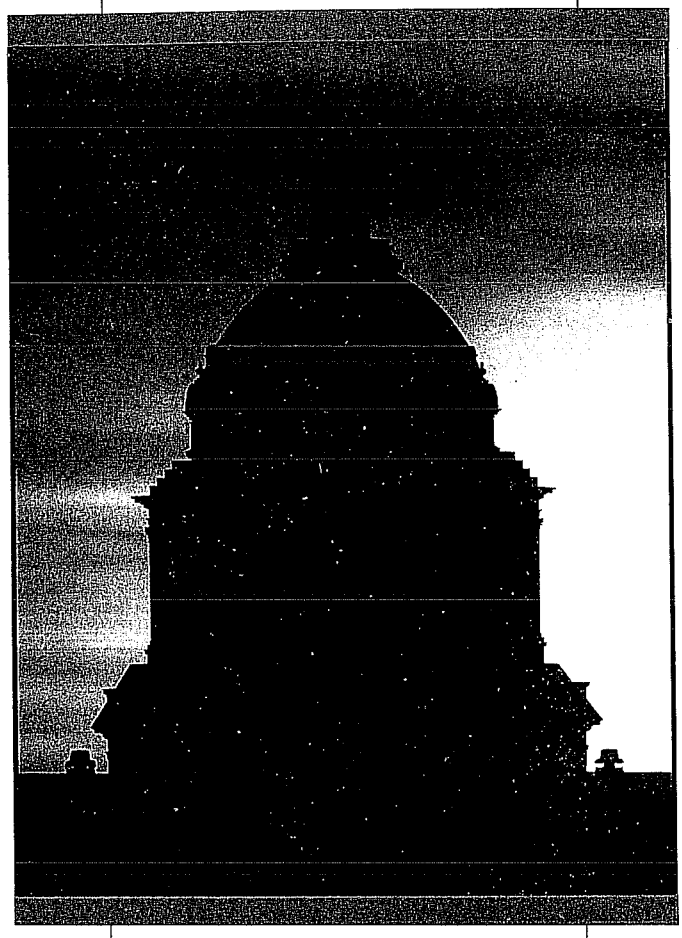
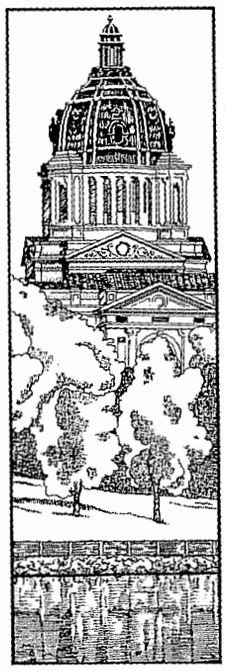
ANNUAL REPORT FY90



South Dakota
Public Utilities Commission

Letter From The Chairman



South Dakota
Public Utilities Commission

State Capitol, Pierre, South Dakota 57501-5070

Telephone (605) 773-3201
Fax (605) 773-3809

October, 1990

TO THE GOVERNOR, LEGISLATORS, AND PEOPLE OF SOUTH DAKOTA:

This Annual Report for Fiscal Year 90 has a new look. Rather than repeat the history of the Public Utilities Commission and offer an explanation of how each division functions, as has been done in several past reports, we chose an entirely new format.

After the introductory pages, this Annual Report is divided into three sections. The first is a series of management reports that describe some of the inner workings of the PUC: fiscal findings, personnel policy re-examinations, and significant cases handled.

The second section consists of ten "Company" pages---one for each of the rate-of-return regulated utility companies in South Dakota. Those companies are justifiably proud of their service to their customers and communities.

The third section addresses some of the important issues that concern the PUC, occupy a great deal of our time, and affect the consumers of South Dakota now and into the future. While not a complete listing of the issues that face us in the 1990's, it presents a sampling for your viewing.

At the conclusion of this report is a listing of every docket acted upon in FY90. Telecommunications continues to dominate the caseload as it has for the past few years. That was not true previously, but the trend will no doubt continue.

Regulation of essential utilities in the gas, electric and telecommunications fields, as well as in transportation and warehouse, is changing every year. Technology, conservation, competition, and marketing influence the need for and the usage of all these utilities.

I am very proud of the staff of the PUC. Many of them have been with the Commission for years and have the expertise that the Commissioners depend on to do our part of the job. All of the staff are dedicated to our mission. The following reports will give you an idea of their work.

Respectfully submitted,

Jim Burg

James A. Burg, Chairman
Public Utilities Commission

Jim Burg
Chairman
Laska Schoenfelder
Vice-Chairman
Ken Stofferahn
Commissioner

Marshall Damgaard
Executive Director

Edward R. Anderson
Della Andre
Harlan Best
Martin C. Bettmann
Sue Cichos
Richard D. Coit
Doug Eidahl
Marlette Fischbach
Lisa Forest
Richard Gallup
Lewis Hammond
Dave Jacobson
Shirleen Kennedy
Bob Knadle
Jolene Nelson
Nancy J. Nelson
Dominica Oaks
Gregory A. Rislov
Mary Sieck
Geoff Simon
Marilyn Teske
Steven M. Wegman

Foreward

Created by statute, the South Dakota Public Utilities Commission is an independent, quasi-judicial, regulatory body of three members elected statewide to six year terms. The jurisdiction, powers, and duties of the Commission are delegated to it by the South Dakota Legislature.

The Commission's operating budget is derived from state general funds and a gross receipts tax levied against price or rate-regulated utility companies. The PUC also collects certain fees for licenses, permits, and charges which are deposited into the State General Fund.

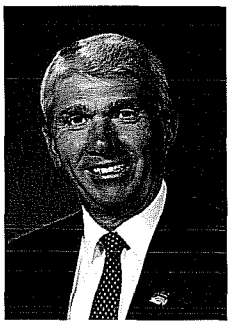
The state laws applicable to the Commission are found in Volume 14B, Title 49 of the South Dakota codified laws, governing the regulation of motor carriers, telecommunications companies, public warehouses, grain dealers, energy facilities and transmission lines, and investor-owned electric and natural gas companies.

With a full time staff of only 23 people, the South Dakota PUC is the smallest such utility regulatory body in America.

Table of Contents

FOREWARD 2
BRIEF BIOGRAPHIES OF COMMISSIONERS 4
PUBLIC UTILITIES COMMISSION
ORGANIZATIONAL CHART 5
HIGHLIGHTS OF FY90 6
CONSUMER COMPLAINTS 7
FISCAL REPORTS 8
SECTION 1: MANAGEMENT REPORTS 9
SECTION 2: COMPANY REPORTS 18
SECTION 3: ISSUES 29
Competition in Construction 29
Cost Allocation 30
Grain Bonding, Self Insurance 31
Enhanced 911 32
Electric and Magnetic Fields 32
Telephone Assistance Plan 33
Line Extension 34
Demand Side Management 34
Clean Air Act Amendments of 1990 35
Universal Service Fund 35
IntraLATA Presubscription 36
LATAs, Nodes, Node People 36
Price Caps 37
Utility Companies and Economic Development 38
Model Base State Agreement 39
One Stop Truck Shop 39
Resellers and Alternative Operator Services 40
LISTING OF FY 90 DOCKETS 42

The Commissioners



Jim Burg
Wessington Springs

Jim Burg is a farmer, businessman, soldier, and a public servant. Jim and his wife, Bernice, are raising five children on their family farm just east of Wessington Springs. A 1963 graduate of South Dakota State University, he is past state 4-H president, a past board member of the South Dakota Chamber of Commerce and is a board member of the South Dakota Retailers Association and the SDSU Alumni Association. A National Guardsman since 1963, he attended the Army Command and General Staff College in 1984 and was promoted to Lt. Colonel in 1989. He served in the South Dakota House of Representatives (1975-84) and the State Senate (1985-86). Jim was elected to the PUC in 1986, becoming Chairman in 1989. He is currently vice chairman of the Administration Committee of the National Association of Regulatory Utility Commissioners.

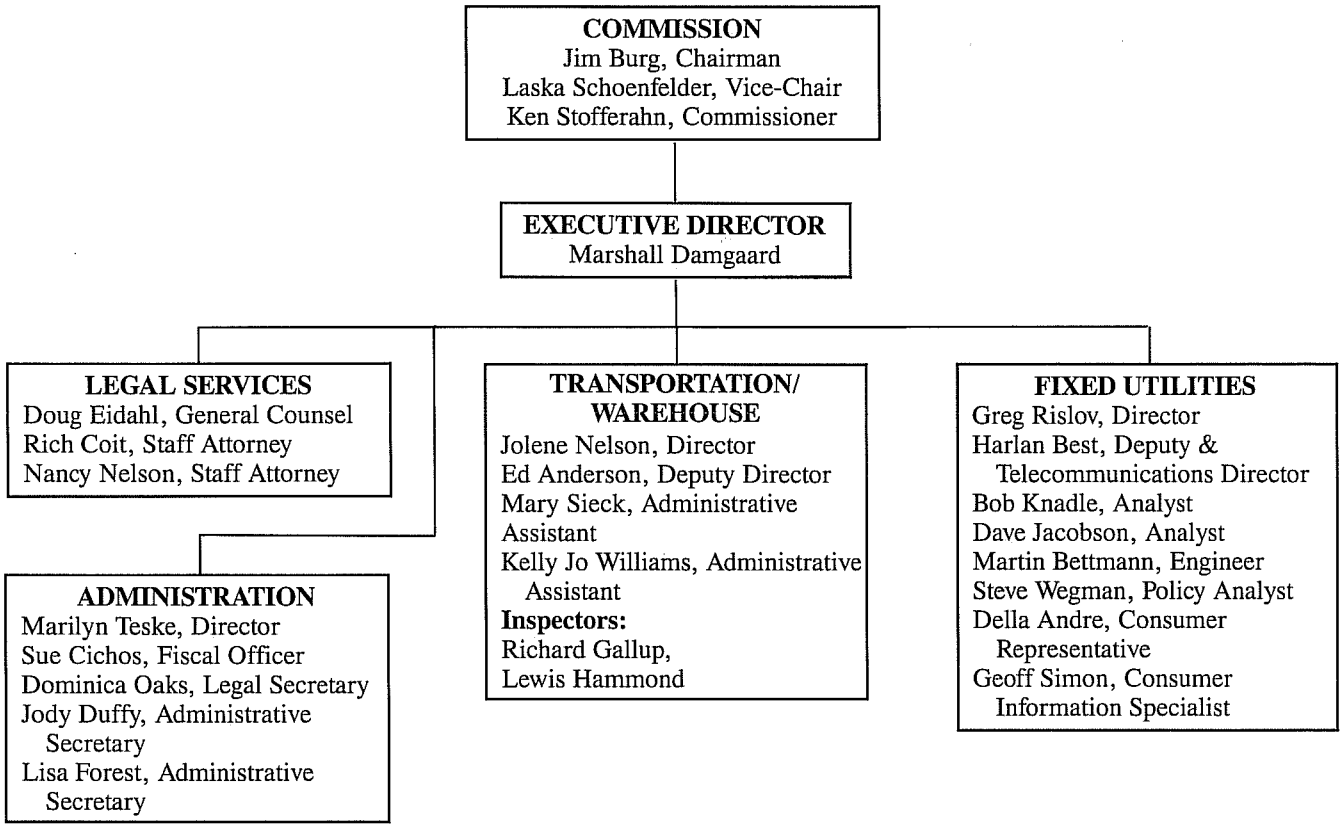
Laska Schoenfelder
Pierre

Laska Schoenfelder was born in Dupree and is the daughter of Margaret and the former N.F. "Red" Lyon of Perkins County. A graduate of Lemmon High School, Laska attended Methodist Hospital of Nursing at Dakota Wesleyan University. She is currently completing a business administration degree from DWU. From 1973 to 1982, she was Davison County Register of Deeds. She served state government as a Public Information Specialist for the Office of Highway Safety and as Coordinator of the Executive Intern Program. Laska and her husband, Mike, have a farm near Mount Vernon. They have five children. She was elected to the PUC in 1988 on a pledge to bring a fair and bipartisan atmosphere to the Commission.

Ken Stofferahn
Humboldt

Ken Stofferahn has earned a reputation as an outspoken populist who stands up for the public interest and the consumer. Ken attended Humboldt High School, South Dakota State University (B.S. in Agriculture), and the National Judicial College. After serving in the South Dakota State House of Representatives, he was elected to the PUC in 1978 and re-elected in 1984. He is a board member of the National Regulatory Research Institute, a member of the Committee on Electricity of the National Association of Regulatory Utility Commissioners, and a member of Mid-America Regulatory Commissioners. He served in the South Dakota Air National Guard for seven years and is an Elk, a Mason, and a Shriner. Ken and his wife, Diane, have four children.

Organizational Chart



Functions of the PUC

The three elected commissioners are responsible for all functions of the South Dakota Public Utilities Commission. As a Commission, it organizes by selecting a chairman, vice chairman and associate commissioner.

The Executive Director coordinates various staff activities of the agency, schedules hearings and conferences, and is responsible for the implementation of commission policy and the supervision of the directors of the four divisions. The Commission staff is organized into four divisions: Administration, Legal, Fixed Utilities and Transportation/Warehouse.

ADMINISTRATION DIVISION:

The Administration Division provides support services for the commissioners and the entire commission staff, and is generally responsible for personnel, secretarial and fiscal services, including budgeting and accounting.

LEGAL SERVICES DIVISION:

The General Counsel and Staff Attorneys provide legal advice, assist in investigations, prepare recommended commission orders and reports, write briefs and opinions, and represent the Commission in matters before the State and Federal Courts.

TRANSPORTATION/WAREHOUSE DIVISION:

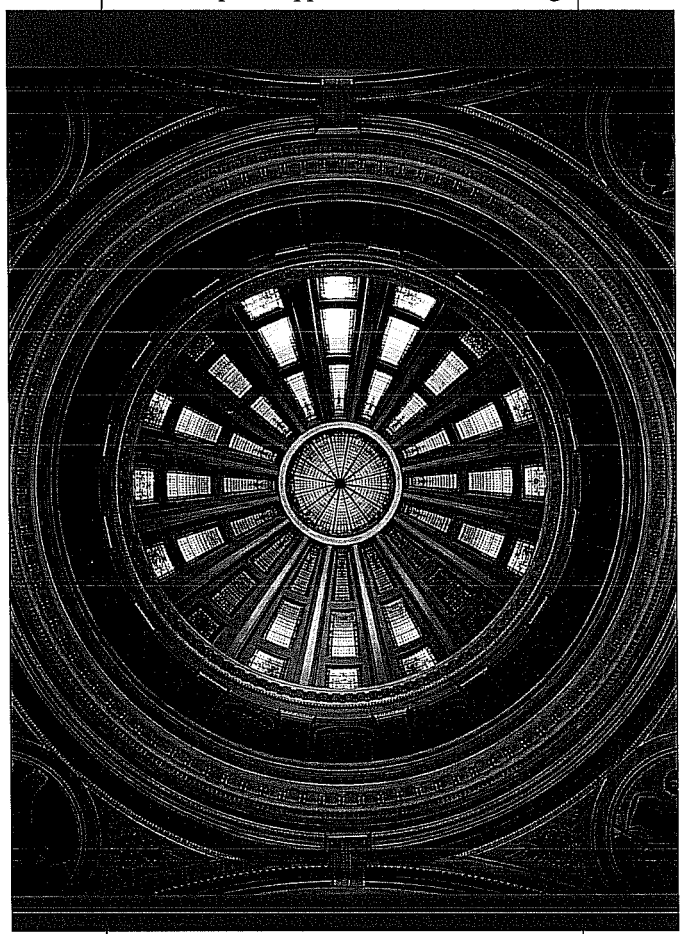
This division is responsible for registering interstate carriers and for issuing permits and registrations to Class A, B, and C motor carriers, and licensing public storage warehouses, public grain warehouses and grain dealers. There are three sections: 1) Motor Carriers, 2) Inspection/ Investigation, and 3) Public Warehousing.

FIXED UTILITIES DIVISION:

All telecommunications, gas and electric companies are regulated as to territory and quality of service; but only the investor-owned gas and electric companies, and only investor-owned telephone companies with more than 10,000 subscribers are regulated as to rates. The state legislature has determined that duplication of those fixed facilities and equipment by competing companies would not be in the consumers' best interest. Accountants, economic analysts, engineers, and consumer representatives assist the Commission in meeting its statutory responsibilities relating to regulation of rates, service, certification and safety of utility facilities.

Consumer Affairs Highlights of 1990

FY90 had its share of noteworthy events and memorable cases. The Commission and staff met with utility personnel for a first of its kind idea exchange on May 8, 1990; the Consumer Division sent out its first survey forms to constituents to assess the effectiveness of PUC/utility company problem solving. Out of 267 survey forms sent to date, 125 have been returned. Of those returned 55% were satisfied with the resolution of their complaint, and 70% assigned the Commission an "excellent" in courtesy. This may mean that in some cases, we must courteously dissuade the customer from his total intent.



The cases that will not be forgotten are:

1. Two families complaining of intermittently inadequate telephone service over four years were awarded line reconstruction in their area and two years' credit of monthly service per family. Additionally, the telephone company is now calling the families monthly to learn whether any line problems have developed.

2. The equal access capability of the more populated areas in South Dakota has telephone customers being avidly courted by the interstate long distance companies, the marketing program of some being more persistent than others. The Commission entered a complaint with the FCC because of the pressure sales tactics of MCI in particular. Several of the 21 complainants were removed from their regular service and placed with MCI without fully understanding to what they had agreed. Others were simply upset with the stress of being strongly urged to switch to MCI.

3. The Minnegasco rate increase request, settled this fiscal year, included an increase in the customer charge to $8.00 for residential customers and $15.00 for commercial customers. The Commission heard from over 400 people objecting to this increase. Subsequently, the Commission voted to allow the customer charge for higher volume commercial users to remain at $15.00 per month and to change the charge for the lower volume commercial users to $10.00 per month, leaving the residential customer paying $8.00 per month. The main complaint appears to have been seeing the customer charge as a line item, rather than leaving it as part of the gas charge.

4. Then there was the Minnehaha County Jail local collect call overbillings—forty Sioux Falls residents called to inform us that they had horrendous bills for local collect calls from the Minnehaha County Jail, billed through U S WEST. Consider that these calls were hauled by U.S. Operators of Dallas, Texas, from the Minnehaha County Jail to Texas and back to South Dakota.

The first complaint came July 18, 1989, and they kept coming through August and into September. It is estimated that 700 accounts were affected by this overcharge, and U S WEST is making adjustments. The largest single bill assessed by the AOS company was for 341 calls totalling $1,834.48. Adjusted, these calls are $511.50 plus tax.

5. Several complaints in FY90 came from individuals wanting to bring electric service to more remote and undeveloped sites in the western part of the state served by Black Hills Power & Light Company. These land owners were encountering the shock of excess construction costs for extension beyond service facilities. One family took advantage of the free footage allowed by the tariff then in effect and joined with another family to bring the line out to their sites. This dramatically lowered the price to initiate service.

Another individual trying to get service to a location close in proximity to the electric line but far in terms of route and footage, obtained service for a $1,000 down payment and favorable terms after months of meetings and negotiations. The original price estimate was over $7,000; the final contract showed that figure diminished with the prospect of other developers sharing the cost of the line as they appeared on the scene.

As work progressed on these cases, BHP&L and the PUC came to the agreement that the line extension policy should be reviewed. An updated line extension policy is now on file with the PUC.

On these pages are charts showing the numbers and types of complaints and comparing the number of complaints per one thousand customers for each regulated company. For some reason the number of complaints is down in FY90 compared to FY89. We have no explanation, unless the increased visibility of the consumer representatives in FY90 has caused companies to be more diligent.

Della M. Andre

by Della Andre,
Consumer Representative

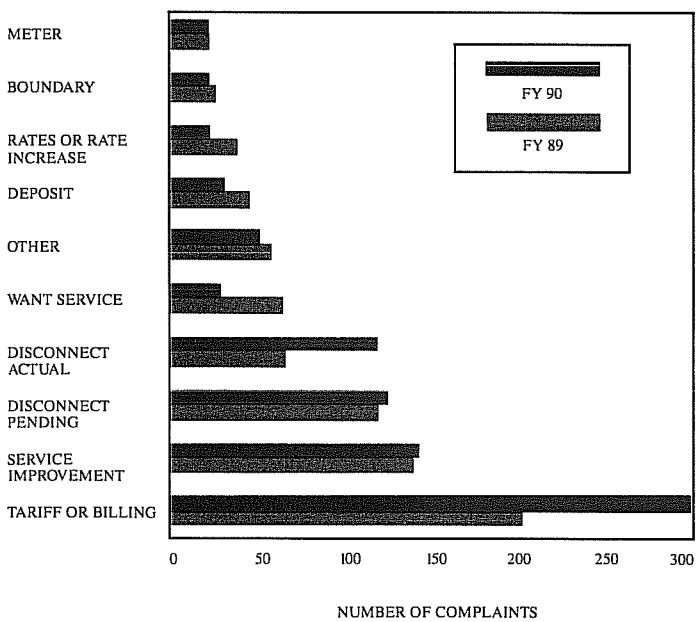
Consumer Complaints

Electric, Natural Gas and Telephone Consumer Complaints By Category for Fiscal Year 90

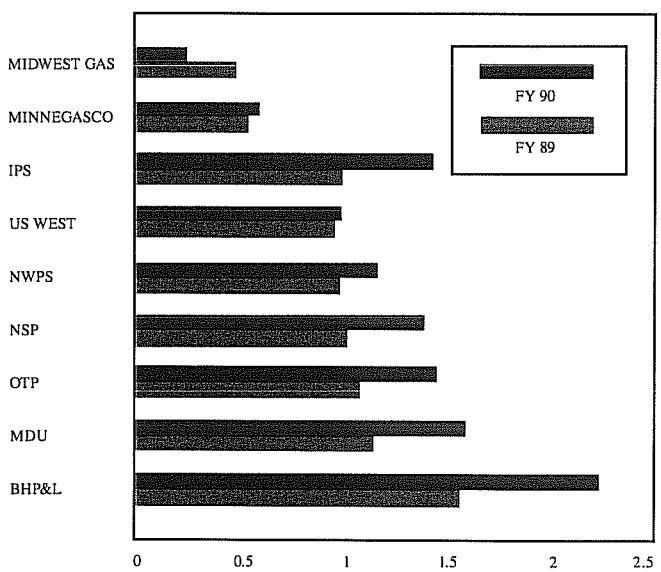
	OTHER	METER	WANT SERVICE	DEPOSIT	DISCONNECT PENDING	DISCONNECT ACTUAL	SERVICE IMPROVEMENT	BOUNDARY OR TERRITORY	TARIFF OR BILLING	RATE INCREASE	TOTAL
ELECTRIC COMPANIES:											
BLACK HILLS CORPORATION	4	1	12	8	13	12	4	0	17	3	74
IOWA PUBLIC SERVICE	0	0	0	0	1	0	0	0	1	0	2
MONTANA-DAKOTA UTILITIES	1	1	0	0	1	1	0	0	7	1	12
NORTHERN STATES POWER	2	2	2	5	17	11	6	0	10	0	55
NORTHWESTERN PUBLIC SERVICE	2	3	5	2	19	7	2	0	7	1	48
OTTER TAIL POWER	2	0	0	0	5	1	1	0	3	0	12
OTHER (UNREGULATED COMPANIES)	4	6	1	6	8	5	8	18	12	6	74
TOTAL	15	13	20	21	64	37	21	18	57	11	277
GAS COMPANIES:											
MIDWEST GAS	0	0	0	1	1	1	0	0	1	0	4
MINNEGASCO	1	4	1	0	0	1	4	0	9	2	22
MONTANA-DAKOTA UTILITIES CO.	0	2	3	0	6	9	6	0	7	0	33
NORTHWESTERN PUBLIC SERVICE	1	0	4	1	21	4	0	0	1	0	32
OTHER (UNREGULATED COMPANIES)	2	0	1	0	0	1	0	0	0	0	4
TOTAL	4	6	9	2	28	16	10	0	18	2	95
TELEPHONE COMPANIES:											
AT&T COMMUNICATIONS	5	0	0	0	0	1	10	0	14	0	30
MCI	16	0	0	0	0	0	0	0	2	0	18
US WEST	3	0	27	17	21	10	69	3	76	19	245
*INDEPENDENTS	0	0	3	0	2	1	8	1	3	1	19
*COOPERATIVES	1	0	4	1	3	0	3	2	3	0	17
*MUNICIPALS	0	0	0	1	1	0	0	0	0	0	2
*ALTERNATIVE OPERATOR SERVICE & OTHER	10	0	0	0	0	0	14	0	30	4	58
TOTAL	35	0	34	19	27	12	104	6	128	24	389

*UNREGULATED COMPANIES

Consumer Complaints FY89 vs FY90



Complaints per 1,000 Customers FY89 vs FY90



Fiscal Report

For Year Ended June 30, 1990

PROGRAM	BUDGET	ACTUAL EXPENDITURES BY FUND GROUP		ENCUMBRANCES	BALANCE
		GENERAL	OTHER		
ADMINISTRATION					
PERSONAL SERVICES	210,035	209,811	0	0	224
OPERATING EXPENSES	55,914	23,914	0	32,000	0
TOTAL PROGRAM	265,949	233,725	0	32,000	224
TRANSPORTATION					
PERSONAL SERVICES	175,115	174,955	0	0	160
OPERATING EXPENSES	57,508	48,823	0	8,444	241
TOTAL PROGRAM	232,623	223,778	0	8,444	401
FIXED UTILITY					
PERSONAL SERVICES	456,031	0	394,200	0	61,831
OPERATING EXPENSES	260,372	0	207,953	39,155	13,264
TOTAL PROGRAM	716,403	0	602,153	39,155	75,095
SUBTOTAL	**1,214,975**	**457,503**	**602,153**	**79,599**	**75,720**
NON-APPROPRIATED PROGRAM FILING FEES					
OPERATING EXPENSES	375,000	0	124,670	0	250,330
TOTAL ALL PROGRAMS	**1,589,975**	**457,503**	**726,823**	**79,599**	**326,050**

Statement of General Fund Revenue

	FY90
ICC Registration	$ 43,860.00
MC-A Permit	0.00
MC-B Permit	6,600.00
MC-C Permit	4,000.00
Transfer/leases	5,600.00
Non Storage Licenses	780.00
Federal Storage Licenses	1,230.00
Grain Storage Warehouse	4,050.00
Public Storage Warehouse	735.00
Truck Decals	1,426.00
Grain Dealers Licenses	5,985.00
Identification Stamps	1,002,525.00
Bus Permits	9,605.00
Cab Cards	506.50
Total	**$1,086,902.50**

Special Hearing Fund Revenue

	FY90
Black Hills Power & Light	$104,563.17
Northern States Power	79,667.56
Otter Tail Power	19,600.36
U S West Communications	162,599.93
Minnegasco	46,794.00
Northwestern Public Service	132,104.00
AT&T Communications	1,011.30
Iowa Public Service	14,973.51
Montana-Dakota Utilities	55,778.36
Subtotal	$617,092.19
Interest earned	51,948.37
Total	**$669,040.56**

The Statement of General Fund Revenue represents the collection of revenue receipted by the issuance of licenses and permits in the Transportation/Warehouse Division. Revenue collected from these sources is remitted to the State General Fund. Monies for the operation of the Administration and Transportation/Warehouse Divisions are appropriated by the legislature to meet budget requirements.

The Special Hearing Fund Revenue listed in the above report for state fiscal year 90 shows the amount of the annual intrastate gross receipts tax paid by each rate-regulated natural gas, electric and telephone company in South Dakota. This annual intrastate gross receipts tax, levied on the above listed companies, is authorized by SDCL 49-1A-3 and provides funding for the Commission's Division of Fixed Utilities. The interest earned was collected for the first time in FY90, after the PUC Fiscal Officer pointed out to the Bureau of Finance and Management that money earned by the investment of these funds should be credited to the Special Hearing Fund. This funding source appears as "Other" funds under Fixed Utilities in the Fiscal Report.

Management Report

To the Ratepayers and Taxpayers

Introduction

The ratepayers of South Dakota's rate-regulated utilities and the taxpayers of our State together contributed over $1.6 million during FY 90 to operate the Public Utilities Commission. Those people have a right to know how we spent their money. Just as a private business offers an annual report to its stockholders, we would like to issue this "Management Report" to those people who pay our salaries and operating expenses. We offer several examples of how we spent their money, how we avoided spending their money, and how we attempted to provide better service to both the consumers and utilities of South Dakota.

Example 1

New Fiscal Officer Discovers Expensive Oversight

Curiosity and subsequent research by Fiscal Officer Sue Cichos resulted in an annual increase in revenues of over $50,000 for the Commission.

In 1975, the South Dakota Legislature established the "Special Hearing Fund" by imposing a 1.0 mil tax on the intrastate gross receipts of investor-owned electric and natural gas utilities. In 1976, the Legislature passed a bill assessing the rate-regulated telephone companies for the Special Hearing Fund. In 1982, the Legislature increased the gross receipts tax to 1.5 mil. The tax is due and payable to the State Treasurer on July 1 of each year.

According to SDCL 49-1A-7, all amounts deposited in this fund are appropriated to the use of the Commission "for its expenses in regulating public utilities". The Special Hearing Fund is invested, as part of the State's portfolio, by the State Investment Council. Since its inception in 1975, the fund has been classified by the Bureau of Finance and Management (BFM) as a "non-participating company". As such, it did not participate in the proration of interest earned by the State's investment portfolio.

In the autumn of 1989, the PUC's new fiscal officer, Sue Cichos, was puzzled by the designation of the Special Hearing Fund as "non-participating". After considerable research, she presented her findings to Chairman Jim Burg. They in turn took their case to BFM and the State Legislature. They maintained that the fund and the interest from the fund belonged to the ratepayers, and that the PUC as a good steward of the fund, had an obligation to request both the back interest and a redefinition of the fund as a "participating company".

The 1990 Legislature declined to restore the back interest on the fund (totaling over $393,000). BFM Commissioner Jim Hill, however, immediately changed the fund to a "participating company". That move gave the fund $51,948.37 in interest on November 1, 1989, and it ensures that the fund will gain all generated interest annually in the years ahead.

Example 2

BOP Helps PUC Overhaul Personnel Structure

As a result of a complete review of all positions and the organizational structure of the PUC by the Bureau of Personnel (BOP), approximately half of the Staff positions were raised in classification and salary range.

There are some position descriptions in the PUC that are difficult for an outsider to understand because those positions are unique to utility regulators. Although a desk audit had been done by BOP in 1985, many factors had changed since then. The Hay System was out the window, and management of both the PUC and BOP had changed. Hoping for a review that would better reflect the true responsibilities and qualifications, Executive Director Marshall Damgaard asked BOP to conduct a comprehensive review of position descriptions and analyze the functions of the entire PUC office from top to bottom.

Beginning with a workshop for all Staff on "How To Write Your Position Description Questionnaire (PDQ)" held in October of 1989, the Staff reviewed and rewrote their descriptions. Eleven analysts from BOP met in a marathon session and evaluated all the PDQs at the same session. Essentially, those analysts were answering the question, "Into what ranges would our PUC positions fall, if they were any other place in state government"?

As a result of BOP's recommendations, the classification ranges of eleven PUC employees were raised. The classification raises were primarily for technical, legal and management professionals to bring them in line with other South Dakota State Government classifications. No classifications were lowered.

The changes did not necessarily result in immediate salary raises. Salaries for PUC Staff are still among the lowest in the nation and are considerably lower than comparable positions for the investor-owned companies that we regulate. The Staff's dedication to government service and South Dakota's environment have helped the PUC retain an excellent technical staff in the Fixed Utilities Division.

(Management Report continues on next page)

Example 3
BFM Audits PUC

In December of 1989, the Commission requested that the Bureau of Finance and Management conduct a thorough management audit of the PUC. On May 1, 1990, BFM analysts Roxanne Blumer and Brian Williams presented their audit to the Commission Staff. They were assisted on the project by BFM Commissioner Jim Hill and Deputy Commissioner Rodger Leonard.

During this management audit, BFM analysts were given unrestricted access to all Commission records. Following are some of their post-audit recommendations:

1) Certain travel costs currently allocated to Administration could be charged to Fixed Utilities.

2) The PUC should forecast revenues and expenditures at least five years into the future.

3) The current three budgeted programs; Administration, Fixed Utilities and Transportation/Warehouse, should be collapsed into one budgeted program.

4) The management staff should be developed so that the ratio of management to staff achieves efficiency. (The average management:staff ratio in other State agencies is 1:4).

5) Rate cases whose costs exceed the $75,000 per docket filing fee should not be subsidized by the gross receipts tax. "The PUC should explore alternatives such as amending current law to change the cap or to remove the cap to prevent this subsidization in the future."

6) In the warehouse area, the PUC should do further study on the bonding versus self-insurance issue.

7) In the transportation area, the PUC should do further study on the one stop truck shop concept.

Fiscal Officer Sue Cichos presented the BFM audit to the Commissioners on June 1, 1990. At the close of FY 90, Commissioners and Staff were preparing to implement many of the audit recommendations.

Example 4
PUC Creates Unique Merit Bonus Pay Plan

In October of 1989, the Public Utilities Commission adopted a merit pay plan that differs in several key areas from the PACE (Performance And Compensation Equity) plan currently being used by other areas of South Dakota State Government. The first merit checks were distributed on December 7, 1989, and the second round of checks were distributed on May 8, 1990.

A workable, fair and respected merit pay plan is difficult to find—and may not even exist. State Government has tried several variations of performance evaluations and merit rewards, and the plan is constantly revised and has been frequently criticized.

All State employees are evaluated twice a year, in the spring and the fall. The several accountabilities and performance standards are predetermined and acknowledged by the employee and supervisor. PACE uses three ratings: Outstanding (O), Quality (Q), and Unsatisfactory (U). Seventy-five to eighty percent of all employees fall into the Q range. Evaluations are done by the immediate supervisor, but the department head can arbitrarily revise the rating. In the past fiscal year, merit bonuses amounted to 1.75% of the base pay, not to exceed $500, for anyone who was rated Outstanding.

Under the PUC Merit Pay Plan, we use the ratings O, Q and U, but we superimpose the numbering system of one through five. A numerical rating of 2.00 to 3.99 translates into a Q rating, but the numerical rating gives the employee a clear idea of where he/she is on the scale. Anyone whose average is 4.00 or above is automatically considered an O and receives a merit bonus of $500. Regardless of base pay, the bonus is $500 rather than a percentage. This works to the benefit of lower salaried employees, which we believe is the legislative intent.

Although the immediate supervisor conducts the initial evaluation interview, the proposed ratings are reviewed and discussed by the "Gang of Six" composed of the four Division Directors, the Executive Director and the Chairman of the Commission. Since the PUC is a relatively small agency, we all work directly or indirectly with every other employee. The committee process lends a broader perspective to the evaluations and mitigates against any individual bias. In a follow-up interview, the supervisor explains the consensus rating to the employee.

In addition to the bonus for Outstanding employees, the Gang of Six solicits nominations for special merit awards to be given to anyone who has performed meritoriously on a special project or on one aspect of the job description. These nominations may come from a Commissioner, supervisor, a peer or someone in another division, because we believe that all recognition of performance should not be from the top down. Even though your overall performance is a Q, you may be recognized for a special contribution and receive a merit bonus for anywhere from $200 to $500. Within the PUC, our intention behind bonus pay is simply this: that if you did work that was clearly above and beyond the call of your duty, then you should be rewarded above and beyond your salary.

Eventually there are no secrets anyway, so Executive Director Marshall Damgaard advises everyone by letter who received Outstanding ratings and who received special merit awards and exactly why each person did receive it. One of the benefits of this system is that management can send a clear signal about goals and expectations of the entire office. What is a poorly kept secret in most offices throughout State Government is openly touted in the PUC.

Example 5
Let's Get Acquainted

Improving the interaction and communications with the companies we regulate is a never-ending challenge. Executive Director Marshall Damgaard decided that everyone would benefit if the PUC Staff would get out of the office on occasion and make an on-site visit of those companies. The companies were delighted to conduct a tour of their offices, facilities and even customer sites. Although some of the Commissioners and Staff had previously visited certain places, much of it was new to many others.

In November of 1989, a group from the PUC visited US WEST Communications in Sioux Falls and toured the switching facilities and the operator centers where billing, service and complaint calls are handled. Northern States Power Company was next on the agenda that trip. We visited the company offices and then toured the Pathfinder Plant which was formerly nuclear powered and is now converted to fossil fuel. Pathfinder is used as a peaking plant to provide additional power during peak demand periods. A side trip was made to Citibank, a large customer of both USWC and NSP.

While in Sioux Falls for a Commission meeting in February of 1990, the PUC used

the opportunity to see the offices of Midco Communications. Their 24 hour answering and paging services operate from there. Just down the street is the site of Shriver's Square, which had applied to the PUC for a master meter variance for the planned renovation. Commissioners and Staff toured the construction in progress.

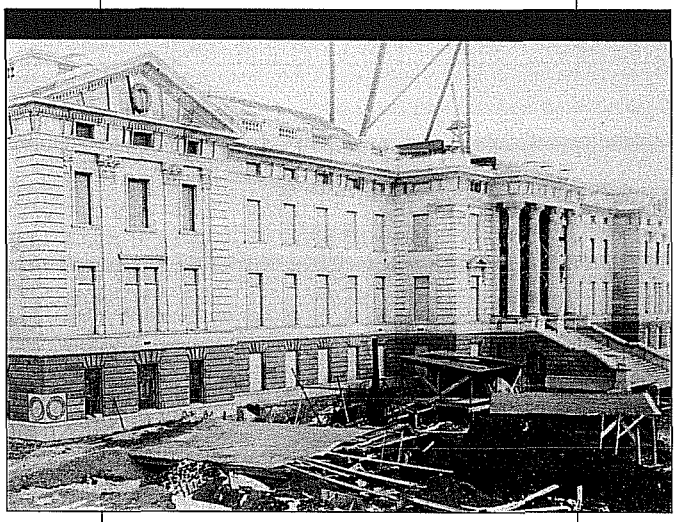
Minnegasco hosted the PUC on April 2, 1990, for a tour of their offices and a demonstration of Accu-Read, the remote meter reading system. From there, the group went on to visit Iowa Public Service Company which is located in Sioux City, Iowa, and is the parent company of IPS Electric and Midwest Gas. The tour included one of the Neal Generating Units and the site of Dakota Dunes land development project in southeast South Dakota. Dakota Dunes will be a 2,000 acre master planned community and is a project of Iowa Public Service Company.

On May 17, 1990, Milbank was the destination for the itinerant Commissioners and Staff. There Otter Tail Power Company operates the Big Stone Plant which is a coal-fired generating plant, jointly owned by OTP, MDU and NWPS. Watching the coal dumped from the 100 ton railroad cars, seeing the gigantic generators, and listening to Otter Tail's story of service in a tri-state rural area gave us a better appreciation of this company's mission. Side trips were included to observe Dakota Granite Company and Valley Queen Cheese, two of OTP's biggest customers and contributors to Milbank's economic development.

The Commissioners and five Staff members from the North Dakota Public Service Commission paid a visit to Pierre on March 13, 1990, to observe a regular Commission meeting, exchange ideas with their counterparts, and tour the Capitol Building and the Oahe Dam and Power House. Turnabout is fair play, so the South Dakota Commissioners and Staff returned the visit on March 19 and 20, 1990. Each state found some interesting differences and similarities in operation, and each found a few new ideas to borrow.

On the way to Bismarck, a stop was made at the Northern Border Compressor Station for a guided tour of a facility similar to the proposed compressor station to be built in Clark County, South Dakota.

After statehood in 1889, South Dakotans fought perennial battles over the designation of the capital city. Pierre won ballots over Huron in 1890 and Mitchell in 1904.



Example 6
Service List Change Saves Thousands of Letters

In January of 1990, the PUC overhauled both the content and application of its legal service lists, creating changes that will save an estimated 4,500 letters per year.

The project began when Martin Bettmann, Lisa Forest, and Dominica Oaks converted the telecommunications service list from DisplayWrite 4 format to Q&A format. Q&A's superior sorting and merging functions make it faster and easier to use. During that process, all names and addresses on the list were verified; many were changed or cancelled.

When the new Q&A telecommunications service list was completed, General Counsel Doug Eidahl implemented a new distribution procedure for Commission orders. Previously, the PUC mailed copies of all notices and orders on all dockets to all parties on the service list. Now a telecommunications Notice Of Opportunity To Intervene Or Comment is sent to all parties on the telecommunications list. Thereafter, all orders in that docket are sent only to the legal parties (including intervenors). A scope of service list is now kept on the inside cover of each docket.

These changes substantially reduced the PUC's copying and postage expenses. They also reduced the amount of Staff time it takes to complete service mailings.

Also during January of 1990, Jody Duffy discontinued the Monthly Subscription List. Before that time, gas and electric utilities were not automatically served with Commission orders in their areas. Instead, many of them paid to subscribe to a collection of such orders which was mailed to them at the end of each month. Under the new procedure, the gas and electric utilities receive all apropos Commission orders (at no cost) as they are promulgated, and the PUC Staff need not waste time recording 15 cent copy charges.

General Counsel Doug Eidahl or Staff Attorneys Richard Coit and Nancy Nelson now determine the scope of service for all dockets. Legal Secretary Dominica Oaks manages the new legal service list and all changes to the list must be made by her.

At the same time, Martin Bettmann (our in-house computer consultant) and Dominica Oaks revised and expanded the information available in our Open Docket Status Report. Using Q&A, the report is available to all Staff via computer network. We also adopted a suggestion made by Craig Anderson of Dial-Net and started mailing hard copies of the report to utilities. The new numbering system used for dockets identifies them by type (telecommunications, electric, natural gas and miscellaneous) and by calendar year of opening, i.e., TC90-01, EL90-01, NG90-01, MS90-01. Dockets can be sorted by computer into types or year of origin.

Example 7
Fiscal Officer Scores Again

While examining the fiscal accounts, Sue Cichos discovered an improper billing of $200 per month and thereby saved that program $2400 a year.

Sue questioned why the Commission's Transportation/Warehouse Division was being billed $200 a month for services provided by the Bureau of Finance and Management. According to BFM policy, any program that is 100% funded by the State's General Fund is not billed for central services. Those programs that are funded by "other" funds are considered billable programs and are charged a pro rata fee (Fixed

(Example 7 continues on next page)

Utilities Division is charged because they are funded by the gross receipts tax on utilities). Since the T/W Division is funded entirely by General Funds, Sue called the error to the attention of BFM and succeeded in having T/W properly reclassified as a non-billable program.

Example 8

PUC Allocates FTE'S Among Divisions

The 1989 Legislature passed House Bill 1227 which simply stated, "Any funds collected from the tax levied by SDCL 49-1A-3 (annual gross receipts tax on regulated utilities) may not be expended for operation of the public utilities commission's transportation division".

The Legislature sought to ensure that no funds designated for the Fixed Utilities Division would be used to supplement the budget of the Transportation/Warehouse Division. Although the PUC had always allocated FTE's among the three budget programs, we now scrutinized that allocation more closely. Those Staff members who are prorated among programs kept track of their billable hours and some revisions were made. Expenses in other areas such as supplies, janitorial expenses and newspaper subscriptions are also prorated.

Example 9

PUC Slices Subscriptions

During FY 90, the Commission reduced its subscription expenses by over $4,000.

Professional journals are expensive, yet sometimes the only source of current information regarding the rapidly changing technology in telecommunications systems and energy production and conservation. By careful scrutiny and reconsideration, the professional staff agreed to reduce the number of subscriptions to professional journals and order only those that were regularly read and used. The expense for subscriptions and publications was reduced from over $8,000 in FY 89 to approximately $4,000 in FY 90.

Keeping up with the rapidly changing trends in regulation, technology, and legislation is absolutely essential. The PUC need not apologize for a hefty budget for subscriptions and technical manuals. There does come a point, however, when no one has time to read them all. A survey of Staff identified which publications were read and valued, and which publications were duplicative or less relevant. In the event that something is needed occasionally, the State Library can locate it for us. In the meantime, the expense has been reduced and the in-baskets are less cluttered.

Example 10

PUC Expands Its Customer Information Base

Keeping our "regular customers" (regulated companies and other affected entities) informed of PUC activities and agendas has always been a goal. Just plain good government and a desire for better communications with customers and the public led to creation of the "long form" agenda and an expanded mailing list.

Rather than meeting the legal requirement for 48 hours notice of a public meeting agenda, the PUC now strives to publish and mail a notice of the next meeting's agenda seven days in advance. Not only is notice of each agenda item included, but the agenda now contains a background or procedural history of each docket, an explanation of actions taken, and a statement of the issue to be decided by the Commission. Copies of the agenda for the next meeting and the minutes of the previous meeting are mailed to all interested parties and to members of the press. Mailings go to fifty-six company executives, attorneys and journalists.

Example 11

PUC Travels at State Rates

The State Board of Finance sets state rates for travel reimbursement for meals and mileage, the Secretary of State's Office promulgates rules, and the State Auditor's Office checks the vouchers carefully for approval.

For in-state travel, the State pays for lodging up to $23 plus tax per day. That amount is going up to $24 per day in FY 91. Fortunately for employees, many motels will accept State rates for business travel. Meals are reimbursed at $3.50 for breakfast, $5.50 for lunch, and $7.00 for dinner.

For out-of-state travel, the reimbursement rate for motels is up to $100 plus tax per day, unless prior approval is obtained for higher rates up to $150. As most of you know, it is not unusual for conference motels to charge well over $100 per day. State Government also recognizes that meals are higher out-of-state, and the rates are set at $6.00 for breakfast, $8.00 for lunch, and $11.00 for dinner.

The State Travel Commission maintains a motor pool of vehicles to be used for employee travel, and the agency is billed between 16 to 22 cents per mile depending on the type of vehicle. If no motor pool vehicle is available, the employee may be paid 22 cents per mile for using his own car. If you prefer your own car regardless, the reimbursement rate is only 12 cents per mile. Mileage is based on pre-determined

Position Time Allocation Chart

Title	Administration Division % of Time	Transportation/ Warehouse Division % of Time	Fixed Utility Division % of Time
Commissioner	100%		
Commissioner	100%		
Commissioner	100%		
Executive Director	50%	10%	40%
Director of Fixed Utilities			100%
Telecommunications Analyst			100%
Director of Trans/Ware		100%	
Deputy Director Trans/Ware		100%	
Director of Administration	50%	10%	40%
Consumer Representative			100%
Information Specialist	10%		90%
Engineer			100%
General Counsel	10%	10%	80%
Attorney			100%
Attorney			100%
Finance Officer	30%	10%	60%
Secretary	50%	10%	40%
Secretary	50%	10%	40%
Legal Secretary			100%
Inspector		100%	
Inspector		100%	
Analyst			100%
Analyst			100%
Analyst			100%
Administrative Assistant		100%	
Administrative Assistant		100%	

These figures represent the direct proportion to the actual budget expense.

direct route miles. Commissioners and other elected State officials are always reimbursed the full rate for use of their private auto.

Each PUC Inspector has a state owned vehicle for use in his extensive travels. Since Morris Sandal retired in January, one vehicle has been available in Pierre for PUC Staff use. It is fondly known as the Puc Mobile.

Out-of-state travel is primarily for attendance by Commissioners and Staff at meetings sponsored by the National Association of Regulatory Commissioners, the Mid-America Regulatory Conference, or the National Regulatory Research Institute. Such meetings of a professional and educational nature are considered essential to keep up with the changing nature of regulation.

Construction of the modified Greek Ionic structure began in 1907, and the massive cornerstone was laid on June 25, 1908. The building was completed in 1910; the Annex was added in 1932.

Example 12

Public Outreach is Part of PUC Plan

Many decisions of the Commission affect the rates or quality of service of the subscribers to utility services, and public input is sought by the PUC. Outreach to those subscribers was accomplished in a variety of ways as follows:

(The list below refers to Example 12)

Docket Related Hearings or Meetings:

DATE:	TYPE OF MEETING:	SUBJECT MATTER:	TOWN:
07/10/89	Public Information	Extended Area Service	Sturgis
07/11/89	Public Information	Extended Area Service	Spearfish
07/24/89	Public Information	Extended Area Service	Burke
07/31/89	Public Information	Extended Area Service	Clark
10/05/89	Territory/City of Pickstown/	Charles Mix Electric	Pickstown
02/08/90	Complaint Hearing	Quality of Phone Service	Selby
02/13/90	Commission Meeting	Regular Agenda	Sioux Falls
03/14/90	Public Input Hearing	Minnegasco Rates	Sioux Falls
04/16/90	Public Information	Construction of Compressor Station	Clark
04/23/90	Commission Meeting	Regular Agenda	Sioux Falls
04/23/90	Public Information	Incentive Regulation	Sioux Falls
06/25/90	Commission Meeting	Regular Agenda	Sioux Falls

Consumer Utility Panel Meetings: These CUPs exist in Sioux Falls and Rapid City for the purpose of gathering feedback from a select group of consumer representatives and offering informational materials on utilities.

07/20/89	Consumer Panel	Tour of Pathfinder	Sioux Falls
09/28/89	Consumer Panel	Minnegasco Rate Case	Sioux Falls
10/26/89	Consumer Panel	How to Lower Your Phone Bill	Sioux Falls
11/30/89	Consumer Panel	Incentive Regulation	Sioux Falls
03/22/90	Consumer Panel	Minnegasco Rate Increase	Sioux Falls
08/16/89	Consumer Panel	Tour of Ben French Plant	Rapid City
10/25/89	Consumer Panel	Enhanced 911 Emergency Service	Rapid City
12/16/89	Consumer Panel	Line Extension Charges	Rapid City
01/31/90	Consumer Panel	Closing of USWC Customer Service Office, Legislation	Rapid City

Education, Information Presentations:

08/28-29	Greenhouse Conference	Global Warming	Pierre
08/30-9/4	State Fair Booth	Public Information	Huron
10/27/89	Hospital Auxiliary	Lower Phone Bills	Pierre
11/02/89	Capital University Class	Global Warming	Pierre
04/09/90	Steve Wegman's presentation to local realtors	Energy Efficient Homes for the 1990's	Sioux Falls
			Aberdeen
04/11/90	"	"	Aberdeen
04/12/90	"	"	Pierre
04/13/90	"	"	Rapid City
04/19/90	Presentation to High School	Greenhouse Effects	Pierre
05/02/90	Presentation to SD REA	Propane Price Shock	Brookings
05/10/90	Presentation to High School	Greenhouse Effects	Fort Pierre
05/11/90	American Society of Heating, Refrigeration, AC Engineers	Tour of geothermal plant, Cultural Heritage Center Discovery Center	Pierre
05/18/90	Community/State Day	Information Booth	Pierre
05/21/90	Western Area Power Adm.	Residential Energy Management	Bismarck
05/23/90	"		Huron

Issue Related Meetings:

01/04/90	Press Conference	USWC Settlement/TRA	Sioux Falls
01/11/90	PUC/USWC/SDITC	Univeral Service Fund	Mitchell
01/06/90	Task Force Meeting	1+ Presubscription	Sioux Falls
05/08/90	Meeting of Company Customer Representatives	Exchange of Ideas	Pierre
05/31/90	Public Input Hearing	Grain Dealers, Elevators Bonding, Self-insurance	Huron
06/26/90	National Exchange Carriers Association	Equal Access Workshop	Sioux Falls

Example 13
The PUC is Exempt

All PUC employees are exempt from the protections of the Career Services Act. Every two years there is an election which could swing the political or personal balance of the Commissioners and cause a Staff change. Even Governor's Office employees and cabinet secretaries have four years of relative safety between elections.

The Christian Bible states that no man can serve two masters. Even the authors of that Book could not conceive of anybody trying to serve three. Having three bosses requires considerable tact, diplomacy, and patience. The PUC is the only office in State Government where employees are directly and simultaneously responsible to three people, all of whom are elected officials. In many states, Commissioners are appointed, not elected. South Dakota's three elected Commissioners are truly "citizen-commissioners". They are not, nor are they expected to be utility experts. To each issue, docket and controversy they bring the common sense, foresight, and wisdom of the citizens they serve. They thus depend to a great degree upon the Staff to bring them the legal and technical background of these issues, dockets and controversies.

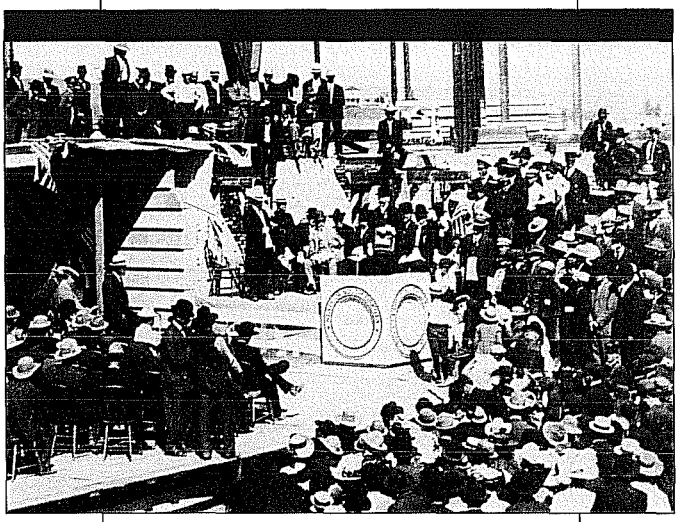
It appears that rarely do Commission decisions or even individual Commissioner votes go against the specific letter of Staff recommendations. The attitude of the Commissioners seems to be, "If I did not trust the expertise of the Staff, I would get rid of them. I do not hire people and then ignore their advice."

Given the unique challenges of the job, the PUC is fortunate to have many dedicated, experienced and technically expert Staff members. Everyone tries to make the PUC a pleasant place to work, and that along with an appreciation for the unique benefits of living in South Dakota, helps to keep them here.

Example 14
The PUC Wants to Move or Remodel

Restoration of the Capitol Building has been going on for over fourteen years and the building is indeed beautiful. The PUC occupies the last space in the Capitol that has not yet been remodeled. Surely, our time has come.

The Capitol was completed in 1910 for just under $1,000,000. The architectural plans were patterned after those for Montana's Capitol in Helena.



When the PUC was moved from the west hallway to the present space by the north door over four years ago, it was with a promise that the space would be remodeled soon. The former space was remodeled and occupied by the Office of School and Public Lands. Executive Director Marshall Damgaard has made several suggestions to get things moving.

Canfield Business Interiors of Sioux Falls has designed a space plan for the present office utilizing many suggestions from the PUC Staff. Although we would still be short on space, those creative ideas would make it more usable and attractive.

On the other hand, Marshall suggested to the Bureau of Personnel and the Bureau of Administration that it would make better sense to have BOP located on the ground floor and by the north door so as to be readily accessible to the public. In that case, the PUC would move upstairs to fourth floor, into space that was recently renovated, and gain additional square footage.

Nothing has happened in FY 90, but we are hoping for some action in the near future.

Example 15
PUC Strives for Prompt Response

Believing, as Justice Holmes once said, that justice delayed is justice denied, the Commission has worked to ensure that utility filings and issues are deliberated promptly.

During FY90, the Fixed Utilities Division opened or reopened 152 dockets. By July 1, 1990 (the beginning of FY91), 32 of those dockets remained open. Most of the dockets pending beyond 4 months are long-term investigations or involve construction of new facilities. The following table lists the amount of time that currently pending dockets have been filed with the Commission:

0 - 3 months: 18 dockets pending

EL90-13	NG90-06	TC90-42
EL90-15	TC90-28	TC90-43
EL90-16	TC90-32	TC90-44
EL90-17	TC90-35	TC90-45
NG90-04	TC90-40	TC90-46
NG90-05	TC90-41	TC90-47

4 - 6 months: 6 dockets pending

MS90-01	Public Utilities Commission investigation into the role of rate-regulated utilities in South Dakota's economic development.
TC90-01	Investigation into 1+ equal access within all South Dakota telephone exchanges.
TC90-03	Investigation into Northwestern Bell Telephone Company's modernization of all NWB exchanges pursuant to the Tax Reform Act.
TC90-12	Application of NCN Communications, Inc., as a reseller of telecommunications services.
TC90-17	Registration of Capital Network Systems, Inc., For authority to provide resold IntraLATA operator assisted telecommunications service

(Example 15 continues on next page)

between points within South Dakota.

TC90-21 Investigation of the tariff compliance of resellers.

7 - 9 months: 3 dockets pending

F-3860 Application of South Dakota Network, Inc. and SDCEA, Inc., for permission to construct centralized equal access facilities.

F-3866 Application of Brookings Municipal Telephone Company; Interstate Telecommunications Cooperative; McCook Cooperative Telephone Company and Sioux Valley Telephone Company to construct non-competitive telecommunications facilities.

F-3871 U S West Communications versus Brookings Municipal Utilities and Interstate Telecommunications Cooperative, Inc.

10 - 12 months: 4 dockets pending

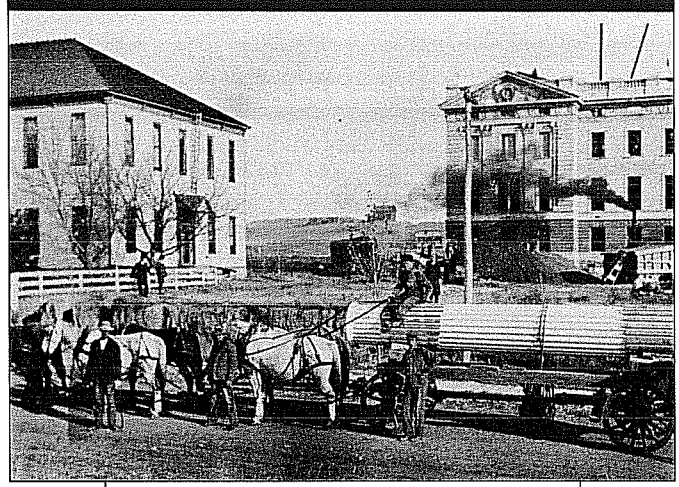
F-3847 Public Utilities Commission Investigation into the complaints of Sioux Falls residents and Minnehaha County against U.S. Operators, Inc., an alternative operator service.

F-3848 Inquiry into Northwestern Bell Telephone Company's allocation of revenues, investments and expenses for non-competitive services.

F-3849 Inquiry into Northwestern Bell Telephone Company's allocation of revenues, investments and expenses for emerging competitive services.

F-3850 Inquiry into Northwestern Bell Telephone Company's allocation of revenues, investments and expenses for fully competitive services.

Horse-drawn wagons brought the giant columns to the construction site. On the left is the first Capitol, a temporary wooden structure built by the City of Pierre in 1890.



Over 12 months: 1 docket pending

F-3812 Notice of Northwestern Bell Telephone Company for a change in its Intra-LATA rates for WATS and MTS.

Example 16
Dockets Appealed to Higher Courts Are Still Pending

Three dockets that were appealed to higher courts were described in some detail in the FY 89 Annual Report. Those three cases are still pending in court. The FY 90 activity is outlined in the following report:

Docket F-3699 PROPOSED BROOKINGS TO SIOUX FALLS JOINT LIGHTWAVE TOLL FACILITY The City of Brookings and Sioux Valley Telephone Company, known as Lightwave Associates, a joint venture, applied for PUC approval to construct a fiber optic toll facility from Brookings to AT&T's Point of Presence in Sioux Falls to carry interstate traffic only.

04/17/89—PUC decision and order approving construction; 05/01/89—Appealed to Circuit Court by USWC; 09/27/89—Circuit Court judgment affirming PUC; 11/30/89—Appealed to Supreme Court by USWC; 03/12/90—USWC brief filed; 04/25/90—USWC filed motion for remand; 05/21/90—Court denied motion for remand; 06/01/90—PUC brief and motion to supplement record filed; 06/04/90—Brief of ITC filed; 06/20/90—Appellant's reply brief filed.

Docket F-3776 COMPLAINT OF WEST RIVER ELECTRIC ASSOCIATION, INC. AGAINST BLACK HILLS POWER & LIGHT COMPANY AND ELLSWORTH AIR FORCE BASE West River, Black Hills and Heartland each wishes to be the sole supplier of overrun electrical power to EAFB.

08/14/89—Decision of U.S. District Court; 08/22/89—Notice of Appeal by BHP&L; 09/01/89—Cross appeal of West River; 10/20/89—Briefs filed, amicus brief of PUC; 01/05/90—Reply briefs due; 06/13/90—Oral argument in U.S. Court of Appeals, St. Paul, MN.

Docket F-3791 U S WEST COMMUNICATIONS, INC., PLAINTIFF, VS. KENNETH STOFFERAHN, DEFENDANT

USWC seeks a declaratory ruling from Sixth Circuit Court that Commissioner Stofferahn should be recused from all current and future PUC proceedings in which USWC is involved.

08/18/89—Circuit Court memorandum decision; 09/19/89—Defendant filed appeal with the Supreme Court; 11/06/89—Briefs filed; 01/19/90—Intervenors/appellee's brief filed; 02/06/90—USWC's reply brief filed; 03/21/90—Oral argument held.

Example 17
The Fixed Utility Staff Handles Rate Cases

Minnegasco, Inc. had the only application for authority to increase rates that was settled in FY90. Northern States Power Company filed an application on June 26, 1990, which will be a major project in the first six months of FY 91.

On June 30, 1989, Minnegasco filed with the Commission an application for authority to establish increased rates for natural gas service in South Dakota. Minnegasco requested an increase of approximately $1.6 million on an annual basis which is an approximate 5.4% increase. The Fixed Utility Staff reviewed the issues and recognized that Minnegasco had made

(Example 17 continues on next page)

major investments in plant by installing the AccuRead system and replacing mains which had been in service for some time. The Staff and Minnegasco reached a settlement agreement before hearing that allowed Minnegasco an increase of $1,115,000 annually, which was a 3.7% increase. The Commission approved the settlement agreement on November 9, 1989.

One of the elements of the settlement agreement was a rate design change which introduced a commercial/industrial service rate which would be available to: (1) firm commercial and industrial customers with no natural gas space heating requirements, and (2) commercial and industrial customers whose primary space heating fuel is natural gas, with less than 2,000 therms. Previously, these customers were classified as small volume firm customers.

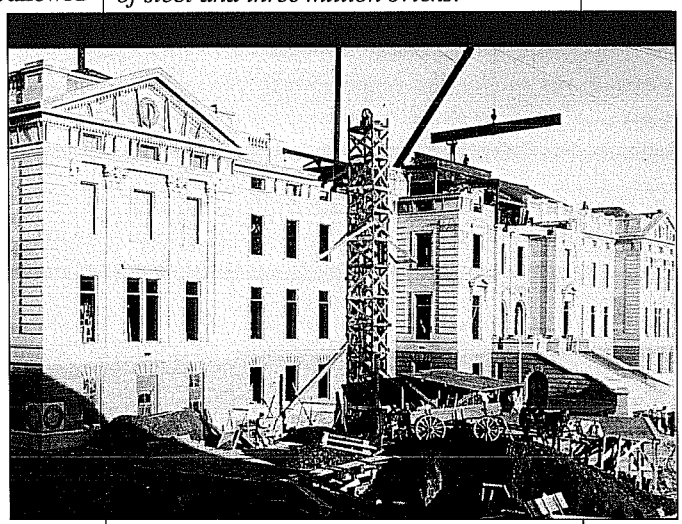
Approximately 4,150 customers were moved from the small volume rate to the commercial/industrial firm sales service rate. For those customers, the customer charge was increased from approximately $5.81 (which included the first five Ccf or less) to a flat $15.00. As a result of this change, the Commission received numerous complaints from small volume commercial customers. The complaints were discussed at the Commission's meeting on February 13, 1990. After the discussion, the Commission approved lowering the commercial customer charge from $15.00 to $10.00.

The logic behind increasing the basic customer charge while lowering the Ccf rate was that every customer causes certain costs through metering and billing even though the customer's usage may be small. The company and PUC Staff agreed that it made sense to charge the cost-causer, but those small customers who felt the rate shock were dismayed and made their feelings known.

At the March 27, 1990, Commission meeting, a counter proposal by Minnegasco was considered. Minnegasco offered to establish a new small commercial class of service (annual consumption of 1150 therms or less) that would pay a $10.00 monthly service charge. The larger usage commercial customers would continue to pay a $15.00 customer charge. The Commission approved that change.

Rate increases are never popular, but sometimes they are necessary. Minnegasco serves 46,500 customers in 16 communities in South Dakota, and this was their first rate increase in six years.

The Capitol's foundation is prairie boulder granite, and the building exterior is Marquette sandstone and Indiana bedford limestone. The structure includes 300 tons of steel and three million bricks.



Northern States Power Company filed on June 26, 1990, for a rate increase for electric service rates. By statute, the PUC has six months to conduct the investigation and respond to the various elements in the rate case. NSP is asking for an increase of $4,993,000 annually or approximately 9.27%. Other elements in the request are a 13.25% return on equity, an incentive regulation plan that adjusts return on equity, and a demand side management financial incentive.

In their last rate case, effective January 1, 1989, NSP was granted a 4.6% increase and was allowed a 12% return on equity. NSP serves approximately 53,000 customers in 36 southeast South Dakota communities.

Example 18
Statutory Changes and New Rules Affect the PUC

At the direction of the Commission, Staff members prepare legislative proposals and amendments. Legislation proposed by other agencies or persons is reviewed and monitored by Commission Staff, when it concerns the issues germane to public utilities or common carrier regulation. During the 1990 legislative session, the State Legislature enacted the following changes in Title 49 of the South Dakota Codified Laws which apply to the Public Utilities Commission:

Effective July 1, 1990:

Senate Bill No. 97 was entitled, An Act to Revise Certain Provisions Relating to Gas and Electric Utilities Regulation. SB 97 amended subdivision (11) of SDCL 49-34A-1, a definition of "person", to include any of the federal, state and local governments, including any of their political subdivisions, agencies and instrumentalities. The underlined language was substituted for the previous language of "any political subdivision or agency".

Senate Bill No. 129 was entitled, An Act to Revise Certain Rulemaking Authority of the Public Utilities Commission. At the request of LRC's Rules Review Committee, the PUC was asked to review all statutes pertaining to PUC rulemaking authority and propose changes to make their authority to promulgate rules more specific. SB 129 accomplished that.

House Bill No. 1157 was entitled, An Act to Revise Certain Provisions Relating to the Costs and Revenues considered in determining the rate base for gas and electric utilities. HB 1157 amended SDCL 49-34A-19 to add the alternative use of full acquisition cost of property under certain circumstances in determining the rate base upon which a utility is allowed to earn a fair rate of return.

House Bill No. 1169 was entitled, An Act to Revise Certain Provisions Relating to Railroad Regulation. HB 1169 effectively repealed the sections of SDCL 49-16A that refer to regulation of intrastate railroads by the PUC. Through the 1980 Staggers Rail Act, the Commission was preempted from economic regulation of rail service and rates. Therefore, HB 1169 repealed those statutes which became obsolete by the Staggers Act. The regulation that remains has been transferred to the Department of Transportation.

ADMINISTRATIVE RULES
OF SOUTH DAKOTA
Title 20, Article 10, Public Utilities

In FY90, the Administrative Rules of South Dakota, ARSD 20:10, that pertain to the Public Utilities Commisison were revised extensively. The rules were

(Example 18 continues on next page)

promulgated to implement the telecommunications regulation law passed by the 1988 legislative session which went into effect in November of 1988.

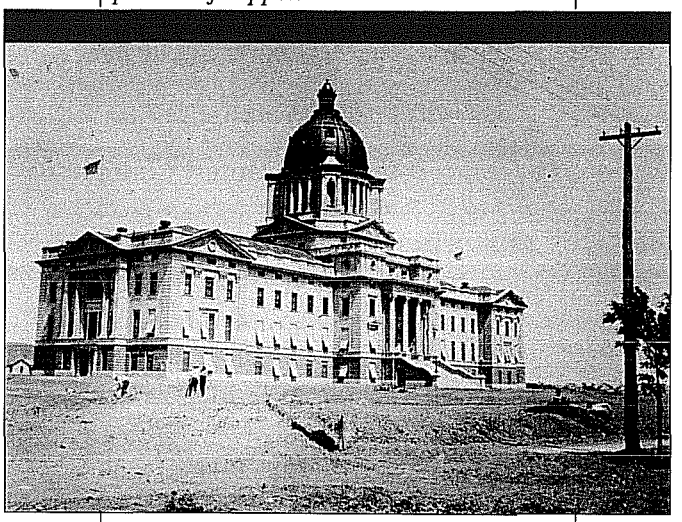
The new rules prescribed the registration procedures for all telecommunications companies and set out procedures to follow with respect to classification and reclassification proceedings in which telecommunications services and products can be deregulated or reregulated. The rules provided procedural guidelines to facilitate such proceedings, and they became effective December 27, 1989.

A second set of rules under ARSD 1-26 involved some filing procedures, rules on ex-parte contacts, and rules on filing of confidential documents. These became effective March 22, 1990. The rules on confidentiality provided the Commission and interested parties with guidelines to follow when handling confidential information to help ensure that such information will be given the protections afforded proprietary information.

On June 25, 1990, at a regular Commission meeting, the Commission instituted another rule by Order that will later be codified into rule format. This rule required telecommunications companies to give notice to the Commission, and to any telecommunications companies affected, of any construction of facilities outside its local exchange territory. The notice must be filed 45 days before commencement of any construction, but construction amounting to less than $10,000 was exempted.

This report is not intended as complete explanation of the rules. Anyone who wishes a copy of the rules may write to the Public Utilites Commission, State Capitol, Pierre, SD 57501

Lined with Victorian leaded glass, the rotunda rises 96 feet above the floor. Another 63 feet beyond is the weather-blackened outer dome made from 40,000 pounds of copper.



Example 19
USWC Prepared to Modernize Central Offices

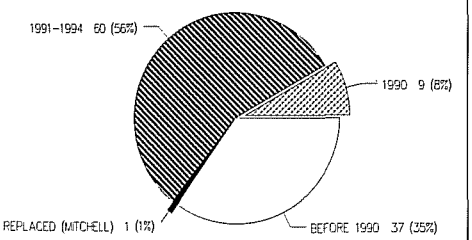
USWC is planning to have all of their local exchange central offices in South Dakota modernized before the end of calendar year 1994. Approximately $50 million will be invested in bringing state of the art central office switching to every local office that does not have electronic switching at the present time.

As part of the settlement of the Effects of The Tax Reform Act of 1986, USWC and the PUC Staff agreed that the modernization project could account for $50 million of the monies gained from the reduction in corporation taxes. Of the 70 central offices that did not have electronic switching in August of 1989, when the settlement was reached, 10 have electronic switching now. The others are scheduled to be completed before the end of 1994.

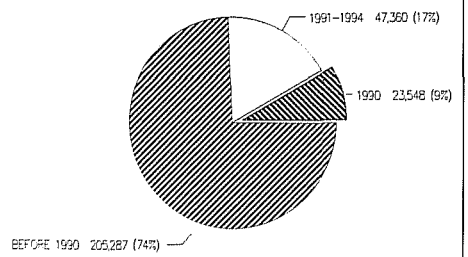
Central offices scheduled for replacement during calendar year 1990 are Chamberlain, Sturgis, Deadwood, Huron, Winner, Florence, Oldham/Ramona, Parkston, Belle Fourche, and Mitchell. The estimated cost to replace the switching in those offices is $11,000,000.

The pie charts below illustrate that 83% of the telephone lines in South Dakota will have modern electronic switching by the end of 1990. Although 60 of the local exchanges are waiting for their turn, they are mainly the smaller population exchanges.

NUMBER OF EXCHANGES MODERNIZED
Total Number of Exchanges = 107



NUMBER OF LINES MODERNIZED
Total Number of Lines = 276,195



Introduction to Utility Pages

Four hundred million dollars is a lot of money, even these days. That amount represents the total intrastate gross revenues of the ten investor-owned utilities whose rate-of-return is regulated by the Commission.

Two of those utilities provide both electric and natural gas service (Montana-Dakota Utilities and Northwestern Public Service); four provide electrical service (IPS Electric, Black Hills Power And Light, Northern States Power, and Otter Tail Power); two provide natural gas (Minnegasco and Midwest Gas). The PUC also regulates the intrastate rates of two telephone companies: U S West Communications and AT&T.

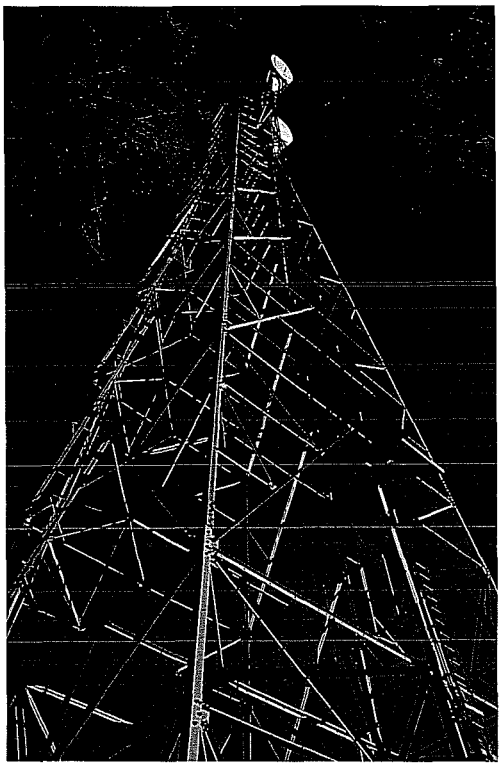
These companies are much, much more than bottom lines, however. Their contributions to our state, to our people, are incalculable.

They furnish us with the basic human services of heat, light, and communications. They help us lift burdens, shrink distances, and extend time. They are good corporate citizens who assist with time and money those endeavors that improve our quality of life. They provide hundreds of good jobs for hard-working South Dakotans.

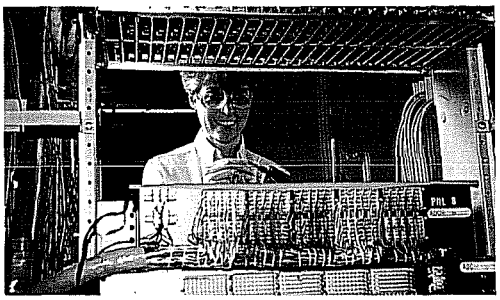
The people who work for these utilities may very well be the people singing beside you in the choir, cheering with you at a basketball game, helping you with a community project that makes life better for those somehow less fortunate. Because they care, their companies care.

Yes, these utilities are economic powerhouses. They are also owned and operated by our neighbors.

Through the gross receipts tax, filing fees, and the utility investigation fund, the rate-regulated utilities support the operation of the Fixed Utilities Division of the Public Utilities Commission. For the FY90 Annual Report, we offered all ten of them a one-page opportunity to present, in their own words and pictures, their accomplishments to you.



AT&T's 235-foot-tall microwave tower in Sioux Falls.



AT&T employee Sally Koepke, Communications Technician, uses a wirewrapping tool to cross connect facilities at AT&T's office in Sioux Falls.

AT&T Is Proud To Be In South Dakota

AT&T is in the business of information movement and management. And it is proud to have its products, services and systems at work across the state—in business and industry, government and school, health care facilities and South Dakota homes.

AT&T offers a number of in-state, long distance services that are available as "add-ons" to services offered on an interstate basis. They are:

800 Readyline® intrastate service, an inward calling service for business customers that do not have sufficient incoming call volumes to benefit from existing 800 Service. This service is attractive to small businesses.

Megacom® WATS service and Megacom® 800 intrastate service, which are designed for medium- and high-volume users of outward and inward long distance calling.

AT&T MultiQuest℠ intrastate service, which enables businesses such as telemarketing companies to provide callers with information via two-way communications.

AT&T also offers Software Defined Network service, which allows companies with various locations to build private corporate networks within the AT&T long distance network.

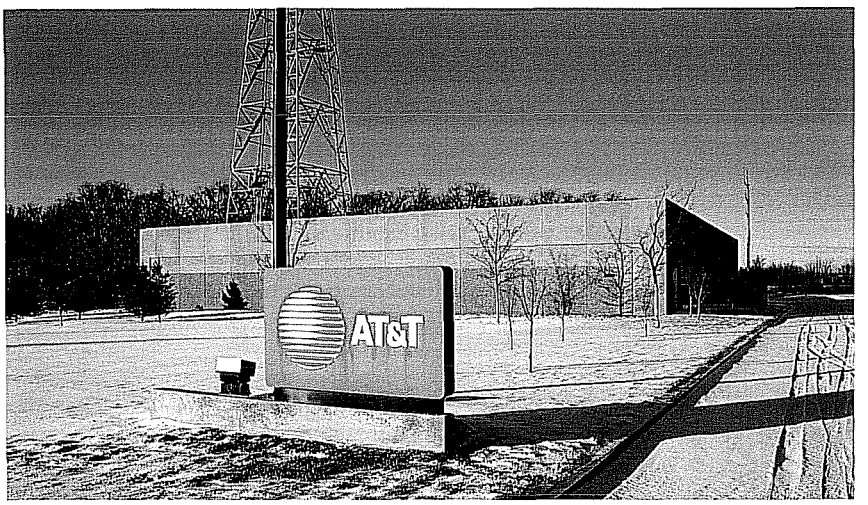
Major products for small businesses are: the System 25 digital PBX, the Merlin® and Spirit® communications systems, and a wide range of facsimile machines.

Major products for large business customers are: the Definity® System 75/85 telecommunications system, which serves from a few hundred to more than 32,000 users, and AUDIX voice mail systems.

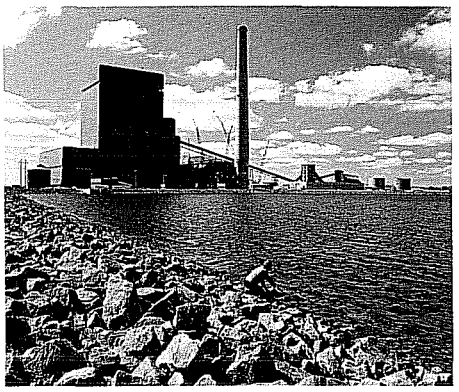
AT&T also markets systems that provide business solutions through distributed computer systems. These include 3B minicomputers, personal computers, UNIX® System V, 6500 Multifunction Communication System, which interacts with customer mainframe computers, applications software, peripherals and service.

In addition, AT&T provides Very Small Aperture Terminals (VSATs), compact earth stations located at remote customer locations, which send and receive satellite communications signals.

AT&T's private line facility in Sioux Falls.



Otter Tail
POWER COMPANY



Otter Tail Plant owns 236 megawatts (53.9%) of Big Stone Plant, located in Grant County. The South Dakota Department of Fish and Game has used the cooling pond to test muskie, catfish, and bass propagation. Paddlefish and walleye have been test-raised in other ponds at Big Stone.

Shared-Risk Loan Pools

Strengthening our role in economic development is the most significant enhancement of Otter Tail Power Company's service to South Dakotans during 1990.

Two distinct new programs—implemented by a new full-time consultant in addition to the efforts of all of our South Dakota employees—are now in effect.

One is that we will encourage and participate in loan pools to share the risk of loaning money to new businesses in communities we serve. The plan was established in late 1988 and was put into action in 1989. It is designed primarily for manufacturing operations that will create additional jobs in a community.

During the 1980s we helped achieve economic development milestones such as Trustworthy Hardware's 360,000 square-foot warehouse in Milbank. Our commitment to economic development in the 1990s is even stronger.

Nine loan pools are now formalized and are in the process of making shared-risk loans to prospective businesses. We have committed ourselves to loan pools in DeSmet, Elkton, Lake Norden, Clear Lake, Oldham, Lake Preston, Milbank, Wilmot, and Castlewood.

Our commitment is for $50,000-$100,000 in each pool. Sisseton business leaders are considering a loan pool, and we have agreed to become a partner if it becomes established. One requisite we have to our joining a loan pool is that there be strong local leadership. We don't mind being a catalyst, but we avoid forcing this concept on communities before they are ready.

Before leaving the subject of loan pools, we would like to emphasize the multiplying effect of shared-risk pools. Not only do our dollars join with the partners in the pool, but the total pool dollars are often joined by funds from another source, such as the State of South Dakota Revolving Loan Fund. Thus, when we risk $50,000, it becomes part of a $100,000 or even $300,000 risk shared by others. Sometimes grant funds are also available to further enhance the package to a prospective employer without increasing risk to the lenders.

Otter Tail's commitment to the loan pools is $700,000, while the total loan pool available is $1,750,000.

Commercial Development Partnerships

We call the second part of our increased economic development commitment our "Commercial Development Partnership Program." It is designed to aid new retail businesses become established, primarily in small communities. It consists of two months of free electricity and a waiver of an advance deposit.

As the name implies, our partnership program also requires a commitment from the community. We ask that the city provide incentives comparable to the ones we offer. Abated taxes or credits for water, sewer, and refuse collection would qualify.

As time goes on Otter Tail's Commercial Development Partnership Program may assist more individual businesses than our loan pool program simply because many of the 55 communities we serve in South Dakota lack the financial muscle to create a full-fledged loan pool.

Tax Benefits of Investor-Owned Utilities

Much attention is given to the profit-making function of an investor-owned utility. However, our function as a taxpayer has a greater impact on our rates.

As a whole, Otter Tail Power Company earned $1.94 per share in 1989, which was a record year. Of that $1.94 earned, $1.52 was passed on to shareholders to become taxable income to them.

On the other hand, Otter Tail's income and property tax liabilities in 1989 were the equivalent of $1.93 per share. Thus, the various public taxing bodies receive substantially more of Otter Tail's operating revenues than do those who own the business.

Property Taxes Paid in South Dakota

We deplore, resist, and work to reduce all costs that become part of our customers' rates. Our success has resulted in our being recognized as a national leader for rate stability. The National Association of Regulatory Utility Commissioners studies have consistently placed Otter Tail at or near the top in rate stability and productivity improvement.

We are at the same time proud of our tax-paying function in America's free-enterprise society. While the federal income tax is typically the largest tax bill we have, property tax assessments by South Dakota taxing authorities for 1989 were $2,228,393.

Let's look at that tax bill in terms of people. At year-end 1989 we served 8,260 residential customers in South Dakota, which means that our South Dakota property tax bill for 1989 worked out to $270 per residential customer of our company.

According to demographers, each customer represents between 2 and 3 citizens. We believe it is fair to say that for each South Dakotan who uses our electricity, we pay about $105 in property taxes in South Dakota.

Big Stone Plant Assessments Are Our Largest

Of course, our South Dakota rates do not reflect nearly that much property tax. The reason is that Big Stone Plant, near Milbank, is assessed most of the taxes we pay, and the rates that provide for the tax assessments are collected from all of our customers in all three states we serve.

Our 1989 liability for county, school, village and city, township, and other property taxes is $1,690,652 in Grant County, where Big Stone Plant is located.

Taxes paid to other counties are substantial, but not in the same league with Grant. The 1989 liability in Kingsbury County is $168,801.00 and $107,917.00 in Roberts County. Eight other counties receive tax monies in lesser amounts from Otter Tail.

USWEST® COMMUNICATIONS

Proud Partner in South Dakota's Past, Present and Future

US WEST Communications has a large investment in South Dakota. . .and in the state's future. The business of our business, simply stated, is to provide quality communication services. But we don't draw the line there. Our future depends, too, on the quality of life and economic health of the communities we serve.

Our business office is open longer to serve customers better.

Communications—The Best of US WEST

We are proud of our century-long heritage in the telecommunications business. But even more proud of the new legacy we're building in the Information Age.

People, our greatest asset. We have nearly 900 employees in South Dakota. Men and women who are making significant contributions to the state through their work, their families, and involvement in their communities.

We have a lot to offer. We serve more than 255,000 customer lines in 171 towns and 50 counties. Our services include local telephone service, long distance service within South Dakota, South Dakota operator assistance, South Dakota directory assistance, and access to services provided by other companies.

We're more than a telephone. Today, customers rely on our telecommunications network for much more than making phone calls. They use it to access computers, send messages to fax machines, read water meters, manage security systems, transfer funds, monitor heart rates.

We are building new communication highways with fiber optic cables.

We're modernizing. At US WEST Communications, we're upgrading our telecommunications network to bring more communication services to homes and businesses. We've installed nearly 1,300 miles of fiber optic cable, tiny strands of glass that carry calls on beams of light and allow customers to send much more information, much faster, with more accuracy. Almost 75% of our customers are served by computerized call-switching systems. The computerized systems provide faster service, require less maintenance, and enable us to offer Information-Age services like Call Waiting, Speed Calling and Three-Way Calling.

By the end of 1994 those Information-Age services will be available to all of our customers. As part of an agreement with the Public Utilities Commission, we will be investing $50 million in 69 towns to replace older switching equipment with state-of-the-art technology.

Financial Investment—The Partner in US West

We have a strong financial commitment to South Dakota, a commitment which is demonstrated in a number of ways.

- We've invested more than $575 million in the South Dakota telecommunications network.
- Our South Dakota employee payroll in 1989 was nearly $28 million.
- We paid over $8 million in property taxes.
- We paid over $1,500,000 in city and state use taxes.
- We collected nearly $6 million in city and state sales tax for the State of South Dakota.
- We paid nearly $9 million in federal income tax.
- We contributed $310,000 through the US WEST Foundation and direct gifts to support educational, charitable and cultural programs.

Hug-A-Bears are stitched by Telephone Pioneers and donated to hospitals and public safety agencies.

Community Service—The Heart of US West.

Our community service program is carried out by employees throughout our service area. It is further enhanced by involvement of 1,500 active and retired Telephone Pioneers, South Dakota members of a nationwide volunteer organization.

Our employees donate more than 75,000 hours annually to community service. Their activities include: serving on boards, task forces and commissions; coaching youth sports and serving on rodeo associations; working with disabled children; serving as scout leaders, counselors and church school teachers; delivering meals to shut-ins; holding public elected office.

IPS ELECTRIC
The Service People

"Our
Are Committe

IPS Electric is a division of Iowa Public Service Company of Sioux City, Iowa.

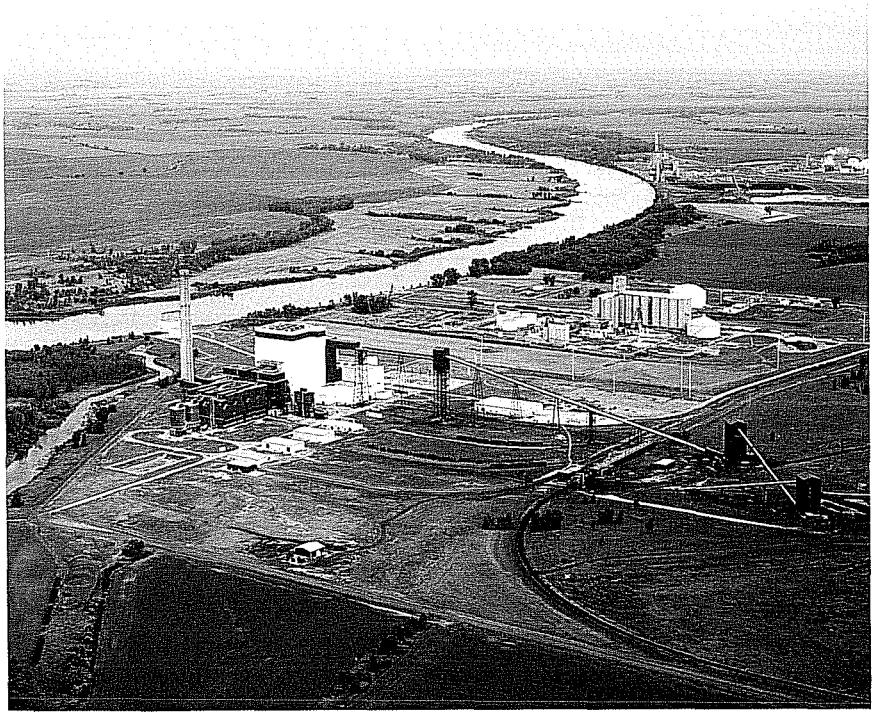
IPS Electric serves 155,000 customers in 228 Iowa and 5 South Dakota communities (Fairview, Hudson, Alcester, Jefferson, and North Sioux City) and operates the Neal 1, 2, 3, and 4 Generating Units located 14 miles south of Sioux City along the Missouri River. The four generating units are jointly owned by:

Neal 1—IPS Electric
Neal 2—IPS Electric
Neal 3—IPS Electric, Iowa-Illinois Gas & Electric Company, Iowa Southern Utilities.
Neal 4—IPS Electric, Northwestern Public Service, and twelve other investor-owned, rural electric and municipal utilities.

The four Neal Generating Units have a combined net capacity of over one and a half million kilowatts. IPS Electric has the capacity to meet customers' current and future needs and to energize economic development in the company's service area.

Negotiated coal and rail contracts, efficient operations and changes in tax laws have allowed IPS Electric to reduce its already competitive electric rates. Reduced rates that will remain stable. . . helping encourage businesses to locate and expand in its service territory.

IPS Electric operates the four Neal Generating Units located along the Missouri River. Neal Unit 4 is pictured in the foreground, with Units 1, 2, and 3 in the background.



Economic Development

The divisions of Iowa Public Service Company, IPS Electric and Midwest Gas, are committed to the growth and development of the area the companies serve. The companies employ two full-time economic development specialists who actively promote the benefits of locating in the Midwest to businesses around the world.

Iowa Public Service Company's commitment to economic development is exemplified by one of the state's most exciting economic development projects, the Dakota Dunes land development project in southeast South Dakota. Dakota Dunes will be a 2,000-acre master planned community where living and working environments complement one another. The community will feature a 18-hole golf course designed by Arnold Palmer.

The company's Gateway Business Park in North Sioux City, South Dakota is another example of the Company's commitment to economic growth. The business park is currently occupied by six companies and has room available for other that want to locate or expand their operations in South Dakota.

Customer Service

The employees of IPS Electric and Midwest Gas are committed to meeting customers' needs and exceeding their expectations. Because of this commitment, they both offer not only safe and reliable utility service, but also a variety of customer service programs to:

—Help make paying utility bills as easy as possible with the Bonus 12 and Total 12 budget payment plans and the Direct Check payment withdrawal plan.

—Help meet the special needs of valued customers age 62 or older with the Gold Courtesy Service program.

ergies
b A Better Life"

—Help people pay heating bills when an emergency or crisis has made it impossible for them to afford to keep their heat on with funds from the I Care program.

—Help educate people about the efficient and safe use of energy with free booklets, films and speakers.

—Help keep "an eye out" for signs of someone troubled and in need of assistance through the Gatekeeper program.

MIDWEST GAS
The Service People

Midwest Gas is a division of Iowa Public Service Company of Sioux City, Iowa.

Midwest Gas serves a total of 345,000 customers in Iowa, South Dakota, Nebraska and Minnesota. The company serves 8,400 customers in 8 South Dakota communities (Canton, Beresford, Alcester, Yankton, Gayville, Elk Point, Jefferson and North Sioux City) with offices in Canton and Yankton.

Midwest Gas represents the merger of the former Iowa Gas Company, the former North Central Public Service, and the former gas division of Iowa Public Service. Because of its size, it can accommodate the rapid changes going on in the natural gas business nationally, and economically work with pipeline suppliers and independent producers to provide gas service at costs that are now among the lowest in the country.

Located in the scenic dunes and forested highlands, Dakota Dunes marks the merging of the Big Sioux and Missouri Rivers. Once a gateway to the west, the site will become a modern settlement and a gateway to the future.

Northwestern Public Service Company

Northwestern Public Service Company is extremely proud to have been a part of South Dakota's history for the past 67 years. In this time our Company has grown from a small isolated utility serving four towns to a corporation with a sophisticated system designed to serve electricity to customers in 108 communities in eastern South Dakota. Northwestern also distributes natural gas to consumers in 27 cities in South Dakota and 4 communities in Nebraska.

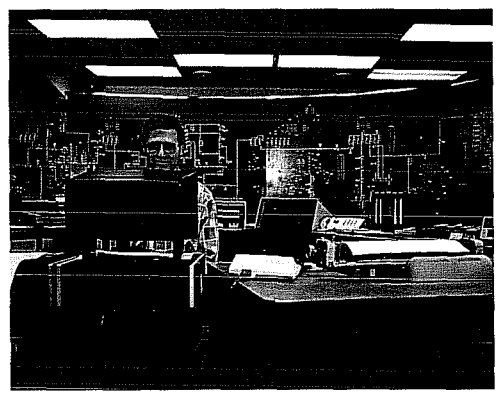
NWPS receives base-load power from three generating stations owned jointly with other utilities: The Big Stone Plant near Big Stone, South Dakota, Coyote 1 near Beulah, North Dakota, and Neal #4 near Sioux City, Iowa.

The general offices of Northwestern Public Service are located in Huron, South Dakota. Division headquarters are in Aberdeen, Brookings, Huron, Mitchell, Redfield, Webster, and Yankton, South Dakota, and in Grand Island, Kearney, and North Platte, Nebraska.

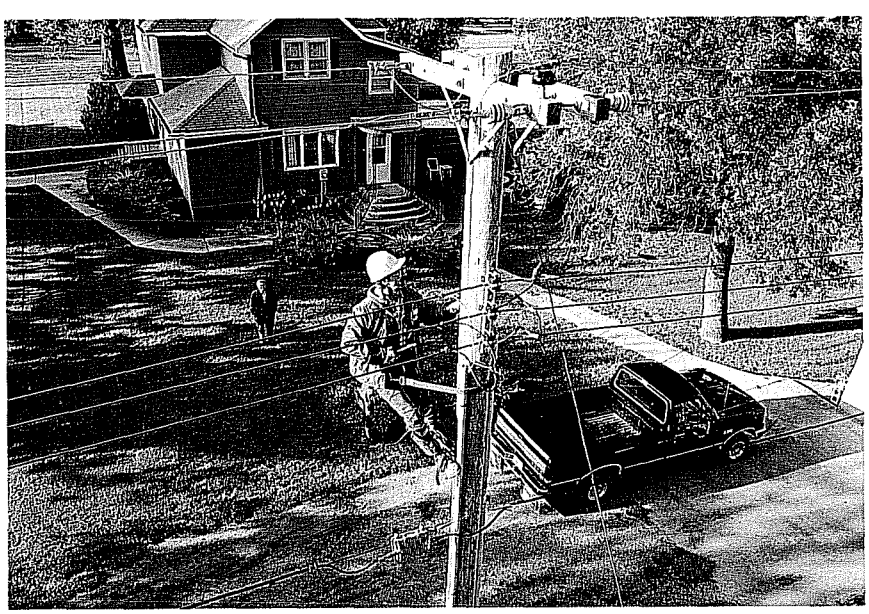
NWPS has developed programs to enhance the economic base of the communities we serve. One such program implemented by Northwestern is a community development program that fits the needs of almost 90% of the towns we serve, small communities with a population of 1500 or less. This program is designed to produce concrete results, such as the establishment of a profitable business or service. A large amount of community involvement is encouraged to help ensure success of the new business.

Recognizing the importance of economic development in the larger communities we serve, Northwestern has implemented an advertising partnership in which eight large communities served by NWPS elected to participate. This partnership enables these communities to reach a broader advertising market to promote economic development in eastern South Dakota. This encourages cooperation while still serving the individual needs of all of the member communities.

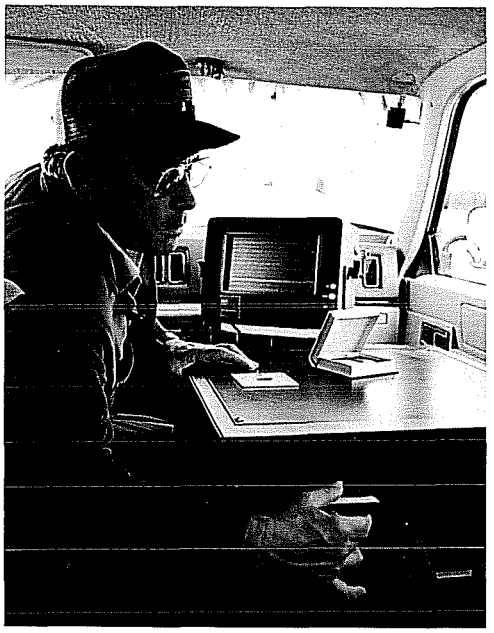
Northwestern has provided its electric customers with a long period of rate stability. Our last electric rate increase was in May, 1985 and amounted to less than one percent. Our most recent adjustment was a 4% decrease effective July, 1987. As the purchasing of natural gas evolved into a more open market and became more subjected to market forces, NWPS responded by dedicating increased effort to shopping the market for the best buys available. One of the main goals for Northwestern is continued rate stability for our customers.



Northwestern's dispatch office, located in Huron, SD, keeps energy moving through nearly 3,000 miles of electric lines and 1,100 miles of gas mains, 24 hours a day, 7 days a week.

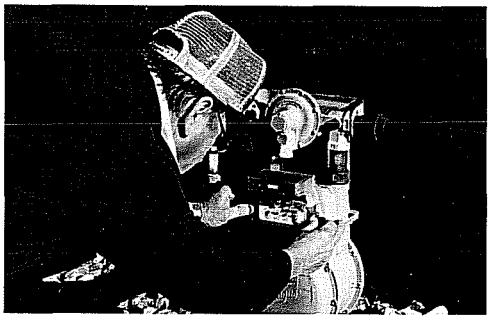


Northwestern Public Service Company distributes electricity to nearly 53,000 customers in and around 108 communities in South Dakota.



Arnie Smith, a Minnegasco meter reading employee in Sioux Falls, inserts a computer disk into the AccuRead® automated meter reading system DataCommand® unit, preparing to read residential customer meters by driving by customers' homes at normal traffic speeds.

Roger Pieper, a Minnegasco service technician in Sioux Falls, fills a Minnegasco vehicle with clean-burning natural gas. The company is expanding support for natural gas powered vehicles to help clean up the environment.



Arnie Smith, a Minnegasco Meter Reading employee is Sioux Falls, installs an ERT® unit on a residential customer's meter. The unit encodes, receives and transmits meter reading data when awakened by radio waves from a specially-equipped Minnegasco van.

Minnegasco®

A Company of Diversified Energies, Inc.

Minnegasco, Inc.— A South Dakota Century Business

Minnegasco, Inc., an investor-owned natural gas distribution company, serves 46,500 customers in 16 South Dakota communities. Its predecessor companies have served South Dakota since 1883, when gas was manufactured from coal and used to light up the streets of Sioux Falls. The company has a regional headquarters in Sioux Falls and employs 90 people in South Dakota.

Minnegasco serves 647,487 customers in 234 communities in South Dakota, Minnesota and Nebraska. Minnegasco is a company of Diversified Energies Inc. (DEI), an energy services, products and communications corporations headquartered in Minneapolis.

AccuRead® Automated Meter Reading System

The AccuRead® automated meter reading system was installed in South Dakota in 1988 and 1989 to improve customer satisfaction by eliminating estimated bills.

The AccuRead system uses modern radio frequency technology to read inside or outside residential gas meters in any kind of weather—without having to gain access to customers' homes or property.

With encoder-receiver-transmitters (ERT® units) installed on residential gas meters and a DataCommand® unit on board a vehicle, Minnegasco reads customer meters remotely while driving by homes at normal traffic speeds.

The system is being marketed internationally by EnScan, another DEI company. In 1988, Sioux Falls became the first metropolitan community in the world to read all residential gas meters with the new AccuRead system.

Natural Gas Powered Vehicles—A Chance to Clear the Air

Minnegasco is expanding its support for natural gas powered vehicles to help clean up the environment. Congress is encouraging the use of alternate clean-burning fuels, and natural gas is being used to fuel more than 30,000 cars, trucks and buses in the U.S. today. Natural gas is plentiful, burns cleaner than gasoline, and is more economical and safer to use than gasoline.

Minnegasco installed a natural gas vehicle fueling station in Sioux Falls in 1988 and is in the process of converting its own fleet to run on natural gas. The company also provides support to other interested fleet vehicle owners. Throughout its three-state service area, Minnegasco operates more than 130 natural gas powered vehicles and serves some 20 customers in Minneapolis and Lincoln who operate over 120 natural gas powered vehicles.

First Price Increase in Six Years

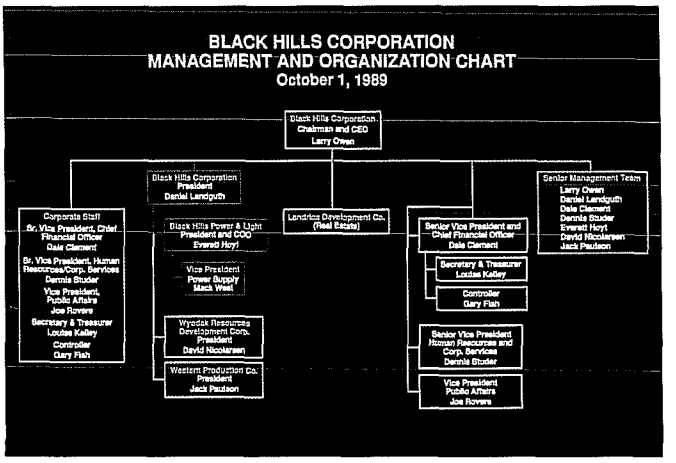
In 1989, Minnegasco proposed to raise its prices to cover system investments and slightly higher operating costs. The company had not proposed increased rates in nearly six years, and the 1989 proposed increase was less than one-fourth of the rate of inflation over this time period. Price reductions have been passed on to customers over the past few years, and residential heating customers will still be paying substantially less than in January 1984, when the last general price increase went into effect.

Just A Phone Call Away

Minnegasco provides 24-hour emergency service at no charge. The company also sells and services appliances. Employees are available to assist customers with any questions they may have, and special programs like the Budget Payment® Plan and Bank Pay® Plan make bill paying easier.

Black Hills Power and Light Company

Black Hills Power and Light Company was incorporated under the laws of South Dakota in 1941. In 1986 the Company changed its name to Black Hills Corporation and now operates its investor-owned electric utility operations under the assumed name of Black Hills Power and Light Company. In addition, the Company has diversified into coal mining through Wyodak Resources Development Corp. and oil and gas production through Western Production Company.



Black Hills Power is engaged in the generation, purchase, transmission, distribution, and sale of electric power and energy in 11 counties in western South Dakota, northeastern Wyoming, and southeastern Montana. The territory served by Black Hills Power includes 20 incorporated communities and various unincorporated and rural areas with a population estimated at 165,000. The largest community served is Rapid City, South Dakota, with a population, including environs, estimated at 75,000.

Principal industries in the territory served are cattle and sheep raising; farming; milling; meat packing; lumbering; the production of cement; the mining of bentonite, feldspar, stone, gravel, silica, sand, gold, silver, coal, and other minerals; the manufacture of electronic products, wood products, and gold jewelry; and the production and refining of oil. Black Hills Power serves a substantial portion of the electric needs of the Black Hills tourist region which includes Mount Rushmore National Memorial. Although only a small portion of Ellsworth Air Force Base is served by Black Hills Power, EAFB forms a significant economic base for the territory served.

Electric Power Supply

Black Hills Power has experienced no difficulty in meeting the demand of its customers for electric power and energy. The Company's peak load of 282 megawatts was reached in February 1989. Black Hills Power owns and leases coal-fired generating units having name plate ratings of approximately 187 megawatts, with a capability of 161 megawatts for base load purposes and 111 megawatts, with a capability of 92 megawatts of oil-fired diesel and combustion turbines for peaking and standby use. Additional base load power was acquired by Black Hills Power through a 40-year purchase power agreement for 75 megawatts executed in 1983 with Pacific Power and Light Company. In addition to base load power, the Company purchases non-firm, short-term power as needed and available.

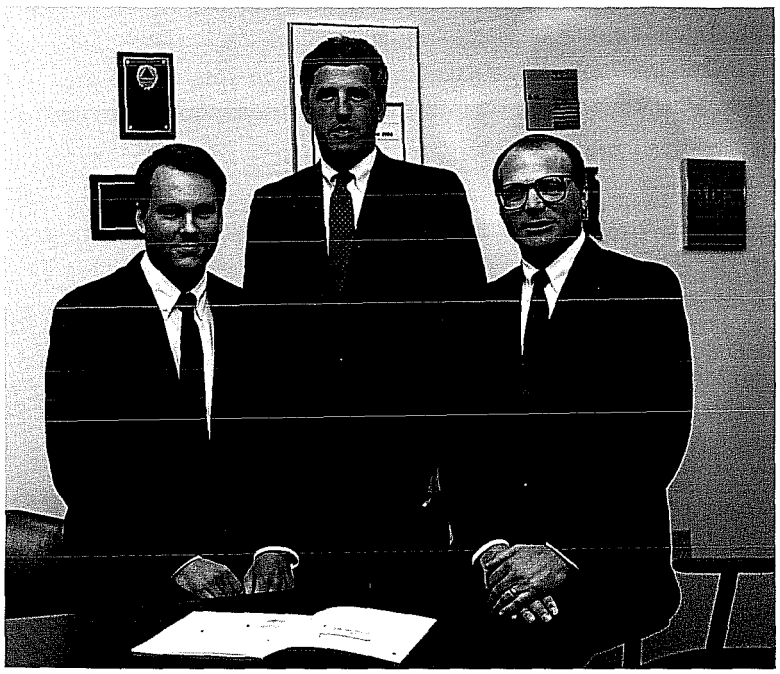
Energy Sales

Firm energy sales increased in 1989 by 2.0 percent and are forecast to increase over the next ten years at an annual compound growth rate of 2.2 percent. System demand increased in 1989 by 8.0 percent and is forecast to increase at an annual compound growth rate of 2.2 percent.

Customers

Black Hills Power has 50,359 electric customers with the average residential customer using 8,171 kWh's annually of electricity at an average price of 7.4¢ per kWh. A net increase of nearly 1.7 percent in total customers served continues to reflect the stable economy of the service area.

Northern States Power Company



NSP South Dakota Staff
(Left to right) Kent Larson, Region Electric Operations Manager; R. H. Schulte, Region General Manager; Angus Anson, Region Business Operations Manager.

South Dakota Region

Northern States Power Company serves parts of Minnesota, South Dakota, North Dakota, Wisconsin and Michigan's Upper Peninsula. The Company generates and transmits electricity to 1.3 million customers and distributes gas to 334,000 customers.

In South Dakota the Company serves electricity to over 53,000 customers in thirty-six communities including Sioux Falls, Canton, Garretson, Dell Rapids, Salem and Centerville. Peak demand for the South Dakota system was 269 megawatts in July 1989. Sioux Falls represents 85% of South Dakota system load. South Dakota represents 5% of total NSP system load. Power is supplied to the system predominantly from coal, nuclear, and hydro plants in Minnesota. A single generating unit—Pathfinder—a 60 MW gas-fired peaking facility is operated in South Dakota.

NSP's service territory's once traditional agricultural economy (Morrells, Sioux Falls Stockyards) has been bolstered by non-agricultural expansions (examples)—credit cards, Citibank, Sears Payment Systems, manufacturing, Raven Industries, Hutchinson Technology, Medical—Sioux Valley, McKennan, Crippled Children's and Veterans Administration Hospitals; and thriving retail activity—over $1.05 billion in sales during 1989.

Construction activity in Sioux Falls surpassed $140 million during 1989.

NSP is assisting this "Good Thing Going" in the Sioux Falls Area through keeping electric rates among the lowest one third in the nation. The business environment is extremely competitive today—NSP helps business become more profitable through low rates and assistance in energy conservation.

MONTANA-DAKOTA
UTILITIES CO.
A Division of MDU Resources Group, Inc.

Montana-Dakota Utilities Co. owns and operates natural gas distribution systems in the Black Hills and electric transmission and distribution facilities in north-central South Dakota. The company also owns 22.7 percent of the Big Stone Generating Station, near Milbank. Montana-Dakota serves 30,771 natural gas customers and 8,663 electric customers in the state.

The natural gas properties—known as the Black Hills division—are headquartered in Rapid City. The electric properties—known as the Mobridge division—are headquartered in Mobridge. These two divisions employ 166 people with an annual payroll of $4.2 million. In 1990, the divisions budgeted to spend $1.7 million on construction projects to ensure safe and reliable energy service to customers. Montana-Dakota maintains 15 offices which serve customers in 67 communities.

Along with providing energy to South Dakota customers, Montana-Dakota employees participate in community activities and volunteer programs as well. It was through this willingness to be involved that Montana-Dakota received a special honor in 1988 for its outstanding contributions to the American spirit of volunteerism and community action.

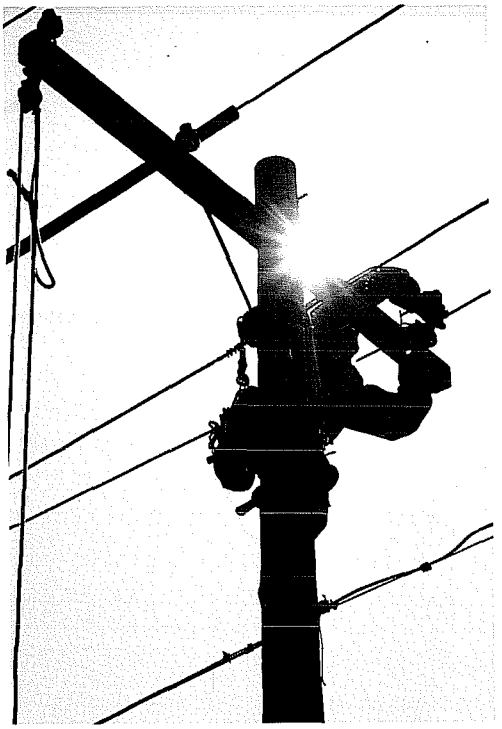
Montana-Dakota's involvement in establishing a fuel assistance program in South Dakota is one example. Energy Share helps those who are having problems paying their energy bills and who aren't covered by any other social service agency program. In its last two years, Energy Share of South Dakota raised over $30,000 to help needy families.

Many Montana-Dakota employees also participate in the company's Gatekeeper program. This program is designed to uncover problems with the elderly and the handicapped. Utility employees regularly come in contact with all customers and act as "eyes and ears" to relay information to local service agencies that can help elderly and handicapped citizens.

Many South Dakota towns and cities are involved with economic development efforts. As part of a program to encourage growth, Montana-Dakota produced videotapes for the Chambers of Commerce in Lemmon and Gettysburg in 1989. The company has also completed economic development shows for Mobridge along with Rapid City and Spearfish. Montana-Dakota helps economic development in other ways including financial aid, the publication of community data brochures and through employees who assist on local boards and committees.

Montana-Dakota is indeed a partner in the communities it serves. In addition to providing energy and a large payroll, Montana-Dakota is also a major taxpayer. In 1990, the company paid property taxes of $1.3 million in South Dakota.

Montana-Dakota Utilities Co. is the energy distribution division of MDU Resources Group, Inc., a diversified natural resource enterprise. Other companies that belong to the MDU Resources family are Knife River Coal Mining Company, Williston Basin Interstate Pipeline Company, Prairielands Energy Marketing, Inc. and Fidelity Oil Group. The corporation is listed on the New York Stock Exchange under the symbol "MDU" and operates primarily in the states of Montana, North Dakota, South Dakota and Wyoming.



Skilled construction and service personnel work to ensure that energy is delivered to Montana-Dakota customers in a safe and reliable manner.

The Black Hills division and the Mobridge division comprise Montana-Dakota's electric and natural gas properties in South Dakota. Max Miller (L) is the Black Hills division manager and J.J. Williams (R) is the division manager in Mobridge. Joseph R. Maichel (seated) is president of Montana-Dakota.

Montana-Dakota became a part of the South Dakota economy in 1928 when a natural gas transmission line was built between Baker, Montana, and Rapid City. Distribution systems were soon built in a number of Black Hills communities.

Issues

Introduction

Following are seventeen issues that have involved the PUC staff over the past fiscal year. All are of concern and we will continue to work towards resolution over the next few years. A staff member has written each synopsis, but no one claims total originality. We have borrowed language from memos, agendas, and orders written by others on the staff.

Our intent is to present in language that can be understood by the layman. However, we are so familiar with regulatory jargon that we may not recognize what is difficult to understand. For that we apologize. We hope that you gain some understanding of the workings of the PUC.

Greg Rislov

Greg Rislov
Director of Fixed Utilities

Competition in Construction

Background: U S West Communications, Inc. (USWC) provides local exchange service to 78% of the telephone customers in South Dakota. In addition to USWC, there are fourteen independent telephone companies, thirteen cooperative telephone companies, three municipal companies, and fourteen foreign (serving border communities) companies.

Until January 1, 1984, the operation was still fairly simple. USWC carried all of the intrastate long distance calls for everyone outside the local exchange company territory, and USWC carried interstate calls from the local exchange offices to AT&T's Point of Presence (POP) in South Dakota, and AT&T carried all of the interstate calls from their POP to other states and countries.

USWC had and still has a memorandum of understanding with each local exchange company for access fees for originating or terminating calls in that territory. Likewise, AT&T and USWC had a contract for access fees for calls carried over each other's lines.

Now comes the dawning of Technology and Competition. First U.S. Sprint and MCI began vying for the interstate calls and dollars. Most customers in South Dakota have a choice of long distance carriers, but they are the customers in the larger communities. Sprint and MCI probably do not find it economically profitable to compete for business in the small communities.

Then local exchange companies began to realize that they might build their own fiber optic lines to AT&T's or other interstate carriers' POP and bypass USWC's lines.

Lightwave: The first telephone companies to propose construction of their own fiber optic line were Brookings Municipal Telephone Company and Sioux Valley Telephone Company, who formed Joint Lightwave Associates to build the line from Brookings to AT&T's POP in Sioux Falls. They applied to the PUC for permission to construct the facility in August of 1987, maintaining that it would carry interstate calls only. USWC opposed the construction on the basis that it could be used for intrastate calls, creating a duplication of facilities which was prohibited by state law. Over a two year period of time, the PUC granted permission for construction for interstate calls only; USWC appealed that decision to Circuit Court, it was remanded back to the PUC and reheard, permission for construction was affirmed by the PUC; USWC appealed again and the Circuit Court upheld the PUC. The decision was then appealed to the SD Supreme Court where it is still pending.

In the meantime, applications for similar facilities have been filed by Interstate Telecommunications Cooperative (ITC) for construction between Chester and Sioux Falls with the intention of carrying all of ITC's interstate calls to the POP in Sioux Falls, and by Dakota Cooperative Telecommunications (DCT) for construction between Lennox and Sioux Falls to carry all of DCT's interstate calls. Subsequently, at a PUC meeting on June 25, 1990, the Commission approved the construction by ITC. The issues to be decided involved PUC jurisdiction and the public interest, and whether ITC has the right to make this facility noncompetitive, and to terminate traffic at AT&T's POP in Sioux Falls. General Counsel Eidahl urged the Commission to find jurisdiction, not over traffic which is interstate, but over construction. He also recommended that this construction is in the public interest because of the cost savings to the carriers, and the construction will provide "state of the art" services. The

Commission approved the proposed construction, granting a monopoly to ITC for origination of access, but adding the condition that termination be provided to the customer's carrier of choice.

SDN: On October 6, 1989, South Dakota Network, Inc. (SDN) and South Dakota Centralized Equal Access (SDCEA) filed an application seeking Commission approval to construct, lease or otherwise cquire, and to operate certain telecommunication facilities. The facilities proposed would provide the backbone for a centralized equal access network presently planned to serve the subscribers of at least twelve participating local exchange telephone companies (PTCs) operating in eastern South Dakota. The twelve PTCs serve approximately 50% of the non-USWC access lines in the state including 76 rural exchanges and 37,067 access lines. They include Baltic Telcom Cooperative, Brookings Municipal Telephone, Interstate Telecommunications Cooperative, James Valley Cooperative Telephone Company, McCook Cooperative Telephone Company, Midstate Telephone Company, Sanborn Telephone Cooperative, Sioux Valley Telephone Company, Splitrock Telecom Cooperative, Sully Buttes Telephone Cooperative, Tri-County Mutual Telephone Company and Valley Telecommunications Cooperative Association.

SDN sought approval to construct and operate a digital access tandem switch in Sioux Falls and also certain fiber optic transmission lines that would be used to carry traffic of the PTCs between the switch and certain designated meet points. The PTCs on their own will be responsible for the construction or provision of any additional facilities needed to connect their local end offices to the chosen meet points. The centralized equal access network would allow for "1+" dialing on both an intrastate and interstate basis and would also make other "information age" services available to the PTC's local subscribers. Equal access or 1+ dialing means that the subscriber can use the carrier of his choice by dialing only 1+ seven digits for intrastate calls or 1+ 10 digits for interstate calls.

SDN and SDCEA believe that by affording long distance carriers the opportunity to interconnect at the Sioux Falls tandem switch with the equivalent of a 37,000 line local exchange, the third largest local exchange concentration in South Dakota, the proposed system will speed the availability of high-quality, competitive long distance service to the rural areas encompassed by the project. Additionally, SDN asked the Commission to order mandatory use of the centralized equal access and transport facilities for all traffic terminating and originating in the 76 independent telephone company exchanges participating in the project. With such an order, interexchange toll providers would have no choice in routing any traffic over alternating facilities.

A hearing on SDN's application was held on January 29, 1990. Commission approval would be based on SDCL 49-31-20 and 49-31-21 which require a finding that the proposed facilities are in the "public interest". According to PUC Staff, SDN and SDCEA had the burden of proving not only that valuable benefits would be provided to certain telephone end users over the network, but also that those benefits would not be provided at too great a cost.

Objections to SDN: USWC and AT&T, through their evidence, presented concerns relating to network costs, the effect the network would have on access charges, and whether alternative methods of providing centralized equal access had been fully explored and considered by the applicants. Moreover, USWC questioned the financial impact that the proposed network would have on USWC and its customers. USWC and the PTC's already have in place a jointly provided network which is currently hauling long distance traffic to and from a USWC access tandem switch in Sioux Falls. If the Commission authorizes construction of the network as proposed and requires that all interexchange carriers use the network for all originating and terminating traffic, thus making SDN and SDCEA the exclusive providers of access to the participating exchanges, Mr. Melichar, an expert witness for USWC, testified that "hundreds of miles" of USWC route miles would be affected in some manner (either under-utilized or stranded).

In the opinion of Mr. Melichar, there is no need to construct a new, duplicate facility in South Dakota to haul originating toll traffic to the proposed SDCEA tandem switch. The transport piece of the SDCEA network could be provided over existing USWC facilities. According to Mr. Melichar, customers within the PTCs would still receive the 1+ benefits, but "consumers in South Dakota would not be required to pay for a duplicate network."

There appeared to be no real investigation by SDN, or substantive communications between SDN member companies and USWC, relating to whether the transport facilities could be provided via some special arrangements at lower costs.

PUC Staff's Position: Quoting PUC Staff's Initial Brief, "South Dakota's population or lack thereof lends a certain degree of difficulty in assuring that "competitive facilities" have an opportunity to produce benefits of competition. The lack of population and relatively small amount of commercial and industrial activity make the rates needed for cost recovery extremely sensitive to increases in plant costs."

Staff's brief went on to say, "SDN's goal is to provide improved services to its member companies' subscribers. SDN's goal is not construction of new facilities. Any construction is only a means to an end, not an end in itself. It seems logical that once the goal is established, one should look to fulfilling the goal in the most efficient manner. Cost is one measure of efficiency, and the Commission is required to judge the varied alternatives to determine which is the best alternative."

More to Come: After the hearing and filing of briefs, SDN filed a motion to amend the application and reopen the hearing. A re-hearing is planned for October 31, and November 1, 1990.

The application by SDN and SDCEA was shortly followed by an application by a group of participating telephone companies to construct fiber optic transport facilities permitting applicants to connect their exchanges to the centralized equal access system proposed by SDN and SDCEA. Those companies included Brookings, Interstate, McCook, and Sioux Valley. No action has been taken pending the decision on SDN.

Marilyn Teske

Marilyn Teske
Director of Administration

Cost Allocation

Introduction: Cost Allocation in general refers simply to the process of assigning the costs of doing business among the various products and services offered by the business. The process is normally accomplished by performance of an in-depth study. The study is an attempt to determine which product or service is responsible for causing each cost. In some cases it is difficult to directly relate costs with services due to multiple services being

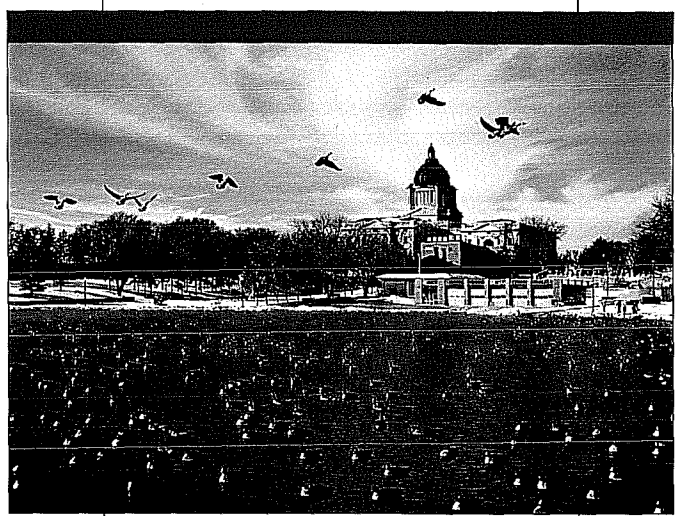
supplied with common capital. This occurs when economies of scale are achieved through an application of advanced technologies, with such technologies' high costs generally being fixed costs. Numerous products or services may utilize the same facilities, equipment, management, and funding. These common costs must then, in the costing process be assigned to and borne by the services or products. There is often disagreement on how these common costs are to be allocated or assigned to the products or services.

On June 1, 1989, the SD PUC opened Docket F-3820 to investigate US WEST Communications' (USWC) allocation of revenues, expenses, and investment among all services offered. This "cost allocation" docket was opened in order to develop all of the administrative detail and timetables. As the proceeding progressed, it became obvious that the administrative burden would be lessened if there were separate dockets for each of three categories of regulatory oversight. On September 22, 1989 the Commission opened three new dockets, F-3848, F-3849, and F-3850, to review Non-Competitive, Emerging-Competitive, and Fully-Competitive service categories, respectively. The Commission then closed Docket F-3820 on October 11, 1989.

Why necessary: Prior to divestiture, which is commonly known as the break-up of AT&T, the Bell system provided a full range of telecommunications services to its customers as well as to those who necessarily accessed the system. Because of this, regulators and the company were able to establish rate levels and rate design on the basis of social welfare criteria as well as cost. To an extent it was necessary to do so because of the lack of cost data.

After the system break-up, cost information became necessary for several reasons. The most prominent is the movement to competition in provision of some of the services. When a service becomes a target for competitors and is declared competitive, it is necessary that the costs related to providing that service be identified and separated from the still regulated services. This must be done to ensure that no cross-subsidization or predatory pricing occurs.

Timetable: Although these dockets have been open for more than a year, there has to date been no substantive testimony filed on cost allocation. There have been peripheral legal maneuvers that have granted intervention, requested discovery, and asked for protective orders on material discovered. The discovery process has, however, been ongoing for the majority of the time the dockets have been opened. Consequently it is expected that the parties involved will be prepared for hearing in December of 1990, with a Commission decision expected early in 1991.



Issues: While there could be disagreement over literally thousands of allocators, it seems logical that the bulk of the disagreement will center in broad terms on the allocation of commonly used non-traffic sensitive plant. This allocative item is of great significance to both the captive local service customer as well as to the company which is trying to meet competition with some of its services. Competitors will also share the concern that USWC not unfairly load the local service, captive customer to the benefit of establishment of artificially low toll and specialized service rates. USWC would want to maintain maximum flexibility for profitable pricing of its services. To achieve this flexibility it would seem logical that USWC hopes to retain or increase the allocation of costs to the non-competitive group of services.

Staff Role: The PUC Fixed Utilities Division staff, as well as the legal staff, must assume some degree of responsibility for processing of this docket. The Fixed Utilities staff will be separated into two groups, with one performing the normal staff adversarial role, while the other will assist the Commissioners in the decision-making process. Consultants, both legal and cost of service, have been retained to assist the staff in presentation of the adversarial case.

Greg Rislov
Director of Fixed Utilities

Grain Bonding, Self-Insurance

Background: Dwindling crop production resulting from drought and continuing changes in the farm economy have led to a decrease in storage income for the state's grain elevators and forced them to look more toward grain merchandising for their primary source of income. The buying and selling of grain by elevators and trucking firms is covered under the grain dealer's bond of either $25,000 or $50,000. The amount of bond is based on volume of purchases and number of trucks used in grain dealer operations. The bond covers potential losses a farmer or dealer could suffer in case of a licensee's financial failure. Should the drought continue and the general condition of the agricultural economy continue its downward trend, the number of failures in the grain industry will undoubtedly increase significantly. Growing concern over the potential losses to South Dakota farmers has forced the Legislature to reevaluate current bonding levels and consider alternatives to this method of providing protection.

The Self-Insurance Concept: One alternative to bonding that is being utilized in several states is a catastrophic loss self-insurance fund. Under this method, assessments collected from warehousemen and grain dealers are deposited into the fund and held for future disbursement to producers or dealers who have valid claims against an insolvent licensed grain dealer or warehouseman. Supporters of this type of program cite the level of protection provided (up to 100%), and the speed with which payment can be made as the primary advantages. Opponents believe providing such high levels of protection promotes poor management practices and requires financially stable, well-run firms to subsidize losses created by poorly managed or financially unstable firms. Attempts to establish this type of program in South Dakota have faced considerable controversy and been unsuccessful thus far.

(Issues continues on next page)

Legislative Action: In addition to studying and discussing the bonding versus self-insurance pool, the 1990 South Dakota Legislature debated a bill (HB 1254) that would have moved the regulation of grain dealers, grain warehouses, and public storage warehouses from the PUC to the Department of Commerce and Regulation. The bill passed both houses but died in a last minute round of political horse trading before a conference committee could meet.

The failure of two licensed grain dealers has provided an added impetus to confront and alleviate the problem of inadequate protection for South Dakota producers. Bird Grain of Elk Point, South Dakota and Barzen International of Stacy, Minnesota became insolvent, leaving over $766,000 in outstanding liabilities to producers and elevators with combined bonding coverage of only $75,000.

PUC Response: The Commission has also recognized a need to strengthen its regulation of the grain industry in other areas. Public listening meetings held May 31, 1990, at Huron and Vermillion provided individuals active in the grain industry an opportunity to voice their concerns and offer suggestions to the Commission. Sixty people attended the meeting in Huron and twenty-seven attended the meeting in Vermillion. The conversation at both meetings was centered around the areas of: (1) inspections, (2) licensing, (3) legislation and administrative rules, and (4) protection. The testimony received at the meetings will assist the Commission in fulfilling its commitment to providing adequate protection for the farmers of South Dakota.

Edward R. Anderson

Edward R. Anderson
Deputy Director of
Transportation/Warehouse

Enhanced 911

Description: Enhanced 911 (E911) is the latest technological tool available to emergency response agencies to speed the delivery of the appropriate emergency services. Basic 911 systems allow callers to use one easy-to-remember number in any type of emergency situation; but Enhanced 911 goes beyond that, using a computer to identify the location of the calling party, greatly reducing the potential for human error.

How It Works: When any call is made, it travels from the caller's location to the telephone company's central office where the switching equipment routes it to the proper location. Where an E911 system has been installed, computer software in the central office identifies the telephone number of the calling party (Automatic Number Identification). The telephone number instantly appears on a display at the Public Safety Answering Point. Within just a few seconds, the caller's address will also appear on the display, a feature called Automatic Location Identification. Even if the caller fails to give an address or is unable to speak, the dispatcher knows exactly where the emergency is located. The display will also contain a list of the appropriate emergency response agencies, so the dispatcher is certain to send the nearest police unit, fire or ambulance crew. The computer that provides the address may also include other vital information about the caller—a certain address may have a history of domestic violence, a person living in the home may have a serious heart condition or perhaps a business has hazardous chemicals stored on site. Other features of E911 allow the dispatcher to immediately ring back a caller who has hung up, and to forcibly disconnect a caller to clear the line—useful in keeping lines free from crank callers. Directions to a rural residence may also be displayed on the screen.

Not Everyone Has It: Unfortunately, the service is not yet available everywhere in South Dakota. The E911 system requires that a telephone exchange be served by an electronic switch. Virtually all cities served by cooperatives and small independent companies have been converted to electronic switching. US WEST Communications, as part of a settlement agreement with the PUC, has agreed to modernize all its exchanges by the end of 1994. As of June 30, 1990, more than 60 US WEST exchanges were still served by older electromechanical switching equipment.

House Bill 1114: The 1989 Legislature passed HB 1114 (SDCL 34-45-1 through 34-45-14) which allows entities of local government to assess a surcharge of up to 75 cents per month on each telephone access line under its jurisdiction. Proceeds from this surcharge may be used to offset the expenses associated with implementation of a Basic or Enhanced 911 system. Minnehaha County was the first unit of government to enact a surcharge, implementing a 60 cent charge effective January 15, 1990. Since then, several other counties have followed Minnehaha's lead and have approved ordinances to begin a surcharge with the intention of establishing a county wide E911 system.

Problems: The authority to assess a surcharge provided by HB 1114 was not intended to pay all costs of implementing E911 service, but rather was designed to help local governments defray some of the expenses associated with the new technology. E911 is not cheap, and many of the less populous counties in South Dakota have found it necessary to cooperate with other units of government to make the service affordable. Historically, the formation of such cooperatives has required extensive, time-consuming negotiations. To maximize the efficiency of such a cooperative effort, PUC Chairman Jim Burg suggested that a statewide emergency reporting system be developed. Burg said a statewide E911 system with a small number of regional dispatch centers would eliminate the duplication of service that is now occurring, thereby reducing costs for all South Dakota telephone customers.

Geoff Simon

Geoff Simon
Consumer Information Specialist

Electric and Magnetic Fields

Background: Every device carrying electric current, whether it be the electric line bringing current into your house or the current flowing through your electric hair dryer, produces a field in the local environment that has both an electric and magnetic component. The strength of these fields varies. The strongest electric fields are found around high-voltage transmission lines, i.e., those lines, usually supported on steel towers, that carry electric power. The magnetic field on the other hand, is related to the current being carried and may be higher close to household appliances than near a transmission line.

Health Effects: The possibility of human health problems from exposure to electric and magnetic fields has been under investigation for decades. Recent interest has focused on certain studies suggesting that exposure to these fields can increase the risk of cancer.

Although current studies indicate there is no evidence that exposure to ambient electric fields harms humans, the health effects from exposure to magnetic fields remain

questionable. The Electric Power Research Institute (EPRI) has been a leader in the studies.

The states of Florida, Minnesota, Montana, New Jersey, New York, North Dakota, and Oregon currently legislate electric field standards.

The key questions are:

Is there risk to human health?

Who in the population is exposed?

How do electric and magnetic fields work to produce effects, if effects can be shown?

Steven N. Wegman
Policy Analyst

Telephone Assistance Plan/TAP Expansion

Background: The Telephone Assistance Plan (TAP) was filed with the Public Utilities Commission by U S WEST Communications (USWC) in August, 1987. A hearing was held in November, 1987, and the TAP was approved by the Commission in February, 1988. USWC's plan offers assistance to customers who are 60 or over and participating in the food stamp or energy assistance programs. The TAP provides eligible subscribers with a $7.00 monthly discount on local telephone service. The PUC's order authorized USWC to collect five cents per month per access line to cover its costs associated with providing the benefit and administering the plan. USWC's $3.50 contribution per eligible subscriber is matched by the Federal Communication Commission's waiver of the monthly $3.50 Subscriber Line Charge. USWC never implemented the five cent surcharge, and eventually chose to forfeit the opportunity as part of its settlement of the impact of the 1986 Tax Reform Act.

The TAP is administered jointly by USWC and the SD Department of Social Services (DSS). USWC mailed TAP applications to all eligible customers, as identified by DSS, in June, 1988. Approximately 4,650 households (about 65%) have taken advantage of the benefit. During the plan's two year history, USWC's contribution amounts to about $350,000.

HB 1244 - Proposed Expansion: House Bill 1244 was introduced during the 1990 Legislature. The bill proposed that the TAP be expanded to include telephone companies other than USWC, and would have made Supplemental Security Income (SSI) and Aid to Families with Dependent Children (ADC) recipients eligible for assistance.

HB 1244 had its genesis at a meeting of the PUC on October 11, 1989. At that meeting, the PUC chose not to expand USWC's TAP. While the PUC indicated that it could support expanding the plan to other low income groups, commissioners said they would prefer to see the plan offered on a statewide basis. Commissioners felt that state law did not provide them the authority to order the plan upon the cooperative, independent and municipal telephone companies which are not rate regulated by the PUC. The Department of Social Services had also offered its support for expanding the plan, but said the department's cooperative agreement with USWC was not providing adequate staffing to administer the plan. Both agencies felt legislation would be needed to offer a statewide program and provide sufficient administrative support.

The PUC staff was directed to contact representatives of low income groups who might be interested in seeing the plan expanded. A letter was mailed to approximately 30 such groups throughout South Dakota. Based upon the response received from that letter, HB 1244 was drafted.

In drafting HB 1244 to include ADC and SSI recipients, the intent was to target assistance to individuals who consider a telephone essential because of health problems, a mental or physical disability, or because there are children in the household. The program was aimed at individuals who are in a low income situation, largely through no fault of their own. The expansion would have made an additional 17,000 South Dakota households eligible for TAP.

Other Features of HB 1244: Funding for the expansion would come from a 15 cent monthly surcharge on every local exchange access line in the state. Each penny of surcharge will produce approximately $35,000. The surcharge would appear as a separate line item on the phone bill, but could be combined with the 10 cent charge now on phone bills to provide assistance to the hearing impaired. Like USWC's TAP, the state contribution of $3.50 would be matched by a waiver of the $3.50 monthly federal access charge.

The bill did provide an exemption for those telephone companies that are now offering an "affordable" rate. The definition of affordable provided in the bill was roughly equivalent to $10.00 a month for phone service, including the $3.50 federal access charge. Consequently, a telephone company's basic rate for residential service would have to be $6.50 or lower to qualify for exemption.

The Fate of HB 1244: The bill was defeated after a brief hearing in the House State Affairs Committee. Neither the PUC nor U S WEST took a position on the bill at the hearing. A lobbyist representing the state's cooperative telephone companies argued that the surcharge was "another tax" on the phone bill. The bill's prime sponsor, Mary Vanderlinde of Sioux Falls, was able to successfully "smoke out" the bill for debate on the House floor. However, it was defeated 26-41, a vote that primarily followed party lines. Representative Vanderlinde has indicated that the bill will probably be reintroduced in the 1991 Legislature.

What's Happening Elsewhere: As of January, 1990, 27 states and the District of Columbia offered an assistance program that meets the guidelines established by the Federal Communications Commission for matching federal "lifeline" assistance (51 Federal Register 1371, approved by the FCC January 13, 1986).

Geoff Simon
Consumer Information Specialist

(Issues continues on next page)

Line Extension

Background: Line extension refers to the need to build additional distribution facilities to serve a customer, primarily in rural settings. Line extension involves electric, natural gas and telephone service among utilities regulated by the Public Utilities Commission, as well as water and sewer utilities provided by municipalities. Property owners have complained to the PUC about the amount of money required by utilities before they will provide service to a given area. The complainants said they were shocked to learn the actual costs of bringing utility service to their property, and were not aware of those costs prior to purchasing the property. Buyers of rural or scenic property may not be warned by the sellers or realtors, and they need to be aware that providing utilities can be a major cost. Most of the line extension complaints have originated in the Black Hills region.

Line Extension policies: There are a number of different ways that utilities charge for line extensions. The two main methods are:

1) a free footage allowance plus a fixed rate for each additional foot in excess of the allowance.
2) no charge for the line extension if the cost of the extension is less than a factor (usually three) times the estimated annual revenue that will be produced by the extension. All costs exceeding the factor times the estimated annual revenue will require a contribution on the part of the customer.

If a customer provides a contribution for a line extension, he will usually have an opportunity to recover part or all of that contribution. The utility will make such a refund when another party is connected to the original line extension, but such refunds are only offered for two to five years. Line extension policies have been moving toward the general principle that the rendering of service to the applicant shall be economically feasible so that the cost of extending such service will not have an undue burden on existing customers.

Bob Knadle

Bob Knadle
Utility Staff Analyst

Demand Side Management (DSM)

Background: While conservation, load management, and marketing functions have existed in the utility industry for many years, these concepts were only recently combined into a unified concept called "demand side management" (DSM), a phrase coined by the Electric Power Research Institute (EPRI) in 1983. Demand side management is defined by EPRI as follows: "The planning and implementation of those utility activities designed to influence customer use of electricity in ways that will produce desired changes in the utility's load shape - i.e., changes in the pattern and magnitude of a utilities load." This definition includes programs such as load management, new uses of electricity, strategic conservation, electrification and adjustments in market share. In order for an activity to be included under this definition of DSM, it must result from direct intervention on the part of the utility. Utilities must look at DSM as a means of satisfying the future demand for electricity. In many cases it may be less expensive to implement a DSM program than to build capacity to serve that load. DSM has become a hot topic because of our reliance on imports of oil and energy, environmental and regulatory concerns, and the public's changing philosophy on conservation of our resources.

DSM Programs: There are many DSM programs available to the utilities today. The types of programs a utility chooses to use may vary greatly depending on the particular circumstance that the utility is facing. For example, a utility might vigorously pursue conservation measures if it anticipates the need for additional generation. On the other hand, a utility may choose to focus on marketing programs if it has excess capacity. The main objective is to provide the customer with the most value at the lowest cost while maintaining reliable service. The utilities under the PUC's jurisdiction have the following programs in place:

1) Strategic marketing is aimed at retaining or obtaining electric load that is beneficial, generally business customers with a good load factor (consistent use of power), or customers that use energy in off-peak periods.
2) Valley filling promotes usage during off-peak periods, such as offering an incentive to a manufacturer to add an overnight shift.
3) Conservation promotes efficient usage of resources by offering such items as energy audits or rebates for the purchase of energy-efficient products.
4) Peak shaving controls load during peak periods, for example, installing control mechanisms on water heaters allowing them to be turned off during a peak period. Interruptible rates also fall into this category.
5) Load shifting moves load to off-peak periods allowing for better utilization of the system, similar to valley filling.

Problems with DSM: The main objection that utilities have to DSM is that the implementation of programs can drastically reduce energy consumption, which in turn reduces revenues. Should utilities be compensated for this lost revenue? Some utilities believe they should receive a higher return on their investment in DSM to compensate for the lost revenue.

Another problem that regulators face is finding ways to measure and allocate the benefits derived from the DSM program – how much do the programs influence conservation, how much conservation would have occurred without the programs and have ratepayers and stockholders benefitted from the conservation? Also, should the costs and benefits of these programs be shared between the ratepayers and stockholders? Can utilities realistically depend on DSM to help them meet future capacity requirements? What are the limits of DSM? These are not easy questions to answer and will require that the Commission conduct a thorough review of each program before rendering a decision.

Other States: A newly released Electric Power Research Institute (EPRI) report stated that "virtually all utilities in the country are pursuing DSM to some degree, and this year nearly 15 million residential customers will participate in DSM programs. With healthy participation, DSM programs have the potential to capture significant efficiency gains. Existing and planned DSM programs alone are expected to reduce summer peak demand in the Year 2000 by approximately 43,000 MegaWatts – the equivalent output of 43 large power plants. That's about a 6.5 percent reduction in the demand forecast for 2000."

Nationwide: William LeBlanc from EPRI is the president of a newly formed group called the Association for Demand-Side Management Professionals. According to the organizers, the group was started in

response to a growing interest in the need for a professional organization to promote the interests of utility, corporate and government managers of customer-oriented electric and gas utility programs.

Bob Knadle

Bob Knadle
Utility Staff Analyst

Clean Air Act Amendments of 1990

Introduction: On April 3, 1990, the United States Senate approved its version of the Clean Air Act Amendments of 1990 (S.1630). The House of Representatives approved its version of the bill (H.R. 3030) on May 23, 1990. These similar bills are more commonly referred to as "Acid Rain Legislation" since their purpose is to reduce the emission of pollutants that contribute directly to the problem of acid rain. The primary purpose of this legislation is the reduction in the annual emissions of sulphur dioxide (SO_2) by 10 million tons below 1980 emission levels and the reduction of nitrogen oxides (NOX) by two million tons below 1980 emission levels. Both bills would effectuate such reductions by requiring steam-electric generating units to limit the maximum emission rates of the two pollutants. These bills also encourage energy conservation, use of renewable and clean alternative technologies, and pollution prevention as a long-range strategy for reducing air pollution and other adverse impacts of energy production and use.

How It Would Work: Basically both versions of this legislation provide for a phased reduction in the allowable emissions rates for SO_2 and NOX. Variances in both the time frame and reduction levels for different types of plants are provided for in the proposed bills. Both bills also provide for a system of emission "allowances." These allowances would be made available so that new generating capacity may be built. (An allowance authorizes the emission of one ton of SO_2 during or after a specified year.) A certain number of these allowances would be made available each year. Then, depending on the compromise version of this legislation, the allowances may be either sold, auctioned or directly granted to the utilities. There may also be some provision for trading of allowances between generating units and utilities. This system of allowances is designed to cap the total SO_2 emissions from power plants.

This legislation may also end up containing "regulatory incentives" for the development of clean coal technologies and renewable energy technology. The Senate version of the bill contains a provision that would give priority in selecting clean coal demonstration projects to states that have provided incentive rate treatment to these projects. Trading allowances would be made available to solar and other renewable energy technologies as an incentive for their development. The Federal Energy Regulatory Commission would also be required to write rules allowing a special rate of return to those who commercialize these renewable technologies.

South Dakota Impact: Without a finalized piece of legislation, it is hard to assess the impact the Clean Air Act Amendments of 1990 will have on South Dakota. The emission levels of most of the power plants operated by utility companies which serve customers in the state are already below the emission limits being proposed. Therefore, no new large investment in emission control devices is expected. In many cases these devices have been a part of the plant from the beginning and are already being paid for by the customer. In fact, one of the main concerns with the proposed legislation is that it doesn't seem to recognize this fact. The proposed system of allowances and disbursement of proceeds from the sale of those allowances could end up making electric customers from "clean states" help pay for cleaning up dirty power plants in other parts of the nation.

Martin C Bettmann

Martin C. Bettmann
Staff Engineer

Universal Service Fund

Interstate: The Federal Communications Commission (FCC) has adopted a Universal Service Fund (USF) to assist those local exchange carriers (LECs) with high local loop costs. The local loop includes the lines from the central office to each telephone subscriber. The USF was established in 1986 as part of an overall plan by the FCC which included the establishment of subscriber line charges (the $3.50 item shown on all residential and single line business bills and $6.00 per line for multi-line businesses), transition to a 25 percent gross allocation level of non-traffic sensitive costs (to interstate) and the establishment of a Lifeline Assistance program. The high cost assistance is being phased in over an eight year period (1986 through 1993) consistent with the transition to the 25 percent gross allocator.

To determine if a LEC qualifies for high cost assistance, the study area cost per loop (based on investments, expenses, loop data) is compared to the nationwide average cost per loop. Exchange carriers with loop costs exceeding 115 percent of the national average qualify for high cost assistance. The National Exchange Carrier Association (NECA) bills the interexchange carriers (IXCs) directly for the nationwide amount and distributes the funds to the qualifying LECs.

An overall objective of the USF program is to maintain consistency in the levels of assistance available to qualifying carriers. In an issue associated with the USF, the FCC, in July 1989, adopted rules originally proposed in November 1988 to change the criteria governing how IXCs would be assessed charges for funding the USF. The initial rules called for IXCs to be charged on the basis of number of presubscribed lines. These rules, however, caused anomalous results in the selection of IXCs; some very small IXCs would be billed for high cost support while other medium sized IXCs would not be billed.

(Issues continues on next page)

The proposal adopted by the FCC requires that only IXCs with more than .05 percent of all nationwide presubscribed lines pay the per-line charge to fund the USF (and Lifeline) program. On August 8, 1989, AT&T filed a Petition for Rulemaking requesting the FCC to institute a proceeding to examine alternative methods of recovering USF (and Lifeline) costs. AT&T objects to the charge being based on presubscribed lines and claims it is allocated a disproportionate share of costs since it has a larger number of presubscribed lines, but lower usage per line.

Intrastate: At the present time there is a pool arrangement in South Dakota. This pooling arrangement is the Memorandum of Understanding (MOU) and is in effect for 29 of the 30 LECs who settle with USWC for long distance expenses and rate of return. Dakota Cooperative Telecommunications, based at Irene, SD, the lone company not under the terms of the MOU, and USWC settle long distance expenses under a separate contractual arrangement.

Under a Universal Service Plan (USP), as proposed by the South Dakota Independent Telephone Coalition (SDITC), the LECs would have uniform access rates, not the individual access rates of today, with a USF surcharge included as part of that rate. The USF surcharge would be handled by a NECA-like organization at the state level. This organization would administer the USF surcharge. Each month the LECs would provide a statement to the USF administrator. Where the LEC revenue requirement is greater than the uniform access rate, the difference would be paid to the LEC by the USF administrator. If the LEC revenue requirement is less than the uniform access rate, the difference will be paid to the USF administrator by the LEC.

The USF objectives are to encourage competition by IXCs in the rural areas, encourage the continuation of average toll rates, discourage access tariff shopping and bypass of the rural areas and to meet the goal of universal service. The SDITC first presented this plan to the PUC on December 14, 1987, and again on December 13, 1989. No official PUC action has taken place regarding the USP proposed by the SDITC.

Harlan Best
Deputy Director of Fixed Utilities

IntraLATA Presubscription

Background: As a result of the Modified Final Judgment (MFJ) issued by Judge Harold Greene in United States v American Telephone and Telegraph Company, American Telephone and Telegraph Company (AT&T) was required to divest itself of its Bell Operating Companies (BOCs). Since January 1, 1984, the effective date of divestiture, the BOCs have been limited to providing intraLATA services only. The BOCs are expressly prohibited from providing interstate interLATA service. Intrastate interLATA toll service is now provided only by interexchange carriers (IXCs) whose ranks include AT&T, U.S. Sprint, MCI and many others.

Only a new order by the U. S. District Court for the District of Columbia can permit the BOCs to provide services between designated LATAs. On the other hand, it is up to state regulatory commissions to determine when AT&T and its competitors may provide intraLATA service. It is, therefore, within the jurisdiction of state commissions to determine the point at which intrastate intraLATA competition will be authorized.

Under the MFJ, presubscription guidelines apply only to interLATA calls. Presubscription is the term used for choosing the carrier of your choice for long distance calls. Judge Greene recognized the expense of implementing dual interLATA and intraLATA presubscription (his estimate was $1 billion nationwide) and the fact that without the ability to compete in the interLATA market, intraLATA presubscription would place the BOCs' local exchange companies (LECs) at an almost insuperable disadvantage. According to Judge Greene, if an access code is not dialed, intraLATA calls would automatically be carried by the BOC LEC.

BOCs Position: The BOCs are against intraLATA presubscription because they can not compete in the interLATA market as can their competitors. IntraLATA presubscription would also threaten existing toll-to-local contribution, resulting in increased revenue requirements for local service. Cost of implementation would also affect revenue requirements for local service.

IXCs' Position: The interexchange carriers support intraLATA presubsciption. According to the IXCs, intraLATA presubscription is necessary in order for effective and fair intraLATA competition to develop.

State Commission Positions: Nationwide, twenty-four states have authorized intraLATA facilities-based competition. However, Minnesota and South Dakota are the only states to order intraLATA presubscription (it has not been implemented in either), and several states have rejected intraLATA presubscription.

—South Dakota: In a February 21, 1989 order, the Public Utilities Commission stated that U S West Communications has a distinct advantage over its potential competitors because it is the only provider that can offer "1+" service, and therefore ordered USWC to provide "1+" service and impute access charges to itself in order to encourage intraLATA competition. The PUC stated that it would work with USWC to develop a time table for implementation.

MCI, Midco Communications, and USWC filed for rehearing and clarification of the Commission's order. On June 30, 1989, the PUC found that "to encourage intraLATA competition, USWC shall make every effort to expedite the provision of 1+ intraLATA presubscription state-wide. The Commission shall work with USWC in developing a time table to facilitate the implementation of 1+ intraLATA presubscription state-wide as soon as possible." A task force in docket TC90-01 was formed to investigate intraLATA presubscription implementation on January 8, 1990. A report from that task force was presented on July 30, 1990.

Harlan Best
Deputy Director of Fixed Utilities

LATAs, Nodes, Node People

Introduction: LATA - an acronym for Local Access and Transport Area - is a term springing from the breakup of the Bell system in 1982. LATAs are telephone service areas, each LATA having one area code number. The boundaries and limits of the area codes are the same as their LATAs. South Dakota has one LATA—the 605 area code, although certain border areas are served by companies in the neighboring state, and therefore are not in the SD LATA. Nebraska has two area codes and two LATAs, Minnesota has three LATAs, and Iowa five LATAs.

Long distance calls within South Dakota do not connect with an interstate long distance carrier, except when a call originates or terminates in a node, an area within the LATA of a border state, but within South Dakota.

The dictionary definition of a node is "a point at which subsidiary parts originate or center," among other planetary definitions. It is from Latin, nodus, or knot.

In Minnesota and Nebraska, the calls passing to the other LATA within the state are carried by an interstate carrier (an interLATA carrier), such as AT&T, MCI, U.S. SPRINT, etc.

Problems with Nodes: Those customers who live in the node areas have one problem similar to those who live in adjoining telephone exchanges within a LATA. A call into their local community where they have family, friends, or conduct business may result in a long distance charge, because of geographical location. Interexchange calls within the state and LATA are intrastate intraLATA calls.

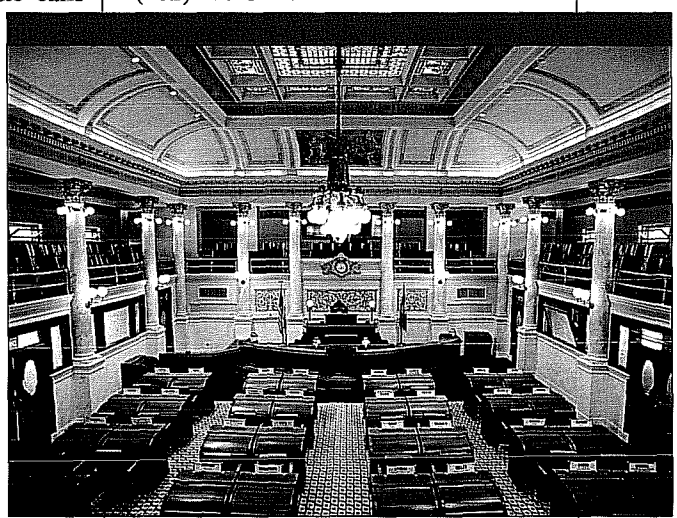
Other Problems:

1. There may be incorrect information in a telephone directory because the publisher didn't know the ramifications of the LATA boundary problems.
2. Difficulty in assigning repair service offices to node customers may exist because of confusion over which state jurisdiction is responsible for the servicing.
3. When making telephone calls, callers may not know which area code to dial.
4. For some customers, the rates are higher in the jurisdiction to which their LATA assigns them than in the preferred neighboring exchange.
5. Complaints to the South Dakota Commission are at times necessarily handed off to a neighboring state's commission.

The Remedy: If a group of node people have a strong and recognizably legitimate complaint not solved by their state commissions, their best remedy is to appeal to Judge Harold Greene's Court in Washington. The Modified Final Judgement decree became final and operative January 1, 1984, and created the LATAs in line with the area codes to limit the Bell companies to their regions, separate from AT&T.

The address and telephone number of Harold Greene's Court is:

Judge Harold Greene
U.S. Courthouse
3rd and Constitution Avenue, N.W.
Washington, D.C. 20001
(202) 535-3448



Node People:
Some Representative Cases:

1. A Jefferson woman lives in South Dakota and is billed through Iowa USWC. Her long distance calls go through Iowa when she calls Sioux Falls, SD, and they are intrastate calls, rather than the lower priced interstate calls. She can be reached through the 605 area code, as well as the 712 area code.
2. A customer in the Iowa portion of the Hudson, SD exchange who is billed and served as a South Dakota customer, opted for change so that the family would be in an Iowa exchange. This entailed an appeal to the South Dakota Public Utilities Commission and the Iowa State Utilities Board. The result was that the customer and the others in the node are now in the newly created East Hudson, Iowa exchange, but are served out of the Hudson, SD, central office.
3. A customer caught between the 605 and 612 area codes is unable to obtain the same calling packages other USWC and AT&T customers enjoy. She was told that she and her neighbors may find it necessary to appeal in concert to the Department of Justice for an alteration of the LATA boundaries enabling them to purchase the same discounted calling plans enjoyed by most USWC customers. Although she calls interLATA, and her calls are carried by AT&T, she cannot obtain Reach-Out-America, because she is calling intrastate.

Della M. Andre

Della M. Andre
Consumer Representative

Price Caps

Introduction: A price cap is a final, ultimate price a telephone company may charge for a given service. Discretion lies with the telephone company as to what price it will assign to a telephone service, only that in accordance with FCC guidelines, it does not exceed the allowed price. The highest allowed price is considered to be the price cap.

The Argument for Price Caps: The following is a paraphrase of sections of an article by Bellcore's Assistant Vice President for Business Decision Support-Planning and Analysis: As part of rulemaking proceedings initiated in August of 1987, and May of 1988, the FCC analyzed the replacement of rate-of-return regulation with price cap regulation. The stated purpose for price cap regulation would be for both company and consumer to benefit from reduced administrative costs associated with the filings and paperwork that companies and regulators do for rate increases under rate-of-return regulation. Most local access carriers are thought to believe in the underlying principle behind price cap regulation—that it should result in more competition, innovation and productivity. It is thought that companies, acting quickly under price cap regulation, can more easily take advantage of new market opportunities. (Robert J. Whitefleet, "Bellcore States Its Case," from Telephony, August 15, 1988).

The Argument Against Price Caps: Several reasons for arguing against price cap regulation are given by Ronald J. Binz, Director of the Colorado Office of Consumer Counsel:

1. The initial capped prices are too high, and the productivity offset is too low;
2. Consumers will not share in the excessive profits likely to result from price caps;
3. Price caps deny certain price reductions that would occur under rate-of-return regulation;

(Issues continues on next page)

4. Price discrimination will increase with price caps. ("The Problem with Price Caps," Telephony, September 26, 1988.)

The Present Status of Price Caps: On March 16, 1989, the FCC unanimously voted to end the limits on AT&T's profits by adopting price caps on long distance rates. In April of 1989, the FCC released a Report and Order and Second Notice of Proposed Rulemaking, which adopted price caps for AT&T to become effective July 1, 1989, and proposed price cap implementation for local exchange carriers (LECs) on July 1, 1990. The Second Notice of Proposed Rulemaking outlined specific elements of the FCC's proposed LEC price cap plan (for the interstate portions of their operations), and solicited comments for consideration prior to implementation.

Consumer groups quickly responded to this proposal. Rather than the FCC's estimate of a savings for consumers of $700 million for residential users and $200 million for business users, the consumer groups claimed that most customers will end up paying higher bills than they would under rate-of-return regulation.

At this point, the price caps for AT&T are in place, and the price cap plan for the LECs' interstate service portion is waiting for implementation on January 1, 1991, rather than July 1, 1990.

In March of 1990, the FCC adopted a supplemental notice of proposed rulemaking suggesting some modifications to the LEC price cap proposal previously put forth. The new version would prescribe an "automatic stabilizer" that assures LECs a rate of return within a zone of reasonableness and requires that LECs share earnings with ratepayers after reaching a certain level of return. This uses the LEC rates effective July 1, 1990, as the starting point for price caps and "baskets and bands" for pricing flexibility.

A "basket" of services required to meet the cap could be likened to residential long-distance rates being increased during peak hours, but at the same time the telephone company would cut prices proportionately for off-peak service. A "band" would include a base "floor" price and a "ceiling" price for pricing anywhere within these limits. The floor price would be at least the cost of the product; the ceiling price would be equal at least to the present tariffed charge.

Under the price cap rules, the cap for each "basket" of services would be set according to a "price cap index," which includes a measure for inflation (the gross national product price index), less the productivity offset, plus or minus certain "exogenous" costs beyond a carrier's control. The productivity differential is the amount by which LECs are expected to exceed general productivity gains in the overall economy. The FCC staff has made in-depth studies of this factor based on a 60 year period. The productivity differential now stands in the 2.5% to 3% range.

News Item: The Wall Street Journal reported on May 18, 1990, that starting July 1, 1990, AT&T would be cutting direct-dialed long-distance, evening-hour charges by 2.5%, amounting to $100 million a year. This affects interstate calls carried by AT&T between 4 p.m. and 11 p.m. This reduction is said to be made possible in part by cuts in access fees charged by LECs and because AT&T is planning to eliminate free directory assistance.

Della M. Andre

Della Andre
Consumer Representative

Utility Companies and Economic Development

Background: On March 13, 1990, the Public Utilities Commission opened a docket (MS90-01) to investigate the present and future role of rate-regulated utilities in the state's economic development efforts. Of particular concern to the PUC is the relationship between shareholder and ratepayer investment in economic development. In the words of PUC Chairman Jim Burg, "Obviously a utility stands to benefit from economic development because it earns more revenue from the additional customers, but those added customers also help hold down the cost of utility service to everyone."

The Procedure: On April 6, 1990, the PUC mailed copies of its order opening the docket to all investor-owned utilities, all cooperative and municipal utilities and to a number of development groups in South Dakota. Within the order were nine questions about utilities, economic development and the PUC. Approximately 40 responses were received. A review of these responses reveals some common characteristics among utility companies:

1) All maintain memberships in local commercial clubs, and nearly all are contributing both time and money to economic development efforts in the communities they serve.
2) Many have contributed funds directly to loan pools, and have provided grants to communities or specific projects.
3) All utilities cited technical assistance as one method currently used to help new or expanding businesses.

The non-regulated utilities: Several rural telephone cooperatives expressed concerns about any appearance of favoritism of one community over another in their service territory. Several companies cited the importance of establishing and maintaining a modern telecommunications network in rural areas. The co-ops said the REA's zero percent loan program offers a significant benefit in rural areas. Three phone companies mentioned that the proposed South Dakota Network **(see page 30)** may prove to be an economic development tool.

Times have changed: Special rates are offered by many of the utility companies, but the original intent of these rates was not economic development. The rates that exist were primarily aimed at reducing excess generating capacity or discouraging a customer from using an alternative fuel. Among the examples are Option N and Option I rates offered by Northwestern Public Service Company. These rates were originally designed to better utilize existing generating capacity, but Tom Gulbranson, NWPS Vice President for Community Development, says the rates "also perform the valuable function of financially assisting a new or expanding business at a time when that business is most susceptible to financial failure." NWPS states that 88 customers have taken advantage of these rates in the past three years.

Grants and Loans: Some investor-owned utilities said they offered financial assistance to development projects on a matching basis. Otter Tail Power, for example, has made sizeable contributions to loan pools in nine South Dakota communities. Other utilities provide direct assistance to communities they serve. Minnegasco, for example, offers a grant of up to $1,500 to assist the community in developing a factual description of the city and its assets in booklet/brochure format and a slide program or videotape. A similar grant may be provided to communities that participate in a trade show.

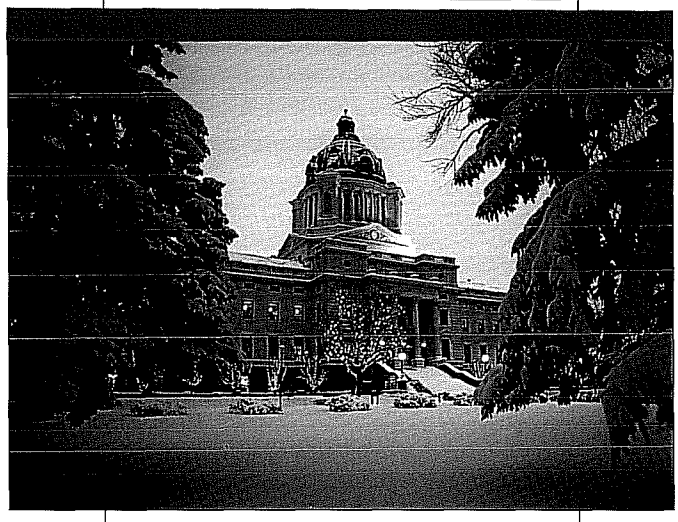
A "How To" Guide: Some utilities offer business education and counseling services. Contel's PACES (Partners in Action for

Community and Economic Success) is one example. PACES is designed to develop leadership skills within a community, help guide communities through an assessment of their strengths and weaknesses, direct communities to technical and financial resources and formulate strategic plans for their development. NWPS offers a business counseling service that uses a computer to develop three-year profit/loss and cash flow statements. Likewise, Otter Tail Power offers the services of a professional development consultant to work with communities in their development efforts.

Other ideas: Some companies have contributed land or capital to the development of industrial parks or spec buildings. Funds have also been donated for improvements in a community's infrastructure—Northern States Power mentions fire halls and libraries as a couple of examples. NWPS offers an advertising partnership program that allows communities to contribute to an advertising pool, thus allowing them to place ads in major national publications that they couldn't otherwise afford. NWPS also maintains an economic development office in Minneapolis. Otter Tail has a commercial development partnership program which offers a new business two months of free electricity, providing the city or another utility matches it with a benefit of equal value.

What Else is Needed: Utilities most frequently cited rate flexibility as the element that would provide the greatest assistance in economic development efforts in the cities they serve. As mentioned earlier, incentive rates now exist, but they were not intended to encourage location within the state or to promote job creation. One recent exception is Montana-Dakota Utilities' Rate 34 approved by the PUC on May 22, 1990. Rate 34 provides a negotiable electric rate for new and/or expanded loads expected to equal or exceed a demand of 400 kilowatts per month and usage of 1.5 million kilowatt hours per year. Otter Tail has filed an economic development pricing methodology application in North Dakota, suggesting that rates be designed on an individual basis, be market- based and would not be subject to the usual regulatory process. (emphasis added)

The Big Decision: The rate-regulated utilities have expressed a belief that investments in economic development represent a legitimate cost of doing business, and should properly be borne by the ratepayers.



In the past, virtually all of these costs have been paid by the company's stockholders. If the PUC decides that some of these costs should legitimately be recovered from ratepayers, a method would have to be developed to evaluate the merits of each of these development expenses. Minnegasco has suggested that each company submit a plan that includes a description of the project, quantified objectives, a budget, a marketing plan, the expected impact on peak, a cost effectiveness analysis, and a method of evaluating the project. The company also suggested that a periodic status report be provided to the PUC.

The Big Question: How do utilities and the regulatory policies of the PUC fit into the overall economic development picture in South Dakota? This question may be best resolved through an informal, roundtable discussion involving representatives of the utility companies and the PUC together with state and local development leaders.

Geoff Simon
Consumer Information Specialist

Model Base State Agreement for Motor Carriers

Background: Under the current system, every interstate motor carrier company must apply to each state separately for interstate operating authority and annual permits for every vehicle that will pass through or into that state. The South Dakota Public Utilities Commission Division of Transportation processes applications from approximately 12,000 interstate trucking companies each year and issues approximately 300,000 identification stamps for individual trucks. The one time registration fee for operating authority is $25.00 and each ID stamp is $5.00 every year. The SD PUC does have a reciprocity agreement with seven states and two Canadian provinces that waives all or part of the fees.

In FY90, the SD PUC collected over $1 million for ID stamps and $43,860 for interstate registrations. All of that money goes into the general fund; the Commission keeps no part of it.

This system is a hassle for the interstate truckers and a clerical operation of great dimension for the responsible agency in every state. The system was completely computerized by our Division of Transportation in FY90, which has improved the operation considerably.

Solutions May Come: Eight states are part of a Model Base State Agreement under which an interstate trucker can register in one of the states and receive interstate operating authority and permits for all participating states. The states participating have selected 100 trucking companies on a one year trial basis to ease into the changed system and check for bugs in the program. South Dakota is not one of the eight originating states, but our Division of Transportation is watching the pilot program carefully and expects to join the Agreement when the pilot program is completed.

Jolene Nelson
Director of Transportation/Warehouse

One Stop Truck Shop

Background: The concept of consolidating those portions of all state government offices that now deal with trucking matters has been discussed for many years. Yet until recently, no one from state government or the trucking industry has put forth a specific plan of action. The PUC has been attending meetings of the One Stop Task Force to investigate how the state can best

(Issues continues on next page)

serve the needs of the motor carrier industry. Those meetings have been attended by representatives from the Departments of Commerce and Regulation, Revenue, Tourism, and Transportation.

Process: At one time during this Task Force process, the members recommended that PUC motor carrier authority be moved to Department of Motor Vehicles and that the Deptarment of Motor Vehicles be moved to Department of Commerce. Soon after, the recommendation changed to leaving DMV under the Department of Revenue.

At that time, the Task Force decided to visit St. Paul, Minnesota, where reportedly, they had a One Stop Shop. Jolene Nelson, the PUC's Director of Transportation/ Warehouse Division, made that trip to Minnesota. Ms. Nelson reported afterwards that even though Minnesota has a physical facility with personnel from all departments of state government that deal with motor carriers located in the same building, each agency operates separately. Their computers are not compatible between agencies due to legislative problems. The Minnesota people were not convinced that much had been gained by moving personnel from various agencies into one building. Almost all services are accomplished by mail or telephone anyway.

Currently, there is not a state that has a true one stop. Two gentlemen from Peak Solutions explained their computer programming ideas, whereby each agency could be tied to one another and the ports of entry through computers. Oregon and Minnesota have purchased the software programs.

Task Force Recommendations: The Task Force had not made a final recommendation as of July 16, 1990. However, at that time, DOT and DMV felt that moving departments would not accomplish the One Stop Shop. Although the Task Force began with the presumption that joining all services in one agency would be best, they are now reconsidering.

Jolene Nelson

Written by: Jolene Nelson
Director of Transportation/Warehouse

Resellers of Telecommunication Services and Alternative Operator Services

Background: At the January 16, 1990, Commission meeting, the Commission discussed whether alternative operator services (AOS) and resellers of telecommunication services should be required to pay the gross receipts tax levied under SDCL 49-1A-3. Docket TC90-14 was officially opened on February 23, 1990, to investigate that question. The only two telecommunication companies paying that tax up to this point were USWC and AT&T.

SDCL 49-1A-3 reads as follows: "there is hereby levied on each public utility as defined in chapter 49-34A and each telephone company as defined in chapter 49-31-1, which is subject to the rate or price regulation of the South Dakota public utilities commission, a tax of .0015 upon the annual gross receipts derived by it from its customers within the state of South Dakota during the preceding calendar year."

On June 7, 1990, the Commission issued its Order declaring that AOS and Resellers are telecommunication companies and should be required to pay the gross receipts tax beginning on July 1, 1990, for the calendar year of 1989. Dial-Net, a reseller, appealed that decision to 2nd Circuit Court, Minnehaha County on July 6, 1990.

Who Is A Reseller, an AOS? These kinds of services greatly increased after divestiture of AT&T in 1984 and creation of the Regional Bell Operating Companies (RBOCs). Reseller is defined in ARSD 20:10:24:01(15) as follows: "'Reseller,' a person or entity reselling local or long distance telecommunications services".

A Reseller offering intrastate telecommunications services generally purchases Wide Area Telecommunications Service (WATS) from U S WEST Communications, Inc. (USWC), AT&T Communications (AT&T), MCI Telecommunications Corporation (MCI) or U.S. Sprint Communications (Sprint), or accesses services from USWC and/or the other 30 local exchange companies within South Dakota and resells the service to the end user as Message Telephone Service (MTS).

Alternative operator service provider (AOS) is defined in ARSD 20:10:24:01(2) as follows: "'Alternative operator service provider (AOS),' a corporation, company, partnership, person, or any entity, other than the serving local exchange or interexchange carrier, providing a connection by contract to intrastate or interstate long distance or to local services from such places as hotels, motels, hospitals, campuses, and customer-owned pay telephones."

Alternative Operator Services (AOS) companies provide a variety of functions when offering telecommunications services, including switching, operator services, and other value added services. Many AOS companies, in addition to these services, also resell telecommunications services like a reseller and therefore are hybrids.

At this time, the resellers operating in South Dakota are U.S. Sprint, MCI Telecommunications, Midco Communications of Sioux Falls, Dial-Net Systems, Tele-Tech, Teleconnect, AMNEX, Excel Telecommunications, Midco-Tel of Aberdeen, Long Distance Network Services, and Home Owners Long Distance. AOS companies registered with the Commission are: NYCOM Information Services, Inc.; National Telephone Services; Elcotel, U.S. Operators; International Telecharge; Payline Systems; Telesphere Network; and Contel Service Corporation.

To date, there are no resellers or AOS companies which own their own lines intrastate to transport the calls their customers make. Therefore, they purchase access services from companies who have local exchange switching and transport facilities, and interexchange switching and transport facilities available to carry their calls intrastate or interstate. Most resellers and AOS companies own their own telecommunications switches. However, some resellers and AOS companies lease capacity on another telecommunications company's switch.

How It Works: USWC is the only facilities based carrier within the South Dakota LATA which is capable of transporting interexchange calls to all exchanges in South Dakota. USWC provides the vast majority of interexchange switching and transport within South Dakota for calls made by customers of resellers and AOS companies. Various cooperative, municipal, and independent telecommunications companies provide local exchange switching and transport within South Dakota for reseller and AOS calls.

To access a reseller or AOS company's service, the customer has to: (1) dial an access number; (2) dial his security code or billing number; and (3) dial the number he wishes to call. When the customer dials the above numbers, his call is transported

through various intrastate networks as follows for completion. When the access number of a reseller or AOS company is dialed, the call travels over the network of various telecommunications companies, depending on where the call originates, to the switch of the reseller or AOS company whose access number was dialed. The switch records the following information for billing purposes: the source of the call, the line(s) used to complete the call, the duration of the call, the time the call was initiated and completed, and the number called.

Once the call is at the switch, the customer dials or inputs his billing number which the switch records to later bill the customer for the call. Finally, the customer dials the number of the person whom he wishes to call. When this last number is dialed, the switch determines where the call will go and over what network, to ultimately terminate the call in a local exchange of the party who is being called.

In completing a call, several local exchanges and interexchange networks may be used to carry the call; first, the local exchange network where the party originating the call resides; second, over a long distance interexchange network which transports the call from the originating exchange to the terminating exchange (within South Dakota usually USWC) where the called party resides. At the terminating local exchange, the interexchange carrier switches the call over to the local exchange telecommunications company which terminates the call by delivering it to the party called.

Reasons For Commission Decision: Telecommunications company, is defined in SDCL 49-31-1(9) as follows: "Telecommunications company,' any person, trustee, lessee or receiver owning, operating, managing or controlling in whole or in part, any telecommunications line, system or exchange in this state, directly or indirectly, for public use. All telecommunications companies are common carriers."

Based upon the elements found in SDCL 49-31-1(9), all resellers and AOS companies currently registered with the Commission to offer telecommunications service in South Dakota are "telecommunications companies" under SDCL 49-31-1(9) because: (1) they are persons or lessees; (2) they own, operate, manage or control at least part of any telecommunications line, system or exchange, either directly or indirectly; (3) they offer "telecommunications services", as defined in SDCL 49-31-1(10), within South Dakota; (4) they provide these telecommunications services to the general public for use. By satisfying each of these elements, SDCL 49-31-1(9) then mandates that all resellers and AOS companies are common carriers.

SDCL 49-31-1 was amended by the Legislature in 1987 by Chapter 345, Section 41 and again in 1988 by Chapter 375, Section 1. The 1988 amendment, among other changes, added the words "directly or indirectly, for public use". Prior to these legislative changes, the Commission took the position that resellers and AOS companies who were reselling telecommunications services were not "telecommunications companies". With the addition of the word "indirectly", the Legislature specifically intended to classify resellers and AOS companies as "telecommunications companies".

The Commission Decision: The Commission Order found that MTS and WATS as emerging competitive services and operator services as a non-competitive service are all telecommunications services which are subject to "rate or price regulation" by the Commission pursuant to SDCL Chapter 49-31. All telecommunications companies offering intrastate telecommunications services within South Dakota must pay an annual gross receipts tax pursuant to SDCL 49-1A-3.

All resellers and AOS companies being telecommunications companies and offering telecommunications services which are rate or price regulated by the Commission are subject to SDCL 49-1A-3 and should pay the annual gross receipts tax.

Since that decision was appealed to the Second Circuit Court on July 6, 1990, it will be some time into FY91 before the court rules on Dial-Net's appeal.

Doug Eidahl

Written by: Doug Eidahl
General Counsel

Electric Cases Docketed in FY90

F-3827 COMPLAINT OF JAMES A. LAPPE AND PEGGY A. LAPPE AGAINST REE ELECTRIC COOPERATIVE, INC.; Filed 07/05/89; decision 4/30/90.

F-3828 APPLICATION OF MONTANA-DAKOTA UTILITIES CO. TO IMPLEMENT UPDATED OCCASIONAL POWER PURCHASE NON-TIME DIFFERENTIATED RATE 95, SHORT-TERM POWER PURCHASE TIME DIFFERENTIATED RATE 96 AND LONG-TERM POWER PURCHASE TIME DIFFERENTIATED RATE 97.; Filed 07/03/89; Closed 08/31/89.

F-3830 APPLICATION OF NORTHERN STATES POWER COMPANY FOR APPROVAL OF REVISIONS TO THE LIMITED OFF-PEAK SERVICE TARIFF.; Filed 07/13/89; Closed 07/20/89.

F-3834 APPLICATION OF THE CITY OF PICKSTOWN, SOUTH DAKOTA, FOR CERTIFICATION OF ELECTRIC SERVICE TERRITORY.; Filed 08/09/89; Closed 03/02/90.

F-3837 APPLICATION OF OTTER TAIL POWER COMPANY TO PROVIDE BULK INTERRUPTIBLE POWER FOR THE VALLEY QUEEN CHEESE FACTORY AT MILBANK, SOUTH DAKOTA.; Filed 08/15/89; Closed 10/23/89.

F-3841 PETITION OF NORTHWESTERN PUBLIC SERVICE COMPANY AND CHARLES MIX ELECTRIC ASSOCIATION, INC. TO AMEND ORDER ASSIGNING SERVICE AREAS.; Filed 08/22/89; Closed 10/05/89.

F-3842 APPLICATION OF IOWA PUBLIC SERVICE COMPANY TO OFFER OPTIONAL ELECTRIC TARIFFS IN SOUTH DAKOTA.; Filed 08/30/89; Closed 10/23/89.

F-3843 APPLICATION OF BLACK HILLS POWER AND LIGHT COMPANY'S POLICY ON DEPOSIT INSTALLMENT PAYMENTS.; Filed 09/01/89; Closed 09/18/89.

F-3851 APPLICATION OF NORTHERN STATES POWER COMPANY FOR COMMISSION APPROVAL OF A PLAN TO REIMBURSE CUSTOMERS FOR PREMATURE RECOVERY OF SPARE PARTS COSTS.; Filed 09/14/89; Closed 11/07/89.

F-3855 COMPLAINT OF PAUL HUNT AGAINST BLACK HILLS POWER AND LIGHT COMPANY FOR INADEQUATE SERVICE.; Filed 10/02/89; Closed 11/07/89.

F-3863 APPLICATION OF BLACK HILLS POWER AND LIGHT COMPANY FOR APPROVAL OF ITS REVISIONS TO ITS PRIVATE OR PUBLIC AREA LIGHTING SERVICE.; Filed 10/30/89; Closed 12/05/89.

F-3865 APPLICATION OF MONTANA-DAKOTA UTILITIES CO., A DIVISION OF MDU RESOURCES GROUP, INC., TO CLARIFY CHANGES IN ITS IRRIGATION POWER SERVICE RATE NO. 25.; Filed 11/06/89; Closed 11/21/89.

F-3868 APPLICATION OF IOWA PUBLIC SERVICE COMPANY TO INTRODUCE OPTIONAL ELECTRIC HEAT PUMP TARIFFS.; Filed 11/08/89; Closed 11/21/89.

EL90-01 APPLICATION OF BLACK HILLS POWER AND LIGHT COMPANY'S CONTRACT DEVIATION REQUEST FOR MILITARY FAMILY HOUSING FOR ELLSWORTH AIR FORCE BASE IN THE ROBBINSDALE AREA OF RAPID CITY, SD; Filed 01/08/90; Closed 01/19/90.

EL90-02 APPLICATION OF NORTHERN STATES POWER COMPANY TO REVISE PEAK AND ENERGY CONTROLLED SERVICE TARIFFS.; Filed 01/18/90; Closed 02/07/90.

EL90-03 APPLICATION OF BLACK HILLS POWER AND LIGHT COMPANY AND BUTTE ELECTRIC COOPERATIVE TO MAKE REVISIONS IN THEIR TERRITORIAL BOUNDARY MAPS.; Filed 01/25/90; Closed 05/24/90.

EL90-04 APPLICATION OF NORTHERN STATES POWER COMPANY FOR THE SOUTH DAKOTA PUBLIC UTILITIES COMMISSION REVIEW OF A PROPOSED INCENTIVE REGULATION APPROACH.; Filed 01/29/90; Closed 05/24/90.

EL90-05 APPLICATION OF BLACK HILLS CORPORATION FOR AUTHORITY TO ADOPT A PENSION EQUALIZATION PLAN FOR DESIGNATED EMPLOYEES AND A RETIREMENT PLAN FOR OUTSIDE DIRECTORS.; Filed 02/26/90; Closed 04/06/90.

EL90-06 APPLICATION OF NORTHERN STATES POWER COMPANY TO REVISE ITS CUSTOMER INFORMATION BOOKLET.; Filed 03/07/90; Closed 04/06/90.

EL90-07 APPLICATION OF OTTER TAIL POWER COMPANY FOR APPROVAL OF ITS UPDATED CUSTOMER INFORMATION PAMPHLET.; Filed 03/12/90; Closed 05/18/90.

EL90-08 APPLICATION OF NORTHWESTERN PUBLIC SERVICE COMPANY TO REVISE SAMPLE FORMS SECTION FOR ELECTRIC SERVICE.; Filed 03/12/90; Closed 04/06/90.

EL90-09 APPLICATION OF BLACK HILLS POWER AND LIGHT COMPANY TO REVIEW ITS POLICIES AND PRACTICES REGARDING LINE EXTENSION CHARGES.; Filed 03/14/90; Closed 05/21/90.

EL90-10 APPLICATION OF MONTANA-DAKOTA UTILITIES CO. FOR APPROVAL OF A NEW SERVICE ENTITLED FIRM SERVICE ECONOMIC DEVELOPMENT RATE 34.; Filed 04/26/90; Closed 05/29/90.

EL90-11 APPLICATION OF BLACK HILLS POWER AND LIGHT TO APPROVE CONTRACTS WITH DEVIATIONS. (UNITED STATES AIR FORCE ELECTRIC POWER SERVICE AGREEMENT AND PAUL HUNT AND JILL THAYER LINE EXTENSION AGREEMENT).; Filed 05/24/90; Approved 6/25/90.

EL90-12 AGREEMENT TO MODIFY ASSIGNED SERVICE AREA BETWEEN CODINGTON-CLARK ELECTRIC COOPERATIVE AND CITY OF WATERTOWN, SOUTH DAKOTA. Filed 06/05/90; Approved 6/25/90.

EL90-13 APPLICATION OF NORTHERN STATES POWER COMPANY FOR AUTHORITY TO INCREASE ELECTRIC RATES IN SOUTH DAKOTA AND FOR THE ADOPTION OF INCENTIVE REGULATION METHODOLOGY. Filed 06/05/90; Pending.

EL90-14 APPLICATION OF BLACK HILLS POWER AND LIGHT COMPANY TO MODIFY ITS PRIVATE OR PUBLIC AREA LIGHTING SERVICE. Filed 06/06/90; Approved 6/25/90.

EL90-15 APPLICATION OF MONTANA-DAKOTA UTILITIES CO. FOR APPROVAL OF COGENERATION AND SMALL POWER PRODUCTION TARIFFS. Filed 06/06/90; Pending.

EL90-16 INVESTIGATION INTO THE CONVERSION FROM INCANDESCENT LIGHTS TO FLUORESCENT LIGHTS BY SOUTH DAKOTA CONSUMERS. Filed 06/18/90; Staff action approved 6/25/90.

EL90-17 APPLICATION OF OTTER TAIL POWER COMPANY FOR APPROVAL OF CONTROLLED SERVICE AND FIXED TIME OF DELIVERY RATE SCHEDULES. Filed 06/28/90; Pending.

Miscellaneous Cases Docketed in FY90

F-3862 MASTER METERING VARIANCE REQUEST FOR MCKENNAN HOSPITAL'S MEDICAL OFFICE BUILDING IN SIOUX FALLS, SOUTH DAKOTA. Filed 10/30/89; Closed 12/05/89.

F-3881 MASTER METERING VARIANCE REQUEST FOR MCGREEVY CLINIC, SIOUX FALLS, SD. Filed 12/26/89; Closed 02/07/90.

MS90-01 PUBLIC UTILITIES COMMISSION INVESTIGATION INTO THE ROLE OF RATE-REGULATED UTILITIES IN SOUTH DAKOTA'S ECONOMIC DEVELOPMENT. Filed 03/28/90; Pending.

Natural Gas Cases Docketed in FY90

F-3838 APPLICATION OF MIDWEST GAS FOR A CHANGE IN ITS GAS TARIFFS. Filed 08/16/89; Closed 10/05/89.

F-3839 APPLICATION OF MONTANA-DAKOTA UTILITIES CO., A DIVISION OF MDU RESOURCES GROUP, INC., FOR REVISION OF ITS GAS TARIFFS. Filed 08/17/89; Closed 10/05/89.

F-3840 APPLICATION OF MONTANA-DAKOTA UTILITIES CO., A DIVISION OF MDU RESOURCES GROUP, INC., FOR REVISION TO ITS SEPTEMBER 1, 1989 PGA FILING. Filed 08/21/89; Closed 08/30/89.

F-3846 APPLICATION OF MIDWEST GAS FOR APPROVAL OF REVISIONS TO THE GAS EXTENSION POLICY TARIFF. Filed 09/11/89; Closed 10/05/89.

F-3859 APPLICATION OF MIDWEST GAS TO REMOVE DECORATIVE LIGHTING PROHIBITION FROM TARIFF. Filed 10/06/89; Closed 11/07/89.

F-3872 APPLICATION OF MONTANA-DAKOTA UTILITIES CO. TO CHANGE TARIFFS RELATING TO CHANGES IN ATMOSPHERIC PRESSURE. Filed 12/05/89; Closed 6/25/90; refiled as NG90-04.

F-3873 APPLICATION OF MONTANA-DAKOTA UTILITIES CO. TO IMPLEMENT REVISIONS TO GENERAL SERVICE RATE 62, TRANSPORTATION SERVICE RATES 81, 82 AND 84; STANDBY GAS SERVICE RATE 83 AND INDUSTRIAL GAS SERVICE RATE 87. Filed 12/05/89; Closed 01/16/90.

F-3878 APPLICATION OF MIDWEST GAS TO REVISE TARIFF 298 RELATING TO EMERGENCY GAS SERVICE. Filed 12/18/89; Closed 01/19/90.

NG90-01 APPLICATION OF NORTHWESTERN PUBLIC SERVICE COMPANY TO CHANGE TARIFFS RELATING TO THE PURCHASED GAS ADJUSTMENT. Filed 01/08/90; Closed 02/07/90.

NG90-02 APPLICATION OF NORTHWESTERN PUBLIC SERVICE COMPANY FOR APPROVAL OF TARIFFS RELATED TO THE PURCHASED GAS ADJUSTMENT. Filed 02/02/90; Closed 03/02/90.

NG90-03 APPLICATION OF NORTHWESTERN PUBLIC SERVICE COMPANY TO REVISE ITS NATURAL GAS TARIFFS. Filed 03/12/90; Closed 04/19/90.

NG90-04 APPLICATION OF MONTANA-DAKOTA UTILITIES CO. TO CHANGE TARIFFS RELATING TO CHANGES IN ATMOSPHERIC PRESSURE. Filed 06/18/90; Pending.

NG90-05 APPLICATION OF MONTANA-DAKOTA UTILITIES CO. TO APPROVE REFUND PLAN RELATED TO THE WILLISTON BASIN INTERSTATE PIPELINE COMPANY SETTLEMENT. Filed 06/18/90; Pending.

NG90-06 APPLICATION OF ARNOLD MURRAY CONSTRUCTION COMPANY FOR A MASTER METERING VARIANCE REQUEST FOR EAGLE'S NEST APARTMENTS. Filed 06/20/90; Pending.

Telecommunications Cases Docketed in FY90

F-3798-13 MISCELLANEOUS TARIFF FILINGS-NORTHWESTERN BELL TELEPHONE COMPANY-1989. Filed 07/10/89; closed 11/07/89.

F-3798-14 MISCELLANEOUS TARIFF FILINGS-NORTHWESTERN BELL TELEPHONE COMPANY-1989. Filed 07/10/89; closed 11/07/89.

F-3798-15 MISCELLANEOUS TARIFF FILINGS-NORTHWESTERN BELL TELEPHONE COMPANY-1989. Filed 07/14/89; closed 08/18/89.

F-3798-16 MISCELLANEOUS TARIFF FILINGS-NORTHWESTERN BELL TELEPHONE COMPANY-1989. Filed 07/07/89; closed 08/18/89.

F-3798-17 MISCELLANEOUS TARIFF FILINGS-NORTHWESTERN BELL TELEPHONE COMPANY-1989. Filed 07/31/89; closed 11/07/89.

F-3798-18 MISCELLANEOUS TARIFF FILINGS-NORTHWESTERN BELL TELEPHONE COMPANY-1989. Filed 08/04/89; closed 11/07/89.

F-3798-19 MISCELLANEOUS TARIFF FILINGS-NORTHWESTERN BELL TELEPHONE COMPANY-1989. Filed 08/28/89; closed 10/05/89.

F-3798-20 MISCELLANEOUS TARIFF FILINGS-NORTHWESTERN BELL TELEPHONE COMPANY-1989. Filed 08/30/89; closed 10/05/89.

F-3798-21 MISCELLANEOUS TARIFF FILINGS-NORTHWESTERN BELL TELEPHONE COMPANY-1989. Filed 08/31/89; closed 10/05/89.

F-3798-22 MISCELLANEOUS TARIFF FILINGS-NORTHWESTERN BELL TELEPHONE COMPANY-1989. Filed 09/07/89; closed 11/07/89.

F-3798-23 MISCELLANEOUS TARIFF FILINGS-NORTHWESTERN BELL TELEPHONE COMPANY-1989. Filed 09/05/89; closed 10/05/89.

F-3798-24 MISCELLANEOUS TARIFF FILINGS-NORTHWESTERN BELL TELEPHONE COMPANY-1989. Filed 09/12/89; closed 10/23/89.

F-3798-25 MISCELLANEOUS TARIFF FILINGS-NORTHWESTERN BELL TELEPHONE COMPANY-1989. Filed 09/15/89; closed 11/07/89.

F-3798-26 MISCELLANEOUS TARIFF FILINGS-NORTHWESTERN BELL TELEPHONE COMPANY-1989. Filed 10/20/89; closed 11/07/89.

F-3798-27 MISCELLANEOUS TARIFF FILINGS-NORTHWESTERN BELL TELEPHONE COMPANY-1989. Filed 10/23/89; closed 11/07/89.

F-3798-28 MISCELLANEOUS TARIFF FILINGS-NORTHWESTERN BELL TELEPHONE COMPANY-1989. Filed 10/31/89; closed 11/21/89.

F-3798-29 MISCELLANEOUS TARIFF FILINGS-NORTHWESTERN BELL TELEPHONE COMPANY-1989. Filed 11/08/89; closed 12/05/89.

F-3798-30 MISCELLANEOUS TARIFF FILINGS-NORTHWESTERN BELL TELEPHONE COMPANY-1989. Filed 11/08/89; closed 12/05/89.

F-3798-31 MISCELLANEOUS TARIFF FILINGS-NORTHWESTERN BELL TELEPHONE COMPANY-1989. Filed 11/13/89; closed 12/08/89.

F-3798-32 MISCELLANEOUS TARIFF FILINGS-NORTHWESTERN BELL TELEPHONE COMPANY-1989. Filed 11/13/89; closed 12/06/89.

F-3798-33 MISCELLANEOUS TARIFF FILINGS-NORTHWESTERN BELL TELEPHONE COMPANY-1989. Filed 11/27/89; closed 01/24/90.

F-3798-34 MISCELLANEOUS TARIFF FILINGS-NORTHWESTERN BELL TELEPHONE COMPANY-1989. Filed 11/27/89; closed 12/28/89.

F-3798-35 MISCELLANEOUS TARIFF FILINGS-NORTHWESTERN BELL TELEPHONE COMPANY-1989. Filed 12/12/89; closed 01/24/90.

F-3798-36 MISCELLANEOUS TARIFF FILINGS-NORTHWESTERN BELL TELEPHONE COMPANY-1989. Filed 12/13/89; closed 01/24/90.

F-3798-37 MISCELLANEOUS TARIFF FILINGS-NORTHWESTERN BELL TELEPHONE COMPANY-1989. Filed 12/22/89; closed 01/24/90.

F-3829 EXPANDED ONE-WAY EXTENDED CALLING PLAN FROM STURGIS TO LEAD, DEADWOOD AND SPEARFISH. Filed 07/10/89; closed 08/08/89.

F-3831 APPLICATION OF NORTHWESTERN BELL TELEPHONE COMPANY TO INTRODUCE THREE NEW CUSTOM CALLING SERVICES IN SOUTH DAKOTA. Filed 07/17/89; closed 08/18/89.

F-3832 APPLICATION OF INTERSTATE TELECOMMUNICATIONS COOPERATIVE TO CONSTRUCT NON-ACCESS FACILITIES AND REQUEST FOR EXPEDITED APPROVAL. Filed 07/18/89; Construction approved 6/25/90.

F-3833 CONSTRUCTION OF A TELECOMMUNICATIONS FACILITY IN THE SERVICE TERRITORY OF U S WEST COMMUNICATIONS BY DAKOTA TELECOMMUNICATIONS COOPERATIVE. Filed 08/03/89; Pending.

F-3835 APPLICATION OF TELECONNECT TO REDUCE VARIOUS INTRA-STATE CHARGES. Filed 08/08/89; closed 10/23/89.

F-3836 APPLICATION OF MIDCO COMMUNICATIONS TO REVISE INTRA-STATE OUTGOING LONG DISTANCE RATES. Filed 08/11/89; closed 10/23/89.

F-3844 APPLICATION OF U.S. SPRINT TO INCREASE MTS RATES AND TO CHANGE THE VOLUME DISCOUNT SCHEDULE IN SOUTH DAKOTA. Filed 08/31/89; closed 10/05/89.

F-3845 APPLICATION OF MIDCO COMMUNICATIONS TO REVISE 800 SERVICE RATES. Filed 09/11/89; closed 10/23/89.

F-3847 PUBLIC UTILITIES COMMISSION INVESTIGATION INTO THE COMPLAINTS OF SIOUX FALLS RESIDENTS AND MINNEHAHA COUNTY AGAINST U.S. OPERATORS, INC., AN ALTERNATIVE OPERATOR SERVICE. Filed 09/13/89; Pending.

F-3848 INQUIRY INTO NORTHWESTERN BELL TELEPHONE COMPANY'S ALLOCATION OF REVENUES, INVESTMENTS AND EXPENSES FOR NON-COMPETITIVE SERVICES. Filed 09/13/89; Pending.

F-3849 INQUIRY INTO NORTHWESTERN BELL TELEPHONE COMPANY'S ALLOCATION OF REVENUES, INVESTMENTS AND EXPENSES FOR EMERGING COMPETITIVE SERVICES. Filed 09/13/89; Pending.

F-3850 INQUIRY INTO NORTHWESTERN BELL TELEPHONE COMPANY'S ALLOCATION OF REVENUES, INVESTMENTS AND EXPENSES FOR FULLY COMPETITIVE SERVICES. Filed 09/13/89; Pending.

F-3852 APPLICATION OF TELECONNECT TO INTRODUCE 800 SERVICE AND OTHER CHARGES. Filed 09/18/89; closed 10/23/89.

F-3853 APPLICATION OF TELECONNECT TO INTRODUCE CHECK-LINK SERVICE. Filed 09/28/89; closed 11/07/89.

F-3854 PETITION OF SOUTH DAKOTA NETWORK, INC., FOR A DECLARATORY RULING ON SDCL 49-31-20 AND 49-31-21. Filed 10/02/89; closed 03/02/90.

F-3856 COMPLAINT OF MRS. MICHAEL FRANK, HURON, SD., AGAINST U S WEST COMMUNICATIONS FOR REPAIR OF BURIED CABLE. Filed 10/03/89; closed 11/07/89.

F-3857 APPLICATION OF SIOUX VALLEY TELEPHONE COMPANY AND MCCOOK COOPERATIVE TELEPHONE COMPANY TO REVISE EXCHANGE BOUNDARY MAP. Filed 10/03/89; closed 11/20/89.

F-3858 APPLICATION OF TELECONNECT TO INTRODUCE DIRECTORY ASSISTANCE. Filed 10/06/89; closed 11/07/89.

F-3860 APPLICATION OF SOUTH DAKOTA NETWORK, INC. AND SDCEA, INC., FOR PERMISSION TO CONSTRUCT CENTRALIZED EQUAL ACCESS FACILITIES. Filed 10/06/89; Pending.

F-3861-01 MISCELLANEOUS TARIFF FILINGS-AT&T COMMUNICATIONS-1989. Filed 03/14/89; closed 12/05/89.

F-3861-02 MISCELLANEOUS TARIFF FILINGS-AT&T COMMUNICATIONS-1989. Filed 09/08/89; closed 12/05/89.

F-3861-03 MISCELLANEOUS TARIFF FILINGS-AT&T COMMUNICATIONS-1989. Filed 10/10/89; closed 12/05/89.

F-3866 APPLICATION OF BROOKINGS MUNICIPAL TELE; INTERSTATE TELECOMM. COOP.; MCCOOK COOP. TEL. CO. & SIOUX VALLEY TEL. CO., CONSTRUCT NON-COMPETITIVE TELECOMMUNICATIONS FACILITIES. Filed 11/06/89; Pending.

F-3867 APPLICATION OF TELECONNECT TO INTRODUCE DIALED NUMBER IDENTIFICATION SERVICE. Filed 11/07/89; closed 11/21/89.

F-3869 APPLICATION OF AT&T COMMUNICATIONS OF THE MIDWEST, INC., TO CONSTRUCT FACILITIES WITHIN AN AREA SERVED BY U S WEST COMMUNICATIONS. Filed 11/17/89; closed 11/21/89.

F-3870 APPLICATION OF MIDCO COMMUNICATIONS TO INTRODUCE A NEW SOUTH DAKOTA SERVICE. Filed 11/21/89; closed 04/06/90.

F-3871 U S WEST COMMUNICATIONS VERSUS BROOKINGS MUNICIPAL UTILITIES AND INTERSTATE TELECOMMUNICATIONS COOPERATIVE, INC. Filed 11/27/89; Pending.

F-3874 APPLICATION OF PIERRE RADIO PAGING AND TELEPHONE, INC., FOR A CERTIFICATE OF PUBLIC CONVENIENCE AND NECESSITY TO PROVIDE RADIO COMMON CARRIER SERVICE IN AND AROUND GETTYSBURG, SOUTH DAKOTA. Filed 12/05/89; closed 01/24/90.

F-3875 APPLICATION OF NORTHWESTERN BELL TELEPHONE COMPANY TO RECLASSIFY THE TROUBLE ISOLATION CHARGE AS FULLY COMPETITIVE. Filed 12/06/89; closed 01/19/90.

F-3876 APPLICATION OF EXCEL TELECOMMUNICATIONS, INC., FOR REGISTRATION AS A RESELLER OF TELECOMMUNICATIONS SERVICES WITHIN THE STATE OF SOUTH DAKOTA. Filed 12/08/89; closed 01/24/90.

F-3877 APPLICATION OF U.S. SPRINT TO MODIFY RATES IN SOUTH DAKOTA. Filed 12/11/89; closed 01/24/90.

F-3879 COMPLAINT OF BILL AND MARILYN VAN WELL AGAINST U S WEST COMMUNICATIONS. Filed 12/21/89; closed 04/12/90.

F-3880 COMPLAINT OF WALTER AND WALBURGA ZAMBO AGAINST U S WEST COMMUNICATIONS. Filed 12/21/89; closed 04/12/90.

TC90-01 INVESTIGATION INTO 1+ EQUAL ACCESS WITHIN ALL SOUTH DAKOTA TELEPHONE EXCHANGES. Filed 01/03/90; Pending.

TC90-02 APPLICATION OF U S WEST COMMUNICATIONS TO MIRROR CHANGES TO F.C.C. NO. 1 INTERSTATE ACCESS SERVICE TARIFF EFFECTIVE JANUARY 1, 1990. Filed 01/03/90; closed 02/07/90.

TC90-03 INVESTIGATION INTO NORTHWESTERN BELL TELEPHONE COMPANY'S MODERNIZATION OF ALL NWB EXCHANGES PURSUANT TO THE TAX REFORM ACT OF 1986 SETTLEMENT. Filed 01/03/90; Pending.

TC90-04 APPLICATION OF CONTEL OF SOUTH DAKOTA FOR REVISION OF SERVICE AREA BOUNDARY BETWEEN CONTEL OF SOUTH DAKOTA AND U S WEST (SPRINGFIELD-TYNDALL EXCHANGES). Filed 01/05/90; closed 01/19/90.

TC90-05 APPLICATION OF CONTEL OF SOUTH DAKOTA, INC. FOR REVISION TO SERVICE AREA BOUNDARY BETWEEN CONTEL AND U S WEST COMMUNICATIONS (FREEMAN-BRIDGEWATER EXCHANGES). Filed 01/05/90; closed 01/19/90.

(Dockets continue on next page)

Dockets

TC90-06 APPLICATION OF AT&T COMMUNICATIONS TO INTRODUCE SEPARATE TIME OF DAY SCHEDULES FOR INTRASTATE LONG DISTANCE SERVICE; RESTRUCTURE OPERATOR HANDLED SERVICES; AND ESTABLISH RECORDING REQUIREMENTS OF TWO-WAY TELEPHONE CONVERSATIONS. Filed 01/12/90; closed 02/07/90.

TC90-07 APPLICATION OF TELECONNECT TO INTRODUCE NAME IDENTIFICATION AND TO MAKE TEXTUAL CHANGES TO THE SOUTH DAKOTA TARIFF NO. 1. Filed 01/19/90; closed 01/24/90.

TC90-08 APPLICATION OF AT&T COMMUNICATIONS OF THE MIDWEST, INC., TO APPLY HOLIDAY RATES TO VALENTINE'S DAY IN SOUTH DAKOTA. Filed 01/24/90; closed 02/22/90.

TC90-09 APPLICATION OF HOME OWNERS LONG DISTANCE, INCORPORATED, TO OPERATE AS A RESELLER OF TELECOMMUNICATIONS SERVICES IN SOUTH DAKOTA. Filed 01/30/90; closed 02/22/90.

TC90-10 APPLICATION OF NORTHWESTERN BELL TELEPHONE COMPANY TO CHANGE ITS TARIFF SHOWING THE AVAILABILITY OF LOCAL MEASURED SERVICE IN THE CHAMBERLAIN, SOUTH DAKOTA EXCHANGE. Filed 02/01/90; closed 02/22/90.

TC90-11 REGISTRATION OF LONG DISTANCE NETWORK SERVICES, INC., AS A PROVIDER OF INTRASTATE TELECOMMUNICATIONS SERVICES ON A RESELLER BASIS IN THE STATE OF SOUTH DAKOTA AND FOR ESTABLISHMENT OF INITIAL RATES. Filed 02/16/90; closed 05/01/90.

TC90-12 APPLICATION OF NCN COMMUNICATIONS, INC., AS A RESELLER OF TELECOMMUNICATIONS SERVICES. Filed 02/16/90; Hearing 6/25/90.

TC90-13 APPLICATION OF MCI TELECOMMUNICATIONS CORPORATION TO INTRODUCE TWO NEW DISCOUNT OPTIONS FOR MCI DIAL "I" CUSTOMERS IN THE STATE OF SOUTH DAKOTA. Filed 02/20/90; closed 04/06/90.

TC90-14 PAYMENT OF GROSS RECEIPTS TAX LEVIED PURSUANT TO SDCL 49-1A-3 BY RESELLERS AND AOS TELECOMMUNICATIONS COMPANIES OFFERING SOUTH DAKOTA INTRASTATE TELECOMMUNICATIONS SERVICES. Filed 02/22/90; decision 6/7/90.

TC90-15 APPLICATION OF U S WEST COMMUNICATIONS FOR AUTHORITY TO MODIFY ITS CENTRON TARIFFS. Filed 03/09/90; closed 04/09/90.

TC90-16 APPLICATION OF U S WEST COMMUNICATIONS FOR APPROVAL OF AN OPTIONAL RATE STABILITY PLAN FOR DIGITAL SWITCHED SERVICE. Filed 03/20/90; Approved 6/25/90.

TC90-17 REGISTRATION OF CAPITAL NETWORK SYSTEMS, INC., FOR AUTHORITY TO PROVIDE RESOLD INTRALATA OPERATOR ASSISTED TELECOMMUNICATIONS SERVICE BETWEEN POINTS WITHIN SOUTH DAKOTA. Filed 03/20/90; Pending.

TC90-18 APPLICATION OF NORTHWESTERN BELL TELEPHONE COMPANY TO CHANGE ITS TARIFF SHOWING THE AVAILABILITY OF LOCAL MEASURED SERVICE IN THE DEADWOOD, SOUTH DAKOTA EXCHANGE. Filed 03/23/90; closed 05/01/90.

TC90-19 APPLICATION OF TELECONNECT TO MAKE TEXTUAL CHANGES IN TAXES AND FEES CHARGEABLE TO CUSTOMERS, INCREASE THE INITIAL MINUTE CHARGE FOR TRAVEL SERVICE, AND INCREASE THE DIRECTORY ASSISTANCE RATE. Filed 03/23/90; closed 05/04/90.

TC90-20 COMPLAINT OF SIMON KRESCH AGAINST MIDCO COMMUNICATIONS FOR FAILURE TO PROVIDE REQUESTED SERVICE PURSUANT TO CURRENT TARIFFS APPROVED BY THE COMMISSION. Filed 03/28/90; closed 04/30/90.

TC90-21 INVESTIGATION OF THE TARIFF COMPLIANCE OF RESELLERS. Filed 03/28/90; Pending.

TC90-22 APPLICATION OF NORTHWESTERN BELL TELEPHONE COMPANY TO CHANGE ITS TARIFF SHOWING THE AVAILABILITY OF LOCAL MEASURED SERVICE IN THE STURGIS, SOUTH DAKOTA EXCHANGE. Filed 03/29/90; closed 05/01/90.

TC90-23 APPLICATION OF U S WEST COMMUNICATIONS FOR APPROVAL TO MIRROR INTERSTATE SWITCHED ACCESS CHANGES IN SOUTH DAKOTA. Filed 04/02/90; closed 04/23/90.

TC90-24 APPLICATION OF U S WEST COMMUNICATIONS FOR APPROVAL TO PARTIALLY WAIVE THE SERVICE CHARGES FOR INSTALLATION OF ADDITIONAL LINES/TEENLINK IN SOUTH DAKOTA. Filed 04/02/90; closed 05/01/90.

TC90-25 APPLICATION OF U S WEST COMMUNICATIONS FOR APPROVAL TO REVISE RESIDENCE TELECHOICE PACKAGES. Filed 04/11/90; closed 06/29/90.

TC90-26 TRANSFER OF TWO-WAY RADIO LICENSES FROM MIDCO COMMUNICATIONS FOR SIOUX FALLS, BROOKINGS AND ABERDEEN TO VANTEK COMMUNICATIONS, INC. Filed 04/12/90; closed 05/18/90.

TC90-27 APPLICATION OF AT&T COMMUNICATIONS OF THE MIDWEST, INC., TO PROVIDE ONE LINE (WATS) WIDE AREA TELECOMMUNICATIONS SERVICE IN SOUTH DAKOTA. Filed 04/23/90; closed 06/29/90.

TC90-28 APPLICATION OF MIDCO COMMUNICATIONS TO INTRODUCE A LONG DISTANCE DISCOUNT PLAN. Filed 04/30/90; Pending.

TC90-29 APPLICATION OF MIDCO-TEL OF ABERDEEN TO MODIFY RATES FOR TELEPHONE LONG DISTANCE SERVICE IN SOUTH DAKOTA. Filed 05/03/90; closed 06/29/90.

TC90-30 APPLICATION OF MCI TELECOMMUNICATIONS CORPORATION TO INTRODUCE PRIMETIME AND DAYTIME PROMOTIONAL OFFERING AND TO EXTEND THE HOURS OF MCI'S PRIMETIME SERVICE. Filed 05/03/90; closed 06/29/90.

TC90-31 APPLICATION OF MCI TELECOMMUNICATIONS CORPORATION TO REDUCE 800 RATES FOR BUSINESS LINE TERMINATION. Filed 05/04/90; Approved 6/25/90.

TC90-32 APPLICATION OF U S WEST COMMUNICATIONS FOR APPROVAL TO REVISE EXCHANGE CARRIER SERVICES EXCHANGE CARRIER RECOVERY CHARGE. Filed 05/08/90; Pending.

TC90-33 APPLICATION OF U.S. SPRINT COMMUNICATIONS TO REDUCE VPN, DIRECT 800 AND ULTRA 800 RATES. Filed 05/14/90; Approved 6/25/90.

TC90-34 ADOPTION OF A RULE REQUIRING TELECOMMUNICATIONS COMPANIES CONSTRUCTING TELECOMMUNICATIONS FACILITIES OUTSIDE THEIR LOCAL EXCHANGE TERRITORIES TO PROVIDE NOTICE OF THE CONSTRUCTION. Filed 05/16/90; Adopted 6/25/90.

TC90-35 APPLICATION OF U.S. SPRINT COMMUNICATIONS COMPANY FOR AUTHORITY TO CHANGE ITS NAME TO SPRINT COMMUNICATIONS COMPANY. Filed 05/21/90; Pending.

TC90-36 APPLICATION OF U S WEST COMMUNICATIONS FOR APPROVAL TO ADD UNIFORM CALL DISTRIBUTION AND DID TRUNK QUEUING TO THE FEATURE GROUP A SWITCHED ACCESS SERVICE TARIFF. Filed 05/22/90; Approved 6/25/90.

TC90-37 APPLICATION OF U S WEST COMMUNICATIONS FOR APPROVAL TO CHANGE THE MINIMUM AVERAGE TIME REQUIREMENT FOR 800 SERVICE CALLS. Filed 05/24/90; Approved 6/25/90.

TC90-38 APPLICATION OF TELECONNECT LONG DISTANCE SERVICE AND SYSTEMS COMPANY TO INTRODUCE ROUTE ADVANCE AND BILLING ENHANCEMENTS SERVICES. Filed 05/29/90; Approved 6/25/90.

TC90-39 APPLICATION OF MIDCO COMMUNICATIONS TO REVISE SOUTH DAKOTA PUC TARIFF NO. 1 FOR RADIO COMMUNICATIONS. Filed 06/04/90; Approved 6/25/90.

TC90-40 TRANSFER OF MOBILE TELEPHONE LICENSE FROM CHARLES J. MAUSZYCKI, DBA MITCHELL MOBILE TELEPHONE, FOR MITCHELL, SOUTH DAKOTA, TO PIERRE RADIO PAGING AND TELEPHONE, INC. Filed 06/14/90; Pending.

TC90-41 APPLICATION OF U S WEST COMMUNICATIONS FOR APPROVAL TO RESTRUCTURE THE EXISTING E911 SERVICE OFFERING IN SOUTH DAKOTA. Filed 06/15/90; Pending.

TC90-42 APPLICATION OF U S WEST COMMUNICATIONS TO COMBINE CENTRON I/CAROLINE I INTO ONE SERVICE OFFERING OF CENTRON I. Filed 06/19/90; Pending.

TC90-43 APPLICATION OF U S WEST COMMUNICATIONS TO REVISE TARIFF SHEETS FOR CUSTOMERS SERVED OUT OF A CENTRAL OFFICE IN ANOTHER STATE. Filed 06/20/90; Pending.

TC90-44 APPLICATION OF DIAL-NET SYSTEMS TO REVISE THEIR SUBSCRIPTION AGREEMENTS TO MAKE THEM CONSISTENT AND UNIFORM IN SOUTH DAKOTA, NEBRASKA, MINNESOTA AND IOWA. Filed 06/20/90; Pending.

TC90-45 APPLICATION FOR AUTHORIZATION OF THE PROPOSED MERGER BETWEEN MCI COMMUNICATIONS CORPORATION AND TELECOM*USA, INC. Filed 06/25/90; Pending.

TC90-46 APPLICATION OF MCI TELECOMMUNICATIONS CORPORATION TO EXTEND PRIMETIME AND DAYTIME PROMOTION OFFERINGS. Filed 06/27/90; Pending.

TC90-47 APPLICATION OF MCI TELECOMMUNICATIONS CORPORATION TO REVISE VNET RATES. Filed 06/27/90; Pending.