

**BEFORE THE PUBLIC UTILITIES COMMISSION
OF THE STATE OF SOUTH DAKOTA**

IN THE MATTER OF THE FILING BY U S WEST) COMMUNICATIONS, INC. FOR REVISIONS TO) ITS EXCHANGE AND NETWORK SERVICES) TARIFF)	ORDER APPROVING REVISIONS TO TARIFF TC97-006
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On January 15, 1997, the South Dakota Public Utilities Commission (Commission) received a filing by U S WEST Communications, Inc. (U S WEST) regarding revisions to its exchange and network services tariff. The filing introduces the Smart Public Access Line (Smart PAL) on a flat and message rated monthly recurring and non-recurring basis. This filing is intended to meet the requirements in FCC Order 96-388 to provide a coin line for use by all Payphone Service Providers who wish to place a "dumb" payphone set on the line. The coin line has traditionally been used only by U S WEST Public Services.

The following tariff sheets were filed with regard to the Exchange and Network Services Tariff:

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5	95.1	1

On January 16, 1997, the Commission electronically transmitted notice of the filing and the intervention deadline of January 31, 1997, to interested individuals and entities. On April 15, 1997, the Commission received a late filed Petition to Intervene from Gemini Companies, Inc. (Gemini). On April 28, 1997, at its regularly scheduled meeting, the Commission granted Gemini's late filed Petition to Intervene.

By order dated July 8, 1997, the Commission set the hearing on this matter for July 28, 1997. The hearing was held as scheduled.

At its duly noticed meeting on September 25, 1997, the Commission considered this matter. The Commission unanimously voted to approve the above-listed revisions to U S WEST's Exchange and Network Services Tariff.

The Commission, having reviewed the evidence of record, makes the following Findings of Fact and Conclusions of Law.

FINDINGS OF FACT

I

On January 15, 1997, the South Dakota Public Utilities Commission (Commission) received a filing by U S WEST Communications, Inc. (U S WEST) regarding revisions to its exchange and network services tariff. The filing introduces the Smart Public Access Line (Smart PAL) on a flat and message rated monthly recurring and non-recurring basis. Exhibit 1.

II

Smart PAL is intended to meet the requirements in the Federal Communications Commission's (FCC) Order implementing the payphone sections of the federal Telecommunications Act of 1996. Tr. at 9. The FCC ordered incumbent local exchange company's to "provide coin service so competitive payphone providers can offer payphone services using either instrument-implemented "smart payphones" or "dumb" payphones that utilize central office coin services, or some combination of the two in a manner similar to the LECs." In the Matter of Implementation of the Pay Telephone Reclassification and Compensation Provisions of the Telecommunications Act of 1996, et. al, FCC 96-388, paragraph 146.

III

Smart PAL supports dumb payphone sets so the intelligence is in the central office rather than in the telephone. Tr. at 10. A public access line connects the pay telephone to the switched telephone network. Tr. at 11.

IV

Smart PAL service offers the following features: coin signaling, including coin collect and coin return; company completed and carried local and intraLATA toll messages, both sent paid and non-sent paid; company operator services/systems for all 0-, 0+, and 1+ intraLATA toll calls, and 0+ local calls; routing to the presubscribed carrier for all 0+ and 00- interLATA calls; pay-per-call blocking; incoming and outgoing call screening; and access to directory assistance, 911 emergency code, all interexchange carriers, 800/800-type service and 950 telephone numbers, and company repair service. Exhibit 1, Section 5, Page 92, Release 2, 5.5.7(A)(5).

V

U S WEST priced Smart PAL to provide the same contribution margin as its basic PAL service. Tr. at 14. The only difference in price between the Smart PAL and basic PAL is the difference in the costs between the two services. Tr. at 15. The monthly rate

for the message Smart PAL service does not cover costs so it provides no contribution. Tr. at 39. The usage charges provide the contribution for the service as a whole. Tr. at 39-40.

VI

Gemini requested that the Commission not approve any measured services for payphone providers. Tr. at 50. The Smart PAL tariff contains flat and measured rates, however, flat rates are available only in exchanges where neither measuring or metering capabilities exist. Exhibit 1, Exchange and Network Service Tariff, Section 5, Page 92, Release 2, 5.5.7 A(2).

VII

The Commission finds that the prices and terms and conditions contained in the Smart PAL tariff are fair and reasonable. The Commission further finds that measured rates are appropriate since there are incremental costs associated with each call. Tr. at 20.

VIII

The Commission approves U S WEST's proposed tariff sheets as follows:

<u>Section</u>	<u>Page</u>	<u>Release</u>
5	92	2
5	93	2
5	94	2
5	95	4
5	95.1	1

CONCLUSIONS OF LAW

I

The Commission has jurisdiction over this matter pursuant to SDCL Chapters 1-26 and 49-31.

II

U S WEST is required by the FCC to offer Smart PAL services. In the Matter of Implementation of the Pay Telephone Reclassification and Compensation Provisions of the Telecommunications Act of 1996, et. al, FCC 96-388, paragraph 146.

The Commission finds that the rates, terms, and conditions contained in the Smart PAL tariff are fair and reasonable.

It is therefore

ORDERED, that the Commission approves U S WEST's revisions to its Exchange and Network Services Tariff as described above.

NOTICE OF ENTRY OF ORDER

PLEASE TAKE NOTICE that this Order was duly entered on the 17th day of October, 1997. Pursuant to SDCL 1-26-32, this Order will take effect 10 days after the date of receipt or failure to accept delivery of the decision by the parties.

Dated at Pierre, South Dakota, this 17th day of October, 1997.

CERTIFICATE OF SERVICE	
The undersigned hereby certifies that this document has been served today upon all parties of record in this docket, as listed on the docket service list, by facsimile or by first class mail, in properly addressed envelopes, with charges prepaid thereon.	
By:	<u><i>Rebecca Kelbo</i></u>
Date:	<u>10/20/97</u>
(OFFICIAL SEAL)	

BY ORDER OF THE COMMISSION:

James A. Burg
JAMES A. BURG, Chairman

Pam Nelson
PAM NELSON, Commissioner

Laska Schoenfelder
LASKA SCHOENFELDER, Commissioner