
BEFORE THE PUBLIC UTILITIES COMMISSION
OF THE STATE OF SOUTH DAKOTA

IN THE MATTER OF THE PETITION
OF FIBER RING REVENUE-POOLING
ASSOCIATION FOR APPROVAL OF
AMENDED REVENUE POOLING
DOCUMENTS

DOCKET NUMBER _____

PETITION

COMES NOW Darla Pollman Rogers, of Riter, Rogers, Wattier, & Northrup, LLP, 319 South Coteau Street, Pierre, South Dakota 57501, attorney for the Fiber Ring Revenue-Pooling Association (“FRRPA”), and represents and petitions to the South Dakota Public Utilities Commission (“Commission”) as follows:

BACKGROUND INFORMATION

1. FRRPA was organized on March 17, 1999, to provide a pooling mechanism for a collective, cost shared, cost averaged, nondistance sensitive fully-protected transport network for local exchange companies (“LEC” or “LECs”) whose traffic is carried on any of the joint South Dakota LEC and South Dakota Network, LLC (“SDN”) SONET (Synchronous Optical Network) ring transport facilities and thus enabled pooling to create a level playing field for ubiquitous survivable transport of telecommunications for a major portion of rural South Dakota. As a result of this pooling mechanism, the FRRPA users have had the benefit of survivable, distance insensitive, and highly reliable toll, public Internet transport, 911/E911 transport, and extended area service transport.

2. Pooling arrangements to assist telecommunications companies also find favor with the South Dakota Legislature as expressed in SDCL § 49-31-83. This statute states in part that “the commission may not prohibit telecommunications companies from

voluntarily forming an association . . . to engage in the pooling of access costs and revenues in a manner which is consistent with preserving and advancing universal service throughout this State or consistent with the Public Communications Network Infrastructure Policies set forth in Sections 49-31-60 and 49-31-61.” Further, SDCL § 49-31-59.1 also encourages telecommunications companies to cooperate and jointly provide SONET transport facilities and enter into revenue pooling arrangements between and among them to meet the goals of SDCL §§ 49-31-60 and 49-31-61. The Legislature has clearly declared that its intent is to enable companies in South Dakota to provide infrastructure such as the SONET interconnected survivable rings.

3. By establishing a joint provisioning arrangement, coordinating construction, and providing a centralized administration system of the ring facilities, the independent LECs in South Dakota were able to construct, implement, provision and maintain a system of interconnected survivable rings that can serve nearly all independent LEC areas and more than 70 percent of the geography of the State of South Dakota, thereby provisioning the advanced services anticipated and expected by the State of South Dakota as expressed in the legislation referred to herein.

4. FRRPA filed a Petition with this Commission on May 17, 2000, seeking approval of its pooling arrangement (Docket TC00-084). On July 20, 2000, the Commission approved the original FRRPA Petition. The original agreements between the LECs and FRRPA and FRRPA and SDN expired in 2005. Amended pooling arrangements were approved by the Commission on November 2, 2005, which, among other things, extended the term of the agreements to December 31, 2008 (Docket TC05-173). The amended pooling agreements expire on December 31, 2008, so the agreements

have been amended to extend the term. In addition, some amendments have been made to the agreements because of SDN's contract with the State of South Dakota as a result of the REED Project. The purpose of this filing is to seek Commission approval of the revised agreements.

FACTS

5. In order to more efficiently meet the infrastructure deployment goals described in SDCL §§ 49-31-60 and 49-31-61, the LECs in South Dakota, together with SDN, have constructed and provisioned a fully-integrated SONET backbone of interconnected survivable rings. A diagram showing the approximate location of the FRRPA rings is attached hereto as Confidential Exhibit 1.

6. The goals of FRRPA are the same as when FRRPA was originally organized and approved by the Commission. The current amendments to the FRRPA agreements do not change the underlying principles of FRRPA.

7. In order to achieve the State's legislative goals, SDN and the LECs that own portions of the rings provide those facilities through contractual agreements between the company and FRRPA. Said contractual agreements were referred to as SONET Ring Provider (SRP) Agreements, and each company providing facilities executed an SRP Agreement. Said Agreements were part of the original FRRPA filing, and amended agreements were approved by the Commission on November 2, 2005.

8. SDN and LECs in South Dakota that use FRRPA facilities executed Ring User Local (RUL) Exchange Company Agreements. Said Agreements were part of the original FRRPA filing, and amended agreements were approved by the Commission on November 2, 2005.

9. Twenty-nine (29) LECs (minus Faith) currently participate in FRRPA as an RUL or an SRP. A list of said LECs is attached hereto as Confidential Exhibit 2.

10. The amended FRRPA contracts approved by the Commission on November 2, 2005, expire December 31, 2008. FRRPA LEC participants and SDN have negotiated and executed new contracts to become effective January 1, 2009. FRRPA is seeking approval from the Commission of the revised contracts. The revised agreements extend the terms of the SRP and RUL contracts, and include revisions to recognize recent network updates.

11. There have been a number of significant FRRPA network upgrades to resolve concerns with aging fiber and electronics of depreciated network, capacity issues, and latency issues, all related to some routes on the network. Further, SDN signed a long term contract with the State of South Dakota for the provision of networking services in conjunction with the REED Project. A number of changes to the FRRPA network were made to accommodate the needs of the State of South Dakota to carry out the REED Project.

12. Copies of the amended contracts are attached hereto as Confidential Exhibit 3 (SDN-SRP), Confidential Exhibit 4 (LEC-SRP), Confidential Exhibit 5 (SDN-RU) and Confidential Exhibit 6 (LEC-RUL). In addition to the longer term of the contracts, Exhibit F to the RUL contracts has been modified to better reflect the new bandwidth capabilities resulting from recent FRRPA network upgrades.¹ All other Exhibits to the

¹ The compensation amounts contained in Exhibit 2 to the SRP contracts represents current compensation received by SDN and the LEC (Confidential Exhibits 3 and 4, respectively). The compensation amounts will be adjusted as investments are added to, fully depreciated, or removed from the network, and FRRPA will amend Exhibit 2 of the SRP contracts as such changes occur.

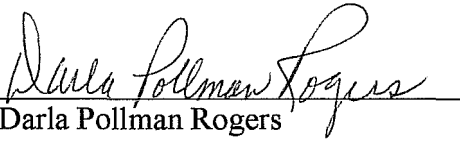
RUL contracts (Exhibits A through E) remain the same, as does all pricing in the contracts.

13. As stated above, the purpose of this filing is to amend and update the original and subsequent FRRPA filings by seeking Commission approval of the amended SRP Agreements and the amended RUL Agreements.

WHEREFORE, FRRPA prays that the Commission do the following:

1. Find that the FRRPA pooling arrangements are in the public interest;
 2. Approve the amended agreements referenced herein and attached to this filing;
- and
3. Grant such further approval as the Commission deems necessary.

Dated this 3rd day of December, 2008.


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