

## FORM 5, BFM 50.10

(NOTE: A copy of this form may be obtained from the Bureau of Finance and Management. If your rules have a negative fiscal impact on a local government, such as a county or a school district, you must direct the Bureau of Finance and Management to send a copy of its fiscal note to the organizations listed in SDCL 1-26-4.2.)

**ADMINISTRATIVE PROCEDURES ACT  
FISCAL NOTE  
Prepared by Submitting Agency**

	CODE	NAME
<b>DEPARTMENT</b>	26	Public Utilities Commission
<b>DIVISION</b>	2610	Public Utilities Commission
<b>PROGRAM</b>	261032	Fixed Utilities

**PROPOSED RULE:** 20:10:27:01, 20:10:27:02, 20:10:27:02.01, 20:10:27:02.02, 20:10:27:04, 20:10:27:07, 20:10:27:11, and 20:10:27:12.

Hearing Date: January 20, 2011

**FISCAL IMPACT STATEMENT:**

Pursuant to 1-26-4.2, these rules have minimal impact to all entities. No additional staffing or resources are needed.

**FISCAL NOTE SUMMARY:**

List state agencies of local governmental subdivisions affected.

**COST INCREASES (DECREASES)**

<b>State Agencies:</b>	<b>First-Year Impact</b>	<b>Continuous-Yearly Impact</b>
<b>TOTAL</b>	0	0
<b>Local Subdivisions:</b>		
<b>TOTAL</b>	0	0
<b>Small Business Increases (Decreases)</b>		
<b>TOTAL</b>	unable to determine	unable to determine

**REVENUE INCREASES (DECREASES)**

<b>Revenue Increases (Decreases) State, Local &amp; Small Business :</b>		
<b>TOTAL</b>	0 for state agencies/ local subdivisions; unable to determine for small businesses	0 for state agencies/ local subdivisions; unable to determine for small businesses

APPROVED Steve Kolbeck DATE 12-2-10  
Signature Department Secretary or Board or Commission Chairman

**ATTACH:** Copy of proposed rules; separate sections for: 1) explanation of rules effect, i.e. what procedures, schedules, activities, etc. will change with its adoption 2) statistics used, and their source, 3) assumptions that were made to arrive at fiscal impact, 4) computations that were made, and 5) small business impact statement

Revised June 2004

## **Explanation of Rules Effect**

Switched access rates are the rates that a long-distance or toll carrier pays to a local exchange carrier to terminate or originate toll calls. A competitive local exchange carrier (CLEC) is a carrier that competes with an incumbent local exchange carrier (ILEC) for local exchange customers. The proposed rules would allow a CLEC to charge a rate set by the rules or file a cost study, with the cost study one of factors in determining the rate. The majority of CLECs authorized to provide switched access in South Dakota currently charge up to the rate of 6.042 cents per minute that is set forth in the rules. A few CLECs charge above this rate. As a result of the rules, CLECs may either charge one of the rates set by the rules or file a cost study that will be used in conjunction with other factors to determine the rate. Thus, we are unable to determine what, if any, effect the proposed rules will have on the CLECs given that the rate may be determined, in part, by a future cost study. For the same reason, we are unable to determine the effect on toll companies which pay the switched access rates. In addition, under the rules, if a CLEC uses a cost study, the CLEC may also request to use generally accepted accounting principles instead of the uniform system of accounts which could result in lower costs for the CLEC when conducting a cost study.