



Dustin Johnson, Chair  
Gary Hanson, Vice Chair  
Steve Kolbeck, Commissioner

## SOUTH DAKOTA PUBLIC UTILITIES COMMISSION

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MEMORANDUM TO COMMISSIONERS JOHNSON, HANSON AND KOLBECK

FROM: Harlan Best

RE: Fort Randall Telephone Company and Mount Rushmore Telephone Company  
Switched Access Revenue Requirement and Rate Elements, TC05-099

DATE: January 5, 2007

Fort Randall Telephone Company and Mount Rushmore Telephone Company (Fort Randall) filed an Intrastate Switched Access Cost Study pursuant to ARSD Chapters 20:10:27 to 20:10:29, inclusive on July 1, 2005, based on the twelve months ended December 31, 2004. The cost study submitted by Fort Randall developed a revenue requirement of \$1,035,239. Fort Randall's access minutes of use for 2004 were 14,026,012. Fort Randall is not a member of the Local Exchange Carrier Association (LECA) and is not part of the recent settlement of the 2004, 2005, and 2006 switched access dockets

On July 7, 2005, the Commission electronically transmitted notice of the filing and the intervention deadline of July 22, 2005, to interested individuals and entities. Interventions were submitted by Midcontinent Communications and MCImetro Access Transmission Services, LLC on September 1, 2005, and on September 15, 2005, by AT&T Communications of the Midwest, Inc. On September 19, 2005, the Commission received an Answer of Fort Randall to MCI's and Midcontinent's petitions to intervene. The Commission received Staff's Response to MCI's, Midcontinent's, and AT&T's petitions to intervene on September 26, 2005. On September 27, 2005, the Commission received an Answer of Fort Randall to AT&T's petition to intervene. At a regularly scheduled Commission meeting of September 27, 2005, MCI, Midcontinent, and AT&T requested that they be permitted to withdraw their petitions to intervene. The Commission voted unanimously to grant the withdrawals.

On August 2, 2005, the Commission voted to assess Fort Randall a \$1000 filing fee, subject to additional amounts as requested by the Executive Director up to the statutory limit of \$100,000. (Any questions regarding the amount expended should be addressed to Heather Forney.)

Staff requested supporting information from Fort Randall on July 7, 2005 (response received July 19, 2005), July 22, 2005 (response received January 17, 2006), January 19, 2006 (response received February 21, 2006), February 22, 2006 (response received March 23, 2006). Staff reviewed trial balances for 2004, supporting documentation for adjustments that were proposed by Fort Randall in the cost study, access minutes of use, and traffic factor support.

Staff requested, and Fort Randall has agreed, to correct an allocator for Cable and Wire, Direct, to remove Interest Expense associated with Customer Deposits, and to move Chamber dues, contributions, memberships and gifts to below-the-line. The intrastate portion of uncollectibles will be amortized over three years. The revenue requirement for Fort Randall is revised to \$1,019,273. This revenue requirement develops rate elements of \$0.045392 for Carrier Common Line, \$0.017537 for Local Switching, and \$0.009741 for Transport for a total switched access rate of \$0.072670. This is a decrease from the rate approved in TC02-086. The revised revenue requirement is acceptable to Fort Randall.

Respectively submitted: Harlan Best

cc John W. Coleman, Olsen Thielen & Co., Ltd