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June 30, 2014

Darrell Nitschke
North Dakota Public Service Commission
600 E. Boulevard, Dept. 408
Bismarck, ND 58505-0480



Re: In the Matter of the Request of Venture Communications Cooperative
For Certification Regarding its Use of Federal Universal Service Support

Dear Mr. Nitschke,

Enclosed for filing in the above referenced Docket is a copy of Venture Communications' "Form 481 Report" (Confidential Exhibit C-1 and Exhibit C-2). This Report has been filed with USAC, with the FCC, and the South Dakota Public Utilities Commission, pursuant to 47 C.F.R. § 54.313. This Form 481 Report is supplied to the North Dakota Public Service Commission in accord with the provisions of 47 C.F.R. §54.313(i).

Please note that some of the information included in the completed Form 481 Report is confidential and proprietary. The confidential information has been redacted from the Form 481 Report and is being filed separately as a confidential filing, not available to the public.

Sincerely yours,

RITER, ROGERS, WATTIER &
NORTHRUP, LLC

By: *Darla Pollman Rogers*
Darla Pollman Rogers

DPR-cd
Enclosures

2

PU-14-397 Filed: 6/30/2014 Pages: 78
Copy of FCC 47CFR Sect. 54.313 Annual Report

Venture Communications Cooperative

Robert C. Riter, Jr
Margo D. Northrup

Darla Pollman Rogers
Lindsey Riter-Rapp
Robert D. Hofer, Of Counsel

Jerry L. Wattier
Thomas Hart, Associate

Confidential
Exhibit C-1

<010>	Study Area Code	391680
<015>	Study Area Name	VENTURE COMM. COOP
<020>	Program Year	2015
<030>	Contact Name: Person USAC should contact with questions about this data	Janelle Jessen
<035>	Contact Telephone Number: Number of the person identified in data line <030>	6058522224 ext.
<039>	Contact Email Address: Email of the person identified in data line <030>	janellej@venture.coop

ANNUAL REPORTING FOR ALL CARRIERS	54.313 Completion Required	54.422 Completion Required
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			(check box when complete)	
<100>	Service Quality Improvement Reporting <i>(complete attached worksheet)</i>		<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
<200>	Outage Reporting (voice) <i>(complete attached worksheet)</i>		<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
<210>	<input checked="" type="checkbox"/> ← check box if no outages to report Unfulfilled Service Requests (voice)	0	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
<310>	Detail on Attempts (voice)		<input type="checkbox"/>	<input checked="" type="checkbox"/>
<i>(attach descriptive document)</i>				
<320>	Unfulfilled Service Requests (broadband)	0	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
<330>	Detail on Attempts (broadband)		<input type="checkbox"/>	<input checked="" type="checkbox"/>
<i>(attach descriptive document)</i>				
<400>	Number of Complaints per 1,000 customers (voice)		<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
<410>	Fixed	1.0	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
<420>	Mobile	0.0	<input type="checkbox"/>	<input type="checkbox"/>
<430>	Number of Complaints per 1,000 customers (broadband)		<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
<440>	Fixed	1.0	<input type="checkbox"/>	<input type="checkbox"/>
<450>	Mobile	0.0	<input type="checkbox"/>	<input type="checkbox"/>
<500>	Service Quality Standards & Consumer Protection Rules Compliance <i>(check to indicate certification)</i>		<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
<510>	Line 510-FCC Form 481 - Venture.pdf		<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
<i>(attached descriptive document)</i>				
<600>	Functionality in Emergency Situations <i>(check to indicate certification)</i>		<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
<610>	Line 610-FCC Form 481 - Venture.pdf		<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
<i>(attached descriptive document)</i>				
<700>	Company Price Offerings (voice) <i>(complete attached worksheet)</i>		<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
<710>	Company Price Offerings (broadband) <i>(complete attached worksheet)</i>		<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
<800>	Operating Companies and Affiliates <i>(complete attached worksheet)</i>		<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
<900>	Tribal Land Offerings (Y/N)? <input checked="" type="radio"/> <input type="radio"/> <i>(if yes, complete attached worksheet)</i>		<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
<1000>	Voice Services Rate Comparability <i>(check to indicate certification)</i>		<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
<1010>			<input type="checkbox"/>	<input checked="" type="checkbox"/>
<i>(attach descriptive document)</i>				
<1100>	Terrestrial Backhaul (Y/N)? <input checked="" type="radio"/> <input type="radio"/> <i>(if not, check to indicate certification)</i>		<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
<1110>	<i>(complete attached worksheet)</i>		<input type="checkbox"/>	<input checked="" type="checkbox"/>
<1200>	Terms and Condition for Lifeline Customers <i>(complete attached worksheet)</i>		<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>

Price Cap Carriers, Proceed to Price Cap Additional Documentation Worksheet

Including Rate-of-Return Carriers affiliated with Price Cap Local Exchange Carriers

<2000>	<i>(check to indicate certification)</i>		<input type="checkbox"/>	<input checked="" type="checkbox"/>
<2005>	<i>(complete attached worksheet)</i>		<input type="checkbox"/>	<input checked="" type="checkbox"/>
Rate of Return Carriers, Proceed to ROR Additional Documentation Worksheet				
<3000>	<i>(check to indicate certification)</i>		<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
<3005>	<i>(complete attached worksheet)</i>		<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>

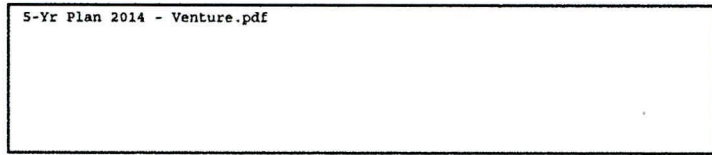
(100) Service Quality Improvement Reporting Data Collection Form	FCC Form 481 OMB Control No. 3060-0986/OMB Control No. 3060-0819 July 2013
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<010>	Study Area Code	391680
<015>	Study Area Name	VENTURE COMM. COOP
<020>	Program Year	2015
<030>	Contact Name - Person USAC should contact regarding this data	Janelle Jessen
<035>	Contact Telephone Number - Number of person identified in data line <030>	6058522224 ext.
<039>	Contact Email Address - Email Address of person identified in data line <030>	janellej@venture.coop

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

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

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



Name of Attached Document

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

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

**(900) Tribal Lands Reporting
Data Collection Form**

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

<010> Study Area Code 391680
 <015> Study Area Name VENTURE COMM. COOP
 <020> Program Year 2015
 <030> Contact Name - Person USAC should contact regarding this data Janelle Jessen
 <035> Contact Telephone Number - Number of person identified in data line <030> 6058522224 ext.
 <039> Contact Email Address - Email Address of person identified in data line <030> janellej@venture.coop

<910> Tribal Land(s) on which ETC Serves

Sisseton Wahpeton Oyate ("SWO") Tribe
Crow Creek Sioux Tribe

<920> Tribal Government Engagement Obligation

Tribal engagement.pdf

Name of Attached Document

If your company serves Tribal lands, please select (Yes, No, NA) for each these boxes to confirm the status described on the attached document(s), on line 920, demonstrates coordination with the Tribal government pursuant to § 54.313(a)(9) includes:

- <921> Needs assessment and deployment planning with a focus on Tribal community anchor institutions.
- <922> Feasibility and sustainability planning;
- <923> Marketing services in a culturally sensitive manner;
- <924> Compliance with Rights of way processes
- <925> Compliance with Land Use permitting requirements
- <926> Compliance with Facilities Siting rules
- <927> Compliance with Environmental Review processes
- <928> Compliance with Cultural Preservation review processes
- <929> Compliance with Tribal Business and Licensing requirements.

Select (Yes, No, NA)
Yes
Yes
Yes
Yes
Yes
Yes
Yes
Yes

**(1100) No Terrestrial Backhaul Reporting
Data Collection Form**

FCG Form 481

OMB Control No. 3060-0986/OMB Control No. 3060-0819

July 2013

<010>	Study Area Code	391680
<015>	Study Area Name	VENTURE COMM. COOP
<020>	Program Year	2015
<030>	Contact Name - Person USAC should contact regarding this data	Janelle Jessen
<035>	Contact Telephone Number - Number of person identified in data line <030>	6058522224 ext.
<039>	Contact Email Address - Email Address of person identified in data line <030>	janellej@venture.coop

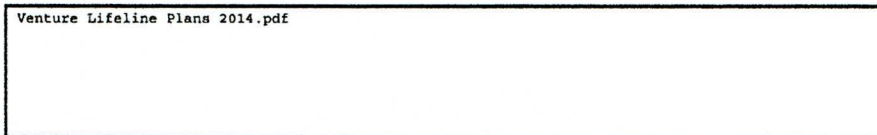
<1120> Please check this box to confirm no terrestrial backhaul options exist within the supported area pursuant to § 54.313(G)

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

(1200) Terms and Condition for Lifeline Customers Lifeline Data Collection Form	FCC Form 481 OMB Control No. 3060-0986/OMB Control No. 3060-0819 July 2013
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<010>	Study Area Code	391680
<015>	Study Area Name	VENTURE COMM. COOP
<020>	Program Year	2015
<030>	Contact Name - Person USAC should contact regarding this data	Janelle Jessen
<035>	Contact Telephone Number - Number of person identified in data line <030>	6058522224 ext.
<039>	Contact Email Address - Email Address of person identified in data line <030>	janellej@venture.coop

<1210> Terms & Conditions of Voice Telephony Lifeline Plans



Name of Attached Document

<1220> Link to Public Website

HTTP

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

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

(2000) Price Cap Carrier Additional Documentation Data Collection Form <i>Including Rate-of-Return Carriers affiliated with Price Cap Local Exchange Carriers</i>	FCC Form 481 OMB Control No. 3060-0986/OMB Control No. 3060-0819 July 2013
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<010>	Study Area Code	391680
<015>	Study Area Name	VENTURE COMM. COOP
<020>	Program Year	2015
<030>	Contact Name - Person USAC should contact regarding this data	Janelle Jessen
<035>	Contact Telephone Number - Number of person identified in data line <030>	605652224 ext.
<039>	Contact Email Address - Email Address of person identified in data line <030>	janellej@venture.coop

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

- Incremental Connect America Phase I reporting**
 - <2010> 2nd Year Certification {47 CFR § 54.313(b)(1)}
 - <2011> 3rd Year Certification {47 CFR § 54.313(b)(2)}
- Price Cap Carrier Receiving Frozen Support Certification {47 CFR § 54.312(a)}**
 - <2012> 2013 Frozen Support Certification
 - <2013> 2014 Frozen Support Certification
 - <2014> 2015 Frozen Support Certification
 - <2015> 2016 and future Frozen Support Certification
- Price Cap Carrier Connect America ICC Support {47 CFR § 54.313(d)}**
 - <2016> Certification Support Used to Build Broadband
- Connect America Phase II Reporting {47 CFR § 54.313(e)}**
 - <2017> 3rd year Broadband Service Certification
 - <2018> 5th year Broadband Service Certification
 - <2019> Interim Progress Certification
 - <2020> Please check the box to confirm that the attached document(s), on line 2021, contains the required information pursuant to § 54.313 (e)(3)(ii), as a recipient of CAF Phase II support shall provide the number, names, and addresses of community anchor institutions to which began providing access to broadband service in the preceding calendar year.
- <2021> Interim Progress Community Anchor Institutions

Name of Attached Document Listing Required Information

(3000) Rate Of Return Carrier Additional Documentation FCC Form 481
Data Collection Form OMB Control No. 3060-0985/OMB Control No. 3060-0819
July 2013

<010> Study Area Code 391680
 <015> Study Area Name VENTURE COMM. COOP
 <020> Program Year 2015
 <030> Contact Name - Person USAC should contact regarding this data Janelle Jeggen
 <035> Contact Telephone Number - Number of person identified in data line <030> 6058522224 ext.
 <039> Contact Email Address - Email Address of person identified in data line <030> janelle@venture.coop

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

(3010) Progress Report on 5 Year Plan Milestone Certification (47 CFR § 54.313(f)(1)(i))
 Name of Attached Document Listing Required Information

(3011) Please check this box to confirm that the attached document(s), on line 3012 contains the required information pursuant to § 54.313 (f)(1)(ii), the carrier shall provide the number, names, and addresses of community anchor institutions to which began providing access to broadband service in the preceding calendar year.

(3012) Community Anchor Institutions (47 CFR § 54.313(f)(1)(ii))
 Name of Attached Document Listing Required Information

(3013) Is your company a Privately Held ROR Carrier (47 CFR § 54.313(f)(2)) (Yes/No) Yes No
 (3014) If yes, does your company file the RUS annual report (Yes/No) Yes No

Please check these boxes to confirm that the attached document(s), on line 3017, contains the required information pursuant to § 54.313(f)(2) compliance requires:

(3015) Electronic copy of their annual RUS reports (Operating Report for Telecommunications Borrowers)
 (3016) Document(s) for Balance Sheet, Income Statement and Statement of Cash Flows

(3017) If the response is yes on line 3014, attach your company's RUS annual report and all required documentation
 Name of Attached Document Listing Required Information

(3018) If the response is no on line 3014, is your company audited? (Yes/No) Yes No

If the response is yes on line 3018, please check the boxes below to confirm your submission, on line 3026 pursuant to § 54.313(f)(2), contains:
 (3019) Either a copy of their audited financial statement; or (2) a financial report in a format comparable to RUS Operating Report for Telecommunications

(3020) Document(s) for Balance Sheet, Income Statement and Statement of Cash Flows

(3021) Management letter issued by the independent certified public accountant that performed the company's financial audit.

If the response is no on line 3018, please check the boxes below to confirm your submission, on line 3026 pursuant to § 54.313(f)(2), contains:

(3022) Copy of their financial statement which has been subject to review by an independent certified public accountant; or (2) a financial report in a format comparable to RUS Operating Report for Telecommunications Borrowers,

(3023) Underlying information subjected to a review by an independent certified public accountant

(3024) Underlying information subjected to an officer certification.

(3025) Document(s) for Balance Sheet, Income Statement and Statement of Cash Flows

(3026) Attach the worksheet listing required information
 Name of Attached Document Listing Required Information

Certification - Reporting Carrier Data Collection Form	FCC Form 481 OMB Control No. 3060-0986/OMB Control No. 3060-0819 July 2013
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<010> Study Area Code	391680
<015> Study Area Name	VENTURE COMM. COOP
<020> Program Year	2015
<030> Contact Name - Person USAC should contact regarding this data	Janelle Jessen
<035> Contact Telephone Number - Number of person identified in data line <030>	6058522224 ext.
<039> Contact Email Address - Email Address of person identified in data line <030>	janellej@venture.coop

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

Certification of Officer as to the Accuracy of the Data Reported for the Annual Reporting for CAF or LI Recipients	
I certify that I am an officer of the reporting carrier; my responsibilities include ensuring the accuracy of the annual reporting requirements for universal service support recipients; and, to the best of my knowledge, the information reported on this form and in any attachments is accurate.	
Name of Reporting Carrier:	VENTURE COMM. COOP
Signature of Authorized Officer:	CERTIFIED ONLINE Date 06/27/2014
Printed name of Authorized Officer:	Randy Houdek
Title or position of Authorized Officer:	General Manager/CEO
Telephone number of Authorized Officer:	6058522224 ext.
Study Area Code of Reporting Carrier:	391680 Filing Due Date for this form: 07/01/2014
Persons willfully making false statements on this form can be punished by fine or forfeiture under the Communications Act of 1934, 47 U.S.C. §§ 502, 503(b), or fine or imprisonment under Title 18 of the United States Code, 18 U.S.C. § 1001.	

Certification - Agent / Carrier Data Collection Form	FCC Form 481 OMB Control No. 3060-0986/OMB Control No. 3060-0819 July 2013
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<010> Study Area Code	391680
<015> Study Area Name	VENTURE COMM. COOP
<020> Program Year	2015
<030> Contact Name - Person USAC should contact regarding this data	Janelle Jessen
<035> Contact Telephone Number - Number of person identified in data line <030>	6058522224 ext.
<039> Contact Email Address - Email Address of person identified in data line <030>	janellej@venture.coop

TO BE COMPLETED BY THE REPORTING CARRIER, IF AN AGENT IS FILING ANNUAL REPORTS ON THE CARRIER'S BEHALF:

Certification of Officer to Authorize an Agent to File Annual Reports for CAF or LI Recipients on Behalf of Reporting Carrier	
I certify that (Name of Agent) _____ is authorized to submit the information reported on behalf of the reporting carrier. I also certify that I am an officer of the reporting carrier; my responsibilities include ensuring the accuracy of the annual data reporting requirements provided to the authorized agent; and, to the best of my knowledge, the reports and data provided to the authorized agent is accurate.	
Name of Authorized Agent:	
Name of Reporting Carrier:	
Signature of Authorized Officer:	Date:
Printed name of Authorized Officer:	
Title or position of Authorized Officer:	
Telephone number of Authorized Officer:	
Study Area Code of Reporting Carrier:	Filing Due Date for this form:
Persons willfully making false statements on this form can be punished by fine or forfeiture under the Communications Act of 1934, 47 U.S.C. §§ 502, 503(b), or fine or imprisonment under Title 18 of the United States Code, 18 U.S.C. § 1001.	

TO BE COMPLETED BY THE AUTHORIZED AGENT:

Certification of Agent Authorized to File Annual Reports for CAF or LI Recipients on Behalf of Reporting Carrier	
I, as agent for the reporting carrier, certify that I am authorized to submit the annual reports for universal service support recipients on behalf of the reporting carrier; I have provided the data reported herein based on data provided by the reporting carrier; and, to the best of my knowledge, the information reported herein is accurate.	
Name of Reporting Carrier:	
Name of Authorized Agent or Employee of Agent:	
Signature of Authorized Agent or Employee of Agent:	Date:
Printed name of Authorized Agent or Employee of Agent:	
Title or position of Authorized Agent or Employee of Agent:	
Telephone number of Authorized Agent or Employee of Agent:	
Study Area Code of Reporting Carrier:	Filing Due Date for this form:
Persons willfully making false statements on this form can be punished by fine or forfeiture under the Communications Act of 1934, 47 U.S.C. §§ 502, 503(b), or fine or imprisonment under Title 18 of the United States Code, 18 U.S.C. § 1001.	

CONFIDENTIAL
NOT FOR PUBLIC INSPECTION

Five-Year Network Improvement Plan
For Venture Communications Cooperative

In its *USF/ICC Transformation Order* and subsequent Orders, the Federal Communications Commission (“FCC” or “Commission”) requires Eligible Telecommunications Carriers (“ETCs”) to submit a five-year build-out plan in a manner consistent with Section 54.202(a)(1)(ii) of the Commission’s Rules by July 1, 2014 and to submit annual progress reports thereafter.¹ Section 54.202(a) (1) (ii) states in part that ETCs are to “[s]ubmit a five-year plan that describes with specificity proposed improvements or upgrades to the [ETC’s] network throughout its proposed service area. Each [ETC] shall estimate the area and population that will be served as a result of the improvements”²

In its *March 5, 2013 Order*, the FCC specified that for rate-of-return carriers, the five-year plans “should describe the carrier’s network improvement plan, which should provide greater visibility into current plans to extend broadband service to unserved locations in rate-of-return service territories.”³ Venture Communications Cooperative

¹ See *Connect America Fund; A National Broadband Plan for Our Future; Establishing Just and Reasonable Rates for Local Exchange Carriers; High-Cost Universal Service Support; Developing a Unified Intercarrier Compensation Regime; Federal-State Joint Board on Universal Service; Lifeline and Link-Up; Universal Service Reform—Mobility Fund*; WC Docket Nos. 10-90, 07-135, 05-337, 03-109, CC Docket Nos. 01-92, 96-45, GN Docket No. 09-51, WT Docket No. 10-208, Report and Order and Further Notice of Proposed Rulemaking, FCC 11-61 (rel. Nov. 18, 2011) (*USF/ICC Transformation Order*) at Para. 587; pets. for review denied, *Direct Comm. Cedar Valley, et al v. FCC*, No. 11-9900, www.ca10.uscourts.gov/opinions/11/11-9900.pdf (10th Cir. May 23, 2014); see also *Connect America Fund et al.*, WC Docket 10-90 *et al.*, Order, DA 12-147 (rel. Feb. 12, 2012) at Para. 5 (amending Section 54.313(a)(1) to clarify this requirement); *Connect America Fund et al.*, WC Docket 10-90 *et al.*, Third Order on Reconsideration, FCC 12-52 (rel. May 14, 2012) at Para. 10 (changing the filing deadline for the annual reports from April 1 to July 1); *Connect America Fund et al.*, WC Docket 10-90 *et al.*, Order, DA 13-332 (rel. Mar. 5, 2013) (“*March 5, 2013 Order*”) at Para’s. 4, 6-9. Delaying Five Year Plan until July 1, 2014 see WC Docket No. 10-90, Order, DA 13-1115, Para. 8 (released May 16, 2013).

² 47 C.F.R. § 54.202(a) (1) (ii).

³ *March 5, 2013 Order* at Para. 9 citing Section 54.202(a) (1) (ii).

("Venture" or the "Company") is a rate-of-return carrier ETC and hereby submits its five-year network improvement plan.

I. The Challenges Faced by the Company in Providing Voice and Broadband to its Rural Service Area

A. Description of the Company and its Service Area

Venture Communications Cooperative provides telephone service to 11,850 access lines and also provides high-speed internet service and IP video service to 8,150 customers. By the end of 2014, Venture plans to have fiber-to-the-home service installed in all of our rural, out-of-town areas. Venture's service territory covers over 6,700 square miles with an overall customer density of 1.76 access lines per square mile. Venture serves a total of 27 separate exchanges in the northeast and central regions of South Dakota. The cost of upgrading Venture's network to the broadband needs of its subscribers has been substantial. Without consistent and predictable revenue streams, the decisions needed to continue upgrading Venture's services so they continue to meet our subscriber needs become more difficult to make.

B. The Exchanges Contained Within the Company's Study Area

Venture Communications Cooperative serves the combined exchange area(s) of:

Blunt, SD	Rosholt, SD
Bowdle, SD	Roslyn, SD
Britton, SD	Selby, SD
East Onida, SD	Seneca, SD
Gettysburg, SD	Sisseton, SD
Harrold, SD	Tolstoy, SD
Highmore, SD	Tulare, SD
Hitchcock, SD	Wessington, SD
Hoven, SD	Wessington Springs, SD
Langford, SD	West Onida, SD
Lebanon, SD	
North Britton, ND	
Onaka, SD	
Onida, SD	
Pierpont, SD	
Ree Heights, SD	
Roscoe, SD	

II. The Company Has Used and Will Use Universal Service Support Only For the Intended Purposes

Section 254(e) of the Communications Act of 1934, as amended requires ETCs to use Universal Service support (“USF”) “only for the provision, maintenance, and upgrading of facilities and services for which the support is intended.”⁴ Pursuant to Section 54.314 of the FCC’s rules, in order for state-designated ETCs to receive USF for the coming year, states must annually file certifications by October 1 stating that all federal high-cost support provided to such carriers within the state “was used in the preceding calendar year and will be used in the coming calendar year only for the provision, maintenance, and upgrading of facilities and services for which the support is intended.”⁵ ETCs not designated by a state must file similar certifications with the FCC.⁶

In its *USF/ICC Transformation Order*, the FCC clarified that prior to making the Section 254(e) certifications, states should conduct a “rigorous examination of the factual information” contained in the annual Section 54.313 reports, of which the five year network improvement plan and annual progress reports are a part, in determining whether they can certify that carriers’ support has been used and will be used only for the purpose for which the support was intended.⁷ The FCC said that it would also use the reports to verify certifications filed by ETCs that are not state-designated.⁸ In this context, the

⁴ 47 U.S.C. § 254(e).

⁵ 47 C.F.R. § 54.314(a).

⁶ 47 C.F.R. § 54.314(b).

⁷ See *USF/ICC Transformation Order* at Para. 612.

⁸ *Id.*

Commission stated, “[i]n light of the public interest obligations we adopt in this Order, a key component of this [Section 254(e)] certification will now be that support is being used to maintain and extend modern networks capable of providing voice and broadband service.”⁹

Essentially, under the existing rules and processes, the federal USF received by the Company and other incumbent rural telephone companies are, in fact, an integral part of the recovery of expenditures of rural incumbent local exchange carriers incurred in the provision, maintenance and upgrading of their provision of facilities and services for which the USF is intended. Venture depends upon its receipt and utilization of federal universal service support to provide rural telephone customers with affordable and quality voice and broadband services.

Accordingly, given the critical role the network improvement plan and the progress reports will have in the annual Section 254(e) certification process, Venture Communications Cooperative’s plan and progress reports will demonstrate not only how Venture has used and will use USF not only for improvements and upgrades, but also for the provision and maintenance of the facilities and services to which the support was intended.

III. The Company’s Five-Year Network Improvement Plan

When the Commission adopted its five-year plan requirements for FCC-designated ETCs in its *2005 ETC Order*, it set forth the following criteria as to how the

⁹ *Id.* (emphasis supplied).

ETC is to describe with “specificity” the proposed improvements or upgrades to the ETC's network throughout its service area:

(1) how signal quality, coverage, or capacity will improve due to the receipt of high-cost support throughout the area for which the ETC seeks designation; (2) the projected start date and completion date for each improvement and the estimated amount of investment for each project that is funded by high-cost support; (3) the specific geographic areas where the improvements will be made; and (4) the estimated population that will be served as a result of the improvements.¹⁰

In that order, the FCC clarified that service quality improvements in the five-year plan “do not necessarily require additional construction of network facilities.”¹¹ Accordingly, the improvements listed in the plan may be projects related to the expansion of the network (one or multiple services), projects related to updating technology to accommodate new services or higher bandwidth or maintenance projects, such as to reduce trouble reports or replace outdated equipment. Additionally, in some cases, the projects may be ones that improve or upgrade the entire network rather than discrete areas within a study area or they may be ones that are ongoing projects that have no specific start and completion dates.

The instructions to the Form 481 state “[r]ecipients may describe where improvements are expected to occur by wire center or census block, as appropriate. To the extent no improvements are planned in specific areas, the five-year plan should so indicate.”¹² The instructions also require that in subsequent years, ETCs must file a

¹⁰ *Federal-State Joint Board on Universal Service*, CC Docket No. 96-45, Report and Order, FCC 05-46 (rel. Mar. 17, 2005) (“2005 ETC Order”).

¹¹ *Id.*

¹² Instructions for Completing FCC Form 481, OMB Control No. 3060-0986 (High-Cost), OMB Control No. 3060-0819 (Low-Income), March 2014, Line 112

progress report on the five-year plan, pursuant to 47 C.F.R. §54.313(a)(1), including maps explaining progress towards meeting the deployment targets, the amount of universal service support received, how support was used to improve service quality, coverage, or capacity, and an explanation regarding any network improvement targets that have not been fulfilled in the prior calendar year. The information regarding the total amount of universal service support received must also be broken out separately by the amount spent on capital expenses and the amount spent on operating expenses.¹³

Accordingly, the Company's five-year plan separately provides both capital expenditures and operating expenses.

A. The Company's Major Network Improvement Projects

Based upon this framework, Appendix A reflects Venture Communications Cooperative's major network improvement projects for the year 2015 through calendar year 2019¹⁴ along with the start and completion dates, capital costs, areas and population associated with those projects.

At this time, there are no major network improvement plans in the following exchanges: Bowdle, SD; East Onida, SD; Highmore, SD; Lebanon, SD; North Britton, ND; Onida, SD; Roscoe, SD; Roslyn, SD; Wessington Springs, SD; and West Onida, SD. These exchanges have all been recently rebuilt using a fiber-to-the-home technology and no further construction plans are currently in place.

¹³ Instructions for Completing FCC Form 481, OMB Control No. 3060-0986 (High-Cost), OMB Control No. 3060-0819 (Low-Income), March 2014, Line 112

¹⁴ Although the FCC has not specified what it considers to be "year one" of the five year plan, the Company believes that it is the FCC's intent for the calendar year 2015 to be considered "year one" due to the fact that the first progress report on the plan is due July 1, 2015 and all of the other reporting requirements contained in Section 54.313 are based on the calendar year.

B. How These Projects Will Improve the Network

The projects listed in Appendix A all relate to fiber-to-the-home projects that will be completed in the town areas of the listed exchanges. These projects will update technology to allow for potential new services in the future and will also provide higher bandwidth so subscribers can take advantage of higher internet speeds. In addition, maintenance needs in each of these communities should decrease with the new and improved fiber service to be supplied to each residence and business in the listed exchanges. Each project will provide improved voice and broadband service for the individual exchange listed. Expected start and completion dates are listed on Appendix A.

C. Estimated Capital Expenditures and Operating Expenses

The first table in Appendix B included herein specifies the Capital Expenditures (projects) in Appendix A, by Part 32 account, along with the respective year in which the expenditures are expected to occur. In the second table of Appendix B, the projected operating expenses are provided, including depreciation expense for both embedded plant investment and for Capital Expenditures, which begins when the Capital Expenditures are projected to be placed into service.

Study Area Code	391680
Study Area Name	Venture Communications Cooperative
Company Contact Name	Janelle Jessen
Contact Telephone Number	605-852-2224
Contact Email Address	janellei@venture.coop

PART A - PROJECT LIST FOR 2015-2019

Project	Start Date	Completion	Areas	Population(1)	Total Dollars
Britton Town - Fiber to the Home	9/1/2014	7/31/2015	Britton, SD Town	666	1,139,532
Gettysburg Town - Fiber to the Home	9/1/2014	7/31/2015	Gettysburg, SD Town	548	1,091,696
Selby Town - Fiber to the Home	9/1/2014	7/31/2015	Selby, SD Town	379	1,274,360
Sisseton Town - Fiber to the Home	9/1/2014	7/31/2015	Sisseton, SD Town	938	1,778,476
Rosholt Town - Fiber to the Home	5/1/2016	11/30/2016	Rosholt, SD Town	212	788,600
Langford Town - Fiber to the Home	5/1/2016	11/30/2016	Langford, SD Town	155	677,500
Pierpont Town - Fiber to the Home	5/1/2016	11/30/2016	Pierpont, SD Town	53	314,760
Blunt Town - Fiber to the Home	5/1/2017	11/30/2017	Blunt, SD Town	145	870,880
Hoven Town - Fiber to the Home	5/1/2017	11/30/2017	Hoven, SD Town	222	809,280
Harrold Town - Fiber to the Home	5/1/2017	11/30/2017	Harrold, SD Town	69	377,080
Wessington Town - Fiber to the Home	5/1/2018	11/30/2018	Wessington, SD Town	110	583,200
Hitchcock Town - Fiber to the Home	5/1/2018	11/30/2018	Hitchcock, SD Town	57	379,860
Tulare Town - Fiber to the Home	5/1/2018	11/30/2018	Tulare, SD Town	108	544,460
Seneca Town - Fiber to the Home	5/1/2019	11/30/2019	Seneca, SD Town	14	320,700
Tolstoy Town - Fiber to the Home	5/1/2019	11/30/2019	Tolstoy, SD Town	35	287,980
Onaka Town - Fiber to the Home	5/1/2019	11/30/2019	Onaka, SD Town	10	230,840
Ree Heights Town - Fiber to the Home	5/1/2019	11/30/2019	Ree Heights, SD Town	35	362,260
Totals					\$ 11,831,464.00

Study Area Code 391680
 Study Area Name Venture Communications Cooperative
 Company Contact Name Janelle Jessen
 Contact Telephone Number 605-852-2224
 Contact Email Address janellej@venture.coop

Part B: 5-Year Proposed Capital Expenditures and Operating Expenses

Regulated Capital Expenditure (CapEX) Projections								
Account	Description	2014	2015	2016	2017	2018	2019	Total Projected CapEx 2015-2019
2111 & 2121	Land & Building	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
2112	Vehicles	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
2122-2124	Support Assets	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
2210	Switching Equipment	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
2232	Circuit Equipment	\$ 1,056,800	\$ 1,813,904	\$ 336,000	\$ 348,800	\$ 220,000	\$ 75,200	\$ 2,793,904
2410	Cable & Wire Facilities	\$ 3,030,720	\$ 3,470,160	\$ 1,444,860	\$ 1,708,440	\$ 1,287,520	\$ 1,126,580	\$ 9,037,560
1220	Materials & Supplies	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
	Total Capital Expenditures	\$ 4,087,520	\$ 5,284,064	\$ 1,780,860	\$ 2,057,240	\$ 1,507,520	\$ 1,201,780	\$ 11,831,464

Regulated Operating Expenditure (OpEx) Projections								
Account	Operating Expenses	2014	2015	2016	2017	2018	2019	Total Operating Expenses 2015-2019
6110-6120	General Support Maintenance	\$ 259,196	\$ 264,380	\$ 269,667	\$ 275,061	\$ 280,562	\$ 286,173	\$ 1,375,843
6210	Switching Maintenance	\$ 479,788	\$ 489,384	\$ 499,172	\$ 509,155	\$ 519,338	\$ 529,725	\$ 2,546,774
6230	COE Transmission Maintenance	\$ 1,194,121	\$ 1,218,003	\$ 1,242,363	\$ 1,267,210	\$ 1,292,555	\$ 1,318,406	\$ 6,338,537
6410	Cable & Wire Facilities	\$ 1,222,123	\$ 1,246,566	\$ 1,271,497	\$ 1,296,927	\$ 1,322,866	\$ 1,349,323	\$ 6,487,179
6530	Non-Specific (Testing, Plant Op., Engineering)	\$ 500,021	\$ 510,022	\$ 520,222	\$ 530,627	\$ 541,239	\$ 552,064	\$ 2,654,174
6561-2110	General Support Depreciation	\$ 339,234	\$ 325,000	\$ 325,000	\$ 325,000	\$ 325,000	\$ 325,000	\$ 1,625,000
6561-2210	Switching Depreciation	\$ 467,370	\$ 200,000	\$ 100,000	\$ 100,000	\$ 100,000	\$ 100,000	\$ 600,000
6561-2230	Circuit Equip Depreciation	\$ 2,272,263	\$ 2,250,000	\$ 2,250,000	\$ 2,250,000	\$ 1,000,000	\$ 1,000,000	\$ 8,750,000
6561-2410	Cable & Wire Depreciation	\$ 4,421,947	\$ 4,500,000	\$ 4,500,000	\$ 4,500,000	\$ 4,500,000	\$ 4,500,000	\$ 22,500,000
6610-6620	Customer Operations	\$ 1,022,340	\$ 1,042,787	\$ 1,063,643	\$ 1,084,916	\$ 1,106,614	\$ 1,128,746	\$ 5,426,706
6711-6720	Corporate Operations	\$ 2,220,908	\$ 2,265,326	\$ 2,310,632	\$ 2,356,845	\$ 2,403,982	\$ 2,452,061	\$ 11,788,846
7240	Ad Valorem Expense	\$ 672,194	\$ 685,638	\$ 699,351	\$ 713,338	\$ 727,605	\$ 742,157	\$ 3,568,089
	Total Operating Expenses	\$ 15,071,505	\$ 14,997,106	\$ 15,051,547	\$ 15,209,079	\$ 14,119,761	\$ 14,283,655	\$ 73,661,148

Line 510
Processes and Procedures to Ensure Compliance with Service Quality Standards
and Consumer Protection Rules
Per FCC Form 481 Instructions

This document details the processes and procedures that Venture Communications Cooperative (the "Company") follows to ensure compliance with service quality standards and consumer protection rules as laid out in FCC Form 481 Instructions.

The company provides voice grade access to the public switched telephone network (PSTN) at a flat rate, enabling access to emergency services provided by local government or other public safety organizations such as 911.

For service quality standards that are affected by plant issues, the Company engineers and installs its plant and other facilities in such a way as to ensure safe, adequate and continuous service at all times.

In addition, employees are periodically trained on service quality standards and consumer protection issues. In particular, if any set of issues appear to be prevalent, employees are given briefings on how to handle such issues beyond the normal guidelines in place for resolution of customer complaints. A recent example is the call completion problems that have arisen and the customer calls that are generated as a result. Although this is not a service quality problem caused by the Company, it does affect customers of the Company and, therefore, deserves the attention of the Company employees.

The Company also periodically reviews its operating procedures to be sure that those operating procedures are in compliance with service quality standards and that the operating procedures are not in violation of consumer protection rules. Internally a compliance officer ensures annual employee training and dictates disciplinary process for improper use of consumer information. If concerns arise beyond the compliance officer legal counsel is sought to assist with a resolution.

If complaints are filed with the Company related to service quality standards or consumer protection rules, the complaint is immediately investigated, the matter tracked and any corrective action noted. This process ensures that problems are addressed and corrections made. It should be noted that the Company has received no customer complaints in the past five years regarding service quality standards or consumer protection rules as they relate to the service offered by the Company.

The Company advertises the availability of its services and the charges using media of general distribution and on its website.

STATEMENT DEMONSTRATING FUNCTIONALITY IN EMERGENCY SITUATIONS.

At line 600 of FCC Form 481, Venture Communications Cooperative certified that it is able to function in emergency situations as set forth in 47 C.F.R § 54.202(a)(1)(ii). This means that Venture Communications Cooperative has reasonable amount of back-up power to ensure functionality without an external source, is able to reroute traffic around damaged facilities, and is capable of managing traffic spikes resulting from emergency situations. This statement will detail how Venture Communications Cooperative is prepared to ensure continued service in an emergency situation.

Back-Up Power

Venture Communications Cooperative has a back-up generator available with a minimum of a four hour power supply for its central office. In addition, it has portable generators available for remote sites.

Rerouting of Traffic around Damaged Facilities

Venture Communications Cooperative has route redundancy for long distance service, E-911 trunking and SS7 signaling trunking.

In the case of isolated groups of customers that may suffer damage due to a cable cut, Venture Communications Cooperative maintains sufficient staff and other resources to be able to put customers back in service in a very short amount of time. Venture Communications Cooperative emergency service equipment is located within its exchange and requires very little time to dispatch.

Traffic Spikes

Venture Communications Cooperative outside plant is designed, engineered and built with sufficient capacity to handle traffic spikes resulting from emergency situations and has been able to do so in the past. Venture Communications Cooperative is in an area where severe weather strikes periodically and has been able to handle communication needs at those times and has the experience from those situations to be able handle such emergency situations in the future.

Venture Telecommunications Cooperative

Description of Tribal Engagement

For Form 481 Line 920 thru Line 929

The Company provides services in two tribal areas, Sisseton Wahpeton Oyate (“SWO”) Tribe and Crow Creek Sioux Tribe. On October 30, 2013, by letter sent via certified mail to the Tribal Chairman, Company requested a meeting with the Crow Creek Sioux Tribe to exchange information and discuss issues related to the deployment and provisioning of communications services on Tribal lands. The Crow Creek Tribal Chairman has not yet responded to the request to schedule an “engagement” meeting.

With regard to the SWO Tribe, the Company exchanged numerous letters, email messages, and telephone calls with the office of the Tribal Chair, Robert Shepherd, and also with other offices of tribal government, throughout 2013. During these communications, the Company and SWO engaged in discussions that covered all of the topics included in the “Tribal Engagement” provisions. On July 16, 2013, Company had a face-to-face meeting with Tribal Chairman Shepherd and other environmental, easement, and taxation representatives of the SWO Tribe to resolve any outstanding issues between Company and SWO Tribe. On October 30, 2013, by letter sent via certified mail to the Tribal Chairman, Company offered to schedule another meeting with the SWO Tribe to engage in further discussions, if Tribal Chairman Shepherd believed another meeting was necessary. The Company did not receive a response to the letter.

Venture Telecommunications Cooperative
Description of Lifeline Terms and Conditions
For Form 481 Line 1220 thru 1223

Venture Communications offers Lifeline service to each of its customers. Venture customers who submit a completed application as well as supporting documentation to verify that the customer is eligible for a Lifeline discount are subscribed to a Lifeline discount of \$9.25 per month. If a customer disconnects service for any reason, they must reapply as a new Lifeline subscriber when service is reconnected. There are no limits on the number of minutes included in the Lifeline plan. Lifeline subscribers may choose to have no toll service at no additional charge. If the Lifeline subscriber chooses to subscribe to toll service, the customer is charged a per call rate and/or a monthly fee depending on which toll plan the customer subscribes to and which toll carrier the customer chooses to provide long distance service.

Venture Communications also offers Tribal Lifeline and Linkup service to customers who reside on tribal lands. Tribal customers who submit a completed application as well as supporting documentation to verify that the customer is eligible for a Lifeline discount are subscribed to a varying Lifeline discount, depending on the area's local service rate, so that the customer charge for basic local telephone service is \$1.00 per month. Under the Tribal Linkup program, the phone installation charges for a new customer residing on tribal lands, up to \$100, are credited back to the customer when the customer installs new service. If a customer disconnects service for any reason, they must reapply as a new Lifeline subscriber when service is reconnected. There are no limits on the number of minutes included in the Lifeline plan. Lifeline subscribers may choose to have no toll service at no additional charge. If the Lifeline subscriber chooses to subscribe to toll service, the customer is charged a per call rate and/or a monthly fee depending on which toll plan the customer subscribes to and which toll carrier the customer chooses to provide long distance service.

USDA-RUS		BORROWER DESIGNATION	
OPERATING REPORT FOR TELECOMMUNICATIONS BORROWERS		SD0522	
		PERIOD ENDING December, 2013	
INSTRUCTIONS- See RUS Bulletin 1744-2			
PART B. STATEMENTS OF INCOME AND RETAINED EARNINGS OR MARGINS			
ITEM	PRIOR YEAR	THIS YEAR	
1. Local Network Services Revenues	3,117,840	3,120,764	
2. Network Access Services Revenues	11,460,606	11,593,557	
3. Long Distance Network Services Revenues	707,614	582,752	
4. Carrier Billing and Collection Revenues	0	0	
5. Miscellaneous Revenues	1,167,435	1,053,499	
6. Uncollectible Revenues	80,878	14,352	
7. Net Operating Revenues (1 thru 5 less 6)	16,372,617	16,336,220	
8. Plant Specific Operations Expense	2,841,044	3,055,791	
9. Plant Nonspecific Operations Expense (Excluding Depreciation & Amortization)	1,568,243	1,357,163	
10. Depreciation Expense	6,384,067	6,705,089	
11. Amortization Expense	566,226	654,041	
12. Customer Operations Expense	1,038,644	1,037,671	
13. Corporate Operations Expense	1,853,062	1,927,794	
14. Total Operating Expenses (8 thru 13)	14,251,286	14,737,549	
15. Operating Income or Margins (7 less 14)	2,121,331	1,598,671	
16. Other Operating Income and Expenses	0	0	
17. State and Local Taxes	730,463	741,774	
18. Federal Income Taxes	0	0	
19. Other Taxes	0	0	
20. Total Operating Taxes (17+18+19)	730,463	741,774	
21. Net Operating Income or Margins (15+16-20)	1,390,868	856,897	
22. Interest on Funded Debt	1,263,261	1,143,135	
23. Interest Expense - Capital Leases	0	0	
24. Other Interest Expense	0	0	
25. Allowance for Funds Used During Construction	111,355	189,391	
26. Total Fixed Charges (22+23+24-25)	1,151,906	953,744	
27. Nonoperating Net Income	1,340,276	2,664,263	
28. Extraordinary Items	0	0	
29. Jurisdictional Differences	0	0	
30. Nonregulated Net Income	2,732,068	2,671,963	
31. Total Net Income or Margins (21+27+28+29+30-26)	4,311,306	5,239,379	
32. Total Taxes Based on Income	0	0	
33. Retained Earnings or Margins Beginning-of-Year	17,413,716	17,941,302	
34. Miscellaneous Credits Year-to-Date	0	55,601	
35. Dividends Declared (Common)	0	0	
36. Dividends Declared (Preferred)	0	0	
37. Other Debits Year-to-Date	0	0	
38. Transfers to Patronage Capital	3,783,720	4,454,205	
39. Retained Earnings or Margins End-of-Period [(31+33+34) - (35+36+37+38)]	17,941,302	18,782,077	
40. Patronage Capital Beginning-of-Year	27,324,624	29,915,215	
41. Transfers to Patronage Capital	3,783,720	4,454,205	
42. Patronage Capital Credits Retired	1,193,129	1,270,570	
43. Patronage Capital End-of-Year (40+41-42)	29,915,215	33,098,850	
44. Annual Debt Service Payments	4,459,825	4,794,369	
45. Cash Ratio [(14+20-10-11) / 7]	0.4905	0.4971	
46. Operating Accrual Ratio [(14+20+26) / 7]	0.9854	1.0059	
47. TIER [(31+26) / 26]	4.7428	6.4935	
48. DSCR [(31+26+10+11) / 44]	2.7834	2.8267	

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**OPERATING REPORT FOR
TELECOMMUNICATIONS BORROWERS**

INSTRUCTIONS - See RUS Bulletin 1744-2

BORROWER DESIGNATION

SD0522

PERIOD ENDED

December, 2013

Part C. SUBSCRIBER (ACCESS LINE), ROUTE MILE, & HIGH SPEED DATA INFORMATION

EXCHANGE	1. RATES		2. SUBSCRIBERS (ACCESS LINES)			3. ROUTE MILES	
	B-1 (a)	R-1 (b)	BUSINESS (a)	RESIDENTIAL (b)	TOTAL (c)	TOTAL (including fiber) (a)	FIBER (b)
Blunt	26.50	17.00	39	171	210	105.33	87.18
Bowdle	27.50	17.00	115	240	355	171.36	153.42
Britton	27.50	17.00	348	1,057	1,405	562.75	494.13
East Onida	26.50	17.00	7	45	52	135.91	132.80
Gettysburg	27.50	17.00	308	777	1,085	467.10	424.74
Harold	26.50	17.00	55	204	259	282.36	268.77
Highmore	26.50	17.00	217	549	766	725.01	683.25
Hitchcock	26.50	17.00	25	223	248	250.30	237.89
Hoven	26.50	17.00	86	287	373	137.46	118.92
Langford	26.50	17.00	43	243	286	194.60	173.78
Lebanon	27.50	17.00	11	34	45	0.00	0.00
North Britton	27.50	17.00	3	10	13	0.00	0.00
Onaka	26.50	17.00	15	46	61	59.68	53.46
Onida	27.50	17.00	161	398	559	159.28	135.47
Pierpont	27.50	17.00	18	101	119	106.99	104.11
Ree Heights	26.50	17.00	18	103	121	220.07	211.46
Roscoe	27.50	17.00	70	173	243	143.23	135.30
Rosholt	26.50	17.00	81	368	449	252.26	234.32
Roslyn	27.50	17.00	63	502	565	336.64	305.67
Selby	27.50	17.00	194	513	707	548.00	426.13
Seneca	26.50	17.00	7	77	84	125.41	119.08
Sisseton	27.50	17.00	731	1,452	2,183	893.28	523.26
Tolstoy	26.50	17.00	10	82	92	121.41	114.59
Tulare	26.50	17.00	29	162	191	140.85	123.31
Wessington	26.50	17.00	43	213	256	274.79	259.87
Wessington Springs	27.50	17.00	200	654	854	405.49	367.47
West Onida	26.50	17.00	49	220	269	350.91	332.79
MobileWireless					0		
Route Mileage Outside Exchange Area						0.00	0.00
Total			2,946	8,904	11,850	7,170.47	6,221.17
No. Exchanges	27						

USDA-RUS

**OPERATING REPORT FOR
TELECOMMUNICATIONS BORROWERS**

INSTRUCTIONS - See RUS Bulletin 1744-2

BORROWER DESIGNATION

SD0522

PERIOD ENDED

December, 2013

Part C. SUBSCRIBER (ACCESS LINE), ROUTE MILE, & HIGH SPEED DATA INFORMATION

4. BROADBAND SERVICE

Details on Least Expensive Broadband Service

EXCHANGE	No. Access Lines with BB available (a)	No Of Broadband Subscribers (b)	Number Of Subscribers (c)	Advertised Download Rate (Kbps) (d)	Advertised Upload Rate (Kbps) (e)	Price Per Month (f)	Standalone/Pckg (f)	Type Of Technology (g)
Blunt	210	172	87	6,000	1,500	22.96	Package	Fiber to the Home
Bowdle	355	123	33	6,000	1,500	22.96	Package	Fiber to the Home
Britton	1,405	959	407	6,000	1,500	22.96	Package	Fiber to the Home
East Onida	52	36	18	6,000	1,500	22.96	Package	Fiber to the Home
Gettysburg	1,085	734	348	6,000	1,500	22.96	Package	Fiber to the Home
Harrold	259	192	88	6,000	1,500	22.96	Package	Fiber to the Home
Highmore	766	573	316	6,000	1,500	22.96	Package	Fiber to the Home
Hitchcock	248	204	123	6,000	1,500	22.96	Package	Fiber to the Home
Hoven	373	296	183	6,000	1,500	22.96	Package	Fiber to the Home
Langford	286	231	118	6,000	1,500	22.96	Package	Fiber to the Home
Lebanon	45	27	12	6,000	1,500	22.96	Package	Fiber to the Home
North Britton	13	11	1	6,000	1,500	22.96	Package	Fiber to the Home
Onaka	61	45	16	6,000	1,500	22.96	Package	Fiber to the Home
Onida	559	409	215	6,000	1,500	22.96	Package	Fiber to the Home
Pierpont	119	96	50	6,000	1,500	22.96	Package	Fiber to the Home
Ree Heights	121	105	75	6,000	1,500	22.96	Package	Fiber to the Home
Roscoe	243	103	43	6,000	1,500	22.96	Package	Fiber to the Home
Rosholt	449	315	133	6,000	1,500	22.96	Package	Fiber to the Home
Roslyn	565	326	29	6,000	1,500	22.96	Package	Fiber to the Home
Selby	707	287	82	6,000	1,500	22.96	Package	Fiber to the Home
Seneca	84	62	29	6,000	1,500	22.96	Package	Fiber to the Home
Sisseton	2,183	1,423	598	6,000	1,500	22.96	Package	DSL
Tolstoy	92	67	40	6,000	1,500	22.96	Package	Fiber to the Home
Tulare	191	152	103	6,000	1,500	22.96	Package	Fiber to the Home
Wessington	256	211	106	6,000	1,500	22.96	Package	Fiber to the Home
Wessington Springs	854	663	380	6,000	1,500	22.96	Package	Fiber to the Home
West Onida	269	201	102	6,000	1,500	22.96	Package	Fiber to the Home
Total	11,850	8,023						

USDA-RUS OPERATING REPORT FOR TELECOMMUNICATIONS BORROWERS	BORROWER DESIGNATION SD0522 PERIOD ENDING December, 2013
INSTRUCTIONS- See RUS Bulletin 1744-2	

PART D. SYSTEM DATA				
1. No. Plant Employees	2. No. Other Employees	3. Square Miles Served	4. Access Lines per Square Mile	5. Subscribers per Route Mile
24	23	6,747	1.76	1.65

PART E. TOLL DATA	
1. Study Area ID Code(s) a. 391680 b. _____ c. _____ d. _____ e. _____ f. _____ g. _____ h. _____ i. _____ j. _____	2. Types of Toll Settlements (Check one) Interstate: <input type="checkbox"/> Average Schedule <input checked="" type="checkbox"/> Cost Basis Intrastate: <input type="checkbox"/> Average Schedule <input checked="" type="checkbox"/> Cost Basis

PART F. FUNDS INVESTED IN PLANT DURING YEAR	
1. RUS, RTB, & FFB Loan Funds Expended	0
2. Other Long-Term Loan Funds Expended	0
3. Funds Expended Under RUS Interim Approval	0
4. Other Short-Term Loan Funds Expended	0
5. General Funds Expended (Other than Interim)	16,358,199
6. Salvaged Materials	0
7. Contribution in Aid to Construction	0
8. Gross Additions to Telecom. Plant (1 thru 7)	16,358,199

PART G. INVESTMENTS IN AFFILIATED COMPANIES					
INVESTMENTS (a)	CURRENT YEAR DATA		CUMULATIVE DATA		
	Investment This Year	Income/Loss This Year	Cumulative Investment To Date	Cumulative Income/Loss To Date	Current Balance
	(b)	(c)	(d)	(e)	(f)
1. Investment in Affiliated Companies - Rural Development	(769,427)	511,318	7,694,370	(3,018,067)	4,676,303
2. Investment in Affiliated Companies - Nonrural Development					

USDA-RUS
**OPERATING REPORT FOR
 TELECOMMUNICATIONS BORROWERS**

BORROWER DESIGNATION
 SD0522
 PERIOD ENDING
 December, 2013

PART H. CURRENT DEPRECIATION RATES

Are corporation's depreciation rates approved by the regulatory authority with jurisdiction over the provision of telephone services? (Check one)

YES NO

EQUIPMENT CATEGORY	DEPRECIATION RATE
1. Land and support assets - Motor Vehicles	11.08%
2. Land and support assets - Aircraft	
3. Land and support assets - Special purpose vehicles	11.08%
4. Land and support assets - Garage and other work equipment	6.42%
5. Land and support assets - Buildings	4.43%
6. Land and support assets - Furniture and Office equipment	7.62%
7. Land and support assets - General purpose computers	20.00%
8. Central Office Switching - Digital	8.85%
9. Central Office Switching - Analog & Electro-mechanical	6.89%
10. Central Office Switching - Operator Systems	
11. Central Office Transmission - Radio Systems	12.30%
12. Central Office Transmission - Circuit equipment	7.66%
13. Information origination/termination - Station apparatus	8.02%
14. Information origination/termination - Customer premises wiring	16.61%
15. Information origination/termination - Large private branch exchanges	
16. Information origination/termination - Public telephone terminal equipment	
17. Information origination/termination - Other terminal equipment	8.02%
18. Cable and wire facilities - Poles	5.00%
19. Cable and wire facilities - Aerial cable - Metal	5.00%
20. Cable and wire facilities - Aerial cable - Fiber	
21. Cable and wire facilities - Underground cable - Metal	
22. Cable and wire facilities - Underground cable - Fiber	
23. Cable and wire facilities - Buried cable - Metal	7.50%
24. Cable and wire facilities - Buried cable - Fiber	5.27%
25. Cable and wire facilities - Conduit systems	5.27%
26. Cable and wire facilities - Other	

USDA-RUS		BORROWER DESIGNATION
OPERATING REPORT FOR TELECOMMUNICATIONS BORROWERS		SD0522
INSTRUCTIONS – See help in the online application.		PERIOD ENDED
		December, 2013
PART I – STATEMENT OF CASH FLOWS		
1. Beginning Cash (Cash and Equivalents plus RUS Construction Fund)		23,069,152
CASH FLOWS FROM OPERATING ACTIVITIES		
2. Net Income		5,239,379
<i>Adjustments to Reconcile Net Income to Net Cash Provided by Operating Activities</i>		
3. Add: Depreciation		6,705,089
4. Add: Amortization		654,041
5. Other (Explain)		
<i>Changes in Operating Assets and Liabilities</i>		
6. Decrease/(Increase) in Accounts Receivable		(466,352)
7. Decrease/(Increase) in Materials and Inventory		1,275,308
8. Decrease/(Increase) in Prepayments and Deferred Charges		(120,390)
9. Decrease/(Increase) in Other Current Assets		0
10. Increase/(Decrease) in Accounts Payable		1,397,566
11. Increase/(Decrease) in Advance Billings & Payments		0
12. Increase/(Decrease) in Other Current Liabilities		(130,219)
13. Net Cash Provided/(Used) by Operations		14,554,422
CASH FLOWS FROM FINANCING ACTIVITIES		
14. Decrease/(Increase) in Notes Receivable		(4,508)
15. Increase/(Decrease) in Notes Payable		0
16. Increase/(Decrease) in Customer Deposits		(7,113)
17. Net Increase/(Decrease) in Long Term Debt (Including Current Maturities)		(4,923,387)
18. Increase/(Decrease) in Other Liabilities & Deferred Credits		(57,407)
19. Increase/(Decrease) in Capital Stock, Paid-in Capital, Membership and Capital Certificates & Other Capital		(69,450)
20. Less: Payment of Dividends		0
21. Less: Patronage Capital Credits Retired		(1,270,570)
22. Other (Explain) Misc Adjustments		(344,225)
23. Net Cash Provided/(Used) by Financing Activities		(6,676,660)
CASH FLOWS FROM INVESTING ACTIVITIES		
24. Net Capital Expenditures (Property, Plant & Equipment)		(11,211,468)
25. Other Long-Term Investments		602,042
26. Other Noncurrent Assets & Jurisdictional Differences		257,054
27. Other (Explain) Additional Capital Expenditures not included above		(7,328,133)
28. Net Cash Provided/(Used) by Investing Activities		(17,680,505)
29. Net Increase/(Decrease) in Cash		(9,802,743)
30. Ending Cash		13,266,409

Revision Date 2010

<p>USDA-RUS</p> <p>OPERATING REPORT FOR TELECOMMUNICATIONS BORROWERS</p>	<p>BORROWER DESIGNATION</p> <p>SD0522</p>
<p>INSTRUCTIONS - See RUS Bulletin 1744-2</p>	<p>PERIOD ENDED</p> <p>December, 2013</p>
<p>NOTES TO THE OPERATING REPORT FOR TELECOMMUNICATIONS BORROWERS</p>	

USDA-RUS OPERATING REPORT FOR TELECOMMUNICATIONS BORROWERS	BORROWER DESIGNATION SD0522
INSTRUCTIONS - See RUS Bulletin 1744-2	PERIOD ENDED December, 2013
CERTIFICATION LOAN DEFAULT NOTES TO THE OPERATING REPORT FOR TELECOMMUNICATIONS BORROWERS	

Exhibit C-2

<010>	Study Area Code	391680
<015>	Study Area Name	VENTURE COMM. COOP
<020>	Program Year	2015
<030>	Contact Name: Person USAC should contact with questions about this data	Janelle Jessen
<035>	Contact Telephone Number: Number of the person identified in data line <030>	6058522224 ext.
<039>	Contact Email Address: Email of the person identified in data line <030>	janellej@venture.coop

ANNUAL REPORTING FOR ALL CARRIERS	54,313 Completion Required	54,422 Completion Required
--	----------------------------------	----------------------------------

			(check box when complete)	
<100>	Service Quality Improvement Reporting	<i>(complete attached worksheet)</i>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
<200>	Outage Reporting (voice)	<i>(complete attached worksheet)</i>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
<210>	<input checked="" type="checkbox"/> ← check box if no outages to report		<input checked="" type="checkbox"/>	<input type="checkbox"/>
<300>	Unfulfilled Service Requests (voice)	0	<input checked="" type="checkbox"/>	<input type="checkbox"/>
<310>	Detail on Attempts (voice)	<i>(attach descriptive document)</i>	<input type="checkbox"/>	<input type="checkbox"/>
<320>	Unfulfilled Service Requests (broadband)	0	<input checked="" type="checkbox"/>	<input type="checkbox"/>
<330>	Detail on Attempts (broadband)	<i>(attach descriptive document)</i>	<input type="checkbox"/>	<input type="checkbox"/>
<400>	Number of Complaints per 1,000 customers (voice)		<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
<410>	Fixed	1.0		
<420>	Mobile	0.0		
<430>	Number of Complaints per 1,000 customers (broadband)		<input checked="" type="checkbox"/>	<input type="checkbox"/>
<440>	Fixed	1.0		
<450>	Mobile	0.0		
<500>	Service Quality Standards & Consumer Protection Rules Compliance	<i>(check to indicate certification)</i>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
<510>	Line 510-FCC Form 481 - Venture.pdf	<i>(attached descriptive document)</i>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
<600>	Functionality in Emergency Situations	<i>(check to indicate certification)</i>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
<610>	Line 610-FCC Form 481 - Venture.pdf	<i>(attached descriptive document)</i>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
<700>	Company Price Offerings (voice)	<i>(complete attached worksheet)</i>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
<710>	Company Price Offerings (broadband)	<i>(complete attached worksheet)</i>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
<800>	Operating Companies and Affiliates	<i>(complete attached worksheet)</i>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
<900>	Tribal Land Offerings (Y/N)?	<i>(if yes, complete attached worksheet)</i>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
<1000>	Voice Services Rate Comparability	<i>(check to indicate certification)</i>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
<1010>		<i>(attach descriptive document)</i>	<input type="checkbox"/>	<input type="checkbox"/>
<1100>	Terrestrial Backhaul (Y/N)?	<i>(if not, check to indicate certification)</i>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
<1110>		<i>(complete attached worksheet)</i>	<input type="checkbox"/>	<input type="checkbox"/>
<1200>	Terms and Condition for Lifeline Customers	<i>(complete attached worksheet)</i>	<input type="checkbox"/>	<input checked="" type="checkbox"/>

Price Cap Carriers, Proceed to Price Cap Additional Documentation Worksheet

<2000>	<i>Including Rate-of-Return Carriers affiliated with Price Cap Local Exchange Carriers</i>	<i>(check to indicate certification)</i>	<input type="checkbox"/>	<input type="checkbox"/>
<2005>		<i>(complete attached worksheet)</i>	<input type="checkbox"/>	<input type="checkbox"/>

Rate of Return Carriers, Proceed to ROR Additional Documentation Worksheet

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

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

<010>	Study Area Code	391680
<015>	Study Area Name	VENTURE COMM. COOP
<020>	Program Year	2015
<030>	Contact Name - Person USAC should contact regarding this data	Janelle Jessen
<035>	Contact Telephone Number - Number of person identified in data line <030>	6058522224 ext.
<039>	Contact Email Address - Email Address of person identified in data line <030>	janellej@venture.coop

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

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

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

5-Yr Plan 2014 - Venture.pdf

Name of Attached Document

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

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

900 Tribal Lands Reporting Data Collection Form FCC Form 481
OMB Control No. 3060-0986/OMB Control No. 3060-0819
July 2013

<010> Study Area Code 391680
 <015> Study Area Name VENTURE COMM. COOP
 <020> Program Year 2015
 <030> Contact Name - Person USAC should contact regarding this data Janelle Jessen
 <035> Contact Telephone Number - Number of person identified in data line <030> 6058522224 ext.
 <039> Contact Email Address - Email Address of person identified in data line <030> janellej@venture.coop

<910> Tribal Land(s) on which ETC Serves

Sisseton Wahpeton Oyate ("SWO") Tribe
Crow Creek Sioux Tribe

<920> Tribal Government Engagement Obligation

Tribal engagement.pdf

Name of Attached Document

If your company serves Tribal lands, please select (Yes, No, NA) for each these boxes to confirm the status described on the attached document(s), on line 920, demonstrates coordination with the Tribal government pursuant to § 54.313(a)(9) includes:

- <921> Needs assessment and deployment planning with a focus on Tribal community anchor institutions.
- <922> Feasibility and sustainability planning;
- <923> Marketing services in a culturally sensitive manner;
- <924> Compliance with Rights of way processes
- <925> Compliance with Land Use permitting requirements
- <926> Compliance with Facilities Siting rules
- <927> Compliance with Environmental Review processes
- <928> Compliance with Cultural Preservation review processes
- <929> Compliance with Tribal Business and Licensing requirements.

Select (Yes, No, NA)
Yes
No
Yes
Yes
Yes
Yes
Yes
Yes
Yes

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

<010>	Study Area Code	391680
<015>	Study Area Name	VENTURE COMM. COOP
<020>	Program Year	2015
<030>	Contact Name - Person USAC should contact regarding this data	Janelle Jessen
<035>	Contact Telephone Number - Number of person identified in data line <030>	6058522224 ext.
<039>	Contact Email Address - Email Address of person identified in data line <030>	janellej@venture.coop

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

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

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

<010>	Study Area Code	391680
<015>	Study Area Name	VENTURE COMM. COOP
<020>	Program Year	2015
<030>	Contact Name - Person USAC should contact regarding this data	Janelle Jessen
<035>	Contact Telephone Number - Number of person identified in data line <030>	605852224 ext.
<039>	Contact Email Address - Email Address of person identified in data line <030>	janellej@venture.coop

<1210> Terms & Conditions of Voice Telephony Lifeline Plans

Venture Lifeline Plans 2014.pdf

Name of Attached Document

<1220> Link to Public Website

HTTP

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

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

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

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

<010>	Study Area Code	391680
<015>	Study Area Name	VENTURE COMM. COOP
<020>	Program Year	2015
<030>	Contact Name - Person USAC should contact regarding this data	Janelle Jessen
<035>	Contact Telephone Number - Number of person identified in data line <030>	6058522224 ext.
<039>	Contact Email Address - Email Address of person identified in data line <030>	janellej@venture.coop

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

- Incremental Connect America Phase I reporting**
- <2010> 2nd Year Certification {47 CFR § 54.313(b)(1)}
- <2011> 3rd Year Certification {47 CFR § 54.313(b)(2)}
- Price Cap Carrier Receiving Frozen Support Certification {47 CFR § 54.312(a)}**
- <2012> 2013 Frozen Support Certification
- <2013> 2014 Frozen Support Certification
- <2014> 2015 Frozen Support Certification
- <2015> 2016 and future Frozen Support Certification
- Price Cap Carrier Connect America ICC Support {47 CFR § 54.313(d)}**
- <2016> Certification Support Used to Build Broadband
- Connect America Phase II Reporting {47 CFR § 54.313(e)}**
- <2017> 3rd year Broadband Service Certification
- <2018> 5th year Broadband Service Certification
- <2019> Interim Progress Certification
- <2020> Please check the box to confirm that the attached document(s), on line 2021, contains the required information pursuant to § 54.313 (e)(3)(ii), as a recipient of CAF Phase II support shall provide the number, names, and addresses of community anchor institutions to which began providing access to broadband service in the preceding calendar year.
- <2021> Interim Progress Community Anchor Institutions

Name of Attached Document Listing Required Information

(3000) Rate Of Return Carrier Additional Documentation Data Collection Form	FCC Form 481 OMB Control No. 3060-0986/OMB Control No. 3060-0819 JUN-2013
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<010> Study Area Code	391600
<015> Study Area Name	VENTURE COMM. COOP
<020> Program Year	2015
<030> Contact Name - Person USAC should contact regarding this data	Janelle Jessen
<035> Contact Telephone Number - Number of person identified in data line <030>	6058522224 ext.
<039> Contact Email Address - Email Address of person identified in data line <030>	janelle@venture.coop

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

(3010) **Progress Report on 5 Year Plan**
 Milestone Certification (47 CFR § 54.313(f)(1)(i))

Name of Attached Document Listing Required Information

(3011) Please check this box to confirm that the attached document(s), on line 3012 contains the required information pursuant to § 54.313 (f)(1)(ii), the carrier shall provide the number, names, and addresses of community anchor institutions to which began providing access to broadband service in the preceding calendar year.

(3012) Community Anchor Institutions (47 CFR § 54.313(f)(1)(ii))

Name of Attached Document Listing Required Information

(3013) Is your company a Privately Held ROR Carrier (47 CFR § 54.313(f)(2)) (Yes/No) Yes No

(3014) If yes, does your company file the RUS annual report (Yes/No) Yes No

Please check these boxes to confirm that the attached document(s), on line 3017, contains the required information pursuant to § 54.313(f)(2) compliance requires:

(3015) Electronic copy of their annual RUS reports (Operating Report for Telecommunications Borrowers)

(3016) Document(s) for Balance Sheet, Income Statement and Statement of Cash Flows

(3017) If the response is yes on line 3014, attach your company's RUS annual report and all required documentation

2013 RUS Form 479 - Venture.pdf

Name of Attached Document Listing Required Information

(3018) If the response is no on line 3014, Is your company audited? (Yes/No) Yes No

If the response is yes on line 3018, please check the boxes below to confirm your submission, on line 3026 pursuant to § 54.313(f)(2), contains:

(3019) Either a copy of their audited financial statement; or (2) a financial report in a format comparable to RUS Operating Report for Telecommunications

(3020) Document(s) for Balance Sheet, Income Statement and Statement of Cash Flows

(3021) Management letter issued by the independent certified public accountant that performed the company's financial audit.

If the response is no on line 3018, please check the boxes below to confirm your submission, on line 3026 pursuant to § 54.313(f)(2), contains:

(3022) Copy of their financial statement which has been subject to review by an independent certified public accountant; or 2) a financial report in a format comparable to RUS Operating Report for Telecommunications Borrowers,

(3023) Underlying information subjected to a review by an independent certified public accountant

(3024) Underlying information subjected to an officer certification.

(3025) Document(s) for Balance Sheet, Income Statement and Statement of Cash Flows

(3026) Attach the worksheet listing required information

Name of Attached Document Listing Required Information

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

<010> Study Area Code	391680
<015> Study Area Name	VENTURE COMM. COOP
<020> Program Year	2015
<030> Contact Name - Person USAC should contact regarding this data	Janelle Jessen
<035> Contact Telephone Number - Number of person identified in data line <030>	6058522224 ext.
<039> Contact Email Address - Email Address of person identified in data line <030>	janellej@venture.coop

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

Certification of Officer as to the Accuracy of the Data Reported for the Annual Reporting for CAF or LI Recipients	
I certify that I am an officer of the reporting carrier; my responsibilities include ensuring the accuracy of the annual reporting requirements for universal service support recipients; and, to the best of my knowledge, the information reported on this form and in any attachments is accurate.	
Name of Reporting Carrier:	VENTURE COMM. COOP
Signature of Authorized Officer:	CERTIFIED ONLINE Date 06/27/2014
Printed name of Authorized Officer:	Randy Houdek
Title or position of Authorized Officer:	General Manager/CEO
Telephone number of Authorized Officer:	6058522224 ext.
Study Area Code of Reporting Carrier:	391680 Filing Due Date for this form: 07/01/2014
Persons willfully making false statements on this form can be punished by fine or forfeiture under the Communications Act of 1934, 47 U.S.C. §§ 502, 503(b), or fine or imprisonment under Title 18 of the United States Code, 18 U.S.C. § 1001.	

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

<010>	Study Area Code	391680
<015>	Study Area Name	VENTURE COMM. COOP
<020>	Program Year	2015
<030>	Contact Name - Person USAC should contact regarding this data	Janelle Jessen
<035>	Contact Telephone Number - Number of person identified in data line <030>	605852224 ext.
<039>	Contact Email Address - Email Address of person identified in data line <030>	janellej@venture.coop

TO BE COMPLETED BY THE REPORTING CARRIER, IF AN AGENT IS FILING ANNUAL REPORTS ON THE CARRIER'S BEHALF:

Certification of Officer to Authorize an Agent to File Annual Reports for CAF or LI Recipients on Behalf of Reporting Carrier	
I certify that (Name of Agent) _____ is authorized to submit the information reported on behalf of the reporting carrier. I also certify that I am an officer of the reporting carrier; my responsibilities include ensuring the accuracy of the annual data reporting requirements provided to the authorized agent; and, to the best of my knowledge, the reports and data provided to the authorized agent is accurate.	
Name of Authorized Agent: _____	
Name of Reporting Carrier: _____	
Signature of Authorized Officer: _____	Date: _____
Printed name of Authorized Officer: _____	
Title or position of Authorized Officer: _____	
Telephone number of Authorized Officer: _____	
Study Area Code of Reporting Carrier: _____	Filing Due Date for this form: _____
Persons willfully making false statements on this form can be punished by fine or forfeiture under the Communications Act of 1934, 47 U.S.C. §§ 502, 503(b), or fine or imprisonment under Title 18 of the United States Code, 18 U.S.C. § 1001.	

TO BE COMPLETED BY THE AUTHORIZED AGENT:

Certification of Agent Authorized to File Annual Reports for CAF or LI Recipients on Behalf of Reporting Carrier	
I, as agent for the reporting carrier, certify that I am authorized to submit the annual reports for universal service support recipients on behalf of the reporting carrier; I have provided the data reported herein based on data provided by the reporting carrier; and, to the best of my knowledge, the information reported herein is accurate.	
Name of Reporting Carrier: _____	
Name of Authorized Agent or Employee of Agent: _____	
Signature of Authorized Agent or Employee of Agent: _____	Date: _____
Printed name of Authorized Agent or Employee of Agent: _____	
Title or position of Authorized Agent or Employee of Agent: _____	
Telephone number of Authorized Agent or Employee of Agent: _____	
Study Area Code of Reporting Carrier: _____	Filing Due Date for this form: _____
Persons willfully making false statements on this form can be punished by fine or forfeiture under the Communications Act of 1934, 47 U.S.C. §§ 502, 503(b), or fine or imprisonment under Title 18 of the United States Code, 18 U.S.C. § 1001.	

**CONFIDENTIAL
NOT FOR PUBLIC INSPECTION**

**Five-Year Network Improvement Plan
For Venture Communications Cooperative**

In its *USF/ICC Transformation Order* and subsequent Orders, the Federal Communications Commission (“FCC” or “Commission”) requires Eligible Telecommunications Carriers (“ETCs”) to submit a five-year build-out plan in a manner consistent with Section 54.202(a)(1)(ii) of the Commission’s Rules by July 1, 2014 and to submit annual progress reports thereafter.¹ Section 54.202(a) (1) (ii) states in part that ETCs are to “[s]ubmit a five-year plan that describes with specificity proposed improvements or upgrades to the [ETC’s] network throughout its proposed service area. Each [ETC] shall estimate the area and population that will be served as a result of the improvements”²

In its *March 5, 2013 Order*, the FCC specified that for rate-of-return carriers, the five-year plans “should describe the carrier’s network improvement plan, which should provide greater visibility into current plans to extend broadband service to unserved locations in rate-of-return service territories.”³ Venture Communications Cooperative

¹ See *Connect America Fund; A National Broadband Plan for Our Future; Establishing Just and Reasonable Rates for Local Exchange Carriers; High-Cost Universal Service Support; Developing a Unified Intercarrier Compensation Regime; Federal-State Joint Board on Universal Service; Lifeline and Link-Up; Universal Service Reform—Mobility Fund*; WC Docket Nos. 10-90, 07-135, 05-337, 03-109, CC Docket Nos. 01-92, 96-45, GN Docket No. 09-51, WT Docket No. 10-208, Report and Order and Further Notice of Proposed Rulemaking, FCC 11-61 (rel. Nov. 18, 2011) (*USF/ICC Transformation Order*) at Para. 587; pets. for review denied, Direct Comm. Cedar Valley, et al v. FCC, No. 11-9900, www.ca10.uscourts.gov/opinions/11/11-9900.pdf (10th Cir. May 23, 2014); see also *Connect America Fund et al.*, WC Docket 10-90 et al., Order, DA 12-147 (rel. Feb. 12, 2012) at Para. 5 (amending Section 54.313(a)(1) to clarify this requirement); *Connect America Fund et al.*, WC Docket 10-90 et al., Third Order on Reconsideration, FCC 12-52 (rel. May 14, 2012) at Para. 10 (changing the filing deadline for the annual reports from April 1 to July 1); *Connect America Fund et al.*, WC Docket 10-90 et al., Order, DA 13-332 (rel. Mar. 5, 2013) (“*March 5, 2013 Order*”) at Para’s. 4, 6-9. Delaying Five Year Plan until July 1, 2014 see WC Docket No. 10-90, Order, DA 13-1115, Para. 8 (released May 16, 2013).

² 47 C.F.R. § 54.202(a) (1) (ii).

³ *March 5, 2013 Order* at Para. 9 citing Section 54.202(a) (1) (ii).

("Venture" or the "Company") is a rate-of-return carrier ETC and hereby submits its five-year network improvement plan.

I. The Challenges Faced by the Company in Providing Voice and Broadband to its Rural Service Area

A. Description of the Company and its Service Area

Venture Communications Cooperative provides telephone service to 11,850 access lines and also provides high-speed internet service and IP video service to [REDACTED] customers. By the end of 2014, Venture plans to have fiber-to-the-home service installed in all of our rural, out-of-town areas. Venture's service territory covers over 6,700 square miles with an overall customer density of [REDACTED] access lines per square mile. Venture serves a total of 27 separate exchanges in the northeast and central regions of South Dakota. The cost of upgrading Venture's network to the broadband needs of its subscribers has been substantial. Without consistent and predictable revenue streams, the decisions needed to continue upgrading Venture's services so they continue to meet our subscriber needs become more difficult to make.

B. The Exchanges Contained Within the Company's Study Area

Venture Communications Cooperative serves the combined exchange area(s) of:

Blunt, SD	Rosholt, SD
Bowdle, SD	Roslyn, SD
Britton, SD	Selby, SD
East Onida, SD	Seneca, SD
Gettysburg, SD	Sisseton, SD
Harold, SD	Tolstoy, SD
Highmore, SD	Tulare, SD
Hitchcock, SD	Wessington, SD
Hoven, SD	Wessington Springs, SD
Langford, SD	West Onida, SD
Lebanon, SD	
North Britton, ND	
Onaka, SD	
Onida, SD	
Pierpont, SD	
Ree Heights, SD	
Roscoe, SD	

II. The Company Has Used and Will Use Universal Service Support Only For the Intended Purposes

Section 254(e) of the Communications Act of 1934, as amended requires ETCs to use Universal Service support (“USF”) “only for the provision, maintenance, and upgrading of facilities and services for which the support is intended.”⁴ Pursuant to Section 54.314 of the FCC’s rules, in order for state-designated ETCs to receive USF for the coming year, states must annually file certifications by October 1 stating that all federal high-cost support provided to such carriers within the state “was used in the preceding calendar year and will be used in the coming calendar year only for the provision, maintenance, and upgrading of facilities and services for which the support is intended.”⁵ ETCs not designated by a state must file similar certifications with the FCC.⁶

In its *USF/ICC Transformation Order*, the FCC clarified that prior to making the Section 254(e) certifications, states should conduct a “rigorous examination of the factual information” contained in the annual Section 54.313 reports, of which the five year network improvement plan and annual progress reports are a part, in determining whether they can certify that carriers’ support has been used and will be used only for the purpose for which the support was intended.⁷ The FCC said that it would also use the reports to verify certifications filed by ETCs that are not state-designated.⁸ In this context, the

⁴ 47 U.S.C. § 254(e).

⁵ 47 C.F.R. § 54.314(a).

⁶ 47 C.F.R. § 54.314(b).

⁷ See *USF/ICC Transformation Order* at Para. 612.

⁸ *Id.*

Commission stated, “[i]n light of the public interest obligations we adopt in this Order, a key component of this [Section 254(e)] certification will now be that support is being used to maintain and extend modern networks capable of providing voice and broadband service.”⁹

Essentially, under the existing rules and processes, the federal USF received by the Company and other incumbent rural telephone companies are, in fact, an integral part of the recovery of expenditures of rural incumbent local exchange carriers incurred in the provision, maintenance and upgrading of their provision of facilities and services for which the USF is intended. Venture depends upon its receipt and utilization of federal universal service support to provide rural telephone customers with affordable and quality voice and broadband services.

Accordingly, given the critical role the network improvement plan and the progress reports will have in the annual Section 254(e) certification process, Venture Communications Cooperative’s plan and progress reports will demonstrate not only how Venture has used and will use USF not only for improvements and upgrades, but also for the provision and maintenance of the facilities and services to which the support was intended.

III. The Company’s Five-Year Network Improvement Plan

When the Commission adopted its five-year plan requirements for FCC-designated ETCs in its *2005 ETC Order*, it set forth the following criteria as to how the

⁹ *Id.* (emphasis supplied).

ETC is to describe with “specificity” the proposed improvements or upgrades to the ETC's network throughout its service area:

(1) how signal quality, coverage, or capacity will improve due to the receipt of high-cost support throughout the area for which the ETC seeks designation; (2) the projected start date and completion date for each improvement and the estimated amount of investment for each project that is funded by high-cost support; (3) the specific geographic areas where the improvements will be made; and (4) the estimated population that will be served as a result of the improvements.¹⁰

In that order, the FCC clarified that service quality improvements in the five-year plan “do not necessarily require additional construction of network facilities.”¹¹ Accordingly, the improvements listed in the plan may be projects related to the expansion of the network (one or multiple services), projects related to updating technology to accommodate new services or higher bandwidth or maintenance projects, such as to reduce trouble reports or replace outdated equipment. Additionally, in some cases, the projects may be ones that improve or upgrade the entire network rather than discrete areas within a study area or they may be ones that are ongoing projects that have no specific start and completion dates.

The instructions to the Form 481 state “[r]ecipients may describe where improvements are expected to occur by wire center or census block, as appropriate. To the extent no improvements are planned in specific areas, the five-year plan should so indicate.”¹² The instructions also require that in subsequent years, ETCs must file a

¹⁰ *Federal-State Joint Board on Universal Service*, CC Docket No. 96-45, Report and Order, FCC 05-46 (rel. Mar. 17, 2005) (“2005 ETC Order”).

¹¹ *Id.*

¹² Instructions for Completing FCC Form 481, OMB Control No. 3060-0986 (High-Cost), OMB Control No. 3060-0819 (Low-Income), March 2014, Line 112

progress report on the five-year plan, pursuant to 47 C.F.R. §54.313(a)(1), including maps explaining progress towards meeting the deployment targets, the amount of universal service support received, how support was used to improve service quality, coverage, or capacity, and an explanation regarding any network improvement targets that have not been fulfilled in the prior calendar year. The information regarding the total amount of universal service support received must also be broken out separately by the amount spent on capital expenses and the amount spent on operating expenses.¹³ Accordingly, the Company's five-year plan separately provides both capital expenditures and operating expenses.

A. The Company's Major Network Improvement Projects

Based upon this framework, Appendix A reflects Venture Communications Cooperative's major network improvement projects for the year 2015 through calendar year 2019¹⁴ along with the start and completion dates, capital costs, areas and population associated with those projects.

At this time, there are no major network improvement plans in the following exchanges: Bowdle, SD; East Onida, SD; Highmore, SD; Lebanon, SD; North Britton, ND; Onida, SD; Roscoe, SD; Roslyn, SD; Wessington Springs, SD; and West Onida, SD. These exchanges have all been recently rebuilt using a fiber-to-the-home technology and no further construction plans are currently in place.

¹³ Instructions for Completing FCC Form 481, OMB Control No. 3060-0986 (High-Cost), OMB Control No. 3060-0819 (Low-Income), March 2014, Line 112

¹⁴ Although the FCC has not specified what it considers to be "year one" of the five year plan, the Company believes that it is the FCC's intent for the calendar year 2015 to be considered "year one" due to the fact that the first progress report on the plan is due July 1, 2015 and all of the other reporting requirements contained in Section 54.313 are based on the calendar year.

B. How These Projects Will Improve the Network

The projects listed in Appendix A all relate to fiber-to-the-home projects that will be completed in the town areas of the listed exchanges. These projects will update technology to allow for potential new services in the future and will also provide higher bandwidth so subscribers can take advantage of higher internet speeds. In addition, maintenance needs in each of these communities should decrease with the new and improved fiber service to be supplied to each residence and business in the listed exchanges. Each project will provide improved voice and broadband service for the individual exchange listed. Expected start and completion dates are listed on Appendix A.

C. Estimated Capital Expenditures and Operating Expenses

The first table in Appendix B included herein specifies the Capital Expenditures (projects) in Appendix A, by Part 32 account, along with the respective year in which the expenditures are expected to occur. In the second table of Appendix B, the projected operating expenses are provided, including depreciation expense for both embedded plant investment and for Capital Expenditures, which begins when the Capital Expenditures are projected to be placed into service.

Study Area Code	391680
Study Area Name	Venture Communications Cooperative
Company Contact Name	Janelle Jessen
Contact Telephone Number	605-852-2224
Contact Email Address	janellej@venture.coop

PART A - PROJECT LIST FOR 2015-2019

Project	Start Date	Completion	Areas	Population(1)	Total Dollars
Britton Town - Fiber to the Home	9/1/2014	7/31/2015	Britton, SD Town	666	██████████
Gettysburg Town - Fiber to the Home	9/1/2014	7/31/2015	Gettysburg, SD Town	548	██████████
Selby Town - Fiber to the Home	9/1/2014	7/31/2015	Selby, SD Town	379	██████████
Sisseton Town - Fiber to the Home	9/1/2014	7/31/2015	Sisseton, SD Town	938	██████████
Rosholt Town - Fiber to the Home	5/1/2016	11/30/2016	Rosholt, SD Town	212	██████████
Langford Town - Fiber to the Home	5/1/2016	11/30/2016	Langford, SD Town	155	██████████
Pierpont Town - Fiber to the Home	5/1/2016	11/30/2016	Pierpont, SD Town	53	██████████
Blunt Town - Fiber to the Home	5/1/2017	11/30/2017	Blunt, SD Town	145	██████████
Hoven Town - Fiber to the Home	5/1/2017	11/30/2017	Hoven, SD Town	222	██████████
Harrold Town - Fiber to the Home	5/1/2017	11/30/2017	Harrold, SD Town	69	██████████
Wessington Town - Fiber to the Home	5/1/2018	11/30/2018	Wessington, SD Town	110	██████████
Hitchcock Town - Fiber to the Home	5/1/2018	11/30/2018	Hitchcock, SD Town	57	██████████
Tulare Town - Fiber to the Home	5/1/2018	11/30/2018	Tulare, SD Town	108	██████████
Seneca Town - Fiber to the Home	5/1/2019	11/30/2019	Seneca, SD Town	14	██████████
Tolstoy Town - Fiber to the Home	5/1/2019	11/30/2019	Tolstoy, SD Town	35	██████████
Onaka Town - Fiber to the Home	5/1/2019	11/30/2019	Onaka, SD Town	10	██████████
Ree Heights Town - Fiber to the Home	5/1/2019	11/30/2019	Ree Heights, SD Town	35	██████████
Totals					\$ ██████████

Line 510
Processes and Procedures to Ensure Compliance with Service Quality Standards
and Consumer Protection Rules
Per FCC Form 481 Instructions

This document details the processes and procedures that Venture Communications Cooperative (the "Company") follows to ensure compliance with service quality standards and consumer protection rules as laid out in FCC Form 481 Instructions.

The company provides voice grade access to the public switched telephone network (PSTN) at a flat rate, enabling access to emergency services provided by local government or other public safety organizations such as 911.

For service quality standards that are affected by plant issues, the Company engineers and installs its plant and other facilities in such a way as to ensure safe, adequate and continuous service at all times.

In addition, employees are periodically trained on service quality standards and consumer protection issues. In particular, if any set of issues appear to be prevalent, employees are given briefings on how to handle such issues beyond the normal guidelines in place for resolution of customer complaints. A recent example is the call completion problems that have arisen and the customer calls that are generated as a result. Although this is not a service quality problem caused by the Company, it does affect customers of the Company and, therefore, deserves the attention of the Company employees.

The Company also periodically reviews its operating procedures to be sure that those operating procedures are in compliance with service quality standards and that the operating procedures are not in violation of consumer protection rules. Internally a compliance officer ensures annual employee training and dictates disciplinary process for improper use of consumer information. If concerns arise beyond the compliance officer legal counsel is sought to assist with a resolution.

If complaints are filed with the Company related to service quality standards or consumer protection rules, the complaint is immediately investigated, the matter tracked and any corrective action noted. This process ensures that problems are addressed and corrections made. It should be noted that the Company has received no customer complaints in the past five years regarding service quality standards or consumer protection rules as they relate to the service offered by the Company.

The Company advertises the availability of its services and the charges using media of general distribution and on its website.

STATEMENT DEMONSTRATING FUNCTIONALITY IN EMERGENCY SITUATIONS.

At line 600 of FCC Form 481, Venture Communications Cooperative certified that it is able to function in emergency situations as set forth in 47 C.F.R § 54.202(a)(1)(ii). This means that Venture Communications Cooperative has reasonable amount of back-up power to ensure functionality without an external source, is able to reroute traffic around damaged facilities, and is capable of managing traffic spikes resulting from emergency situations. This statement will detail how Venture Communications Cooperative is prepared to ensure continued service in an emergency situation.

Back-Up Power

Venture Communications Cooperative has a back-up generator available with a minimum of a four hour power supply for its central office. In addition, it has portable generators available for remote sites.

Rerouting of Traffic around Damaged Facilities

Venture Communications Cooperative has route redundancy for long distance service, E-911 trunking and SS7 signaling trunking.

In the case of isolated groups of customers that may suffer damage due to a cable cut, Venture Communications Cooperative maintains sufficient staff and other resources to be able to put customers back in service in a very short amount of time. Venture Communications Cooperative emergency service equipment is located within its exchange and requires very little time to dispatch.

Traffic Spikes

Venture Communications Cooperative outside plant is designed, engineered and built with sufficient capacity to handle traffic spikes resulting from emergency situations and has been able to do so in the past. Venture Communications Cooperative is in an area where severe weather strikes periodically and has been able to handle communication needs at those times and has the experience from those situations to be able handle such emergency situations in the future.

Venture Telecommunications Cooperative

Description of Tribal Engagement

For Form 481 Line 920 thru Line 929

The Company provides services in two tribal areas, Sisseton Wahpeton Oyate (“SWO”) Tribe and Crow Creek Sioux Tribe. On October 30, 2013, by letter sent via certified mail to the Tribal Chairman, Company requested a meeting with the Crow Creek Sioux Tribe to exchange information and discuss issues related to the deployment and provisioning of communications services on Tribal lands. The Crow Creek Tribal Chairman has not yet responded to the request to schedule an “engagement” meeting.

With regard to the SWO Tribe, the Company exchanged numerous letters, email messages, and telephone calls with the office of the Tribal Chair, Robert Shepherd, and also with other offices of tribal government, throughout 2013. During these communications, the Company and SWO engaged in discussions that covered all of the topics included in the “Tribal Engagement” provisions. On July 16, 2013, Company had a face-to-face meeting with Tribal Chairman Shepherd and other environmental, easement, and taxation representatives of the SWO Tribe to resolve any outstanding issues between Company and SWO Tribe. On October 30, 2013, by letter sent via certified mail to the Tribal Chairman, Company offered to schedule another meeting with the SWO Tribe to engage in further discussions, if Tribal Chairman Shepherd believed another meeting was necessary. The Company did not receive a response to the letter.

Venture Telecommunications Cooperative

Description of Lifeline Terms and Conditions

For Form 481 Line 1220 thru 1223

Venture Communications offers Lifeline service to each of its customers. Venture customers who submit a completed application as well as supporting documentation to verify that the customer is eligible for a Lifeline discount are subscribed to a Lifeline discount of \$9.25 per month. If a customer disconnects service for any reason, they must reapply as a new Lifeline subscriber when service is reconnected. There are no limits on the number of minutes included in the Lifeline plan. Lifeline subscribers may choose to have no toll service at no additional charge. If the Lifeline subscriber chooses to subscribe to toll service, the customer is charged a per call rate and/or a monthly fee depending on which toll plan the customer subscribes to and which toll carrier the customer chooses to provide long distance service.

Venture Communications also offers Tribal Lifeline and Linkup service to customers who reside on tribal lands. Tribal customers who submit a completed application as well as supporting documentation to verify that the customer is eligible for a Lifeline discount are subscribed to a varying Lifeline discount, depending on the area's local service rate, so that the customer charge for basic local telephone service is \$1.00 per month. Under the Tribal Linkup program, the phone installation charges for a new customer residing on tribal lands, up to \$100, are credited back to the customer when the customer installs new service. If a customer disconnects service for any reason, they must reapply as a new Lifeline subscriber when service is reconnected. There are no limits on the number of minutes included in the Lifeline plan. Lifeline subscribers may choose to have no toll service at no additional charge. If the Lifeline subscriber chooses to subscribe to toll service, the customer is charged a per call rate and/or a monthly fee depending on which toll plan the customer subscribes to and which toll carrier the customer chooses to provide long distance service.

USDA-RUS

BORROWER DESIGNATION

**OPERATING REPORT FOR
TELECOMMUNICATIONS BORROWERS**

PERIOD ENDING

December, 2013

INSTRUCTIONS- See RUS Bulletin 1744-2

PART B. STATEMENTS OF INCOME AND RETAINED EARNINGS OR MARGINS

ITEM	PRIOR YEAR	THIS YEAR
1. Local Network Services Revenues		
2. Network Access Services Revenues		
3. Long Distance Network Services Revenues		
4. Carrier Billing and Collection Revenues		
5. Miscellaneous Revenues		
6. Uncollectible Revenues		
7. Net Operating Revenues (1 thru 5 less 6)		
8. Plant Specific Operations Expense		
9. Plant Nonspecific Operations Expense (Excluding Depreciation & Amortization)		
10. Depreciation Expense		
11. Amortization Expense		
12. Customer Operations Expense		
13. Corporate Operations Expense		
14. Total Operating Expenses (8 thru 13)		
15. Operating Income or Margins (7 less 14)		
16. Other Operating Income and Expenses		
17. State and Local Taxes		
18. Federal Income Taxes		
19. Other Taxes		
20. Total Operating Taxes (17+18+19)		
21. Net Operating Income or Margins (15+16-20)		
22. Interest on Funded Debt		
23. Interest Expense - Capital Leases		
24. Other Interest Expense		
25. Allowance for Funds Used During Construction		
26. Total Fixed Charges (22+23+24-25)		
27. Nonoperating Net Income		
28. Extraordinary Items		
29. Jurisdictional Differences		
30. Nonregulated Net Income		
31. Total Net Income or Margins (21+27+28+29+30-26)		
32. Total Taxes Based on Income		
33. Retained Earnings or Margins Beginning-of-Year		
34. Miscellaneous Credits Year-to-Date		
35. Dividends Declared (Common)		
36. Dividends Declared (Preferred)		
37. Other Debits Year-to-Date		
38. Transfers to Patronage Capital		
39. Retained Earnings or Margins End-of-Period [(31+33+34) - (35+36+37+38)]		
40. Patronage Capital Beginning-of-Year		
41. Transfers to Patronage Capital		
42. Patronage Capital Credits Retired		
43. Patronage Capital End-of-Year (40+41-42)		
44. Annual Debt Service Payments		
45. Cash Ratio [(14+20-10-11) / 7]		
46. Operating Accrual Ratio [(14+20+26) / 7]		
47. TIER [(31+26) / 26]		
48. DSCR [(31+26+10+11) / 44]		

OPERATING REPORT FOR
TELECOMMUNICATIONS BORROWERS

INSTRUCTIONS - See RUS Bulletin 1744-2

BORROWER DESIGNATION

PERIOD ENDED

December, 2013

Part C. SUBSCRIBER (ACCESS LINE), ROUTE MILE, & HIGH SPEED DATA INFORMATION

EXCHANGE	1. RATES		2. SUBSCRIBERS (ACCESS LINES)			3. ROUTE MILES	
	B-1	R-1	BUSINESS	RESIDENTIAL	TOTAL	TOTAL (including fiber)	FIBER
	(a)	(b)	(a)	(b)	(c)	(a)	(b)
Blunt							
Bowdle							
Britton							
East Onida							
Gettysburg							
Harold							
Highmore							
Hitchcock							
Hoven							
Langford							
Lebanon							
North Britton							
Onaka							
Onida							
Pierpont							
Ree Heights							
Roscoe							
Rosholt							
Roslyn							
Selby							
Seneca							
Sisseton							
Tolstoy							
Tulare							
Wessington							
Wessington Springs							
West Onida							
MobileWireless							
Route Mileage Outside Exchange Area							
Total							
No. Exchanges	27						

USDA-RUS OPERATING REPORT FOR TELECOMMUNICATIONS BORROWERS	BORROWER DESIGNATION [REDACTED]
INSTRUCTIONS- See RUS Bulletin 1744-2	
PERIOD ENDING December, 2013	

PART D. SYSTEM DATA				
1. No. Plant Employees	2. No. Other Employees	3. Square Miles Served	4. Access Lines per Square Mile	5. Subscribers per Route Mile

PART E. TOLL DATA	
1. Study Area ID Code(s) a. 391680 b. _____ c. _____ d. _____ e. _____ f. _____ g. _____ h. _____ i. _____ j. _____	2. Types of Toll Settlements (Check one) Interstate: <input type="checkbox"/> Average Schedule <input checked="" type="checkbox"/> Cost Basis Intrastate: <input type="checkbox"/> Average Schedule <input checked="" type="checkbox"/> Cost Basis

PART F. FUNDS INVESTED IN PLANT DURING YEAR	
1. RUS, RTB, & FFB Loan Funds Expended	[REDACTED]
2. Other Long-Term Loan Funds Expended	[REDACTED]
3. Funds Expended Under RUS Interim Approval	[REDACTED]
4. Other Short-Term Loan Funds Expended	[REDACTED]
5. General Funds Expended (Other than Interim)	[REDACTED]
6. Salvaged Materials	[REDACTED]
7. Contribution in Aid to Construction	[REDACTED]
8. Gross Additions to Telecom. Plant (1 thru 7)	[REDACTED]

PART G. INVESTMENTS IN AFFILIATED COMPANIES					
INVESTMENTS (a)	CURRENT YEAR DATA		CUMULATIVE DATA		
	Investment This Year (b)	Income/Loss This Year (c)	Cumulative Investment To Date (d)	Cumulative Income/Loss To Date (e)	Current Balance (f)
1. Investment in Affiliated Companies - Rural Development	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]
2. Investment in Affiliated Companies - Nonrural Development	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]

USDA-RUS
**OPERATING REPORT FOR
 TELECOMMUNICATIONS BORROWERS**

BORROWER DESIGNATION
 [REDACTED]

PERIOD ENDING
 December, 2013

PART H. CURRENT DEPRECIATION RATES

Are corporation's depreciation rates approved by the regulatory authority with jurisdiction over the provision of telephone services? (Check one)

YES NO

EQUIPMENT CATEGORY	DEPRECIATION RATE
1. Land and support assets - Motor Vehicles	[REDACTED]
2. Land and support assets - Aircraft	[REDACTED]
3. Land and support assets - Special purpose vehicles	[REDACTED]
4. Land and support assets - Garage and other work equipment	[REDACTED]
5. Land and support assets - Buildings	[REDACTED]
6. Land and support assets - Furniture and Office equipment	[REDACTED]
7. Land and support assets - General purpose computers	[REDACTED]
8. Central Office Switching - Digital	[REDACTED]
9. Central Office Switching - Analog & Electro-mechanical	[REDACTED]
10. Central Office Switching - Operator Systems	[REDACTED]
11. Central Office Transmission - Radio Systems	[REDACTED]
12. Central Office Transmission - Circuit equipment	[REDACTED]
13. Information origination/termination - Station apparatus	[REDACTED]
14. Information origination/termination - Customer premises wiring	[REDACTED]
15. Information origination/termination - Large private branch exchanges	[REDACTED]
16. Information origination/termination - Public telephone terminal equipment	[REDACTED]
17. Information origination/termination - Other terminal equipment	[REDACTED]
18. Cable and wire facilities - Poles	[REDACTED]
19. Cable and wire facilities - Aerial cable - Metal	[REDACTED]
20. Cable and wire facilities - Aerial cable - Fiber	[REDACTED]
21. Cable and wire facilities - Underground cable - Metal	[REDACTED]
22. Cable and wire facilities - Underground cable - Fiber	[REDACTED]
23. Cable and wire facilities - Buried cable - Metal	[REDACTED]
24. Cable and wire facilities - Buried cable - Fiber	[REDACTED]
25. Cable and wire facilities - Conduit systems	[REDACTED]
26. Cable and wire facilities - Other	[REDACTED]

USDA-RUS	BORROWER DESIGNATION ██████████
OPERATING REPORT FOR TELECOMMUNICATIONS BORROWERS	PERIOD ENDED December, 2013
INSTRUCTIONS – See help in the online application.	
PART I – STATEMENT OF CASH FLOWS	
1. Beginning Cash (Cash and Equivalents plus RUS Construction Fund)	██████████
CASH FLOWS FROM OPERATING ACTIVITIES	
2. Net Income	██████████
<i>Adjustments to Reconcile Net Income to Net Cash Provided by Operating Activities</i>	
3. Add: Depreciation	██████████
4. Add: Amortization	██████████
5. Other (Explain)	
<i>Changes in Operating Assets and Liabilities</i>	
6. Decrease/(Increase) in Accounts Receivable	██████████
7. Decrease/(Increase) in Materials and Inventory	██████████
8. Decrease/(Increase) in Prepayments and Deferred Charges	
9. Decrease/(Increase) in Other Current Assets	██████████
10. Increase/(Decrease) in Accounts Payable	
11. Increase/(Decrease) in Advance Billings & Payments	██████████
12. Increase/(Decrease) in Other Current Liabilities	██████████
13. Net Cash Provided/(Used) by Operations	██████████
CASH FLOWS FROM FINANCING ACTIVITIES	
14. Decrease/(Increase) in Notes Receivable	
15. Increase/(Decrease) in Notes Payable	██████████
16. Increase/(Decrease) in Customer Deposits	██████████
17. Net Increase/(Decrease) in Long Term Debt (Including Current Maturities)	██████████
18. Increase/(Decrease) in Other Liabilities & Deferred Credits	██████████
19. Increase/(Decrease) in Capital Stock, Paid-in Capital, Membership and Capital Certificates & Other Capital	██████████
20. Less: Payment of Dividends	██████████
21. Less: Patronage Capital Credits Retired	██████████
22. Other (Explain) Misc Adjustments	██████████
23. Net Cash Provided/(Used) by Financing Activities	██████████
CASH FLOWS FROM INVESTING ACTIVITIES	
24. Net Capital Expenditures (Property, Plant & Equipment)	██████████
25. Other Long-Term Investments	
26. Other Noncurrent Assets & Jurisdictional Differences	
27. Other (Explain) Additional Capital Expenditures not included above	██████████
28. Net Cash Provided/(Used) by Investing Activities	██████████
29. Net Increase/(Decrease) in Cash	██████████
30. Ending Cash	██████████

Revision Date 2010

<p>USDA-RUS</p> <p>OPERATING REPORT FOR TELECOMMUNICATIONS BORROWERS</p>	<p>BORROWER DESIGNATION</p> <p>[REDACTED]</p>
<p>INSTRUCTIONS - See RUS Bulletin 1744-2</p>	<p>PERIOD ENDED December, 2013</p>
<p>NOTES TO THE OPERATING REPORT FOR TELECOMMUNICATIONS BORROWERS</p>	