

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

**IN THE MATTER OF THE FILING BY LOCAL )  
EXCHANGE CARRIER ASSOCIATION, INC. FOR )  
APPROVAL OF REVISIONS TO ITS ACCESS )  
SERVICES TARIFF NO. 1 )**

**ORDER APPROVING TARIFF  
SUBJECT TO RETROACTIVE  
ADJUSTMENT**

**TC12-040**

On May 18, 2012, the Public Utilities Commission (Commission) received a filing from Local Exchange Carrier Association, Inc. (LECA) for approval of revisions to its Access Services Tariff No. 1. The purpose of this filing is to implement the Federal Communication Commission's (FCC) intercarrier compensation reforms as set forth in its Connect America Fund Order (Order), released November 18, 2011.<sup>1</sup> As part of its Order, the FCC adopted "bill-and-keep as the default methodology" and "end state" for all intercarrier compensation traffic, including intrastate traffic. The FCC further adopted a defined "transition path" for moving to this end state. The first reduction mandated by the FCC's Order requires a carrier to reduce its intrastate terminating access rate, if above the carrier's interstate access rate, by 50 percent of the differential between the carrier's intrastate rate and the carrier's interstate access rate. The reduced rates are required to be effective by July 3, 2012.<sup>2</sup>

On May 24, 2012, the Commission electronically transmitted notice of the filing and the intervention deadline of June 8, 2012, to interested individuals and entities. On May 30, 2012, AT&T Communications of the Midwest, Inc. (AT&T) filed a Petition to Intervene. On June 5, 2012, the Commission granted AT&T's Petition to Intervene. On July 3, 2012, the Commission approved the revisions to LECA's Intrastate Access Services Tariff No. 1 effective as of July 1, 2012, except for sheet 17-4.5, which is the tariff sheet for the City of Brookings Municipal Telephone Department. On July 31, 2012, the Commission deferred the matter to a later date. On August 15, 2012, LECA filed a revised tariff sheet 17-4.5.

On August 28, 2012, at its regularly scheduled meeting, the Commission considered approval of LECA tariff sheet 17-4.5. LECA requested that the revised tariff sheet be approved. LECA further stated that it did not believe that a hearing was warranted in this matter. AT&T requested that a hearing be held. LECA stated that if a hearing was going to be held then the tariff should be approved subject to retroactive adjustment. AT&T acknowledged that the tariff could be approved subject to a retroactive adjustment.

The Commission has jurisdiction over this matter pursuant to SDCL Chapter 49-31. The Commission voted unanimously to approve LECA's revised Access Services Tariff No. 1, sheet 17-4.5, subject to a retroactive adjustment, if needed, following a hearing regarding this matter. It is therefore

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<sup>1</sup> *In the Matter of Connect America Fund et al.*, WC Docket Nos. 10-90, et al., Report and Order and Further Notice of Proposed Rulemaking, FCC 11-161 (rel. November 18, 2011).

<sup>2</sup> *See In the Matter of Connect America Fund et al.*, WC Docket Nos. 10-90, et al., Order, DA 12-870 (rel. June 5, 2012) (allowing effective dates for intrastate filings to be extended from July 1, 2012 to July 3, 2012).

ORDERED, that the Commission approves LECA's revised Intrastate Access Services Tariff No. 1, sheet 17-4.5, subject to a retroactive adjustment, effective as of July 1, 2012.

Dated at Pierre, South Dakota, this 7<sup>th</sup> day of September, 2012.

**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, electronically.

By: [Signature]

Date: Sept. 7, 2012

(OFFICIAL SEAL)

BY ORDER OF THE COMMISSION:

[Signature]  
CHRIS NELSON, Chairman

[Signature]  
KRISTIE FIEGEN, Commissioner

[Signature]  
GARY HANSON, Commissioner