



Martin and Associates, Inc.

CONSULTANTS • PROFESSIONAL ENGINEERS • COMPUTER SPECIALISTS

TC98-085

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APR 30 1998

SOUTH DAKOTA PUBLIC
UTILITIES COMMISSION

April 28, 1998

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

Ref: SD 5248 - 1.7
1997 Separations Study Access Filing

Dear Mr. Bullard:

On behalf of Midstate Telephone Company enclosed are five (5) copies of their Intrastate Access Separations Study pursuant to the rules established by the Commission. The following documentation is included in the study:

1. Five (5) hard copies of the PUC Summary Forms
2. One (1) copy of the program disk

The enclosed Intrastate Access Separations Study revenue requirement has been forwarded to the Local Exchange Carrier Association (LECA). The LECA Access Tariff, with which they concur, will include the attached Intrastate Access revenue requirement in the development of the LECA Access Tariff rates.

This study includes both the Midstate Telephone Company and Heartland Communications, Inc. in a single study.

If you have any questions or comments, please feel free to contact me at 605-995-2573.

Sincerely,
Martin and Associates, Inc.


Don Lee

JKW/bkk
Attachments: Access Study (5)
Program Disk (1)
cc: Mark Benton, Manager



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APR 20 1998

SOUTH DAKOTA PUBLIC
UTILITIES COMMISSION

I am Don Lee. I hereby certify that I have overall responsibility for the preparation of all data in the attached 1997 Intrastate Switched Access filing for

Midstate Telephone Company

Heartland Communications, Inc.

and that I am authorized to execute this certification. Based on information known to me or provided to me by employees responsible for the preparation of the data in this submission, I hereby certify that the data has been examined and reviewed and is complete, accurate, and consistent with the rules of the South Dakota Public Utilities Commission, to the best of my knowledge.

Date:

4/20/98

Certifying Signature:

Don Lee

Name:

Don Lee

Title:

Director of Settlements

RESOLUTION

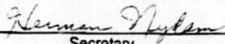
BE IT RESOLVED that Heartland Communications, Inc. hereby agrees to join the Local Exchange Carriers Association (LECA) and to adopt the LECA Access Tariff on file with the South Dakota Public Utilities Commission (SDPUC), effective upon the approval of its switched access cost study filing and approval of the LECA tariffed rates by the PUC. The adopted LECA tariff, upon taking effect, shall supersede and replace all other switched access tariffs filed, adopted or published by Heartland Communications, Inc. prior to the date of this Resolution.

This Resolution is adopted this 23rd day of March, 1998.

CERTIFICATE OF SECRETARY

I, Herman Nydam, secretary of Heartland Communications, Inc. do hereby certify that the above is a true and correct copy of the Resolution that was adopted on the 23rd day of March, 1998, at a duly called meeting of the Board of Directors of Heartland Communications, Inc.

DATED this 27th day of April, 1998.


Secretary

**1997 INTRASTATE COST STUDY
FOR
MIDSTATE TELEPHONE COMPANY
AND
HEARTLAND COMMUNICATIONS, INC.
KIMBALL, SD**

PREPARED BY:

**MARTIN AND ASSOCIATES, INC.
1515 NORTH SANBORN BOULEVARD
MITCHELL, SOUTH DAKOTA 57301-1021
(605)996-9646**

Sheet 114
 ENDING DECEMBER 31, 1997 WITH 1998 KNOWN & MEASURABLE CHANGES
 30-Apr-98
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MOBILE TELEPHONE COMPANY & HEARTLAND COMMUNICATIONS, INC.

Financial Statement Summary		Part 36						
(A)	(B)	(C)	(D)	(E)	(F)	(G)	(H)	(I)
Account	Total	Source	Common Line	Local Switching	Information	Common Transport	Billing and Collection	Other
INTRALATA								
15	\$3,689,860	J13	\$1,248,526	\$739,573	\$0	\$1,860,134	\$0	\$42,635
16	10.00%		10.00%	10.00%	10.00%	10.00%	10.00%	10.00%
18	\$389,897	J18-20	\$124,653	\$73,957	\$0	\$186,013	\$0	\$4,263
19	(8,649)		(13,309)	(6,509)	0	(16,287)	0	(43)
21	\$352,238		\$112,254	\$67,428	\$0	\$169,728	\$0	\$3,830
22	21,466		6,716	4,126	0	10,292	0	252
23	962,395	J23-25, 40	297,236	149,511	3,125	441,235	51,144	127,256
24								
25	\$1,356,099		\$329,276	\$221,125	\$3,102	\$624,385	\$1,144	\$131,118
26								
28								
INTERLATA								
29	\$0	P13	\$0	\$0	\$0	\$0	\$0	\$0
30	10.00%		10.00%	10.00%	10.00%	10.00%	10.00%	10.00%
31	\$0		\$0	\$0	\$0	\$0	\$0	\$0
32	10.00%		10.00%	10.00%	10.00%	10.00%	10.00%	10.00%
34	\$0		\$0	\$0	\$0	\$0	\$0	\$0
35	0	P18-20	0	0	0	0	0	0
36	\$0		\$0	\$0	\$0	\$0	\$0	\$0
37	0		0	0	0	0	0	0
38	0	P31-32	0	0	0	0	0	0
39	0	P33-35, 40	0	0	0	0	0	0
40	\$0		\$0	\$0	\$0	\$0	\$0	\$0
41								
42								
43								
44	\$1,356,099		\$329,276	\$221,125	\$3,102	\$624,385	\$1,144	\$131,118
45								

ACCESS ELEMENT MINUTES OF USE
 ACCESS RATE PER MINUTE

\$0.002500

12,649,767 12,649,767 12,649,767 12,649,767

\$0.049399

INTRA-STATE

	TOTAL COMPANY		Stocks/Accounts and Other	Message Telephone Service		Private Line		TOTAL INTRASTATE
	(B)	(C)		(E)	(F)	(G)	(H)	
13 Land and Support Investment	\$2,497,389	033	\$1,745,361	\$0	\$141,862	\$0	\$5,227	\$790,028
14 COE Operator Equipment	\$0	043	\$0	\$0	\$0	\$0	\$0	\$0
15 COE Switching Equipment	4,366,715	048	3,076,330	0	1,290,385	0	0	1,290,385
17 COE Transmission Equipment	2,026,529	085	1,610,030	0	1,000,340	0	4,158	1,000,499
19 Total COE	\$6,893,244		\$4,691,361	\$0	\$2,291,725	\$0	\$4,158	\$2,296,083
20 Misc. Orig./Trans. Equipment	12,320,827	294	8,681,030	0	3,390,144	0	58,806	3,448,936
21 Cable and Wire Facilities	12,320,827	0131	8,681,030	0	3,390,144	0	58,806	3,448,936
22 Total COE, TOT. CAPEX	\$19,123,871		\$13,375,753	\$0	\$5,681,874	\$0	\$63,045	\$5,747,918
24 Total Capital Leases	\$0	0173	\$0	\$0	\$0	\$0	\$0	\$0
26 Leasehold Improvements	\$0	\$1	\$0	\$0	\$0	\$0	\$0	\$0
29 Intangible Assets	\$0	0209	\$0	\$0	\$0	\$0	\$0	\$0
30								
32 Total Tele. Pl. in Service	\$21,619,000		\$15,121,113	\$0	\$6,426,675	\$0	\$71,271	\$6,497,947
33 Prepaid, Return Use	\$0	0144,215	\$0	\$0	\$0	\$0	\$0	\$0
35 TPAC, Short term	0	0219-217	0	0	0	0	0	0
36 TPAC, Long term	45,403	0219-219	31,756	0	13,497	0	100	13,757
37 Tariff Adjustment	0	0220-221	0	0	0	0	0	0
38 Total Other Tel. Pl.	\$45,403		\$31,756	\$0	\$13,497	\$0	\$100	\$13,647
39								
40								
41								
42 TOTAL TELEPHONE PLANT	\$21,664,403		\$15,152,870	\$0	\$6,440,172	\$0	\$71,421	\$6,511,593

Sheet 'C'
 ENDING DECEMBER 31, 1987 WITH 1988 KNOWN & MEASURABLE CHANGES
 1988 Apr 98 04:29:09 PM
 INVESTIVE TELEPHONE COMPANY & HEARTLAND COMMUNICATIONS, INC.

	Investive					
	TOTAL COMPANY	Share/ Allocator	Investive	Message Telephone Service	Private Line	TOTAL INVESTIVE
	(B)	(C)	(D)	(E)	(F)	(G)
***** FCC PART 36 *****						
Investment Summary						
(A)						
56 Other Assets, Net	0	V105	0	0	0	0
57 Accumulated Depr/Amort	(9,113)	E24	(6,430,752)	0	(2,649,677)	(2,680,487)
58 Accum Depr/Amort, Net	0	V17	0	0	0	0
59 Other Assets, Net	0	V174	0	0	0	0
60 On-Loss & Inv. C't, Net	0		0	0	0	0
61 TOTAL NET PLANT	\$12,551,653		\$6,722,117	\$0	\$1,799,695	\$1,828,905
62 Materials and Supplies	102,481	H31	73,343	0	28,641	487
63 Plant Totl Bank Stock	0	H35	0	0	0	0
64 Plant Totl Investment	87,720	H36	56,275	0	35,532	272
65 Other Assets, Net	0		0	0	0	0
66 Other Assets, Net	0		0	0	0	0
67 TOTAL NET INVESTMENT	\$12,741,633		\$6,882,195	\$0	\$1,868,668	\$1,868,926
68						
69						
70						

MODULAR TELEPHONE COMPANY & HEARTLAND COMMUNICATIONS, INC.

(A)	TOTAL COMPANY	Miscellaneous	Message Telephone Service		Private Line		TOTAL INCREASE
			INDEBITA	(F)	INDEBITA	(H)	
13 LAND AND SUPPORT ASSETS							
14 Land Acquired	\$0	H33	\$0	0	\$0	0	\$0
15 Land Debit	0	V22	0	0	0	0	0
16 Land Credit	\$0		\$0	\$0	\$0	\$0	\$0
17 Total Land	\$0		\$0	\$0	\$0	\$0	\$0
18 Motor Vehicles	\$0	H33	\$0	\$0	\$0	\$0	\$0
19 Other Vehicles	0	H33	0	0	0	0	0
20 Special Purpose Vehicles	0	H33	0	0	0	0	0
21 Garage Work Equipment	2,495.30	H33	1,745.30	741.00	0	0.00	750.00
22 Other Equipment	0	H33	0	0	0	0	0
23 Buildings, Aerials	0	V29	0	0	0	0	0
24 Construction	0	H33	0	0	0	0	0
25 Other	0	H33	0	0	0	0	0
26 General Purpose Computers	0	H33	0	0	0	0	0
27 Total Support Assets	\$2,495.30		\$1,745.30	\$741.00	\$0	\$0.00	\$790.00
28 Total Land and Support Assets	\$2,495.30		\$1,745.30	\$741.00	\$0	\$0.00	\$790.00
29							
30							
31							
32							
33							
34							
35							
36 CENTRAL OFFICE EQUIPMENT:							
37 CAT 1 Oper Sys - TSPS	\$0	G22	\$0	\$0	\$0	\$0	\$0
38 CAT 1 Oper Sys - Other TSPS	0	G21	0	0	0	0	0
39 CAT 1 Oper Sys - Other Pcs	0	V28	0	0	0	0	0
40 CAT 1 Oper Sys - Other	0	V28	0	0	0	0	0
41							
42 Total CAT 1	\$0		\$0	\$0	\$0	\$0	\$0
43							
44							
45 CAT 2 Includes Sec. Amortable	\$480,353	G26	\$539,654	\$0	\$0	\$0	\$539,659
46 CAT 2 Includes Sec. Debit	0	V28	0	0	0	0	0
47							
48 Total CAT 2	\$480,353		\$539,654	\$0	\$0	\$0	\$539,659
49							

MIDSTATE TELEPHONE COMPANY & HEARTLAND COMMUNICATIONS, INC.

(A)	TOTAL COMPANY (B)	Source/Allocable (C)	Intrastate				TOTAL INTRASTATE (I)
			Intrastate and Other (D)	Message Telephone Service (E)	Inter-LATA (F)	Phase Line Inter-LATA (G)	
111 CABLE AND WIRE FACILITIES:							
112 CAT 1 Inter-LATA PL/WATS	170,895	F31	\$172,578	\$0	\$0	\$0	\$48,277
113 CAT 1 CAT 1 CAT 1 PL/WATS	9,283,761	G13	6,962,610	0	2,320,940	0	0
114 CAT 1 CAT 1 CAT 1 PL/WATS	0	V74	0	0	0	0	0
115 Other CAT 1 C/W/W	0		0	0	0	0	0
116 Total CAT 1 C/W/W	\$9,451,566		\$7,965,398	\$0	\$2,320,940	\$0	\$48,277
117 CAT 2 C/W/W	\$449,295	G28	0	\$0	0	0	0
118 CAT 2 C/W/W - Weekend	0	V76	0	0	0	0	0
119 Total CAT 2 C/W/W	\$449,295		\$449,295	0	0	0	0
120 CAT 3 Joint Message	2,177,175	G17	1,107,862	0	1,689,298	0	15,659
121 CAT 3 PL/WATS inc.	0	G96	0	0	0	0	0
122 CAT 3 Direct	49,391	V79	38,732	0	0	0	10,659
123 Total CAT 3 C/W/W	\$2,226,566		\$1,146,699	\$0	\$1,689,298	\$0	\$17,659
124 CAT 4 Message	\$0	G29	0	\$0	\$0	\$0	\$0
125 CAT 4 WATS	0	V81	0	0	0	0	0
126 CAT 4 Direct	0	V82	0	0	0	0	0
127 Total CAT 4 C/W/W	\$0		\$0	\$0	\$0	\$0	\$0
128 TOTAL C/W/W	\$12,136,427		\$10,691,392	\$0	\$3,390,149	\$0	\$58,896
129 CAPITAL LEASES:							
130 Allocable Support Leases	\$0	V84	\$0	\$0	\$0	\$0	\$0
131 Direct Support Leases	\$0		0	0	0	0	0
132 Total Support Leases	\$0		\$0	\$0	\$0	\$0	\$0

MIDSTATE TELEPHONE COMPANY & HEARTLAND COMMUNICATIONS, INC.

INSTRUMENTS

(A)	(B)	(C)	(D)	Message Telephone Service		Private Line		TOTAL INFRASTATE	
				Inter-LATA	Intra-LATA	Inter-LATA	Intra-LATA		
				(E)	(F)	(G)	(H)	(I)	
***** FCC PART 36 *****									
Fixed Investment Detail									
160	COE Channel	\$0	H18	\$0	\$0	\$0	\$0	\$0	O.K.
162	COE Lineair Switch	0	H17	0	0	0	0	0	O.K.
163	COE Local Switch	0	H18	0	0	0	0	0	O.K.
164	COE Local Transmission	0	H18	0	0	0	0	0	O.K.
165	COE Direct	0	V99	0	0	0	0	0	O.K.
166									
167	Total COE Leases	\$0		\$0	\$0	\$0	\$0	\$0	O.K.
169	ROT Leases	\$0	V90	\$0	\$0	\$0	\$0	\$0	O.K.
170									
171	CLAW Leases	\$0	V91	\$0	\$0	\$0	\$0	\$0	O.K.
172									
173	TOTAL CAPITAL LEASES	\$0		\$0	\$0	\$0	\$0	\$0	O.K.
174									
175									
LEASehold IMPROVEMENTS									
176	Land and Support Assets	\$0	H14	\$0	\$0	\$0	\$0	\$0	O.K.
179	COE Switching	0	H18	0	0	0	0	0	O.K.
180	COE Transmission	0	H20	0	0	0	0	0	O.K.
181	COE Transmission	0	V98	0	0	0	0	0	O.K.
182	ROT	0	V98	0	0	0	0	0	O.K.
183	CLAW	0	V99	0	0	0	0	0	O.K.
184	CLAW	0	V98	0	0	0	0	0	O.K.
185									
186	TOTAL LEASehold IMPROVEMENT	\$0		\$0	\$0	\$0	\$0	\$0	O.K.
187									
188									
189	TOTAL	\$21,619,000		\$15,121,113	\$0	\$6,425,875	\$0	\$17,271	\$6,403,947

Sheet 10
 ENDING DECEMBER 31, 1997 WITH 1

28-Apr-98

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MIDSTATE TELEPHONE COMPANY & HEARTLAND COMMUNICATIONS, INC.

INSTRUMENT

(A)	TOTAL COMPANY (B)	Source/ Allocator (C)	Intangible and Other (D)	Message Telephone Service			Private Line			TOTAL INSTRUMENT (I)
				INSTRATA (E)	INSTRATA (F)	INSTRATA (G)	INSTRATA (H)	INSTRATA (I)		
204 INTANGIBLE ASSETS										
205 Allocable Acct. No. 2080	\$0	NIS	\$0	\$0	\$0	\$0	\$0	\$0	\$0	O.K.
206 Direct Acct. No. 1057	0	V104	0	0	0	0	0	0	0	O.K.
208 Total Intangible Assets	\$0		\$0	\$0	\$0	\$0	\$0	\$0	\$0	O.K.
209										
211										
212 OTHER TELEPHONE PLANT										
214 Held for Full Use - Alloc	\$0	---	\$0	\$0	\$0	\$0	\$0	\$0	\$0	O.K.
215 Held for Full Use - Direct	0	NIS	0	0	0	0	0	0	0	O.K.
216 Held for Full Use - Alloc	0	V124	0	0	0	0	0	0	0	O.K.
217 TRAC Short term - Direct	0	NIS	0	0	0	0	0	0	0	O.K.
218 TRAC Long term - Alloc	41,403	NIS	31,796	0	13,607	0	150	0	13,657	O.K.
219 TRAC Long term - Direct	0	NIS	0	0	0	0	0	0	0	O.K.
220 Total Other Telephone Plant	0		0	0	0	0	0	0	0	O.K.
221 Total Pnt. Adjust. - Direct	0	V104	0	0	0	0	0	0	0	O.K.
222										
223 Total Other Telephone Plant	\$44,403		\$31,796	\$0	\$13,607	\$0	\$150	\$0	\$13,657	O.K.

Sheet '1'
 ENDING DECEMBER 31, 1997 WITH 1996 INCOME & MEASURABLE CHANGES, 04/29/99 PM
 MEDIATE TELEPHONE COMPANY & HEARTLAND COMMUNICATIONS, INC.

	TOTAL COMPANY		General Account and Other	Message Telephone Service			Private Line			TOTAL INTRASTATE
	(A)	(B)		(C)	(D)	(E)	(F)	(G)	(H)	
	Intergovernmental Factors			Intestate	Inst. AT	Inst.ATA	Inst.ATA	Inst.ATA	(I)	
13 Support Assets		1,000,000	D31	0.69434	0.00000	0.29729	0.00000	0.00000	0.00297	0.30056
14 Land and Support Assets		1,000,000	D33	0.69434	0.00000	0.29729	0.00000	0.00000	0.00297	0.30056
15 COE Operator		0.00000	D43	0.00000	0.00000	0.00000	0.00000	0.00000	0.00000	0.00000
16 COE Trunk Switching		1,000,000	D49	0.67380	0.00000	0.27210	0.00000	0.00000	0.00000	0.27210
17 COE Trunk Switching		1,000,000	D49	0.70465	0.00000	0.29255	0.00000	0.00000	0.00000	0.29255
18 COE Total Switching		1,000,000	D49	0.68922	0.00000	0.28230	0.00000	0.00000	0.00000	0.28230
19 COE Transmission		1,000,000	D85	0.61034	0.00000	0.25183	0.00000	0.00000	0.00000	0.25183
20 COE Transmission		1,000,000	D85	0.61034	0.00000	0.25183	0.00000	0.00000	0.00000	0.25183
21 Total COE		1,000,000	C19	0.61121	0.00000	0.25270	0.00000	0.00000	0.00000	0.25270
22 Int. Chg Term. CAT 1		0.00000	D90	0.00000	0.00000	0.00000	0.00000	0.00000	0.00000	0.00000
23 Int. Chg Term. CAT 2		0.00000	D90	0.00000	0.00000	0.00000	0.00000	0.00000	0.00000	0.00000
24 Int. Chg Term. CAT 2		0.00000	D94	0.25000	0.00000	0.00000	0.00000	0.00000	0.00000	0.25000
25 Total CAT		0.00000	D94	0.25000	0.00000	0.00000	0.00000	0.00000	0.00000	0.25000
26 CWFF CAT 1		1,000,000	D116	0.14916	0.00000	0.00000	0.00000	0.00000	0.00000	0.14916
27 CWFF CAT 1		1,000,000	D120	1.00000	0.00000	0.00000	0.00000	0.00000	0.00000	1.00000
28 CWFF CAT 2		1,000,000	D120	0.15000	0.00000	0.00000	0.00000	0.00000	0.00000	0.15000
29 CWFF CAT 3		1,000,000	D120	0.15000	0.00000	0.00000	0.00000	0.00000	0.00000	0.15000
30 CWFF CAT 4		1,000,000	D120	0.15000	0.00000	0.00000	0.00000	0.00000	0.00000	0.15000
31 Total CWFF		1,000,000	D121	0.71461	0.00000	0.00000	0.00000	0.00000	0.00000	0.71461
32 Total Equipment		1,000,000	C23	0.69434	0.00000	0.29729	0.00000	0.00000	0.00297	0.30056
33 Total Equipment		1,000,000	C23	0.69434	0.00000	0.29729	0.00000	0.00000	0.00297	0.30056
34 TMS		1,000,000	D189	0.69434	0.00000	0.29729	0.00000	0.00000	0.00297	0.30056
35 TMS		1,000,000	D189	0.69434	0.00000	0.29729	0.00000	0.00000	0.00297	0.30056
36 TMS, and Acct. No. 2690		1,000,000	D189	0.69434	0.00000	0.29729	0.00000	0.00000	0.00297	0.30056
37 PM. Held. For. Use		0.00000	D215	0.00000	0.00000	0.00000	0.00000	0.00000	0.00000	0.00000
38 PM. Held. For. Use		0.00000	D215	0.00000	0.00000	0.00000	0.00000	0.00000	0.00000	0.00000
39 Total Tangible Assets		0.00000	C26	0.00000	0.00000	0.00000	0.00000	0.00000	0.00000	0.00000
40 Total Tangible Assets		0.00000	C26	0.00000	0.00000	0.00000	0.00000	0.00000	0.00000	0.00000
41 Long-term PUC		1,000,000	C61	0.69434	0.00000	0.29729	0.00000	0.00000	0.00297	0.30056
42 Long-term PUC		1,000,000	C61	0.69434	0.00000	0.29729	0.00000	0.00000	0.00297	0.30056
43 Total Net Investment		1,000,000	C68	0.69477	0.00000	0.30147	0.00000	0.00000	0.00327	0.30523
44 Capital Leases		0.00000	D173	0.00000	0.00000	0.00000	0.00000	0.00000	0.00000	0.00000
45 Capital Leases		0.00000	D173	0.00000	0.00000	0.00000	0.00000	0.00000	0.00000	0.00000
46 Total Bus. Ctr. Cont. Serv.		1,000,000	1141	0.74260	0.00000	0.25173	0.00000	0.00000	0.00547	0.25140
47 Total Bus. Ctr. Cont. Serv.		1,000,000	1170	0.69642	0.00000	0.29567	0.00000	0.00000	0.00349	0.30458
48 Total BUS TRIPLE E Expense		1,000,000	1185	0.61461	0.00000	0.26253	0.00000	0.00000	0.00364	0.26386
49 Corporate Operations Expense		1,000,000	1185	0.61461	0.00000	0.26253	0.00000	0.00000	0.00364	0.26386

Sheet 17
 ENDSID DECEMBER 31, 1997 WITH 1998 KNOWN & MEASURABLE CHANGES
 MEDSTATE TELEPHONE COMPANY & HEARTLAND COMMUNICATIONS, INC.

06 Nov 98 14:29:05 PM

10-000000

	TOTAL COMPANY		Special Allocator	Intangible and Other	Message Telephone Service		Private Line		TOTAL INTRASTATE
	(B)	(C)			Inter-LATA	Intra-LATA	Inter-LATA	Intra-LATA	
13 PLANT SPEC OPER EXPENSE									
15 Network Support, Alloc	\$0	H14	\$0	\$0	\$0	\$0	\$0	\$0	\$0
16 Network Support, Direct	0	V149	0	0	0	0	0	0	0
18 Total Network Support Exp	\$0		\$0	\$0	\$0	\$0	\$0	\$0	\$0
19 General Support, Alloc	\$51,609	H15	\$35,993	\$0	\$15,282	\$0	\$169	\$15,452	\$0
20 General Support, Direct	0	V151	0	0	0	0	0	0	0
22 Total General Support Exp	\$51,609		\$35,993	\$0	\$15,282	\$0	\$169	\$15,621	\$0
25 Central Office Eq., Alloc	\$17,773	H21	\$45,770	\$0	\$41,927	\$0	\$76	\$42,003	\$0
26 Central Office Eq., Direct	4,833	V153	8,833	0	0	0	0	0	0
28 Total COE Exp	\$12,656		\$46,603	\$0	\$41,927	\$0	\$76	\$42,003	\$0
29 Cost Provision Equip	\$0	H24	\$0	\$0	\$0	\$0	\$0	\$0	\$0
30 Other IOT	0	H23	0	0	0	0	0	0	0
32 IOT Direct	0	V157	0	0	0	0	0	0	0
34 Total IOT Exp	\$0		\$0	\$0	\$0	\$0	\$0	\$0	\$0
35 Cables & Wire, Alloc	\$184,778	H31	\$152,740	\$0	\$51,641	\$0	\$607	\$52,538	\$0
36 Cables & Wire, Direct	143,105	V159	71,300	0	68,805	0	0	68,805	0
38 Total C&W Exp	\$327,883		\$224,040	\$0	\$120,446	\$0	\$607	\$121,343	\$0
42 TOTAL PL. SPEC OPER EXP.	\$511,898		\$333,101	\$0	\$177,655	\$0	\$1,142	\$178,797	\$0
44 TOTAL PL. SPEC. as SUPPOT	\$460,489		\$297,144	\$0	\$162,372	\$0	\$973	\$163,345	\$0

	TOTAL COMPANY		Message Telephone Service			Private Line			TOTAL INTIMISTATE
	(B)	(C)	(E)	(F)	(G)	(H)	(I)		
***** FCC PART 36 *****									
Operating Expenses and Taxes									
(A)									
58 NON-SPECIFIC OPER. EXP.:									
60 Otr. Pk. and Equip.-Alloc.	\$0	106	\$0	\$0	\$0	\$0	\$0	\$0	O.K.
62 Otr. Pk. and Equip.-Direct	0	V177	0	0	0	0	0	0	O.K.
63 Total Otr. Pk. & Equip.	\$0		\$0	\$0	\$0	\$0	\$0	\$0	O.K.
64 Network Operations, Alloc.	\$107,319	103	\$75,063	\$0	\$11,903	\$0	\$154	\$32,256	O.K.
66 Network Operations, Direct	0	V179	0	0	0	0	0	0	O.K.
68 Total Network Oper. Exp.	\$107,319		\$75,063	\$0	\$11,903	\$0	\$154	\$32,256	O.K.
69 Total Access Expenses	\$101,887	V186	\$52,517	\$0	\$79,370	\$0	\$0	\$79,370	O.K.
71 Depn.-Support Assets	\$302,372	V113	\$171,602	\$0	\$30,422	\$0	\$337	\$82,770	O.K.
72 Depn.-COE Backlog	285,947	V119	201,446	0	84,498	0	0	84,498	O.K.
73 Depn.-COE Transmission	117,287	H05	72,253	0	44,949	0	186	45,034	O.K.
75 Depn.-TOT Equipment	554,278	H25	396,648	0	154,802	0	2,690	157,502	O.K.
76 Depn.-Facilities	0	H28	0	0	0	0	0	0	O.K.
78 Depn.-HF&U	0	H38	0	0	0	0	0	0	O.K.
79 Total Depreciation Expense	\$1,059,830		\$741,945	\$0	\$314,671	\$0	\$3,214	\$317,885	O.K.
81 Acct.-Langble Assets	\$0	H40	\$0	\$0	\$0	\$0	\$0	\$0	O.K.
84 Other Intangible Assets	0	V189	0	0	0	0	0	0	O.K.
85 Direct Assigned Amort.	0	V190	0	0	0	0	0	0	O.K.
87 Total Amortization Exp.	\$0		\$0	\$0	\$0	\$0	\$0	\$0	O.K.
89 Total Depn. and Amort.	\$1,059,830		\$741,945	\$0	\$314,671	\$0	\$3,214	\$317,885	O.K.
91 TOTAL NON-SPEC. OPER. EXP.	\$1,260,036		\$839,525	\$0	\$425,944	\$0	\$3,267	\$429,511	O.K.

INVESTABLE

	TOTAL COMPANY		Special Allocable	Intangible and Other	Message Telephone Service		Private Line		TOTAL INVESTABLE	
	(B)	(C)			Inst./T/A (E)	Inst./ATA (F)	Inst./ATA (G)	Inst./ATA (H)		(I)
(A) Operating Expenses and Taxes										
CUSTOMER OPERATIONS EXP., cont.										
105 Marketing, Allocable	\$0	0205	\$0	\$0	\$0	\$0	\$0	\$0	\$0	O.K.
106 Marketing, Direct	\$0	V192	0	0	0	0	0	0	0	O.K.
109 Total Marketing Expense	\$0		\$0	\$0	\$0	\$0	\$0	\$0	\$0	O.K.
110 Operator Service, Alloc.	\$0	024	\$0	\$0	\$0	\$0	\$0	\$0	\$0	O.K.
111 Operator Service, Direct	0	V194	0	0	0	0	0	0	0	O.K.
114 Total Operator Service	\$0		\$0	\$0	\$0	\$0	\$0	\$0	\$0	O.K.
115 Classified Directory	\$0	V195	\$0	\$0	\$0	\$0	\$0	\$0	\$0	O.K.
118 Administrative	8,637	019	6,973	0	1,664	0	0	0	1,664	O.K.
120 Foreign Directory	0	040	0	0	0	0	0	0	0	O.K.
121 Total Directory	\$6,637		\$6,973	\$0	\$1,664	\$0	\$0	\$0	\$1,664	O.K.
122 Bus. Dir., EU Prescription	\$14,614	036	\$14,614	\$0	\$0	\$0	\$0	\$0	\$0	O.K.
124 Bus. Dir., EU MTS & WATS	42,809	037	18,610	0	24,329	0	0	0	24,329	O.K.
125 Bus. Dir., EU Access, PL & at Other	148,135	038	117,724	0	1,762	0	1,762	0	1,762	O.K.
126 Bus. Dir., EU Access, PL & at Other	333	039	333	0	0	0	0	0	0	O.K.
127 Bus. Dir., IAC Switched Access	7,848	040	3,997	0	3,951	0	0	0	3,951	O.K.
128 Bus. Dir., IAC D & C Services	161	041	151	0	10	0	0	0	10	O.K.
129 Bus. Dir., IAC D & C Services	0	042	0	0	0	0	0	0	0	O.K.
130 Cont. Codes & Admin.	0		0	0	0	0	0	0	0	O.K.
131 Total Business Office	\$214,694		\$181,501	\$0	\$58,431	\$0	\$0	\$0	\$58,431	O.K.
133 Cost Serv., Direct	\$0	V205	\$0	\$0	\$0	\$0	\$0	\$0	\$0	O.K.
134 Cost Serv., Mag. Process	0	043	0	0	0	0	0	0	0	O.K.
135 Cost Serv., Mail	21	044	13,628	0	7,805	0	35	0	7,865	O.K.
136 Cost Serv., CAMS	94,495	045	47,248	0	47,248	0	0	0	47,248	O.K.
137 Cost Serv., EU Customer Line	1,128	V209	1,128	0	0	0	0	0	0	O.K.
139 Total Customer Service	\$117,556		\$61,943	\$0	\$55,078	\$0	\$0	\$0	\$55,113	O.K.
140 Total Bus. Dir., Cost Serv.	\$331,750		\$146,444	\$0	\$83,509	\$0	\$0	\$0	\$83,509	O.K.

MOUSTATE TELEPHONE COMPANY & HEARTLAND COMMUNICATIONS, INC.

Part 36 INDUATA Summary		(B)	(C)	(D)	(E)	(F)	(G)	(H)	(I)	
(A)		Source	Common Line	Local Switching	Information	Customer Transport	Billing and Collection	Other		
13	Land and Support Assets	\$750,228	L25	\$9,831	\$527,868	\$0	\$18,532	\$0	\$13,798	O.K.
14	Construction in Progress	\$2,298,893	L20	\$44,917	\$482,278	\$0	\$1,300,032	\$0	\$4,158	O.K.
15	Int'l. Term. Equip. Equipment	3,449,035	L79	2,300,940	0	0	1,068,208	0	58,890	O.K.
17	Cellular and Wire Facilities	0	L117	0	0	0	0	0	0	O.K.
19	Trans. Equip. Equip. Equip.	\$5,747,878		\$2,365,957	\$449,776	\$0	\$2,369,241	\$0	\$63,045	O.K.
20	Total Tangle Assets	\$0	L141	\$0	\$0	\$0	\$0	\$0	\$0	O.K.
22	Total Term. Pk. as Issued	\$6,497,947		\$2,375,688	\$1,157,444	\$0	\$2,897,772	\$0	\$76,843	O.K.
24	Total Intangible Assets	0	L144	0	0	0	0	0	0	O.K.
26	Total Plant in Service	\$6,497,947		\$2,375,688	\$1,157,444	\$0	\$2,897,772	\$0	\$76,843	O.K.
27	Total Pk. Held Future Use	0	L145	0	0	0	0	0	0	O.K.
28	Total Pk. Held Future Use	0	L146	0	0	0	0	0	0	O.K.
29	Total Pk. Held Future Use	13,647	L164	4,989	2,431	0	6,065	0	181	O.K.
30	Total Tel. Pk. Asset	13,647	L169	4,989	2,431	0	6,065	0	181	O.K.
31	TOTAL TELEPHONE PLANT	\$6,511,593		\$2,380,677	\$1,160,075	\$0	\$2,903,837	\$0	\$77,064	O.K.
33	Net	2,684,687		1,156,067	431,981	0	1,060,342	0	38,078	O.K.
36	Accum. Dep. Pk. in Serv	0		0	0	0	0	0	0	O.K.
38	Accum. Dep. Pk. in Serv	0		0	0	0	0	0	0	O.K.
39	Accum. Dep. Tangle Pk.	0	M20	0	0	0	0	0	0	O.K.
39	Accum. Amort. Tangle Pk.	0	M20	0	0	0	0	0	0	O.K.
39	Accum. Amort. Other	0	M20	0	0	0	0	0	0	O.K.
41	Accum. Dep. Inc. Taxes. Totl	0	M17	0	0	0	0	0	0	O.K.
42	Plant	0	Direct	0	0	0	0	0	0	O.K.
43	Other Assets	\$3,828,826		\$1,223,610	\$728,894	\$0	\$1,833,495	\$0	\$41,308	O.K.
45	NET TELEPHONE PLANT	\$9,340,419		\$3,599,287	\$1,878,969	\$0	\$4,737,332	\$0	\$118,372	O.K.
46	Int'l. B. Pk. Stock	29,138	L173	10,653	5,919	0	12,949	0	345	O.K.
48	Materials and Supplies	30,804	L175	11,262	5,468	0	13,069	0	361	O.K.
49	Cap. Working Capital	0	L177	0	0	0	0	0	0	O.K.
50	Equal Access Investment	0		0	0	0	0	0	0	O.K.
51	NET INVESTMENT	\$3,889,669		\$1,240,526	\$729,573	\$0	\$1,866,134	\$0	\$42,035	O.K.

MIDSTATE TELEPHONE COMPANY & HEARTLAND COMMUNICATIONS, INC.

	Part 36 IntrALATA Total		Source or Appropriation (C)	Common Line (D)	Local Switching (E)	Information (F)	Common Transport (G)	Billing and Collection (H)	Other (I)
	(A)	(B)							
LAND AND SUPPORT ASSETS									
14 Land Assets, Message	\$0	N28	0	0	0	0	0	0	0
15 Land Assets, Private Line	0	N29	0	0	0	0	0	0	0
17 Total Land Assets	\$0		\$0	\$0	\$0	\$0	\$0	\$0	\$0
20 Support Assets, Message	\$11,802	N28	\$9,723	\$205,589	\$0	\$0	\$512,844	\$0	\$15,647
21 Support Assets, Private Line	8,227	N28	108	2,280	0	0	5,687	0	151
22 Total Support Assets	\$19,029		\$9,831	\$207,869	\$0	\$0	\$518,532	\$0	\$15,798
24 Total Land and Supp. Assets	\$19,029		\$9,831	\$207,868	\$0	\$0	\$518,532	\$0	\$15,798
CENTRAL OFFICE EQUIPMENT									
29 Operator Sys., CA	\$0	(F)	0	0	0	0	0	0	0
30 Operator Sys., Other	0	(I)	0	0	0	0	0	0	0
31 Total Operator Systems	\$0		\$0	\$0	\$0	\$0	\$0	\$0	\$0
33 Trunkless Switching	\$340,609	(G)	0	0	0	0	\$340,609	\$0	\$0
34 Trunkless Switching	0	Direct	0	0	0	0	0	0	0
36 Total Trunkless Switching	\$340,609		\$0	\$0	\$0	\$0	\$340,609	\$0	\$0
37 Total Trunkless Switching	\$340,609		\$0	\$0	\$0	\$0	\$340,609	\$0	\$0
38 Local Switching	\$949,776	(F)	0	\$949,776	\$0	\$0	\$0	\$0	\$0
40 Local Assigned	0	Direct	0	0	0	0	0	0	0
42 Total Local Switching	\$949,776		\$0	\$949,776	\$0	\$0	\$0	\$0	\$0
44 Total Switching	\$1,290,385		\$0	\$949,776	\$0	\$0	\$340,609	\$0	\$0

MIDSTATE TELEPHONE COMPANY & HEARTLAND COMMUNICATIONS, INC.

Part 36 Initial ATA Total	Source or Application Detail	Common Line	Local Switching	Interchange	Common Trunking	Billing and Collection	Other
(B)	(C)	(D)	(E)	(F)	(G)	(H)	(I)
56	COE Each Trunk	\$0	\$0	\$0	\$0	\$0	\$0
59	COE Each Line - Message	44,917	0	0	0	0	0
60	COE Each Line - Assign	0	0	0	0	0	0
61	COE Each Line - Assigned	0	0	0	0	0	0
62	COE Interchange Message	959,423	0	0	959,423	0	0
63	COE Interchange Assign	0	0	0	0	0	0
64	COE Interchange Assigned	3,275	0	0	0	0	3,275
65	COE ITR Message	0	0	0	0	0	0
66	COE ITR Assigned	0	0	0	0	0	0
67	Total COE Transmission	\$1,008,699	\$0	\$0	\$959,423	\$0	\$4,158
68	Total COE Equip	\$2,298,863	\$448,776	\$0	\$1,300,020	\$0	\$4,158
69	Total COE Equip						
70	ROT EQUIPMENT						
71	Public Telephone	\$0	\$0	\$0	\$0	\$0	\$0
72	Common Pay Phone	0	0	0	0	0	0
73	Customer Premises Equipment	0	0	0	0	0	0
74	Total ROT Equipment	\$0	\$0	\$0	\$0	\$0	\$0
75	Total ROT Equip						
76	CABLE AND WIRE FACILITIES						
77	Exchange P. and WATS	\$48,227	\$0	\$0	\$0	\$0	\$48,227
78	Exchange Message	2,200,946	0	0	0	0	0
79	Exchange Assigned	0	0	0	0	0	0
80	Total Exchange Line CAWF	\$2,249,166	\$0	\$0	\$0	\$0	\$48,227
81	Exchange Trunk Message	\$0	\$0	\$0	\$0	\$0	\$0
82	Exchange Trunk, FL	0	0	0	0	0	0
83	Total Exchange Trunk CAWF	\$0	\$0	\$0	\$0	\$0	\$0
84	Interchange P. WATS	\$1,009,208	\$0	\$0	\$1,009,208	\$0	\$0
85	Interchange Message	0	0	0	0	0	0
86	Interchange P. WATS	10,659	0	0	0	0	10,659
87	Interchange Assigned	0	0	0	0	0	0
88	Total Interchange CAWF	\$1,019,867	\$0	\$0	\$1,009,208	\$0	\$10,659

MIDSTATE TELEPHONE COMPANY & HEARTLAND COMMUNICATIONS, INC.

***** FCC PART 68 ***** Int'l.ATA Reserves and Deferrals		Part 36 Int'l.ATA							
(A)		(B)	(C)	(D)	(E)	(F)	(G)	(H)	(I)
		Total	Source or Appropriation	Common Line	Local Switching	Information	Common Transport	Billing and Collection	Other
13	ACCOM DEPRECIATION, TPIS								
14	Support Assets	\$76,001	N28	\$3,682	\$77,678	\$0	\$184,270	\$0	\$5,169
15	COE Switching	480,000	L44	0	353,200	0	126,700	0	0
16	COE Operator	0	L38	0	0	0	0	0	0
17	COE Transmission	223,987	L66	9,976	0	0	211,987	0	564
18	COE Equipment	0	L78	0	0	0	0	0	0
19	OT Equipment	1,697,676	L17	1,142,608	0	0	526,293	0	28,985
20	Other Wire Facilities	0	N27	0	0	0	0	0	0
21	Other Plant	0		0	0	0	0	0	0
22	Total Accum. Deprec., TPIS	\$2,682,687		\$1,156,687	\$431,181	\$0	\$1,960,342	\$0	\$35,678
23									
24	ACCOM AMORTIZATION								
25	Support Assets	\$0	N27	\$0	\$0	\$0	\$0	\$0	\$0
26	Accum. Depreciation, Pnt'l.U	0	N27	\$0	\$0	\$0	\$0	\$0	\$0
27	Accum. Amort., Tangible Inv.	0	N27	\$0	\$0	\$0	\$0	\$0	\$0
28	Accum. Amort., Intang. Inv.	0	N27	\$0	\$0	\$0	\$0	\$0	\$0
29	Accum. Amort., Other	0		\$0	\$0	\$0	\$0	\$0	\$0
30	Total Accum. Amortization	\$0		\$0	\$0	\$0	\$0	\$0	\$0
31									
32	Total Accum. Deprec. Amount	\$2,682,687		\$1,156,687	\$431,181	\$0	\$1,960,342	\$0	\$35,678
33									
34	ACCOM DEF. INC. TAXES, NET								
35	Support Assets	\$0	N28	\$0	\$0	\$0	\$0	\$0	\$0
36	COE Switching	0	L44	0	0	0	0	0	0
37	COE Operator	0	L38	0	0	0	0	0	0
38	COE Transmission	0	L66	0	0	0	0	0	0
39	OT Equipment	0	L78	0	0	0	0	0	0
40	COE Equipment	0	L17	0	0	0	0	0	0
41	COE Int'l.ATA	0	N27	0	0	0	0	0	0
42	Carls and Wire Fac.	0		0	0	0	0	0	0
43	Unclassified	0		0	0	0	0	0	0
44	Total Accum. Def. Inc. Taxes	\$0		\$0	\$0	\$0	\$0	\$0	\$0

***** FCC PART 69 *****
 MIDSTATE TELEPHONE COMPANY & HEARTLAND COMMUNICATIONS, INC.

	(A) Appurtenance Factors	(B) Total	(C) Source	(D) Common Line	(E) Local Switching	(F) Information	(G) Common Transport	(H) Billing and Collection	(I) Other
13	Central Office Equipment	\$2,298,893	170	\$44,917	\$949,376	\$0	\$1,300,032	\$0	\$4,158 O.K.
14	Int. Orig./Trans. Eqt.	3,449,035	178	0	0	0	1,989,208	0	0 O.K.
15	CRM Facilities	0	117	2,320,840	0	0	0	0	\$8,886 O.K.
16	Total	\$5,747,918		\$2,365,657	\$949,376	\$0	\$2,365,241	\$0	\$63,045 O.K.
17	Factor	1,000000		0.411602	0.165238	0.000000	0.412191	0.000000	0.010268 O.K.
18	Sub. Sw. Trans. Other	\$3,382,051	17	\$0	\$949,376	\$0	\$2,365,241	\$0	\$63,045 O.K.
19	Factor	1,000000		0.000000	0.295928	0.000000	0.705532	0.000000	0.018641 O.K.
20	Central Office Equipment	\$2,298,893	170	\$44,917	\$949,376	\$0	\$1,300,032	\$0	\$4,158 O.K.
21	Int. Orig./Trans. Eqt.	1,128,995	178	0	0	0	1,989,208	0	\$8,886 O.K.
22	CRM, Ext. Each Message	\$3,420,978	117.83	\$44,917	\$949,376	\$0	\$2,365,241	\$0	\$63,045 O.K.
23	Total	1,000000		0.031507	0.271847	0.000000	0.691350	0.000000	0.018397 O.K.
24	Factor	\$750,028	125	\$9,831	\$207,868	\$0	\$158,532	\$0	\$13,758 O.K.
25	Central Office Equipment	2,298,893	13	44,917	949,376	0	1,300,032	0	4,158 O.K.
26	Int. Orig./Trans. Eqt.	0	4	0	0	0	0	0	0 O.K.
27	CRM, Ext. Each Message	3,449,035	15	2,320,840	0	0	0	0	\$8,886 O.K.
28	Equal Access Investment	0	177	0	0	0	1,989,208	0	0 O.K.
29	Total	\$6,497,847		\$2,375,698	\$1,157,644	\$0	\$2,887,772	\$0	\$76,843 O.K.
30	Factor	1,000000		0.365606	0.178155	0.000000	0.444413	0.000000	0.011626 O.K.
31	Sub. Com. In. Sw. Trans	\$6,421,104	36	\$2,375,698	\$1,157,644	\$0	\$2,887,772	\$0	\$0 O.K.
32	Factor	1,000000		0.369981	0.180287	0.000000	0.447731	0.000000	0.000000 O.K.
33	COE Cap. 2 Factor	1,000000	Direct	0.000000	0.000000	0.000000	1.000000	0.000000	0.000000 O.K.
34	OTI Cap. 1 Factor	1,000000	Direct	1.000000	0.000000	0.000000	0.000000	0.000000	0.000000 O.K.
35	Total TPOB	\$6,497,847	426	\$3,376,688	\$1,157,644	\$0	\$2,887,772	\$0	\$76,843 O.K.
36	Factor	1,000000		0.516606	0.178155	0.000000	0.444413	0.000000	0.011626 O.K.

Sheet No. 128
 ENDSO DECEMBER 31, 1987 WITH 1988 KNOWN & MEASURABLE CHANGES

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MEDIATE TELEPHONE COMPANY & HEARTLAND COMMUNICATIONS, INC.

	Part 34 Schedule A							Other
	(A)	(B)	(C)	(D)	(E)	(F)	(G)	
***** FCC PART 69 ***** Appropriation Factors	Total	Source	Common Line	Local Switching	Information	Common Transport	Billing and Collection	
60 Intangible Cost Factor	0.00000	Direct	0.00000	0.00000	0.00000	0.00000	0.00000	0.00000
61 NY 5th Work Secords	1.00000	Direct	1.00000	0.00000	0.00000	0.00000	0.00000	0.00000
62	230.086	OTI	\$1,725	\$41,990	\$1,788	\$70,202	\$4,761	\$61,831
63 "703 THRETT" Engines	1.00000		0.13438	0.10984	0.04026	0.44029	0.02249	0.71049
64 Factor								
65 Net Investment	\$3,888,848	#13	\$1,246,526	\$799,573	\$0	\$1,861,174	\$0	\$42,835
67 Factor	1.00000		0.20207	0.19077	0.00000	0.41323	0.00000	0.05963

(8)

***** FCC PART 68 *****
 Operating Expenses and Taxes

	(A)	(B)	(C)	(D)	(E)	(F)	(G)	(H)	(I)
	Operating Expenses and Taxes	Plant & Equipment Total	Appropriation	Common Line	Local Switching	Information	Common Transport	Billing and Collection	Other
13	PLANT SPEC. OPER EXPENSE								
15	Network Support, Alloc.	\$0	N07	\$0	\$0	\$0	\$0	\$0	\$0
16	Network Support, Direct	0	Direct	0	0	0	0	0	0
18	Total Network Support Exp.	\$0		\$0	\$0	\$0	\$0	\$0	\$0
19	General Support, Alloc.	\$15,452	N03	\$209	\$4,782	\$0	\$10,663	\$0	\$284
20	General Support, Direct	0	Direct	0	0	0	0	0	0
22	Total General Support Exp.	\$15,452		\$209	\$4,782	\$0	\$10,663	\$0	\$284
23	Central Office Eq., Alloc.	\$44,003	N01	\$641	\$17,353	\$0	\$23,753	\$0	\$16
24	Central Office Eq., Direct	0	Direct	0	0	0	0	0	0
26	Total COE Exp.	\$44,003		\$641	\$17,353	\$0	\$23,753	\$0	\$16
29	Other Premises Equip.	\$0	L26	\$0	\$0	\$0	\$0	\$0	\$0
30	Other OTT	0	N43	0	0	0	0	0	0
32	NOT Direct	0	Direct	0	0	0	0	0	0
33	Total OTT Exp.	\$0		\$0	\$0	\$0	\$0	\$0	\$0
35	Cable & Wire, Alloc.	\$53,538	N03	\$35,354	\$0	\$0	\$18,387	\$0	\$897
36	Cable & Wire, Direct	\$8,800	Direct	0	0	0	\$8,800	\$0	0
38	Total CAW Exp.	\$62,338		\$35,354	\$0	\$0	\$27,187	\$0	\$897
39	Total CWSP Exp.	\$62,338		\$35,354	\$0	\$0	\$27,187	\$0	\$897
41	TOTAL PL. SPEC. OPER. EXP.	\$178,797		\$58,377	\$21,636	\$0	\$119,827	\$0	\$1,257
42	TOTAL PL. SPEC. as SUPPORT	\$183,345		\$58,175	\$17,353	\$0	\$108,845	\$0	\$973

MIDSTATE TELEPHONE COMPANY & HEARTLAND COMMUNICATIONS, INC.

	Part 36 Intangible Assets		Appraisal (C)	Common Law (D)	Local Switching (E)	Information (F)	Common Transport (G)	Billing and Collection (H)	Other (I)
	(B)	(A)							
***** FCC PART 68 *****									
Operating Expenses and Taxes									
57 NON-SPECIFIC OPER. EXP.:									
58 Oth. Pk and Equip. Alloc.	\$0	N/A	\$0	\$0	\$0	\$0	\$0	\$0	\$0
59 Oth. Pk and Equip. - Direct	0	Direct	0	0	0	0	0	0	0
60 Oth. Pk and Equip. - Other	\$0		\$0	\$0	\$0	\$0	\$0	\$0	\$0
61 Total Oth. Pk & Equip.	\$0		\$0	\$0	\$0	\$0	\$0	\$0	\$0
62									
63 Network Operations, Alloc.	\$32,256	OTH	\$13,277	\$0,300	\$0,300	\$0	\$13,296	\$0	\$354
64 Network Operations, Direct	0	Direct	0	0	0	0	0	0	0
65 Total Network Oper. Exp.	\$32,256		\$13,277	\$0,300	\$0,300	\$0	\$13,296	\$0	\$354
66									
67 Total Access Expenses	\$79,370	Direct	\$0	\$0	\$0	\$0	\$0	\$0	\$79,370
68									
69 Other Support Assets	\$30,270	L23	\$453	\$8,528	\$0	\$0	\$17,272	\$0	\$566
70 Other - COE Switching	\$4,499	L44	0	\$2,194	\$0	\$0	\$2,304	0	0
71 Other - COE Operator	0	L32	0	0	0	0	0	0	0
72 Other - COE Equipment	45,000	L26	2,000	0	0	0	42,800	0	180
73 Other - IOT Equipment	0	L78	0	0	0	0	0	0	0
74 Other - IOT Facilities	157,562	L117	106,041	0	0	0	48,851	0	2,690
75 Other - CAM Facilities	0	L147	0	0	0	0	0	0	0
76 Other - Part U	0		0	0	0	0	0	0	0
77 Total Depreciation Expense	\$317,895		\$108,450	\$70,722	\$70,722	\$0	\$138,270	\$0	\$1,442
78									
79 Total Depreciation Expense	\$317,895		\$108,450	\$70,722	\$70,722	\$0	\$138,270	\$0	\$1,442
80									
81 Amort. - Tangible Assets	\$0	L141	\$0	\$0	\$0	\$0	\$0	\$0	\$0
82 Amort. - Intangible Assets	0	L144	0	0	0	0	0	0	0
83 Other Amortization	0	Direct	0	0	0	0	0	0	0
84 Total Amortization	0		0	0	0	0	0	0	0
85									
86 Total Amortization Exp.	\$0		\$0	\$0	\$0	\$0	\$0	\$0	\$0
87									
88 Total Dep. and Amort.	\$317,895		\$108,450	\$70,722	\$70,722	\$0	\$138,270	\$0	\$1,442
89									
90 TOTAL NON-SPEC. OPER. EXP.	\$529,511		\$151,727	\$76,092	\$76,092	\$0	\$148,566	\$0	\$50,166

MIDSTATE TELEPHONE COMPANY & HEARTLAND COMMUNICATIONS, INC.

Part 3E
 Item 3A
 1997
 1998
 Total
 Operating Expenses and Taxes

	(A)	(B)	(C)	(D)	(E)	(F)	(G)	(H)	(I)
	1997	1998	1997	1998	1998	1997	1998	1998	1998
104 CUSTOMER OPERATIONS EL. ...rse									
106 Marketing Allocable	\$0	\$0	N07	\$0	\$0	\$0	\$0	\$0	\$0
107 Marketing Direct			Direct	0	0	0	0	0	0
108 Total Marketing Expense	\$0	\$0		\$0	\$0	\$0	\$0	\$0	\$0
110 Operator Service Alloc.	\$0	\$0	N61	\$0	\$0	\$0	\$0	\$0	\$0
111 Operator Service Direct			Direct	0	0	0	0	0	0
114 Total Operator Service	\$0	\$0		\$0	\$0	\$0	\$0	\$0	\$0
116 Classified Directory	\$0	\$0	Direct	\$0	\$0	\$0	\$0	\$0	\$0
117 Alphabetical Directory	1,664	0	(7)	0	0	1,664	0	0	0
119 Party Directory	0	0	Direct	0	0	0	0	0	0
120 Total Directory	\$1,664	\$0		\$0	\$0	\$1,664	\$0	\$0	\$0
122 Bus. Dir. EU Production	0	0	N40	\$0	\$0	\$0	\$0	\$0	\$0
123 Bus. Dir. Reserved	1,762	0	(1)	0	0	0	0	0	0
124 Bus. Dir. EU Message	24,326	0	(4)	0	0	0	0	24,326	1,762
126 Bus. Dir. EU Reserved	0	0	(1)	0	0	0	0	0	0
128 Bus. Dir. EU Special Access	3,951	0	(1)	0	0	0	0	0	0
129 Bus. Dir. EU Billing and Collection	151	0	(1)	1,462	712	0	1,177	0	0
130 Bus. Dir. Colln Collection & Advmt	0	0	(1)	0	0	0	0	151	0
132 Bus. Dir. Reserved	0	0	(7)	0	0	0	0	0	0
133 Total Business Office	\$30,130	\$0		\$1,462	\$1,722	\$0	\$1,177	\$24,480	\$1,762
135 Cust. Serv. Mng. Progress	\$0	\$0	(15)	0	0	0	0	0	0
136 Cust. Serv. Other BMC	7,865	0	(4)	0	0	0	0	7,865	0
137 Cust. Serv. Other BMC	47,126	0	(1)	0	13,266	0	33,116	0	891
138 Cust. Serv. EU Common Line	0	0	(1)	0	0	0	0	0	0
139 Total Customer Service	\$55,113	\$0		\$0	\$13,266	\$0	\$33,098	\$7,865	\$891
141									
142 Total BO, CS, OS, Dr.	\$86,970	\$0		\$1,462	\$13,981	\$1,664	\$34,875	\$32,341	\$2,643

MIDSTATE TELEPHONE COMPANY & HEARTLAND COMMUNICATIONS, INC.

	Part 36 Int'l.ATA		Application (C)	Common Line (D)	Local Switching (E)	Information (F)	Common Transport (G)	Billing and Collection (H)	Other (I)
	(A) Operating Expenses and Taxes	(B) Total							
158 Other Cust. Serv. Alloc.	\$6,493	142		\$109	\$1,044	\$124	\$2,604	\$2,415	\$197
159 Other Cust. Serv. - Direct			Direct	0	0	0	0	0	0
160									0
162 Total Other Cust. Serv.	\$6,493			\$109	\$1,044	\$124	\$2,604	\$2,415	\$197
163 TOTAL CUSTOMER OPER. EXP	\$93,463			\$1,571	\$15,024	\$1,798	\$37,479	\$34,781	\$2,840
165 '80s THREE' EXPENSES									0
166 Total PM Specific Exp	\$178,797	41		\$36,377	\$21,036	\$0	\$113,527	\$0	\$1,257
168 Total PM Non-specific Exp	111,620	62 + 67 + 69		13,277	5,330	0	13,296	0	79,274
169 Total Customer Operations	33,463	153		1,521	15,024	1,798	37,479	34,781	2,840
171 TOTAL '80s THREE' EXPENSES	\$363,886			\$11,225	\$41,992	\$1,798	\$170,362	\$14,761	\$63,621
172 CORPORATE OPERATIONS EXPENSE									0
174									0
175 Exec. and Planning Alloc.	\$51,877	NA4		\$6,936	\$5,665	\$42	\$23,056	\$4,706	\$11,349
176 Exec. and Planning - Direct		Direct		0	0	0	0	0	0
177									0
178 Total Exec. and Planning	\$51,877			\$6,936	\$5,665	\$42	\$23,056	\$4,706	\$11,349
180									0
181 Admin. & General Allocable	\$109,026	NA4		\$14,523	\$11,845	\$629	\$46,446	\$9,889	\$23,845
181 Admin. & General - Direct	67,568	Direct		13,024	10,695	455	43,324	0	0
182									0
182 Total Admin. and Gen.	\$176,594			\$27,607	\$22,639	\$684	\$93,782	\$9,889	\$23,845
184									0
185 TOTAL CORPORATE OPERATIONS	\$228,693			\$34,542	\$28,316	\$1,206	\$114,840	\$14,595	\$28,195
187 NON-INCOME TAXES									0
188 Non-income Taxes, Allocable	\$0	1037		\$0	\$0	\$0	\$0	\$0	\$0
190 Non-income Taxes, Direct	3,247	Direct		1,202	665	0	1,400	0	0
191									0
192									0
193 Total Non-income Taxes	\$3,247			\$1,202	\$665	\$0	\$1,400	\$0	\$0
194									0
195 TOTAL OPER. EXP. AND TAXES	\$933,711			\$195,019	\$141,613	\$3,094	\$423,372	\$40,766	\$122,658

Sheet "Y" Input Documentation, Page 1
 SOUTH DAKOTA PUC INTRASTATE ACCESS COST MODEL

COMPANY NAME: MOUNTAIN TELEPHONE COMPANY & HEARTLAND COMMUNICATIONS, INC.
 PERIOD ADDRESSED: ENDING DECEMBER 31, 1997 WITH 1998 AND 1999 ADJUSTMENT CHANGES
 RUN DATE AND TIME: 28-Apr-98 14:29:29 PM

NOTES: SEE SHEET "O" TO INPUT PART 36 ALLOCATION FACTORS.

	(A)	TOTAL COMPANY (B)	Source Allocation (C)	Interstate and Other (D)	Message Telephone Service		Private Line		TOTAL INTRASTATE (F)
					INRATA (E)	INRATA (F)	INRATA (G)	INRATA (H)	
PLANT INVESTMENT DETAIL:									
21 Land Allocated	0	0							
22 Motor Vehicles	0	0							
24 Aircraft	0	0							
25 Aircraft Purpose Vehicle	0	0							
26 Garage Work Equipment	0	0							
27 Other Work Equipment	2,495,389	2,495,389							
28 Automobiles	0	0							
29 Buildings, Direct	0	0							
30 Furniture	0	0							
31 Other Equipment	0	0							
32 General Purpose Computers	0	0							
33 CAT 1 Other Sys. - TSPS	0	0							
34 CAT 1 Other Sys. - Other TSPS	0	0							
35 CAT 1 Other Sys. - Other TSPS	0	0							
36 CAT 1 Other Sys. - Other	0	0							
37 CAT 2 Tandem Sw. Allocable	880,283	880,283							
38 CAT 2 Tandem Sw. Non-Allocable	0	0							
39 CAT 3 Local Sw. Allocable	3,486,422	3,486,422							
40 CAT 3 Local Sw. Non-Allocable	0	0							
41 CAT 4 12 Each. Tr. Direct	469,810	469,810							
42 CAT 4 12 Each. Tr. Direct	0	0							
43 CAT 4 12 Each. Ln. Mfg., P. & WATS	182,274	182,274							
44 CAT 4 12 Direct	0	0							
45 CAT 4 12 Direct	0	0							
46 CAT 4 23 Message, P. & WATS	1,864,453	1,864,453							
47 CAT 4 23 Direct	0	0							
48 CAT 4 23 Direct	9,410	9,410		6,202				3,225	3,225
49 CAT 4 3 1/2 Message	0	0							
50 CAT 4 3 1/2 Direct	0	0							
51 CAT 4 3 1/2 Direct	0	0							
52 CAT 1 Other IOT Equipment	0	0							
53 CAT 1 Concess Pay Phones	0	0							

28 Apr 88 04:29:09 PM

SOUTH DAKOTA PUC INTRASTATE ACCESS COST MODEL
 MODSTATE TELEPHONE COMPANY & HEARTLAND COMMUNICATIONS, INC.
 ENDING DECEMBER 31, 1997 WITH 1998 KNOWN & MEASURABLE CHANGES

	***** FCC PARTY 36 *****	(A)	TOTAL COMPANY (B)	Special Account (C)	Intrastate and Other (D)	Message Term/From Service			Private Line			TOTAL INTRASTATE (I)
						INTRA-LATA (E)	INTRA-LATA (F)	INTRA-LATA (G)	INTRA-LATA (H)	INTRA-LATA (J)		
75 CAT 2 CP Equipment			0			0	0	0	0	0	0	0
76 Received			0									
77 CAT 1 J Int-Mag, Cat 1.1 & 1.2 PL			9,654,566									
78 CAT 1 J Int-Mag, CAT 1			449,296									
79 CAT 2 CAVW, Weekend			0			0	0	0	0	0	0	0
80 CAT 2 CAVW, Weekday			0			0	0	0	0	0	0	0
81 CAT 2 Direct Message & P, WATS			2,177,175									
82 Received			0									
83 CAT 2 Direct			49,311		36,732	0	0	0	0	0	10,659	10,659
84 CAT 4 WATS			0									
85 CAT 4 Direct			0			0	0	0	0	0	0	0
86 Direct Support Leases			0			0	0	0	0	0	0	0
87 Direct Support Leases			0			0	0	0	0	0	0	0
88 COE Operator			0			0	0	0	0	0	0	0
89 COE Operator Leases			0			0	0	0	0	0	0	0
90 COE Fungus Switch			0			0	0	0	0	0	0	0
91 COE Fungus Switch Leases			0			0	0	0	0	0	0	0
92 COE Transmission			0			0	0	0	0	0	0	0
93 COE Direct			0			0	0	0	0	0	0	0
94 CHWV Leases			0			0	0	0	0	0	0	0
95 Leaseload Imp, Land etc.			0			0	0	0	0	0	0	0
96 Leaseload Imp, Land etc, Leaseload Imp, COE Operator			0			0	0	0	0	0	0	0
97 Leaseload Imp, COE Operator			0			0	0	0	0	0	0	0
98 Leaseload Imp, COE Trans			0			0	0	0	0	0	0	0
99 Leaseload Imp, CHWV			0			0	0	0	0	0	0	0
100 Leaseload Imp, Other			0			0	0	0	0	0	0	0
101 Direct Acct No, 2000			0			0	0	0	0	0	0	0
102 Direct Acct No, 2000			0			0	0	0	0	0	0	0
103 Leaseload Imp, Other			102,481			0	0	0	0	0	0	0
104 Maintenance and Supplies			0			0	0	0	0	0	0	0
105 Other Admin, Other			0			0	0	0	0	0	0	0
106 Other Admin, Other			0			0	0	0	0	0	0	0
107 Other Admin, Other			0			0	0	0	0	0	0	0
108 Other Admin, Other			0			0	0	0	0	0	0	0
109 Other Admin, Other			0			0	0	0	0	0	0	0
110 Other Admin, Other			0			0	0	0	0	0	0	0

SOUTH DAKOTA PLC INTRASTATE ACCESS COST MODEL
 MIDSTATE TELEPHONE COMPANY & HEARTH AND COMMUNICATIONS, INC.
 ENDING DECEMBER 31, 1997 WITH 1999 KNOWN & REASONABLE CHANGES

	TOTAL COMPANY	Source/ Allocator	Iteration						TOTAL INTRASTATE
			Program Line		Phase Line		TOTAL INTRASTATE		
			IntraLATA	InterLATA	IntraLATA	InterLATA			
..... FCC PART 96	(B)	(C)	(E)	(F)	(G)	(H)	(I)		
271 Working Loops	700	--	0	0	0	0	0	24	
272 Interchange Cct. Mops	65,204	--	0	0	0	0	0	0	
273 Interchange Circuit Terminations	863	--	0	0	0	0	0	0	

TC98-082	In The Matter Of The Establishment Of Switched Access Revenue Requirement For Kennebec Telephone Company (Staff HB/KC) Kennebec Telephone Company filed a switched access cost study developing a revenue requirement that is included in the revenue requirement used to determine the switched access rates for the Local Exchange Carrier Association	04/29/98	05/15/98
TC98-083	In The Matter Of The Establishment Of Switched Access Revenue Requirement For Western Telephone Company (Staff BK/KC) Western Telephone Company filed a switched access cost study developing a revenue requirement that is included in the revenue requirement used to determine the switched access rates for the Local Exchange Carrier Association	04/29/98	05/15/98
TC98/084	In The Matter Of The Establishment Of Switched Access Revenue Requirement For Valley Telecom Cooperative Association and Valley Cable & Satellite Communications (Staff TS/KC) Valley Telecom Cooperative Association and Valley Cable & Satellite Communications filed a switched access cost study developing a revenue requirement that is included in the revenue requirement used to determine the switched access rates for the Local Exchange Carrier Association (LECA) Valley Cable & Satellite Communications joined LECA on March 25, 1998	04/30/98	05/15/98
TC98-085	In The Matter Of The Establishment Of Switched Access Revenue Requirement For Midstate Telephone Company and Heartland Communications, Inc. (Staff HB/KC) Midstate Telephone Company and Heartland Communications, Inc. filed a switched access cost study developing a revenue requirement that is included in the revenue requirement used to determine the switched access rates for the Local Exchange Carrier Association (LECA) Heartland Communications, Inc. joined LECA on March 23, 1998	04/30/98	05/15/98
TC98-086	In The Matter Of The Establishment Of Switched Access Revenue Requirement For Sanborn Telephone Cooperative and SANCOM, Inc. (Staff BK/TS) Sanborn Telephone Cooperative and SANCOM, Inc. filed a switched access cost study developing a revenue requirement that is included in the revenue requirement used to determine the switched access rates for the Local Exchange Carrier Association (LECA) SANCOM, Inc. joined LECA on February 26, 1998	04/30/98	05/15/98
TC98-087	In The Matter Of The Establishment Of Switched Access Revenue Requirement For Venture Communications, Inc. (Staff TS/KC) Venture Communications, Inc. filed a switched access cost study developing a revenue requirement that is included in the revenue requirement used to determine the switched access rates for the Local Exchange Carrier Association (LECA) Venture Communications, Inc. joined LECA on April 17, 1998	04/30/98	05/15/98
TC98-088	In The Matter Of The Establishment Of Switched Access Revenue Requirement For Hanson Communications, Inc. d/b/a McCook Telecom (Staff HB/KC) Hanson Communications, Inc. d/b/a McCook Telecom filed a switched access cost study developing a revenue requirement that is included in the revenue requirement used to determine the switched access rates for the Local Exchange Carrier Association (LECA) Hanson Communications, Inc. d/b/a McCook Telecom joined LECA on February 23, 1998	04/30/98	05/15/98
TC98-089	In The Matter Of The Establishment Of Switched Access Revenue Requirement For Splitrock Properties, Inc. (Staff BK/KC) Splitrock Properties, Inc. filed a switched access cost study developing a revenue requirement that is included in the revenue requirement used to determine the switched access rates for the Local Exchange Carrier Association (LECA) Splitrock Properties, Inc. joined LECA on March 26, 1998	04/30/98	05/15/98

PAGE 2 OF 3

South Dakota Public Utilities Commission State Capitol 500 E. Capitol Pierre, SD 57501-5070 Phone: (605) 773-3705 Fax: (605) 773-3809		<h2>TELECOMMUNICATIONS SERVICE FILINGS</h2> <p>These are the telecommunications service filings that the Commission has received for the period of:</p> <h3>04/24/98 through 04/30/98</h3> <p>If you need a complete copy of a filing faxed, overnight expressed, or mailed to you, please contact Dainne Koibo within five days of this filing.</p>	
DOCKET NUMBER	TITLE/STAFF/SYNOPSIS	DATE FILED	INTERVENTION DEADLINE
REQUEST FOR CERTIFICATE OF AUTHORITY			
TC98-076	Application by NXLD Company for a Certificate of Authority to operate as a telecommunications company within the state of South Dakota. (Staff TS/CH) NXLD "proposes to provide 24-hour intrastate interexchange telecommunications services to and from all points within the state...Subject to demand and overall economic circumstances, NXLD may subsequently offer additional services."	04/27/98	05/15/98
TC98-077	Application by Elias Ventures, Inc. d/b/a American Freeway100 for a Certificate of Authority to operate as a telecommunications company within the state of South Dakota. (Staff TS/CH) "American Freeway100 offers direct dialed (1+) service, inbound toll-free number service, travel card and prepaid calling card services."	04/27/98	05/15/98
NONCOMPETITIVE TELECOMMUNICATIONS FILINGS			
TC98-078	In The Matter Of The Establishment Of Switched Access Revenue Requirement For Intrastate Telephone Company (Staff HB/KC) Intrastate Telephone Company filed a switched access cost study developing a revenue requirement that is included in the revenue requirement used to determine the switched access rates for the Local Exchange Carrier Association (LECA). Intrastate Telephone Company joined LECA on March 3, 1998	04/27/98	05/15/98
TC98-079	In The Matter Of The Establishment Of Switched Access Revenue Requirement For Stateline Telecommunications, Inc. (Staff BK/KC) Stateline Telecommunications, Inc. filed a switched access cost study developing a revenue requirement that is included in the revenue requirement used to determine the switched access rates for the Local Exchange Carrier Association (LECA). Stateline Telecommunications, Inc. joined LECA on April 17, 1998	04/27/98	05/15/98
TC98-081	In The Matter Of The Establishment Of Switched Access Revenue Requirement For Bridgewater-Canistota Independent Telephone Company (Staff TS/KC) Bridgewater-Canistota Independent Telephone Company filed a switched access cost study developing a revenue requirement that is included in the revenue requirement used to determine the switched access rates for the Local Exchange Carrier Association (LECA). Bridgewater-Canistota Independent Telephone Company joined LECA on April 7, 1998	04/29/98	05/15/98

PAGE 1 OF 3

TC98-090	In The Matter Of The Establishment Of Switched Access Rates For The Local Exchange Carrier Association (LECA) (Staff: HB/KC) On behalf of its member companies, LECA submitted revised tariff pages implementing the cost study revenue requirement that was filed by each member company.	04/30/98	05/15/98
TC98-091	In The Matter Of The Establishment Of Switched Access Revenue Requirement For James Valley Cooperative Telephone Company and Accent Communications, Inc. (Staff: TS/KC) James Valley Cooperative Telephone Company and Accent Communications, Inc. filed a switched access cost study developing a revenue requirement that is included in the revenue requirement used to determine the switched access rates for the Local Exchange Carrier Association (LECA). Accent Communications, Inc. joined LECA on March 10, 1998.	04/30/98	05/15/98
TC98-092	In The Matter Of The Establishment Of Switched Access Revenue Requirement For Stockholm-Strandburg Telephone Co. (Staff: HB/KC) Stockholm-Strandburg Telephone Co. filed a switched access cost study developing a revenue requirement that is included in the revenue requirement used to determine the switched access rates for the Local Exchange Carrier Association.	04/30/98	05/15/98
TC98-093	In The Matter Of The Establishment Of Switched Access Revenue Requirement For Roberts County Telephone Cooperative Association and RC Communications, Inc. (Staff: BK/KC) Roberts County Telephone Cooperative Association and RC Communications, Inc. filed a switched access cost study developing a revenue requirement that is included in the revenue requirement used to determine the switched access rates for the Local Exchange Carrier Association (LECA). RC Communications, Inc. joined LECA on April 14, 1998.	04/30/98	05/15/98
FORMAL COMPLAINT FILED			
TC98-080	Don Hertz vs AT&T Communications of the Midwest, Inc. (Staff: LH/KC) To get Mr. Hertz back as a long distance customer AT&T promised a per minute rate of 10 cents and a \$50.00 check. The January bill from AT&T was not at the promised 10 cents per minute. AT&T informed Mr. Hertz to contact the "Resolution Office". Mr. Hertz has never heard from it. The February billing from AT&T was still not at the promised 10 cent per minute rate. Hr. Hertz is now with another carrier. Mr. Hertz requests that the Commission "require AT&T to charge me the 10 cent a minute that they told me I would be paying if I switched back to AT&T."	04/23/98	NA

Important Notice: The Commission is compiling a list of internet addresses. If you have an internet address please notify the Commission by E-mailing it to Terry Noonan at: terryn@pub.state.ia.us. Faxing the address to the Commission at: 605-773-3809.



South Dakota Public Utilities Commission



State Capitol Building, 500 East Capitol Avenue, Pierre, South Dakota 57501-5070

May 29, 1998

Karen E. Cremer
Commission Staff Attorney
South Dakota Public Utilities Commission
500 E. Capitol Ave.
Pierre, SD 57501

RE: Docket TC98-085

Dear Ms. Cremer:

Please provide a copy of all data requests submitted by Commission Staff to any party or interested entity in Docket TC98-085 and any corresponding data responses remitted to Commission Staff to myself at the above address.

If you have any questions, please contact me.

Sincerely,

Dave Jacobson

cc: Don Lee

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♦
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Pam Nelson
Vice-Chairman
Laska Schoenfelder
Commissioner

William Duffard Jr.
Executive Director

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Bob Knadle
Delaine Kolbo
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Gregory A. Raskov
Tamara Stangor
Steven M. Wiggman
Rosalene Ault Wiest

BEFORE THE PUBLIC UTILITIES COMMISSION
OF THE STATE OF SOUTH DAKOTA

IN THE MATTER OF THE ESTABLISHMENT) ORDER ASSESSING FILING
OF SWITCHED ACCESS REVENUE) FEE
REQUIREMENT FOR MIDSTATE TELEPHONE) TC98-085
COMPANY AND HEARTLAND)
COMMUNICATIONS, INC.)

On April 30, 1998, Midstate Telephone Company and Heartland Communications, Inc. (Midstate-Heartland) filed for approval by the Public Utilities Commission (Commission) its 1997 Intrastate Switched Access Cost Study.

On April 30, 1998, the Commission electronically transmitted notice of the filing and the intervention deadline of May 15, 1998, to interested individuals and entities.

SDCL 49-31-12.6 authorizes the Commission to require a deposit of up to one hundred thousand dollars (\$100,000) in the South Dakota Public Utilities Commission's (SDPUC) regulatory assessment fee fund to defray Commission expenses incident to analyzing and ruling upon this type of filing.

The Commission has jurisdiction over this matter pursuant to SDCL 1-26-17.1, 49-1A-9, 49-31-12.6, 49-31-18, 49-31-19 and ARSD 20.10.01.15.02, 20.10.01.15.05, 20.10.27.07 and 20.10.27.08.

On May 28, 1998, at its regular scheduled meeting, the Commission, pursuant to SDCL 49-31-12.6, unanimously voted to assess Midstate-Heartland a \$3,000 filing fee, subject to additional amounts as requested by the Executive Director up to the statutory limit of \$100,000. It is therefore

ORDERED that Midstate-Heartland shall deposit an initial assessment of \$3,000 in the SDPUC regulatory assessment fee fund and shall deposit any additional amounts as requested by the Executive Director up to the statutory limit of \$100,000.

Dated at Pierre, South Dakota, this 11th day of June, 1998

CERTIFICATE OF SERVICE

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

By: Arlene Kalkes

Date: 6/12/98

(OFFICIAL SEAL)

BY ORDER OF THE COMMISSION:

James A. Burg
JAMES A. BURG, Chairman

Pam Nelson
PAM NELSON, Commissioner

Laska Schoenfelder
LASKA SCHOENFELDER, Commissioner

MEMORANDUM TO COMMISSIONERS BURG, NELSON AND SCHOENFELDER

FROM Harlan Best

RE: Midstate Telephone Company and Heartland Communications, Inc., Kimball SD
Switched Access Revenue Requirement, TC98-085

DATE: August 24, 1998

Midstate Telephone Company and Heartland Communications, Inc. (Midstate/Heartland) filed an Intrastate Switched Access Cost Study pursuant to the administrative rules on April 30, 1998, based on the twelve months ended December 31, 1997. The cost study submitted by Midstate/Heartland developed a revenue requirement of \$1,173,838, this is an increase from the revenue requirement for Midstate alone of \$982,067 for the twelve months ended December 31, 1996. Midstate purchased the Platte/Geddes exchange from U S WEST Communications on June 22, 1996. Midstate financed this purchase using a separate company - Heartland Communications, Inc. For cost study purposes, Midstate and Heartland are treated as a single company thus eliminating intracompany transactions. The Commission allowed Heartland to operate with a seven cent originating/terminating rate until calendar year 1997 data was available (TC97-042). Midstate/Heartland's minutes of use for 1997 was 12,649,767. Midstate/Heartland is a member of the Local Exchange Carrier Association (LECA). As a member of LECA, Midstate/Heartland's revenue requirement and minutes of use are part of the total revenue requirement and total minutes of use used in the determination of the Carrier Common Line, Local Switching, and Common Transport rate elements for LECA.

On April 30, 1998, the Commission electronically transmitted notice of the filing and the intervention deadline of May 15, 1998, to interested individuals and entities. No interventions were received by the Commission.

On June 11, 1998, the Commission ordered Midstate/Heartland to deposit an initial assessment of \$3,000 in the SDPUC regulatory fee fund and to deposit any additional amounts as required by the executive director. (Sue Cichos should be contacted with any questions regarding the assessments.)

Staff data requests were responded to by Midstate/Heartland in a timely manner and all information was submitted under oath. Staff conducted an on-site visit to the headquarters of Midstate/Heartland on July 16, 1998. Staff reviewed auditor reports for 1996 and 1997, board of director minutes for 1997 and the first part of 1998, supporting documentation for adjustments that were proposed by Midstate/Heartland in the cost study, long term debt, the 1997 general ledger, depreciation rates, minutes of use, and traffic factor support.

Staff has reviewed Midstate/Heartland's cost study filing and all of the data responses submitted by Midstate/Heartland and would propose that the revenue requirement for Midstate/Heartland be adjusted for the exclusion of contributions/donations in the amount of \$1,587. If the above items are removed from the cost study, the revenue requirement is reduced by \$416, to \$1,173,422. Midstate/Heartland has agreed to Staff's recommendations.

Respectfully submitted Harlan Best



cc Mark Benton, Manager Midstate/Heartland
Don Lee, Martin and Associates

BEFORE THE PUBLIC UTILITIES COMMISSION
OF THE STATE OF SOUTH DAKOTA

IN THE MATTER OF THE ESTABLISHMENT)	ORDER APPROVING
OF SWITCHED ACCESS REVENUE)	REVENUE REQUIREMENT
REQUIREMENT FOR MIDSTATE TELEPHONE)	
COMPANY AND HEARTLAND)	TC98-085
COMMUNICATIONS, INC.)	

On April 30, 1998, Midstate Telephone Company and Heartland Communications, Inc. (Midstate-Heartland) filed for approval by the Public Utilities Commission (Commission) its 1997 Intrastate Switched Access Cost Study.

On April 30, 1998, the Commission electronically transmitted notice of the filing and the intervention deadline of May 15, 1998, to interested individuals and entities. On May 28, 1998, the Commission voted to assess a \$3,000 filing fee. Staff filed a memorandum on August 24, 1998, with the concurrence of the company, setting forth a recommended revenue requirement. The Commission considered this matter at its October 15, 1998, meeting.

The Commission has jurisdiction over this matter pursuant to SDCL 1-26-17.1, 49-1A-9, 49-31-12.4, 49-31-12.6, 49-31-18, 49-31-19 and ARSD 20.10.01.15.02, 20.10.01.15.05, 20.10.27.07 and 20.10.27.08. Upon review of Midstate-Heartland's filing, the Commission found that the revenue requirement as depicted in Staff's memorandum was fair and reasonable and should be approved. As the Commission's final decision in this matter, it is therefore

ORDERED that Midstate-Heartland's revenue requirement is hereby approved as revised and shall be incorporated in the Local Exchange Carriers Association's determination of switched access rates. (See TC98-090.)

Dated at Pierre, South Dakota, this 26th day of October, 1998.

CERTIFICATE OF SERVICE

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

By: Nelson Koller

Date: 10/27/98

(OFFICIAL SEAL)

BY ORDER OF THE COMMISSION

James A. Burg
JAMES A. BURG, Chairman

Pam Nelson
PAM NELSON, Commissioner

Laska Schoenfelder
LASKA SCHOENFELDER, Commissioner