

# *State of North Dakota*

## SECRETARY OF STATE



### CERTIFICATE OF GOOD STANDING OF

POLAR COMMUNICATIONS MUTUAL AID CORPORATION

The undersigned, as Secretary of State of the State of North Dakota, hereby certifies that POLAR COMMUNICATIONS MUTUAL AID CORPORATION, a North Dakota COOPERATIVE ASSOCIATION, was incorporated in this office on March 13, 1952 and, according to the records of this office as of this date, has paid all fees due this office as required by North Dakota statutes governing a North Dakota COOPERATIVE ASSOCIATION.

**ACCORDINGLY** the undersigned, as such Secretary of State, and by virtue of the authority vested in him by law, hereby issues this Certificate of Good Standing to

POLAR COMMUNICATIONS MUTUAL AID CORPORATION

Issued: July 15, 2004

A handwritten signature in cursive script, reading "Alvin A. Jaeger".

Alvin A. Jaeger  
Secretary of State

1

**PU-13-467**  
Corporate papers

Filed: 6/27/2013

Pages: 108

Polar Communications Mutual Aid Corporation

# PUBLIC SERVICE COMMISSION

STATE OF NORTH DAKOTA

## Certificate of Public Convenience and Necessity

Certificate No. 365

THIS IS TO CERTIFY That public convenience and necessity require, and permission is hereby granted for the \_\_\_\_\_  
construction and operation \_\_\_\_\_ of \_\_\_\_\_  
a telephone \_\_\_\_\_ plant or system at Nelson, Grand Forks, Cass and Traill North Dakota,  
by Polar Rural Telephone Mutual Aid Corporation This certificate is issued in accordance with the report and  
order of this Commission, dated November 1, 1954 in Case No. 5201 and is subject to the  
conditions and limitations noted thereon.

CONDITIONS: This certificate is conditioned upon the said Polar Rural Telephone Mutual Aid Corporation  
securing the consent, franchise, permit, ordinance, or other authority of the proper municipal or other public authority for  
the exercise of the rights and privileges granted herein.

\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

Dated at Bismarck, North Dakota, this 1st

day of November 19 54

ATTEST:

Shuer Olson

Secretary

 CORBETT BROS., MINOT, N. D.

PUBLIC SERVICE COMMISSION:

By Ernest A. Nelson

Commissioner

**PUBLIC SERVICE COMMISSION**

**STATE OF NORTH DAKOTA**

**Certificate of Public Convenience and Necessity**

**Second Reissued Certificate Number 814**

This is to certify that public convenience and necessity require and permission is granted for Gilby Telephone Company, a telecommunications public utility, to provide telecommunications service inside the Gilby local exchange area in North Dakota.

This certificate is reissued in accordance with the Order of this Commission dated March 10, 1993, in Case No. PU-426-89-579, amending the order of March 20, 1990, and is subject to the conditions and limitations noted in the order.

This certificate is conditioned upon Gilby Telephone Company securing the franchise or other authority of the proper municipal or other public authority for the exercise of these rights and privileges.

Bismarck, North Dakota, March 10, 1993.

**ATTEST:**

  
\_\_\_\_\_  
**Executive Secretary**

**PUBLIC SERVICE COMMISSION**

  
By \_\_\_\_\_  
**Commissioner**

007 PU-426-89-579 1 pages

03/24/93

Public Service Commission

Second Reissued Cert No. 814

**PUBLIC SERVICE COMMISSION**

**STATE OF NORTH DAKOTA**

**Certificate of Public Convenience and Necessity**

**Second Reissued Certificate Number 1264**

This is to certify that public convenience and necessity require and permission is granted for Gilby Telephone Company, a telecommunications public utility, to operate a buried telecommunications cable and associated telecommunications terminal equipment inside the Gilby local exchange area from a point where its local exchange area boundary intersects the west line of Section 22, Range 53 West, Township 153 North, in Grand Forks County, to the central office of the Gilby local exchange.

This certificate is reissued in accordance with the Order of this Commission dated March 10, 1993, in Case No. PU-426-89-579, amending the order of March 20, 1990, and is subject to the conditions and limitations noted in the order.

This certificate is conditioned upon Gilby Telephone Company securing the franchise or other authority of the proper municipal or other public authority for the exercise of these rights and privileges.

**Bismarck, North Dakota, March 10, 1993.**

**ATTEST:**

  
**Executive Secretary**

**PUBLIC SERVICE COMMISSION**

  
By: **Commissioner**

Generated March 3, 1998 at 3:21 PM

CURRENT POLAR COMMUNICATIONS MUTUAL AID CORPORATION  
 PARK RIVER ND 58270-0270

TYPE OF CHANGE	DATE	TIME	
CHANGE OF NAME	961104	144113	OLD POLAR COMMUNICATIONS MUTUAL AID CORPORA PARK RIVER ND 58270-0270
			NEW POLAR COMMUNICATIONS MUTUAL AID CORPORATION PARK RIVER ND 58270-0270

CURRENT QUEST TELECOMMUNICATIONS, INC.  
 FOREST PARK GA 30050

TYPE OF CHANGE	DATE	TIME	
REGISTERED AGENT	980211	114025	OLD THE PRENTICE-HALL CORPORATION SYSTEM, INC. BISMARCK ND 58502-1695 OLD SS# 136106755
			NEW C T CORPORATION SYSTEM BISMARCK ND 58502 NEW SS# 510006522

TYPE OF CHANGE	DATE	TIME	
REGISTERED AGENT ADDRESS	980211	114025	OLD THE PRENTICE-HALL CORPORATION SYSTEM, INC. BISMARCK ND 58502-1695 OLD SS# 136106755
			NEW C T CORPORATION SYSTEM BISMARCK ND 58502 NEW SS# 510006522

CURRENT RC COMMUNICATIONS, INC.  
 NEW EFFINGTON SD 57255-0197

TYPE OF CHANGE	DATE	TIME	
CHANGE OF NAME	961206	125018	OLD RC COMMUNICATIONS, INC. NEW EFFINGTON SD 57255-0196
			NEW RC COMMUNICATIONS, INC. NEW EFFINGTON SD 57255-0197

CLASSIFICATION TELECOMMUNICATIONS COMPANIES

**STATE OF NORTH DAKOTA**  
**PUBLIC SERVICE COMMISSION**

**Polar Communications Mutual Aid  
Corporation  
Buy Gilby Telephone Company  
Application**

**Case No. PU-426-89-579**

**ORDER**

**March 20, 1990**

**Preliminary Statement**

On December 14, 1989, Polar Communications Mutual Aid Corporation (Polar), P. O. Box 270, Park River, North Dakota 58270, and Gilby Telephone Company (Gilby) P. O. Box 187, Gilby, North Dakota 58235, jointly filed an application with the North Dakota Public Service Commission requesting approval of Polar's purchase and operation of Gilby.

Polar is a North Dakota corporation authorized to do business in the state of North Dakota. Polar is a public utility providing telecommunications service under a Certificate of Public Convenience and Necessity from the North Dakota Public Service Commission.

Gilby is also a North Dakota corporation authorized to do business in the state of North Dakota. Gilby is a public utility providing telecommunications service under a Certificate of Public Convenience and Necessity from the North Dakota Public Service Commission.

On September 18, 1967, J. A. Cronquist received a Certificate of Public Convenience and Necessity (Certificate No. 814) to operate a telephone system "at Gilby and surrounding environments". On March 11, 1970, Gilby Telephone Company was granted a Certificate of Public and Necessity (Certificate No. 1264) to construct and operate toll telephone terminal equipment and cable to a point of interconnection with Northwestern Bell Telephone Company. John A. Cronquist (J. A. Cronquist) incorporated his telephone business as Gilby Telephone Company in January, 1973. The corporation operated the telephone company under Certificate of Public Convenience and Necessity Nos. 814 and 1264.

Gilby wishes to sell its stock, property and equipment used to provide telecommunications service in the Gilby local exchange area, and Polar wishes to buy the stock, property and equipment, and operate the system. Polar indicated it will rehabilitate and improve the telephone plant in the Gilby local exchange area and continue Gilby Telephone Company as a separate telephone company. Following the acquisition and rehabilitation, Polar will implement new rates after notification to the Public Service Commission.

The Commission gave interested parties opportunity to file comments or requests for hearing before the Commission in this matter on or before February 16, 1990. The Commission also gave notice that it could decide the matter without hearing. The deadline has passed and no comments or requests for hearing were received.

The Commission believes that Gilby's transfer of assets to Polar is in the public interest and should be approved. To provide continuity of service Polar should be allowed to operate the Gilby telephone system by a transfer of Certificate of Public Convenience and Necessity Nos. 814 and 1264. However, because Certificate No. 814 did not indicate the corporate entity operating the Gilby system and because the scope of the authority granted in the certificates is misleading, the Commission believes the certificates should be amended before transfer and reissuance to Polar. Commission staff discussed these changes with both Polar and Gilby, Polar and Gilby have waived notice of the proposed changes in writing, and both agree to the amendments.

Based on the foregoing, the Commission issues the following:

#### Order

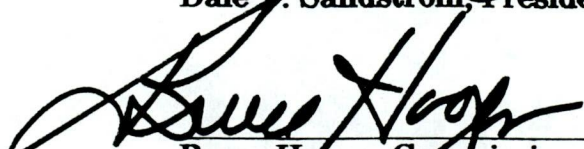
1. Gilby Telephone Company's request to sell its stock, property and equipment used to provide telecommunications service inside the Gilby local exchange area is granted.
2. Polar Communications Mutual Aid Corporation's request to buy the stock, property and equipment used by Gilby Telephone Company to provide telecommunications service inside the Gilby local exchange area is granted.
3. Certificate of Public Convenience and Necessity numbers 814 and 1264 are amended to reflect the correct corporate entity and the scope of authority as attached.
4. Gilby Telephone Company's and Polar Communications Mutual Aid Corporation's request to transfer Certificate of Public Convenience and Necessity Nos. 814 and 1264 is granted, thereby allowing Polar to provide telecommunications service as Gilby Telephone Company inside the Gilby local exchange area in North Dakota.
5. Certificate of Public Convenience and Necessity Nos. 814 and 1264 shall be reissued to Polar Communications Mutual Aid Corporation d/b/a Gilby Telephone Company.

6. The transfer of Certificate Nos. 814 and 1264 shall be effective with the transfer of the stock, property, and equipment from Gilby to Polar.

**PUBLIC SERVICE COMMISSION**

  
Dale V. Sandstrom, President

Attest:

  
Bruce Hagen, Commissioner

  
Janet A. Elkin, Secretary

  
Leo M. Reinbold, Commissioner

SEARCH OF RECORDS REPORT

April 26, 1990

POLAR COMMUNICATIONS MUTUAL AID CORPORATION  
818 4th St.  
PO Box 270  
Park River, ND 58270

The following is the base data on file in the Office of the  
Secretary of State on POLAR COMMUNICATIONS MUTUAL AID CORPORATION

Entity Type: COOPERATIVE ASSOCIATION

State of Organization: ND

Current Status: Active

Status Date: 12/02/89

Last Annual Report Filed: 03/14/90

Last Annual Report Year: 90

Registered Agent:  
Address:

Class:                      Number of Shares:                      Par:

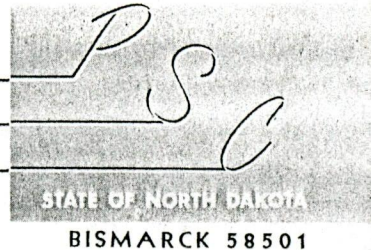
For Reference: Darcy Schlosser  
Clerk

701-224-4283  
Phone



ELMER OLSON  
SECRETARY

PUBLIC  
SERVICE  
COMMISSION



COPY

October 15, 1968

Mr. John G. Walters  
Manager  
Polar Rural Telephone Mutual  
Aid Corporation  
Park River, North Dakota 58270

Dear Mr. Walters:


This is in reply to your request under date of October 9<sup>th</sup> addressed to our Chief Engineer, Wallace Owen, requesting a certified copy of your Certificate of Public Convenience and Necessity in Case No. 6168.

Case No. 6168 was confined to approval of a rate filing covering mobile telephone service and financing only. A Certificate of Convenience and Necessity was deemed not necessary.

However, we enclose certified copy of Certificate of Convenience and Necessity in Case Nos. 5542, 5643, and 5201 which we trust will meet the situation. The Commission's charge for this service is \$3.00 which may be made payable to the Public Service Commission.

Very truly yours,

PUBLIC SERVICE COMMISSION

  
Elmer Olson, Secretary

EO:ja

Enclosures

cc: Wallace Owen

COMMISSIONERS

RICHARD J. THOMPSON, PRESIDENT • BEN J. WOLF

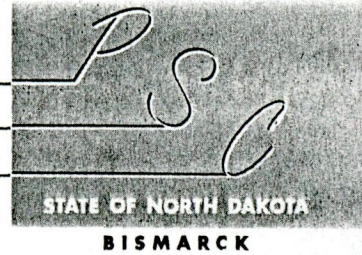
RUCE HAGEN



ELMER OLSON  
SECRETARY

PUBLIC  
SERVICE  
COMMISSION

April 28, 1966



COPY

Mr. I. M. Hanson, President  
Polar Rural Telephone Mutual Aid  
Corporation  
Petersburg, North Dakota

Dear Mr. Hanson:

Pursuant to approval by the Commission we now enclose a copy of the Order in Case No. 6562 granting the application of Polar Rural Telephone Mutual Aid Corporation for authority to furnish certain toll telephone service, authority for removal of certain open wire toll lines; as well as granting Certificates of Public Convenience and Necessity to construct and operate certain buried toll cables.

Certificates of Public Convenience and Necessity Nos. 524, 525 and 526 are enclosed.

Very truly yours,

  
Elmer Olson  
Secretary

EO/mr  
Enc.



ELMER OLSON  
SECRETARY

PUBLIC  
SERVICE  
COMMISSION

STATE OF NORTH DAKOTA

BISMARCK 58501

**COPY**

September 3, 1969

Mr. John G. Walters, Manager  
Polar Rural Telephone Mutual Aid Corp.  
Park River, North Dakota 58278

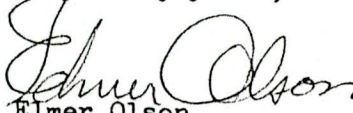
Re: Case No. 7706

Dear Mr. Walters:

We transmit herewith a copy of the Commission's Order in the above numbered case granting the joint application of Polar Rural Telephone and Northwestern Bell Telephone Company in connection with the acquisition of the Pisek Telephone Exchange and other related matters.

Also enclosed is Certificate of Public Convenience and Necessity No. 1180, in favor of Polar Rural Telephone Mutual Aid Corporation.

Very truly yours,

  
Elmer Olson  
Secretary

EO:enm

encl. (2)

cc: Robert A. Kiscaden, Asst. Vice Pres.  
Northwestern Bell Telephone Company  
Box 1900 - Fargo, North Dakota 58102



ELMER OLSON  
SECRETARY

PUBLIC  
SERVICE  
COMMISSION

PSC

STATE OF NORTH DAKOTA  
BISMARCK 58501

March 22, 1971

COPY

Mr. John G. Walters  
Manager  
Polar Rural Telephone Mutual  
Aid Corporation  
Park River, North Dakota 58270

Dear Mr. Walters:

As you requested by letter of March 19, 1971, we now enclose two (2) certified copies of the Order of the Commission in Case No. 7999.

The charge for these certifications is \$2.00 and may be made payable to the Public Service Commission.

Very truly yours,

  
Elmer Olson,  
Secretary

EOcc  
Enc. 2

# **POLAR COMMUNICATIONS**

**MUTUAL AID CORPORATION**

P.O. BOX 270  
PARK RIVER, NORTH DAKOTA 58270  
PHONE 701-284-7221



March 22, 1990



Mr. Patrick J. Fahn, Chief Engineer  
Public Utilities Division  
Public Service Commission  
State Capitol  
Bismarck, North Dakota 58505

Dear Pat:

As requested in your letter of March 8, 1990, we are enclosing all the information that we have been able to gather here in our office.

Sincerely,

Winten A. Gunderson  
General Manager

284-7221

PARK RIVER, N.D.

**MUTUAL AID CORP.**

jt

encl.



ARTICLES OF INCORPORATION OF  
POLAR RURAL TELEPHONE MUTUAL AID CORPORATION

KNOW ALL MEN BY THESE PRESENTS, That we, the undersigned, have this day voluntarily associated ourselves together for the purpose of forming a mutual aid corporation under the provisions of Title 10 of the North Dakota Revised Code of 1943, and amendments thereto, and we hereby certify that;

Article I.

The name of said corporation shall be Polar Rural Telephone Mutual Aid Corporation.

Article II.

The purpose for which it is formed is to acquire, build, improve, expand, furnish, hold, develop and operate a Rural Telephone system and systems.

Article III.

The place where its principal business will be transacted is Petersburg, North Dakota.

Article IV.

The territory to be served by the corporation is located in the eastern portions of Nelson and Cavalier Counties, the western portion of Walsh and Pembina Counties and the northern portion of Grand Forks County, all in the State of North Dakota. The estimated length of its rural telephone lines is one thousand miles and the estimated cost thereof is One Million (\$1,000,000.00) Dollars.

Article V.

The corporation is organized without capital stock and the property rights and interests of the members shall be unequal. The general rules applicable to all members by which the property rights and interests respectively of each member shall be determined and fixed are as follows;

Upon dissolution, after (a) all debts and liabilities of the corporation shall have been paid, and (b) all capital furnished through patronage shall have been retired as provided in the by-laws, and remaining property and assets of the corporation shall be distributed among the members and former members in the proportion which the aggregate patronage of each bears to the total patronage of all such members.

Article VI.

The corporation is authorized to borrow money in an amount not to exceed Two Million Dollars (\$2,000,000.00)

Article VII.

The term of existence of this corporation shall be perpetual.

Article VIII.

The names and residences of the persons who shall constitute the first board of directors of the corporation and who shall serve until their successors are elected and qualified are;

Denis O. Monson \_\_\_\_\_ Edinburg, North Dakota

Lloyd M. Giro \_\_\_\_\_ Edinburg, North Dakota

1		
2	<u>Orlin T. Nelson</u>	<u>Edinburg, North Dakota</u>
3	<u>Andrew Slettebak</u>	<u>Petersburg, North Dakota</u>
4	<u>Robert A. McConnachie</u>	<u>Inkster, North Dakota</u>
5	<u>Irvin M. Hanson</u>	<u>Petersburg, North Dakota</u>
6	<u>W. H. Krueger</u>	<u>Niagara, North Dakota</u>
7	<u>E. K. Olafson</u>	<u>Mountain, North Dakota</u>
8	<u>Sam Selmer Mork</u>	<u>Petersburg, North Dakota</u>
9		

10 IN WITNESS WHEREOF, We have hereunto set our hands and seal this 4th day  
of March, 1952.

11 Denis O. Monson (SEAL)  
 12 Lloyd M. Gire (SEAL)  
 13 Orlin T. Nelson (SEAL)  
 14 Andrew Slettebak (SEAL)  
 15 Robert A. McConnachie (SEAL)  
 16 Irvin M. Hanson (SEAL)  
 17 W. H. Krueger (SEAL)  
 18 E. K. Olafson (SEAL)  
 19 Sam Mork (SEAL)

20 STATE OF NORTH DAKOTA  
 21  
 22 COUNTY OF WALSH

23 On this 4th day of March, 1952, before me, W. T. DePuy, a Notary Public  
 24 in and for Walsh County, State of North Dakota, personally appeared Denis O.  
 25 Monson, Lloyd M. Gire, Orlin T. Nelson, Andrew Slettebak, Robert A. McConnachie,  
 26 Irvin M. Hanson, W. H. Krueger, E. K. Olafson and Sam Mork, known to me to  
 27 be the persons whose names are subscribed to the foregoing instrument and severally  
 28 duly acknowledged to me that they executed the same.

29  
 30  
 31  
 32  
 33  
 34  
 35  
W. T. DePuy  
 Notary Public, Walsh County, North Dakota  
 My Comm. Exp. January 18, 1956

Certificate No. No. 6434

UNITED STATES OF AMERICA



DEPARTMENT

OF STATE

# State of North Dakota

## CERTIFICATE OF AMENDMENT

OF

POLAR RURAL TELEPHONE MUTUAL AID CORPORATION

The undersigned, as Secretary of State of the State of North Dakota, hereby certifies that duplicate originals of Articles of Amendment to the Articles of Incorporation of \_\_\_\_\_

POLAR RURAL TELEPHONE MUTUAL AID CORPORATION

duly signed and verified pursuant to the provisions of the North Dakota \_\_\_\_\_  
MUTUAL AID CORPORATION \_\_\_\_\_ Corporation Act, have been received in this office and are found to conform to law.

ACCORDINGLY the undersigned, as such Secretary of State, and by virtue of the authority vested in him by law, hereby issues this Certificate of Amendment to the Articles of Incorporation of Amending corporate title to: POLAR COMMUNICATIONS MUTUAL AID CORPORATION. Expand PURPOSES. Expand Articles IV & VI.

and attaches hereto a duplicate original of the Articles of Amendment.

IN TESTIMONY WHEREOF, I have hereunto set my hand and affixed the Great Seal of the State at the Capitol in the City of Bismarck, this 18TH day of AUGUST A.D., 1980.

Ben Meier  
BEN MEIER Secretary of State.

File No. 6936

ORIGINAL

By \_\_\_\_\_, Deputy.

ARTICLES OF AMENDMENT  
TO THE  
ARTICLES OF INCORPORATION  
OF

POLAR RURAL TELEPHONE MUTUAL AID CORPORATION

Pursuant to the provisions of Chapter 10-15 of the North Dakota Century Code, as amended, the undersigned Association adopts the following Articles of Amendment to its Articles of Incorporation:

ARTICLE 1. The name of the cooperative association is POLAR RURAL TELEPHONE MUTUAL AID CORPORATION

ARTICLE 2. The following amendment of the Articles of Incorporation was adopted by the members of the association on June 20, 19 80, in the manner prescribed by Chapter 10-15, North Dakota Century Code, as amended:

Article I. The name of said corporation shall be POLAR COMMUNICATIONS MUTUAL AID CORPORATION.

Article II. The purpose for which it is formed is to acquire, improve, expand, furnish, hold, develop and operate a communication system and systems.

Article IV. The territory to be served by the corporation is located in the Counties of Pembina, Walsh, Grand Forks, Traill, Cavalier, Nelson, Steele, Ramsey, Cass and Griggs, North Dakota, and the cities and communities situate therein.

Article VI. The corporation is authorized to borrow money from time to time in such amounts as the Board of Directors determines.

ARTICLE 3. The total number of members of the cooperative association are 7942.

ARTICLE 4. The number of members voted for such amendment was 348; and the number of members voted against such amendment was None.

DATED June 23, 19 80.

POLAR RURAL TELEPHONE MUTUAL AID CORPORATION

Name of Association  
By Orville Hochstetler  
President  
and Eugene Loftsgard  
Secretary

EUGENE LOFTSGARD being first duly sworn says that he is the Secretary and that he has read the foregoing application and knows the contents thereof, and verily believes the statements made therein to be true.

Eugene Loftsgard  
EUGENE LOFTSGARD Verifying Officer.

Subscribed and sworn to before me this 23rd day of June, 19 80.

W. T. DePuy  
W. T. DePuy Notary Public

State of North Dakota

My Commission expires January 18, 19 86

Fee \$20.00

Certificate No. 6434

Filing Date 8-18 19 80

Ben Meier  
Secretary of State

by [Signature]  
Deputy

RECEIVED RECEIVED  
JUN 24 1980  
SECRETARY OF STATE SECRETARY OF STATE

**ARTICLES OF AMENDMENT**  
**TO THE**  
**ARTICLES OF INCORPORATION**  
**OF**

POLAR RURAL TELEPHONE MUTUAL AID CORPORATION

Pursuant to the provisions of Chapter 10-15 of the North Dakota Century Code, as amended, the undersigned Association adopts the following Articles of Amendment to its Articles of Incorporation:

ARTICLE 1. The name of the cooperative association is Polar Rural Telephone Mutual Aid Corporation

ARTICLE 2. The following amendment of the Articles of Incorporation was adopted by the members of the association on June 3, \_\_\_\_\_, 19 63, in the manner prescribed by Chapter 10-15, North Dakota Century Code, as amended:

Article VI

The Corporation is authorized to borrow money in an amount not to exceed Twenty-five Million Dollars (\$25,000,000.00).

ARTICLE 3. The total number of members of the cooperative association are \_\_\_\_\_.

ARTICLE 4. The number of members voted for such amendment was 101; and the number of members voted against such amendment was 40.

DATED June 14, \_\_\_\_\_, 19 63.

Polar Rural Telephone Mutual Aid Corporation

Name of Association

By Orlin Nelson ✓  
President ~~or Vice President~~

and W. A. Hueger  
Secretary ~~or Assistant Secretary~~

Orlin Nelson being first duly sworn says that he is the President and that he has read the foregoing application and knows the contents thereof, and verily believes the statements made therein to be true.

Orlin Nelson ✓  
Verifying Officer.

Subscribed and sworn to before me this 14th day of June, 19 63.

A

ARTICLES OF AMENDMENT  
TO THE  
ARTICLES OF INCORPORATION  
OF

POLAR RURAL TELEPHONE MUTUAL AID CORPORATION

Pursuant to the provisions of Chapter 10-15 of the North Dakota Century Code, as amended, the undersigned Association adopts the following Articles of Amendment to its Articles of Incorporation:

ARTICLE 1. The name of the cooperative association is Polar Rural Telephone Mutual Aid Corporation

ARTICLE 2. The following amendment of the Articles of Incorporation was adopted by the members of the association on June 8, 19 68, in the manner prescribed by Chapter 10-15, North Dakota Century Code, as amended:

Article VI

The Corporation is authorized to borrow money in an amount not to exceed Twenty-five Million Dollars (\$25,000,000.00).

ARTICLE 3. The total number of members of the cooperative association are \_\_\_\_\_.

ARTICLE 4. The number of members voted for such amendment was 141; and the number of members voted against such amendment was 40.

DATED June 14, 19 68.

Polar Rural Telephone Mutual Aid Corporation  
Name of Association

By Orlin Nelson ✓  
President of Association  
and W. H. Hueger  
Secretary or Assistant Secretary

Orlin Nelson being first duly sworn says that he is the President and that he has read the foregoing application and knows the contents thereof, and verily believes the statements made therein to be true.

Orlin Nelson ✓  
Verifying Officer.

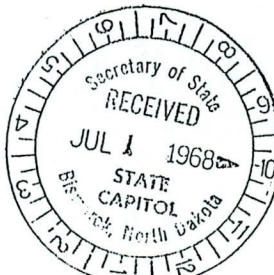
Subscribed and sworn to before me this 14th day of June, 19 68.

W. D. Dwyer  
Notary Public

State of North Dakota

My Commission expires Jan. 18, 19 74.

Fee \$12.00.  
Certificate No. 2566  
Filing Date July 21 1968  
Ray Meier  
Secretary of State  
By \_\_\_\_\_ Deputy  
(2M-5-65)



Certificate No. 2566

UNITED STATES OF AMERICA



DEPARTMENT

OF STATE

# State of North Dakota

## CERTIFICATE OF AMENDMENT

OF

POLAR RURAL TELEPHONE MUTUAL AID CORPORATION

The undersigned, as Secretary of State of the State of North Dakota, hereby certifies that duplicate originals of Articles of Amendment to the Articles of Incorporation of \_\_\_\_\_

POLAR RURAL TELEPHONE MUTUAL AID CORPORATION

duly signed and verified pursuant to the provisions of the North Dakota \_\_\_\_\_

MUTUAL AID

Corporation Act, have been received in this office and

are found to conform to law.

ACCORDINGLY the undersigned, as such Secretary of State, and by virtue of the authority vested in him by law, hereby issues this Certificate of Amendment to the Articles of Incorporation of \_\_\_\_\_

POLAR RURAL TELEPHONE MUTUAL AID CORPORATION

INCREASING AUTHORIZATION TO BORROW MONEY TO \$25,000,000.00

and attaches hereto a duplicate original of the Articles of Amendment.

IN TESTIMONY WHEREOF, I have hereto set my hand and affixed the Great Seal of the State of North Dakota at the Capitol in the City of Bismarck, \_\_\_\_\_ SECOND day of \_\_\_\_\_ JULY 19 68

Bert Meier  
Secretary of State

File No. 6936

ORIGINAL

By \_\_\_\_\_  
Deputy

# PUBLIC SERVICE COMMISSION

STATE OF NORTH DAKOTA

## Certificate of Public Convenience and Necessity

Certificate No. 365

THIS IS TO CERTIFY That public convenience and necessity require, and permission is hereby granted for the \_\_\_\_\_  
construction and operation \_\_\_\_\_ of \_\_\_\_\_  
a telephone \_\_\_\_\_ plant or system ~~at~~ in portions of the Counties of Pembina, Walsh,  
Nelson, Grand Forks, Cass and Traill North Dakota,  
by Polar Rural Telephone Mutual Aid Corporation This certificate is issued in accordance with the report and  
order of this Commission, dated November 1, 1954 in Case No. 5201 and is subject to the  
conditions and limitations noted thereon.

CONDITIONS: This certificate is conditioned upon the said Polar Rural Telephone Mutual Aid Corporation  
securing the consent, franchise, permit, ordinance, or other authority of the proper municipal or other public authority for  
the exercise of the rights and privileges granted herein.

-----  
-----  
-----  
Dated at Bismarck, North Dakota, this 1st

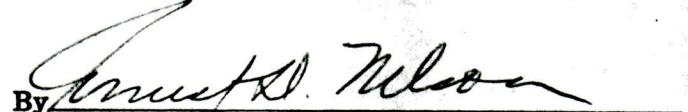
day of November 19 54

ATTEST:



Secretary

PUBLIC SERVICE COMMISSION:

By 

Commissioner

# PUBLIC SERVICE COMMISSION

STATE OF NORTH DAKOTA

## Certificate of Public Convenience and Necessity

Certificate No. 524

THIS IS TO CERTIFY That public convenience and necessity require, and permission is hereby granted for the \_\_\_\_\_

Construction and operation of Buried

Toll Cables ----(\*) plant or system at (\*) North Dakota,

by Polar Rural Telephone Mutual Aid Corporation This certificate is issued in accordance with the report and order of this Commission, dated April 26, 1966 in Case No. 6562 and is subject to the conditions and limitations noted thereon.

CONDITIONS: This certificate is conditioned upon the said Polar Rural Telephone Mutual Aid Corporation securing the consent, franchise, permit, ordinance, or other authority of the proper municipal or other public authority for the exercise of the rights and privileges granted herein.

(\*) Buried toll cables and associated toll equipment from the repeater point of Northwestern Bell Telephone Company in the vicinity of Niagara and Petersburg, North Dakota, to the central offices of Polar's local exchanges at Niagara, Petersburg, Michigan and Dahlen, North Dakota.

Dated at Bismarck, North Dakota, this 26th day of April, 19 66

ATTEST:

Emmer Olson  
Secretary.

PUBLIC SERVICE COMMISSION:

By Bruce Hagen  
Commissioner.

# PUBLIC SERVICE COMMISSION

STATE OF NORTH DAKOTA

## Certificate of Public Convenience and Necessity

Certificate No. 525

THIS IS TO CERTIFY That public convenience and necessity require, and permission is hereby granted for the \_\_\_\_\_  
Construction and operation \_\_\_\_\_ of Buried

Toll Cables ---(\*) \_\_\_\_\_ plant or system at \_\_\_\_\_ (\*) \_\_\_\_\_ North Dakota,

by Polar Rural Telephone Mutual Aid Corporation This certificate is issued in accordance with the report and  
order of this Commission, dated April 26, 1966 in Case No. 6562 and is subject to the  
conditions and limitations noted thereon.

CONDITIONS: This certificate is conditioned upon the said Polar Rural Telephone Mutual Aid Corporation  
securing the consent, franchise, permit, ordinance, or other authority of the proper municipal or other public authority for  
the exercise of the rights and privileges granted herein.

(\*) Buried toll cable and associated toll equipment from the central office of its  
local exchange at Inkster, North Dakota to the cable of Northwestern Bell Telephone Company in the  
vicinity of Larimore, North Dakota.

Dated at Bismarck, North Dakota, this 26th  
day of April, 1966

ATTEST:

Elmer Olson  
Secretary.

PUBLIC SERVICE COMMISSION:

By Bruce Hagen  
Commissioner.

# PUBLIC SERVICE COMMISSION

STATE OF NORTH DAKOTA

## Certificate of Public Convenience and Necessity

Certificate No. 526

THIS IS TO CERTIFY That public convenience and necessity require, and permission is hereby granted for the \_\_\_\_\_  
Construction and operation \_\_\_\_\_ of Buried

Exchange Cable ---(\*) \_\_\_\_\_ plant or system at \_\_\_\_\_ (\*) \_\_\_\_\_ North Dakota,

by Polar Rural Telephone Mutual Aid Corporation This certificate is issued in accordance with the report and  
order of this Commission, dated April 26, 1966 in Case No. 6562 and is subject to the  
conditions and limitations noted thereon.

CONDITIONS: This certificate is conditioned upon the said Polar Rural Telephone Mutual Aid Corporation  
securing the consent, franchise, permit, ordinance, or other authority of the proper municipal or other public authority for  
the exercise of the rights and privileges granted herein.

\_\_\_\_\_ (\*) Buried exchange cable from the central office of its local exchange at Niagara,  
North Dakota to the cable of Northwestern Bell Telephone Company in the vicinity of Larimore, North  
Dakota.

Dated at Bismarck, North Dakota, this 26th  
day of April, 1966

ATTEST:

Ethel Olson  
Secretary.

PUBLIC SERVICE COMMISSION:

By Ben D. Way  
Commissioner.

# PUBLIC SERVICE COMMISSION

STATE OF NORTH DAKOTA

## Certificate of Public Convenience and Necessity

Certificate No. 1180

THIS IS TO CERTIFY That public convenience and necessity require, and permission is hereby granted for the \_\_\_\_\_  
\_\_\_\_\_ Construction and operation \_\_\_\_\_ of \_\_\_\_\_

\_\_\_\_\_ Telephone \_\_\_\_\_ plant or system in Pisek Exchange area \_\_\_\_\_ North Dakota,

by Polar Rural Telephone Mutual Aid Corporation This certificate is issued in accordance with the report and order  
of this Commission, dated August 29, 1969 in Case No. 7706 and is subject to the  
conditions and limitations noted thereon.

CONDITIONS: This certificate is conditioned upon the said Polar Rural Telephone Mutual Aid Corporation  
securing the consent, franchise, permit, ordinance, or other authority of the proper municipal or other public authority for  
the exercise of the rights and privileges granted herein.

\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

Dated at Bismarck, North Dakota, this 29th  
day of August, 1969.

PUBLIC SERVICE COMMISSION:

ATTEST:

John Olson  
Secretary.

By Benny Wref  
Commissioner.

EXECUTED IN DUPLICATE

# PUBLIC SERVICE COMMISSION

STATE OF NORTH DAKOTA

## Certificate of Public Convenience and Necessity

Certificate No. 1409

THIS IS TO CERTIFY That public convenience and necessity require, and permission is hereby granted for the \_\_\_\_\_  
contruction and operation of a telephone system in the Aneta and West Northwood  
exchange areas \_\_\_\_\_ North Dakota,

by Polar Rural Telephone Mutual Aid Corp ~~plan of system at~~ \_\_\_\_\_ this certificate is issued in accordance with the report and order  
of this Commission, dated November 10, 1970 in Case No. 7999 and is subject to the  
conditions and limitations noted thereon.

CONDITIONS: This certificate is conditioned upon the said Polar Rural Telephone Mutual Aid Corporation  
securing the consent, franchise, permit, ordinance, or other authority of the proper municipal or other public authority for  
the exercise of the rights and privileges granted herein.

Dated at Bismarck, North Dakota, this 10th  
day of November, 19 70.

PUBLIC SERVICE COMMISSION:

ATTEST:  
James Olson  
Secretary.

By Richard E. Skir  
Commissioner.

EXECUTED IN DUPLICATE



Public Service Commission  
State of North Dakota

COMMISSIONERS

Dale V. Sandstrom  
President  
Bruce Hagen  
Leo M. Reinbold

State Capitol  
Bismarck, North Dakota 58505  
701-224-2400  
Toll Free in ND 800-932-2400  
FAX 701-224-2410

Secretary, Janet A. Elkin

March 23, 1990

Mr. Winten A. Gunderson, General Manager  
Polar Communications Mutual Aid Corporation  
P. O. Box 270  
Park River, North Dakota 58270

Dear Mr. Gunderson:

Thank you for the material submitted concerning your company's corporate papers.

Our letter of March 8, 1990, requested a copy of your company's Certificate of Incorporation and Articles of Incorporation certified by the North Dakota Secretary of State.

Please provide this additional material in two weeks.

Sincerely,

Patrick J. Fahn, Chief Engineer  
Public Utilities Division

PJF/sdh

ARTICLES OF INCORPORATION OF  
POLAR RURAL TELEPHONE MUTUAL AID CORPORATION

KNOW ALL MEN BY THESE PRESENTS, That we, the undersigned, have this day voluntarily associated ourselves together for the purpose of forming a mutual aid corporation under the provisions of Title 10 of the North Dakota Revised Code of 1943, and amendments thereto, and we hereby certify that:

Article I.

The name of said corporation shall be Polar Rural Telephone Mutual Aid Corporation.

Article II.

The purpose for which it is formed is to acquire, build, improve, expand, furnish, hold, develop and operate a Rural Telephone system and systems.

Article III.

The place where its principal business will be transacted is Petersburg, North Dakota.

Article IV.

The territory to be served by the corporation is located in the eastern portions of Nelson and Cavalier Counties, the western portion of Walsh and Pembina Counties and the northern portion of Grand Forks County, all in the State of North Dakota. The estimated length of its rural telephone lines is one thousand miles and the estimated cost thereof is One Million (\$1,000,000.00) Dollars.

Article V.

The corporation is organized without capital stock and the property rights and interests of the members shall be unequal. The general rules applicable to all members by which the property rights and interests respectively of each member shall be determined and fixed are as follows:

Upon dissolution, after (a) all debts and liabilities of the corporation shall have been paid, and (b) all capital furnished through patronage shall have been retired as provided in the by-laws, and remaining property and assets of the corporation shall be distributed among the members and former members in the proportion which the aggregate patronage of each bears to the total patronage of all such members.

Article VI.

The corporation is authorized to borrow money in an amount not to exceed Two Million Dollars (\$2,000,000.00)

Article VII.

The term of existence of this corporation shall be perpetual.

Article VIII.

The names and residences of the persons who shall constitute the first board of directors of the corporation and who shall serve until their successors are elected and qualified are:

Danis O. Monson

Edinburg, North Dakota

Lloyd M. Gire

Edinburg, North Dakota

12

2 Orlin T. Nelson  
 3 Andrew Slettebak  
 4 Robert A. McConnachie  
 5 Irvin M. Hanson  
 6 W. H. Krueger  
 7 E. K. Olafson  
 8 Seamus Work

Edin, North Dakota  
Petersburg, North Dakota  
Inkster, North Dakota  
Petersburg, North Dakota  
Niagara, North Dakota  
Mountain, North Dakota  
Petersburg, North Dakota

9  
 10 IN WITNESS WHEREOF, We have hereunto set our hands and seal this 4th day  
 of March, 1952.

11 Denis O. Monson (SEAL)  
 12 Lloyd M. Giro (SEAL)  
 13 Orlin T. Nelson (SEAL)  
 14 Andrew Slettebak (SEAL)  
 15 Robert A. McConnachie (SEAL)  
 16 Irvin M. Hanson (SEAL)  
 17 W. H. Krueger (SEAL)  
 18 E. K. Olafson (SEAL)  
 19 Seamus Work (SEAL)

20  
 21 STATE OF NORTH DAKOTA  
 22 COUNTY OF WALSH

23 On this 4th day of March, 1952, before me, W. T. DePuy, a Notary Public  
 in and for Walsh County, State of North Dakota, personally appeared Denis O.  
 24 Monson, Lloyd M. Giro, Orlin T. Nelson, Andrew Slettebak, Robert A. McConnachie,  
 Irvin M. Hanson, W. H. Krueger, E. K. Olafson and Seamus Work, known to me to  
 25 be the persons whose names are subscribed to the foregoing instrument and severally  
 duly acknowledged to me that they executed the same.

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 27 W. T. DePuy  
 Notary Public, Walsh County, North Dakota  
 My Comm. Exp. January 10, 1954

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DUPLICATE

No. 14063

PRIVATE CORPORATIONS

UNITED STATES OF AMERICA

DEPARTMENT



OF STATE

# State of North Dakota

*To All to Whom these Presents shall Come,*

Whereas, DENIS O. MONSON LLOYD M. GIRE ORLIN NELSON ANDREW SLETTERAK  
ROBERT A. MC CONNACHIE IRVIN M. HANSON W. H. KRUEGER E. K. OLAFSON SAM MORK

and others have filed in this office a declaration in writing or ARTICLES OF INCORPORATION, as provided by the laws of this State, setting forth all the facts required to be stated therein, and have in all respects complied with the requirements of the law governing the formation of private corporations:

Now, therefore, I, THOMAS HALL, Secretary of State of the State of North Dakota, by virtue and authority of law, do hereby certify that said parties, their associates and successors, have become a body politic and corporate, under the Corporate name of

POLAR RURAL TELEPHONE MUTUAL AID CORPORATION (PETERSBURG, NELSON CO.)

and by that name have a right to sue and be sued, purchase, hold and convey real and personal property, and to have and enjoy all the rights and privileges granted to a private corporation under the laws of this state, subject to their articles of incorporation, and all legal restrictions and liabilities in relation thereto.

In Testimony Whereof, I have hereunto set my hand and affixed the Great Seal of the State, at the Capitol in the City of Bismarck, this THIRTEENTH day of MARCH A. D. 19 52.

SEAL

THOMAS HALL

SECRETARY OF STATE

By CHARLES LIESSMAN DEPUTY

CERTIFICATE

State of North Dakota

County of Walsh, ss.

We, the undersigned, being the Chairman and Secretary of the meeting of the members of the Polar Rural Telephone Mutual Aid Corporation, and all of the members of the Board of Directors of said corporation, do hereby certify and return; that the attached is a correct copy of the original minutes entered in the Minute Book of the Corporation of a special meeting of its members held August 28, 1953, pursuant to call thereof by the Directors, and that all members were present and acted throughout; that a Waiver of Notice of the meeting was signed by all of the members of the Corporation prior to the meeting and that the attached copy of Waiver of Notice is a correct copy of the original Waiver so signed.

We further certify and return that:

By the unanimous vote of all of the members of said Corporation, resolutions were adopted authorizing the borrowing by said Corporation from the United States of America of sums not exceeding in the aggregate of Ten Million Dollars for the construction and financing of a rural telephone system and to secure such loan (s) by a mortgage or mortgages upon the property of the Corporation, all as shown by the Resolutions contained in said minutes which Resolutions are, by reference, made a part hereof and which are and remain in full force and effect.

IN WITNESS WHEREOF, we have hereunto set our hands and affixed the seal of the Corporation this 28th day of August, 1953.

(Corporate Seal)

J. M. [Signature] Chairman  
W. H. [Signature] Secretary  
[Signature]  
Lloyd [Signature]  
L. C. [Signature]  
[Signature]  
Robert [Signature]  
E. R. [Signature]  
Being all of the Directors of Polar Rural Telephone Mutual Aid Corporation.

CERTIFICATE

State of North Dakota

County of Walsh ss.

We, the undersigned, being the Chairman and Secretary of the meeting of the Directors and Members of the Polar Rural Telephone Mutual Aid Corporation held August 20, 1953 and being all of the Directors of said Corporation, do hereby certify and return:

That Article IV of the Articles of Incorporation of the Polar Rural Telephone Mutual Aid Corporation was amended on August 20, 1953 to provide as follows:

ARTICLE IV

The territory to be served by the Corporation is located in the Counties of Pembina, Walsh, Grand Forks, Traill, Cavalier, Nelson, Steele and Ramsey all in the State of North Dakota. The estimated length of the Rural Telephone lines is Five Thousand Miles and the estimated cost thereof is Five Million Dollars. The communities to be served by it include the cities and villages of Michigan, Petersburg, Niagara, Inkster, Park River, Drayton, Cavalier, Hoople, Crystal, Hensel, Neche, St. Thomas, Bowesmont, Bathgate, Edinburg and including such cities and villages and connecting them and other and intermediate areas, communities, cities and villages.

We further certify and return:

That Article VI of the Articles of Incorporation of the Polar Rural Telephone Mutual Aid Corporation was amended on August 20, 1953 to provide as follows:

ARTICLE VI

The Corporation is authorized to borrow money in an amount not to exceed Ten Million (\$10,000,000.00) Dollars.

We further certify and return: that the meeting at which said amendments were adopted was duly and regularly called and held; that all directors and all members of the Corporation were in attendance and acted throughout; and that all directors and all members voted in favor of said amendments.

IN WITNESS WHEREOF, we have hereunto set our hands and affixed the seal of the Corporation this 20th day of August, 1953.

(Corporate Seal)

Handwritten signatures and titles: J. McL... CHAIRMAN, W. H. ... SECRETARY, Sam ... Lloyd ... Andrew ... Robt. Mc ... E. K. Olson



United States of America

DEPARTMENT



OF STATE

State of North Dakota

To All to Whom these Presents shall Come,

WHEREAS, POLAR RURAL TELEPHONE MUTUAL AID CORPORATION (PETERSBURG, NELSON CO.)

has filed in this office a certificate as provided by the Laws of this State, setting forth all the facts required to be stated therein and has in all respects complied with the provisions of the Law governing the amendments of Articles of Incorporation and has amended its Articles of Incorporation as follows, to-wit: AMENDING ARTICLE IV AND ARTICLE VI.

Now therefore, I, THOMAS HALL, Secretary of State of the State of North Dakota, in virtue and by authority of Law, do hereby issue this Certificate of Amendment.

IN TESTIMONY WHEREOF, I have hereto set my hand and affixed the Great Seal

of the State at the Capitol in the City of Bismarck, this FIFTEENTH

day of SEPTEMBER, 1953

SEAL

By CHARLES LIESSMAN DEPUTY.

THOMAS HALL Secretary of State.

97

8

ARTICLES OF AMENDMENT  
TO THE  
ARTICLES OF INCORPORATION  
OF

POLAR RURAL TELEPHONE MUTUAL AID CORPORATION

Pursuant to the provisions of Chapter 10-13 of the North Dakota Century Code, as amended, the undersigned Association adopts the following Articles of Amendment to its Articles of Incorporation:

ARTICLE 1. The name of the cooperative association is Polar Rural Telephone Mutual Aid Corporation

ARTICLE 2. The following amendment of the Articles of Incorporation was adopted by the members of the association on June 8, 19 63, in the manner prescribed by Chapter 10-13, North Dakota Century Code, as amended:

Article VI

The Corporation is authorized to borrow money in an amount not to exceed Twenty-five Million Dollars (\$25,000,000.00).

ARTICLE 3. The total number of members of the cooperative association are \_\_\_\_\_.

ARTICLE 4. The number of members voted for such amendment was 141; and the number of members voted against such amendment was 40.

DATED June 14, 19 63.

Polar Rural Telephone Mutual Aid Corporation

By Orlin Nelson  
President  
and W. H. [unclear]  
Secretary

Orlin Nelson being first duly sworn says that he is the President and that he has read the foregoing application and knows the contents thereof, and verily believes the statements made therein to be true.

Orlin Nelson  
Verifying Officer.

Subscribed and sworn to before me this 14th day of June, 19 63.

[Signature]  
Notary Public

State of: North Dakota

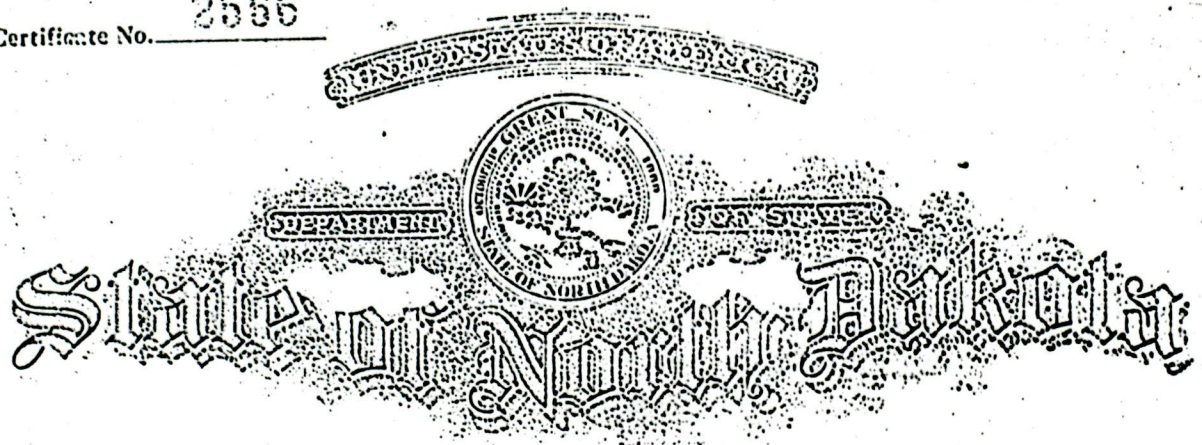
My Commission expires Jan. 18, 19 74.

Fee \$12.00.  
Certificate No. 2566  
Filing Date July 21 19 68  
Boyd Meier  
Secretary of State  
By \_\_\_\_\_ Deputy



9

Certificate No. 2586



CERTIFICATE OF AMENDMENT

OF

POLAR RURAL TELEPHONE MUTUAL AID CORPORATION

The undersigned, as Secretary of State of the State of North Dakota, hereby certifies that duplicate originals of Articles of Amendment to the Articles of Incorporation of

POLAR RURAL TELEPHONE MUTUAL AID CORPORATION  
duly signed and verified pursuant to the provisions of the North Dakota

MUTUAL AID Corporation Act, have been received in this office and are found to conform to law.

ACCORDINGLY the undersigned, as such Secretary of State, and by virtue of the authority vested in him by law, hereby issues this Certificate of Amendment to the Articles of Incorporation of POLAR RURAL TELEPHONE MUTUAL AID CORPORATION

INCORPORATION AUTHORIZATION TO BORROW MONEY TO \$25,000,000.00  
and attaches hereto a duplicate original of the Articles of Amendment.

IN TESTIMONY WHEREOF, I have hereto set my hand and affixed the Great Seal of the State of North Dakota at the Capitol in the City of Bismarck, SECOND day of JULY 1968

SEAL

BEN MEIER  
Secretary of State

File No. 6936

By \_\_\_\_\_  
Deputy

DUPLICATE

10

ARTICLES OF AMENDMENT  
TO THE  
ARTICLES OF INCORPORATION  
OF

POLAR RURAL TELEPHONE MUTUAL AID CORPORATION

Pursuant to the provisions of Chapter 10-15 of the North Dakota Century Code, as amended, the undersigned Association adopts the following Articles of Amendment to its Articles of Incorporation:

ARTICLE 1. The name of the cooperative association is POLAR RURAL TELEPHONE MUTUAL AID CORPORATION

ARTICLE 2. The following amendment of the Articles of Incorporation was adopted by the members of the association on June 20, 1980, in the manner prescribed by Chapter 10-15, North Dakota Century Code, as amended:

Article I. The name of said corporation shall be POLAR COMMUNICATIONS MUTUAL AID CORPORATION.

Article II. The purpose for which it is formed is to acquire, improve, expand, furnish, hold, develop and operate a communication system and systems.

Article IV. The territory to be served by the corporation is located in the Counties of Pembina, Walsh, Grand Forks, Traill, Cavalier, Nelson, Steele, Ramsey, Cass and Griggs, North Dakota, and the cities and communities situated therein.

Article VI. The corporation is authorized to borrow money from time to time in such amounts as the Board of Directors determines.

ARTICLE 3. The total number of members of the cooperative association are 7942.

ARTICLE 4. The number of members voted for such amendment was 348; and the number of members voted against such amendment was None.

DATED June 23, 1980.

POLAR RURAL TELEPHONE MUTUAL AID CORPORATION

By *Orville Hoopes*  
President  
and *Eugene Loftsgard*  
Secretary

EUGENE LOFTSGARD being first duly sworn says that he is the Secretary and that he has read the foregoing application and knows the contents thereof, and verily believes the statements made therein to be true.

*Eugene Loftsgard*  
EUGENE LOFTSGARD  
Verifying Officer.

Subscribed and sworn to before me this 23rd day of June, 1980.

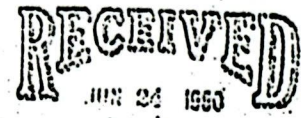
*W. T. DePuy*  
W. T. DePUY  
Notary Public

State of North Dakota

My Commission expires January 18, 1986

Fee \$20.00  
Certificate No. 6434  
Filing Date 8-18 1980  
*Don Meyer*  
Secretary of State  
by *ds*  
Deputy  
(231-3-65)

SECRETARY OF STATE



SECRETARY OF STATE

Certificate No. 6434

UNITED STATES OF AMERICA



DEPARTMENT

OF STATE

# State of North Dakota

## CERTIFICATE OF AMENDMENT

OF

~~POLAR RURAL TELEPHONE MUTUAL AID CORPORATION~~

The undersigned, as Secretary of State of the State of North Dakota, hereby certifies that duplicate originals of Articles of Amendment to the Articles of Incorporation of \_\_\_\_\_

~~POLAR RURAL TELEPHONE MUTUAL AID CORPORATION~~

duly signed and verified pursuant to the provisions of the North Dakota \_\_\_\_\_

~~MUTUAL AID CORPORATION~~ Corporation Act, have been received in this office and are found to conform to law.

ACCORDINGLY the undersigned, as such Secretary of State, and by virtue of the authority vested in him by law, hereby issues this Certificate of Amendment to the Articles of Incorporation of Amending corporate title to: POLAR COMMUNICATIONS MUTUAL AID CORPORATION, Expand PURPOSES, Expand Articles IV & VI.

and attaches hereto a duplicate original of the Articles of Amendment.

IN TESTIMONY WHEREOF, I have hereunto set my hand and affixed the Great Seal of the State at the Capitol in the City of Bismarck, this 18TH day of AUGUST A.D., 1980.

BEN MEIER Secretary of State.

File No. 6936

DUPLICATE

By \_\_\_\_\_, Deputy.



**STATE OF NORTH DAKOTA**  
Office of Secretary of State

I hereby certify that this is a true and correct copy, consisting of 11 pages, as taken from the original on file in this office. Originality of this certification can be determined by the color red.

DATED: 4-17-90

A handwritten signature in red ink that reads "Jim Kusler".

Jim Kusler

BY: Dorey Schlosser SECRETARY OF STATE

PUBLIC SERVICE COMMISSION

STATE OF NORTH DAKOTA

\*\*\*\*\*

In the Matter of the Application of Polar Rural Telephone Mutual Aid Corporation for: )  
(1) authority to purchase the Aneta and West Northwood telephone exchanges of the Pioneer-United Telephone Company; (2) a Certificate of Public Convenience and Necessity authorizing them to construct and operate a telephone system in the Aneta and West Northwood exchange areas; and (3) approval of a schedule of rates for furnishing dial telephone service in the Aneta and West Northwood exchange areas. )

CASE NO. 7999

ORDER

On August 20, 1970, the Polar Rural Telephone Mutual Aid Corporation filed an Application with this Commission wherein they requested the several authorities listed in the title of this Order whereby the Polar Rural Telephone Mutual Aid Corporation would be granted authority to purchase the existing exchanges of the Pioneer-United Telephone Company at Aneta and West Northwood, North Dakota, and allowed to construct and operate a telephone system in the service areas of these two exchanges and to provide service under the existing rate schedule of the Polar Rural Telephone Mutual Aid Corporation.

On August 31, 1970, the Public Service Commission issued its Notice of Hearing wherein this matter was set for public hearing to be held at Aneta, North Dakota, on September 23, 1970, and said hearing was held as scheduled with the following appearance:

MR. W. T. DePUY, Attorney at Law, Grafton, North Dakota, appearing for the Applicant, Polar Rural Telephone Mutual Aid Corporation.

After considering all relevant and material evidence adduced in this proceeding, this Commission now makes the following:

FINDINGS OF FACT

I

The Polar Rural Telephone Mutual Aid Corporation is a non-profit membership corporation organized and operating under the laws of the State of North Dakota to provide telephone service in its certified service areas and is subject to the Public Service Commission's jurisdiction.

II

The Pioneer-United Telephone Company is a Minnesota corporation

duly authorized to operate a telephone utility system in the State of North Dakota and it is subject to the jurisdiction of the Public Service Commission.

## III

The Pioneer-United Telephone Company owns telephone exchanges known as the Aneta and West Northwood exchanges whereby telephone service is provided in the City of Aneta and surrounding rural areas and in a rural area located for the most part in a general area west of the City of Northwood, North Dakota.

## IV

The Pioneer-United Telephone Company and the Polar Rural Telephone Mutual Aid Corporation have found it mutually agreeable to sell and to buy, respectively, the Aneta and West Northwood exchanges and as evidence thereof have entered a telephone sales agreement whereby Pioneer-United will sell said exchanges to the Polar corporation for the price of \$104,000 subject to certain other specific adjustments as contained in the telephone sales agreement.

## V

The Pioneer-United company stated as reason for their desire to sell these exchanges that they have found in the current state of economy that it is economically unfeasible for them to provide the type of service that they feel that subscribers in these exchanges are entitled to and that because of the differences in the nature of the two companies, as far as financing and certain other operating costs, the Polar corporation can provide said service on an economically feasible basis and that, therefore, it is mutually agreeable and beneficial to the companies and to the subscribers in these areas that they sell the exchanges to the Polar corporation.

## VI

The Board of Polar Rural Telephone Mutual Aid Corporation has approved the telephone sales agreement and that the Rural Electrification Administration has likewise approved said agreement and, further, that generally the Polar corporation is ready, willing and able to continue and to upgrade the telephone service provided in these exchanges.

## VII

The Polar corporation proposes to continue the service provided in these exchanges but at their system rates, which are for the most part lower than the existing rates of the Pioneer-United company, and that as soon as possible, very likely within the next three years, they would upgrade the entire exchange area and in so doing, combine a portion of the existing service to the area of the west Northwood exchange with that of the Aneta exchange and reconstruct the entire system by using all buried outside plant with new central office equipment thereby providing all one-party service with direct distance dialing and possibly some additional extended area service.

## VIII

That the rates proposed by the Polar Rural Telephone Mutual Aid Corporation to be applied upon takeover are actually lower than the existing rates of Pioneer-United Telephone Company, but that the rates for all one-party service upon completion of this project would be higher than existing rates.

## IX

That the service area to be certified to the Polar corporation includes the entire existing service area of the Aneta exchange shown in Exhibit A (a part of Exhibit 1 in this proceeding) and part of the West Northwood service area as shown on Exhibit B (also a part of Exhibit 1 in this proceeding.). This latter exchange area as it presently exists is being divided between the Polar corporation and the Pioneer-United company and the portion retained by the Pioneer-United company will be made a part of their Northwood exchange and served therefrom whereas the part sold and transferred to Polar will be transferred to and made a part of the enlarged Aneta exchange.

## X

That community meetings have been held with subscribers affected by the sale and that there were no objections voiced at these meetings for the proposed sale, nor for that matter, were there any heard at the hearing in this matter.

Upon consideration of the foregoing Findings of Fact, the Commission makes the following:

CONCLUSIONS OF LAW

I

That the proposed sale and purchase of telephone utility systems in the Aneta and West Northwood areas is in the public interest.

II

That the issuance of a Certificate of Public Convenience and Necessity authorizing the Polar Rural Telephone Mutual Aid Corporation to construct and operate a telephone utility system in these areas is in the public interest and that said systems or extensions thereof will not unreasonably interfere with any other existing systems.

III

That the proposed schedule of rates for providing dial telephone service in these exchange areas is fair and reasonable.

O R D E R

NOW, THEREFORE, IT IS HEREBY ORDERED that Polar Rural Telephone Mutual Aid Corporation is (1) authorized to purchase the Aneta and West Northwood telephone exchanges of the Pioneer-United Telephone Company; (2) granted a Certificate of Public Convenience and Necessity authorizing them to construct and operate a telephone system in the Aneta and West Northwood exchange areas in the specific areas designated in the attachments entitled Exhibit A and Exhibit B which are a part of the Applicant's Exhibit No. 1 in this case; and (3) authorized to apply their system schedule of rates and charges for furnishing dial telephone service in the Aneta and West Northwood exchange areas.

Dated at Bismarck, North Dakota, this 10th day of November, 1970.

(S E A L)

BY THE COMMISSION:

BRUCE HAGEN  
President

ATTEST:

RICHARD A. ELKIN  
Commissioner

Medred Michel  
Acting Secretary

BEN J. WOLF  
Commissioner

STATE OF NORTH DAKOTA  
\*\*\*\*\*

In the Matter of the Joint Application of	)	
Polar Rural Telephone Mutual Aid Corporation	)	
and Northwestern Bell Telephone Company for	)	CASE NO. <u>8161</u>
a Certificate of Public Convenience and	)	
Necessity for certain toll telephone facilities	)	
to Crystal, Drayton, Hoople and Neche, North	)	
Dakota.	)	

-----

ORDER GRANTING APPLICATION

On February 16, 1971, the Polar Rural Telephone Mutual Aid Corporation, hereinafter referred to as Polar, and the Northwestern Bell Telephone Company, hereinafter referred to as Northwestern, filed a Joint Application wherein they requested that Northwestern be authorized to abandon certain open wire and other toll facilities used to provide toll telephone service to the Crystal, Drayton, Hoople and Neche exchanges and that Polar be granted a Certificate of Public Convenience and Necessity authorizing them to construct and operate certain buried toll telephone cables from points of meet with Northwestern's toll cable between Grafton and Pembina, North Dakota, to Polar central offices at Crystal, Drayton, Hoople and Neche, North Dakota, and to provide toll telephone service thereby.

On March 16, 1971, the Commission issued its Notice of Opportunity for Hearing wherein all interested parties were given opportunity to either file objections to or requests for hearing before the Commission on or before the 6th day of April, 1971. This deadline has now passed and no objections or requests to the Application or to the proposal contained therein, were received.

NOW, THEREFORE, IT APPEARING that the Applicants, Polar Rural Telephone Mutual Aid Corporation and Northwestern Bell Telephone Company, are public utility corporations subject to the jurisdiction of the Commission, and

IT APPEARING that the proposal as contained in this Application is in the public interests and that the proposed construction and operation resulting from approval of said proposal would not result in duplication of facilities and are required by the public convenience and necessity,

NOW, THEREFORE, IT IS HEREBY ORDERED that the North-western Bell Telephone Company be and hereby is authorized to abandon its open wire and other related toll facilities used to provide toll telephone service to the Crystal, Drayton, Hoople and Nече exchanges, and

IT IS FURTHER ORDERED that the Polar Rural Telephone Mutual Aid Corporation be, and hereby is, granted a Certificate of Public Convenience and Necessity authorizing it to construct and operate buried toll telephone cables and other related toll equipment along the routes and between the points designated upon Exhibits A, B and C of the Application and to provide toll telephone service thereby to the Crystal, Drayton, Hoople and Nече, North Dakota, exchanges.

Dated at Bismarck, North Dakota, this 16th day of April, 1971.

(S E A L)

BY THE COMMISSION:

RICHARD A. ELKIN s/s  
President

BEN J. WOLF s/s  
Commissioner

ATTEST:

*Ernie Olson*  
Secretary

BRUCE HAGEN s/s  
Commissioner

PUBLIC SERVICE COMMISSION

STATE OF NORTH DAKOTA

\* \* \* \* \*

In the matter of the Joint Application )  
of the Polar Rural Telephone Mutual Aid )  
Corporation and Northwestern Bell Telephone )  
Company for certificate of public convenience )  
and necessity and authority to Polar to )  
acquire the Pisek telephone exchange; to )  
eliminate such exchange and combine it with )  
the Park River exchange; and to Northwestern )  
to sell said Pisek telephone exchange. )  
-----

CASE NO. 7706

ORDER GRANTING APPLICATION

On July 1, 1969, the Polar Rural Telephone Mutual Aid Corporation (Polar), Park River, North Dakota, and the Northwestern Bell Telephone Company (Northwestern), Fargo, North Dakota, filed an Application with this Commission wherein they jointly requested authority allowing Northwestern to sell and Polar to acquire the Pisek exchange at Pisek, North Dakota and allowing Polar to rehabilitate, improve, and operate the telephone plant at Pisek as part of their Park River exchange.

On July 29, 1969, this Commission issued its notice of opportunity for hearing wherein interested parties were given notice of opportunity to file objections or requests for hearing in connection with matters relating to this application. Said notice provided that such objections or requests must be filed on or before the 20th day of August, 1969. This deadline has now passed and no such objections or requests have been received.

IT APPEARING that the Applicants are both public utilities subject to the authority of this Commission and that the matters presented for determination are also within its jurisdiction.

IT FURTHER APPEARING that the proposals presented by this Application are legal and in the public interests and therefore should be approved.

NOW, THEREFORE, IT IS HEREBY ORDERED:

I

That the Polar Rural Telephone Mutual Aid Corporation be and hereby is authorized to purchase telephone properties and equipment, including real estate, presently used by the Northwestern Bell Telephone Company to provide local exchange service in the Pisek, North Dakota area, and the Northwestern Bell Telephone Company is authorized to sell said properties.

II

That Polar Rural Telephone Mutual Aid Corporation be and hereby is granted a Certificate of Public Convenience and Necessity authorizing them to construct and

operate a telephone system in the Pisek Exchange area as set forth in the map filed in this proceeding.

III

That Polar Rural Telephone Mutual Aid Corporation be and hereby is authorized to discontinue the operation of the Pisek Exchange as a separate exchange and to consolidate the Pisek Exchange area with the Park River Exchange area and operate the two areas as one exchange.

Dated at Bismarck, North Dakota, this 29th day of August, 1969.

BY THE COMMISSION:

( S E A L )

BRUCE HAGEN  
President

ATTEST:

RICHARD A. ELKIN  
Commissioner

*Elmer Olson*  
Secretary

BEN J. WOLF  
Commissioner



# Public Service Commission

## State of North Dakota

---

### COMMISSIONERS

Tony Clark, President  
Susan E. Wefald  
Kevin Cramer

Executive Secretary  
Illona A. Jeffcoat-Sacco

Don Negaard  
Pringle & Herigstad, P.C.  
Bremer Bank Building  
20 SW 1<sup>st</sup> Street  
P.O. Box 1000  
Minot, ND 58702

July 27, 2004

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Phone 701-328-2400

Re: Polar Communications Mutual Aid Corporation—Application for Approval of Acquisition of a Certificate of PC&N

Dear Mr. Negaard:

Based on our conversation earlier today, it does not appear that Polar Communications Mutual Aid Corporation (Polar) will need any approval from the Commission for this transaction. It is the Commission staff's understanding that Polar is acquiring all of the corporate stock of Wolverton Telephone Company (Wolverton), but that Wolverton will continue to operate as a wholly owned corporate subsidiary of Polar and will continue to provide service to its customers.

Polar and Wolverton do not have to obtain approval from the Commission for the sale of Wolverton corporate stock to Polar. One of the last actions taken by the North Dakota Legislature in April, 1995, was to amend state law, with an emergency clause, to exempt telecommunications companies from the provisions of N.D.C.C. § 49-04-05. The legislation passed both houses of the legislature and was signed into law by the Governor on April 18, 1995. The result is that no Commission approval is required for the sale of property owned by a telecommunications company, even if the value exceeds \$500,000.

The statutory language is confusing because of the way the Legislature dealt with the law in order to guarantee the finalization of the sale of US WEST exchanges to several rural telephone cooperatives and small telephone companies. The 1995 legislature amended N.D.C.C. § 49-03.1-04 just prior to the Commission's hearing in Case No. PU-314-94-688 involving the sale of U S WEST exchanges to several telephone cooperatives and small telephone companies to facilitate granting of certificates of public convenience and necessity. Another amendment that the legislature made was to N.D.C.C. § 49-21-01.2. That amendment, with an emergency clause, had the effect of exempting U S WEST and other large telecommunications companies from the provisions of N.D.C.C. § 49-04-05.

*C. Comm.  
Illona  
H.A.  
Wig - P45*

The amendment to N.D.C.C. § 49-04-05 appeared to exclude cooperatives and small companies with less than 8,000 local exchange subscribers from being exempt from N.D.C.C. § 49-04-05, because N.D.C.C. 49-02-01.1, which is the specific statute which limits Commission jurisdiction over the cooperatives and small companies, contains the language which appears to subject them to the authority of the Commission under section 49-04-05. The issue of Commission jurisdiction over sales and mergers of cooperatives and small companies was addressed in Attorney General's Opinion 99-16 issued on December 23, 1999. The Attorney General determined that the 1995 amendments to N.D.C.C. § 49-21-01.2 removed jurisdiction of the Commission under N.D.C.C. § 49-04-05 to review the sale or merger of all telecommunications companies, including telephone cooperatives and small telecommunications companies. A copy of the Attorney General's Opinion is enclosed.

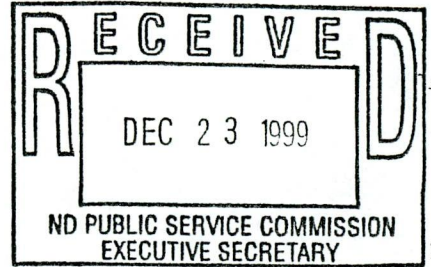
Polar is not required to obtain a new certificate of public convenience and necessity because Wolverton will continue to operate as the same corporate entity and will continue to provide service to the same customers in the same exchanges. The only change will be the ownership of the Wolverton corporate stock.

Please call me if you have any questions.

Sincerely,

A handwritten signature in cursive script, appearing to read 'William W. Binék', written in black ink.

William W. Binék  
Chief Counsel



STATE OF NORTH DAKOTA  
ATTORNEY GENERAL'S OPINION 99-16

Date issued: December 23, 1999  
Requested by: Bruce Hagen, President, North Dakota Public Service Commission

- QUESTION PRESENTED -

Whether the 1995 amendments to N.D.C.C. § 49-21-01.2 removed the jurisdiction of the Public Service Commission under N.D.C.C. § 49-04-05 to review the sale or merger of telephone cooperatives and small telecommunications companies with fewer than 8,000 local exchange subscribers.

- ATTORNEY GENERAL'S OPINION -

It is my opinion that the 1995 amendments to N.D.C.C. § 49-21-01.2 removed the jurisdiction of the Public Service Commission under N.D.C.C. § 49-04-05 to review the sale or merger of all telecommunications companies, including telephone cooperatives and small telecommunications companies with less than 8,000 local exchange subscribers.

- ANALYSIS -

Although the Public Service Commission (PSC) is a constitutional office, its powers are prescribed by law. N.D. Const. art. V, § 2. The North Dakota Supreme Court has repeatedly held that the PSC has only the powers and duties conferred on it by the Legislature. Capital Elec. Co-op., Inc. v. Public Service Comm'n, 534 N.W.2d 587 (N.D. 1995); Cass County Elec. Coop., Inc. v. Northern States Power Co., 518 N.W.2d 216 (N.D. 1994).

[The PSC] can initiate no public policies of its own. It can act in no field which the Legislature has not authorized it to enter.

Grafton v. Otter Tail Power Co., 86 N.W.2d 197, 202 (N.D. 1957). In discussing the PSC's authority to review sales and mergers of public utilities, the North Dakota Supreme Court has observed that the PSC "has only such powers, in the regulation of public utilities, as have been conferred upon it by the Legislature." Otter Tail Power Co. v. Clark, 229 N.W. 915, 919 (N.D. 1930).

Under these decisions, a review of the extent of the PSC's regulatory authority must take place in the context of the PSC exercising its statutory powers. C.f. Montana Dakota Utilities v. Public Service Comm'n, 847 P.2d 978 (Wyo. 1993).

Although this court cannot usurp the legislative function delegated to PSC, when we review that agency's exercise of its statutory powers we must keep in mind that as a regulatory agency PSC "has no inherent or common-law powers. Stated in another manner, an administrative body has only the power and authority granted by the constitution or statutes creating the same. Such statutes must be strictly construed or 'any reasonable doubt of existence of any power must be resolved against the exercise thereof. A doubtful power does not exist.'"

Id. at 983 (citations omitted).

N.D.C.C. ch. 49-21 is the chapter of the code specifically pertaining to telecommunications companies. In that chapter, telecommunications companies are expressly made exempt from several chapters of the code relating to public utilities in general, including N.D.C.C. ch. 49-04. N.D.C.C. § 49-21-01.2. N.D.C.C. § 49-04-05 requires prior approval by the PSC before a public utility may "dispose of, encumber, merge, or consolidate its franchise, works, or system necessary or useful in the performance of its duties to the public," with certain exceptions.<sup>1</sup>

The definition of "telecommunications company" as used in N.D.C.C. ch. 49-21 refers to any "person" engaged in furnishing telecommunications services in this state. N.D.C.C. § 49-21-01(19). The term "person" would apply equally to investor-owned companies and telephone cooperatives. See N.D.C.C. § 1-01-49(8); N.D.C.C. chs. 10-15, 10-19.1. Thus, under the plain language of N.D.C.C. § 49-21-01.2, the PSC has no jurisdiction under N.D.C.C. § 49-04-05 to review a merger or sale of a telecommunications company, regardless of whether the company is a for-profit stock corporation or a cooperative.

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<sup>1</sup> This opinion does not address the separate authority of the PSC to grant a certificate of public convenience and necessity based on the statutory factors specifically listed in N.D.C.C. § 49-03.1-04.

One could argue that, notwithstanding the clear language in N.D.C.C. § 49-21-01.2, N.D.C.C. § 49-02-01.1 gives the PSC authority under N.D.C.C. § 49-04-05 to review sales and mergers by telephone cooperatives and other telecommunications companies with less than 8,000 local exchange subscribers. The specific language in N.D.C.C. § 49-02-01.1 states: "Nothing in this section limits the authority of the commission under . . . section 49-04-05." (Emphasis added). This is not an affirmative grant of authority to the PSC, but rather is a statement removing any negative inference that the preceding language in that section removed PSC authority over the listed organizations. The phrase "[n]othing in this section" in the above-quoted sentence further indicates it has no effect on limits to the PSC's authority which may be located in other sections of the North Dakota Century Code. Thus, there is no conflict between the restrictive language in the last sentence of N.D.C.C. § 49-02-01.1 and the clear exemption in N.D.C.C. § 49-21-01.2.

To the extent a conflict exists between N.D.C.C. §§ 49-02-01.1 and 49-21-01.2 regarding the PSC's jurisdiction over mergers and sales of telephone cooperatives under N.D.C.C. § 49-04-05, the rules governing statutory conflicts resolve that conflict against the PSC's jurisdiction. See generally N.D.C.C. § 1-02-39.

Until 1995, all telecommunications companies were required to obtain approval from the PSC of any sale or merger. In response to comments regarding the pending sale of several telephone exchanges currently owned by a large investor-owned telecommunications company, a legislative conference committee adopted, and the Legislative Assembly ultimately approved, the following amendment to N.D.C.C. § 49-21-01.2:

Except as provided for in this chapter and section 49-02-01.1, 49-02-21, 49-02-22, and 49-04-02.2, and ~~49-04-05,~~ telecommunications companies and all telecommunications services are exempt from the provisions of chapters 49-2, 49-04, 49-05, and 49-06. . . .

1995 N.D. Sess. Laws ch. 30, § 5.

The legislative history of the 1995 amendments to N.D.C.C. § 49-21-01.2 is directly on point for this question. The written testimony of Illona Jeffcoat-Sacco, Public Utilities Director for the PSC, clearly expresses her opinion that the proposed amendment to N.D.C.C. § 49-21-01.2 could be interpreted to "override 49-02-01.1." She further observed that if the amendment does not "override" N.D.C.C. § 49-02-01.1, then cooperatives will be subject to regulation when the larger investor-owned companies would not. Unfortunately, although the differing interpretations were squarely

December 23, 1999

Page 4

presented to the conference committee members, the committee and Legislative Assembly did not take any action to remove the ambiguity.

Legislative approval of the amendments may indicate approval of the distinction between large investor-owned telecommunications companies and telephone cooperatives and small companies. However, an equally strong argument may be made that legislative approval of the amendments, particularly by the legislators who were not members of the conference committee before whom the ambiguity was raised, indicates support for the plain meaning of the amendments to N.D.C.C. § 49-21-01.2: the PSC is no longer authorized to review the sale or merger of any telecommunications company, including a cooperative. One can only speculate on the intent of the committee members or the full Legislature regarding the 1995 amendments.

Other rules of statutory construction are equally unhelpful. N.D.C.C. § 49-02-01.1 specifically applies to cooperatives, but applies to public utilities in general. N.D.C.C. § 49-21-01.2 specifically applies to all telecommunications services, but applies to all companies equally. The question of which statute is specific and which is general depends on whether you first approach the question from the nature of the public utility or the form of business. Since the 1995 amendment to N.D.C.C. § 49-21-01.2 was the last pertinent amendment to either section, this factor slightly favors relying on the plain language of that section, but the ambiguous legislative history of the amendments does not give much weight to the timing of the amendment.

Deference is given to an agency interpretation of its statutes, but only if such interpretation is longstanding and consistent with the plain language of the statutes. Peterson v. Heitkamp, 442 N.W.2d 219 (N.D. 1989). Here, the amendments are only four years old and appear to be clear and unambiguous.

Statutes are also construed, when possible, to give meaning to every word and phrase. Here, interpreting N.D.C.C. § 49-21-01.2 as precluding PSC jurisdiction over sales and mergers of telecommunications companies does not render meaningless the last sentence of N.D.C.C. § 49-02-01.1, because that sentence would continue to apply to other utility cooperatives or small companies. On the other hand, interpreting N.D.C.C. § 49-21-01.2 as not applying to telephone cooperatives and other small telecommunications companies would add a qualification to the plain language of the statute which is not found in its text. Statutes are interpreted based on their plain language and not on what a person thinks the Legislature meant to say. See N.D.C.C. § 1-02-05 (plain language is not to be disregarded under a pretext of pursuing the spirit of a statute).

As stated earlier, there does not appear to be a conflict between N.D.C.C. §§ 49-02-01.1 and 49-21-01.2 over the application of N.D.C.C. § 49-04-05. However, assuming a conflict exists, the persuasive rule of statutory construction, in my opinion, is that statutes are construed to avoid constitutional conflicts. N.D.C.C. § 1-02-38(1); McCabe v. North Dakota Workers Compensation Bureau, 567 N.W.2d 201 (N.D. 1997).

The interpretation of the relevant statutes urged by the Bureau in this case would raise significant constitutional conflicts. This case presents ambiguous statutes capable of two different constructions, one of doubtful constitutional validity. Accordingly, we adopt the construction that does not raise constitutional conflicts.

McCabe, 567 N.W.2d at 205.

Serious equal protection concerns arise if the statutes cited above are interpreted to give the PSC jurisdiction over the sale or merger of telephone cooperatives and other small telecommunications companies but not large investor-owned telecommunications companies. See also N.D. Const. art. IV, § 13 (the legislative assembly shall not enact special laws). To avoid a constitutional challenge to N.D.C.C. § 49-21-01.2, it must be construed to exempt sales and mergers by telephone cooperatives and other small telecommunications companies from PSC oversight just as the statute exempts sales and mergers by an investor-owned company with more than 8,000 local exchange subscribers.

It is understandable to be concerned with removing the sales and mergers of telecommunications companies from governmental oversight. As one member of the conference committee observed, "telephone service is an essential part of our society today." Conference Committee Hearing on S. 2008 54<sup>th</sup> N.D. Leg. (April 5, 1995) (statement of Representative Tollefson). One of the members of the PSC warned the committee that the amendments being considered "relate not only to this particular case, but affect the way the Commission will be able to approach all future sales of telephone exchanges." Id. (Written testimony of Susan Wefald). Nevertheless, the wisdom of removing sales and mergers of telecommunications companies, including cooperatives, from the PSC's jurisdiction is a matter of public policy which is left to the Legislative Assembly under the North Dakota Constitution.

ATTORNEY GENERAL'S OPINION 99-16

December 23, 1999

Page 6

In conclusion, it is my opinion that the 1995 amendments to N.D.C.C. § 49-21-01.2 removed the jurisdiction of the PSC under N.D.C.C. § 49-04-05 to review the sale or merger of all telecommunications companies, including telephone cooperatives and small telecommunications companies with less than 8,000 local exchange subscribers.

- EFFECT -

This opinion is issued pursuant to N.D.C.C. § 54-12-01. It governs the actions of public officials until such time as the question presented decided by the courts.



Heidi Heitkamp  
Attorney General

Assisted by: James C. Fleming  
Assistant Attorney General

vkk



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July 22, 2004

Illona A. Jeffcoat-Sacco, Executive Secretary  
PUBLIC SERVICE COMMISSION  
600 East Boulevard Avenue, Department 408  
Bismarck, ND 58505-0480

## POLAR COMMUNICATIONS MUTUAL AID CORPORATION—APPLICATION FOR APPROVAL OF ACQUISITION OF A CERTIFICATE OF PC&N

Enclosed for filing are an original and seven copies of an Application of Polar Communications Mutual Aid Corporation for Approval of Acquisition of a Certificate of Public Convenience and Necessity together with the following attachments:

1. Certificate of Good Standing issued July 15, 2004.
2. Financial Statement as of December 31, 2003, and 2002, including Statement of Operations and Balance Sheet dated May 31, 2004.

Don Negaard

jt

Enclosures

cc/enc: Polar Communications Mutual Aid Corporation, Attention Dave Dunning

STATE OF NORTH DAKOTA

PUBLIC SERVICE COMMISSION

Application of Polar Communications  
Mutual Aid Corporation for Approval of  
the Acquisition of a Certificate of Public  
Convenience and Necessity

Case No. PU-\_\_\_\_\_

APPLICATION

I.

Polar Communications Mutual Aid Corporation (hereinafter "Polar"), a North Dakota cooperative, under Certificates of Public Convenience and Necessity issued by the North Dakota Public Service Commission (hereinafter the "Commission"), is engaged in the business of providing local exchange telecommunications service, exchange access, and other telecommunications activities in the following exchanges, which shall hereinafter be collectively referred to as the "Polar Service Area." Polar is certificated to provide telecommunications service in Pembina, Walsh, Grand Forks, Traill, Cass, Cavalier, Ramsey, Nelson, Steele, and Griggs Counties of North Dakota and in the following exchange areas in these counties:

Exchange Prefix/Name

326	Aneta	993	Edinburg	259	Michigan
967	Arthur	966	Fairdale	886	Neche
655	Brocket	488	Galesburg	949	Nekoma
265	Cavalier	894	Hoople	397	Niagara
657	Crystal	874	Hunter	284	Park River
384	Dahlen	865	Inkster	345	Petersburg
454	Drayton	593	Lankin	257	St. Thomas

II.

Wolverton Telephone Company (hereinafter "Wolverton"), a Minnesota corporation, under a Certificate of Public Convenience and Necessity, No. 441, issued by the Commission, is engaged in the business of providing local exchange telecommunications service, exchange access, and other telecommunications services in the following exchanges: Christine, prefix 998, and Walcott, prefix 469. Wolverton has approximately 331 access lines in these exchanges.

### III.

On June 9, 2004, Polar and Wolverton, along with Wolverton's owners, Matt Ihland and Paul Ihland (herein "Owners"), entered into a purchase agreement for the purchase and sale of Wolverton's stock and its current assets and facilities relating to the provision of local exchange telecommunications service, exchange access, and other telecommunications services in the Christine and Walcott exchanges. As of the closing date of said transaction (anticipated for October 1, 2004) (hereinafter the "Closing Date"), the Owners of Wolverton intend to transfer all shares of stock and ownership in Wolverton to Polar. Polar intends to continue operating Wolverton as a wholly owned subsidiary of Polar, providing basic telephone service, dial-up internet, digital subscriber line (DSL), and any services currently provided by Wolverton.

### IV.

Wolverton has been designated by the Commission as an eligible telecommunications carrier to receive universal service support under sections 214 and 254 of the Federal Communications Act of 1934, as amended by the Federal Telecommunications Act of 1996 (hereinafter the "1996 Act"). Wolverton's eligible telecommunications carrier designated geographical service area for the purpose of determining universal service obligations and support mechanisms under the 1996 Act is currently the Wolverton Service Area.

### V.

All subscribers served by Wolverton in the Christine and Walcott exchanges prior to the Closing Date will be served by Wolverton, as a subsidiary of Polar, beginning on the Closing Date. Wolverton/Polar intends to charge the same rates for basic local service in the Christine and Walcott exchanges as Wolverton is currently charging its subscribers in these exchanges.

### VI.

There is a clear need for continuing quality telecommunications services in these exchanges. The transfer of ownership of Wolverton and its Certificate of Public Convenience and Necessity will have no effect on other public utilities providing similar services, as there are no other public utilities providing similar services in the two exchanges. Polar, having served approximately 8,500 access lines in 21 North Dakota exchanges for the past 52 years, has demonstrated that it has the technical, financial, and managerial fitness and ability to provide adequate essential and nonessential telecommunications services in the Christine and Walcott exchanges. The technical fitness and ability of Polar to provide services in the Christine and Walcott exchanges will be enhanced and facilitated by Polar's purchase of Wolverton that is currently providing

such services in the Christine and Walcott exchanges. The provision of adequate essential and nonessential telecommunications service in the two exchanges will be facilitated and supported by the full current technical and financial capabilities of Polar.

VII.

Beginning on the Closing Date, Wolverton will still offer all services that are supported by federal universal service support mechanisms under section 254(c) of the 1996 Act and 47 C.F.R. subsections 54.101 and 54.401, using a combination of its own facilities and resale of other carriers' services, and will advertise the availability of such services and the charges therefore using media of general distribution, throughout the two Wolverton exchanges.

VIII.

The Commission has authority under N.D. Cent. Code sections 49-02-01.1, 49-04-05, and 49-04-06 to act upon applications dealing with transfers of Certificates of Public Convenience and Necessity.

IX.

WHEREFORE, Polar hereby applies to approve its acquisition of Wolverton and public convenience and necessity effective as of the Closing Date, pursuant to N.D.A.C. section 69-09-05-11.

X.

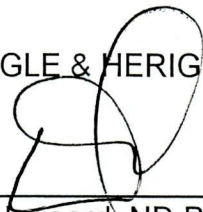
WHEREFORE, Polar hereby applies to the Commission, pursuant to N.D. Cent. Code Chapter 49-03.1 and section 49-04-06 and N.D.A.C. section 69-09-05-11, for a transfer of the ownership of Wolverton which owns a Certificate of Public Convenience and Necessity for the Christine and Walcott exchanges, effective as of the Closing Date.

XI.

WHEREFORE, pursuant to N.D. Cent. Code section 49-04-06, Applicant requests that the Commission grant the above-requested relief without a hearing, if no interested party has requested a hearing on this application after receiving at least twenty (20) days' notice of opportunity to request such a hearing.

Dated this 22nd day of July, 2004.

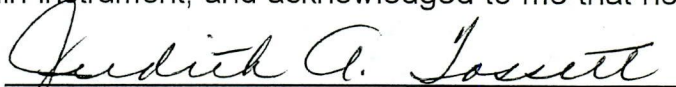
PRINGLE & HERIGSTAD, P.C.



Don Negaard, ND Bar ID #03598  
Attorneys for Applicant  
Polar Communications Mutual Aid  
Corporation  
2525 Elk Drive  
P.O. Box 1000  
Minot, ND 58702-1000  
(701) 852-0381

STATE OF NORTH DAKOTA    )  
  ) ss.  
COUNTY OF WARD            )

On this 22nd day of July, 2004, before me, a Notary Public in and for said County and State, personally appeared DON NEGAARD, known to me to be the person who is described in and who executed the within instrument, and acknowledged to me that he executed the same.



Judith A. Tossett, Notary Public  
For the State of North Dakota  
My commission expires: 01-08-10

**JUDITH A. TOSSETT**  
**Notary Public**  
**State of North Dakota**  
**My Commission Expires Jan. 8, 2010**

# *State of North Dakota*

## SECRETARY OF STATE



### CERTIFICATE OF GOOD STANDING OF

POLAR COMMUNICATIONS MUTUAL AID CORPORATION

The undersigned, as Secretary of State of the State of North Dakota, hereby certifies that POLAR COMMUNICATIONS MUTUAL AID CORPORATION, a North Dakota COOPERATIVE ASSOCIATION, was incorporated in this office on March 13, 1952 and, according to the records of this office as of this date, has paid all fees due this office as required by North Dakota statutes governing a North Dakota COOPERATIVE ASSOCIATION.

**ACCORDINGLY** the undersigned, as such Secretary of State, and by virtue of the authority vested in him by law, hereby issues this Certificate of Good Standing to

POLAR COMMUNICATIONS MUTUAL AID CORPORATION

Issued: July 15, 2004

A handwritten signature in cursive script, reading "Alvin A. Jaeger".

Alvin A. Jaeger.  
Secretary of State

NORTH DAKOTA 527 POLAR  
POLAR COMMUNICATIONS AND SUBSIDIARIES  
CONSOLIDATED BALANCE SHEET  
As of December 31, 2003 and 2002

	2003	2002
<b>ASSETS</b>		
<b>CURRENT ASSETS:</b>		
Cash and Cash Equivalents	\$ 4,003,542	\$ 2,993,792
Investment in Marketable Securities - Available for Sale	161,161	199,757
Telecommunications Accounts Receivable (Net)	105,106	187,045
Other Accounts Receivable	963,361	1,137,863
Income Taxes Receivable		157,370
Material and Supplies	2,256,647	2,401,445
Prepayments	<u>94,542</u>	<u>3,365</u>
Total Current Assets	<u>\$ 7,584,359</u>	<u>\$ 7,080,637</u>
<b>INVESTMENTS AND NON-CURRENT ASSETS:</b>		
Investments in Affiliated Companies	\$ 11,076,946	\$ 10,063,200
Investments in Non-affiliated Companies	221,557	214,929
Non-regulated Investment - CATV	2,908,021	2,818,691
Non-regulated Investment - Customer Premise Equipment	384,673	617,668
Intangible Assets	671,938	670,000
Sinking Funds - Deferred Compensation		13,046
Deferred Charges	282,420	238,649
Other Investments	1,515,792	1,518,413
Deferred Taxes	<u>82,679</u>	<u>67,240</u>
Total Investments and Non-current Assets	<u>\$ 17,144,026</u>	<u>\$ 16,221,836</u>
<b>TELECOMMUNICATIONS PLANT:</b>		
In Service	\$ 52,080,761	\$ 49,846,959
Plant Adjustment	1,888,685	1,888,685
Goodwill	395,626	395,626
Under Construction	<u>175,803</u>	<u>336,421</u>
Total Investment in Plant	\$ 54,540,875	\$ 52,467,691
Less Accumulated Depreciation and Amortization	<u>(33,887,854)</u>	<u>(30,691,138)</u>
Net Plant	<u>\$ 20,653,021</u>	<u>\$ 21,776,553</u>
TOTAL ASSETS	<u>\$ 45,381,406</u>	<u>\$ 45,079,026</u>
<b>LIABILITIES AND EQUITIES</b>		
<b>CURRENT LIABILITIES:</b>		
Current Maturities of Long-Term Debt	\$ 1,615,640	\$ 1,542,390
Current Portion of Post Retirement Benefit Obligation	85,000	75,000
Accounts Payable	942,634	1,280,977
Advance Billings and Payments	39,229	39,629
Income Taxes Accrued	145,688	
Other Taxes Accrued	96,374	101,300
Accrued Compensated Absences	596,990	573,099
Accrued Interest	<u>36,158</u>	<u>7,815</u>
Total Current Liabilities	<u>\$ 3,557,713</u>	<u>\$ 3,620,210</u>
LONG-TERM DEBT, NET OF CURRENT MATURITIES	<u>\$ 14,737,805</u>	<u>\$ 15,736,362</u>
<b>DEFERRED CREDITS:</b>		
Deferred Income Taxes	\$ 997,320	\$ 618,720
Deferred Compensation		13,046
Accumulated Provision for Pensions and Benefits	<u>2,265,747</u>	<u>1,728,555</u>
Total Deferred Credits	<u>\$ 3,263,067</u>	<u>\$ 2,360,321</u>
<b>EQUITIES</b>		
Patronage Capital	\$ 11,507,665	\$ 12,443,030
Retained Earnings of Subsidiaries	4,082,937	3,699,604
Equity in Earnings of Affiliated Companies	7,301,212	6,287,466
Other Equities	942,740	920,609
Accumulated other Comprehensive Income	<u>(11,733)</u>	<u>11,424</u>
Total Equities	<u>\$ 23,822,821</u>	<u>\$ 23,362,133</u>
TOTAL LIABILITIES AND EQUITIES	<u>\$ 45,381,406</u>	<u>\$ 45,079,026</u>

See Accompanying Notes to Consolidated Financial Statements

NORTH DAKOTA 527 POLAR  
POLAR COMMUNICATIONS AND SUBSIDIARIES  
CONSOLIDATED STATEMENT OF OPERATIONS  
For the Years Ended December 31, 2003 and 2002

	2003	2002
OPERATING REVENUE		
Local Network Services	\$ 2,100,444	\$ 1,851,019
Network Access Services	9,060,795	8,115,341
Long Distance Network Services	57	843
Billing and Collection	212,222	205,019
Miscellaneous	445,690	427,783
Less Uncollectible Revenue	(38,385)	(226,265)
Total Operating Revenues	\$ 11,780,823	\$ 10,373,740
 OPERATING EXPENSES		
Plant Specific Operations	\$ 2,352,216	\$ 2,036,831
Plant Non-specific Operations	996,386	812,454
Amortization	9,459	9,377
Depreciation	3,778,404	3,298,690
Customer Operations	1,040,698	975,649
Corporate Operations	1,688,485	1,572,668
Income Taxes	588,870	451,800
Miscellaneous Expenses	71,910	71,505
Operating Taxes - Other	56,530	67,620
Total Operating Expenses	\$ 10,582,958	\$ 9,296,594
 OPERATING MARGIN	 \$ 1,197,865	 \$ 1,077,146
 NON-OPERATING INCOME (EXPENSE)		
Dividend Income	\$ 270,297	\$ 167,278
Interest Income	270,279	249,450
Other Non-operating Income	(101,961)	(170,296)
Income (Loss) from Non-regulated Customer Premise Investments	33,267	(95,726)
Polar Cablevision Subsidiary Earnings	(150,231)	(234,437)
Undistributed Earnings from TPC, Inc.	1,013,746	996,300
Non-operating Taxes - Income	(169,380)	424,268
Total Non-operating Income	\$ 1,166,017	\$ 1,336,837
 MARGIN BEFORE INTEREST EXPENSE	 \$ 2,363,882	 \$ 2,413,983
 INTEREST EXPENSE	 1,009,483	 927,502
 NET MARGINS	 \$ 1,354,399	 \$ 1,486,481

See Accompanying Notes to Consolidated Financial Statements

NORTH DAKOTA 527 POLAR  
POLAR COMMUNICATIONS AND SUBSIDIARIES  
CONSOLIDATED STATEMENT OF CHANGES IN EQUITIES  
For the Years Ended December 31, 2003 and 2002

	Patronage Capital	Retained Earnings of Subsidiaries	Equity in Earnings of Affiliated Companies	Accumulated Other Comprehensive Income	Other Equities	Total
BALANCE DECEMBER 31, 2001	\$ 13,434,598	\$ 3,692,661	\$ 5,291,166	\$ 104,640	\$ 394,059	\$ 22,917,124
Comprehensive Income						
Net Margins	(16,762)	506,943	996,300			1,486,481
Unrealized Loss on Marketable Securities, Net of Tax and Reclassification Adjustment				(93,216)		<u>(93,216)</u>
Total Comprehensive Income						\$ 1,393,265
Dividends Received from Affiliated Companies		(500,000)			500,000	
Retirement of Capital Credits	<u>(974,806)</u>				<u>26,550</u>	<u>(948,256)</u>
BALANCE DECEMBER 31, 2002	\$ 12,443,030	\$ 3,699,604	\$ 6,287,466	\$ 11,424	\$ 920,609	\$ 23,362,133
Comprehensive Income						
Net Margins	(42,680)	383,333	1,013,746			1,354,399
Unrealized Loss on Marketable Securities, Net of Tax and Reclassification Adjustment				(23,157)		<u>(23,157)</u>
Total Comprehensive Income						\$ 1,331,242
Retirement of Capital Credits	<u>(892,685)</u>				<u>22,131</u>	<u>(870,554)</u>
BALANCE DECEMBER 31, 2003	<u>\$ 11,507,665</u>	<u>\$ 4,082,937</u>	<u>\$ 7,301,212</u>	<u>\$ (11,733)</u>	<u>\$ 942,740</u>	<u>\$ 23,822,821</u>

	2003	2002
<b>Disclosure of Reclassification Amount</b>		
Unrealized Losses Arising During the Period	\$ (38,596)	\$ (230,216)
Less: Adjustment for Income Tax Effects	<u>15,439</u>	<u>137,000</u>
Net Unrealized Gain (Loss) on Securities	<u>\$ (23,157)</u>	<u>\$ (93,216)</u>

See Accompanying Notes to Consolidated Financial Statements

**I r Communications**  
**Statement of Operations**  
 May 31, 2004

	Current Month	2004
<b>Operating Revenue</b>		
Local Network Service	121,511.82	598,505.56
Network Access and Toll Network	505,497.62	2,646,045.20
Billing and Collection	17,674.36	74,892.30
Miscellaneous	26,566.76	138,925.80
Uncollectible Revenues	0.00	(3,924.66)
<b>Total Operating Revenues</b>	<b>671,250.56</b>	<b>3,454,444.20</b>
<b>Operating Expenses</b>		
Plant Specific	155,219.94	843,080.98
Plant Non-specific	71,242.98	395,755.94
Depreciation/Amortization	228,048.36	1,149,299.36
Customer Operations Expense	38,228.85	271,691.73
Corporate Operations Expense	115,255.56	653,626.09
<b>Total Operating Expenses</b>	<b>607,995.69</b>	<b>3,313,454.10</b>
<b>Taxes</b>	<b>3,930.23</b>	<b>19,789.28</b>
<b>Telephone Operations Margin</b>	<b>59,324.64</b>	<b>121,200.82</b>
<b>Non-Operating Income (Expense)</b>		
Dividend and Interest Income	21,442.18	208,236.73
Other Nonoperating Income	(10,299.05)	149,099.56
Income from Nonreg Activities	10,470.30	20,201.78
<b>Total Non-operating Income</b>	<b>21,613.43</b>	<b>377,538.07</b>
<b>Interest Expense Funded Debt</b>	<b>64,944.17</b>	<b>322,663.64</b>
<b>Net Income</b>	<b>15,993.90</b>	<b>176,075.25</b>

06/14/2004

## Balance Sheet

May 31, 2004

## ASSETS

Cash	\$1,637,364.20
Temporary Investments	136,353.91
Telephone Acct Rec ( Less Reserve)	30,053.65
Other Accounts Receivable	180,039.97
Accounts Receivable - US West	59,453.45
Accounts Receivable - AT&T	136,537.63
Accounts Receivable - NECA	118,137.37
Accounts Receivable - NCRPC	2,150.24
Accounts Receivable - Other Carriers	294,852.59
Notes Receivable	4,964,160.65
Interest Receivable	4.24
Material	1,192,461.52
Prepaid Insurance	<u>140,455.41</u>
	8,892,024.83
Investments in Affiliated Companies	19,511,982.34
Other Investments	<u>408,871.47</u>
	19,920,853.81
Customer Premise Equipment	2,730,909.56
Acc. Deprec. - Customer Premise Equip	(2,434,148.63)
Inventory (Resale)	<u>784,911.15</u>
	1,081,672.08
Deferred Charges	<u>373,256.73</u>
Plant Under Construction	<u>267,199.34</u>
Telephone Plant in Service	38,263,962.66
Acc. Dep. - Telephone Plant in Service	<u>(27,182,896.20)</u>
	11,081,066.46
<b>TOTAL ASSETS</b>	<u><u>\$41,616,073.25</u></u>

## Balance Sheet

May 31, 2004

## LIABILITIES

Accounts Payable	124,759.08
FICA Tax Payable	33,828.64
Federal Income Tax Payable	22,235.29
State Income Tax Payable	9,530.32
Excise Tax Payable	8,486.94
Sales Tax Payable	24,274.06
City Sales Tax Payable	2,359.73
County Sales Tax Payable	426.09
Union Dues Payable	2,095.20
Accts Pay - Qwest	3,443.63
Accts Pay - NECA	261,677.15
	<u>493,116.13</u>
Customer Deposits	<u>250.00</u>
Income Taxes Accrued	16,403.36
Other Taxes Accrued	94,858.34
	<u>111,261.70</u>
Interest Payable - REA Loan	3,322.14
Compensated Absences Payable (Vacation)	250,290.86
Compensated Absences Payable (Sick)	403,184.58
	<u>656,797.58</u>
REA Notes Payable	13,912,901.53
Other Deferred Credits	2,482,746.57
	<u>16,395,648.10</u>
TOTAL LIABILITIES	<u>17,657,073.51</u>
<b>MEMBERS EQUITY</b>	
Unrealized Gain	<u>(11,733.01)</u>
Original Members Equity	<u>55,560.00</u>
Donated Capital	368,897.84
Equity in Subsidiaries	4,700,609.26
Equity in Affiliated Companies	7,183,539.10
Unclaimed Capital Credits	32,908.49
	<u>12,285,954.69</u>
Patronage Capital Credits	<u>11,453,142.81</u>
Year to Date Margins	<u>176,075.25</u>
TOTAL MEMBERS EQUITY	<u>23,958,999.74</u>
<b>TOTAL LIABILITIES AND EQUITY</b>	<u><u>\$41,616,073.25</u></u>

# *State of North Dakota*

## SECRETARY OF STATE



### CERTIFICATE OF GOOD STANDING OF

POLAR COMMUNICATIONS MUTUAL AID CORPORATION

The undersigned, as Secretary of State of the State of North Dakota, hereby certifies that POLAR COMMUNICATIONS MUTUAL AID CORPORATION, a North Dakota COOPERATIVE ASSOCIATION, was incorporated in this office on March 13, 1952 and, according to the records of this office as of this date, has paid all fees due this office as required by North Dakota statutes governing a North Dakota COOPERATIVE ASSOCIATION.

**ACCORDINGLY** the undersigned, as such Secretary of State, and by virtue of the authority vested in him by law, hereby issues this Certificate of Good Standing to

POLAR COMMUNICATIONS MUTUAL AID CORPORATION

Issued: July 15, 2004

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Alvin A. Jaeger  
Secretary of State

NORTH DAKOTA 527 POLAR  
POLAR COMMUNICATIONS AND SUBSIDIARIES  
CONSOLIDATED BALANCE SHEET  
As of December 31, 2003 and 2002

	2003	2002
<b>ASSETS</b>		
<b>CURRENT ASSETS:</b>		
Cash and Cash Equivalents	\$ 4,003,542	\$ 2,993,792
Investment in Marketable Securities - Available for Sale	161,161	199,757
Telecommunications Accounts Receivable (Net)	105,106	187,045
Other Accounts Receivable	963,361	1,137,863
Income Taxes Receivable		157,370
Material and Supplies	2,256,647	2,401,445
Prepayments	<u>94,542</u>	<u>3,365</u>
Total Current Assets	<u>\$ 7,584,359</u>	<u>\$ 7,080,637</u>
<b>INVESTMENTS AND NON-CURRENT ASSETS:</b>		
Investments in Affiliated Companies	\$ 11,076,946	\$ 10,063,200
Investments in Non-affiliated Companies	221,557	214,929
Non-regulated Investment - CATV	2,908,021	2,818,691
Non-regulated Investment - Customer Premise Equipment	384,673	617,668
Intangible Assets	671,938	670,000
Sinking Funds - Deferred Compensation		13,046
Deferred Charges	282,420	238,649
Other Investments	1,515,792	1,518,413
Deferred Taxes	<u>82,679</u>	<u>67,240</u>
Total Investments and Non-current Assets	<u>\$ 17,144,026</u>	<u>\$ 16,221,836</u>
<b>TELECOMMUNICATIONS PLANT:</b>		
In Service	\$ 52,080,761	\$ 49,846,959
Plant Adjustment	1,888,685	1,888,685
Goodwill	395,626	395,626
Under Construction	<u>175,803</u>	<u>336,421</u>
Total Investment in Plant	\$ 54,540,875	\$ 52,467,691
Less Accumulated Depreciation and Amortization	<u>(33,887,854)</u>	<u>(30,691,138)</u>
Net Plant	<u>\$ 20,653,021</u>	<u>\$ 21,776,553</u>
TOTAL ASSETS	<u>\$ 45,381,406</u>	<u>\$ 45,079,026</u>
<b>LIABILITIES AND EQUITIES</b>		
<b>CURRENT LIABILITIES:</b>		
Current Maturities of Long-Term Debt	\$ 1,615,640	\$ 1,542,390
Current Portion of Post Retirement Benefit Obligation	85,000	75,000
Accounts Payable	942,634	1,280,977
Advance Billings and Payments	39,229	39,629
Income Taxes Accrued	145,688	
Other Taxes Accrued	96,374	101,300
Accrued Compensated Absences	596,990	573,099
Accrued Interest	<u>36,158</u>	<u>7,815</u>
Total Current Liabilities	<u>\$ 3,557,713</u>	<u>\$ 3,620,210</u>
LONG-TERM DEBT, NET OF CURRENT MATURITIES	<u>\$ 14,737,805</u>	<u>\$ 15,736,362</u>
<b>DEFERRED CREDITS:</b>		
Deferred Income Taxes	\$ 997,320	\$ 618,720
Deferred Compensation		13,046
Accumulated Provision for Pensions and Benefits	<u>2,265,747</u>	<u>1,728,555</u>
Total Deferred Credits	<u>\$ 3,263,067</u>	<u>\$ 2,360,321</u>
<b>EQUITIES</b>		
Patronage Capital	\$ 11,507,665	\$ 12,443,030
Retained Earnings of Subsidiaries	4,082,937	3,699,604
Equity in Earnings of Affiliated Companies	7,301,212	6,287,466
Other Equities	942,740	920,609
Accumulated other Comprehensive Income	<u>(11,733)</u>	<u>11,424</u>
Total Equities	<u>\$ 23,822,821</u>	<u>\$ 23,362,133</u>
TOTAL LIABILITIES AND EQUITIES	<u>\$ 45,381,406</u>	<u>\$ 45,079,026</u>

See Accompanying Notes to Consolidated Financial Statements

NORTH DAKOTA 527 POLAR  
POLAR COMMUNICATIONS AND SUBSIDIARIES  
CONSOLIDATED STATEMENT OF OPERATIONS  
For the Years Ended December 31, 2003 and 2002

	<u>2003</u>	<u>2002</u>
OPERATING REVENUE		
Local Network Services	\$ 2,100,444	\$ 1,851,019
Network Access Services	9,060,795	8,115,341
Long Distance Network Services	57	843
Billing and Collection	212,222	205,019
Miscellaneous	445,690	427,783
Less Uncollectible Revenue	<u>(38,385)</u>	<u>(226,265)</u>
Total Operating Revenues	<u>\$ 11,780,823</u>	<u>\$ 10,373,740</u>
OPERATING EXPENSES		
Plant Specific Operations	\$ 2,352,216	\$ 2,036,831
Plant Non-specific Operations	996,386	812,454
Amortization	9,459	9,377
Depreciation	3,778,404	3,298,690
Customer Operations	1,040,698	975,649
Corporate Operations	1,688,485	1,572,668
Income Taxes	588,870	451,800
Miscellaneous Expenses	71,910	71,505
Operating Taxes - Other	<u>56,530</u>	<u>67,620</u>
Total Operating Expenses	<u>\$ 10,582,958</u>	<u>\$ 9,296,594</u>
OPERATING MARGIN	<u>\$ 1,197,865</u>	<u>\$ 1,077,146</u>
NON-OPERATING INCOME (EXPENSE)		
Dividend Income	\$ 270,297	\$ 167,278
Interest Income	270,279	249,450
Other Non-operating Income	(101,961)	(170,296)
Income (Loss) from Non-regulated Customer Premise Investments	33,267	(95,726)
Polar Cablevision Subsidiary Earnings	(150,231)	(234,437)
Undistributed Earnings from TPC, Inc.	1,013,746	996,300
Non-operating Taxes - Income	<u>(169,380)</u>	<u>424,268</u>
Total Non-operating Income	<u>\$ 1,166,017</u>	<u>\$ 1,336,837</u>
MARGIN BEFORE INTEREST EXPENSE	\$ 2,363,882	\$ 2,413,983
INTEREST EXPENSE	<u>1,009,483</u>	<u>927,502</u>
NET MARGINS	<u>\$ 1,354,399</u>	<u>\$ 1,486,481</u>

See Accompanying Notes to Consolidated Financial Statements

NORTH DAKOTA 527 POLAR  
POLAR COMMUNICATIONS AND SUBSIDIARIES  
CONSOLIDATED STATEMENT OF CHANGES IN EQUITIES  
For the Years Ended December 31, 2003 and 2002

	Patronage Capital	Retained Earnings of Subsidiaries	Equity in Earnings of Affiliated Companies	Accumulated Other Comprehensive Income	Other Equities	Total
BALANCE DECEMBER 31, 2001	\$ 13,434,598	\$ 3,692,661	\$ 5,291,166	\$ 104,640	\$ 394,059	\$ 22,917,124
Comprehensive Income						
Net Margins	(16,762)	506,943	996,300			1,486,481
Unrealized Loss on Marketable Securities, Net of Tax and Reclassification Adjustment				(93,216)		<u>(93,216)</u>
Total Comprehensive Income						\$ 1,393,265
Dividends Received from Affiliated Companies		(500,000)			500,000	
Retirement of Capital Credits	<u>(974,806)</u>				<u>26,550</u>	<u>(948,256)</u>
BALANCE DECEMBER 31, 2002	\$ 12,443,030	\$ 3,699,604	\$ 6,287,466	\$ 11,424	\$ 920,609	\$ 23,362,133
Comprehensive Income						
Net Margins	(42,680)	383,333	1,013,746			1,354,399
Unrealized Loss on Marketable Securities, Net of Tax and Reclassification Adjustment				(23,157)		<u>(23,157)</u>
Total Comprehensive Income						\$ 1,331,242
Retirement of Capital Credits	<u>(892,685)</u>				<u>22,131</u>	<u>(870,554)</u>
BALANCE DECEMBER 31, 2003	<u>\$ 11,507,665</u>	<u>\$ 4,082,937</u>	<u>\$ 7,301,212</u>	<u>\$ (11,733)</u>	<u>\$ 942,740</u>	<u>\$ 23,822,821</u>

**Disclosure of Reclassification Amount**

Unrealized Losses Arising During the Period  
Less: Adjustment for Income Tax Effects  
Net Unrealized Gain (Loss) on Securities

	2003	2002
	\$ (38,596)	\$ (230,216)
	<u>15,439</u>	<u>137,000</u>
	<u>\$ (23,157)</u>	<u>\$ (93,216)</u>

See Accompanying Notes to Consolidated Financial Statements

**Star Communications**  
**Statement of Operations**  
 May 31, 2004

	<b>Current Month</b>	<b>2004</b>
<b>Operating Revenue</b>		
Local Network Service	121,511.82	598,505.56
Network Access and Toll Network	505,497.62	2,646,045.20
Billing and Collection	17,674.36	74,892.30
Miscellaneous	26,566.76	138,925.80
Uncollectible Revenues	0.00	(3,924.66)
<b>Total Operating Revenues</b>	<b>671,250.56</b>	<b>3,454,444.20</b>
<b>Operating Expenses</b>		
Plant Specific	155,219.94	843,080.98
Plant Non-specific	71,242.98	395,755.94
Depreciation/Amortization	228,048.36	1,149,299.36
Customer Operations Expense	38,228.85	271,691.73
Corporate Operations Expense	115,255.56	653,626.09
<b>Total Operating Expenses</b>	<b>607,995.69</b>	<b>3,313,454.10</b>
<b>Taxes</b>	<b>3,930.23</b>	<b>19,789.28</b>
<b>Telephone Operations Margin</b>	<b>59,324.64</b>	<b>121,200.82</b>
<b>Non-Operating Income (Expense)</b>		
Dividend and Interest Income	21,442.18	208,236.73
Other Nonoperating Income	(10,299.05)	149,099.56
Income from Nonreg Activities	10,470.30	20,201.78
<b>Total Non-operating Income</b>	<b>21,613.43</b>	<b>377,538.07</b>
<b>Interest Expense Funded Debt</b>	<b>64,944.17</b>	<b>322,663.64</b>
<b>Net Income</b>	<b>15,993.90</b>	<b>176,075.25</b>

## Balance Sheet

May 31, 2004

## ASSETS

Cash	\$1,637,364.20
Temporary Investments	136,353.91
Telephone Acct Rec ( Less Reserve)	30,053.65
Other Accounts Receivable	180,039.97
Accounts Receivable - US West	59,453.45
Accounts Receivable - AT&T	136,537.63
Accounts Receivable - NECA	118,137.37
Accounts Receivable - NCRPC	2,150.24
Accounts Receivable - Other Carriers	294,852.59
Notes Receivable	4,964,160.65
Interest Receivable	4.24
Material	1,192,461.52
Prepaid Insurance	140,455.41
	<hr/>
	8,892,024.83
Investments in Affiliated Companies	19,511,982.34
Other Investments	408,871.47
	<hr/>
	19,920,853.81
Customer Premise Equipment	2,730,909.56
Acc. Deprec. - Customer Premise Equip	(2,434,148.63)
Inventory (Resale)	784,911.15
	<hr/>
	1,081,672.08
Deferred Charges	373,256.73
	<hr/>
Plant Under Construction	267,199.34
	<hr/>
Telephone Plant in Service	38,263,962.66
Acc. Dep. - Telephone Plant in Service	(27,182,896.20)
	<hr/>
	11,081,066.46
	<hr/>
<b>TOTAL ASSETS</b>	<b><u><u>\$41,616,073.25</u></u></b>

## Balance Sheet

May 31, 2004

## LIABILITIES

Accounts Payable	124,759.08
FICA Tax Payable	33,828.64
Federal Income Tax Payable	22,235.29
State Income Tax Payable	9,530.32
Excise Tax Payable	8,486.94
Sales Tax Payable	24,274.06
City Sales Tax Payable	2,359.73
County Sales Tax Payable	426.09
Union Dues Payable	2,095.20
Accts Pay - Qwest	3,443.63
Accts Pay - NECA	261,677.15
	<u>493,116.13</u>
Customer Deposits	<u>250.00</u>
Income Taxes Accrued	16,403.36
Other Taxes Accrued	94,858.34
	<u>111,261.70</u>
Interest Payable - REA Loan	3,322.14
Compensated Absences Payable (Vacation)	250,290.86
Compensated Absences Payable (Sick)	403,184.58
	<u>656,797.58</u>
REA Notes Payable	13,912,901.53
Other Deferred Credits	2,482,746.57
	<u>16,395,648.10</u>
TOTAL LIABILITIES	<u>17,657,073.51</u>
<b>MEMBERS EQUITY</b>	
Unrealized Gain	<u>(11,733.01)</u>
Original Members Equity	<u>55,560.00</u>
Donated Capital	368,897.84
Equity in Subsidiaries	4,700,609.26
Equity in Affiliated Companies	7,183,539.10
Unclaimed Capital Credits	32,908.49
	<u>12,285,954.69</u>
Patronage Capital Credits	<u>11,453,142.81</u>
Year to Date Margins	<u>176,075.25</u>
TOTAL MEMBERS EQUITY	<u>23,958,999.74</u>
TOTAL LIABILITIES AND EQUITY	<u><u>\$41,616,073.25</u></u>

1820500  
WOLVERTON TELEPHONE COMPANY  
329 HWY 75  
PO BOX 129  
WOLVERTON MN 56594-0129

1820500

WOLVERTON TELEPHONE COMPANY

329 HWY 75

PO BOX 129

WOLVERTON MN 56594-0129

Code PSC

Type TELECOMMUNICATIONS COMPANIES

Type of change CHANGE OF NAME

Old Name

WOLVERTON TELEPHONE COMPANY

329 HWY 75

PO BOX 129

WOLVERTON MN 56594-0129

New Name

WOLVERTON TELEPHONE COMPANY

329 HWY 75

PO BOX 129

WOLVERTON MN 56594-0129

170204

8/12/98

1820500

SEARCH OF RECORDS REPORT

April 26, 1990

WOLVERTON TELEPHONE COMPANY  
PO Box 129  
Wolverton, MN 56594

The following is the base data on file in the Office of the  
Secretary of State on WOLVERTON TELEPHONE COMPANY

Entity Type: FOREIGN BUSINESS CORPORATION

State of Organization: MN

Current Status: Active

Status Date: 10/30/89

Last Annual Report Filed: 10/30/89

Last Annual Report Year: 89

Registered Agent: SANDRA V. IHLAND

Address: RTE 1 BOX 36  
WAHPETON, ND  
58075

Class:

Number of Shares:

Par:

For Reference: Darcy Schlosser  
Clerk

701-224-4283  
Phone



(9) The names and respective addresses of its directors and officers are:

Name	Office	Street Address	City	State
_____	, Director	_____	_____	_____
_____	, Director	_____	_____	_____
_____	, Director	_____	_____	_____
<u>Millard F. Johnson</u>	, President	<u>P.O. Box 129</u>	<u>Wolverton, MN</u>	<u>56594</u>
<u>Betty K. Johnson</u>	, Vice President	<u>P.O. Box 129</u>	<u>Wolverton, MN</u>	<u>56594</u>
<u>Sandra V. Ihland</u>	, Secretary	<u>RR 1 Box 36</u>	<u>Wahpeton, ND</u>	<u>58075</u>
<u>Sandra V. Ihland</u>	, Treasurer	<u>RR 1 Box 36</u>	<u>Wahpeton, ND</u>	<u>58075</u>

(10) This application is accompanied by a current certificate of good standing duly authenticated by the proper officer of the state or country under the laws of which it is incorporated.

(11) This application is accompanied by a signed consent of the registered agent, together with the filing fee of \$10.

We the undersigned have read the foregoing application and know the contents thereof and verily believe the statements made therein to be true.

Dated: September 29, 19 89

By Millard F. Johnson  
(President or Vice President)

And Sandra V. Ihland  
(Secretary or Assistant Secretary)

Office Use Only

Certificate No. 14859

Filed Oct. 30, 19 89

Receipt No. 14391

Fee: Initial License Fee \$ 75.00  
Filing and Issuing Certificate 40.00  
TOTAL \$115.00

Jim Kusler Filed By \_\_\_\_\_  
Secretary of State



**STATEMENT OF CONSENT TO SERVE AS A REGISTERED AGENT**  
 SECRETARY OF STATE  
 SFN 7974 (02-89)

FILE NO. 14, V59F

**INSTRUCTIONS**

This Statement of Consent is to be filed by both Foreign and Domestic corporations. Print legibly or type.  
 File duplicate originals (two copies both with original signatures).

SEND TO: **Secretary of State**  
**State Capitol**  
**Bismarck, ND 58505**

Filing Fee \$10.00

**IF REGISTERED AGENT IS AN INDIVIDUAL - COMPLETE THIS SECTION**

Name of Registered Agent <i>Sandra V. Ihland</i>	Date <i>9/29/89</i>
For the Corporation of (Use exact corporate name) <i>Wolverton Telephone Company</i>	

I accept the appointment to serve in the capacity of registered agent for the above corporation.

*Sandra V. Ihland*  
 Signature of Registered Agent

**IF REGISTERED AGENT IS A CORPORATION - COMPLETE THIS SECTION**  
 (The incorporating or authorizing corporation cannot serve as its own agent.)

Person Signing Statement	Title	Date
Name of Corporate Registered Agent (Use exact corporate name)		
To Represent the Corporation of (Use exact corporate name)		

On behalf of the corporation named above as Corporate Registered Agent,  
 I accept this appointment to serve in the capacity of registered agent.

\_\_\_\_\_  
 Signed for corporation acting as agent

**SECRETARY OF STATE USE ONLY**

Filing Date *Oct. 30, 1989*

*Jim Kusler*

Secretary of State

BY: *js*

RECEIPT NO: *18391*

RECEIVED  
 OCT 11 '89

# CERTIFICATE OF AUTHORITY

No 14859

DEPARTMENT



OF STATE

## State of North Dakota

TO ALL TO WHOM THESE PRESENTS SHALL COME:

The undersigned, as Secretary of State of the State of North Dakota, hereby certifies that duplicate originals of an Application of

WOLVERTON TELEPHONE COMPANY

for a Certificate of Authority to transact business in this State, duly signed and verified pursuant to the provisions of the North Dakota Century Code, have been received in this office and are found to conform to law.

ACCORDINGLY, the undersigned, as such Secretary of State, and by virtue of the authority vested in him by law, hereby issues this Certificate of Authority to

WOLVERTON TELEPHONE COMPANY

to transact business in this State under the name of

WOLVERTON TELEPHONE COMPANY

and attaches hereto a duplicate original of the Application for such Certificate.

IN TESTIMONY WHEREOF, I have hereunto set my hand and affixed the Great Seal of the State at the Capitol in the City of Bismarck, this 30th..... day of October..... A.D., 1989.....

Handwritten signature of Jim Kusler in cursive.

JIM KUSLER

Secretary of State.

By....., Deputy.

DUPLICATE



**STATE OF NORTH DAKOTA**  
Office of Secretary of State

I hereby certify that this is a true and correct copy, consisting of 4 pages, as taken from the original on file in this office. Originality of this certification can be determined by the color red.

DATED: 4-12-90

A handwritten signature in red ink that reads "Jim Kusler".

Jim Kusler

BY: Darcy Schlosser SECRETARY OF STATE

# Wolverton Telephone Company

A Home Owned Company Organized For Service

Phone (218) 995-2900

P.O. Box 326

Wolverton, Minnesota 56594

March 23, 1990

Mr. Patrick Fahn, Chief Engineer  
Public Utilities Division  
Public Service Commission  
State Capitol  
Bismarck, ND 58505



Dear Mr. Fahn,

Enclosed are copies of our Certificate of Public Convenience and Necessity and also the copies of our Articles of Incorporation and certificate of incorporation.

Sincerely,

*Sandra Inland*  
Sandra Inland

**PUBLIC SERVICE COMMISSION**  
STATE OF NORTH DAKOTA  
**Certificate of Public Convenience and Necessity**

Certificate No. 441

THIS IS TO CERTIFY That public convenience and necessity require, and permission is hereby granted for the \_\_\_\_\_  
Construction and operation \_\_\_\_\_ of \_\_\_\_\_

Telephone \_\_\_\_\_ plant or system/at/ in the Walcott & Christine areas, North Dakota,  
by Wolverton Telephone Company

This certificate is issued in accordance with the report and  
order of this Commission, dated June 26, 1961 in Case No. 6107 and is subject to the  
conditions and limitations noted thereon.

CONDITIONS: This certificate is conditioned upon the said Wolverton Telephone Company  
securing the consent, franchise, permit, ordinance, or other authority of the proper municipal or other public authority for  
the exercise of the rights and privileges granted herein.

\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

Dated at Bismarck, North Dakota, this 28th  
day of June, 19 61

ATTEST:

Elmer Olson  
Secretary.

**PUBLIC SERVICE COMMISSION:**

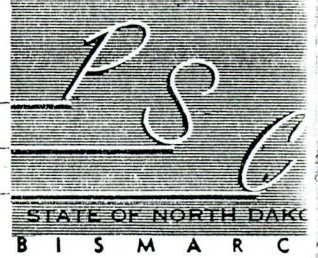
By Martin Vahl  
Commissioner.

EXECUTED IN DUPLICATE



ELMER OLSON  
SECRETARY

PUBLIC  
SERVICE  
COMMISSION



DIAL CA3-8000 EX. 179

July 5, 1961

Mr. Darrel Johnson, President  
Wolverton Telephone Company  
Wolverton, Minnesota

Dear Mr. Johnson:

We now enclose Certificate of Public Convenience  
and Necessity No. 441, Case No. 6107.

Very truly yours,

*Elmer Olson*  
mR

Elmer Olson  
Secretary

EO/mr  
Enc.



**To All To Whom These Presents Shall Come, Greeting:**

**Whereas**, Articles of Incorporation, duly signed and acknowledged under oath, have been filed for record in the office of the Secretary of State, on the --27th-- day of April, A. D. 19 70 for the incorporation of

Wolverton Telephone Company

under and in accordance with the provisions of the Minnesota Business Corporation Act, Minnesota Statutes, Chapter 301;

**Now, Therefore**, I, Joseph L. Donovan, Secretary of State of the State of Minnesota, by virtue of the powers and duties vested in me by law, do hereby certify that the said

Wolverton Telephone Company

is a legally organized Corporation under the laws of this State.



Witness my official signature hereunto subscribed and the Great Seal of the State of Minnesota hereunto affixed this --twenty-seventh-- day of April in the year of our Lord one thousand nine hundred and seventy

*Joseph L. Donovan*  
Secretary of State.

1V-416

ARTICLES OF INCORPORATION  
OF  
WOLVERTON TELEPHONE COMPANY

We, the undersigned incorporators of Wolverton Telephone Company, for the purpose of forming a corporation under and pursuant to the provisions of Chapter 301, Minnesota Statutes, 1953, known as the Minnesota Business Corporation Act, and laws amendatory thereof and supplementary thereto, do hereby associate ourselves as a body corporate and do hereby adopt the following Articles of Incorporation:

ARTICLE I.

The name of this corporation shall be Wolverton Telephone Company.

ARTICLE II.

The purposes of this corporation are as follows:

- (a) To acquire, construct, purchase, rent, own and operate telephone lines and telephone stations.
- (b) To buy, sell, convey, lease, pledge, mortgage, exchange, assign or otherwise acquire, hold and dispose of, handle and otherwise deal in and with real and personal property or any interest therein of whatever name, nature or description, and wherever the same be situated, either within or without the State of Minnesota, and to exercise unlimitedly all rights and powers incident to the acquisition, holding or disposition of such interests; to lend money, credit or property to, guaranty or assume interest in, or contracts or obligations of, and otherwise aid or assist in any other manner corporations, associations and persons; to do all things necessary or desirable to protect or enhance directly or indirectly the value of any interests owned by the corporation or in which it may have any beneficial interest or right;

to borrow money, credit or property, to make contracts, to incur obligations and to secure the same by mortgage or pledge of all or part of its assets or franchises; to act for others in any capacity or manner; to participate with others and to consolidate or merge with other concerns in any business, enterprise or transaction which the company is authorized to engage in, in any manner and on any terms; and to do any and all further acts consistent with the purposes hereinbefore set forth, as now or hereafter authorized by law for a corporation, it being the intention that the enumeration of specific powers shall not operate to limit in any manner the general powers conferred upon corporations by the laws of the State of Minnesota.

- (c) To act for others and to consolidate or merge with other concerns in any business, enterprise or transaction which the company is authorized to engage in, in any manner and upon any terms.
- (d) To acquire by the right of eminent domain such private property as may be necessary or convenient for the transaction of the public business for which it is formed.

ARTICLE III.

The period of duration of this corporation shall be perpetual.

ARTICLE IV.

The location and post office address of the registered office of this corporation in Minnesota is: Wolverton, Minnesota.

ARTICLE V.

Total authorized number of shares which the corporation shall have authority to issue is 4,000 common shares, each having a par value of \$25.00 per share, amounting in the aggregate to \$100,000.00. The Board of Directors shall have authority to accept and reject subscriptions for and to allot shares.

ARTICLE VI.

The amount of stated capital with which this corporation shall begin business shall be \$1,000.00.

ARTICLE VII.

The names, addresses and terms of office of the first directors are as follows:

<u>Name</u>	<u>Address</u>	<u>Term</u>
Millard I. Johnson	Wolverton, Minnesota	1 year
Darrell G. Johnson	Wolverton, Minnesota	1 year
Sandra Ihland	Abercrombie, North Dakota	1 year

ARTICLE VIII.

The names, addresses and terms of office of the incorporators are as follows:

<u>Name</u>	<u>Address</u>	<del><u>Term</u></del>
Millard I. Johnson	Wolverton, Minnesota	<del>1 year</del>
Darrell G. Johnson	Wolverton, Minnesota	<del>1 year</del>
Sandra Ihland	Abercrombie, North Dakota	<del>1 year</del>

ARTICLE IX.

The Board of Directors may from time to time by vote of a majority of its members, make, alter, amend or rescind all or any of the By-Laws of this corporation subject to the power of the shareholders to change or repeal such By-Laws.

ARTICLE X.

The holders of a majority of the outstanding shares shall have the power to authorize the Board of Directors to sell, lease, exchange, or otherwise dispose of all or substantially all of the property and assets of this corporation including its good will, upon such terms and conditions and for such consideration, which may be



124827

OFFICE OF REGISTER OF DEEDS

Wilkin County, Minnesota

I hereby certify that the within instru-  
ment was filed in this office for record

on the 6 day of May

A.D. 1970 at 9 o'clock A.M.

and was duly recorded in Book 223

of Misc. on page 128

Larsen Anderson

By Norma A. Jackson Deputy

Pd  
400  
C. J. Serkland, Atty  
216 First Natl Bk Bldg  
Dodge N. D. 58102

AFFIDAVIT OF PUBLICATION

STATE OF MINNESOTA )  
COUNTY OF WILKIN ) ss.

BOB D. COLLINS

....., being duly sworn, on oath says he is and during all the times herein stated has been the publisher of the newspaper known as The Valley Alert and has full knowledge of the facts herein stated as follows: (1) Said newspaper is printed in the English language in newspaper format and in column and sheet form equivalent in printed space to at least 900 square inches. (2) Said newspaper is a weekly and is distributed at least once each week. (3) Said newspaper has 50 percent of its news columns devoted to news of local interest to the community which it purports to serve and does not wholly duplicate any other publication and is not made up entirely of patents, plate matter and advertisements. (4) Said newspaper is circulated in and near the municipality which it purports to serve, has at least 500 copies regularly delivered to paying subscribers, has an average of at least 75 percent of its total circulation currently paid or no more than three months in arrears and have entry as second-class matter in its local post-office. (5) Said newspaper purports to serve the City of Breckenridge in the County of Wilkin and State of Minnesota, as well as said County, and it has its known office of issue in the City of Breckenridge, in said County, established and open during its regular business hours for the gathering of news, sale of advertisements and sale of subscriptions and maintained by the managing officer of said newspaper or persons in its employ and subject to his direction and control during all such regular business hours and devoted exclusively during such regular business hours to the business of the newspaper and business related thereto. (6) Said newspaper filed a copy of each issue immediately with the State Historical Society. (7) Said newspaper has complied with all the foregoing conditions for at least two years preceding the day or dates of publication mentioned below. (8) Said newspaper has filed with the Secretary of State of Minnesota prior to January 1, 1966, and each January 1 thereafter an affidavit in the form prescribed by the Secretary of State and signed by the managing officer of said newspaper, and sworn to before a notary public stating that the newspaper is a legal newspaper.

He further states on oath that the printed .....

NOTICE OF INCORPORATION

hereto attached as a part hereof was cut from the columns of said newspaper, and was printed and published therein in the English language, once each week, for ONE successive weeks; that it was first so published on Wednesday the 13 day of MAY, 1970 and was thereafter printed and published on every Wednesday to and including Wednesday the ..... day of ....., 19.....

and that the following is a printed copy of the lower case alphabet from A to Z, both inclusive and is hereby acknowledged as being the size and kind of type used in the composition and publication of said notice, to wit:

abcdefghijklmnopqrstuvwxyz

*Bob D. Collins*

Subscribed and sworn to before me this 17 day of MAY, 1970

*NEWELL C. GRANT*

(Notarial Seal)

Notary Public, Wilkin County, Minnesota

My commission expires ..... 19.....

NEWELL C. GRANT  
Notary Public, WILKIN COUNTY, MINN.  
My Commission Expires MAY 3, 1975

**NOTICE OF INCORPORATION.**

Notice is hereby given pursuant to Section 301.06 Minnesota Statutes that the 27th day of April, 1970, a corporation was incorporated under the Minnesota Business Corporation Act named Wolverton Telephone Company. The general nature of the business about to be conducted is to acquire, construct, purchase, rent, own and operate telephone lines and telephone stations, to own real estate, to buy and sell and do all things necessary or incidental to the foregoing purposes. The address of its registered office is Wolverton, Minnesota.

The names and addresses of the incorporators are:

Names	Addresses
Millard I. Johnson	Wolverton, Minnesota
Darrell G. Johnson	Wolverton, Minnesota
Sandra Inland	Abercrombie, North Dakota

The names and addresses of its first Board of Directors are:

Names	Addresses
Millard I. Johnson	Wolverton, Minnesota
Darrell G. Johnson	Wolverton, Minnesota
Sandra Inland	Abercrombie, North Dakota

Dated May 8th, 1970.  
Darrel G. Johnson, Secretary  
Legal No. 5585

Published May 13, 1970 in the Valley Alert

RECORD AND PROOF OF PUBLICATION

St. Paul, Minn. June 1, 1970

Dear Sir:

Received and filed proof of notice of incorporation.  
of Wolverton Telephone Company

File No. 101768

Yours,

JOSEPH L. DONOVAN

Secretary of State

**The Valley Alert** LOCAL DISPLAY (Multiple Insertions)

**INSERTION ORDER**

No. 0096 A

LEAD LINE Wolverton Tele Co SIZE OF AD

ADVERTISER Tennison, Sackland, Lundberg & Erickson ..... 1 COL. X 4 IN. 4 lines

DATES TO RUN 5-13 ..... COL. X ..... LI

POSITION Legals

AGENCY \_\_\_\_\_

BILL TO: 216 1st Nat'l Bank Bldg  CHARGE  COLOR CHARGES

Fargo, ND 58102  PAID  LEGAL NOTICES 385

COOP BILLING FOR \_\_\_\_\_  ENLARGED REDUCTION

ORDER BY mla  PHOTOGRAPHY

**RECEIVED**  
MAY 20 1970  
LUNDBERG & ERICKSON



# Public Service Commission

## State of North Dakota

### COMMISSIONERS

Tony Clark, President  
Susan E. Wefald  
Kevin Cramer

Executive Secretary  
Illona A. Jeffcoat-Sacco

600 E. Boulevard Ave. Dept 408  
Bismarck, North Dakota 58505-0480  
web: [www.psc.state.nd.us](http://www.psc.state.nd.us)  
e-mail: [ndpsc@psc.state.nd.us](mailto:ndpsc@psc.state.nd.us)  
TDD 800-366-6888  
Fax 701-328-2410  
Phone 701-328-2400

July 27, 2004

Don Negaard  
Pringle & Herigstad, P.C.  
Bremer Bank Building  
20 SW 1<sup>st</sup> Street  
P.O. Box 1000  
Minot, ND 58702

Re: Polar Communications Mutual Aid Corporation—Application for Approval of Acquisition of a Certificate of PC&N

Dear Mr. Negaard:

Based on our conversation earlier today, it does not appear that Polar Communications Mutual Aid Corporation (Polar) will need any approval from the Commission for this transaction. It is the Commission staff's understanding that Polar is acquiring all of the corporate stock of Wolverton Telephone Company (Wolverton), but that Wolverton will continue to operate as a wholly owned corporate subsidiary of Polar and will continue to provide service to its customers.

Polar and Wolverton do not have to obtain approval from the Commission for the sale of Wolverton corporate stock to Polar. One of the last actions taken by the North Dakota Legislature in April, 1995, was to amend state law, with an emergency clause, to exempt telecommunications companies from the provisions of N.D.C.C. § 49-04-05. The legislation passed both houses of the legislature and was signed into law by the Governor on April 18, 1995. The result is that no Commission approval is required for the sale of property owned by a telecommunications company, even if the value exceeds \$500,000.

The statutory language is confusing because of the way the Legislature dealt with the law in order to guarantee the finalization of the sale of US WEST exchanges to several rural telephone cooperatives and small telephone companies. The 1995 legislature amended N.D.C.C. § 49-03.1-04 just prior to the Commission's hearing in Case No. PU-314-94-688 involving the sale of U S WEST exchanges to several telephone cooperatives and small telephone companies to facilitate granting of certificates of public convenience and necessity. Another amendment that the legislature made was to N.D.C.C. § 49-21-01.2. That amendment, with an emergency clause, had the effect of exempting U S WEST and other large telecommunications companies from the provisions of N.D.C.C. § 49-04-05.

*C: Comm,  
Illona  
for  
Orig - PUB  
080*

The amendment to N.D.C.C. § 49-04-05 appeared to exclude cooperatives and small companies with less than 8,000 local exchange subscribers from being exempt from N.D.C.C. § 49-04-05, because N.D.C.C. 49-02-01.1, which is the specific statute which limits Commission jurisdiction over the cooperatives and small companies, contains the language which appears to subject them to the authority of the Commission under section 49-04-05. The issue of Commission jurisdiction over sales and mergers of cooperatives and small companies was addressed in Attorney General's Opinion 99-16 issued on December 23, 1999. The Attorney General determined that the 1995 amendments to N.D.C.C. § 49-21-01.2 removed jurisdiction of the Commission under N.D.C.C. § 49-04-05 to review the sale or merger of all telecommunications companies, including telephone cooperatives and small telecommunications companies. A copy of the Attorney General's Opinion is enclosed.

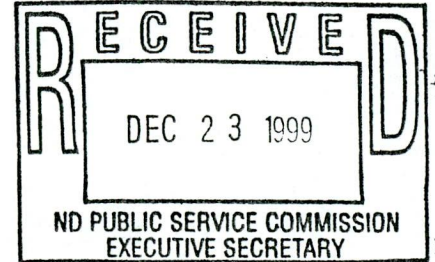
Polar is not required to obtain a new certificate of public convenience and necessity because Wolverton will continue to operate as the same corporate entity and will continue to provide service to the same customers in the same exchanges. The only change will be the ownership of the Wolverton corporate stock.

Please call me if you have any questions.

Sincerely,

A handwritten signature in cursive script, appearing to read "William W. Binek".

William W. Binek  
Chief Counsel



STATE OF NORTH DAKOTA  
ATTORNEY GENERAL'S OPINION 99-16

Date issued: December 23, 1999

Requested by: Bruce Hagen, President, North Dakota Public Service Commission

- QUESTION PRESENTED -

Whether the 1995 amendments to N.D.C.C. § 49-21-01.2 removed the jurisdiction of the Public Service Commission under N.D.C.C. § 49-04-05 to review the sale or merger of telephone cooperatives and small telecommunications companies with fewer than 8,000 local exchange subscribers.

- ATTORNEY GENERAL'S OPINION -

It is my opinion that the 1995 amendments to N.D.C.C. § 49-21-01.2 removed the jurisdiction of the Public Service Commission under N.D.C.C. § 49-04-05 to review the sale or merger of all telecommunications companies, including telephone cooperatives and small telecommunications companies with less than 8,000 local exchange subscribers.

- ANALYSIS -

Although the Public Service Commission (PSC) is a constitutional office, its powers are prescribed by law. N.D. Const. art. V, § 2. The North Dakota Supreme Court has repeatedly held that the PSC has only the powers and duties conferred on it by the Legislature. Capital Elec. Co-op., Inc. v. Public Service Comm'n, 534 N.W.2d 587 (N.D. 1995); Cass County Elec. Coop., Inc. v. Northern States Power Co., 518 N.W.2d 216 (N.D. 1994).

[The PSC] can initiate no public policies of its own. It can act in no field which the Legislature has not authorized it to enter.

Grafton v. Otter Tail Power Co., 86 N.W.2d 197, 202 (N.D. 1957). In discussing the PSC's authority to review sales and mergers of public utilities, the North Dakota Supreme Court has observed that the PSC "has only such powers, in the regulation of public utilities, as have been conferred upon it by the Legislature." Otter Tail Power Co. v. Clark, 229 N.W. 915, 919 (N.D. 1930).

Under these decisions, a review of the extent of the PSC's regulatory authority must take place in the context of the PSC exercising its statutory powers. C.f. Montana Dakota Utilities v. Public Service Comm'n, 847 P.2d 978 (Wyo. 1993).

Although this court cannot usurp the legislative function delegated to PSC, when we review that agency's exercise of its statutory powers we must keep in mind that as a regulatory agency PSC "has no inherent or common-law powers. Stated in another manner, an administrative body has only the power and authority granted by the constitution or statutes creating the same. Such statutes must be strictly construed or 'any reasonable doubt of existence of any power must be resolved against the exercise thereof. A doubtful power does not exist.'"

Id. at 983 (citations omitted).

N.D.C.C. ch. 49-21 is the chapter of the code specifically pertaining to telecommunications companies. In that chapter, telecommunications companies are expressly made exempt from several chapters of the code relating to public utilities in general, including N.D.C.C. ch. 49-04. N.D.C.C. § 49-21-01.2. N.D.C.C. § 49-04-05 requires prior approval by the PSC before a public utility may "dispose of, encumber, merge, or consolidate its franchise, works, or system necessary or useful in the performance of its duties to the public," with certain exceptions.<sup>1</sup>

The definition of "telecommunications company" as used in N.D.C.C. ch. 49-21 refers to any "person" engaged in furnishing telecommunications services in this state. N.D.C.C. § 49-21-01(19). The term "person" would apply equally to investor-owned companies and telephone cooperatives. See N.D.C.C. § 1-01-49(8); N.D.C.C. chs. 10-15, 10-19.1. Thus, under the plain language of N.D.C.C. § 49-21-01.2, the PSC has no jurisdiction under N.D.C.C. § 49-04-05 to review a merger or sale of a telecommunications company, regardless of whether the company is a for-profit stock corporation or a cooperative.

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<sup>1</sup> This opinion does not address the separate authority of the PSC to grant a certificate of public convenience and necessity based on the statutory factors specifically listed in N.D.C.C. § 49-03.1-04.

One could argue that, notwithstanding the clear language in N.D.C.C. § 49-21-01.2, N.D.C.C. § 49-02-01.1 gives the PSC authority under N.D.C.C. § 49-04-05 to review sales and mergers by telephone cooperatives and other telecommunications companies with less than 8,000 local exchange subscribers. The specific language in N.D.C.C. § 49-02-01.1 states: "Nothing in this section limits the authority of the commission under . . . section 49-04-05." (Emphasis added). This is not an affirmative grant of authority to the PSC, but rather is a statement removing any negative inference that the preceding language in that section removed PSC authority over the listed organizations. The phrase "[n]othing in this section" in the above-quoted sentence further indicates it has no effect on limits to the PSC's authority which may be located in other sections of the North Dakota Century Code. Thus, there is no conflict between the restrictive language in the last sentence of N.D.C.C. § 49-02-01.1 and the clear exemption in N.D.C.C. § 49-21-01.2.

To the extent a conflict exists between N.D.C.C. §§ 49-02-01.1 and 49-21-01.2 regarding the PSC's jurisdiction over mergers and sales of telephone cooperatives under N.D.C.C. § 49-04-05, the rules governing statutory conflicts resolve that conflict against the PSC's jurisdiction. See generally N.D.C.C. § 1-02-39.

Until 1995, all telecommunications companies were required to obtain approval from the PSC of any sale or merger. In response to comments regarding the pending sale of several telephone exchanges currently owned by a large investor-owned telecommunications company, a legislative conference committee adopted, and the Legislative Assembly ultimately approved, the following amendment to N.D.C.C. § 49-21-01.2:

Except as provided for in this chapter and section 49-02-01.1, 49-02-21, 49-02-22, and 49-04-02.2, and ~~49-04-05,~~ telecommunications companies and all telecommunications services are exempt from the provisions of chapters 49-2, 49-04, 49-05, and 49-06. . . .

1995 N.D. Sess. Laws ch. 30, § 5.

The legislative history of the 1995 amendments to N.D.C.C. § 49-21-01.2 is directly on point for this question. The written testimony of Illona Jeffcoat-Sacco, Public Utilities Director for the PSC, clearly expresses her opinion that the proposed amendment to N.D.C.C. § 49-21-01.2 could be interpreted to "override 49-02-01.1." She further observed that if the amendment does not "override" N.D.C.C. § 49-02-01.1, then cooperatives will be subject to regulation when the larger investor-owned companies would not. Unfortunately, although the differing interpretations were squarely

presented to the conference committee members, the committee and Legislative Assembly did not take any action to remove the ambiguity.

Legislative approval of the amendments may indicate approval of the distinction between large investor-owned telecommunications companies and telephone cooperatives and small companies. However, an equally strong argument may be made that legislative approval of the amendments, particularly by the legislators who were not members of the conference committee before whom the ambiguity was raised, indicates support for the plain meaning of the amendments to N.D.C.C. § 49-21-01.2: the PSC is no longer authorized to review the sale or merger of any telecommunications company, including a cooperative. One can only speculate on the intent of the committee members or the full Legislature regarding the 1995 amendments.

Other rules of statutory construction are equally unhelpful. N.D.C.C. § 49-02-01.1 specifically applies to cooperatives, but applies to public utilities in general. N.D.C.C. § 49-21-01.2 specifically applies to all telecommunications services, but applies to all companies equally. The question of which statute is specific and which is general depends on whether you first approach the question from the nature of the public utility or the form of business. Since the 1995 amendment to N.D.C.C. § 49-21-01.2 was the last pertinent amendment to either section, this factor slightly favors relying on the plain language of that section, but the ambiguous legislative history of the amendments does not give much weight to the timing of the amendment.

Deference is given to an agency interpretation of its statutes, but only if such interpretation is longstanding and consistent with the plain language of the statutes. Peterson v. Heitkamp, 442 N.W.2d 219 (N.D. 1989). Here, the amendments are only four years old and appear to be clear and unambiguous.

Statutes are also construed, when possible, to give meaning to every word and phrase. Here, interpreting N.D.C.C. § 49-21-01.2 as precluding PSC jurisdiction over sales and mergers of telecommunications companies does not render meaningless the last sentence of N.D.C.C. § 49-02-01.1, because that sentence would continue to apply to other utility cooperatives or small companies. On the other hand, interpreting N.D.C.C. § 49-21-01.2 as not applying to telephone cooperatives and other small telecommunications companies would add a qualification to the plain language of the statute which is not found in its text. Statutes are interpreted based on their plain language and not on what a person thinks the Legislature meant to say. See N.D.C.C. § 1-02-05 (plain language is not to be disregarded under a pretext of pursuing the spirit of a statute).

As stated earlier, there does not appear to be a conflict between N.D.C.C. §§ 49-02-01.1 and 49-21-01.2 over the application of N.D.C.C. § 49-04-05. However, assuming a conflict exists, the persuasive rule of statutory construction, in my opinion, is that statutes are construed to avoid constitutional conflicts. N.D.C.C. § 1-02-38(1); McCabe v. North Dakota Workers Compensation Bureau, 567 N.W.2d 201 (N.D. 1997).

The interpretation of the relevant statutes urged by the Bureau in this case would raise significant constitutional conflicts. This case presents ambiguous statutes capable of two different constructions, one of doubtful constitutional validity. Accordingly, we adopt the construction that does not raise constitutional conflicts.

McCabe, 567 N.W.2d at 205.

Serious equal protection concerns arise if the statutes cited above are interpreted to give the PSC jurisdiction over the sale or merger of telephone cooperatives and other small telecommunications companies but not large investor-owned telecommunications companies. See also N.D. Const. art. IV, § 13 (the legislative assembly shall not enact special laws). To avoid a constitutional challenge to N.D.C.C. § 49-21-01.2, it must be construed to exempt sales and mergers by telephone cooperatives and other small telecommunications companies from PSC oversight just as the statute exempts sales and mergers by an investor-owned company with more than 8,000 local exchange subscribers.

It is understandable to be concerned with removing the sales and mergers of telecommunications companies from governmental oversight. As one member of the conference committee observed, "telephone service is an essential part of our society today." Conference Committee Hearing on S. 2008 54<sup>th</sup> N.D. Leg. (April 5, 1995) (statement of Representative Tollefson). One of the members of the PSC warned the committee that the amendments being considered "relate not only to this particular case, but affect the way the Commission will be able to approach all future sales of telephone exchanges." Id. (Written testimony of Susan Wefald). Nevertheless, the wisdom of removing sales and mergers of telecommunications companies, including cooperatives, from the PSC's jurisdiction is a matter of public policy which is left to the Legislative Assembly under the North Dakota Constitution.

ATTORNEY GENERAL'S OPINION 99-16

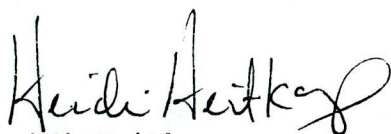
December 23, 1999

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In conclusion, it is my opinion that the 1995 amendments to N.D.C.C. § 49-21-01.2 removed the jurisdiction of the PSC under N.D.C.C. § 49-04-05 to review the sale or merger of all telecommunications companies, including telephone cooperatives and small telecommunications companies with less than 8,000 local exchange subscribers.

- EFFECT -

This opinion is issued pursuant to N.D.C.C. § 54-12-01. It governs the actions of public officials until such time as the question presented decided by the courts.



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Attorney General

Assisted by: James C. Fleming  
Assistant Attorney General

vkk



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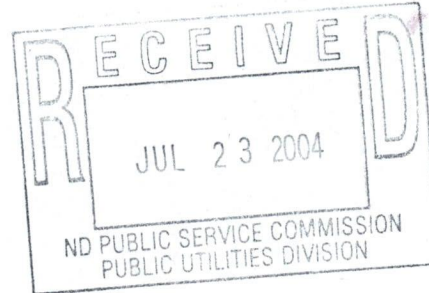
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July 22, 2004

Illona A. Jeffcoat-Sacco, Executive Secretary  
PUBLIC SERVICE COMMISSION  
600 East Boulevard Avenue, Department 408  
Bismarck, ND 58505-0480

**POLAR COMMUNICATIONS MUTUAL AID CORPORATION—APPLICATION FOR APPROVAL OF ACQUISITION OF A CERTIFICATE OF PC&N**

Enclosed for filing are an original and seven copies of an Application of Polar Communications Mutual Aid Corporation for Approval of Acquisition of a Certificate of Public Convenience and Necessity together with the following attachments:

1. Certificate of Good Standing issued July 15, 2004.
2. Financial Statement as of December 31, 2003, and 2002, including Statement of Operations and Balance Sheet dated May 31, 2004.

  
Don Negaard

jt

Enclosures

cc/enc: Polar Communications Mutual Aid Corporation, Attention Dave Dunning

**STATE OF NORTH DAKOTA**  
**PUBLIC SERVICE COMMISSION**

**Application of Polar Communications  
Mutual Aid Corporation for Approval of  
the Acquisition of a Certificate of Public  
Convenience and Necessity**

**Case No. PU-\_\_\_\_\_**

**APPLICATION**

I.

Polar Communications Mutual Aid Corporation (hereinafter "Polar"), a North Dakota cooperative, under Certificates of Public Convenience and Necessity issued by the North Dakota Public Service Commission (hereinafter the "Commission"), is engaged in the business of providing local exchange telecommunications service, exchange access, and other telecommunications activities in the following exchanges, which shall hereinafter be collectively referred to as the "Polar Service Area." Polar is certificated to provide telecommunications service in Pembina, Walsh, Grand Forks, Traill, Cass, Cavalier, Ramsey, Nelson, Steele, and Griggs Counties of North Dakota and in the following exchange areas in these counties:

Exchange Prefix/Name

326	Aneta	993	Edinburg	259	Michigan
967	Arthur	966	Fairdale	886	Neché
655	Brocket	488	Galesburg	949	Nekoma
265	Cavalier	894	Hoople	397	Niagara
657	Crystal	874	Hunter	284	Park River
384	Dahlen	865	Inkster	345	Petersburg
454	Drayton	593	Lankin	257	St. Thomas

II.

Wolverton Telephone Company (hereinafter "Wolverton"), a Minnesota corporation, under a Certificate of Public Convenience and Necessity, No. 441, issued by the Commission, is engaged in the business of providing local exchange telecommunications service, exchange access, and other telecommunications services in the following exchanges: Christine, prefix 998, and Walcott, prefix 469. Wolverton has approximately 331 access lines in these exchanges.

### III.

On June 9, 2004, Polar and Wolverton, along with Wolverton's owners, Matt Ihland and Paul Ihland (herein "Owners"), entered into a purchase agreement for the purchase and sale of Wolverton's stock and its current assets and facilities relating to the provision of local exchange telecommunications service, exchange access, and other telecommunications services in the Christine and Walcott exchanges. As of the closing date of said transaction (anticipated for October 1, 2004) (hereinafter the "Closing Date"), the Owners of Wolverton intend to transfer all shares of stock and ownership in Wolverton to Polar. Polar intends to continue operating Wolverton as a wholly owned subsidiary of Polar, providing basic telephone service, dial-up internet, digital subscriber line (DSL), and any services currently provided by Wolverton.

### IV.

Wolverton has been designated by the Commission as an eligible telecommunications carrier to receive universal service support under sections 214 and 254 of the Federal Communications Act of 1934, as amended by the Federal Telecommunications Act of 1996 (hereinafter the "1996 Act"). Wolverton's eligible telecommunications carrier designated geographical service area for the purpose of determining universal service obligations and support mechanisms under the 1996 Act is currently the Wolverton Service Area.

### V.

All subscribers served by Wolverton in the Christine and Walcott exchanges prior to the Closing Date will be served by Wolverton, as a subsidiary of Polar, beginning on the Closing Date. Wolverton/Polar intends to charge the same rates for basic local service in the Christine and Walcott exchanges as Wolverton is currently charging its subscribers in these exchanges.

### VI.

There is a clear need for continuing quality telecommunications services in these exchanges. The transfer of ownership of Wolverton and its Certificate of Public Convenience and Necessity will have no effect on other public utilities providing similar services, as there are no other public utilities providing similar services in the two exchanges. Polar, having served approximately 8,500 access lines in 21 North Dakota exchanges for the past 52 years, has demonstrated that it has the technical, financial, and managerial fitness and ability to provide adequate essential and nonessential telecommunications services in the Christine and Walcott exchanges. The technical fitness and ability of Polar to provide services in the Christine and Walcott exchanges will be enhanced and facilitated by Polar's purchase of Wolverton that is currently providing

such services in the Christine and Walcott exchanges. The provision of adequate essential and nonessential telecommunications service in the two exchanges will be facilitated and supported by the full current technical and financial capabilities of Polar.

VII.

Beginning on the Closing Date, Wolverton will still offer all services that are supported by federal universal service support mechanisms under section 254(c) of the 1996 Act and 47 C.F.R. subsections 54.101 and 54.401, using a combination of its own facilities and resale of other carriers' services, and will advertise the availability of such services and the charges therefore using media of general distribution, throughout the two Wolverton exchanges.

VIII.

The Commission has authority under N.D. Cent. Code sections 49-02-01.1, 49-04-05, and 49-04-06 to act upon applications dealing with transfers of Certificates of Public Convenience and Necessity.

IX.

WHEREFORE, Polar hereby applies to approve its acquisition of Wolverton and public convenience and necessity effective as of the Closing Date, pursuant to N.D.A.C. section 69-09-05-11.

X.

WHEREFORE, Polar hereby applies to the Commission, pursuant to N.D. Cent. Code Chapter 49-03.1 and section 49-04-06 and N.D.A.C. section 69-09-05-11, for a transfer of the ownership of Wolverton which owns a Certificate of Public Convenience and Necessity for the Christine and Walcott exchanges, effective as of the Closing Date.

XI.

WHEREFORE, pursuant to N.D. Cent. Code section 49-04-06, Applicant requests that the Commission grant the above-requested relief without a hearing, if no interested party has requested a hearing on this application after receiving at least twenty (20) days' notice of opportunity to request such a hearing.

Dated this 22nd day of July, 2004.

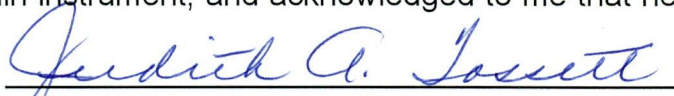
PRINGLE & HERIGSTAD, P.C.



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(701) 852-0381

STATE OF NORTH DAKOTA    )  
  ) ss.  
COUNTY OF WARD            )

On this 22nd day of July, 2004, before me, a Notary Public in and for said County and State, personally appeared DON NEGAARD, known to me to be the person who is described in and who executed the within instrument, and acknowledged to me that he executed the same.



Judith A. Tossett, Notary Public  
For the State of North Dakota  
My commission expires: 01-08-10

