

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

**IN THE MATTER OF REVISIONS AND/OR)
ADDITIONS TO THE COMMISSION'S)
SWITCHED ACCESS RULES CODIFIED IN) RM05-002
ARSD 20:10:27 THROUGH 20:10:29)**

**NORTHERN VALLEY COMMUNICATIONS, L.L.C. AND SANCOM, INC.'S
WRITTEN COMMENTS ON PROPOSED RULE CHANGES**

Northern Valley Communications, L.L.C. ("NVC") and Sancom, Inc. ("Sancom") hereby submit the following comments on the proposed telecommunications switched access rules, ARSD Chapter 20:10:27.

1. General Comments. NVC and Sancom accept the changes to the proposed rules, except as provided herein.

2. Proposed Revisions. NVC and Sancom propose the following change:

20:10:27:02.02. Exceptions for switched access rates of competitive local exchange carriers. A competitive local exchange carrier may charge different rates than the rates established in § 20:10:27:02.01 if it meets one of the following exceptions:

(1) If a competitive local exchange carrier offers service with its own facilities throughout all the exchanges where it operates, the competitive local exchange carrier may charge intrastate switched access rates that do not exceed the rate established by § 20:10:27:12. A competitive local exchange carrier must offer local exchange service throughout all of the exchanges where it operates using **(i) its own facilities; or (ii) facilities owned by its parent, if the parent is the 100% owner of the competitive local exchange carrier; or (iii) facilities owned by its subsidiary, if the competitive local exchange carrier is the 100% owner of the subsidiary; or (iv) facilities that are owned by a combination of (i), (ii) or (iii)-and may not rely on the facilities owned by an affiliate or subsidiary;** or

(2) If a competitive local exchange carrier believes that a higher rate than the rate allowed under § 20:10:27:02.01 is justified under price regulation, the carrier may file a cost study in accordance with chapters 20:10:27 to 20:10:29 to determine its fully allocated cost of providing switched access

services. In addition to considering the fully allocated cost of providing switched access services, the commission shall consider the other factors in SDCL 49-31-1.4 in its determination of the competitive local exchange carrier's price for switched access services.

3. Rationale for Proposed Change. This proposed change would recognize common ownership status of a CLEC and its parent and/or subsidiary and the efficiencies achieved by allowing the CLEC to use the parent's and/or subsidiary's facilities. At the same time, this would avoid potential abuse of this exception by limiting it to common 100% ownership up or down the corporate structure.
4. Conclusion. NVC and Sancom request the Commission to adopt proposed rules, as modified herein.

Dated this 15th day of June 2010.

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CERTIFICATE OF SERVICE

The undersigned hereby certifies that a true and correct copy of the foregoing was served electronically on the 15th day of June 2010 upon the following:

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