

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

IN THE MATTER OF THE FILING BY)	ORDER GRANTING
NORTHERN VALLEY COMMUNICATIONS, LLC)	PETITION FOR EXTENSION
FOR AN EXTENSION OF AN EXEMPTION)	AND APPROVAL OF
FROM DEVELOPING COMPANY SPECIFIC)	TARIFF; ORDER GRANTING
COST-BASED SWITCHED ACCESS RATES)	JOINT MOTION FOR
)	APPROVAL OF
)	SETTLEMENT
)	STIPULATION; AND ORDER
)	APPROVING SETTLEMENT
)	STIPULATION
)	TC05-197

On June 5, 1998, the Commission granted Northern Valley Communications, LLC (NVC) a Certificate of Authority to provide local exchange services in South Dakota. On September 13, 1999, NVC filed for a three year exemption from filing cost-based switched access rates and for approval of its intrastate switched access Tariff No. 1, which was granted on October 20, 1999. On October 21, 2002, NVC filed for an extension of an exemption from filing cost-based switched access rates, which was granted on December 2, 2002. On December 1, 2005, NVC filed for an extension of an exemption from filing cost-based switched access rates.

On December 8, 2005, the Commission electronically transmitted notice of the filing and the intervention deadline of December 23, 2005, to interested individuals and entities. On February 24, 2006, the Commission received a memorandum from staff. On May 19, 2006, the Commission received a Joint Motion for Approval of Settlement Stipulation, Settlement Stipulation and memorandum from staff.

The Commission has jurisdiction in this matter pursuant to SDCL Chapters 49-31, specifically 49-31-18 and 49-31-19 and ARSD Chapters 20:10:27 through 20:10:29, inclusive.

On May 23, 2006, at its regularly scheduled meeting, the Commission considered NVC's request. The Commission also considered the Joint Motion for Approval of Settlement Stipulation and Settlement Stipulation. The Commission voted to grant the extension of an exemption from developing company specific cost-based switched access rates pursuant to ARSD 20:10:27:11. The Commission also granted NVC's request to waive ARSD 20:10:27:12 and partial waiver of ARSD 20:10:27:07 pursuant to ARSD 20:10:27:02. The Commission approved NVC's intrastate switched access tariff no. 1 as set forth in the Settlement Stipulation. The Commission also voted to approve the Settlement Stipulation. The Commission voted to grant the petition for an extension of an exemption as conditioned and approve the tariff. It is therefore

ORDERED, that the Joint Motion for Approval of Settlement Stipulation is granted; and it is further

ORDERED, that the Settlement Stipulation is approved; and it is further

ORDERED, that NVC's request for an extension of an exemption from establishing company specific cost-based switched access rates is granted and its intrastate switched access tariff no.1 is approved, all subject to and in conformity with the Settlement Stipulation which is incorporated herein by reference and attached hereto.

Dated at Pierre, South Dakota, this 5th day of June, 2006.

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: Melaine Kaabo

Date: 6/8/06

(OFFICIAL SEAL)

BY ORDER OF THE COMMISSION:

Robert K. Sahr

ROBERT K. SAHR, Chairman

Dustin M. Johnson

DUSTIN M. JOHNSON, Commissioner

Gary Hanson

GARY HANSON, Commissioner

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

RECEIVED

MAY 19 2006

**SOUTH DAKOTA PUBLIC
UTILITIES COMMISSION**

In the Matter of the Filing by Northern Valley)
Communications, LLC for an Extension of)
an Exemption from Developing Company)
Specific Cost-Based Switched Access)
Rates.)

**SETTLEMENT
STIPULATION
TC05-197**

I. SETTLEMENT STIPULATION

On December 1, 2005, Northern Valley Communications, LLC (NVC) filed with the South Dakota Public Utilities Commission (Commission) a petition in accordance with ARSD 20:10:27:11 requesting an extension of its previously granted exemption from developing company specific cost based switched access rates. NVC proposed intrastate switched access rates that were based on the costs of all the telecommunications companies with less than 100,000 access lines as calculated in accordance with ARSD 20:10:27:12. On February 24, 2006, the Staff of the Commission (Commission Staff) filed a memo regarding its position on NVC's petition.

The Commission Staff and NVC (jointly the Parties) held several negotiating sessions in an effort to arrive at a joint and acceptable resolution of this matter. As a result of the sessions, the Parties have been able to resolve all issues in this proceeding and have entered into this Settlement Stipulation (Stipulation), which, if accepted and ordered by the Commission, will determine switched access rates to result from this proceeding.

II. PURPOSE

This Stipulation has been prepared and executed by the Parties for the sole purpose of resolving Docket TC05-197 and is applicable to the final rates in this proceeding

only. The Parties acknowledge that they may have differing views that justify the end result, which they deem to be just and reasonable, and in light of such differences, the Parties agree that the proposals, positions, adjustments made or resolution of any single issue, whether express or implied by the Settlement Stipulation, should not be viewed as precedent setting. In consideration of the mutual promises hereinafter set forth, the Parties agree as follows:

1. Upon execution of this Stipulation, the Parties shall immediately file this Stipulation with the Commission, together with a Joint Motion requesting that the Commission issue an Order approving this Stipulation in its entirety without condition or modification.

2. This Stipulation includes all terms of settlement and is submitted with the condition that in the event the Commission imposes any changes in or conditions to this Stipulation which are unacceptable to any party, this Stipulation shall be deemed withdrawn and shall not constitute any part of the record in this proceeding or any other proceeding nor be used for any other purpose.

3. This Stipulation shall become binding upon execution by the Parties, provided however, that if this Stipulation does not become effective in accordance with Paragraph 2 above, it shall be null, void, and privileged. This Stipulation is intended to relate only to the specific matters referred to herein; no party waives any claim or right which it may otherwise have with respect to any matter not expressly provided for herein; no party shall be deemed to have approved, accepted, agreed or consented to any rate making principle, or any method of cost of service determination, or any method of cost allocation underlying the provision of this Stipulation, or be prejudiced or bound thereby in any other current or future proceeding before the Commission. No party or representative thereof shall directly or indirectly refer to this Stipulation or that part of any Order of the Commission referring to this Stipulation as precedent in any other current or future rate proceeding before the Commission.

4. The Parties understand that if this matter has not been settled, or if the Commission rejects or alters this Settlement Stipulation, NVC will respond to the Commission Staff's memo and thereafter, the Commission Staff may respond to certain of the positions contained in NVC's response and a hearing on the matter shall thereafter be scheduled with the Commission.

III. ELEMENTS OF THE SETTLEMENT STIPULATION

1. Revenue Requirement

This settlement or the attached tariffed rate schedules are not designed to calculate or produce a specified revenue requirement for NVC and do not in any way represent NVC's cost of providing service.

2. Intrastate Switched Access Rates

a. **Rate effective July 1, 2006.** NVC shall, effective July 1, 2006, decrease its intrastate switched access rate for all originating and terminating intrastate Access Minutes from \$0.1325 to \$0.1250. [Carrier Common Line Access Service per Access Minute - \$0.0627; Local Switching (End Office) per Access Minute - \$0.0256; and Local Transport per Access Minute - \$0.0367]. This represents a decrease of \$0.0075 per Access Minute.

b. **Rate effective July 1, 2007.** NVC shall, effective July 1, 2007, decrease its intrastate switched access rate for all originating and terminating intrastate Access Minutes from \$0.125 to \$0.115. [Carrier Common Line Access Service per Access Minute - \$0.0548; Local Switching (End Office) per Access Minute - \$0.0231; and Local Transport per Access Minute - \$0.0371]. This represents a decrease of \$0.01 per Access Minute.

These agreed upon-rates shall be frozen until the earlier of the following:

- (1) **FCC action.** The effective date of FCC mandated rate changes that are the result of its current intercarrier compensation (ICC) docket (CC Docket No. 01-92 – In the Matter of Developing a Unified Intercarrier Compensation Regime);

(2) **Commission action.** The effective date of any Commission mandated rate change 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.**

The rates shall be adjusted to conform to either the new FCC ICC rules or the new SDPUC rules as referenced above.

Under this rate freeze, and for the rate freeze period only, NVC waives its right to file or implement any intrastate switched access rate increase, as authorized by ARSD 20:10:27:07. For the rate freeze period only, NVC is granted a waiver from the requirement of filing cost data in support of NVC's attached switched access services tariffs, as required by ARSD 20:10:27:07. Once the rate freeze period has concluded, NVC shall request an additional extension, or file to update its intrastate switched access rate with this Commission in accordance with rules current at the time of such filing.

At any time during the rate freeze period, should the agreed-upon rate exceed the rate as determined by ARSD 20:10:27:12, NVC will, upon proper notice to its customers, adjust the rate downward and update its tariff on file with the Commission so that at no time will NVC's rate exceed that as determined by ARSD 20:10:27:12. Any downward adjusted rate will remain frozen for the period as described above and comply with all portions of this Stipulation.

Because the agreed upon rate is not dependent on any current open rate proceedings or docket before the Commission, it is a final rate from and after the effective date as set forth herein. Said rate is subject to applicable adjustments as described above, if any, but is not subject to refund with interest. This Stipulation does not in any way relieve or release NVC of any refunds with interest or any other preexisting obligations as required by Commission Order in docket TC04-127 - In the Matter of the Filing

by Northern Valley Communications, LLC for Approval of Revisions to its Intrastate Switched Access Tariff.

3. Implementation of Rates

The first attached revised tariff rate schedule shall be implemented for service rendered on and after July 1, 2006, so that any services rendered on and after July 1, 2006, shall be billed at the new \$0.125 rate. The second attached revised tariff rate schedule shall be implemented for service rendered on and after July 1, 2007 so that any services rendered on and after July 1, 2007 shall be billed at the new \$0.1150 rate unless otherwise amended as contained herein.

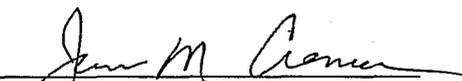
4. Conclusion

This Stipulation is entered into this 19th day of May, 2006.

Northern Valley Communications, LLC

South Dakota Public Utilities
Commission Staff:

BY:


James M. Cremer
Attorney

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BY:


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Staff Attorney

By: Nelaine Kolbo
SD Public Utilities Commission
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SOUTH DAKOTA SWITCHED ACCESS SERVICES

A. CONCURRENCE IN RATES, TERMS AND CONDITIONS OF LOCAL
EXCHANGE CARRIER ASSOCIATION, INC. TARIFF NO. 1

1. Northern Valley Communications, LLC concurs in the rates, terms and conditions, except as noted below, of Local Exchange Carrier Association, Inc. Tariff No. 1 governing Intrastate Access Service as filed by the Local Exchange Carrier Association, Inc. in the State of South Dakota. Northern Valley Communications, LLC concurs in the current Local Exchange Carrier Association, Inc. Tariff No. 1 as of August 1, 2004 as shown by the attached TARIFF CHECKLIST pages. The only exceptions to this concurrence are the attached pages 17-1 and 17-4, which replace the current Local Exchange Carrier Association, Inc. Tariff No. 1 pages 17-1 and 17-4. (T)
2. Northern Valley Communications, LLC hereby expressly reserves the right to cancel or void this statement of concurrence at any time consistent with state law and the best interests of Northern Valley Communications, LLC by filing a replacement tariff with the South Dakota Public Utilities Commission.

TARIFF CHECKLIST
All Pages Are Original Unless Otherwise Noted

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By: Dean Anderson
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TARIFF CHECKLIST
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TARIFF CHECKLIST
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By: Jerry Reisenauer
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SOUTH DAKOTA SWITCHED ACCESS SERVICES

17. Rates and Charges

17.1 Common Line Access Service

17.1.1 Carrier Common Line Access Service

Rate

Regulations concerning Carrier Common Line Access
are set forth in Section 3. Preceding.

Per Access Minute

\$0.0627 (R)

17.1.2 Reserved for Future Use

SOUTH DAKOTA SWITCHED ACCESS SERVICES

17. Rates and Charges (Cont'd)

17.2 Switched Access Service

17.2.1 Nonrecurring Charges

Rate

(A) Local Transport Element-

Installation Per Line or Trunk

\$295.00

(B) Reserved for Future Use

(C) Interim NXX Translation Per Order

\$181.00

Per LATA or Market Area

17.2.2 Traffic Sensitive

Local Switching (End Office)

Per Access Minute

\$0.0256 (R)

Local Transport

Per Access Minute

\$0.0367 (I)

Network Blocking Per Blocked Call

Applies to FGD only

\$0.0271

8XX Data Base Query Service

Per Query

Basic

\$0.0079

Vertical Feature

\$0.0082

SOUTH DAKOTA SWITCHED ACCESS SERVICES

17. Rates and Charges

17.1 Common Line Access Service

17.1.1 Carrier Common Line Access Service

Rate

Regulations concerning Carrier Common Line Access
are set forth in Section 3. Preceding.

Per Access Minute

\$0.0548 (R)

17.1.2 Reserved for Future Use

SOUTH DAKOTA SWITCHED ACCESS SERVICES

17. Rates and Charges (Cont'd)

17.2 Switched Access Service

17.2.1 Nonrecurring Charges

Rate

(A) Local Transport Element-
Installation Per Line or Trunk

\$295.00

(B) Reserved for Future Use

(C) Interim NXX Translation Per Order

\$181.00

Per LATA or Market Area

17.2.2 Traffic Sensitive

Local Switching (End Office)

Per Access Minute

\$0.0231 (R)

Local Transport

Per Access Minute

\$0.0371 (I)

Network Blocking Per Blocked Call

Applies to FGD only

\$0.0271

8XX Data Base Query Service

Per Query

Basic

\$0.0079

Vertical Feature

\$0.0082

