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July 30, 2018

Andrew M. Carlson  
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**VIA FEDERAL EXPRESS**

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



**Re: 2018 ETC Annual Report of North Dakota 5 - Kidder Limited Partnership  
Case No. \_\_\_\_\_**

Dear Sir or Madam:

Enclosed please find the 2018 ETC Annual Report of North Dakota 5 - Kidder Limited Partnership (the “Company”) as required by N.D. Admin. Code § 69-09-05-12.1. Certain exhibits to the Annual Report contain information and data considered to be trade secret/confidential under N.D. Cent. Code 44-04-18.4 and N.D. Admin. Code § 69-02-09-01 *et seq.* Accordingly, the following are enclosed for filing:

- one trade secret/confidential version of the Annual Report, in a separate sealed envelope marked PROTECTED INFORMATION – PRIVATE, consistent with N.D. Admin. Code § 69-02-09-02;
- one public version of the Annual Report (with the trade secret/confidential material redacted);
- the Company’s Application to Protect Trade Secret and Confidential Information submitted with the Annual Report.

John Hamre from the Commission informed me last year that additional copies of the Annual Report and the Trade Secret Application need not be filed with the Commission. Also, consistent with the practice in previous years, I will email a PDF copy of the public version of the Annual Report to Mr. Hamre for convenience.

In addition, for confirmation of filing, also enclosed are one copy each of the front page of the public version of the Annual Report and of the Trade Secret Application, along with a self-addressed stamped envelope. Please file-stamp these pages and return them to me in the envelope.



Executive Secretary  
July 30, 2018  
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Please contact me immediately if there are any questions about this filing.

Sincerely,

A handwritten signature in blue ink, appearing to read "Andrew M. Carlson".

Andrew M. Carlson

AMC/pk  
Enclosures

**PUBLIC VERSION**  
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**STATE OF NORTH DAKOTA**  
**BEFORE THE PUBLIC SERVICE COMMISSION**

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NORTH DAKOTA 5 - KIDDER  
LIMITED PARTNERSHIP  
2018 ETC ANNUAL REPORT

CASE NO. \_\_\_\_\_

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

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In accordance with the regulations adopted by the North Dakota Public Service Commission (“Commission”), North Dakota 5 - Kidder Limited Partnership (the “Company”) submits this 2018 ETC Annual Report.

**I. BACKGROUND**

North Dakota 5 - Kidder Limited Partnership is a limited partnership, organized under the laws of Colorado that provides wireless telecommunications services in North Dakota. The Company is licensed by the Federal Communications Commission (“FCC”) to provide commercial mobile radio service (“CMRS”) in North Dakota Rural Service Area (“RSA”) No. 5 and serves customers in the following North Dakota counties: Kidder, Stutsman, Emmons, Eddy, Foster, Sheridan, Wells, Logan, and McIntosh.

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

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<sup>1</sup> *Northwest Dakota Cellular of North Dakota Limited Partnership Designated Eligible Carrier Application*, Case No. PU-1226-03-597; *North Central RSA 2 of North Dakota Limited Partnership Designated Eligible Carrier Application*, Case No. PU-386-03-598; *North Dakota RSA No. 3 Limited Partnership Designated Eligible Carrier Application*, Case No. PU-897-03-599; *Badlands Cellular of*

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areas identified in the *Designation Order* (the “Designated Area”). *Designation Order*, pp. 4-9, 13-14. Designation in some areas was contingent on redefinition of the study area requirement by the FCC. The FCC granted redefinition effective September 17, 2004.<sup>2</sup>

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

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

**A. Report Regarding Federal High-Cost Universal Service Support Received in 2017 and Expected to be Received in 2019**

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

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*North Dakota Limited Partnership Designated Eligible Carrier Application*, Case No. PU-1225-03-600; *North Dakota 5 – Kidder Limited Partnership Designated Eligible Carrier Application*, Case No. PU-338-03-601; *Bismarck MSA Limited Partnership Designated Eligible Carrier Application*, Case No. PU-494-03-602, Order, (Feb. 25, 2004) (“*Designation Order*”).

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

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provision, maintenance, or upgrading of the carrier's facilities and services pursuant to 47 U.S.C. § 254(e).

The Company has developed a "2018 Report of Federal High-Cost Universal Service Support" ("2018 USF Report") which contains the required information concerning the Company's use of federal high-cost universal service support. The Company's 2018 USF Report is attached as Confidential Exhibit A.<sup>3</sup> In calendar year 2018, the Company received \$2,364,276 in federal universal service high-cost support. For calendar year 2019, the Company projects it will receive approximately \$2,364,276 in federal high-cost support.<sup>4</sup>

The Company's 2018 USF Report includes all information required by N.D. Admin. Code § 69-09-05-12.1(1). It describes how support received in calendar year 2017 was used for the provision, maintenance or upgrading of the Company's facilities and services, including network maintenance and operating expenses, pursuant to 47 U.S.C. § 254(e) and explains any changes from reports that have been previously provided to the Commission. The 2018 USF

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

<sup>4</sup> In November 2011, the FCC determined that universal service support for competitive ETCs per study area would be frozen, based on a 2011 baseline, and phased down annually from there. See *Connect America Fund et al.*, WC Docket No. 10-90 et al., *Report and Order and Further Notice of Proposed Rulemaking*, FCC 11-161 (rel. Nov. 18, 2011) at ¶¶ 512-519, *aff'd sub nom. In re FCC 11-161*, 753 F.3d 1015 (10th Cir. 2014). The phase-down contemplated in the Connect America Fund Order is currently on hold at the level of 60% of the 2011 baseline, but is subject to change depending on other FCC activity. *Id.* at ¶ 519 (describing how phase-down would be halted if Mobility Fund Phase II was not implemented by June 30, 2014). In March 2017, the FCC announced that the phase-down will resume immediately following the auction for Mobility Fund Phase II. The date for that auction is not yet known, but it is anticipated to take place in 2019. Accordingly, the amount of federal high-cost universal service support to be received by the Company in 2019 is subject to change.

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Report further includes a projection of how federal universal service high-cost support projected to be received in calendar year 2019 will be used for the provision, maintenance, or upgrading of the Company's facilities and services, including network maintenance and operating expenses. It identifies specific construction or upgrade projects expected to be undertaken in 2019, including a description of each project, a description of how service is expected to be improved by the project, the anticipated start and completion dates for each improvement, the estimated amount of investment for each project, the geographic location of each project, and the estimated population to be served by each improvement.

**B. Outage Information**

N.D. Admin. Code § 69-09-05-12.1(2) requires an ETC to include in its annual report detailed information on certain service outages within its Designated Area. Section 69-09-05-12.1(2) does not establish the time period for which an outage report is required. The Company has adopted the prior calendar year as an appropriate time period for providing the outage report. Attached as Confidential Exhibit B<sup>5</sup> is the Company's Outage Report in satisfaction of this requirement.

**C. Unfulfilled Requests for Service**

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

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

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time period for which unfulfilled requests for service must be reported. The Company has adopted the prior calendar year as an appropriate time period for reporting unfulfilled requests for service. The Company certifies that it had no unfulfilled requests for service within its Designated Area to report for 2017.

**D. Complaints per One Thousand Handsets**

N.D. Admin. Code § 69-09-05-12.1(4) requires an ETC to include in its annual report the number of complaints per 1,000 handsets or lines. Section 69-09-05-12.1(4) does not establish the applicable time period for which complaints should be reported. The Company has adopted the prior calendar year as an appropriate time period for providing complaint information. Exhibit D identifies the number of complaints per 1,000 handsets for its Designated Area that the Company received during 2017.

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

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

**F. Certification of Functionality in Emergency Situations**

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

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

**G. Comparable Local Usage Certification**

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

**H. Equal Access Certification**

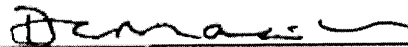
N.D. Admin. Code § 69-09-05-12.1(8) requires a wireless ETC to certify in its annual report that the FCC may require it to provide equal access to long distance carriers in the event no other ETC is providing equal access within its designated service area. The Company certifies and acknowledges that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

**III. CONCLUSION**

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

North Dakota 5 - Kidder Limited Partnership

Dated: July 30, 2018

By 

David Mahida  
Assistant Secretary, CommNet Cellular Inc. d/b/a  
Verizon Wireless, Managing Agent of North Dakota 5  
- Kidder Limited Partnership

One Verizon Way  
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**SUMMARY OF EXHIBITS**

Confidential Exhibit A - 2018 USF Report

- Confidential Exhibit A-1 - 2017 Progress Report
- Confidential Exhibit A-2 - 2018 Updated Projected Network Improvement Plan
- Confidential Exhibit A-3 - 2019 Projected Network Improvement Plan

Confidential Exhibit B - 2017 ETC Outage Report

Exhibit C - 2017 Unfulfilled Requests for Service

Exhibit D - 2017 Complaints Per 1,000 Handsets

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**EXHIBIT A  
THE COMPANY'S 2018 USF REPORT**

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**NORTH DAKOTA 5 – KIDDER LIMITED PARTNERSHIP**  
**2018 REPORT OF FEDERAL HIGH-COST UNIVERSAL SERVICE SUPPORT**  
**for 2017 and 2019**

**I. INTRODUCTION**

In accordance with the regulations established by the North Dakota Public Service Commission (“Commission”), North Dakota 5 – Kidder Limited Partnership (the “Company”) submits this 2018 Report of Federal High-Cost Universal Service Support (“USF Report”).

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

**II. USE OF SUPPORT RECEIVED IN 2017**

Pursuant to 47 U.S.C. § 254(e), federal high-cost universal service support may be used by an ETC only for the provision, maintenance and upgrading of facilities and services for which the support is intended. For calendar year 2017, all federal high-cost universal service support the Company received for its Designated Area in North Dakota was used only for either network improvements, such as construction or upgrade projects, or for operating expenses and maintenance or repair of its network, for purposes of providing the supported services in the Company’s Designated Area.

Attached as Confidential Exhibit A-1 is a spreadsheet identifying specific construction or upgrade projects that the Company undertook in its Designated Area in North Dakota in 2017 in order to expand or improve service. For each improvement, the spreadsheet includes a description of the project, the purpose for the project, the completion date of the project, the

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amount of investment made in the project, the location of the project, and the estimated population served by the project.<sup>1</sup> [REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

The Company also used some of the federal high-cost universal service support it received in 2017 for operating and maintenance expenses, as contemplated and permitted by 47 U.S.C. § 254(e). The categories of operating and maintenance expenses include the costs of telecommunications, long distance, switching, service allocations, rent and lease payments, buildings and utilities, network and other related support services, and roaming charges associated with providing service. The Company's total operating and maintenance expenses for providing service in its Designated Area in North Dakota for 2017 are set forth on Confidential Exhibit A-1.

**III. UPDATED PROJECTED NETWORK IMPROVEMENTS AND OPERATING AND MAINTENANCE EXPENSE FOR 2018**

The Company had previously reported 2018 construction or upgrade projects intended to expand or improve service within its Designated Area in North Dakota. An updated projected network improvement plan for 2018 is attached as Confidential Exhibit A-2. [REDACTED]

[REDACTED] Confidential Exhibit A-2 contains an updated estimate

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

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of operating and maintenance expenses for 2018. The estimated expenses have been updated based upon 2017 actual expenses.

**IV. PROJECTED NETWORK IMPROVEMENTS FOR 2019**

The Company projects that in calendar year 2019 it will receive approximately \$2,364,276 in federal high-cost universal service support for the provision of service within its Designated Area in the State of North Dakota. The actual amount of federal universal service support to be received by the Company may vary from this estimate as universal service funding levels and subscribership change over time. If the projected amount of support is not received, the Company reserves the right to modify the projects and other information in this Report accordingly.

All federal high-cost universal service support the Company receives in 2019 for its Designated Area in North Dakota will be used only for either network improvements, such as construction or upgrade projects, or for operating expenses and maintenance or repair of its network, for purposes of providing the supported services in the Designated Area.

The Company has identified certain 2019 construction or upgrade projects that are intended to expand or improve service within its Designated Area in North Dakota. Attached as Confidential Exhibit A-3 is a spreadsheet containing detailed information about the projects, including a description of each project, the purpose for each project, the estimated start and end dates of each project, the amount of investment expected to be made in the project, the expected location of the projects, and the estimated population to be served by the projects.

The selection of the 2019 facility construction projects is based on the Company's evaluation of many factors, including current consumer demand, competitive forces, and available capital. These and other external factors are not within the Company's control and are

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subject to change. Such changes may affect the Company's assumptions and calculations of where current network facilities could be improved to provide better coverage and service and where current and projected consumer demand may require increased capacity. As these externally-driven changes occur, the Company will reevaluate and modify its estimates for implementing the project accordingly. The order in which the Company's proposed 2019 projects will be undertaken has not been finally determined and may be revised over time. As a result, the content and timing of the 2019 projects in Confidential Exhibit A-3 are subject to change.

The Company will also use some of the federal high-cost universal service support it receives in 2019 for operating and maintenance expenses, as contemplated and permitted by 47 U.S.C. § 254(e). The categories of projected operating and maintenance expenses include the costs of telecommunications, long distance, switching, service allocations, rent and lease payments, buildings and utilities, network and other related support services, and roaming charges associated with providing service. The Company's estimated total operating and maintenance expenses for providing service in its Designated Area in North Dakota in 2019 are set forth on Confidential Exhibit A-3.

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**CONFIDENTIAL EXHIBIT A-1  
2017 Progress Report**

**North Dakota 5 – Kidder Limited Partnership**

See attached Confidential Exhibit A-1. [omitted]

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**CONFIDENTIAL EXHIBIT A-2**  
**Updated Projected 2018 Network Improvement Plan**

**North Dakota 5 – Kidder Limited Partnership**

See attached Confidential Exhibit A-2. [omitted]

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**CONFIDENTIAL EXHIBIT A-3**  
**Projected 2019 Network Improvement Plan**

**North Dakota 5 – Kidder Limited Partnership**

See attached Confidential Exhibit A-3. [omitted]

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**CONFIDENTIAL EXHIBIT B**

**THE COMPANY'S 2017 ETC OUTAGE REPORT**  
Reporting period: January 1, 2017 through December 31, 2017

**North Dakota 5 – Kidder Limited Partnership**

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



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**EXHIBIT C**

**THE COMPANY'S UNFULFILLED REQUESTS FOR SERVICE FOR 2017**

Reporting period: January 1, 2017 through December 31, 2017

Number of Unfulfilled Requests for Service  
within Designated Area

- 0 -

Description of Steps Taken To  
Extend Service  
Not Applicable

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**EXHIBIT D**

**COMPLAINTS PER 1,000 HANDSETS FOR 2017**

Reporting period: January 1, 2017 through December 31, 2017

Complaints per 1,000 handsets: .2707