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**SOUTH DAKOTA PUBLIC
UTILITIES COMMISSION**

*3901 North Louise Avenue
Sioux Falls, South Dakota 57107*



June 18, 2008

TO: South Dakota Public Utilities Commission
FROM: W. Tom Simmons, Senior Vice President of Public Policy
Midcontinent Communications

RE: NOTICE OF COMPLAINT

In the Matter of the Complaint filed by Gary Loudner, Black Hawk, South Dakota, against Midcontinent Communications Regarding Telephone Outages
Docket CT08-003

By this response, Midcontinent acknowledges receipt of the NOTICE OF COMPLAINT in Docket CT08-003 from the Commission and the options offered under ARSD 20:10:01:09 to satisfy the complaint with Mr. Loudner or file an answer in writing. We have spoken with Mr. Loudner on these and other issues and have no clear understanding of what relief he is requesting other than suspension of Midcontinent's Certificate of Authority to operate as a local exchange provider in the State of South Dakota per his complaint to the Commission office. We are therefore unable to settle this complaint with Mr. Loudner and have no real option other than answering the complaint in writing.

The complaint as provided by Mr. Loudner is very difficult to follow, but we will make every attempt to respond to each of the issues outlined in paragraphs (a), (b), and (c). Following is a restatement of the complaint (in bold) as we understand it, and our response.

Midcontinent Communications of South Dakota had the following OUTAGES:

- (a). **Tuesday, May 27 1440 2:40 PM to 8:00 PM MDT due to a statewide computer switch failure involving 50 % of their South Dakota exchanges (including his service).**

On May 27, 2008, Midcontinent Communications did incur a failure in its master switch, which was reported promptly and appropriately to the Commission, emergency authorities and the media. The failure began with customers complaining about intermittent service failures related to placement of long distance calls. Once calls were established they would stay connected and worked perfectly. The longer the problem continued, however, the more failures were reported until it appeared that the number of customers who were not receiving a dial tone for for both local and long distance calls was increasing. The technical team responded immediately as initial calls from customers began to come in, but diagnosis of intermittent problems are the most

Over Fifty Years of Service

difficult to handle. When the Midcontinent team had completed their tests, it determined the problem was isolated to the switch. The issue then was escalated to the switch vendor's technical experts and design engineers. The vendor technicians isolated the problem in the core and billing management system that deals with call messaging, which is a necessary part of call set up. The actual call itself is called bearer traffic, which was unaffected by the problem, which is why once connected, the phone connection remained active. The problem was caused by an overload of messaging between the core and billing management system and the core of the switch itself. The overload caused call set up information to be intermittently lost, which resulted in no dial tone for some customers. The switch vendor has corrected the system, but will continue to investigate and complete an audit of the switch to ensure these types of outages do not occur in the future. This failure represents the first associated with the switch in nearly 11 years.

- (b) **Tuesday morning into the evening hours on or about May 20, 2008, involving Black Hills Corporation (a/k/a Black Hills Power and Light Company), 829 Ninth Street, Rapid City, South Dakota, lack of A/C wattage to Midcontinent head end and residential phone module, from 10:04 AM to 20:02 PM MDT.**

In researching this complaint, the Midcontinent Communications Network Operations Center found no evidence of a power outage on May 20, 2008. According to our records, the node serving Mr. Loudner's residence had no interruptions. While there may have been an isolated power outage to his home, our backup power systems would have kept our service to his home available. Had our systems failed, our monitoring tools would have detected the outage or loss of service. At this time, therefore, Midcontinent is unable to ascertain the nature of Mr. Loudner's complaint regarding his service on this date.

- (c) **February (day unknown to consumer), 2008, (on or about 4:58 PM through 8:57 PM MST, involving Qwest Communications of South Dakota, explanation for this outage, Qwest Communications E-911 network interconnect went down during this time with the Pennington County/City of Rapid City, South Dakota E-911 dispatch communications center.**

Again, while searching all records, the Midcontinent Network Operations Center found no 911 issues recorded in the month of February 2008. The complaint does contain the following statement:

****** A Note to FCC: South Dakota PUC staff believes this issue/OUTAGE occurred in November, 2007 and two (2) weeks ago requested a hearing about this matter.**

An event occurred on November 13, 2007 that caused concern over E911 availability. One of two circuits carrying traffic from Sioux Falls to Rapid City failed, causing an overload on the other circuit. It was first believed that loss of one of the circuits would impact local phone traffic and 911 service for an unacceptably long period of time. However, Midcontinent technicians executed a backup plan and rerouted traffic for local calls to the PSAP, restoring service in all cases within 30 minutes of the initial outage

report. The earliest internal reports suggested the problem was with a Qwest circuit. Through the cooperation of a number of vendors it was determined that the initial circuit overload was triggered by a Golden West circuit that impacted one of the two main circuits leased from SDN. Qwest had no part in this issue other than offering their cooperation to help Midcontinent's team eliminate Qwest circuits as part of the problem. Golden West, SDN and Qwest supported a large Midcontinent team to resolve the issue with limited impact on customers. A full report of this issue was filed with the Commission on November 14, 2007.

Summary

Midcontinent Communications has a long history of providing high quality voice, video and data services to its customers in South Dakota. We always have cooperated with the rules and regulations of the Public Utilities Commission and have been most willing to work with our customers to resolve any service issue they've brought to our attention. [We have not, however, been able to satisfy Mr. Loudner. If he finds our service not to his standards, perhaps he should consider another provider.]

We consider Mr. Loudner's demand for suspension of our Certificate of Authority extreme and inappropriate. As detailed above, Midcontinent does not believe that the allegations raised in the complaint provide any basis for assessing sanctions of any kind against our company, let alone the precipitous step of revoking Midcontinent's operating authority. We request therefore that the Commission dismiss Mr. Loudner's complaint without further action.