TC01-013

KC/HB

TC01-013

DOCKET NO.

In the Matter of

IN THE MATTER OF THE FILING BY MCLEODUSA TELECOMMUNICATIONS SERVICES, INC. FOR APPROVAL OF ITS INTRASTATE SWITCHED ACCESS TARIFF AND FOR AN EXEMPTION FROM DEVELOPING COMPANY SPECIFIC COST-BASED SWITCHED ACCESS RATES

Public Utilities Commission of the State of South Dakota

DATE		MEMORANDA
2/6	01	Filed and Docketed;
2/8	01	Letter Request to Withdraw Filing;
2/28	01	Order Permitting Withdrawal of Filing and Closing Docket;
2/28	01	Docket Closed.

TC01-013

McLeodUSA

February 5, 2001

RECEIVED
FEB 06 2001
SOUTH DAKOTA PUBLIC
UTILITIES COMMISSION

William Bullard, Executive Secretary
South Dakota Public Utilities Commission
State Capitol, 500 E. Capitol
Pierre, SD 57501-5070

Re: McLeodUSA Telecommunications Services, Inc. (McLeodUSA) Intrastate Switched Access Tariff and Request for Exemption from Development of Company Specific Cost-Based Rates

Dear Mr. Bullard:

Enclosed is an original and ten copies of the proposed Intrastate Switched Access Tariff No. 1 of McLeodUSA Telecommunications Services, Inc. submitted for Commission approval consistent with SDCL 49-31-19. McLeodUSA has proposed an effective date of March 7, 2001.

McLeodUSA also petitions the Commission, pursuant to ARSD 20:10:27:11, requesting an exemption from the requirement to develop intrastate switched access rates based on company specific costs. Therefore, McLeodUSA asks that the Commission set initial switched access rates consistent with ARSD 20:10:27:12, which requires an average rate of all South Dakota companies under 100,000 access lines. This request is consistent with the Commission's treatment of other similarly situated CLEC's such as the Commission's recent action on Fiber Comm's Intrastate Access Tariff in Docket TC99-031, wherein the Commission granted a very similar request.

McLeodUSA respectfully requests that the Commission approve this petition for exemption from the development of company specific cost-based switched access rates consistent with ARSD 20:10:27:11 and that the Commission approve Tariff No. 1 of McLeodUSA as filed herein, which contains switched access rates that are consistent with ARSD 20:10:27:12.

If you have any questions, please contact me at 605-965-9368 or Rob Griffis at 605-965-9379. Thank you in advance for your consideration of this request.

Very truly yours,

Dawn Haase

Dawn Haase
Administrative Assistant

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REGULATIONS AND SCHEDULE OF INTRASTATE CHARGES

GOVERNING THE PROVISION OF ACCESS SERVICES

FOR CONNECTION TO INTRASTATE COMMUNICATIONS FACILITIES

IN THE STATE OF SOUTH DAKOTA

CHECK SHEET

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EXPLANATION OF SYMBOLS, REFERENCE MARKS, AND ABBREVIATIONS OF TECHNICAL TERMS USED IN THIS TARIFF

The following symbols shall be used in this tariff for the purpose indicated below:

C	To signify a changed regulation or rate structure.
D	To signify discontinued material.
I	To signify an increased rate.
M	To signify a move in the location of text.
N	To signify a new rate or regulation.
R	To signify a reduced rate.
S	To signify reissued material.
T	To signify a change in text but no change in rate or regulation.
Z	To signify a correction.

APPLICATION

This tariff applies to intrastate access service supplied to Customers for origination and termination of traffic to and from Central Office codes directly assigned to McLeodUSA Telecommunications Services, Inc.

DEFINITIONS

Certain terms used generally throughout this tariff are described below.

Advance Payment
Part or all of a payment required before the start of service.

Access Services
The Company's intrastate telephone services offered pursuant to this tariff.

Common Carrier
Denotes any certificated individual, partnership, association, joint- stock company, trust, governmental entity or corporation engaged for hire in intrastate communication by wire or radio, between two or more exchanges.

Company or McLeodUSA Telecommunications Services, Inc.
McLeodUSA Telecommunications Services, Inc., the issuer of this tariff.

Customer
The person, firm or corporation which orders service and is responsible for the payment of charges and compliance with the Company's regulations.

End Office
With respect to each NPA-NXX code prefix assigned to the Company, the location of the Company's "end office" for purposes of this tariff shall be the point of interconnection associated with an NPA-NXX code as listed in 2.8.2(A) following.

End User
A person or entity that subscribes to any Consolidated Communications Exchange Access Service offered under the Company's Local Exchange Access tariffs, and that has been assigned one or more telephone number(s) within a central office code (NPA-NXX) directly assigned to the Company.

DEFINITIONS

Exchange Telephone Company
Denotes any individual, partnership, association, joint-stock company, trust, or corporation engaged in providing switched communication within an exchange.

Intrastate Access Service
Provides for a two-point communications path between a Customer's premises or a collocated interconnection location and an end user's premises for originating and terminating intrastate calls.

LATA
A Local Access and Transport Area established pursuant to the Modification of Final Judgment entered by the United States District Court for the District of Columbia in Civil Action No. 82-0192; or any other geographic area designated as a LATA in the NATIONAL EXCHANGE CARRIER ASSOCIATION, INC. TARIFF F.C.C. NO. 4.

Recurring Charges
The monthly charges to the Customer for services, facilities, and equipment which continue to apply for the duration of the service.

Service Commencement Date
The first date on which the Company notifies the Customer that the requested service or facility is available for use, unless extended by the Customer's refusal to accept service which does not conform to standards set forth in the Service Order or this tariff, in which case the Service Commencement Date is the date of the Customer's acceptance. The Company and the Customer may mutually agree on a substitute Service Commencement Date. If the Company does not have an executed Service Order from a Customer, the Service Commencement Date will be the first date on which the service or facility was used by a Customer.

DEFINITIONS

Service Order
The request for access services, either written or electronic, executed by the Customer and the Company in the format devised by the Company. Such a request for service by the customer and the acceptance of the request by the Company initiates the respective obligations of the parties as set forth therein and pursuant to this tariff, but the duration of the service is calculated from the Service Commencement Date. Should a Customer use the Company's access service without an executed Service Order, the Company will then request the Customer to submit a Service Order.

Serving Wire Center
The wire center from which the customer designated premises would normally obtain dial tone from the Company.

Shared
A facility or equipment system or subsystem that can be used simultaneously by several Customers.

User
A Customer or any other person authorized by the Customer to use service provided under this tariff.

Wire Center
A building in which one or more end offices, used for the provision of Exchange Services, are located.

REGULATIONS

2.1 Undertaking of the Company

2.1.1 Scope

The Company undertakes to furnish access services in accordance with the terms and conditions set forth in this tariff.

2.1.2 Shortage of Facilities

All service is subject to the availability of suitable facilities. The Company reserves the right to limit the length of communications or to discontinue furnishing services when necessary because of the lack of transmission medium capacity or because of any causes beyond its control.

2.1.3 Terms and Conditions

(A) Service is provided on the basis of a minimum period of at least one month, 24-hours per day. For the purpose of computing charges in this tariff, a month is considered to have 30 days.

(B) Customers may be required to enter into written service orders which shall contain or reference a specific description of the service ordered, the rates to be charged, the duration of the services, and the terms and conditions in this tariff. Customers will also be required to execute any other documents as may be reasonably requested by the Company.

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REGULATIONS

2.1 Undertaking of the Company (Cont'd)

2.1.3 Terms and Conditions (Cont'd)

(C) In any action between the parties to enforce any provision of this tariff, the prevailing party shall be entitled to recover its legal fees and court costs from the non-prevailing party in addition to other relief a court may award.

2.1.4 Liability of the Company

(A) Except as otherwise stated in this Tariff, the liability of the Company for damages arising out of the furnishing of its Services, including but not limited to mistakes, omissions, interruptions, delays, or errors, or other defects, representations, or use of these services or arising out of the failure to furnish the service, whether caused by acts or omission, shall be limited to the extension of allowances for interruption as set forth in Section 2.7. The extension of such allowances for interruption shall be the sole remedy of the customer and the sole liability of the Company. The Company will not be liable for any direct, indirect, incidental, special, consequential, exemplary or punitive damages to the Customer as a result of any Company service, equipment or facilities, or any acts or omissions or negligence of the Company's employees or agents.

(B) The Company shall not be liable for any delay or failure of performance or equipment due to causes beyond its control, including but not limited to: Acts of God, fire, flood, explosion or other catastrophes; any law, order, regulation, direction, action, or request of the United States government, or of any other government, including state and local governments having or claiming jurisdiction over the Company, or of any department, agency, commission, bureau, corporation, or other instrumentality of any one or more of these federal, state, or local governments, or of any civil or military authority; national emergencies; insurrections; riots; wars; unavailability of rights-of-way materials; or strikes, lock-outs, work stoppages, or other labor difficulties.

REGULATIONS

2.1 Undertaking of the Company (Contd.)

2.1.4 Liability of the Company (Cont'd)

(C) The Company shall not be liable for (a) any act or omission of any entity furnishing to the Company or to the Company's Customers facilities or equipment used for interconnection with Network Services; or (b) for the acts or omissions of common carriers or warehousemen.

(D) The Company shall not be liable for any damages or losses due to the fault or negligence of the Customer or due to the failure or malfunction of equipment or facilities provided by the Customer or third parties.

(E) The Company does not guarantee nor make any warranty with respect to installations it provides for use in an explosive atmosphere. The Customer indemnities and holds the Company harmless from any and all loss, claims, demands, suits, or other action, or any liability whatsoever, whether suffered, made, instituted, or asserted by any other party or person(s), and for any loss, damage, or destruction of any property, whether owned by the Customer or others, caused or claimed to have been caused directly or indirectly by the installation, operation, failure to operate, maintenance, removal, presence, condition, location, or se of any installation so provided. The Company reserves the right to require each Customer to sign an agreement acknowledging acceptance of the provisions of this Section 2.1.4(E) as a condition precedent to such installations.

REGULATIONS

2.1 Undertaking of the Company (Cont'd)

2.1.4 Liability of the Company (Cont'd)

(F) The Company is not liable for any defacement of or damage to Customer premises resulting from the furnishing of services or equipment on such Premises or the installation or removal thereof, unless such defacement or damage is caused by gross negligence or willful misconduct of the Company's agents or employees.

(G) The Company shall be indemnified, defended and held harmless by the Customer against any claim, loss or damage arising from Customer's use of services, involving claims for libel, slander, invasion of privacy, or infringement of copyright arising from the Customer's own communications.

(H) The entire liability for any claim, loss, damage or expense from any cause whatsoever shall in no event exceed sums actually paid the Company by the Customer for the specific services in the month in which the event giving rise to the liability occurred. No action or proceeding against the Company shall be commenced more than one year after the event giving rise to the liability occurred.

(I) THE COMPANY MAKES NO WARRANTIES OR REPRESENTATIONS, EXPRESS OR IMPLIED EITHER IN FACT OR BY OPERATION OF LAW, STATUTORY OR OTHERWISE, INCLUDING WARRANTIES OF MERCHANTABILITY OR FITNESS FOR A PARTICULAR USE, EXCEPT THOSE EXPRESSLY SET FORTH HEREIN.

REGULATIONS

2.1 Undertaking of the Company (Cont'd)

2.1.5 Claims

The Company shall be indemnified and saved harmless by the Customer from and against all loss, liability, damage and expense, including reasonable counsel fees, due to claims of libel, slander, or infringement of copyright in connection with the material transmitted over the Company's facilities; and any other claim resulting from any act or omission of the Customer or end users of the Customer relating to the use of the Company's services or facilities.

REGULATIONS

2.1 Undertaking of the Company (Cont'd)

2.1.6 Provision of Equipment and Facilities

(A) Except as otherwise indicated, customer-provided station equipment at the Customer's premises for use in conjunction with this service shall be so constructed, maintained and operated as to work satisfactorily with the facilities of the Company.

(B) The Company shall not be responsible for the installation, operation or maintenance of any Customer-provided communications equipment. Where such equipment is connected to service furnished pursuant to this tariff, the responsibility of the Company shall be limited to the furnishing of services under this tariff and to the maintenance and operation of such services in the proper manner. Subject to this responsibility, the Company shall not be responsible for:

(1) the through transmission of signals generated by Customer-provided equipment or for the quality of, or defects in, such transmission; or

(2) the reception of signals by Customer-provided equipment; or

(3) network control signaling where such signaling is performed by Customer-provided network control signaling equipment.

2.1.7 Ownership of Facilities

Title to all facilities provided in accordance with this tariff remains in the Company, its agents, contractors or suppliers.

REGULATIONS

2.2 Prohibited Uses

(A) The services the Company offers shall not be used for any unlawful purpose or for any use for which the Customer has not obtained all required governmental approvals, authorization, licenses, consents and permits.

(B) The Company may require applicants for service who intend to use the Company's offering for resale and/or for shared use to file a letter with the Company confirming that their use of the Company's offerings complies with relevant laws and regulations, policies, orders, and decisions.

(C) The Company may require a Customer to immediately shut down its transmission if such transmission is causing interference to others.

(D) A Customer, joint user, or authorized user may not assign, or transfer in any manner, the service or any rights associated with the service without the written consent of the Company. The Company will permit a Customer to transfer its existing service to another entity if the existing Customer has paid all charges owed to the Company for regulated access services. Such a transfer will be treated as a disconnection of existing service and installation of new service, and non-recurring installation charges as stated in this tariff will apply.

REGULATIONS

2.3 Obligations of the Customer

2.3.1 Customer Premises Provisions

(A) The Customer shall provide the personnel, power and space required to operate all facilities and associated equipment installed on the premises of the Customer.

(B) The Customer shall be responsible for providing Company personnel access to premises of the Customer at any reasonable hour for the purpose of testing the facilities or equipment of the Company.

2.3.2 Liability of the Customer

The Customer will be liable for damages to the facilities of the Company caused by negligence or willful acts of its offices, employees, agents or contractors of the Customer where such negligence is not the direct result of the Company's negligence.

REGULATIONS

2.3 Obligations of the Customer

2.3.3 Jurisdictional Report Requirements

(A) For Feature Group B Switched Access Service(s) for both interstate and intrastate use, the projected interstate percentage of use must be provided by the Customer in a whole number to the Company. The Company will designate the number obtained by subtracting the projected interstate percentage of use from 100 (100 - projected interstate percentage = intrastate percentage) as the projected intrastate percentage of use. When a Customer orders Feature Group B Switched Access Service, the Customer shall state, in its order, the projected Percent Interstate Usage (PIU) factor for Feature Group B Switched Access Service group ordered.

For Feature Group D Switched Access Service(s), the Company, where jurisdiction can be determined from the call detail, will determine the projected interstate percentage as follows. For originating access minutes, the projected interstate percentage will be developed on a monthly basis by end office trunk group when the Feature Group D Switched Access Service access minutes are measured by dividing the measured interstate originating access minutes (the access minutes where the calling number is in one state and the called number is in another state) by the total originating access minutes when the call detail is adequate to determine the appropriate jurisdiction. For terminating access minutes, the Customer has the option to provide the Company with a projected PIU factor. Customers who provide a PIU factor shall supply the Company with an interstate percentage of the feature Group D terminating access minutes for each account to which the Customer may terminate traffic.

REGULATIONS

2.3 Obligations of the Customer (Cont'd)

2.3.3 Jurisdictional Report Requirements (Cont'd)

(A) (Cont'd)

Should the Customer not supply a terminating PIU Factor, the data used by the Company to develop the projected intrastate percentage for originating access minutes will be used to develop projected intrastate percentage for such terminating access minutes. When a Customer orders Feature Group D Switched Access Service, the Customer shall supply a projected intrastate percentage of use for each end office trunk group involved to be used in the event that originating call details are insufficient to determine the jurisdiction for the call. This percentage shall be used by the Company as the projected intrastate percentage for such call detail. For purposes of developing the projected intrastate percentage, the Customer shall utilize the same considerations as those set forth in Section 2.3.3(B) following.

The Company will designate the number obtained by subtracting the projected intrastate percentage for originating and terminating access minutes from 100 (100 -projected intrastate percentage = intrastate percentage) as the projected intrastate percentage of use.

(B) For purposes of developing the projected intrastate percentage, the Customer shall consider every call that enters the Customer's network at a point within the same state as the state where the called station is located to be intrastate and every call that enters the Customer's network at a point in a state different from the state in which the called station is located to be intrastate.

(C) These whole number percentages will be used by the Company to apportion the use, rates, and/or nonrecurring charges between intrastate and intrastate until a revised report is received.

REGULATIONS

2.3 Obligations of the Customer (Cont'd)

2.3.3 Jurisdictional Report Requirements (Cont'd)

(D) The projected intrastate percentage of use will be used to determine the charges as follows:

The number of access minutes for a trunk group will be multiplied by the projected intrastate percentage of use to determine the intrastate access minutes. (i.e., number of access minutes x projected intrastate percentage of use = intrastate access minutes). The number of intrastate access minutes so determined will be subtracted from the total number of access minutes (i.e., number of access minutes - intrastate access minutes = intrastate access minutes). The intrastate access minutes for the group will be billed as set forth in Section 5. following.

(E) Effective on the first of January, April, July and October of each year, the Customer may update the jurisdictional reports that require a projected intrastate percentage. The Customer shall forward to the Company, to be received no later than 20 calendar days after the first of each such month, a revised report showing the intrastate percentage of use for the past three months ending the last day of December, March, June and September, respectively, for each service arranged for intrastate and intrastate use. Except as set forth in Section 2.3.3(A) preceding where jurisdiction can be determined from the recorded message detail, the revised report will serve as the basis for the next three months billing and will be effective on the bill date in the following month (i.e., February, May, August, and November) for that service. No prorating or back billing will be done based on the report. If the Customer does not supply the report, the Company will assume the percentage to be the same as that provided in the last quarterly report. For those cases in which a quarterly report has never been received from the Customer, the Company will assume the percentage to be the same as that provided in the order for service as set forth in Section 2.3.3(A) preceding.

REGULATIONS

2.3 Obligations of the Customer (Cont'd)

2.3.3 Jurisdictional Report Requirements (Cont'd)

(F) The Customer reported projected intrastate percentage of use as set forth in Section 2.3.3(A) preceding will be used for the apportionment of any monthly rates or nonrecurring charges associated with Feature Groups B or D Switched Access Service until the end of the quarter during which the service was activated. Thereafter, a projected intrastate percentage for such apportionment will be developed quarterly by the Company based on the data used to develop the projected intrastate percentage of use as set forth in Section 2.3.3(A) preceding. Where call detail is insufficient to make such a determination, the Customer will be requested to project a intrastate percentage of use to be used by the Company for such apportionment.

(G) The Customer shall keep sufficient detail from which the percentage of intrastate use can be ascertained and upon request of the Company make the records available for inspection. Such a request will be initiated by the Company no more than once per year. The Customer shall supply the data within 30 calendar days of the Company request.

(H) The Customer may provide an additional percentage of intrastate use for Entrance Facility and Direct Trunked Transport subject to the reporting requirements previously listed in this section. The percentage of intrastate use may be provided per individual facility or at the billing account level. Should the Customer not provide a percentage of intrastate use, the Company will use the reported Feature Group B or Feature Group D aggregated percentage of intrastate use.

REGULATIONS

2.4 Customer Equipment and Channels

2.4.1 Interconnection of Facilities

(A) In order to protect the Company's facilities and personnel and the services furnished to other Customers by the Company from potentially harmful effects, the signals applied to the Company's service shall be such as not to cause damage to the facilities of the Company. Any special interface equipment necessary to achieve the compatibility between facilities of the Company and the channels or facilities of others shall be provided at the Customer's expense.

2.4.2 inspections

(A) The Company may, upon notification to the Customer, at a reasonable time, make such tests and inspections as may be necessary to determine that the requirements regarding the equipment and interconnections are being complied with in respect to the installation, operation and maintenance of Customer - provided equipment and in the wiring of the connection of Customer channels to Company-owned facilities.

(B) If the protective requirements in connections with Customer-provided equipment are not being complied with, the Company may take such action as necessary to protect its facilities and personnel and will promptly notify the Customer by registered mail in writing of the need for protective action. In the event that the Customer fails to advise the Company within 10 days after such notice is received or within the time specified in the notice that corrective action has been taken, the Company may take whatever additional action is deemed necessary, including canceling service, to protect its facilities and personnel from harm. The Company will upon request 24 hours in advance provide Customer with a statement of technical parameters that the Customer's equipment must meet.

REGULATIONS

2.5 Customer Deposits and Advance Payments

2.5.1 Advance Payments

To safeguard its interests, the Company may require a Customer to make an advance payment before services and facilities are furnished. The advance payment will not exceed an amount up to two months of estimated monthly usage charges. In addition, where special construction is involved, the advance payment may also include an amount equal to the estimated non-recurring charges for the special construction and recurring charges (if any) for a period to be set between the Company and the Customer. The advance payment will be credited to the Customer's initial bill. An advance payment may be required in addition to a deposit.

2.5.2 Deposits

(A) To safeguard its interests, the Company may require the Customer to make a deposit to be held as a guarantee for the payment of charges. A deposit does not relieve the Customer of the responsibility for the prompt payment of bills on presentation. The deposit will not exceed an amount equal to:

(1) two month's charges for a service or facility which has a minimum payment period of one month; or

(2) the charges that would apply for the minimum payment period for a service or facility which has a minimum payment period of more than one month; except that the deposit may include an additional amount in the event that a termination charge is applicable.

(B) A deposit may be required in addition to an advance payment.

REGULATIONS

2.5 Customer Deposits and Advance Payments (Cont'd)

2.5.2 Deposits (Cont'd)

(C) When a service or facility is discontinued, the amount of a deposit, if any, will be applied to the Customer's account and any credit balance remaining will be refunded. Before the service or facility is discontinued, the Company may, at its option, return the deposit or credit it to the Customer's account. If the amount of the deposit is insufficient to cover the balance due to the Customer's account, the Company retains the right to collect any amounts owing after the deposit has been applied plus any costs related to the collection of any remaining balance.

(D) Deposits held will accrue interest without deductions for any taxes on such deposits. Interest will not accrue on any deposit after the date on which reasonable effort has been made to return it to the Customer.

REGULATIONS

2.6 Payment Arrangements

2.6.1 Payment for Service

The Customer is responsible for the payment of all charges for facilities and services furnished by the Company to the Customer.

(A) Taxes

The Customer is responsible for payment of any sales, use, gross receipts, excise, access or other local, state and federal taxes, charges or surcharges (however, designated) (excluding taxes on the Company's net income) imposed on or based upon the provision, sale or use of Network Services.

2.6.2 Billing and Collection of Charges

The Customer is responsible for payment of all charges incurred by the Customer or other users for services and facilities furnished to the Customer by the Company.

(A) Non-recurring charges are due and payable within 30 days after the date of the invoice.

(B) The Company shall present invoices for Recurring Charges monthly to the Customer, in advance of the month in which service is provided, and Recurring Charges shall be due and payable within 30 days after the date of the invoice. When billing is based upon customer usage, usage charges will be billed monthly for the preceding billing period.

(C) When service does not begin on the first day of the month, or end on the last day of the month, the charge for the fraction of the month in which service was furnished will be calculated on a prorate basis. For this purpose, every month is considered to have 30 days.

REGULATIONS

2.6 Payment Arrangements (Cont'd)

2.6.2 Billing and Collection of Charges (Cont'd)

(D) Billing of the Customer by the Company will begin on the Service Commencement Date, which is the day on which the Company notifies the Customer that the service or facility is available for use, except that the Service Commencement Date may be postponed by mutual agreement of the parties, or if the service or facility does not conform to standards set forth in this tariff or the Service Order. Billing accrues through and includes the day that the service, circuit, arrangement or component is discontinued.

(E) If any portion of the payment is received by the Company after the date due, or if any portion of the payment is received by the Company in funds which are not immediately available upon presentment, then a late payment penalty shall be due to the Company. The late payment penalty shall be the portion of the payment not received by the date due, multiplied by a late factor. The late factor shall be the lesser of:

(a) a rate of 0.000590 per day, compounded daily; or

(b) the highest interest rate which may be applied under state law for commercial transactions.

(F) The Customer will be assessed a charge of fifteen dollars ($15.00) for each check submitted by the Customer to the Company which a financial institution refuses to honor.

(G) Customers have up to 90 days (commencing 5 days after remittance of the bill) to initiate a dispute over charges or to receive credits.

(H) If service is disconnected by the Company in accordance with Section 2.6.3 following and later restored, restoration of service will be subject to all applicable installation charges.

REGULATIONS

2.6 Payment Arrangements (Cont'd)

2.6.3 Discontinuance of Service for Cause

(A) Upon nonpayment of any amounts owing to the Company, the Company may, by giving 24 hours prior written notice to the Customer, discontinue or suspend service without incurring any liability.

(B) Upon violation of any of the other material terms or conditions for furnishing service the Company may, by giving 24 hours prior notice in writing to the Customer, discontinue or suspend service without incurring any liability if such violation continues during that period.

(C) Upon condemnation of any material portion of the facilities used by the Company to provide service to a Customer or if a casualty renders all or any material portion of such facilities inoperable beyond feasible repair, the Company, by notice to the Customer, may discontinue or suspend service without incurring any liability.

(D) Upon the Customer's insolvency, assignment for the benefit of creditors, filing for bankruptcy or reorganization, or failing to discharge an involuntary petition within the time permitted by law, the Company may immediately discontinue or suspend service without incurring any liability.

(E) Upon any governmental prohibition or required alteration of the services to be provided or any violation of an applicable law or regulation, the Company may immediately discontinue service without incurring any liability.

(F) In the event of fraudulent use of the Company's network, the Company may without notice suspend or discontinue service. The Customer will be liable for all related costs. The Customer will also be responsible for payment of any reconnection charges.

REGULATIONS

2.6 Payment Arrangements (Cont'd)

2.6.3 Discontinuance of Service for Cause (Cont'd)

(G) Upon the Company's discontinuance of service to the Customer under Section 2.6.3(A) or 2.6.3(B), the Company, in addition to all other remedies that may be available to the Company at law or in equity or under any other provision of this tariff, may declare all future monthly and other charges which would have been payable by the Customer during the remainder of the term for which such services would have otherwise been provided to the Customer to be immediately due and payable.

2.6.4 Notice to Company for Cancellation of Service

Customers desiring to terminate service shall provide Company thirty (30) days written notice of desire to terminate service.

REGULATIONS

2.6 Payment Arrangements (Cont'd)

2.6.5 Ordering, Rating and Billing of Access Services Where More Than One Exchange Telephone Company is Involved

Meet point billing applies when more than one Exchange Telephone Company is involved in the provision of Access Service. All recurring and nonrecurring charges for services provided by each Exchange Telephone Company are billed under each company's applicable rates as set forth in Section 2.6.5 (A) following.

The Company accepts and adheres to the Ordering and Billing Forum guidelines, Multiple Exchange Carrier Access Billing (MECAB) and Multiple Exchange Carrier Ordering and Design (MECOD).

The Company will handle ordering, rating and billing of Access Services under this tariff where more than one Exchange Telephone Company is involved in the provision of Access Service as follows.

(A) For Feature Group B and/or D Switched Access Service, when the first point of switching is not in the same Exchange Telephone Company's territory as the Customer premises, the Customer must supply a copy of the order to the Exchange Telephone Company in whose territory the Customer premises is located and any other Exchange Telephone Company(s) involved in providing the service.

Each Exchange Telephone Company will provide the portion of Local Transport to an interconnection point (IP) with another Exchange Telephone Company, and will bill the charges in accordance with its Access Service tariff. The rate for the transport elements will be determined as set forth in (B) following. All other appropriate charges in each Exchange Telephone Company tariff are applicable.

REGULATIONS

2.6 Payment Arrangements (Cont'd)

2.6.5 Ordering, Rating and Billing of Access Services Where More Than One Exchange Telephone Company is Involved (Cont'd)

(B) The charge for the Local Transport Facility and Termination rate elements for services provided as set forth in Section 2.6.5 (A) preceding are determined as follows:

(1) Determine the appropriate Switched Access Local Transport mileage by computing the airline mileage between the two ends of the Local Transport Facility, as defined in 3.1.2(B) following. Determine the airline mileage for the Local Transport Facility charge using the V&H method as set forth in Section 2.8.2 following.

(2) For Feature Groups B or D Switched Access Service, the Local Transport Facility and Termination charges are determined by using the steps set forth in (a) through (c) following for the total Local Transport-Common Switched Transport charges.

(a) Multiply:

The number of access minutes
by
the number of airline miles as determined in (1) preceding
by
the Company's appropriate Local Transport Facility per mile per access minute rate
by
the Company's billing percentage factor.

REGULATIONS

2.6 Payment Arrangements (Cont'd)

2.6.5 Ordering, Rating and Billing of Access Services Where More Than One Exchange Telephone Company is Involved (Cont'd)

(B) (Cont'd)

(2) (Cont'd)

(b) Multiply:

The number of access minutes
by
the Company's appropriate Local Transport Termination per minute rate. The resulting amount is the Company's total Local Transport Termination charge.

(c) Add:

The products of (a) and (b) for the Company's total Local Transport-Common Switched Transport charges.

REGULATIONS

2.6 Payment Arrangements (Cont'd)

2.6.5 Ordering, Rating and Billing of Access Services Where More Than One Exchange Telephone Company is Involved (Cont'd)

(C) The interconnection points will be determined by the Exchange Telephone Companies involved. The billing percentage (BP) factor for the Company for the service between the involved offices will be listed in NATIONAL EXCHANGE CARRIER ASSOCIATION, INC. TARIFF F.C.C. NO. 4.

(D) Should any changes be made to the meet point billing arrangements as set forth in Section 2.6.5 (A) preceding, the Company will give affected Customers 30 days' notice.

(E) Should the Company act as an intermediate, non-terminating local exchange carrier, Local Transport Termination rates, as determined in Section 2.6.5 (B) preceding, will not be applied to the meet point billing arrangement.

REGULATIONS

2.6 Payment Arrangements (Cont'd)

2.6.6 Changes in Service Requested

If the Customer makes or requests material changes in circuit engineering, equipment specifications, service parameters, premises locations, or otherwise materially modifies any provision of the application for service, the Customer's installation fees shall be adjusted according to the term and conditions set forth in 3.1.1.2 following, Access Order Modifications.

2.6.7 Customer Overpayment

The Company will pay interest on a Customer overpayment. Customer overpayment shall mean a payment to the Company in excess of the correct charges for service when caused by erroneous billing by the Company. The rate of interest shall be the unadjusted interest rate paid on Customer deposits or the late payment penalty rate, whichever is greater. Interest shall be paid from the date when the Customer overpayment was made, adjusted for any changes in the deposit interest rate or late payment penalty rate, and compounded monthly, until the date when the overpayment is refunded. No interest shall be paid on Customer overpayments that are refunded within thirty (30) days after such overpayment is received by the Company.

REGULATIONS

2.7 Allowance for Interruptions in Service

Except as set forth in 2.1.4(B) preceding and 2.7.2 following, interruptions in service, which are not due to the negligence of, or noncompliance with the provisions of this tariff by, the Customer or the operation or malfunction of the facilities, power or equipment provided by the Customer, will be credited to the Customer as set forth in 2.7.1 for the part of the service that the interruption affects.

2.7.1 Credit for Interruptions

(A) A credit allowance will be made when an interruption occurs because of a failure of any component furnished by the Company under this tariff. An interruption period begins when the Customer reports a service, facility or circuit to be interrupted and releases it for testing and repair. An interruption period ends when the service, facility or circuit is operative. If the Customer reports a service, facility or circuit to be inoperative but declines to release it for testing and repair, it is considered to be impaired, but not interrupted.

(B) For calculating credit allowances, every month is considered to have 30 days. A credit allowance is applied on a pro rate basis against the rates specified hereunder and is dependent upon the length of the interruption. Only those facilities on the interrupted portion of the circuit will receive a credit.

(C) Credit allowances shall be made as follows:

(1) For Switched Access Service, no credit shall be allowed for an interruption of less than 24 hours. The customer shall be credited for an interruption of 24 hours or more at the rate of 1/30 of the minimum monthly usage charge for each period of 24 hours or major fraction thereof that the interruption continues. However, no credit allowance will be given when the actual usage charge exceeds the minimum monthly usage charge in any one monthly billing period.

REGULATIONS

2.7 Allowances for Interruptions in Services (Cont'd)

2.7.2 Limitations on Allowances

No credit allowance will be made for:

(A) interruptions due to the negligence of, or noncompliance with the provisions of this tariff by the Customer, authorized user, joint user, or other common carrier providing service connected to the service of the Company;

(B) interruptions due to the negligence of any person other than the Company, including but not limited to the Customer or other common carriers connected to the Company's facilities;

(C) interruptions due to the failure or malfunction of non-Company equipment;

(D) interruptions of service during any period in which the Company is not given full and free access to its facilities and equipment for the purpose of investigating and correcting interruptions;

(E) interruptions of service during a period in which the Customer continues to use the service on an impaired basis;

(F) interruptions of service during any period when the Customer has released service to the Company for maintenance purposes or for implementation of a Customer order for a change in service arrangements; or

(G) interruption of service due to circumstances or causes beyond the control of Company.

REGULATIONS

2.8 Application of Rates

The regulations set forth in this section govern the application of rates for services contained in other sections of this tariff.

2.8.1 Charges Based on Duration of Use

Customer traffic to end offices will be measured by the Company at end office switches. Originating and terminating calls will be measured by the Company to determine the basis for computing chargeable access minutes.

For originating calls over Feature Group B or D, usage measurement begins when the originating Feature Group B or D switch receives the first wink supervisory signal forwarded from the Customer's point of termination.

The measurement of originating call usage ends when the originating Feature Group B or D switch receives disconnect supervision from either the originating end user's end office, indicating the originating end user has disconnected, or the Customer's point of termination, whichever is recognized first by the switch.

For terminating calls over Feature Group B or D, the measurement of access minutes begins when the terminating Feature Group B or D switch receives answer supervision from the terminating end user's end office, indicating the terminating end user has answered.

The measurement of terminating call usage over Feature Group B or D ends when the terminating Feature Group B or D switch receives disconnect supervision from either the terminating end user's end office, indicating the terminating end user has disconnected, or the Customer's point of termination, whichever is recognized first by the switch.

Access minutes or fractions thereof are accumulated over the billing period for each end office and are then rounded up to the nearest access minute for each end office.

REGULATIONS

2.8 Application of Rates (Cont'd)

2.8.2 Rates Based Upon Distance

Where the charges for service are specified based upon distance, the following rules apply:

(A) Distance between two points is measured as airline distance between the wire centers of the originating and terminating telephone lines. The wire center is a set of geographic coordinates, as referenced in NATIONAL EXCHANGE CARRIER ASSOCIATION, INC. TARIFF FCC No. 4, associated with each NPA-NXX combination (where NPA is the area code and NXX is the first three digits of a seven-digit telephone number).

REGULATIONS

2.8 Application of Rates (Cont'd)

2.8.2 Rates Based Upon Distance (Cont'd)

(B) The airline distance between any two wire centers is determined as follows:

(1) Obtain the "V" and "H" coordinates for each wire center from the above-referenced NECA tariff.

(2) Compute the difference between the "V" coordinates of the two wire centers: and the difference between the two "H" coordinates.

(3) Square each difference obtained in step (2) above.

(4) Add the square of the "V" difference and the square of the "H" difference obtained in step (3).

(5) Divide the sum of the squares by 10. Round to the next higher whole number if any fraction is obtained.

(6) Obtain the square root of the whole number result obtained above. Round to the next higher whole number if any fraction is obtained. This is the airline mileage.

(7) Formula = $\frac{(V1 - V2)^2 + (H1 - H2)^2}{10}$ (square root)

REGULATIONS

2.8 Application of Rates (Cont'd)

2.8.3 Mileage

The mileage to be used to determine the Local Transport Facility monthly rates are calculated on the airline distance between the end office switch where the call carried by Local Transport originates or terminates and the customer's serving wire center. The V&H coordinates method is used to determine mileage. This method is set forth in Section 2.8.2.

The Local Transport Facility mileage rates are shown in Section 5.1.3 in terms of per mile per access minute. To determine the rate to be billed, first compute the mileage. Should the calculation result in a fraction of a mile, always round up to the next whole mile before determining the mileage. Then multiply the mileage by the appropriate Local Transport Facility rate. The amount to be billed shall be the product of this calculation (i.e., the number of miles multiplied by the per mile rate) multiplied by the number of access minutes.

SERVICE AND RATE DESCRIPTIONS

3.1 Access Services

Switched Access Service, which is available to Customers for their use in furnishing their services to end users, provides a two-point communications path between a Customer's premises (or a collocated interconnection location) and an end user's premises. It provides for the use of common terminating, switching and trunking facilities. Switched Access Service provides for the ability to originate calls from an end user's premises to a Customer's premises (or a collocated interconnection location), and to terminate calls from a Customer's premises (or a collocated interconnection location) to an end user's premises in the LATA where it is provided. Switched Access Service must be ordered separately for each LATA in which the customer desires to originate or terminate calls.

Switched Access Service is provided in the following service categories, which are differentiated by their technical characteristics and the manner in which an end user or Customer accesses them when originating or terminating calls.

FGB Access, which is available to all Customers, provides trunk side access to Company end office switches with an associated uniform 950-XXXX access code for the Customer's use in originating and terminating communications.

FGD Access, which is available to all Customers, provides trunk side access to Company end office switches with an associated uniform 10XXX or 101 XXXX access code for the Customer's use in originating and terminating communications. End users may also originate calls to a selected FGD Access Customer by dialing 1 + NPA-NXX-XXXX when using the Company's presubscription service.

Toll Free Data Base Access Service, which is available to all Customers, provides trunk side access to Company end office switches in the originating direction only, for the Customer's use in originating calls dialed by an end user to telephone numbers beginning with prefixes associated with toll free calls, such as "800" or "888".

SERVICE AND RATE DESCRIPTIONS

3.1 Access Services (Cont'd)

3.1.1 Access Service Order

An Access Service Order is used by the Company to provide a Customer Access Service. When placing an order for Access Service, the Customer shall provide, at a minimum, the following information:

(A) For Feature Group B Switched Access Service:

- When direct routing to an end office is desired, the Customer shall specify:

  - the number of trunks,
  - the end office and
  - the Local Transport and Local Switching options desired.

- When end office routing via an access tandem switch operated by another Exchange Telephone Company is desired, the Customer shall specify:

  - the number of trunks,
  - the access tandem switch,
  - the Local Transport and Local Switching options desired, and
  - an estimate of the amount of traffic to be generated to and/or from each Company end office subtending another Exchange Telephone Company's access tandem.

In addition, the Customer shall also specify for terminating only access, whether the trunks are to be arranged in trunk group arrangements or provided as single trunks.

SERVICE AND RATE DESCRIPTIONS

3.1 Access Services (Cont'd)

3.1.1 Access Service Order (Cont'd)

(B) For Feature Group D Switched Access Service, the Customer shall specify the number of busy hour minutes of capacity (BHMC) from the Customer's premises to the end office by traffic type. This information is used to determine the number of transmission paths. The Customer shall also specify the Local Transport and Local Switching options. When FGD is ordered by specifying the number of trunks and direct routing to an end office is desired, the customer shall specify:

- the end office and
- the Local Transport and Local Switching options desired.

When FGD is ordered by specifying the number of trunks and end office routing via an access tandem operated by another Exchange Telephone Company is desired, the customer shall specify:

- the access tandem,
- the Local Transport and Local Switching options desired, and
- an estimate of the amount of traffic to be generated to and/or from each Company end office subtending another Exchange Telephone Company's access tandem.

When a Customer orders FGD in trunks, the Customer is responsible to assure that sufficient access facilities have been ordered to handle its traffic.

(C) For Toll Free Data Base Access Service, the Customer shall order the service in accordance with the preceding provisions set forth for Feature Group D.

SERVICE AND RATE DESCRIPTIONS

3.1 Access Services (Cont'd)

3.1.1 Access Service Order (Cont'd)

3.1.1.1 Access Order Service Date

McLeodUSA Telecommunications Services, Inc. shall make available to all customers within a reasonable time of a request a schedule of applicable service dates and any associated relevant information. The schedule shall specify the applicable service date for services and the quantities of services that can be provided in the applicable service date.

McLeodUSA Telecommunications Services, Inc. will not accept orders for service dates which exceed the applicable service date by more than six months.

Access Services will be installed during Company business days. If a customer requests that installation be done outside of scheduled work hours, and the Company agrees to this request, the Company in advance of expediting an order will provide the customer an estimate of the anticipated charges calculated at an overtime rate determined by the Company. In no event will the actual charges incurred be greater than 10% above the estimate.

SERVICE AND RATE DESCRIPTIONS

3.1 Access Services (Cont'd)

3.1.1 Access Service Order (Cont'd)

3.1.1.2 Access Order Modifications

The Customer may request a modification of its Access Order prior to the service date. The Company will make every effort to accommodate a requested modification.

Any increase in the number of Switched Access Service lines, trunks or busy hour minutes of capacity or CCSA signaling connections will be treated as a new Access Order (for the increased amount only).

SERVICE AND RATE DESCRIPTIONS

3.1 Access Services (Cont'd)

3.1.1 Access Service Order (Cont'd)

3.1.1.3 Cancellation of an Access Order

(A) A Customer may cancel an Access Order for the installation of service at any time prior to notification by the Company that services available for the Customer's use or prior to the service date, whichever is later. The cancellation date is the date the Company receives written or verbal notice from the Customer that the order is to be cancelled. The verbal notice must be followed by written confirmation within 10 days. If a Customer or a Customer's end user is unable to accept Access Service within 30 calendar days after the original service date, the Customer has the choice of the following options:

- The Access Order shall be cancelled and charges set forth in (B) following will apply, or

- Billing for the service will commence.

If no cancellation request is received within the specified 30 calendar days, billing for the service will commence. In any event, the cancellation date or the date billing is to commence, as applicable, shall be the 31st day beyond the original service date of the Access Order.

SERVICE AND RATE DESCRIPTIONS

3.1 Access Services (Cont'd)

3.1.1 Access Service Order (Cont'd)

3.1.1.3 Cancellation of an Access Order (Cont'd)

(B) When a customer cancels an Access Order for the installation of service, a Cancellation Charge will apply as follows:

(1) Installation of Switched Access Service facilities is considered to have started when the Company incurs any cost in connection therewith or in preparation thereof which would not otherwise have been incurred.

(2) Where the customer cancels an Access Order prior to the start of installation of access facilities, no charges shall apply.

(3) Where installation of access facilities has been started prior to the cancellation, the charges specified in (a) or (b) following, whichever is lower, shall apply.

(a) A charge equal to the cost incurred in such installation, less estimated net salvage. Such charge is determined as detailed in (4) following.

(b) The charge for the minimum period of Switched Access Service ordered by the customer.

These charges also apply to that portion of facilities cancelled in the case of a partial cancellation, i.e., in the case of a customer requesting a reduction of the number of lines, trunks, or BHMCs ordered.

SERVICE AND RATE DESCRIPTIONS

3.1 Access Services (Cont'd)

3.1.1 Access Service Order (Cont'd)

3.1.1.3 Cancellation of an Access Order (Cont'd)

(4) Charges applicable as specified in (3)(a) preceding include the nonrecoverable cost of equipment and material ordered, plus the nonrecoverable cost of installation and removal including the costs of engineering, labor, supervisions, transportation, rights-of-way and other associated costs.

SERVICE AND RATE DESCRIPTIONS

3.1 Access Services (Cont'd)

3.1.1 Access Service Order (Cont'd)

3.1.1.4 Minimum Period

(A) Unless otherwise specified, the minimum period for which Access Service is provided and for which charges are applicable, is one month.

(B) The following changes will be treated as a discontinuance of the existing service and an installation of a new service. All associated nonrecurring charges will apply for the new service.

The changes listed below are those which will be treated as a discontinuance and installation of service and for which a new minimum period will be established.

(1) A move to a different building.
(2) A change in type of service.
(3) A change in Switched Access Service traffic type.
(4) A change in Company-provided Switched Access Service to a Collocated Interconnection arrangement or vice versa.

SERVICE AND RATE DESCRIPTIONS

3.1 Access Services (Cont'd)

3.1.1 Access Service Order (Cont'd)

3.1.1.5 Minimum Period Charges

When Access Service is disconnected prior to the expiration of the minimum period, charges are applicable for the balance of the minimum period.

The Minimum Period Charge for monthly billed services will be determined as follows:

For Switched Access Service, the charge for a month or fraction thereof is equal to the applicable minimum monthly charge for the capacity.

All applicable nonrecurring charges for the service will be billed in addition to the Minimum Period Charge.

3.1.1.6 Nonrecurring Charges

Nonrecurring charges are one-time charges that apply for a specific work activity (i.e., installation or change to an existing service). Types of nonrecurring charges that apply for Switched Access Service are: installation of service and service rearrangements.

(1) Installation of Service

A Local Transport nonrecurring installation charge will applied at the serving wire center for each Entrance Facility installed. Additionally, a nonrecurring trunk activation charge will be applied at each end office on a per order per end office basis for each group of 24 Direct Trunked Transport trunks or fraction thereof that is activated. A maximum of 24 trunks can be activated on a DS1 facility.

SERVICE AND RATE DESCRIPTIONS

3.1 Access Services (Cont'd)

3.1.1 Access Service Order (Cont'd)

3.1.1.6 Nonrecurring Charges (Cont'd)

(2) Service Rearrangements

All changes to existing services other than changes involving administrative activities only will be treated as a discontinuance of the existing service and an installation of a new service. The nonrecurring charge described in (1) preceding will apply for this work activity. Moves that change the physical location of the point of termination are described below.

(a) Moves Within the Same Building

When the move is to a new location within the same building, the charge for the move will be an amount equal to one half of the nonrecurring charge for the capacity affected. There will be no change in the minimum period requirements.

SERVICE AND RATE DESCRIPTIONS

3.1 Access Services (Cont'd)

3.1.1 Access Service Order (Cont'd)

3.1.1.6 Nonrecurring Charges (Cont'd)

(2) Service Rearrangements (Cont'd)

(b) Moves to a Different Building

Moves to a different building will be treated as a discontinuance and start of service and all associated nonrecurring charges will apply. New minimum period requirements will be established for the new service. The Customer will also remain responsible for satisfying all outstanding minimum period charges for the discontinued service.

3.1.1.7 Network Blocking Charge

The Customer will be notified by the Company to increase its capability (busy hour minutes of capacity or quantities of trunks) when excessive trunk group blocking occurs on groups carrying Feature Group D traffic and the measured access minutes for that hour exceed the capacity purchased.

If the order for additional capacity has not been received by the Company within 15 days of the notification, the Company will bill the Customer, at the rate set forth in 5.1.3(E) following, for each overflow in excess of ordered capacity.

SERVICE AND RATE DESCRIPTIONS

3.1 Access Services (Cont'd)

3.1.2 Standard Rate Categories

The following rate categories apply to all forms of Switched Access Service, except as stated in 3.1.3:

- Carrier Common Line
- Local Transport
- End Office

(A) Carrier Common Line

Carrier Common Line Access Service provides for the use of Company common lines by customers for access to End Users to furnish intrastate communications service.

Carrier Common Line Access is provided where the customer obtains Company Switched Access Service under this Tariff.

Regulations, Rates and Charges for Carrier Common Line Access Service are the same as those set forth in National Exchange Carrier Association Tariff F.C.C. No. 5.

(B) Local Transport

The Local Transport rate category provides for transmission facilities between the Customer's premises or collocated interconnection location and the Company's end office switch(es) where the Customer's traffic is switched to originate or terminate its communications.

Charges for Local Transport service are computed in accordance with Section 2.6.5 preceding (Ordering, Rating, and Billing of Access Services Where More Than One Exchange Telephone Company Is Involved). For purposes of determining Local Transport Mileage, distance will be measured from the wire center that normally serves the Customer's premises to the end office switch(es).

SERVICE AND RATE DESCRIPTIONS

3.1 Access Services (Cont'd)

3.1.2 Standard Rate Categories (Cont'd)

(B) Local Transport (Cont'd)

The Company will provide Direct Trunked Transport between a Customer's premises and the Company's end office switch(es) upon request. At the Customer's option, Entrance Facility and Direct Trunked Transport may be provided by the Company, by the Customer, or by another carrier. If Direct Trunk Transport facilities are terminated at a Company end office switch location by a Customer, or by another carrier on behalf of a Customer, Entrance Facility Termination charges as described in 3.1.2(B)(1) will apply, but no other Local Transport elements will be charged.
The following paragraphs describe the Local Transport rate elements.

Local Transport - Entrance Facility:
Tandem Switched Transport:
Direct Trunked Transport:
Interconnection Charge

SERVICE AND RATE DESCRIPTIONS

3.1 Access Services (Cont'd)

3.1.2 Standard Rate Categories (Cont'd)

(B) Local Transport (Cont'd)

(1) Local Transport-Entrance Facility

A Local Transport-Entrance Facility provides the communication path between a Customer's premises and the Company serving wire center of that premises for the sole use of the Customer. The Local Transport-Entrance Facility category is comprised of a 4 Wire Voice Grade rate and a DS1 rate. A Local Transport-Entrance Facility is required whether the Customer's premises and the serving wire center are located in the same or different buildings.

(2) Local Transport-Tandem Switched Transport

Tandem Switched Transport provides the communications path between the serving wire center and the end office or between the tandem and the end office on circuits that are switched at a tandem switch. Tandem Switching Transport rates consist of a Tandem Switched Termination rate, a Tandem Switched Facility rate, and a Tandem Switching rate.

(a) The Tandem Switched Termination rate is applied on a per access minute basis for all originating and terminating minutes of use routed over each end of the interoffice transmission links. This charge will apply even if the interoffice transmission links are collocated in a Company building (i.e. mileage is zero).

(b) The Tandem Switched Facility rate is applied on a per access minute per mile basis for all originating and terminating minutes of use routed over the facility.

(c) The Tandem Switching rate is applied on a per access minute per tandem basis for all access minutes of use switched at the tandem.

SERVICE AND RATE DESCRIPTIONS

3.1 Access Services (Cont'd)

3.1.2 Standard Rate Categories (Cont'd)

(B) Local Transport (Cont'd)

(3) Local Transport- Direct Trunked Transport

The Local Transport-Direct Trunked Transport provides the transmission path from the serving wire center of the Customer's premises to an end office or as an option from the serving wire center to a tandem. This transmission path is dedicated to the use of a single Customer.

The Local Transport-Direct Trunked Transport rate category is comprised of a monthly fixed rate and a monthly per mile rate based on the facility provided. The fixed rate provides the circuit equipment at the ends of the transmission links. The per mile rate provides the transmission facilities, including intermediate transmission circuit equipment, between the end points of the circuit. The Local Transport--Direct Trunked Transport rate is the sum of the fixed rate and the per mile rate. For purposes of determining the per mile rate, mileage shall be measured as airline mileage between the serving wire center of the Customer's premises and the end office or directly to the access tandem using the V&H coordinates method.

(4) Local Transport-Interconnection Charge

The Local Transport-Interconnection Charge provides for interconnection with the Company's Switched Access network. This rate element will be applied to all Switched Access minutes of use (except Local Exchange Access Service) that originate or terminate at a Company end office.

SERVICE AND RATE DESCRIPTIONS

3.1 Access Services (Cont'd)

3.1.2 Standard Rate Categories (Cont'd)

(B) Local Transport (Cont'd)

(5) Local Transport - Facilities

Voice Grade and DS1 facilities are available for Local Transport-Entrance Facilities and for Local Transport-Direct Trunked Transport facilities. A Voice Grade facility provides voice frequency transmission capability in the nominal range of 300 to 3000 Hz and may be terminated 4-wire. A DS1 facility is capable of transmitting electrical signals at a nominal 1.544 Mbps, with the capability to channelize up to 24 voice-frequency transmission paths.

SERVICE AND RATE DESCRIPTIONS

3.1 Access Services (Cont'd)

3.1.2 Standard Rate Categories (Cont'd)

(C) End Office

The End Office rate category provides the local end office switching and end user termination functions necessary to complete the transmission of Switched Access communications to and from the end users served by the Company's end office. The End Office rate category consists of a Local Switching rate element and an Information rate element.

The Local Switching rate element provides for the use of end office switching equipment, the terminations for the end user common lines terminating in the local end office, and the termination of a call at a Company Intercept operator or recording.

The Information rate applies to each Switched Access minute of use (measured or assumed) and shall be assessed upon all customers that use local switching facilities for the provision of intrastate or foreign telecommunications.

SERVICE AND RATE DESCRIPTIONS

3.1 Access Services (Cont'd)

3.1.3 Other Rate Categories

(A) Toll Free Data Base Access Service

Toll Free Data Base Access Service is a service offering utilizing originating trunk side Switched Access Service. The service provides for the forwarding of end user dialed Toll Free calls to a Company Service Switching Point which will initiate a query to the data base to perform the Customer identification and delivery function. The call is forwarded to the appropriate Customer based on the dialed Toll Free number.

SERVICE AND RATE DESCRIPTIONS

3.2 Miscellaneous Services

3.2.1 Presubscription

(A) Presubscription is an arrangement whereby an end user may select and designate to the Company an interexchange carrier (IC) to access, without an6 access code, for intrastate interLATA calls, intrastate intraLATA calls, and interstate interLATA calls subject to the Company's FCC Access Tariff. This IC is referred to as the end user's Primary Interexchange Carrier (PIC). The end user may select as its PIC the Company, or any other IC that orders originating Feature Group D Switched Access Service at the end office that serves the end user. After the end user's initial selection of a predesignated IC, for any additional change in selection, a non-recurring charge, as set forth in Section 5.2.1, applies.

(B) At the request of a new or existing end user served by a Feature Group D end office, the Company will provide a list of ICs the end user may select as its PIC. At no additional charge for the initial selection, the customer may choose either of the following options.

- Designate an IC as a PIC and dial 1OXXX or 101XXXX to reach other ICs.

- Designate that they do not want to be presubscribed to any IC and choose to dial 1OXXX or 101 XXXX for all calls to all ICs.

New end users subscribing to the Company's Exchange Access Service which do not specify a PIC will default to the Company as their initial PIC selection. Subsequent to the installation of Exchange Access Service, and after the end user's initial selection of a PIC, for any additional change in selection, a nonrecurring charge as set forth in Section 5.2.1, applies. This charge is billed to the end user which is the subscriber to the Exchange Access Service and applies only for selection of an IC which provides only intrastate service.

SERVICE AND RATE DESCRIPTIONS

3.2 Miscellaneous Services

3.2.1 Presubscription (Cont'd)

(C) In the event an end user is incorrectly presubscribed due to misassignment on the part of the Company, no charge shall apply. In the event an end user is incorrectly presubscribed due to misassignment on the part of the Interexchange Carrier (IC), and the IC is unable to document such an assignment, the Company will apply the charge to the IC responsible for the misassignment of the end user. The IC will be assessed two charges, one for the misassignment and another for the correction. The end user will then be assigned to an IC of the end user's choice.

SERVICE AND RATE DESCRIPTIONS

3.2 Miscellaneous Services (Cont'd)

3.2.2 Billing Name and Address Service

McLeodUSA Telecommunications Services, Inc. will provide Billing Name and Address Service (BNA) of subscribers with listed, non-published and unlisted numbers unless the subscriber requests that its BNA not be disclosed. The information will be provided to Telecommunications Service Providers for the limited purposes of billing a call, order entry, customer service, fraud prevention, and identification of customers who have moved from one location to another.

BNA will be provided on a detailed request basis or on a bulk BNA basis. Bulk BNA includes all BNA in the Exchange Company's records.

The standard format for the detailed request for provisions of telephone number and billing name and address information will be the CARE (Carrier Account Record Exchange) format. If a non-standard format is requested by the Telecommunications Service Provider, a Programming Charge as indicated in 5.2.2 following will apply.

A Telecommunications Service Provider must order BNA and provide a test data tape at least 30 days prior to delivery of the first order.

Any Telecommunications Service Provider furnished BNA pursuant to this tariff, agrees to abide by all applicable rules, decisions, orders, statutes and laws concerning the disclosure of Billing Name and Address, and further agrees to use the information contained therein only for the purpose of billing for telecommunication services, order entry, customer service, fraud prevention, or identification of customers who have moved from one location to another.

BNA will be provided via magnetic tape or paper format, at the option of the Telecommunications Service Provider at the rates listed in 5.2.2 following. A per record charge is also applicable for each request. The charges apply to all requests including but not limited to records not found, duplicate requests, invalid requests, and invalid information.

SERVICE AND RATE DESCRIPTIONS

3.3 Local Termination Service

This service provides for the termination of calls to McLeodUSA customers over McLeodUSA facilities (including unbundled network elements purchased from incumbent carriers) , as long as those calls originate within the same local calling area as the area in which they are terminated. Rates will be determined by agreement between the carriers involved, or by a tariffed rate contained in this tariff. In the absence of either an agreement or a rate contained in this tariff, McLeodUSA will exchange traffic with other carriers based on the offsetting of reciprocal obligations as set forth in 47 U.S.C. Section (d)(2)(B)(i).

END USER ACCESS SERVICE

4.1 General

Carrier Common Line Charge ("CCLC") is a charge to all Common Carriers accessing McLeodUSA's switched facilities.

4.2 Rates

CCLC Origination	$0.037700 per minute
CCLC Termination	$0.037700 per minute

RATES

5.1 Access Service

The rates in this section apply in the absence of an agreement with the other carrier regarding applicable rates.

5.1.1 Nonrecurring Charges	NRC
(A) Installation Per Entrance Facility	
- Voice Grade Four Wire	$ 161.00
- DS1	$ 181.00
(B) Direct Trunked Transport Activation Per 24 trunks or fraction thereof Per Order	
- End Office or Tandem	$ 249.00
(C) Tandem Transport Per Line or Trunk	$ 31.76

RATES

5.1 Access Service (Cont'd)

5.1.2 Local Transport

	Monthly Rate
(A) Entrance Facility	
Per Termination	
- Voice Grade Two Wire	$ 33.77
- Voice Grade Four Wire	$ 54.03
- DS1	$ 179.13
(B) Tandem Switched Transport	
(1) Tandem Switched Facility	
Per Access Minute Per Mile	$ .000295
(2) Tandem Switched Termination	
Per Access Minute Per Termination	$ .001451
(3) Tandem Switching	
Per Access Minute Per Tandem	$ .003393
(4) Local Transport Facility	
Per Access Minute	$ .000326
(5) Local Transport Termination	
Per Access Minute	$ .0165
(C) Direct Trunked Transport	
(1) Direct Trunked Facility	
Per Mile	
- Voice Grade	$ 2.41
- DS1	$ 19.39
(2) Direct Trunked Termination	
Per Termination	
- Voice Grade	$ 24.17
- DS1	$ 95.62

RATES

5.1 Access Service (Cont'd)

5.1.2 Local Transport (Cont'd)

		Monthly Rate
(D)	Interconnection Charge Per Access Minute	$ .032500
(E)	Network Blocking Charge Per Call Blocked	$ .031800
(F)	Multiplexing Per Arrangement	
	- DS3 to DS1	$ 474.31
	- DS1 to Voice	$ 183.12

RATES

5.1 Access Service (Cont'd)

5.1.3 End Office

All States

		Monthly Rate
(A)	Local Switching Per Access Minute	$ .021700
(B)	Information Per Access Minute	$ .000198

5.1.4 Toll Free Data Base Access Service

All States

(A)	Basic Per Query	$ .004600
(B)	Enhanced Per Query	$ .005000

RATES

5.2 Miscellaneous Services

5.2.1 Presubscription

	Non-Recurring Charge
Presubscription. -Per Telephone Exchange Service Line or Trunk	$5.00

5.2.2 Billing Name and Address Service

	Non-Recurring Charge
Initial Account Set-Up	$200.00
	Per Request
Paper Report Charge	
Per Report	$ 65.00
Per Record	$ 1.00
Magnetic Tape Report Charge	
Per Report	$ 80.00
Per Record	$ 01
Programming Charge	
Per Hour	$ 70.00

RATES

5.2 Miscellaneous Services

Non-Recurring Charge

5.2.3 Local Termination Service

(Reserved for future use)

South Dakota Public Utilities Commission

WEEKLY FILINGS

For the Period of February 1, 2001 through February 7, 2001

If you need a complete copy of a filing faxed, overnight expressed, or mailed to you, please contact Delaine Kolbo within five business days of this filing. Phone: 605-773-3705 Fax: 605-773-3809

CONSUMER COMPLAINTS

CT01-004 **In the Matter of the Complaint filed by Joan Mack, Watertown, South Dakota, against Talk.com Holding Corp. d/b/a The Phone Company Regarding Unauthorized Billing for Services.**

The complainant alleges an unauthorized switch of long distance providers and charges for unauthorized services billed to her minor daughter. The complainant requests that the company make restitution and be fined or put out of business.

Staff Analyst: Charlene Lund
Staff Attorney: Karen Cremer
Date Docketed: 02/05/01
Intervention Deadline: N/A

CT01-005 **In the Matter of the Complaint filed by Jerry R. Ourada, Sioux Falls, South Dakota, against WorldCom Regarding Unauthorized Switching of Services.**

The Complainant states that he received a call from AT&T indicating that WorldCom had taken the Complainant's service. The Complainant indicates that the switch in service was not authorized. For resolution the Complainant is seeking "the full amount prescribed by South Dakota Law for slamming plus all expenses incurred."

Staff Analyst: Leni Healy
Staff Attorney: Kelly Frazier
Date Docketed: 02/06/01
Intervention Deadline: N/A

CT01-006 **In the Matter of the Complaint filed by John P. Donahoe, Sioux Falls, South Dakota, against WorldCom Regarding Unauthorized Switching of Services.**

The Complainant alleges that his service was switched to WorldCom without his authorization. The Complainant requests that the Commission assess stiff penalties.

Staff Analyst: Leni Healy
Staff Attorney: Kelly Frazier
Date Filed: 02/07/01
Intervention Deadline: N/A

TELECOMMUNICATIONS

TC01-012 **In the Matter of the Filing for Approval of Fourth and Fifth Amendments to an Interconnection Agreement between Qwest Corporation and DSLnet Communications, LLC.**

On February 2, 2001, Fourth and Fifth Amendments to the interconnection agreement between Qwest Corporation (Qwest) and DSLnet Communications, LLC (DSLnet) were filed with the Commission for approval. The agreement is a negotiated agreement with the parties which was approved by the Commission effective September 23, 1999. According to the parties the Fourth Amendment is made to add Unbundled Loops to the agreement. The Fifth Amendment is made in order to replace the Interim Line Sharing Agreement DSLnet entered into on May 3, 2000, and adds terms, conditions and rates for Line Sharing. Any party wishing to comment on the agreement may do so by filing written comments with the Commission and the parties to the agreement no later than February 22, 2001. Parties to the agreement may file written responses to the comments no later than twenty days after the service of the initial comments.

TC01-013

McLeodUSA

February 8, 2001

William Bullard, Executive Secretary
South Dakota Public Utilities Commission
State Capitol, 500 E. Capitol
Pierre, SD 57501-5070

Re: McLeodUSA Telecommunications Services, Inc. (McLeodUSA) Intrastate Switched Access Tariff and Request for Exemption from Development of Company Specific Cost-Based Rates

Dear Mr. Bullard:

McLeodUSA Telecommunications Services, Inc. ("McLeodUSA") respectfully submits a request to withdraw the Request for Exemption from Development of Company Specific Cost-Based Rates and proposed Intrastate Switched Access Tariff No. 1 submitted for the Commission's approval on February 6, 2001.

If you have any questions, please contact me at 605-965-9368 or Rob Griffis at 605-965-9379. Thank you in advance for your consideration of this request.

Very truly yours,

Dawn Haase

Dawn Haase
Legal Assistant

RECEIVED
FEB 09 2001
SOUTH DAKOTA PUBLIC UTILITIES COMMISSION

BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF SOUTH DAKOTA

IN THE MATTER OF THE FILING BY MCLEODUSA TELECOMMUNICATIONS SERVICES, INC. FOR APPROVAL OF ITS INTRASTATE SWITCHED ACCESS TARIFF AND FOR AN EXEMPTION FROM DEVELOPING COMPANY SPECIFIC COST-BASED SWITCHED ACCESS RATES	)	ORDER PERMITTING WITHDRAWAL OF FILING AND CLOSING DOCKET TC01-013

On February 6, 2001, the Public Utilities Commission (Commission) received a filing from McLeodUSA Telecommunications Services, Inc. (McLeod) for approval of its intrastate switched access tariff and for an exemption from developing company specific cost-based switched access rates.

On February 9, 2001, McLeod requested that its filing be withdrawn.

At its regularly scheduled February 21, 2001, meeting, the Commission considered this matter. The Commission has jurisdiction over this matter pursuant to SDCL 49-31-3 and 49-31-19 and ARSD Chapter 20:10:27. The Commission found that McLeod's request to withdraw its filing is reasonable and closed the docket. It is therefore

ORDERED, that McLeod shall be permitted to withdraw its filing, and it is further

ORDERED, that this docket is closed.

Dated at Pierre, South Dakota, this 28th day of February, 2001.

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 Delaine Kolbo

Date 2/28/01

(OFFICIAL SEAL)

BY ORDER OF THE COMMISSION:

James A. Burg

JAMES A. BURG, Chairman

Pam Nelson

PAM NELSON, Commissioner