MEMORANDUM

To: Commissioners and Advisors

From: Chris Daugaard and Karen Cremer

RE: Docket TC11-100 In the Matter of the Filing by Fort Randall Telephone Company for Approval of its Intrastate Switched Access Services and Facilities Tariff

June 18, 2012

On December 28, 2011, Fort Randall Telephone Company (Fort Randall) filed revised tariff pages intended to comply with the Federal Communications Commission's (FCC) Report and Order and Further Notice of Proposed Rulemaking, in Docket Nos. WC Docket No. 10-90, et al., FCC 11-161, (FCC Order) by implementing provisions governing Voice over Internet Protocol telephony – Public Switched Telephone Network (VoIP-PSTN) Traffic.

Timing of Memo

Commission Staff (Staff) does not typically file documents within such a short time period before the next Commission meeting. However, in this docket, Staff devoted considerable time and effort to communicate with Fort Randall and resolve all issues, but were unsuccessful until late this afternoon (Monday, June 18, 2012).

Staff Recommendation

Staff recommends that the Commission approve Fort Randall's filed tariff, effective January 1, 2012, with the following revisions:

1) In PART II, Heading E, Section 1, Subsection (c), Subsection (iii), Paragraph 1 (beginning, "Fort Randall will determine...") and Paragraph 7 (beginning, "After Fort Randall..."), delete "(b)" and insert "(ii)".

Fort Randall will determine the number of Toll VoIP-PSTN Traffic minutes of use ("MOU") to which interstate rates will be applied under subsection (b)(ii), above, by applying an Originating Percent VoIP Usage ("O-PVU") factor to the total intrastate access MOU originated by a Fort Randall end user and delivered to the interexchange carrier's (IXC's) and by applying a Terminating Percent VoIP Usage ("T-PVU") factor to the total intrastate access MOU terminated by an interexchange carrier (IXC) to Fort Randall's end user.

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After Fort Randall verifies the O-PVU and T-PVU factors provided by the IXC, Fort Randall will apply the factors to the associated intrastate access MOU as indicated in Section(b)(ii) above.

2) In PART II, Heading E, Section 1, Subsection (c), Subsection (iii), Paragraph 1 (beginning, "Fort Randall will determine..."), after "(IXC) to Fort Randall's end user.", insert "All MOU terminated by Fort Randall in IP format will be billed according to interstate rates."

Fort Randall will determine the number of Toll VoIP-PSTN Traffic minutes of use ("MOU") to which interstate rates will be applied under subsection (ii), above, by applying an Originating Percent VoIP Usage ("O-PVU") factor to the total intrastate access MOU originated by a Fort Randall end user and delivered to the interexchange carrier's (IXC's) and by applying a Terminating Percent VoIP Usage ("T-PVU") factor to the total intrastate access MOU terminated by an interexchange carrier (IXC) to Fort Randall's end user. All MOU terminated by Fort Randall in IP format will be billed according to interstate rates.

3) In PART II, Heading E, Section 1, Subsection (c), Subsection (iii), delete Paragraph 10 (beginning, "In the absence...").

In the absence of an interconnection agreement, at no time will Fort Randall allow an O-PVU or T-PVU factor greater than the applicable State percentage as identified in Paragraph 963, footnote 1993 of the FCC Order.

4) In PART II, Heading E, Section 1, Subsection (c), Subsection (iv), Subsection i., Paragraph 2, (beginning, "If the IXC does provide Fort Randall with an O-PVU..."), delete "(c)" and insert "(iii)".

If the IXC does provide Fort Randall with an O-PVU and/or T-PVU factor, Fort Randall will utilize the initial verified O-PVU and T-PVU factors retroactively to January 1, 2012, provided that the customer supplies the factors and supporting documentation, as specified in subsection (e)(iii) above to Fort Randall...

5) In PART II, Heading E, Section 1, Subsection (c), Subsection (iv), Subsection i., Paragraph 2, (beginning, "If the IXC does provide Fort Randall with an O-PVU..."), delete "30 days after the effective date of this tariff" and insert "30 days after this tariff is approved by the South Dakota Public Utilities Commission."

If the IXC does provide Fort Randall with an O-PVU and/or T-PVU factor, Fort Randall will utilize the initial verified O-PVU and T-PVU factors retroactively to January 1, 2012, provided that the customer supplies the factors and supporting documentation, as specified in subsection (iii) above to Fort Randall no later than 30 days after the effective date of this tariff30 days after this tariff is approved by the South Dakota Public Utilities Commission.