

TC97-163

TC97-163

DOCKET NO.

In the Matter of

IN THE MATTER OF THE FILING BY U
S WEST COMMUNICATIONS, INC. FOR
DESIGNATION AS AN ELIGIBLE
TELECOMMUNICATIONS CARRIER

Public Utilities Commission of the State of South Dakota

DATE	MEMORANDA
10/10/97	Filed and docketed;
10/16/97	TC for filing;
11/7/97	Order for and Notice of Hearing;
11/7/97	Amendment to Application of U.S. West;
11/14/97	Order permitting her Resident Attorney (William P. Houston);
12/1/97	Appearance of Jon Rehner;
12/2/97	Transcript of Hearing held on 11/19/97
12/11/97	Appearance of Jon Rehner;
12/17/97	Order of Fact (Conclusion of Law, Order and Notice of Entry of Order);
12/17/97	Docket Closed.
1/8/98	Application for Rehearing;
1/8/98	TC for filing;
3/10/98	Order Denying and Reopening Request for Reconsideration;
3/10/98	Amended Order of Fact, Conclusions of Law, Order and Notice of Entry;
3/10/98	Docket Closed.

TC97-163

U S WEST, Inc.
1801 California Street, Suite 5100
Denver, Colorado 80202
303 472 2410
Facsimile 303 295-7069

USWEST

William P. Heaston
Senior Attorney

RECEIVED

OCT 10 1997

VIA OVER-NIGHT DELIVERY

**SOUTH DAKOTA PUBLIC
UTILITIES COMMISSION**

October 9, 1997

Mr. William Bullard, Jr.
Executive Director
South Dakota Public Utilities Commission
State of South Dakota
500 East Capitol Avenue
Pierre, South Dakota 57501

**Re: IN THE MATTER OF THE APPLICATION OF U S WEST
COMMUNICATIONS, INC. FOR DESIGNATION AS AN ELIGIBLE
TELECOMMUNICATIONS CARRIER UNDER 47 U.S.C. §214(E)(2)**

Dear Mr. Bullard:

Enclosed for filing is an original and ten (10) copies of U S WEST Communications, Inc.'s APPLICATION OF U S WEST COMMUNICATIONS, INC. FOR DESIGNATION AS AN ELIGIBLE TELECOMMUNICATIONS CARRIER UNDER 47 U.S.C. §214(E)(2).

Please file stamp an extra copy of this letter, enclosed, and return to me in the enclosed self-addressed stamped envelope. Thank you.

Yours truly,


William P. Heaston

Enclosures

South Dakota
Public Utilities Commission
State Capitol 500 E. Capitol
Pierre, SD 57501-5070
Phone: (800) 332-1782
Fax: (605) 773-3809

TELECOMMUNICATIONS SERVICE FILINGS

These are the telecommunications service filings that the Commission has received for the period of:

10/10/97 through 10/16/97

If you need a complete copy of a filing faxed, overnight expressed, or mailed to you, please contact Delaine Kolbo within five days of this filing.

DOCKET NUMBER	TITLE/STAFF/SYNOPSIS	DATE FILED	INTERVENTION DEADLINE
REQUEST FOR ELIGIBLE TELECOMMUNICATIONS COMPANY STATUS			
TC97-163	U S WEST Communications requests that the Commission designate U S WEST an eligible telecommunications carrier for all areas in which it is authorized to provide service within the state. The request is made pursuant to 47 U.S.C. §214(e)(2) and 47 C.F.R. §54.201. (Staff: HB/KC)	10/10/97	10/31/97
TC97-167	Three River Telco pursuant to 47 U.S.C. 214(e) and 47 CFR 54.201 hereby seeks designation as an eligible telecommunications carrier within the local exchange area that constitutes its service area. Three River is the facilities-based local exchange carrier presently providing local exchange telecommunications services in the following exchange: North Naper, South Dakota (605) 834. Three River, to its knowledge, is the only carrier today providing local exchange telecommunications services in the above identified exchange area. (Staff: HB/KC)	10/16/97	10/31/97
REQUEST FOR CERTIFICATE OF AUTHORITY			
TC97-164	Application by DTG Community Telephone, Inc. for a Certificate of Authority to operate as a telecommunications company within the state of South Dakota. (Staff: TS/KC) "Services in South Dakota will include, but are not limited to, local exchange service, and other telecommunications services incidental to local exchange service....DTG Community Telephone, Inc. will be assuming the local exchange operations of Dakota Cooperative Telecommunications, Inc. for the following exchanges: Aisen (253), Beresford Rural (957), Chancellor (647), Davis (238), Flyger (327), Gayville (267), Hurley (238), Irene (263), Lennox (647), Monroe (297), Parker (297), Volin (267), Wakonda (267) and Worthing (372)...Because DCT will be assuming the obligations and benefits of the Eligible Telecommunications Carrier status which was granted to DTG in TC97-030, DCT will advertise its services in a manner consistent with its obligations as an Eligible Telecommunications Carrier."	10/15/97	10/31/97
NEGOTIATED INTERCONNECTION AGREEMENT FILED			
TC97-165	U S WEST Communications, Inc. filed for approval by the Commission the negotiated interconnection Agreement For Service Resale Between Midco Communications, Inc. and U S WEST. The Agreement provides for Midco to resell U S WEST local exchange services in South Dakota. Any person wishing to comment on the parties' request for approval may do so by filing written comments with the Commission and the parties to the agreement no later than November 6, 1997. Parties to the agreement may file written responses to the comments no later than November 24, 1997.	10/15/97	Responses Due 11/06/97
NONCOMPETITIVE TELECOMMUNICATIONS FILING			
TC97-166	U S WEST Communications filed to add \$ 90 for the Touchtone roll-in to the Smart PAL. This increase was applied to Basic PAL Service "but was not applied to Smart Public Access Line due to the fact that the Commission had not issued an approved order on the Smart PAL rate schedule. This change will be effective October 14, 1997." (Staff: DJ/CH)	10/13/97	10/24/97

**BEFORE THE PUBLIC UTILITIES COMMISSION
OF THE STATE OF SOUTH DAKOTA**

IN THE MATTER OF THE FILINGS BY THE)	ORDER FOR AND NOTICE
FOLLOWING TELECOMMUNICATIONS)	OF HEARING
COMPANIES FOR DESIGNATION AS)	
ELIGIBLE TELECOMMUNICATIONS)	
CARRIERS:)	

VIVIAN TELEPHONE COMPANY)	TC97-068
)	
GOLDEN WEST TELECOMMUNICATIONS)	TC97-069
COOPERATIVE, INC.)	
VALLEY CABLE & SATELLITE)	TC97-070
COMMUNICATIONS, INC.)	
VALLEY TELECOMMUNICATIONS)	TC97-071
COOPERATIVE ASSOCIATION, INC.)	
SIOUX VALLEY TELEPHONE COMPANY)	TC97-073
)	
MOUNT RUSHMORE TELEPHONE COMPANY)	TC97-074
)	
FORT RANDALL TELEPHONE COMPANY)	TC97-075
)	
INTRASTATE TELEPHONE COMPANY)	TC97-077
COOPERATIVE, INC.)	
INTERSTATE TELECOMMUNICATIONS)	TC97-078
COOPERATIVE, INC.)	
WEST RIVER COOPERATIVE TELEPHONE)	TC97-080
COMPANY)	
STATELINE TELECOMMUNICATIONS, INC.)	TC97-081
)	

ACCENT COMMUNICATIONS, INC.)	TC97-083
)	
JAMES VALLEY COOPERATIVE TELEPHONE)	TC97-084
COMPANY)	
HEARTLAND COMMUNICATIONS, INC.)	TC97-085
)	
MIDSTATE TELEPHONE COMPANY, INC.)	TC97-086
)	
BALTIC TELECOM COOPERATIVE)	TC97-087
)	
EAST PLAINS TELECOM, INC.)	TC97-088
)	
WESTERN TELEPHONE COMPANY)	TC97-089
)	
STOCKHOLM-STRANDBURG TELEPHONE)	TC97-090
COMPANY)	
KENNEBEC TELEPHONE CO., INC.)	TC97-092
)	
JEFFERSON TELEPHONE CO., INC.)	TC97-093
)	
SULLY BUTTES TELEPHONE COOPERATIVE,)	TC97-094
INC.)	
VENTURE COMMUNICATIONS, INC.)	TC97-095
)	
SANCOM, INC.)	TC97-096
)	

SANBORN TELEPHONE COOPERATIVE) TC97-097
)
 BERESFORD MUNICIPAL TELEPHONE CO.) TC97-098
)
 ROBERTS COUNTY TELEPHONE) TC97-099
 COOPERATIVE ASSOCIATION)
 RC COMMUNICATIONS, INC.) TC97-100
)
 SPLITROCK PROPERTIES, INC.) TC97-101
)
 SPLITROCK TELECOM COOPERATIVE, INC.) TC97-102
)
 TRI-COUNTY TELECOM, INC.) TC97-105
)
 FAITH MUNICIPAL TELEPHONE COMPANY) TC97-108
)
 ARMOUR INDEPENDENT TELEPHONE) TC97-113
 COMPANY)
 BRIDGEWATER-CANISTOTA INDEPENDENT) TC97-114
 TELEPHONE COMPANY)
 UNION TELEPHONE COMPANY) TC97-115
)
 MCCOOK COOPERATIVE TELEPHONE) TC97-117
 COMPANY)
 KADOKA TELEPHONE COMPANY) TC97-121
)

BROOKINGS MUNICIPAL TELEPHONE) TC97-125
)
 HANSON COMMUNICATIONS INC. D/B/A) TC97-130
 HANSON COUNTY TELEPHONE COMPANY)
 HANSON COMMUNICATIONS INC. D/B/A) TC97-131
 MCCOOK TELECOM)
 WEST RIVER TELECOMMUNICATIONS) TC97-154
 COOPERATIVE)
 MOBRIDGE TELECOMMUNICATIONS CO.) TC97-155
)
 U S WEST COMMUNICATIONS, INC.) ~~TC97-163~~
)
 THREE RIVER TELCO) TC97-167
)

The South Dakota Public Utilities Commission (Commission) received requests from the above captioned telecommunications companies requesting designation as eligible telecommunications carriers.

The Commission electronically transmitted notice of the filings and the intervention deadlines to interested individuals and entities. On June 27, 1997, the Commission received a Petition to Intervene from Dakota Telecommunications Systems, Inc. (DTS) and Dakota Telecom, Inc. (DTI) with reference to Fort Randall Telephone Company (Docket TC97-075). On July 15, 1997, at its regularly scheduled meeting, the Commission granted intervention to DTS and DTI in Docket TC97-075. No other Petitions to Intervene were filed.

The Commission has jurisdiction over this matter pursuant to SDCL Chapters 1-26 and 49-31, including 1-26-18, 1-26-19, 49-31-3, 49-31-7, 49-31-7.1, 49-31-11, and 47 U.S.C. § 214(e)(1) through (5).

The issues at the hearing shall be as follows: (1) whether the above captioned telecommunications companies should be granted designation as eligible telecommunications carriers, and (2) what service areas shall be established by the Commission.

A hearing shall be held at 1:30 P.M., on Wednesday, November 19, 1997, in Room 412, State Capitol, Pierre, South Dakota. It shall be an adversary proceeding conducted pursuant to SDCL Chapter 1-26. All parties have the right to be present and to be represented by an attorney. These rights and other due process rights shall be forfeited if not exercised at the hearing. If you or your representative fail to appear at the time and place set for the hearing, the Final Decision will be based solely on the testimony and evidence provided, if any, during the hearing or a Final Decision may be issued by default pursuant to SDCL 1-26-20. After the hearing the Commission will consider all evidence and testimony that was presented at the hearing. The Commission will then enter Findings of Fact, Conclusions of Law, and a Final Decision regarding this matter. As a result of this hearing, the Commission may either grant or deny the request from any of the above captioned telecommunications companies requesting designation as an eligible telecommunications carrier, and the Commission shall establish service areas for eligible telecommunications carriers. The Commission's decision may be appealed by the parties to the state Circuit Court and the state Supreme Court as provided by law. It is therefore

ORDERED that a hearing shall be held at the time and place specified above on the issues of whether the above captioned telecommunications companies should be granted designation as eligible telecommunications carriers, and the Commission shall establish service areas for eligible telecommunications carriers.

Pursuant to the Americans with Disabilities Act, this hearing is being held in a physically accessible location. Please contact the Public Utilities Commission at 1-800-332-1782 at least 48 hours prior to the hearing if you have special needs so arrangements can be made to accommodate you.

Dated at Pierre, South Dakota, this 17th day of November, 1997.

CERTIFICATE OF SERVICE

The undersigned hereby certifies that this document has been served today upon all parties of record in this docket, as listed on the docket service list, by facsimile or by first class mail, in properly addressed envelopes, with charges prepaid thereon.

By: William J. Bullard, Jr.

Date: 11/17/97

(OFFICIAL SEAL)

BY ORDER OF THE COMMISSION
Commissioners Burg, Nelson and
Schoenfelder

William J. Bullard, Jr.
WILLIAM BULLARD, JR.
Executive Director

U S WEST, Inc.
1801 California Street, Suite 5100
Denver, Colorado 80202
303 672-2810
Facsimile 303 295-1969

William P. Heaston
Senior Attorney

USWEST

VIA FACSIMILE AND OVERNIGHT DELIVERY

November 7, 1997

Mr. William Bullard, Jr.
Executive Director
South Dakota Public Utilities Commission
500 East Capitol
Pierre, SD 57501

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NOV 10 1997
SOUTH DAKOTA PUBLIC
UTILITIES COMMISSION
FAX Received NOV 07 1997

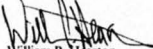
Re: U S WEST Communications, Inc.'s
Application for Designation as an Eligible
Telecommunications Carrier
Docket No. TC97-163

Dear Mr. Bullard:

Enclosed for filing is an original and ten (10) copies of U S WEST's Amendment to Application in the above referenced docket.

Please file stamp the extra copy of this letter enclosed and return in the self addressed stamped envelope.

Yours truly,


William P. Heaston

WPH:mb
Enclosures

U S WEST, Inc.
1801 California Street, Suite 5100
Denver, Colorado 80202
303.472-2716
Facsimile 303.295-7069
email: lmaez@uswest.com

Luke Maez
Legal Secretary

Via Overnight Delivery

November 13, 1997

Mr. William Bullard Jr.
Executive Director
South Dakota Public Utilities Commission
500 East Capitol Avenue
Pierre, SD 57501

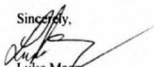
**Re: In the Matter of the Application of U S WEST Communications, Inc.
for Designation as an Eligible Telecommunications Carrier Under 47
U.S.C. §214(E)(2)
Docket No. TC97-163**

Dear Mr. Bullard:

Enclosed for filing in the above referenced docket is an original and ten (10) copies of the
Sixth Judicial Circuit Order Admitting William Heaston as Non-Resident Attorney for
U S WEST Communications, Inc. to appear in this matter.

Please file stamp the enclosed extra copy of this letter and return to me in the enclosed self-
addressed stamped envelope. Thank you.

Sincerely,



Luke Maez
Legal Secretary to
William Heaston

Encl.

USWEST

RECEIVED

NOV 14 1997

**SOUTH DAKOTA PUBLIC
UTILITIES COMMISSION**

STATE OF SOUTH DAKOTA)
COUNTY OF HUGHES)

IN CIRCUIT COURT
SIXTH JUDICIAL CIRCUIT

BEFORE THE PUBLIC UTILITIES COMMISSION
OF THE STATE OF SOUTH DAKOTA

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IN THE MATTER OF THE APPLICATION)
OF U S WEST COMMUNICATIONS, INC.)
FOR DESIGNATION AS AN ELIGIBLE)
TELECOMMUNICATIONS CARRIER UNDER)
47 U.S.C. §214(E)(2))

TC97-16 SOUTH DAKOTA PUBLIC
UTILITIES COMMISSION

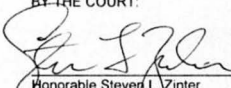
ORDER ADMITTING
NON-RESIDENT ATTORNEY

It is hereby

ORDERED that the Motion for Admission for William P. Heaston, a non-resident attorney, to appear on behalf of U S WEST Communications, Inc., before the Public Utilities Commission and this Court relating to this matter is granted.

Dated: November 10, 1997.

BY THE COURT:


Honorable Steven L. Zinter
Circuit Court Judge
Sixth Judicial Circuit

ATTEST:

Mary L. Erickson
Clerk of Courts

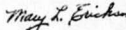
BY:


Deputy

(SEAL)

STATE OF SOUTH DAKOTA
CIRCUIT COURT, HUGHES CO.
FILED

NOV 10 1997

 CLERK
Deputy



December 1, 1997

RECEIVED
DEC 03 1997
SOUTH DAKOTA PUBLIC
UTILITIES COMMISSION

Bill Bullard
Executive Director
South Dakota Public Utilities Commission
State Capitol Building
Pierre, South Dakota 57501

FAX Received DEC 01 1997

Dear Bill:

Enclosed is my affidavit which should be included as a late filed exhibit in U S WEST
Docket TC97-163.

Sincerely,

A handwritten signature in cursive script, appearing to read "Joe Kluwe".

Enclosure

BEFORE THE PUBLIC SERVICE COMMISSION
OF THE STATE OF SOUTH DAKOTA

RECEIVED

DEC 03 1997

SOUTH DAKOTA PUBLIC
UTILITIES COMMISSION

IN THE MATTER OF THE APPLICATION)
OF U S WEST COMMUNICATIONS, INC.)
FOR DESIGNATION AS AN ELIGIBLE) Docket No. TC97-163
TELECOMMUNICATIONS CARRIER UNDER)
47 U.S.C. §214(E)(2))

STATE OF SOUTH DAKOTA)
COUNTY OF MINNEAPOLIS) ss.

AFFIDAVIT OF JON LEHNER

I, Jon Lehner, being first duly sworn, depose and state that:

1. I am employed by U S WEST Communications, Inc. as Director of Regulatory Affairs in South Dakota, and my business address is 125 S. Dakota Avenue, Room 8 FLR, Sioux Falls, South Dakota 57194.

2. The purpose of this Affidavit is to respond to several concerns raised by the Public Utilities Commission ("Commission") at the Eligible Telecommunications Carrier (ETC) hearing for Docket TC97-163 held on November 19, 1997.

3. For purposes of this filing, each of the 38 exchanges (wire centers) listed in the U S WEST Application and Amendment to Application, filed on October 9, 1997, and November 7, 1997, respectively, should be considered a study area. These listed 38 exchanges represent the total of all wire centers operated by U S WEST in South Dakota at the present time.

4. With regard to the issue of one party service, U S WEST requests an extension of time through June 30, 1998, within which to convert all but 52 remaining multiparty customers to one party service. With respect to the 52 multiparty customers which will remain after the others are converted, U S WEST will incur extraordinary costs associated with upgrading these parties to one party service; therefore U S WEST requests a two-year extension, until December 31, 1999, within which to convert the remaining 52 multiparty customers to one party service. The location of the 52 customers, and identification of their respective exchange, was requested by Commissioner Burg. That list, identifying the 52 customers, and indicating their location from the central office, is being developed and will be filed with the Commission as a late filed exhibit in this docket as soon as it is completed.

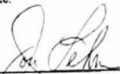
5. U S WEST requests that the Commission make the U S WEST ETC designation prior to January 1, 1998. This designation will enable U S WEST to meet the requirement of 47 C.F.R. 54.201 which dictates that effective January 1, 1998 only eligible telecommunications carriers may receive federal universal service fund support for high cost areas and low income customers (Lifeline and Link Up programs). Without the ETC designation U S WEST will not be

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able to process the necessary notifications and applications of potential Lifeline and Link Up customers.

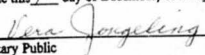
This Affiant has nothing further to state.

Dated this 1st day of December, 1997.



Jon Lehner

Subscribed and sworn to before me this 1st day of December, 1997 by Jon Lehner.



Notary Public

My Commission Expires: 8/6/2002

THE PUBLIC UTILITIES COMMISSION
OF THE STATE OF SOUTH DAKOTA

RECEIVED

DEC 02 1997

SOUTH DAKOTA PUBLIC
UTILITIES COMMISSION

IN THE MATTER OF THE FILINGS BY THE
FOLLOWING TELECOMMUNICATIONS
COMPANIES FOR DESIGNATION AS
ELIGIBLE TELECOMMUNICATIONS CARRIERS:

VIVIAN TELEPHONE COMPANY	TC97-068
GOLDEN WEST TELECOMMUNICATIONS COOPERATIVE, INC.	TC97-069
VALLEY CABLE & SATELLITE COMMUNICATIONS, INC.	TC97-070
VALLEY TELECOMMUNICATIONS COOPERATIVE ASSOCIATES, INC.	TC97-071
SIOUX VALLEY TELEPHONE COMPANY	TC97-073
MOUNT RUSHMORE TELEPHONE COMPANY	TC97-074
FORT RANDALL TELEPHONE COMPANY	TC97-075
INTRASTATE TELEPHONE COMPANY COOPERATIVE, INC.	TC97-077
INTERSTATE TELECOMMUNICATIONS COOPERATIVE, INC.	TC97-078
WEST RIVER COOPERATIVE TELEPHONE COMPANY	TC97-080
STATELINE TELECOMMUNICATIONS, INC.	TC97-081
ACCENT COMMUNICATIONS, INC.	TC97-083
JAMES VALLEY COOPERATIVE TELEPHONE COMPANY	TC97-084
HEARTLAND COMMUNICATIONS, INC.	TC97-085
MIDSTATE TELEPHONE COMPANY, INC.	TC97-086
BALTIC TELECOM COOPERATIVE	TC97-087
EAST PLAINS TELECOM, INC.	TC97-088

WESTERN TELEPHONE COMPANY	TC97-089
STOCKHOLM-STRANDBURG TELEPHONE COMPANY	TC97-090
KENNEBEC TELEPHONE CO., INC.	TC97-092
JEFFERSON TELEPHONE CO., INC.	TC97-093
SULLY BUTTES TELEPHONE COOPERATIVE, INC.	TC97-094
VENTURE COMMUNICATIONS, INC.	TC97-095
SANCOM, INC.	TC97-096
SANBORN TELEPHONE COOPERATIVE	TC97-097
BERESFORD MUNICIPAL TELEPHONE CO.	TC97-098
ROBERTS COUNTY TELEPHONE COOPERATIVE ASSOCIATION	TC97-099
RC COMMUNICATIONS, INC.	TC97-100
SPLITROCK PROPERTIES, INC.	TC97-101
SPLITROCK TELECOM COOPERATIVE, INC.	TC97-102
TRI-COUNTY TELECOM, INC.	TC97-105
FAITH MUNICIPAL TELEPHONE COMPANY	TC97-108
ARMOUR INDEPENDENT TELEPHONE COMPANY	TC97-113
BRIDGEWATER-CANISTOTA INDEPENDENT TELEPHONE COMPANY	TC97-114
UNION TELEPHONE COMPANY	TC97-115
MCCOOK COOPERATIVE TELEPHONE COMPANY	TC97-117
KADOKA TELEPHONE COMPANY	TC97-121
BROOKINGS MUNICIPAL TELEPHONE	TC97-125
HANSON COMMUNICATIONS INC., D/B/A	TC97-130

1 HANSON COUNTY TELEPHONE COMPANY)
 2 HANSON COMMUNICATIONS INC., D/B/A) TC97-131
 3 MCCOOK TELECOM)
 4 WEST RIVER TELECOMMUNICATIONS) TC97-154
 5 COOPERATIVE)
 6 MOBRIDGE TELECOMMUNICATIONS CO.) TC97-155
 7 U S WEST COMMUNICATIONS, INC.) ~~TC97-163~~
 8 THREE RIVER TELCO) TC97-167
 9 -----)

10 HEARD BEFORE THE PUBLIC UTILITIES COMMISSION

12 PROCEEDINGS: November 19, 1997
 13 1:30 P.M.
 14 Room 412, Capitol Building
 15 Pierre, South Dakota

16 PUC COMMISSION: Jim Burg, Chairman
 17 Laska Schoenfelder, Commissioner
 18 Pam Nelson, Commissioner

19 COMMISSION STAFF
 20 PRESENT: Rolayne Ailts Wiest
 21 Camron Hoseck
 22 Karen Cremer
 23 Harlan Best
 24 Bob Knadle
 25 Gregory A. Rislov
 David Jacobson

Reported by: Lori J. Grode, RMR

A P P E A R A N C E S

For US West: William P. Heaston
 1801 California Street
 Suite 5100
 Denver, CO 80202
 and
 Tamara A. Wilka
 P.O. Box 5015
 Sioux Falls, SD 57117-5015
 For SDITC: Richard D. Coit
 P.O. Box 57
 Pierre, SD 57501 E. Solomon

For Ft. Randall: Darla Pollman Rogers
 P.O. Box 89
 Onida, SD 57564

I N D E X

<u>Witness</u>	<u>Page</u>
Don Lee	12
Bill Haugen, Jr.	46
Bob Barfield	52
Harlan Best	54
Jon Lehner	67
Harlan Best	86

PROCEEDINGS

CHAIRMAN BURG: Okay. We'll go ahead and get started. I'll begin the hearing for the dockets relating to the eligible telecommunications carriers designation. The time is approximately 1:50. The date is November 19, 1997; and the location of the hearing is Room 412, State Capitol, Pierre, South Dakota.

I am Jim Burg, Commission Chairman. Commissioners Laska Schoenfelder and Pam Nelson are also present. I'm presiding over this hearing. The hearing was noticed pursuant to the Commission's Order For and Notice of Hearing issued November 7, 1997.

The issues at this hearing shall be as follows: One, whether the requesting telecommunications company should be granted designation as eligible telecommunications carriers; and, two, what service areas shall be established by the Commission.

All parties have the right to be present and to be represented by an attorney. All persons so testifying will be sworn in and subject to cross-examination by the parties. The Commission's final decision may be appealed by the parties to the State Circuit Court and the State Supreme Court.

Rolayne Wiest will act as Commission

counsel. She may provide recommended rulings on procedural and evidentiary matters. The Commission may overrule its counsel's preliminary rulings throughout the hearing. If not overruled, the preliminary rulings will become final.

At this time I'll turn it over to Rolayne for the hearing.

MS. WIEST: I'll take appearances of the parties. Rich, who do you represent?

MR. COIT: I'm here today representing all of the SDITC member companies, and also Kadoka which has recently applied for membership with the coalition. And Darla Rogers is here representing some companies, and I guess she could indicate for the record which ones she's representing.

MS. ROGERS: I'm here representing Valley; Stockholm-Strandburg; Golden West, including Vivian; and Sully Buttes and Venture.

MS. WIEST: Could you repeat those again? Valley, Stockholm-Strandburg, Vivian, Golden West.

MS. ROGERS: Golden West, Sully Buttes and Venture.

MS. WIEST: U S West.

MR. HEASTON: Bill Heaston and Tammy Wilka for U S West Communications.

MS. CREMER: Karen Cremer, Commission staff.

MR. HOSECK: Camron Hoseck, Commission staff.

MS. WIEST: We have had a request to take one of these dockets first and that's TC97-075. Do any of the parties want to make an opening statement before we begin?

Why don't you proceed with 075 then.

MR. COIT: Sure, that's fine. I really don't have an opening statement. There are a couple of exhibits that we would like to admit. And I understand there's also been some letters sent to the Commission that we would like to admit into the record as evidence on the ETC questions. And that would be Exhibit Number 1, which is the application of Fort Randall for ETC designation, and Exhibit No. 2, which is the response of Fort Randall to a data request from staff, dated, I believe, October 1st. And there are two letters. I don't know if we've marked those yet.

(EXHIBITS NO. 3 and 4 WERE MARKED FOR IDENTIFICATION.)

MR. COIT: There are two other exhibits that have been marked Exhibit No. 3. Kathy Marmet, is that the letter of Dakota or is Exhibit 3 the letter.

MS. MARMET: Exhibit 3 is the letter of

Dakota.

MR. COIT: So the Exhibit 3 is the letter from Robert Marmet to the Commission, and Exhibit 4 is a letter from Mike Bradley to the Commission.

MS. WIEST: What's the date of that letter, the letter from Bradley?

MR. COIT: November 18th.

MS. WIEST: Because I have one dated November 18th and one the 19th.

MR. COIT: I think so. Is that right, Exhibit 3, is that the 19th? Okay. I had a letter that was dated yesterday, but the ones we have marked for admission today, I believe both the letters are dated the 19th, November 19th.

MS. WIEST: So the letter from Mr. Bradley is dated the 19th?

MR. COIT: Yes. Sorry about that.

MS. WIEST: And that's Exhibit 4.

MR. COIT: I don't know why they're dated differently. The 19th is the one we're seeking admission on, I believe. Yes, they are identical so we're seeking admission of the 19th letter.

MS. WIEST: I think they're not exactly identical but we'll go with the 19th. Could I see the letter from Dakota? I don't believe we got copies of

1 that one. (Pause.) So at this time are you offering
2 Exhibits 1, 2, 3 and 4?

3 MR. COIT: Yes, that's correct.

4 MS. WIEST: Is there any objection to those
5 exhibits being admitted? If not, 1, 2, 3 and 4 have
6 been admitted in TC97-075. Then at this time I would
7 ask if any of the parties have any questions pertaining
8 to TC97-075, including the Commissioners?

9 The only question I would have, Rich, is on
10 the response to the data request, Exhibit 2. And the
11 first question it talks about single party service. I
12 guess it's not absolutely clear that it's available to
13 all the customers the way that the statement is written
14 and answered.

15 MR. COIT: Oh, because they said does the
16 above-referenced company have this service.

17 MS. WIEST: Right.

18 MR. COIT: Yeah, I guess that is correct.
19 And I am not here today to serve as a witness.

20 MS. WIEST: No.

21 MR. COIT: If that's a concern that you feel
22 you need addressed, and I hate to say this, but I was
23 led to believe that if there were some questions on
24 applications and there was not a witness here to answer
25 that, those questions could be dealt with between now

1 and December 2nd. There are witnesses here today for
2 some of the other applications, but there is not a
3 witness here today with respect to Fort Randall's
4 application.

5 MS. WIEST: The only other thing I would
6 suggest is that perhaps the Commission could just have
7 it clarified by another affidavit from the person.

8 CHAIRMAN BURG: We could approve it on the
9 basis of that clarification.

10 MS. WIEST: A late-filed exhibit just
11 clarifying that since we are taking affidavits from the
12 witnesses on other issues.

13 MR. COIT: I appreciate that option.

14 MS. WIEST: Otherwise, are there any other
15 questions relating to 075?

16 CHAIRMAN BURG: Can we make bench decisions?

17 MS. WIEST: Staff will have something too.
18 They'll have testimony on all of the cases. Does staff
19 want to go now, or do you want to go at the very end?

20 MR. HOSECK: Originally we had planned to go
21 after the applicants had.

22 MS. WIEST: All the applicants?

23 MR. HOSECK: Yes. And if these are treated
24 en mass or something fairly close to that, then we
25 would be prepared to put on our case in a similar

1 manner.

2 CHAIRMAN BURG: That's fine.

3 MS. WIEST: Let's just go through them and
4 then we'll have Harlan as the witness. Let's go back
5 to TC97-068. Does anyone have any questions on
6 TC97-068?

7 CHAIRMAN BURG: Just a clarification. What
8 data request response is this?

9 MS. WIEST: Yes. That would be in that
10 packet.

11 MR. COIT: Is there a chance that we could
12 consider or deal with these en mass as Mr. Hoseck has
13 indicated or suggested?

14 MS. WIEST: I'd rather not just because on a
15 few of them I have a couple questions on some of them.

16 MR. COIT: Okay. Should I go ahead and
17 introduce the exhibits?

18 MS. WIEST: Yes.

19 MR. COIT: With respect to Docket TC97-068
20 there are two exhibits. Exhibit No. 1 is the actual
21 ETC request filed by Vivian Telephone Company. And
22 Exhibit No. 2 is the response of Vivian Telephone
23 Company to a data request from Commission staff. We
24 would move the admission of those exhibits. I do not
25 have the dates. I don't have them here with me.

1 Okay. Yeah, the date on the Exhibit No. 1 is 6-1997,
2 and the date on the response to the data request is
3 10-14-97.

4 CHAIRMAN BURG: 6-9; right, not 6-19?

5 MR. COIT: 6-19 -- 6-9, excuse me.

6 MS. WIEST: Okay. Is there any objection to
7 admitting Exhibits 1 and 2 in 068? If not, they've
8 been admitted. Again, Rich, on Exhibit 2, the first
9 question, it says we provide single party service
10 throughout. I guess I'll assume that means all
11 customers?

12 MR. COIT: I would call Don Lee. Don Lee is
13 here representing Vivian as well as some of the other
14 companies. Don Lee, do you want to take a seat?

15 **DON LEE,**

16 called as a witness, being first duly sworn,
17 was examined and testified as follows:

18 DIRECT EXAMINATION

19 BY MR. COIT:

20 Q. Could you respond to Commission counsel's
21 question, please?

22 A. Yes. The answer to your question is, yes, it
23 does indicate that they provide service private line
24 throughout the study area.

25 MS. WIEST: Single party to all customers?

1 It's available to all customers?

2 A. Right.

3 MS. WIEST: Thank you. That's the only
4 question I have. Does anybody else have any questions
5 for this witness for 068? If not, thank you. I did
6 admit Exhibit 1 and 2. 069.

7 MR. COIT: We would move the admission of
8 Exhibits No. 1 and 2 in 069, and that is an ETC request
9 or application dated 6-9-97 and response to a staff
10 data request dated 10-14-97.

11 MS. WIEST: Any objection? If not, they've
12 been admitted.

13 COMMISSIONER SCHOENFELDER: Excuse me, I do
14 not have the data request up here with me for some
15 reason. I'm sorry about this, but I need to go back
16 and ask Mr. Lee about the Lifeline, Link Up. I think
17 was that covered in the data request? I'm sorry to be
18 behind the eight ball, but I did not have that and so I
19 need to know whether this company is doing Lifeline,
20 Link Up now or whether you need to -- whether you
21 intend to have that implemented by 1-1?

22 A. You're referring to the Vivian Telephone
23 Company?

24 COMMISSIONER SCHOENFELDER: Yeah, Vivian is
25 what we're doing now.

1 A. Vivian Telephone Company does provide
2 Lifeline and Link Up throughout its system with the
3 exception of the Vivian Exchange, and they anticipate
4 providing it in the Vivian Exchange by January 1,
5 1998.

6 COMMISSIONER SCHOENFELDER: But anticipated
7 and doing it are two different things. And I think I'm
8 going to have to be assured that you're either going to
9 do it or that you're going to ask for something from
10 us.

11 A. Do you want a commitment that we will do it
12 by that date?

13 COMMISSIONER SCHOENFELDER: I think that's
14 one of the requirements, if I'm reading the Act right.

15 A. Yeah.

16 COMMISSIONER SCHOENFELDER: And I think
17 that's important that we have that on the record.

18 A. Certainly, Commissioner. The answer is, yes,
19 they are committed to providing it by 1-1-1998.

20 COMMISSIONER SCHOENFELDER: Thank you.

21 CHAIRMAN BURG: Just a question, a general
22 one on that. On the toll, what do we call it toll
23 control? Do we need a statement on those, too, or a
24 request for a waiver?

25 MS. WIEST: They did actually request waivers

1 in their original applications.

2 MR. COIT: I was at the conclusion of going
3 through, I guess, the questions and so forth, I was
4 basically -- before the Commission acts on any of
5 these, going to restate the request. But if the
6 Commission has questions of Mr. Lee with respect to
7 certain aspects of providing it, I would -- yeah, I
8 would suggest you go ahead and ask it.

9 CHAIRMAN BURG: No, I don't have a problem as
10 long as we know all of them that's going to apply to.
11 In other words, if it applies to every one of them,
12 then the statement at the end saying it applies on all
13 of them is adequate for me. Or if you have some that
14 already could do the toll control, we need to know
15 that. I doubt if there are any at this time.

16 MR. COIT: No, we don't. And the waiver
17 request is included in all the applications. But just
18 to make sure it was ruled on, I was intending on
19 bringing it up again at the end.

20 CHAIRMAN BURG: Okay. That's fine with me.

21 MS. WIEST: Any other questions of this
22 witness regarding 068 and 069? If not, we will go to
23 TC97-070.

24 MR. COIT: Again, I would move for the
25 admission of two exhibits in TC97-070, and that is the

1 ETC application or request dated 6-10-97 and response
2 to staff's data request dated 10-97.

3 MS. WIEST: Any objection? If not, Exhibits
4 1 and 2 have been admitted. Are there any questions
5 with regard to this docket? If not, let's go to
6 TC97-071.

7 MR. COIT: We would move for the admission of
8 Exhibits No. 1 and 2, request for ETC status dated
9 6-10-97 and response to data request of staff dated
10 10-9-97.

11 MS. WIEST: Any objection to Exhibits 1 and
12 2? If not, they've been admitted. Are there any
13 questions regarding TC97-071? If not, we will go to
14 TC97-073.

15 MR. COIT: We would move for the admission of
16 Exhibit No. 1, ETC request dated 6-11-97 and Exhibit
17 No. 2, response to staff data request dated 10-14-97.

18 MS. WIEST: Any objections to Exhibits 1 and
19 2 being admitted? If not, they have been admitted.
20 Any questions regarding 073?

21 MR. COIT: I would note that Dennis Law, who
22 is the current manager of Sioux Valley Telephone
23 Company, is available if the Commissioners have any
24 questions.

25 MS. WIEST: Any questions? If not, we'll go

1 to TC97-074.

2 MR. COIT: We would move for the admission of
3 Exhibit No. 1, which is the ETC request dated 6-12-97
4 and Exhibit No. 2, response to staff data request dated
5 10-31-97.

6 MS. WIEST: Are there any objections? If
7 not, 1 and 2 have been admitted. Are there any
8 questions concerning 074? I have the same question on
9 this one, Rich, with respect to the data request number
10 one.

11 MR. COIT: Would an affidavit be adequate?

12 MS. WIEST: Yeah, as far as all customers.

13 MR. COIT: Okay. I will make sure that gets
14 filed.

15 MS. WIEST: Any questions on 074? If not,
16 let's go to TC97-077.

17 MR. COIT: We would move for the admission of
18 Exhibit No. 1, which is the ETC request and that's
19 dated 6-13-97. Also move for admission of Exhibit No.
20 2, which is a response to data request dated 10-9-97.
21 And there is also an Exhibit No. 3 in this docket, a
22 supplemental response to staff data request. It's
23 dated 10-28-97. We move the admission of all three
24 exhibits.

25 MS. WIEST: Any objection? If not, those

1 three exhibits have been admitted. Are there any
2 questions regarding this docket?

3 MR. COIT: I believe Mr. Lee is representing
4 ITC today as well?

5 MR. LEE: That's right.

6 MS. WIEST: Okay. Let's go to TC97-078.

7 MR. COIT: We move for the admission of
8 Exhibit No. 1, which is the ETC request dated 6-13-97
9 and move for the admission of Exhibit No. 2, which is
10 response to staff data request dated 10-9-97.

11 MS. WIEST: Any objection to those exhibits?
12 If not, they've been admitted. Any questions
13 concerning this docket? Let's go to TC97-080.

14 MR. COIT: We move for the admission of
15 Exhibit No. 1, which is the ETC request dated 6-16-97,
16 and also move for admission of response to staff data
17 request Exhibit No. 2, which is dated 10-14-97.

18 MS. WIEST: Any objection to Exhibits 1 and
19 2? If not, they've been admitted. Any questions
20 regarding this docket? If not, let's move to
21 TC97-081.

22 MR. COIT: We move for the admission of ETC
23 request dated 6-16-97, which is Exhibit No. 1, and also
24 Exhibit No. 2, response to staff data request, dated
25 10-15-97.

1 MS. WIEST: Are there any objections to 1 and
2 2? If not, they've been admitted. Any questions
3 regarding this docket? So, Rich, with respect to this
4 one, you will be asking at the end about the waiver for
5 the single party and all the other waivers; is that
6 right?

7 MR. COIT: Is there a waiver request in the
8 Stateline on the single party issue?

9 MS. WIEST: Yes.

10 MR. COIT: I wasn't aware of that. I
11 understood there were some companies that had purchased
12 U S West exchanges that were still in the process of
13 converting some party lines. But, yes, if they need a
14 waiver, I guess so. I'll renew that request. I don't
15 have any factual information I can provide. I don't
16 believe, Mr. Lee, are you here representing Stateline?

17 MR. LEE: I am. And in conversations with
18 Stateline management yesterday, they indicated that
19 they would likely need a waiver request until March,
20 April time frame when they can finish the construction
21 to provide all one party service.

22 MS. WIEST: And in their application they're
23 actually asking for a one-year waiver; correct?

24 MR. LEE: But they're willing to shorten it
25 up.

1 MS. WIEST: So you probably just need a
2 waiver until June?

3 MR. LEE: That would be adequate.

4 MS. WIEST: June 1st?

5 CHAIRMAN BURG: Do we need to act on the
6 waivers now?

7 COMMISSIONER SCHOENFELDER: Do you want a
8 motion on the waiver now?

9 MS. WIEST: Let's talk about that. The thing
10 is that all of these, I believe, are going to also need
11 a motion on the waivers for the one year on the toll
12 control, and we haven't been doing any of those motions
13 at this time.

14 CHAIRMAN BURG: We have to take each of those
15 separate motions, do you think, at the end for the toll
16 control?

17 MS. WIEST: Yes. If we want to go --

18 MR. COIT: We could pick it up here now and
19 start doing waivers. That might be the easiest way.

20 CHAIRMAN BURG: If we got to go through each
21 one.

22 MR. COIT: Rule on them as you go through.

23 CHAIRMAN BURG: Easier than going back.

24 MS. WIEST: Okay. For 081 with respect to
25 the waiver until June 1st, 1998, concerning single

1 party service to all customers, and the second waiver
2 on toll control for one year -- one year from what
3 date, Rich?

4 MR. COIT: I think I would guess that that
5 would be from the date of the order.

6 MS. WIEST: Okay.

7 MR. COIT: On the toll control? You're
8 speaking to the toll control; correct?

9 MS. WIEST: Yes, toll control.

10 COMMISSIONER SCHOENFELDER: I have a question
11 as long as we're talking about the waivers both on toll
12 control and on the single party service. As long as
13 you're asking for waivers, let's make sure it's done
14 properly and that we're not back here in two months
15 asking for more waivers. I would hate to go through
16 this process, or would not like to go through this
17 process again. I think we need to be accurate when
18 we're doing it. I also have a question about what
19 meets the requirements of the Act? How much of a
20 waiver can we give? I don't know as I know the answer
21 to that.

22 MS. WIEST: Right. The time actually in the
23 FCC Order is not specified. But it does say in
24 paragraph 89, I believe, that the Commission must, upon
25 a finding of exceptional circumstances, you can make a

1 waiver for single party services for a specified period
2 of time. And also on the toll limitation the company
3 must also show exceptional circumstances exist and need
4 for additional time to upgrade. They should have to
5 show individual hardship, individualized hardship or
6 inequity warrants additional time to comply and that
7 would better serve the public interest that is in
8 strict adherence to the time period and it should
9 extend only as long as the exceptional circumstances
10 exist.

11 MR. COIT: I would note that in the
12 applications, while we've requested a year, we've also
13 indicated that within that period of time we would file
14 some information with the Commission indicating, you
15 know, when the capability is available. If the
16 Commission -- what we have -- and Mr. Lee, I think, can
17 answer some questions in the area of toll control that
18 I can't answer. But we're faced with a situation today
19 where the capabilities are just not available. If a
20 year is too long, you know, from our perspective we
21 really didn't know when it would be available and
22 that's why we requested a year. But if there's better
23 information on that, maybe the time period can be
24 different. But right now we really don't know when the
25 capability is going to be available.

1 COMMISSIONER SCHOENFELDER: I hate to belabor
2 the point, and I know everyone wants to get through
3 this, but to me it's very important that we do it
4 right. And so if it means that we need to answer the
5 question when we grant these waivers and we send these,
6 or you send them on to the FCC, we need to be sure that
7 you have spelled out why these companies -- at least
8 this is what I'm understanding -- why these companies
9 can't do toll control and why it's going to take that
10 long of a period of time to do single party service.
11 And so I think that should be in the application
12 somewhere, or at least in our motion as we approve it,
13 or we should have something on the record to support
14 where we're going.

15 MS. WIEST: They do explain the reasons in
16 their application, their original application, with
17 respect to toll control.

18 COMMISSIONER SCHOENFELDER: Okay.

19 MS. WIEST: But if there are any further
20 questions that the Commission would like to ask at this
21 time, if you need more information on that, we could do
22 that now.

23 COMMISSIONER SCHOENFELDER: I would like to
24 know -- and this probably isn't true of all companies.
25 But of the ones you're testifying for at least,

1 Mr. Lee, where they're at in deploying the technology
2 that we need to do these two things and what kind of
3 delays you might expect. Because I don't want this to
4 not go forward the way that it's been perceived that it
5 should go forward.

6 MR. LEE: Sure. Okay. I might respond to
7 that in general; and then if there are specific
8 questions, I'd be happy to do that. But the issue of
9 toll limitation, which I believe under the FCC's
10 description identifies a toll restriction and a toll
11 control, and the issue at hand is in the toll control,
12 which my understanding is to indicate that the end user
13 subscriber is to be able to control the amount of its
14 monthly bill, at which time a restriction automatically
15 kicks in and disallows access to the long distance
16 network. To my knowledge, there is no switch vendor in
17 the United States today who provides that capability
18 within its switch. I know that the vendors are working
19 on it. I could not sit here with a clear conscience
20 and indicate that on X date that I would expect it will
21 be available. Given my honest opinion, I would doubt
22 that it's available to the general population within a
23 year's time period. And therein is the reason I
24 believe that SDITC members ask for the one-year period
25 because we don't anticipate it being available.

1 The second or alternative to that is a
2 software provisioning of toll control. And, again, to
3 my knowledge, there is no interface between a software
4 system and a switch that has that capability.
5 Primarily because it would take real time rating of a
6 customer's usage; and because the customer control
7 switch interexchange carrier it's choosing, there are a
8 myriad of optional call plans and rate structures that
9 would be applied. And, to my knowledge, there just is
10 no technology, nor software, available to carry out
11 that program.

12 COMMISSIONER SCHOENFELDER: And if I recall
13 right, it doesn't -- it's not permissive, one or the
14 other. You really to need to do all of the above.

15 MR. LEE: It includes both, that's correct.

16 COMMISSIONER SCHOENFELDER: I believe some
17 companies have asked the FCC for clarification, that
18 sort of thing. And as far as I know, you might have
19 better information than I do that that decision has not
20 been handed down by the FCC.

21 MR. LEE: A, I doubt I have better
22 information; and, B, I agree it has not been handed
23 down, to my knowledge. There is that clarification
24 procedure request in front of the FCC.

25 COMMISSIONER SCHOENFELDER: Okay.

1 CHAIRMAN BURG: To my knowledge, everybody
2 can offer toll limitation; right, from what we've had
3 to get a general statement?

4 MR. LEE: I'm going to define as toll
5 restriction, if I can, instead of toll limitation, yes.

6 CHAIRMAN BURG: Toll blocking is what I
7 mean. Everybody can offer that?

8 MR. LEE: To my knowledge, that's a true
9 statement.

10 CHAIRMAN BURG: And I guess my position is to
11 me, the other -- I really don't see, you know, since
12 you said it's not available, I can't see them implying
13 it or even putting it into here. I think it satisfies
14 all of our needs. I have no problem giving the full
15 year or more as long as it gets through FCC, which at
16 this time it appears it should. So I don't see this
17 point to me in making it a shorter limit because I
18 don't think it will interfere with the ETC
19 establishment.

20 MR. LEE: I would agree with that and then
21 would point out in the applications the companies have
22 indicated that they will investigate and will work with
23 their switch vendors so that when it does become
24 available, they're willing to implement it. I think
25 that the telephone companies feel that once it becomes

1 available, it is in the public interest and would be
2 very supportive of that concept.

3 CHAIRMAN BURG: With that I'll move that we
4 grant the one-year waiver on toll -- what is it
5 called? Toll limitation? Toll control?

6 COMMISSIONER NELSON: I'd second.

7 COMMISSIONER SCHOENFELDER: I'm going to
8 concur with that as long as the motion is understood
9 that there will be some formal way to limit toll for
10 these customers just so that everybody understands the
11 motion.

12 CHAIRMAN BURG: I think in every application
13 you agreed that you can do toll restriction --

14 MR. LEE: Right.

15 CHAIRMAN BURG: -- if I remember reading the
16 applications, and that to me is satisfactory.

17 MR. LEE: Thank you.

18 CHAIRMAN BURG: Do you want them as a
19 separate motion? Okay. I'll also move -- which one do
20 we need on this one?

21 MS. WIEST: The single party service until
22 June 1st.

23 CHAIRMAN BURG: I'll move that we grant a
24 waiver in TC97-081 in the single party requirement
25 until June 1, 1998.

1 COMMISSIONER NELSON: I'd second.

2 COMMISSIONER SCHOENFELDER: Concur.

3 MS. WIEST: Any other questions in 081? Do
4 you want to go back now?

5 CHAIRMAN BURG: It might be easier to go back
6 and get these others.

7 MR. COIT: Whatever.

8 MS. WIEST: We'll go back to 068, and the
9 motion in 068 will be for the one-year waiver on toll
10 control.

11 CHAIRMAN BURG: I'll move that we grant the
12 waiver of toll control in TC97-075.

13 COMMISSIONER NELSON: I'd second.

14 COMMISSIONER SCHOENFELDER: Concur.

15 MS. WIEST: 068.

16 CHAIRMAN BURG: I'll move we grant the toll
17 -- I mean I'll move we grant the waiver for toll
18 limitation.

19 MS. WIEST: Toll control. I'm sorry, we have
20 to be accurate because what the FCC did is they call it
21 combined toll control and toll blocking as toll
22 limitation.

23 CHAIRMAN BURG: I'll move we grant the waiver
24 for toll control in TC97-068.

25 COMMISSIONER NELSON: Seconded.

1 COMMISSIONER SCHOENFELDER: Concur.
 2 MS. WIEST: For one year?
 3 CHAIRMAN BURG: Yes.
 4 MS. WIEST: 069.
 5 CHAIRMAN BURG: I'll keep making them. I'll
 6 move we grant the toll control waiver in TC97-069 for
 7 one year.
 8 COMMISSIONER NELSON: Seconded.
 9 COMMISSIONER SCHOENFELDER: Concur.
 10 MS. WIEST: 070.
 11 CHAIRMAN BURG: I'll move that we grant toll
 12 control in TC97-070 for one year, the waiver for one
 13 year.
 14 COMMISSIONER NELSON: Second it.
 15 COMMISSIONER SCHOENFELDER: Concur.
 16 MS. WIEST: 171.
 17 CHAIRMAN BURG: I'll move that we grant toll
 18 control, the waiver for toll control, in TC97-071 for
 19 one year.
 20 COMMISSIONER NELSON: Seconded.
 21 COMMISSIONER SCHOENFELDER: Concur.
 22 MS. WIEST: 073.
 23 CHAIRMAN BURG: I'll move we grant the waiver
 24 for toll control in TC97-073 for one year.
 25 COMMISSIONER NELSON: Seconded.

1 COMMISSIONER SCHOENFELDER: Concur.
 2 MS. WIEST: 074.
 3 CHAIRMAN BURG: I'll move we grant the waiver
 4 for toll control in TC97-074 for one year.
 5 COMMISSIONER NELSON: Seconded.
 6 COMMISSIONER SCHOENFELDER: Concur.
 7 MS. WIEST: 077.
 8 CHAIRMAN BURG: I'll move we grant the waiver
 9 for toll control in TC97-077 for one year.
 10 COMMISSIONER NELSON: Seconded.
 11 COMMISSIONER SCHOENFELDER: Concur.
 12 MS. WIEST: 078.
 13 CHAIRMAN BURG: I'll move we grant the waiver
 14 for toll control in TC97-078 for one year.
 15 COMMISSIONER NELSON: Seconded.
 16 COMMISSIONER SCHOENFELDER: Concur.
 17 MS. WIEST: 080.
 18 CHAIRMAN BURG: And I'll move we grant the
 19 waiver for toll control in TC97-080 for one year.
 20 COMMISSIONER NELSON: Seconded.
 21 COMMISSIONER SCHOENFELDER: Concur.
 22 CHAIRMAN BURG: We did 81; right, and we are
 23 done with 81.
 24 MS. WIEST: Any further questions on 081?
 25 083, TC97-083.

1 MR. COIT: We would move for the admission of
2 the ETC request filed by Accent, dated 6-17-97, and
3 Exhibit No. 2, the response to staff data request which
4 is dated 10-8-97.

5 MS. WIEST: Any objection? If not, 1 and 2
6 have been admitted. Any questions regarding 083?

7 CHAIRMAN BURG: I'll move we grant the toll,
8 the waiver for toll control in TC97-083 for one year.

9 COMMISSIONER NELSON: Seconded.

10 COMMISSIONER SCHOENFELDER: Concur.

11 MS. WIEST: TC97-084.

12 MR. COIT: We move for the admission of the
13 ETC request dated 6-17-97, which is marked Exhibit No.
14 1, and we move for the admission of Exhibit No. 2, the
15 response to staff data request dated 10-8-97.

16 MS. WIEST: Are there any objections? If
17 not, they've been admitted.

18 CHAIRMAN BURG: I'll move we grant the waiver
19 for toll control in TC97-084 for one year.

20 COMMISSIONER NELSON: Seconded.

21 COMMISSIONER SCHOENFELDER: I'll concur.
22 Does this have a single party question on this one?

23 MS. WIEST: No. They said in their original
24 application that they are offering single party service
25 to all consumers.

1 COMMISSIONER SCHOENFELDER: I got a sticky on
2 it. Sorry. James Valley; right?

3 MS. WIEST: I believe in their -- okay.

4 Yeah, that was Bob's question. And the reason he had
5 the question is it was actually in the original
6 application. So if you look at the original
7 application on page two, under question number three,
8 they do state that they provide single party service to
9 all consumers in their service area. Number four down
10 on that list.

11 COMMISSIONER SCHOENFELDER: Okay.

12 MS. WIEST: Thank you. Okay. Let's go to
13 TC97-085.

14 MR. COIT: We move for admitting of Exhibit
15 No. 1, the ETC request, dated 6-17-97, and Exhibit No.
16 2, the response to staff data request dated 10-10-97.

17 MS. WIEST: Any objections? If not, they've
18 been admitted. I have the same question here with
19 respect to question number one.

20 MR. COIT: Mr. Benton is available to respond
21 to questions, I believe. Is this Heartland? Right?
22 Or, Don, can you respond to any questions?

23 MR. LEE: Mark has asked me to respond on his
24 behalf, which will be Heartland Communications, and
25 they are offering all single.

1 MS. WIEST: Single party was offered to all
2 customers? Any other questions concerning this
3 docket? Is there a motion?

4 CHAIRMAN BURG: I'll move that we grant the
5 waiver for toll control to TC97-089 for one year.

6 COMMISSIONER NELSON: I'd second it.

7 COMMISSIONER SCHOENFELDER: Concur.

8 MS. WIEST: 085, I believe.

9 CHAIRMAN BURG: Excuse me, 85.

10 MS. WIEST: TC97-086.

11 MR. COIT: We move for the admission of ETC
12 request, Exhibit No. 1, dated 6-17-97, and response to
13 staff data requests, Exhibit No. 2, which is dated
14 10-10-97.

15 MS. WIEST: Any objections? If not, they
16 have been admitted. Same question, can you answer
17 that, Mr. Lee?

18 MR. LEE: I'm sorry, I don't have the
19 associated companies with the exhibit numbers. Which
20 company are we referring to?

21 MR. COIT: Midstate.

22 MR. LEE: They are currently all private line
23 services.

24 MR. COIT: Single party; correct?

25 MS. WIEST: Single party to all customers?

1 MR. LEE: Correct.

2 MS. WIEST: Any other questions in this
3 docket?

4 CHAIRMAN BURG: I'll move we grant the toll
5 control waiver in TC97-086 for one year.

6 COMMISSIONER NELSON: I'd second it.

7 COMMISSIONER SCHOENFELDER: Concur.

8 MS. WIEST: TC97-087.

9 MR. COIT: We move for the admission of
10 Exhibit No. 1, ETC request, dated 6-17-97, and Exhibit
11 No. 2, response to staff data request, dated 10-16-97.

12 MS. WIEST: Any objections? If not, Exhibits
13 1 and 2 have been admitted.

14 CHAIRMAN BURG: I'll move we grant toll
15 control waiver in TC97-087 for one year.

16 COMMISSIONER NELSON: I'd second it.

17 COMMISSIONER SCHOENFELDER: Concur.

18 MS. WIEST: Again, I'd have a question on
19 this one, Rich.

20 MR. COIT: Mr. Lee is representing Baltic as
21 well.

22 MR. LEE: Baltic is currently all private
23 line. I'm sorry, single party. I should use the right
24 term, single party service.

25 MS. WIEST: To all customers?

MR. LEE: Correct.

MS. WIEST: Thank you. TC97-088.

MR. COIT: We move for the admission of Exhibit No. 1, ETC request dated 6-17-97, and response to staff data request, which is Exhibit No. 2, which is dated 10-17-97.

MS. WIEST: Any objections? If not, Exhibits 1 and 2 have been admitted.

CHAIRMAN BURG: I'll move we grant a waiver on toll control in TC97-088 for one year.

COMMISSIONER NELSON: I'd second it.

COMMISSIONER SCHOENFELDER: Concur.

MS. WIEST: Can you answer my question on this one, Mr. Lee?

MR. LEE: Company name, please?

MS. WIEST: East Plains.

MR. LEE: Currently is all single party service.

MS. WIEST: Thank you.

MS. WIEST: TC97-089.

MR. COIT: We move for the admission of Exhibit No. 1, which is the ETC request dated 6-17-97, and the admission of Exhibit No. 2, which is a response to staff data request, dated 10-21-97.

MS. WIEST: Any objections? If not, they've

been admitted. Same question.

MR. COIT: I don't believe that Mr. Lee is here representing Western today. What did they say in the response?

MS. WIEST: They said Western Telephone offers single party service. My question is do they offer to every customer again?

MR. COIT: Well --

MS. WIEST: Can you do a late-filed on that?

MR. COIT: We can do an affidavit on that one, I guess.

CHAIRMAN BURG: I'll move we grant a waiver on toll control for TC97-089 for one year.

COMMISSIONER NELSON: I'd second it.

COMMISSIONER SCHOENFELDER: Concur.

MS. WIEST: Okay. Let's go on to TC97-090.

MR. COIT: We move for the admission of Exhibit No. 1, which is the ETC request dated 6-17-97, and Exhibit No. 2, which is the response to staff data request dated 10-24-97.

MS. WIEST: Any objection? If not, they've been admitted. Any questions concerning this docket?

CHAIRMAN BURG: I'll move that we grant a waiver on toll control in TC97-090 for one year.

COMMISSIONER NELSON: I'd second it.

COMMISSIONER SCHOENFELDER: Concur.

MS. WIEST: TC97-092.

MR. COIT: We move for the admission of Exhibit No. 1, which is the ETC request of Kennebec Telephone Company dated 6-18-97, and move for the admission of Exhibit No. 2, which is the response to staff data request dated 10-10-97. And I would note that Mr. Rod Bauer is here to respond to any questions that the Commissioners or staff may have concerning their request.

MS. WIEST: Any questions concerning this docket? If not, do you have a motion?

CHAIRMAN BURG: Did we admit both those?

MS. WIEST: I'm sorry, I did not. I will admit Exhibit Numbers 1 and 2.

CHAIRMAN BURG: I'll move that we grant a waiver on toll control in TC97-092 for one year.

COMMISSIONER NELSON: I'd second it.

COMMISSIONER SCHOENFELDER: Concur.

MS. WIEST: TC97-093.

MR. COIT: We would move for the admission of Exhibit No. 1, which is the ETC request of Jefferson Telephone Company, dated 6-18-97, and move also for the admission of Exhibit No. 2, response to staff data request, which is dated 10-10-97. And I would note

that Mr. Dick Connors is available to answer any questions concerning the Jefferson request.

MS. WIEST: Any objection to the exhibits? If not, they've been admitted. Any questions concerning this docket?

CHAIRMAN BURG: I'll move we grant a waiver for toll control in TC97-093 for one year.

COMMISSIONER NELSON: I'd second it.

COMMISSIONER SCHOENFELDER: Concur.

MS. WIEST: TC97-094.

MR. COIT: We'd move for the admission of Exhibit No. 1, which is the ETC request dated 6-19-97, and move for the admission of Exhibit No. 2, which is the response to data request dated 10-15-97.

MS. WIEST: Any objection to Exhibits 1 and 2? If not, those exhibits have been admitted. Do you have any witnesses for this one?

MR. COIT: Mr. Lee is available for both Sully Buttes and Venture.

MS. WIEST: I just had a question, I guess, concerning single party service because in this one it does say should facilities not allow immediate single party service, Sully Buttes may offer multi-party service until the facilities are restored or installed to allow for single party service. Has that occurred

1 in the past?

2 A. Currently Sully Buttes Telephone has no
3 multi-line. The fact is all single party service. I
4 think they added that language such that if there were
5 a disaster that they had to respond to, they wanted to
6 reserve the right to offer party line under the
7 emergency basis only. But they have for a number of
8 years been all single party service.

9 MS. WIEST: Any other questions?

10 CHAIRMAN BURG: I'll move we grant a waiver
11 on toll control for TC97-094 for one year.

12 COMMISSIONER NELSON: I'd second it.

13 COMMISSIONER SCHOENFELDER: Well, I'll
14 concur.

15 MS. WIEST: TC97-095.

16 MR. COIT: We would move for the admission of
17 ETC, Exhibit No. 1, dated 6-19-97, and admission of
18 Exhibit No. 2, response to data request dated
19 10-15-97. I would point out that I believe that there
20 might be an issue with respect to single party service
21 waiver in this case as well.

22 MS. WIEST: Right. At this time are there
23 any objections to Exhibit 1 and 2? If not, they've
24 been admitted. Yes. And it would appear they would
25 need a waiver. And my question for apparently they

1 have three multi-party customers and they plan to
2 install single party service during the 1988
3 construction season. So I guess my question is
4 apparently they haven't asked for a waiver. Are you
5 doing so at this time?

6 MR. COIT: Yes, we would on their behalf.
7 And I think Mr. Lee would be able to respond to
8 questions on that. I assume so anyway.

9 MR. LEE: Sure. But that would be correct,
10 we do need a waiver. The same June 1 date would be
11 acceptable to us.

12 MS. WIEST: June 1, okay.

13 CHAIRMAN BURG: I'll move we grant a waiver
14 in single party service to June 1, 1998, in TC97-095.

15 COMMISSIONER NELSON: I would second that.

16 COMMISSIONER SCHOENFELDER: Sure, I'll
17 concur.

18 CHAIRMAN BURG: And I'll also move that we
19 grant a waiver for toll control on TC97-095 for one
20 year.

21 COMMISSIONER NELSON: I'd second it.

22 COMMISSIONER SCHOENFELDER: Concur.

23 MS. WIEST: TC97-096.

24 MR. COIT: I move for the admission of ETC
25 request, Exhibit No. 1, dated 6-19-97, and move for the

1 admission of Exhibit No. 2, response to data request
2 dated 10-10-97.

3 MS. WIEST: Any objections? If not, they've
4 been admitted. Any questions concerning this docket?

5 CHAIRMAN BURG: I'll move we grant a waiver
6 on toll control in TC97-096 for one year.

7 COMMISSIONER NELSON: I'd second it.

8 COMMISSIONER SCHOENFELDER: Concur.

9 MS. WIEST: TC97-097.

10 MR. COIT: We move for the admission of
11 Exhibit No. 1, ETC request, dated 6-19-97, and Exhibit
12 No. 2, response to data request dated 10-10-97.

13 MS. WIEST: Any objections? If not, they've
14 been admitted. Does anybody have any questions
15 concerning this docket?

16 CHAIRMAN BURG: I'll move we grant a waiver
17 for toll control in TC97-097 for one year.

18 COMMISSIONER NELSON: I'd second it.

19 COMMISSIONER SCHOENFELDER: Concur.

20 MS. WIEST: TC97-098.

21 MR. COIT: We move for the admission of ETC
22 request dated 6-19-97, which is marked Exhibit No. 1,
23 and admission of Exhibit No. 2, which is the response
24 to data request dated 10-14-97.

25 MS. WIEST: Any objection to Exhibits 1 and

1 2? If not, they've been admitted. Are there any
2 questions concerning this docket?

3 CHAIRMAN BURG: I'll move that we grant a
4 waiver for toll control in TC97-098 for one year.

5 COMMISSIONER NELSON: I'd second it.

6 COMMISSIONER SCHOENFELDER: Concur.

7 MS. WIEST: TC97-099.

8 MR. COIT: We move for the admission of
9 Exhibit No. 1, which is the ETC dated 6-19-97, and
10 admission of Exhibit No. 2, which is the response to
11 data request dated 10-9-97.

12 MS. WIEST: Any objection? If not, they've
13 been admitted. I have the same question on this one.
14 The question is do we have single party service, and
15 the answer is yes?

16 MR. COIT: Mr. Lee, are you here for Roberts
17 County or not?

18 MR. LEE: No.

19 MR. COIT: Then we probably need to handle
20 that, I suppose, by the affidavit.

21 MS. WIEST: Okay.

22 MR. LEE: Rich, are we talking about Roberts
23 County or --

24 MR. COIT: Roberts County.

25 MR. LEE: I know from another source other

1 than this that as manager of the South Dakota
2 Association of Telephone Co-ops and the daily requests
3 we've had there that they do, in fact, provide all
4 single party service throughout Roberts County Co-op,
5 if that will suffice for your information here.

6 MS. WIEST: Is that sufficient?

7 MS. CREMER: That's sufficient.

8 MS. WIEST: Okay.

9 CHAIRMAN BURG: I'll move we grant a waiver
10 for toll control in TC97-099 for one year.

11 COMMISSIONER NELSON: I'd second it.

12 COMMISSIONER SCHOENFELDER: Concur.

13 MS. WIEST: TC97-100.

14 MR. COIT: We move for the admission of
15 Exhibit No. 1, which is the ETC request dated 6-19-97,
16 and admission of Exhibit No. 2, response to data
17 request dated 10-9-97.

18 MS. WIEST: Any objection? If not, they've
19 been admitted. Same question on this one.

20 MR. LEE: I don't know the answer.

21 MR. COIT: There is -- Mr. Lee is not here
22 representing RC Communications today, so I suspect
23 we'll have to deal with that with a late-filed exhibit
24 if that's okay.

25 MS. WIEST: Okay.

1 CHAIRMAN BURG: I'll move we grant a waiver
2 for toll control in TC97-100 for one year.

3 COMMISSIONER NELSON: I'd second it.

4 COMMISSIONER SCHOENFELDER: Concur.

5 MS. WIEST: TC97-101.

6 MR. COIT: We move for the admission of
7 Exhibit No. 1, which is the ETC request dated 6-19-97,
8 and Exhibit No. 2, response to staff data request dated
9 10-14-97.

10 MS. WIEST: Any objection? If not, they've
11 been admitted. Any questions concerning this docket?

12 CHAIRMAN BURG: I'll move we grant waiver for
13 toll control in TC97-101 for one year.

14 COMMISSIONER NELSON: I'd second it.

15 COMMISSIONER SCHOENFELDER: Concur.

16 MS. WIEST: TC97-102.

17 MR. COIT: We move for the admission of
18 Exhibit No. 1, which is the ETC dated 6-19-97, and
19 Exhibit No. 2, which is a response to data request
20 dated 10-14-97.

21 MS. WIEST: Any objections? If not, 1 and 2
22 have been admitted. Any questions concerning this
23 docket?

24 CHAIRMAN BURG: I'll move we grant a waiver
25 for toll control in TC97-102 for one year.

COMMISSIONER NELSON: I'd second it.

COMMISSIONER SCHOENFELDER: Concur.

MS. WIEST: TC97-105.

MR. COIT: We move for the admission of ETC request, Exhibit No. 1, dated 6-19-97, and admission of Exhibit No. 2, response to data request dated 10-14-97.

MS. WIEST: Any objection? If not, Exhibits 1 and 2 have been admitted. Any questions concerning this docket?

CHAIRMAN BURG: I'll move we grant a waiver for toll control in TC97-105 for one year.

COMMISSIONER NELSON: I'd second it.

COMMISSIONER SCHOENFELDER: Concur.

MS. WIEST: TC97-108.

MR. COIT: We move for the admission of ETC request, Exhibit No. 1, dated 6-23-97, and the admission of Exhibit No. 2, response to staff data request dated 10-14-97.

MS. WIEST: Any objection? If not, Exhibits 1 and 2 have been admitted. Same question. Can you, Mr. Lee, answer that one? Is that single party service available for --

MR. COIT: For Faith.

MR. LEE: I do not represent them, I'm sorry.

MR. COIT: We would request permission to

provide that via affidavit.

MS. WIEST: Okay.

CHAIRMAN BURG: I'll move we grant a waiver for toll control in TC97-108 for one year.

COMMISSIONER NELSON: I'd second it.

COMMISSIONER SCHOENFELDER: Concur.

MS. WIEST: TC97-113.

MR. COIT: We move for the admission of Exhibit No. 1, ETC request dated 6-25-97, and Exhibit No. 2, response to data requests dated 10-9-97.

MS. WIEST: Any objection? If not, they've been admitted. I have the same question on this one.

MR. COIT: This is Armour. Bill Haugen can respond to your question.

MR. HAUGEN: Yes, I can answer that.

BILL HAUGEN, JR.,

called as a witness, being first duly sworn, was examined and testified as follows:

EXAMINATION

MR. HAUGEN: Good afternoon.

MS. WIEST: And I would just like to ask you if you currently provide single party service to all of your customers in your area.

MR. HAUGEN: Single party service is available to all of our customers in Armour Independent

1 Telephone Company service area. It has been since the
2 late seventies.

3 MS. WIEST: Are there any others questions of
4 this witness? Thank you.

5 CHAIRMAN BURG: I'll move we grant a waiver
6 for toll control in TC97-113 for one year.

7 COMMISSIONER NELSON: I'd second.

8 COMMISSIONER SCHOENFELDER: Concur.

9 MS. WIEST: TC97-114.

10 MR. COIT: We move for the admission of ETC
11 request of the Bridgewater-Canistota Telephone Company,
12 which is dated 6-25-97, that's Exhibit No. 1. And also
13 move for the admission of Exhibit No. 2, which is
14 response to data requests of staff dated 10-9-97. And
15 Mr. Haugen is here as well to respond to any questions
16 in this docket.

17 MS. WIEST: First of all, any objection to
18 Exhibits 1 and 2? If not, they've been admitted. And
19 I would ask the same question.

20 MR. HAUGEN: Single party service is
21 available to all the customers in the
22 Bridgewater-Canistota Exchanges.

23 MS. WIEST: Thank you. Any other questions
24 of this witness?

25 CHAIRMAN BURG: I'll move we grant a waiver

1 for toll control in TC97-114 for one year.

2 COMMISSIONER NELSON: I'd second it.

3 COMMISSIONER SCHOENFELDER: Concur.

4 MS. WIEST: TC97-115.

5 MR. COIT: We would move the admission of
6 Exhibit No. 1, the ETC request of Union Telephone
7 Company, dated 6-25-97, and Exhibit No. 2, response to
8 data request which is dated 10-9-97.

9 MS. WIEST: Any objection? If not, Exhibits
10 1 and 2 have been admitted. And I would ask the same
11 question in this docket.

12 MR. HAUGEN: Single party service is
13 available to all the customers in the Union Telephone
14 Company service area, Hartford and Wall Lake Exchanges.
15 again, has been since late seventies.

16 MS. WIEST: Thank you. Any other questions
17 of this witness?

18 CHAIRMAN BURG: I'll move we grant a waiver
19 for toll restriction in TC97-115 for one year.

20 COMMISSIONER NELSON: I'd second it.

21 COMMISSIONER SCHOENFELDER: Concur.

22 MS. WIEST: Thank you. TC97-117.

23 MR. COIT: We move for the admission of
24 Exhibit No. 1, ETC request dated 6-30-97, and Exhibit
25 No. 2, response to data request dated 10-14-97.

MS. WIEST: Any objection? If not, Exhibits 1 and 2 have been admitted. Any questions concerning this docket?

CHAIRMAN BURG: I'll move we grant a waiver for toll control in TC97-117 for one year.

COMMISSIONER NELSON: I'd second it.

COMMISSIONER SCHOENFELDER: Concur.

MS. WIEST: TC97-121.

MR. COIT: We move for the admission of Exhibit No. 1, the ETC request of Kadoka, dated 7-3-97, and the admission of Exhibit No. 2, response to data requests dated 10-28-97.

MS. WIEST: Any objections to Exhibits 1 and 2? If not, they've been admitted. Any questions concerning this docket?

CHAIRMAN BURG: I'll move we grant a waiver for toll control in TC97-121 for one year.

COMMISSIONER NELSON: I'll second it.

COMMISSIONER SCHOENFELDER: Concur.

MS. WIEST: TC97-125.

MR. COIT: We'd move for the admission of ETC request, Exhibit No. 1, dated 7-7-97, and Exhibit No. 2, response to data request of staff, which is dated 10-29-97.

MS. WIEST: Any objection to Exhibits 1 and

2? If not, they've been admitted. Any questions concerning this docket?

CHAIRMAN BURG: I'll move we grant a waiver for toll control in TC97-125 for one year.

COMMISSIONER NELSON: I'd second it.

COMMISSIONER SCHOENFELDER: Concur.

MS. WIEST: TC97-130.

MR. COIT: We would move for the admission of Exhibit No. 1, the ETC request dated 7-10-97, and Exhibit No. 2, the response to data request dated 10-14-97.

MS. WIEST: Any objection to Exhibits 1 and 2? If not, they've been admitted. Any questions concerning this docket?

CHAIRMAN BURG: I'll move we grant a waiver for toll control in TC97-130 for one year.

COMMISSIONER NELSON: I would second it.

COMMISSIONER SCHOENFELDER: Concur.

MS. WIEST: TC97-131.

MR. COIT: We would move the admission of ETC request Exhibit No. 1, which is dated 7-10-97, and Exhibit No. 2, response to data request dated 10-14-97.

MS. WIEST: Any objection to Exhibits 1 and 2? If not, they've been admitted. Any questions concerning this docket?

CHAIRMAN BURG: I'll move we grant a waiver for toll control in TC97-131 for one year.

COMMISSIONER NELSON: I'd second it.

COMMISSIONER SCHOENFELDER: Concur.

MS. WIEST: TC97-154.

MR. COIT: We would move into the record Exhibit No. 1, the ETC request, dated 9-10-97, and also Exhibit No. 2, the response to data request dated 10-16-97.

MS. WIEST: Any objection to Exhibit 1 and 2? If not, they have been admitted. Let's see, on this one this was one of a couple that no time period was requested for the waiver. I assume you still want the one year?

MR. COIT: Mr. Barfield is here. He could respond. He's Mr. Bob Barfield, manager for West River.

MS. WIEST: They request a waiver but this is one of the few ones that didn't ask for one year, as far as I can see, or any time period. So I was wondering if there was any different time period that was being requested.

BOB BARFIELD,

called as a witness, being first duly sworn,
was examined and testified as follows:

EXAMINATION

MR. BARFIELD: In response to your question, since the vendor does not have a date, as far as we know, at this time to provide this, that's the reason we didn't ask for a certain time period on the waiver.

MS. WIEST: But we will need a time period.

MR. COIT: Would you be willing to accept the one-year time period that is being granted to other companies?

MR. BARFIELD: We sure would.

CHAIRMAN BURG: And I think the thought behind it is if there still isn't any solution, then it would be renewed or we'd request. With that, I'll move that we grant a waiver for toll control in TC97-154 for one year.

COMMISSIONER NELSON: I would second it.

COMMISSIONER SCHOENFELDER: Concur.

MS. WIEST: Let's go to TC97-155.

MR. COIT: We would request admission of Exhibit No. 1, which is the ETC request of Moberge Telecommunications, which is dated 9-10-97, and also Exhibit No. 2, which is the response to data request dated 10-16-97.

MS. WIEST: Any objection? If not, Exhibits 1 and 2 have been admitted. And I would have the same

1 question with respect to the length of the waiver.

2 MR. BARFIELD: And the response would be the
3 same. We would ask for a year on the waiver.

4 MS. WIEST: Thank you. Any other questions?

5 CHAIRMAN BURG: With that I'll move that we
6 grant a waiver on toll control in TC97-155 for one
7 year.

8 COMMISSIONER NELSON: I'd second it.

9 COMMISSIONER SCHOENFELDER: I concur.

10 MS. WIEST: Thank you. Let's skip to
11 TC97-167.

12 MR. COIT: I would just note that Three River
13 Telco is not an SDITC member company, so I'm not really
14 here today to represent Three River Telco.

15 MS. WIEST: Nobody is here?

16 CHAIRMAN BURG: Do we have any questions on
17 it, or do we have to have representation?

18 MS. WIEST: Somebody needs to move it in.

19 MR. COIT: Well, if you're looking for a
20 body, I guess I can serve as the body.

21 MS. CREMER: Otherwise, I can move to admit
22 the two exhibits, Number 1, 10-10-97, the request for
23 ETC, and 11-7-97, the amended -- oh, I'm sorry, that's
24 U S West. Let me try that again. 10-16 of '97 is the
25 request and 11-13-97 is the amended request, and I

1 would ask that they be admitted in.

2 MS. WIEST: Any objection? If not, they've
3 been admitted. Are there any questions concerning this
4 docket? I would note that their application does
5 request a waiver for one period for toll control.

6 CHAIRMAN BURG: There isn't a question on the
7 single party line, though, is there?

8 MS. WIEST: No.

9 CHAIRMAN BURG: I'll move we grant a waiver
10 for toll control in TC97-167 for one year.

11 COMMISSIONER NELSON: I'd second.

12 COMMISSIONER SCHOENFELDER: Concur.

13 MS. WIEST: At this time did you want to go
14 to U S West, or is Harlan going to speak to these
15 dockets?

16 MS. CREMER: We'll finish up these first.

17 MS. WIEST: Okay.

18 (STAFF'S EXHIBIT NO. 1 WAS MARKED FOR
19 IDENTIFICATION.)

20 HARLAN BEST,
21 called as a witness, being first duly sworn,
22 was examined and testified as follows:

23 DIRECT EXAMINATION

24 BY MR. HOSECK:

25 Q. Would you state your name for the record,

1 please.

2 A. Harlan Best.

3 Q. And what is your job?

4 A. I am deputy director of fixed utilities for
5 the Public Utilities Commission, South Dakota.

6 Q. And have you been present in the hearing room
7 this afternoon for the hearing on these applications?

8 A. Yes.

9 Q. And have you had the opportunity to review
10 the caption in the notice of this hearing which lists
11 the cases which are before the Commission on this date?

12 A. Yes.

13 Q. And are you familiar with the applications in
14 each of these cases?

15 A. Yes.

16 Q. As a part of your job, have you reviewed
17 those applications?

18 A. Yes, I have.

19 Q. You have before you an exhibit numbered
20 Staff's No. 1; is that correct?

21 A. Yes.

22 Q. And is that an exhibit that you prepared in
23 the course of your duties?

24 A. Yes, it is.

25 Q. Just briefly explain to the Commission,

1 please, what that exhibit entails.

2 A. What I have done on this exhibit is across
3 the top is listed each of the companies requesting
4 eligible telecommunications carrier status, the
5 associated docket number, and the staff counsel that is
6 assigned to the respective dockets. Down the side, the
7 left-hand side, is the requirements that are set forth
8 for ETC status. Populated within the columns is the
9 responses that the respective companies gave within
10 their exhibits 1 and Exhibit 2 that have been admitted
11 into the record.

12 Q. And are there any changes or corrections to
13 this exhibit that you would like to make at this time?

14 A. One that I am aware of is under Vivian
15 Telephone, Docket TC97-068, under the Lifeline and Link
16 Up it shows that it will be available 1-1-97. It
17 should be 1-1-98. I'm not aware of any other
18 corrections.

19 MR. HOSECK: Okay. At this point in time I
20 would move Staff's Exhibit No. 1 into evidence. This
21 is intended as testimony for all of the dockets en mass
22 with the exception of U S West.

23 COMMISSIONER SCHOENFELDER: U S West is on
24 here though.

25 MR. HOSECK: That would be handled later.

MS. WIEST: Is there any objection?

MR. COIT: My comment would be that I just received this so I haven't had an opportunity to go through to make sure this is all accurate. I guess I can take Mr. Best's word that it is accurate and I'll have to do that, I guess. Other than that, I don't have any comment.

MS. WIEST: Do you want an opportunity to look it over?

MR. COIT: Well, it might take me a while, so I don't have any objection.

MS. WIEST: Okay. Then Staff Exhibit No. 1 will be admitted into all of the dockets that we have gone through so far.

MR. HOSECK: Okay. Thank you.

Q. Based on the review of these dockets that you have done and relying to whatever extent you may on Staff's Exhibit No. 1, did the applicant companies meet the requirements of becoming an eligible telecommunications carrier?

A. Yes, they have, with the noted late-filed affidavits that will be done in a number of the dockets.

Q. And with regard to advertising services exchange-wide, do you have a recommendation to the

Commission for a provision to be included in an order which would come out of these proceedings?

A. Yes. Staff's recommendation for advertising would be that the ETC carrier be required to advertise at least once each year; and if they have any rate change, that that rate change be advertised when it does change.

Q. And in conclusion, do you have an opinion as to whether or not the applicants contained on Exhibit 1, with the exception of U S West which has not had its case heard yet at this time, whether or not those applicants meet the qualifications as an eligible telecommunications carrier?

A. With staff's review that has been undertaken, yes, they do meet the requirements for ETC status.

MR. HOSECK: I have no further questions of this witness.

MS. WIEST: Are there any questions of this witness? Mr. Coit?

CROSS-EXAMINATION

BY MR. COIT:

Q. I assume when you talked about advertising rate changes that you're referencing the rates just for the essential services that are supported by universal service?

1 A. Yes.

2 MR. COIT: No further questions.

3 MS. WIEST: Ms. Rogers?

4 MS. ROGERS: No, no questions.

5 MS. WIEST: Mr. Heaston?

6 MR. HEASTON: No.

7 CHAIRMAN BURG: The only question I'd have is
8 there any -- is advertising identified in any way? Is
9 there any criteria for what advertising means in the
10 context of this? Is the methods in the FCC Order as
11 well?

12 MS. WIEST: I'm sorry, what was the
13 question?

14 CHAIRMAN BURG: The question I had for Harlan
15 or anybody else is, is there a meaning, is there a
16 description, definition for advertising, what that
17 constitutes?

18 MS. WIEST: Under the statute itself
19 214(e)(1)(B) they must advertise the availability of
20 such services and if you're referring to the services
21 that are supported by federal universal service and the
22 charges therefore using media of general distribution.

23 CHAIRMAN BURG: Okay. I think that satisfies
24 me.

25 COMMISSIONER NELSON: Does that mean for

1 Lifeline and Link Up, they have to advertise this
2 once?

3 MS. WIEST: That would be under staff's
4 recommendation, I believe.

5 A. Yes, once each year.

6 COMMISSIONER NELSON: Well, frankly, I don't
7 think it's adequate.

8 COMMISSIONER SCHOENFELDER: Are you doing
9 that? Are you -- to follow up -- excuse me, to follow
10 up on Commissioner Nelson's question, are you
11 recommending that they advertise once each year after?
12 I believe our order said that you have to send an
13 application to everyone once initially and then to
14 every new customer. You're requesting this
15 advertisement of Lifeline, Link Up in addition to,
16 would that be accurate or not?

17 A. Right. The Lifeline, Link Up under TC97-150,
18 which was issued yesterday, states that it shall be --
19 a form shall be, or a letter shall be sent to present
20 customers, and then this would be an advertisement of
21 it. They'd have to do advertisement of this for at
22 least once each year.

23 COMMISSIONER SCHOENFELDER: Okay. Thank you.

24 COMMISSIONER NELSON: So is the answer to
25 Laska's questions it's in addition to?

1 A. Yes. They would do it originally, and once a
2 year after.

3 MS. WIEST: How would they advertise?
4 Where?

5 A. Where would they advertise?

6 MS. WIEST: Yes.

7 A. Whatever general distribution it meets
8 according, I assume, it means newspapers and those
9 types of publications.

10 MS. WIEST: So it could be any type of
11 general distribution media once a year?

12 A. Whatever is available within their given
13 exchanges that they serve.

14 MS. WIEST: And it would only be for those
15 services supported right now by federal universal
16 service?

17 A. Yes.

18 MS. WIEST: And every time they changed a
19 rate for one of those services, then that would have to
20 be re-advertised at that time?

21 A. Yes.

22 MS. WIEST: Are there any other questions of
23 this witness? If not, thank you. Actually, I do.
24 Could you retake the stand, Harlan? I guess we have a
25 question for you. Could you look at your exhibit for

1 Venture Communications, TC97-095?

2 A. Yes.

3 MS. WIEST: Does the answer to number four,
4 single party service, we did grant them a waiver
5 because currently they do not have single party service
6 apparently to three customers?

7 A. Yes.

8 MS. WIEST: So would that be incorrect there,
9 your question there?

10 A. It would be a clarification there to it, yes.

11 MS. WIEST: Okay. Thank you. Do you have
12 anything further, Mr. Hoseck?

13 MR. HOSECK: Staff has nothing further.
14 Thank you.

15 MS. WIEST: Do you want to take a short break
16 until we go to U S West?

17 MR. COIT: When does the Commission -- are
18 you going to wait until the end to rule on all of these
19 with respect to the actual ETC designation?

20 MS. WIEST: That's why we're taking a short
21 break.

22 (AT THIS TIME A SHORT RECESS WAS TAKEN.)

23 MS. WIEST: Let's get started again. And we
24 will go to TC97-163.

25 MR. HEASTON: And I would move admission of

Exhibit 1, which is the request, and Exhibit 2, which is the amended request, and Exhibit 3, which is the service territory map. That's Exhibit 1, 2 and 3 respectively in the docket.

MS. WIEST: Any objection to Exhibits 1, 2 and 3? Do you have a copy of the service territory map? Are there any objections to Exhibits 1, 2 and 3? If not, they've been admitted. You may proceed, Mr. Heaston.

MR. HEASTON: We would also join in the motion on the toll control. The reason we did not seek a waiver in the initial application is because as I read Paragraph 388 of the Order in the DA 97-157 indicated that toll blocking would be sufficient in the meantime and it was dependent upon when you upgraded switches. And so we do not feel we need a waiver of toll control, but the common wisdom seems to be there needs to be a waiver, so we will follow the herd here and request the toll control waiver also.

And we are also one of the parties to the request of the FCC to reconsider the toll limitation, that this includes both toll blocking and toll control. And I guess we would also point out that with the implementation of number portability that is going to impact toll control somewhat significantly. And so

while we agree with Bob Barfield in his observation that since we don't know when it's going to happen, that's why we wouldn't want a time limit on it, but we are willing to accept the one year with the understanding that if there is not the ability to implement it or if the ability is too expensive to implement, that we would be able to come back to this Commission and seek further waiver of that, of implementing toll control with part of the essential telecommunications carrier obligation.

MS. WIEST: Okay. Would the Commissioners --

CHAIRMAN BURG: Did we admit the exhibits?

MS. WIEST: Yes.

CHAIRMAN BURG: I'll move that we waive toll control for TC97-163 for one year.

COMMISSIONER NELSON: Well, I'm going to second it, but I heard an expansion of what we've been waiving in the past from giving them one year with the idea we're going to renew it. And the reason I was willing to grant it is because technology is not out there. Now, the Act requires that it be there and it didn't say anything about how much it cost. So I didn't hear anything about one of the reasons we were waiving it in the past was because that it might be cost prohibitive as much as because technology wasn't

1 there. I can understand why technology wasn't there,
2 but I didn't -- I wasn't in Congress when they voted
3 that was part of the Act.

4 MR. HEASTON: It's not part of the Act. I
5 guess that's the first thing. It's an FCC --

6 COMMISSIONER NELSON: It's a rule.

7 MR. HEASTON: It's an FCC dictate.

8 COMMISSIONER NELSON: But it has the same
9 weight as the rules and statute unless it's changed in
10 court; right?

11 MR. HEASTON: That's true. But unless the
12 FCC changes, as we've urged them to do.

13 COMMISSIONER NELSON: Right. So I'm
14 seconding your motion with the understanding it's
15 exactly as we had stated it originally; is that
16 correct?

17 CHAIRMAN BURG: I mean the motion was for one
18 year.

19 COMMISSIONER SCHOENFELDER: I believe the
20 motion was for one year, a waiver for one year, and I
21 didn't know that the motion had anything more than
22 that, than just a waiver from toll control for one
23 year.

24 CHAIRMAN BURG: It doesn't.

25 COMMISSIONER SCHOENFELDER: Then I'll concur.

1 COMMISSIONER NELSON: All I'm saying, though,
2 is I voted for it and there will be a record that I
3 voted for it; and the reason I voted for it was the
4 technology wasn't available. And that's a lot
5 different in my mind than it's cost prohibitive.

6 COMMISSIONER SCHOENFELDER: I think --

7 COMMISSIONER NELSON: Not that that wouldn't
8 be an issue in my mind that you could debate. I don't
9 want a record that I'm supporting something for a
10 different reason than I did.

11 CHAIRMAN BURG: Just a comment that I'd make
12 on it, I guess. If there isn't a technology, I really
13 hate to see all 50 or 75 filings just for an
14 extension. If there is some way we could certify there
15 is no technology and extend it as we come up towards
16 that year, I'd welcome that solution rather than go
17 through this with this many of them. I, personally, in
18 my own mind, cannot see a solution when we're going to
19 have multiple companies in number portability. It
20 boggles my mind to see how that's even going to happen
21 that you could end up with any kind of toll
22 limitation. So I'm guessing when we come up to the
23 year, we're still not going to have a solution, and I'm
24 not looking toward to requiring all of you -- I mean
25 that's the name of a bureaucrat to file that many

1 pieces of paper. So if we can find a way to
2 consolidate it at that time, I would welcome any
3 suggestions. That's all I have.

4 MR. HEASTON: I have Mr. Lehner available
5 here, and we do have a couple questions to ask him.

6 JON LEHNER,

7 called as a witness, being first duly sworn,
8 was examined and testified as follows:

9 DIRECT EXAMINATION

10 BY MR. HEASTON:

11 Q. Mr. Lehner, in our application we described
12 the issue of eliminating multi-party services and going
13 to single party service throughout U S West service
14 areas. Can you update the Commission on the status of
15 that consistent with what we've already put in the
16 application?

17 A. Yes. As of October 31 of this year the
18 number of multi-party or two- and four-party customers
19 in U S West's territory is 612. 612.

20 CHAIRMAN BURG: What was the date on that,
21 Jon?

22 A. As of 10-31-97.

23 Q. And what can you tell the Commission about
24 our continuing effort to eliminate the multi-party
25 service?

1 A. The plan right now is to eliminate all of
2 those 612 except for 52 of them. And the time frame
3 for that will be by the end of the second quarter,
4 which I suppose we could put for a date of 6-30 of
5 '98. So all but 52 of those will be completed by 6-30
6 of '98.

7 Q. And what about the remaining 52?

8 A. The remaining 52 are extremely high cost
9 upgrades. And until other technology or other means
10 become available, there are no plans right now. We
11 have no plans to move ahead with those 52.

12 Q. With that we still believe that it is
13 appropriate for us to -- we still believe the waiver is
14 appropriate in this case; is that correct?

15 A. That is correct.

16 MR. HEASTON: That's all the questions I
17 have.

18 MS. WIEST: Ms. Cremer?

19 CROSS-EXAMINATION

20 BY MS. CREMER:

21 Q. Mr. Lehner, where are those 52 located? Are
22 they spread throughout, or are they in a specific area,
23 do you know?

24 A. I could read them off for you. There's about
25 a dozen exchanges. Or I could give you a late-filed

1 exhibit. Let me just read them off. Arlington is
2 four; Belle Fourche, six; De Smet, four; Huron, three;
3 Lake Preston, one.

4 COMMISSIONER NELSON: Do you want to start
5 over?

6 A. Arlington, four; Belle Fourche, six; De Smet,
7 four; Huron, three; Lake Preston, one; Madison, two;
8 Milbank, four; Pierre, two; Redfield, two; Sisseton,
9 six; Spearfish, two; Volga, five; Watertown, ten;
10 Yankton, one.

11 Q. Is there a particular reason? Is it like
12 Anaconda line or something?

13 A. It's a combination of many factors, but you
14 mean as far as the 52 are concerned?

15 Q. Yes.

16 A. It's a combination of many factors. We're
17 talking about feeder distribution, we're talking about
18 in some cases a PAIR GAIN systems like Anaconda that
19 would need to be replaced.

20 MS. CREMER: Okay. That's all the questions
21 I have.

22 CHAIRMAN BURG: Have you investigated any
23 other technical solutions other than to a single party
24 other than line extension?

25 A. You mean in order to provide a single party

1 service to these customers?

2 CHAIRMAN BURG: Yes.

3 A. Yes. I think the answer is we are constantly
4 looking for a cheaper way to do this because in some
5 cases, Commissioner, we're talking about over \$100,000
6 to upgrade a single customer, and it just doesn't make
7 sense to do that. And the answer would seem to lie
8 probably in some form of wireless, but so far the
9 wireless technologies, whether then satellite or fixed
10 wireless, are still pretty expensive. I see that as
11 the ultimate solution, though, to some of these.

12 CHAIRMAN BURG: I'm going to move to grant
13 the waiver.

14 MS. WIEST: Just a second. Do the
15 Commissioners have any other questions? As opposed to
16 the other ones, I'm going to have to ask you some
17 questions to verify things that were in the application
18 because that was signed by Mr. Heaston. It wasn't
19 signed by a witness with an affidavit, as all the
20 others were. So bear with me for a second.

21 A. I've never trusted his signature either.

22 MS. WIEST: First one, does U S West provide
23 voice grade access to the public switched network to
24 all in its service area?

25 A. Yes.

1 MS. WIEST: And does it provide local usage?

2 A. Yes.

3 MS. WIEST: Do you provide dual tone
4 multi-frequency signalling or its functional
5 equivalent?

6 A. Yes.

7 MS. WIEST: Do you provide access to your
8 emergency services?

9 A. Yes.

10 MS. WIEST: Do you provide access to operator
11 services?

12 A. Yes.

13 MS. WIEST: Do you provide access to
14 interexchange service?

15 A. Yes.

16 MS. WIEST: And do you provide access to
17 directory assistance?

18 A. Yes.

19 MS. WIEST: And you've already talked about
20 toll control and the waiver. Do you provide or are you
21 able to provide toll blocking?

22 A. Yes.

23 MS. WIEST: Then getting back to your request
24 for the waiver on single party service, I know in your
25 application you talked about the ones that you have no

1 plans, you know, of providing service due to the cost
2 and everything. My problem, I guess, is that I don't
3 see that there is any de minimus exception within the
4 FCC rules with respect to single party service. Have
5 you been granted any of this type of de minimus
6 exception to that requirement, do you know, in any of
7 the other states?

8 A. I am not aware.

9 MS. WIEST: And what I'm getting at is that
10 it appears, according to the FCC rules -- and I'm
11 looking at 47 54.101(c), that in order to grant any
12 additional time to complete network upgrades for single
13 party or enhanced 911 or toll limitation, that the
14 Commission does in fact have to set a time period for
15 you to complete those network upgrades. Is your
16 contention that we do not?

17 A. I would not make that contention. I'm going
18 to let my attorney argue with you about that.

19 MS. WIEST: Well, then, I do have a couple
20 other questions. My other question is on service
21 area. And it is also a requirement of the state
22 Commission to designate service areas as opposed to
23 study areas for nonrural telecommunications companies.
24 First of all, you would agree that you are a nonrural
25 telecommunications company?

1 A. Yes.

2 MS. WIEST: And in the FCC's public notice
3 96-45 issued 9-29-97, it does state that we must send
4 to USAC the names of the ETC's and the designated
5 service areas for nonrural carriers no later than
6 December 31st, 1997. And I know you made some
7 reference to these things in your application, but I
8 don't think you really told us what you want your
9 service area to be. Because the FCC has told us that
10 we better not adopt your study area as your service
11 area for large ILEC's. Do you have service areas for
12 your company that you want the Commission to adopt at
13 this time?

14 A. Well, I suppose that -- and, Bill, jump in
15 here, I guess, to help me with this. But I suppose
16 that our service area ought to be our exchanges in the
17 state of South Dakota. Now, the study area is a
18 different issue and that has not been determined yet.
19 But I would think that our service area would be our
20 exchanges that we serve in the state of South Dakota.

21 MR. HEASTON: If I may from a legal
22 standpoint, there is no definition yet; and certainly
23 our service area would be those areas within which we
24 are authorized to provide the supported services.

25 MS. WIEST: Right. And that's my question.

1 MR. HEASTON: From a general perspective, I
2 guess, if that's what you're looking for is what you
3 would designate to the FCC would not be anything
4 outside the area where we're authorized or certified to
5 provide service. When it comes to where the areas are
6 going to be that would be where the services would be
7 supported by a universal service fund, whether it's
8 high cost or low income or libraries or whatever it
9 happens to be, you know, that's an area that's
10 currently under debate depending upon which proxy cost
11 model is going to be accepted. And so that's why we
12 are somewhat vague on that term because what this
13 Commission has not done and nor has the FCC come out
14 with any final decision as to what model it is going to
15 accept. So I think if we're required to take a look at
16 a "service area," I would do it from the standpoint of
17 what Jon -- to comply with the law. If that's what
18 we're looking for, to comply with the FCC requirement.
19 I think that's what we would look at is an area,
20 though, no larger than an exchange area, which we would
21 equate to a wire center or an exchange area. And we
22 have however many are on that.

23 MS. WIEST: He how many exchanges do you
24 still have?

25 MR. HEASTON: It's on the list we submitted.

1 A. I can't answer that exactly. It's
2 approximately 35.

3 MS. WIEST: It would be attached?

4 MR. HEASTON: It's on our exhibit to our
5 application.

6 MS. WIEST: So however many with the
7 amendment the three that were missed. That's how many
8 service areas you would like the Commission to
9 designate for U S West at this time?

10 A. I guess I'm not sure whether we would want to
11 designate each exchange.

12 MS. WIEST: My problem is we are supposed to
13 tell the FCC by December 31st what your designated
14 service area is.

15 A. Then I suppose we ought to do it exchange by
16 exchange.

17 MS. WIEST: If you want more time to think
18 about it --

19 MR. HEASTON: Yes, I think I would. I mean
20 this is not something that's come up in the other two
21 states that I've done this in, and I had the same basic
22 application. I will have to -- I will do a late-filed
23 exhibit on that if I could with an affidavit from Jon.

24 MS. WIEST: Okay.

25 MR. HEASTON: What are you relying on again,

1 Rolayne?

2 MS. WIEST: Actually what as far as the FCC's
3 public notice, that was docket 96-45 DA 97-1892 issued
4 9-29-97.

5 MR. HEASTON: 1892.

6 MS. WIEST: And I'm also relying on
7 paragraphs 185, 192, 193 of the FCC's universal service
8 order.

9 MR. HEASTON: 197, 175.

10 MS. WIEST: 157 or --

11 MS. CREMER: 185, 192.

12 MS. WIEST: The docket number for the FCC
13 universal service.

14 MR. HEASTON: Not the docket number but the
15 order number, the order number.

16 MS. WIEST: Okay. I was looking at 185, 192
17 and paragraph --

18 MR. HEASTON: I got those. Was it FCC
19 97-157?

20 MS. WIEST: 157, right. And the other thing
21 you might want to address in paragraph 185, for
22 example, it does say if a state PUC adopts its existing
23 service areas for large ILEC's, their study area, this
24 would erect significant barriers to entry. We are also
25 encouraged to consider designating service areas that

1 require an ILEC to serve areas other than they have not
2 traditionally served.

3 MR. HEASTON: Yes. And, see, this -- what
4 the problem this causes is where you have not
5 considered and have left to the FCC to determine how
6 that's going to be modeled from a proxy standpoint.
7 And, yes, we are advocating smaller geographic elements
8 than the wire center for universal high cost support
9 but I do not have a South Dakota specific look because
10 this Commission decided not to do their own earlier
11 this -- a couple months ago, as opposed to Wyoming and
12 North Dakota where I do have that because those two are
13 looking at doing their own, or suggesting their own
14 cost study. So I do have the small grids, as we call
15 it, and I could identify that for you. I cannot
16 identify anything smaller than right now than a wire
17 center.

18 MS. WIEST: Okay.

19 MR. COIT: Excuse me, may I comment briefly
20 on this? And I understand that I'm not a party but I
21 do believe it was my understanding today that the whole
22 issue of disaggregated service areas for U S West or
23 any other company may come up. But I would like to say
24 we certainly have an interest in the issue. And I
25 think that the FCC rules indicate that -- the orders

1 and the rules indicate that before changing an existing
2 service area, that the Commission at the state level
3 needs to find that it's consistent with universal
4 service requirements. So I think it's a really
5 involved -- involves a lot more than the review of
6 actually looking at ETC service obligations. You're
7 talking about making changes in a U S West service area
8 that could significantly change the level of support it
9 might receive under a federal universal service fund.
10 Decisions on U S West service area disaggregation and
11 so forth could certainly impact rural telephone
12 companies as well. And I guess going into this
13 proceeding it was our understanding that there are
14 certain established incumbent LEC service areas, and we
15 didn't understand, I guess, that we -- that the issue
16 in this U S West docket or any of the other ones would
17 be with regard to disaggregating service areas.

18 MS. WIEST: I'm not talking about
19 disaggregating service areas. And I think you have to
20 recognize the distinction that was made between
21 nonrurals and rural companies with respect to service
22 area. If we want to look at doing anything to rural
23 companies with respect to disaggregation, we have to
24 specifically petition the FCC. That's all I'm talking
25 about, and that's the reason why I only brought up this

1 issue with respect to U S West. And it's just my
2 understanding the Commission does have to do the
3 service area in order for U S West to get your
4 universal service money.

5 MR. HEASTON: If I could have until whatever
6 date was suggested earlier on getting the additional
7 affidavits in, I'll have a recommendation for you from
8 U S West on that.

9 MS. WIEST: Okay. Are there any other
10 questions of this witness? One more question,
11 Mr. Lehner. Do you have any observation to what
12 Mr. Best suggested as advertising requirements for your
13 company?

14 A. I'm not sure that I understood exactly what
15 he was requiring. If the requirement is to advertise
16 it once a year in the newspaper, I don't think we have
17 a problem with that.

18 MS. WIEST: And getting back to single party
19 service is high cost, the only barrier is to provide
20 single party service to those 52 customers?

21 A. Yes.

22 MS. WIEST: Is it also U S West's position
23 that the settlement agreement that you've stated is
24 suspended concerning single party service no longer
25 applies where I believe you stated you would have

1 single party service to all customers by the year 2000?

2 A. Had the 121 investment program continued, I
3 would have been out here talking to the staff and to
4 you about these anyway, because as we honed down to
5 some to the last few on some of these exchanges, it
6 became obvious that this was -- this is foolish to
7 spend that kind of money with the current technology.
8 Just doesn't make any sense.

9 MS. WIEST: That's all I have. Mr. Heaston,
10 you might also want to address the question of whether
11 the Commission has the authority to provide any de
12 minimus exception to the single party without putting
13 the time line on it.

14 MR. HEASTON: I don't know that de minimus is
15 the issue, but I do think that you could put a time
16 line on it and make it renewable that we would have to
17 come in. I think what the rule would allow you to do
18 is require us to come in on a regularly-scheduled
19 basis, maybe annually, maybe semi-annually, to update
20 the Commission of where we are technologywise in taking
21 care of these last 52. That would be my position on
22 this is that that puts a time limit on and it makes it
23 driven by the technology and the affordability of it.

24 MS. WIEST: Okay. Any other questions?

25 COMMISSIONER SCHOENFELDER: I have a question

1 of Mr. Lehner. And the reason I have a question is
 2 because in your amended application you might have
 3 addressed it, however, I don't have a copy of that and
 4 I apologize. But you addressed in here and you have an
 5 exhibit on your original application that regards
 6 Lifeline, Link Up. And basically what it is it's your
 7 tariff, or a page that looks like a tariff page to me.
 8 Now, U S West really intends to comply with the
 9 Commission order in Lifeline, Link Up?

10 A. Absolutely.

11 COMMISSIONER SCHOENFELDER: I need to know
 12 that.

13 A. And that page doesn't apply any more.

14 COMMISSIONER SCHOENFELDER: Thank you.

15 MS. WIEST: Any other questions? Thank you.

16 COMMISSIONER NELSON: I guess I have a
 17 question. You know, you -- when you were talking about
 18 why you shouldn't have to provide this single party
 19 systems for these areas that you listed like Spearfish
 20 and Pierre and all the list that you went through --

21 A. Yes.

22 COMMISSIONER NELSON: Why would it -- it just
 23 seems weird to me that it would be that expensive to
 24 provide those services in some areas. Like Pierre and
 25 Huron, those are pretty -- I mean can you explain that

1 to me a little bit because I find that a little odd.

2 A. The high cost we're talking about in many
 3 cases, not only replacing, we're talking about
 4 customers that were engineered probably back in the
 5 sixties and seventies to multi-party service with no
 6 intention of having single party service. So we're
 7 talking in many cases miles and miles of distribution
 8 cable, some cases six pair, 11 pair, maybe even greater
 9 pair. So we're talking about now having to replace
 10 that cable with probably 50 pair or a hundred pair
 11 cable. And we're also talking about many cases where
 12 at the end of that cable we have to extend what some
 13 people will call a drop, what I call a pair of wires,
 14 sometimes several miles. And in order to provide
 15 single party service -- well, I take that back in that
 16 case. The drop piece of that will be okay. I was
 17 thinking of if they have more than one line. But we're
 18 talking about distribution cable, we're talking about
 19 feeder, and we're talking in some cases about PAIR GAIN
 20 systems that are just plain full. I'm talking about
 21 systems that you've heard like Anaconda that are going
 22 to need to be replaced. It's expensive.

23 COMMISSIONER NELSON: I guess in my mind it
 24 seems to me that cost prohibitive -- I didn't exactly
 25 envision exactly what you were just explaining to me

1 because I was thinking maybe these lines had to be run
 2 out miles and miles and miles and there's nobody out
 3 there or something. But if this is in a fairly
 4 populated area, and it doesn't seem to me that these
 5 people should have to live with just two party
 6 telephone system when most of the world doesn't, as we
 7 know it in South Dakota, doesn't have to do that
 8 because the lines are all filled up. I mean I'm
 9 looking for some reason why that's acceptable,
 10 especially when some of those little companies are
 11 saying that they got maybe three or four people left
 12 that they don't have that service for and they've made
 13 every effort to say, well, we want a waiver but we will
 14 do it by the end of the year or whatever.

15 A. I think that most of the companies you've
 16 been listening to up until now -- and I obviously can't
 17 speak for them, but I think you're talking about
 18 engineering that was done probably 15, 20 years ago in
 19 most of these companies' cases where they at the time
 20 spent the money to do that. We did not do that. We
 21 provided distribution systems that were literally
 22 designed not to provide single party service. There
 23 are different funding mechanisms and different
 24 requirements that we've had. They've had the ability
 25 to spend that kind of money and recover it. Now, I can

1 spend \$100,000 or \$150,000 or 50,000, whatever it is,
 2 to do these, but somewhere that has to be recovered and
 3 it isn't going to be recovered from a customer. That
 4 customer isn't going to pay for that.

5 COMMISSIONER NELSON: It seems to me this
 6 flies in the face of what the governor's bill said last
 7 year. I mean here we're talking making available high
 8 technology to everybody in South Dakota. Basically
 9 that's what the bill says. And we're talking here some
 10 people that aren't even going to have single party
 11 telecommunication in this state.

12 A. Commissioner, all I can tell you is what the
 13 cost is. And I think that's -- I think that's, unless
 14 there's a recovery mechanism, it would make no sense to
 15 spend that kind of money. And I certainly wouldn't
 16 recommend it.

17 CHAIRMAN BURG: The question I have in the
 18 LEC industry when we have these kind of situations once
 19 in a while there's another provider that is closer that
 20 can do it. Would that be the case to any of these?
 21 Would that be a reasonable solution ever?

22 A. Yes, it would. And, Commissioner, if there
 23 is any company in this room that would like to serve
 24 any of these 52, I would be happy to negotiate.

25 CHAIRMAN BURG: I think maybe when we're down

1 to 52, we ought to get a list of those names and see if
 2 we could work it out. I share what Counsel has said.
 3 I'm not sure we can make the exception. I know that
 4 U S West's counsel has given us what I call a short
 5 term one, that in other words, we could give the waiver
 6 for a limited period of time, but I don't know that's
 7 an indefinite solution and we probably ought to work --
 8 look at working together to meet and find the solution
 9 to meet the FCC rules I think if we can. But so many
 10 -- maybe, I guess, what I would like to request is the
 11 actual name and location of those 52 filed at some
 12 time. I don't care whether it's part of this docket or
 13 not.

14 A. I think that can be provided.

15 MS. WIEST: Any other questions? If not,
 16 thank you.

17 CHAIRMAN BURG: I suppose we do need some
 18 type of waiver in order to grant them an ETC status.

19 MS. WIEST: Sorry, for which now?

20 CHAIRMAN BURG: For single party.

21 MS. WIEST: At this time staff has a witness
 22 on this case first.

23 MS. CREMER: Staff would call Harlan Best.

24 **HARLAN BEST,**

25 called as a witness, being previously sworn,

1 was examined and testified as follows:

2 DIRECT EXAMINATION

3 BY MS. CREMER:

4 Q. Harlan, were you the analyst assigned to
 5 TC97-163, U S West's application?

6 A. Yes.

7 Q. And have you reviewed that application by U S
 8 West?

9 A. Yes.

10 Q. And would you agree with Mr. Lehner when he
 11 testified earlier that they met all the requirements of
 12 47 CFR 54-101?

13 A. That they have met those?

14 Q. Yes.

15 A. Yes, with the discussion that we've had on
 16 single party.

17 Q. Right. Okay. And at your recommendation for
 18 advertising, would that be the same for U S West as it
 19 was for the others?

20 A. Yes.

21 Q. And what would your recommendation be for the
 22 Commission in defining a service area for U S West?

23 A. It would be the wire center.

24 MS. CREMER: That's all the questions I would
 25 have.

MS. WIEST: Any questions, Ms. Wilka?

MS. WILKA: No questions.

MS. WIEST: Commissioners?

CHAIRMAN BURG: The question I'd have is based on that, should we not -- I mean is this -- what do I call it? Is this a document that is filed in these hearings?

MS. CREMER: Yes.

CHAIRMAN BURG: I guess I think we ought to correct that exhibit to put no on each of those that we've made a waiver for on the single party because I believe the answer is no and we've made a waiver to satisfy that.

MS. CREMER: Okay.

CHAIRMAN BURG: Since that's filed.

COMMISSIONER SCHOENFELDER: We have not moved for a waiver in that area, have we?

CHAIRMAN BURG: Yes, for six months on one other company.

MS. WIEST: We have two single party waivers so far, but U S West we haven't moved yet; right?

CHAIRMAN BURG: But if we do and for any we do, since he's a witness on the stand and this is his document, I think that this document should be corrected to reflect, no, they do not meet that to

coincide with the waivers we've given.

MS. CREMER: Okay.

CHAIRMAN BURG: I guess I don't know. What do we need to do to make sure that correction is made?

MS. WIEST: I believe there are three companies that do not at this time provide single party service, so all they would have to do is change that yes to no for those Stateline, Venture, and U S West; right?

CHAIRMAN BURG: And the testimony on the record is adequate to accomplish that?

MS. WIEST: Yes.

CHAIRMAN BURG: Okay. That's all I wondered.

MS. WIEST: So how many wire centers does U S West have?

A. 38.

MS. WIEST: 38. Thank you. Any other questions of this witness?

MS. CREMER: No.

MS. WIEST: Would you like to admit this docket for the purposes of this docket? Before I only admitted it for the other dockets.

MS. CREMER: Actually I wasn't going to move it into this one because people testified to it, so I

1 didn't really need it in mine. But I can certainly
2 move it.

3 MS. WIEST: It's up to you.

4 MS. CREMER: We don't need it in this docket.

5 MS. WIEST: Any other questions of this
6 witness? Thank you. Anything else from any of the
7 parties? At this time I believe the Commission will
8 take these matters under advisement. We are waiting
9 for some late-filed exhibits in some dockets, and it
10 will be possible that perhaps the Commission will make
11 the decisions either at a Commission meeting or at the
12 December 2nd hearing on some other related ETC
13 dockets. Are there any questions from anybody or any
14 comments?

15 MR. COIT: I would just, for the record, like
16 to formally request that the Commission designate each
17 of the -- based upon the record, the affidavits yet to
18 be submitted, that the Commission designate each of the
19 rural telephone companies, SDITC member companies, as
20 ETC's and that their study areas be designated as their
21 service area. That's all I have.

22 MS. WIEST: Thank you. That will close the
23 hearing.

24 (THE HEARING CONCLUDED AT 3:50 P.M.)
25

1 STATE OF SOUTH DAKOTA)
2)
3 COUNTY OF HUGHES)
4

5 I, Lori J. Grode, RMR, Notary Public, in and
6 for the State of South Dakota, do hereby certify that
7 the above hearing, pages 1 through 89, inclusive, was
8 recorded stenographically by me and reduced to
9 typewriting.

10 I FURTHER CERTIFY that the foregoing
11 transcript of the said hearing is a true and correct
12 transcript of the stenographic notes at the time and
13 place specified hereinbefore.

14 I FURTHER CERTIFY that I am not a relative or
15 employee or attorney or counsel of any of the parties,
16 nor a relative or employee of such attorney or counsel,
17 or financially interested directly or indirectly in
18 this action.

19 IN WITNESS WHEREOF, I have hereunto set my
20 hand and seal of office at Pierre, South Dakota, this
21 1st day of December, 1997.

22 _____
23 Lori J. Grode, RMR
24
25

ELIGIBLE TELECOMMUNICATIONS CARRIER REQUEST[illegible]

[illegible]

01774597

1571651

ELIGIBLE TELECOMMUNICATIONS CARRIER REQUEST

47 C.F.R. 54.101(b)

U.S. DEPT.
OF JUSTICE
FEDERAL BUREAU OF INVESTIGATION
WASHINGTON, D.C. 20535

Theresa Marie Jones
TC93-187
MC

1. cellular phone access to public
switched network

Yes

Yes

2. local usage

Yes

Yes

3. dual tone multi-frequency signaling
or its functional equal

Yes

Yes

4. single party service or its functional
equivalent

Yes

Yes

5. access to emergency services

Yes

Yes

6. access to operator services

Yes

Yes

7. access to telecommunications
services

Yes

Yes

8. access to directory assistance

Yes

Yes

9. toll limitation for long-distance
telecommunications

-not bonding

-not bonding

47 C.F.R. 54.102 and 54.111

10. Does the carrier have a program to
provide toll-free access to
services to qualifying telecommunications
customers?

Provision been made to
provide toll-free access to
services to qualifying telecommunications
customers. Program to be defined and
included in application

Currently providing toll-free
access to toll-free numbers for
services. Will offer toll-free
access to toll-free numbers for
all long distance numbers
after September 1, 1998

47 U.S.C. 214(a)(1)(B)

Yes

Yes, North Harbor, SD

47 U.S.C. 214(a)(1)(B)

11. Is the carrier's service to
qualifying telecommunications
customers being provided
throughout the carrier's
territory?

primarily in the
vicinity of the
carrier's office
throughout the carrier's
territory

will do so until bonded to
qualify for toll-free
access to toll-free
numbers. Will offer toll-free
access to toll-free
numbers after
September 1, 1998

signature and

TC97-163

BEFORE THE PUBLIC SERVICE COMMISSION
OF THE STATE OF SOUTH DAKOTA

RECEIVED

OCT 10 1997

IN THE MATTER OF THE APPLICATION)
 OF U S WEST COMMUNICATIONS, INC.)
 FOR DESIGNATION AS AN ELIGIBLE)
 TELECOMMUNICATIONS CARRIER UNDER)
 47 U.S.C. §214(E) (2))

SOUTH DAKOTA PUBLIC
 UTILITIES COMMISSION
 DOCKET NO. TC97-

APPLICATION

U S WEST Communications, Inc. (U S WEST) hereby requests that the Commission designate U S WEST an eligible telecommunications carrier for all areas in which it is authorized to provide service within the State of South Dakota.¹ This request is made pursuant to 47 U.S.C. §214(e) (2) and 47 C.F.R. §54.201.² U S WEST requests that it be designated as eligible to receive Universal Service support, to include low cost support (i.e. Lifeline and Link-Up), distributed pursuant to Part 36 and Part 69 of Title 47 of the Code of Federal Regulations and subparts D and E of Part 54 of Title 47.

In support of its request U S WEST states that:

1. U S WEST is a Colorado corporation duly authorized to do business in South Dakota, with its general offices in Denver, Colorado. It is a telecommunications company as defined by SDCL § 49-31-1(35) authorized by the Commission to provide telecommunications services within its certified service territory in South Dakota.

2. By this Application, U S WEST seeks designation as an eligible telecommunications carrier in its certified service areas in South Dakota. A list of the local exchange areas in

¹ U S WEST reserves the right to withdraw its application and/or relinquish its designation as an eligible telecommunications carrier pursuant to 47 U.S.C. §214(e)(4) in specific geographic areas within the state.

² All references to 47 C.F.R. Part 54 are to final rules adopted by the Federal Communications Commission in the Matter of Federal State Joint Board on Universal Service, CC Docket No. 96-45, rel. May 8, 1997, cited herein as Order.

EXHIBIT

which U S WEST is authorized to provide service is attached as Exhibit 1. Individual support areas for purposes of this Application shall be no larger than a designated wire center boundaries and U S WEST reserves the right, for high cost purposes, to create areas smaller than a wire center based on population distribution and other relevant factors. Order, ¶¶ 192-193.

3 U S WEST is a telecommunications carrier as defined in 47 U.S.C. § 153(44) and 47 C.F.R. §51.5, and is a telecommunications carrier for purposes of 47 C.F.R. Part 54.

4 U S WEST is an incumbent local exchange carrier as defined in 47 C.F.R. § 51.5 and provides interstate telecommunication services for purposes of 47 U.S.C. §254(d) and 47 C.F.R. §54.703(a).

5 U S WEST is not a rural telephone company as defined by 47 U.S.C. §153(37) and 47 C.F.R. §51.5 and is not a rural telephone company for purposes of 47 C.F.R. Part 54.

6 U S WEST currently provides, throughout its certified service territory, each of the services designated for support under 47 C.F.R. § 54.101(a)(1-9),³ utilizing its own facilities.

7 U S WEST presently advertises the availability of the supported services identified in 47 C.F.R. §54.101(a)(1-9) throughout its certificated service territory (see Exhibit 1) using media of general distribution. Examples of relevant advertising are submitted herewith as Exhibit 2. The methods of advertising include TV, newspaper, magazine, radio, direct mail, exhibits and displays, bill inserts, booklets and directory advertising.

³ Service designated for support under this provision are voice grade access to the public switched network, local usage, dual tone multi-frequency signaling or its functional equivalent, single-party service or its functional equivalent, access to emergency services, access to operator services, access to interexchange service, access to directory assistance and toll blocking for qualifying low-income consumers.

8. According to the FCC, the existing federal high cost and low income support programs, with some modifications, will be retained until January 1, 1999. Order, ¶ 18. Beginning January 1, 1999, the FCC will provide universal service support to non-rural carriers serving rural, insular and high cost areas through a mechanism based on forward looking, economic costs. The FCC is in the process of reviewing and will presumably select an appropriate cost model to determine the forward looking economic costs. The FCC has provided some guidance regarding the appropriate service and support areas necessary to determine the amount of federal support, but has ultimately left those issues to the state to determine. Because there is as yet no definition of "support area" or "service area" for South Dakota, U S WEST's application is subject to review by U S WEST once those terms are defined. To efficiently target universal service support, the support areas should be smaller than an existing wire center and based on population distribution and other relevant factors.

9. U S WEST has converted all but 622 customers to one party service. U S WEST is in the process of converting 452 of those remaining customers to one party service. This process should be completed by the end of the 2d calendar quarter of 1998. Of the remaining 170 customers, approximately 100 customers are of exceptionally high cost to provide single party service that there are no plans, using currently available technology, to make the network upgrades necessary to provide one party service. U S WEST nevertheless requests that the Commission authorize receipt of universal service support for these portions of its identified service areas since U S WEST is in substantial compliance with the requirement that it provide the supported services throughout its service area despite these de minimus exceptions.

10. U S WEST provides both Lifeline and Link Up plans to eligible subscribers. Continued participation in these plans is dependent on the designation of U S WEST as an eligible

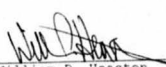
014447-37

telecommunications carrier (47 C.F.R. § 54.407). Attached are the current, applicable tariff detailing the terms and conditions of such plans (Exhibit 3). Also attached as Exhibit 4 is an Addendum explaining the programs that U S WEST will implement if funded and properly administered.

11 U S WEST requests that the Commission expedite its consideration of this Application and designate U S WEST as an eligible carrier not later than December 31, 1997. This will allow U S WEST to meet the requirement contained in 47 C.F.R. 54.201 that, effective January 1, 1998, only eligible carriers may receive federal Universal Service support for high cost areas and low income customers (i.e. Lifeline and Link Up).

WHEREFORE U S WEST requests that the Commission enter its Order designating U S WEST as an eligible telecommunications carrier under 47 U.S.C. §214(2) to receive Universal Service support distributed pursuant to Part 36 and Part 69 of Title 47 of the Code of Federal Regulations and subparts D and E of Part 54 of Title 47 for its service areas.

Dated this 10th day of October, 1997.

By: 

William P. Heaston
Senior Attorney
U S WEST Communications, Inc.
1801 California Street
Suite 5100
Denver, CO 80202
Telephone: (303) 672-2810
Facsimile: (303) 295-0769

Thomas J. Welk
Tamara Wilk
Boyce Murphy McDowell & Greenfield
101 N. Phillips Ave. #600
Sioux Falls, SD 57117-5015
Telephone: (605) 336-2424
Facsimile: (605) 334-0618

EXHIBIT 1

South Dakota

U S WEST
EXCHANGES

Exchange
Aberdeen
Arlington
Belle Fourche
Canton
Cavour
Chamberlain
Colman
Deadwood
DeSmet
Elk Point
Flandreau
Ft. Pierre
Harrisburg
Hill City
Huron
Iroquois
Lake Preston
Lead
Madison
Milbank
Miller
Mitchell
Pierre
Rapid City
Redfield
Sioux Falls
Sisseton
Spearfish
Sturgis
Tea
Vermillion
Volga
Watertown
Whitewood
Yankton
Total

EXHIBIT 2

8
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2

NEXT

DOCUMENT (S)

BEST IMAGE

POSSIBLE

502 NY 18:11 05 22 '90

DATA AS OF 9/19/97

5287

Consumer Advertising Expenses

- South Dakota - 1997 -

Product	Amount
800 Calling Card - Consumer	\$8,354.18
Additional Lines - Consumer	\$37,210.01
Agency Fees - Consumer	\$68,311.01
Call Waiting - Consumer	\$50,733.78
Call Waiting ID - Consumer	\$54.71
Caller ID - Consumer	\$18,715.19
Caller ID ACR - Consumer	\$1,896.18
Caller ID Free Box - Consumer	\$634,825.87
CCS Usage - Consumer	\$28,965.91
CLASS Usage - Consumer	\$28,475.53
Competitive Response - Consumer	\$1,287.73
Do Not Disturb - Consumer	\$6.73
Event Sponsorships - Consumer	\$5,023.38
FIC 1 - Consumer	\$2,866.72
Hispanic - Consumer	\$4,581.50
Home Receptionist - Consumer	\$4,112.97
Keep Trying - Consumer	\$53.73
Kiosks - Consumer	\$663.54
Lib's Better Here - Consumer	\$0,888.89
National DA - Consumer	\$18,713.32
Outdial - Consumer	\$116.43
Paging - Consumer	\$4,796.66
Phone Improvement - Consumer	\$14,632.02
Real Deal - Consumer	\$6,283.91
Relationship Mktg Programs - Cons	\$5,646.39
Segment Marketing Programs - Cons	\$4,143.25
Toll - Anti-Dial Around - Consumer	\$27,680.41
Toll - Consumer	\$106,883.01
U & WEST Select Packages - Consumer	\$18,763.87
Unassigned - Consumer	\$2,367.53
Value Messaging - Consumer	\$28,720.76
Grand Total	\$1,022,336.30

Prepared by Mary Plazens
(802) 361-5460

SDA NY 10:11 LG 22 '90

92297

Small Business Advertising Expenses
South Dakota - 1997

Product	Amount
12 For 10 - Business	\$16,588.39
Ad Line Promo - Business	\$8,138.44
Agency Fees - Business	\$34,942.68
Audio Conferencing - Business	\$164.08
Edge/Owner Driver (R) - Business	\$1,138.49
Edge/Owner Driver (R) - Business	(\$398.29)
Business Complete A Call	\$1.04
Business Receptionist	\$8,283.12
Business Video Messaging	\$13,138.41
Call Manager Connection - Business	\$1,891.08
Call ID - Business	\$2.59
Call ID Free Box - Business	\$21,738.31
CCRS - Business	\$187.84
CCS Usage - Business	\$10,634.68
Context 21 - Business	\$184.70
Class Direct - Business	\$1,694.87
Class Usage - Business	\$6,346.70
Connected Schools - Business	\$187.82
Event Sponsorships - Business	\$1,782.20
Fax Services - Business	\$64.77
FIC I - Business	\$2,896.21
Growing Connections - Business	\$63.82
Home Office - Business	\$60,883.82
Klevis - Business	\$388.14
MSB - Business	\$1,800.48
National DA - Business	\$9,621.08
Outlink - Business	\$899.54
Paging - Business	\$82.82
Phone Improvement - Business	\$8,845.43
Project Jumpstart - Business	\$64.29
RA/TFP - Business	\$882.40
Rates (Agency Fees) - Business	\$844.33
Rates (All Other Affiliates) - Business	\$448.58
Rates (Always Better) - Business	\$1,108.03
Rates (Communications) - Business	(\$876.37)
Rates (New & Improved) - Business	\$2,854.31
Rates (Proof of Savings) - Business	\$1,328.89
Rates (Third Communications) - Business	\$10,648.00
Single/Service - Business	\$888.00
Small Business 2000	\$4,488.80
Small Business Fall Campaign	\$8,336.80

9/24/97

SEP 24 '97 16:08

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303 896 9641 PAGE 003

PG4 NY 10-11 15 22 50

9/29/97

Small Business Advertising Expenses
South Dakota - 1997

Product	Amount
Small Business Leadership	\$16,480.78
Small Business Product Guide	\$8,749.46
Spend Campaign - Business	\$125.19
Start Up - Business	\$12,261.86
Toll - Auto-Dial Around - Business	\$115.00
Toll - Business	\$461.08
Unassigned - Business	\$15,920.00
Vertical Road Safety - Business	\$827.80
Welcome Kits - Business	\$4,388.50

Grand Total **\$282,526.16**

Prepared by Mary Placore for Janet Hemmer
(602) 961-6221

204 NY 10:11 10 22 '00

1998 South Dakota Advertising

Grand Business

22-Sep-97

Product Name	Price
ADVERT	\$163.76
13 FOR 10	\$16,076.94
175	\$7,191.42
1000L	\$893.30
ARND PRESS	\$91,888.84
BRAC	\$1,696.87
CLDS CHANGING/PLR (S)	\$1,288.87
HLDS CHANGING/PLR (S)	\$1,691.86
BUS POSTNET	\$7,180.51
RTN	\$8,344.57
CHRS H ARNDG PRGRM	\$677.73
CLAS/US LNAME	\$823.88
CLAS/CD	\$1,888.84
CONFERENCE SVC	\$221.88
CUSTOM CHOICE	\$778.31
CRSD	\$1,879.89
CRSD OR CD (SVC)	\$16,888.80
ELECTRONIC RTN SVC	\$164.88
EMBED FAX SVC	\$8,188.79
EXTERNAL EVENTS	\$1,887.71
F.L.C.	\$12,818.37
FEATURES	\$4,911.81
HOPE BOX	\$671.44
INTERNET SVC PROVIDE	\$16.88
ISL	\$182.40
MSIC COLL	\$887.88
MULTI-LOC WEBMANS	\$888.88
OPC MAX	\$88.16
ONE STOP 1000S	\$4,778.15
PAPER	\$481.44
ROUTE-A-CALL	\$41.76
SBS PUBLIC RELATIONS	\$74.88
SSL	\$6,814.88
SBS/LSVC	\$8,216.82
SMALL BUS 2000	\$1,884.88
START-UPS	\$8,888.84
TOLL	\$88,888.88
TUNE UP	\$88.68
VALUE PARTNER SPRING	\$88.62
VERTICAL (SVC)	\$1,777.87
ZACRON (SVC)	\$848.47
Grand Total	\$118,813.82

902 XV 16:11 16 22 '93

PAGE 1

09/22/97

CONSUMER INFORMATION REPORT - BUDY SAGOLA

1996

FILE: PROGRAM

PRODUCT	TOTAL
*****	*****
ADDITIONAL LINES	41,306.13
ADDED EQUIPMENT	4,376.89
BASE SERVICE	3,376.13
CALL WAITING	364.28
CALL WAITING 80	36,000.00
CHARGE TO	111,666.30
CHARGE CARD	1,600.57
COB	1,847.89
COB AND EQUIPMENT	1,000.11
COB LONG DISTANCE	7,125.89
COB PREPAID PHONE	31,689.75
COB SERVICE	60.56
DO NOT DISTURB	1,100.59
EQUIPMENT (00-0)	(44.83)
EQUIPMENT	2,664.96
LONG DISTANCE	107,400.32
LAST CALL 800	45,300.57
INTERNET 800	30.44
NEW PRODUCTS	300.00
PERSONAL VOICE SERVICE	30.79
REASONABLE COSTS	76,600.36
THE NEW 800	67,841.60
UNUSUAL	140,000.70
VOICE SERVICE	67,800.41
TOTAL	226,400.05

DH 2464 Reference

9/21/97

SEP 24 '97 16:00

PAGE 1000000 9 3400 1602:11 16 22 006

303 006 9641

PAGE 006

** TOTAL PAGE.006 **

NEXT

DOCUMENT (S)

DISREGARD

BACKGROUND

USWEST

It's easy to call on our experience.

Residential

Drop Areas to Make Your Home Communications Easier

Services/Billing 1-800-244-1111

Monday-Friday 9am-7pm

1-800-244-1111

Repair

24 Hours a Day

7 Days

1-800-573-1311

24 Hours a Day

1-800-573-1311

24 Hours a Day

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1-800-573-1311

24 Hours a Day

Business

Small Business Group 1-800-603-6000

You Know Your Business. And We Know Ours.

• Installation • Service • Support

Telephone Service/Billing

1-800-603-6000

Repair

1-800-554-1211

Large Business &

Government Networks

Voice, Data, Video and More

1-800-225-5879

Home Office

Business or Home Office

Free Home Office Consultation

• Free Home Office Consultation

• Free Home Office Consultation

• Free Home Office Consultation

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Special

U & WEST Data, Inc.

• Yellow Pages Publisher and Ad Consultant

• Network and Layout of No Data Charge

Yellow Pages Sales/Service

1-800-422-1234

Additional Directories

1-800-422-8793

U & West Payphones

• All Services, Commercial Connections

• 24 Hours a Day Paper/Telephone

Sales/Service

1-800-477-7211

Visit U & WEST on the Internet at <http://www.uswest.com>

1-800-573-1311

24 Hours a Day

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Sprint

Long Distance

• Business Services

• Internet

• International

• Local Service

• PCS

• Paging

• Local Service

• Local Service

• Local Service

• Local Service

• Local Service

• Local Service

• Local Service

• Local Service

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Residential Sales

800-877-7746

Business Sales

605-334-3692

Customer Service

800-877-4646

Total

COMMUNITY CELLULAR INC.

3611 W 40 St

Debate Telecommunications

148 N. Highways

Each Telecommunications

Service No-Over-Paid

(Continued)

Want some new data?

may give you all

available or who can

information hold? The

where to go to find

you want the information

Be an informed

consumer

questions who

purchases

people want

satisfied

Want some new ideas? Looking at ads may give you new ideas about what's available or who can help. Need to find information now? The Yellow Pages is where to go to find information when you want the information.

Directory to Phone Service

U S WEST Communications numbers

are for services provided by us. Contact your long distance and telephone equipment companies with questions about the services they provide.



The White & Yellow Pages
Printed With a Minimum of
40% Postconsumer Material

Telephone Service

To order new service, to change or disconnect service or billing questions, call: 1 800 244-1111

For your home

Hours: Monday - Friday, 7:00 a.m. - 7:00 p.m.

1 800 244-1111

For your business

1 800 603-6000

For home office consulting

1 800 898-9675

Repair Service

For your home

1 800 573-1311

For your business

1 800 954-1211

For public pay phones

1 800 234-4041

Directory Assistance

Within your local calling area

1-411

Outside your local calling area

1+(area code)+555-1212

800 numbers

1 800 555-1212

International numbers: Call your long distance company.

* A charge may apply for this service.

Services for Deaf and Hearing Impaired

Hours: Monday - Friday, 8:30 a.m. - 6:00 p.m.

TTY (Telecommunications Device)

1 800 223-3131

for the Deaf/Voice

Relay South Dakota

1 800 877-1113

(Also, see page 41 of the Phone Service Pages.)

Centro de U S WEST

El Centro de U S WEST

1 800 564-1121

U S WEST Communications

1 800 477-7211

Buried Cable Location Service

Call two work days in advance before you dig.

1 800

U S WEST Communications Administration

1 800

U S WEST Dex Publications

Corporate Office
198 Inverness Drive West
P.O. Box 6572
Englewood, CO 80155-6572

U S WEST Dex Yellow Pages Advertising Sales

Office Nearest You:

3904 W. Technology Circle

Suite 101

Stout Falls, SD 57106

1 800

or call Toll-Free 1 800

For additional copies of this or

any other directory

Call Toll-Free in the U.S. and Canada 1 800

(Stout Falls directories are also available at Lewis & Clark)

For Yellow Pages Customer Service

Call Toll-Free 1 800

To Pay for U S WEST Phone Service

To Pay by Mail

U S WEST Communications

P.O. Box 737

Des Moines, Iowa 50338-0001

Additional Services

Call Rejection

With Call Rejection, you can avoid unwanted calls.

To Use Call Rejection

- 1 To block unwanted calls, lift the receiver, press *60 and follow the recorded instructions.
- 2 If you do not know an unwanted caller's number, activate Call Rejection immediately after hanging up from their call.
- 3 To cancel Call Rejection, press *80.

Call Trace

With Call Trace you can receive assistance from U S WEST or your local police department if you receive harassing or obscene telephone calls. This service is available to most customers on a pay per use basis.

To Use Call Trace

- 1 Lift the receiver and press *57 (or dial "1157" on a rotary phone) immediately after hanging up from the call.
- 2 Follow the recorded instructions to take appropriate action.
- 3 The telephone number of the caller will be recorded by U S WEST. Deferent action can be taken by U S WEST or your local law enforcement agency after 3 calls from the same number are identified.
- 4 You will not be given the name or the telephone number of the person who called you.
- 5 If it becomes a life threatening situation, contact the police immediately.

Continuous Redial

With Continuous Redial you can let your phone redial busy numbers while you make and receive other calls. This service is available to most customers on a charge per use basis or a monthly subscription.

To Use Continuous Redial

- 1 When a call you are trying to place is busy, hang up, pick up the receiver again and press *66.
- 2 Your phone will continue to dial the busy signal for up to thirty minutes.
- 3 When your call connects, you are notified by a distinctive ring - simply pick up the phone and the call will connect.
- 4 To cancel Continuous Redial, lift the receiver, press *86.

Last Call Return

Get the number* of the last person who called. This service to most customers on a pay per use basis or a monthly sub (*Some numbers not provided.)

To Use Last Call Return

- 1 Lift up the receiver and press *69.
- 2 The number of the missed call will be heard.
- 3 If you want to redial the call, press 1 and your phone redial the number.

Priority Call

With Priority Call, you can tell by a distinctive ring when people are calling.

To Use Priority Call

- 1 You can make up to 15 different numbers.
- 2 To establish or change your priority, simply touch follow the recorded instructions.
- 3 To cancel Priority Calling, press *81.

Selective Call Forwarding

Selective Call Forwarding transfers calls from specific number to another phone number of your choice.

To Use Selective Call Forwarding

- 1 Lift up the receiver and press *63 and follow the instructions.
- 2 To cancel Selective Call Forwarding, lift the receiver, press *83 and follow the recorded instructions.

Additional Services

d Calling

You can reach eight or 30 frequently called numbers by dialing one or two digits instead of the entire phone number.

Program Speed 8

Assign a single digit code from 2 through 9 for each phone number.

Press "74#" (rotary dial "1174").

Press in your selected code, followed by the phone number.*
A tone indicates the number has been stored.

Program Speed 10

Assign a two digit code from 20 through 49 for each phone number.

Press "75#" (rotary dial "1175").

Press in your selected code, followed by the phone number.*
A tone indicates the number has been stored.

Use Speed Calling

Press the selected code, followed by #.
Remember to include the area code for long distance calls.

Service - US WEST Communications

To order new service, to change or disconnect service, or for billing questions, call:

For your home

Hours: Monday - Friday, 7:00 a.m. - 7:00 p.m. (CST)

(Toll free) 1 800 244-1111

For your business

1 800 603-6000

Three Way Calling

Allows you to talk to two different people at the same time, to add a second person to your call, or to put one call on hold and make a second call. Can be used for local and long distance calls.

Use Three Way Calling

- 1 Put your first call on hold by pushing, then releasing the receiver button on your phone.
- 2 Wait for three brief tones and a dial tone. Make your second call.
- 3 When that person answers, firmly push, then release the receiver button to connect all three of you. You may talk privately with the second person before making the three-way connection.
- 4 If the third person's line is busy or there's no answer, push the receiver button twice to return to the original call.
- 5 The first call will end when that person hangs up.
- 6 The second call will end when you push, then release the receiver button.
- 7 Both calls will end when you hang up.

Be Careful Call Waiting During A Three Way Call

Follow the instructions under Call Waiting.



Adaptive

Two months of free services.

urchase 10 months of any of
es. Pay up front and get two
ID. Call Waiting, selected Call
e Messaging Service and other
our business already has some
ik free. Because you can cancel

at any time and get your money
back on the unused months. So if you're looking for a long-term
commitment that's a sure thing, dial the number below, and say
"I do." But don't wait, because this offer ends December 13th.

1-800-218-4443

Small Business Group

USWEST

entering mail box only. CallerID compatible display equipment required. The display unit shows the letter name and number of the phone line.
2. The name and number of any caller who uses call blocking will not be displayed. Some restrictions apply. ©1996 USWEST Communications.



Fire everyone.

A lonely way to save money.



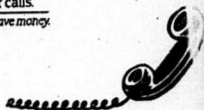
Decrease office space.

A crowded way to save money.



Make employees pay for calls.

A cheapskate way to save money.



Pick up the phone and sign up
for U S WEST's new calling plan

A smart way to save money.

th a U S WEST® Local Long Distance Business Calling Plan, a five-minute call to almost anywhere in South Dakota costs only 40¢
: same call on AT&T would cost \$1.20. That's a 33% savings. So exercise a little intelligence, and sign up now. **1-800-603-6**

U S WEST®

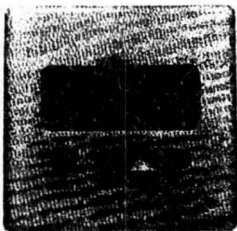
Your local long distance communications

P. 11/14 NO. 693

SEP. 26, 1997 12:57PM U S WEST COMMUNICATIONS

free

(Caller ID box)



Caller ID from U S WEST, with call screening and call logging capabilities, allows you to get more out of your phone line—you'll be able to see who's on the line before you pick up, and you'll be able to tell them you're called even if they didn't leave a message. And when you order Caller ID today, you'll get Caller ID installation free, and you'll get a free Caller ID box. Just call 1-800-426-7937. (We mention that the box is free?)

1-800-426-7937

SWEST®

life's better here™

701-555-7009

OTHMER JIM

406-555-6508

GRILL JEFF

503-555-7041

THOMPSON BEN

602-555-8661

MORGAN MARY

406-555-1967

POULTER SOPHIE

303-555-7588

MAGEE STEVE

Caller ID stops later by CECO. Offer good through March 31, 1997. Some restrictions apply. Not all calls up to be displayed or logged.

New Services

Beginning May 14, 1997, several new telephone services will be available to subscribers. These services will be available only to those with long distance service, and they will affect the calls you make, even if you don't subscribe.

The telephone services described in this brochure will work on calls made to and from areas where Caller ID is available.

Caller ID lets you know who's calling before you answer the phone. The name and phone number of callers will appear on a display unit attached to your phone. Most display units also collect the time and date of calls received while you're away.

Monthly rate: \$5.95 (residential); \$7.95 (business)

Call Block (r46) helps stop annoying or grant phone calls. With this service, you can program your phone to reject unwanted calls. When you activate the service, you'll receive a message on your "redial list" without an announcement telling them you're not receiving calls at this time. Monthly rate: \$4.50

Priority Call (r45) alerts you to those callers who are important to you. When an incoming call is from one of several designated phone numbers, your telephone will ring distinctly. You'll know it's a call you don't want to miss. Monthly rate: \$3.50

Selective Call Forwarding (r43) allows you to program your phone to only forward calls from certain numbers.

Monthly rate: \$1.50 (residential); \$3.50 (business)

Last Call Return (r49) tells you the number of the last person who called you before the call was blocked and allows you to redial that number. Last Call Return does return blocked calls. It will allow you to return calls from blocked numbers. Monthly rate: \$7.95 (residential); \$9.95 (business). Each activation costs \$7.95 with a maximum monthly charge of \$6.00 or a monthly subscription rate of \$3.95 (residential); \$5.00 (business)

Continuous Redial (r46) redials a busy number for up to 30 minutes and allows you to make and receive calls in the meantime. It will automatically be available on a pay-per-use basis or you may choose to activate it for a fixed monthly fee. Monthly rate: \$7.95 (residential); \$9.95 (business). Each activation costs \$7.95 with a maximum monthly charge of \$6.00 or a monthly subscription rate of \$3.50.

Outgoing Calling Options

Even if you don't have Caller ID, your name and phone number will display on each time you call someone who subscribes to Caller ID. This is called **Per Line Blocking** (non-published numbers). Because there may be occasions when you need to call anonymously, USWEST has automatically equipped your line with Per Call Blocking.

Per Call Blocking

For most calls you place, we think you'll find it convenient and beneficial to "announce" yourself to Caller ID subscribers. But on those few occasions when you need to call someone without displaying your name and phone number, you can use Per Call Blocking by dialing:



(or 1167 on rotary phones)

before you dial the phone number you are calling. This will prevent your name and number from being delivered on that call.

There is no charge to use Per Call Blocking, and it is available automatically on your line.

Per Line Blocking

If you do not want the flexibility of Per Call Blocking, and feel you must make all of your calls anonymously, you need to order Per Line Blocking. This service will prevent your name and number from being displayed on all the calls you make. To order Per Line Blocking, call 1-800-900-6789. Please note that Per Line Blocking will display when you call someone who has Caller ID. PLEASE NOTE: This may reduce the likelihood of your call's being answered, as even friends and relatives may choose not to pick up calls marked "Anonymous."

THERE IS NO CHARGE, ONE TIME, FOR PER LINE BLOCKING. TO ORDER PER LINE BLOCKING, COMPLETE AND MAIL THIS REPLY CARD OR CALL 1-800-637-9393

Per Line Blocking Request Form

Please sign me up for Per Line Blocking. I understand Per Line Blocking will prevent my name and number from being delivered on all calls I make.

☐ Business Customer
☐ Business Customer
Over 20 Lines

Phone Number _____

Name _____

City _____ State _____ Zip _____

To confirm if Line Blocking has been added to your line you can call 605-341-9952. Please call from the phone line on which you requested Per Line Blocking.

Call trace and Per Call Blocking are on your line automatically -
you do not need to send in this card.

01444-47:908



USWEST

U S WEST
PO BOX 3766
OMAHA NE 68103-0766

Call Trace

***57**

(or 1157 on rotary phones)

Harassing or obscene calls are serious business. If you receive this type of call and you feel your need for assistance from U S WEST or your local police department, Call Trace can help. Call Trace is a service that allows you to hang up after the harassing call, pick up the recorder again, press *57 immediately and you will hear a special recording. Upon successful trace the telephone number of the line used by that caller will be forwarded to a U S WEST Security Center. A recording will confirm that your call has been traced.

Under normal circumstances, you may request that deterrent action be taken after three successful traces. At your request, trace information will be given to your local police department. Under no circumstances will you be given the name or telephone number of the person who called you. If it is a life threatening situation, or if you think it otherwise appropriate, contact the local police department immediately.

You do not have to sign up for Call Trace. This option is provided automatically with your phone service. A \$1.55 fee is charged each time a call is traced.

For more information on any of these services, call 1-800-637-9393.

USWEST

AFFIX
32¢
STAMP
HERE

Important Information on New Services From U S WEST

EXHIBIT 3

U S WEST COMMUNICATIONS, INC.

Exchange and Network
Services Tariff

SECTION 5

Page 66

Release 2

Effective: 6-1-97

State of South Dakota

Issued: 6-16-97

5. EXCHANGE SERVICES

5.2 LOCAL EXCHANGE SERVICE (Cont'd)

5.2.6 LOW-INCOME TELEPHONE ASSISTANCE PROGRAMS

A. South Dakota Telephone Assistance Plan

1. Description

The Telephone Assistance Plan provide for a credit against the recurring monthly rate for the provision of local residential service for certain low-income customers.

2. Application

- a. The Telephone Assistance Plan credit is only available to customers who are presently participating in the Food Stamp and/or Energy Assistance Program and are 60 years of age or older.
- b. The Company will assure eligibility through verification by the state agency charged with the duty of administering the programs.
- c. The monthly credit will be an amount equal to the Interstate End User Charge. The credit shall apply to the following Local Exchange Service:
 - Residence One-Party Flat Rate Service
 - Residence One-Party Local Measured Service
 - Residence Multiparty Flat Rate Service
 - Hourly Usage Package Service

(D)

(D)

0144.47.93

U S WEST COMMUNICATIONS, INC.
Exchange and Network
Services Tariff

SECTION 5

Page 67

Release 1

State of South Dakota

Issued: 11-5-93

Effective: 12-5-93

5. EXCHANGE SERVICES

5.2 LOCAL EXCHANGE SERVICE

5.2.6 LOW-INCOME TELEPHONE ASSISTANCE PROGRAMS

A. South Dakota Telephone Assistance Plan (Cont'd)

3. Terms and Conditions

- a. The Telephone Assistance Plan credit will begin with the first billing date after the Company is notified by applicants who qualify for benefits or when new service is established by a qualifying customer.
- b. Nonrecurring charges shall not apply to establish this program on existing service.
- c. This credit shall apply only to a customer's principal residence line.

4. Funding

This program shall be funded through a surcharge on residence and business access lines.

5. Rates

	USOC	MONTHLY CREDIT[1]
• Telephone Assistance Plan Credit	ASGSX	\$3.50

[1] This amount shall be revised to equal the Interstate End User Charge. With FCC approval, the Interstate End User Charge will also be credited for customers participating in the plan (USOC ASGFX).

U S WEST COMMUNICATIONS, INC.

Exchange and Network
Services Tariff

SECTION 5

Page 68

Release 1

State of South Dakota

Issued: 11-5-93

Effective: 12-5-93

5. EXCHANGE SERVICES

5.2 LOCAL EXCHANGE SERVICE

5.2.6 LOW-INCOME TELEPHONE ASSISTANCE PROGRAMS (Cont'd)

B. Link-Up America

South Dakota residents who are receiving food stamps or home energy assistance benefits may also qualify for the Federal Communications' Link-Up America Program. Effective February 10, 1988, a 50% discount (USOC LNK) up to \$30.00 will be applied to access line service and equipment charges to connect service at a new address. This discount applies only on a single line at the principal place of residence for the applicant.

The following eligibility criteria will apply:

- Applicant must have lived at an address where there has been no telephone service for at least three months immediately prior to the date that assistance is requested.
- Applicant must not have received Link-Up America assistance within the last two years.
- Applicant must not be a dependent for federal income tax purposes, unless he or she is more than 60 years of age.
- Applicant must be participating in the food stamp program or the home energy assistance program.

EXHIBIT 4

Exhibit 4

Addendum to South Dakota Eligible Telecommunications Carrier Filing

This is to provide information regarding the U S WEST Communications, Inc. Lifeline and Link Up services in South Dakota.

U S WEST currently offers Lifeline and Link Up plans in South Dakota. These plans will be modified effective 1-1-98 so that the Lifeline and Link Up services meet the criteria of the Federal Communication Commissions' plan per 47 CFR 54.400 to 54.417, provided the appropriate funding is available.

Lifeline

U S WEST has 2016 qualifying customers participating in our current Lifeline service.

Effective January 1, 1998, the current Lifeline plan will be modified as necessary to result in the following plan:

- A qualifying applicant must be low-income consumer who is a South Dakota resident, the head of a household, and who is eligible to receive food stamps, aid to families with dependent children, fuel assistance, and/or medicaid benefits.
- Lifeline service includes voice grade access to the public switched network, local usage, dual tone multi-frequency signaling or its functional equivalent, single-party service, access to emergency services, access to operator services, access to interexchange service, access to directory assistance, and toll blocking or control.
- The \$3.50 federal Subscriber Line Charge will be recovered by contributions from the federal jurisdiction.
- An additional \$1.75 credit will be provided for the intrastate portion of the monthly bill and reimbursed by the federal jurisdiction.
- \$3.50 of state support will be provided in order to obtain \$1.75 of federal matching support, thereby providing a total federal credit of \$7.00 to the monthly bill.
- Toll blocking or control will be offered to all qualifying low-income consumers at the time such consumers subscribe to Lifeline service.

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- No service deposit will be required if the qualifying low-income consumer elects toll blocking unless the consumer otherwise violates the toll blocking agreement.

- No Lifeline service will be disconnected for non-payment of toll charges (unless a waiver is granted by the South Dakota Public Utilities Commission).

- The availability of the Lifeline service, and its price, will be advertised using media of general distribution.

Link Up

Effective January 1, 1998, the current Link Up plan will be modified as necessary to result in the following plan:

- A qualifying applicant must be a low-income consumer who is a South Dakota resident, a head of a household, and who is eligible to receive food stamps, aid to families with dependent children, fuel assistance, and/or medicaid benefits.

- A qualifying customer will receive a 50% discount, up to \$30.00, on connection charges to establish service at the customers principal place of residence.

- A qualifying customer will be granted a deferred schedule for payment of the charges assessed for commencing service, for which the customer does not pay interest. The interest charges not assessed shall be for connection charges up to \$200 that are deferred for a period not to exceed one year. Charges assessed for commencing service are those that are customarily assessed to connect subscribers to the network, but they do not include any permissible security deposit requirements.

- A qualifying customer will be allowed to receive the benefit of the Link Up plan for a second or subsequent time only for a principal place of residence with an address different from the residence address at which the Link Up assistance was provided previously, unless earlier disconnection of service at the same residence address was for financial reasons.

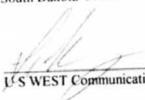
- The availability of the Link Up service, and price, will be advertised using media of general distribution.

0144.4798

CERTIFICATE OF SERVICE

The undersigned certifies that on this 9th day of October, 1997, an original and ten (10) copies of the foregoing **APPLICATION OF U S WEST COMMUNICATIONS, INC. FOR DESIGNATION AS AN ELIGIBLE TELECOMMUNICATIONS CARRIER UNDER 47 U.S.C. §214(E)(2)** of U S WEST Communications, Inc. was sent via overnight mail to the following

Mr. William Bullard
Executive Director
South Dakota Public Utilities Commission
State of South Dakota
500 East Capitol
Pierre, South Dakota 57501



U S WEST Communications, Inc.

163

BEFORE THE PUBLIC SERVICE COMMISSION
OF THE STATE OF SOUTH DAKOTA

RECEIVED

NOV 10 1997

SOUTH DAKOTA PUBLIC
UTILITIES COMMISSION

IN THE MATTER OF THE APPLICATION)
OF U S WEST COMMUNICATIONS, INC.)
FOR DESIGNATION AS AN ELIGIBLE)
TELECOMMUNICATIONS CARRIER UNDER)
47 U.S.C. §214(E)(2))

Docket No. TC97-163

FAX Received NOV 07 1997

AMENDMENT TO APPLICATION
OF U S WEST COMMUNICATIONS, INC.

U S WEST Communications, Inc. hereby files this Amendment to its Application for Designation as an Eligible Telecommunications Carrier Under 47 U.S.C. §214(E)(2) as follows:

Due to an inadvertent omission, three exchanges were omitted from the listing of exchanges appearing on Exhibit I attached to the Application. The following South Dakota U S WEST Exchanges should be included on and considered a part of Exhibit I.

Morristown

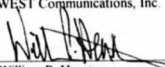
Timber Lake

McIntosh

Dated this 7th day of November, 1997.

Respectfully submitted,

U S WEST Communications, Inc.

By: 

William P. Heaston
Senior Attorney
1801 California Street, Suite 5100
Denver, CO 80202
Telephone: (303) 672-2810
Facsimile: (303) 295-0769



Thomas J. Welk, Esq.
Tamara A. Wilka, Esq.
Boyce, Murphy, McDowell & Greenfield, L.L.P.
101 N. Phillips Ave. #600
P. O. Box 5015
Sioux Falls, SD 57117-5015
Telephone: (605) 336-2424
Facsimile: (605) 334-0618

01447181

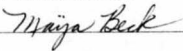
CERTIFICATE OF SERVICE

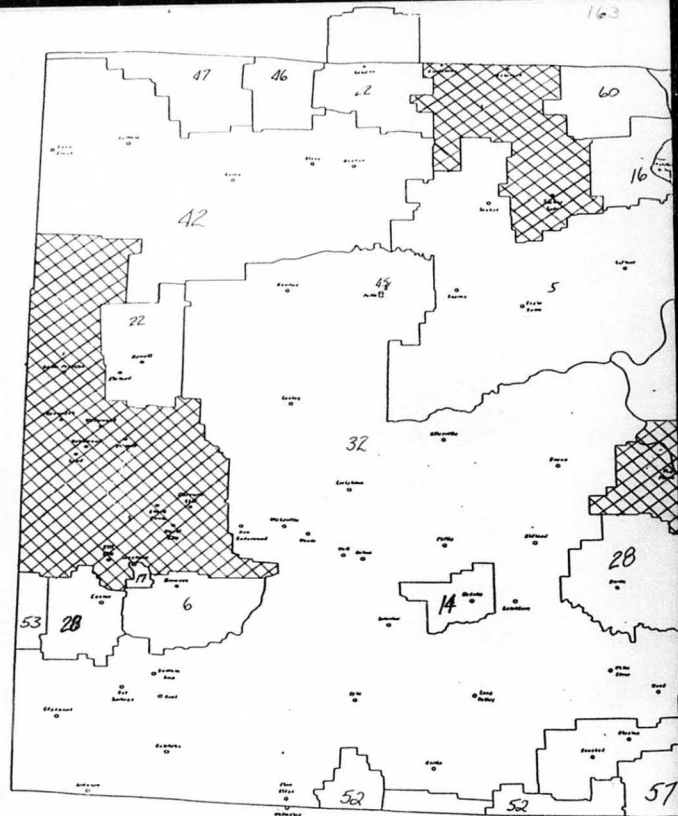
The undersigned certifies that on this 7th day of November, 1997, a copy of the foregoing
AMENDMENT TO APPLICATION OF U S WEST COMMUNICATIONS, INC. was filed
via facsimile to

Mr. William Bullard, Jr. - facsimile 605 773-3809
South Dakota Public Utilities Commission
500 East Capitol Avenue
Pierre, SD 57501

and an original and ten (10) copies were sent via overnight delivery to the same address.

U S WEST Communications, Inc.



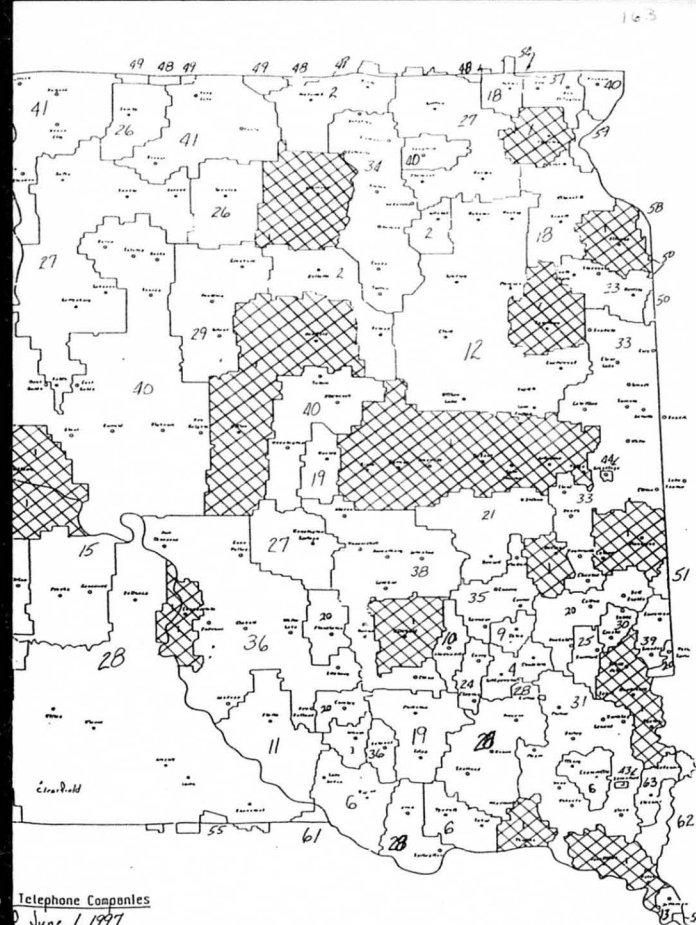


XXXXXX U.S. WEST

XXXXX — Indicates U.S. West
 XXXXX — Indicates Others



South Dakota
 as of



Telephone Companies
 June 1, 1997

BOYCE, MURPHY, McDOWELL & GREENFIELD, L.L.P.
ATTORNEYS AT LAW

0144.47.103
Jeremiah D. Murphy
Russell B. Greenfield
David J. Vickers
Gary J. Fackels
Vance R.C. Goldammer
Thomas J. Wells
Terry N. Fondergeat
James E. McMahon
Douglas J. Hark
Michael S. McKnight
Gregg S. Greenfield
Tamara A. Wilka
Roger A. Sudbeck
Carolyn A. Thompson
Lisa Hansen-Morris

Norwest Center, Suite 600
101 North Phillips Avenue
Sioux Falls, South Dakota 57104
P.O. Box 5015
Sioux Falls, South Dakota 57117-5015

Telephone 605 336-2424
Facsimile 605 334-0618

Of Counsel
John R. McDowell

J.W. Boyce (1884-1915)
John S. Murphy (1924-1966)

December 11, 1997

FAX Received DEC 11 1997

VIA FACSIMILE - 773-3809

Mr. William Bullard, Jr.
Executive Director
South Dakota Public Utilities Commission
500 East Capitol
Pierre, SD 57501

RECEIVED
DEC 15 1997
SOUTH DAKOTA PUBLIC
UTILITIES COMMISSION

Re: In the Matter of the Filings for Designation as Eligible Telecommunications Carrier by U S
West Communications, Inc., Docket No. TC97-163
Our File No. 2104-97-163

Dear Mr. Bullard:

Please find enclosed for filing a copy of the Affidavit of Jon Lehner. This is being filed via facsimile today and the original and ten (10) copies of the Affidavit are being mailed today.

Sincerely yours,

BOYCE, MURPHY, McDOWELL &
GREENFIELD, L.L.P.



Tamara A. Wilka

TAW/vjj
Enclosure

cc: William P. Heaston
Jon Lehner

BEFORE THE PUBLIC UTILITIES COMMISSION
OF THE STATE OF SOUTH DAKOTA

RECEIVED

DEC 15 1997

SOUTH DAKOTA PUBLIC
UTILITIES COMMISSION

IN THE MATTER OF THE FILINGS FOR
DESIGNATION AS ELIGIBLE
TELECOMMUNICATIONS CARRIER BY
U S WEST COMMUNICATIONS, INC.

No. 97-163

AFFIDAVIT OF JON LEHNER

I, Jon Lehner, being first duly sworn, state:

1. I am Director of Regulatory Affairs for U S WEST Communications, Inc. ("U S WEST") in South Dakota, and my business address is 125 S. Dakota Avenue, Room 8 FLR, Sioux Falls, South Dakota 57104.

2. The purpose of this Affidavit is to supplement my earlier affidavit dated December 1, 1997.

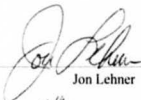
3. Attached as Exhibit A is a chart I had prepared in consultation with U S WEST facility engineers which identifies 48 U S WEST multi-party customers who are not included in U S WEST's plans to convert multi-party customers to one party service as a result of the exceptionally high cost of upgrading service to these customers.

4. In response to the Commissioners' question as to why these remaining multi-party upgrades are so expensive, in almost all cases, the customers are located a long distance from our serving switch and facilities are not available to provide single party service. In order to provide the cable pairs necessary to upgrade these customers, several miles of cable need to be replaced and, in most cases, electronic pair gain systems also need to be added. Current average costs from our outside plant engineering group indicate an average mile of cable

facilities costs in the range of \$17,000 to \$19,000. Adding the cost of the digital electronic pair gain system means that even a relatively short replacement facility likely will cost over \$100,000. The estimated average cost to upgrade these remaining customers is \$45,000 per customer.

5. Although previously I testified there were 52 multi-party customers on this list, the updated number today is 48.

6. Four customers located in the Belle Fourche wire center actually reside in Wyoming.



Jon Lehner

Subscribed and sworn to before me on this 11th day of December, 1997.



Notary Public - State of South Dakota

My Commission Expires: 7-11-2002

HIGH COST MULTI-PARTY CUSTOMERS

WIRE CENTER	NAME	TELEPHONE NO.	ADDRESS	SERVING TERMINAL
ABERDEEN	Dick & Becky McNeil	605-225-2481	14286 381st Ave.	S9E5
	Earl & Dick McNeil	605-225-7824	14282 391st Ave.	S9E5
ARLINGTON	John Rumble	605-983-5557	140 S. Lake Dr.	N14E1
	Richard Strait	605-983-5078	158 S. Lake Dr.	N14E1
BELLE FOURCHE	James Schmidt	605-892-3487	AHN1408-HCR 64	N8E2
	Leo Crago	307-896-3247	4252 State Hwy 24	RL 1-D111-8
	Rick Brengle	307-896-3108	335 Oak Creek Road	RL2J141-3
	Maurice M. Hanify	605-892-4400	AHN2801-HC 69	N8E2
	Jerry Crago	307-896-3185	4252 State Hwy 24	RL 1-D111-8
	Darin Noyce	307-896-2503	345 Oak Creek Road	RL 2J41-3
*307 are Wyoming customers served out of South Dakota				
DESMET	John Smith, Jr.	605-854-3558	43627 209 th St.	S2E4
	Cecil Larsen	605-854-3265	21879 431 st Ave.	S12E1
	Allan Larson	605-854-3108	21880 431 st Ave.	S12E1
	Jacqueline Lee	605-854-3190	43703 210 th St.	S2E4
HURON	Girl Scout Lodge	605-352-5694	40108 216 th St.	S8E2
	Bob Mattke	605-352-9727	41056 216 th St.	S8E2
	Floyd Wheeler	605-352-5809	AHN1076-RR 5	S6W1
	Kay Barton	605-353-1668	RR 2, Box 251	N4E3
	Donald Barton	605-352-5517	AHN9883-RR 2	N4E3
LAKE PRESTON	Ed Wilkinson	605-847-4768	44268 198 th St.	62-1
MADISON	Joe McAllister	605-256-3313	AHN6347-RR 2, Box 98	S6E6

Serving terminal is the terminal this customer would be served out of. S9E5 would be 9 miles south and 5 miles east of the central office.
Not all serving terminal locations are available.

EXHIBIT

A

HIGH COST MULTI-PARTY CUSTOMERS

[illegible]

Serving terminal is the terminal this customer would be served out of. S9E5 would be 9 miles south and 5 miles east of the central office. Not all serving terminal locations are available.

HIGH COST MULTI-PARTY CUSTOMERS

WIRE CENTER	NAME	TELEPHONE NO.	ADDRESS	SERVING TERMINAL
WATERTOWN	William Undner	605-886-8741	46164 170 th St.	N2E8
	Marlin Taecker	605-882-1114	45943 169 th St.	N3E6
	Edward J. Undner	605-886-6798	46164 170 th St.	N2E8
	Gene Jongeling	605-886-9105	44771 168 th Ave.	N5W8
	Kevin Halverson	605-882-1501	45943 169 th St.	N3E6
	Mrs. Albert Maag	605-882-4794	16081 454 th Ave.	N12W1
	Paul R. Flemming	605-886-6710	AHN11210-RR 2	N10W1
	James Gabert	605-886-9408	2513 Sioux Conifer Road	N3W2
	Paul C. Below	605-886-4920	2433 Sioux Conifer Road	N3W2
	Gary Jongeling	605-886-7219	44769 168 th St.	N5W8
	Michael Maag	605-886-8106	16081 454 th Ave.	N12W1
YANKTON	Robert Vavra	605-665-5265	30473 439 th Ave.	N7W2
	Mrs. Joe A. Vavra	605-665-7987	907 Dakota St.	N5W1

Serving terminal is the terminal this customer would be served out of. S9E5 would be 9 miles south and 5 miles east of the central office. Not all serving terminal locations are available.

**BEFORE THE PUBLIC UTILITIES COMMISSION
OF THE STATE OF SOUTH DAKOTA**

IN THE MATTER OF THE FILING BY U S)	FINDINGS OF FACT,
WEST COMMUNICATIONS, INC. FOR)	CONCLUSIONS OF LAW,
DESIGNATION AS AN ELIGIBLE)	ORDER AND NOTICE OF
TELECOMMUNICATIONS CARRIER)	ENTRY OF ORDER
)	TC97-163

On October 10, 1997, the Public Utilities Commission (Commission) received a request for designation as an eligible telecommunications carrier (ETC) from U S WEST Communications, Inc. (U S WEST). U S WEST requested designation as an eligible telecommunications carrier for all areas in which it is authorized to provide service in South Dakota.

The Commission electronically transmitted notice of the filing and the intervention deadline to interested individuals and entities. No person or entity filed to intervene. By order dated November 7, 1997, the Commission set the hearing for this matter for 1:30 p.m. on November 19, 1997, in Room 412, State Capitol, Pierre, South Dakota.

The hearing was held as scheduled. At its December 12, 1997, meeting, the Commission granted ETC designation to U S WEST, granted waivers for the provisioning of toll control and single party service, and designated each of its exchanges as a separate service area.

Based on the evidence of record, the Commission enters the following Findings of Fact and Conclusions of Law.

FINDINGS OF FACT

I

On October 10, 1997, the Commission received a request for designation as an ETC from U S WEST. U S WEST requested designation as an ETC within the following local exchange areas: Aberdeen; Arlington; Belle Fourche; Canton; Cavour; Chamberlain; Colman; Deadwood; DeSmet; Elk Point; Flandreau; Fort Pierre; Hamsburg; Hill City; Huron; Iroquois; Lake Preston; Lead; Madison; McIntosh; Milbank; Miller; Mitchell; Morristown; Pierre; Rapid City; Redfield; Sioux Falls; Sisseton; Spearfish; Sturgis; Tea; Timber Lake; Vermillion; Volga; Watertown; Whitewood; and Yankton. Exhibits 1 and 2.

II

Pursuant to 47 U.S.C. § 214(e)(2), the Commission is required to designate a common carrier that meets the requirements of section 214(e)(1) as an ETC for a service area designated by the Commission.

III

Pursuant to 47 U.S.C. § 214(e)(1), a common carrier that is designated as an ETC is eligible to receive universal service support and shall, throughout its service area, offer the services that are 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. The carrier must also advertise the availability of such services and the rates for the services using media of general distribution.

IV

The Federal Communications Commission (FCC) has designated the following services or functionalities as those supported by federal universal service support mechanisms: (1) voice grade access to the public switched network; (2) local usage; (3) dual tone multi-frequency signaling or its functional equal; (4) single party service or its functional equivalent; (5) access to emergency services; (6) access to operator services; (7) access to interexchange service; (8) access to directory assistance; and (9) toll limitation for qualifying low-income consumers. 47 C.F.R. § 54.101(a).

V

As part of its obligations as an ETC, an ETC is required to make available Lifeline and Link Up services to qualifying low-income consumers. 47 C.F.R. § 54.405; 47 C.F.R. § 54.411.

VI

U S WEST offers voice grade access to the public switched network to all consumers throughout its local exchange service areas. Tr. at 70.

VII

U S WEST offers local exchange service including an amount of local usage free of per minute charges to all consumers throughout its local exchange service areas. Tr. at 71.

VIII

U S WEST offers dual tone multi-frequency signaling to all consumers throughout its local exchange service areas. Id.

IX

As of October 31, 1997, U S WEST offers single party service to all but 612 consumers throughout its local exchange service areas. Tr. at 67. U S WEST requested a waiver of the requirement to provide single party service to all but 48 of those customers until June 30, 1998. Late-filed affidavit dated December 1, 1997; late-filed affidavit dated December 11, 1997. U S WEST requested a waiver of the requirement to provide single party service to the remaining 48 customers until December 31, 1999. Id. U S WEST stated that most of the 48 customers are located a long distance from the serving switch and facilities are not available to provide single party service. Late-filed affidavit dated December 11, 1997. U S WEST estimated the average cost to upgrade the remaining customers is \$45,000 per customer. Id.

X

U S WEST offers access to emergency services to all consumers throughout its local exchange service areas. Tr. at 71.

XI

U S WEST offers access to operator services to all consumers throughout its local exchange service areas. Id.

XII

U S WEST offers access to interexchange services to all consumers throughout its local exchange service areas. Id.

XIII

U S WEST offers access to directory assistance to all consumers throughout its local exchange service areas. Id.

XIV

One of the services required to be provided by an ETC to qualifying low-income consumers is toll limitation. 47 C.F.R. § 54.101(a)(9). Toll limitation consists of both toll blocking and toll control. 47 C.F.R. § 54.400(d). Toll control is a service that allows consumers to specify a certain amount of toll usage that may be incurred per month or per billing cycle. 47 C.F.R. § 54.400(c). Toll blocking is a service that lets consumers elect not to allow the completion of outgoing toll calls. 47 C.F.R. § 54.400(b).

XV

U S WEST offers toll blocking to all consumers throughout its local exchange service areas. Exhibit 1.

XVI

U S WEST does not currently offer toll control. Id.

XVII

With respect to the obligation to advertise the availability of services supported by the federal universal service support mechanism and the charges for those services using media of general distribution, U S WEST stated that it advertises the availability of its local exchange services in media of general distribution throughout its local exchange service areas. Id.

XIII

U S WEST currently offers Lifeline and Link Up service discounts in all of its local exchange service areas. Id.

XIX

The Commission finds that U S WEST currently provides and will continue to provide the following services or functionalities throughout its local exchange service areas: (1) voice grade access to the public switched network; (2) local usage; (3) dual tone multi-frequency signaling; (4) single-party service to all but 612 customers; (5) access to emergency services; (6) access to operator services; (7) access to interexchange service; (8) access to directory assistance; and (9) toll blocking for qualifying low-income consumers.

XX

The Commission finds that pursuant to 47 C.F.R. § 54.101(c) it will grant U S WEST a waiver of the requirement to offer single party service for all but 48 of the remaining 612 multi-party customers until June 30, 1998. The Commission further finds that it will grant U S WEST a waiver of the requirement to provide single party service for the remaining 48 customers until November 1,

0144.497.112
1998. The Commission finds that exceptional circumstances prevent U S WEST from meeting the single party service requirement and will allow the waivers.

XXI

The Commission finds that pursuant to 47 C.F.R. § 54.101(c) it will grant U S WEST a waiver of the requirement to offer toll control services until December 31, 1998. The Commission finds that exceptional circumstances prevent U S WEST from providing toll control at this time.

XXII

The Commission finds that U S WEST intends to provide Lifeline and Link Up programs to qualifying customers throughout its local exchange service areas consistent with state and federal rules and orders.

XXIII

The Commission finds that U S WEST shall advertise the availability of the services supported by the federal universal service support mechanism and the charges therefor throughout its local exchange service areas using media of general distribution once each year. The Commission further finds that if the rate for any of the services supported by the federal universal service support mechanism changes, the new rate must be advertised using media of general distribution.

XXIV

Pursuant to 47 U.S.C. § 214(e)(5), the Commission must establish service areas for the purpose of determining universal service obligations and support mechanisms. U S WEST requested that the Commission designate each of U S WEST's exchanges as a separate service area. The Commission finds this to be reasonable and thus designates each of U S WEST's current exchanges listed in Finding of Fact I as a separate service area.

CONCLUSIONS OF LAW

I

The Commission has jurisdiction over this matter pursuant to SDCL Chapters 1-26, 49-31, and 47 U.S.C. § 214.

II

Pursuant to 47 U.S.C. § 214(e)(2), the Commission is required to designate a common carrier that meets the requirements of section 214(e)(1) as an ETC for a service area designated by the Commission.

III

Pursuant to 47 U.S.C. § 214(e)(1), a common carrier that is designated as an ETC is eligible to receive universal service support and shall, throughout its service area, offer the services that are 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. The carrier must also advertise the availability of such services and the rates for the services using media of general distribution.

IV

The FCC has designated the following services or functionalities as those supported by federal universal service support mechanisms: (1) voice grade access to the public switched network; (2) local usage; (3) dual tone multi-frequency signaling or its functional equal; (4) single party service or its functional equivalent; (5) access to emergency services; (6) access to operator services; (7) access to interexchange service; (8) access to directory assistance; and (9) toll limitation for qualifying low-income consumers. 47 C.F.R. § 54.101(a).

V

As part of its obligations as an ETC, an ETC is required to make available Lifeline and Link Up services to qualifying low-income consumers. 47 C.F.R. § 54.405; 47 C.F.R. § 54.411.

VI

U S WEST has met the requirements of 47 C.F.R. § 54.101(a) with the exception of the ability to offer toll control and the ability to offer single party service to all of its customers. Pursuant to 47 C.F.R. § 54.101(c), the Commission concludes that U S WEST has demonstrated exceptional circumstances that justify granting it a waiver of the requirement to offer toll control until December 31, 1998. The Commission further concludes that U S WEST has demonstrated exceptional circumstances that justify granting it a waiver of the requirement to offer single party service for all but 48 of the 612 multi-party customers until June 30, 1998, with the remaining 48 customers receiving a waiver until November 1, 1998.

VII

U S WEST shall provide Lifeline and Link Up programs to qualifying customers throughout its service area consistent with state and federal rules and orders.

VIII

U S WEST shall advertise the availability of the services supported by the federal universal service support mechanism and the charges therefor using media of general distribution once each year. If the rate for any of the services supported by the federal universal service support mechanism changes, the new rate shall be advertised using media of general distribution.

IX

Pursuant to 47 U.S.C. § 214(e)(5), the Commission designates each of U S WEST's 38 exchanges as listed in Finding of Fact 1 as separate service areas.

X

The Commission designates U S WEST as an eligible telecommunications carrier for each of its service areas.

It is therefore

ORDERED, that each of U S WEST's 38 exchanges as listed in Finding of Fact I are designated as separate service areas; and it is

0144.47.135
U S WEST, Inc.
1801 California Street, Suite 5100
Denver, Colorado 80202
303 672-2810
Facsimile 303 255-7069

William P. Heaston
Senior Attorney

Via Overnight Delivery

USWEST

RECEIVED

JAN 08 1998

SOUTH DAKOTA PUBLIC
UTILITIES COMMISSION

January 7, 1998

Mr. William Bullard Jr.
Executive Director
South Dakota Public Utilities Commission
500 East Capitol Avenue
Pierre, SD 57501

Re In the Matter of the Filing by U S WEST Communications, Inc. for Designation as
an Eligible Telecommunications Carrier

Dear Mr. Bullard:

Enclosed for filing in the above referenced docket is an original and ten (10) copies of the
Application for Rehearing submitted by U S WEST Communications.

Please file stamp the enclosed extra copy of this letter and return to me in the enclosed
self-addressed stamped envelope.

Sincerely,

William P. Heaston

Encl.

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BEFORE THE PUBLIC SERVICE COMMISSION
OF THE STATE OF SOUTH DAKOTA

IN THE MATTER OF THE FILING BY)
U S WEST COMMUNICATIONS, INC. FOR)
DESIGNATION AS AN ELIGIBLE) DOCKET NO. TC97-163
TELECOMMUNICATIONS CARRIER.)

APPLICATION FOR REHEARING

Pursuant to ARSD 20:10:01:30.1, U S WEST Communications, Inc. ("U S WEST") applies for a rehearing in this matter based on an error in the record of the initial proceeding. This Application is based on the following facts:

1. On May 8, 1997 the FCC issued its universal service order in CC Docket No. 96-45 (FCC 97-157). Paragraph 93 of that order stated that, "If a state commission has adopted a timetable by which carriers must offer single-party service, a carrier may rely upon that previously established timetable and need not request another transition period for federal universal service purposes." A copy of that paragraph is attached as Appendix A.

2. In Docket No. TC96-121, the Commission approved a stipulation which included a timetable for single-party service to be completed by the end of the year 2000. That timetable is found in the January 8, 1996 order at Finding of Fact XXVII on page 6. A copy of the order is attached as Appendix B. The understanding of the 2000 year-end timetable was reiterated in the hearings in Docket No. TC97-016. Page 131 of the transcript of those hearings is attached as Appendix C.

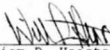
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3. During the telephonic hearing by the Commission into the application in this docket, U S WEST was asked about the applicability of ¶93 of the FCC Report and Order in this docket. Responding for U S WEST the undersigned stated in error that the ¶93 was not applicable. Also, U S WEST should have relied on ¶93 in its application. It was error not to do so.

Accordingly, U S WEST respectfully requests that the Commission rehear and reconsider Finding of Fact XX, Conclusion of Law VI to the extent that it addresses single party service, and the FURTHER ORDERED provision relative to single party service on page 6 of the December 17, 1997 order in this docket to allow U S WEST to rely on the approved timetable as allowed by the FCC order.

Respectfully submitted this 7th day of January 1998.

U S WEST COMMUNICATIONS, INC.

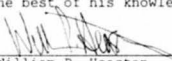
By: 
William P. Heaston
1801 California Street, Suite 5100
Denver, Colorado 80202
Telephone: (303) 672-2810
Facsimile: (303) 295-7069

Thomas J. Welk
Tamara A. Wilka
Boyce Murphy McDowell & Greenfield
101 N. Phillips Ave., Suite 600
P.O. Box 5015
Sioux Falls, South Dakota 57117
Telephone: (605) 336-2424
Facsimile: (605) 334-0618

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VERIFICATION

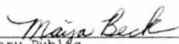
STATE OF COLORADO)
CITY AND COUNTY OF DENVER)

The undersigned, William P. Heaston, hereby states that the above is true and correct to the best of his knowledge and belief.



William P. Heaston

Subscribed and sworn before me by William P. Heaston, this 7th day of January, 1998.



Notary Public

My Commission expires: May 8, 2000.

8144.47.119

APPENDIX A

commission finds that "exceptional circumstances" exist and should not extend beyond the time that the state commission deems necessary to complete network upgrades. We conclude that this is consistent with the intent of section 214(e) because it will ensure that ultimately all eligible telecommunications carriers offer all of the services designated for universal service support.

93. We recognize that some state commissions already may have mandated single-party service for telecommunications service providers serving their jurisdictions.¹⁸¹ If a state commission has adopted a timetable by which carriers must offer single-party service, a carrier may rely upon that previously established timetable and need not request another transition period for federal universal service purposes. Specifically, where a state has ordered a carrier to provide single-party service within a specified period pursuant to a state order that precedes the release date of this Order, the carrier may rely upon the timetable established in that order and receive universal service support for the duration of that period.

D. Extent of Universal Service Support

1. Background

94. Section 254(b)(3) states that "[c]onsumers in . . . high cost areas, should have access to telecommunications and information services. . . ."¹⁸² The Joint Board recommended that support be provided (1) for designated services carried on a single connection to a subscriber's primary residence, and (2) for designated services carried to businesses located in rural, insular and other high cost areas and with only single connections.¹⁸³ The Joint Board concluded that single-connection residences and single-connection businesses both require access for health, safety, and employment reasons.¹⁸⁴ The Joint Board found that support for a second connection is not necessary for a household to have "access" to telecommunications and information services, pursuant to section 254(b)(2).¹⁸⁵ In addition, the Joint Board determined that universal service support should not

¹⁸¹ GTE comments at 84 n.124.

¹⁸² 47 U.S.C. § 254(b)(3).

¹⁸³ Recommended Decision, 12 FCC Rcd at 132. Consistent with the principle of competitive neutrality, the Joint Board referred to "connections" rather than "lines."

¹⁸⁴ Recommended Decision, 12 FCC Rcd at 133 (citing MTS and WATS Market Structure, Memorandum Opinion and Order, 101 FCC 2d 1222 (1985)).

¹⁸⁵ Recommended Decision, 12 FCC Rcd at 132.

APPENDIX B

**BEFORE THE PUBLIC UTILITIES COMMISSION
OF THE STATE OF SOUTH DAKOTA**

IN THE MATTER OF THE PETITION OF U S WEST)
COMMUNICATIONS, INC. TO HAVE ITS)
NONCOMPETITIVE SERVICES REGULATED AS) **ORDER GRANTING**
PROVIDED FOR IN SDCL §49-31-4.1) **APPROVAL OF STIPULATION**
AND **ADDENDUM**
TC94-121)

On December 28, 1994, U S WEST Communications (U S WEST) filed with the Public Utilities Commission (Commission) a Petition Pursuant to SDCL 49-31-4.1 and Attachment A entitled Memorandum in Support of Petition. SDCL 49-31-4.1 provides for public hearings to investigate methods of price regulation for noncompetitive services. In its memorandum, U S WEST stated that it "seeks to have all of its noncompetitive services price regulated. That would include residential, business and agribusiness local exchange service, emergency services, switched access services, and any services which would be covered by the catchall provision of SDCL 49-31-1.1(6), or which may be reclassified as noncompetitive pursuant to SDCL 49-31-3.4."

On December 29, 1994, the Commission faxed notice of the filing and the intervention deadline of January 18, 1995, to interested individuals and entities. The Commission received petitions to intervene from Dakota Cooperative Telecommunications, Inc. (DCT), the South Dakota Independent Telephone Coalition, Inc. (SDITC), MCI Telecommunications Corporation (MCI), Midco Communications (Midco), LDDS, TeleTech, TCIC, FirstTel, Tel Serv. AT&T Communications of the Midwest, Inc. (AT&T), and from the following South Dakota Radio Common Carriers: Pierre Radio Paging & Telephone, Inc., Vantek Communications, Inc., B & L Communications, Mitchell Two Way Radio, Nelson Electronics, Inc., Booker Communications, Dakota Electronics, Rees Communications, A & M Radio, Inc., Frey's Electronics, and Milbank Communications [hereinafter referred to as Common Carriers].

At its regularly scheduled January 24, 1995, meeting, the Commission considered the Petitions to Intervene, the setting of a procedural schedule, and requirement of a deposit. The Commission found that all of the Petitions to Intervene were timely filed and demonstrated good cause for granting intervention. The Commission then directed the Executive Director to set a procedural schedule. The Commission voted to require U S WEST to make a deposit not to exceed \$75,000 in amounts as directed by the Executive Director.

Commission Staff and U S WEST entered into a Stipulation and Agreement which was filed on June 12, 1995.

A hearing on the Stipulation was held at 1:00 p.m. on Monday, August 14, 1995, in Room LCR-1 of the State Capitol Building in Pierre. At the hearing, U S WEST introduced a petition from the South Dakota Independent Telephone Coalition (SDITC), an intervenor in this docket, in which SDITC stated its intention to withdraw its intervention in this docket. At its August 23, 1995, meeting, the Commission, pursuant to ARSD 20:10:01-02.04, granted SDITC's request to withdraw its intervention.

On September 19, 1995, at its regularly scheduled meeting, the Commission considered whether to approve the Stipulation. Chairman Stofferahn moved to defer action regarding the Stipulation. Commissioner Burg made a substitute motion to reject the proposed Stipulation that had been presented to the Commission by Staff and U S WEST. This motion died for lack of a second. Commissioner Schoenfelder then made a substitute motion to reject the proposed Stipulation and go to hearing. That motion died for lack of a second. Commissioner Burg seconded Chairman Stofferahn's original motion to defer and directed Staff to prepare service quality standards. Commissioner Schoenfelder dissented. The Commission ordered a 60 day time frame for preparation of service quality standards.

On December 18, 1995, Staff and U S WEST filed with the Commission an Addendum to Original Stipulation and Agreement, a Stipulation and Agreement As To Service Quality Standards with attached Exhibit A, and two Staff Memorandums. On December 27, 1995, at a duly noticed ad hoc meeting, the Commission considered whether to approve the Addendum to Original Stipulation and Agreement, and the Stipulation and Agreement As To Service Quality Standards with attached Exhibit A.

Staff and representatives from U S WEST answered the Commission's questions regarding the above mentioned documents. Commissioner Burg moved to amend Exhibit A to a cap of 25% for missed commitments under the Provisioning of Service Standard. U S WEST would not be allowed a second increase, including the 60 cents for touch tone service, if it failed to meet this criteria. This motion died for lack of a second.

Commissioner Schoenfelder moved to adopt the Stipulation and Agreement filed on June 12, 1995, subject to the following:

- 1.) Adopt the Addendum to Original Stipulation and Agreement filed with the Commission on December 18, 1995,
- 2.) Reject the Stipulation and Agreement As To Service Quality Standards with attached Exhibit A, filed with the Commission on December 18, 1995, and
- 3.) Review U S WEST's performance of service quality standards at the end of 12 months following the effective date of the increase. Based upon the Commission's investigation of U S WEST's performance, the second increase, scheduled to be implemented at the end of 18 months from the first increase, may be delayed or rejected. Chairman Stofferahn seconded the motion. Commissioner Burg concurred.

The Commission having considered the Petition and Memorandum in Support of Petition, the evidence introduced at the hearing, the Addendum to Original Stipulation and Agreement, the Stipulation and Agreement As To Service Quality Standards with attached Exhibit A, two Staff Memorandums, the arguments of counsel, and being fully advised on the premises, now makes and enters its Findings of Fact and Conclusions of Law as follows:

FINDINGS OF FACT

I.

On December 28, 1994, U S WEST filed with the Commission a Petition Pursuant to SDCL 49-31-4.1 and Attachment A entitled Memorandum in Support of Petition.

II.

SDCL 49-31-4.1 states as follows:

The commission shall, on its own motion or upon petition, hold public hearings investigating methods of price regulation consistent with § 49-31-1.4 and chapter 1-26. Within thirty days of its receipt of a petition filed pursuant to this section, the commission shall issue a procedural schedule setting forth dates by which written direct testimony or data shall be filed and ordering the date for commencement of a hearing.

If the investigation indicates that pricing regulation is appropriate for any noncompetitive service because such regulation has a positive impact on universal service and is more reasonable and fair than rate of return regulation, the commission may adopt pricing regulation for any such noncompetitive service.

III.

On December 29, 1994, the Commission faxed notice of the filing and the intervention deadline of January 18, 1995, to interested individuals and entities.

IV.

The Commission received petitions to intervene from Dakota Cooperative Telecommunications, Inc. (DCT), the South Dakota Independent Telephone Coalition, Inc. (SDITC), MCI Telecommunications Corporation (MCI), Midco Communications (Midco), LDDS, TeleTech, TCIC, FirstTel, Tel Serv, AT&T Communications of the Midwest, Inc. (AT&T), and from the following South Dakota Radio Common Carriers: Pierre Radio Paging & Telephone, Inc., Vantek Communications, Inc., B & L Communications, Mitchell Two Way Radio, Nelson Electronics, Inc., Booker Communications, Dakota Electronics, Rees Communications, A & M Radio, Inc., Frey's Electronics, and Milbank Communications [hereinafter referred to as Common Carriers].

V.

At its regularly scheduled January 24, 1995, meeting, the Commission found that all of the Petitions to Intervene were timely filed and demonstrated good cause for granting intervention.

VI.

Commission Staff and U S WEST entered into a Stipulation and Agreement which was filed on June 12, 1995.

VII.

A hearing on the Stipulation and Agreement was held on August 14, 1995. Of the intervenors only AT&T and DCT chose to participate in the hearing. MCI, Midco, LDDS, TeleTech, TCIC, FirstTel, Tel Serv and the Common Carriers chose to monitor the case and SDITC filed a Withdrawal of intervention which was granted by the Commission on August 23, 1995.

VIII.

The test year employed for this filing was 1993.

IX.

U S WEST has not had a general rate increase since 1985. Traditional ratemaking mandates that U S WEST be allowed to recover its cost of service as soon as current revenues are determined insufficient.

X.

U S WEST has shown that current rates for residence basic local service are inadequate for recovery of cost of service.

XI.

Under traditional rate of return regulation, depreciation expense is a large part of the cost of service.

XII.

A significant portion of the increased capital recovery (depreciation) will be expensed with no corresponding reimbursement by U S WEST customers.

XIII.

The Stipulation and Agreement "rolls in" the cost of touch tone service into the basic monthly rate. This will eliminate the current separate charge of \$1.50 per month for residence customers and \$2.00 for business customers.

XIV.

Approximately 70% of telecommunications customers pay for touch tone service.

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XV.

On December 18, 1995, Staff and U S WEST filed an Addendum to Original Stipulation and Agreement. The purpose of the Addendum was to clarify how the Outside the Base Rate Area (OBRA) charges would be handled pursuant to the Stipulation and Agreement filed on June 12, 1995.

XVI.

OBRA charges are those added to the basic local service rate which range from an additional \$2.10 per month for four party service, \$2.25 for two party service, and \$3.00 for single party service.

XVII.

Staff and U S WEST agree to eliminate all OBRA charges to the local monthly billing.

XVIII.

The elimination of the OBRA charges requires a shift of the related revenue requirement.

XIX.

The revenue requirement will be allocated to all residential and business customers resulting in a charge of \$.35 per line per month increasing the ceiling to \$19.35 for residence basic local service and \$38.40 for business basic local service.

XX.

The effect of this change is that those single party residential customers located outside the base rate area who are charged an additional \$3.00 per month will actually see a decrease of \$.55 when U S WEST implements its rate increase of \$2.45. Single party residential customers located outside the base rate area with touch tone service will receive a total bill decrease of \$2.05 due to the elimination of the \$1.50 touch tone charge. Residential customers located in the base rate area will receive an increase of \$2.45. Residential customers located in the base rate area with touch tone service will receive a total bill increase of \$.95 due to the elimination of the \$1.50 touch tone charge.

XXI.

The Stipulation and Agreement cost of service reflects an 11.5% return on equity applied to a capital structure with less than a 60% equity ratio.

XXII.

Switched access rates will continue to be limited by a ceiling determined by using the switched access rules currently in place.

XXIII.

That price regulation has a positive impact on universal service as the basic thrust of appropriately applied price regulation is to assure the availability of modern communication

services for all U S WEST customers while also providing protection against upward spiraling rates.

XXIV.

That the price of cellular service as an alternative to basic local service would be as much, if not more, than basic local service.

XXV.

That price regulation would permit U S WEST to have the flexibility to price its services to meet competition which benefits its customers.

XXVI.

In a competitive environment, price regulation allows pricing flexibility which results in more reasonable and fair rates.

XXVII.

U S WEST agrees to an aggressive program of investment in network infrastructure. The specifics are as follows:

Time Frame for Capital Deployment

	Capital Deployment	
	Begin	End
1. CLASS	1996	1997
2. Single Party Service	1996	2000
3. South Dakota Infrastructure Plan		
SMAS (Special Metallic Access Systems)	1996	1998
DACS (Digital Access & Cross Connect System)	1996	1999
SONET Multiplexers	1996	1998
Frame Relay	1996	1997
ATM Switches	1996	1997
Local Fiber Distribution	1996	1999
RSM (Remote Switch Modules)	1996	1997
Internet Service	1995	1996
4. Distance Learning	1996	1996

The estimated value of these investments is approximately \$25 million dollars.

XXVIII.

The Stipulation and Agreement and Addendum allows for a rate increase of \$2.45 for

residential basic local exchange service and a price ceiling of \$19.35 which is below the fully allocated cost of service for that service and an increase of \$2.75 for business basic local exchange service with a price ceiling of \$38.40.

XXIX.

That the price regulation plan applies only to the exchanges of U S WEST which are not a part of the sale of exchanges.

BASED on the foregoing Findings of Fact, the Commission now makes the following:

CONCLUSIONS OF LAW

I.

The Commission has jurisdiction over this matter pursuant to SDCL Chapters 1-26 and 49-31, specifically 1-26-17 through 1-26-25 inclusive, 49-31-1.1, 49-31-1.4, 49-31-3, 49-31-3.1, 49-31-4, 49-31-4.1, 49-31-5, 49-31-7, 49-31-7.1, and 49-31-12.

II.

That the Findings of Fact set forth above have been established by plain, clear, and convincing evidence.

III.

The Commission finds that upon investigation of the approved price regulation plan, that it is more appropriate as a form of regulation for services which are classified as noncompetitive but which are moving toward competition than is the current rate of return regulation. This price regulation plan should have a positive impact on universal service and should be more reasonable and fair than rate of return regulation.

Pursuant to SDCL Chapter 1-26, the Commission hereby enters its final decision in this matter. It is therefore

ORDERED that the Stipulation and Agreement with Attachment A filed on June 12, 1995, and the Addendum to Original Stipulation and Agreement filed on December 18, 1995, both of which are incorporated herein by this reference, shall be approved as filed; it is further

ORDERED that the Commission shall review U S WEST's service quality performance at the end of 12 months following the effective date of the increase. Based upon the Commission's approval of U S WEST's performance, the proposed second increase may be implemented at the end of 18 months from the first increase; it is further

ORDERED that based upon the Commission's approval of U S WEST's performance, the proposed third increase may be implemented at the end of 36 months from the effective date of the first increase; it is further

ORDERED that the technologies found in Finding of Fact XXVII shall be deployed within the time frames as set forth in Finding of Fact XXVII unless the Commission otherwise orders; and it is further

ORDERED that the Stipulation and Agreement As To Service Quality Standards with attached Exhibit A is hereby rejected and Docket TC94-121 is hereby closed.

Pursuant to SDCL 1-26-32, this Order Granting Approval of Stipulation and Addendum becomes effective 10 days after the date of receipt or failure to accept delivery of the decision by the parties.

PLEASE TAKE NOTICE that this Order Approving Stipulation and Addendum in Docket TC94-121 was duly entered on the 8th day of January, 1996, and filed in the Commission's docket.

Dated at Pierre, South Dakota, this 8th day of January, 1996.

CERTIFICATE OF SERVICE	
This undersigned hereby certifies that this document has been served truly upon all parties of record in this docket, as listed on the docket service list by facsimile or by first class mail in properly addressed envelopes, with charges prepaid thereon.	
By	<u>Debra A. Korte</u>
Date	<u>1/8/96</u>
(OFFICIAL SEAL)	

BY ORDER OF THE COMMISSION:

Kenneth Stofferahn
KENNETH STOFFERAHN, Chairman
James A. Burg
JAMES A. BURG, Commissioner
Laska Schoenfelder
LASKA SCHOENFELDER, Commissioner

APPENDIX C

1 Agreement included a US West Investment Plan. The
2 settlement was approved by Commission Order, dated
3 January 8, 1996. The approved Investment Plan includes
4 projects which improve service quality. The
5 combination of being subject to Commission Order in
6 docket TQ-4-121 and affecting service quality means the
7 Investment Plan is of concern in this proceeding. My
8 testimony reviews the current status of the Investment
9 Plan.

10 Q. Is staff making a recommendation to the
11 Commission whether to approve or deny a second stage
12 increase at this time?

13 A. No. The staff in Docket TC9-4121 proposed
14 service quality standards to be used as a basis for
15 granting or denying the second stage increase. These
16 proposed standards were not adopted by the Commission.
17 The Commission on February 20, 1997, opened docket
18 TC97-016 in order for staff to review U S West's
19 service quality. Although the Commission's Order did
20 not identify specific areas of review, staff has taken
21 a broad approach with regard to review of potential
22 issues. This approach requires evaluation of any
23 evidence which may be forthcoming or further clarified
24 at this hearing. Staff, after evaluating additional
25 evidence, may make a recommendation in a post hearing

1 brief.
2 MS. WIEST: I would move admission of Exhibit
3 2.

4 MS. CREMER: Are there any objections by the
5 parties? Intervenor? Hearing none, it's admitted.

6 MS. WIEST: This witness is available for
7 cross.

8 MR. HEASTON: I have no questions.

9 MS. CREMER: AT&T7

10 MR. LOVALD. No questions.

11 MS. CREMER: MCT?

12 MR. SAITR: No questions.

13 MS. CREMER: Commissioners?

14 CHAIRMAN BURG: Probably the biggest one I
15 have, of course, there's been a lot of discussion here
16 both about the investment, both the 25 million that's
17 in this docket, as well as the gain on sale. Would you
18 also have the position that the gain on sale was not
19 contingent upon investment?

20 A. That's correct, it was not.

21 CHAIRMAN BURG: And on this one what's your
22 opinion of how much investment has been made to date?

23 A. Well, the numbers -- I have the numbers as of
24 12-31-96, which would be, you know, about five months
25 ago. And at that point approximately 11.9 million had

1 been spent. Not all of it. Some of it capital, some
2 of it expense.

3 CHAIRMAN BURG: Was there any requirement
4 that a certain amount be spent by a certain -- you
5 know, before the second increment went in?

6 A. No, other than in your Order which approved
7 the settlement, there were time lines established. The
8 time lines essentially gave, the way I looked at it, a
9 deadline for U S West to have completed certain
10 projects. Now, for instance, with regard to one-party
11 service, that time line doesn't end until - I forget
12 the date, but it's 1999 or the year 2000. But there
13 are certain others where the deadline date was 1996 or
14 1997, and those cases at this point U S West has stayed
15 in compliance with the deadlines that were set in your
16 Order.

17 CHAIRMAN BURG: Okay. So you're saying that
18 everything that had a deadline prior to today has been
19 met?

20 A. Yes, and generally well ahead of time.

21 CHAIRMAN BURG: Did you do any of the portion
22 on the quality of service?

21 A No.

24 CHAIRMAN BURG: That will be another witness;
25 right? I think that's all I have right now.

1 COMMISSIONER NELSON: In describing in
2 Mr. Lehner's testimony, prefilled testimony, and the
3 testimony he gave today, he described the history of
4 the 121 agreement. And he indicated that in his
5 discussion with the staff and U S West, there was the
6 talk about investing 25 million in new services and the
7 network enhancements. He also indicated that U S West
8 in return would be allowed to increase its residential
9 rates in three phases. Do you agree with that?

10 A. Yes.

11 COMMISSIONER NELSON: Can you point to
12 specific language in the Stipulation and the Agreement
13 with the staff that specifically which provides that
14 the price ceiling was to be allowed in return for U S
15 West's investment in the plan?

16 A. What I can do is point to page 13 of the
17 Stipulation and Agreement, paragraph 25. Now, that
18 language doesn't specifically address each issue; but
19 as a blanket matter, from my point of view, applies to
20 all the issues.

21 COMMISSIONER NELSON: Okay. Thank you. Can
22 you also tell me who drafted the Stipulation and
23 Agreement?

24 A. I don't recall, but I assume the attorneys
25 for each side drafted the Stipulation and Agreement.

Q 144.47.128

CERTIFICATE OF SERVICE

The undersigned certifies that on this 7th day of January 1998, an original and ten (10) copies of the foregoing **APPLICATION FOR REHEARING** of U S WEST Communications, Inc. was sent via overnight mail to the following:

Mr. William Bullard
Executive Director
South Dakota Public Utilities Commission
State of South Dakota
500 East Capitol
Pierre, South Dakota 57501



U S WEST Communications, Inc.

South Dakota
Public Utilities Commission
State Capitol 500 E. Capitol
Pierre, SD 57501-5070
Phone: (605) 773-3705
Fax: (605) 773-3809

TELECOMMUNICATIONS SERVICE FILINGS

These are the telecommunications service filings that the Commission has received for the period of:

01/02/98 through 01/08/98

If you need a complete copy of a filing faxed, overnight expressed, or mailed to you, please contact Delaine Koibo within five days of this filing.

DOCKET NUMBER	TITLE/STAFF/SYNOPSIS	DATE FILED	INTERVENTION DEADLINE
REQUEST FOR CERTIFICATE OF AUTHORITY			
TC98-001	Application by A C S TEL COM INC. for a Certificate of Authority to operate as a telecommunications company within the state of South Dakota. (Staff: TS/KC) "A C S TEL COM offers two types of card services: (1) A Post-paid calling card services, and, (2) A Prepaid calling card service."	01/02/98	01/23/98
TC98-002	Application by Business Calling Plan, Inc. for a Certificate of Authority to operate as a telecommunications company within the state of South Dakota. (Staff: TS/CH) "Applicant offers outbound, switched access ... services designed primarily for small business customers."	01/08/98	01/23/98
TC98-003	Application by Telephone Company of Central Florida, Inc. for a Certificate of Authority to operate as a telecommunications company within the state of South Dakota. (Staff: TS/KC) "The Company, proposes to provide intrastate long distance service in conjunction with its interstate long distance service... The Company plans on offering the following services to its customers: Direct Dial 1+, Inbound Toll Free, Travel Card, Debit Card, Casual Calling, and Directory Assistance."	01/08/98	01/23/98
APPLICATION FOR REHEARING			
TC97-163	U S WEST Communications, Inc. applied for a rehearing in the docket granting it designation as an eligible telecommunications carrier. "U S WEST respectfully requests that the Commission rehear and reconsider Finding of Fact XX, Conclusion of Law VI to the extent that it addresses single party service, and the FURTHER ORDERED provision relative to single party service on page 6 of the December 17, 1997 order in this docket to allow U S WEST to rely on the approved timetable as allowed by the FCC order." (Staff: HB/KC)	01/08/98	

Important Notice: The Commission is compiling a list of internet addresses. If you have an internet address please notify the Commission by E-mailing it to Terry Norum at: terryn@pub.state.sd.us. Faxing the address to the Commission at: 605-773-3809

U S WEST, Inc.
1801 California Street, Suite 5100
Denver, Colorado 80202
303 672-2810
Facsimile 303 295-7069

William P. Heaston
Senior Attorney

Via Facsimile and Overnight Delivery

January 30, 1998

Mr. William Bullard, Jr.
South Dakota Public Utilities Commission
500 E. Capitol Avenue
Pierre, SD 57501

USWEST

RECEIVED

FEB 02 1998

**SOUTH DAKOTA PUBLIC
UTILITIES COMMISSION**

RE: Eligible Telecommunications Carrier Status - TC97-163

Dear Mr. Bullard:

The Commission has placed U S WEST's request to reconsider its order in this docket concerning the time frame within which U S WEST must convert its multi-party service to one-party service. U S WEST would also request that in addition to that issue, the Commission consider revising the order to reflect the FCC's most recent findings with regard to toll control.

On December 30, 1997, the FCC issued its Fourth Order on Reconsideration in CC Docket No. 96-45 and a Report and Order in CC Docket Nos. 96-45, 96-262, 94-1, 91-213, and 95-72. In paragraphs 114 and 115 (copy attached) of this order the FCC defines toll limitation as either toll blocking or toll control and requires a time-limited waiver only where the carrier, for technical reasons, is unable to provide any toll limitation service at all. Thus, the time-limited waiver discussed in Paragraph XXI of the Findings of Fact, Paragraph VI of the Conclusions of Law, and the second FURTHER ORDERED paragraph on page 6 of the Order are no longer consistent with FCC requirements and should not be imposed.

U S WEST requests that the Commission additionally reconsider its order in this docket on this issue.

Sincerely,



William P. Heaston

Encl.

0144-47-131

toll-call-blocking should be provided free-of-charge on grounds that most LECs, in providing toll-blocking service, are not able to differentiate between interstate, intrastate, or international calls.

3. Discussion

114. We believe that low-income consumers eventually should have the choice of selecting either toll blocking or toll control to restrict their toll usage. We conclude, however, that giving consumers such an option is not viable at this time. Based on the record before us, we find that an overwhelming number of carriers are technically incapable of providing both toll-limitation services, particularly toll-control services, at this time.¹⁴⁶ Under our current rules, carriers technically incapable of providing both types of toll-limitation services must seek from their state commissions a time-limited waiver of their obligation to provide both toll blocking and toll control.¹⁴⁷ Given that a large number of carriers are technically incapable of providing both toll blocking and toll control at this time, we believe that requiring carriers to provide both would result in an unnecessarily burdensome process for state commissions required to act on a large number of waiver proceedings.¹⁴⁸

115. In light of these concerns, we believe that requiring carriers to provide at least one type of toll-limitation service is sufficient to provide low-income consumers a means by which to control their toll usage and thereby maintain their ability to stay connected to the public switched telephone network. Weighing the burdens on the states and the need to have carriers designated in a short time frame against the goal of giving low-income consumers a full range of options for controlling toll usage, we define toll-limitation services as either toll blocking or toll control and require telecommunications carriers to offer only one, and not necessarily both, of those services at this time in order to be designated as eligible telecommunications carriers. We note, however, that if, for technical reasons, a carrier cannot provide any toll-limitation service at this time, the carrier must seek a time-limited waiver of this requirement to be designated as eligible for support during the period it takes to make the network changes needed to provide one of those toll-limitation services. In addition, if a carrier is capable of providing both toll blocking and toll control, it must offer qualifying low-income consumers a choice between toll blocking and toll control. Because we agree with Catholic Conference that all qualifying low income consumers ideally should be offered their choice of toll blocking or toll control, we plan to monitor and revisit this issue if we

¹⁴⁶ See RTC petition at 24; USTA petition at 5-6; Ameritech opposition at 5-6; AT&T opposition at 24-25; GTE opposition at 16.

¹⁴⁷ 47 C.F.R. § 54.101(c).

¹⁴⁸ Because state commissions are to designate eligible telecommunications carriers by January 1, 1998, these waiver proceedings would need to be completed prior to or on that date.

determine that technological impediments to carriers' ability to offer toll limitation have been reduced or eliminated. We also encourage carriers to develop and investigate cost-effective ways to provide toll-control services.

116. We further conclude that carriers offering Lifeline service will not be required to provide toll-limitation services other than those specifically identified in the *Order*. The Commission defined toll blocking as a service that allows customers to block outgoing toll calls, and defined toll control as a service that allows customers to limit in advance their toll usage per month or billing cycle.¹⁴⁹ Therefore, carriers offering Lifeline service will not be required to offer, for example, international toll-call-blocking or toll blocking that allows callers with a Personal Identification Number (PIN) to make toll calls, as suggested by the Florida Commission. While we encourage carriers to offer Lifeline consumers, free of charge, toll-limitation services that include functions and capabilities beyond those described in the *Order*, we are persuaded by USTA that most carriers currently are technically incapable of providing these additional services. Furthermore, regarding the issue of whether toll control must limit collect calls, we conclude that, like toll blocking, toll control only must allow consumers to limit outgoing calls.

117. In response to the Texas Commission's request, we reiterate that toll-limitation services for qualifying low-income subscribers are included in the definition of the "core" or "designated" services that will receive universal service support. A carrier must provide these core services throughout its entire service area in order to be designated an eligible telecommunications carrier.¹⁵⁰ We further clarify that, compliance with the no disconnect rule¹⁵¹ and the prohibition on deposit rule¹⁵² are not specific preconditions to being designated an eligible telecommunications carrier. Once designated as an eligible telecommunications carrier, however, that carrier must offer all Lifeline and LinkUp services to qualifying low-income subscribers.¹⁵³

B. Recovery of PICC

1. Background

¹⁴⁹ *Order*, 12 FCC Rcd at 8978-8979. See also 47 C.F.R. § 54.400(2).

¹⁵⁰ See *Order*, 12 FCC Rcd at 8821-8822.

¹⁵¹ The no disconnect rule prohibits carriers from disconnecting customers who participate in the Lifeline program for nonpayment of toll charges. See *Order*, 12 FCC Rcd at 8983-8988.

¹⁵² The prohibition on deposit rule provides that qualifying low-income consumers who elect toll blocking may not be required to pay service deposits. See *Order*, 12 FCC Rcd at 8988-8990.

¹⁵³ See 47 C.F.R. §§ 54.405, and 54.411.

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133

**BEFORE THE PUBLIC UTILITIES COMMISSION
OF THE STATE OF SOUTH DAKOTA**

IN THE MATTER OF THE FILING BY U S)	ORDER GRANTING AND
WEST COMMUNICATIONS, INC. FOR)	DENYING REQUESTS FOR
DESIGNATION AS AN ELIGIBLE)	RECONSIDERATION
TELECOMMUNICATIONS CARRIER)	TC97-163

On October 10, 1997, the Public Utilities Commission (Commission) received a request for designation as an eligible telecommunications carrier (ETC) from U S WEST Communications, Inc. (U S WEST). U S WEST requested designation as an eligible telecommunications carrier for all areas in which it is authorized to provide service in South Dakota.

The Commission electronically transmitted notice of the filing and the intervention deadline to interested individuals and entities. No person or entity filed to intervene. By order dated November 7, 1997, the Commission set the hearing for this matter for 1:30 p.m. on November 19, 1997, in Room 412, State Capitol, Pierre, South Dakota.

The hearing was held as scheduled. At its December 12, 1997, meeting, the Commission granted ETC designation to U S WEST, granted waivers for the provisioning of toll control and single party service, and designated each of its exchanges as a separate service area. The Commission issued its written decision on December 17, 1997.

On January 8, 1998, the Commission received an Application for Rehearing from U S WEST. U S WEST requested that the Commission rehear and reconsider Finding of Fact XX, Conclusion of Law VI, and an ordering clause that addresses the provisioning of single party service. U S WEST stated that it should have relied on ¶ 93 of the FCC's universal service order in CC Docket No. 96-45 (FCC 97-157). This paragraph provides as follows:

[The FCC] recognize[s] that some state commissions already may have mandated single-party service for telecommunications service providers serving their jurisdictions. If a state commission has adopted a timetable by which carriers must offer single-party service, a carrier may rely upon that previously established timetable and need not request another transition period for federal universal service purposes. Specifically, where a state has ordered a carrier to provide single-party service within a specified period pursuant to a state order that precedes the release date of this Order, the carrier may rely upon the timetable established in that order and receive universal service support for the duration of that period.

U S WEST stated that in Docket TC96-121, the Commission approved a stipulation entered into between U S WEST and Commission Staff which included a timetable for single-party service to be completed by the end of the year 2000. U S WEST requested that it be allowed to rely on this approved timetable pursuant to ¶ 93.

On February 2, 1998, U S WEST also requested that the Commission consider revising its final order in this docket to reflect the FCC's recent revision of the toll limitation requirements. See Fourth Order on Reconsideration, CC Docket No. 96-45 ¶ 115 (December 30, 1997).

At its February 3, 1998, meeting, the Commission considered both requests for reconsideration. The Commission voted unanimously to deny U S WEST's request to rely on the timetable established in the investment plan in Docket TC96-121. The Commission found U S WEST could not rely on that timetable since U S WEST had unilaterally suspended the investment plan. The Commission then voted unanimously to reconsider the toll limitation requirements in light of the FCC's recent revisions concerning that issue. Upon reconsideration, the Commission voted unanimously to revise its order in this docket to reflect the FCC's toll limitation revision. It is therefore

ORDERED, that U S WEST's request to reconsider the Commission's decision regarding the implementation of single-party service is denied, and it is

FURTHER ORDERED, that U S WEST's request to reconsider the Commission's decision regarding toll limitation is granted, and it is

FURTHER ORDERED, that the Commission shall amend its Final Order and Decision in this docket to reflect the FCC's revisions regarding toll limitation.

Dated at Pierre, South Dakota, this 10th day of March, 1998.

CERTIFICATE OF SERVICE	
The undersigned hereby certifies that this document has been served today upon all parties of record in this docket, as listed on the docket service list, by facsimile or by first class mail, in properly addressed envelopes, with charges prepaid thereon.	
By	<u>Aldwin Kalle</u>
Date	<u>3/10/98</u>
(OFFICIAL SEAL)	

BY ORDER OF THE COMMISSION:

James A. Burg
JAMES A. BURG, Chairman

Pam Nelson
PAM NELSON, Commissioner

Laska Schoenfelder
LASKA SCHOENFELDER, Commissioner

0144.47.135

**BEFORE THE PUBLIC UTILITIES COMMISSION
OF THE STATE OF SOUTH DAKOTA**

IN THE MATTER OF THE FILING BY U S)	AMENDED FINDINGS OF
WEST COMMUNICATIONS, INC. FOR)	FACT, CONCLUSIONS OF
DESIGNATION AS AN ELIGIBLE)	LAW, ORDER AND NOTICE
TELECOMMUNICATIONS CARRIER)	OF ENTRY OF ORDER
	TC97-163

On October 10, 1997, the Public Utilities Commission (Commission) received a request for designation as an eligible telecommunications carrier (ETC) from U S WEST Communications, Inc. (U S WEST). U S WEST requested designation as an eligible telecommunications carrier for all areas in which it is authorized to provide service in South Dakota.

The Commission electronically transmitted notice of the filing and the intervention deadline to interested individuals and entities. No person or entity filed to intervene. By order dated November 7, 1997, the Commission set the hearing for this matter for 1:30 p.m. on November 19, 1997, in Room 412, State Capitol, Pierre, South Dakota.

The hearing was held as scheduled. At its December 12, 1997, meeting, the Commission granted ETC designation to U S WEST, granted waivers for the provisioning of toll control and single party service, and designated each of its exchanges as a separate service area.

Based on the evidence of record, the Commission enters the following Findings of Fact and Conclusions of Law.

FINDINGS OF FACT

I

On October 10, 1997, the Commission received a request for designation as an ETC from U S WEST. U S WEST requested designation as an ETC within the following local exchange areas: Aberdeen; Arlington; Belle Fourche; Canton; Cavour; Chamberlain; Colman; Deadwood; DeSmet; Elk Point; Flandreau; Fort Pierre; Hamsburg; Hill City; Huron; Iroquois; Lake Preston; Lead; Madison; McIntosh; Milbank; Miller; Mitchell; Morristown; Pierre; Rapid City; Redfield; Sioux Falls; Sisseton; Spearfish; Sturgis; Tea; Timber Lake; Vermillion; Volga; Watertown; Whitewood; and Yankton. Exhibits 1 and 2.

II

Pursuant to 47 U.S.C. § 214(e)(2), the Commission is required to designate a common carrier that meets the requirements of section 214(e)(1) as an ETC for a service area designated by the Commission.

III

Pursuant to 47 U.S.C. § 214(e)(1), a common carrier that is designated as an ETC is eligible to receive universal service support and shall, throughout its service area, offer the services that are 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. The carrier must also advise the availability of such services and the rates for the services using media of general distribution.

IV

The Federal Communications Commission (FCC) has designated the following services or functionalities as those supported by federal universal service support mechanisms: (1) voice grade access to the public switched network; (2) local usage; (3) dual tone multi-frequency signaling or its functional equal; (4) single party service or its functional equivalent; (5) access to emergency services; (6) access to operator services; (7) access to interexchange service; (8) access to directory assistance; and (9) toll limitation for qualifying low-income consumers. 47 C.F.R. § 54.101(a).

V

As part of its obligations as an ETC, an ETC is required to make available Lifeline and Link Up services to qualifying low-income consumers. 47 C.F.R. § 54.405; 47 C.F.R. § 54.411.

VI

U S WEST offers voice grade access to the public switched network to all consumers throughout its local exchange service areas. Tr. at 70.

VII

U S WEST offers local exchange service including an amount of local usage free of per minute charges to all consumers throughout its local exchange service areas. Tr. at 71.

VIII

U S WEST offers dual tone multi-frequency signaling to all consumers throughout its local exchange service areas. Id.

IX

As of October 31, 1997, U S WEST offers single party service to all but 612 consumers throughout its local exchange service areas. Tr. at 67. U S WEST requested a waiver of the requirement to provide single party service to all but 48 of those customers until June 30, 1998. Late-filed affidavit dated December 1, 1997; late-filed affidavit dated December 11, 1997. U S WEST requested a waiver of the requirement to provide single party service to the remaining 48 customers until December 31, 1999. Id. U S WEST stated that most of the 48 customers are located a long distance from the serving switch and facilities are not available to provide single party service. Late-filed affidavit dated December 11, 1997. U S WEST estimated the average cost to upgrade the remaining customers is \$45,000 per customer. Id.

X

U S WEST offers access to emergency services to all consumers throughout its local exchange service areas. Tr. at 71.

XI

U S WEST offers access to operator services to all consumers throughout its local exchange service areas. Id.

U S WEST offers access to interexchange services to all consumers throughout its local exchange service areas. Id.

XIII

U S WEST offers access to directory assistance to all consumers throughout its local exchange service areas. *Id.*

XIV

One of the services required to be provided by an ETC to qualifying low-income consumers is toll limitation. 47 C.F.R. § 54.101(a)(9). In its initial order, the FCC found that toll limitation consists of both toll blocking and toll control. 47 C.F.R. § 54.400(d). Toll control is a service that allows consumers to specify a certain amount of toll usage that may be incurred per month or per billing cycle. 47 C.F.R. § 54.400(c). Toll blocking is a service that lets consumers elect not to allow the completion of outgoing toll calls. 47 C.F.R. § 54.400(b). However, in its Fourth Order on Reconsideration, the FCC revised its definition of toll limitation and defined it as toll control or toll blocking. Thus, unless a carrier is capable of providing both toll blocking and toll control, it may offer either toll blocking or toll control. If a carrier is capable of providing both toll blocking and toll control, it must offer qualifying consumers a choice between the two. Fourth Order on Reconsideration, CC Docket No. 96-45, ¶ 115 (December 30, 1997).

XV

U S WEST offers toll blocking to all consumers throughout its local exchange service areas.

XVI

U S WEST does not currently offer toll control. Id.

XVII

With respect to the obligation to advertise the availability of services supported by the federal universal service support mechanism and the charges for those services using media of general distribution, U S WEST stated that it advertises the availability of its local exchange services in media of general distribution throughout its local exchange service areas. Id.

XIII

U S WEST currently offers Lifeline and Link Up service discounts in all of its local exchange service areas. Id.

XIX

The Commission finds that U S WEST currently provides and will continue to provide the following services or functionalities throughout its local exchange service areas: (1) voice grade access to the public switched network; (2) local usage; (3) dual tone multi-frequency signaling; (4) single-party service to all but 612 customers; (5) access to emergency services; (6) access to operator services; (7) access to interexchange service; (8) access to directory assistance; and (9) toll blocking for qualifying low-income consumers.

XX

The Commission finds that pursuant to 47 C.F.R. § 54.101(c) it will grant U S WEST a waiver of the requirement to offer single party service for all but 48 of the remaining 612 multi-party customers until June 30, 1998. The Commission further finds that it will grant U S WEST a waiver of the requirement to provide single party service for the remaining 48 customers until November 1, 1998. The Commission finds that exceptional circumstances prevent U S WEST from meeting the single party service requirement and will allow the waivers.

XXI

~~The Commission finds that pursuant to 47 C.F.R. § 54.101(c) it will grant U S WEST a waiver of the requirement to offer toll control services until December 31, 1998. The Commission finds that exceptional circumstances prevent U S WEST from providing toll control at this time. Since U S WEST is able to offer toll blocking, the Commission finds that U S WEST meets the requirements of providing toll limitation services pursuant to the FCC's Fourth Order on Reconsideration, CC Docket 96-45, ¶ 115 (released December 30, 1997).~~

XXII

The Commission finds that U S WEST intends to provide Lifeline and Link Up programs to qualifying customers throughout its local exchange service areas consistent with state and federal rules and orders.

XXIII

The Commission finds that U S WEST shall advertise the availability of the services supported by the federal universal service support mechanism and the charges therefor throughout its local exchange service areas using media of general distribution once each year. The Commission further finds that if the rate for any of the services supported by the federal universal service support mechanism changes, the new rate must be advertised using media of general distribution.

XXIV

Pursuant to 47 U.S.C. § 214(e)(5), the Commission must establish service areas for the purpose of determining universal service obligations and support mechanisms. U S WEST requested that the Commission designate each of U S WEST's exchanges as a separate service area. The Commission finds this to be reasonable and thus designates each of U S WEST's current exchanges listed in Finding of Fact I as a separate service area.

CONCLUSIONS OF LAW

I

The Commission has jurisdiction over this matter pursuant to SDCL Chapters 1-26, 49-31, and 47 U.S.C. § 214.

II

Pursuant to 47 U.S.C. § 214(e)(2), the Commission is required to designate a common carrier that meets the requirements of section 214(e)(1) as an ETC for a service area designated by the Commission.

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III

Pursuant to 47 U.S.C. § 214(e)(1), a common carrier that is designated as an ETC is eligible to receive universal service support and shall, throughout its service area, offer the services that are 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. The carrier must also advertise the availability of such services and the rates for the services using media of general distribution.

IV

The FCC has designated the following services or functionalities as those supported by federal universal service support mechanisms: (1) voice grade access to the public switched network; (2) local usage; (3) dual tone multi-frequency signaling or its functional equal; (4) single party service or its functional equivalent; (5) access to emergency services; (6) access to operator services; (7) access to interexchange service; (8) access to directory assistance; and (9) toll limitation for qualifying low-income consumers. 47 C.F.R. § 54.101(a).

V

As part of its obligations as an ETC, an ETC is required to make available Lifeline and Link Up services to qualifying low-income consumers. 47 C.F.R. § 54.405; 47 C.F.R. § 54.411.

VI

U S WEST has met the requirements of 47 C.F.R. § 54.101(a) with the exception of the ability to offer toll control and the ability to offer single party service to all of its customers. Pursuant to ~~47 C.F.R. § 54.101(c)~~, the Commission concludes that U S WEST has demonstrated exceptional circumstances that justify granting it a waiver of the requirement to offer toll control until December 31, 1998. The Commission further concludes that U S WEST has demonstrated exceptional circumstances that justify granting it a waiver of the requirement to offer single party service for all but 48 of the 612 multi-party customers until June 30, 1998, with the remaining 48 customers receiving a waiver until November 1, 1998.

VII

U S WEST shall provide Lifeline and Link Up programs to qualifying customers throughout its service area consistent with state and federal rules and orders.

VIII

U S WEST shall advertise the availability of the services supported by the federal universal service support mechanism and the charges therefor using media of general distribution once each year. If the rate for any of the services supported by the federal universal service support mechanism changes, the new rate shall be advertised using media of general distribution.

IX

Pursuant to 47 U.S.C. § 214(e)(5), the Commission designates each of U S WEST's 38 exchanges as listed in Finding of Fact 1 as separate service areas.

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X

The Commission designates U S WEST as an eligible telecommunications carrier for each of its service areas.

It is therefore

ORDERED, that each of U S WEST's 38 exchanges as listed in Finding of Fact I are designated as separate service areas; and it is

FURTHER ORDERED, that U S WEST shall be granted a waiver of the requirement to offer single party service to all but 48 of the 612 multi-party customers until June 30, 1998, with the remaining 48 customers receiving a waiver until November 1, 1998; and it is

~~FURTHER ORDERED, that U S WEST shall be granted a waiver of the requirement to offer toll control services until December 31, 1998; and it is~~

FURTHER ORDERED, that U S WEST shall follow the advertising requirements as listed above; and it is

FURTHER ORDERED, that U S WEST is designated as an eligible telecommunications carrier for each of its service areas.

NOTICE OF ENTRY OF ORDER

PLEASE TAKE NOTICE that this Amended Order was duly entered on the 10th day of March, 1998. Pursuant to SDCL 1-26-32, this Order will take effect 10 days after the date of receipt or failure to accept delivery of the decision by the parties.

Dated at Pierre, South Dakota, this 10th day of March, 1998.

CERTIFICATE OF SERVICE

The undersigned hereby certifies that this document has been served today upon all parties of record in this docket, as listed on the docket service list, by facsimile or by first class mail, in properly addressed envelopes, with charges prepaid thereon.

By Melanie Kaelin

Date 3/10/98

(OFFICIAL SEAL)

BY ORDER OF THE COMMISSION:

James A. Burg
JAMES A. BURG, Chairman

Pam Nelson
PAM NELSON, Commissioner

Laska Schoenfelder
LASKA SCHOENFELDER, Commissioner

U S WEST Communications
125 South Dakota Avenue 8th Floor
Sioux Falls, South Dakota 57194
Phone 605 339-5411
Fax 605 339-5390

Larry W. Toll
Vice President - South Dakota
Public Policy

December 7, 1998

U S WEST

RECEIVED

DEC 09 1998

SOUTH DAKOTA PUBLIC
UTILITIES COMMISSION

Mr. William Bullard, Executive Director
Public Utilities commission
State Capitol Building
Pierre, South Dakota 57501

FAX Received DEC 07 1998

Dear Mr. Bullard:

As you recall, approximately November 2nd I called to give you an updated status report of the 2- and 4-party customers.

The two DeSmet customers were cut over to single party on December 2. The two McIntosh customers were cut over November 24. At this time U S WEST has one Sturgis customer who is on a 2-party line but working alone on that line. He has chosen not to let us into his home to rewire his set. We are continuing to work with him to regrade him to single party service.

If you have any questions, please call me at 605-339-5411.

Sincerely,

