<020> Program Year	2014
<030> Contact Name - Person USAC should contact regarding this data	Cindy Hewitt
<035> Contact Telephone Number - Number of person identified in data line <030>	701-652-6120
<039> Contact Email Address - Email Address of person identified in data line <030>	cindyh@daktel.com

CHECK the boxes below to note compliance as a recipient of Incremental Connect America Phase I support, frozen High Cost support, High Cost support to offset access charge reductions, and Connect America Phase II support as set forth in 47 CFR § 54.313(b),(c),(d),(e) the information reported on this form and in the documents attached below is accurate.

Incremental Connect America Phase I reporting

- <2010> 2nd Year Certification {47 CFR § 54.313(b)(1)}
- <2011> 3rd Year Certification {47 CFR § 54.313(b)(2)}

Price Cap Carrier Receiving Frozen Support Certification {47 CFR § 54.312(a)}

- <2012> 2013 Frozen Support Certification
- <2013> 2014 Frozen Support Certification
- <2014> 2015 Frozen Support Certification
- <2015> 2016 and future Frozen Support Certification

Price Cap Carrier Connect America ICC Support {47 CFR § 54.313(d)}

- <2016> Certification Support Used to Build Broadband

Connect America Phase II Reporting {47 CFR § 54.313(e)}

- <2017> 3rd year Broadband Service Certification
- <2018> 5th year Broadband Service Certification
- <2019> Interim Progress Certification
- <2020> Please check the box to confirm that the attached PDF, on line 2021, contains the required information pursuant to § 54.313 (e)(3)(ii), as a recipient of CAF Phase II support shall provide the number, names, and addresses of community anchor institutions to which began providing access to broadband service in the preceding calendar year.

<2021> Interim Progress Community Anchor Institutions Name of Attached Document Listing Required Information _____

(3000) Rate Of Return Carrier Additional Documentation
Data Collection Form

FCC Form 481
 OMB Control No. 3060-0986/OMB Control No. 3060-0819
 July 2013

<010> Study Area Code	381610
<015> Study Area Name	DAKOTA CENTRAL
<020> Program Year	2014
<030> Contact Name - Person USAC should contact regarding this data	Cindy Hewitt
<035> Contact Telephone Number - Number of person identified in data line <030>	701-652-6120
<039> Contact Email Address - Email Address of person identified in data line <030>	cindyh@daktel.com

CHECK the boxes below to note compliance on its five year service quality plan (pursuant to 47 CFR § 54.202(a)) and, for privately held carriers, ensuring compliance with the financial reporting requirements set forth in 47 CFR § 54.313(f)(2). I further certify that the information reported on this form and in the documents attached below is accurate.

Progress Report on 5 Year Plan

- (3010) Milestone Certification {47 CFR § 54.313(f)(1)(i)}
 Please check this box to confirm that the attached PDF, on line 3012, contains the required information pursuant to § 54.313 (f)(1)(ii), as a recipient of CAF Phase II support shall provide the number, names, and addresses of community anchor institutions to which began providing access to broadband service in the preceding calendar year.

	Name of Attached Document Listing Required Information	<input type="checkbox"/>
--	--	--------------------------
- (3011) Community Anchor Institutions {47 CFR § 54.313(f)(1)(ii)}
- (3012) Is your company a Privately Held ROR Carrier {47 CFR § 54.313(f)(2)}
- (3013) If yes, does your company file the RUS annual report
 Please check these boxes to confirm that the attached PDF, on line 3017, contains the required information pursuant to § 54.313(f)(2) compliance requires:

	Name of Attached Document Listing Required Information	<input checked="" type="checkbox"/> (Yes/No)
		<input checked="" type="checkbox"/> (Yes/No)
- (3014) Electronic copy of their annual RUS reports (Operating Report for Telecommunications Borrowers)
- (3015) PDF of Balance Sheet, Income Statement and Statement of Cash Flows
- (3016) If the response is yes on line 3014, attach your company's RUS annual report and all required documentation
 Name of Attached Document Listing Required Information 381610nd3017
- (3017) If the response is no on line 3014, Is your company audited?
 If the response is yes on line 3018, please check the boxes below to confirm your submission, on line 3026 pursuant to § 54.313(f)(2), contains:

	Name of Attached Document Listing Required Information	<input type="checkbox"/> (Yes/No)
--	--	-----------------------------------
- (3018) Either a copy of their audited financial statement; or (2) a financial report in a format comparable to RUS Operating Report for Telecommunications
- (3019) PDF of Balance Sheet, Income Statement and Statement of Cash Flows
- (3020) Management letter issued by the independent certified public accountant that performed the company's financial audit.
- (3021) If the response is no on line 3018, please check the boxes below to confirm your submission, on line 3026 pursuant to § 54.313(f)(2), contains:
 Copy of their financial statement which has been subject to review by an independent certified public accountant; or 2) a financial report in a format comparable to RUS Operating Report for Telecommunications Borrowers,
- (3022) Underlying information subjected to a review by an independent certified public accountant
- (3023) Underlying information subjected to an officer certification.
- (3024) PDF of Balance Sheet, Income Statement and Statement of Cash Flows
- (3025) Attach the worksheet listing required information
 Name of Attached Document Listing Required Information _____
- (3026)

According to the Paperwork Reduction Act of 1995, an agency may not conduct or sponsor, and a person is not required to respond to, a collection of information unless it displays a valid OMB control number. The valid OMB control number for this information collection is 0572-0031. The time required to complete this information collection is estimated to average 4 hours per response, including the time for reviewing instructions, searching existing data sources, gathering and maintaining the data needed, and completing and reviewing the collection of information.

USDA-RUS

This data will be used by RUS to review your financial situation. Your response is required by 7 U.S.C. 901 et seq. and, subject to federal laws and regulations regarding confidential information, will be treated as confidential.

OPERATING REPORT FOR TELECOMMUNICATIONS BORROWERS

BORROWER NAME

Dakota Central Telecommunications Cooperative

INSTRUCTIONS-Submit report to RUS within 30 days after close of the period. For detailed instructions, see RUS Bulletin 1744-2. Report in whole dollars only.

PERIOD ENDING
December, 2012

BORROWER DESIGNATION
ND0521

CERTIFICATION

We hereby certify that the entries in this report are in accordance with the accounts and other records of the system and reflect the status of the system to the best of our knowledge and belief.

ALL INSURANCE REQUIRED BY 7 CFR PART 1788, CHAPTER XVII, RUS, WAS IN FORCE DURING THE REPORTING PERIOD AND RENEWALS HAVE BEEN OBTAINED FOR ALL POLICIES.

DURING THE PERIOD COVERED BY THIS REPORT PURSUANT TO PART 1788 OF 7CFR CHAPTER XVII
(Check one of the following)

All of the obligations under the RUS loan documents have been fulfilled in all material respects.

There has been a default in the fulfillment of the obligations under the RUS loan documents. Said default(s) is/are specifically described in the Telecom Operating Report

Karl A. Larson

3/21/13
DATE

PART A. BALANCE SHEET

ASSETS	BALANCE		LIABILITIES AND STOCKHOLDERS' EQUITY	BALANCE	
	PRIOR YEAR	END OF PERIOD		PRIOR YEAR	END OF PERIOD
CURRENT ASSETS			CURRENT LIABILITIES		
1. Cash and Equivalents	1,280,589	494,907	25. Accounts Payable	1,273,501	410,452
2. Cash-RUS Construction Fund	61,532	1,330	26. Notes Payable		
3. Affiliates:			27. Advance Billings and Payments	14,852	11,534
a. Telecom, Accounts Receivable	37,754	35,886	28. Customer Deposits	13,244	14,842
b. Other Accounts Receivable	191,255	131,339	29. Current Mat. LT Debt	2,090,000	2,141,000
c. Notes Receivable			30. Current Mat. LT Debt-Rur. Dev.		
4. Non-Affiliates:			31. Current Mat.-Capital Leases		
a. Telecom, Accounts Receivable			32. Income Taxes Accrued	1,620	0
b. Other Accounts Receivable	1,261,915	567,704	33. Other Taxes Accrued	10,468	10,207
c. Notes Receivable			34. Other Current Liabilities	346,567	379,615
5. Interest and Dividends Receivable	920	697	35. Total Current Liabilities (25 thru 34)	3,750,252	2,967,650
6. Material-Regulated	193,165	167,773	LONG-TERM DEBT		
7. Material-Nonregulated	22,383	15,787	36. Funded Debt-RUS Notes	6,762,871	4,004,091
8. Prepayments	349,266	297,428	37. Funded Debt-RTB Notes		
9. Other Current Assets	750,015	3,000,018	38. Funded Debt-FFB Notes	6,158,528	5,106,013
10. Total Current Assets (1 Thru 9)	4,148,794	4,712,869	39. Funded Debt-Other		
NONCURRENT ASSETS			40. Funded Debt-Rural Develop. Loan		
1. Investment in Affiliated Companies			41. Premium (Discount) on LT Debt		
a. Rural Development	25,959,386	26,339,532	42. Reacquired Debt		
b. Nonrural Development	698,629	713,979	43. Obligations Under Capital Lease		
2. Other Investments			44. Adv. From Affiliated Companies		
a. Rural Development			45. Other Long-Term Debt		
b. Nonrural Development	636,073	639,597	46. Total Long-Term Debt (36 thru 45)	12,921,399	9,110,104
3. Nonregulated Investments	15,835	9,539	OTHER LIAB. & DEF. CREDITS		
4. Other Noncurrent Assets			47. Other Long-Term Liabilities	89,981	103,327
5. Deferred Charges			48. Other Deferred Credits	3,569,307	2,911,525
6. Jurisdictional Differences			49. Other Jurisdictional Differences		
7. Total Noncurrent Assets (11 thru 16)	27,309,923	27,702,647	50. Total Other Liabilities and Deferred Credits (47 thru 49)	3,659,288	3,014,852
PLANT, PROPERTY, AND EQUIPMENT			EQUITY		
8. Telecom, Plant-In-Service	32,497,131	32,820,189	51. Cap. Stock Outstand. & Subscribed		
9. Property Held for Future Use			52. Additional Paid-in-Capital		
10. Plant Under Construction	79,729	0	53. Treasury Stock		
11. Plant Adj., Nonop. Plant & Goodwill			54. Membership and Cap. Certificates		
12. Less Accumulated Depreciation	14,018,164	14,686,059	55. Other Capital	20,231,693	23,473,298
13. Net Plant (18 thru 21 less 22)	18,558,696	18,134,130	56. Patronage Capital Credits	5,367,764	5,849,783
14. TOTAL ASSETS (10+17+23)			57. Retained Earnings or Margins	4,087,017	6,133,959
			58. Total Equity (51 thru 57)	29,686,474	35,457,040
			59. TOTAL LIABILITIES AND EQUITY (35+46+50+58)	50,017,413	50,549,646
	50,017,413	50,549,646			

Total Equity = 70.14% of Total Assets

USDA-RUS

**OPERATING REPORT FOR
TELECOMMUNICATIONS BORROWERS**

BORROWER DESIGNATION

ND0521

PERIOD ENDING

December, 2012

INSTRUCTIONS- See RUS Bulletin 1744-2

PART B. STATEMENTS OF INCOME AND RETAINED EARNINGS OR MARGINS

ITEM	PRIOR YEAR	THIS YEAR
1. Local Network Services Revenues	419,222	408,325
2. Network Access Services Revenues	4,392,652	4,281,116
3. Long Distance Network Services Revenues		
4. Carrier Billing and Collection Revenues	8,139	7,271
5. Miscellaneous Revenues	836,689	830,730
6. Uncollectible Revenues	(12,500)	
7. Net Operating Revenues (1 thru 5 less 6)	5,669,202	5,527,442
8. Plant Specific Operations Expense	1,095,785	1,024,442
9. Plant Nonspecific Operations Expense (Excluding Depreciation & Amortization)	232,882	248,727
10. Depreciation Expense	1,957,019	1,844,754
11. Amortization Expense		
12. Customer Operations Expense	334,797	324,845
13. Corporate Operations Expense	664,936	660,713
14. Total Operating Expenses (8 thru 13)	4,285,419	4,103,481
15. Operating Income or Margins (7 less 14)	1,383,783	1,423,961
16. Other Operating Income and Expenses		
17. State and Local Taxes		
18. Federal Income Taxes		
19. Other Taxes	11,882	11,766
20. Total Operating Taxes (17+18+19)	11,882	11,766
21. Net Operating Income or Margins (15+16-20)	1,371,901	1,412,195
22. Interest on Funded Debt	579,109	590,729
23. Interest Expense - Capital Leases		
24. Other Interest Expense	799	867
25. Allowance for Funds Used During Construction	57,234	10,156
26. Total Fixed Charges (22+23+24-25)	522,674	581,440
27. Nonoperating Net Income	3,506,993	5,579,154
28. Extraordinary Items		
29. Jurisdictional Differences		
30. Nonregulated Net Income	(269,203)	(275,950)
31. Total Net Income or Margins (21+27+28+29+30-26)	4,087,017	6,133,959
32. Total Taxes Based on Income		
33. Retained Earnings or Margins Beginning-of-Year	2,321,384	4,087,017
34. Miscellaneous Credits Year-to-Date		
35. Dividends Declared (Common)		
36. Dividends Declared (Preferred)		
37. Other Debits Year-to-Date	1,829,543	3,206,142
38. Transfers to Patronage Capital	491,841	880,875
39. Retained Earnings or Margins End-of-Period [(31+33+34) - (35+36+37+38)]	4,087,017	6,133,959
40. Patronage Capital Beginning-of-Year	5,336,972	5,367,764
41. Transfers to Patronage Capital	491,841	880,875
42. Patronage Capital Credits Retired	461,049	398,856
43. Patronage Capital End-of-Year (40+41-42)	5,367,764	5,849,783
44. Annual Debt Service Payments	2,270,228	2,683,624
45. Cash Ratio [(14+20-10-11) / 7]	0.4128	0.4108
46. Operating Accrual Ratio [(14+20+26) / 7]	0.8502	0.8497
47. TIER [(31+26) / 26]	8.8194	11.5496
48. DSCR [(31+26+10+11) / 44]	2.8925	3.1898

USDA-RUS

BORROWER DESIGNATION

ND0521

**OPERATING REPORT FOR
TELECOMMUNICATIONS BORROWERS**

PERIOD ENDED

December, 2012

INSTRUCTIONS -- See help in the online application.

PART I -- STATEMENT OF CASH FLOWS

1. Beginning Cash (Cash and Equivalents plus RUS Construction Fund)	1,342,121
CASH FLOWS FROM OPERATING ACTIVITIES	
2. Net Income	6,133,959
<i>Adjustments to Reconcile Net Income to Net Cash Provided by Operating Activities</i>	
3. Add: Depreciation	1,844,754
4. Add: Amortization	0
5. Other (Explain) change in interest receivable/other taxes accrued	(1,658)
<i>Changes in Operating Assets and Liabilities</i>	
6. Decrease/(Increase) in Accounts Receivable	755,995
7. Decrease/(Increase) in Materials and Inventory	31,988
8. Decrease/(Increase) in Prepayments and Deferred Charges	51,838
9. Decrease/(Increase) in Other Current Assets	(2,250,003)
10. Increase/(Decrease) in Accounts Payable	(863,049)
11. Increase/(Decrease) in Advance Billings & Payments	(3,318)
12. Increase/(Decrease) in Other Current Liabilities	33,048
13. Net Cash Provided/(Used) by Operations	5,733,554
CASH FLOWS FROM FINANCING ACTIVITIES	
14. Decrease/(Increase) in Notes Receivable	0
15. Increase/(Decrease) in Notes Payable	0
16. Increase/(Decrease) in Customer Deposits	1,598
17. Net Increase/(Decrease) in Long Term Debt (Including Current Maturities)	(3,760,295)
18. Increase/(Decrease) in Other Liabilities & Deferred Credits	(644,436)
19. Increase/(Decrease) in Capital Stock, Paid-in Capital, Membership and Capital Certificates & Other Capital	3,241,605
20. Less: Payment of Dividends	0
21. Less: Patronage Capital Credits Retired	(398,856)
22. Other (Explain) other affiliates net income less dividends	(3,206,142)
23. Net Cash Provided/(Used) by Financing Activities	(4,766,526)
CASH FLOWS FROM INVESTING ACTIVITIES	
24. Net Capital Expenditures (Property, Plant & Equipment)	(243,329)
25. Other Long-Term Investments	(392,724)
26. Other Noncurrent Assets & Jurisdictional Differences	0
27. Other (Explain) Plant Retirements less salvage	(1,176,859)
28. Net Cash Provided/(Used) by Investing Activities	(1,812,912)
29. Net Increase/(Decrease) in Cash	(845,884)
30. Ending Cash	496,237

Revision Date 2010

Certification - Reporting Carrier Data Collection Form	FCC Form 481 OMB Control No. 3060-0986/OMB Control No. 3060-0819 July 2013
---	--

<010>	Study Area Code	381610
<015>	Study Area Name	DAKOTA CENTRAL
<020>	Program Year	2014
<030>	Contact Name - Person USAC should contact regarding this data	Cindy Hewitt
<035>	Contact Telephone Number - Number of person identified in data line <030>	701-652-6120
<039>	Contact Email Address - Email Address of person identified in data line <030>	cindyh@daktel.com

TO BE COMPLETED BY THE REPORTING CARRIER, IF THE REPORTING CARRIER IS FILING ANNUAL REPORTING ON ITS OWN BEHALF:

Certification of Officer as to the Accuracy of the Data Reported for the Annual Reporting for CAF or LI Recipients	
I certify that I am an officer of the reporting carrier; my responsibilities include ensuring the accuracy of the annual reporting requirements for universal service support recipients; and, to the best of my knowledge, the information reported on this form and in any attachments is accurate.	
Name of Reporting Carrier:	DAKOTA CENTRAL
Signature of Authorized Officer:	CERTIFIED ONLINE Date 10/09/2013
Printed name of Authorized Officer:	Keith Larson
Title or position of Authorized Officer:	General Manager/CEO
Telephone number of Authorized Officer:	701-652-6105
Study Area Code of Reporting Carrier:	381610 Filing Due Date for this form: 10/15/2013
Persons willfully making false statements on this form can be punished by fine or forfeiture under the Communications Act of 1934, 47 U.S.C. §§ 502, 503(b), or fine or imprisonment under Title 18 of the United States Code, 18 U.S.C. § 1001.	