

STATE OF NORTH DAKOTA
PUBLIC SERVICE COMMISSION

**Reservation Tel / Midstate Tel / Midstate Comm
Stanley, Medora and Beach Exchanges
Public Convenience & Necessity**

Case No. PU-24-319

**Reservation Tel / Midstate Tel / Midstate Comm
Designated Eligible Carrier
Application**

Case No. PU-24-320

ORDER

November 7, 2024

Preliminary Statement

On August 22, 2024, Reservation Telephone Cooperative (RTC), Midstate Telephone Company (MTC), and Midstate Communications, Inc. (MCI) filed a joint application requesting authorization for RTC to provide local exchange telecommunications services in the areas currently known as the Stanley exchange, Medora exchange, and the Beach exchange in North Dakota. The Stanley and Medora exchanges are currently served by MTC and the Beach exchange is currently served by MCI, Case No. PU-24-319.

Also on August 22, 2024, RTC, MTC and MCI filed a joint application requesting that RTC be designated as an eligible telecommunications carrier (ETC) in the Stanley, Medora, and Beach exchange areas, Case No. PU-24-320.

On September 11, 2024, the Commission issued a Notice of Opportunity for Consolidated Hearing (Notice) that provided until October 25, 2024, for comments and requests for hearing. No comments or requests for hearing were received. The Notice stated that, if deemed appropriate, the Commission can determine the matters without a hearing.

The Notice identified the issues to be considered in Case No. PU-24-319 are:

1. Fitness and ability of RTC to provide local exchange telecommunications services.
2. Adequacy of RTC's proposed telecommunications services.
3. Technical, financial and managerial ability of RTC to provide telecommunications services.

4. Whether, upon granting a certificate of public convenience and necessity to RTC to provide local exchange telecommunications services in the area currently known as the Stanley and Medora exchanges, MTC's certificate of public convenience and necessity should be relinquished and in the area known as the Beach exchange if MCI's certificate of public convenience and necessity should be relinquished?

The notice identified the issues to be considered in Case No. PU-24-320 are:

1. Qualification of the applicant under the Telecommunications Act of 1996, Section 214(e) for designation as an ETC eligible to receive federal universal service funding.
2. The ETC universal service support area to be designated.
3. Whether it is in the public interest to designate RTC as an ETC in the Stanley, Medora, and Beach local exchange areas for purposes of receiving universal service support?
4. Whether, upon designation of RTC as an ETC for the Stanley, Medora, and Beach exchanges, MTC's designation as an ETC for the Stanley and Medora exchanges and MCI's designation as an ETC for the Beach exchange should be relinquished?

Discussion

RTC is a North Dakota Cooperative Association with offices located at 24 Main Street North, Parshall, North Dakota 58770.

In support of the joint applications, RTC provided an affidavit of Shane Hart, CEO and General Manager of RTC, which is also the sole owner of MTC and MCI.

Public Convenience and Necessity

RTC holds certificates of public convenience and necessity to provide local exchange telecommunications services inside 23 telephone exchanges in North Dakota. RTC is designated as an ETC for the purpose of receiving federal universal service support in a study area that encompasses those North Dakota telephone exchanges.

MTC holds Certificate of Public Convenience and Necessity Number 5803 to provide local exchange telecommunications services inside the Stanley local exchange area, serving 507 voice and 1,403 internet access lines in North Dakota. MTC also holds Certificate of Public Convenience and Necessity Number 5801 to provide local exchange telecommunications services inside the Medora local exchange area, serving 173 voice

and 294 internet access lines in North Dakota. MTC is designated as an ETC to receive federal universal service support in a study area that encompasses the Stanley and Medora local telephone exchanges in North Dakota.

MCI holds Certificate of Public Convenience and Necessity Number 5799 to provide local exchange telecommunications services inside the Beach local exchange area, serving 368 voice and 699 internet access lines in North Dakota. MCI is designated as an ETC to receive federal universal service support in a study area that encompasses the Beach local telephone exchange in North Dakota.

MTC and MCI will continue to provide local exchange service until all members in the Stanley, Medora and Beach exchanges have been connected to RTC.

MTC's Stanley and Medora customers and MCI's Beach customers will not experience any immediate change to rates, terms, or conditions of service.

RTC plans to upgrade the Stanley, Medora, and Beach exchange networks and bury fiber to the premise for all customers, incorporating the customers into RTC's service area.

The Commission finds that RTC is fit and able to provide telecommunications services to the customers served in the Stanley, Medora and Beach telephone exchange geographic areas.

The Commission finds that the telecommunications services RTC proposes to provide to the geographic areas currently known as the Stanley, Medora and Beach telephone exchanges are adequate.

The Commission finds that RTC has the technical, financial and managerial ability to provide telecommunications service to the geographic areas currently known as the Stanley, Medora and Beach telephone exchanges.

RTC will provide telecommunications service to the geographic areas currently known as the Stanley, Medora and Beach telephone exchanges as an incumbent local exchange carrier.

MTC's certificate of public convenience and necessity authorizing it to provide local exchange telecommunications services in the Stanley and Medora exchanges should be relinquished.

MCI's certificate of public convenience and necessity authorizing it to provide local exchange telecommunications services in the Beach exchange should be relinquished.

Designation as an Eligible Telecommunications Carrier

The federal Telecommunications Act of 1996 (Act) provides for financial support to a common carrier that (1) offers the services established by the FCC to be supported by federal universal service support mechanisms either using its own facilities or a combination of its own facilities and resale of another carrier's services; (2) advertises the availability of such services and the charges for such services using media of general distribution; and (3) is designated as an ETC. An ETC must use that financial support only for the provision, maintenance, and upgrading of facilities and services for which the support is intended.

To be designated as an ETC, the carrier must (1) under Code of Federal Regulations (CFR) Part 47 Subpart B, offer to telecommunications customers each of the services and functionalities designated for federal universal service support; and (2) under CFR Part 47 § 54.405, make available Lifeline service to qualifying low-income consumers.

For telecommunications customers, the services designated by the FCC for support by universal service support mechanisms include voice grade access to the public switched network or its functional equivalent; minutes of use for local service provided at no additional charge to end users; access to the emergency services provided by local government or other public safety organizations, such as 911 and enhanced 911, to the extent the local government in an eligible carrier's service area has implemented 911 or enhanced 911 systems, lifeline support and toll limitation services to qualifying low-income consumers.

The affidavit of Shane Hart, RTC, affirms that it will continue to meet the obligations of an ETC in the Stanley, Medora and Beach telephone exchanges. RTC also affirms that no waiver of ETC criteria is requested.

The Commission finds RTC's application for designation as an eligible telecommunications carrier under North Dakota Administrative Code section 69-09-05-12 is complete including the required affirmations and certifications.

The Commission finds RTC is qualified under Section 214(e) of the federal Communications Act of 1934 as amended by the Telecommunications Act of 1996, for designation as an eligible telecommunications carrier for receiving federal universal service funding for the proposed designated service areas.

For purposes of federal universal service funding, the designated expanded service area for RTC is a rural study area.

Based on the evidence in this proceeding, RTC is qualified under the Telecommunications Act of 1996, Section 214(e) for designation as an ETC to receive federal universal service funding and it is in the public interest that RTC be designated as an ETC in the requested designated expanded service area.

Order

The Commission Orders:

1. Reservation Telephone Cooperative's application for a certificate of public convenience and necessity to provide incumbent local exchange telecommunications services in the areas currently known as the Stanley, Medora and Beach telephone exchanges in North Dakota is approved.
2. Reservation Telephone Cooperative is issued First Amended Certificate of Public Convenience and Necessity Number 5803 to provide local exchange telecommunications services inside the Stanley, North Dakota telephone exchange.
3. Reservation Telephone Cooperative is issued First Amended Certificate of Public Convenience and Necessity Number 5801 to provide local exchange telecommunications services inside the Medora, North Dakota telephone exchange.
4. Reservation Telephone Cooperative is issued First Amended Certificate of Public Convenience and Necessity Number 5799 to provide local exchange telecommunications services inside the Beach, North Dakota telephone exchange.
5. Reservation Telephone Cooperative's request for designation as an eligible telecommunications carrier in the Stanley, Medora and Beach telephone exchanges is granted.
6. Midstate Telephone Company, LLC's Certificate of Public Convenience and Necessity Number 5803 to provide local exchange telecommunications services inside the Stanley, North Dakota telephone exchange area is relinquished.
7. Midstate Telephone Company, LLC's Certificate of Public Convenience and Necessity Number 5801 to provide local exchange telecommunications services inside the Medora, North Dakota telephone exchange area is relinquished.
8. Midstate Communications, Inc's Certificate of Public Convenience and Necessity Numbers 5799 to provide local exchange telecommunications services inside the Beach, North Dakota telephone exchange area is relinquished.
9. Midstate Telephone Company, LLC's designation as an eligible telecommunications carrier in the Stanley and Medora exchange areas is relinquished and cancelled.

10. Midstate Communications, Inc.'s designation as an eligible telecommunications carrier in the Beach exchange area is relinquished and cancelled.

PUBLIC SERVICE COMMISSION

Sheri Haugen Hoffart *Randy Christmann* *Julie Fedorchak*

Sheri Haugen-Hoffart **Randy Christmann** **Julie Fedorchak**
Commissioner **Chair** **Commissioner**

PUBLIC SERVICE COMMISSION

STATE OF NORTH DAKOTA

Certificate of Public Convenience and Necessity

First Amended Certificate Number 5799

This is to certify that public convenience and necessity require, and permission is granted for Reservation Telephone Cooperative, to provide local exchange telecommunications services inside the Beach, North Dakota local exchange area.

This certificate was issued in Case No. PU-13-257 and amended in Case No. PU-24-319, and is conditioned upon Reservation Telephone Cooperative securing the franchise or other authority of the proper municipal or other public authority for the exercise of these rights and privileges.

Bismarck, North Dakota, November 7, 2024.

ATTEST:

PUBLIC SERVICE COMMISSION



Executive Secretary



Commissioner

PUBLIC SERVICE COMMISSION

STATE OF NORTH DAKOTA

Certificate of Public Convenience and Necessity

First Amended Certificate Number 5801

This is to certify that public convenience and necessity require, and permission is granted for Reservation Telephone Cooperative, to provide local exchange telecommunications services inside the Medora, North Dakota local exchange area.

This certificate was issued in Case No. PU-13-258 and amended in Case No. PU-24-319, and is conditioned upon Reservation Telephone Cooperative securing the franchise or other authority of the proper municipal or other public authority for the exercise of these rights and privileges.

Bismarck, North Dakota, November 7, 2024.

ATTEST:

PUBLIC SERVICE COMMISSION



Executive Secretary



Commissioner

PUBLIC SERVICE COMMISSION

STATE OF NORTH DAKOTA

Certificate of Public Convenience and Necessity

First Amended Certificate Number 5803

This is to certify that public convenience and necessity require, and permission is granted for Reservation Telephone Cooperative, to provide local exchange telecommunications services inside the Stanley, North Dakota local exchange area.

This certificate was issued in Case No. PU-13-258 and amended in Case No. PU-24-319, and is conditioned upon Reservation Telephone Cooperative securing the franchise or other authority of the proper municipal or other public authority for the exercise of these rights and privileges.

Bismarck, North Dakota, November 7, 2024.

ATTEST:

PUBLIC SERVICE COMMISSION


Executive Secretary


Commissioner