

TC97-178

TC97-178

DOCKET NO.

In the Matter of

IN THE MATTER OF THE COMPLAINT
FILED BY BEN HOFER, CARPENTER,
SOUTH DAKOTA, AGAINST U S WEST
COMMUNICATIONS, INC. REGARDING
UPDATING LINES

Public Utilities Commission of the State of South Dakota

DATE	MEMORANDA
10/29/97	Received;
11/1/97	Recketed
11/6/97	TC Fed Filing;
1/7/98	Order Pending Petition Cause and Notice Requiring Answer;
1/28/98	U.S. West's Answer;
3/13/98	Order for and Notice of Hearing;
3/30/98	U.S. West's Motion to Remand/Reschedule and Cost of Service;
3/30/98	U.S. West's Amended Answer;
4/1/98	Transcript of Hearing held on 4/3/98;
4/18/98	Text of Fact and Law of Law; Notice of Entry of Order;
4/28/98	Recket Closed
7/16/98	U.S. West's Motion for Order Extending Completion Date;
7/16/98	Affidavit of John Hisea
8/5/98	Order Granting Extension;
8/21/98	U.S. West's Second Motion for Extension;
8/21/98	Affidavit of Colleen Steward;
10/21/98	Order Closing Recket;
10/21/98	Recket Closed

PLEASE TYPE OR PRINT CLEARLY

TC97-178

RECEIVED

BEFORE THE PUBLIC UTILITIES COMMISSION
OF THE STATE OF SOUTH DAKOTA

OCT 29 1997

SOUTH DAKOTA PUBLIC
UTILITIES COMMISSION

COMPLAINT

Complainant(s): (The party filing the complaint)		Respondent(s): (The person or Company complained against)	
Name	Ben Hoyer (farm)	Contact Person	
Address	18653 408 th AV	Company	US West
City, State, Zip	Carpeten, SD 57322	Address	
Work Phone	605-352-6356	City, State, Zip	
Home Phone	605-352-7021	Work Phone	
Cellular Phone	354-3230	Cellular Phone	
Fax	605-352-0474	Fax	

If the Complainant is represented by an attorney, please list the attorney's name, address, telephone number and fax number below:
If Complainant is not represented by an attorney, please leave blank:

The facts giving rise to my complaint:

We live in Southern Spink County on the northern end of the Huron area phone line served by US West. We experience frequent phone service outages. These most often happen when there is a weather change. The servicemen tell us that wind drives in snowdrift in the boxes, or a drop of moisture which shorts out wires. Wire also have caused outages by being in the boxes. Also, the servicemen tell us the relay equipment is of the oldest style, seldom found in use any more.

Our internet connections are slow. The majority (35 of 50 connections) are in the 12,000 to 16,800 kps range. The low capacity of the phone lines may also relate to line noise and weak phone signals we experience.

There are no more phone lines available for our use to our farm.

Today's agri-business operation is relying increasingly on rapid communication to do business. On one phone line we have:

- phone, fax, & internet
- a family residence
- a farmbranch that produces a half million dollars of ag products annually
- a farmbranch Brd & Breakfast/farm vacation business (Hickory Farm)

NOTE: Please attach additional pages, if necessary, to explain your situation. Also enclose copies of any bills or other documents which may pertain to your complaint.

RESOLUTION REQUEST

I ask that the Public Utilities Commission grant the following relief. (What do you think the Commission should do to solve this problem?)

PUC should mandate that US West update the lines in our area so that we can operate our ag business, tourism business and personal business in an expedient manner. We need two more lines, which are presently unavailable, to our farm.

NOTE: Please attach any additional pages, if necessary.

VERIFICATION

Signature must be witnessed by a notary public.

Ben Hoyer
Complainant's Signature

10/29/97
Date

State of South Dakota

County of Brookings

On this 27 day of October, 1997, before me

personally came and appeared Ben Hoyer known to me to be the individual described herein and who executed the foregoing instrument, and who duly acknowledged to me that he/she executed same for the purpose therein contained.

IN WITNESS WHEREOF, I hereunto set my hand and official seal.

Thomas E. Hoyer
Signature of Notary Public

(SEAL)

My commission expires: July 9th 2002

TC97-179	Nebcom, Inc. pursuant to 47 U.S.C. 214(e) and 47 C.F.R. 54.201 hereby seeks designation as an eligible telecommunications carrier within the local exchange area that constitutes its service area. Nebcom, Inc. is the facilities-based local exchange carrier presently providing local exchange telecommunications services in the following exchange: (605) 587 North Bristol. Nebcom, Inc., to its knowledge, is the only carrier today providing local exchange telecommunications service in the above exchange area. (Staff: HB/KC)	11/05/97	11/21/97
TC97-180	Red River Telecom, Inc. pursuant to 47 U.S.C. 214(e) and 47 C.F.R. 54.201 hereby seeks designation as an eligible telecommunications carrier within the local exchange area that constitutes its service area in South Dakota. Red River Telecom, Inc. is the facilities-based local exchange carrier presently providing local exchange telecommunications services in the following exchange in South Dakota: (605) 553 South Lidenwood. Red River Telecom, Inc., to its knowledge, is the only carrier today providing local exchange telecommunications service in the above exchange area. (Staff: HB/CH)	11/05/97	11/21/97
FORMAL COMPLAINT FILED			
TC97-178	Ben Hofer vs U S WEST Communications, Inc. "We live in southern Spink County on the northern end of the Huron area phone line served by U S WEST. We experience frequent phone service outages. These most often happen when there is a weather change. The servicemen tell us that wind drives in snow and dirt in the boxes, or a drop of moisture which shorts out circuits. Mice also have caused outages by being in the boxes. Also, the servicemen tell us the relay equipment is of the oldest style, seldom found in use any more. Our internet connections are slow. The majority (33 of 50 connections) are in the 12,00 to 15,800 bps range. The low capacity of the phone lines may also relate to line noise and weak phone signals we experience. There are no more phone lines available for our use to our farm. Today's agri-business operation is relying increasingly on rapid communication to do business. On one phone line we have: phone, fax and internet, a family residence, a farm/ranch that produces a half million dollars of ag. products annually, and a farm/ranch Bed & Breakfast/farm vacation business (possibly farm)." I ask that the PUC grant the following relief: "PUC should mandate that U S WEST update the lines in our area so that we can operate our ag business, tourism business and personal business in an expedient manner. We need two more lines, which are presently unavailable, to our farm." (Staff: SW/CH)	10/29/97	NA

Important Notice: The Commission is compiling a list of internet addresses. If you have an internet address please notify the Commission by E-mailing it to Terry Neum at terry@puc.state.sd.us or Faxing the address to the Commission at 605-773-3809

PAGE 2 OF 2

South Dakota Public Utilities Commission State Capitol 500 E. Capitol Pierre, SD 57501-5070 Phone: (800) 332-1782 Fax: (605) 773-3809		TELECOMMUNICATIONS SERVICE FILINGS These are the telecommunications service filings that the Commission has received for the period of: 10/31/97 through 11/06/97 If you need a complete copy of a filing faxed, overnight expressed, or mailed to you, please contact Delaine Kolbo within five days of this filing.	
DOCKET NUMBER	TITLE/STAFF/SYNOPSIS	DATE FILED	INTERVENTION DEADLINE
REQUEST FOR CERTIFICATE OF AUTHORITY			
TC97-173	Application by Vista Communications, Inc. for a Certificate of Authority to operate as a telecommunications company within the state of South Dakota. (Staff: TS/CH) "Applicant seeks authority to offer a full range of 1+ interexchange telecommunications services on a resale basis. Specifically, Applicant seeks authority to provide MTS, out-WATS, in-WATS and Calling Card services. Applicant does not intend to provide operator services, 900 or 700 services."	10/31/97	11/21/97
TC97-174	Application by NTI Telecom, Inc. for a Certificate of Authority to operate as a telecommunications company within the state of South Dakota. (Staff: TS/KC) "Applicant proposes to offer resold intrastate long distance services to the public... The services to be provided are Message Toll Service, Incoming 800, Travel Card services and Operator Services."	10/31/97	11/21/97
NONCOMPETITIVE TELECOMMUNICATIONS FILING			
TC97-175	U S WEST Communications filed to revise the language for Termination Liability Charges in the General Regulations section of its Exchange and Network Services Tariff. (Staff: TS/CH) The reason for the change is "to put the charge in the contracts for the specific services. USWC proposes an effective date of December 1, 1997."	10/31/97	11/21/97
REQUEST FOR ELIGIBLE TELECOMMUNICATIONS COMPANY STATUS			
TC97-176	Dickey Rural Telephone Cooperative pursuant to 47 U.S.C. 214(e) and 47 C.F.R. 54.201 hereby seeks designation as an eligible telecommunications carrier within the local exchange area that constitutes its service area in South Dakota. Dickey Rural Telephone Cooperative is the facilities-based local exchange carrier presently providing local exchange telecommunications services in the following exchanges in South Dakota: (605) 358 South Forbes, (605) 379 South Nelvik, (605) 383 South Guelph, and (605) 687 South Ventura. Dickey Rural Telephone Cooperative, to its knowledge, is the only carrier today providing local exchange telecommunications service in the above exchange area. (Staff: HB/KC)	11/03/97	11/21/97
TC97-177	Dickey Rural Communications, Inc. pursuant to 47 U.S.C. 214(e) and 47 C.F.R. 54.201 hereby seeks designation as an eligible telecommunications carrier within the local exchange area that constitutes its service area in South Dakota. Dickey Rural Communications, Inc. is the facilities-based local exchange carrier presently providing local exchange telecommunications services in the following exchanges in South Dakota: (605) 289 South Ashley, (605) 348 South Ellendale, and (605) 735 South Forman. Dickey Rural Communications, Inc., to its knowledge, is the only carrier today providing local exchange telecommunications service in the above exchange area. (Staff: HB/KC)	11/03/97	11/21/97

PAGE 1 OF 2

BEFORE THE PUBLIC UTILITIES COMMISSION
OF THE STATE OF SOUTH DAKOTA

IN THE MATTER OF THE COMPLAINT FILED)	ORDER FINDING
BY BEN HOFER, CARPENTER, SD, AGAINST)	PROBABLE CAUSE AND
U S WEST COMMUNICATIONS, INC.)	NOTICE REQUIRING
REGARDING TELEPHONE SERVICE)	ANSWER
OUTAGES AND INADEQUATE SERVICE)	TC97-178

On October 29, 1997, the Commission received a complaint filed by Ben Hofer, Carpenter, SD (Complainant) against U S WEST Communications, Inc. (Respondent) regarding frequent phone service outages, slow internet connections, line noise and weak phone signals.

Pursuant to ARSD 20:10:01:08.01 and 20:10:01:09, if a complaint cannot be settled without formal action, the Commission shall determine if the complaint shows probable cause of an unlawful or unreasonable act, rate, practice or omission to go forward with the complaint.

On December 18, 1997, at its duly noticed meeting, the Commission reviewed the complaint.

The Commission finds that it has jurisdiction over this matter pursuant to Chapters 49-13 and 49-31 SDCL and ARSD 20:10:01:08.01 and 20:10:01:09. The Commission voted unanimously to find probable cause, it is therefore

ORDERED, that pursuant to ARSD 20:10:01:09, the Commission finds that there is probable cause of an unlawful or unreasonable act, rate, practice, or omission and that the complaint shall be forwarded to U S WEST and U S WEST shall file with the Commission its answer in writing within twenty (20) days of service of this order.

Dated at Pierre, South Dakota, this 26 day of January, 1998.

CERTIFICATE OF SERVICE

The undersigned hereby certifies that this document has been served today upon all parties of record in this docket, as listed on the docket service list, by facsimile or by first class mail, in properly addressed envelopes, with charges prepaid thereon.

By Laska Schoenfelder

Date 1/9/98

(OFFICIAL SEAL)

BY ORDER OF THE COMMISSION:

James A. Burg
JAMES A. BURG, Chairman

Pam Nelson
PAM NELSON, Commissioner

Laska Schoenfelder
LASKA SCHOENFELDER, Commissioner

BOYCE, MURPHY, McDOWELL & GREENFIELD, L.L.P.
ATTORNEYS AT LAW

Jeremiah D. Murphy
Russell R. Greenfield
David J. Vickers
Gary J. Pahlke
Vance R. C. Goldammer
Thomas J. Welk
Terry N. Friesdinger
James E. McMahon
Douglas J. Horak
Michael V. McKnight
Gregory S. Greenfield
Timothy A. Wilka
Roger A. Sudbeck
Carolyn A. Thompson
Lisa Hansen Martin

Norwest Center, Suite 600
101 North Phillips Avenue
Sioux Falls, South Dakota 57104
P.O. Box 5015
Sioux Falls, South Dakota 57117-5015

Telephone 605 336-2424
Facsimile 605 334-0618

Of Counsel
John R. McDowell

J.W. Boyce (1884-1915)
John S. Murphy (1924-1966)

January 28, 1998

VIA FACSIMILE - 773-3809

Mr. William Bullard, Jr.
Executive Director
South Dakota Public Utilities Commission
500 East Capitol
Pierre, SD 57501

RECEIVED
JAN 29 1998
SOUTH DAKOTA PUBLIC
UTILITIES COMMISSION

FAX Received JAN 28 1998

Re: In the Matter of the Complaint Filed by Ben Hofer Against U S West Communications Regarding
Telephone Service Outages & Inadequate Service (TC97-178)
Our File No. 2104-97-178

Dear Mr. Bullard:

Please find enclosed for filing a copy of the U S West Communications, Inc.'s Answer in the above referenced matter. This is being filed via facsimile today and the original and ten (10) copies of the Answer are being mailed today together with the Certificate of Service.

Sincerely yours,

BOYCE, MURPHY, McDOWELL &
GREENFIELD, L.L.P.



Thomas J. Welk

TJW/vjj
Enclosure

cc: William P. Heaston
Jon Lehner
Ben Hofer

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BEFORE THE PUBLIC UTILITIES COMMISSION
OF THE STATE OF SOUTH DAKOTA

RECEIVED

JAN 28 1998

SOUTH DAKOTA PUBLIC
UTILITIES COMMISSION

IN THE MATTER OF THE
COMPLAINT FILED BY BEN HOFER,
CARPENTER, SD, AGAINST U S WEST
COMMUNICATIONS, INC.
REGARDING TELEPHONE SERVICE
OUTAGES AND INADEQUATE
SERVICE

U S WEST COMMUNICATIONS, INC.'s
ANSWER

TC97-178

FILED Received JAN 28 1998

U S WEST Communications, Inc. ("U S WEST"), in answer to the Complaint of Ben Hofer dated October 27, 1997, and in accordance with the Public Utilities Commission of the State of South Dakota ("Commission") order entered in this matter dated January 7, 1998 provides this answer:

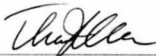
1. Ben Hofer is a residential customer of U S WEST that lives in southern Spink County. Mr. Hofer and four other customers are served on the current facilities.
2. The complaint of Ben Hofer requests additional lines be placed to his farmstead to upgrade telephone service. The Exchange and Network Services Tariff, which has been approved by the Commission, in Section 4, 4.2A (Construction Charges Outside the Base Rate Area) states, in effect, that additional lines, as requested by Mr. Hofer, are to be paid at the average unit cost of \$0.48 per foot. A copy of the relevant tariff page is attached as Exhibit A. U S WEST has computed the additional charges to Mr. Hofer to accommodate his request. The charge that Mr. Hofer would have to pay in accordance with the applicable tariff is the sum of \$1,372.80 payable in advance prior to construction. In addition, U S

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WEST in responding to the complaint of Mr. Hofer has also done engineering estimates to provide not only Mr. Hofer but the other four customers served on the current facilities with upgraded facilities. The estimated cost of the engineering to provide all of the customers, including Mr. Hofer, is the sum of \$135,681.

3. U S WEST is willing to provide such upgraded facilities to Mr. Hofer and the four other customers upon the payment of the additional construction charges as required by the applicable tariff. It is estimated that such construction can be completed during the next construction season.

Dated this 28th day of January, 1998.



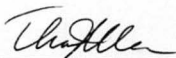
Thomas J. Welk
Tamara A. Wilka
BOYCE, MURPHY, MCDOWELL
& GREENFIELD, L.L.P.
P.O. Box 5015
Sioux Falls, SD 57117-5015
Telephone: (605) 336-2424

Attorneys U S WEST Communications,
Inc.

CERTIFICATE OF SERVICE

I, Thomas J. Welk, do hereby certify that I am a member of the law firm of Boyce, Murphy, McDowell & Greenfield, and on the 28th day of January, 1998, a true and correct copy of U S West Communications, Inc.'s Answer was sent to the following via U S mail, postage paid thereon:

Ben Hofer
18653 408th Avenue
Carpenter, SD 57322



Thomas J. Welk

0144-6208

U S WEST COMMUNICATIONS, INC.
Exchange and Network
Services Tariff

SECTION 4

Page 3

Release 1

State of South Dakota

Issued: 11-5-93

Effective: 12-5-93

4. CONSTRUCTION CHARGES

4.2 CONSTRUCTION CHARGES OUTSIDE THE BASE RATE AREA

- A. Where the Company extends its facilities on public highways or on private property in order to furnish main station service (first local access line per premises) to an applicant or applicants in territory where telephone facilities are not in place, the Company will provide facilities for each applicant based on one-half the average unit cost to place one circuit.

The customer will be provided the first one-half mile beyond the nearest available facilities at no charge. The one-half mile free allowance will apply on either private property or public rights-of-way. (The route established shall be determined by the Company.) Charges to the customer will begin at a point beginning immediately beyond the one-half mile allowance.

Requests for lines that exceed the initial main station, and where adequate facilities are not in place, the applicant shall be billed from a point immediately beyond the nearest available facilities to the point of connection to the network. Those charges would be based on the current average unit cost. The average unit cost to place one circuit is \$0.48 per foot.

B. Rights-of-Way

Provision and cost of rights-of-way is assumed by the Company when the construction, for which the rights-of-way is obtained, will be required as a part of the property designed telephone distribution system.

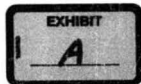
If, to serve a customer, it is necessary to use rights-of-way on private property, the customer is required to provide, or pay the cost of providing, the necessary rights-of-way. If, however, the service can be provided by means of construction on a public highway without unusual cost, but the Company elects to construct on private property, the cost of obtaining the rights-of-way shall be borne by the Company.

4.3 SERVICE ENTRANCE FACILITIES - URBAN AREAS

The type of service entrance used shall be determined by the Company.

When a customer requests a buried entrance and the Company ordinarily would provide aerial facilities, special construction charges will apply.

Buried entrances require the owner to provide reusable conduit, utility vaults, and handholes in place (size and number specifications to be determined by the Company) to the demarcation point at the building from the Company designated facility point (e.g., pedestal, pole and/or property line, etc.). See 4.1.B.3. preceding for additional requirements governing construction furnished by the customer.



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

IN THE MATTER OF THE COMPLAINT)	ORDER FOR AND NOTICE OF
FILED BY BEN HOFER, CARPENTER,)	HEARING
SOUTH DAKOTA, AGAINST U S WEST)	
COMMUNICATIONS, INC. REGARDING)	TC97-178
TELEPHONE SERVICE OUTAGES AND)	
INADEQUATE SERVICE	

On October 29, 1997, the Public Utilities Commission (Commission) received a Complaint from Ben Hofer, Carpenter, South Dakota, (Complainant) against U S WEST Communications, Inc. (U S WEST) alleging frequent phone service outages, slow internet connections, line noise and weak phone signals.

Pursuant to ARSD 20.10.01.08.01 and 20.10.01.09, if a complaint cannot be settled without formal action, the Commission shall determine if the complaint shows probable cause of an unlawful or unreasonable act, rate, practice or omission to go forward with the complaint.

On December 18, 1997, at its duly noticed meeting, the Commission reviewed the complaint. The Commission voted unanimously to find probable cause. U S WEST filed its response on January 28, 1998.

TAKE NOTICE that a hearing in this matter will be held on April 2, 1998, beginning at 9:00 o'clock A.M., in Ballroom "C" at the Crossroads Hotel and Convention Center, Huron, South Dakota.

The Commission has jurisdiction in this matter pursuant to SDCL Chapters 1-26, 49-13, including 49-13-1 through 49-13-14, inclusive, and 49-31, including 49-31-3, 49-31-7, 49-31-7.1, 49-31-7.2, 49-31-10, 49-31-11, 49-31-38, 49-31-38.1, 49-31-38.2, 49-31-38.3, 49-31-60 through 49-31-68, inclusive, and ARSD 20.10.01.07.01 through 20.10.01.15.01, inclusive. The Commission may rely upon any or all of these or other laws of this state in making its determination.

The issue at the hearing is whether U S WEST committed an unlawful or unreasonable act, rate, practice or omission and, if so, what relief would be appropriate.

All persons so testifying will be subject to cross-examination by the parties. The order of the proceeding will be in the following sequence: (1) Complainant; (2) U S WEST; and (3) Staff.

The hearing is an adversary proceeding conducted pursuant to SDCL Chapter 1-26. All parties have the right to attend and represent themselves or be represented by an attorney. However, such rights and other due process rights shall be forfeited if not exercised at the hearing. If you or your representative fail to appear at the time and place set for the hearing, the Final Decision will be based solely on testimony and evidence provided, if any, during the hearing or a Final Decision may be issued by default pursuant to SDCL 1-26-20.

The Commission, after examining the evidence and hearing testimony presented by the parties, shall make Findings of Fact, Conclusions of Law, and a Final Decision. As a result of the hearing, the Commission shall determine whether U S WEST committed an unlawful or unreasonable act, rate, practice, or omission and if so, order any appropriate relief. The Final Decision may be appealed by the parties to the Circuit Court and the South Dakota Supreme Court as provided by law. It is therefore

ORDERED that a hearing shall be held on the complaint of Complainant as specified above.

Pursuant to the Americans with Disabilities Act, this hearing is being held in a physically accessible location. Please contact the Public Utilities Commission at 1-800-332-1782 at least 48 hours prior to the hearing if you have special needs so arrangements can be made to accommodate you.

Dated at Pierre, South Dakota, this 12 day of March, 1998.

CERTIFICATE OF SERVICE	
The undersigned hereby certifies that this document has been served today upon all parties of record in this docket, as listed on the docket service list, by facsimile or by first class mail, in properly addressed envelopes, with charges prepaid thereon.	
By	<u>Adrian Kalks</u>
Date	<u>3/13/98</u>
(OFFICIAL SEAL)	

BY ORDER OF THE COMMISSION:
Commissioners Burg, Nelson and
Schoenfelder

William T. Bullard, Jr.
WILLIAM BULLARD, JR.
Executive Director

BOYCE, MURPHY, McDOWELL & GREENFIELD, L.L.P.
ATTORNEYS AT LAW

Jeremiah D. Murphy
Russell B. Greenfield
David J. Vickers
Gary J. Finkley
Vance R.C. Goldammer
Thomas J. Welk
Terry S. Pendergast
James J. McMahon
Douglas J. Hark
Michael S. McKnight
Gregg S. Greenfield
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Roger A. Sullivan
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Sioux Falls, South Dakota 57104
P.O. Box 5015
Sioux Falls, South Dakota 57117-5015

Telephone 605 336-2424
Facsimile 605 334-0618

Of Counsel
John R. McDowell

J.W. Boyce (1884-1915)
John S. Murphy (1924-1966)

RECEIVED

MAR 30 1998

SOUTH DAKOTA PUBLIC
UTILITIES COMMISSION

March 26, 1998

William Bullard, Jr., Executive Director
South Dakota Public Utilities Commission
500 East Capitol
Pierre, SD 57501

Re: In the Matter of the Complaint Filed by Ben Hofer Against U S West Communications Regarding
Telephone Service Outages & Inadequate Service (TC97-178)
Our File No. 2104-97-178

Dear Mr. Bullard:

Please find enclosed the original and ten (10) copies of the following:

1. Motion to Amend Answer and Certificate of Service; and
2. U S WEST Communications, Inc.'s Amended Answer.

Sincerely yours,

BOYCE, MURPHY, McDOWELL &
GREENFIELD, L.L.P.

Thomas J. Welk

TJW/vjj
Enclosures

cc: Andrew D. Crain
Jon Lehner

BEFORE THE PUBLIC UTILITIES COMMISSION
OF THE STATE OF SOUTH DAKOTA

RECEIVED

MAR 30 1998

SOUTH DAKOTA PUBLIC
UTILITIES COMMISSION

IN THE MATTER OF THE
COMPLAINT FILED BY BEN HOFER,
CARPENTER, SD, AGAINST U S WEST
COMMUNICATIONS, INC.
REGARDING TELEPHONE SERVICE
OUTAGES AND INADEQUATE
SERVICE

TC97-178

U S WEST COMMUNICATIONS, INC.'s
MOTION TO AMEND ANSWER and
CERTIFICATE OF SERVICE

U S WEST Communications, Inc. ("U S WEST") moves, pursuant to ARSD
20:10:01:16, for leave to file the attached Amended Answer to revise paragraph 2, because
final engineering costs have been developed.

Dated this 26th day of March, 1998.



Thomas J. Welk
Tamara A. Wilka
BOYCE, MURPHY, MCDOWELL &
GREENFIELD, L.L.P.
P.O. Box 5015
Sioux Falls, SD 57117-5015
(605)336-2424

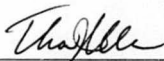
Andrew D. Crain
U S WEST Communications, Inc.
1801 California, Suite 5100
Denver, Colorado 80202
Telephone: (303) 296-4576
Attorneys for U S WEST Communications, Inc.

U.S. 28. 44410

CERTIFICATE OF SERVICE

I, Thomas J. Welk, do hereby certify that I am a member of the law firm of Boyce, Murphy, McDowell & Greenfield, and on the 26th day of March, 1998, a true and correct copy of U S West Communications, Inc.'s Motion to Amend Answer and Amended Answer was sent to the following via U S mail, postage paid thereon:

Ben Hofer
18653 408th Avenue
Carpenter, SD 57322



Thomas J. Welk

BEFORE THE PUBLIC UTILITIES COMMISSION
OF THE STATE OF SOUTH DAKOTA

RECEIVED

MAR 30 1998

SOUTH DAKOTA PUBLIC
UTILITIES COMMISSION

IN THE MATTER OF THE
COMPLAINT FILED BY BEN HOFER,
CARPENTER, SD, AGAINST U S WEST
COMMUNICATIONS, INC.
REGARDING TELEPHONE SERVICE
OUTAGES AND INADEQUATE
SERVICE

TC97-178

U S WEST COMMUNICATIONS, INC.'s
AMENDED ANSWER

U S WEST Communications, Inc. ("U S WEST"), in answer to the Complaint of Ben Hofer dated October 27, 1997, and in accordance with the Public Utilities Commission of the State of South Dakota ("Commission") order entered in this matter dated January 7, 1998 provides this answer:

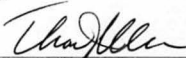
1. Ben Hofer is a residential customer of U S WEST that lives in southern Spink County. Mr. Hofer and four other customers are served on the current facilities.

2. The complaint of Ben Hofer requests additional lines be placed to his farmstead to upgrade telephone service. The Exchange and Network Services Tariff, which has been approved by the Commission, in Section 4, 4.2A (Construction Charges Outside the Base Rate Area) states, in effect, that additional lines, as requested by Mr. Hofer, are to be paid at the average unit cost of \$0.48 per foot. A copy of the relevant tariff page is attached as Exhibit A. U S WEST has computed the additional charges to Mr. Hofer to accommodate his request. The charge that Mr. Hofer would have to pay in accordance with the applicable tariff is the sum of \$1,372.80 payable in advance prior to construction. In addition, U S

WEST in responding to the complaint of Mr. Hofer has also done engineering estimates to provide not only Mr. Hofer but the other four customers served on the current facilities with upgraded facilities. The estimated cost of the engineering to provide all of the customers these upgraded facilities, including Mr. Hofer, is the sum of approximately \$153,500.

3. U S WEST is willing to provide such upgraded facilities to Mr. Hofer and the four other customers upon the payment of the additional construction charges as required by the applicable tariff. It is estimated that such construction can be completed during the next construction season.

Dated this 26th day of March, 1998.



Thomas J. Welk
Tamara A. Wilka
BOYCE, MURPHY, MCDOWELL
& GREENFIELD, L.L.P.
P.O. Box 5015
Sioux Falls, SD 57117-5015
Telephone: (605) 336-2424

Attorneys U S WEST Communications,
Inc.



South Dakota Public Utilities Commission

State Capitol Building, 500 East Capitol Avenue, Pierre, South Dakota 57501-5070



March 31, 1998

Dear Mr. Hoseck:

Please submit to the Commission any staff data requests directed to U S WEST Communication's Inc. in Docket TC97-178. Also provide any responses to the data requests.

Sincerely,

ROLAYNE AILTS WIEST
General Counsel

cc Thomas Welk
Tamara Wilka
Andrew Crain

Capitol Office
Telephone (605)773-3201
FAX (605)773-3809

Transportation/
Warehouse Division
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Consumer Hotline
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Chairman
Pam Nelson
Vice-Chairman
Lauck Schoenfelder
Commissioner

William Bullard Jr.
Executive Director

Edward R. Anderson
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Marlette Frischbach
Shirleen Fugitt
Lewis Hammond
Katie Hartford
Lene Healy
Cameron Hoseck
Dave Jacobson
Bob Knudie
Delaine Kullo
Jeffrey P. Loveman
Terry Norum
Gregory A. Ruskov
Tammie Stangor
Steven M. Weigman
Rolayne Ailts Wiest



South Dakota Public Utilities Commission

State Capitol Building, 500 East Capitol Avenue, Pierre, South Dakota 57501-5070



April 1, 1998

Rolayne Ailts Wiest
General Counsel
South Dakota Public Utilities Commission
500 E. Capitol Avenue
Pierre, SD 57501

RE: data requests in Docket TC97-178

Dear Ms. Wiest:

In response to your letter of March 31, 1998 which was received by me this morning, I am enclosing copies of data requests and their respective letters of transmittal which were sent to U S WEST by staff analyst, Steve Wegman, in this docket on March 16 and 17, 1998. Both data requests are addressed to counsel for U S WEST, Thomas Welk.

I have received no response to these requests nor has Mr. Wegman, upon my confirming this with him. I would also point out that he had requested responses to those requests by March 26, 1998. Further, I have looked in the official docket in this matter which is maintained in our central filing system and no responses appear to have been docketed.

Very truly yours,

Camron Hoseck
Staff Counsel

cc Thomas Welk
Tamara Wilka
Andrew Crain

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Camron Hoseck
Dave Jacobson
Bob Knaulic
Delaune Kolbo
Jeffrey P. Loewen
Terry Norum
Gregory A. Risdov
Yammi Stangebe
Steven M. Wegman
Rolayne Ailts Wiest



South Dakota Public Utilities Commission

State Capitol Building, 500 East Capitol Avenue, Pierre, South Dakota 57501-5070



March 16, 1998

Thomas Welk
Boyce, Murphy, McDowell & Greenfield, LLP
PO Box 5015
Sioux Falls, SD 57117

RE: SDPUC DOCKET NO. 's TC97-178, TC98-007, TC98-008, TC98-009,
TC98-010, TC98-011, and TC98-016

Dear Mr. Welk:

Enclosed is the first SDPUC Staff data request in the above-captioned proceedings. Please submit four copies of the responses to me at the Commission. Please respond to the data request by having your responses in the Commission's offices on or before March 26, 1998. Send the responses to the individual questions as they are finished rather than waiting for completion of the entire request.

The responses should be submitted under oath and notarized. Each response should note the name of the person(s) providing the response.

Sincerely yours,

Steven M. Wegman
Steven M. Wegman
Analyst

Capitol Office
Telephone (605)773-3201
FAX (605)773-3809

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♦
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Delaine Kolbo
Jeffrey P. Lorransen
Terry Norum
Gregory A. Ricks
Tammi Stangor
Steven M. Wegman
Rosalyn Aults West

SDPUC
Docket Number TC97-178
U S West
First Data Request
March 16, 1998

1. Provide a copy of U S West's technical specification for two-way switched voice grade service. This information should include, but not be limited to, frequency characteristics, transmission scheme, transmission rate, transmission level, and line loss.
2. Provide a copy of the test procedure(s), frequency of test(s), and results of the tests that have been done on the two-way switched voice grade service for the Carpenter area.
3. Provide a detailed map that depicts the complete drawing of the cable and wiring routes, cable pair, wire size, wiring and equipment cabinets (including load coils) and utility connection for battery backup supply, and any other information regarding this complaint. The drawings shall start from the central office in Huron and end at each subscriber's network interface device.
4. Provide all workpapers, construction estimates, material estimates, etc. that support U S WEST's \$55,000 amount to upgrade the telephone service in the Carpenter area. Provide what type of feature(s), telephony service(s), including technical specification of the telephony services, and number of lines this upgrade would provide.
5. How many other customers are served by an SLC 40 network or other similar equipment by U S WEST in South Dakota? Provide full details.
6. Explain why Caller ID is not available on the SLC 40 network? What type of telephone specifications or characteristics are required for this service? How many other U S West's customers do not have access to Caller ID or other similar CLASS features in South Dakota? Provide full details.



South Dakota Public Utilities Commission



State Capitol Building, 500 East Capitol Avenue, Pierre, South Dakota 57501-5070

March 17, 1998

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Dave Jacobson

Bob Keadle

DeLaine Kolbo

Jeffrey P. Lorenson

Terry Norum

Gregory A. Rinkus

Tamara Stangor

Steven M. Wegman

Jolayne Ault West

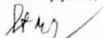
RE: SDPUC DOCKET NO.'s TC97-178, TC98-007, TC98-008, TC98-009, TC98-010, TC98-011, TC98-012 and TC98-016

Dear Mr. Welk:

Enclosed is the second SDPUC Staff data request in the above-captioned proceedings. Please submit four copies of the responses to me at the Commission. Please respond to the data request by having your responses in the Commission's offices on or before March 26, 1998. Send the responses to individual questions as they are finished rather than waiting for completion of the entire request.

The responses should be submitted under oath and notarized. Each response should note the name of the person(s) providing the response.

Sincerely yours,


Steven M. Wegman
Analyst

SDPUC

Docket Numbers TC97-178, TC98-007, TC98-008, TC98-009, TC98-010, TC98-011, TC98-012, and TC98-016

U S WEST

Second Data Request

March 17, 1998

1. Explain in full detail the technical and economic life for the telephony network that serves the Carpenter area.
2. Provide a copy of the documents that support the following US West Answer in TC97-178 to the complaint: "There are alternative satellite providers for internet service for the residents of Carpenter."
3. Provide information that explains and documents any and all upgrades of the telephony service for the Carpenter area from 1970, by year.

THE PUBLIC UTILITIES COMMISSION
OF THE STATE OF SOUTH DAKOTA

RECEIVED

APR 10 1998

IN THE MATTER OF THE COMPLAINT
FILED BY BEN HOFER, AGAINST
U S WEST COMMUNICATIONS, INC.
REGARDING TELEPHONE SERVICE OUTAGES
AND INADEQUATE SERVICE

SOUTH DAKOTA PUBLIC
UTILITIES COMMISSION

TC97-178

HEARD BEFORE THE PUBLIC UTILITIES COMMISSION

PROCEEDINGS:

April 2, 1998
9:00 A.M.
Ballroom B, Crossroads
Huron, South Dakota

PUC COMMISSION:

Jim Burg, Chairman
Pam Nelson, Vice-Chairman
Laska Schoenfelder, Commissioner

COMMISSION STAFF

PRESENT:

Rolayne Ailts Wiest
Karen Cremer
Camron Hoseck
Harlan Best
Bob Knadle
Steve Wegman

Reported by: Lori J. Grode, RMR

A P P E A R A N C E S

For US West: Thomas J. Welk
 P.O. Box 5015
 Sioux Falls, South Dakota,
 57117-5015

Also Present: Jon Lehner and Colleen Sevoid

I N D E X

<u>Witness</u>	<u>Page</u>
Ben Hofer	23
Darla Loewen	25
Russ Evans	47
Jon Lehner	100
Steve Wegman	116
Colleen Sevoid	133

E X H I B I T S

1 Loewen's Statement

2 B&B Brochure

3 Map

4 49-31-62

5 Transcript Page

P R O C E E D I N G S

CHAIRMAN BURG: I'll begin the hearing for Dockets TC97-178, TC98-007 through TC98-012, and TC98-016, in the matter of the complaints filed by Ben Hofer, Willow Lake Elevator, Galen Waldner, Dick Glanzer, Regan Glanzer, Mike Madsen, Claude Glanzer, and Keith Glanzer.

The time is approximately 9:00 a.m. The date is April 2nd, 1998; and the location of the hearing is in Ballroom C at the -- I think this is B at the Crossroads Hotel and Convention Center, Huron, South Dakota.

I am Jim Burg, Commission Chairman. Commissioners Laska Schoenfelder and Pam Nelson are also present. I am presiding over this hearing.

The hearing was noticed pursuant to Commission's Order For and Notice of Hearing issued March 12th, 1998. The issue at this hearing is whether U S West committed an unlawful, unreasonable act, rate, practice, or omission; and if so, what relief should be appropriate.

All parties have the right to be present and to be represented by an attorney. All persons so testifying will be sworn in and subject to cross-examination by the parties. The Commission's

1 final decision may be appealed by the parties to the
2 State Circuit Court and the State Supreme Court.

3 Rolayne Wiest will act as Commission
4 counsel. She may provide recommended rulings on
5 procedural and evidentiary matters. The Commission may
6 overrule its counsel's preliminary rulings throughout
7 the hearing. But if not overruled, the preliminary
8 rulings will become final.

9 It would appear that the Hofer complaint
10 should be treated separately from the other complaints,
11 so the Commission proposes to proceed first with the
12 Hofer complaint; and then if the parties do not object,
13 we can combine the rest of the complaints for the sole
14 purpose of taking testimony.

15 For example, all the complainants could
16 testify first, followed by U S West. Any comments or
17 objections to this procedure? I'll ask that at this
18 time. Does anybody object to that procedure?

19 MR. WELK: Mr. Chairman, we would consolidate
20 them all. We'd let Mr. Hofer and the other seven be
21 consolidated. We have an engineer here who's prepared
22 to discuss both complaints all at the same time. So we
23 have no objection if you want to consolidate them all
24 for one record purposes.

25 CHAIRMAN BURG: But don't you have some

1 procedural matters that pertain to the others that do
2 not pertain to the Hofer one?

3 MR. WELK: Our intention is to have the same
4 procedural matters apply to all.

5 CHAIRMAN BURG: Weren't there some data
6 requests to make to all except the Hofer one that
7 you're objecting to that was not made to the Hofer
8 one?

9 MR. WELK: Just this morning I don't have
10 anything in -- I just called my office and was advised
11 there was something received about that. And the
12 intention of U S West -- and if it was a mistake, it
13 was a mistake on my part. We intend for it to apply to
14 them all. I think we put them all on one piece of
15 paper, and it should have been for Hofer as well. Our
16 intention is to apply all the procedural aspects to
17 both. But we're prepared to answer the questions, I
18 want you to understand that, and the data requests
19 today. But, procedurally, our intention was to apply
20 to all.

21 COMMISSIONER SCHOENFELDER: I have a
22 question. Aren't the facts in the Hofer case somewhat
23 different than in the other cases?

24 MR. WELK: Yes, they are, Commissioner. And
25 we, in fact, have agreed in the Hofer complaint to put

1 in the facilities. In our Answer we have said we are
2 willing to do that. And there are differences, there
3 are different systems. We just say if you want to put
4 them all together, we have no objection to doing that
5 in one record. It's up to you, but I don't have any
6 objection if you want to put them all together.

7 CHAIRMAN BURG: Staff, any comments?

8 MR. HOSECK: Yes. First, with regard to the
9 Hofer matter, staff did not receive any of the motions
10 that were made in the other cases as far as a quashing
11 or anything of that nature and has not had notice of
12 those motions, nor did we file any type of a response
13 to those motions; and we are not prepared to respond to
14 those at this late date. And, therefore, we would
15 object to those, whatever they are, those procedural
16 matters raised in the other cases applying to the Hofer
17 case at this point in time.

18 Now, as to the matter of consolidating these,
19 I guess I would have no major objection to this so long
20 as the Hofers and I, on behalf of staff, would be able
21 to ask questions perhaps out of sequence of U S West
22 witnesses as they put their case on. And realizing
23 that -- the thing that is of concern to me is we may
24 have one witness and two staff attorneys asking
25 questions of them. I would only ask questions as they

1 would pertain to the Hofer case, and Karen could ask
2 the questions as they pertain to the other cases, if
3 that would be agreeable in term of procedure.

4 MR. WELK: We have no objection.

5 CHAIRMAN BURG: Any other questions?

6 MS. WIEST: Do the complainants have --

7 CHAIRMAN BURG: Does anybody complain or want
8 to comment on this? I'm sure it's a procedural thing
9 that might be confusing, but if you have any opinions
10 that develop from the discussion, we'd welcome them.

11 Rolayne, do you have any comments?

12 MS. WIEST: I think it might be less
13 confusing to proceed with Hofer first given that there
14 are two different attorneys and totally separate facts.

15 CHAIRMAN BURG: And if there is a problem
16 with not adequately filing on that one, that that could
17 come out; right?

18 MS. WIEST: I mean it could either way. It's
19 just I'm more concerned with just the testimony part of
20 it.

21 COMMISSIONER NELSON: I would prefer to do
22 that them that way also.

23 COMMISSIONER SCHOENFELDER: I don't have an
24 objection to them being together except to the fact I
25 think the facts are different, and I don't want, for

0144-6223

1 one, me to be confused.

2 CHAIRMAN BURG: I believe given what I've
3 heard, I'll just rule that we will separate the two.
4 We will go with Hofer first and combine the rest. At
5 this time, then, I will turn the proceedings over to
6 Rolayne to conduct the hearing.

7 MS. WIEST: At this time I'll take
8 appearances.

9 COMMISSIONER SCHOENFELDER: I have a comment
10 for the record. I need to note for the record that I
11 think it was about two years ago that I talked both
12 with Mr. Hofer and with U S West concerning the issues
13 that he's raised in his complaint. This happened about
14 two years, I think it did, prior to this filing of the
15 complaint. And both U S West and the complainant are
16 aware of these conversations, so I'm assuming that
17 neither U S West, nor Mr. Hofer, has any objection to
18 my acting as a decision-maker in that case. And I need
19 to ask if that's correct?

20 MS. WIEST: Mr. Hofer, do you have any
21 objection?

22 MR. HOFER: No.

23 MS. WIEST: U S West, do you have an
24 objection?

25 MR. WELK: I'm talking to my clients. This

1 is the first time I've heard about it of the
2 Commissioner.

3 COMMISSIONER SCHOENFELDER: Excuse me,
4 Colleen Sebold was involved.

5 MR. WELK: I said I.

6 COMMISSIONER SCHOENFELDER: I knew that.

7 MR. WELK: I talked with Miss Sebold, and she
8 indicated she had a brief conversation with the
9 Commissioner about the complaint that was received.
10 That was the extent of the communication. I'd just ask
11 the Commissioner, based on those communications, do you
12 believe you can be fair and impartial?

13 COMMISSIONER SCHOENFELDER: I believe so.

14 CHAIRMAN BURG: If I'm clear on, you know,
15 what I'm hearing, was this prior to the actual
16 complaint though?

17 COMMISSIONER SCHOENFELDER: Before the filed
18 complaint, quite a long time.

19 CHAIRMAN BURG: There was no active complaint
20 at the time that discussion took place, is that what
21 I'm hearing?

22 COMMISSIONER SCHOENFELDER: As far as I know
23 there was none filed.

24 MS. SEVOLD: There was no formal complaint,
25 that's correct.

1 CHAIRMAN BURG: I wanted to make sure that
2 was clear.

3 MS. WIEST: So I will take appearances of the
4 parties. Mr. Hofer, could you state your name for the
5 record?

6 MR. HOFER: Do you want us to come up there?

7 MS. WIEST: Yeah, you can since you'll be the
8 first witness.

9 MR. HOFER: Well, I'm Ben Hofer.

10 MS. WIEST: And you're appearing without an
11 attorney; is that correct?

12 MR. HOFER: Yes, I'm appearing on my behalf;
13 and I have my daughter here who lives on the farm is
14 going to represent us together if we can do that.

15 MS. WIEST: Okay. Thank you. U S West.

16 MR. WELK: Tom Welk, attorney from Sioux
17 Falls. And personally appearing with me are Jon Lehner
18 and Colleen Sevold from Sioux Falls for U S West
19 Communications.

20 MS. WIEST: Commission staff.

21 MR. HOSECK: Camron Hoseck on behalf of
22 Commission staff.

23 MS. WIEST: Before we begin with any opening
24 statements, are there any motions? The motion that I
25 have in this docket, I believe, is a Motion to file --

1 to Amend Answer Filed by U S West. Mr. Welk, do you
2 want to speak to that motion?

3 MR. WELK: The motion that was filed is a
4 Motion to Amend the Answer. Because of when full
5 engineering costs were determined, there was a change;
6 and that is the substantial change in that answer. And
7 we wanted to just conform it to what the engineering
8 costs finally are determined to be.

9 MS. WIEST: Is there any objection to that
10 motion to amend? Mr. Hofer, do you object to that?

11 MR. HOFER: No.

12 MS. WIEST: Thank you. Mr. Hoseck, do you
13 object?

14 MR. HOSECK: No objection.

15 MS. WIEST: Then the Motion to Amend Answer
16 is granted. Are there any other motions before the
17 Commission begins?

18 MR. WELK: Yes, general counsel. Mr. Hoseck,
19 in preliminary remarks, indicated that he had not
20 received in this docket the Motion to Quash, Motion to
21 Preclude Staff from Participating in Hearing, and
22 Motion to take Judicial Notice.

23 As the Commission is well aware of, Mr.
24 Hofer's complaint is a separate docket complaint.
25 There are seven docketed other complaints that we're

1 dealing with here today. I have checked with my office
2 this morning, which I routinely do, to find out what I
3 had received. I was informed by my office that there
4 was some sort of mailing, and I don't know what it
5 was. It was some sort of letter indicating that there
6 had not been any of the motions that were filed in the
7 seven Carpenter complaints filed in the Hofer
8 complaint.

9 I talked with some of my office. It appears
10 that we have made a mistake, that there were -- we
11 tried to consolidate. And I accept the responsibility
12 that it wasn't filed in the Hofer complaint. But there
13 were seven others, and we filed motions to be
14 consolidated with that. And the same motions should
15 have been filed in Hofer that were filed with the other
16 seven cases. These motions were served in the
17 Carpenter complaint upon Miss Cremer, who I understand
18 is staff counsel in that case.

19 I will represent, Mr. Hoseck as far as I
20 know, did not get the copies. They're in the same
21 office. These are all arising out of similar types of
22 areas, although there are factual differences. So I
23 would respectfully request that the Commission treat
24 the motions that were filed in the Carpenter complaint
25 as if they were filed in this action. And those would

1 be the Motion to Quash, the Motion to Preclude Staff
2 from Participating in Hearing, Motion to Take Judicial
3 Notice.

4 MS. WIEST: Mr. Hoseck.

5 MR. HOSECK: My response would be these
6 motions should be denied. I have not given the
7 Commissioners any type of a response in this matter
8 because they were not served on me as a part of this
9 action. And I can't reasonably be expected to
10 represent the public interest and to make a reasonable
11 presentation to the Commissioners on these issues.
12 And, therefore, there's lack of notice in this matter;
13 and for that reason alone, I think that the motions
14 should be denied.

15 MS. WIEST: Mr. Hofer, do you have any
16 comments on this?

17 MR. HOFER: No comment.

18 MS. WIEST: Have you read the motions in the
19 Carpenter complaint, Mr. Hoseck?

20 MR. HOSECK: I have read them briefly. I'm
21 aware of the general sense what they say. But, you
22 know, again, I have not briefed any type of a response
23 to them at all. It was my assumption that U S West,
24 for whatever reason, chose not to file those motions in
25 the Hofer case and proceeded in that manner.

1 MS. WIEST: Do you have any response, Mr.
2 Welk?

3 MR. WELK: Yes, I do, general counsel. The
4 Motion to Preclude Staff from Participating and the
5 Motion to Quash are similar to the motions that were
6 filed in 97-192, which Mr. Hoseck is also staff counsel
7 on. I understand -- I admit the responsibility for the
8 mistake, but we're playing a game here. I mean there
9 are two lawyers in the same office. These are
10 relatively simple motions. The issues are the same
11 that are in 97-192. The essential thing that we're
12 trying to address in the Motion to Quash and the Motion
13 to Preclude Staff from Participating in Hearing are
14 issues that have been raised in 97-192, and we're
15 trying to preserve the same procedural issue. Granted,
16 Mr. Hoseck didn't get them. He got the same
17 substantial matters in 97-192. And the lawyer a few
18 feet away from him got the papers in seven other
19 dockets. If he needs more time, I'm never going to
20 preclude someone if they need time to respond and he
21 didn't get those. Those are the issues he's fully
22 aware of.

23 MS. WIEST: I don't believe there's anything
24 that would prevent Mr. Welk from making the motion at
25 this time even if it wasn't filed beforehand, so why

1 don't you start with your first motion, Mr. Welk.

2 MR. WELK: I would ask that you treat the
3 same as the written motions, the Motion to Quash that I
4 filed in the Carpenter complaints. Mr. Wegman provided
5 some data requests, and I would say that they were
6 somewhat confusing coming out of Carpenter and Hofer
7 and there was some confusion. First one came; the
8 second one came.

9 But the issue that we have is the procedural
10 issue and that is one that we believe that the
11 Commission needs to address about how one party seeks
12 discovery from another. And the Motion to Quash seeks
13 to say that the data requests that were sent by
14 Mr. Wegman do not have to be answered by U S West for
15 several reasons. First of all, as we've said in
16 97-192, that only a party can participate in
17 discovery. And the staff has conceded in 97-192 that
18 it's not a party. And we believe the law is clear
19 under the Commission regulations, under the
20 Administrative Procedures Act, that only a party can
21 ask for discovery and then the Commission authorizes
22 the party to seek discovery.

23 Our position is we don't have the ability to
24 willy-nilly ask anybody anything without the approval
25 of this Commission. And the staff has said it's not a

1 party. And if it wanted the information, what it
2 should be do is go to the Commission, ask for an order
3 from the Commission. We would have a chance to respond
4 to it. And then if the Commission orders it, then we
5 will provide it.

6 And what I'm dealing with here is a
7 procedural issue. I think the Commission needs to
8 address this from a procedural standpoint how things
9 ought to be handled for its business. Does the staff
10 need to come to you and then have you approve it and if
11 -- that's what we think they should do. That's what
12 we think we should do. And then you should approve it,
13 because people may have objections that will come forth
14 and that.

15 So this is a procedural issue on the Motion
16 to Quash, that they didn't do the right things to
17 seeking the authority to do it. In addition, the
18 requests themselves, besides not seeking your approval,
19 were not -- there wasn't enough time provided in that.
20 The staff person, Mr. Wegman, just wrote down an
21 artificial date. There are dates that are allowed
22 under the applicable Rules of Civil Procedure, and he
23 shortened that time which was allowed by law. So that
24 is the Motion to Quash.

25 We also make a Motion to Preclude the Staff

1 from Participating in this docket. That also was made
2 in the Carpenter complaint. And, again, its genesis
3 arises from the admission of the staff in 97-192 that
4 they are not a party. The administrative Procedures
5 Act SDCL 1-26-18 indicates the rights to a party, the
6 right to cross-examine, to be present, to present
7 evidence. Your rules, ARSD 20:10:01:02 talk about a
8 party proceeding before the Commission. You have
9 regulations that allow parties to seek discovery as
10 well. And since they have admitted before you that
11 they are not a party, they don't have the rights of a
12 party.

13 The next issue we have is the Motion to Take
14 Judicial Notice. We filed that motion also. That asks
15 the Commission to take judicial notice of its own
16 proceedings, to take judicial notice of their request
17 that the staff made -- or the admissions that staff
18 made in 97-192 in their written papers and in
19 statements made to the Commission before 97-192. And
20 we would ask that all those motions be granted.

21 MS. WIEST: Before I proceed, I would just
22 like to discuss the Motion to Quash. My question is
23 this is a data request and it hasn't been answered and
24 here we are at the hearing. Isn't that whole issue
25 moot at this time? Is staff requesting any type of

1 continuance in order to get this information?

2 MR. HOSECK: Staff is not requesting a
3 continuance.

4 MS. WIEST: I would just rule that the Motion
5 to Quash and the data request is moot. Let's go on to
6 the other one of whether staff is a party or not.
7 Would you care to respond to that, Mr. Hoseck?

8 MR. HOSECK: Certainly. In the first place,
9 staff's role in these matters is to represent the
10 public interest and to bring facts before this
11 Commission so that the Commission can evaluate a case
12 and come up with a decision. And the procedure of this
13 Commission in the past has allowed staff to ask
14 questions, to cross-examine the witnesses and examine
15 witnesses and to call witnesses. And it is this public
16 interest that staff represents. And we would submit to
17 the Commission that unless there's going to be some
18 major change in the position of the Commission on this
19 matter, that we have a right to probe these matters for
20 the benefit of the public.

21 MS. WIEST: I'm going to rule that the
22 Commission finds that the Commission confers limited
23 party status on its staff in contested case dockets.
24 And I say that it's limited because staff's status as a
25 party is limited with respect that staff is unable to

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1 appeal Commission orders.

2 However, during a contested case proceeding
3 held before the Commission, the Commission considers
4 those staff members assigned to a docket could
5 typically represent the public interest to have the
6 status of the party. And pursuant to the Commission's
7 authority under SDCL 1-26-1(6), which is the definition
8 of a party, and ARSD 20:10:01.01(4), which is also the
9 Commission's definition of a party.

10 Are there any other motions?

11 MR. WELK: Is the Commission going to rule?
12 Is that your recommendation? Is that the ruling?

13 MS. WIEST: Unless the Commission wants to
14 overrule me, that's it.

15 MR. WELK: So as I understand it, the ruling
16 is going to be adopted by the Commission that you've
17 just explained, general counsel?

18 MS. WIEST: Yes. If you want the Commission
19 to rule on it, go ahead.

20 MR. WELK: I need a ruling.

21 MS. WIEST: But my point is I make
22 evidentiary rulings, and if the Commission wants to
23 overrule me, they can. But if you would like each of
24 the Commissioners to address that, that's fine.

25 CHAIRMAN BURG: I'll just quickly comment. I

1 think we may need to clarify that in the future on a
2 docket-by-docket basis whether we do prefer a party
3 status, limited party status. And I would move that we
4 do support the ruling of the counsel.

5 COMMISSIONER NELSON: I'd second it.

6 COMMISSIONER SCHOENFELDER: I'm going to
7 concur.

8 MS. WIEST: Are there any other motions?

9 MR. WELK: I just have an inquiry then. I've
10 never heard of a limited party status. And so if you
11 have limited party status, are we able to take
12 discovery from the staff?

13 MS. WIEST: It's only limited in the respect
14 as to appealing Commission orders; otherwise, they
15 would be treated as a party and discovery rules would
16 apply.

17 MR. WELK: Thank you.

18 MS. WIEST: Any other motions?

19 MR. WELK: No.

20 MS. WIEST: Any other motions.

21 MS. CREMER: I would just point out judicial
22 notice was not ruled on.

23 MS. WIEST: I don't know if that's necessary
24 at this time, the Motion to Take Judicial Notice.

25 MR. WELK: Yes, I need a ruling either

1 denying it or granting it.

2 MS. WIEST: Do you have any comments on that,
3 Mr. Hoseck?

4 MR. HOSECK: Well, again, I'm coming into
5 this matter not fully prepared on this. I don't know
6 what the relevance of the Motion to Take Judicial
7 Notice is, in other words, the facts that U S West is
8 asking Commission to notice. I don't think that that's
9 been established, and I would object to it.

10 MS. WIEST: I'll just deny the Motion to Take
11 Judicial Notice based on relevance. Mr. Hoseck has
12 already stated the same opinion in this case. Any
13 other motions?

14 MR. WELK: I want to take exception because
15 it supports the Motion to Preclude Staff. That's the
16 reason it's being filed. I'm asking to take notice of
17 your proceedings in support of that motion. That's the
18 reason that motion is filed.

19 MS. WIEST: I'll note your exception. Any
20 other motions? Do any of the parties wish to make an
21 opening statement? Mr. Hofer, do you have any opening
22 statement before you wish to give your testimony?

23 MR. HOFER: I'm really not sure how to do
24 this though.

25 MS. WIEST: If you want to make an opening

1 statement just stating the general terms what your case
2 is, or you can waive your opening and then we can go
3 right into your actual testimony.

4 MR. HOFER: We'll waive the opening.

5 MS. WIEST: Do you have any opening, Mr.
6 Welk?

7 MR. WELK: No.

8 MS. WIEST: Do you have any opening,
9 Mr. Hoseck?

10 MR. HOSECK: Just briefly. Mr. Chairman,
11 Members of the Commission: From what I know of this
12 case, I think it presents two issues to the
13 Commission. One is the matter of service quality. The
14 second is the matter of construction, excess
15 construction charges, and whether or not they are
16 reasonable and called for under the circumstances.
17 Basically that's how I see the issues at the outset in
18 this case. Thank you.

19 MS. WIEST: Mr. Hofer, are you going to be
20 speaking first? We can only allow one witness at a
21 time.

22 MR. HOFER: Okay, I am.

23 MS. WIEST: I'm sorry, if you are going to
24 start first, you need to be sworn in first.

25 CHAIRMAN BURG: You'll both be able to make

1 your comments.

2 **BEN HOFER,**

3 called as a witnesses, being duly sworn,
4 was examined and testified as follows:

5 DIRECT EXAMINATION

6 MR. HOFER: I'm a little awkward. I've never
7 been in this before.

8 MS. WIEST: Could you state your name and
9 your address for the record, and then explain your
10 complaint and what you would like to see from the
11 Commission.

12 MR. HOFER: I'm Ben Hofer. My address is
13 1823 Maple Drive, Huron, South Dakota. I have a farm
14 out in southern Spink County where my daughter and
15 husband live, and that's what we're talking about the
16 telephone service.

17 MS. WIEST: Go ahead and explain your
18 complaint.

19 MRS. LOEWEN: We have a written complaint
20 we'd like to share with you.

21 MS. WIEST: Is that different from your
22 complaint that you filed in this?

23 MRS. LOEWEN: It goes into more depth.

24 MS. WIEST: Until you're sworn in, I need
25 Mr. Hofer to explain. Can you show us what you have?

1 MRS. LOEWEN: I have written up --

2 MR. HOFER: You'll have to be patient with
3 us.

4 CHAIRMAN BURG: If I understand what I see
5 you're saying, you just made that comment and you would
6 just as soon she do the rest of the explanation?

7 MR. HOFER: Pretty much so, unless there's
8 questions I need to answer.

9 MS. WIEST: Are you going to be speaking
10 now?

11 MR. WELK: I have some questions of
12 Mr. Hofer.

13 MS. WIEST: Go ahead.

14 CROSS-EXAMINATION

15 BY MR. WELK:

16 Q. Mr. Hofer, my name is Tom Welk. I'm a lawyer
17 from Sioux Falls. I just have a couple questions about
18 your complaint. Do you want a second line to the farm?

19 A. Yes.

20 Q. You do? Are you willing to pay the \$1,300 on
21 the tariff for the excess construction to have the
22 second line?

23 A. If it's determined feasible and right, yes.

24 Q. You mean if the Commission says you got to
25 pay it, you'll pay it to put it in?

1 A. Yes.

2 MR. WELK: That's all I have.

3 MS. WIEST: Staff, do you have any questions
4 of Mr. Hofer?

5 MR. HOSECK: Not at this time.

6 MS. WIEST: Commissioners, do you have any
7 questions of Mr. Hofer? No questions?

8 CHAIRMAN BURG: No.

9 MS. WIEST: Okay.

10 DARLA LOEWEN,

11 called as a witness, being first duly sworn,
12 was examined and testified as follows:

13 DIRECT EXAMINATION

14 MS. WIEST: Go ahead.

15 MRS. LOEWEN: May I read this?

16 MS. WIEST: Certainly.

17 MRS. LOEWEN: My name is Darla Loewen. I
18 live at 18653 408th Avenue in Carpenter, South Dakota.

19 Background of telephone service at Ben Hofer
20 farm: Telephone service was installed the summer of
21 1952. Ben Hofer and Paul P. Hofer each paid \$100, a
22 lot of time -- money at that time, plus labor, plus use
23 of their equipment to set the poles for the telephone
24 line to their homes. Three other neighbor families
25 provided their labor and equipment to set the poles

1 under the supervision of Howard Patter from the phone
2 company. The party line serviced eight to ten
3 families, with all sharing the one line.

4 In the summer of 1978 underground private
5 phone lines were installed with service changing to
6 private lines from the party line and new phone numbers
7 -- with new phone numbers completed after October 23
8 of 1978. When the new lines were being installed, Ben
9 asked the supervisor in charge that there would be
10 enough capacity for extra lines if needed in the
11 future. The supervisor replied that taxes had to be
12 paid on each line and these lines were only good for 15
13 to 20 lines any way, then they would have to be
14 replaced.

15 At this time the 377 exchange was abandoned
16 and the 352 number was added. The Ben Hofer farm
17 location has its -- is a farm business. It employs
18 three full-time employees. The farm ranch produces a
19 half a million dollars of agriculture products
20 annually. We have 5,000 acres of crop and grassland,
21 275 cows, 375 ewes, 525 feeder lambs. It also has the
22 employee residence. There is a bed and breakfast
23 farm/ranch vacation tourism business located there. We
24 have fax and Internet connections.

25 We requested a second line for our farm in

1 the fall of 1996. We put in the request by calling the
2 residential customer service number in the phone book.
3 The U S West person took the order. Yes, we were sure
4 that we could have a second line. We set the
5 installation time for at least from the three weeks
6 from the date of request. We listed the number of two
7 line jacks and where they would be located. U S West
8 called back to make sure that someone would be around
9 when installed. We purchased two line phones in
10 anticipation of the installation of the second line. A
11 local manager person came to tell us that a second line
12 would cost three to \$4,000. We returned the two line
13 phones.

14 Equipment problems: Approximately four to
15 five years ago on two separate occasions a mouse got in
16 the local area telephone service box and caused
17 equipment failure. Noise on the line: Calling the
18 employee that lives across the road there is often
19 noise or a screech on the line making it nearly
20 impossible to carry on a conversation. This has been
21 reported and worked on often, but the noise on the line
22 pops up frequently. A family member from another state
23 mentioned the noise on the line that she heard
24 commenting that it sounded like a rural phone line.
25 One problem has been that the phone rings, we answer

1 it, but it keeps on ringing. We couldn't make the
2 connection. People that dial our number think the
3 phone is ringing but we are not receiving the call.
4 There is no dial tone or deadline.

5 Weather: Our phone outage problems seem to
6 be related to changes in the weather. Wind, humidity,
7 any moisture changes bring problems with the phone
8 service. Example: The phone was out. It was
9 reported. The repairman came and said the card was out
10 and they replaced it. I asked what makes a card go
11 out. His reply was a wind can drive a particle of snow
12 in the box and land on the card. As the weather warms
13 up, the particle of snow melts and it shorts out the
14 card.

15 Reporting problems: This spring I noticed
16 that the phone would not -- would ring one ring and on
17 the second ring it would stop ringing about halfway
18 through and not ring any more. We could pick up the
19 phone and answer it but it quit ringing. I stopped
20 along the road where the U S West repairman was working
21 and in conversation asked him about it. It seems we
22 have a box in the neighborhood that has a battery that
23 helps boost the power. He suggested it may need
24 changing just like a battery in a car gives out after a
25 while. I was to call it in and they would be out to

1 check it out. After reporting the problem to U S West,
2 I received a call from U S West saying they could not
3 find any trouble on the line. It must be our cordless
4 phone. I said we didn't have a cordless phone. I
5 repeated to the U S West person what the repairman had
6 told me concerning the battery that probably needed to
7 be checked out and replaced. Later a repairman
8 appeared at my door asking to check out the phone. He
9 had replaced the battery and the phone rings properly.

10 On several occasions that I have reported
11 problems with the phone line, U S West has called and
12 said they could not find a problem and it must be our
13 cordless phone. We do not have a cordless phone. I
14 would love to have one for the convenience it would
15 bring to my life, but at this time I don't feel I could
16 risk having one and having U S West blame the phone
17 problems on a cordless phone.

18 In calling the customer service number of U S
19 West, as directed in the phone book, I believe the
20 persons working for U S West give out the best
21 information that they can and what is made available to
22 them. However, they do not seem to have access to the
23 specific information about the equipment in our area
24 and what services are and are not available in our
25 area. An example of this is my request for Caller ID.

1 I called the customer service number of U S West listed
2 in the front of my phone book to ask for Caller ID. I
3 asked the question of Caller ID was available in my
4 area. I was assured that it was. I was sent a Caller
5 ID box, and the charge appeared on my next bill.
6 However, Caller ID is not available in this area. U S
7 West did credit my account for the Caller ID charges
8 that were billed to our account.

9 Most often it is the local repairman that has
10 to be the bearer of bad news to me, the customer, in
11 what service U S West is able or not able to provide.
12 The repair person attempts to fill the order, but
13 because of limiting circumstances of the equipment, is
14 not able to fill the order as requested. When
15 reporting a problem, the local repairmen are prompt in
16 attending to the problem. We always get a call from
17 the telephone repair person, or he comes to the farm to
18 tell us that the problem is fixed and what the problem
19 was. It is from them that we have learned about our
20 system and how it works and the problems that it has
21 and how they have been repaired.

22 Internet: Our Internet hookup operates in
23 the 12 to 1,600 range. Others that we talk to in the
24 area have a minimum of 24,000. We use the Internet to
25 keep in touch with our college son via E-mail. Our

1 daughter uses it for research for her high school class
2 papers and project. Being in a rural area 30 miles
3 from a library, having the Internet for information is
4 a very valuable asset. My bed and breakfast business
5 has an E-mail address available for potential customers
6 to use. The Internet is a wonderful way to have access
7 to update information pertaining to weather, all the
8 aspects of the agricultural field. We do not use it to
9 its full potential due to the fact that we have only
10 one phone line and we feel need to leave the phone line
11 free for incoming calls and other normal telephone
12 usage.

13 Fax machine usage: The purchase of a fax
14 machine required a bit of research. We purchased an
15 expensive fax machine that would be sensitive and able
16 to handle the fluctuations of the phone line. On both
17 incoming and outgoing faxes, there often is an error
18 that reads line error. The transmission is interrupted
19 for some reason because of errors on the line. That
20 means the fax doesn't go through in either direction;
21 it has to be tried again. We often receive a fax ring
22 and it doesn't come through, no connection made.

23 Fax and Internet usage and emergencies: If a
24 fax was coming through and we have a medical or fire
25 emergency of some sort, the phone line would not be

1 able for a time to make the call for emergency help.
2 With conversation on the line, one can interrupt in an
3 emergency and ask to use the phone. If someone was on
4 the Internet, that makes access to the phone more
5 difficult. If a fire were to break out on the farm in
6 one of the barns and the phone line was being used for
7 the Internet, instead of calling the fire from one of
8 the shops on the farm, the person would have to go to
9 the house, contact the person on the Internet, have
10 them disconnect, then place the call to request help in
11 case of fire. Being in a rural area some distance from
12 fire protection, time is of the essence. The extra
13 minutes that it would take to report a fire could be
14 very crucial. The same would be true of a medical
15 emergency, even more so. If someone was injured on the
16 farm and could somehow get to the phone in the shop but
17 couldn't use the phone because it was in use to the
18 Internet, it would delay help coming to the farm. It
19 could be the difference between life and death.

20 The people in rural South Dakota are used to
21 surviving the tough situations South Dakota weather can
22 bring. When utilities such as electricity and
23 telephone cut off due to storms of one kind or another,
24 we have to have back-up plans on hand to survive. If
25 the electricity goes off, we have another plan for

1 power and ways and means to survive. With telephone we
2 have no other option. When service is interrupted, we
3 get along and make due the best we can knowing that is
4 how life is in rural South Dakota.

5 As technology becomes more and more important
6 in our business, both ag and tourism and personal life,
7 are we to be left behind because we don't live in a
8 larger city such as Sioux Falls? I think the question
9 we have is twofold. First, we'd want a phone service
10 that is adequate and reliable. And then, secondly, we
11 would like to be able to have the capacity to have two
12 or more lines.

13 Questions: For the \$153,500 price paid by U
14 S West and the \$1,372.80 to be paid by Ben Hofer, what
15 exactly does this do to upgrade our service? Does it
16 provide for future lines to our farm as well as to the
17 farms of the four other customers involved? Is this
18 just a Bandaid service for now and how will this
19 provide for our future needs and communications?

20 MS. WIEST: Do you have anything further?

21 MRS. LOEWEN: Not at this time.

22 MS. WIEST: Mr. Welk, do you have any
23 questions?

24 MR. WELK: Yes.

25 CROSS-EXAMINATION

1 BY MR. WELK:

2 Q. You are Mr. Hofer's daughter?

3 A. Yes.

4 Q. Do you reside at the farm where the telephone
5 service is at issue?

6 A. Yes.

7 Q. So the comments that you read from this
8 document that you just read, are those your comments?

9 A. On behalf of Mr. Hofer.

10 Q. But you're the one that lives there?

11 A. Yes.

12 Q. So is this -- all these conversations
13 referred to in the document, are those your
14 conversations or Mr. Hofer's conversations?

15 A. My conversation, the majority of them.
16 Unless you want to be specific, I could go tell you
17 where it was.

18 Q. I want to know, you wrote this kind of third
19 person. "We had these conversations." Is it you or
20 your father that had the conversations?

21 A. I would say mine, unless you have a question
22 specifically.

23 Q. No.

24 MR. WELK: Do you want to move for the
25 admission of this exhibit?

1 MS. WIEST: Is there any objection?

2 MR. WELK: No.

3 MS. WIEST: We could mark this as Exhibit 1
4 then.

5 (EXHIBIT NO. 1 WAS MARKED FOR
6 IDENTIFICATION.)

7 MS. WIEST: Exhibit 1 has been offered and
8 received. Do you have any objections? Do you have any
9 questions, Mr. Hoseck?

10 MR. HOSECK: Yes.

11 CROSS-EXAMINATION

12 BY MR. HOSECK:

13 Q. Mrs. Loewen, you have previously testified
14 that you live on the farm where most of these problems
15 have been experienced. Would you describe for the
16 Commission a little bit the layout physical situation
17 and what the headquarters farm is?

18 A. May I show a picture?

19 Q. I have no objection to a picture being
20 shown. I would leave that up to you.

21 MS. WIEST: Do you have any objection,
22 Mr. Welk, to the picture?

23 MR. WELK: I haven't seen it so I don't know.

24 MS. WIEST: Can you show us the picture and
25 then we'll discuss it?

1 A. Okay. We have a picture of the farm.
2 There's a main house is here. There's a main house.
3 There's an employee house, a yellow house, across the
4 road. And then not shown in the picture is another
5 employee house. There's like three homes in that
6 particular farmstead. That's the place that we're
7 talking about.

8 Q. And do you reside there with your family?

9 A. I reside there with my husband and our two
10 children.

11 Q. What are the ages of your two children?

12 A. I have a son in college in Texas and a
13 daughter in high school. Goes to school here in town.

14 Q. And where is your family physician located?

15 A. Our family physician is located in Huron, as
16 well as optometrist and dentist is in Clark.

17 Q. Have you ever had occasion to use the
18 telephone for purposes of contacting these health care
19 professionals?

20 A. Yes.

21 Q. Have you ever had an occasion on your farm
22 where it was necessary to seek emergency help such as
23 via ambulance or something of that nature?

24 A. Yes. A couple winters ago one of the
25 employee's wives needed to have the ambulance come and

1 pick her up.

2 Q. Where does that ambulance come from?

3 A. Willow Lake.

4 Q. With regard to fire protection on your farm,
5 who provides that fire protection?

6 A. We have Willow Lake Fire Department.

7 Q. And in the past have you had fires that have
8 occurred on your farm?

9 A. Yes. In 1960 -- in the late sixties there
10 was a hog barn fire, and later on there was a house
11 fire. It was on a different farm that that house
12 burned. And then also on the farm in one of the
13 employee houses, there was a fire that was started.

14 Q. And so if you were to seek fire protection,
15 you would have to call the Willow Lake Fire Department;
16 is that correct?

17 A. Yes.

18 Q. With regard to law enforcement, if you needed
19 some assistance from law enforcement, where would you
20 look?

21 A. We would have to call Redfield because we're
22 located in Spink County.

23 Q. Who would you call in Redfield?

24 A. The Spink County sheriff.

25 Q. Would you explain a little bit how the phone

1 is used in your making a livelihood out there on the
2 farm? In other words, how is it used?

3 A. Well, some of the farm uses of the phone is
4 we've requested price quotes from buying supplies at
5 Ben's. We contact the co-op to verify maintenance
6 agreement. We negotiate sales of unused equipment. We
7 receive support for computer for our farm accounting
8 program. We ask neighbors for opinions on grain bins.
9 We make appointments to market grain. We arrange for
10 tree planting with a county extension office. We
11 conduct township supervisor business. We contact
12 potential customers as part of an Asgrow sales
13 representative, arrange to purchase and order parts
14 from equipment dealerships, and to locate those as we
15 need for the farm business.

16 Q. And you also mentioned a bed and breakfast
17 that you operate. Could you describe for the
18 Commission a little bit what that bed and breakfast
19 entails?

20 A. I opened last summer a bed and breakfast,
21 working with the Department of Tourism. It's a place
22 to come and see a countryside, to see a working farm.
23 You could come help do chores, work with the animals
24 and just to see what a working farm is like.

25 Q. Do you have brochures of this bed and

1 breakfast or a brochure?

2 A. Yes, I do.

3 Q. Could you have that marked as an exhibit,
4 please?

5 (EXHIBIT NO. 2 WAS MARKED FOR
6 IDENTIFICATION.)

7 A. A phone service would be very important --

8 Q. Just a minute. This exhibit has been marked
9 as Exhibit 2; is that correct?

10 A. Yes.

11 Q. And is this the brochure for your bed and
12 breakfast business?

13 A. Yes, it is.

14 MR. HOSECK: I would move Exhibit 2 into
15 evidence.

16 MS. WIEST: Any objection?

17 MR. WELK: No.

18 MS. WIEST: If not, it's been admitted.

19 Q. Is phone service essential for this business
20 that you're getting started on your farm?

21 A. Yes, it is, because it would be called --
22 people would call for information for reservations to
23 make plans to come and visit.

24 Q. And, in fact, looking at Exhibit 2, your
25 phone number, your toll free number, your fax number,

1 are all published on this brochure, are they not?

2 A. Yes.

3 Q. And where is this brochure distributed?

4 A. Through South Dakota Department of Tourism,
5 it's at the Redlin Center, it's in Huron, and it would
6 be in information centers along the interstate.

7 Q. So, in other words, if the phone line is
8 down, if you've got an outage, if you've got problems
9 receiving messages, would I be correct in stating that
10 your ability to get this business going, to run your
11 farm business, and to have the normal protections and
12 conveniences of medical care and law enforcement, fire
13 protection, are all hampered?

14 A. Yes.

15 Q. With regard to the outages that you were
16 experiencing, how long have you experienced those
17 outages?

18 A. In the last five or six years, the outages
19 have been more frequent, on a more frequent basis.

20 Q. So they have been going on for five or six
21 years, would that be a correct statement?

22 A. Yes.

23 Q. And with regard to the problems that you've
24 experienced with regard as a result of the weather, how
25 long has this been going on?

1 A. With the weather? I'll be on the farm three
2 years this summer. It's quite often. And before that,
3 in calling my parents, they would say that the phone
4 has been out.

5 Q. And you also mentioned some problems that
6 were attributable to mice. How many, how long, over
7 what period of time did that take place?

8 A. That was in the last probably five years.

9 Q. Would you describe for the Commission what
10 this line noise is like that you've experienced?

11 A. Sometimes it's a screech, sometimes it's a
12 howl, sometimes it's a hum.

13 Q. And approximately how long has that been
14 going on?

15 A. Well, just the last couple days we've had it
16 as well. But whenever we've had a snow storm, we've
17 had weather change with moisture, and that's usually
18 what brings it on. It's -- it pops up and out. We put
19 up with it until we call in and then they fix it.

20 Q. And I believe there was some mention of a
21 weak signal. How long has that -- did you experience
22 that?

23 A. Okay. On the weak signal, are you meaning
24 what I refer to the phone line -- to the telephone
25 ringing?

1 Q. Yes.

2 A. That happened this spring.

3 Q. Has U S West kept you apprised of their
4 efforts in terms of fixing these problems? Have they
5 been cooperative with you in that sense?

6 A. Whenever we call in to U S West to report a
7 problem, they say, "Yes, it will be fixed by such and
8 such a time." The local repair personnel are out
9 usually much sooner than that. They always tell us
10 what the problem has been, that it's been fixed, either
11 by calling us or appearing physically on the farm.

12 Q. If I understand your testimony correctly, not
13 on all occasions has that fix been of a permanent
14 nature; is that correct?

15 A. Well, things happen. If it has to be
16 repaired again --

17 Q. Has your family or you experienced any
18 inconvenience as a result of this level of telephone
19 service?

20 A. Well, we don't use the Internet as much as we
21 would like to because of tying up the phone line. In
22 the evenings we do allow our children to go on it to
23 use it for their purposes, and often Ben needs to call
24 out and make some arrangements for the next day in
25 planning for the farm and our line is busy and he's not

1 able to get ahold of us.

2 Q. And so if you were to tell the Commission
3 what you want out of this proceeding, what basically is
4 it that you would like the Commission to do?

5 A. Two things: One, to have a phone service
6 that's reliable, up to date; and, second, to be able to
7 have capacity to add the second and third lines.

8 MR. HOSECK: I don't have any further
9 questions of this witness.

10 MS. WIEST: Commissioners?

11 COMMISSIONER SCHOENFELDER: I don't have
12 anything.

13 CHAIRMAN BURG: I've got principally at least
14 one. Would you go through just a little bit more
15 detail about your farm arrangement? Now, do you live
16 in the headquarter's home?

17 A. I live in the farm main farmhouse.

18 CHAIRMAN BURG: And then how many other
19 residences are involved with your farm operation?

20 A. Two others.

21 CHAIRMAN BURG: Two other residences that are
22 employee residences?

23 A. Yes.

24 CHAIRMAN BURG: How many phone lines are
25 involved in those three residences?

1 A. Each employee, that is their own phone line;
2 and to the farm and to the house is just one line.

3 CHAIRMAN BURG: Okay. And how many phones --
4 how many separate locations do you have phones on your
5 phone line?

6 A. We have four in the house and three out in
7 the shops.

8 CHAIRMAN BURG: Three in outbuildings?

9 A. Yes.

10 CHAIRMAN BURG: Okay. Thank you.

11 MS. WIEST: Any other questions from the
12 Commissioners?

13 COMMISSIONER SCHOENFELDER: I have one. When
14 you were talking about -- and I'm sorry I didn't ask it
15 before. But you were talking about answering
16 Mr. Hoseck's questions about calling emergency
17 services. Do you have 911 available there in your
18 area? Because you're kind of on a borderline between,
19 you know, your sheriff, you said, was out of Redfield
20 and you had Willow Lake ambulance response and so
21 forth. Do you have a 911 system that overlaps that
22 county line that goes into Huron, or does it go into
23 Redfield, or do you have it?

24 A. We just have 911. I'm not sure. I'm not
25 sure. We haven't had to use it. I'm not sure where it

1 hooks up and where they would.

2 COMMISSIONER SCHOENFELDER: You do use 911?
3 You don't have to call the sheriff? You would call 911
4 and they would relay your call in Redfield?

5 A. The police department in Huron called here a
6 few weeks ago asking where we lived, if we lived in
7 Spink County. And so I was assuming he was setting up
8 911 systems. I'm assuming that's part of what they
9 were doing.

10 COMMISSIONER SCHOENFELDER: Thank you. But
11 do you have it now though?

12 A. Yes.

13 MS. WIEST: Any other questions from the
14 Commissioners? Any other questions of this witness?

15 FURTHER CROSS-EXAMINATION

16 BY MR. WELK:

17 Q. I just want to make sure for the record --
18 you've got a brochure that shows where your farm is,
19 but can you orally tell us how many miles north it is
20 and generally just describe the location of your farm?

21 A. Okay. It's -- it says that it's -- if you
22 look on the map, from Huron you go on Highway 37, 18
23 miles north, eight miles east on Highway 28, three and
24 a half miles north on a gravel road.

25 Q. That's why you're kind of between Willow

1 Lake, Redfield, and Huron, between all of those?

2 A. Yes.

3 MR. WELK: That's all I have.

4 CHAIRMAN BURG: I probably do have another
5 one, Rolayne. What kind of expectations -- first of
6 all, how much usage did you get of your bed and
7 breakfast? I know it's your first year, but how much
8 usage did you have?

9 A. It's been very slow to get started, and I'm
10 not in a prime location, per se, so it's --

11 CHAIRMAN BURG: Specifically over the year
12 how many?

13 A. I've had two different incidents of guests.

14 CHAIRMAN BURG: What are the expectations of
15 those guests as far as telecommunication or as far as
16 services available?

17 A. You're asking what my guests expect on that?

18 CHAIRMAN BURG: Right.

19 A. I would assume they would expect to be able
20 to make calls if they would have an emergency.

21 CHAIRMAN BURG: Do they ever want fax or
22 Internet at this time?

23 A. Those two did not want it, but it is
24 available. And Department of Tourism, when I started,
25 strongly recommended a fax machine and Internet.

1 CHAIRMAN BURG: Okay. Thank you.

2 MS. WIEST: Any other questions? Thank you.

3 Do you have any more witnesses?

4 MRS. LOEWEN: No, just us two.

5 MS. WIEST: Thank you. You're excused.

6 Q. Mr. Welk --

7 MR. HOFER: Will we have a chance to ask
8 questions later?

9 MS. WIEST: Yes, you will. Mr. Welk.

10 MR. WELK: We would call Russ Evans.

11 RUSSELL EVANS,

12 called as a witness, being first duly sworn,
13 was examined and testified as follows:

14 DIRECT EXAMINATION

15 BY MR. WELK:

16 Q. Would you please state your name.

17 A. Russell Evans.

18 Q. By whom are you employed?

19 A. U S West Communications.

20 Q. What is your current position?

21 A. I am the engineering manager for South Dakota
22 and Nebraska.

23 Q. For U S West?

24 A. For U S West.

25 Q. And what do your duties and responsibilities

1 include as that engineering manager for South Dakota?

2 A. I supervise 26 engineers between Nebraska and
3 South Dakota, both in the field and in the center.

4 Q. How long have you been employed by U S West?

5 A. It will be 32 years in September.

6 Q. Would you briefly tell the Commission what
7 your work experience has been and where has it been?

8 A. I started in 1966 in South Dakota. I had
9 various positions, from splicer, lineman, line
10 supervisor, cable splicing supervisor, and
11 engineering.

12 Q. Were those in South Dakota?

13 A. They were in South Dakota.

14 Q. And generally where were they in South
15 Dakota?

16 A. I started in Mitchell. Went from Mitchell to
17 Winner, Winner to Rapid City, then to Spearfish, then
18 back to Sioux Falls.

19 Q. And then this position that you currently
20 have, where do you live?

21 A. In Littleton, Colorado.

22 Q. When did you move to Littleton?

23 A. I moved to Littleton in September of '95.

24 Q. And you have overall engineering
25 responsibility for South Dakota?

1 A. South Dakota and Nebraska.

2 Q. In regard to Mr. Hofer's complaint, were you
3 asked to do some engineering costs to replace the
4 system that's served by Mr. Hofer?

5 A. Yes, we did.

6 (EXHIBIT NO. 3 WAS MARKED FOR
7 IDENTIFICATION.)

8 Q. I'm handing you what's been labeled as
9 Exhibit 3. What is Exhibit 3?

10 A. Exhibit 3 shows the county maps, rural
11 exchange maps, for the service that feeds up to the
12 Hofer farm.

13 Q. And there are two colored lines on Exhibit 3,
14 a yellow line and a red line. Which one is the Hofer
15 line?

16 A. The Hofer line is the yellow line.

17 Q. And the red line is the service to whom?

18 A. To Carpenter, Carpenter and the surrounding
19 area.

20 Q. What are the existing facilities to Mr.
21 Hofer's farm from the central office in Huron?

22 A. It's an Anaconda carrier.

23 Q. What does that mean?

24 A. It's a --

25 Q. Some of us think that's a snake.

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1 A. It's close. It's a vintage carrier that
2 actually adds capacity to our network at the rate of
3 one pair for seven out. It's a service that is beefed
4 up with repeaters from the central office to each one
5 of the locations.

6 Q. Give us a little help from an engineering
7 standpoint. As the message signal moves away from the
8 central office, what happens from an engineering
9 standpoint to that signal?

10 A. Well, going out that far, of course, it gets
11 weaker as we're going out on copper cable so we do have
12 to have power to that as we go out.

13 Q. How do you add power to the central?

14 A. Putting repeaters in the Anaconda systems,
15 the boxes with the batteries in it, out in the field.

16 Q. What are these repeaters? What do they do to
17 the system?

18 A. It boosts the signal and pushes it on to the
19 next location.

20 Q. And have you looked at the repair history of
21 the Hofer line?

22 A. Yes, I have.

23 Q. And you heard the Hofers this morning
24 complaining about outages from time to time. Have you
25 any reason to dispute the testimony that they've said

1 about the outages they've experienced?

2 A. I do not. All the way going clear to the
3 mouse.

4 Q. All right. You were asked to re-engineer the
5 facilities to the Hofers; isn't that correct?

6 A. Yes.

7 Q. And you did -- in regard to the engineering
8 process, you do a preliminary estimate; is that
9 correct?

10 A. Yes, we do. It's through the planning stage.

11 Q. And just give us a little background. When
12 an engineer does an estimate in the planning stage,
13 what do you do essentially?

14 A. We look at the area and using the broad gauge
15 tool, that's a tool that says replacing that much of a
16 system should cost you approximately this much money.

17 Q. So it's a high level estimate of what it
18 would cost to put the facilities in?

19 A. Yes.

20 Q. And when you did the first high level
21 estimate of replacing the Hofer facilities, what type
22 of facilities did you intend to replace Mr. Hofer's
23 line with?

24 A. For the Hofer line we are going to put in an
25 NEC carrier, digital line carrier system, to that area.

1 Q. What is an NEC? What does that stand for?

2 A. That is the maker of the digital line
3 carrier.

4 Q. That's the manufacturer. And it's a digital
5 service?

6 A. Yes, it is.

7 Q. Tell us, as part of replacement, what new
8 facilities will be required?

9 A. We will add 26 repeaters, or units, that will
10 boost power as we get to the digital line carrier that
11 will be sitting out about 4,000 foot from the Hofer
12 ranch. And then we have to add about 4,600 foot of
13 cable beyond that to make the facilities available.

14 Q. And if these facilities -- you've now done a
15 full and detailed engineering to replace these
16 facilities?

17 A. Yes.

18 Q. And how do you do that from U S West's
19 perspective?

20 A. We use a state specific costing tool that's
21 in our computer system in Littleton.

22 Q. And what is this computer? What does it have
23 in it, what type of elements?

24 A. It has the cost of the material, cost of
25 contracting, cost of labor, everything that would be

1 involved in putting that system in out there.

2 Q. And how often are those costs components
3 changed or updated?

4 A. Each time we have a different contractor come
5 to work for us, a placing contractor, those costs are
6 put in state specific.

7 Q. What was your experience in 1997 with this
8 computer costing tool on how the jobs were done in
9 South Dakota?

10 A. When we got into it in 1997 from that period
11 on, we have less than 10 percent overruns on our jobs.
12 And that's meaning that we are getting costed almost
13 exactly.

14 Q. So you have a high degree of confidence in
15 your costing models today?

16 A. Yes, I have.

17 Q. When you did -- when you proceed to final
18 detailed engineering costs, that's when you run this
19 cost model?

20 A. Yes.

21 Q. And when you ran the model to replace these
22 facilities for Mr. Hofer, what did the cost model
23 reveal the cost of the facilities, equipment, labor, to
24 be?

25 A. Well, to be exact, it's \$152,639.00.

1 Q. Now, U S West is going to proceed to replace
2 these facilities?

3 A. Yes, we are. We got funding for it.

4 Q. Do you have funding? Have the materials been
5 ordered?

6 A. Yes, they have.

7 Q. And when do you expect construction to
8 commence and to complete? Ball park figure, assuming
9 weather and external factors you don't have control
10 over.

11 A. We should be able to start placing in the
12 first part of May with completion in the middle of
13 July.

14 Q. Now, there was some questions that were asked
15 by the Hofers when they testified and I want to try to
16 give them some answers. One of the questions they had
17 was what exactly does this upgrade of service allow
18 them to do that they don't have today?

19 A. Well, it will be capable of giving them a
20 digital service if they request digital service. It is
21 like taking the central office from Huron and setting
22 it out in the country. All the walls, all the dB's,
23 all that stuff, starts from that point and goes to each
24 one of the customers.

25 Q. What about their use of Internet and fax, how

1 will that be changed with the new system versus what
2 they have today?

3 A. Compared to the Anaconda system, they'll be
4 able to use a fax as if they were two miles from the
5 central office, like the people in Huron does.

6 Q. Now, we had a discussion in this case about
7 the adding of a second line to Mr. Hofer's place. Now,
8 when you gave me the number that you did earlier, did
9 you assume that Mr. Hofer wanted a second line in that
10 cost estimate?

11 A. Yes. The cost of the drop is not in that.

12 Q. The drop is what?

13 A. The drop is the wire that runs from our
14 facilities to their farmhouse.

15 Q. If he wants a second line, how does that
16 affect this \$150,000 approximate cost? What if he
17 decided he did not want a second line?

18 A. If he decided he didn't want a second line,
19 we wouldn't have to place the 4,600 foot of cable
20 beyond our carrier system, so that would save us
21 somewhere around \$11,000.

22 Q. But we've heard his testimony. I asked him
23 today. He wants the second line. So you're going to
24 have to put that cable in; is that correct?

25 A. Yes.

1 Q. And under the existing tariff in South
2 Dakota, when he puts the second line in, he's going to
3 have a charge to pay?

4 A. Yes.

5 Q. And what's that called?

6 A. It's for the additional line. It's 48 cents
7 a foot from our distribution terminal, which is the
8 terminal on the fence line to his farmhouse.

9 Q. And that number is the approximate 13 to
10 \$1,400 that they're in the papers in this docket; is
11 that correct?

12 A. Yes.

13 Q. Now, one of the other questions the Hofers
14 had is about future lines to their farm if they want to
15 expand their service. When these facilities are
16 installed, what will be their capability in the future
17 to add additional lines other than perhaps a second
18 line?

19 A. When we put the facility from the ditch to
20 their farmhouse, we'll be six cable pairs, or six pairs
21 of wires. So they could add up to six lines to their
22 house.

23 Q. How does this technology that you're putting
24 in for the Hofers compare to other technology that's
25 been put in? One of her questions is will this take

1 care of our future needs, or is it a Bandaaid approach?

2 A. No, this is the technology of today. This is
3 the digital line carrier that we're using 14-state
4 wide.

5 MR. WELK: I have nothing further. I'd move
6 the admission of Exhibit 3.

7 MS. WIEST: Any objections to Exhibit 3?

8 MR. HOSECK: None.

9 MS. WIEST: The Hofers, anything? Mr. Hofer,
10 any objection to --

11 A. No.

12 MS. WIEST: Exhibit 3 has been offered and
13 admitted. I'm sorry, Ms. Loewen, do you have any
14 questions now for this witness, or Mr. Hofer?

15 MRS. LOEWEN: For him?

16 MS. WIEST: Yes.

17 MRS. LOEWEN: How does -- in the statement
18 that we got, it said that this affects our farm and
19 four other customers. So the four other customers
20 could also have additional lines as well?

21 A. This will affect all three systems of
22 Anaconda carrier working in that area. If they have
23 facilities from the ditch or from the terminal to their
24 house, if they have facilities, they could get
25 additional lines. If they don't have enough wires from

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1 the ditch to the house, they will pay the 48 cents a
2 foot to get that facility in also. We will have
3 capability on the main line of actually 96 lines

4 MRS. LOEWEN: Okay. So that main line, if a
5 neighbor wants a fax machine and Internet, he would pay
6 from his house to the main line?

7 A. That's right, just like you.

8 MR. HOFER: The question I have, you bring
9 the power up to our house for this \$1,400?

10 A. Beg your pardon?

11 MR. HOFER: What do I get for this 1,300-some
12 dollars?

13 A. We will take a six pair cable, or six pair of
14 wire from our distribution terminal in the ditch to
15 your house.

16 MR. HOFER: To the house, okay.

17 MS. WIEST: Any other questions?

18 MRS. LOEWEN: And that includes neighbors
19 that live along that 4,800 feet?

20 A. Neighbors along the 4,800 feet? No. That is
21 your facility from what we call our distribution
22 terminal.

23 MRS. LOEWEN: Where would be the distribution
24 terminal?

25 A. I didn't physically drive by your place

1 because it's very muddy, but it's the terminal in the
2 ditch and there's a wire coming out of there to your
3 house.

4 MRS. LOEWEN: But if that terminal is
5 connected to one down the road and this neighbor wants
6 to add, he can add to putting into there?

7 A. Well, I don't know how that all lays out out
8 there just exactly. But, no, he shouldn't be able to
9 hook onto that. This will be your facility. We'll put
10 a wire from our terminal, six pairs of wires right to
11 your house, or wherever you want it in your farm area.

12 MR. HOFER: One of my employees that lives 80
13 rods south, we would have to pay mileage for him to his
14 house too?

15 A. If he wanted an additional line. If there is
16 not enough, if it is a one-wire facility into their
17 house, then we would have to add from the ditch to the
18 house, yes, they would, at the rate of 48 cents.

19 MR. HOFER: And if it has two wires, then it
20 wouldn't?

21 A. If they have the facilities there, no, you
22 would not.

23 MRS. LOEWEN: Along that 4,800 feet there are
24 three other customers. That's what we're trying to
25 say.

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1 A. We will put in a wire from our terminal
2 straight to your house. We will not pick up anybody
3 else on the way. We will put a wire directly to your
4 house.

5 MRS. LOEWEN: So if they want one, you have
6 to re-dig it from that place?

7 A. To wherever the facility, wherever we need to
8 get back to our facilities.

9 MRS. LOEWEN: We're trying to figure out
10 where that facility is.

11 A. No. We would bring the facilities from our
12 distribution terminal straight by all these people
13 right down to your house, right down to your terminal.
14 If these folks wanted another line in here, they would
15 have to do the same thing because this is where our
16 cable -- our main cable ends is up here. All the rest
17 of this is single wire, or could be two wire to each
18 one of them houses. So we would not pick them up off
19 your wire.

20 MRS. LOEWEN: So, in other words, if our
21 neighbor wanted to have a second line, he would have to
22 go the same process that we've gone through to have a
23 request and a hearing and all of this stuff to get it?

24 A. I don't know about a hearing, of course, but
25 you would put in a request. We would estimate the

1 costs and we would quote you that cost at the 48 cents
2 a foot, which the tariff states that we charge.

3 MR. HOFER: Now, that's a mile and a half
4 south of my farm is your main terminal?

5 A. Our new one that we're going to put in?

6 MR. HOFER: You're going to put in a mile and
7 a half of new line?

8 A. We're going to put in 4,600 foot. So from
9 that distribution terminal where the wires start going
10 to your house, from there back 4,600 foot will be the
11 main terminal, the NEC terminal, digital.

12 MR. HOFER: You're going to put a new one in?

13 A. Yes. Nice, big, green. You'll hate looking
14 at it after a while.

15 MRS. LOEWEN: Another question, if our
16 neighbors want a second line, could this digging and
17 this be added at the same time to be more cost
18 effective for you and us?

19 A. I don't know. I can't answer that. I don't
20 know the tariffs well enough. I mean I know them, but
21 I don't know well enough if we could join anything like
22 that or not.

23 MRS. LOEWEN: Because if they're coming right
24 by their house and they want a second line and you're
25 going to put two lines in, it would make sense.

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1 A. We're still going to bill them 48 cents a
2 foot to the tariff.

3 MRS. LOEWEN: Okay.

4 MS. WIEST: Any other questions?

5 MR. HOFER: Not now.

6 MRS. LOEWEN: Yeah, I do have a question. On
7 the neighbor's farm there used to be two separate phone
8 lines. Right now there's only one. So if they wanted
9 a second line, would there be one available because
10 there used to be to that farm?

11 A. If that wire goes to where they want the
12 phone, yes, it would. If it's laying there dead, not
13 being used, we could add to it without replacement if
14 it went to where they wanted it to go.

15 MRS. LOEWEN: So if there was one there
16 already -- if there were two and they're only using
17 one, they could reactivate that one?

18 A. Yes.

19 MS. WIEST: Any other questions? Do you have
20 anything further, Miss Loewen? Mr. Hofer?

21 MR. HOFER: If we wanted extra lines, we
22 wouldn't have to pay mileage again? If you're putting
23 in six into the house and we wanted to have three
24 instead of two, we wouldn't be charged?

25 A. Well, you'll have the capability of having

1 six additional lines in your house.

2 MR. HOFER: Yes, but --

3 A. And we won't tariff -- the old one is there
4 already, so, in essence, you would have the capability
5 of seven. And that's the biggest wire that we put in.

6 MRS. LOEWEN: So that hookup is like adding
7 another line? I pay that hookup fee and --

8 A. Installation charges, all that kind of stuff,
9 engineering.

10 MRS. LOEWEN: There's no other digging
11 involved in that?

12 A. No.

13 MS. WIEST: Anything further? Any other
14 questions?

15 MR. HOFER: No, thank you.

16 MS. WIEST: Mr. Hoseck?

17 MR. HOSECK: Yes.

18 CROSS-EXAMINATION

19 BY MR. HOSECK:

20 Q. Mr. Evans, have you been present in the
21 hearing room today and heard the testimony of Mr. Hofer
22 and Mrs. Loewen?

23 A. Yes.

24 Q. And with regard to these outages and these
25 weather problems and the mice and all that, what you're

1 proposing here, if I'm understanding this correctly, is
2 to reconstruct the entire line; is that correct?

3 A. Yes.

4 Q. So those problems should disappear if the new
5 line is put in?

6 A. Yes, they will or the new line won't work.

7 Q. So you were also here and heard the testimony
8 of the complainants here that this has been going on
9 for five or six years?

10 A. Our trouble history goes back two years. It
11 doesn't show that it was a huge problem for the last
12 two years. They've had problems, but not a huge
13 problem.

14 Q. Well, just answer my question. Did you hear
15 their testimony that it's been going on for five or six
16 years?

17 A. Yes.

18 Q. The question I have is what caused U S West
19 to now want to build a new plant?

20 A. Well, with the growth, if there is growth out
21 there, with the folks wanting more than one line to
22 their house, it makes it somewhat economical to go out
23 there and get that growth. Plus, the Anaconda systems
24 are the oldest systems that we have, electronic
25 systems; and we try and replace them as we go. But the

1 growth actually put more on it than anything.

2 Q. Can you tell me when the decision was made to
3 reconstruct this line to the Hofer place?

4 A. When I got funding?

5 Q. When the decision was made to go ahead and
6 build it.

7 A. A month ago?

8 Q. So, in other words, after they filed the
9 complaint; is that correct?

10 A. Yes.

11 Q. Do you know if there was a plan on the part
12 of U S West to replace that line at another time?

13 A. There was not.

14 Q. So if I'm understanding what you're proposing
15 to do here is in reconstructing the line up to the
16 Hofer place as shown on Exhibit 3 in the yellow line,
17 which is your map, you're going to replace the existing
18 facilities which should give them basic good service;
19 is that correct?

20 A. It will give them basic good service, yes.

21 Q. Without line noise, without outages and
22 things of that nature?

23 A. That's a fact.

24 Q. Is it mouse-proof?

25 A. We do have some better stuff nowadays to put

1 in the terminals to keep the mice out of it, but they
2 are sneaky little buggers so.

3 Q. And after you've done this, along with this
4 package, then, if I'm understanding this correctly,
5 there will be the capability of adding two or three or
6 more lines if they so desire then; is that correct?

7 A. Yes.

8 Q. Do you know if the old plant was all
9 appreciated out?

10 A. I have no idea.

11 Q. Are you considered to be a management level
12 employee within U S West?

13 A. Yes.

14 Q. So when complaints like those of Ben Hofer
15 and his daughter come in with regard to outages and the
16 problems that they experienced, could you explain to
17 the Commission what steps are taken by management to
18 solve those problems?

19 A. Well, we take all steps possible to satisfy
20 our customers, of course. We want satisfied customers
21 like everybody else does. We take each case on an
22 individual basis, and we try and work out the issues
23 and try and repair our lines or our service to meet
24 their expectations.

25 Q. Well, in a case like this where there has

1 been a history of repeated service problems, was that
2 any kind of a red flag, so to speak, to management
3 within U S West to that was a fundamental problem out
4 there?

5 A. Well, actually when we look at that, if the
6 maintenance cost is cheaper than the replacement cost,
7 we can still maintain it. And we could still maintain
8 that up there cheaper than we can replace for that kind
9 of money.

10 Q. So, in other words, you could proceed with
11 fixing this, but would that give them voice grade
12 service?

13 A. That will give them voice grade service. And
14 like I indicated before, the problem was not a big
15 problem. It's not out every week or not out every
16 month. It's weather related. And the little mouse
17 situation is something all together different, but most
18 of it is weather-related.

19 Q. With regard to these charges that are made
20 for the excess construction charges under the tariff,
21 there's a provision in that that says that the
22 application of those charges is variable in each
23 situation and judged on an individual circumstance. In
24 other words, it appears to me that this has some leeway
25 in it as to whether or not the charge is made. And I

1 was wondering what factors are used in determining
2 whether or not this excess construction charge is even
3 made?

4 A. I follow the tariff where I can to make it
5 fair to everybody that's out there. So if the tariff
6 says I can charge -- need to charge this 48 cents a
7 foot for a second line for the distance from our
8 distribution terminal to their house, I charge
9 everybody the same, every customer the same.

10 Q. Is that charge ever waived?

11 A. Not by me.

12 Q. Is it waived by others within U S West?

13 MR. WELK: Can I have some foundation on what
14 tariff you're referring to, Mr. Hoseck?

15 MR. HOSECK: Tariff 4.1B(4).

16 MR. WELK: That's not the construction tariff
17 that's at issue in this case.

18 MR. HOSECK: I'm asking him questions about
19 it. If you want to make a legal argument, go ahead.

20 MR. WELK: I will make an objection. That is
21 not the applicable tariff and that he needs to provide
22 foundation for that question before it's asked of the
23 witness.

24 Q. Well, who determines what an excessive cost
25 is within U S West?

1 A. An excessive cost? I don't understand the
2 question, I guess.

3 Q. In other words, for that tariff to apply it
4 has to be an excessive cost. Do you make that
5 determination?

6 A. The tariff for the 48 cents a foot, or are we
7 talking about a another tariff that I don't know
8 about?

9 Q. The one we're talking about for the
10 construction bids.

11 A. Who makes the decision for the charge 48
12 cents a foot?

13 Q. Yes.

14 A. I go by the tariff. I send somebody out to
15 measure the line from our last distribution terminal in
16 the house, and it's actual footages billed at 48 cents
17 a foot.

18 Q. Who within U S West was responsible for
19 getting good service to the Hofer farm?

20 A. Who was responsible for authorizing this
21 job?

22 Q. For seeing that they had good service from
23 the very inception.

24 A. Well, the I & M people that are stationed in
25 Huron, South Dakota, installation and maintenance

1 people, that are stationed in Huron.

2 Q. They would have responsibility?

3 A. Yes.

4 Q. And who are those individuals?

5 A. We have several techs here in town. I do not
6 know all their names. Merlin Smith out of Mitchell is
7 the I & M supervisor that supervises those people.

8 Q. So, in other words, it's their job to see
9 that good service was provided to the Hofer farm; is
10 that correct?

11 A. It's their job to maintain the service to the
12 Hofer farm, yes.

13 Q. Do you know how the calculation was reached
14 for the 1,300-some odd dollars that were quoted in the
15 answer in this case?

16 A. I know how it was calculated, yes. I don't
17 have the exact footages with me. But we had the I & M
18 supervisor go out and measure the distance from our
19 terminal to their house, and it was calculated from
20 that measurement.

21 Q. Okay. And so the distance would be basically
22 going backwards from their house to some point out in
23 the country; is that correct?

24 A. From their house to our last distribution
25 terminal, which is the green box in the ditch that

1 their wire that goes to their house is fed out of.

2 Q. That's calculated at the rate of 48 cents a
3 foot; is that correct?

4 A. For a second line, yes, second, third,
5 whatever.

6 Q. Do you know the total number of customers
7 that will be affected by this reconstruction line?

8 A. I do not to say exactly. We're taking all
9 the systems Anaconda carrier in that area out with this
10 new system? Well, I hate to speculate. I don't have
11 the number with me. I got it in my other stuff.

12 Q. Okay.

13 MR. HOSECK: No further questions.

14 MS. WIEST: Commissioners?

15 COMMISSIONER NELSON: I have a couple. Well,
16 back to the excess charges item, when he asked you how
17 you decided if you were going to choose the excess
18 charges, it says to me that if it's an excess of
19 something then you charge it, and if it's not in excess
20 of something, then you wouldn't charge. Is that a fair
21 conclusion to draw?

22 A. I didn't make any conclusion like that.

23 COMMISSIONER NELSON: Well, it talks about
24 excess charges. So my question -- let's put it in a
25 different way. I guess it says excess charges,

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1 construction charges. Are you always applying excess
2 construction charges? So, I mean, if you're doing
3 something and it's construction, you're charging that;
4 is that correct?

5 A. No. What we're talking about here is in the
6 tariff it says for an additional line into a residence
7 it's 48 cents a foot cost to the customer no matter
8 what it costs U S West. It costs us a lot more than 48
9 cents a foot. On main lines it's 24 cents a foot. And
10 it could cost us up to \$2.00 a foot to get it in. We
11 still will do that, but only charge 48 cents a foot.

12 COMMISSIONER NELSON: So is it fair for me to
13 assume that in our rules it talks about assessing
14 excess construction charges, that means that it's 48
15 cents a foot if it's an additional line?

16 A. No. Excess construction charges are a total
17 different part of that tariff.

18 COMMISSIONER NELSON: Is the \$1,300 for
19 excess construction charges?

20 A. The \$1,300 is the 48 cents a foot for the
21 wire going into their house.

22 COMMISSIONER NELSON: I know how --

23 A. We know it's excess construction.

24 COMMISSIONER NELSON: I might not be asking
25 the right question here. In the rules it says if you

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1 can assess excess construction charges. Is this what
2 the \$1,300 is for?

3 A. No, it is not.

4 COMMISSIONER NELSON: So that isn't what
5 we're talking about?

6 MR. WELK: The tariff, Commissioner, is
7 attached to our Answer that's applicable here, to our
8 initial Answer. It's part of the exchange tariff
9 network. It's part of 4.2.

10 COMMISSIONER NELSON: I got that. But what I
11 don't understand here is -- being on this Commission
12 for one year -- is in testimony, people were talking
13 about excess construction charges. Now I'm trying to
14 figure out in my mind is the excess construction charge
15 something different than this tariff charge?

16 MR. WELK: Can you answer her question?

17 A. Yes, it is. If you want a facility built to
18 a particular spot and it's not a reusable facility for
19 us, so it would be an excess construction charge to get
20 that facility to where you want it. That's totally
21 different than the 48 cents a foot.

22 COMMISSIONER NELSON: And so we're not
23 talking about that. All right. I was confused about
24 that.

25 A. No.

1 COMMISSIONER NELSON: In the probable cause
2 hearing for the Hofer case, it was mentioned that --
3 and I think by Mr. Hofer -- that he was told that the
4 life expectancy for usefulness of the plain old
5 telephone lines to his property was about 15 years.
6 And at least I heard someone mention that possibly that
7 the plain old telephone lines to his property at this
8 time are about 19 years old. Would we know if that's
9 true or not true? Do you know? Do we know how old the
10 plain old telephone lines going to his house are?

11 A. When that was installed in 1978, that was the
12 state of the art. That was the system to install. And
13 the question probably was asked how long is that going
14 to last? You don't really know, so you say 20 years,
15 like everything. So you really don't know when it's
16 brand new technology how long it's going to last. The
17 NEC's might only last for 20 years, but they might last
18 for 40 if they continue to give reliable voice grade
19 service.

20 COMMISSIONER NELSON: So if you installed
21 that stuff in 1978, is there a company policy that says
22 that you have like, for instance, a maintenance, a
23 repair schedule, that you would -- it would be obsolete
24 after a while and you would replace it?

25 A. Like I indicated before when a question was

1 asked over here, we look at if it starts causing us
2 more maintenance problems than the cost of replacing it
3 that he wants when we determine that we need to replace
4 that. When it costs us more to go out and maintain it,
5 keep it up, than to put new stuff in, that's when we
6 decide to put it in. Or if there's growth out there,
7 something that we run out of capacity, that we have to
8 add, then we move to the new technology.

9 COMMISSIONER NELSON: What's your
10 depreciation schedule then on a line like that that's
11 installed in 1978?

12 A. I have no idea about depreciation.

13 COMMISSIONER NELSON: So I should ask a
14 different person; is that correct?

15 MR. WELK: He doesn't know. He's an
16 engineer.

17 COMMISSIONER NELSON: Are you going to have
18 someone here that I could ask the question?

19 MR. WELK: I don't know. We can find it for
20 you.

21 COMMISSIONER NELSON: Okay. That would be
22 fine. Can I assume that if the -- on the Hofer
23 farmstead there's Mr. Hofer's residence where his
24 daughter resides and then my noting is there are two
25 other residences on the property. Can I assume then

1 that if the Hofer lines are possibly 15 to 19 years
2 old, and now are probably causing some problems, would
3 it be fair to assume that the other lines on that
4 property are of comparable age?

5 A. They were all installed at the same time.

6 COMMISSIONER NELSON: And is it also fair for
7 me then to assume that the people living in those
8 residences would have comparable problems to the Hofer
9 problems?

10 A. As?

11 COMMISSIONER NELSON: Since they are the old,
12 outdated system and they're all old, is it fair to say
13 that?

14 A. It's not outdated. It is the older
15 technology. But, yes, if the Hofers are out, all seven
16 people on that line would be out if it was the system
17 problem. Not the cut drop that we talked about. That
18 would be the only customer would be out is the cut
19 drop.

20 COMMISSIONER NELSON: So is it fair for me to
21 assume that because we're doing all these things for
22 Mr. Hofer, that their couple of service problems are
23 going to be resolved too?

24 A. Yes, everybody.

25 COMMISSIONER NELSON: Without ever having to

1 do any additional 48 cents a foot out to the line stuff
2 to get better more reliable stuff?

3 A. No. But if they wanted additional lines,
4 like I indicated to these folks, if the neighbor wanted
5 an additional line, the same practice applies to them.
6 If we need more facilities from our distribution
7 terminal into their house, they would be treated the
8 same way.

9 COMMISSIONER NELSON: But if they want a
10 plain old reliable telephone line?

11 A. Yes, their service will be upgraded along
12 with the Hofers.

13 COMMISSIONER NELSON: Just although how can
14 that -- I don't understand this so you'll have to
15 explain it to me. How can that be if they still are
16 using the same old 19-year old wires out there?

17 A. The wires are not the problem. The problem
18 is the system is getting older. The cabinets that are
19 out there have no doubt been beat up for 19 winters or
20 17, whatever it was in years.

21 COMMISSIONER NELSON: So they're going to
22 have the benefit of the new other stuff as well so the
23 wires won't be a problem?

24 A. We hope not. If they are a problem, we will
25 replace them. If they are a maintenance problem, we

1 will replace them.

2 COMMISSIONER NELSON: And Mr. Hofer has like
3 three lines. Does he get the first line at a lesser
4 rate? Would you have to replace that anyway?

5 A. No, it will not. The wire is still good from
6 the terminal to his house. If he's ordering another
7 main line into a new house that he's building alongside
8 the old house and it is a main line to that, then he
9 would get it for 24 cents a foot instead of 48.

10 COMMISSIONER NELSON: And he had an
11 opportunity to have how many lines before? Just one?

12 A. Just one.

13 COMMISSIONER NELSON: Okay. Is that true for
14 everybody? Like, say, I live in Sioux Falls and in the
15 city. Do I have an opportunity to have one line? So
16 would you be charging me this extra 48 cents, too, if I
17 needed another line?

18 A. In Sioux Falls the type of wire that we can
19 use in town close to the central office has two bare
20 wires on it. So you have two wires to your house in
21 Sioux Falls only because that's the gauge of wire we
22 use and the type of wire we use. Anything over that,
23 yes, you are billed for a new drop. If you put in the
24 third telephone, you're billed for the new drop.

25 COMMISSIONER NELSON: So let's -- Sioux Falls

1 is maybe a bad example. But let's say Huron. If I
2 live in Huron and I want two lines, is it fair to
3 assume that I could have two lines with no extra cost
4 because I could just call you up and get it and you
5 bill me more every month for the extra line but it
6 wouldn't cost me anything?

7 A. That's true. Because the size of wire we use
8 in town near the central office, that type of wire has
9 four wires on it. The wire that we use 35 miles from
10 the central office is a bigger gauge of wire and
11 there's only one pair of wires in that because of the
12 size of the wire.

13 COMMISSIONER NELSON: Would it be your policy
14 that in the future to continue to only put in like in
15 rural areas like that given, the changes in the 1996
16 Telecom Act and current state laws, continue to put in
17 only two lines?

18 A. In the --

19 COMMISSIONER NELSON: Or one line?

20 A. In the rural?

21 COMMISSIONER NELSON: Yeah.

22 A. Yes. It's already in the stages that we have
23 three pair 19-gauge wire that we started to use in the
24 rural when we have new applications out there. When we
25 have a new customer move in, we use a three-pair

1 19-gauge wire.

2 COMMISSIONER NELSON: Does that mean they
3 have three lines instead of two?

4 A. Yes.

5 COMMISSIONER NELSON: But in the Hofer case
6 you're going to give them six lines instead of three?

7 A. That's the biggest wire that we put in.

8 COMMISSIONER NELSON: Why would you decide to
9 do six lines instead of three if your standard policy
10 is going to be you're going to do three in the rural
11 areas?

12 A. Only because if we are going to go through
13 all the work of getting it down there, we build a
14 little bit of growth in it for ourselves. That's part
15 of what we're paying for. So in the anticipation if
16 they have a bed and breakfast and they have a -- want a
17 computer line, they want a fax line, and all these are
18 separate, it would be smart for us to go ahead and put
19 a little bit of growth in there to make sure we had the
20 facilities there next time.

21 COMMISSIONER NELSON: I guess that's the
22 heart of my question. Because it seems that would make
23 sense to have the little bit of growth room, but it
24 seems like three doesn't allow very much growth room to
25 have a policy for rural areas. But I was trying to

1 figure out what our policy is.

2 A. That is the three pair is standard wire if
3 you want to say it that way. And most residences --
4 most residences we've not for three pair per resident.

5 COMMISSIONER NELSON: In urban areas or in
6 rural areas?

7 A. Both.

8 COMMISSIONER NELSON: They all have three
9 pair?

10 A. We build that way. They don't always today,
11 but as we put in new technology, put in new plant, we
12 build a three-pair per resident.

13 COMMISSIONER NELSON: Okay.

14 A. So that's why we standardized on three-pair
15 wire to put into the house.

16 COMMISSIONER NELSON: Would it reduce the
17 cost of construction or the \$1,300 assessment if
18 Mr. Hofer was willing to trench in his own line?

19 A. No.

20 COMMISSIONER NELSON: Why not? Because half
21 the cost has got to be the trenching.

22 A. Well, we have the liability of getting that
23 put in. We have the right-of-way that -- or the
24 permits we need to obtain to go down that county road.
25 All the legal aspects of that we should do the wire

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1 ourselves.

2 COMMISSIONER NELSON: Maybe I didn't get it
3 right. I thought when Mr. Hofer testified, that they
4 testified when they put in the original lines and stuff
5 they allowed -- they had to do some of the trenching?

6 A. Back in those days they did ask the farmers,
7 the people living in the rural, to keep the cost down.
8 Why, it only cost them \$100. Some of their labor went
9 towards building that line. That was a long time ago.
10 That was before I was in engineering.

11 COMMISSIONER NELSON: Well, would you have
12 been involved in any construction stuff being decided
13 in South Dakota then?

14 A. Any construction stuff?

15 COMMISSIONER NELSON: Any cases where
16 construction costs were involved in -- for instance, we
17 had a different case before this Commission since I've
18 been here, it was a Jacobson case where he was, I
19 think, a contractor and we gave him a break because he
20 trenched in some of his own lines.

21 A. I was not part of that, but I make all the
22 decisions on what is built in South Dakota.

23 COMMISSIONER NELSON: Maybe I should ask
24 somebody else about the Jacobson case?

25 MR. WELK: Is that ours?

1 COMMISSIONER NELSON: Our attorney points out
2 this guy was a developer in a new area so it's somewhat
3 different.

4 A. A developer, yes, we ask them in order to
5 maintain their costs or keep their costs down, they
6 furnish us the trench and we don't bill getting into
7 that excess construction part of it.

8 COMMISSIONER NELSON: Thank you. That's all
9 my questions.

10 CHAIRMAN BURG: I became a little confused.
11 Is there two separate charges here? There's a \$1,300
12 plus 48 cents a foot?

13 A. No. The length of the wire calculated out at
14 48 cents a foot is 1,306.00.

15 CHAIRMAN BURG: So that's the \$1,300 you
16 quoted him, although that 4,600 foot times 48 cents
17 doesn't come out to --

18 A. The 48 cents a foot we're paying for and
19 that's from where we are setting our new cabinet down
20 to that distribution terminal I talked about in the
21 ditch. We have to furnish that. But if Mr. Hofer
22 didn't want a second and third line, I wouldn't need to
23 put that piece in. I could save \$11,000 by not doing
24 it.

25 CHAIRMAN BURG: You're not charging him for

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1 the 4,600 feet?

2 A. No, I'm not that's costing us approximately
3 \$11,000.

4 CHAIRMAN BURG: So the \$1,300 is from that
5 other little box to his house?

6 A. Yes.

7 CHAIRMAN BURG: And is there any other
8 residences in that distance?

9 A. Yes, there is according to the maps. Like I
10 say, I didn't get to the Hofer farm yesterday because
11 of the mud.

12 CHAIRMAN BURG: If any of those people wanted
13 a second line, could they come off a one pair of that
14 six and share the charge?

15 A. No, they will not. That wire will go from
16 our terminal straight to the residence it will.

17 CHAIRMAN BURG: So it will not allow them to
18 use that for another residence and share the cost?

19 A. No. That wouldn't be fair to anybody.

20 CHAIRMAN BURG: What kind of services would
21 the Hofers have with this upgrade? You heard the
22 things that they want. Especially I'm talking about
23 the speed for the Internet for the computer.

24 A. They will be able to run their 28.8 modems on
25 their computer. They'll have the fax capability up to

1 the 19.6 kilobyte type fax machine, which is your new
2 ones. And they'll have excellent voice grade service
3 also.

4 CHAIRMAN BURG: Will they have ability to
5 have Caller ID?

6 A. Yes, they will.

7 CHAIRMAN BURG: And so you're saying that the
8 speed capacity will always be above the 2,800-plus
9 that's needed for the computers today?

10 A. Yes.

11 CHAIRMAN BURG: Are there any technologies on
12 the horizon that would allow or make this not
13 necessary? For example, seems like I saw recently
14 where they've come up with a system on a single pair
15 you can do voice and computer at the same time.

16 A. On your ISDN type circuits, yes.

17 CHAIRMAN BURG: Just on ISDN type circuit, on
18 one single pair of copper wires? But that's not
19 possible here to prevent the additional construction,
20 I'm talking about?

21 A. No.

22 CHAIRMAN BURG: And so my last question is,
23 additional cost you've told us is \$1,300 to them?

24 A. To them?

25 CHAIRMAN BURG: They'd actually have seven

1 pairs for that availability, for that \$1,300?

2 A. We would not cut up their other wire.

3 CHAIRMAN BURG: But each additional pair they
4 add would be just the monthly charge?

5 A. And the installation charge and all that
6 stuff. There would be no 48 cents a foot for --
7 we'll put in the wire for 48 cents a foot.

8 CHAIRMAN BURG: That's all I have.

9 COMMISSIONER SCHOENFELDER: I need to ask you
10 some questions. And I hate to be redundant, but some
11 of them might be. The first thing I want to know is in
12 the answer that U S West gave us in the amended answer,
13 have you read that?

14 A. You'll have to -- what was the question?

15 COMMISSIONER SCHOENFELDER: The question is
16 they talk about four other customers served off it must
17 be that carrier system that the Hofers are using, or
18 that you're proposing. Are any of those four other
19 customers part of the other complainants that are here
20 today? Is there any overlap?

21 A. Not to my knowledge.

22 COMMISSIONER SCHOENFELDER: So Hofer's
23 neighbors are different from these other people? I
24 need to know that. I really need to know that.

25 A. If you look at the map that we've drawn --

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1 COMMISSIONER SCHOENFELDER: I saw some of
2 that but I didn't necessarily understand.

3 A. Well, the yellow line actually feeds the
4 residents around the Hofer ranch, the yellow. So if
5 you would look at the Carpenter customer complaints,
6 that is fed by a total different system that goes up to
7 Carpenter and beyond.

8 COMMISSIONER SCHOENFELDER: Okay. Then tell
9 me what dB's are.

10 A. That's a loss in the cable calculated with
11 the size of wire, the distance out, this kind of
12 stuff. It is a loss.

13 COMMISSIONER SCHOENFELDER: From an
14 engineering perspective for U S West when you try to
15 calculate growth -- and I don't know if you could
16 calculate growth -- do you do it by residences, actual
17 customers, or do it do it also by the increase of
18 traffic?

19 A. We don't do it by increase of traffic, but we
20 do have a forecasting group that's down in Omaha,
21 Nebraska. They do come up to each one of these towns
22 and look it over. They visit with city councils. They
23 visit with developers to look to find where the growth
24 is, in what area of the exchange it is, and then advise
25 me through a program that they call Captain to where

1 that growth might be. And we take our planners and
2 look at making sure the facilities are available in
3 that area.

4 COMMISSIONER SCHOENFELDER: So then the
5 growth of minutes of use on my phone line would have --
6 or if I had so many minutes of use or for the Internet,
7 the computer, other things on the phone line, that
8 caused more capacity problems, how do you measure that?

9 A. Well --

10 COMMISSIONER SCHOENFELDER: Just when I
11 complain, or do you have an internal measurement?

12 A. I personally don't because I am in the
13 outside plant world. I take care of everything from
14 the walls of the central office to the customer. The
15 type of thing you're talking about would be something
16 that would tie up the office or would make the office
17 slow. And I don't know for that because I don't do any
18 engineering in the office.

19 COMMISSIONER SCHOENFELDER: I don't think
20 that's what I'm talking about. I think what we're
21 talking about in this case is a lack of capacity on the
22 lines you have out there, to put it that way. How do
23 you know when -- I mean just by what customers tell you
24 that they need more lines, that kind of growth, or do
25 you just wait until somebody complains?

1 A. I don't think I understand the full
2 question. Because if you're looking at the capacity of
3 the telephone line itself, the usage on that line, all
4 we guarantee is good voice grade service.

5 COMMISSIONER SCHOENFELDER: But don't you
6 want to sell more than voice grade service?

7 A. And we do sell better than voice grade
8 service, but when we provisioned those cable pairs or
9 provisioned that circuit, it is a cost to the customer
10 to do that.

11 COMMISSIONER SCHOENFELDER: Uh-huh. But my
12 question is that then all you want to provide or all
13 you feel you need to provide is voice grade service?

14 A. That is what we are required to provide, yes.

15 COMMISSIONER SCHOENFELDER: Well, I know what
16 you're required to provide. I also want to know what
17 your company wants to provide if that's all they ever
18 provide is voice grade.

19 A. Well, you'd have to look at the area how far
20 away from the central office it is, what it would take
21 us to build the capacity out there for any other
22 digital type service or any of that.

23 COMMISSIONER SCHOENFELDER: Let's talk about
24 that.

25 A. We, of course, want to satisfy all of our

1 customers.

2 COMMISSIONER SCHOENFELDER: Let's talk about
3 that a moment. That goes beyond voice grade stuff, and
4 let's talk about what you have out there now that you
5 call Anaconda carrier. And I'm not going to pretend to
6 be a technical expert, but I do -- I have been told
7 that there are other applications on Anaconda carrier
8 that can be made for a lot less money than the \$153,500
9 that's in your answer that might allow for high speed
10 Internet, for fax machines, and those kinds of things,
11 even ISDN service way beyond the central office on
12 rural lines.

13 A. Not on Anaconda carrier. That is an analog
14 system, straight analog system. The folks out there,
15 if they can get their computers to come up, they are
16 lucky. I mean the byte rate is not high enough on that
17 Anaconda carrier to accommodate that. And when we put
18 that in there wasn't the 28.8 modems and 19.9 faxes and
19 all that kind of stuff.

20 COMMISSIONER SCHOENFELDER: I understand
21 that. But I understand now that there's technology,
22 electronics available, that you could do electronics
23 that would make that Anaconda carrier or those two pair
24 virtually a T-1 and with an addition of a node you can
25 then go digital?

1 A. That's what we're doing.

2 COMMISSIONER SCHOENFELDER: But to put in all
3 this is all new stuff?

4 A. Well, the distance of the spacing of the
5 repeaters on the Anaconda carrier is different than the
6 spacing of the repeaters on your T-1 that will feed the
7 NEC cabinet up there. So we have to add 26 repeaters
8 and that's to boost the power every mile, or 5,100 and
9 some feet to boost that power on up. So when we get to
10 the -- get that T-1 to the cabinet, that will set up by
11 the how far range, then we're still running at a 1.544
12 megabyte DS1.

13 COMMISSIONER SCHOENFELDER: Okay.

14 A. And to try and re-use the Anaconda, they're
15 spaced too far apart and our losses would be too
16 great. By the time we would get there, our DS1
17 wouldn't come up.

18 COMMISSIONER SCHOENFELDER: So you're going
19 to replace the Anaconda copper also with the new
20 system?

21 A. Not the copper. We're replacing all the
22 repeaters, put in all brand new repeaters on the same
23 copper.

24 COMMISSIONER SCHOENFELDER: Okay.

25 A. And God help us, I hope the copper holds up

1 to build that T-1. Well, actually we're building five
2 T-1s out to that REC's cabinet that will be setting
3 along there in the ditch. We will have five T-1s in
4 there which will be divided into 24 shelves, plus our
5 protect. We always build in a protect to make sure
6 that if one of the cards go bad in the T-1 that we're
7 using, that it automatically switches to that spare so
8 the outages are even less.

9 COMMISSIONER SCHOENFELDER: Okay. But this
10 is the most cost-efficient way? You talked about your
11 computer model for costing, and this is the most
12 cost-efficient way to do it for U S West?

13 A. Yes.

14 COMMISSIONER SCHOENFELDER: And obviously for
15 your customers in the end?

16 A. Well, I looked at everything. I looked at
17 the new EO system. I looked at the light spans and
18 with the distance out, the 26 repeaters out, we have to
19 have back power. EO systems, which are cheaper,
20 they're a good digital service, but they go out 13
21 repeaters. We're out 26. They do not have a
22 technology to back power or put power from the remote
23 unit back 13 repeaters and will take power from the
24 central office and go out 13 repeaters. The EO system
25 doesn't have that capability. The light span systems

1 that we have today, they moved up in grade. We're way
2 out of reason for price. They're a good system but
3 they've moved on up taking in more of the towns, bigger
4 areas, housing developments. They don't make a small
5 unit to feed an area like you have up in the Hofer
6 neighborhood.

7 COMMISSIONER SCHOENFELDER: Okay.

8 A. So the NEC is the cheapest but yet the best
9 technology we have today.

10 COMMISSIONER SCHOENFELDER: I think that
11 answers that question. And six pair, I think you
12 indicated, now they're not six pair. Three pair are
13 the standard -- the six pair are actually the standard
14 industry line that they drop now?

15 A. Three pair.

16 COMMISSIONER SCHOENFELDER: Three pair, six
17 lines?

18 A. Three pair, three lines.

19 COMMISSIONER SCHOENFELDER: Right.

20 A. There are six wires in there which you can
21 have three lines on. That's what we build new plant
22 at.

23 COMMISSIONER SCHOENFELDER: Okay. I think
24 that's all I have. Thank you.

25 CHAIRMAN BURG: I have an additional one

1 backup just for clarification. Now that you take that
2 and that's the \$153,000 investment to put this system
3 that you just described; right?

4 A. Yes.

5 CHAIRMAN BURG: Will that serve everything
6 that we're talking about, the entire Carpenter area
7 now?

8 A. No, it will serve the Hofer area up there.
9 If you look on --

10 CHAIRMAN BURG: And you said you did not
11 know. Would it be just what's on the yellow line?

12 A. Just on the yellow line. And if you would
13 look to see what is served out of that Anaconda system
14 in a 900 ohm circuit around that, that's all it takes
15 care of.

16 CHAIRMAN BURG: You do not know exactly how
17 many drops there are in that area?

18 A. I got it in my briefcase, but I do not know
19 exactly the number.

20 CHAIRMAN BURG: I guess I won't stop us to
21 ask it.

22 A. I think 23 or 24.

23 CHAIRMAN BURG: That's close enough.

24 A. I don't know for a fact. Yes, it's all of
25 them on all three systems.

1 CHAIRMAN BURG: So your counsel had
2 originally talked about working with all of them at
3 once and we did separate the two. But to make sure
4 that I'm clear, if we get to the system that's at
5 Carpenter and there are similar problems, it would take
6 another replacement similar to what you're talking
7 about?

8 A. Yes.

9 CHAIRMAN BURG: That's all I have.

10 MS. WIEST: Any other questions?

11 MR. BEST: My name is Harlan Best. I'm a
12 staff analyst with the Commission. You made a
13 statement that the fax would work if like they are two
14 miles from a central office.

15 A. Yes.

16 MR. BEST: Is there a difference if you're
17 across the street from the CO versus two miles from the
18 CO?

19 A. No. The point being on that comment, when
20 we're putting in digital line carrier system out there,
21 it's like taking a portion of the office and sitting it
22 out there. So those people around that would be just
23 like they were by a piece of the central office.
24 Because it all works on this digital line carrier
25 system from the office to there. So you start all your

1 loss, your dB loss, your ohm loss, from that cabinet to
2 that surrounding customers. So it's like taking a
3 piece of the office and setting it out there.

4 MR. BEST: So when you said like they are two
5 miles from the central office, that is just there's no
6 loss associated with being a mile from the central
7 office and two miles or three miles?

8 A. Well, we take a 900 ohm. Once we set that
9 repeater out, or that cabinet out there, we can serve
10 everybody that would be in a 900 ohm circle of that
11 remote unit out there. And it would be just like they
12 were 900 ohms from the central office.

13 MR. BEST: Which is what about two miles?

14 A. Oh, no. It's on a 19-gauge cable out there.
15 It's probably a seven-mile radius. And I don't have
16 the ohms in my head right now. I always have to look
17 on my chart and my little calculator to get that.

18 MR. BEST: Okay.

19 MS. WIEST: Any redirect?

20 MR. WELK: No.

21 MS. WIEST: Mr. Hoseck?

22 RECROSS-EXAMINATION

23 BY MR. HOSECK:

24 Q. Mr. Evans, I have a couple points I want to
25 clarify. When the new line is built and serving the

1 Hofer operation, can they get ISDN and ASDL?

2 A. And what?

3 Q. ASDL.

4 A. I don't know what ASDL is. They'll be able
5 to get a digital 56 service and an ISDN, but we have to
6 provision or do the cable pair provisioning from that
7 remote out there to their house. And doing that they
8 would be billed extra for that provision of the cable
9 pairs. And the 56, of course, is of course a
10 four-wheel digital service.

11 Q. But, in other words, if they want it, it's
12 there for them?

13 A. It's there.

14 Q. Okay.

15 (EXHIBIT NO. 4 WAS MARKED FOR
16 IDENTIFICATION.)

17 Q. Mr. Evans, I direct your attention to Exhibit
18 4, which is in front of you, which I will represent to
19 you is a copy of a section of the law with regard to
20 some network specifications. And I want you to look at
21 the second paragraph down, which is numbered 49-31-62,
22 and it's a definition of narrowband network. Would you
23 take a minute and read that, please?

24 A. (Witness complied.)

25 Q. The question I have is when the new system is

1 installed to the Hofer farm, will it meet these
2 specifications that I've just referred to in 49-31-62?

3 A. No. They will not be able to get a 64
4 kilobyte circuit. They'll be able to get a 56 kilobyte
5 circuit, digital switch service 56.

6 MR. HOSECK: I would move Exhibit 4 into the
7 record.

8 MS. WIEST: Any objection?

9 MR. WELK: No. It's the law.

10 MS. WIEST: Exhibit 4 is admitted.

11 MR. HOSECK: No further questions.

12 MS. WIEST: Any questions, Mr. Welk?

13 MR. WELK: No.

14 MS. WIEST: Thank you. (Witness is excused.)

15 Do you have any other witnesses?

16 MR. WELK: No.

17 CHAIRMAN BURG: Does staff have any witness?

18 MR. HOSECK: Yes.

19 MS. WIEST: Let's take a ten-minute break.

20 (AT THIS TIME A SHORT RECESS WAS TAKEN.)

21 (EXHIBIT NO. 5 WAS MARKED FOR

22 IDENTIFICATION.)

23 MS. WIEST: Let's go back on the record.

24 Mr. Welk.

25 MR. WELK: Ms. Wiest, I wanted to re-call

1 Mr. Evans just for a moment to clarify an answer on a
2 question Mr. Hoseck had on 49-31-62. May I do so?

3 MS. WIEST: Go ahead

4 FURTHER REDIRECT EXAMINATION

5 BY MR. WELK:

6 Q. Mr. Evans, Mr. Hoseck provided you with
7 Exhibit 4, which he asked you to look at that
8 definition in 49-31-62. For us non-engineer types,
9 could you tell us what that definition is in
10 engineering terms?

11 A. Well, that definition is for an ISDN circuit.

12 Q. And I believe you answered Mr. Hoseck's
13 question that the facilities that were going in did not
14 meet those specifications; is that correct?

15 A. Yes, I did.

16 Q. Is that system, however, capable of meeting
17 those specifications?

18 A. Yes, it is. It's capable of 56 digital
19 service and ISDN.

20 Q. How would you from an engineering standpoint
21 make the new facilities going in capable of meeting the
22 engineering standards contained in 49-31-62?

23 A. We would have to provision the lines from the
24 remote to the customer residence and add the additional
25 ISDN cards to the remote.

1 Q. And that's when you said earlier in answer to
2 the question about providing the ISDN circuit?

3 A. Yes. But when I read this I was a little
4 nervous.

5 MR. WELK: I have nothing further.

6 CHAIRMAN BURG: Just to clarify, you would
7 just have to change cards within the remote to upgrade
8 it to an ISDN level?

9 A. And to provision the lines from the remote to
10 the residence and that means removing the loads and
11 make sure you got a balanced pair of wires and that
12 kind of stuff, removing no bridge tap, anything that
13 would knock it down.

14 MS. WIEST: Any other questions of this
15 witness? Thank you. Any other witness, Mr. Welk?

16 MR. WELK: No.

17 MS. WIEST: Do you have any witnesses,
18 Mr. Hoseck?

19 MR. HOSECK: I'd call Jon Lehner to the
20 stand, please.

21 JON LEHNER,
22 called as a witness, being first duly sworn,
23 was examined and testified as follows:

24 DIRECT EXAMINATION

25 BY MR. HOSECK:

1 Q. Would you state your name for the record,
2 please?

3 A. My name is Jon Lehner.

4 Q. And what is your job?

5 A. My title is director of regulatory affairs.

6 Q. And that is for U S West?

7 A. For U S West.

8 Q. I have in front of you an exhibit numbered 5,
9 which I will represent to you is page 46 out of the
10 transcript from a proceeding in front of the Commission
11 in the summer of 1997, for simplicity sake, called the
12 quality of service docket. And this is a series of
13 questions being asked by Commissioner Schoenfelder and
14 you are the witness. The question that I have for you
15 is that in looking at Exhibit 5, and commencing at
16 about line 4, there's a question which essentially asks
17 whether the provisions of SDCL 49-31-62 are in place in
18 South Dakota, and your answer, which is that it is in
19 place and available for every U S West customer and
20 wire center in South Dakota. Is that a correct
21 statement in light of the testimony given here today?

22 A. I think it is.

23 Q. And for what reason?

24 A. It's available and honestly is available in
25 every exchange switch in South Dakota.

1 Q. Well, was this available to the Hofers?

2 A. As I indicated in my testimony -- I'll answer
3 your question it is not available to the Hofers today.

4 Q. That's all I need.

5 MR. HOSECK: I have no further questions.

6 MS. WIEST: Any questions, Mr. Welk?

7 CROSS-EXAMINATION

8 BY MR. WELK:

9 Q. Would you like to explain your answer?

10 A. Certainly.

11 Q. Go ahead.

12 A. ISDN -- I think that this line of questioning
13 went on for quite a while last summer. But ISDN has
14 some limitations. ISDN goes out approximately 18,000
15 kilofeet, or three miles from the central office.
16 Beyond that, you need to do some special conditioning
17 in order to provision ISDN for anybody. I think
18 Mr. Evans testified that in the case of the system, the
19 NEC system that he has engineered for this job for the
20 Hofers, the essence of it would be when it's completed,
21 it would appear as if the central office were actually
22 located only about two miles from the Hofer residence.
23 The essence of that is ISDN will work after that system
24 is completed on that system.

25 MS. WIEST: Any other questions?

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1 MR. WELK: No.

2 MS. WIEST: Commissioners?

3 CHAIRMAN BURG: I just want to ask were these
4 offered and accepted, the two exhibits that
5 Mr. Hoseck --

6 MS. WIEST: The statute was Exhibit 4.

7 CHAIRMAN BURG: It was offered and accepted?

8 MS. WIEST: Yes.

9 MR. HOSECK: And I do want to offer Exhibit
10 5.

11 MS. WIEST: Is there an objection to it?

12 MR. WELK: What's the relevance of Exhibit
13 5?

14 MR. HOSECK: The question is whether or not
15 there's this capability that existed to the Hofers at
16 the time that Mr. Lehner represented to the Commission
17 that it was. And I think that the Commission should be
18 aware of what representations have been made to it and
19 what has existed in fact, and that is the relevance.

20 MR. WELK: Is this an inconsistent
21 statement?

22 MR. HOSECK: At the very least I think it's
23 an inconsistent statement.

24 MR. WELK: So you're offering it to say one
25 thing then and saying a different thing today?

1 MR. HOSECK: I'm not going to engage in a
2 debate with you, Mr. Welk. I have made my record.

3 MR. WELK: I don't think it's relevant, and
4 if he can't proffer what exactly the relevance is, I
5 would move that it be not be admitted.

6 MS. WIEST: With respect to Exhibit 5, I
7 would just note that I was at this hearing; and this
8 doesn't represent everything that Mr. Lehner said on
9 this subject. And for that reason I would deny this
10 exhibit.

11 MR. HOSECK: Can I tender this as an offer of
12 proof?

13 MS. WIEST: Go ahead.

14 MR. HOSECK: Based on the testimony that I've
15 already given, I would like to include this in the
16 record as an offer of proof.

17 MS. WIEST: Anything else?

18 MR. WELK: And the offer of proof can include
19 the entire testimony?

20 MS. WIEST: Will that include --

21 MR. HOSECK: I'm not making an entire offer
22 of proof.

23 MS. WIEST: You're only making it to this
24 page?

25 MR. HOSECK: I'm offering it to Exhibit 5

1 only.

2 MS. WIEST: It's noted for the record. Any
3 questions from the Commissioners?

4 COMMISSIONER NELSON: Well, I guess I have
5 one. I guess I'm somewhat -- although you denied that
6 it's there, I heard it.

7 MS. WIEST: You can overrule me.

8 COMMISSIONER NELSON: And I'm confused. It
9 would seem that I was also at that meeting, and I also
10 thought that ISDN was possible for everybody if you did
11 certain things. Now I understand that the new system
12 that you're putting in for Hofer would allow with the
13 cards and the balancing of the lines to provide the
14 opportunity to get ISDN. But I also gathered from the
15 quality of service hearing, and although this would
16 represent something taken out of context, the inference
17 that this was available already. And in my own mind
18 I'm asking Jon, I guess, whether or not that the ISDN
19 capabilities with the Anaconda, whatever it was, system
20 would have allowed for this ISDN that we -- at least I
21 think we said was available to everybody in South
22 Dakota with the modifications necessary.

23 A. Excuse me, Commissioner, are you asking me a
24 question now?

25 COMMISSIONER NELSON: Yeah. The question is

1 was it available before -- to me, at the quality of
2 service hearings, I at least reached the conclusion and
3 this at least taken out of context part would support
4 the idea that at least ISDN stuff would be available if
5 you had the right electronics and modifications on the
6 system to make ISDN available. I'm asking if that was
7 true for the Hofers prior to this new system out there
8 if you only had to use the Anaconda whatever it was
9 called system?

10 A. ISDN to the Hofers would not have worked on
11 the Anaconda system that they had serving them. Had
12 the Hofers wanted ISDN prior to the completion of this
13 new NEC system, they would have had to pay to provide a
14 conditioned line of some sort that would meet capacity,
15 I believe, to provide ISDN, just as many other
16 customers in South Dakota would also have to pay
17 because ISDN does not work beyond three miles from the
18 central office for anybody unless you have the line
19 conditioned to provide ISDN. Unless. And in the case
20 of the NEC system, or a SLC 96 system, which is another
21 digital system provided by a different manufacturer,
22 those kind of systems do allow for ISDN, assuming again
23 that the customers at the end of that system lives
24 within three miles of the end of that system.

25 So the answer is that any customer, any U S

1 West customer in South Dakota, that can have that we
2 provision ISDN to every single out of our central
3 offices in South Dakota. But beyond three miles from
4 the central office does require some special
5 conditioning. And if a customer wants it beyond that
6 three-mile limit, they may have to pay for a
7 conditioning to get it.

8 COMMISSIONER NELSON: Do you define the
9 special conditioning as installing this whole new
10 system?

11 A. The whole new system that we've been talking
12 about in the Hofer case is one of the ways that you can
13 accomplish that. It is one way.

14 COMMISSIONER NELSON: So when you said that
15 you thought that it was available and you had to --
16 under certain conditions you can recondition the system
17 sort of, is that what you said?

18 A. You wouldn't recondition their system. In
19 the case of the Hofers on the Anaconda system, you
20 would have probably had to put in another facility of
21 some kind. They would have had to pay for another type
22 of facility.

23 COMMISSIONER NELSON: So would you believe
24 that this statement in here is correct?

25 A. Well, I certainly believe that what I was

1 trying to tell Commissioner Schoenfelder nine months
2 ago is what I'm still trying to tell you today. I
3 don't think my statement was incorrect then, and nor do
4 I believe my statements are incorrect now. I'm sworn
5 to tell the truth, and that's what I'm trying to do.

6 COMMISSIONER NELSON: Well, I find them
7 inconsistent. How do you explain the difference? I
8 mean you said that this -- would you agree that the
9 Exhibit 5 says that that stuff is available if you
10 conditioned the system? ISDN is available if you --
11 I'm not trying to trip you up. I'm just trying to
12 understand it.

13 A. ISDN is available to any customer who is
14 served by U S West. And some customers will have to
15 pay in cases where they do not have the capability
16 because of limitations of distance are going to have to
17 pay extra in order to get it.

18 COMMISSIONER NELSON: Would you say the
19 limitation of distance was the only problem that
20 Mr. Hofer would have had to get this system?

21 A. Well --

22 COMMISSIONER NELSON: To get ISDN if he
23 wanted it?

24 A. In this case I suppose you can get into the
25 nuance of distance. If Mr. Hofer didn't live 30 miles

1 from town, therefore, that distance -- if he lived only
2 three miles from town, then distance would be a
3 factor. The truth is that in order to serve customers
4 like the Hofers 30 miles from town, we have to put in a
5 carrier system. You couldn't serve the Hofers with a
6 copper system. We have to have a carrier system.

7 COMMISSIONER NELSON: So why then do you feel
8 that Exhibit 5 statement is correct?

9 A. Because ISDN is available to any customer
10 that either wants it, or in the case if they want it
11 and we don't have the facility isn't capable of
12 providing -- paying for it but it's available.
13 Granted, it would be expensive in the Hofer case before
14 Mr. Evans engineered this job it would be expensive to
15 provision that circuit in order to provide ISDN. Is it
16 available? The answer is yes, but it costs so. There
17 are a lot of our services that cost something extra to
18 provide.

19 COMMISSIONER NELSON: How is the extra cost
20 associated with the Anaconda system different from the
21 cost associated with upgrading to the ISDN facilities
22 on the new system?

23 A. I'm sorry, I don't think I understand your
24 question.

25 COMMISSIONER NELSON: Well, I guess I got the

1 impression the new system is that it costs some money
2 after you put in the new system. For Mr. Hofer it
3 costs some money to upgrade it, put in that card and
4 balance the lines and there's costs associated with
5 it. But those costs are different than having to
6 install a whole new system. So I guess maybe the
7 question really is, yeah, ISDN stuff might be available
8 to every customer of U S West in South Dakota, but
9 maybe we have to have the cost of a whole new system
10 versus a minor cost of just adding a card and balancing
11 some lines. Do you know view those two things as
12 different?

13 A. If you wanted to provide ISDN to every rural
14 customer in the state of South Dakota, whether it be a
15 U S West customer or an independent company customer,
16 you could do that today by putting in a carrier system
17 to every single customer in South Dakota that lives
18 beyond three miles from the central office. You could
19 do that, and you could therefore provision every single
20 customer for ISDN. I would submit to you that it would
21 be horribly expensive for somebody, horribly expensive
22 than -- into the hundreds of millions of dollars
23 probably because most customers today live beyond three
24 miles from the central office but they are not served
25 by carrier systems. Those customers, unless you do

1 something special, are not going to be able to have
2 ISDN. You either are going to have to -- you either
3 are going to have to put them on a carrier system or
4 you're going to have to do something else to provision
5 that line to make it a digital line.

6 COMMISSIONER NELSON: Would you agree that
7 when you talked about with the new system having to add
8 a card and balance the lines and those kinds of things,
9 those are somewhat inexpensive things, however building
10 a whole new system like the \$153,000 improvement is a
11 more significant deal? So would you think that that's
12 true? I mean am I to assume that we have to spend
13 \$153,000 if everybody that lives more than three miles
14 wants to have ISDN?

15 A. You may.

16 COMMISSIONER NELSON: Or maybe more than
17 \$153,000?

18 A. You would have to spend more. If you want to
19 provide ISDN for every single customer who lives beyond
20 three miles from the central office, you would either
21 have to put in systems like Mr. Evans has been talking
22 about, or something else that provides a digital
23 facility to that customer, all of which is very
24 expensive. We are not putting in the NEC system out to
25 the Hofers in order to provision that line for ISDN.

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1 We are doing that because it is the state-of-the-art
2 technology today in 1998 in order to provide voice
3 telecommunication service. It so happens that with
4 that state-of-the-art they also are getting some other
5 benefits of technology with it, and one of those is the
6 ability to use ISDN.

7 COMMISSIONER NELSON: So is that
8 state-of-the-art technology available to most people in
9 the state of South Dakota, most U S West customers? Is
10 there a difference to what you have to do to provide
11 that state-of-the-art technology for most customers of
12 U S West versus just like the Hofer situation? I mean
13 is that the exception or the rule?

14 A. I would say it's more of -- and I'm not an
15 expert on outside plant because I don't know where the
16 breakdown is and how far out people have to live where
17 they start to use these carrier systems. But I do know
18 that we literally have thousands and thousands of rural
19 customers who are not served by carrier systems. In
20 other words, they are served on straight copper wire
21 from the central office.

22 COMMISSIONER NELSON: Well, are only rural
23 customers not served by carrier systems?

24 A. We have some carrier systems that actually
25 are used in town for the efficiency for economic

1 reasons. In other words, what you do with a carrier
2 system, Commissioner, is you literally take advantage
3 of a pair of wires or several pair and multiply them to
4 many pairs. That's what happens with a carrier
5 system. You take one pair of wires and transform it
6 into six or eight or 24 channels. That's what a
7 carrier system does.

8 COMMISSIONER NELSON: Okay. But would you
9 say you always do that in town?

10 A. No, absolutely not.

11 COMMISSIONER NELSON: You rarely do it in
12 town? Most of the time you do it in town?

13 A. I don't know whether it's rarely, mostly. I
14 don't know in my house. I don't know what your house
15 in Sioux Falls or Pierre, whether you're on a carrier
16 system or on a straight copper feed all the way. It
17 could be. I just don't know the answer to that. It
18 could be one or either. But what I do know is that at
19 your house and my house we can get ISDN because we're
20 close enough to the central office probably to make it
21 work.

22 COMMISSIONER NELSON: But even in a larger
23 city like Sioux Falls or even in Pierre, there are a
24 lot of people that live farther than three miles. And
25 so are you saying this standard only applies to people

1 who live within three miles of the central office?

2 A. In some cases, I suppose. And, again,
3 Mr. Evans or somebody else who is a lot more technical
4 than I can probably talk about this. There may be some
5 cases in the city of Sioux Falls where there are
6 distribution pairs from the central office where ISDN
7 may not work. I suppose it's possible.

8 COMMISSIONER NELSON: Is it likely?

9 A. I don't know the answer to that,
10 Commissioner.

11 COMMISSIONER NELSON: Do you have to make --
12 would you say that it's fair to assume in a city like
13 Sioux Falls you have to make specifically somebody who
14 wants to tell you you have ISDN or -- and then you
15 would have to go out and do these special things like
16 we have to do for the Hofers to make that work? Is
17 that more often the case or not more often the case?

18 A. You always have to do special things to make
19 ISDN work. One of the things you have to do is you
20 have to take the load coils off the wire that makes it
21 work for regular telephone line.

22 COMMISSIONER NELSON: I understand that. But
23 what I'm trying to figure out if we're talking about
24 major projects like replacing the whole system like we
25 are in the Hofer case, or we talking about making the

1 minor adjustments like balancing the lines?

2 A. I would guess in most cases it is that simple
3 for town residents.

4 COMMISSIONER NELSON: For most town residents
5 and in U S West's territory?

6 A. Yes.

7 COMMISSIONER NELSON: Okay. Thank you.

8 MS. WIEST: Any other questions of this
9 witness? Thank you. (Witness excused.) Any other
10 witnesses, Mr. Hoseck?

11 MR. HOSECK: Yes. I would call Steve Wegman
12 to the stand.

13 STEVEN WEGMAN,
14 called as a witness, being first duly sworn,
15 was examined and testified as follows:

16 DIRECT EXAMINATION

17 BY MR. HOSECK:

18 Q. Would you state your name for the record,
19 please?

20 A. Steven Wegman.

21 Q. And just briefly what is your job?

22 A. I'm an analyst for the South Dakota Public
23 Utilities Commission.

24 Q. And how long done that type of work?

25 A. Eight years.

1 Q. Have you been present in the hearing room
2 today and heard the testimony of the various witnesses
3 in this case?

4 A. Yes, I have.

5 Q. With regard to the replacement of the system
6 to the Hofer farm, was that scheduled to be replaced in
7 any event?

8 A. Back in May of 19-- excuse me, May 23rd of
9 1996, we had a complaint with a party called Selmer
10 Anderson. And in that I filed a data request with
11 Mr. Heaston with U S West Communications, and I had
12 asked for a couple of things. One was a document that
13 would require how many Anaconda copper SLC 8 systems,
14 or SES cores, or LSS analog carrier systems from South
15 Dakota. U S West had provided a Marilyn Madsen from U
16 S West Communications indicating that there are 38
17 customers in the Huron area that were under an Anaconda
18 copper analog carrier system. In the Huron area there
19 were three systems to be replaced. And the replacement
20 dates were 9-1-97, 4-1-97, and 3-1-97.

21 Q. And would the conclusion be correct then that
22 based upon that representation, that the line to the
23 Hofer place should have been replaced sometime last
24 year?

25 A. That's correct.

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1 MR. WELK: Can I see what he's testifying
2 from?

3 MR. HOSECK: If you want to introduce it into
4 evidence, I don't intend to.

5 MR. WELK: I would object to him reading
6 something without providing at least me an opportunity
7 to see what it is and to testify what allegedly my
8 client said it provided. I want a copy of what he read
9 from.

10 MS. WIEST: Go ahead and give him a copy. Do
11 you have any extras, Mr. Hoseck?

12 MR. HOSECK: No, I don't.

13 MS. WIEST: Can you give him your copy?

14 A. This is the only copy I have.

15 MS. WIEST: Well, you can get it back.

16 Q. And, Mr. Wegman, based upon your observations
17 here today, do you have any recommendation to the
18 Commission with regard to the provisioning of service
19 to the Hofer farm?

20 A. The main recommendation, I wish the company
21 would have done their update earlier. I do encourage
22 that they would contact the customers along the
23 affected route in case they want additional services as
24 long as they're trenching out there. So I would
25 encourage to have the Commission have the company

1 contact the affected parties along the route and ask
2 them if they want additional lines.

3 Q. Do you have any further recommendations?

4 A. No, I don't.

5 MR. HOSECK: I have no further questions of
6 this witness.

7 MS. WIEST: Ms. Loewen or Mr. Hofer, do you
8 have any questions of this witness? Mr. Welk, do you
9 have any questions?

10 MR. WELK: I would like an opportunity to
11 review. Could we take a five-minute recess to look at
12 it?

13 MS. WIEST: We'll take a very short break.

14 (AT THIS TIME A SHORT RECESS WAS TAKEN.)

15 MS. WIEST: Let's go back on the record. Ms.
16 Loewen did indicate to me she did have a question of
17 Mr. Wegman. You may ask your question.

18 MRS. LOEWEN: My question -- I forgot the
19 gentleman's name.

20 MS. WIEST: Who are you asking the question?

21 MR. WELK: Mr. Lehner.

22 MS. WIEST: Is that all right with the
23 parties? Go ahead.

24 MRS. LOEWEN: Basically what you were saying
25 in your testimony, as I understand it, is that if you

1 are a U S West customer and you live in a rural area,
2 all these things are available to me as a customer but
3 I will have to pay dearly to get those services?

4 MR. LEHNER: I don't think it's just a U S
5 West issue, but since you asked that of U S West and
6 that's who I work for, for the most part I would say
7 services are available. The services that require what
8 I would call data -- in other words, something other
9 than voice and Caller ID is an example of a service
10 that works with data. Faxes, of course, use data.
11 There are inherent problems anytime you live far from
12 the central office for anybody. It isn't an issue of U
13 S West discriminating against rural customers. This is
14 any telephone company in the United States has that
15 problem.

16 And there are a couple different ways to fix
17 it. One way is to move closer to town, but obviously
18 you don't want to do that. The other way to fix the
19 problem is ultimately to condition or provide
20 facilities like the NEC system that Mr. Evans is
21 talking about which provide a good digital system to
22 provide data. But not everybody -- when you have your
23 system out there, you will be somewhat unique because
24 you're going to have a lot of people that live in the
25 rural area of Huron that are closer to town and are

1 served on physical pairs of wire that won't have the
2 capability you'll have. It is simply because they're
3 not, I guess, forcing you to be living out as far as
4 you are. We have to put this system in to serve you
5 because we can't serve you with a physical pair of
6 copper wires. We can't do it. It's not physically
7 possible.

8 MRS. LOEWEN: See, I don't have a choice. I
9 have to have U S West. So are there other phone
10 companies that have the same problem? I don't have
11 another phone company. I only have U S West.

12 MR. LEHNER: Unfortunately, you won't find
13 many other companies that will want to serve you. If
14 you can find somebody else to serve you and spend this
15 money, I will invite you to do so.

16 MRS. LOEWEN: I feel U S West sometimes does
17 not want to serve me as a customer.

18 MR. LEHNER: I'm sorry about that, but you
19 have to understand the cost involved for any company.
20 And it is not cheap to serve customers that live 35
21 miles from town.

22 MRS. LOEWEN: Okay. But I'm not a phone
23 company. I'm the one that wanted the service. That's
24 your problem, not my problem.

25 MR. LEHNER: Somebody has to pay for it, so

1 it's somebody's problem.

2 MRS. LOEWEN: So why do the rural customers
3 have to pay for it compared to the city customers?

4 MR. LEHNER: Well, I think probably rural
5 customers pay for a lot of things that city people
6 don't pay for. You have to pay for electricity to come
7 out there. You have to pay for water if you want to
8 pipe water out there. There are a lot of things you
9 have to pay for. That's the way our world works, I
10 guess, today. And in many cases the city folk help pay
11 for a lot of that stuff because we have reached cause.
12 We're very fortunate that we have an average cost
13 system today so that the people in Huron help pay for
14 the people that live 35 miles from town because that's
15 the way we work.

16 MRS. LOEWEN: And we pay on top of that
17 averaging out yet to get our things.

18 MR. LEHNER: I would presume for a lot of
19 other things that you use in your lives that's true.

20 MRS. LOEWEN: That's all.

21 MS. WIEST: Thank you. Any questions of
22 Mr. Wegman, Mr. Welk?

23 MR. WELK: No.

24 MS. WIEST: Commissioners?

25 COMMISSIONER SCHOENFELDER: I do. I need to

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1 understand what your recommendation was. You said as
2 long as U S West was out there trenching, I believe --
3 now, I don't exactly remember what you said because I
4 didn't get it all written down -- that you wish they
5 would contact the other customers in the area so if
6 they wanted second lines?

7 A. Correct.

8 COMMISSIONER SCHOENFELDER: That they could
9 do it at once, which would be better cost efficiency
10 for U S West as well as --

11 A. As well as the customer.

12 COMMISSIONER SCHOENFELDER: I'm not trying to
13 put words in your mouth, but I'm trying to get where
14 you're going.

15 A. To have a joint use of the trench as long as
16 you're out there trenching and putting cable in, find
17 out what kinds of needs, what kind of customers would
18 take an additional line so we could build up there for
19 the future at the present time.

20 COMMISSIONER SCHOENFELDER: If you can't
21 answer that, then I want Mr. Evans back to answer it;
22 and maybe he will want to answer it anyway after I ask
23 you. In the complaint that I read in the Hofer
24 complaint, it talks about their neighbors and the U S
25 West answer it talks about four other customers. We

1 don't have anything on the record that says those four
2 other customers -- what their problem is, and I don't
3 think we have any testimony that says directly what
4 their problem is. If they have outage problems, those
5 kinds of things, that would be taken care of with the
6 proposal U S West is making. If they want -- I believe
7 if they want additional lines or additional technology,
8 then they would have to not only pay for it but they
9 would have to notify U S West. And so I don't know
10 what these other people's problems are, and I don't
11 think we have any testimony as to that. So I'm trying
12 to find out what you're talking about, I guess.

13 A. What I'm trying to address are those other
14 customers out there. For example, the other three or
15 four customers. But, actually, as I understand, there
16 may be as many as up to 38 customers on this line
17 that's going to get rebuilt.

18 COMMISSIONER SCHOENFELDER: Okay. Will that
19 what they're proposing take care of the outage, the
20 reliability problems?

21 A. Yes.

22 COMMISSIONER SCHOENFELDER: Okay.

23 A. What I would like to have is the company
24 contact the other affected parties on the line, the 38
25 other customers, and anybody, as long as they're

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1 driving along the road, to see would they like to have
2 additional phone service or additional lines. I don't
3 think it's outrageous to do.

4 COMMISSIONER SCHOENFELDER: But phone service
5 they will have; right, basic phone service?

6 A. Correct. But if they would want an
7 additional service. But I don't know if anyone else
8 has moved into the area. Because there's been a
9 limited capacity on the line. I don't know if there's
10 38 customers or if there's potentially 39 customers.
11 We don't know that fact. But as long as they're in the
12 area of working on the lines, if they could contact the
13 affected property owners or people along there if they
14 would want a second line or if they would even like
15 primary service.

16 MR. WELK: The company has no objection to
17 doing that.

18 COMMISSIONER SCHOENFELDER: I wanted to know
19 that we were all talking about the same thing.

20 MR. WELK: I asked Mr. Evans. We have no
21 problem doing that.

22 CHAIRMAN BURG: Just a clarification, and it
23 probably goes to the statute. At least, if I heard
24 Mr. Evans right, you said that there would be a savings
25 to the company and to the customer, if I heard him

1 right. There is no savings to customers because second
2 line would cost 48 cents a foot regardless of putting
3 the same trenches in another one or not. Is that
4 accurate?

5 A. Reading the tariff, there is no provision for
6 joint services. But I think the company could come in
7 front of the Commission and have a joint service type
8 tariff.

9 CHAIRMAN BURG: Okay. That's all I have.

10 MS. WIEST: Any other questions of this
11 witness? Thank you. Do you have any other witnesses?

12 MR. HOSECK: I have no further witnesses.

13 COMMISSIONER NELSON: I have one question,
14 Steve, before you leave. Steve, do you feel that the
15 changes in the Hofer system will provide for adequate
16 rural?

17 A. I'm not sure on the model or type of T-RECs
18 that they plan to use. That's kind of a generic name
19 that NEC uses and they can be provisioned. Last time I
20 visited the NEC people in Denver, if I remember
21 correctly, they could handle up to 4,000 customers by
22 changing card packs, things like that. So it depends
23 on how they're going to provision. It's really
24 difficult to judge. But, you know, for example,
25 they're putting in five T-1s in how they've got the

1 channels broken. That's something that it would be
2 nice to have an idea from the company if they could
3 submit their engineering drawings or plans on what
4 they're planning to do. But it's not necessary for our
5 review, staff's review, but for informational purposes
6 only.

7 COMMISSIONER NELSON: Thank you, Steve.

8 MR. WELK: Commissioner, we have the
9 engineering if he would like to see it under a
10 confidentiality order, or anybody in the Commission.
11 As long as you sign a confidentiality order, you can
12 see the engineering plan.

13 MS. WIEST: And I think the tariff has been
14 discussed quite a bit. Is it into evidence?

15 MR. WELK: It's attached to the answer that I
16 filed on behalf of the company. If you want to make it
17 a formal document, I'd move for Exhibit 5, that it's
18 attached to the answer if you want to make it an
19 exhibit.

20 MS. WIEST: That will be 6. Let's put it in.

21 MR. WELK: You have it already. It's
22 attached to the original answer.

23 MS. WIEST: Is there any objection?

24 MR. HOSECK: No objection.

25 MS. WIEST: No further witnesses?

1 MR. HOSECK: No further witnesses.

2 MS. WIEST: Do you have anything further to
3 add, Ms. Loewen or Mr. Hofer, at this time?

4 Do any of the parties wish to make a closing
5 statement? Do you have anything used like to say in
6 closing, Mr. Hofer or Ms. Loewen?

7 MRS. LOEWEN: Umm, I think in what I've been
8 hearing, if I'm understanding correctly, what they plan
9 to do seems to provide for what we want.

10 MS. WIEST: Thank you. Do you have a
11 closing?

12 MR. WELK: Just one thing. Since we'll
13 probably not -- before the construction will start, I
14 do think for the benefit of the Hofers and the company,
15 we need to know about the commitment on the
16 construction tariff, if you want that in or not. I
17 think Mr. Hofer said he did so we're going to go ahead
18 and provision; right, Mr. Evans, based on what he said
19 to provide that second line? We're going to spend
20 \$11,000 more to do that based upon what he said today.
21 Is everybody in agreement with that? You want the
22 second line? I just wanted to make sure.

23 CHAIRMAN BURG: I'll ask do you require any
24 kind of contract or commitment before you make that
25 investment?

1 MR. EVANS: Before we place the drop, we will
2 get a payment up front and it will go through a bar
3 billing number, and those folks will contact the
4 Hofers. So when we're out there placing they need to
5 bring their money up front and pay that and then we
6 place it.

7 CHAIRMAN BURG: We're talking about \$1,300?

8 MR. EVANS: Yes. And it's going to cost us a
9 lot more to place that.

10 CHAIRMAN BURG: I mean that's their cost.

11 COMMISSIONER NELSON: I guess I have a
12 question. For the \$1,300 that they sign the contract
13 that says they agree to pay the \$1,300, do they have to
14 pay the entire \$1,300, or can they do payments?

15 MR. EVANS: I can't answer that. The last
16 bar billing numbers we went through, it was a payment
17 up front. I do think there's a way that they can set
18 it up on payments, but I do not know that for a fact.

19 COMMISSIONER NELSON: I guess I'd like an
20 answer to that question because I know when you do
21 assessments for streets, roads, and highways and those
22 kinds of things on property, you can do that. I know
23 when they changed the lines on my property, I was
24 allowed to make payments on it when we had to bury the
25 lines.

1 MR. WELK: Do you want Colleen to check into
2 that for you and let you know?

3 COLLEEN SEVOLD,
4 called as a witness, being first duly sworn,
5 was examined and testified as follows:

6 DIRECT EXAMINATION

7 BY MS. SEVOLD: Typically we ask for the
8 money up front. We have made special arrangements in
9 the past. I have done that for some customers and
10 other people I do work with that we might spread it out
11 into three payments or six payments.

12 COMMISSIONER NELSON: Thank you.

13 MS. WIEST: Anything else, Ms. Loewen?

14 MRS. LOEWEN: I guess we would like to know
15 what the Commission's view on this whole thing is,
16 their ruling or --

17 MS. WIEST: Is the Commission -- just one
18 second. I'll ask for if they're ready to make a
19 ruling. But do you have a closing, Mr. Hoseck?

20 MR. HOSECK: A very brief one.

21 Mr. Chairman, members of the Commission, this
22 matter comes before the Commission with a history of
23 five or six years of bad service. And I think that the
24 record is complete with references as to how these
25 people are dependent upon reliable phone service for

1 their health, their safety, and their economic
2 well-being, and their welfare in general.

3 It now appears that U S West has come forward
4 and has agreed to make whatever capital investments are
5 necessary to see that these people get good service.
6 It's regrettable that it took this long to do so, but
7 that's water under the bridge as I would see it
8 personally.

9 The thing that I'm going to ask that the
10 Commission do in the event an order of this nature
11 comes out of the Commission and that is we have had
12 representations made here today as to the timing for
13 the installation of this, for lack of better words, new
14 system to the Hofer farm. I'm going to ask that the
15 order disposing of this case contain an order with time
16 limits as testified to by, I believe, Witness Evans on
17 behalf of U S West, so that U S West not only is here
18 making representations, but will be bound as a matter
19 of order to install this system.

20 And with that said, it appears that the
21 installation charge for the additional line, should
22 Mr. Hofer desire to have that, would be reasonable; and
23 that would be the sum and substance of our
24 recommendation to the Commission. Thank you.

25 MS. WIEST: Thank you. Are the Commissioners

1 ready to make a ruling or not?

2 CHAIRMAN BURG: Let's just hold this over
3 until right after lunch and we can decide whether we
4 want to make a decision at that point. Is that okay
5 with you? I guess, do we have any late-filed exhibits
6 or anything?

7 MS. WIEST: I believe there was something
8 asked for. Commissioner Nelson asked for a
9 depreciation. That's the only thing I have.

10 CHAIRMAN BURG: Do you think that's necessary
11 to make our decision?

12 COMMISSIONER NELSON: Probably not.

13 COMMISSIONER SCHOENFELDER: I wouldn't feel
14 that late-filed exhibit would have a bearing upon this
15 decision. It might have a bearing on a future rate
16 case, but it wouldn't have anything on this decision.

17 CHAIRMAN BURG: I guess I'm probably ready
18 for a decision.

19 MS. WIEST: Do the Commissioners --

20 COMMISSIONER SCHOENFELDER: It seems to me
21 there isn't a heck of a lot of disagreement here so.

22 CHAIRMAN BURG: That was going to be my next
23 question. What's the question?

24 MS. WIEST: I mean the issue, I believe --

25 CHAIRMAN BURG: Is there probably cause?

1 MS. WIEST: Right. The issue, I believe at
2 this point, is Mr. Hofer under the tariff liable for
3 the additional line charges. I think that's really the
4 only issue that is left.

5 CHAIRMAN BURG: I'm just trying to say if --
6 you know, I guess I'm trying to figure out exactly what
7 we need to make a motion to do to verify.

8 MS. WIEST: It would be a motion to order U S
9 West to put in the system, as they have already agreed
10 to do, and to find that the tariff charges that they
11 have stated are consistent with the charges; and if
12 Mr. Hofer does indeed want a second line, then he is
13 responsible for his charges.

14 CHAIRMAN BURG: I'd so move.

15 MS. WIEST: Is there a second?

16 COMMISSIONER NELSON: I'd second it.

17 COMMISSIONER SCHOENFELDER: I'll concur. I
18 didn't know there was a motion.

19 CHAIRMAN BURG: I moved her statement rather
20 than -- then I so move rather than restate it.

21 MS. WIEST: That will close this hearing.
22 And we will take a recess for lunch and be back at
23 1:15, and we will begin the Carpenter complaints at
24 that time.

25 (THE HEARING CONCLUDED AT 12:00 P.M.)

1 STATE OF SOUTH DAKOTA)
2)
3 COUNTY OF HUGHES)
4

5 I, Lori J. Grode, RMR, Notary Public, in and
6 for the State of South Dakota, do hereby certify that
7 the above hearing, pages 1 through 132, inclusive, was
8 recorded stenographically by me and reduced to
9 typewriting.

10 I FURTHER CERTIFY that the foregoing
11 transcript of the said hearing is a true and correct
12 transcript of the stenographic notes at the time and
13 place specified hereinbefore.

14 I FURTHER CERTIFY that I am not a relative or
15 employee or attorney or counsel of any of the parties,
16 nor a relative or employee of such attorney or counsel,
17 or financially interested directly or indirectly in
18 this action.

19 IN WITNESS WHEREOF, I have hereunto set my
20 hand and seal of office at Pierre, South Dakota, this
21 9th day of April, 1998.

22 
23 Lori J. Grode RMR
24
25

PUC Hearing

April 2, 1998

Background of telephone service at Ben Hofer Farm

Telephone service was installed in summer of 1952. Ben Hofer and Paul P. Hofer each paid \$100 - a lot of money at that time- plus labor, plus use of their equipment to set the poles for the telephone line to their homes. Three other neighbor families provided their labor and equipment to set the poles under the supervision of Howard Patter from the phone company. The party line serviced 8-10 families, with all sharing the one line.

In the summer of 1978, underground, private phone lines were installed with service changing to private lines from the party line and new phone numbers completed after October 23, 1978. When the new lines were being installed, Ben asked the supervisor in charge that there would be enough capacity for extra lines, if needed, in the future. The supervisor replied that taxes had to be paid on each line and that these lines were only good for 15-20 years anyway, then they would have to be replaced.

At this time the 377 exchange was abandoned and the 352 number was added.

The Ben Hofer Farm Location has

-farm business

employs 3 full time employees

farm/ranch produces half a million dollars of agriculture products annually

have 5,000 acres of crop and grassland, 275 cows, 375 ewes, 525 feeder lambs

-employee residence

-Bed and Breakfast /Farm Ranch Vacation Tourism Business

-Fax and internet connections

Requested a 2nd line for our farm in fall of 1996

Put in request by calling the residential customer service number in phone book.

US West person took the order, yes, we were assured that we could have a second line.

-set installation time for three weeks from date of request

-listed number of two line jacks and where they should be located

- US West called back to make sure someone would be around when installed

-purchased two line phones in anticipation of the installation of second line

-local manager/person came to tell us that a second line would cost 3-4 thousand dollars.

-returned two line phones

Equipment Problems

-approximately 4-5 years ago, on two separate occasions, a mouse got in the local area

telephone service box and caused equipment failure

-noise on line

calling the employee that lives across the road there is often noise or a screech on the line making it nearly impossible to carry on a conversation. This has been reported and worked on often, but the noise on the line pops up frequently.

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people dial our number, think the phone is ringing, but we are not receiving the call
no dial tone. dead line

-our phone outages/problems seem to be related to changes in the weather

Reporting Problems

On several occasions that I have reported problems with the phone line, US West has called and said they couldn't find a problem and it must be our cordless phone. We do not have a cordless phone. I would love to have one for the convenience that it would bring to my life, but at this time I don't feel I could risk having one and having US West blame phone problems on a cordless phone.

In calling the customer service number of US West as directed in the phone book, I believe the persons working for US West give out the best information that they can on what is made available to them. However, they do not seem to have access to the specific information about the equipment in our area and what services are and are not available in our area. An example of this is my request for caller ID. I called the customer service number of US West listed in the front of my phone book to ask for caller ID. I asked the question if caller ID was available in my area, I was assured that it was. I was sent a caller ID Box and the charge appeared on my next bill. However, caller ID is not available in this area. US West did credit my account for the caller ID charges that were billed to our account.

Most often it is the local repair man that has to be the bearer of bad news to me, the customer, in what service US West is able or not able to provide. The repair person attempts to fill the order, but because of limiting circumstances of the equipment is not able to fulfill the order as requested.

When reporting a problem, the local repair men are prompt in attending to the problem. We always get a call from the telephone repair person, or he comes to the farm, to tell us that the problem is fixed, and what the problem was. It is from them that we have learned about our system and how it works and the problems that it has and how they have been repaired.

Internet

Our internet hookup operates in the 12-16000 range. Others that we talk to in the area have a minimum of 24,000. We use the internet to keep in touch with our college son via E-mail, our daughter uses it for research for her high school class papers and projects. Being in a rural area, 30 miles from a library, having the internet for information is a very valuable asset. My bed & breakfast business has an E-mail address available for potential customers to use. The internet is a wonderful way to have access to up-to-date information pertaining to weather, all aspects of the agricultural field. We do not use it to its potential due to the fact that we have only one phone line and feel we need to leave the phone line free for incoming calls, and other normal telephone usage.

Fax machine use

The purchase of a fax machine required a bit of research. We purchased an expensive fax machine that would be sensitive and able to handle the fluctuations of the phone line. On both incoming and outgoing faxes, there often is an error that reads "Line error". The transmission is interrupted for some reason because of errors on the line. That means the fax doesn't go through in either direction and has to be tried again. We often receive a fax ring and it doesn't come through, no connection made.

Fax and internet usage and emergencies

If a fax was coming through and we had a medical or fire emergency of some sort, the phone line would not be available for a time to make the call for the emergency help.

With conversation on the line, one can interrupt in an emergency and ask to use the phone. If someone is on the internet, that makes access to the phone more difficult. If a fire were to break out on the farm in one of the barns, and the phone line was being used for the internet, instead of calling in the fire from one of the shops on the farm, the person would have to go to the house, contact the person on the internet, have them disconnect, then place the call to request help in case of fire. Being in a rural area, some distance from fire projection, time is of the essence. The extra minutes that it would take to report a fire could be very crucial. The same would be true of a medical emergency, even more so. If someone was injured on the farm and could somehow get to the phone in the shop, but couldn't use the phone because it was in use on the internet, it would delay help coming to the farm and could be the difference between life and death.

The people in rural SD are used to surviving the tough situations that SD weather can bring. When utilities such as electricity and telephone are cut off due to storms or one kind or another, we have to have back up plans on hand to survive. If the electricity goes off, we have another plan for power and ways and means to survive. With telephone, we have no other option. When service is interrupted, we get along and make due the best we can knowing that how life is in rural SD. As technology becomes more and more important in our business both the ag and tourism, and in personal life, are we to be left behind because we don't live in a larger city such as Sioux Falls?

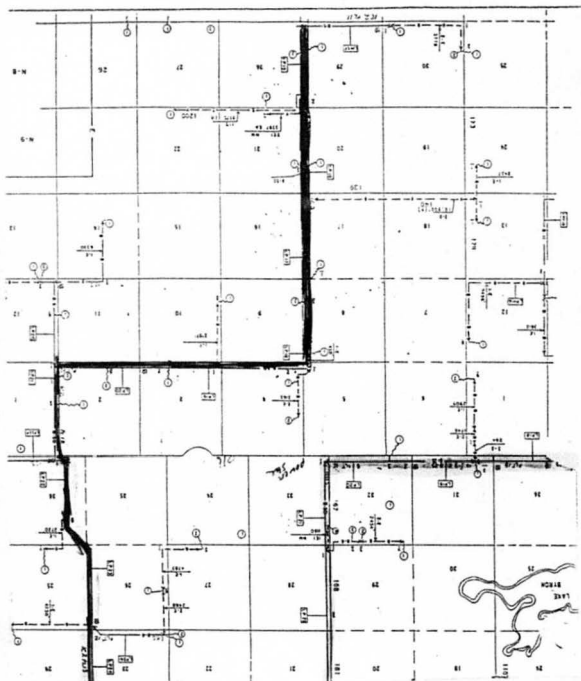
Our Questions:

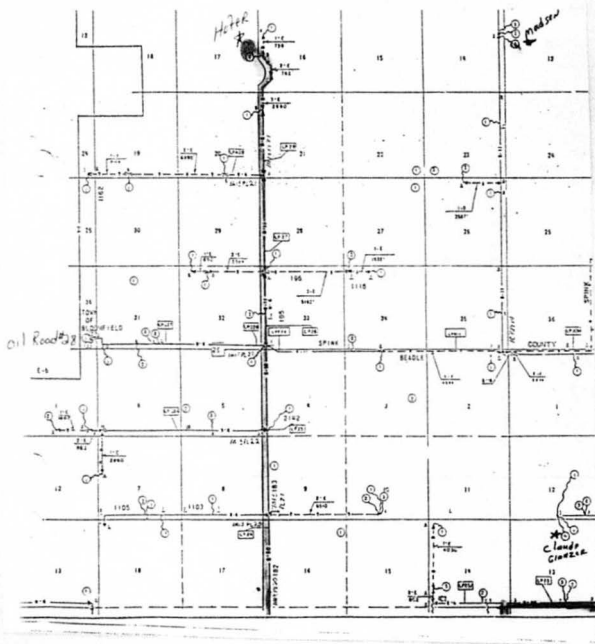
For the \$153,500 price paid by US West and the \$1372.80 to be paid by Ben Hofer, what exactly does this do to upgrade our service?

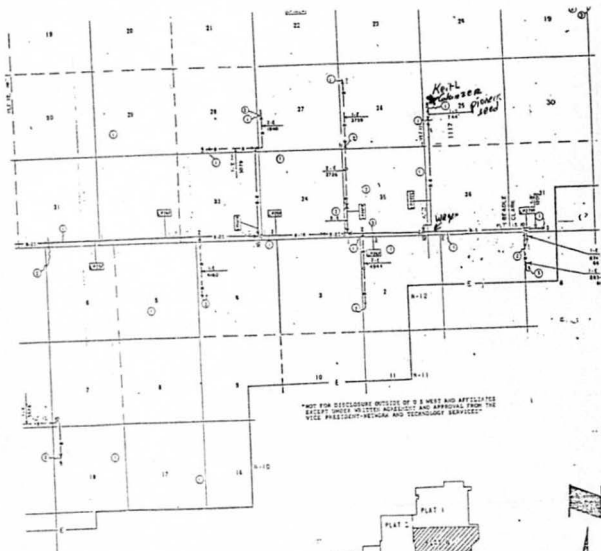
Does it provide for future lines to our farm as well as to the farms of the other 4 customers involved?

Is this just a band aid for service for now? How will this provide for our future needs in communications?

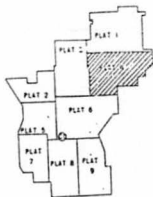






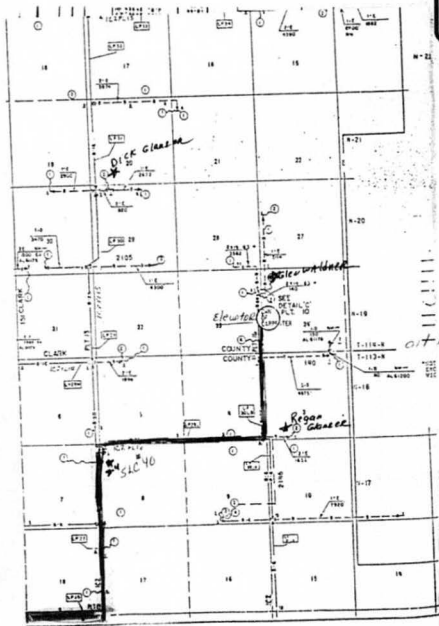


*NOT FOR DISCLOSURE OUTSIDE OF U S WEST AND AFFILIATES
EXCEPT UNDER WRITTEN AGREEMENT AND APPROVAL FROM THE
VICE PRESIDENT-NETWORK AND TECHNOLOGY SERVICES*



EXHIBIT

3



Source: SL 1997, ch 266, §§ 1, 11, 12.

munications Network Infrastructure, § 47-21-84.

Cross-References.

Application of South Dakota's Public Com-

49-31-61. Public Communications Network Infrastructure — Composition. South Dakota's Public Communications Network Infrastructure shall be composed of three networks: a narrowband network, a wideband network, and a broadband network.

Source: SL 1997, ch 266, § 3.

49-31-62. Narrowband network. The narrowband network is fully switched, digital network covering the transport range from 0 to 144,000 bits per second (144 Kbps), offering two 64 Kbps information B (Bearer) channels and a 16 Kbps signaling D (Delta) channel such that the two channels can be coalesced to achieve 128 Kbps information transport using ISDN international ITU-CCITT standards providing both B channel circuit and B channel packet switching capabilities.

Source: SL 1997, ch 266, § 4.

49-31-63. Narrowband network usage rates — Data traffic encouraged. To encourage usage of the narrowband network, fully digital and switched transport at narrowband's $64/128$ Kbps rates shall be reasonably and affordably priced. Data traffic shall be encouraged to use the narrowband network, which shall be designed with the specific feature and traffic handling capabilities to handle ever-increasing loads of data and video users.

Source: SL 1997, ch 266, § 5.

49-31-64. Narrowband network address scheme — Data and videoconferencing connectivity — Architecture. If commercially available, the narrowband network shall utilize an ISDN address scheme, including standard interfaces, to support private-to-public-to-private inter-networking. The narrowband network shall establish any-to-any connectivity for data and videoconferencing communications on a dial-up basis. It shall be allowed to overlay the existing voice telephone network, supporting data and video conferencing traffic and shall become fully integrated with the existing voice network. The narrowband network shall utilize a base-satellite fully digital architecture, where stand-alone remote switches located in smaller communities will home-in on larger host switches. This architecture shall allow local switching within a community for emergency services in the event that the link to the host is cut.

Source: SL 1997, ch 266, § 6.

49-31-65. Narrowband network deployment goal. The deployment goal for the narrowband network is to achieve ubiquitous deployment across South Dakota within five years, with significant results achieved within two years where seventy-five percent of each of the four strategic communities of

1 was in place and operable before TC94-121 Investment
2 Plan. And then you go on to talk about Frame Relay and
3 the ATM deployment.

4 I believe the statute says that the
5 narrowband network, a fully-switched digital network
6 covering the transport range from 0 to 144,000 bits per
7 second offering two 64 kilobit information B Bearer
8 channels and a 16 kilobit signaling D Delta channel
9 such that the two 64 kilobit channels can be coalesced
10 to achieve 128 kilobit information transport using ISDN
11 international ITU-CCITT standards providing both B
12 channels circuit and B channel packet switching
13 capabilities. Is that in place in South Dakota now?

14 A. It is in place and available for every U S
15 West customer and wire center in South Dakota.

16 COMMISSIONER SCHOENFELDER: And so I'm not
17 going to get a call one of these days that says, "I
18 can't get it here"?

19 A. I wouldn't bet on that.

20 COMMISSIONER SCHOENFELDER: And these are the
21 things that -- you know, these are the applications
22 that you have there now that fulfills what would be
23 called the narrowband network that's referred to in the
24 new statute.

5 A. That is correct. I would like to, however.

BOYCE, MURPHY, McDOWELL & GREENFIELD, L.L.P.
ATTORNEYS AT LAW

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Telephone 605 336-2424
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Of Counsel
John R. McDowell

J.W. Boyce (1884-1915)
John S. Murphy (1924-1966)

April 13, 1998

Rolayne Ailts Wiest
South Dakota Public Utilities Commission
500 East Capitol
Pierre, SD 57501

RECEIVED

APR 14 1998

**SOUTH DAKOTA PUBLIC
UTILITIES COMMISSION**

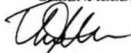
Re: Carpenter Complaints (TC98-007-12 and 98-016) and Hofer Complaint (97-178)
Our File No. 2104-98-007 and 97-178

Dear Rolayne:

We received the transcripts of the April 2nd hearings on the above matters today. It is my understanding that our brief and proposed findings of fact and conclusions of law will be due ten business days from today (April 27th). Please confirm whether my understanding is correct.

Sincerely yours,

BOYCE, MURPHY, McDOWELL &
GREENFIELD, L.L.P.



Thomas J. Welk

TJW/vjj

cc: Jon Lehner



South Dakota Public Utilities Commission

State Capitol Building, 500 East Capitol Avenue, Pierre, South Dakota 57501-5070



April 15, 1998

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Jim Burg
Chairman
Fam Nelson
Vice-Chairman
Laska Schoenfelder
Commissioner

William Bullard Jr.
Executive Director

Edward R. Anderson
Harlan Best
Martin C. Beftmann
Charlie Helle
Sue Gibson
Karen E. Cremer
Marlette Fischbach
Shirleen Fugitt
Lewis Hammond
Katie Hartford
Lynn Healy
Camron Hoesick
Dave Jacobson
Bob Knudde
DeLaine Kolbo
Jeffrey P. Lorenson
Terry Norum
Gregory A. Raskov
Tammi Stangor
Steven M. Wegman
Rolayne Ailts Wiest

Mr. Thomas J. Welk
Attorney at Law
Boyce, Murphy, McDowell & Greenfield L.L.P.
P. O. Box 5015
Sioux Falls, SD 57117-5015

Re: Hofer Complaint (Docket TC97-178)
Carpenter Complaints (Dockets TC98-007-012 and TC98-016)

Dear Tom:

This is to acknowledge receipt of your letter dated April 13, 1998, with reference to the above captioned matter. Your understanding is correct. Your brief and proposed findings of fact and conclusions of law are due on April 27, 1998.

Very truly yours,

Rolayne Ailts Wiest
General Counsel

RAW:dk
Enc.

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

IN THE MATTER OF THE COMPLAINT)	FINDINGS OF FACT AND
FILED BY BEN HOFER, CARPENTER,)	CONCLUSIONS OF LAW;
SOUTH DAKOTA, AGAINST U S WEST)	NOTICE OF ENTRY OF ORDER
COMMUNICATIONS, INC. REGARDING)	
TELEPHONE SERVICE OUTAGES AND)	TC97-178
INADEQUATE SERVICE)	

On October 29, 1997, the Public Utilities Commission (Commission) received a Complaint from Ben Hofer, Carpenter, South Dakota, against U S WEST Communications, Inc. (U S WEST) alleging frequent phone service outages, slow internet connections, line noise, and weak phone signals.

Pursuant to ARSD 20:10:01.08.01 and 20:10:01.09, if a complaint cannot be settled without formal action, the Commission shall determine if the complaint shows probable cause of an unlawful or unreasonable act, rate, practice or omission to go forward with the complaint.

On December 18, 1997, at its duly noticed meeting, the Commission reviewed the complaint. The Commission voted unanimously to find probable cause. U S WEST filed its response on January 28, 1998.

By order dated March 12, 1998, a hearing was scheduled in this matter for April 2, 1998, in Ballroom "C" at the Crossroads Hotel and Convention Center, Huron, South Dakota. On March 26, 1998, U S WEST filed a Motion to Amend Answer along with its Amended Answer.

The hearing was held as scheduled on April 2, 1998. At the hearing, U S WEST stated that it would replace the facilities to the Hofer residence with a digital line carrier system (Tr. at 51) and that if Mr. Hofer wanted a second line, the tariffed rate would be between \$1,300.00 to \$1,400.00. Tr. at 56. At the conclusion of the hearing, the Commission unanimously voted to order U S WEST to put in the system, as they had agreed to, and found the charges for the second line were consistent with the tariff and Mr. Hofer would be responsible for payment of those charges if he wanted a second line.

Based on the evidence and testimony received at the hearing, the Commission makes the following Findings of Fact and Conclusions of Law.

FINDINGS OF FACT

I

On October 29, 1997, the Commission received a Complaint from Ben Hofer, Carpenter, South Dakota, against U S WEST alleging frequent phone service outages,

slow internet connections, line noise, and weak phone signals. The Commission found probable cause to proceed to a hearing. A hearing was held on April 2, 1998.

II

Darla Loewen, Mr. Hofer's daughter who lives at the Ben Hofer farm, stated that the farm has three full-time employees and there is also a bed and breakfast farm/ranch vacation business located there. Tr. at 26.

III

They requested a second line for the farm from U S WEST in the fall of 1996. Tr. at 26-27. U S WEST stated that they would be able to receive the second line. Tr. at 27. Later they were told the second line would cost \$3,000.00 to \$4,000.00. Id.

IV

Ms. Loewen stated that they have had problems with their primary line. She stated there is frequent noise on the line that makes it nearly impossible to carry on a conversation. Id. The phone would ring but when she picked up the receiver, the telephone would keep on ringing. Tr. at 27-28. Telephone outages also seemed to be related to the weather. Tr. at 28. Also the phone would ring just a couple of times and then stop ringing even though the person on the other end was still on the line. Id. In addition, transmission on the fax machine was often interrupted. Tr. at 31.

V

Russell Evans, engineering manager for U S WEST, stated that the Ben Hofer farm is served by an anaconda carrier. Tr. at 49. He stated that U S WEST would put in an NEC digital line carrier system. Tr. at 51. He stated that U S WEST would add 26 repeaters to boost power to the digital line carrier that will be placed 4,000 feet from the Ben Hofer farm. Tr. at 52. U S WEST would also add about 4,600 feet of cable beyond the digital line carrier in order to allow the Hofer farm to receive a second line. Tr. at 52, 55. It would be a six pair cable that would run from the distribution terminal to Mr. Hofer's house. Tr. at 58. U S WEST's cost model estimated the cost of the facilities would be \$152,639.00. Tr. at 53. U S WEST would begin construction in the first part of May and would complete the project by the middle of July. Tr. at 54.

VI

Pursuant to the terms of the applicable tariff, a second line would cost 48 cents a foot from the distribution terminal for a total cost between \$1,300.00 to \$1,400.00. Tr. at 56; Exhibit 6. This cost is to be paid by the person requesting the additional line. Id.

VII

Approximately 38 customers are on the line that U S WEST will rebuild. Tr. at 123. U S WEST agreed to notify those customers to see if they want a second line. Tr. at 124.

CONCLUSIONS OF LAW

I

The Commission has jurisdiction in this matter pursuant to SDCL Chapters 1-26, 49-13, including 49-13-1 through 49-13-14, inclusive, and 49-31, including 49-31-3, 49-31-7, 49-31-7.1, 49-31-7.2, 49-31-10, 49-31-11, 49-31-38, 49-31-38.1, 49-31-38.2, 49-31-38.3, 49-31-60 through 49-31-68, inclusive, and ARSD 20:10:01:07:01 through 20:10:01:15:01, inclusive.

II

U S WEST shall put in a digital line carrier system to serve the Ben Hofer farm. If requested by Mr. Hofer, U S WEST shall put in a second line consisting of a six pair cable. Mr. Hofer is responsible for paying the tariffed charge for that second line which will be between \$1,300.00 and \$1,400.00. This charge is consistent with the tariff.

III

U S WEST shall have the system installed by mid-July and shall notify other customers along the new line and inquire as to whether they desire any additional lines.

It is therefore

ORDERED, that U S WEST shall install a digital line carrier system and, if requested by Mr. Hofer, a second line; and it is

FURTHER ORDERED, that U S WEST shall install the new system by mid-July and ask the other customers along the new system whether they want to order any additional lines.

NOTICE OF ENTRY OF ORDER

PLEASE TAKE NOTICE that this Order was duly entered on the 28th day of April, 1998. Pursuant to SDCL 1-26-32, this Order will take effect 10 days after the date of receipt or failure to accept delivery of the decision by the parties.

Dated at Pierre, South Dakota, this 28th day of April, 1998.

CERTIFICATE OF SERVICE

The undersigned hereby certifies that this document has been served today upon all parties of record in this docket, as listed on the docket service list, by facsimile or by first class mail, in properly addressed envelopes, with charges prepaid thereon.

By

Melanie Kalks

Date

4/29/98

(OFFICIAL SEAL)

BY ORDER OF THE COMMISSION:

James A. Burg
JAMES A. BURG, Chairman

Pam Nelson
PAM NELSON, Commissioner

Laska Schoenfelder
LASKA SCHOENFELDER, Commissioner

BOYCE, MURPHY, McDOWELL & GREENFIELD, L.L.P.
ATTORNEYS AT LAW

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Facsimile 605 334-0618

Of Counsel
John R. McDowell

J.W. Boyce (1884-1915)
John S. Murphy (1924-1966)

July 15, 1998

Mr. Ben Hofer
18653 408th Avenue
Carpenter, SD 57322

RECEIVED

JUL 16 1998

SOUTH DAKOTA PUBLIC
UTILITIES COMMISSION

Karen Cremer
South Dakota Public Utilities Commission
500 East Capitol
Pierre, SD 57501

Re: In the Matter of the Complaint Filed by Ben Hofer Against U S West Communications Regarding
Telephone Service Outages & Inadequate Service (TC97-178)
Our File No. 2104-97-178

Dear Mr. Hofer and Ms. Cremer:

Please find enclosed copies of the following:

1. U S WEST Communications, Inc.'s Motion for Order Extending Completion Date;
2. Affidavit of Phil Wilson;
3. Certificate of Service.

This is intended as service upon you by mail.

Sincerely yours,

BOYCE, MURPHY, McDOWELL &
GREENFIELD, L.L.P.



Tamara A. Wilka

TAW/vjj
Enclosure

cc: James H. Gallegos

Jon Lehner

8
2
4
4
6
2
1
7
3

BOYCE, MURPHY, McDOWELL & GREENFIELD, L.L.P.
ATTORNEYS AT LAW

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Of Counsel
John R. McDowell

J.W. Boyce (1884-1915)
John S. Murphy (1924-1966)

July 15, 1998

RECEIVED

JUL 17 1998

SOUTH DAKOTA PUBLIC
UTILITIES COMMISSION

William Bullard, Jr., Executive Director
South Dakota Public Utilities Commission
500 East Capitol
Pierre, SD 57501

Re: In the Matter of the Complaint Filed by Ben Hofer Against U S West Communications Regarding
Telephone Service Outages & Inadequate Service (TC97-178)
Our File No. 2104-97-178

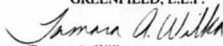
Dear Mr. Bullard:

Please find enclosed the original and ten (10) copies of the following:

1. U S WEST Communications, Inc.'s Motion for Order Extending Completion Date;
2. Affidavit of Phil Wilson;
3. Certificate of Service.

Sincerely yours,

BOYCE, MURPHY, McDOWELL &
GREENFIELD, L.L.P.


Tamara A. Wilka

TAW/vjj
Enclosures

cc: James H. Gallegos
Jon Lehner
Ben Hofer
Karen Cremer

BEFORE THE PUBLIC UTILITIES COMMISSION
OF THE STATE OF SOUTH DAKOTA

RECEIVED

JUL 17 1998

SOUTH DAKOTA PUBLIC
UTILITIES COMMISSION

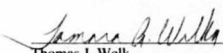
IN THE MATTER OF THE
COMPLAINT FILED BY BEN HOFER,
CARPENTER, SD, AGAINST U S WEST
COMMUNICATIONS, INC.
REGARDING TELEPHONE SERVICE
OUTAGES AND INADEQUATE
SERVICE

U S WEST COMMUNICATIONS, INC.'s
MOTION FOR ORDER EXTENDING
COMPLETION DATE

TC97-178

U S WEST Communications, Inc. ("U S WEST") moves the South Dakota Utilities Commission for an Order Extending Completion Date in the above entitled matter until October 31, 1998. In support of its motion, U S WEST relies on the Affidavit of Phil Wilson which is being filed herewith.

Dated this 15th day of July, 1998.


Thomas J. Welk
Tamara A. Wilka
BOYCE, MURPHY, MCDOWELL
& GREENFIELD, L.L.P.
P.O. Box 5015
Sioux Falls, SD 57117-5015
Telephone: (605) 336-2424

Attorneys U S WEST Communications,
Inc.

RECEIVED

JUL 17 1998

BEFORE THE PUBLIC UTILITIES COMMISSION
OF THE STATE OF SOUTH DAKOTA

SOUTH DAKOTA PUBLIC
UTILITIES COMMISSION

IN THE MATTER OF THE
COMPLAINT FILED BY BEN HOER,
CARPENTER, SD, AGAINST U S
WEST COMMUNICATIONS, INC.
REGARDING TELEPHONE SERVICE
OUTAGES AND INADEQUATE
SERVICE

AFFIDAVIT OF PHIL WILSON

TC97-178

STATE OF NEBRASKA)

:ss

COUNTY OF DOUGLAS)

I, Phil Wilson, being first duly sworn, state:

1. I am employed by U S WEST Communications, Inc. ("U S WEST") as
Director of Capacity Provisioning.

2. My business address is 700 West Mineral, Littleton, Colorado, 80120.

3. I make this affidavit in support of U S WEST's Motion to Extend
Completion Date.

4. On April 28, 1998, the South Dakota Public Utilities Commission ("the
Commission") entered an order in the above-entitled matter requiring U S WEST to
install a digital line carrier system by "mid-July" to serve the Ben Hofer farm.

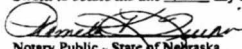
5. Although U S WEST initially proposed the mid-July completion date, it is
no longer able to meet this date due to standing water along the proposed route. Attached
as Exhibit A are photographs of the proposed route which were taken by Mary Spray on
July 13, 1998. Spray is a field engineer under my supervision and took the photographs
within the scope of her duties.

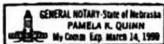
6. U S WEST started planning this job on November 4, 1997.
7. The engineering prints for the job were issued the end of March.
8. Due to excessive moisture during this spring and summer, U S WEST was faced with two options: wait for the water to recede or install the system using an alternate route. U S WEST opted for the latter.
9. Because U S WEST changed the route, it was necessary to prepare new engineering prints and order additional materials.
10. U S WEST anticipates starting construction later this month with an estimated completion date of October 31, 1998.
11. Extending the completion date will allow U S WEST to coordinate the Hofer project with the Carpenter project.



Phil Wilson

Sworn to before me this 15 day of July, 1998.


Notary Public - State of Nebraska
My Commission Expires: 3/14/99



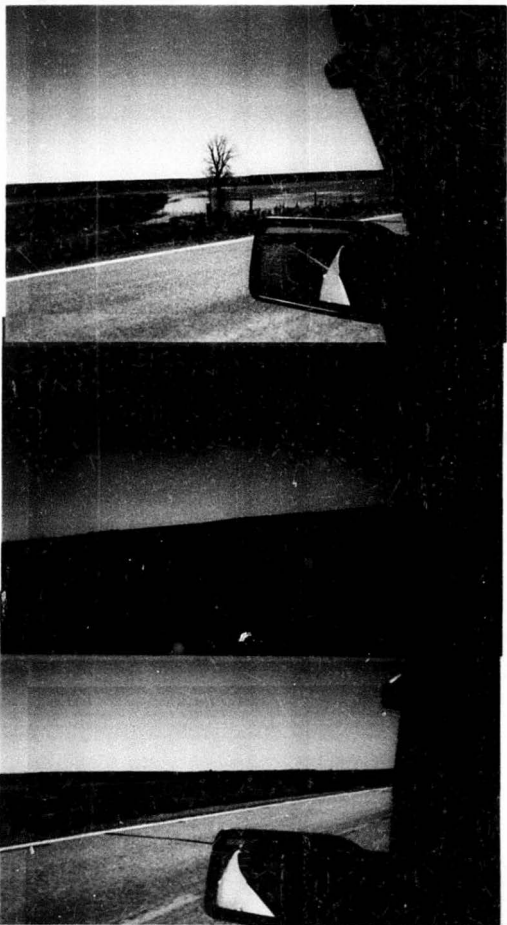
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DOCUMENT (S)

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BEFORE THE PUBLIC UTILITIES COMMISSION
OF THE STATE OF SOUTH DAKOTA

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JUL 17 1998

SOUTH DAKOTA PUBLIC
UTILITIES COMMISSION

IN THE MATTER OF THE
COMPLAINT FILED BY BEN HOFER,
CARPENTER, SD, AGAINST U S WEST
COMMUNICATIONS, INC.
REGARDING TELEPHONE SERVICE
OUTAGES AND INADEQUATE
SERVICE

CERTIFICATE OF SERVICE

TC97-178

I, Tamara A. Wilka, do hereby certify that I am a member of the law firm of Boyce, Murphy, McDowell & Greenfield, and on the 15th day of July, 1998, a true and correct copy of U S West Communications, Inc.'s Motion for Order to Extend Completion Date and Affidavit of Phil Wilson were sent to the following via U S mail, postage paid thereon:

Ben Hofer
18653 408th Avenue
Carpenter, SD 57322

Karen Cremer
South Dakota Public Utilities Commission
500 East Capitol
Pierre, SD 57501



Tamara A. Wilka



South Dakota Public Utilities Commission

State Capitol Building, 500 East Capitol Avenue, Pierre, South Dakota 57501-5070



July 17, 1998

Mr. Ben Hofer
18653 408th Avenue
Carpenter, SD 57322

Re: Docket TC97-178

Dear Mr. Hofer:

I am forwarding to you a motion by U S WEST to get more time to construct the new line to your place. They were to have this in by July 15, and now have asked for time until October 31, 1998. This is scheduled to be up for the consideration of the Public Utilities Commission on Thursday, July 23, 1998. As staff, at this time I probably would not resist this extension of time unless you know of some extenuating circumstances. If you have strong feelings on this one way or another, please give me a call. Our toll free number is on the letterhead.

With best regards, I remain

Very truly yours,

Camron Hoseck
Staff Attorney

CH:dk
Enc.

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Transportation/
Warehouse Division
Telephone (605) 773-5280
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Bob Knadle
DeLaine Kolbo
Jeffrey P. Lorenson
Terry Norum
Gregory A. Raslov
Tammi Stangor
Steven M. Wegman
Rosalynne Ault Wiest

BEFORE THE PUBLIC UTILITIES COMMISSION
OF THE STATE OF SOUTH DAKOTA

IN THE MATTER OF THE COMPLAINT FILED)	ORDER GRANTING
BY BEN HOFER, CARPENTER, SOUTH)	EXTENSION
DAKOTA, AGAINST U S WEST)	
COMMUNICATIONS, INC. REGARDING)	TC97-178
UPDATING LINES)	

On October 29, 1997, Ben Hofer, Carpenter, South Dakota, filed a complaint against U S WEST Communications, Inc. regarding updating lines. "We live in southern Spink County on the northern end of the Huron area phone line served by U S WEST. We experience frequent phone service outages. These most often happen when there is a weather change. The servicemen tell us that wind drives in snow and dirt in the boxes, or a drop of moisture which shorts out circuits. Mice also have caused outages by being in the boxes. Also, the servicemen tell us the relay equipment is of the oldest style, seldom found in use any more. Our internet connections are slow. The majority (33 of 50 connections) are in the 12,000 to 16,800 bps range. The low capacity of the phone lines may also relate to line noise and weak phone signals we experience. There are no more phone lines available for our use to our farm. Today's agri-business operation is relying increasingly on rapid communication to do business. On one phone line we have: phone, fax and internet, a family residence, a farm/ranch that produces a half million dollars of ag. products annually, and a farm/ranch Bed & Breakfast/farm vacation business (possibility farm)." I ask that the PUC grant the following relief: "PUC should mandate that U S WEST update the lines in our area so that we can operate our ag business, tourism business and personal business in an expedient manner. We need two more lines, which are presently unavailable, to our farm."

On April 28, 1998, the Commission entered an order requiring U S WEST to install a digital line carrier system by "mid-July" to serve the Ben Hofer farm. On July 16, 1998, the Commission received a request from U S WEST to extend the completion date until October 31, 1998.

On July 23, 1998, at a duly noticed meeting, the Commission reviewed U S WEST's request for an extension until October 31, 1998, and denied the request. The Commission moved to extend U S WEST's completion date until September 1, 1998, which was unanimously approved.

The Commission finds that it has jurisdiction over this matter pursuant to SDCL Chapters 1-26, 49-13, including 49-13-1 through 49-13-14, inclusive, and SDCL Chapter 49-31, including 49-31-3, 49-31-7, 49-31-7.1, 49-31-7.2, 49-31-10, 49-31-11, 49-31-38, 49-31-38.1, 49-31-38.2, 49-31-38.3, 49-31-60 through 49-31-68, inclusive, and ARSD 20:10.01:07.01 through 20:10.01:15.01, inclusive. It is therefore

ORDERED, that U S WEST be granted an extension until September 1, 1998, to install a digital line carrier system to serve the Ben Hofer farm.

Dated at Pierre, South Dakota, this 5th day of August, 1998.

CERTIFICATE OF SERVICE

The undersigned hereby certifies that this document has been served today upon all parties of record in this docket, as listed on the docket service list, by facsimile or by first class mail, in properly addressed envelopes, with charges prepaid thereon.

By

Date

(OFFICIAL SEAL)

BY ORDER OF THE COMMISSION:

James A. Burg
JAMES A. BURG, Chairman

Pam Nelson
PAM NELSON, Commissioner

Laska Schoenfelder
LASKA SCHOENFELDER, Commissioner

BOYCE, MURPHY, McDOWELL & GREENFIELD, L.L.P.
ATTORNEYS AT LAW

Jermale D. Murphy
Russell R. Greenfield
David J. Vickers
Gary J. Faltus
Vance R. C. Goldammer
Thomas J. Wells
Terry N. Prudenberger
James E. McMahon
Douglas J. Hank
Michael S. McLaughlin
Gregg S. Greenfield
Tamara A. Wilka
Roger A. Sudbeck
Carolyn A. Thompson
Lisa Hansen-Maro

Norwest Center, Suite 600
101 North Phillips Avenue
Sioux Falls, South Dakota 57104
P.O. Box 5015
Sioux Falls, South Dakota 57117-5015

Telephone 605 336-2424
Facsimile 605 334-0618

Of Counsel
John R. McDowell

J.W. Boyce (1884-1915)
John S. Murphy (1924-1966)

August 21, 1998

William Bullard, Jr., Executive Director
South Dakota Public Utilities Commission
500 East Capitol
Pierre, SD 57501

FAX Received AUG 21 1998

RECEIVED
AUG 24 1998
SOUTH DAKOTA PUBLIC
UTILITIES COMMISSION

Re: In the Matter of the Complaint Filed by Ben Hofer Against U S West Communications Regarding
Telephone Service Outages & Inadequate Service (TC97-178)
Our File No. 2104-97-178

Dear Mr. Bullard:

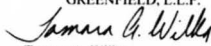
Please find enclosed the following:

1. U S WEST Communications, Inc.'s Second Motion for Extension;
2. Affidavit of Colleen Sevdol;
3. Certificate of Service.

The original and ten (10) copies of the motion and affidavit together with the original certificate are being mailed to you today.

Sincerely yours,

BOYCE, MURPHY, McDOWELL &
GREENFIELD, L.L.P.


Tamara A. Wilka

TAW/vjj

Enclosures

cc: James H. Gallegos
Jon Lehner
Ben Hofer
Karen Cremer

BOYCE, MURPHY, McDOWELL & GREENFIELD, L.L.P.
ATTORNEYS AT LAW

Jeremiah D. Murphy
Russell R. Greenfield
David J. Vickers
Gary J. Padden
Thomas J. Webb
Terry N. Prudenberger
James F. McMahon
Michael S. McLaughlin
Gregg S. Greenfield
Tamara A. Wilka
Roger A. Sudbeck
Larissa A. Thompson
Lisa Hansen Martin

Norwest Center, Suite 600
101 North Phillips Avenue
Sioux Falls, South Dakota 57104
P.O. Box 5015
Sioux Falls, South Dakota 57117-5015

Telephone 605 336-2424
Facsimile 605 334-0618

OF Counsel
John R. McDowell

J.W. Boyce (1884-1915)
John S. Murphy (1924-1966)

August 21, 1998

Mr. Ben Hofer
18653 408th Avenue
Carpenter, SD 57322

Karen Cremer
South Dakota Public Utilities Commission
500 East Capitol
Pierre, SD 57501

FAX Received AUG 21 1998

RECEIVED

AUG 24 1998

SOUTH DAKOTA PUBLIC
UTILITIES COMMISSION

Re: In the Matter of the Complaint Filed by Ben Hofer Against U S West Communications Regarding
Telephone Service Outages & Inadequate Service (TC97-178)
Our File No. 2104-97-178

Dear Mr. Hofer and Ms. Cremer:

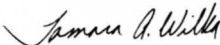
Please find enclosed copies of the following:

1. U S WEST Communications, Inc.'s Second Motion for Extension;
2. Affidavit of Colleen Sevold;
3. Certificate of Service.

This is intended as service upon you by mail.

Sincerely yours,

BOYCE, MURPHY, McDOWELL &
GREENFIELD, L.L.P.



Tamara A. Wilka

TAW/vjj
Enclosure

cc: James H. Gallegos
Jon Lehner

BEFORE THE PUBLIC UTILITIES COMMISSION
OF THE STATE OF SOUTH DAKOTA

RECEIVED

AUG 24 1998

SOUTH DAKOTA PUBLIC
UTILITIES COMMISSION

IN THE MATTER OF THE
COMPLAINT FILED BY BEN HOFER,
CARPENTER, SD. AGAINST U S WEST
COMMUNICATIONS, INC.
REGARDING TELEPHONE SERVICE
OUTAGES AND INADEQUATE
SERVICE

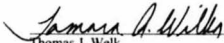
TC97-178

FAX Received AUG 21 1998

U S WEST COMMUNICATIONS, INC.'s
SECOND MOTION FOR EXTENSION

U S WEST Communications, Inc. ("U S WEST") moves the South Dakota Public Utilities Commission ("Commission") for an indefinite extension of the completion date in the above-entitled matter in light of the current work stoppage involving U S WEST occupational employees. In support of its motion, U S WEST relies on the affidavit of Colleen Sevdol, which is being filed herewith. U S WEST will advise the Commission as to when the work stoppage ceases and then request the Commission to set another completion deadline.

Dated this 21st day of August 1998.


Thomas J. Welk
Tamara A. Wilka
BOYCE, MURPHY, MCDOWELL
& GREFNFELD, L.L.P.
P.O. Box 5015
Sioux Falls, SD 57117-5015
Telephone: (605) 336-2424

Attorneys U S WEST Communications, Inc.

01442.186

RECEIVED

AUG 24 1998

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

IN THE MATTER OF THE
COMPLAINT FILED BY BEN HOFER,
CARPENTER, SD, AGAINST U S WEST
COMMUNICATIONS, INC.
REGARDING TELEPHONE SERVICE
OUTAGES AND INADEQUATE
SERVICE

TC97-178

FAX Received AUG 21 1998

AFFIDAVIT OF COLLEEN SEVOLD

STATE OF SOUTH DAKOTA)
 :SS
COUNTY OF MINNEHAHA)

I, Colleen Sevold, being first duly sworn, state:

1. I am employed by U S WEST Communications, Inc. ("U S WEST") as Manager of Regulatory Affairs for South Dakota.
2. My business address is 125 S. Dakota Avenue, 8th Floor, Sioux Falls, SD 57194.
3. I make this affidavit in support of U S WEST's Second Motion for Extension.
4. On August 6, 1998, the South Dakota Public Utilities Commission issued an Order Granting Extension, which extended the completion date for this project until September 1, 1998.
5. This project involves the installation of a digital line carrier system to serve the Ben Hofer farm. Telephone service is currently being provided to Mr. Hofer on anaconda carrier system.
6. U S WEST hired private contractors to do some of the work for the project and that portion of the project is now complete.

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7. U S WEST has historically used occupational employees for the type of work remaining, which includes among other things, splicing, electronic equipment testing and turn up, and central office functions.

8. U S WEST estimates that there is approximately 7 to 10 business days of work left to complete the project.

9. At 1:00 a.m. Sunday, August 16, 1998, 34,000 U S WEST occupational employees walked off their jobs in fourteen (14) states, including 420 in South Dakota. The work stoppage resulted from the failure of the union and U S WEST to negotiate a mutually acceptable contract. The managers in place are taking steps to maintain basic telephone service and essential services such as 911 during the work stoppage.

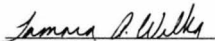
10. It is not known at this time how long the work stoppage will last.

11. As a result of the work stoppage, U S WEST is unable to complete the Hofer project by the September 1, 1998 deadline. When it ceases, U S WEST will evaluate the Hofer project and all other construction projects and service orders awaiting completion and inform the Commission of the status of these matters and request a specific completion date of this project.


Colleen Sevold

Subscribed and sworn to before me this

21st day of August, 1998.


Notary Public - South Dakota
My commission expires: 7-11-2002

BEFORE THE PUBLIC UTILITIES COMMISSION
OF THE STATE OF SOUTH DAKOTA

RECEIVED

AUG 24 1998

SOUTH DAKOTA PUBLIC
UTILITIES COMMISSION

FAX Received AUG 21 1998

CERTIFICATE OF SERVICE

IN THE MATTER OF THE
COMPLAINT FILED BY BEN HOFER,
CARPENTER, SD. AGAINST U S WEST
COMMUNICATIONS, INC.
REGARDING TELEPHONE SERVICE
OUTAGES AND INADEQUATE
SERVICE

TC97-178

I, Tamara A. Wilka, do hereby certify that I am a member of the law firm of Boyce,
Murphy, McDowell & Greenfield, and on the 21st day of August, 1998, a true and correct
copy of U S West Communications, Inc.'s Second Motion for Extension and Affidavit of
Colleen Sevdol were sent to the following via U S mail, postage paid thereon:

Ben Hofer
18653 408th Avenue
Carpenter, SD 57322

Karen Cremer
South Dakota Public Utilities Commission
500 East Capitol
Pierre, SD 57501


Tamara A. Wilka



South Dakota Public Utilities Commission



State Capitol Building, 500 East Capitol Avenue, Pierre, South Dakota 57501-5070

August 26, 1998

Mr. Ben Hofer
18653 408th Avenue
Carpenter, SD 57322

Capitol Office
Telephone (605)773-3201
FAX (605)773-3809

Transportation/
Warehouse Division
Telephone (605)773-5280
FAX (605)773-3225

Consumer Hotline
1-800-332-1782

TTY Through
Relay South Dakota
1-800-877-1113

Internet
billb@gsc.state.sd.us

♦
Jim Burg
Chairman
Pam Nelson
Vice-Chairman
Laska Schoenfelder
Commissioner

William Bullard Jr.
Executive Director

Edward R. Anderson
Harlan Bost
Martin C. Bettmann
Charlie Belle
Sue Cichos
Karen E. Cremer
Marlene Fuschich
Shirleen Fugitt
Lewin Hammond
Katie Hartford
Loni Healy
Camron Hoseck
Dave Jacobson
Bob Knadle
Delaine Kolbo
Jeffrey P. Lorenson
Terry Norum
Gregory A. Rishov
Tammi Stanglitz
Steven M. Wegman
Rosalynne Alts West

Re: Complaint by Ben Hofer against U S WEST
Docket TC97-178

Dear Mr. Hofer:

Enclosed please find a copy of a second motion by U S WEST for an extension of time to install the facilities to your farm. As you can see, U S WEST is claiming that the strike is delaying this installation.

In the first place I wanted you to be aware of this. Secondly, if you have any thoughts on this and wish for me to make them known to the Commission, please let me know.

I am assuming that this will come up for consideration in the near future at a regular Commission meeting and you, of course, would be allowed to participate either in person or by phone should you wish.

With best regards, I remain

Very truly yours,

Camron Hoseck
Staff Attorney

CH:dk
Enc.

September 9, 1998

William Bullard, Jr., Executive Director
South Dakota Public Utilities Commission
500 East Capitol
Pierre, SD 57501

VIA FACSIMILE - 605-773-3809

Re: Hofer Complaint (TC97-178)
Mina Complaints (TC Nos. 98-124, 98-128, 98-129, 98-130, 98-133)

Dear Mr. Bullard:

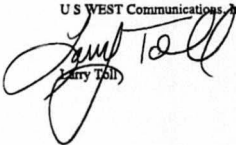
The purpose of this letter is to advise the Commission as to the anticipated completion date of above construction projects and to request that the Commission extend the completion date of the Hofer project accordingly.

U S WEST is currently concentrating on a backlog of repair and installation jobs which occurred as a result of the work stoppage involving U S WEST occupational employees. U S WEST nevertheless anticipates completing the Hofer project by the end of this month and requests that the Commission enter an order establishing a September 30th completion date.

Due to the work stoppage and recovery therefrom, U S WEST does not know whether it be able to complete the Mina Lake project by October 31st. We are working as expeditiously as possible on the Mina Lake project and will keep the Commission advised as to the completion of major project milestones.

Sincerely yours,

U S WEST Communications, Inc.



Larry Toll

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

IN THE MATTER OF THE COMPLAINT FILED)	ORDER GRANTING
BY BEN HOFER, CARPENTER, SOUTH)	SECOND EXTENSION
DAKOTA, AGAINST U S WEST)	
COMMUNICATIONS, INC. REGARDING)	TC97-178
UPDATING LINES)	

On October 29, 1997, Ben Hofer, Carpenter, South Dakota, filed a complaint against U S WEST Communications, Inc. regarding updating lines. "We live in southern Spink County on the northern end of the Huron area phone line served by U S WEST. We experience frequent phone service outages. These most often happen when there is a weather change. The servicemen tell us that wind drives in snow and dirt in the boxes, or a drop of moisture which shorts out circuits. Mice also have caused outages by being in the boxes. Also, the servicemen tell us the relay equipment is of the oldest style, seldom found in use any more. Our internet connections are slow. The majority (33 of 50 connections) are in the 12,000 to 16,800 bps range. The low capacity of the phone lines may also relate to line noise and weak phone signals we experience. There are no more phone lines available for our use to our farm. Today's agri-business operation is relying increasingly on rapid communication to do business. On one phone line we have: phone, fax and internet, a family residence, a farm/ranch that produces a half million dollars of ag. products annually, and a farm/ranch Bed & Breakfast/farm vacation business (possibility farm)." I ask that the PUC grant the following relief: "PUC should mandate that U S WEST update the lines in our area so that we can operate our ag business, tourism business and personal business in an expedient manner. We need two more lines, which are presently unavailable, to our farm."

On April 28, 1998, the Commission entered an order requiring U S WEST to install a digital line carrier system by "mid-July" to serve the Ben Hofer farm. On July 16, 1998, the Commission received a request from U S WEST to extend the completion date until October 31, 1998.

On July 23, 1998, at a duly noticed meeting, the Commission reviewed U S WEST's request for an extension until October 31, 1998, and denied the request. The Commission moved to extend U S WEST's completion date until September 1, 1998, which was unanimously approved.

On August 21, 1998, the Commission received a request from U S WEST to extend the completion date indefinitely due to a work stoppage by U S WEST employees. U S WEST employees returned to work on August 31, 1998. At a regularly scheduled meeting on September 10, 1998, the Commission considered U S WEST's request. U S WEST requested a completion date of September 30, 1998. A completion date of September 30, 1998, was set by the Commission. Additionally, the Commission ruled that for each day U S WEST does not have the work completed, that a one thousand dollar a day fine be imposed pursuant to SDCL 49-31-38.

The Commission finds that it has jurisdiction over this matter pursuant to SDCL Chapters 1-26, 49-13, including 49-13-1 through 49-13-14, inclusive, and SDCL Chapter 49-31, including 49-31-3, 49-31-7, 49-31-7.1, 49-31-7.2, 49-31-10, 49-31-11, 49-31-38, 49-31-38.1, 49-31-38.2, 49-31-38.3, 49-31-60 through 49-31-68, inclusive, and ARSD 20:10:01:07.01 through 20:10:01:15.01, inclusive. It is therefore

ORDERED, that U S WEST be granted an extension until September 30, 1998, to install a digital line carrier system to serve the Ben Hofer farm. For every day beyond September 30, 1998, that U S WEST has not installed said digital line carrier system to serve the Ben Hofer farm, that a one thousand dollar per day fine shall be paid by U S WEST.

Dated at Pierre, South Dakota, this 21st day of September, 1998.

CERTIFICATE OF SERVICE

The undersigned hereby certifies that this document has been served today upon all parties of record in this docket, as listed on the docket service list, by facsimile or by first class mail, in properly addressed envelopes, with charges prepaid thereon.

By *Delvin Kees*

Date 9/21/98

(OFFICIAL SEAL)

BY ORDER OF THE COMMISSION:

James A. Burg
JAMES A. BURG, Chairman

Pam Nelson
PAM NELSON, Commissioner

Laska Schoenfelder
LASKA SCHOENFELDER, Commissioner

U S WEST Communications
125 South Dakota Avenue 8th Floor
Sioux Falls, South Dakota 57194
Phone 605 339-5411
Fax 605 339-5390

Larry W. Toll
Vice President - South Dakota
Public Policy

September 29, 1998

Mr. James Burg, Chairman
Public Utilities commission
State Capitol Building
Pierre, South Dakota

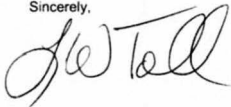
Dear Chairman Burg:

This letter is to inform the Commission that U S WEST completed the Hofer portion of the Carpenter job on September 28. Customers being served by that system have been cut over to the new system. The additional line requested by Mrs. Darla Loewen has been installed.

Colleen Sevold of my staff contacted Mrs. Darla Loewen on September 28 to make sure everything was satisfactory. She acknowledged that U S WEST's portion of the work was completed, however, they did not have the second line connected because they did not have their portion complete.

If you have any questions about this project, please contact me at 605-339-5411

Sincerely,



TC 97-178

USWEST

RECEIVED

OCT 07 1998

SOUTH DAKOTA PUBLIC
UTILITIES COMMISSION

BEFORE THE PUBLIC UTILITIES COMMISSION
OF THE STATE OF SOUTH DAKOTA

IN THE MATTER OF THE COMPLAINT FILED)	ORDER CLOSING DOCKET
BY BEN HOFER, CARPENTER, SOUTH)	
DAKOTA, AGAINST U S WEST)	TC97-178
COMMUNICATIONS, INC. REGARDING)	
UPDATING LINES)	

On October 29, 1997, Ben Hofer, Carpenter, South Dakota (Hofer), filed a complaint against U S WEST Communications, Inc. (U S WEST) with the Public Utilities Commission (Commission) regarding updating lines. A hearing on this matter was held on April 2, 1998, and Findings of Fact, Conclusions of Law and Order were entered on April 28, 1998. A series of deadlines were imposed upon U S WEST by the Commission for completion of the work, the most recent being until September 30, 1998, under penalty of one thousand dollars per day should this deadline not be met.

On October 7, 1998, U S WEST indicated in writing that the work had been completed as ordered by the Commission. Commission staff indicated that the Complainant was satisfied.

At its regularly scheduled October 15, 1998, meeting, the Commission considered this matter. The Commission has jurisdiction over this matter pursuant to SDCL Chapter 49-13 and ARSD Chapter 20:10:01. The Commission found that the complaint was satisfied and closed the docket. It is therefore

ORDERED that this docket is closed.

Dated at Pierre, South Dakota, this 21st day of October, 1998.

CERTIFICATE OF SERVICE

The undersigned hereby certifies that this document has been served today upon all parties of record in this docket, as listed on the docket service list, by facsimile or by first class mail, in properly addressed envelopes, with charges prepaid thereon.

By

Date

(OFFICIAL SEAL)

BY ORDER OF THE COMMISSION:

James A. Burg
JAMES A. BURG, Chairman

Pam Nelson
PAM NELSON, Commissioner

Laska Schoenfelder
LASKA SCHOENFELDER, Commissioner

U S WEST Communications
125 South Dakota Avenue 8th Floor
Sioux Falls, South Dakota 57194
Phone 605 339-5411
Fax 605 339-5390

Larry W. Toll
Vice President - South Dakota
Public Policy

USWEST

December 30, 1998

RECEIVED

JAN 04 1999

SOUTH DAKOTA PUBLIC
UTILITIES COMMISSION

Mr. William Bullard, Executive Director
Public Utilities Commission
State Capitol Building
Pierre, South Dakota 57501

FAX Received 12/30/98

Dear Mr. Bullard:

This letter will serve as notification to the Commission that the new systems have been installed in the Carpenter area and all customers served by the new systems have been cut over as of December 23, 1998.

If you have any questions, please call me at 605-339-5411.

Sincerely,

Larry Toll