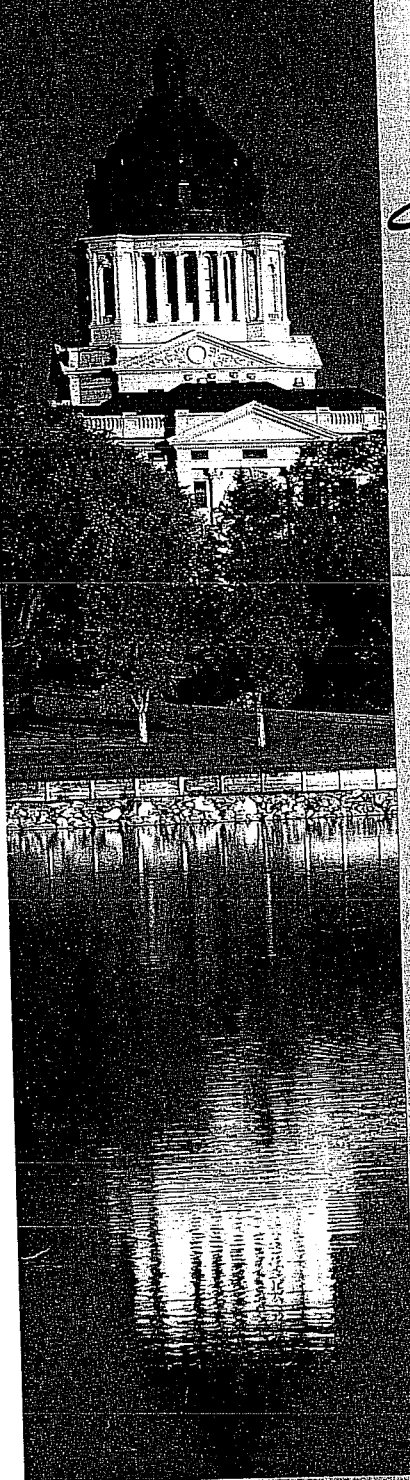
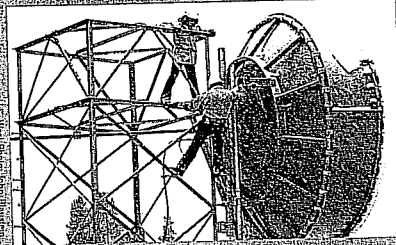
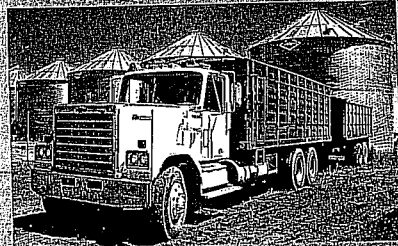
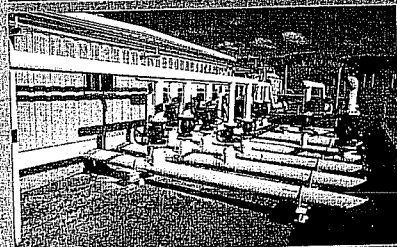
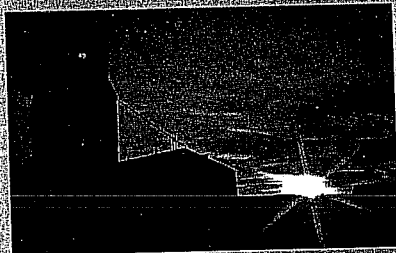


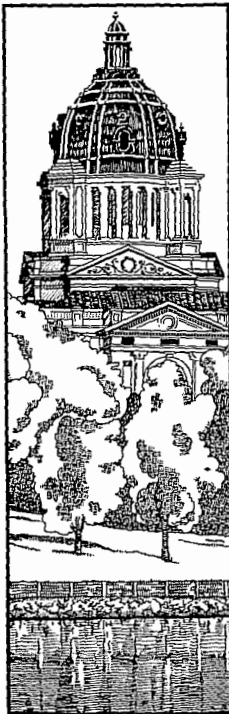
*South Dakota*

# Public Utilities Commission



## ANNUAL REPORT FY 89





*South Dakota*

# Public Utilities Commission

State Capitol, Pierre, South Dakota 57501-5070

Telephone (605) 773-3201

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TO THE GOVERNOR, LEGISLATORS AND PEOPLE OF SOUTH DAKOTA:

Nineteen hundred and eighty-nine was the Centennial Year for the Public Utilities Commission, as well as for the State of South Dakota. FY 89 has been an unusual and challenging year for the PUC. Beginning with the referral of Senate Bill 42 in June of 1988, the hotly contested changes in telecommunications regulation were held in abeyance and debate continued until SB 42 was affirmed by the voters.

In the November 1988 election, the voters chose Iaska Schoenfelder to replace Dennis Eisnach as a member of the Commission. In January, Lt. Governor Walter Dale Miller joined Chairman Jim Burg and Commissioner Schoenfelder as hearing officers for the precedent setting hearings on classification of the competitive status of various telecommunication services. US West Communications had brought suit against Commissioner Ken Stofferahn to remove him from the hearings, alleging that he had an unalterably closed mind against USWC. As that lawsuit escalated toward the South Dakota Supreme Court, Governor Mickelson appointed Lt. Governor Miller to help decide the competition dockets. Contained in the body of this report are more detailed explanations of these matters.

Although this has been a year of historic changes in telecommunications regulation, which seem to grab most of the headlines, that is not the only business of the PUC.

Two major rate cases, for Northern States Power Company and Minnegasco, are described in this report. Settlements of the last cases on the effects of the Tax Reform Act of 1986 were finalized. All those cases impact the utility ratepayers of South Dakota by many millions of dollars.

The winds of change may soon affect registration of trucking firms and grain elevators, so every area of the PUC is looking at a changing climate in regulation.

As we submit this report to the governor, legislators and people of South Dakota, 1990 promises to be as interesting and busy as the past year. We look forward to that challenge.

Respectfully submitted,

*Jim Burg*  
Jim Burg, Chairman  
SD Public Utilities Commission

Jim Burg  
Chairman  
Laska Schoenfelder  
Vice-Chairman  
Ken Stofferahn  
Commissioner

Marshall Damgaard  
Executive Director

Edward R. Anderson  
Della Andre  
Harlan Best  
Martin C. Bettmann  
Sue Cichos  
Richard D. Coit  
Jody Duffy  
Doug Eidahi  
Lisa Forest  
Richard Gallup  
Lewis Hammond  
Dave Jacobson  
Bob Knudle  
Jolene Nelson  
Nancy J. Nelson  
Dominica Oaks  
Gregory A. Rislov  
Mary Sieck  
Geoff Simon  
Marilyn Teske  
Steven M. Wegman  
Kally Jo Williams



# FORWARD

Created by State Statute, the South Dakota Public Utilities Commission is an independent, quasi-judicial, regulatory body of three members elected statewide to six year terms. The jurisdiction, powers and duties of the Commission are delegated to it by the South Dakota Legislature.

The state laws applicable to the Public Utilities Commission are found in Volume 14B, Title 49 of the South Dakota Codified Laws. These laws govern the regulation of motor carriers, telephone companies, public warehouses, grain dealers, energy facilities and transmission lines, and investor-owned electric and natural gas companies. From 1974 to the present time, the Public Utilities Commission has promulgated rules which cover the above listed utilities.

The Commission functions under direct general fund and other fund appropriations of the South Dakota Legislature, but it is charged with the responsibility of collecting certain fees for licenses, permits and charges including special hearing fund assessments in the Fixed Utilities Division.

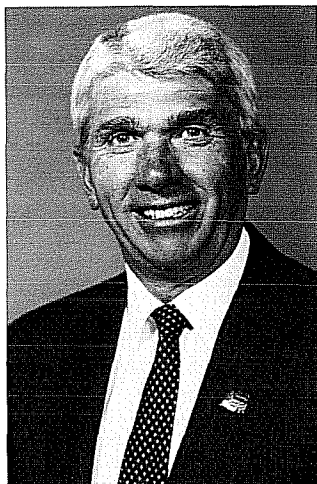
The special hearing fund assessments consist of a 1.5 mil tax assessed on the total intrastate gross receipts of utility companies received from retail customers within the State of South Dakota, which funds the daily work of the Fixed Utilities Division; and a \$75,000 assessment of the utility filing a specific rate case, to be used only for expenses incurred in that specific case.

A complete financial report of these fees and funds is included elsewhere in this report.

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# THE COMMISSIONERS



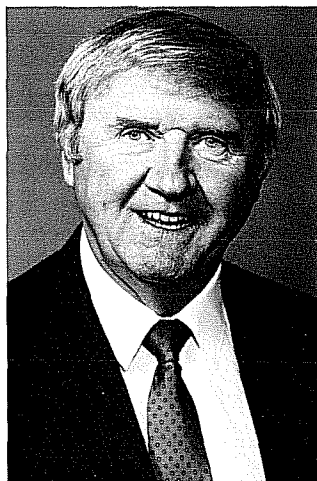
**Jim Burg**  
**Wessington Springs**

Jim Burg is a farmer, businessman, soldier, and a public servant. Jim and his wife Bernice are raising five children on their family farm just east of Wessington Springs. A 1963 graduate of South Dakota State University, he is past state 4-H president, a past board member of the South Dakota Chamber of Commerce and is the secretary-treasurer of the South Dakota Retailers Association. A National Guardsman since 1963, he attended the Army Command and General Staff College in 1984 and was promoted to Lt. Colonel in 1989. He served in the South Dakota House of Representatives (1975-84) and the State Senate (1985-86). Jim was elected to the PUC in 1986, becoming Chairman in 1989. He is currently vice chairman of the Administration Committee of the National Association of Regulatory Utility Commissioners.



**Laska Schoenfelder**  
**Pierre**

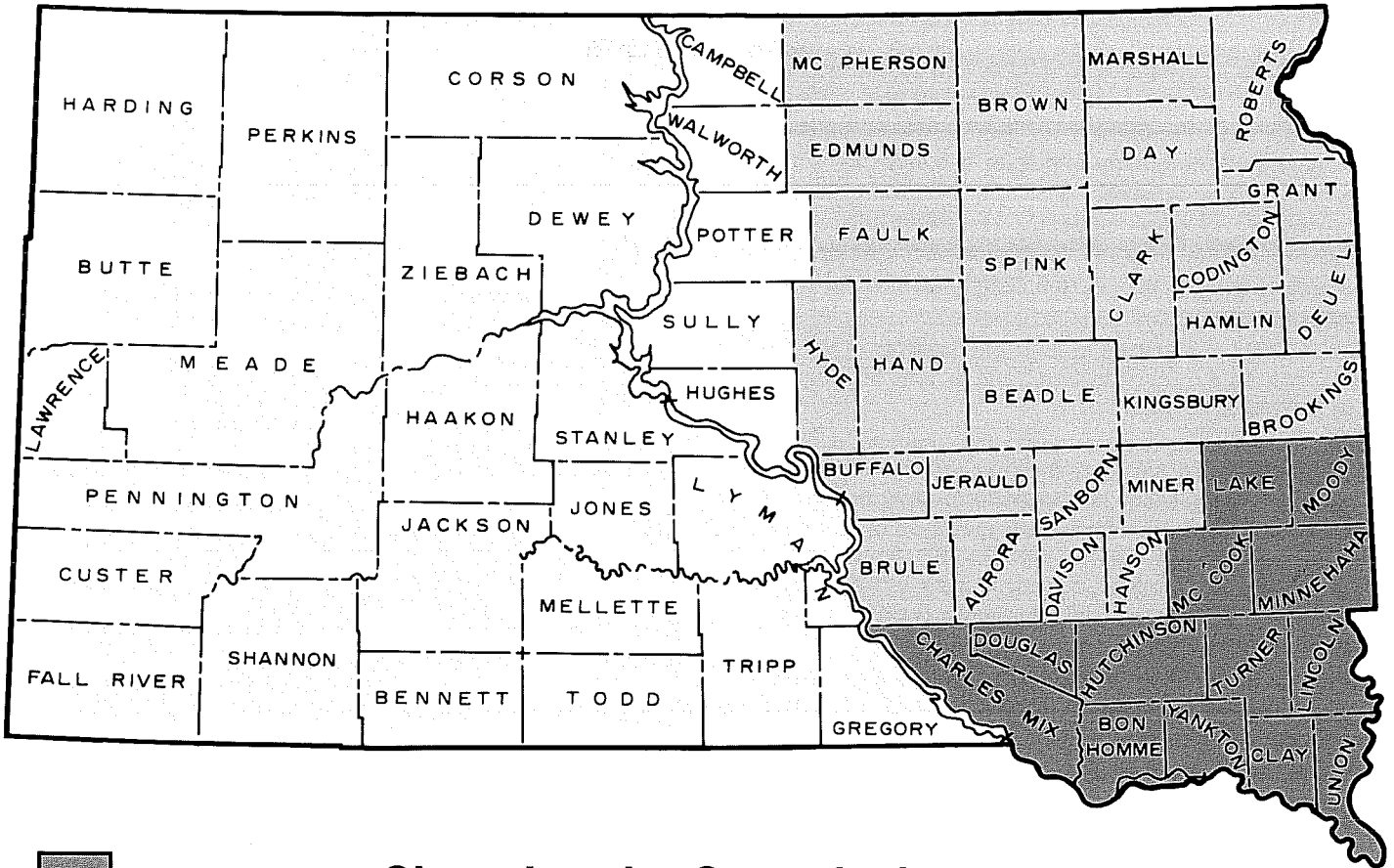
Laska Schoenfelder was born in Dupree and is the daughter of N.F. "Red" and Margaret Lyon of Perkins County. A graduate of Lemmon High School, Laska attended Methodist Hospital of Nursing at Dakota Wesleyan University. She is currently completing a business administration degree from DWU. From 1973 to 1982, she was Davison County Register of Deeds. She served state government as a Public Information Specialist for the Office of Highway Safety and as Coordinator of the Executive Intern Program. Laska and her husband Mike have a farm near Mount Vernon. They have five children. She was elected to the PUC in 1988 on a pledge to bring a fair and bipartisan atmosphere to the Commission.






**Ken Stofferahn**  
**Humboldt**

Ken Stofferahn has earned a reputation as an outspoken populist who stands up for the public interest and the consumer. Ken attended Humboldt High School, South Dakota State University (B.S. in Agriculture), and the National Judicial College. After serving in the South Dakota State House of Representatives, he was elected to the PUC in 1978 and re-elected in 1984. He is a board member of the National Regulatory Research Institute, a member of the Committee on Electricity of the National Association of Regulatory Utility Commissioners, and a member of Mid-America Regulatory Commissioners. He served in the South Dakota Air National Guard for seven years and is an Elk, a Mason, and a Shriner. Ken and his wife Diane have four children.

# PUBLIC UTILITIES COMMISSIONER DISTRICTS



-  District #1
-  District #2
-  District #3

## Choosing the Commissioners:

Members of the PUC have been elected by the public for nearly 100 years. Each commissioner represents one of three districts, and is elected for a staggered six-year term. Thus, one commissioner is elected on a statewide ballot every two years.

Each commissioner works full-time in Pierre, but must retain a legal residence in the district from which he or she is elected. The map above outlines the three districts.

# OVER A CENTURY OF SERVICE

## *The Public Utilities Commission's Origin—1885-1889:*

The coming of the railroads to the Dakota Territory brought vital transportation services, but there were also problems. There was only one railroad—a monopoly—so it could charge anything the market would bear. The farmers in Dakota Territory felt they were being fleeced of millions of dollars, and they carried their complaints to the government.

The Territorial Legislature responded, creating the Dakota Railroad Commission in 1885. The Commission used its authority to eliminate many of the discriminatory practices and ensure fair and reasonable rates.

With the coming of statehood in 1889, the functions of the Territorial Commission were transferred and became the South Dakota Railroad Commission.

The first South Dakota Legislature in 1889 significantly increased the duties and powers of the three member board, who at that time were appointed by the Governor. In 1897, the Legislature approved a new law which made the Board of Railroad Commissioners an elective office with six-year terms. The change was apparently intended to encourage a broader range of interest among the members and to make the Board directly responsible to the people.

To more accurately reflect its growing number of regulatory responsibilities, the name was changed to the Public Utilities Commission in 1939.

## *The Public Utilities Commission—Changing, Changeless:*

The state of South Dakota has changed significantly during the last 100 years, and the Public Utilities Commission has changed with it.

In order to protect the early South Dakota farmers, the Legislature placed the regulation of grain warehouses under the Railroad Commission in 1887.

In 1907, a telephone commission composed of the State Treasurer, State Auditor and a Telephone Commissioner was given regulatory authority over telephone and telegraph companies. The commission was abolished two years later and its authority was transferred to the Board of Railroad Commissioners.

During the 1925 legislative session, a comprehensive Motor Carrier Act was approved giving the Commission authority to regulate the trucking and busing industries.

In 1975, the South Dakota Legislature enacted a state law which gave the Public Utilities Commission jurisdiction over the regulation of natural gas and electric utilities. Since then, municipal

utilities, cooperatives and small independent companies have been removed from regulation of rates.

Railroads were effectively removed from the Commission's jurisdiction in 1980. Safety standards are still enforced by the State Department of Transportation.

In 1981, President Reagan signed into law the Record Carrier Competition Act, which removed state regulation of telegraph companies.

Even though many changes have occurred, the Commission's main mission remains the same—assuring that public utilities provide quality service in a fair and reasonable manner.

## *Motor Carrier:*

In 1925, South Dakota became one of the first states to regulate for-hire motor carriers, both trucks and buses, to assure the public safe and adequate transportation service at reasonable rates. The Public Utilities Commission regulates intrastate freight rates and service territory and issues annual identification stamps which require that all motor carriers are adequately insured.

Following the passage of Public Law 89-170 in 1965, which set standards for the registration of interstate motor carriers, the South Dakota Public Utilities Commission has cooperated with the Interstate Commerce Commission and the National Association of Regulatory Commissioners for standardized regulation.

Around 12,500 for-hire motor carriers now operate over South Dakota highways. Nearly 1,000 of those provide truck transportation exclusively within the state's borders, while two companies provide regular route bus service.

## *Warehouse Division:*

With the changing farm economy and more grain held in storage, the regulation of public warehouses has become more important. The most significant responsibility is overseeing the operation of 243 state-licensed grain storage elevators. The Public Utilities Commission also supervises 69 federally-licensed elevators that hold state grain buying licenses, 50 non-storing elevators that hold a state grain buying license, 123 trucking firms that hold grain buying licenses and 42 general storage warehouses.

Each elevator is required to post a bond based on half the local market value of grain in storage or the volume of grain it buys and sells each year. Trucking firms that buy grain are required to post a bond based on the number of trucks they operate. The bonds cover potential losses a farmer could suffer in case of an licensee's financial failure. Insurance would provide the same protection to a consumer storing his personal property in a general storage warehouse. General storage warehouses, storing

personal property, may post a bond based on their square footage or provide evidence that they are adequately insured.

Elevators are required to file monthly grain-in-storage reports. In addition, the Public Utilities Commission employs three inspectors who monitor the operation of elevators, as well as the motor carrier industry, to insure compliance with state regulation.

#### *Telecommunications:*

Recently the most visible area of Public Utilities Commission regulation has been in the telecommunications industry, primarily because the technology is changing rapidly.

Since July 1, 1987, the Commission regulates local rates of just one telephone company—US West Communications doing business as Northwestern Bell Telephone Company. US West serves nearly 78% of all telephone customers in the state. Regulation also includes such things as service territories, quality of service and consumer complaints. These rules apply to all the remaining companies including municipally-owned telephone systems, telephone cooperatives and independent telephone companies with fewer than 10,000 customers.

Also, the Commission regulates the intrastate toll rates of AT&T and the resellers. There are seven resellers who purchase time from US West and resell to customers. They are Midco-Tel of Aberdeen, SD; Midco Communications of Sioux Falls, SD; Tele-Tech, Inc. of Sioux Falls, SD; Teleconnect Company of Cedar Rapids, Iowa; Dial-Net, Inc. of Sioux Falls, SD; MCI Telecommunications Corporation of Denver, Colorado; and Compu-Tel, Inc. of Sioux Falls, SD.

The Commission is committed to the goal of universal service, which means phone service should be affordable to everyone, especially those who consider a telephone a necessity because of poor health, advanced age or some other reason.

Telecommunications regulation applies to more than just telephones in homes and businesses. The Public Utilities Commission also regulates mobile telephone and radio paging systems. The Commission grants territorial rights to the companies and ensures that they are able to provide adequate services.

#### *Electricity and Natural Gas:*

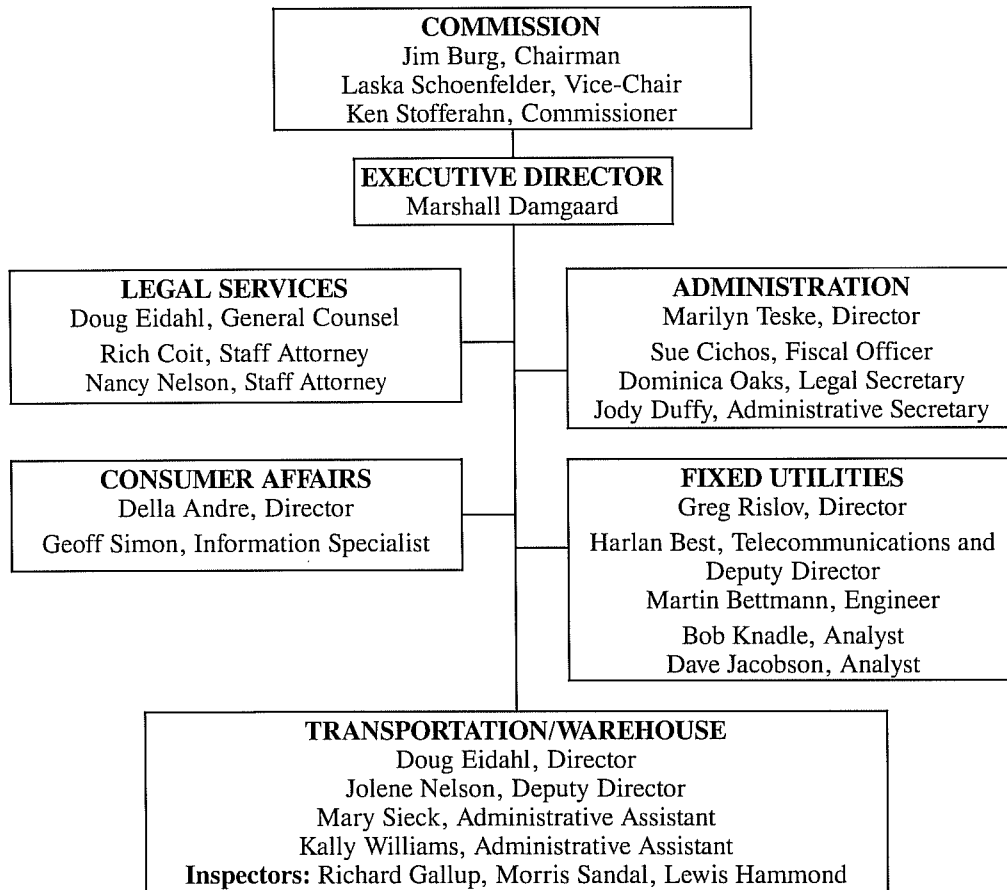
The Public Utilities Commission has had the responsibility of regulating electric and gas utilities since 1975. The Commission has authority to set retail rates, territorial boundaries, and customer service regulations such as credit and disconnection policies. The regulations apply to seven privately-owned utilities, three of which provide both electric and natural gas service—

Midwest Energies (formerly known as IPS Company), Montana-Dakota Utilities Company and Northwestern Public Service Company. There are three privately-owned companies that provide just electrical service—Black Hills Power and Light Company, Northern States Power Company and Otter Tail Power Company. Minnegasco is the lone regulated utility providing just natural gas service.

Rural electric cooperatives and municipally-owned utilities are not regulated by the Public Utilities Commission, except in regard to their territorial service areas and in response to complaints about quality of service.



# PUBLIC UTILITIES COMMISSION ORGANIZATIONAL CHART



## FUNCTIONS OF THE PUBLIC UTILITIES COMMISSION

The three elected commissioners are responsible for all functions of the South Dakota Public Utilities Commission. As a Commission, it organizes by selecting a chairman, vice chairman and associate commissioner.

The Executive Director coordinates various staff activities of the agency, schedules hearings and conferences, and is responsible for the implementation of commission policy, the supervision of the directors of the five divisions.

The General Counsel represents the Commission in matters before the State and Federal Courts, as well as preparing commission orders and reports to the commissioners on various issues.

As of July 1, 1989, Marshall Damgaard is Executive Director and Doug Eidahl is General Counsel.

The Commission staff is organized into five divisions: Administration, Legal, Consumer Affairs, Fixed Utilities and Transportation/Warehouse.

### ADMINISTRATION DIVISION

The Administration Division of the Public Utilities Commission provides support services for the commissioners and the entire commission staff, and is generally responsible for the administrative operations of the Public Utilities Commission.

#### *Financial and Personnel Services:*

This section has the responsibility of compiling all of the Commission's fiscal information used in the budgeting and accounting functions.

The Statement of General Fund Revenue represents the collection of general fund revenue receipted by the issuance of licenses and permits in the Transportation/Warehouse Division. Revenue collected from these sources is remitted to the State General Fund.

# FISCAL REPORT FOR YEAR ENDED JUNE 30, 1989

Program	Budget	Actual Expenditures by Fund Group		Encumbrances	Balance
		General	Other		
<b>Administration</b>					
Personal Services	\$ 227,107	\$227,078	\$ 0	\$ 0	\$ 29
Operating Expenses	30,947	30,894	0	44	9
Total Program	258,054	257,972	0	44	38
<b>Transportation</b>					
Personal Services	173,472	173,470	0	0	2
Operating Expenses	52,418	49,561	0	217	2,640
Total Program	225,890	223,031	0	217	2,642
<b>Fixed Utilities</b>					
Personal Services	392,500	0	371,246	0	21,254
Operating Expenses	319,650	0	273,067	9,647	36,936
Total Program	712,150	0	644,313	9,647	58,190
Subtotal	\$1,196,094	\$481,003	\$644,313	\$9,908	\$ 60,870
<b>Non-Appropriated Program</b>					
<b>Filing Fees</b>					
Operating Expenses	432,500	0	254,705	0	177,795
<b>TOTAL ALL PROGRAMS</b>	<b>\$1,628,594</b>	<b>\$481,003</b>	<b>\$899,018</b>	<b>\$9,908</b>	<b>\$238,665</b>

## Statement of General Fund Revenue

	FY-89
ICC or ICC Registration	\$ 46,890.00
MC-A Permit	0.00
MC-B Permit	5,000.00
MC-C Permit	3,850.00
Permit Transfers	8,300.00
Non Storage Licenses	825.00
Federal Storage Licenses	1,020.00
Grain Storage Warehouse	3,495.00
Public Storage Warehouse	705.00
Decals	1,304.00
Grain Buyers Licenses	5,265.00
Identification Stamps	1,151,240.00
Cab Cards	882.00
<b>Total</b>	<b>\$1,228,781.00</b>

## Special Hearing Fund Revenue

	FY-89
Black Hills Power & Light	\$ 90,927.93
Northern States Power	75,033.75
Otter Tail Power Company	17,793.98
Northwestern Bell Telephone	167,810.43
Minnegasco	37,433.00
Bison State Telephone	5,028.78
Northwestern Public Service	123,147.48
American Telephone & Telegraph	919.53
Iowa Public Service	12,884.62
Montana-Dakota Utilities	55,270.71
Continental Telephone	23.86
<b>Total</b>	<b>\$586,274.07</b>

The Special Hearing Fund Revenue listed in the proceeding report for state fiscal year 1989 shows the amount of the annual intrastate gross receipts tax paid by each rate-regulated natural gas, electric and telephone company in South Dakota. This annual intrastate gross receipts tax, levied on the above listed companies, is authorized by SDCL 49-1A-3 and provides funding for the Commission's Division of Fixed Utilities. This funding source appears as "Other" funds under Fixed Utilities in the Fiscal Report.

# LEGAL DIVISION

The General Counsel is Director of the Legal Division and supervises two staff attorneys. Together they provide legal advice to the Commission and all other division staffs.

The attorneys prepare recommended reports and orders, write briefs and opinions for Commission proceedings, and provide the Commission with legal representation in state and federal courts. For more complex cases or in periods of extensive rate case activity, outside legal consultants are sometimes hired.

Specialized knowledge and extensive research work is required for frequently complicated issues in electric, natural gas, telecommunications, transportation, warehouse and consumer regulation.

## *Statutory Changes:*

At the direction of the Executive Director or General Counsel, Legal Division staff members prepare legislative proposals and amendments which have been recommended by the Commission. Legislation proposed by other agencies or persons is reviewed and monitored by Commission staff when it concerns issues germane to public utility or common carrier regulation. During the 1989 Legislative Session, the State legislature enacted the following changes in Title 49 of the South Dakota laws which apply to the Public Utilities Commission:

## **EFFECTIVE JULY 1, 1989**

Senate Bill 157 (SDCL 49-44) repealed all of the statutes regulating grain inspectors and weighmasters.

Senate Bill 285 amended certain statutes within SDCL 49-43 and required that a "Scale ticket" be issued by a public grain warehouseman or grain dealer at the time the grain is delivered. The scale ticket must show weight of load, kind of grain, date of delivery and whether the grain is to be stored or sold. Also, the law changed the requirements for warehouse bonding, stating that the warehouseman shall furnish a bond amount equal to one-half the local market value of the grain stored; however, the minimum bond shall be \$25,000 and the maximum bond shall be \$500,000 in one city or town.

Senate Bill 291 (SDCL 49-31-32.1) prohibits "dial-a-porn" telephone messages that may be deemed obscene. A violation is a Class 1 misdemeanor.

House Bill 1016 (SDCL 49-28-9.1) deleted the word locality, substituting municipal radius or geographic area for Class B permits; and substituted municipality or station for the words city, town station or locality for Class C permits and adds the

definition of *station*, "a stopping point where freight or passengers originate or terminate a transportation movement;".

House Bill 1114 provided for the establishment, management and control of enhanced 911 emergency reporting services. Any governing body may incur recurring or non-recurring costs for installation, maintenance and operation of a 911 system and may impose a monthly 911 emergency surcharge, not to exceed 75 cents, on each local telephone exchange access line in the 911 service area.

House Bill 1227 stated that "any funds collected from the tax levied by S49-1A-3 (annual intrastate gross receipts tax on regulated utilities) may not be expended for operation of the public utilities commission's transportation division."

House Bill 1274 established a program to provide telecommunications services to deaf people. The department of human services will purchase and distribute devices to enable hearing impaired people to use the telephone. A surcharge of ten cents will be collected from every local exchange access line.

House Bill 1236 adds milk haulers to the list of motor carriers exempt from regulation by the PUC and requires insurance filings from all Interstate Commerce Commission carriers.

## *Administrative Rules of South Dakota Title 20, Article 10 Public Utilities:*

There were no changes to Administrative Rules in FY89. Extensive changes are being drafted in FY90.

# CONSUMER AFFAIRS DIVISION

The Director of Consumer Affairs has the primary responsibility for consumer relations, communications and problem solving. Upon receipt of telephoned and written inquiries, complaints, and comments from consumers, a staff member initiates an investigation on the consumer's behalf to resolve the situation satisfactorily for both the consumer and the utility company. In many instances the consumer will have first contacted the utility company about the concern and simply wishes further assistance

from the Commission. This section keeps record of all such complaints and their resolutions for tabulation and preparation of statistical summaries.

The consumer information specialist provides information to the general public about regulation of utilities, consumer rights and energy conservation through consumer panels, brochures and media.

## VIGNETTES *by Della Andre, Director of Consumer Affairs*

Complaint solving provides miniature plots for vignettes such as those excerpted below. We can attest to the fact that one meets some of the world's most interesting people over the telephone!

I learned about meter indexes one week. Several years ago a gas company had changed the index on a customer's meter and was recording and billing for double the amount of actual gas usage. The South Dakota PUC requested the company to investigate why this customer consistently received such high gas bills. Company representatives were chagrined to report that the meter index had been changed and incorrect usage had been reported for two years. The customer was pleased with himself for calling the PUC when he learned he would receive a \$878.32 credit on his bill.

A long distance telephone company investigated toll fraud upon learning the a couple's son and others at a Job Corps Camp had run up an enormous bill on the customer's telephone credit card. Question: had the son sold use of the couple's credit card or had someone overheard the number being recited to an operator and helped himself to its use? Someone knows.

An electric utility called to warn me I may hear from a man who had stolen a meter and been caught with it in his home. Company representatives became suspicious upon recording a variety of readings for billing purposes. The meter robber had been utilizing the stolen meter for usage and the regular meter for reporting purposes, except on those two occasions company representatives read the "stolen" meter on unscheduled meter reads. The stolen meter was recognized as the company's long lost meter, number \*&\*\*\$\*!

A woman on ADC called to complain that she had lost her wallet and all of her money and now had an electric bill due. I

sympathized with the loss of the money and suggested she call and tell the company representatives what had happened and make payment arrangements on the now overdue bill.

An electric company is beginning to look favorably toward moving a customer's meter from his neighbor's pasture to his own property. Why the meter was in the neighbor's pasture we don't know, but we would be interested in the answer.

One woman called to tell me that she had too many electric bills from too many locations. No one could live in all of those places. The truth, according to the woman's daughter, is that her mother did live at all of those addresses, and she does owe all of those bills.

A real estate company found after a year of ownership of a new business that there was a monthly charge on the telephone bill for a dedicated private line they didn't know they had and from which the telephone had been removed by the former owners. Wondering how this could be, the Commission, nevertheless, agreed to help retrieve some of the money paid for the defunct service. The telephone company offered a credit for 50% of the monthly charge for the dedicated private line for the time declared. Not content with this settlement, the real estate company continued its pursuit of the lost dollars with the help of their lawyer.

A telephone company had promised installation of a new teen line to a farm family, but lost the service order. Upon inquiry, the telephone company set a new connection date two weeks hence. Nothing happened; the company lost that order, too. The rural customer ended with a credit of \$38.74, amounting to two months of service, because of the company's goofs.

# ELECTRIC, NATURAL GAS AND TELEPHONE CONSUMER COMPLAINTS

by category for fiscal year 1989

	Other	Meter	Want Service	Deposit	Disconnect Pending	Disconnect Actual	Service Improvement	Boundary or Territory	Tariff or Billing	Rate Increase	Total
<b>ELECTRIC COMPANIES:</b>											
Black Hills Corporation	4	5	0	5	30	26	3	1	26	7	107
Iowa Public Service	0	0	0	0	2	0	0	0	1	0	3
Montana-Dakota Utilities	2	0	0	0	3	2	1	1	6	2	17
Northern States Power	1	3	2	11	18	20	3	1	10	3	72
Northwestern Public Service	3	3	3	3	21	11	2	0	22	0	68
Otter Tail Power	0	0	0	2	2	4	0	0	2	0	10
Other (Unregulated Companies)	0	3	0	2	4	4	4	4	16	1	38
<b>TOTAL</b>	<b>10</b>	<b>14</b>	<b>5</b>	<b>23</b>	<b>80</b>	<b>67</b>	<b>13</b>	<b>7</b>	<b>83</b>	<b>13</b>	<b>315</b>

<b>GAS COMPANIES:</b>											
Iowa Public Service	0	0	0	0	1	0	0	0	1	0	2
Minnegasco	1	1	1	1	7	3	2	0	9	0	25
Montana-Dakota Utilities Co.	6	5	0	1	7	11	3	0	11	0	44
Northwestern Public Service	0	0	2	0	10	4	1	0	9	0	26
Other (Unregulated Companies)	1	0	0	0	0	0	0	0	0	0	1
<b>TOTAL</b>	<b>8</b>	<b>6</b>	<b>3</b>	<b>2</b>	<b>25</b>	<b>18</b>	<b>6</b>	<b>0</b>	<b>30</b>	<b>0</b>	<b>98</b>

<b>TELEPHONE COMPANIES:</b>											
AT&T Communications	5	0	1	0	0	0	11	0	28	1	46
Northwestern Bell Telephone	4	0	15	5	17	26	86	6	86	2	247
*Independents	0	0	1	0	0	1	9	7	5	1	24
*Cooperatives	1	0	2	0	0	1	3	1	7	0	15
*Municipals	1	0	0	0	0	0	0	0	0	0	1
*Alternative Operator Service & Other	21	0	1	0	1	1	8	0	62	3	97
<b>TOTAL</b>	<b>32</b>	<b>0</b>	<b>20</b>	<b>5</b>	<b>18</b>	<b>29</b>	<b>117</b>	<b>14</b>	<b>188</b>	<b>7</b>	<b>430</b>

\*Unregulated Companies

\*Included in "Other" were 12 inquiries about the Telephone Assistance Plan (TAP) and Link-Up America—favoring it. One individual was opposed to the \$.05 increase in customers' telephone bills to fund the plans. Also included were 47 letters concerning transfer of NWB's personnel to out-of-state positions.

# FIXED UTILITIES DIVISION

During the 1975 Legislative Session, the South Dakota Public Utilities Commission was vested with the powers, rights, functions and jurisdiction to regulate every investor-owned utility in South Dakota as defined in SDCL 49-34A-1(12). This definition of "public utility" is as follows:

"any person operating, maintaining or controlling in this state equipment or facilities for the purpose of providing gas, or electric service to or for the public in whole or in part, in this state; provided, however, the term shall not apply to an electric or gas utility owned by a municipality, political subdivision, or agency of the state of South Dakota or any other state or a rural electric cooperative as defined in . . ." South Dakota Codified Law.

After the Commission was given this legal jurisdiction over certain "public utilities" for gas and electricity, the legislature established and the Commission named this division "Fixed Utilities." These new electric and natural gas regulatory responsibilities were added to the already existent telephone utilities regulation within the same division.

The Fixed Utilities Division has been responsible for the regulation of those public utilities which have fixed facilities and equipment that have required a major investment to construct and maintain. The state legislature has determined that the duplication of these fixed facilities and equipment by competing companies would not be in the consumer's best interest. The Fixed Utilities Division has two sections: 1) gas and electric and 2) telecommunications.

The Fixed Utilities Division employs accountants and economic analysts and an engineer who assist the Commission in meeting its statutory responsibilities relating to the regulation of rates, service, certification and safety of utility facilities for electric, natural gas and telephone utility companies.

The main objective of the economic or rate analysts is the processing of filings for requested changes in regulated utility company rates. They must analyze filings, identify issues, prepare testimony and exhibits incorporating the staff's recommendations, as well as assist in the preparation of cross-examination questions and preparation of briefs for use in the formal hearing process.

Analysts also recommend action to be taken with regard to new tariff filings, purchase gas adjustments, fuel adjustment clauses, state and federal legislation, Federal Energy Regulatory Commission actions, Federal Communications Commission actions, actions of other states and investigations into new or non-routine utility regulation areas.

The engineer is responsible for providing technical staff direction to insure utility services of a prescribed quality and in sufficient quantity to meet all reasonable requirements for public use. The staff engineer participates in formal siting proceedings and provides technical recommendations to the Commission in these proceedings.

## **ELECTRIC AND GAS SECTION:**

In the area of electric utility regulation, the Commission regulates six investor-owned electric companies. They are Black Hills Power & Light Company, Iowa Public Service Electric, Montana-Dakota Utilities Company, Northern States Power Company, Northwestern Public Service Company, and Otter Tail Power Company.

In the area of natural gas utility regulation, the Commission regulates four investor-owned natural gas companies. They are Midwest Gas, Minnegasco, Montana-Dakota Utilities Company, and Northwestern Public Service Company.

## **TELECOMMUNICATIONS SECTION:**

In the area of telephone utility regulations, the Commission regulated the local rates of only one telephone company, Northwestern Bell Telephone Company (US West). The Commission has regulated AT&T since January 1, 1984 for its intrastate toll services only. The Commission also regulates the rates of resellers. During FY89 there were seven resellers registered with the Commission.

The South Dakota Legislature has removed municipal telephone companies (1980), telephone cooperatives (1979), independent telephone companies with fewer than 7,000 subscribers (1982), and independent telephone companies with fewer than 10,000 (1987) from rate regulation by the Commission. These companies remain subject to the Commission's jurisdiction over quality of service, territory, and complaints.

# TELEPHONE COMPANIES IN SOUTH DAKOTA

Northwestern Bell Telephone Company, Sioux Falls, SD  
AT&T Communications of the Midwest, Inc., Omaha, NE

## RESELLERS

Midco-Tel, Aberdeen, SD  
Midco Communications, Sioux Falls, SD  
Tele-Tech, Inc., Sioux Falls, SD  
Teleconnect Company, Cedar Rapids, IA  
Dial-Net, Inc., Sioux Falls, SD  
MCI Telecommunications Corporation, Denver, CO  
Compu-Tel. Inc., Sioux Falls, SD

## INDEPENDENTS

Contel of SD, Inc., Custer, SD  
Armour Independent Telephone Company, Armour, SD  
Cheyenne River Sioux Tribe Telephone Authority, Eagle Butte, SD  
Mt. Rushmore Telephone Company, Keystone, SD  
Hanson County Telephone Company, Alexandria, SD  
Jefferson Telephone Company, Jefferson, SD  
Kadoka Telephone Company, Kadoka, SD  
Kennebec Telephone Company, Kennebec, SD  
Sioux Valley Telephone Company, Dell Rapids, SD  
Stockholm-Strandburg Telephone Company, Stockholm, SD  
Tri-County Mutual Telephone Company, Emery, SD  
Union Telephone Company, Hartford, SD  
Vivian Telephone Company, Vivian, SD  
Western Telephone Company, Faulkton, SD

## COOPERATIVES

Baltic Cooperative Telephone Company, Baltic, SD  
Dakota Cooperative Telecommunications, Irene, SD  
Interstate Telecommunications Coop., Inc., Clear Lake, SD  
Golden West Telecommunications Cooperative, Inc., Wall, SD  
James Valley Cooperative Telephone Company, Groton, SD  
McCook Cooperative Telephone Company, Salem, SD  
Midstate Telephone Company, Kimball, SD  
Roberts County Telephone Cooperative Association, New Effington, SD  
Sanborn Telephone Cooperative, Inc., Woonsocket, SD  
Splitrock Cooperative Telephone Association, Garretson, SD  
Sully Buttes Telephone Cooperative, Inc., Highmore, SD  
Valley Telephone Cooperative Association, Herreid, SD  
West River Cooperative Telephone Company, Bison, SD

## MUNICIPAL

City of Beresford Telephone Department, Beresford, SD  
City of Brookings Telephone Department, Brookings, SD  
Faith Municipal Telephone Company, Faith, SD

## FOREIGN (SERVING BORDER COMMUNITIES)

Farmers Mutual Telephone Company, Bellingham, MN  
Hills Telephone Company, Inc., Estherville, IA  
Continental Telephone Company of Minnesota, Minneapolis, MN  
Great Plains Communications, Blair, NE  
Three River Telco, Lynch, NE  
Valley Telephone Company, Browns Valley, MN  
Northwestern Bell Telephone Company of Iowa  
Northwestern Bell Telephone Company of Nebraska  
Northwestern Bell Telephone Company of Minnesota  
Northwestern Bell Telephone Company of North Dakota  
Northwestern Bell Telephone Company of Wyoming  
Consolidated Telephone Corporation, Dickinson, ND  
Dickey Rural Telephone Mutual Aid Corporation, Ellendale, ND  
West River Mutual Aid Telephone Corporation, Hazen, ND

# TRANSPORTATION/WAREHOUSE DIVISION

The Transportation/Warehouse Division is responsible for registering interstate carriers and for issuing permits and registering Class A, B and C motor carriers, public storage warehouses, public grain warehouses and grain dealers. This division has three sections: 1) Motor Carriers, 2) Inspection/Investigation, and 3) Public Warehousing.

## MOTOR CARRIER SECTION:

The primary purpose of motor carrier regulation by the Commission is to assure the public of adequate, efficient and reliable transportation service at reasonable rates. These rates are reviewed to insure they are not unjustly discriminatory, unreasonable and do not give advantage to any individual or group to the detriment of others. The motor carrier section consists of technical and clerical personnel who assist the Commission in meeting its statutory responsibilities.

Further, this staff is responsible for coordinating and processing applications to register interstate trucks and to assure they have the appropriate insurance coverage on South Dakota highways. Furthermore, the staff processes applications for intrastate authority to transport various commodities in various geographic areas of the state and maintains files on intrastate truckers pertaining to insurance, tariffs, complaints and permits describing existing authority.

As provided in Chapter 49-28 of the South Dakota Codified Laws there are two types of related motor carriers: 1) Common carriers, and 2) Class C carriers.

1) A *Common Carrier* is a motor carrier which holds itself out to the general public as engaged in the business of transporting persons or property in intrastate commerce which it is accustomed to and is capable of transporting from place to place in this State for hire. Intrastate permits are granted to common carriers in two classes (A & B) as follows:

Class A—Motor carriers operating between fixed terminals or over a regular route, under regular rates or charges, based upon either station-to-station rates or upon a mileage rate or scale (for example: commercial bus lines/independent truckers who operate on a fixed schedule.);

Class B—motor carriers operating under regular rates or charges, based upon either station-to-station rates, or upon a mileage rate or scale, and not between fixed terminals and not over a regular route (for example: general commodities, livestock and grain carriers);

*Note:* both Classes A & B are limited to a certain area of service within which their freight must originate and terminate.

2) *Class C Carriers* are operators which transport persons or property where the remuneration is fixed and the transportation service furnished under a separate contract or agreement with each shipper for each municipality or station and where such carrier does not engage in or hold itself out to furnish service to the public generally.

Interstate carriers are required by state law to register their South Dakota operations with the Commission and are subject to regulation by the Interstate Commerce Commission. Interstate carriers are required to purchase annually the South Dakota identification stamps, which are commonly referred to as “bingo stamps,” which indicate the carrier has the appropriate insurance filed with the Commission and allows them to operate over South Dakota highways.

## MOTOR CARRIER STATISTICS FY89

The following chart provides the performance data in fiscal year 1989 of the Transportation Division's handling of these various applications and motor carrier registrations.

Intrastate Applications Received	FY89	Cost Per Unit	Total Collected
Class A	0	\$200.00	\$ 0.00
Class B	50	100.00	5,000.00
Class C	77	-50.00	3,850.00
Permit Transfers	83	100.00	8,300.00
Interstate Registration	1,872	25.00	46,890.00
Identification Stamps	230,248	5.00	<u>1,151,240.00</u>
		<b>TOTAL</b>	<b>\$1,215,280.00</b>

## INSPECTION/INVESTIGATION SECTION:

This section is staffed by three Inspectors/Investigators who are stationed outside the Commission's office in Pierre. Through contact with the Commission office, these three Inspector/Investigators are responsible for conducting investigations and monitoring enforcement for motor carrier operators, licensed grain warehouses, public warehouses and grain dealers throughout South Dakota. These responsibilities and activities are carried out to assure compliance with the provisions of the South Dakota Codified Laws. They also are responsible for assuring compliance with the regulations and rules promulgated by the Commission in this area.



# Transportation/Warehouse Division continued

These activities by the Inspectors/Investigators assist the Commission's motor carrier efforts to insure the public of adequate, safe and dependable transportation service at reasonable and non-discriminatory rates. These inspection activities also assist the Commission's efforts in licensing, bonding and supervising the management practices of public warehouses, grain warehouses and grain dealers to insure the property rights of owners and payments to producers.

## **PUBLIC WAREHOUSING SECTION:**

The Commission's staff in the public warehousing section is responsible to carry out the activities of licensing and bonding of public warehouses, grain warehouses and grain dealers, the handling of complaints and the exercise of the Commission's statutory jurisdiction over the handling, management and storing of grain.

The following is a description of the types of public warehouses and grain dealers which are regulated by the Commission and the bonding requirements for each as of July 1, 1989:

- 1) *Public grain warehouses* include all public warehouses in this state where grain and seeds are received for storage for hire. A warehouseman must furnish a total bond in an amount equal to half the local market value of the grain in storage with a maximum of \$500,000 and minimum of \$25,000 per city.
- 2) *Public storage warehouses* include all those where any personal property except grain and seed is received for storage for hire. Their bonding requirements are based on the square footage of their storage area, or in lieu of bond, insurance may be filed. Insurance or bond amounts range from \$5,000 to \$20,000.
- 3) *A grain dealer's license* is required of any person, firm or corporation who purchases grain for the purpose of resale. A grain dealer must furnish either a \$25,000 or \$50,000 bond. The bond amount is based upon the value of grain purchased in the previous fiscal year or the number of trucks operated by the grain dealer, whichever requires the greater bond.

Also a grain dealer is required to purchase a \$2 decal to be displayed in the lower left hand corner of the windshield of each truck to indicate the vehicle is used in grain dealer operations.

The following chart lists the statistics of the public warehousing section for the fiscal year of 1989.

## **PUBLIC WAREHOUSING STATISTICS FY89**

	FY89	Per Unit	Total
Public Storage Warehouses	47	\$15.00	\$ 705.00
Grain Warehouse (non-storing)	55	15.00	825.00
Federal Licensed Elevators	68	15.00	1,020.00
Public Grain Warehouses	47	15.00	705.00
Grain Dealers	351	15.00	<u>5,265.00</u>
			\$8,520.00

During Fiscal Year 1989 all of the South Dakota licensed grain storage warehouses were inspected at least once by the three inspectors on the staff. Licensed elevators submit monthly grain reports on or before the 10th of each month for grain held in storage. They are required to be bonded for half the local market value of stored grain as of the reporting date.

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# GENERAL RATE CASES

## *Docket F-3764 and Docket F-3780*

Electric Rate Increase for NSP

Filed 6/23/88 Settlement approved 12/1/88

On June 23, 1988, NSP filed with the Commission an application for authority to establish increased rates for electric service. NSP requested an increase of \$3.55 million on an annual basis which is an approximate 7.1% increase.

The Commission order invited intervenors, requested Staff and intervenor testimony by October 7, 1988, rebuttal by October 21, and set a hearing date for November 16-17, 1988. It was further ordered that rate increases be suspended until December 23, 1988, and that NSP should deposit \$40,000 in the Special Hearing Fund in order to defray the expenses incident to conducting the investigation and hearing. Subsequently, two dockets were joined and the extent of the investigation required NSP to deposit an additional \$40,000.

The Fixed Utility Staff and outside consultants, Bob Towers and Alan Roth, worked on the case for several weeks. On November 7, 1988, they met with NSP in Minneapolis and arrived at a proposed settlement agreement. The settlement granted NSP a \$2.3 million increase to become effective on January 1, 1989, which was an approximate 4.6% increase. NSP was allowed a 12% return on equity (compared to a 12.44% benchmark by FERC) and agreed to a 22 month moratorium on future increases.

NSP serves approximately 52,000 customers in 37 southeast South Dakota communities.

## *Docket F-3824 Minnegasco Rate Increase for Natural Gas*

Filed 6/30/89 Settlement signed 11/9/89

On June 30, 1989, Minnegasco filed with the Commission an application for authority to establish increased rates for natural gas service in SD. Minnegasco requested an increase of approximately \$1.6 million on an annual basis which is an approximate 5.4% increase.

The Commission order invited intervenors, requested testimony by October 20, rebuttal by November 3, and set a hearing date for November 20, 1989. It was further ordered that rate increases be suspended until December 30, 1989, and that Minnegasco should deposit \$50,000 in the Special Hearing Fund in order to defray the expenses incident to conducting the investigation and hearing.

The Fixed Utility Staff reviewed the issues and recognized that Minnegasco has made major investments in plant by installing the AccuRead system and replacing mains which have been in service for some time. The Staff and Minnegasco reached a settlement agreement before hearing that would allow Minnegasco an increase of \$1,115,000 annually which is a 3.7% increase. The Commission approved the settlement agreement on November 9, 1989.

# INVESTIGATION INTO THE EFFECTS OF TRA '86

*Docket F-3647*

Investigation into the Effects of the Tax Reform Act of 1986

Filed 10/86

On October 22, 1986, President Ronald Reagan signed into law the Tax Reform Act of 1986 (TRA). The TRA represented one of the more comprehensive changes in federal income tax legislation ever enacted. The regulatory implications of the TRA required the Public Utilities Commission to examine regulated utility rates to determine reasonable allowances for income tax expenses. Among other things, the TRA reduced the corporate tax rate from 46% to 34% as of 7/1/1987. Upon signing of the act, the Commission Staff immediately began gathering information from the regulated utilities regarding impact of the TRA.

On 6/18/87, Staff filed a motion requesting the Commission to require regulated companies to file a formal position with the Commission reflecting the effects of the TRA and other cost of service adjustments. The Commission ordered on 6/26/87, that the TRA would have an immediate, known and measurable impact on rates and accordingly, any reduction in rates would have an effective date of 7/1/1987.

Settlement agreements were reached with Bison State Telephone Company, Iowa Public Service, Northern States Power Company, Northwestern Public Service Company, Otter Tail Power Company, Minnegasco and Montana Dakota Utilities Company during FY 1988. Each company accepted rate reductions related in part to the TRA, although OTP and NSP subsequently filed general rate cases to address other issues.

*Docket F-3647-4 TRA '86; Black Hills Power & Light Company*  
Settled 8/3/88

BHP&L agreed to approximately a \$1.9 million annual reduction in rates, which partially offset a rate increase that went into effect 9/1, 1988. The rate increase was the result of the company's purchase of 75 megawatts of capacity. Consequently, instead of a 10.4% rate increase, rates went up only about 7.3%. The reduction meant a savings of approximately \$13.50 a year for the average residential customer.

In addition, BHP&L agreed to refund just over \$2.2 million, the amount the company had saved in taxes since the TRA took effect on July 1, 1987. For the 47,000 residential customers, this meant an average refund of about \$8 during two consecutive months. Also, BHP&L agreed to put a cap on the return earned by Wyodak Resources on coal sales to BHP&L.

*Docket F-3647-8 TRA '86; U S West Communications (USWC)*  
formerly Northwestern Bell Telephone (NWB)

USWC had taken the position that other changes in the company's cost of operation would offset any savings that resulted from the TRA. The PUC's initial investigation of the impact of the TRA on USWC indicated a \$4.75 million annual reduction. After several months of unsuccessful negotiations, the PUC ordered USWC to lower rates \$4.722 million annually, and to refund the \$6.35 million in tax savings that accrued since the new tax law took effect on July 1, 1987.

The Commission's decision of 9/20/88, was appealed to Circuit Court and the Court granted a stay on the effective date of the rate decrease. **The Circuit Court dismissed USWC's appeal on 4/20/89.** USWC appealed the Circuit Court decision to the State Supreme Court on 6/14/89.

In early August, shortly before the case was scheduled for hearing, USWC and PUC Staff reached a settlement agreement. The Commission signed the settlement on 8/24/1989. In lieu of a rate decrease, USWC agreed to the following:

- 1) to invest approximately \$50,000,000 in a modernization program to provide state of the art central office switching to 70 local offices. The project is to be completed in calendar year 1994.
- 2) Rural zoned rates will be eliminated, allowing for an urban rate and one rural rate. Standardization of the rates will decrease revenues by approximately \$500,000 annually.
- 3) USWC will also absorb the Telephone Assistance Plan credit offset to qualified customers, rather than assessing a five cent surcharge to every access line.
- 4) USWC agreed to change its method of timing and charging for toll service to one-tenth of a minute after the first minute as soon as practicable, but no later than March 1, 1990. They will also adjust some of the prices for toll so that the net effect is a \$1,600,000 annual reduction in revenues, effective July 1, 1989. (Should the SDPUC, as a result of its hearings in Docket F-3807, determine that for the telecommunications industry the method for timing should be discretionary and market-based, USWC may elect to abide by that decision.)
- 5) USWC agreed to offset the cost of their investment in plant by at least \$7,000,000. That capital amount will be amortized over a ten year period.
- 6) USWC cannot increase local rates until after July 1, 1990.

*Docket F-3647-10*

TRA '86; American Telephone & Telegraph (AT&T)

Docket closed 10/11/89

AT&T provides Interstate toll services only and has a very small portion of their business in South Dakota. The effects of TRA on AT&T were determined by PUC Staff to be insignificant.

## COURT PROCEEDINGS DURING FY 1989

*Docket F-3555* Brookings Lake Telephone Company  
Vs. City of Brookings

Filed 9/13/85

Supreme Court affirmed PUC Decision 10/19/88

Brookings Lake complained that the City had unlawfully taken over service territory in annexed areas which are within the Company's territory. PUC decision issued 1/2/87; appealed to Circuit Court 1/26/87; PUC decision affirmed 10/26/87; appealed to Supreme Court by B-L Company 12/29/87; Decision affirming PUC decision issued 10/19/88.

*Docket F-3575*

Complaint of Phone America of SD Against AT&T and NWB

Filed 12/18/85

Supreme Court affirmed PUC Decision 3/8/89

Phone America filed a complaint against NWB disputing the amount due to NWB for billings from February through December 1985; PUC decision issued 6/26/86; appealed to Circuit Court; decision issued 10/15/87; appealed to Supreme Court 11/25/87; Supreme Court affirmed the PUC decision 3/8/89.

*Docket F-3582-28* Remove Customer Premises Inside Wire

Filed 12/17/86

Pending decision in District Court in San Francisco

SD PUC joined the National Association of Regulatory Utility Commissioners (NARUC) in an appeal to the District Court of Appeals objecting to FCC preemption of state regulation of inside wire. Pending.

*Docket F-3647-8*

Northwestern Bell, Effect of 1986 Tax Reform Act

PUC Decision 9/20/88 Settlement signed 8/24/89

The decision of the PUC ordering refunds to subscribers and a rate decrease was appealed by NWB to Circuit Court; Circuit Court affirmed the PUC decision 4/20/89; NWB appealed to the Supreme Court. The Supreme Court dismissed the appeal pursuant to the settlement agreement reached by the parties.

*Docket F-3699* Brookings/Sioux Falls Joint Lightwave Facility

Filed 8/4/87

Rehearing decision appealed to Circuit Court 5/1/89

At issue is a proposal by the City of Brookings and Sioux Valley Telephone Company to jointly construct a lightwave toll facility between Brookings and Sioux Falls, and thereafter operate and

maintain the facility, so that they can transmit their own *interstate* toll calls, bypassing NWB. NWB asserted that the other parties could use it for *intrastate* calls, creating a duplication of facilities.

The PUC issued its original decision on 3/31/88 granting permission to build the facility because it would carry interstate calls only. NWB appealed to Circuit Court and the Court granted a stay of construction. Circuit Court remanded it back to the PUC 9/2/88. A PUC rehearing was held 10/18/88 and a decision to allow construction was rendered on 4/17/89 with Commissioner Stofferahn dissenting. That decision was appealed to Circuit Court 5/1/89; the bench decision affirmed the PUC; judgement signed 9/27/89. NWB appealed the Circuit Court decision to the SD Supreme Court on 12/1/89. Joint Lightwave also appealed the decision on 12/12/89.

*Docket F-3718 and F-3719* Complaints on Exchange Carrier Recovery Charge, Northwestern Bell and Dakota Cooperative

Filed 10/28/87 & 11/2/87

NWB filed for approval of an Exchange Carrier Recovery Charge tariff to recover access charges assessed against NWB by local exchange carriers and subsequently filed a complaint against Dakota Cooperative regarding excess access charges. PUC Order asserting jurisdiction 3/10/88; Dakota Cooperative appealed to Circuit Court 4/4/88; Circuit Court Order dismissing appeal signed 8/8/88; Circuit Court Order dismissing intermediate appeal 2/28/89. Various motions, negotiations and discovery have taken place. PUC hearing scheduled for 2/14-15/90.

*Docket F-3753*

Investigation Into Rates of City of Brookings/SDSU Dormitories  
Filed 3/23/88 Circuit Court Ruling 5/10/89

This investigation started when two complaints were received about the telephone rates for dormitory rooms which had doubled and were considerably higher than the residential rates for Brookings. The state of South Dakota had contracted with Brookings to provide enhanced services including computer access to the SDSU campus and dormitory rooms, and the services were not optional. Hearings were held in Brookings on 4/27/88, in Pierre on 5/17/88, and again in Pierre on 6/9/88. The PUC issued a decision ordering that the rates for dorm rooms should be the same as residential rates and that enhanced services should be optional on 12/1/88. The Order was appealed to Circuit Court in Brookings and the Court reversed the PUC decision on 5/10/89. The Court decision was not appealed by the PUC.

*Docket F-3776 and F-3513* Dispute Over Provision of Power to Ellsworth Air Force Base Filed 9/6/88

Previous docket filed 11/29/84

Second Proceeding Pending in U.S. Court of Appeals

The original docket was opened in 1984 upon a complaint from BHP&L that Heartland Consumers Power District should not contract with EAFB for provision of power because EAFB lies in BHP&L assigned territory. The PUC ruled 2/4/85 that BHP&L was entitled to be the sole supplier of overrun electrical power in excess of that supplied by Western Area Power Administration (WAPA), but that decision was appealed to U.S. District Court and subsequently to the U.S. Supreme Court. After the Supreme Court denied a petition for a writ of certiorari on 10/2/87, the District Court ruling that military installations were exempt from state franchise territory regulation remained intact.

However, Congress did not agree and passed an appropriations act in 1988 that clearly stated that none of the funds appropriated may be used by any agency to purchase electricity in a manner inconsistent with State law including State-approved territories. On 9/12/88, BHP&L filed a motion with the PUC to reinstate the 1985 PUC order in light of P.L. 100-202, the above mentioned act of Congress.

On 9/16/88, West River Electric Association filed a complaint with the PUC alleging that West River was entitled to be the sole supplier of overrun electrical power to EAFB. The PUC ordered that dockets F-3513 and F-3776 be joined and held a hearing on 9/29/88. The PUC Decision and Order of 10/31/89 reinstated the decision of 2/5/85 that ordered BHP&L as the electric utility entitled to serve the Base Area for all electric power and energy in excess of that supplied by WAPA.

That decision was appealed by Heartland and by attorneys for EAFB to U.S. District Court in Rapid City; The judge dismissed the action and BHP&L appealed to the U.S. Court of Appeals on 8/22/89; a cross appeal was filed by West River Electric Coop; amicus briefs were filed by the PUC and NARUC.

*Docket F-3791* Northwestern Bell Telephone Company vs. Ken Stofferahn

*Civ. No. 88-455* NWB Telephone Co., Inc, d/b/a U S West Communications, Plaintiff -vs- Kenneth D. Stofferahn, Defendant, and State of South Dakota and The Public Utilities Commission, Intervenors  
Appealed to Supreme Court 9/19/89 by Stofferahn

On 11/22/88, USWC filed a written request with Commissioner Stofferahn asking him to disqualify himself from every currently pending and future telecommunication proceeding in which USWC is a party. Commissioner Stofferahn, an outspoken voice against deregulation in SD for the previous three years, refused. On 11/30/88, USWC sought a declaratory ruling from the Sixth Circuit Court that Commissioner Stofferahn should be recused from all currently pending and future PUC proceedings in which USWC is involved.

Judge Zinter separated the proceedings into two stages. The first stage involved disqualification from the four dockets involving deregulation then pending before the Commission. Within that stage, Judge Zinter determined that Commissioner Stofferahn should be disqualified from those four proceedings. Stofferahn did declare his disqualification and Governor Mickelson, pursuant to SDCL 49-1-9, appointed Lt. Governor Walter Dale Miller to act as a member of the PUC for those proceedings.

The second stage of the Circuit Court proceeding involved the issue of whether Commissioner Stofferahn must be disqualified from participating in all current and future Commission proceedings which involve USWC. The trial was held 6/13/89 and the judge issued a declaratory ruling on 9/8/89.

The judge's declaratory ruling found that Commissioner Stofferahn should not be disqualified from all PUC proceedings involving USWC. Specifically, the judge ruled that he should be allowed to participate in proceedings to allocate costs among the three classes of service, i.e., fully-competitive, emerging-competitive and non-competitive.

However, the judge concluded that Commissioner Stofferahn should be disqualified from dockets "where the material facts, law or policy involve a determination of the competitive status of telecommunications services". That decision appears to apply to those dockets wherein the Commission would be required to classify or reclassify telecommunication services for competition based on the five standards set forth in Senate Bill 42. (SDCL 49-31)

Commissioner Stofferahn has appealed the ruling to the State Supreme Court.

# EXTENDED AREA SERVICE

*Docket F-3671* Investigation of Extended Area Service in South Dakota

Filed 4/13/87 Rule Changes 4/20/89

Docket Closed 9/11/89

Several areas of the state are interested in an Extended Area Service Plan (EAS) whereby calls to a neighboring community are included in the regular monthly rate rather than charged as long distance toll. That requires raising the local rate to cover the loss of revenue from toll. Following considerable controversy in the Newell-Belle Fourche area and legitimate concerns that were raised, the PUC opened this docket for a generic study of the impact of EAS on local rates. All applications for EAS were put on hold until a trial plan was completed in Newell-Belle Fourche.

The rules governing applications for one-way EAS are: 1) to require a petition from 10% of the subscribers in the requesting exchange, with only one signature per account being allowed; 2) to require an average of five calls/main/per month to the adjacent exchange, and at least 50% of the subscribers must make two or more calls per month, based on the most recent twelve month toll data to the requested exchange; and 3) that there should be a two year moratorium after a failed election before new petitions may be accepted.

After petitions are filed and meet the above standards, U S West will determine the necessary raise in local rates and ballot by mail to all subscribers in the exchange. If a majority approve, the local rate will be raised to provide EAS. The following are other dockets affected by the EAS investigation and procedures:

*Docket F-3596*

Application for EAS from Newell to Belle Fourche

Filed 4/28/86 Optional trial plan from 11/87 to 11/88

Approval of Continuing Optional Plan 11/23/88

The PUC and NWB agreed to try an optional plan in this area to see if an optional EAS would be cost effective. Under this optional plan, the increased residential rate for those selecting the plan is \$2.75 a month and the increased business rate is \$5.50. There is no increase in monthly rates to those customers who do not select the plan. This is a one-way plan so subscribers to the plan in Newell are not charged for calls to Belle Fourche.

Although the trial plan did not prove to be cost effective for U S West, the PUC agreed to continue the optional EAS plan in Newell-Belle Fourche only. Other areas will be subject to the rules adopted in Docket F-3671 and U S West will calculate rates to cover loss of toll revenue.

*Docket F-3665* EAS for Sturgis, Whitewood to Rapid City

Filed 2/6/87 Rules issued 4/20/89 Denied 9/18/89

A public information meeting was held in Sturgis 7/10/89 and balloting was done by U S West in July. Only a small percentage voted in favor of the plan.

*Docket F-3695* EAS for Spearfish Area

Filed 7/23/87 Rules issued 4/20/89 Denied 9/18/89

A public information meeting was held in Spearfish 7/11/89 and balloting was done by U S West in July. Only a small percentage voted in favor.

*Docket F-3720*

EAS for Burke, Gregory, Dallas, Herrick and Area

Filed 11/2/87 Rules issued 4/20/89 Denied 9/18/89

A public information meeting was held in Burke 7/24/89 and balloting was done by U S West in August. Only a small percentage voted in favor.

*Docket F-3757* EAS for Beresford and Centerville

Filed 4/29/88 Rules issued 4/20/89

Application denied 8/18/89

This area is complicated because Centerville is a NWB exchange, Beresford is a municipal telephone company and they are surrounded by Dakota Cooperative exchanges. The application did not meet the filing requirement for being a contiguous exchange.

*Docket F-3805* EAS for Clark Exchange to Watertown

Filed 2/23/89 Rules issued 4/20/89 Denied 9/18/89

A public Information meeting was held in Clark 7/31/89 and balloting was done by U S West in August. Only a small percentage voted in favor.

# COMPETITION

Commonly referred to as "The Competition Dockets", these four dockets were first opened in February of 1988, immediately following the passage of Senate Bill 42, the telephone deregulation bill. When SB 42 was referred to a vote of the electorate, the dockets were suspended until after the election. With voter approval of SB 42 in November of 1988, the dockets were reopened for investigation of the competitive status of various telecommunication services.

Commissioner Ken Stofferahn, who had campaigned vigorously against approval of SB 42, was ordered by the Circuit Court to disqualify himself from these proceedings. Lt. Governor Walter Dale Miller was appointed to replace Commissioner Stofferahn. The hearings were held from January 16-19, 1989, with testimony presented by witnesses for PUC Staff, NWB, AT&T, MCI, and Midco. Dakota Coop, SD Independent Telephone Coalition, Sanborn Coop, Teleconnect, Tele-Tech, American Operator Services and Sioux Falls Cellular were also intervenors.

The legislature had classified various services into three categories of competitiveness, i.e., non-competitive, emerging competitive or fully competitive; but allowed the PUC to investigate, hold hearings and determine whether any classification made by the legislature was proper considering the standards set within SDCL 49-31. This was done in the Competition Dockets as follows:

## *Docket F-3741* Competitive Status of Private Line and Special Access

Reopened 11/10/88 Hearing held 1/16-19/89  
Decision issued 2/21/89 Rehearing denied

Private line and special access services were classified as fully competitive by SB 42 and that classification was upheld by the Commission.

## *Docket F-3742* COMPETITIVE STATUS OF 1) CELLULAR MOBILE; 2) INSIDE WIRE; 3) CENTRON; 4) BILLINGS AND COLLECTIONS

Reopened 11/10/88 Hearing held 1/16-19/89  
Decision issued 2/21/89 Rehearing held 5/11/89  
Amended Order issued 6/30/89

The above listed services were found to be fully competitive with the exception of the local loop remaining non-competitive under 3) Centron; and with the exception of recording service and billing name and address remaining non-competitive under 4) Billings and Collections.

## *Docket F-3743* COMPETITIVE STATUS OF MTS, WATS, AND NEW SERVICES

Reopened 11/10/88 Hearing held 1/16-19/89  
Decision issued 2/21/89 Rehearing held 5/11/89  
Amended Order issued 6/30/89

All of the above services were declared emerging competitive by SB 42. The Commission agreed that both *interLATA* and *intraLATA* MTS and WATS were emerging competitive; however, the Commission found *intraLATA* New Services to be non-competitive because it is impossible to determine the existence of alternative providers, functionally equivalent services, market share or the impact on universal service absent a description of the new service. *InterLATA* New Services were determined to be fully competitive.

## *Docket F-3744*

### COMPETITIVE STATUS OF OPTIONAL SERVICES

Reopened 11/10/88 Hearing held 1/16-19/89  
Decision issued 2/21/89 Rehearing denied

The Commission agreed with SB 42 in classifying as fully competitive the optional services such as Custom Calling, IntraCall, Direct Inward Dialing, Automatic Identified Outward Dialing, Touch Tone, and Remote Call Forwarding.



# OTHER COMPETITION RELATED DOCKETS

## *Docket F-3812*

NWB/INTRALATA RATES FOR MTS AND WATS

Filed 4/19/89 Hearing held 8/23/89 Approved 11/7/89

Effective June 1, 1989, USWC reduced their MTS and WATS rates and introduced a Contract Toll Plan. This filing was made as promised by the advertising that USWC did to promote the deregulation bill before the state electorate in November 1988. MCI, Dial-Net and AT&T were all intervenors.

MTS rates were reduced \$2,859,500 and the WATS reduction was \$1,247,800. Contract Toll provides MTS on the basis of specific costs for a customer who utilizes 100 or more hours of service per month. A per minute rate will apply in lieu of the tariffed MTS rates. The amount of usage guaranteed, the length of the commitment as well as the rate per minute will be determined on an individual case basis.

## *Docket F-3818* NWB Application to Reclassify Optional Services

Filed 5/19/89 Hearing held 8/23/89 Approved 11/7/89

As provided for by SB 42, USWC filed to reclassify the following service offerings to fully competitive from non-competitive:

automatic intercept services	combined main station services
customized number service	foreign exchange service
night transfer numbers	optional payment plans
seminars	special billing plan
teenlink	toll diverting
custom net (selective class of call screening)	
rotary (line hunting) break arrangement	

USWC later withdrew optional payment plans which was discontinued. The Commission approved the filing for reclassification to fully competitive.

## *Docket F-3820* Allocation of Costs

Opened 5/24/89 Separated into three dockets 9/22/89

According to SB 42, the PUC "shall separate, assign and distribute a telecommunications company's revenues, investments, and expenses among all services offered." In the simplest terms, the purpose is to ensure that non-competitive essential services such as local exchange rates do not bear the burden of costs for emerging or fully competitive services.

After considerable discussion, it was decided to create three separate dockets to investigate the allocation of revenues, investments and expenses within each category of non-competitive services, emerging competitive services and fully competitive services. Those three dockets were opened on 9/13/89 and studies are expected to continue for several months.

# SPECIAL CASES OR INVESTIGATIONS

*Docket F-3756 Alternate Operator Services (AOS)*

Docketed 4/8/88 Investigation continues

**Introduction:** AOS companies represent one of the newest segments of the telephone industry. Some of the oldest AOS companies have been in existence only two years, but their growth has been explosive. One such company boasts a *daily* growth rate of five percent, increasing its quarterly revenues more than 20-fold in just 18 months. However, this latest creature of technology has become a thorn in the side of state and federal regulators. Consumers have frequently encountered rates three to four times higher than they expected to pay, and the complaints have been pouring in.

**How AOS providers work:** AOS companies typically "operate" at locations with a high concentration of transient callers, i.e., motel and hospital rooms, pay phones at truck stops, airports and even some penal institutions. Regulators commonly refer to these locations as "traffic aggregators." The AOS provider negotiates a contract with the owner, usually offering a 10-20 percent commission for all operator-assisted calls (credit card calls, calls billed to a third number, collect calls, etc.), in addition to any per-call surcharge the owner chooses to add. The AOS company will install or program equipment to route all 0+ calls (and in some cases all 1+ calls) to the AOS carrier. The company then completes the call in the same fashion as a reseller, using lines leased from U S West Communications and interexchange carriers such as AT&T. The AOS companies are paid through billing and collection agreements negotiated with the Bell companies (including U S West Communications), and some of the smaller phone companies in South Dakota. If no collection agreement exists, customers will be billed directly.

**Problems with AOS:** Consumers most frequently complain that they were caught off guard by the rates charged by AOS companies. Complaints to the PUC commonly involve rates of nearly \$1.00 per minute. However, because many of the calls were made from out-of-state motels or pay phones to a point in South Dakota, the PUC has *no* authority to act on the consumer's behalf. The PUC has adopted a policy of forwarding these complaints to the FCC. Other consumers have reported that an AOS company denied them access to their preferred long distance carrier; they experienced lengthy delays (six months or more) between placement of the call and receipt of the bill; and that they encountered poor service or inattentive operators.

Motel owners who have contracted with an AOS company have complained that they were misled by the company. They have reported that the AOS company's representative told them the

motel's customers would be charged rates comparable to AT&T, but the owners later learned that the AOS provider had been "gouging" the customers, possibly jeopardizing the motel's repeat business.

There is also a concern about the routing of 0- (zero only) calls, where the caller is seeking emergency services. If such a call is routed to an AOS operator, the delay could represent the difference between life and death. On the other hand, a U S West operator receiving the same call would have the phone number and location of the caller displayed on a computer terminal.

**Potential AOS benefits:** The most frequently cited benefit of AOS providers is multi-lingual operators. One AOS company claims that the Japanese Chamber of Commerce recommends only motels using that company's service. Other potential benefits mentioned include national 911 emergency services, credit card billing discounts and message forwarding. The Federal Communications Commission has been reluctant to invoke its regulatory power because it fears it may stymie these potential benefits. However, some action has been taken.

**FCC Response:** The FCC has taken several steps to make consumers aware of the existence of AOS. The AOS companies must:

1. Provide information on or near the telephone that an operator call will go through a certain company and indicate how to contact that company for rate information. Rates must be provided upon request.
2. Make their operators identify what company they are with and then give callers an opportunity to hang up without any charge.
3. Refrain from call blocking in which a hotel, for example, will place all its long distance calls through a particular AOS provider. The AOS companies cannot prevent callers from using another carrier such as AT&T or MCI.

The FCC believes if these consumer choices are in place, the marketplace will dictate the rates, and the consumer complaints will end. While these steps may help alleviate the problem, the South Dakota PUC and other state regulatory agencies believe the FCC needs to do more. The FCC chose not to regulate the rates of AOS companies, so consumers may still pay excessively high prices. Concern also remains about 0- (zero only) calls that may be routed to an out-of-state operator who has no ability to connect the caller with the proper emergency services.

Rules have been drafted by the PUC to govern the practices of in-state AOS providers and they became effective 12/27/89.

## Special Cases continued

**Response from AOS providers:** AOS companies (they prefer to be called Operator Services Providers—OSPs) have taken steps to improve their image. They have formed a trade association—Operator Service Providers of America (OSPA). This association has adopted a Code of Responsibility to guide the conduct of its members and a Mission Statement to promote policies favorable to the interests of the public and the marketplace.

Inquiries, comments and complaints about AOS companies should be addressed to:

Mr. Greg Vogt,  
Informal Complaints and Public Inquiries Branch  
Common Carrier Bureau, Enforcement Division  
Federal Communications Commission  
2025 M Street NW, Room 6202  
Washington, D.C. 20554  
(202) 632-7553

*Docket F-3769* PETITION OF MIDCO, DIAL NET, TELE-TECH & MCI TO INVESTIGATE NWB'S INTEREXCHANGE PRACTICES.

Docketed 8/12/88 Complaint withdrawal 12/19/89

Several resellers of intraLATA toll service complained that circuits leased to them by NWB had been plagued by mechanical problems and that NWB did not provide alternate circuits. NWB responded with promises of policy changes that would give the resellers the rights to equal use of alternate circuits when mechanical problems arose. Negotiations between the parties took place, but the resellers asked to keep the docket open until they were sure the changes were permanent. NWB has now promised complete fiber upgrade by the end of 1990. The resellers asked to withdraw the complaint in December, 1989.

*Docket F-3770*  
INVESTIGATE THE COSTS OF REFERRAL OF SB 42

Docketed 8/23/88 Closed 3/21/89

The Commission opened this docket to investigate the amounts of money spent on the referral of SB 42 at the 1988 election and to guarantee that those costs would not be paid by the ratepayers.

Reports were filed. U S West contributed over \$2,000,000 to People for Yes on #4 and the SD Telecommunications Association representing resellers contributed over \$140,000 to The Fair Phone Rates Committee (No on #4). This information will be considered in any future rate case filing.

*Docket F-3771*  
INQUIRY INTO NWB'S REPLACEMENT AND MODERNIZATION OF CENTRAL OFFICES

Docketed 8/29/88 Closed with TRA Settlement 8/24/89

Frustrated with the slow progress towards updating and modernization of many local exchange central offices, the Commission opened this docket to investigate short and long range plans of NWB. When NWB and Staff agreed on a settlement of the Tax Reform Act docket; they agreed that along with other concessions, and in lieu of a rate decrease, NWB would invest approximately \$50,000,000 in a modernization program to provide state of the art central office switching equipment to 70 local offices. The project is to be completed in calendar year 1994.

*Docket F-3807* INQUIRY INTO THE METHODS USED BY SD TELECOMMUNICATIONS COMPANIES FOR TIMING AND CHARGING TOLL CALLS

Docketed 3/16/89 Hearing held 8/24/89 Decision 12/19/89

Currently, AT&T, USWC and some other carriers of toll calls (long distance) time and bill toll calls by the full minute. If a call is any fraction of a minute in length, the charges are calculated to the next greater minute. By contrast, some resellers time and bill by fractions of a minute. Although the action began as an inquiry into methods used by AT&T and USWC, all telecommunication companies that provide toll calling were added to the inquiry.

Commissioner Laska Schoenfelder, who had used this issue in the election campaign, disqualified herself from the proceeding. Lt. Governor Walter Dale Miller was appointed to sit on the Commission for this docket. The hearing was held on August 24, 1989, and subsequently briefs and reply briefs were filed by the parties. The Commission issued a decision December 19, 1989, approving the current method of billing by full minutes.

# TELECOMMUNICATIONS CASES DOCKETED IN FY89

- F-3624* Costs for telephone plant and other expenses; filed 8/20/86; order closing docket 3/21/89
- F-3643* NWB intrastate access tariffs; filed 11/17/86; order granting conditional approval of mirroring 3/29/89; amended 5/2/89; closed
- F-3662* AT&T Communications of the Midwest, Inc., intrastate telephone application; filed 3/30/87; final decision and order denying 2/17/88; order closing docket 3/21/89
- F-3734* Miscellaneous Tariff Filings - NWB (1988)
- 3 Excess construction charges; filed 2/2/88; approved 7/22/88; closed
  - 10 Mirror FCC No. 1; filed 7/18/88; approved 8/29/88; closed
  - 11 LMS, Spearfish/Rapid City/Black Hawk; filed 8/10/88; approved 8/29/88; closed
  - 12 Volume discounts on IntraLATA calls; filed 9/6/88; approved 9/20/88; closed
  - 13 Public response service calling; filed 9/6/88; approved 9/20/88; closed
  - 14 Business Tele-Choice; filed 9/13/88; approved 9/20/88; closed
  - 15 LMS/Harrisburg; filed 9/15/88; approved 10/12/88; closed
  - 16 Private Line Tariff; filed 9/26/88; approved 10/20/88; closed
  - 17 TouchTone for Centrex; filed 9/30/88; approved 10/20/88; closed
  - 18 Radio Broadcast Kits; filed 10/13/88; approved 11/10/88; closed
  - 19 Waive non-recurring charge, residence TeleChoice; filed 10/21/88; approved 11/10/88; closed
  - 20 Revise Revillo exchange; filed 11/8/88; approved 11/10/88; closed
  - 21 Remove CNIS as an intrastate offering; filed 11/10/88; approved 12/27/88; closed
  - 22 Increase TAP credit; filed 11/16/88; approved 12/19/88; closed
  - 23 Withdraw IntraLATA operator conference service; filed 11/16/88; approved 12/19/88; closed
  - 24 Travel Charge definition; filed 11/16/88; withdrawn 3/21/89; closed
  - 25 Reduce carrier common line charge; filed 11/21/88; approved 12/19/88; closed
  - 26 LMS/Lead; filed 11/21/88; approved 12/9/88; closed
  - 27 Business Notification Order; order issued 12/9/88; closed
- F-3745* NWB-Madison Central Office; docketed 2/26/88; letter announcing November upgrade 7/25/88; closed
- F-3751* Transfer RCC license from MT Systems to Midco; filed 3/14/88; approved 6/28/88; closed
- F-3755* Sioux Falls Cellular Service; filed 3/30/88; decision 8/3/88; closed
- F-3760* Big Buffalo Telephone Co./Golden West, Philip; Cerneys, Fites and Buckles; filed 5/26/88; matter resolved among parties, closed
- F-3761* Parkston CO replacement; docketed 5/27/88; upgrade based on TRA stipulation; closed
- F-3765* American Network, Inc.; filed 7/12/88; transferred to Docket F-3663; closed
- F-3772* Contel Cellular of SD; filed 8/30/88; approved 12/1/88; closed
- F-3773* Bauce Communications (cellular); filed 9/2/88; approved 1/10/88; closed
- F-3774* Pierre Radio Paging, Presho and Kennebec; filed 9/2/88; approved 12/29/88; closed
- F-3775* Pierre Radio Paging, Hayes and Midland; filed 9/2/88; approved 12/22/88; closed
- F-3777* McCook Cooperative Telephone Company, etal, v. NWB; filed 9/20/88; complaint dismissed and docket closed 9/7/89
- F-3778* Transfer MT Systems license to Charles J. Mauszycki; filed 10/4/88; approved 11/10/88; closed
- F-3783* Miscellaneous Tariff Filings - AT&T Communications (1988)
- 1 Revise Channel Services tariff; filed 10/24/88; approved 11/17/88; closed
- F-3785* Golden West Tele-Tech; decrease rate for IMTS Air Time; filed 10/27/88; approved 11/10/88; closed
- F-3786* Mr. & Mrs. Richard Van Surksum; NWB complaint; docketed 11/3/88; complaint transferred to Iowa PSC; order closing docket 7/7/89
- F-3789* Transfer cellular license from Bauce Communications to Rapid City Cellular Telephone Company; filed 11/16/88; decision and order approving 12/19/88; closed
- F-3793* Lawrence Friestad, radio common carrier dial tone, Pierre through Murdo; filed 12/5/88; closed for lack of action on part of applicant
- F-3797* Change Kilgore exchange of Great Plains Communications; filed 1/23/89; approved 1/24/89; closed
- F-3798* Miscellaneous Tariff Filings - NWB (1989)
- 1 Obsolete tables in ECP; filed 2/3/89; approved 3/21/89; closed
  - 2 Express Service for Residence Customers; filed 3/2/89; approved 3/29/89; closed
  - 3 Increase TAP Credit; filed 2/27/89; approved 3/21/89; amended 3/29/89; closed
  - 4 Digital Switched Service for PBX Customers; filed 3/29/89; approved 6/30/89; closed
  - 5 Mirror Interstate Switched Access; filed 4/3/89; approved 11/7/89; closed
  - 6 Change List Service to Look Up Service; filed 4/6/89; approved 5/16/89; closed
  - 7 LMS-Optional/Hermosa; filed 4/17/89; approved 5/16/89; closed
  - 8 LMS/Whitewood; filed 5/8/89; approved 7/6/89; closed
  - 9 Data Conditioning & Transmission Analysis; filed 5/39/89; approved 7/6/89; closed
  - 10 976 Information providers; filed 6/8/89; approved 8/18/89; closed
  - 11 800 ServiceLine; filed 6/8/89; approved 7/6/89; closed
  - 12 Selective Carrier Denial; filed 6/22/89; approved 7/25/89; closed

## Telecommunications Cases continued

- F-3802* Boundary change between Contel & NWB; filed 2/16/89; approved 3/14/89; closed
- F-3803* LeMar Van Heuveln, radio common carrier application; filed 2/21/89; approval to withdraw application 10/5/89; closed
- F-3804* Transfer Mobile Telephone License from Mitchell Mobile to Midco Communications; filed 2/23/89; approved 4/28/89; closed
- F-3811* Boundary change between Contel and Golden West; filed 3/27/89; approved 3/31/89; closed
- F-3817* Complaint of Dakota Cooperative Telecommunications against NWB; filed 5/19/89; complaint dismissed and docket closed 9/7/89
- F-3819* NWB, expand Call Forwarding Features of Custom Calling; filed 5/19/89; approved 5/31/89; closed
- F-3821* Golden West Tele-Tech, modify paging rates; filed 5/24/89; approved 7/6/89; closed
- F-3824* U.S. Sprint, reseller application; filed 6/14/89; approved 7/6/89; closed

## GAS AND ELECTRIC CASES DOCKETED IN FY89

- F-3659* Utilities estimating customers' utility service consumption; approved 9/9/88; closed
- F-3735* BHP&L & UTI arrangement; settlement and tariffs approved 8/4/88; closed
- F-3746* OTP, 30 day grace period in the wintertime; filed 3/2/88; letter closing file written 12/2/88
- F-3759* Minnegasco, revise tariffs; filed 5/12/88; approved 9/9/88; closed
- F-3762* MDU, cogeneration tariff; docketed 6/6/88; approved 7/19/88; closed
- F-3763* OTP, service area problem at New Effington; filed 6/6/88; letter written and file closed on 7/7/88
- F-3766* BHP&L, street lighting tariffs; filed 8/1/88; approved 8/25/88; closed
- F-3767* IPS, revise bill format & disconnect notice; filed 8/1/88; approved 8/29/88; closed
- F-3768* MDU, gas transportation tariffs; filed 8/10/88; approved 8/29/88; closed
- F-3779* MDU, gas transportation tariffs; filed 10/5/88; approved 12/1/88; closed
- F-3781* MDU, revise customer information booklet; docketed 10/14/88; approved 10/20/88; closed
- F-3782* MDU, revise certain tariffs; docketed 10/19/88; approved 11/17/88; closed
- F-3784* MDU, revise certain tariffs; filed 10/25/88; approved 11/17/88; closed
- F-3787* BHP&L, revise extension tariffs; filed 11/14/88; approved 12/1/88; closed
- F-3788* BHP&L, preference rate for Ellsworth Air Force Base; filed 10/20/88; approved 1/24/89; closed
- F-3790* MDU, revise Rate 64; filed 11/23/88; approved 12/1/88; closed
- F-3792* Hamlett & Valhalla Professional Building, master metering variance request; filed 12/5/88; approved 5/31/89; closed
- F-3794* Agreement between City of Madison and Sioux Valley Empire Electric Assn.; filed 12/9/88; approved 1/24/89; closed
- F-3795* Carrie Little Crow v. NSP; filed 12/20/88; utility dispute settled; closed
- F-3796* NWPS, revise P.G.A.; filed 1/4/89; approved 1/24/89; closed
- F-3799* MDU, revise electric tariff; filed 2/6/89; approved 2/21/89; closed
- F-3800* NWPS, revise gas tariff; filed 2/9/89; approved 3/3/89; closed
- F-3801* Northern Border, compressor station at Clark; filed 2/16/89; pending filing before F.E.R.C.
- F-3806* OTP, outdoor lighting tariff; filed 3/10/89; approved 4/28/89; closed
- F-3809* Master metering variance request in Rapid City filed by Ellsworth Air Force Base; filed 3/22/89; motion to withdraw granted 6/30/89; closed
- F-3810* NSP, Pathfinder decommissioning, accounting for; filed 3/23/89; decision and order approving stipulation 5/16/89; closed
- F-3813* NSP, conservation & load management programs, reporting requirements; filed 5/3/89; approved 5/9/89; closed
- F-3814* BHP&L, policy on deposit installment payments; filed 5/3/89; approved 5/9/89; closed
- F-3815* NSP & You Pamphlet; filed 5/3/89; approved 5/9/89; closed
- F-3816* NSP, peak controlled & energy-controlled service tariffs; filed 5/4/89; approved 6/8/89; closed
- F-3822* MDU, purchased gas adjustment; filed 6/8/89; approved 6/8/89; closed
- F-3823* MDU, bill format & new customer application; filed 6/12/89; approved 6/30/89; closed
- F-3825* Shrivvers Square Building, Sioux Falls, master metering variance request; filed 6/30/89; changes made by developers; pending
- F-3826* Minnegasco, natural gas rate increase; filed 6/30/89; settlement agreement approved 11/9/89; tariffs approved 12/20/89.