

Thomas Burns
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May 8, 2015

Daniel P. Wolf
Executive Secretary
Minnesota Public Utilities Commission
121 Seventh Place E, Suite 350
St. Paul, MN 55101-2147

Re: In the Matter of the Petition of Paul Bunyan Rural Telephone Cooperative for
Designation as an Eligible Telecommunications Carrier

Dear Mr. Wolf:

Enclosed via eFiling please find the Original Filing, Summary of Filing, Petition for Designation as an Eligible Telecommunications Carrier (“Petition”), and Affidavit of Service in the above entitled Docket on behalf of Paul Bunyan Rural Telephone Cooperative (“Paul Bunyan” or “PBC”).

Sincerely,

/s/ Thomas G. Burns

Thomas G. Burns
Consultant on behalf of Paul Bunyan Rural Telephone Cooperative

**STATE OF MINNESOTA
BEFORE THE MINNESOTA PUBLIC UTILITIES COMMISSION**

Beverly Jones Heydinger	Chair
Betsy Wergin	Vice Chair
Nancy Lange	Commissioner
Dan Lipschultz	Commissioner
John Tuma	Commissioner

In the Matter of the Petition of Paul Bunyan MPUC Docket No.: _____
Rural Telephone Cooperative for Designation
as an Eligible Telecommunications Carrier

ORIGINAL FILING

Paul Bunyan Rural Telephone Cooperative d/b/a Paul Bunyan Communications ("PBC") requests the Minnesota Public Utilities Commission (the "Commission") for an order designating it as an "eligible telecommunications carrier" ("ETC") for the limited purposes of 1) receiving funds awarded by the Federal Communications Commission (FCC) as part of the Rural Broadband Experiment; and 2) providing local services under the Lifeline program. In order to meet deadlines imposed by the FCC relative to its Rural Broadband Experiment grant, PBC requests expedited treatment of its petition such that it can advise the FCC on or before June 2, 2015, that it has been designated as an ETC.

The filing includes the following attachments:

- | | |
|--------------|---|
| Attachment 1 | One paragraph summary of the filing in accordance with Minn. Rules pt. 7829.1300 . |
| Attachment 2 | Petition for Designation as an Eligible Telecommunications Carrier, which contains a description of the filing, the impact on Petitioner and affected ratepayers, and the reasons for the filings, provided in accordance with Minn. Rules pt. 7829.1300, subp. 4(F). |
| Attachment 3 | Affidavit of Service. |

In addition, the following information is provided, in accordance with Minn. Rules pt. 7829.1300, subp. 4:

Utility:	Paul Bunyan Rural Telephone Cooperative 1831 Anne St NW PO Box 1596 Bemidji, MN 56601
Date of Filing	May 7, 2015
Controlling Statute for Time in Processing the Filing	Minn. Rules pt. 7811.1400 , subp. 12

If additional information is required, please contact me at 651.621.8322.

/s/ *Thomas G. Burns*

Thomas Burns
Consultant on behalf of Paul Bunyan Rural Telephone Cooperative

**STATE OF MINNESOTA
BEFORE THE MINNESOTA PUBLIC UTILITIES COMMISSION**

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In the Matter of the Petition of Paul Bunyan MPUC Docket No.: _____
Rural Telephone Cooperative for Designation
as an Eligible Telecommunications Carrier

SUMMARY OF FILING

Paul Bunyan Rural Telephone Cooperative ("PBC") requests the Minnesota Public Utilities Commission (the "Commission") for an order designating it as an "Eligible Telecommunications Carrier" ("ETC") for the limited purposes of 1) receiving funds awarded by the Federal Communications Commission (FCC) as part of the Rural Broadband Experiment; and 2) providing local services pursuant to the Lifeline program.

**STATE OF MINNESOTA
BEFORE THE MINNESOTA PUBLIC UTILITIES COMMISSION**

Beverly Jones Heydinger	Chair
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Nancy Lange	Commissioner
Dan Lipschultz	Commissioner
John Tuma	Commissioner

In the Matter of the Petition of Paul Bunyan Rural Telephone Cooperative for Designation as an Eligible Telecommunications Carrier MPUC Docket No.: _____

**PETITION FOR DESIGNATION AS AN
ELIGIBLE TELECOMMUNICATIONS CARRIER
AND REQUEST FOR EXPEDITED TREATMENT**

On December 5, 2014 the Federal Communications Commission provisionally awarded Paul Bunyan Rural Telephone Cooperative ("PBC") \$1.96M in Rural Broadband Experiment funds¹. The FCC requires awardees in this program to be designated as an Eligible Telecommunications Carrier ("ETC") as a condition of receiving these funds. PBC hereby petitions the Minnesota Public Utilities Commission for designation as an ETC for the limited purposes of receiving the Rural Broadband Experiment Funds and ongoing support for service provided pursuant to the federal Lifeline program.

In support of its Petition, PBC states as follows:

- A. The legal name, address and telephone number of the Petitioner and its designated contact person are as follows:

Paul Bunyan Communications
1831 Anne St NW
PO Box 1596
Bemidji, MN 56601

PBC is represented in connection with this petition by its attorney:

Gregory R. Merz
Gray, Plant, Mooty, Mooty & Bennett, P.A.
500 IDS Center
80 South Eighth Street
Minneapolis, Minnesota 55402
(612) 632-3257

¹ [FCC Docket No. 10-90, DA 15-288, Released: March 4, 2015](#)

- B. The name and title of the officer or representative of PBC authorizing this petition is Gary Johnson, Chief Executive Officer, whose signature appears at the end of this petition.
- C. The proposed effective date of designation of eligibility to receive Universal Service Support is immediately upon the Commission's issuance of an Order approving this Petition.
- D. The service area for which designation is sought, the local exchange carrier and whether the local exchange carrier is a rural telephone company is set forth following:

1. The service area for which PBC requests designation as an ETC is the following area:

Specific census blocks within the Minnesota exchanges of Park Rapids and Grand Rapids where CenturyLink QC is the incumbent local exchange carrier (“Service Area”) for which the FCC has conditionally granted funding.

Maps of the Proposed Service Area is attached as Exhibit 1A and 1B.

2. PBC believes CenturyLink is not a rural carrier as defined under [47 USC § 153\(44\)](#).

- E. PBC’s Petition for designation as an ETC for the Service Area is consistent with the public interest, convenience and necessity, and satisfies the requirements for receiving universal service support under state and federal law, for the following reasons:

PBC POSSESSES THE INTENT AND CAPABILITY OF PROVIDING SERVICE UPON REASONABLE CUSTOMER REQUEST THROUGHOUT THE SERVICE AREA

1. PBC's Regulatory Authority – The certificate of authority currently held by Paul Bunyan Rural Telephone cooperative was originally issued by the Railroad and Warehouse Commission in 1962, 1963 and 1966. The Commission approved the following PBC requests for service area expansion:

EXCHANGE(s)	DOCKET	DATE
Bemidji (partial)	P423/NA-98-1674	January 26, 1999
Grand Rapids, Bemidji (full)	P423/AM-02-1557	October 11, 2002
Cass Lake	P423/AM-06-71	February 10, 2006
Itasca State Park	P423/AM-07-83	February 12, 2007
Park Rapids	P-423/AM-09-71	February 9, 2009
Alborn, Aurora, Babbitt, Bear River, Big Falls, Brimson, Brookston, Crane Lake, Cromwell, Denham, Ely, Embarrass, Ericsburg, Floodwood, Greaney, Hoyt Lakes, International Falls, Isabella, Jacobson, Kabetogama, Little Fork, Meadowlands, Nickerson, Palo, Ranier, Sturgeon Lake, Tower, Two Harbors and Warba	P423/AM-12-959	October 16, 2012
Barnum, Biwabik, Buhl, Carlton, Chisholm, Cloquet, Coleraine, Cook, Duluth, Grand Marais, Grand Rapids, Hibbing, Keewatin, Marble,	P423/AM-13-129	April 8, 2013

Moose Lake, Nashwauk, Silver Bay, Tofte, and Virginia		
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2. PBC's Facilities and Commitment to Serve - PBC will provide broadband and voice telephone over its newly-installed fiber-optic facilities. PBC is committed to provide service to all customers making a reasonable request for service. PBC certifies that it will: (a) provide service on a timely basis to requesting customers within the Service Area where PBC's network already passes the potential customer's premises; and (b) provide service within a reasonable period of time, if the potential customer is within the Service Area but not passed by PBC's current network facilities, if service can be provided at reasonable cost by constructing network facilities.

3. PBC's Basic Universal Service Offering - PBC will provide voice telephony in the Service Area. The services PBC offers meet the Basic Local Service requirements under [Minn. Rule 7812.0600](#). PBC has the ability and the intention to provide the voice telephony services required by [47 CFR § 54.101](#)(a)²:
 - 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
 - Toll limitation for qualifying low-income consumers

The universal service offering will be made available throughout the Service Area upon its designation as an ETC. PBC's tariffs address customer eligibility provisions and the availability of subsidies under the Lifeline program³ and the Minnesota Telephone Assistance Plan⁴. The applicable sections of PBC's tariff are attached as [Exhibit 2](#). PBC is committed to providing the supported services throughout the Service Area to all customers who make a request for such services. The local usage plans offered are comparable to those offered by the incumbent local exchange carriers. PBC's local calling scope will mirror those of the ILECs and any mandatory Extended Area Service calling as part of the basic local service offering.

4. PBC's Advertising Plan - PBC currently advertises its services through several different channels of general distribution, including newspaper, and direct mail. PBC will advertise the availability of its universal service offering throughout the Service Area through these same advertising channels it currently employs. In addition, the availability of the offering throughout the Service Area will be listed continuously on PBC's web site: <http://www.paulbunyan.net> The service offering will also be published at least annually in the local newspaper, and will be posted at the PBC offices in Bemidji.

² [FCC Connect America Order 11-161](#) rel. November 18, 2011 at ¶ 76-81 discusses the changes to [47 CFR § 51.101](#) and the required voice service offerings

³ PBC Local Exchange Tariff Section 5, page 24

⁴ PBC Local Exchange Tariff Section 5, page 24

5. PBC's 5-Year Plan for Use of Universal Service Support - Under the FCC's updated portability rules, PBC will receive no federal high cost support for the Service Area, PBC receiving none in 2014. PBC would receive Lifeline support to the extent it serves customers eligible for that program. PBC would also be eligible to participate in FCC reverse auctions going forward.
6. PBC's Ability to Remain Functional in Emergency Situations. PBC's network will remain functional in emergency situations:

Commercial power outage: The central office serving PBC's customers is equipped with electrical generators and battery power supply to provide service in the event of a commercial power outage.

Network failure: The interoffice facilities serving the Service Area are on a diverse routed fiber optic ring, which if cut will be automatically rerouted.

PBC complies with the Commission's Rules in Chapter [7810](#) establishing minimum standards on various operational matters, such as 7810.3900 (Emergency Operations); 7810.4900 (Adequacy of Service); and 7810.5300 (Dial Service Requirements).

7. PBC's Satisfaction of Consumer Protection and Service Quality Standards – PBC, is subject to, and complies with, the Commission's Rules pertaining to service quality and consumer protection. PBC's tariff has specific provisions outlining the following terms addressing consumer protection issues:
 - Deposit and guarantee requirements⁵
 - Customer Billing⁶
 - Appropriate handling of customer complaints and billing disputes⁷
 - Disconnection and notice requirements⁸

The specific provisions in PBC's tariff, as well as the Commission's service quality rules by which PBC is bound, will apply throughout the Service Area and assure a high level of service quality and consumer protection.

8. PBC's Acknowledgement Regarding Equal Access – PBC will provide equal access to long distance carriers within the Service Area.

DESIGNATING PBC AS AN ETC IN THE SERVICE AREA WILL SERVE THE PUBLIC INTEREST

9. Public Interest - Designation of PBC as an additional ETC in the Service Area is in the public interest, as determined under the standards of [47 CFR § 54.202\(c\)](#) and the

⁵ PBC Local Exchange Tariff, Section 2, page 11

⁶ Ibid

⁷ PBC Local Exchange Tariff, Section 2, page 12

⁸ Ibid

Commission's Order issued October 31, 2005, in Docket No. P999/M-05-1169. Consumers will benefit from an increased choice in service providers, and there are unique advantages to PBC's service offering.

10. Superior Service Offering - PBC believes its service offerings are superior to that received by the ILECs' customers in the Service Area. PBC presently has fiber to the home in Service Area and plans to place fiber to the home going forward, offering a technically superior network to that of ILECs.

PBC believes customers will additionally benefit from choosing a locally owned and based provider which has demonstrated its commitment to, and success in, responding to the service needs of its residents.

11. Affordability – The local exchange services offered to PBC's customers for universal service offerings are within the range of the ILEC's tariffed rates in the Service Area. PBC's basic service offerings rates are identified in its Local Exchange Services⁹ tariff.

Service	CenturyLink QC		PBC	
	Installation	Monthly	Installation	Monthly
Residence Service	\$18.35	\$15.96	\$10.00	\$16.00
Business Service	\$47.90	\$34.61	\$10.00	\$25.75

In addition, PBC will provide the benefit of Lifeline discounts to qualifying subscribers.

12. Commitment to Service Quality - As noted in Paragraph E.7 above, PBC is a certified CLEC in Minnesota is subject to, and complies with, the Commission's Rules pertaining to service quality and consumer protection.
13. No Negative Impact on Universal Service Fund - As noted in Paragraph E.5 above, PBC would not receive federal high cost USF.

WAIVER AND VARIANCE REQUESTS

14. The funding FCC set aside for the Rural Broadband Experiment was granted for specific geographic areas by defined census blocks. PBC has been provisionally awarded \$1.962M to be paid over 10 years to provide broadband (and voice) services for the service area defined in [Exhibit 1](#). Commission's Rule 7811.1400, subpart 3, requires ETCs to provide service throughout an exchange. PBC hereby requests the Commission waive its requirement to the extent that the census blocks comprising the PBC's requested service area do not correlate to exchange boundaries as contemplated in the Commission's rules.

⁹ PBC Local Exchange Tariff, Section 4

15. Further, PBC requests a waiver of the rule¹⁰ which requires ETCs to file a five-year plan which "...describes with specificity proposed improvements or upgrades to the applicant's network..." PBC will not receive Universal Service Funds on an ongoing basis. The Rural Broadband Experiment provides funding of a fixed amount to establish facilities in the Service Area.
16. Finally, PBC requests a variance, pursuant to Minn. R. part 7829.3100, of the Commission's rules regarding time periods for comments to enable expedited consideration of this petition. Pursuant to the conditional grant of funding under the Rural Broadband Experiment, PBC is required to provide notice to the FCC on or before June 2, 2015, that it has been designated as an ETC.
17. PBC states that: 1) enforcement of these rules would impose an excessive burden on PBC; 2) granting the requested waivers and variance will not adversely affect the public interest; 3) granting the requested waivers and variance will not conflict with the standards imposed by law.

ETC CERTIFICATION

18. Request for Certification - PBC requests that the Commission certify its use of support effective as of the date of PBC's ETC designation for the Service Area.
19. PBC's Certification - In support of its certification request, PBC hereby states that it will not receive federal high cost universal service support for the Service Area.

CONCLUSION

20. PBC meets the requirements of both state and federal laws and regulations for designation as an Eligible Telecommunications Carrier in the requested Service Area. Pursuant to [47 USC § 214\(e\)](#), the Commission should designate PBC as an Eligible Telecommunications Carrier for the Service Area. In so doing, the Commission will ensure that consumers in the Service Area have an opportunity to secure better and more reliable service at a rate equal to or less than that which they are currently paying. The consumers in the Service Area will benefit and the public interest will be served if PBC's Petition is approved and it is designated as an ETC.

Wherefore, PBC respectfully requests that the Commission:

- A. Designate Paul Bunyan Rural Telephone Cooperative as an ETC for receipt of federal universal service support with respect to the Service Areas specified in this Petition;
- B. For such other and further relief as the Commission may deem just and reasonable.

¹⁰ See. [47 CFR 54.202 \(a\)\(ii\)](#) Additional requirements for Commission designation of eligible telecommunications carriers. subpart (a)(ii)

Dated: May 7, 2015

GRAY, PLANT, MOOTY,
MOOTY & BENNETT, P.A.

By: /s/Gregory R. Merz
Gregory R. Merz

500 IDS Center
80 South Eighth Street
Minneapolis, MN 55402
Telephone: (612) 632-3257
Facsimile: (612) 632-4257
Gregory.merz@gpmlaw.com

ATTORNEY FOR PAUL BUNYAN
RURAL TELEPHONE COOPERATIVE

VERIFICATION

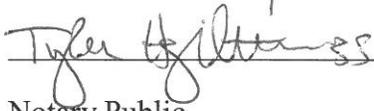
The undersigned, Gary Johnson, Chief Executive Officer of Paul Bunyan Rural Telephone Cooperative, certifies that he has reviewed this Petition and the facts stated therein, of which he has personal knowledge, and that the same are true and correct to the best of his present knowledge and belief.

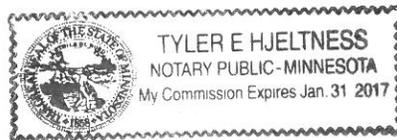
Respectfully submitted,

Paul Bunyan Rural Telephone Cooperative

By: 
Gary Johnson
Chief Executive Officer

Subscribed and sworn to before me
this 7th day of May, 2015.


Notary Public



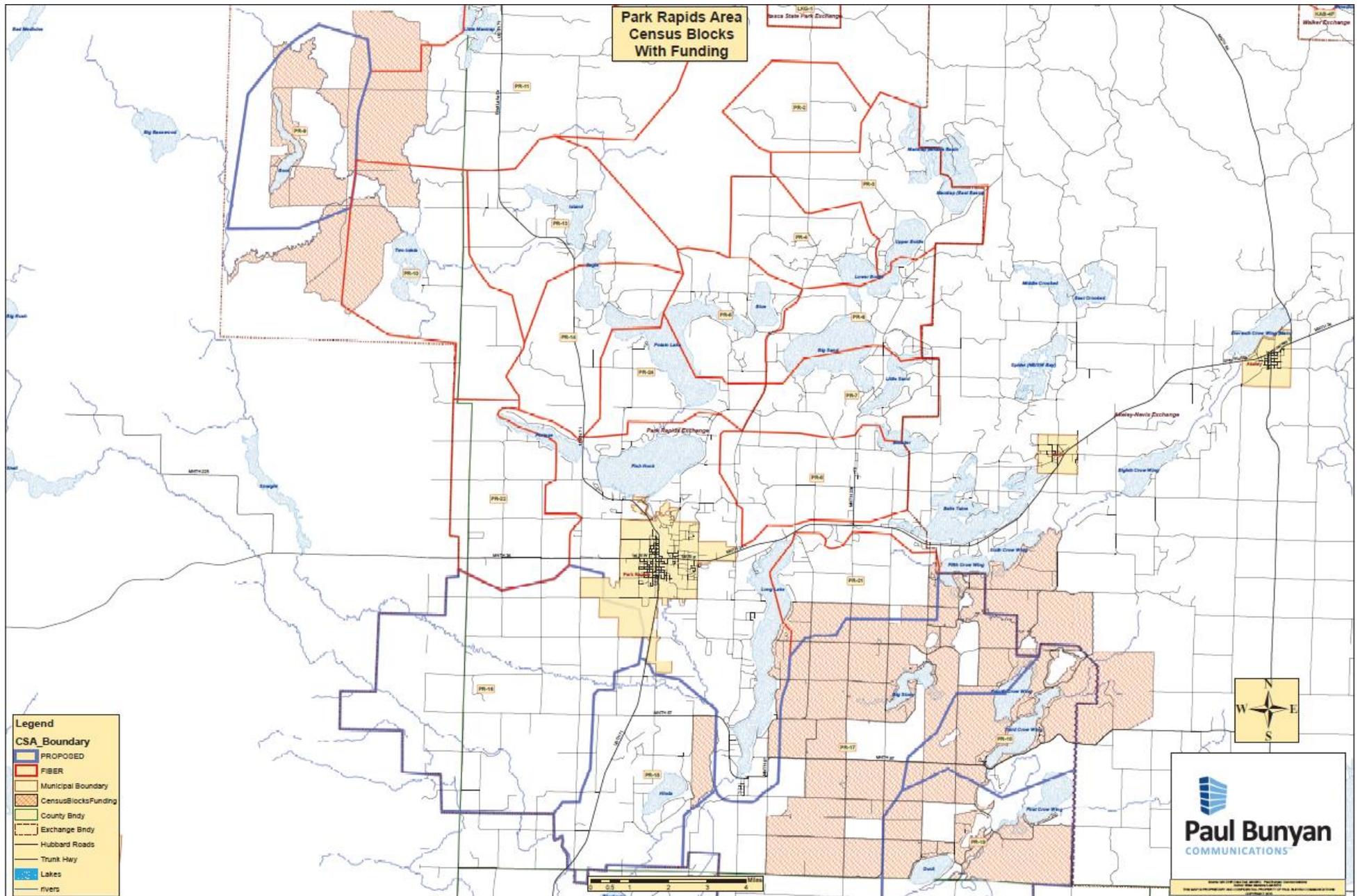
AFFIDAVIT OF SERVICE

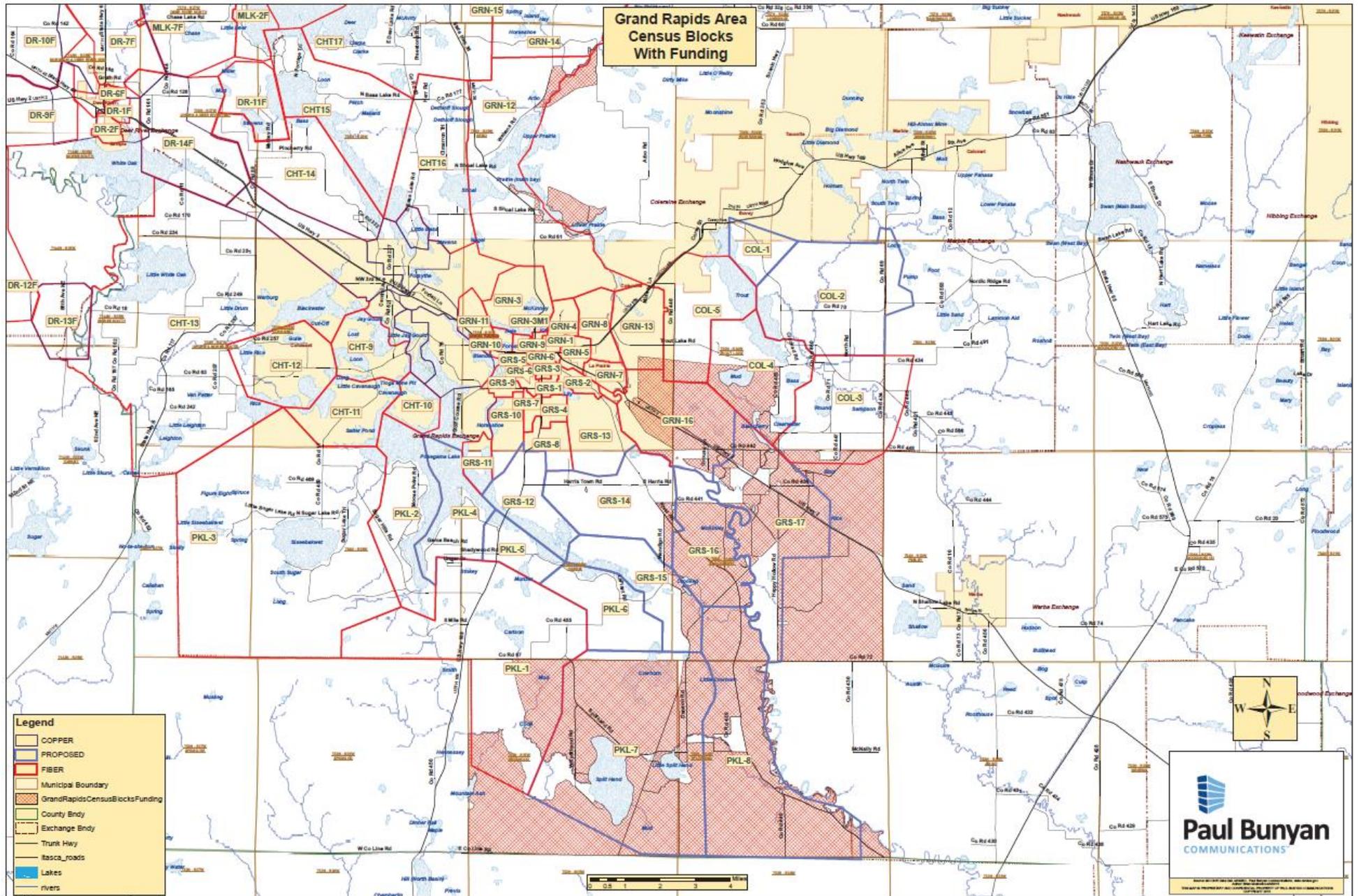
In the Matter of the Petition of Paul Bunyan Rural Telephone
Cooperative for Designation as an Eligible Telecommunications
Carrier

MPUC Docket No.: _____

I, Thomas Burns, state that on May 7, 2015 I caused copies of the attached Notice regarding the filing of Paul Bunyan Rural Telephone Cooperative's application for designation as an Eligible Telecommunications Carrier to be filed using eService or mailed by United States first class mail postage prepaid thereon, to the following persons:

Dr. Dan Wolf Executive Secretary	Linda Chavez Minnesota Department of Commerce
Julie Anderson Assistant Attorney General	Jason Topp CenturyLink 200 S Fifth St, Suite 390, Minneapolis, MN 55402
Gary Johnson Paul Bunyan Rural Telephone Cooperative 1831 Anne St NW PO Box 1596 Bemidji, MN 56601	Gregory R. Merz Gray, Plant, Mooty, Mooty & Bennett, P.A. 500 IDS Center 80 South Eighth Street Minneapolis, Minnesota 55402





Project 1 – Park Rapids Census Blocks

270054501003026	270570707001027	270570707001094
270054501003048	270570707001030	270570707001104
270054501003051	270570707001031	270570707001105
270054501003058	270570707001032	270570707001199
270054501003028	270570707001034	270570707001211
270054501003016	270570707001035	270570707001215
270054501003042	270570707001039	270570707001217
270059400001003	270570707001044	270570707001218
270054501003017	270570707001047	270570707001224
270054501003053	270570707001064	270570707001227
270059400001213	270570707001066	270570707001232
270054501003059	270570707001067	270570707001234
270570704002051	270570707001068	270570707001236
270570704002061	270570707001069	270570707001238
270570704002069	270570707001071	270570707001247
270570704002072	270570707001073	270570707001249
270570704002074	270570707001077	270570707001250
270570704002076	270570707001079	270570707001252
270570705001110	270570707001080	270570707001266
270570707001009	270570707001085	270570707001289
270570707001014	270570707001087	270570707002066
270570707001015	270570707001091	270570707002067
270570707001018	270570707001092	270570707002074
270570707001019	270570707001093	

Project 3 – Grand Rapids Census Blocks

270614806002030,	270614806004040	270614808011007
270614806002031	270614806004042	270614808011010
270614806002039	270614806004047	270614808011011
270614806002042	270614806004048	270614808011040
270614806002044	270614806004073	270614808011078
270614806004000	270614807002006	270614808022119
270614806004002	270614807002010	270614808022121
270614806004003	270614807002054	270614808022122
270614806004004	270614807002061	270614809001068
270614806004005	270614807002063	270614809001071
270614806004008	270614807002078	270614809001072
270614806004013	270614807002083	270614809001078
270614806004014	270614807002084	270614809001079
270614806004016	270614807002086	270614809001080
270614806004018	270614807002088	270614809001082
270614806004023	270614807002089	270614809001083
270614806004025	270614807002091	270614809001093
270614806004027	270614807002095	270614809001094
270614806004032	270614807002096	270614809003029
270614806004035	270614808011001	270614809003002
270614806004037	270614808011005	

The selected tariff pages following address:

- [Deposit and guarantee requirements](#)
- [Customer Billing](#)
- [Customer Complaints and Billing Disputes](#)
- [Disconnection and notice requirements](#)
- [Lifeline and MN TAP](#)
- [Link-Up](#)
- [Basic Local Service Rates](#)

Deposit and Guarantee Requirements

PAUL BUNYAN RURAL TELEPHONE COOPERATIVE
d/b/a PAUL BUNYAN COMMUNICATIONS
BEMIDJI, MINNESOTA

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GENERAL REGULATIONS

9. CREDIT POLICY

A. Deposit and Guarantee Requirements

The Company may require a deposit or guarantee of payment from any customer or applicant who has not established good credit with the Company. Deposit or guarantee of payment requirements as prescribed by the Company must be based upon standards which bear a reasonable relationship to the assurance of payment. The Company may determine whether a customer has established good credit with the Company, except as herein restricted:

- 1) A customer, who within the last 12 months has not had his service disconnected for nonpayment of a bill and has not been liable for disconnection of service for nonpayment of a bill, and the bill is not in dispute, shall be deemed to have established good credit.
- 2) A Company shall not require a deposit or a guarantee of payment based upon income, home ownership, residential location, employment tenure, nature of occupation, race, color, creed, sex, marital status, age, national origin, or any other criteria which does not bear a reasonable relationship to the assurance of payment or which is not authorized by this chapter.
- 3) The Company shall not use any credit reports other than those reflecting the purchase of utility services to determine the adequacy of a customer's credit history without the permission in writing of the customer. Any credit history so used shall be mailed to the customer in order to provide the customer an opportunity to review the data. Refusal of a customer to permit use of a credit rating or credit service other than that of a Company shall not affect the determination by the Company as to that customer's credit history.
- 4) Qualifying applicants for Lifeline Service may initiate service without paying a deposit if they voluntarily elect to have Toll Blocking on their line. Toll Blocking will be provided at no charge to Lifeline customers.

B. Deposit

When required, a customer may assure payment by submitting a deposit. A deposit shall not exceed an estimated two months' gross bill or existing two months' bill where applicable. All deposits shall be in addition to payment of an outstanding bill or a part of such bill as has been resolved to the satisfaction of the Company, except where such bill has been discharged in bankruptcy. A Company shall not require a deposit or a guarantee of payment without explaining in writing why that deposit or guarantee is being required and under what conditions, if any, the deposit will be diminished upon return. The deposit shall be refunded to the customer after 12 consecutive months of prompt payment of all bills to that Company. The Company may, at its option, refund the deposit by direct payment or as a credit on the bill. With notice any deposit of a customer shall be applied by the Company to a bill when the bill has been determined by the Company to be delinquent. Each Company shall issue a written receipt of deposit to each customer from whom a deposit is received and shall provide a means whereby a depositor may establish a claim if the receipt is unavailable.

Effective: 10-31-11

Deposit and Guarantee Requirements (cont.)

PAUL BUNYAN RURAL TELEPHONE COOPERATIVE d/b/a PAUL BUNYAN COMMUNICATIONS BEMIDJI, MINNESOTA	Section 2 Page 11
GENERAL REGULATIONS	
<hr/>	
9. CREDIT POLICY (Continued)	
B. Deposit (Continued)	
Interest shall be paid on deposits in excess of \$20 at the rate set by the Commissioner of the Department of Commerce as required by Minnesota Statute 325E.02. The interest rate may be found on the Department of Commerce website at www.commerce.state.mn.us . Interest on deposits shall be payable from the date of deposit to the date of refund or disconnection. The Company may, at its option, pay the interest at intervals it chooses but at least annually, by direct payment, or as a credit on bills.	
Upon termination of service, the deposit with accrued interest shall be credited to the final bill and the balance shall be returned within 45 days to the customer.	
C. Guarantee of Payment	
The Company may accept, in lieu of deposit, a contract signed by a guarantor satisfactory to the Company whereby payment of a specified sum, not exceeding the deposit requirement is guaranteed. The term of such contract shall be for no longer than 12 months, but shall automatically terminate after the customer has closed and paid the account with the Company, or at the guarantor's request upon 60 days' written notice to the Company. Upon termination of a guarantee contract or whenever the Company deems same insufficient as to amount or surety, a cash deposit or a new or additional guarantee may be required for good cause upon reasonable written notice to the customer.	
The service of any customer who fails to comply with these requirements may be disconnected upon notice as prescribed in Minnesota Rules. The Company shall mail the guarantor copies of all disconnect notices sent to the customer whose account he has guaranteed unless the guarantor waives such notice in writing.	
10. CUSTOMER BILLING	
A. Regular bills will be issued periodically (monthly, quarterly). For billing purposes each month is presumed to have thirty days.	
B. Special bills for long distance telecommunications service may be issued at any time when charges are unusually high and the Company is uncertain as to the customer's ability to pay such charges.	
C. Services which are charged for at monthly rates are billed in advance for one month's service.	
D. Services which are charged for at other than monthly rates are billed in arrears, except when payment for messages is made by cash deposit in the coin telephone.	
E. Detail call information, such as the time at which made, duration and destination may be provided for long distance telecommunications message service.	
F. Retroactive billing adjustments will not be made for a period exceeding three years.	
11. PAYMENT FOR SERVICE	
A. The customer is responsible for the payment of rates and charges for all services furnished including, but not limited to, calls originated or accepted at a customer's service location.	
<hr/> Effective: <u>10-31-11</u>	

Customer Billing

PAUL BUNYAN RURAL TELEPHONE COOPERATIVE
d/b/a PAUL BUNYAN COMMUNICATIONS
BEMIDJI, MINNESOTA

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Page 11

GENERAL REGULATIONS

9. CREDIT POLICY (Continued)

B. Deposit (Continued)

Interest shall be paid on deposits in excess of \$20 at the rate set by the Commissioner of the Department of Commerce as required by Minnesota Statute 325E.02. The interest rate may be found on the Department of Commerce website at www.commerce.state.mn.us. Interest on deposits shall be payable from the date of deposit to the date of refund or disconnection. The Company may, at its option, pay the interest at intervals it chooses but at least annually, by direct payment, or as a credit on bills.

Upon termination of service, the deposit with accrued interest shall be credited to the final bill and the balance shall be returned within 45 days to the customer.

C. Guarantee of Payment

The Company may accept, in lieu of deposit, a contract signed by a guarantor satisfactory to the Company whereby payment of a specified sum, not exceeding the deposit requirement is guaranteed. The term of such contract shall be for no longer than 12 months, but shall automatically terminate after the customer has closed and paid the account with the Company, or at the guarantor's request upon 60 days' written notice to the Company. Upon termination of a guarantee contract or whenever the Company deems same insufficient as to amount or surety, a cash deposit or a new or additional guarantee may be required for good cause upon reasonable written notice to the customer.

The service of any customer who fails to comply with these requirements may be disconnected upon notice as prescribed in Minnesota Rules. The Company shall mail the guarantor copies of all disconnect notices sent to the customer whose account he has guaranteed unless the guarantor waives such notice in writing.

10. CUSTOMER BILLING

- A. Regular bills will be issued periodically (monthly, quarterly). For billing purposes each month is presumed to have thirty days.
- B. Special bills for long distance telecommunications service may be issued at any time when charges are unusually high and the Company is uncertain as to the customer's ability to pay such charges.
- C. Services which are charged for at monthly rates are billed in advance for one month's service.
- D. Services which are charged for at other than monthly rates are billed in arrears, except when payment for messages is made by cash deposit in the coin telephone.
- E. Detail call information, such as the time at which made, duration and destination may be provided for long distance telecommunications message service.
- F. Retroactive billing adjustments will not be made for a period exceeding three years.

11. PAYMENT FOR SERVICE

- A. The customer is responsible for the payment of rates and charges for all services furnished including, but not limited to, calls originated or accepted at a customer's service location.

Effective: 10-31-11

Customer Complaint and Disputes

PAUL BUNYAN RURAL TELEPHONE COOPERATIVE
d/b/a PAUL BUNYAN COMMUNICATIONS
BEMIDJI, MINNESOTA

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Page 12

GENERAL REGULATIONS

11. PAYMENT FOR SERVICE (Continued)

- B. Bills are due when rendered and may be paid at any of the Company's public business offices or other authorized payment locations.
- C. Charges for a message originated or accepted at a coin telephone shall be paid by cash deposit in the coin telephone unless arrangements for billing have been made.
- D. Non-sufficient Fund or No Account Checks

When a customer pays the monthly bill with a non-sufficient fund or no account check, a charge (see Section 6, page 2) will be made to that customer to cover the administrative costs incurred in handling the transaction.

- E. Customer Complaints and/or Billing Disputes

Customer inquiries or complaints regarding service or accounting may be made in writing or by telephone to the Company at:

1831 Anne Street NW, Suite 100
Bemidji, Minnesota 56601
(218) 586-3100

Any objection to billed charges should be reported promptly to the Company. Adjustments to Customers' bills shall be made to the extent that records are available and/or circumstances exist which reasonably indicate that such charges are not in accordance with approved rates or that an adjustment may otherwise be appropriate. Where overbilling of a subscriber occurs, due either to Company or subscriber error, no liability exists which will require the Company to pay any interest, dividend or other compensation on the amount overbilled.

If after an investigation and review by the Company a disagreement remains as to the disputed charges, the customer may file a complaint, in writing or by telephone, to the Minnesota Public Utilities Commission at:

121 Seventh Place East
Suite 350
Saint Paul, Minnesota 55101-2147
(800) 657-3782

12. FAILURE TO PAY FOR SERVICE

- A. Regular Monthly Bills

- 1) A customer is considered to be delinquent in the payment of a regular monthly bill when the sum due is not received on or before the tenth calendar day following the day the bill is either mailed or delivered by other means.
- 2) When a customer is delinquent in the payment of a regular monthly bill, the Company may disconnect the service not sooner than five days after mailing or delivery of written notice of intention to disconnect.

- B. Special Bills

- 1) A customer is delinquent in the payment of a special bill when the sum due is not paid upon presentation.

Effective: 10-31-11

Disconnection and notice requirements

PAUL BUNYAN RURAL TELEPHONE COOPERATIVE d/b/a PAUL BUNYAN COMMUNICATIONS BEMIDJI, MINNESOTA	Section 2 Page 12
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GENERAL REGULATIONS

11. PAYMENT FOR SERVICE (Continued)

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- B. Special Bills

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Disconnection and notice requirements (cont.)

PAUL BUNYAN RURAL TELEPHONE COOPERATIVE
d/b/a PAUL BUNYAN COMMUNICATIONS
BEMIDJI, MINNESOTA

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Page 12.1

GENERAL REGULATIONS

12. FAILURE TO PAY FOR SERVICE (Continued)

C. Late Payment Charge

(N)

- 1) A late payment charge of the greater of 1.5% of the bill or \$5.00 applies to all billed balances which are not paid within 10 days of the due date shown on the bill, unless the balance is less than \$35.00.
- 2) The late payment charge does not apply to unpaid balances associated with disputed amounts. Undisputed amounts on the same bill may be subject to the payment charge.
- 3) Collection procedures, temporary disconnection of service, advance payments and the requirements for deposit are unaffected by the application of the late payment charge.

Effective: 2-1-13

Lifeline and MN TAP

PAUL BUNYAN RURAL TELEPHONE COOPERATIVE
d/b/a PAUL BUNYAN COMMUNICATIONS
BEMIDJI, MINNESOTA

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Page 10

GENERAL REGULATIONS

9. CREDIT POLICY

A. Deposit and Guarantee Requirements

The Company may require a deposit or guarantee of payment from any customer or applicant who has not established good credit with the Company. Deposit or guarantee of payment requirements as prescribed by the Company must be based upon standards which bear a reasonable relationship to the assurance of payment. The Company may determine whether a customer has established good credit with the Company, except as herein restricted:

- 1) A customer, who within the last 12 months has not had his service disconnected for nonpayment of a bill and has not been liable for disconnection of service for nonpayment of a bill, and the bill is not in dispute, shall be deemed to have established good credit.
- 2) A Company shall not require a deposit or a guarantee of payment based upon income, home ownership, residential location, employment tenure, nature of occupation, race, color, creed, sex, marital status, age, national origin, or any other criteria which does not bear a reasonable relationship to the assurance of payment or which is not authorized by this chapter.
- 3) The Company shall not use any credit reports other than those reflecting the purchase of utility services to determine the adequacy of a customer's credit history without the permission in writing of the customer. Any credit history so used shall be mailed to the customer in order to provide the customer an opportunity to review the data. Refusal of a customer to permit use of a credit rating or credit service other than that of a Company shall not affect the determination by the Company as to that customer's credit history.
- 4) Qualifying applicants for Lifeline Service may initiate service without paying a deposit if they voluntarily elect to have Toll Blocking on their line. Toll Blocking will be provided at no charge to Lifeline customers.

B. Deposit

When required, a customer may assure payment by submitting a deposit. A deposit shall not exceed an estimated two months' gross bill or existing two months' bill where applicable. All deposits shall be in addition to payment of an outstanding bill or a part of such bill as has been resolved to the satisfaction of the Company, except where such bill has been discharged in bankruptcy. A Company shall not require a deposit or a guarantee of payment without explaining in writing why that deposit or guarantee is being required and under what conditions, if any, the deposit will be diminished upon return. The deposit shall be refunded to the customer after 12 consecutive months of prompt payment of all bills to that Company. The Company may, at its option, refund the deposit by direct payment or as a credit on the bill. With notice any deposit of a customer shall be applied by the Company to a bill when the bill has been determined by the Company to be delinquent. Each Company shall issue a written receipt of deposit to each customer from whom a deposit is received and shall provide a means whereby a depositor may establish a claim if the receipt is unavailable.

Effective: 10-31-11

Lifeline and MN TAP (cont.)

PAUL BUNYAN RURAL TELEPHONE COOPERATIVE d/b/a PAUL BUNYAN COMMUNICATIONS BEMIDJI, MINNESOTA	Section 5 Page 24 Revision 1
GENERAL SERVICES	
<hr/>	
<p><u>LIFELINE AND MINNESOTA TELEPHONE ASSISTANCE PLAN (TAP)</u></p>	
<p>The Lifeline Assistance (Lifeline) program, established by the Federal Communications Commission under 47CFR54, is a means of maintaining and preserving universal service by providing a reduction in the recurring price of basic local residential exchange access service to qualifying low-income residential subscribers.</p>	
<p>TAP is a state sponsored assistance program under Minnesota Statutes Chapter 237 and is designed to make telephone service accessible to qualifying low-income residential households. Through this program, eligible households will receive a monthly discount on their telephone service.</p>	
<p>1. General</p>	
<p>a. Lifeline is a federally-funded reduction of the Federal End User Common Line Charge and a reduction of local service charges. The Federal Lifeline Credit shall be applied first to reduce the Federal End User Common Line Charge, with any remaining federal credit to be applied to reduce rates for residential service. The state TAP credit shall be applied to further reduce the rates charged for residential services. Eligible applicants living on or near federally recognized Tribal Lands/reservations will receive an additional credit of up to \$25.00.</p>	(T) (N) (N) (D)
<p>b. <u>Federal Universal Service Charge (FUSC)</u> will not be billed to Lifeline customers.</p>	(T)
<p>c. Local service for Lifeline subscribers may not be disconnected for non-payment of toll charges.</p>	
<p>1). Toll Restriction Service will be provided to Lifeline subscribers at no charge.</p>	
<p>2). Lifeline subscribers are not required to accept Toll Restriction Service as a condition to avoid disconnection of local service for non-payment of toll.</p>	
<p>3). Lifeline subscribers are not required to pay a service deposit in order to initiate service if the subscriber voluntarily elects to receive Toll Restriction Service.</p>	
<p>d. Partial payments from Lifeline subscribers will be applied first to local service charges and then to toll charges.</p>	
<p>2. Eligibility Requirements</p>	
<p>a. Lifeline will be provided for one (1) telephone line per household, at the subscriber's principal place of residence, to those individuals who meet the eligibility requirements.</p>	
<p>b. The applicant has income at or below 135 percent of the Federal Poverty Guidelines or participates in one of the following programs:</p>	
<ul style="list-style-type: none"> ● Medicaid/Medical Assistance ● Food Support/Food Stamps ● Supplemental Security Income ● Federal Public Housing Assistance or Section 8 ● Low Income Home Energy Assistance Program (LIHEAP) ● National School Lunch Program's Free Lunch Program ● Temporary Assistance for Needy Families (Minnesota Family Investment Program, or MFIP) 	
Effective: <u>4-2-12</u>	

Lifeline and MN TAP (cont.)

PAUL BUNYAN RURAL TELEPHONE COOPERATIVE
d/b/a PAUL BUNYAN COMMUNICATIONS
BEMIDJI, MINNESOTA

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GENERAL SERVICES

LIFELINE AND MINNESOTA TELEPHONE ASSISTANCE PLAN (TAP) (Continued)

2. Eligibility Requirements (Continued)

Individuals who do not qualify under any of the above but live on or near a federally recognized reservation may qualify if the applicant receives benefits from at least one of the following programs:

- Bureau of Indian Affairs General Assistance
- Tribally Administered Temporary Assistance for Needy Families
- Head Start (only for those meeting its income qualifying standard)
- National School Lunch Program's free lunch program

c. The applicant signs a document certifying under penalty of perjury that the applicant receives benefits from one of the programs listed and identifying the program or programs from which that consumer receives benefits.

d. The applicant signs a document agreeing to notify the carrier if that consumer ceases to participate in the program or programs. When the company is notified by the customer that the customer no longer participates in one of the above programs, the federal credits to that customer's monthly charges shall cease beginning with the start of the billing cycle beginning in the month after the month in which notification is received.

3. Eligibility Revocation

If the telephone company discovers that conditions exist that disqualify the recipient of Lifeline Assistance, the support will be discontinued. The customer will be billed retroactively to whichever is the most recent of the dates Lifeline assistance commenced or the recipient no longer qualified for the service not to exceed 12 months.

4. Eligibility for the State TAP Credit

a. The state TAP credit is only available to residential subscribers who meet the eligibility requirements for the Federal Lifeline Credit in 2 above.

b. The customer must reside in Minnesota or have moved to Minnesota and intend to remain.

Effective: 10-31-11

Lifeline and MN TAP (cont.)

PAUL BUNYAN RURAL TELEPHONE COOPERATIVE
d/b/a PAUL BUNYAN COMMUNICATIONS
BEMIDJI, MINNESOTA

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GENERAL SERVICES

LIFELINE AND MINNESOTA TELEPHONE ASSISTANCE PLAN (TAP) (Continued)

5. Regulations

- a. The Federal Lifeline and state TAP credit will begin at the customer's earliest possible billing cycle but no later than the second billing cycle after the date the application for the Federal Lifeline and state TAP credit is received by the telephone company.
- b. A service charge shall not be billed to establish qualification for either the Federal Lifeline or state TAP credit.
- c. When a customer enrolls for the state TAP credit, the Company is reimbursed for the cost of the service order activity.

6. Funding

The Federal Lifeline Credit is funded through the FCC universal service program. The state TAP credit shall be funded through the state Telephone Assistance Plan Surcharge on residence and business access lines which pay the 911 surcharge.

7. Rates

State TAP Surcharge

The surcharge rate is the effective rate ordered by the Minnesota Public Utilities Commission. The Company is responsible for billing, collecting and remitting the surcharge to appropriate government agency.

	<u>Monthly Rate</u>	
State TAP Credit	Note 1	(C)
Federal Lifeline Credit *	Note 2	(C)

Note 1: The State TAP Credit is the effective rate ordered by the Minnesota Public Utilities Commission. Information regarding the Credit rate can be accessed at the Minnesota Department of Commerce Web site at: <http://mn.gov/commerce/> (C)

Note 2: The Federal Lifeline Credit is the effective rate ordered by the Federal Communications Commission (FCC). Information regarding the Credit rate can be accessed at the FCC Web site at: <http://www.fcc.gov/> (C)

* Additional support is available for residents of Tribal Lands, see Section 5, Page 24, 1(a).

Effective: 10-1-13

Link-Up

PAUL BUNYAN RURAL TELEPHONE COOPERATIVE d/b/a PAUL BUNYAN COMMUNICATIONS BEMIDJI, MINNESOTA	Section 5 Page 29 Revision 1
GENERAL SERVICES	
<u>LINK-UP SERVICE CONNECTION PROGRAM (Available only on Tribal Lands)</u>	(T)
1. General	
The Link-Up Service Connection Program is a federally sponsored assistance program under 47CFR54 and is designed to make telephone service accessible to qualifying low-income residential households who are currently not on the public switched network. Through this program, the service connection charge for the initial installation of the main access line will be discounted. The remaining portion of the service connection charge, up to \$200, may be installment billed, interest-free, over a period of one year.	(D)
Residents of Tribal Lands may qualify for a reduction of up to \$70 to cover 100% of the charges between \$60 - \$130 charges to connect the subscriber to the network, including facilities based line extension or construction charges needed to initiate service.	(T)
2. Eligibility Requirements	
To be eligible for assistance, an applicant must meet the following requirements:	
<ol style="list-style-type: none"> a. This discount applies on a single line at the principal place of residence for the applicant. b. Applicant can receive the benefit of the Link-Up Program a second or subsequent time only for a principal place of residence with an address different from the residence address at which Link-Up assistance was previously provided. c. Applicant signs document certifying under penalty of perjury that the consumer has income at or below 135 percent of the Federal Poverty Guidelines or receives benefits from at least one of the following programs: <ul style="list-style-type: none"> • Medicaid/Medical Assistance • Food Support/Food Stamps • Supplemental Security Income • Federal Public Housing Assistance or Section 8 • Low Income Home Energy Assistance Program (LIHEAP) • National School Lunch Program's Free Lunch Program • Temporary Assistance for Needy Families (Minnesota Family Investment Program, or MFIP) 	
Individuals who do not qualify under any of the above but live on or near a federally recognized reservation may qualify if the applicant signs a document certifying under penalty of perjury that the applicant receives benefits from at least one of the following programs:	
<ol style="list-style-type: none"> • Bureau of Indian Affairs General Assistance • Tribally Administered Temporary Assistance for Needy Families • Head Start (only for those meeting its income qualifying standard) • National School Lunch Program's free lunch program • Food Distribution Program on Indian Reservations (FDPIR) 	(N)
Effective: <u>4-1-12</u>	

Link-Up (cont.)

<p>PAUL BUNYAN RURAL TELEPHONE COOPERATIVE d/b/a PAUL BUNYAN COMMUNICATIONS BEMIDJI, MINNESOTA</p> <p style="text-align: center;">GENERAL SERVICES</p> <hr/> <p><u>LINK-UP SERVICE CONNECTION PROGRAM (Available only on Tribal Lands) (Continued)</u></p> <p>2. Eligibility Requirements (Continued)</p> <p style="padding-left: 40px;">d. Applicant agrees to notify the carrier if that consumer ceases to participate in any of the above listed federal assistance programs.</p> <p>3. Credit and Collections</p> <p style="padding-left: 40px;">a. Credit Reference</p> <p style="padding-left: 80px;">The credit verification procedures used for all applicants who apply for service will also be used for applicants who apply for service under the Link-Up program.</p> <p style="padding-left: 40px;">b. Deposits</p> <p style="padding-left: 80px;">The deposit standards used for all applicants who apply for service will also be used for applicants who apply for service under the Link-Up program. The Link-Up program does not reduce or eliminate any permissible security deposits.</p> <p style="padding-left: 40px;">c. Collection Standards</p> <p style="padding-left: 80px;">Once service has been established for a Link-Up applicant, he or she will be expected to adhere to the same bill payment policies expected of any other customer.</p>	<p>Section 5 Page 30 Revision 1</p>
<p style="text-align: right;">Effective: <u>4-1-12</u></p>	

Basic Local Service Rates

PAUL BUNYAN RURAL TELEPHONE COOPERATIVE d/b/a PAUL BUNYAN COMMUNICATIONS BEMIDJI, MINNESOTA	Section 4 Page 4 Revision 11
<u>LOCAL EXCHANGE SERVICE</u>	
<u>Rates</u>	
Exchanges – Bemidji, <u>Grand Rapids</u> , Cass Lake, Itasca State Park, <u>Park Rapids</u> , Big Falls, Duluth, Chisholm, <u>Coleraine</u> , <u>International Falls</u> , <u>Warba</u> , Marble, Little Fork and Virginia	
<u>Class of Service</u>	<u>Monthly Rates #</u>
BUSINESS:	
One Party	\$ 25.75
PBX Trunk	25.75
Key System Line	25.75
Basic Coin Telephone Service	25.75
BUSINESS WITH NUMBER RETENTION:	
One Party	30.75
PBX Trunk	30.75
Key System Line	30.75
Basic Coin Telephone Service	30.75
RESIDENCE:	
One Party	16.00 (l)
RESIDENCE WITH NUMBER RETENTION:	
One Party	16.50
All rates are billed in advance. Payment for service is due when the statement is rendered.	
Vacation rate service is available for customers requiring less than 12 months of service per year. The rate for vacation service is determined in accordance with Section 5, Page 39 of this tariff book.	
# <u>Intrastate Access Recovery Charge ("Intrastate ARC"):</u>	
In addition to the monthly service rates shown, a monthly Intrastate Access Recovery Charge ("Intrastate ARC") will be applied to Company provided competitive local exchange subscriber access lines. This fee recovers a portion of the reduced Intrastate <u>Inter-carrier</u> Compensation received by Company from Interexchange Long Distance providers as a result of the Federal Communications Commission's December 29, 2011 Reform Order on <u>Inter-carrier</u> Compensation. The charge is \$1.50 per residence line and single line business line and \$2.00 per multi line business line, excluding Centrex Lines. Competitive local exchange ISDN PRI Services or channelized T-1's will be billed five multi-line Intrastate ARC's per arrangement.	
Effective: <u>12-1-14</u>	