
BEFORE THE PUBLIC UTILITIES COMMISSION
OF THE STATE OF SOUTH DAKOTA

IN THE MATTER OF THE PETITION OF MIDSTATE TELECOM FOR APPROVAL OF ITS COST BASED SWITCHED ACCESS RATES AND FOR A PHASE-IN	DOCKET NUMBER PETITION FOR APPROVAL OF SWITCHED ACCESS RATES AND FOR A PHASE-IN
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COMES NOW Midstate Telecom, Inc. (Midstate Telecom), by and through its attorney, Darla Pollman Rogers, of Riter, Rogers, Wattier & Northrup, LLP, Pierre, South Dakota 57501, and petitions the Commission as follows:

1. Midstate Telecom is a facilities-based competitive local exchange carrier (CLEC) providing local exchange services in Chamberlain and Oacoma, South Dakota, including the rural areas of said exchanges.
2. On April 26, 2005, the Commission approved Midstate Telecom's revised tariff pages, with composite switched access rates of 11.5 cents per minute, in Docket TC05-060. Midstate Telecom's tariffed switched access rates have not been changed since that date.
3. In Docket RM05-002, the Commission revised switched access rates for CLECs in South Dakota. Those rules, and in particular ARSD 20:10:27:02.01, require all CLECs to charge switched access rates that do not exceed the intrastate switched access rate of the Regional Bell Operating Company operating in South Dakota. The rules became effective on May 30, 2011. The switched access rate of the Regional Bell Operating Company operating in South Dakota at that time was 6.042 cents per minute.
4. ARSD 20:10:27:02.02 provides an exception from the rate set in ARSD 20:10:27:02.01, if a CLEC files a cost study:

If a competitive local exchange carrier believes that a higher rate than the rate allowed under § 20:10:27:02.01 is justified under price regulation, the carrier may file a cost study in accordance with chapters 20:10:27 to 20:10:29 to determine its fully allocated cost of providing switched access services.

5. Midstate Telecom believes that a higher rate than the rate allowed under ARSD 20:10:27:02.01 is justified.

6. Pursuant to ARSD 20:10:27:02.02, attached hereto and filed herewith as Confidential Attachment A is Midstate Telecom's cost study that has been prepared in accordance with chapters 20:10:27 to 20:10:29. Midstate Telecom requests that the Commission approve its cost study and approve Midstate Telecom's switched access rate developed in said cost study.

7. ARSD 20:10:17:20 grants the Commission authority to phase-in over a period of time switched access rates that have significantly changed:

Switched access rates for a telecommunications company may be phased-in over a period of time if the commission finds the implementation of switched access rates as determined by the rules in chapters 20:10:27 to 20:10:29, inclusive, will result in a significant change in switched access rates or revenues and that a phase-in is in the public interest. The length of any phase-in period shall be determined by the commission.

8. The implementation of switched access rates in accordance with ARSD 20:10:27:02.01 will result in a significant change in Midstate Telecom's switched access rates. Further, Midstate Telecom has filed herewith a cost study and asked for approval of a switched access rate developed therein that is higher than its switched access rate of 11.5 cents per minute approved by the Commission in 2006, and that is substantially higher than the rate in ARSD 20:10:27:02.01.

9. Pursuant to the authority granted to the Commission in ARSD 20:10:27:20, Midstate Telecom respectfully requests that it be allowed a phase-in period to implement the switched access rate established in ARSD 20:10:27:02.01 until six months from the date of this filing, or

until Midstate Telecom's switched access rate developed pursuant to the cost study filed herewith is approved by the Commission, whichever occurs first. During the phase-in period, Midstate Telecom requests that it be allowed to continue to charge the switched access rate of 11.5 cents per minute.

10. The phase-in period requested by Midstate Telecom is in the public interest for the following reasons:

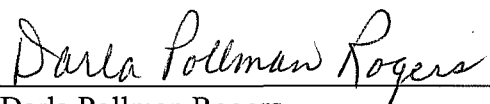
(a) Midstate Telecom is currently charging interexchange carriers (IXCs) 11.5 cents. A phase-in of new rates would alleviate the confusion caused to IXCs by repeated changes in switched access rates; and

(b) It would relieve Midstate Telecom from the undue burden of changing its billing system, potentially more than once, over the next six month period.

For all of the foregoing reasons, Midstate Telecom respectfully requests:

1. Approval of its switched access rate in accordance with the cost study submitted herewith;
2. For a phase-in of the switched access rate established in ARSD 20:10:27:02.01 until six months after the date of this filing, or until approval of the switched access rate developed pursuant to Midstate Telecom's cost study filed herewith for approval, whichever occurs first;
3. For approval to utilize Midstate Telecom's previously approved access rate of 11.5 cents per minute, until approval by this Commission of the rate established by Midstate Telecom's cost study filed herewith; and
4. For such other and further relief as the Commission deems appropriate.

DATED this 10th day of September, 2012.



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