

BEFORE THE PUBLIC UTILITIES COMMISSION
OF THE STATE OF SOUTH DAKOTA

RECEIVED

APR 07 2006

IN THE MATTER OF THE FILING BY RC)
COMMUNICATIONS, INC. FOR AN EXEMP-)
TION FROM DEVELOPING COMPANY SPE-)
CIFIC COST-BASED SWITCHED ACCESS)
RATES.)

SETTLEMENT DAKOTA PUBLIC)
STIPULATION)
COMMISSION)
TC06-001)

I. SETTLEMENT STIPULATION

On January 5, 2006, RC Communications, Inc. (RCC) filed with the South Dakota Public Utilities Commission (Commission) a petition in accordance with ARSD 20:10:27:11 requesting an exemption from developing company specific cost based switched access rates. RCC proposed intrastate switched access rates that were based on the costs of all the telecommunications companies with less than 100,000 access lines as calculated in accordance with ARSD 20:10:27:12. The Commission Staff and RCC (jointly the Parties) held several negotiating sessions in an effort to arrive at a joint and acceptable resolution of this matter. As a result of the sessions, the Parties have been able to resolve all issues in this proceeding and have entered into this Settlement Stipulation (Stipulation), which, if accepted and ordered by the Commission, will determine rates to result from this proceeding.

II. PURPOSE

This Stipulation has been prepared and executed by the Parties for the sole purpose of resolving Docket TC06-001 and is applicable to the final rates in this proceeding only. The Parties acknowledge that they may have differing views that justify the end result, which they deem to be just and reasonable, and in light of such differences, the Parties agree that the proposals, positions, adjustments made or resolution of any single

issue, whether express or implied by the Settlement Stipulation, should not be viewed as precedent setting. In consideration of the mutual promises hereinafter set forth, the Parties agree as follows:

1. Upon execution of this Stipulation, Commission Staff shall immediately file this Stipulation with the Commission, together with a Motion requesting that the Commission issue an Order approving this Stipulation in its entirety without condition or modification.

2. This Stipulation includes all terms of settlement and is submitted with the condition that in the event the Commission imposes any changes in or conditions to this Stipulation which are unacceptable to any party, this Stipulation shall be deemed withdrawn and shall not constitute any part of the record in this proceeding or any other proceeding nor be used for any other purpose.

3. This Stipulation shall become binding upon execution by the Parties, provided however, that if this Stipulation does not become effective in accordance with Paragraph 2 above, it shall be null, void, and privileged. This Stipulation is intended to relate only to the specific matters referred to herein; no party waives any claim or right which it may otherwise have with respect to any matter not expressly provided for herein; no party shall be deemed to have approved, accepted, agreed or consented to any rate making principle, or any method of cost of service determination, or any method of cost allocation underlying the provision of this Stipulation, or be prejudiced or bound thereby in any other current or future proceeding before the Commission. No party or representative thereof shall directly or indirectly refer to this Stipulation or that part of any Order of the Commission referring to this Stipulation as precedent in any other current or future rate proceeding before the Commission.

4. The Parties understand that if this matter has not been settled, or if the Commission rejects or alters this Settlement Stipulation, Commission Staff may file a Memorandum regarding its position and RCC may respond to the Commission Staff's memo

and thereafter, the Commission Staff may respond to certain positions contained in RCC's response.

III. ELEMENTS OF THE SETTLEMENT STIPULATION

1. Revenue Requirement

This settlement or the attached tariffed rate schedules are not designed to calculate or produce a specified revenue requirement for RCC and do not in any way represent RCC's cost of providing service.

2. Intrastate Switched Access Rates

RCC shall accept \$0.1150 [Carrier Common Line Access Service per Access Minute - \$0.0548; Local Switching (End Office) per Access Minute - \$0.0231; and Local Transport per Access Minute - \$0.0371] for its intrastate switched access rate for all originating and terminating intrastate Access Minute. This represents a decrease of \$0.0216 per Access Minute from RCC's original request.

This agreed upon-rate shall be frozen until (1) 6 months after the effective date of FCC issued rules on its current intercarrier compensation (ICC) docket (CC Docket No. 01-92 – In the Matter of Developing a Unified Intercarrier Compensation Regime); (2) 6 months after the effective date of any Commission-issued rules in the rulemaking docket (RM05-002 - In the Matter of Revisions and/or Additions to the Commission's Switched Access Rules Codified in ARSD 20:10:27 through 20:10:29); or (3) three years from the date hereof, whichever occurs first, so long as the frozen rate is not in conflict with either the new FCC ICC rules or the new SDPUC rules as referenced above. Under this rate freeze, and for the rate freeze period only, RCC waives its right to file or implement any intrastate switched access rate increase, as authorized by ARSD 20:10:27:07. For the rate freeze period only, RCC is granted a waiver from the requirement of filing cost data in support of RCC's attached switched access services tariff, as required by ARSD 20:10:27:07. Once the rate freeze period has concluded, RCC shall request an addi-

tional extension, or file to update its intrastate switched access rate with this Commission in accordance with rules current at the time of such filing.

At any time during the rate freeze period, should the agreed-upon rate exceed the rate as determined by ARSD 20:10:27:12, RCC will, upon proper notice to its customers, adjust the rate downward so that at no time will RCC's rate exceed that as determined by ARSD 20:10:27:12, and RCC will update its intrastate switched access tariff on file with the Commission to reflect the downward adjustment. Any downward adjusted rate will remain frozen for the period as described above and comply with all portions of this Stipulation.

Because the agreed upon rate is not dependent on any current open rate proceedings or docket before the Commission, it is a final rate from and after the effective date as set forth below, said rate is subject to applicable adjustments as described above, if any, but is not subject to refund with interest.

3. Implementation of Rates

The attached revised tariffed rate schedule shall be implemented for service rendered on and after April 11, 2006, so that any services rendered on and after April 11, 2006, shall be billed at the new rates.

4. Conclusion

This Stipulation is entered into this 7 day of April, 2006.

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RC COMMUNICATIONS, INC.

ACCESS SERVICE TARIFF

FILED WITH

SOUTH DAKOTA PUBLIC UTILITIES COMMISSION

April 2006

RC COMMUNICATIONS, INC.
FILED WITH SDPUC

TARIFF NO. 1

ACCESS SERVICE
ORIGINAL PAGE 1

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Issued: April 4, 2006

Effective: April 11, 2006

EXPLANATION OF SYMBOLS

- (C) - To signify a changed regulation
- (D) - To signify a discontinued rate or regulation
- (I) - To signify an increase
- (N) - To signify a new rate or regulation
- (R) - To signify a reduction
- (T) - To signify a change in text but no change in rate or regulation
- (L) - To signify the relocation of material from one part of the tariff to another part

1. APPLICATION OF TARIFF

The regulations, terms and conditions, rates and charges applicable to the provision of Switched Access and Special Access Services, and other miscellaneous service(s), provided by RC Communications, Inc., a South Dakota Competitive Local Exchange Carrier (CLEC), d/b/a RC Services, hereinafter referred to as the Company, to Intrastate Customers, hereinafter referred to as IC's, are the same as those filed in South Dakota's Local Exchange Carrier Association's (LECA's) Tariff No. 1 with the exceptions listed herein.

EXCEPTIONS TO LECA TARIFF NO. 1

	<u>Rates and Charges</u>
1. <u>Common Line Access Service</u>	
A. <u>Common Line Access Service</u>	\$0.0548
2. <u>Switched Access Service</u>	
A. <u>Local Switching</u> (end office)	
per access minute	\$0.0231
B. <u>Local Transport</u>	
per access minute	\$0.0371
LT Element - per line/trunk	\$295.00
C. <u>Interim NXX Translation</u>	
per order	\$181.00
D. <u>Network Blocking</u>	
per blocked call	\$0.0271
E. <u>8XX Data Base Query Service</u>	
per query - basic	\$0.0079
per query - vertical feature	\$0.0082