

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

**IN THE MATTER OF THE FILING BY )  
MCLEODUSA TELECOMMUNICATIONS )  
SERVICES, L.L.C. DBA PAETEC BUSINESS )  
SERVICES FOR APPROVAL OF REVISIONS )  
TO ITS TARIFF NO. 3 )**

**ORDER APPROVING  
TARIFF REVISIONS AND  
WAIVER/SUSPENSION REQUEST  
  
TC12-112**

On July 10, 2012, the Public Utilities Commission (Commission) received a filing from McLeodUSA Telecommunications Services, L.L.C. dba PAETEC Business Services (McLeod) that requested approval of revisions to its South Dakota Access Tariff No. 3. The purpose of this filing is to implement the Federal Communications 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> McLeod opted to forgo a transitional rate and move its intrastate access rates to the interstate rate level at this time.

McLeod requested approval of the following tariff pages:

South Dakota Access Services Tariff No. 3

Fourth Revised Sheet No. 1	Canceling Third Revised Sheet No. 1
First Revised Sheet No. 68	Canceling Original Sheet No. 68
First Revised Sheet No. 70	Canceling Original Sheet No. 70
First Revised Sheet No. 71	Canceling Original Sheet No. 71

On July 12, 2012, the Commission electronically transmitted notice of the filing and the intervention deadline of July 27, 2012, to interested individuals and entities. No parties filed to intervene. On July 30, 2012, McLeod filed a revised tariff page 71.

At its regularly scheduled meeting of July 31, 2012, the Commission considered this matter. McLeod requested approval of its tariff revisions and that the Commission waive/suspend, until the Commission otherwise orders, the specific provisions in rules ARSD 20:10:29:10, 20:10:29:12, and 20:10:29:16 that state "[t]he per minute charge is equal for both originating and terminating traffic."

<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).

The Commission has jurisdiction over this matter pursuant to SDCL Chapter 49-31, ARSD 20:10:27:02, and ARSD Chapter 20:10:29. Commission staff recommended granting the waiver and approval of all requested tariff revisions. The Commission voted unanimously to approve the requested revisions to McLeod's South Dakota Access Services Tariff No. 3 and to waive/suspend, until the Commission otherwise orders, the specific provisions in rules ARSD 20:10:29:10, 20:10:29:12, and 20:10:29:16 that state "[t]he per minute charge is equal for both originating and terminating traffic." It is therefore

ORDERED, that the Commission approves the above referenced revisions to McLeod's South Dakota Access Services Tariff No. 3 effective as of July 3, 2012. It is further

ORDERED, until such time as the Commission otherwise orders, the waiver/suspension of the specific provisions in rules ARSD 20:10:29:10, 20:10:29:12, and 20:10:29:16 that state "[t]he per minute charge is equal for both originating and terminating traffic" is hereby granted.

Dated at Pierre, South Dakota, this 6th day of August, 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: Joy King

Date: August 6, 2012

(OFFICIAL SEAL)

BY ORDER OF THE COMMISSION:

Chris Nelson  
CHRIS NELSON, Chairman

Kristie Figgen  
KRISTIE FIGGEN, Commissioner

Gary Hanson  
GARY HANSON, Commissioner