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May 13, 2009

Patricia Van Gerpen, Executive Director
South Dakota Public Utilities Commission
500 East Capitol Avenue
Pierre, South Dakota 57501

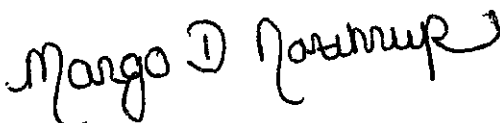
Re: RC Communications, Inc.
TC 09-

Dear Patty:

Attached for filing please find Request for Extension of Time of Exemption From Developing Company Specific Cost-Based Switched Access Rates in regards to the above-referenced matter.

Very truly,

RITER, ROGERS, WATTIER
& NORTHRUP, LLP

BY: 
Margo D. Northrup

MDN/cs

Attachment

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BEFORE THE PUBLIC UTILITIES COMMISSION
OF THE STATE OF SOUTH DAKOTA

IN THE MATTER OF THE
APPLICATION OF RC
COMMUNICATIONS, INC., FOR
APPROVAL OF EXTENSION OF
TIME OF EXEMPTION FROM
DEVELOPING COMPANY SPECIFIC
COST-BASED SWITCHED ACCESS
RATES

DOCKET NUMBER TC 09-
REQUEST FOR EXTENSION OF
TIME OF EXEMPTION FROM
DEVELOPING COMPANY
SPECIFIC COST-BASED
SWITCHED ACCESS RATES

COMES NOW RC Communications, Inc. (RC), by and through its attorney, Darla Pollman Rogers, of Riter, Rogers, Wattier & Northrup, LLP, and petitions the South Dakota Public Utilities Commission (Commission) for an extension of its exemption from developing company specific cost-based switched access rates granted by the Commission in its Order dated April 25, 2006. This Motion is based on the following:

1. On June 30, 2004, the Commission granted RC authority to provide competitive local exchange services in South Dakota.
2. On January 5, 2006, RC filed a petition in accordance with ARSD 20:10:27:11, asking the Commission to exempt RC from filing company-specific cost based intrastate switched access rates. RC requested adopting rates based on a statewide average cost for telecommunications companies with under 100,000 access lines, in accordance with ARSD 20:10:27:12.
3. On February 9, 2006, the Commission received a letter from RC requesting a waiver of ARSD 20:10:27:07.

4. Pursuant to an agreement with Staff, a Joint Motion for Approval of Settlement Stipulation and Settlement Stipulation were filed with the Commission on April 7, 2006.

5. The Settlement Stipulation provided that the current intrastate switched access rates for all originating and terminating intrastate access minutes would decrease from \$0.1366 to \$0.1150. The agreed upon rate was frozen until (1) six 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) six 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. Neither condition one or two has occurred and the three year agreement expired in April of 2009.

6. By Order dated April 25, 2006, this Commission:

- a. Granted the Joint Motion for Approval of Settlement Stipulation;
- b. Approved the Settlement Stipulation;
- c. Granted RC’s request for an extension of an exemption from establishing company specific cost based switched access rates; and
- d. Approved RC’s intrastate switched access tariff no. 1 subject to and in conformity with the Settlement Stipulation.

7. In another docket dealing with the intrastate switched access rates of a CLEC, (TC07-117), this Commission determined that there are no Commission rules in effect

that provide a cost study methodology for CLECs. Accordingly, on January 14, 2009, the Commission ordered that rule making docket RM05-002 be redirected from a general switched access rulemaking docket to a rulemaking docket focused on a CLEC switched access rate methodology. The Commission additionally directed staff to provide a straw man proposed rule for the Commission's consideration within 180 days. This rule making process is currently pending.


8. RC's current intrastate switched access rate is the result of a settlement stipulation with Staff, approved by this Commission. This Commission has further determined that the cost study rules for incumbent local exchange carriers are not necessarily appropriate for or applicable to CLECs, and that no other rules governing the methodology to calculate intrastate rates for CLECs exist, although new rules are currently being developed by Staff.

9. Producing a cost study is costly and consumes a great deal of company resources and time. It would be a hardship for RC to develop a cost study and rate under the rules for incumbent local exchange carriers, and then be required to file a new cost study under the new rules that establish a cost study methodology for CLECs. It is also impossible at this time to ascertain how a cost study developed by RC under the new rules would affect its current intrastate switched access rate, if at all.

10. For these reasons, RC requests this Commission to continue its current exemption from developing a company specific cost-based switched access rate for a period of three months after the effective date of the new rules adopted by the Commission in RM05-002.

11. RC further requests the Commission to approve its current intrastate switched access rate, tariff no. 1, as modified by the terms and conditions of the Settlement Stipulation, for the reasons set forth in RC's Motion For Temporary Approval of Switched Access Rates.

Dated this 13 day of May, 2009.


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