

800-8631

KC/LH

TSJ SW Comm. Case #1

TC98-008

DOCKET NO.

In the Matter of

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

Public Utilities Commission of the State of South Dakota

MEMORANDA

DATE	
1/20/98	Received,
1/26/98	Docketed;
1/29/98	TC Fax Filing;
2/13/98	Order striking Phosphate Cause and Notice Requiring Answer,
3/5/98	Answer to Complaint,
3/12/98	Order for and Notice of Hearing;
3/23/98	Notice to Exclude Staff from Participating in Hearing,
3/23/98	Notice to Quash;
3/23/98	Notice to take judicial Notice;
3/23/98	Certificate of Service;
3/27/98	Consolidated Motion to Amend Answer and Cert of Service,
3/27/98	US West's Consolidated Amended Answer,
3/27/98	Subpoena for Steven Hegman,
3/27/98	Admission of Service for Steven Hegman,
3/31/98	Certificate of Service;
4/1/98	Staff Response to Motion to Exclude Staff from Participating in Hearing;
4/1/98	Staff Response to Motion to Quash;
4/1/98	Staff Response to take judicial Notice;
4/10/98	Transcript of Hearing held on 4/2/98,
4/27/98	US West's Post Hearing Brief;
4/27/98	US West's Proposed Form of Fact and Cert of Law;
4/27/98	Notice of Filing by US West of Late Filed Exhibit,
4/27/98	Request for Confidential Treatment of Information;

5/7/98	Staff's Response to US West's Post Hearing Brief;
5/11/98	Affidavit of Russ Evans;
6/19/98	Find. of Fact and Con of Law; Notice of Entry of Order;
6/19/98	Docket Closed

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

**TC 98-008
RECEIVED**

JAN 28 1998

COMPLAINT

Complainant(s): (The party filing the complaint)		Respondent(s): (The person or Company complained against)	
Name	Gordon, William	Contact Person	
Address	HCR. P.O.	Company	US West
City, State, Zip	Capitol, SD 57322	Address	
Work Phone		City, State, Zip	
Home Phone	605-353-1483	Work Phone	
Cellular Phone		Cellular Phone	
Fax		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:

In December of 1997 we tried to hook up to the Internet for partially for education benefits for my children and partially for our farming and insurance business. We could not get the internet to work. We could get our information out but could not get the information back because of our phone lines. After talking to people from US West they basically said our service was working well for some and there was nothing they would do.

For the educational benefits for my children and the well being of my business we would really like to see the phone lines improved.

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?)

Request to get new lines laid in the
Carpeted area

NOTE: Please attach any additional pages, if necessary.

VERIFICATION

Signature must be witnessed by a notary public.

Complainant's Signature

Date

State of South Dakota

County of

Clark

SS

On this 19 day of January, 1998, before me

personally came and appeared Galen Waldoer
 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.

Crystal L. Lomen
 Signature of Notary Public

(SEAL)

My commission expires:

May 24 2004

South Dakota
Public Utilities Commission
State Capitol 500 E. Capitol
Pierre, SD 57501-5070
Phone: (605) 773-3705
Fax: (605) 773-3809

TELECOMMUNICATIONS SERVICE FILINGS

These are the telecommunications service filings that the Commission has received for the period of:

01/23/98 through 01/29/98

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
FORMAL COMPLAINT FILED			
TC98-007	The Willow Lake Elevator vs U S WEST Communications. "The Willow Lake Elevator is in the process of installing a new fully integrated, on-line, real time, computer system. We have several remote locations and one of those locations is Carpenter. The Elevator would like to have a fully dedicated, local line from Carpenter to Willow Lake. The two different telephone companies (ITC and U S WEST) [said] that this could not be done. We live a total of 14 miles from each other and are in the same county, yet we cannot communicate locally." (Staff: SW/CH)	01/20/98	NA
TC98-008	Galen Waldner vs U S WEST Communications. "In December of 1997 we tried to hook up to the Internet partially for education benefits for my children and partially for our farming and insurance business. We could not get the internet to work. We could get our information out but could not get the information back because of our phone lines. After talking to people from U S WEST they basically said our service was working well for voice and there was nothing they would do. For the educational benefits for my children and the well being of my businesses we would really like to see the phone lines improved." (Staff: SW/KC)	01/20/98	NA
TC98-009	Dick Glanzer vs U S WEST Communications. "We tried to get on the Internet with two different providers and after much time and aggravation found out that we were unable to get connected because of "antique" phone lines. Can't take advantage of caller ID. When we have a power outage we also lose our telephone. This is dangerous in case of an emergency. Fax machines are extremely slow or sometimes don't work properly. I am on the Board of directors of the Willow Lake Elevator. Carpenter Cenex is a branch of that organization. The distance between the two businesses is only 14 miles, but still there are serious problems with trying to connect computers between the two locations." I ask that the Commission grant the following relief: "Make U S WEST bury new phone lines in the affected area." (Staff: SW/KC)	01/20/98	NA
TC98-010	Regan Glanzer vs U S WEST Communications. "I cannot get Caller ID as the phone lines are old and also cannot get on the internet. Also when the electricity goes out the phone goes out so 911 services are gone." I ask that the Commission grant the following relief: "Take necessary steps to correct the problem. Put new phone lines in or whatever it takes. We pay the bills just like the other customers but don't receive as good of service or as many options." (Staff: SW/KC)	01/20/98	NA
TC98-011	Mike Madsen vs U S WEST Communications. "We cannot get Caller ID. Phone rings alot and when you answer no one is there. Can't get our computer on the internet. Phone connection is poor, have alot of double talk or alot of static. Would may be like to add a second line and phone company says we can't. When electricity goes out phones die within a couple of hours, so we can't even make emergency calls!" I ask that the Commission grant the following relief: "Look at updating phone lines." (Staff: SW/KC)	01/20/98	NA

TC98-012	Claude Glanzer vs U S WEST Communications. "The U S WEST telephone lines serving our farm cannot supply us with services that we are in need of and are being charged to us on our local phone bill. We cannot get Internet, Caller ID, or second line. Noisy phone lines. If electricity is cut off "911" won't work." I ask that the Commission grant the following relief: "U S WEST should update or replace old phone lines." (Staff: SW/KC)	01/20/98	NA
REQUEST FOR CERTIFICATE OF AUTHORITY			
TC98-013	Application by Americatel Corporation for a Certificate of Authority to operate as a telecommunications company within the state of South Dakota. (Staff: TS/CH) "Americatel will offer direct dialed, long distance, casual dial-around 10XXX service on a non-presubscribed basis."	01/28/98	02/13/98
EMERGING COMPETITIVE TELECOMMUNICATIONS FILING			
TC98-014	U S WEST Communications has filed to change the Uniform Service Order Codes for Gold Line Calling Package C in its Exchange and Network Services Catalog. (Staff: HB/CH)	01/28/98	02/13/98

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 Norum at terryn@pu.state.sd.us. Faxing the address to the Commission at 605-773-3809.

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

IN THE MATTER OF THE COMPLAINT FILED)
BY GALEN WALDNER, CARPENTER, SOUTH)
DAKOTA, AGAINST U S WEST)
COMMUNICATIONS, INC. REGARDING)
TELEPHONE SERVICE OUTAGES AND)
INADEQUATE SERVICE)

ORDER FINDING
PROBABLE CAUSE AND
NOTICE REQUIRING
ANSWER
TC98-008

On January 20, 1998, the Public Utilities Commission (Commission) received a complaint filed by Galen Waldner, Carpenter, South Dakota, against U S WEST Communications, Inc. (U S WEST). Mr. Waldner wrote, "In December of 1997 we tried to hook up to the Internet partially for education benefits for my children and partially for our farming and insurance business. We could not get the Internet to work. We could get our information out but could not get the information back because of our phone lines. After talking to people from U S WEST they basically said our service was working well for voice and there was nothing they would do." Mr. Waldner is requesting that U S WEST be required to put new phone lines in the Carpenter area.

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 February 3, 1998, at a duly noticed meeting, Mr. Waldner presented his position to the Commission. U S WEST recommended that probable cause be found so that it could respond to the complaint in writing.

The Commission finds that it has jurisdiction over this matter pursuant to SDCL 49-13-1, 49-13-4, 49-13-13, 49-13-14.1, 49-31-3, 49-31-7, 49-31-7.1, 49-31-11 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 13th day of February, 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><i>Alfreda Kalbo</i></u>
Date <u><i>2/13/98</i></u>
(OFFICIAL SEAL)

BY ORDER OF THE COMMISSION:

James A. Burg
JAMES A. BURG, Chairman

Pam Nelson
PAM NELSON, Commissioner

Laska Schoenfelder
LASKA SCHOENFELDER, Commissioner

BEFORE THE PUBLIC UTILITIES COMMISSION
OF THE STATE OF SOUTH DAKOTA

RECEIVED

MAR 06 1998

SOUTH DAKOTA PUBLIC
UTILITIES COMMISSION

FAX Received MAR 06 1998

TC98-007

IN THE MATTER OF THE COMPLAINT
FILED BY WILLOW LAKE ELEVATOR,
WILLOW LAKE, SOUTH DAKOTA
AGAINST U S WEST COMMUNICATIONS,
INC. REGARDING TELEPHONE
SERVICE OUTAGES AND INADEQUATE
SERVICE

IN THE MATTER OF THE COMPLAINT
FILED BY GALEN WALDNER,
CARPENTER, SOUTH DAKOTA AGAINST
U S WEST COMMUNICATIONS, INC.
REGARDING TELEPHONE SERVICE
OUTAGES AND INADEQUATE SERVICE

TC98-008

IN THE MATTER OF THE COMPLAINT
FILED BY DICK GLANZER, CARPENTER,
SOUTH DAKOTA AGAINST U S WEST
COMMUNICATIONS, INC. REGARDING
TELEPHONE SERVICE OUTAGES AND
INADEQUATE SERVICE

TC98-009

IN THE MATTER OF THE COMPLAINT
FILED BY REGAN GLANZER, CARPENTER,
SOUTH DAKOTA AGAINST U S WEST
COMMUNICATIONS, INC. REGARDING
TELEPHONE SERVICE OUTAGES AND
INADEQUATE SERVICE

TC98-010

IN THE MATTER OF THE COMPLAINT
FILED BY MIKE MADSEN, CARPENTER,
SOUTH DAKOTA AGAINST U S
WEST COMMUNICATIONS, INC. REGARDING
TELEPHONE SERVICE OUTAGES AND
INADEQUATE SERVICE

TC98-011

IN THE MATTER OF THE COMPLAINT
FILED BY CLAUDE GLANZER,
CARPENTER, SOUTH DAKOTA AGAINST
U S WEST COMMUNICATIONS, INC.
REGARDING TELEPHONE SERVICE
OUTAGES AND INADEQUATE SERVICE

TC98-012

**IN THE MATTER OF THE COMPLAINT
FILED BY KEITH GLANZER, CARPENTER,
SOUTH DAKOTA AGAINST U S WEST
COMMUNICATIONS, INC. REGARDING
TELEPHONE SERVICE OUTAGES AND
INADEQUATE SERVICE**

TC98-016

ANSWER TO COMPLAINTS

U S WEST Communications, Inc. ("US WEST"), in answer to the Complaints above set forth, and in accordance with the Public Utilities Commission of the State of South Dakota ("Commission") Orders entered in each respective docket, all dated February 13, 1998, provides the following Answers to the Complaints:

1. This is a consolidated response to the seven complaints from the residents of Carpenter, South Dakota. The petitioner/complainants variously complain that they do not have access to the Internet, caller ID, a second line, and a dedicated line.

2. U S WEST provides local exchange service to the complainants. SDCL 49-31-1(5) defines "local exchange service" as, among other things, "the access and transmission of two-way switched voice communications." Under the current law, U S WEST has satisfied its responsibility to provide local exchange services to the complainants. The services requested by the complainants are not "local exchange services".

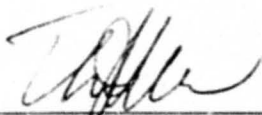
3. If U S WEST upgraded the system serving these seven complainants to satisfy the complaints, the up-front cost would be approximately \$55,000, with no possibility to recover the investment from these customers. These customers generate approximately \$1,400 (7x \$16.55 per month x 12) per year in local service revenue. A further consideration is the uncertainty that these seven complainants would remain customers of U S WEST.

4. No company should be required to make the investment sought in this docket without a means of recovery. There are alternative satellite providers for internet service for the residents of Carpenter, and those alternatives will be improving rapidly in the future.

5. Some of the petitioners have also complained that the current telephone system failed during a power outage caused by severe weather, including an ice storm. The battery backup for this system is designed to last 4 to 6 hours. During the ice storm, U S WEST went to great effort to prevent service outages. U S WEST will continue to strive to prevent service outages, but extreme weather conditions can disable any system. Some of the petitioners have acknowledged that electric and water service also were disabled during the ice storm. Some of the outages may have been the result of the petitioners' telephone equipment not the U S WEST system. Some cordless telephones and some commercial telephone systems are dependent on electricity to operate and would fail even if U S WEST would upgrade its system.

WHEREFORE, U S WEST, having responded to the above Complaints, respectfully requests that the above Complaints against U S WEST be dismissed.

Dated this 5th 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) 672-2926
Attorneys for US 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 that a copy of the foregoing Answer to Complaints was filed via facsimile with the South Dakota Public Utilities Commission on the 5th day of March, 1998 at approximately 4:00 p.m., and an original and ten copies were sent by overnight delivery this 5th day of March, 1998, to the following:

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

and a true and correct copy was deposited into the United States mail, postage prepaid, addressed to the following:

Willow Lake Farmers Elevator
Attn.: Doug Reggow, Gen. Manager
P.O. Box 227
Willow Lake, SD 57278

Galen Waldner
HCR Box 1
Carpenter, SD 57322

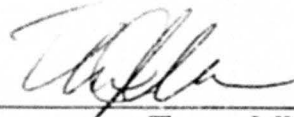
Dick Glanzer
HCR 1, Box 8
Carpenter, SD 57322

Regan Glanzer
41530 191st Street
Carpenter, SD 57322

Mike Madsen
HCR 1, Box 22
Carpenter, SD 57322

Claude Glanzer
41173 192nd Street
Carpenter, SD 57322

Keith Glanzer
19460 117th Street
Carpenter, SD 57322



Thomas J. Welk

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

IN THE MATTER OF THE COMPLAINT)	ORDER FOR AND NOTICE OF
FILED BY GALEN WALDNER,)	HEARING
CARPENTER, SOUTH DAKOTA, AGAINST)	
U S WEST COMMUNICATIONS, INC.)	TC98-008
REGARDING TELEPHONE SERVICE)	
OUTAGES AND INADEQUATE SERVICE)	

On January 20, 1998, the Public Utilities Commission (Commission) received a complaint filed by Galen Waldner, Carpenter, South Dakota, against U S WEST Communications, Inc. (U S WEST). Mr. Waldner wrote, "In December of 1997 we tried to hook up to the Internet partially for education benefits for my children and partially for our farming and insurance business. We could not get the Internet to work. We could get our information out but could not get the information back because of our phone lines. After talking to people from U S WEST they basically said our service was working well for voice and there was nothing they would do. For the educational benefits for my children and the well being of my business we would really like to see the phone lines improved." Mr. Waldner is requesting that U S WEST be required to put new phone lines in the Carpenter area.

On February 3, 1998, at its duly noticed meeting, the Commission reviewed the complaint. The Commission voted unanimously to find probable cause and served the complaint on U S WEST. U S WEST filed its Answer to Complaints on March 5, 1998.

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.

A hearing shall 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. 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 issues at the hearing are whether U S WEST committed an unlawful or unreasonable act, rate, practice or omission and, if so, what relief would be appropriate.

The hearing shall be an adversary proceeding conducted pursuant to SDCL Chapter 1-26. All parties have the right to be present and to be represented by an attorney. These 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 the testimony and evidence provided, if any, during the hearing or a Final Decision may be issued by default pursuant to SDCL 1-26-20. After the hearing, the Commission will consider all evidence and testimony that was presented at the hearing. The Commission will then enter Findings of Fact, Conclusions of Law, and a Final Decision regarding this matter. 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 Commission's Final Decision may be appealed by the parties to the state Circuit Court and the state Supreme Court as provided by law. It is therefore

ORDERED that a hearing shall be held at the time and place specified above on the issues of whether U S WEST committed an unlawful or unreasonable act, rate, practice or omission and, if so, what relief would be appropriate.

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>William J. Bullard</u>
Date	<u>3/13/98</u>
(OFFICIAL SEAL)	

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

William J. Bullard
WILLIAM BULLARD, JR.
Executive Director

BEFORE THE PUBLIC UTILITIES COMMISSION
OF THE STATE OF SOUTH DAKOTA

RECEIVED

MAR 23 1998

SOUTH DAKOTA PUBLIC
UTILITIES COMMISSION

IN THE MATTER OF THE COMPLAINT
FILED BY WILLOW LAKE ELEVATOR,
WILLOW LAKE, SOUTH DAKOTA
AGAINST U S WEST COMMUNICATIONS,
INC. REGARDING TELEPHONE
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TC98-009

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TC98-010

IN THE MATTER OF THE COMPLAINT
FILED BY MIKE MADSEN, CARPENTER,
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TC98-011

IN THE MATTER OF THE COMPLAINT
FILED BY CLAUDE GLANZER,
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TC98-012

**IN THE MATTER OF THE COMPLAINT
FILED BY KEITH GLANZER, CARPENTER,
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COMMUNICATIONS, INC. REGARDING
TELEPHONE SERVICE OUTAGES AND
INADEQUATE SERVICE**

TC98-016

MOTION TO PRECLUDE STAFF FROM PARTICIPATING IN HEARING

U S WEST Communications, Inc. ("U S WEST") moves the Public Utilities Commission of the State of South Dakota ("the Commission") to enter an order precluding its Staff from filing prefiled testimony, examining or cross examining witnesses, or otherwise participating as a party in this docket on the grounds that Staff has previously admitted in docket TC97-192 entitled "In the Matter of U S WEST Communications, Inc. and Its Ability to Serve South Dakota Customers" that it is not a party.

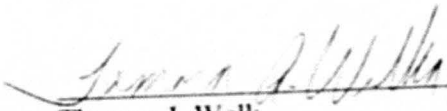
Under the South Dakota Administrative Procedure Act, parties have a full panoply of rights. SDCL 1-26-18 provides:

Opportunity shall be afforded all parties to respond and present evidence on issues of fact and arguments on issues of law or policy. A party to a contested case proceeding may appear in person or by counsel, or both, may be present during the giving of all evidence, may have reasonable opportunity to inspect all documentary evidence, may examine and cross-examine witnesses, may present evidence in support of his interest, and may have subpoenas issued to compel attendance of witnesses and production of evidence on his behalf.

See also ARSD 20:10:01:02 ("Any party to a proceeding may appear before the commission and be heard either in person or by attorney. A corporation or association may be represented before the commission by any bona fide officer or employee.").

In the Staff's Resistance to Motion for Discovery and Request for Expedited Ruling and Motion to Quash and in argument before the Commission in docket TC97-192, Staff counsel emphatically denied that Staff was "a party" Motion to Take Judicial Notice, Exhibit 1 (Staff's Resistance to Motion for Discovery and Request for Expedited Ruling and Motion to Quash dated February 2, 1998) and Exhibit 2 (Transcript of Feb. 3, 1998 at 19, 23). Counsel's denial constitutes a judicial admission and is binding on Staff. *In re Estate of Tallman*, 562 N.W.2d 893, 896 (S.D. 1997). Accordingly, U S WEST requests that the Commission enter an order precluding Staff from filing prefiled testimony, examining or cross examining witnesses, or otherwise participating as a party in this docket.

Dated this 20th 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) 672-2926

Attorneys for U S WEST Communications, Inc.

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

IN THE MATTER OF U S WEST)	RESISTANCE TO MOTION
COMMUNICATIONS, INC. AND ITS ABILITY TO)	FOR DISCOVERY AND
SERVE SOUTH DAKOTA CUSTOMERS)	REQUEST FOR AN
)	EXPEDITED RULING AND
)	MOTION TO QUASH
)	TC97-192

Comes now Camron Hoseck, attorney for the staff of the South Dakota Public Utilities Commission (Commission), and resists the motion of U S WEST Communications, Inc. (U S WEST) for certain discovery and to quash subpoenas for those staff members assigned to this docket upon the following grounds:

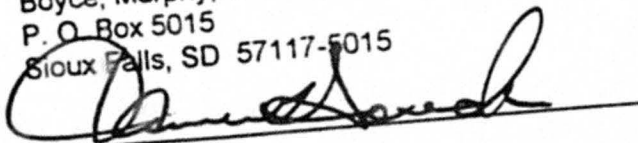
1. This is an Order to Show Cause proceeding in which U S WEST must come forward and prove its financial, technical and managerial ability as a telecommunications company and demonstrate why certain remedies should not be imposed upon it. It is not an investigation of the Commission or its staff.
2. Neither the staff of the Commission nor the Commission itself is a party to this proceeding. Discovery pursuant to ARSD 20:10:01:22.01 is to be done in the same manner as in the Circuit Courts of this state. Discovery of this nature is, under the Rules of Civil Procedure, available only to parties, see SDCL 15-6-26(a) et seq.
3. The Commission staff has no burden of proof in this matter and, subject to another pending motion, will file prefiled testimony as determined by the Commission.
4. The subpoenas duces tecum are defective in the following manner (numbers correspond to subpoena demands):
 1. Documents prepared by Commission staff and provided to staff counsel are protected by the attorney-client privilege.
 2. This request is overly broad and seeks information which U S WEST may already have as most of it originated with U S WEST
 3. This request is overly broad, lacks specific descriptions of documents requested and constitutes a "fishing

EXHIBIT

1

William P. Heaston
Senior Attorney
U S WEST Communications, Inc.
1801 California Street, Suite 5100
Denver, CO 80202

Thomas J. Welk
Tamara A. Wilka
Attorneys at Law
Boyce, Murphy, McDowell & Greenfield, L.L.P.
P. O. Box 5015
Sioux Falls, SD 57117-5015

A handwritten signature in dark ink, appearing to read "Camron Hoseck", written over a horizontal line.

Camron Hoseck
Staff Attorney

THE PUBLIC UTILITIES COMMISSION
OF THE STATE OF SOUTH DAKOTA

IN THE MATTER OF U S WEST
COMMUNICATIONS, INC. AND ITS ABILITY
TO SERVE SOUTH DAKOTA CUSTOMERS) TC97-192

HEARD BEFORE THE PUBLIC UTILITIES COMMISSION

PROCEEDINGS:

February 3, 1998
11:00 A.M.
Room 430, Capitol Building
Pierre, South Dakota

PUC COMMISSION:

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

COMMISSION STAFF

PRESENT:

Rolayne Ailts Wiest
Karen Cremer
Camron Hoseck
Harlan Best
Bob Knadle
Gregory A. Rislov
David Jacobson
Tammy Stangohr
Leni Hook
Shirleen Fugitt

Reported by: Lori J. Grode, RMR

EXHIBIT

2

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

P R O C E E D I N G S

CHAIRMAN BURG: Next is the matter of U S West and the ability to serve South Dakota customers. The question being today shall the Commission grant staff's Motion to Amend the Order to Show Cause. So we'll let staff take up that issue first. Who's taking it? Camron?

MR. HOSECK: Mr. Chairman, members of the Commission: Staff has filed a Motion to Amend the Order to Show Cause, which the Commission issued in this matter. The first grounds for this motion is more of a clerical nature and that relates back to the prior relief that the staff asked for when the petitioners filed originally. And what basically it amounts to is there was a typographical error in the original petition, and it was transposed into the Order to Show Cause. And the effect of that was that it is somewhat misleading.

The intent of staff in pleading this matter was to make sure that U S West was aware of all possible remedies which might be assessed upon it. And

1 communications that have been had regarding the
2 petition to see if we're going to get a fair hearing as
3 a matter of fundamental due process. That's all we
4 want is an opportunity to depose the staff. We didn't
5 bring this petition. The staff brought the petition.
6 We want to talk to the staff and in a professional
7 manner about the concerns that are alleged and the
8 issues that are there, and that's what we want to do.
9 And we are entitled as a matter of fundamental due
10 process to do it that. We will do it professionally,
11 in a professional manner, and we will do it in order
12 with your schedule. And that's what I would like the
13 Commission do is issue those subpoenas. I can address
14 the motion to quash, but I'm assuming that is a cross
15 motion so I'll stay with my motion at this time.

16 CHAIRMAN BURG: Response?

17 MR. HOSECK: Yes. Mr. Chairman, members of
18 the Commission, thank you. In response to U S West's
19 Motion for Discovery here, I think it's very critical
20 at the outset to point out that he's anticipated
21 following the Rules of Civil Procedure, at least under
22 the Commission's rule, and that process is restricted
23 to parties, and there is no way that this Commission or
24 its staff is a party to this action. And this is a
25 position taken by U S West on numerous times in the

1 not. If they're not a party, they shouldn't be showing
2 up presenting any evidence, shouldn't be
3 cross-examining witnesses. That's what your own staff
4 counsel said. He's not a party. You're not a party.
5 Do we show up by ourselves, talk to ourselves? What is
6 this bizarre nature of this proceeding?

7 CHAIRMAN BURG: Do you want to respond,
8 Mr. Hoseck?

9 MR. HOSECK: And I'm not going to beat a dead
10 horse here to death. But I think that the law in this
11 matter is fairly cut and dried and that is that staff
12 is not a party for purposes of any type of
13 accountability in the matter that Mr. Welk urges here.
14 We act on behalf of the public and the public
15 interest. And the matters that Mr. Welk reads about
16 out of 1-26-18 are rights that U S West certainly has,
17 but they are rights that pertain to the hearing setting
18 only. We're talking about a fishing expedition under
19 the records of the agency, and we're not a party to
20 this thing. It's an oppressive request.

21 CHAIRMAN BURG: Mr. Hoseck, are you saying
22 that the law allows you to cross-examine even if you
23 were not a party?

24 MR. HOSECK: Absolutely.

25 CHAIRMAN BURG: Okay. And that, Mr. Welk, I

1 STATE OF SOUTH DAKOTA)
2 COUNTY OF HUGHES)

3

4 I, Lori J. Grode, RMR, Notary Public, in and
5 for the State of South Dakota, do hereby certify that
6 the above hearing, pages 1 through 27, inclusive, was
7 recorded stenographically by me and reduced to
8 typewriting.

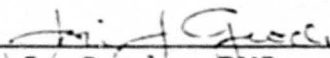
9 I FURTHER CERTIFY that the foregoing
10 transcript of the said hearing is a true and correct
11 transcript of the stenographic notes at the time and
12 place specified hereinbefore.

13 I FURTHER CERTIFY that I am not a relative or
14 employee or attorney or counsel of any of the parties,
15 nor a relative or employee of such attorney or counsel,
16 or financially interested directly or indirectly in
17 this action.

18 IN WITNESS WHEREOF, I have hereunto set my
19 hand and seal of office at Pierre, South Dakota, this
20 3rd day of February, 1998.

21

22


Lori J. Grode, RMR

23

24

25

BEFORE THE PUBLIC UTILITIES COMMISSION
OF THE STATE OF SOUTH DAKOTA

RECEIVED

MAR 23 1998

SOUTH DAKOTA PUBLIC
UTILITIES COMMISSION

IN THE MATTER OF THE COMPLAINT
FILED BY WILLOW LAKE ELEVATOR,
WILLOW LAKE, SOUTH DAKOTA
AGAINST U S WEST COMMUNICATIONS,
INC. REGARDING TELEPHONE
SERVICE OUTAGES AND INADEQUATE
SERVICE

TC98-007

IN THE MATTER OF THE COMPLAINT
FILED BY GALEN WALDNER,
CARPENTER, SOUTH DAKOTA AGAINST
U S WEST COMMUNICATIONS, INC.
REGARDING TELEPHONE SERVICE
OUTAGES AND INADEQUATE SERVICE

TC98-008

IN THE MATTER OF THE COMPLAINT
FILED BY DICK GLANZER, CARPENTER,
SOUTH DAKOTA AGAINST U S WEST
COMMUNICATIONS, INC. REGARDING
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INADEQUATE SERVICE

TC98-009

IN THE MATTER OF THE COMPLAINT
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SOUTH DAKOTA AGAINST U S WEST
COMMUNICATIONS, INC. REGARDING
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TC98-010

IN THE MATTER OF THE COMPLAINT
FILED BY MIKE MADSEN, CARPENTER,
SOUTH DAKOTA AGAINST U S
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TC98-011

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INADEQUATE SERVICE**

TC98-016

MOTIONS TO QUASH

U S WEST Communications, Inc. ("U S WEST") moves the Public Utilities Commission ("the Commission") pursuant to ARSD 20:10:01:17.01 to quash Staff's First Data Request dated March 16, 1998 and Staff's Second Data Request dated March 17, 1998 on the grounds that Staff may not obtain discovery because it is not a party. Staff neither requested or obtained Commission approval to conduct discovery, and the request fails to comply with the South Dakota Rules of Civil Procedure.

(1) Only parties may seek discovery

Counsel for Staff admitted in docket TC97-192 entitled "In the Matter of U S WEST Communications, Inc. and Its Ability to Serve South Dakota Customers" that Staff is not a party. See Motion to Preclude Staff from Participating in Hearing at 2; Motion to Take Judicial Notice, Exhibits 1 and 2.

ARSD 20:10:01:22.01 provides that discovery is to be done "in the same manner as in the circuit courts of this state." Pursuant to the South Dakota Rules of Civil Procedure,

discovery is only available to parties. SDCL 15-6-26(a).¹ Because Staff is not a party, it is precluded from conducting discovery.

(2) Staff neither requested or obtained Commission approval

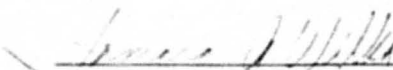
Even if the Commission were to determine that Staff is a party to these proceedings, ARSD 20:10:01:22:01 requires Commission approval before a party may conduct discovery. No such approval was requested or obtained.

(3) The requests fail to comply with the South Dakota Rules of Civil Procedure

ARSD 20:10:01:22:01 provides that discovery is to be done "in the same manner as in the circuit courts of this state." Pursuant to SDCL 15-6-34(b), parties have thirty days to provide written responses to discovery requests. In this case, the requests provide nine and ten days respectively.

For all of the reasons stated above, U S WEST requests that the Commission grant its Motion to Quash.

Dated this 20th 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

¹ SDCL 15-6-26(a) provides:

Parties may obtain discovery by one or more of the following methods: depositions upon oral examination or written questions; written interrogatories; production of documents or things or permission to enter upon land or other property, for inspection and other purposes; physical and mental examinations; and requests for admission. Unless the court orders otherwise under § 15-6-26(c), the frequency of use of these methods is not limited.

Andrew D. Crain
U S WEST Communications, Inc.
1801 California, Suite 5100
Denver, Colorado 80202
Telephone: (303) 672-2926

Attorneys for U S WEST Communications, Inc.

BEFORE THE PUBLIC UTILITIES COMMISSION
OF THE STATE OF SOUTH DAKOTA

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SOUTH DAKOTA PUBLIC
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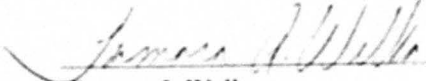
TC98-016

MOTION TO TAKE JUDICIAL NOTICE

U S WEST Communications, Inc. ("U S WEST") moves the Public Utilities Commission of the State of South Dakota ("the Commission") pursuant to SDCL 1-26-19(3) to take judicial notice of the following pleadings and transcripts in docket TC97-192 entitled "In the Matter of U S WEST Communications, Inc. and Its Ability to Serve South Dakota Customers", copies of which are attached:

1. Staff's Resistance to Motion for Discovery and Request for Expedited Ruling and Motion to Quash dated February 2, 1998 (Exhibit 1); and
2. Portions of the Transcript of the Commission's February 3, 1998 meeting (Exhibit 2).

Dated this 20th 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) 672-2926
Attorneys for U S WEST Communications, Inc.

BEFORE THE PUBLIC UTILITIES COMMISSION
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TC98-016

CERTIFICATE OF SERVICE

I, Tamara A. Wilka, do hereby certify that I am a member of the law firm of Boyce, Murphy, McDowell & Greenfield, and on the 20th day of March, 1998 true and correct copies of U S West's Motion to Preclude Staff from Participating in Hearing, Motions to Quash, and Motion to Take Judicial Notice were sent by U S mail, postage prepaid,

Willow Lake Farmers Elevator
Attn.: Doug Reggow, Gen. Manager
P.O. Box 227
Willow Lake, SD 57278

Galen Waldner
HCR Box 1
Carpenter, SD 57322

Dick Glanzer
HCR 1, Box 8
Carpenter, SD 57322

Regan Glanzer
41530 191st Street
Carpenter, SD 57322

Mike Madsen
HCR 1, Box 22
Carpenter, SD 57322

Claude Glanzer
41173 192nd Street
Carpenter, SD 57322

Keith Glanzer
19460 117th Street
Carpenter, SD 57322

Karen Cremer
SD Public Utilities Commission
500 East Capitol
Pierre, SD 57501



Tamara A. Wilka

RECEIVED

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SOUTH DAKOTA PUBLIC
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OF THE STATE OF SOUTH DAKOTA

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TC98-016

**CONSOLIDATED 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 U S WEST Communications, Inc's Consolidated Amended Answer in all of the above proceedings to revise paragraph 3 because final engineering has been completed for the approximate cost of upgrading the system serving these seven complainants and engineering has determined that a new repeater system is required, and to revise paragraph 4 as to the statement about alternative satellite internet providers.

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

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, true and correct copies of the Consolidated Motion to Amend Answer and U S West Communications, Inc.'s Amended Answer were sent to the following via U S mail, postage paid thereon:

Willow Lake Farmers Elevator
Attn.: Doug Reggow, Gen. Manager
P.O. Box 227
Willow Lake, SD 57278

Galen Waldner
HCR Box 1
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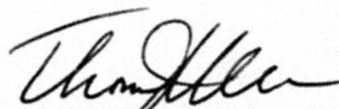
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19460 117th Street
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Thomas J. Welk

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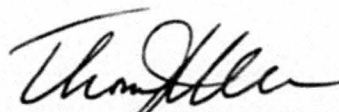
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Thomas J. Welk

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TC98-016

U S WEST COMMUNICATIONS, INC'S CONSOLIDATED AMENDED ANSWER

U S WEST Communications, Inc. ("US WEST"), in answer to the Complaints above set forth, and in accordance with the Public Utilities Commission of the State of South Dakota ("Commission") Orders entered in each respective docket, all dated February 13, 1998, provides the following Answers to the Complaints:

1. This is a consolidated response to the seven complaints from the residents of Carpenter, South Dakota. The petitioner/complainants variously complain that they do not have access to the Internet, caller ID, a second line, and a dedicated line.

2. U S WEST provides local exchange service to the complainants. SDCL 49-31-1(5) defines "local exchange service" as, among other things, "the access and transmission of two-way switched voice communications." Under the current law, U S WEST has satisfied its responsibility to provide local exchange services to the complainants. The services requested by the complainants are not "local exchange services".

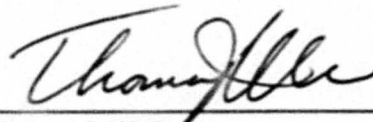
3. If U S WEST upgraded the system serving these seven complainants to satisfy the complaints, the cost would be approximately \$211,500, with no possibility to recover the investment from these customers. These customers generate approximately \$1,400 (7x \$16.55 per month x 12) per year in local service revenue. A further consideration is the uncertainty that these seven complainants would remain customers of U S WEST.

4. No company should be required to make the investment sought in this docket without a means of recovery. There are alternative satellite providers for internet service and such technology should be available in the future to the residents of Carpenter.

5. Some of the petitioners have also complained that the current telephone system failed during a power outage caused by severe weather, including an ice storm. The battery backup for this system is designed to last 4 to 6 hours. During the ice storm, U S WEST went to great effort to prevent service outages. U S WEST will continue to strive to prevent service outages, but extreme weather conditions can disable any system. Some of the petitioners have acknowledged that electric and water service also were disabled during the ice storm. Some of the outages may have been the result of the petitioners' telephone equipment not the U S WEST system. Some cordless telephones and some commercial telephone systems are dependent on electricity to operate and would fail even if U S WEST would upgrade its system.

WHEREFORE, U S WEST, having responded to the above Complaints, respectfully requests that the above Complaints against U S WEST be dismissed.

Dated this 26th day of March, 1998.



Thomas J. Welk
Tamara A. Wilka
BOYCE, MURPHY, MCDOWELL &
GREENFIELD, L.L.P.
P.O. Box 5015
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OUTAGES AND INADEQUATE SERVICE

TC98-009

IN THE MATTER OF THE COMPLAINT
FILED BY DICK GLANZER, CARPENTER,
SOUTH DAKOTA AGAINST U S WEST
COMMUNICATIONS, INC. REGARDING
TELEPHONE SERVICE OUTAGES AND
INADEQUATE SERVICE

TC98-010

IN THE MATTER OF THE COMPLAINT
FILED BY REGAN GLANZER, CARPENTER,
SOUTH DAKOTA AGAINST U S WEST
COMMUNICATIONS, INC. REGARDING
TELEPHONE SERVICE OUTAGES AND
INADEQUATE SERVICE

TC98-011

IN THE MATTER OF THE COMPLAINT
FILED BY MIKE MADSEN, CARPENTER,
SOUTH DAKOTA AGAINST U S
WEST COMMUNICATIONS, INC. REGARDING
TELEPHONE SERVICE OUTAGES AND
INADEQUATE SERVICE

TC98-012

IN THE MATTER OF THE COMPLAINT
FILED BY CLAUDE GLANZER,
CARPENTER, SOUTH DAKOTA AGAINST
U S WEST COMMUNICATIONS, INC.
REGARDING TELEPHONE SERVICE
OUTAGES AND INADEQUATE SERVICE

**IN THE MATTER OF THE COMPLAINT
FILED BY KEITH GLANZER, CARPENTER,
SOUTH DAKOTA AGAINST U S WEST
COMMUNICATIONS, INC. REGARDING
TELEPHONE SERVICE OUTAGES AND
INADEQUATE SERVICE**

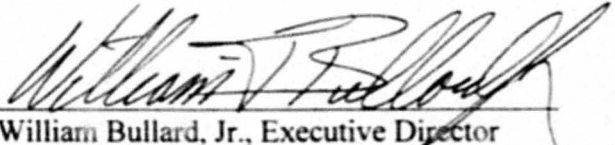
TC98-016

SUBPOENA

TO: STEVEN WEGMAN
South Dakota Public Utilities Commission
500 E. Capitol
Pierre, SD 57501

You are hereby commanded to appear at Ballroom C in the Crossroads Hotel Convention Center, Huron, SD, on April 2, 1998, at 9:00 a.m., then and there to give testimony as a witness on the part of the U S West Communications, Inc. in said matter pending before said Commission between the above-named parties and bring with you any and all notes regarding these dockets.

Dated this 31st day of March, 1998.



William Bullard, Jr., Executive Director
Public Utilities Commission of the State of South Dakota

(SEAL)

BEFORE THE PUBLIC UTILITIES COMMISSION
OF THE STATE OF SOUTH DAKOTA

RECEIVED

MAR 27 1998

SOUTH DAKOTA PUBLIC
UTILITIES COMMISSION

IN THE MATTER OF THE COMPLAINT
FILED BY WILLOW LAKE ELEVATOR,
WILLOW LAKE, SOUTH DAKOTA
AGAINST U S WEST COMMUNICATIONS,
INC. REGARDING TELEPHONE
SERVICE OUTAGES AND INADEQUATE
SERVICE

TC98-007

IN THE MATTER OF THE COMPLAINT
FILED BY GALEN WALDNER,
CARPENTER, SOUTH DAKOTA AGAINST
U S WEST COMMUNICATIONS, INC.
REGARDING TELEPHONE SERVICE
OUTAGES AND INADEQUATE SERVICE

TC98-008

IN THE MATTER OF THE COMPLAINT
FILED BY DICK GLANZER, CARPENTER,
SOUTH DAKOTA AGAINST U S WEST
COMMUNICATIONS, INC. REGARDING
TELEPHONE SERVICE OUTAGES AND
INADEQUATE SERVICE

TC98-009

IN THE MATTER OF THE COMPLAINT
FILED BY REGAN GLANZER, CARPENTER,
SOUTH DAKOTA AGAINST U S WEST
COMMUNICATIONS, INC. REGARDING
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INADEQUATE SERVICE

TC98-010

IN THE MATTER OF THE COMPLAINT
FILED BY MIKE MADSEN, CARPENTER,
SOUTH DAKOTA AGAINST U S
WEST COMMUNICATIONS, INC. REGARDING
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INADEQUATE SERVICE

TC98-011

IN THE MATTER OF THE COMPLAINT
FILED BY CLAUDE GLANZER,
CARPENTER, SOUTH DAKOTA AGAINST
U S WEST COMMUNICATIONS, INC.
REGARDING TELEPHONE SERVICE
OUTAGES AND INADEQUATE SERVICE

TC98-012

**IN THE MATTER OF THE COMPLAINT
FILED BY KEITH GLANZER, CARPENTER,
SOUTH DAKOTA AGAINST U S WEST
COMMUNICATIONS, INC. REGARDING
TELEPHONE SERVICE OUTAGES AND
INADEQUATE SERVICE**

TC98-016

ADMISSION OF SERVICE OF STEVE WEGMAN

STEVE WEGMAN, one of the witnesses in the above-entitled matter, hereby admits service of a true and correct copy of a Subpoena in this matter together with the witness fee as required by law.

Dated this ____ day of March, 1998.

Steve Wegman



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
Telephone (605)773-5280
FAX (605)773-3225

Consumer Hotline
1-800-332-1782

TTY Through
Relay South Dakota
1-800-877-1113

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billb@puc.state.sd.us

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

William Bullard Jr.
Executive Director

Edward R. Anderson
Harlan Best
Martin C. Bettmann
Charlie Bolle
Sue Cichos
Karen E. Cremer
Marlette Fischbach
Shirleen Fugitt
Lewis Hammond
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Tamara Stangor
Steven M. Wegman
Rolayne Ailts Wiest



South Dakota Public Utilities Commission

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



March 31, 1998

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Gregory A. Rislov
Tamara Stangohr
Steven M. Wegman
Rolayne Ailts Wiest

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

Re: Carpenter Complaints
Docket Nos. TC98-007 through TC98-012 and TC98-016

Dear Ms. Wiest:

Enclosed please find copies of Staff's First Data Request dated March 16, 1998, and Staff's Second Data Request dated March 17, 1998, as requested in your letter of March 31, 1998.

Very truly yours,

Karen E. Cremer
Staff Attorney

KEC:dk

cc: Mr. Andrew D. Crain
Mr. Thomas J. Welk and
Ms. Tamara A. Wilka



South Dakota Public Utilities Commission

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



March 31, 1998

Dear Ms. Cremer:

Please submit to the Commission a copy of Staff's First Data Request dated March 16, 1998, and Staff's Second Data Request dated March 17, 1998, as referenced in U S WEST Communication's Inc.'s Motion to Quash filed in Dockets TC98-007 to TC98-012 and TC98-016.

Sincerely,

Rolayne Ailts Wiest

ROLAYNE AILTS WIEST
General Counsel

cc Thomas Welk
Tamara Wilka
Andrew Crain

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Rolayne Ailts Wiest

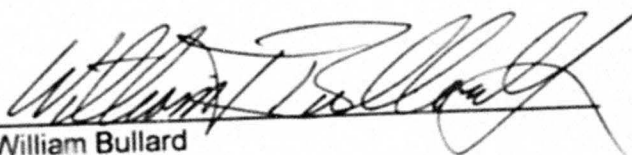
**BEFORE THE PUBLIC UTILITIES COMMISSION
OF THE STATE OF SOUTH DAKOTA**

IN THE MATTER OF THE COMPLAINT FILED)
BY GALEN WALDNER, CARPENTER, SOUTH)
DAKOTA, AGAINST U S WEST)
COMMUNICATIONS, INC. REGARDING)
TELEPHONE SERVICE OUTAGES AND)
INADEQUATE SERVICE)

CERTIFICATE OF SERVICE

TC98-008

I hereby certify that the Subpoena in the above entitled matter was served on Steven Wegman by handing the same to him on this the 31st day of March, 1998.



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



South Dakota Public Utilities Commission

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



April 1, 1998

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

Re: Carpenter Complaints
Dockets TC98-007 through TC98-012 and TC98-016

Dear Mr. Bullard:

Enclosed you will find Staff's Response to Motion to Preclude Staff from Participating in Hearing, Staff's Response to Motion to Quash and Staff's Response to Motion to take Judicial Notice in the above captioned matters for filing.

Very truly yours,

Karen E. Cremer
Staff Attorney

KEC:dk
Enc.

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Rolayne Aults Wiest



South Dakota Public Utilities Commission



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

April 1, 1998

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Tammie Stangohr
Steven M. Wegman
Rolayne Aults Wiest

Mr. Andrew D. Crain
Senior Attorney
U S WEST Communications, Inc.
1801 California Street, Suite 5100
Denver, CO 80202

Mr. Thomas J. Welk and
Ms. Tamara A. Wilka
Boyce, Murphy, McDowell & Greenfield
P. O. Box 5015
Sioux Falls, SD 57117-5015

Re: Carpenter Complaints
Dockets TC98-007 through TC98-012 and TC98-016

Dear Counsel:

Enclosed each of you will find copies of Staff's Response to Motion to Preclude Staff from Participating in Hearing, Staff's Response to Motion to Quash and Staff's Response to Motion to take Judicial Notice in the above captioned matters. This is intended as service upon you by mail

Very truly yours,

Karen E. Cremer
Staff Attorney

KEC:dk
Enc

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

IN THE MATTER OF THE COMPLAINT FILED)	STAFF'S RESPONSE TO
BY GALEN WALDNER, CARPENTER, SOUTH)	MOTION TO PRECLUDE
DAKOTA, AGAINST U S WEST)	STAFF FROM
COMMUNICATIONS, INC. REGARDING)	PARTICIPATING IN
TELEPHONE SERVICE OUTAGES AND)	HEARING
INADEQUATE SERVICE)	TC98-008

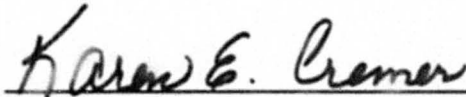
Comes now Karen E. Cremer, attorney for the staff of the Public Utilities Commission, and in response to U S WEST Communications, Inc.'s (U S WEST) Motion to Preclude Staff from Participating in Hearing states as follows:

1. The Commission Staff resists this motion on the grounds that Staff is not required to be a party in order to participate at the hearing. Historically, Staff's role is not that of "taking sides" with either of the parties to the action, but Staff's role is to represent the public interest. In order to properly perform its role, Staff needs to be able to examine and cross-examine witnesses, and to otherwise participate in proceedings in the name of the public interest. Staff asserts that it has a right to continue in this role and to assess the issues in a manner it best sees fit so that a recommendation can be made to assist the Commission in its decision making process. To exclude Staff would restrict the representation of the public and, in turn, the public interest in this action.

2. SDCL 49-13-4 mandates that the Commission conduct an inquiry into complaints. The Commission is also the fact finder in these cases as well as the decision maker. Obviously the legislature did not intend for those that sit as fact finder and decision maker to also conduct the inquiry, therefore Commission Staff must conduct the inquiry. It is ludicrous to suggest that the Commission Staff conduct an inquiry yet not be able to then present the results of such inquiry. Commission Staff should be allowed to participate in Commission hearings.

For the reasons set forth above, the Commission should deny U S WEST's Motion to Preclude Staff from Participating in Hearing.

Dated this 15th day of April, 1998.



Karen E. Cremer
Staff Attorney
South Dakota Public Utilities Commission
500 East Capitol
Pierre, South Dakota 57501
(605) 773-3201

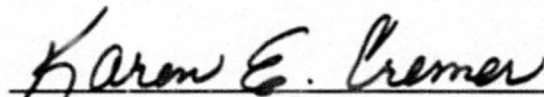
CERTIFICATE OF SERVICE

I hereby certify that copies of Staff's Response to Motion to Preclude Staff from Participating in Hearing were served on the following by mailing the same to them by United States Post Office First Class Mail, postage thereon prepaid, at the address shown below on this the 1st day of April, 1998.

Galen Waldner
HCR Box 1
Carpenter, SD 57322

Thomas J. Welk and
Tamara A. Wilka
Attorneys at Law
Boyce, Murphy, McDowell & Greenfield, L.L.P.
P. O. Box 5015
Sioux Falls, SD 57117-5015

Andrew D. Crain
Senior Attorney
U S WEST Communications, Inc.
1801 California Street, Suite 5100
Denver, CO 80202



Karen E. Cremer
Staff Attorney
South Dakota Public Utilities Commission
500 East Capitol
Pierre, SD 57501

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

IN THE MATTER OF THE COMPLAINT FILED)	STAFF'S RESPONSE TO
BY GALEN WALDNER, CARPENTER, SOUTH)	MOTION TO QUASH
DAKOTA, AGAINST U S WEST)	
COMMUNICATIONS, INC. REGARDING)	TC98-008
TELEPHONE SERVICE OUTAGES AND)	
INADEQUATE SERVICE)	

Comes now Karen E. Cremer, attorney for the staff of the Public Utilities Commission, and in response to U S WEST Communications, Inc.'s (U S WEST) Motion to Quash states as follows:

1. The Commission Staff resists this motion on the grounds that ARSD 20:10.01:17.01 as relied upon by U S WEST, and set forth below, is irrelevant to Staff's First Data Request and Staff's Second Data Request as Staff did not issue any subpoenas.

20:10.01:17.01. Commission action on subpoena request. The commission on its own motion, or in motion timely made, may quash a subpoena if it is unreasonable or oppressive, or the commission may require the party on whose behalf the subpoena is issued to pay in advance the reasonable cost of witness fees in accordance with SDCL 15-6-45(c) and of producing the records, books, papers, documents, or tangible things.

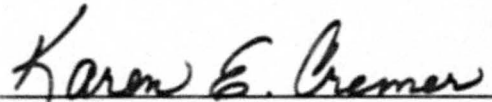
2. Staff further resists this motion as Staff is not required to be a party in order to obtain discovery. Historically, Staff's role is not that of "taking sides" with either of the parties to the action, but Staff's role is to represent the public interest. In order to properly perform its role, Staff is in need of information from both parties. While in the past Staff has gathered this information prior to a hearing so that it can be analyzed for a recommendation in order to assist the Commission in its decision making process, the same information can be gathered at the hearing.

3. Staff, or any party for that matter, is not required to obtain Commission approval prior to conducting discovery unless there is a problem at which point the matter

can then come before the Commission. The Commission at its discretion MAY then issue a discovery order. Once the Commission issues a discovery order, the taking of discovery shall be in the same manner as in the circuit courts of this state. See ARSD 20:10:01:22.01.

For the reasons set forth above, the Commission should deny U S WEST's Motion to Quash.

Dated this 15th day of April, 1998.



Karen E. Cremer
Staff Attorney
South Dakota Public Utilities Commission
500 East Capitol
Pierre, South Dakota 57501
(605) 773-3201

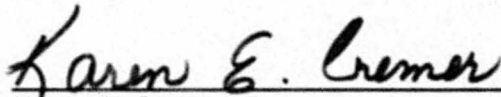
CERTIFICATE OF SERVICE

I hereby certify that copies of Staff's Response to Motion to Quash were served on the following by mailing the same to them by United States Post Office First Class Mail, postage thereon prepaid, at the address shown below on this the 1st day of April, 1998.

Galen Waldner
HCR Box 1
Carpenter, SD 57322

Andrew D. Crain
Senior Attorney
U S WEST Communications, Inc.
1801 California Street, Suite 5100
Denver, CO 80202

Thomas J. Welk and
Tamara A. Wilka
Attorneys at Law
Boyce, Murphy, McDowell & Greenfield, L.L.P.
P. O. Box 5015
Sioux Falls, SD 57117-5015



Karen E. Cremer
Staff Attorney
South Dakota Public Utilities Commission
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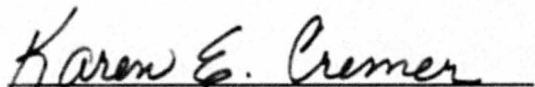
**BEFORE THE PUBLIC UTILITIES COMMISSION
OF THE STATE OF SOUTH DAKOTA**

IN THE MATTER OF THE COMPLAINT FILED)	STAFF'S RESPONSE TO
BY GALEN WALDNER, CARPENTER, SOUTH)	MOTION TO TAKE JUDICIAL
DAKOTA, AGAINST U S WEST)	NOTICE
COMMUNICATIONS, INC. REGARDING)	
TELEPHONE SERVICE OUTAGES AND)	TC98-008
INADEQUATE SERVICE)	

Comes now Karen E. Cremer, attorney for the staff of the Public Utilities Commission, and in response to U S WEST Communications, Inc.'s (U S WEST) Motion to take Judicial Notice states as follows:

The Commission Staff resists this motion on the grounds that the documents which U S WEST requests to have the Commission take judicial notice of are not "judicially cognizable facts" or "generally recognized technical or scientific facts within the agency's specialized knowledge" as required pursuant to SDCL 1-26-19(3). Therefore U S WEST's motion should be denied.

Dated this 15th day of April, 1998.



Karen E. Cremer
Staff Attorney
South Dakota Public Utilities Commission
500 East Capitol
Pierre, South Dakota 57501
(605) 773-3201

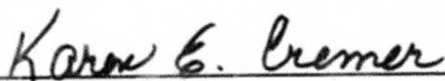
CERTIFICATE OF SERVICE

I hereby certify that copies of Staff's Response to Motion to take Judicial Notice were served on the following by mailing the same to them by United States Post Office First Class Mail, postage thereon prepaid, at the address shown below on this the 1st day of April, 1998.

Galen Waldner
HCR Box 1
Carpenter, SD 57322

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Tamara A. Wilka
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P. O. Box 5015
Sioux Falls, SD 57117-5015

Andrew D. Crain
Senior Attorney
U S WEST Communications, Inc.
1801 California Street, Suite 5100
Denver, CO 80202



Karen E. Cremer
Staff Attorney
South Dakota Public Utilities Commission
500 East Capitol
Pierre, SD 57501

THE PUBLIC UTILITIES COMMISSION
OF THE STATE OF SOUTH DAKOTA

RECEIVED

APR 10 1998

SOUTH DAKOTA PUBLIC
UTILITIES COMMISSION

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

TC98-007

IN THE MATTER OF THE COMPLAINT
FILED BY GALEN WALDNER,
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REGARDING TELEPHONE SERVICE
OUTAGES AND INADEQUATE SERVICE

TC98-008

IN THE MATTER OF THE COMPLAINT
FILED BY DICK GLANZER, CARPENTER,
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FILED BY REGAN GLANZER, CARPENTER,
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TC98-010

IN THE MATTER OF THE COMPLAINT
FILED BY MIKE MADSEN, CARPENTER,
SOUTH DAKOTA AGAINST U S WEST
COMMUNICATIONS, INC. REGARDING
TELEPHONE SERVICE OUTAGES AND
INADEQUATE SERVICE

TC98-011

1 IN THE MATTER OF THE COMPLAINT)
 2 FILED BY CLAUDE GLANZER,)
 3 CARPENTER, SOUTH DAKOTA AGAINST) TC98-012
 4 U S WEST COMMUNICATIONS, INC.)
 5 REGARDING TELEPHONE SERVICE)
 6 OUTAGES AND INADEQUATE SERVICE)
 7)
 8)
 9)

10 IN THE MATTER OF THE COMPLAINT)
 11 FILED BY KEITH GLANZER, CARPENTER,)
 12 SOUTH DAKOTA AGAINST U S WEST) TC98-016
 13 COMMUNICATIONS, INC. REGARDING)
 14 TELEPHONE SERVICE OUTAGES AND)
 15 INADEQUATE SERVICE)
 16)
 17)
 18)
 19)
 20)
 21)
 22)
 23)
 24)
 25)

26 HEARD BEFORE THE PUBLIC UTILITIES COMMISSION

27 PROCEEDINGS:

April 2, 1998
 1:15 P.M.
 Ballroom B, Crossroads
 Huron, South Dakota

28 PUC COMMISSION:

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

29 COMMISSION STAFF
 30 PRESENT:

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

31 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

I N D E X

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Mike Madsen	68
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E X H I B I T S

1	Letter from AgriSource
2	Map
3	Late-filed cost study breakdown
4	Battery inspection records
5	USW Investment Plan
6	Letter from Willow Lake School
7	Petition
8	Chart - Beadle Co.
9	Chart - Spink Co.
10	Chart - Clark Co.

P R O C E E D I N G S

1
2 MS. WIEST: Let's begin the hearing for the
3 what we refer to as the Carpenter complaints. I
4 believe there were some motions filed in these
5 complaints also. And let's just take the -- there's a
6 Motion to Amend the Answers also; is that correct?

7 MR. WELK: Yes, General Counsel.

8 MS. WIEST: Does staff have any objection to
9 amending the Answers?

10 MS. CREMER: No, we don't.

11 MS. WIEST: Answers are amended. Motion to
12 Quash. Does anybody have anything further to add on
13 that motion?

14 MR. WELK: General counsel, I would ask that
15 the arguments I made in support of the Motion to Quash
16 in the Ben Hofer complaint be incorporated in the
17 transcript in this docket. And I would urge the same
18 reasons to support the Motion to Quash that I did in
19 that.

20 "MOTION: Mr. Wegman provided some data
21 requests, and I would say that they were somewhat
22 confusing coming out of Carpenter and Hofer and there
23 was some confusion. First one came; the second one
24 came.

25 But the issue that we have is the procedural

1 issue, and that is one that we believe that the
2 Commission needs to address about how one party seeks
3 discovery from another. And the Motion to Quash seeks
4 to say that the data requests that were sent by
5 Mr. Wegman do not have to be answered by U S West for
6 several reasons. First of all, as we've said in
7 97-192, that only a party can participate in
8 discovery. And the staff has conceded in 97-192 that
9 it's not a party. And we believe the law is clear
10 under the Commission regulations, under the
11 Administrative Procedures Act, that only a party can
12 ask for discovery and then the Commission authorizes
13 the party to seek discovery.

14 Our position is we don't have the ability to
15 willy-nilly ask anybody anything without the approval
16 of this Commission. And the staff has said it's not a
17 party. And if it wanted the information, what it
18 should be do is go to the Commission, ask for an order
19 from the Commission. We would have a chance to respond
20 to it. And then if the Commission orders it, then we
21 will provide it.

22 And what I'm dealing with here is a
23 procedural issue. I think the Commission needs to
24 address this from a procedural standpoint how things
25 ought to be handled for its business. Does the staff

1 need to come to you and then have you approve it and if
2 -- that's what we think they should do. That's what
3 we think we should do. And then you should approve it,
4 because people may have objections that will come forth
5 and that.

6 So this is a procedural issue on the Motion
7 to Quash, that they didn't do the right things to
8 seeking the authority to do it. In addition, the
9 requests themselves, besides not seeking your approval,
10 were not -- there wasn't enough time provided in that.
11 The staff person, Mr. Wegman, just wrote down an
12 artificial date. There are dates that are allowed
13 under the applicable Rules of Civil Procedure, and he
14 shortened that time which was allowed by law. So that
15 is the Motion to Quash."

16 MS. WIEST: Do you have anything to add, Miss
17 Cremer?

18 MS. CREMER: No. Staff would stand on its
19 response that it filed.

20 MS. WIEST: Then on the Motion to Quash, I
21 believe that motion is moot, just like it was in the
22 Hofer complaint. Then we'll go to the Motion to
23 Exclude Staff as a Party.

24 MR. WELK: U S West would similarly urge the
25 same grounds for that motion that was made in the Ben

1 Hofer proceeding that was concluded this morning. I
2 would ask also of the arguments that were made at that
3 time along with the arguments contained in the written
4 papers be included in this docket as well. I would
5 stand on those arguments.

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

19 MS. WIEST: And we'll take along with this
20 one the motion for judicial notice.

21 MR. WELK: Similarly, the arguments that are
22 made in support of the judicial notice, which would be
23 in essence to have the Commission take notice of the
24 proceedings that occurred in 97-192, which would
25 support the Motion to Preclude Staff from Participating

1 in Hearing. I would similarly urge as I did this
2 morning that those arguments and those grounds be
3 included in this proceeding and that the transcript
4 that incorporates those arguments be included in this
5 record as well.

6 "MOTION: The next issue we have is the
7 Motion to Take Judicial Notice. We filed that motion
8 also. That asks the Commission to take judicial notice
9 of its own proceedings, to take judicial notice of
10 their request that the staff made -- or the admissions
11 that staff made in 97-192 in their written papers and
12 in statements made to the Commission before 97-192.
13 And we would ask that all those motions be granted."

14 MS. WIEST: Do you have anything to add, Miss
15 Cremer?

16 MS. CREMER: No. Staff would stand on the
17 arguments it made previously.

18 MS. WIEST: With respect to the Motion to
19 Exclude Staff, Commission makes the same ruling it made
20 in the Hofer, that staff does have limited party status
21 and its limit is it's unable to appeal Commission
22 order. The motion is denied. The Motion for Judicial
23 Notice is also denied. Are there any other motions?

24 MS. CREMER: Staff has none.

25 MS. WIEST: If not, let's begin. Do any of

1 their problem. We finally gave up the argument and
2 transferred the data on disks.

3 Since that time our company has grown from
4 five million dollars in sales to 25 million. A large
5 part of that growth has come from the expanded trade
6 area in and around Carpenter. With that kind of
7 growth, we need to make our accounting system more
8 efficient. We tried to solve the problems internally.
9 We spent about \$2,000 to double the user capacity of
10 our network server to be sure that there would always
11 be room for the connection. We spent \$500 for new
12 modems, and nothing seemed to make any difference.
13 Then we were told that other companies had solved the
14 problem with a dedicated leased phone line.

15 On March 13th, 1997, I contacted U S West to
16 inquire about the possibility of getting a four-wire,
17 two-way communication dedicated leased line between
18 Carpenter and Willow Lake. She told me it wouldn't be
19 a problem, as they had done it for many other
20 companies. She said there would be a one-time hookup
21 fee, a \$450, and a monthly charge of \$161.45. It would
22 take approximately two weeks to set it up. I asked her
23 to put it in writing so that I could get it approved.

24 March 31st I heard from ITC, which is the
25 Willow Lake end of the phone company. They told me

1 they were ready to do their part of the work by the end
2 of the week. I said we were still waiting to hear to
3 get something in writing from U S West and that we
4 should probably wait until we had it. April, I still
5 hadn't heard from U S West. I called. They said they
6 would get back to me. May 12th I finally called to
7 inquire about the status again. They told me it had
8 been referred to the U S West engineers. She told me
9 she would talk to them and get back to me. She called
10 me back to tell me that a leased line would cost
11 \$50,000 in extra construction because the lines in the
12 Carpenter area were so obsolete. The cost for this
13 would be billed to Willow Lake Farmers Elevator. I
14 told her this would -- this was unacceptable.

15 So at the present time we are using a random
16 dial-up method on a limited basis. For the past three
17 months our Carpenter office has averaged less than two
18 hours a day of live computer time on our main system at
19 a cost of \$317 per month. We really need much more
20 than that, but it's simply cost prohibitive. The phone
21 bills also indicate that it takes three, four,
22 sometimes five times, five tries, to make this
23 connection. The quality varies and the connection is
24 sometimes broken.

25 It's difficult to estimate a cost of the time

1 spent waiting for the connection and trying to fix
2 problems created by the broken connections. After
3 several unsuccessful tries, our staff in Carpenter will
4 call the main office and tell me their problems. We
5 then shut down the whole system and reboot and they try
6 it again. I don't feel it's a computer problem because
7 we have a similar setup in another location in Willow
8 Lake and we don't have these problems.

9 Our company has just made an \$80,000
10 investment in a new computer system that we plan to
11 have in place by July. That investment will give our
12 company the ability to take advantage of such services
13 as E-mail, Internet, plus an advanced accounting
14 system. We will save over the years by not having to
15 pay for current marketing services like DTN. We will
16 have greater ability to communicate with our customers,
17 grain dealers and agronomy companies. But Carpenter
18 will still be left hanging. \$80,000 spent and we still
19 won't be able to use -- to fully use our computer
20 system, our employees, or keep in contact with our
21 customers and markets in that area.

22 Some of the other problems that we have been
23 having with the phone lines is that data transfer is
24 extremely slow. If we try to fax a one-page fax
25 between Willow Lake and Carpenter, it can take up to

1 seven minutes, and this is at a long distance rate.

2 Another function of our company is to provide
3 our customers with agronomy planning. We do soil
4 testing, crop planning. We do this through a company
5 called AgriSource, which is a division of Cenex/Land
6 O'Lakes in St. Paul. It requires data transmission
7 from St. Paul with soil testing results and information
8 and things like that. We have the similar system setup
9 in Willow Lake that gives us no problem whatsoever.
10 But we can't seem to accomplish these same things in
11 Carpenter. I have a letter here from AgriSource
12 explaining their side of the situation, if I can read
13 it.

14 This letter is sent to document the
15 communications problems that we have been experiencing
16 over the last several weeks.

17 We support AgriSource software at more than
18 600 accounts. We have the most difficulty in
19 supporting your account due to slow data transmission
20 speeds over the bad telephone lines in your area.

21 Our experience has been that we can rel'ably
22 connect to your system at only 2,400 baud, on a good
23 day. Most days we do well to connect at 1,200 baud.
24 Today, February 24th, 1998, I was unable to reliably
25 connect at any speed down to 800 baud.

1 The 2,400 baud maximum data rate specified by
2 your telephone company is less than adequate for modern
3 business telecommunications. This slow data rate --
4 these slow data rates are also difficult to establish
5 with today's modems and communication software. To
6 make such a connection requires us to revert to older
7 software and to manually specify modem initialization
8 to force modems to connect at low speed. The
9 sophistication of such technological procedures are
10 beyond the experience and capabilities of most office
11 personnel.

12 My best recommendation is to strongly
13 encourage your telephone company to improve the data
14 transmission capabilities of your telephone system.

15 It's signed by Robert C. Grams, AgriSource
16 Support, Cenex/Land O'Lakes, St. Paul.

17 I guess what we are requesting is the
18 capability to have a quality dedicated leased line
19 between we Willow Lake and Carpenter at a reasonable
20 rate, the capability to add lines and to have quality
21 lines capable of transmitting data quickly and
22 efficiently.

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

25 MR. WELK: Just a few.

CROSS-EXAMINATION

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BY MR. WELK:

Q. Would you like me to refer to you as
Ms. Grann?

A. Mrs.

Q. Your complaint that you filed with the
Commission, did you initiate that complaint yourself,
your business?

A. Yes, my general manager did.

Q. And that was initiated by a written complaint
that was filed in December of '98 -- excuse me.

A. December '97.

Q. Excuse me, '97. Is that when you filed it?

A. Yes.

Q. Wait a second, I've got a number of them
here.

A. I think it was January of '98.

Q. And you called to the Commission, and then
was there a written form that was sent out to you?

A. They instructed us how to file a formal
complaint.

Q. Who was that that's instructed you?

A. The general manager spoke to, I believe, he
spoke to Jim Burg or someone in the PUC office. The
forms were sent out from the office.

1 Q. Did anyone come out from the PUC to visit
2 with you?

3 A. After we made the initial call, I believe
4 Steve came out to the Carpenter office to see what our
5 complaint was.

6 Q. And did he bring a complaint form with him,
7 or had you already filled it out and sent it in?

8 A. I'm not sure. I work in the Willow Lake
9 office. Steve came to the Carpenter office. I wasn't
10 there that day. I don't know if that's where they got
11 the forms or not.

12 Q. Is there any relationship between the other
13 complainants in here and the Willow Lake Elevator.
14 Galen Waldner, Dick Glanzer, Regan Glanzer, Mike
15 Madsen, Claude Glanzer, and Keith Glanzer? Is there
16 any relationship there?

17 A. They're all members of the same community,
18 same problems.

19 Q. But no family relationships?

20 A. No.

21 Q. Is there any relationship between those
22 individuals and the elevator? Any family
23 relationship? Financial interest?

24 A. No. They're customers of the business.

25 Q. All customers?

1 A. Mike Madsen is listed on there. He's an
2 employee.

3 Q. Mike Madsen is an employee of the elevator?

4 A. Mike Madsen is an employee. Galen Waldner
5 and Dick Glanzer are directors at the company.

6 Q. So Dick Glanzer is a director of the --

7 A. And Galen Waldner is a director.

8 Q. And Galen Waldner is a director. So we have
9 the Willow Lake Elevator, we have two of its directors
10 and one employee --

11 A. Correct.

12 Q. -- essentially making these complaints. Did
13 you have any discussion with Mr. Wegman when he came
14 out?

15 A. No, I did not.

16 Q. Have you had discussions with anybody about
17 your complaint after you filled it out?

18 A. From the time it was filled out until it was
19 filed, no, I did not.

20 Q. What about from the time of the filing until
21 today?

22 A. Spoke to Steve and Karen yesterday.

23 Q. About what your testimony would be today?

24 A. Yes.

25 Q. And other than that, you've not had

1 conversations?

2 A. (Witness shook head negatively.)

3 Q. Have you reported any trouble on your lines
4 regarding the voice quality of the lines that go to the
5 elevator?

6 A. Report as to U S West when there are
7 problems, you know?

8 Q. Yes.

9 A. Disrupted communication, things like that,
10 general voice quality. I guess we've just put up with
11 it.

12 Q. Well, but there's no -- your complaints, as I
13 understand today and in listening to you, are all
14 related to data transmission problems; is that correct?

15 A. Yes.

16 Q. And you're not complaining about voice
17 quality. You're complaining about the data
18 capabilities of the line you have; is that correct?

19 A. That's correct.

20 Q. And how long have you had telephone service
21 with U S West at the Carpenter Elevator?

22 A. How long has U S West been out there?

23 Q. Yes.

24 A. The Carpenter business has been in business
25 for approximately 45 years, so as long as there was

1 telephone service available there.

2 Q. What do you physically have? Let's talk
3 about where Carpenter is relative to Huron so we get
4 that in the record. Where is Carpenter located
5 generally?

6 A. Eighteen miles north on 37 and 18 miles east
7 on 28 and then a half mile north again.

8 Q. And in Carpenter that's the location for the
9 elevator whose main office is in Willow Lake; correct?

10 A. Correct.

11 Q. And other than the -- and what kind of
12 telephones do you have currently in the Willow Lake --
13 excuse me, in the Carpenter office, the Willow Lake
14 Elevator?

15 A. The telephone that is there has its two
16 phones in the main office and a phone down in the
17 fertilizer plant.

18 Q. How many lines do you have coming in?

19 A. Two.

20 Q. So you have two lines and you have a fax
21 machine?

22 A. Yes, we do.

23 Q. Now, there were, as I understand your
24 complaint, discussions about various options that were
25 available to solve your data transmission problems but

1 you thought the cost was prohibitive. Would that be a
2 fair statement?

3 A. Yeah.

4 Q. So what were the options that were discussed
5 with you about what was available but thought too
6 prohibitive?

7 A. The only other option besides what we're
8 using right now, which is random dial up, they
9 explained a foreign exchange number, I believe they
10 called it. There would be charges from both U S West
11 and from ITC ends.

12 Q. And what were the charges that were quoted to
13 you for that option?

14 A. ITC, the Willow Lake end, would charge \$253
15 to set up and \$155 per month. And U S West would
16 charge 453 to install and \$165 per month charges.

17 Q. So, roughly speaking, I'm just doing this
18 quickly, it looks like about approximately 700 to
19 install and about 320 a month. Is that roughly
20 correct?

21 A. Right.

22 Q. And from a business standpoint, you believe
23 for that service that's too prohibitive a cost?

24 A. We did, yeah, at that time because they
25 originally had told me that we should be able to

1 establish this for half of that, at least it would be
2 half that what I was originally quoted.

3 Q. But the option finally quoted to you is this,
4 and you believe that's too cost prohibitive; correct?

5 A. Yeah, if it can be done less than that, yes.

6 Q. What is the current rate you pay for your
7 lines into the elevator in Carpenter?

8 A. The base rate?

9 Q. Base rate.

10 A. Around 16 dollars a month. 15.40, I believe,
11 something like that.

12 Q. So you pay two lines. You pay about 30 to 35
13 dollars in that range for two lines?

14 A. Yeah, I believe so. I'm not real sure. I
15 may be wrong on that. That's what I pay at home. I
16 guess I'm not sure what the business rate is.

17 Q. You indicated that you wanted more lines.
18 How many more lines did you want, and what did you want
19 to use them for?

20 A. In the business we would like at least one
21 more. What we have right now, the fax machine and our
22 credit card system are on the same line. It ties them
23 up. We also use that line for outgoing calls. We just
24 need one more for either for the fax or for the credit
25 card.

1 Q. Have you asked to have an additional line put
2 in?

3 A. We were told there were no more lines
4 available.

5 Q. Who told you that?

6 A. U S West.

7 Q. Who at U S West told you that?

8 A. I don't have names.

9 Q. Do you know when you were told that?

10 A. I didn't make that call. Mike Madsen did.

11 Q. So you believe someone told Mike Madsen that
12 you couldn't get another line?

13 A. (Witness nodded affirmatively.)

14 Q. Is that what your belief is?

15 A. Yes, yes.

16 MR. WELK: Nothing further.

17 MS. WIEST: Miss Cremer?

18 MS. CREMER: Thank you.

19 CROSS-EXAMINATION

20 BY MS. CREMER:

21 Q. Crystal, as you were talking that the current
22 line has failed to work in the past; is that right?

23 A. Yes.

24 Q. And is that on more than one occasion?

25 A. Yes.

1 Q. Do you have any ideas, is that daily or
2 weekly?

3 A. No, I really don't. It's hard to estimate
4 it. I can tell by the telephone bills. I can show you
5 where when they try to connect. You know, they may try
6 to connect at 5:02, 5:04, 5:06, where you repeatedly
7 try to connect and then make on for a short time and
8 then it kicks them out. That's evident on the phone
9 bills.

10 Q. Okay. Now, if I understand you right, you
11 said there is two lines and there's three phones and a
12 fax; is that right?

13 A. (Witness nodded affirmatively.)

14 Q. Have you ever had a need to reach law
15 enforcement from the Willow Lake Elevator in Carpenter?

16 A. Yes. Like I said, I don't work in the
17 Carpenter office any more, but, yes, they have made
18 calls. There was a car accident out at the corner. I
19 know they have made those calls.

20 Q. Have they ever had any problems reaching law
21 enforcement?

22 A. Not that I'm aware of.

23 Q. Okay. Where is your nearest law enforcement?

24 A. County sheriff? Clark.

25 Q. How far is that?

1 A. About 25 miles.

2 Q. What about fire protection?

3 A. Fire and ambulance are both out of Willow
4 Lake, which is about 14 miles.

5 Q. And has there ever been an occasion where the
6 elevator would need to call either fire or medical
7 personnel?

8 A. One of our employees was hurt, and they
9 called the ambulance out of Willow Lake.

10 Q. And do you guys -- do you do that through the
11 911 system, or how do you do that?

12 A. We call directly to Willow Lake. We pay for
13 911 services, but it goes through Huron and then it's
14 routed around. It's faster to call directly to our
15 emergency number.

16 Q. To your knowledge, have you ever not been
17 able to contact either law enforcement or fire or
18 medical due to a line that wasn't working?

19 A. Not to my knowledge.

20 Q. Okay. Am I correct in my notes that this is
21 about five years this has been going on, approximately
22 five years? Is that what you said?

23 A. The computer systems we've been trying to
24 work with for about five years.

25 Q. Do you have problems with line noise?

1 A. The screeching, the static sounds that
2 Mrs. Loewen was talking about this morning, that's
3 common out there.

4 Q. Okay. And for how many years has that been
5 going on?

6 A. From personal experience out there, I'd say
7 five any way.

8 Q. If I say a weak signal, do you know what I
9 mean by that?

10 A. Not really.

11 Q. A weak signal to me would be you have a hard
12 time hearing the person on the other end. Is that a
13 problem?

14 A. I'm not aware that it's a problem at the
15 office. It is a problem in our home. We live at the
16 very end of the phone line.

17 Q. So you live in the Carpenter area?

18 A. Yes.

19 Q. Or in the Carpenter exchange, or the Huron
20 exchange?

21 A. Right.

22 Q. Does your phone, do you ever hear it ring and
23 then quit?

24 A. Not that I'm aware of, not at home any way.
25 I'm not sure about the office.

1 Q. And the office you're not sure. And you said
2 -- has U S West ever been contacted about the noise
3 problems, the --

4 A. Whenever it gets to the point you can't deal
5 with it any more, then they're contacted.

6 Q. What's their response?

7 A. They come out, fix the problem.

8 Q. And does the problem recur though?

9 A. Yeah, it has, but they fix it. It's a
10 temporary fix. It's the same. Weather is the most
11 problem that we talked about this morning.

12 Q. When you were contacting U S West about the
13 cost of this project, did they keep you posted on this?

14 A. No, they didn't. From my notes I had to
15 initialize each call and keep on them to find out what
16 was going on. Like I said, she told me originally that
17 I spoke to Shirley a representative at 612-281-4808,
18 and she told me, you know, we'd have it right away.
19 And I had to keep calling back to find out what was
20 going on.

21 Q. And you still don't have that?

22 A. I never did get anything in writing.

23 Q. Okay. You said the elevator has been in
24 business approximately 45 years and you've had a phone
25 -- they've had a phone in there probably about that

1 same amount of time. Do you know is the elevator
2 current on their phone bill?

3 A. Yes, they are.

4 Q. Have they always been current as far as you
5 know?

6 A. Yes.

7 Q. Do you have any more services offered to you
8 at the elevator than you did ten years ago?

9 A. The only special --

10 Q. Features? Yeah, CLASS, Caller ID, do you
11 have any of those services available?

12 A. No.

13 Q. Are you paying more now than you were ten
14 years ago?

15 A. I'm sure we are.

16 Q. The relief that you've asked the Commission
17 to order, which is you would like the ability to be
18 able to add more lines and to have reliable lines and
19 that this dedicated leased line be at a reasonable
20 rate, if the Commission were to order that, would that
21 accommodate your needs for economic development and
22 your business, the businesses livelihood?

23 A. Yeah, I believe if the lines were -- you
24 know, if we could transfer this data, solve this
25 problem, I think it would help a lot.

1 Q. Do you think your business would grow if you
2 had these capabilities?

3 A. Definitely. This crop planning working with
4 the farmers is an area that's growing very fast. But
5 it's very difficult for us to do it right now because
6 we can't get the information from St. Paul.

7 Q. Did you want to put that letter in that you
8 read? Do you want to put that in as evidence?

9 (EXHIBIT NO. 1 WAS MARKED FOR
10 IDENTIFICATION.)

11 MS. WIEST: Is there any objection to this
12 exhibit?

13 MR. WELK: No.

14 MS. WIEST: Exhibit one has been admitted.

15 Q. I just wanted to ask you, you talked about
16 DTN. What's that?

17 A. It's a farm marketing program that we get the
18 current prices from Chicago Board of Trade and then we
19 can also use it to E-mail out to our customers so they
20 have our current markets. It's a communication tool
21 both ways.

22 Q. And you no longer have that though?

23 A. We still have it now. When we get on the
24 Internet, it's our hope to save money by getting rid of
25 it.

1 MS. CREMER: That's all I would have. I'm
2 sorry, I would move the exhibit in. You asked if there
3 was objections, and did it get moved in?

4 MS. WIEST: Yes, it's admitted.
5 Commissioners, do you have any questions?

6 CHAIRMAN BURG: I have one. You feel that if
7 you got additional phone line or upgraded line would
8 you still need a dedicated line, or could you do the
9 computer transmit over?

10 A. My understanding is that the dedicated line
11 is the cheapest way. This dedicated line would allow
12 us to have full-time access. The computer would be
13 live full-time and it wouldn't cost us any more than
14 the monthly rate.

15 CHAIRMAN BURG: Do you feel what they priced
16 that at originally was reasonable?

17 A. Yeah, \$165 a month, we could live with that
18 compared to we're paying 317 right now for a very
19 limited use.

20 COMMISSIONER SCHOENFELDER: But with the \$165
21 a month, if I'm understanding this right, U S West is
22 half of it because ITC is on the other side?

23 A. Originally it was told to me that U S West
24 would make the charge. I was not told that ITC would
25 make another charge. Where ITC got involved was when

1 they were talking about this foreign exchange number
2 which would put a Willow Lake number out of Carpenter
3 -- or Carpenter number to Willow Lake and then I was
4 told there would be a charge to both ends. Originally
5 I was never told that there was a charge from both
6 sides.

7 COMMISSIONER SCHOENFELDER: But this is
8 unique because you're dealing with two businesses in
9 two different phone companies so yours is unique that
10 way.

11 A. Right.

12 MS. WIEST: Any other questions from
13 Commissioners?

14 MR. WELK: I have one.

15 RECROSS-EXAMINATION

16 BY MR. WELK:

17 Q. Is it your expectation as a business woman
18 that U S West would put facilities in without
19 reimbursement for cost?

20 A. I listened to testimony this morning that
21 your engineers justified spending \$180,000 to help
22 three families. I don't see how you can not justify
23 spending -- or originally it was said to be 50,000.
24 Now you've updated that to 200,000. But to help a full
25 community, which includes a 25 million dollar business.

1 Q. Then, yes, as a business person would you
2 expect to put in special facilities for one customer
3 and not be reimbursed?

4 A. If you can see the growth possibility there,
5 maybe.

6 Q. And what is the growth possibility in
7 Carpenter other than your business?

8 A. The added lines for all the people in there,
9 the use of more facilities, more lines.

10 Q. Your one more added line?

11 A. And the elevator is not the only complaint
12 here we're talking about. If you fix ours, you'll be
13 fixing up the whole community.

14 Q. Are you aware of any other growth
15 opportunities other than adding a second line to the
16 rural subscribers and the extra line that you may want
17 in your business?

18 MS. CREMER: I would object. She really is
19 probably not Carpenter's economic development
20 representative. I mean I don't know, and I could be
21 wrong, but really she probably doesn't know.

22 MS. WIEST: If she doesn't know, she can say
23 so, but she can speak from her knowledge of the town.

24 A. I don't know. I know that it would greatly
25 help our company and the growth of our company.

1 Q. And what other businesses beside the elevator
2 are in Carpenter?

3 A. There's an insurance company, there's --

4 Q. You mean a company or an agent?

5 A. Agent. There's seed businesses in the area,
6 many of them that need the computer technology to stay
7 in the business. Farmers are businesses in
8 themselves. They need this technology probably more so
9 than the people sitting in town do. They need the
10 business, they need the technology to stay up on
11 current and what's out there in the markets, products
12 available, the changing every day. They need this
13 technology.

14 Q. But do you have any idea? I'm just asking if
15 you do.

16 A. The numbers?

17 Q. Yes, what the numbers are?

18 A. We sent a letter out asking people. We have
19 at least 50 signatures on this form saying that they
20 need these services.

21 Q. Do you have some?

22 A. I don't know exactly how many people, how
23 many farms are included in this phone network.

24 Q. We'll get to hear that from the engineer.

25 MR. WELK: Thank you. That's all I have.

1 MS. WIEST: Any more questions of this
2 witness? Thank you. (Witness excused.)

3 I believe we would go to the next
4 complainant.

5 MS. CREMER: Well, there's actually someone
6 else that wants to testify on Willow Lake.

7 BOB SYRING,

8 called as a witness, being first duly sworn,
9 was examined and testified as follows:

10 DIRECT EXAMINATION

11 BY MR. SYRING: My name is Bob Syring. I
12 reside at Box 283, Willow Lake. The reason I'm here is
13 I was hired by the Willow Lake Elevator as an
14 independent consultant to search out and find a fully
15 dedicated on-line real time state-of-the-art system for
16 the elevator to convert to. I guess I maybe started
17 out by the approach was that we looked at many
18 different other software packages in the area, and the
19 idea was to determine what was the best package for
20 Willow Lake with certain requirements.

21 One of the things the specifications and the
22 function that I had was to find a system that actually
23 was real time, on line. Once we did find a package,
24 and this package was -- the name of the company is
25 Agris. That's when the first part of it began.

1 The issue with the communication lines, when
2 we found that the lines weren't available between
3 Willow Lake and Carpenter to be on line, real time.
4 The request for the on line, real time line was due to
5 the fact the competitive edges you would have as far as
6 being in the marketplace with the other elevators in
7 the area. Secondly, on line, real time was to manage
8 the inventory control systems at both locations. They
9 both have the same types of materials at the locations,
10 and they need to be aware of what was at each location
11 at any given time.

12 I guess other areas of concern from that was
13 their real time capability to communicate back and
14 forth to each other during physical inventories. If
15 there was other concerns or issues, that this could be
16 communicated without having to go back mode or through
17 a non-dedicated line.

18 I think one of the questions was brought up
19 at the time was who made the initial contact, and that
20 was Doug Roggow, by the way, so your question was
21 answered by Mr. Roggow. The other issue is that the
22 Willow Lake facility and the Carpenter facility have a
23 point sale. Point of sale is, as everybody is aware of
24 what point of sale is. Point of sale is just selling
25 products, different products, whether your entire shop,

1 or you're selling batteries, or that you have point of
2 sale in there. And they had asked this system also be
3 on line, real time. And by not having that capability,
4 you lost the interface between the Willow Lake and the
5 Carpenter facility.

6 One of the other things was asked for was
7 Mr. Roggow had asked to have a key system available to
8 him. And my understanding -- I'm a little vague on the
9 key system. I'm not a telephone wizard. But the key
10 system, my understanding is, that they have a certain
11 number of lines that they can use for intercom system
12 and telephone system between the two facilities.

13 One of the main reasons I think that they
14 hired me is the people in Carpenter and Willow Lake are
15 now in a very competitive marketplace. They need on
16 line, real time data for the simple fact of pricing in
17 the market, new technologies that are available. And
18 by doing this without having Internet capabilities,
19 which are currently is not available in Carpenter,
20 they're at a competitive disadvantage. And so this was
21 the main reason, or one of the main reasons for having
22 the system be installed. I was trying to think of some
23 of the other stuff.

24 One of the other areas of concern was that
25 when the new system was installed, it had an interface

1 between the AgriSource system and Agris and AgriSource
2 is the agronomic system that's out of Carpenter and
3 Willow Lake right now and that had to have a complete
4 interface to it.

5 Doug and I kind of pencilled out some rough
6 numbers very quickly here. We talked about loss of
7 income. We kind of assumed that if there was three
8 outages, or three down times in Carpenter, that you
9 considered about five minutes each, you would be down
10 15 minutes a day. And you start penciling that out,
11 it's about 30, 40 dollars a day to be down. That's
12 just the dollar value of the manpower that's on there.
13 It's more the information and the noncompetitive edge
14 that you would have by not having that data available
15 to you consistently. All right? So it would be on
16 line, real time.

17 I have a couple other issues but I think I'll
18 bring them up at the end and that's concerning the
19 educational side and others. That's all I have.

20 MS. CREMER: Just, Mr. Syring; right?

21 A. Right.

22 MS. CREMER: I was going to call him as a
23 witness at the end to speak to a couple other issues,
24 and it would just make more sense to wait until then.

25 MS. WIEST: Do you have any questions,

1 Mr. Welk?

2 CROSS-EXAMINATION

3 BY MR. WELK:

4 Q. Sir, what is the down time that you're
5 referring to in your last statement?

6 A. Well, sometimes when you're on the Agri
7 system and it goes down, you knock down all the lines.
8 You therefore have to reboot and start up.

9 Q. Is this a data transmission issue?

10 A. Yes.

11 MR. WELK: Nothing.

12 MS. WIEST: Miss Cremer?

13 CROSS-EXAMINATION

14 BY MS. CREMER:

15 Q. When you were talking about this key system,
16 and maybe I missed it, did you ever set up a key
17 system? Did the elevator set up a key system?

18 A. No, they haven't, but that's something they
19 would like to do.

20 Q. That's something they would like to do?

21 A. Right.

22 Q. And then you were talking about an
23 interface. Did that ever work?

24 A. No, it has not.

25 Q. It has not worked.

1 MS. CREMER: That's all I would have.

2 MS. WIEST: Commissioners?

3 COMMISSIONER SCHOENFELDER: I was going to
4 ask him about the nearest school, but evidently this is
5 something you're going to talk about later. I'll leave
6 it.

7 CHAIRMAN BURG: Were you familiar with the --
8 how long have you lived in Willow Lake?

9 A. About three years.

10 CHAIRMAN BURG: What kind of system does
11 Willow Lake have as far as telephone?

12 A. They have ITC is currently our telephone
13 system that we have.

14 CHAIRMAN BURG: But in comparison to what
15 we're talking about, are all these services available
16 in Willow Lake through ITC?

17 A. Yes. I have a consulting business and an
18 income tax service there, and I'm on the Internet all
19 the time.

20 CHAIRMAN BURG: Has that been available to
21 you all the time you've been there all three years?

22 A. Yes, it has.

23 CHAIRMAN BURG: Okay.

24 MS. WIEST: Any other questions of this
25 witness? If not, thank you. (Witness excused.) Are

1 there any other witnesses for TC98-007? If not, let's
2 go to TC98-008. Galen Waldner.

3 GALEN WALDNER,

4 called as a witness, being first duly sworn,
5 was examined and testified as follows:

6 DIRECT EXAMINATION

7 MS. WIEST: Would you state your name and
8 address?

9 MR. WALDNER: Galen Waldner. HCR, Box 1,
10 Carpenter. I guess my first involvement with this was
11 getting our family hooked up to the Internet probably
12 in probably September of '97. We had purchased a
13 computer earlier, and we were looking to try to get it
14 hooked up. We had very poor luck trying to get our
15 family going on the Internet. We tried a couple
16 different companies: Santel and another one here in
17 town, and it just never did work. There were a few
18 times when I actually got some information back.

19 What normally would happen is I would key in
20 through one of the drivers like Yahoo, or whichever
21 one, and it would take -- it would say that the
22 information was transferred there, but then it would
23 say returning information, but yet rarely did anything
24 ever pop up on the screen. And there's a little spot
25 down there in the corner you can tell what the baud

1 is. I think that's what it is, bytes per -- any way,
2 it was usually around 2,400 is what we -- is what the
3 bytes of information coming in were. And I guess that
4 was my first complaint was we couldn't even get the
5 Internet hooked up. Mostly for the educational
6 benefits for my children, it would just be in this
7 modern age it's good to have those things.

8 The second problem with the Internet is the
9 agricultural information. I've been to a few different
10 places that have a lot of that. I could get on line,
11 and it was just amazing to me the information that was
12 out there regarding agriculture. And certainly for
13 myself and all the other farmers in the area, that
14 would be very beneficial.

15 Also, I am the person that was mentioned
16 earlier that is an insurance agent that I run out of my
17 home. And there is a lot of insurance information
18 there as well. Also, being able to put E-mail in and
19 out for both the farm and the insurance agency is
20 important.

21 An area that I have never had problems with
22 but in listening to some of the problems that the
23 elevator has had transferring data, it won't be very
24 long -- and in some companies they're doing it already
25 -- there is a great deal of push in the industry to

1 put information over the phone lines instead of mailing
2 things to each other and doing it that way. They're
3 trying to go to a more paperless system. And I don't
4 think they'll ever get to a totally paperless system,
5 but that ability to move the information back and forth
6 over the phone lines will be a real advantage to the
7 insurance agents and the insurance business over a
8 period of time.

9 Also, more and more of the suppliers are
10 going to the Internet to move their ag products. And
11 as that happens, it will be very beneficial for farmers
12 to be able to go actually on line and put information
13 back and forth, communicate with those people in the
14 industry and use those systems.

15 MS. WIEST: Anything else?

16 MR. WALDNER: No.

17 MS. WIEST: Mr. Welk?

18 MR. WELK: Thank you.

19 CROSS-EXAMINATION

20 BY MR. WELK:

21 Q. Good afternoon, Mr. Waldner. Where do you
22 live from the town of Carpenter?

23 A. Quarter mile north.

24 Q. Right on the oil road?

25 A. Yes.

1 Q. Nice big brown house I saw yesterday?

2 A. Yes.

3 Q. How many lines do you have coming into your
4 home?

5 A. We have one coming into our home. If you
6 notice, my parents live in the same yard. They also
7 have a phone line to their house. And I just got a
8 second line to my house, and I'm not sure exactly how
9 it works, but the line is for now above ground, laying
10 -- well, now it's laying under the snow, but between
11 their house and our house because of the way the wires
12 come in from the box. I have a second line.

13 Q. Is it a business line or is it both
14 residential lines?

15 A. I originally put it in intending to use it
16 because of the Internet. Since we can't get on the
17 Internet, I didn't use it for that, so it's just kind
18 of -- I'm not using it at all right now. I'm paying
19 for it, but I'm not using it.

20 Q. What are you paying for your lines?

21 A. I don't even know what the rate is.

22 Q. Now, when did you contact the Commission to
23 file a complaint?

24 A. I was at the Carpenter station one day and
25 they were discussing it, and there were complaint forms

1 laying on the counter.

2 Q. And who was there at the Carpenter station at
3 that time when they were discussing complaint forms?

4 A. Oh, I don't even remember who was there.

5 Q. Anybody from the Commission or Commission
6 staff there, or was the complaint forms like there?

7 A. No, I imagine I talked to somebody about it.
8 The complaint forms were laying there, and they showed
9 me the form and said, you know, if you're having a
10 problem, this is what you can do.

11 Q. So when you saw the form there at the gas
12 station, you filled it out and send it in; is that
13 right?

14 A. Yes.

15 Q. You hadn't complained before someone left the
16 forms; is that correct?

17 A. I had called to the service number at U S
18 West a time or two before that trying to get
19 information. I talked to people. I know I talked to
20 someone in either Sioux Falls or Des Moines, and I
21 somehow got switched to somebody in Denver, and they
22 switched me back somewhere else, trying to get a handle
23 on why we couldn't get the Internet. And I really
24 didn't get anything for an answer other than it should
25 work.

1 Q. On your voice line have you -- you haven't
2 had any problems with the voice line, the lines that
3 have gone into your home, have you?

4 A. Nothing major.

5 Q. So your basic complaint, as I understand it,
6 you want access to the Internet to run your computer
7 and to also help with your business; is that correct?

8 A. Right.

9 MR. WELK: No thanks. I have nothing
10 further.

11 MS. WIEST: Miss Cremer.

12 CROSS-EXAMINATION

13 BY MS. CREMER:

14 Q. Mr. Waldner, when you said nothing major with
15 your phone lines, what --

16 A. Oh, occasionally you get a bad connection or
17 something. And usually if I get a bad connection,
18 we'll hang up and dial again and it's fine.

19 Q. What do you mean a bad connection? You can't
20 hear, or that screeching noise they're talking about?

21 A. Oh, yeah, there's a lot of static or
22 something on the lines and it isn't very audible.

23 Q. Do you have a hard time hearing people
24 sometimes when they call you?

25 A. Not usually.

1 Q. Okay. But sometimes?

2 A. Occasionally, rarely, you know.

3 Q. Would you agree with me that you need voice
4 grade quality for your home business, your insurance
5 business, you need a voice, great quality phone line?

6 A. Yes.

7 Q. Have you ever -- where is the nearest law
8 enforcement for you?

9 A. It would be Clark.

10 Q. Same thing?

11 A. Yeah.

12 Q. And as Crystal told us earlier, is the fire
13 and medical out of Willow Lake?

14 A. Yes.

15 Q. Have you ever had any problems reaching any
16 of those entities due to an outage or a bad phone line?

17 A. No.

18 Q. You mentioned the educational benefits.
19 Where do your children go to school?

20 A. They go to school at Willow Lake.

21 Q. What sort of computer capabilities do they
22 have at school there?

23 A. They just built a new building, and in that
24 building is a computer lab where they can get on the
25 Internet and really do all sorts of things from there.

1 Q. Are your children ever assigned homework or
2 given a problem to do or something that involves using
3 the Internet?

4 A. Well, not really because they know we can't
5 get it out there so, you know.

6 Q. Are your children at a disadvantage then in
7 Carpenter not having access to the Internet as compared
8 to the other children at Willow Lake?

9 A. I would say so.

10 Q. In order for your children to use that
11 computer, would you have to travel back to Willow Lake,
12 or can they only use that during the day?

13 A. I guess I don't know if it's -- I would think
14 it would be available in the evenings, too, but I don't
15 know that whether it is or not.

16 Q. But it would be more convenient for you to
17 have the Internet in your home?

18 A. Oh, definitely.

19 Q. And that was your purpose in getting the
20 second line?

21 A. Yeah.

22 Q. Have you ever had any outages occur? Phone
23 going out?

24 A. Oh, yes. I guess probably the last major one
25 was during the blizzard or ice storm in the fall of,

1 would that have been '96?

2 Q. Right. And have you ever had outages that to
3 your knowledge didn't occur because of the weather?

4 A. None that I can think of.

5 Q. Okay. How many years has this been going on
6 with the line noise and the outages?

7 A. Well, I guess I have a little hard time, you
8 know. I guess it's been something that I've put up
9 with, but yet as far as a major distraction, it isn't.
10 I can't answer you how many years, I guess.

11 Q. Has it been more than just when you filed
12 your complaint in January, since January of '98? Has
13 it been going on longer than that?

14 A. Well, I guess the only thing I was really
15 complaining about was the Internet access.

16 Q. Okay. And you're willing to live with your
17 voice grade service? I shouldn't say that. You
18 believe that your voice grade service needs to be
19 better than it currently is, though?

20 A. Yeah.

21 Q. Okay. How long have you lived in Carpenter?

22 A. Well, since '83. I grew up there, but I was
23 aware for a few years.

24 Q. And have you had a phone in your home since
25 1983?

1 A. Yes.

2 Q. And have you paid your phone bill on a
3 regular basis?

4 A. Yes.

5 Q. Now, you said earlier you weren't real sure
6 what you paid for a phone service each month. Do you
7 believe you're paying now more now than you did ten
8 years ago?

9 A. That's pretty hard to say because I've
10 increased my phone usage an awful lot just in the last
11 few years. I don't know.

12 Q. Are you getting any more services than you
13 were ten years ago?

14 A. No.

15 Q. And so what is it that you would like the
16 Commission to order here?

17 A. I would just like to see our phone system be
18 upgraded to handle the Internet and also the digital
19 transfer of information that we're going to need.

20 Q. Okay. And the voice grade that you talked
21 about before, the noise and that?

22 A. Yeah.

23 Q. If the Commission were to order that, would
24 that accommodate your needs for both economic
25 development and the educational benefits for your

1 children?

2 A. Yes.

3 MS. CREMER: That's all I'd have.

4 MS. WIEST: Commissioners, any questions?
5 Any further questions?

6 MR. WELK: Yes, I do.

7 RECROSS-EXAMINATION

8 BY MR. WELK:

9 Q. I got kind of lost through this questioning.
10 Have you ever reported a trouble on your line on voice
11 grade to U S West?

12 A. No, I never reported any trouble.

13 Q. So you're just answering your questions. You
14 would like to have it better, but you've never to the
15 day of this hearing made one report on the voice grade
16 quality of your phone, have you, sir?

17 A. No.

18 MR. WELK: I have nothing further.

19 MS. WIEST: Any more questions?

20 COMMISSIONER SCHOENFELDER: I'm going to ask
21 him where do your children go to school?

22 A. Willow Lake.

23 COMMISSIONER SCHOENFELDER: Where is the
24 James Valley School from your area?

25 A. Right now it's in Huron.

1 children?

2 A. Yes.

3 MS. CREMER: That's all I'd have.

4 MS. WIEST: Commissioners, any questions?
5 Any further questions?

6 MR. WELK: Yes, I do.

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21 him where do your children go to school?

22 A. Willow Lake.

23 COMMISSIONER SCHOENFELDER: Where is the
24 James Valley School from your area?

25 A. Right now it's in Huron.

1 COMMISSIONER SCHOENFELDER: They've moved it
2 there?

3 A. Yeah.

4 COMMISSIONER SCHOENFELDER: But that facility
5 was where then?

6 A. That facility was -- well, it's about what,
7 12, 14 miles out of here, so -- and we're 33 miles from
8 Huron.

9 COMMISSIONER SCHOENFELDER: Thank you.

10 MS. WIEST: Any other questions of this
11 witness? Okay. (Witness excused.) Are there any more
12 witnesses for TC98-008?

13 MS. CREMER: No, I don't believe so.

14 MS. WIEST: Let's go to TC98-009. Dick
15 Glanzer.

16 **DICK GLANZER,**
17 called as a witness, being first duly sworn,
18 was examined and testified as follows:

19 DIRECT EXAMINATION

20 MS. WIEST: Just state your name and address
21 and explain your complaint.

22 MR. GLANZER: My name is Dick Glanzer. HCR
23 1, Box 8, Carpenter. Just to save time, I basically
24 have the same complaint Mr. Waldner did. I attempted
25 to get on the Internet and failed, and I have the same

1 COMMISSIONER SCHOENFELDER: They've moved it
2 there?

3 A. Yeah.

4 COMMISSIONER SCHOENFELDER: But that facility
5 was where then?

6 A. That facility was -- well, it's about what,
7 12, 14 miles out of here, so -- and we're 33 miles from
8 Huron.

9 COMMISSIONER SCHOENFELDER: Thank you.

10 MS. WIEST: Any other questions of this
11 witness? Okay. (Witness excused.) Are there any more
12 witnesses for TC98-008?

13 MS. CREMER: No, I don't believe so.

14 MS. WIEST: Let's go to TC98-009. Dick
15 Glanzer.

16 **DICK GLANZER,**
17 called as a witness, being first duly sworn,
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19 DIRECT EXAMINATION

20 MS. WIEST: Just state your name and address
21 and explain your complaint.

22 MR. GLANZER: My name is Dick Glanzer. HCR
23 1, Box 8, Carpenter. Just to save time, I basically
24 have the same complaint Mr. Waldner did. I attempted
25 to get on the Internet and failed, and I have the same

1 problems.

2 MS. WIEST: Anything else?

3 MR. GLANZER: No.

4 MS. WIEST: Thank you. Mr. Welk?

5 MR. WELK: Yes.

6 CROSS-EXAMINATION

7 BY MR. WELK:

8 Q. Good afternoon, Mr. Glanzer. Can you tell
9 the Commission where you live in relation to the town
10 of Carpenter and probably give us a proximity to where
11 Mr. Waldner is?

12 A. I'm a mile and a half north and a mile and
13 three-quarters west of Carpenter.

14 Q. And do you have any business? How many
15 telephone lines do you have coming to your place?

16 A. Lines? Just one line.

17 Q. And you use that -- do you run a business out
18 of there?

19 A. I have a part-time mechanic shop business on
20 the farm, yes.

21 Q. So that's your business and your residential
22 phone? You use one phone?

23 A. Right, right.

24 Q. Now, you're on the board of directors of the
25 elevator as well?

1 A. Yes, sir.

2 Q. And is there any family relationship between
3 any of the complainants here with Waldners and Glanzers
4 and Madsens you're aware of?

5 A. No, there isn't.

6 Q. That just happened to be several affiliated
7 with the elevator?

8 A. Yeah, yeah, right.

9 Q. You don't farm in the area then?

10 A. Yes, I do. My mechanic is part-time.

11 Q. So you farm and have a part-time mechanic
12 business?

13 A. Right.

14 Q. And have you ever made any complaints on your
15 voice grade service on your line?

16 A. On the voice grade service, no, not that I
17 can recall.

18 MR. WELK: Thank you.

19 MS. WIEST: Miss Cremer?

20 CROSS-EXAMINATION

21 BY MS. CREMER:

22 Q. Well, you think you may be getting off but
23 you're not getting off that easy without telling us
24 about your complaint. In your complaint that you list
25 you tried to get on the Internet with two different

1 providers. Can you tell us about your experience with
2 that?

3 A. We attempted to get on the Internet with
4 Santel Internet last fall. After I would say at least
5 a week or maybe longer, we gave up between the phone
6 calls back and forth between Santel and us. It just
7 wasn't going to work. The phone lines wouldn't handle
8 it. We really wanted to get on the Internet, so we
9 tried another company Basic Net here out of Huron.
10 Called them, told them what our first problem was. And
11 they said, "Oh, gee, we have no problem. We've never
12 had any problem before. We'll get you connected." It
13 was the same thing. We tried for several days, and it
14 never did work.

15 We wound up loading up our computer, bringing
16 it down here to Huron to the Basic Net office. They
17 plugged it in, worked fine. They got on the Internet
18 and went wherever they wanted to. Took it back home
19 and hooked it back up and it didn't work. So their
20 conclusion was you have to call the phone company. You
21 got something wrong with your phone lines.

22 A service man came out after I had called and
23 reported the problem. He checked the lines and his
24 little box. He had said that according to U S West
25 specifications, everything was up to grade. That U S

1 West would not guarantee a baud rate over 1,200 and
2 that's probably why you're not getting connected. We
3 also made a phone call to a gentleman that works on
4 computers installing software and hardware and such.
5 He came out, tried his best, and to no avail. We never
6 did get connected, not once. Several attempts with
7 both companies.

8 Q. Have you tried to get Caller ID?

9 A. No, I never tried it.

10 Q. Okay. Do you ever have any problems with
11 power outages or your phone going out due to outages?

12 A. Yes. Our phone will go out when the power is
13 off for an amount of time.

14 Q. And has it ever gone out other than when the
15 phone -- other than when the electricity is off, that
16 you know? I understand you don't sit on the phone all
17 day and check to see if it's working or not.

18 A. I can't pinpoint a certain time or date when
19 it has happened. I believe, yes, it probably has.

20 Q. But you don't know day or time, but it has
21 happened in the past?

22 A. Briefly it has happened, yes.

23 Q. From where you live, does law enforcement
24 come out of Clark County?

25 A. Right.

1 Q. And fire and medical would only come out of
2 Willow Lake?

3 A. Right.

4 Q. Where do your children attend school?

5 A. Willow Lake.

6 Q. And do you know, have your children ever been
7 assigned something on the Internet, a homework
8 assignment, research, anything like that?

9 A. Not specifically assigned on the Internet,
10 but I know they've made comments when they come home
11 with school work, they sure wish they were on the
12 Internet so they could have access to the information
13 that's available on it from their experiences of using
14 it in school.

15 Q. Do you, as a parent, do you feel your
16 children are being disadvantaged?

17 A. Yes, I do.

18 Q. Okay. Does anyone in your family suffer from
19 a medical condition that would require reliable phone
20 service?

21 A. No.

22 Q. Would you agree with me that farming is one
23 of the more dangerous occupations?

24 A. It's what they tell me, yes.

25 Q. And access to medical and fire protection is

1 critical?

2 A. Yes.

3 Q. Do you have problems with noise on the line?

4 A. Yes. Occasionally there is either static on
5 the line, or sometimes you can be talking to someone
6 and actually hear another conversation in the
7 background, somebody else talking.

8 Q. And do you listen to that?

9 A. It's pretty hard, it's pretty faint.

10 Q. Do you have any problem -- does the other
11 person ever complain that they can't hear you or you
12 can't hear them very well?

13 A. Sometimes, yes.

14 Q. Do you have any problems with your phone
15 ringing half a ring and then there either not being
16 someone there or you know not to pick up because it's
17 ringing and it's just not going to come through very
18 well?

19 A. Sometimes the phone does ring once and it
20 never rings again, I figured somebody had the wrong
21 number and hung up. I don't know.

22 Q. Have you ever had problems with faxing?

23 A. Personally, no.

24 Q. That was when you included that in your
25 complaint that had to do with the elevator?

1 A. On behalf of the elevator, yes.

2 Q. Have you ever contacted U S West about any of
3 these problems?

4 A. Yes. When we tried to hook up on the
5 Internet, I wound up calling U S West, and that's when
6 they sent that service man out that day.

7 Q. But it didn't fix the problem?

8 A. No. Apparently there was no problem. The
9 lines were as good as they were supposed to be
10 according to him.

11 Q. According to the U S West tech?

12 A. Right.

13 Q. Okay. How long have you lived at your
14 address in Carpenter?

15 A. My whole life I've been there.

16 Q. On that farm?

17 A. Yes.

18 Q. You've had a phone out there the whole time?

19 A. As long as I can remember.

20 Q. And you've continued to be current on your
21 phone bill?

22 A. Yes.

23 Q. Do you have any more services now than you
24 did ten years ago?

25 A. No.

1 Q. And are you paying more now than you were ten
2 years ago?

3 A. I guess. I'm not sure. I would imagine the
4 rates have probably increased in the last ten years.

5 Q. That's probably a fair assumption. What is
6 the relief you would like the Commission to order
7 here? What is it you want them to have U S West do?

8 A. Well, whatever it takes upgrading lines,
9 their system, or whatever it involves, so basically I
10 can have access to the Internet is my biggest concern
11 right now.

12 Q. And if the Commission were to order that,
13 which would -- if you got Internet, you understand that
14 that would also -- if they were to upgrade that, that
15 would clear up the line noise, the outages, all that
16 sort of problem. Would that accommodate your family's
17 needs in terms of convenience and necessity?

18 A. Yes.

19 MR. WELK: I'm going to object. Counsel,
20 that's a misstatement of this witness's testimony. He
21 hasn't said that.

22 MS. CREMER: What part?

23 MR. WELK: All of the outages that you keep
24 talking about and the noise and all that. I'm just
25 going to object. It's a misstatement of the record.

1 MS. WIEST: Overruled. I do have in my notes
2 that he did talk about the noise.

3 Q. If the Commission were to order the relief
4 that you want, would that accommodate your family's
5 needs?

6 A. Yes, yes.

7 MS. CREMER: Thank you. That's all I have.

8 MS. WIEST: Commissioners?

9 CHAIRMAN BURG: I have one quick one. You
10 indicate in your complaint that you've had power
11 outages that you also lose your telephone. Have you
12 ever checked as to why that occurs?

13 A. It's only just understanding that I've had
14 hearsay. I'm not exactly sure why it happens, no.

15 CHAIRMAN BURG: In other words, how long is
16 the power out before you lose telephone? Same time?

17 A. No, not exactly the same time. It takes time
18 before it does go out. If the electricity just
19 flickers for a just few minutes, no, we will keep our
20 phone for I don't know how much time.

21 CHAIRMAN BURG: Have you had that happen
22 actually?

23 A. That the phone has went dead because of the
24 power going out?

25 CHAIRMAN BURG: Right.

1 A. Well, yes. When we had that big ice storm in
2 October, a year ago last fall.

3 CHAIRMAN BURG: How long were you out of
4 electricity at that time?

5 A. I think we were off at the farm for like six
6 days.

7 CHAIRMAN BURG: Do you know how long you were
8 out of telephone?

9 A. No. Because in the first days' time when we
10 were without power, I know we lost our phone, and we
11 took our cellular phone in the house and used it. We
12 never bothered to check the phone on the wall to see if
13 it did come back on later on in time or not. We had a
14 cellular phone to use.

15 CHAIRMAN BURG: How did you charge that up?
16 In your vehicle?

17 A. Yes.

18 CHAIRMAN BURG: Thank you. That's all I
19 have.

20 CHAIRMAN BURG: Any more questions? Thank
21 you. (Witness excused.) I believe we can go to the
22 next complainant, TC98-010. Regan Glanzer.

23 **REGAN GLANZER,**

24 called as a witness, being first duly sworn,
25 was examined and testified as follows:

DIRECT EXAMINATION

1
2 BY MR. GLANZER: Regan Glanzer, 41530 191st
3 Street. I guess my complaint is I stated I wanted the
4 Caller ID because I'm the only one in the household
5 that ever answered the phone. And if a machine doesn't
6 work, the answering machine doesn't work, then I like
7 to have the Caller ID for a backup. And I called to
8 get it and they said, "Yeah, you can get it. It's
9 available there." And they sent it out, and I hooked
10 it up, and it wouldn't work. So I called back in and
11 they said, "Well, it should work. You have it hooked
12 up wrong." Well, I hooked it up every way possible and
13 it still wouldn't work. And after talking to three or
14 four people, they said it won't work there. I guess
15 we'll put it away until the time comes when it will. I
16 guess that's my biggest complaint, along with these
17 other guys, what they said.

18 MS. WIEST: Anything further? Mr. Welk.

19 MR. WELK: Good afternoon.

CROSS-EXAMINATION

20
21 BY MR. WELK:

22 Q. Are you any relation to Dick?

23 A. Third cousin.

24 Q. Kind of like me and Lawrence Welk. Regan,
25 where do you live in relation to the town of Carpenter?

1 A. One mile south and one quarter east.

2 Q. What kind of telephone lines do you have to
3 your place?

4 A. Just one line coming in.

5 Q. Are you a farmer?

6 A. Yeah.

7 Q. And that's your principal business?

8 A. Yes.

9 Q. Do you know what you pay at a local rate?

10 A. Not right offhand I don't know.

11 Q. And have you ever had any problems with the
12 voice grade quality service that you have?

13 A. Not to speak of. It will go out of order, a
14 mouse trouble once, but when the electricity goes off,
15 it will go out

16 Q. Did you ever make a trouble report to U S
17 West?

18 A. I have. And there's been times when you talk
19 to your neighbor in Carpenter, seen him in Carpenter,
20 called in cell phone, they've already called it in.

21 Q. So how many times have you called U S West to
22 report trouble on your quality service?

23 A. I don't know.

24 Q. Other than the indication you couldn't get
25 Caller ID, do you have any recollection?

1 A. I have no idea for sure how many times I
2 called that it was out of order.

3 Q. Once or twice in the last couple years?

4 A. Could be.

5 Q. And you called about the mouse. Anything
6 else you called about?

7 A. No, not that I recall.

8 Q. Now, how did you come to file your complaint
9 in this action with the Commission?

10 A. I got the complaint form in Carpenter, Cenex.

11 Q. It was laying in the gas station?

12 A. Yeah.

13 Q. Did you ever have any conversation with
14 Mr. Wegman?

15 A. No.

16 Q. So it was just laying on the gas station and
17 you filled it out and sent it in?

18 A. Yes. I talked to Mike Madsen about it, and
19 he explained what it was to complain about the Caller
20 ID because I mentioned I would like to have it.

21 Q. So you picked it up at the gas station,
22 filled out and sent it in?

23 A. They did.

24 Q. Who did?

25 A. I'm not sure who took it out.

1 Q. Did you have any conversation about your
2 Caller ID complaint?

3 A. Just to U S West.

4 MR. WELK: I have nothing further.

5 MS. WIEST: Miss Cremer?

6 MS. CREMER: Thank you.

7 CROSS-EXAMINATION

8 BY MS. CREMER:

9 Q. Mr. Glanzer, has your phone line ever failed
10 to work other than due to that power outage in the fall
11 of '96?

12 A. There's been other times the electricity went
13 off and the phone didn't work either.

14 Q. Has there been any other times when the
15 electricity was working and your phone didn't work?

16 A. Didn't work?

17 Q. Did not work.

18 A. Yes.

19 Q. Do you have any idea why that would be?

20 A. No, I don't.

21 Q. Do you have noise on your line?

22 A. Not to speak of.

23 Q. Do you have static or double-talk?

24 A. Not that I can think of offhand.

25 Q. Do you ever have trouble hearing people on

1 the other line, or them complaining that they can't
2 hear you?

3 A. At times.

4 Q. And where you live, where would you get law
5 enforcement from?

6 A. Well, I'm in Beadle County, so I suppose
7 Huron or Clark I could call. Fire from Willow Lake.

8 Q. And law enforcement, Beadle, fire from Willow
9 Lake. What about ambulance?

10 A. Willow Lake or Huron.

11 Q. Have you ever had a need to call any of those
12 entities?

13 A. Yes.

14 Q. Did you say you were a farmer also?

15 A. Yes.

16 Q. You would agree with Dick Glanzer that's one
17 of the more dangerous professions?

18 A. Yes.

19 Q. Do you know how many years you've had
20 problems with noise on the line? Is it something you
21 just grew up with?

22 A. I've been on the farm for 36 years, so I mean
23 there's been times the phone didn't work, and ever
24 since growing up I can remember.

25 Q. Did you ever try -- you never tried to get

1 the Internet, did you?

2 A. No, I didn't.

3 Q. You said you've lived at that same place for
4 36 years. And you've had a phone in that place that
5 whole time?

6 A. Yes.

7 Q. And are you current on your phone bill?

8 A. Yes.

9 Q. And have you been current?

10 A. Yes.

11 Q. Do you have any idea what you're paying for
12 phone services right now?

13 A. Not really, no.

14 Q. Do you know is it more than you were paying
15 ten years ago?

16 A. I would imagine.

17 Q. Are you getting any more services than you
18 were ten years ago?

19 A. I do have that Star 69.

20 Q. Okay.

21 A. That's probably about it.

22 Q. That's about it? What is it you would like
23 the Commission to order here?

24 A. Well, to update the lines. And I would like
25 to get that Caller ID, I guess.

1 Q. Clear up the noise on the line?

2 A. Yes.

3 Q. And the outages?

4 A. Yes.

5 Q. If the Commission were to order that, would
6 that accommodate your needs and satisfy -- accommodate
7 you and your family's needs?

8 A. Yes.

9 MS. CREMER: Okay. Thank you.

10 MS. WIEST: Commissioners, any questions?

11 Anything further for this witness?

12 MR. WELK: Yes.

13 RE-CROSS-EXAMINATION

14 BY MR. WELK:

15 Q. Sir, did you ever make any trouble report to
16 U S West about any outage or about any noise problem or
17 static?

18 A. Not that I recall. Like I say, when the
19 phone goes out of order, I might have called it in.

20 Q. Anything that you had called in, did U S West
21 fix it in a timely manner?

22 A. For the most part, yes.

23 MR. WELK: I have nothing further.

24 MS. WIEST: Thank you. (Witness excused.)

25 We'll go to TC98-011. Mike Madsen.

1 **MIKE MADSEN,**

2 called as a witness, being first duly sworn,
3 was examined and testified as follows:

4 DIRECT EXAMINATION

5 BY MR. MADSEN: My name is Mike Madsen. I
6 reside at 18609 411th Avenue, in rural Carpenter.

7 MS. WIEST: Can you explain your complaint to
8 the Commission.

9 MR. MADSEN: Well, I am also branch manager
10 at the Carpenter branch, or the Willow Lake Farmers
11 Elevator branch in Carpenter. And I guess with most of
12 the stuff that we have talked about has been gone over
13 already.

14 I guess as far as the phone lines in
15 Carpenter, I deal with the phone lines on a daily basis
16 out there. We do have a lot of voice problems with the
17 phones. When we've had the repairmen come out over the
18 years -- I wouldn't want to say how many times -- I've
19 asked them about it, and a lot of times it seems to me
20 to be from moisture getting in the lines or something
21 like that that we have the problems.

22 When we get lately here now for the last, I
23 don't know, probably last month we were having some
24 problems with the phone lines and we were putting up a
25 new building in Carpenter for our fertilizer shed. And

1 one of the construction guys cut one of the phone
2 lines. And so he got in his vehicle and on his cell
3 phone, called in and made the complaint, or told them,
4 I guess, that he had cut the phone lines. And that was
5 on 2 o'clock on a Tuesday afternoon. I would believe
6 it's probably a week ago yesterday.

7 And we called in -- and he called in and
8 reported that they had cut the lines. It was
9 approximately 3 o'clock the next afternoon when the
10 repairman showed up to fix the line. Upon arriving, he
11 showed up at the office and asked about the line. We
12 went down to the phone, or to where the phone line was
13 severed, and we were talking to him about it. And the
14 guys that were digging the construction site, they had
15 the lines located and there had been a mark painted on
16 the ground where it was at and they dug in. They only
17 needed to dig in about six to eight inches, and they
18 took their backhoe and they made the first swipe, which
19 was approximately four to five inches and they severed
20 the phone line. So the phone line was not very deep in
21 the ground.

22 And the telephone repairman that was there at
23 the time -- I didn't get his name -- said that there
24 would not be any charge to fix the line because the
25 line was not buried deep enough. And at that time I

1 had asked him, you know, about the double-talk and
2 stuff we have been getting. And a lot of times he said
3 the double-talk and things like that were caused by the
4 moisture in the line or weather-related from, you know,
5 the moisture that we've had.

6 And other than that, I guess we do have
7 problems once in a while with the phone like the other
8 people have said. We'll get one full ring, or we'll
9 get sometimes even a half a ring and that's about it.
10 But when you do, if we're right by the phone and you
11 pick it up, you can answer the phone and carry on a
12 conversation. I mean the people are there. It's just
13 that the phone doesn't ever give a full ring.

14 And as far as at home, in the complaint that
15 I filed at home, we do have problems with the phones
16 going out. A lot of it, yes, has been weather
17 related. As far as the voice part of it, I also asked
18 the repairman that was in Carpenter that day why it was
19 sometimes when we would -- when somebody would call in,
20 why do we -- it sounds like -- sometimes sounds like
21 they're talking in a tin can. And he kind of referred
22 back to that as being the same thing as a moisture
23 problem or moisture in the lines or something to that
24 effect.

25 As far as getting on the Internet, I

1 personally haven't tried to get on the Internet yet.
2 I've talked to some private individuals that service
3 the Internet deal, and they have also told me that
4 they've had little luck in our area of having anybody
5 being able to access the Internet. And as far as
6 Caller ID, one of my family members received Caller ID
7 for Christmas and they hooked it up according to the
8 instructions and stuff and we could never get
9 anything. I mean it wouldn't even show first digit of
10 a number or anything.

11 MS. WIEST: Anything else?

12 MR. MADSEN: Nope.

13 CHAIRMAN BURG: Mr. Welk.

14 MR. WELK: Thank you.

15 CROSS-EXAMINATION

16 BY MR. WELK:

17 Q. Good afternoon, Mr. Madsen. You said you
18 were the manager of the Willow Lake Elevator in
19 Carpenter?

20 A. Right.

21 Q. And you've filed a complaint also in your
22 personal capacity; is that right?

23 A. Yes.

24 Q. And just for the Commission's information,
25 where do you live relative to the town of Carpenter,

1 your personal residence?

2 A. Probably the easiest way to go would be a
3 half mile south back to Highway 28, four miles west to
4 the Yale road, and then three and three quarters mile
5 north on the west side of the road.

6 Q. And is your principal occupation the manager
7 at the elevator, or do you also farm?

8 A. I do a little bit of farming on the side,
9 yeah.

10 Q. In your personal residence what type of
11 telephone service do you have?

12 A. We just have one line coming in.

13 Q. Have you asked to put a second line in?

14 A. When we had the -- when we first moved our
15 house in -- I have to think a minute -- in '86, I
16 believe, when we first called, we were living in a farm
17 place about two miles straight south of where we are
18 right now. And at that time when I had called the
19 telephone company to have to find out about moving our
20 phone from that place up and being able to keep the
21 same number and all that, the guy said that that would
22 be the only way we would be able to do it because there
23 was at that time no other lines available. And I
24 didn't understand at that time, I guess, what he
25 meant. But he said that that was the other -- that

1 would be the way we would get it is that line would be
2 brought out. It was my understanding that there
3 wasn't, unless somebody moved or something, there
4 wasn't another access.

5 Q. Have you ever asked to get a second line at
6 your farm?

7 A. Not at the new one we're at now, no.

8 Q. The line that you're talking about the
9 scratchiness, have you ever made a report to U S West?

10 A. To the repairmen that have been out there.
11 There was a repairman that come out from Huron. I
12 believe his name was Pat Coyle.

13 Q. When did you make that report?

14 A. That would have been probably, I don't know,
15 it's been like '87 or '88 right after we had moved in
16 because --

17 Q. Ten years ago, you're saying?

18 A. Yeah, the first time. And I asked him how
19 come the phone lines were so scratchy. He's the one
20 that put it in. And he came out and checked on it, and
21 he went down to the little box and did some stuff and
22 it cleared it up. And as far as talking to the
23 repairmen that have come to Carpenter, you know, out
24 fixing various problems and speaking with them about
25 why it did that, and a lot of times I guess they told

1 me it was moisture in the lines or had a lot to do with
2 the weather.

3 Q. But you've had these informal conversations
4 and then that you described also when the wire got cut?

5 A. Right, mostly with the repairmen.

6 Q. But have you ever made any formal trouble
7 report since the one ten years ago on your personal
8 line?

9 A. No.

10 MR. WELK: No further questions.

11 MS. WIEST: Miss Cremer.

12 MS. CREMER: Thank you.

13 CROSS-EXAMINATION

14 BY MS. CREMER:

15 Q. And I was keeping notes but maybe not that
16 good. Did you say you could hear others talking on
17 your phone?

18 A. Yes, especially the business phone.

19 Q. And what about at your residence?

20 A. I'm not really around home that much. I'm
21 not on the phone. The wife has mentioned several times
22 that they've been really scratchy and things like that.

23 Q. Okay. When that phone line went out for that
24 25-hour period, who was all without service?

25 A. It affected the one side of the street.

1 Q. And who would that all be?

2 A. That would have been the Post Office and the
3 Cenex.

4 Q. And the Cenex, is that just the gas station
5 or that's the fertilizer?

6 A. The fertilizer shed, the Post Office. We've
7 got a building in between the Post Office and the main
8 office that is my CPS, crop production specialist,
9 office and our main office.

10 Q. So all those offices went without service for
11 25 hours; is that correct? Is that what you're telling
12 us?

13 A. That's correct.

14 Q. During the week?

15 A. Yes.

16 Q. Did you lose money?

17 A. Definitely.

18 Q. Do you have an idea how much?

19 A. Right offhand it would be hard to say. I
20 would say in Carpenter we probably average -- well, we
21 do 2.2 million dollars of business in Carpenter a
22 year. So if you divide that by the 300 days a year
23 that you're open would be an approximate guess.

24 Q. Okay. I'll let somebody do the math on that
25 later.

1 A. A lot of people -- we do have 800 number
2 access to Willow Lake so people do call Willow Lake to
3 find out what the phone problem was. And then we do
4 have two-way radio contact so they could call us if
5 there was an emergency. But a lot of people, you know,
6 had stopped by. In a local community like that if they
7 can't get you on the phone, most of them come through
8 town or whatever and they'll stop to find out what the
9 problem is.

10 Q. Okay. As manager of Willow Lake Elevator --
11 well, let me talk about your residence first. Where
12 would you get law enforcement out of?

13 A. This gets to be a tricky question. I live in
14 Spink County.

15 Q. Okay.

16 A. So the law enforcement would come out of
17 Redfield, which is long distance. The fire and
18 ambulance comes out of Willow Lake.

19 Q. Where do your children attend school?

20 A. My children go to school in Doland.

21 Q. Do you know do they have Internet access?

22 A. Yes, they do.

23 Q. Have your children ever talked about having
24 assignments in school and working with the Internet?

25 A. My oldest boy is a sixth grader at Doland,

1 and he's come home at night and inquired sometimes
2 rather emphatically that we get on the Internet because
3 they are using it so much in school. But it is my
4 understanding that the teachers really don't -- they
5 kind of make it an option. If you have Internet access
6 at home, you can do some assignments and stuff on the
7 computer. But I don't think that they're graded
8 differently if they don't.

9 Q. Do you feel your children are being
10 disadvantaged from an educational standpoint?

11 A. Yes, I would say so.

12 Q. By not having the ability?

13 A. Uh-huh.

14 Q. You said you've lived at that your current
15 place since eighty--

16 A. Six. From where I'm living right now, Karen,
17 I grew up a quarter mile south. So I've -- from my
18 home farm I've never been two miles in 36 years.

19 Q. At your residence are you current on your
20 phone bill?

21 A. Yes.

22 Q. Do you know how much you pay for a local
23 rate?

24 A. I believe it's right around 15, 16, or
25 something like that.

1 Q. Okay. Do you know how much you were paying
2 ten years ago?

3 A. I was thinking it was like 12 something, but
4 I wouldn't say exactly.

5 Q. Do you have any more services than you did
6 ten years ago?

7 A. No.

8 Q. What relief would you want the Commission to
9 order here?

10 A. I guess from the business standpoint, the
11 ability to be able to, like Miss Grann said when she
12 was giving her testimony, to be able to hook up with
13 the AgriSource out of Minneapolis. We do a lot of crop
14 consulting in our area, and my CPS and I, we send
15 information in in the mail, like the soil tests to
16 AgriSource, and then they in turn evaluate the soil and
17 then on our AgriSource computer they send back the
18 information of the soil test as to what the farmers
19 need for nutrients on their fields. We have been able
20 to get when they have been able to make connection. A
21 lot of times we get a third or two-thirds of the
22 information that's coming back. They'll send us ten
23 soil reports or soil tests and out of the ten w. maybe
24 get four.

25 So I guess what I'm asking is would be to

1 have the lines upgraded so we are able to access the
2 information from AgriSource in terms to further promote
3 business growth and as far as at home to be able to
4 allow us to have the Internet and Caller ID.

5 Q. And at home -- and I may have asked you
6 this. I'm starting to lose track. You said you have
7 had noise on the line?

8 A. Yes.

9 Q. Okay. So you would also like the upgrade to
10 include cleaning up the noise on the line?

11 A. Right.

12 Q. And the double-talk, I think you mentioned
13 the static. Have you ever had an occasion to call for
14 fire?

15 A. Yes.

16 Q. Medical?

17 A. Both.

18 Q. Has that ever been a problem getting ahold of
19 those?

20 A. During one winter storm that we had in last
21 year, the big blizzard of '97, or whatever it was, the
22 phone lines went down. My uncle is 95 years old, still
23 lives at home. He is diabetic. He had fell during the
24 storm, and it was a little bit -- we didn't get down to
25 check on him right away for the fact that of the storm

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2 information from AgriSource in terms to further promote
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4 allow us to have the Internet and Caller ID.

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19 those?

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21 year, the big blizzard of '97, or whatever it was, the
22 phone lines went down. My uncle is 95 years old, still
23 lives at home. He is diabetic. He had fell during the
24 storm, and it was a little bit -- we didn't get down to
25 check on him right away for the fact that of the storm

1 being so bad. He's just a quarter mile south of us.
2 And when we did finally get down there to him, the
3 weather had cleared, we were able to get him to town.
4 But had there been phones at that time we probably
5 would have had to call, yeah.

6 Q. If the Commission were to order the relief
7 that you're requesting, would that accommodate your
8 family's needs?

9 A. Yes.

10 MS. CREMER: Thank you.

11 MS. WIEST: Commissioners, any questions?

12 COMMISSIONER SCHOENFELDER: I have a couple
13 just to clear some things up that I probably didn't
14 understand. You talked about at the business, at the
15 elevator, when an employee cut the phone lines, that
16 was a construction company that cut the phone lines?

17 A. A construction company, yes.

18 COMMISSIONER SCHOENFELDER: What?

19 A. A construction company.

20 COMMISSIONER SCHOENFELDER: They had called
21 for a locate?

22 A. Right, the line had been located. The guy
23 that was doing the digging told me in most areas where
24 they're at the lines are buried 18 inches. I don't
25 know if that's a requirement or anything like that, but

1 they were under, I guess, the assumption of their own
2 if they were only going to go in six or seven inches,
3 that it wouldn't be a problem.

4 COMMISSIONER SCHOENFELDER: Okay. And then
5 you talked about Caller ID and I believe you wanted
6 that at your residence?

7 A. Right.

8 COMMISSIONER SCHOENFELDER: And you said you
9 got Caller ID for a gift, but did you try to order it
10 from U S West? I mean you have to pay for Caller ID.

11 A. Right. They called in for it, and it was my
12 brother that lives on the farm right beside me, and
13 they were unable to get it.

14 COMMISSIONER SCHOENFELDER: Okay. I just
15 want wanted to clear that up that you had called and
16 taken care of that.

17 A. Right.

18 COMMISSIONER SCHOENFELDER: That's it, I
19 think. Thank you.

20 MS. WIEST: Any other questions of this
21 witness? If not, thank you. (Witness excused.)

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

23 MS. WIEST: Let's get started again. I
24 believe we're on TC98-012, Claude Glanzer.

25

1 CLAUDE GLANZER,

2 called as a witness, being first duly sworn,
3 was examined and testified as follows:

4 DIRECT EXAMINATION

5 MS. WIEST: Go ahead state your name and
6 address and explain your complaint, please.

7 MR. CLAUDE GLANZER: I'm Claude Glanzer. I
8 live at 41173 197th Street, Carpenter, South Dakota. I
9 guess my complaint was on the Internet. We tried to
10 hook up the Internet. We couldn't. We tried to hook
11 up the Caller ID, and we had called U S West on that.
12 And they had us check several different things on the
13 ID box. And we called, I think, three times we did;
14 and they said -- this was last April when the flooding
15 was there. They said something about the problem
16 putting a new line across the James River on the
17 bridge. And so we let that go for a few months, tried
18 it again, and got the same results. And we told them
19 we wouldn't get it out here on our lines.

20 And also, I guess, the line quality. We've
21 had the double-talk on the lines. We've had some
22 static that, I guess, with the static and the noisy
23 lines is something I've grown up and didn't pay much
24 attention to that, I guess. And we would -- I guess we
25 would really like the Internet and the Caller ID on the

1 farm with the Internet to pick up the market prices, to
2 just be able to get the E-mail back and forth from
3 different businesses and friends and kids in college.
4 I guess that's the extent of it now.

5 MS. WIEST: Thank you. Mr. Welk.

6 CROSS-EXAMINATION

7 BY MR. WELK:

8 Q. Good afternoon. Can you tell us where you
9 live in relation to Carpenter?

10 A. From Carpenter you go a half mile south to
11 Highway 28, two miles west, take a left, two miles
12 south, and then about a mile and a quarter west again
13 on the south side of the road.

14 Q. Is your principal occupation farming?

15 A. Yes, it is.

16 Q. What type of telephone lines do you have to
17 your residence?

18 A. We have a single residential line.

19 Q. Have you ever -- how long have you lived at
20 that place?

21 A. All my life, 44 years.

22 Q. I wasn't going to ask that. You look like
23 younger than that. Have you ever -- did you ever call
24 in a trouble report to U S West other than the Caller
25 ID situation that you had recently?

1 A. Other than the ID recently, we haven't. We
2 have called in the past phone outages and some static
3 on the line.

4 Q. Did you call and report that?

5 A. Yes.

6 Q. When did you report that?

7 A. Oh, that's been, I don't know, I suppose a
8 few years ago. I'm not sure.

9 Q. Over five years ago?

10 A. It could be.

11 Q. Anybody come out after you reported it five
12 years ago?

13 A. Yes.

14 Q. Was it fixed then?

15 A. Yeah. It happens, you know, not very often.
16 Randomly.

17 Q. But other than that complaint five years ago,
18 that's the last complaint you've had about the voice
19 quality?

20 A. Yes.

21 Q. How did you come to file your complaint in
22 this action? Did you call the Commission?

23 A. No. I've -- in talking with the neighbors
24 around, I heard that there was the process of getting a
25 complaint. I went through the Cenex and asked for a

1 form.

2 Q. These forms must have been sitting at the gas
3 station then?

4 A. I asked me for Mike and the bookkeeper there
5 how to get one.

6 Q. From the Cenex gas station?

7 A. Yes.

8 Q. Have you ever had any conversations about
9 your complaint other than perhaps in the last day or so
10 in preparing your testimony?

11 A. No.

12 Q. Do you know what you pay currently for your
13 residential rate?

14 A. I'm going to guess between 15 and 16 dollars.

15 MR. WELK: Nothing further.

16 MS. WIEST: Miss Cremer.

17 MS. CREMER: Thank you.

18 CROSS-EXAMINATION

19 BY MS. CREMER:

20 Q. Do you have children at home, Mr. Glanzer?

21 A. Yes. I have two boys and a daughter.

22 Q. And where do they go to school?

23 A. I have a senior boy and a freshman girl.

24 They go to James Valley Christian. And my oldest is
25 right now he's working for the Willow Lake Elevator

1 through the semester and the summer to get money for
2 college.

3 Q. Okay. Do they have Internet, do you know, at
4 James Valley?

5 A. Yes.

6 Q. Have your children ever mentioned to you that
7 this would help them? And we're not even talking in
8 terms of using Internet for pleasure purposes, but for
9 educational purposes.

10 A. They've made a comment on writing reports
11 that you can get a lot of stuff off the Internet in
12 school.

13 Q. And they would be allowed to do that at the
14 school, obviously, if they have Internet? They
15 encourage them to use the Internet?

16 A. Yes.

17 Q. Do you think as a parent that your children
18 are being disadvantaged for educational purposes by not
19 having access to the Internet?

20 A. Yes. I think it would be a great advantage
21 if they had it.

22 Q. And what about you mentioned under a little
23 bit for business purposes. Again, discounting the
24 Internet, which is kind of fun to get on and surf, but
25 you want it for business purposes also?

1 A. Yes. I guess the main thing right now would
2 be get the prices on grain. It would save.

3 Q. Goes to your livelihood; is that right?

4 A. Yes.

5 Q. Your economic livelihood? Where do you get
6 law enforcement out of?

7 A. Huron, here in Beadle County.

8 Q. Where would you get fire and medical services
9 from?

10 A. That comes from Willow Lake.

11 Q. Have you ever had an occasion to call any of
12 those entities regarding an emergency?

13 A. Yes, we have called ambulance out.

14 Q. Okay. Did you have any trouble reaching them
15 by phone?

16 A. No.

17 Q. Have you ever had any outages at your house?

18 A. I guess the major one we mentioned earlier
19 during the ice storm. There had been other ones just
20 for a brief period of time.

21 Q. And I'm just curious why don't you ever call
22 every time your phone goes out and every time there's
23 noise and any time there's double-talk or whatever
24 else? Why don't you call U S West?

25 A. Well, I guess a lot times it's just don't

1 want to be a pain in the neck, I guess. It doesn't
2 last, you know, real long.

3 Q. Are you inconvenienced?

4 A. Yes. If you want to use the phone at that
5 time, you have to hang up and try again sometimes. Or,
6 I guess, you know, it's something we've had, I've groan
7 up with.

8 Q. You've just grown up with that type of
9 service?

10 A. A lot of the times, yes.

11 Q. Okay. In your opinion, do you think they
12 have that sort of service in Sioux Falls or Huron?

13 MR. WELK: Objection.

14 MS. CREMER: In his opinion.

15 MR. WELK: What foundation does he have to
16 know what the service is in Sioux Falls? He spent 44
17 years out here.

18 MS. CREMER: I'll ask the question.

19 Q. Have you ever had an occasion to use a phone
20 in anywhere outside of Carpenter?

21 A. Yes.

22 Q. And have you ever experienced the type of
23 problems when using that phone that you do in
24 Carpenter?

25 A. Not that I can recall.

1 Q. So in your opinion, do you think those that
2 live in Sioux Falls and Huron have the same type of
3 problems with their phone that you did?

4 MR. WELK: Objection. Foundation.

5 MS. WIEST: Overruled.

6 A. I guess I don't use the phones that much
7 there to really be able to answer that.

8 Q. Okay. Your complaint, as I understand it, is
9 not that U S West doesn't respond when you do call
10 them. You called them once, and they responded here.
11 That's not the problem here. The problem here is the
12 quality of the phone lines themselves; is that right?

13 A. Yes.

14 Q. It's not the people who come and fix the
15 line; it's the lines themselves; right?

16 A. That's right.

17 Q. Okay. How long have you had your phone in
18 your current residence?

19 A. Since the current residence -- well, I guess
20 we moved a different house on the yard. That was in
21 '91. Before that we've had it since '77.

22 Q. So you have been paying for phone service
23 since 1977; is that right?

24 A. Yes.

25 Q. And you're current on your phone bill?

1 A. Yes.

2 Q. Okay. Oh, you told Mr. Welk that you thought
3 it was between 15 and 16 dollars. Do you know what you
4 were paying ten years ago?

5 A. No, I don't.

6 Q. Are you getting any more services than you
7 were ten years ago?

8 A. No.

9 Q. And what is it you would like the Commission
10 to order?

11 A. I guess I would like to have the phone line
12 upgraded to be able to use the Internet to have the
13 Caller ID, and I guess along with that would have the
14 quality of the voice conversations too.

15 Q. Okay. And if the Commission were to order
16 that, that would accommodate your needs, you and your
17 family's needs?

18 A. Yes, it would.

19 MS. CREMER: That's all I have.

20 MS. WIEST: Commissioners, any questions?

21 CHAIRMAN BURG: I have one. Have you
22 requested -- you indicated in your complaint that you
23 couldn't get a second line. Have you requested a
24 second line?

25 A. No. We were thinking about it when we got --

1 when we tried hook up with the Internet for that, but
2 we couldn't hook up with the Internet, we had no need
3 for it.

4 CHAIRMAN BURG: Is that what you're saying?

5 A. Right.

6 CHAIRMAN BURG: But you don't know whether
7 it's available to you or not?

8 A. No, I don't.

9 CHAIRMAN BURG: That's all I have.

10 MS. WIEST: Any other questions of this
11 witness? If not, thank you. (Witness excused.) We
12 can go to TC98-016. Keith Glanzer.

13 **KEITH GLANZER,**

14 called as a witness, being first duly sworn,
15 was examined and testified as follows:

16 DIRECT EXAMINATION

17 BY MR. KEITH GLANZER: Keith Glanzer. 19464
18 17th Avenue, Carpenter, South Dakota. My farm is seven
19 miles southeast of Carpenter. Farming is my main
20 business. I also have a fuel business and seed
21 business as well. I lived on that farm all my life,
22 which is over 50 years. And like Claude said, you just
23 kind of grow up knowing the phone isn't always going to
24 be crystal clear, and it's usually there when we need
25 it though.

1 And over the years we've had different
2 problems with noise on the line or double-talk. Just
3 here the last couple days in that storm two days ago, I
4 was on the phone and just like that we were cut off.
5 And I just assumed that there was a power outage or
6 something. We didn't lose our phone service, but we
7 were disconnected. And we do experience another voice
8 on the line occasionally.

9 Here a few years here we were having a pretty
10 serious problem. You could actually listen to the
11 people talking and understand them. And we reported
12 that, and they came out and found the problem and fixed
13 that. And it's been good for quite some time, but now
14 again we're experiencing that again. I can hear a
15 second voice on the line when we have conversation.

16 As I noted in my complaint, in '97 we
17 expanded our house on the farm and we upgraded our
18 computer so we could take advantage of the information
19 on the Internet. And when we did that, we found out we
20 couldn't get on line anyway. So we did contact U S
21 West and asked them about that, and they sent a
22 technician out and he checked our line out and said,
23 "You know, it's about as good as you can expect out
24 this far from your switches, and there's really not a
25 whole lot we can do for you." And I guess we just

1 accepted that.

2 We also -- well, I'm a Pioneer sales rep and
3 they migrated us onto laptop computers during this same
4 time, and we spent a couple days getting schooled on
5 that; and brought it home and spent three days with
6 support people trying to get it to work. And they
7 couldn't believe it didn't work, you know. So they had
8 us take it closer to town to some friend's house and we
9 hooked it up there and it worked fine, so it was
10 definitely a line problem.

11 So then we heard about this ISDN line and
12 figured let's try that. We can -- it's worth a try
13 because I don't think seven miles is an option because
14 there was only one line coming in. So we called a U S
15 West person, I guess, in Colorado; and she assured us
16 that, yes, you can get ISDN, no problem. But we didn't
17 hear from them. And to make a long story short, about
18 three months they finally admitted they couldn't serve
19 us with ISDN where we're at. We're just too far out.
20 So that kind of took care of that. And it isn't that
21 we, you know, necessarily wanted to have the -- you
22 know, the other choice was -- it wasn't our first
23 choice, but it was an option we thought.

24 So I guess at this point as far as my Pioneer
25 business, we went back to the fuel system we were

1 using, even though I had a new computer I couldn't
2 utilize. And I had Assist, which is a field
3 information system of wealth and knowledge. I hear
4 other sales reps talking about that I don't have
5 available to me at this time. Like I say, as far as
6 noise on the line, once in a while. That's just
7 something you kind of put up with. But it's for the
8 most part pretty good. There's times you get cut off
9 or something and it's just part of being out that far,
10 I guess.

11 That's pretty common for a caller to say, "I
12 can hardly hear you. Can you speak up a little bit?"
13 So you have put it right up there and talk a little
14 louder. That was a problem. That's all I have for
15 right now.

16 MS. WIEST: Mr. Welk?

17 CROSS-EXAMINATION

18 BY MR. WELK:

19 Q. Good afternoon.

20 A. Hi.

21 Q. The complaint that you filed with the
22 Commission was a written complaint; correct?

23 A. Yes.

24 Q. It was done under oath; correct, signed it
25 before a notary?

1 A. Yes.

2 Q. You didn't mention one word, did you, in your
3 written complaint about any noise problems on your
4 line?

5 A. No, not in that because it was more working
6 with the trying to get on line at that point.

7 Q. Didn't your complaint say, quote, "I would
8 ask the PUC that they would apply pressure to U S West
9 to improve our phone lines so you might have acceptable
10 levels of data transmissions"? Isn't that what you
11 filed with the Commission?

12 A. Uh-huh.

13 Q. Is that correct?

14 A. Yes.

15 Q. Have you ever given a trouble report to U S
16 West about this noise that you described or this
17 double-talk?

18 A. Yes. I referred to that in my presentation
19 here.

20 Q. When did you file that report?

21 A. That's probably been back a few years, in the
22 last five years.

23 Q. One report in the last five years?

24 A. I can't say just one. I know they did come
25 out and fix it then. But we did call them. We had

1 trouble now and they were out checking our lines again,
2 so we've reported it more than once.

3 Q. How many reports have you made in the last
4 three years?

5 A. I wouldn't want to say.

6 Q. But in the last three years have you reported
7 any of the noise on the line that you talked about
8 today?

9 A. Probably double-talk.

10 Q. You reported that in the last three years?

11 A. Like I say, you know, time goes pretty fast,
12 but I know we had a serious problem with that, I'd
13 guess, in the last three years, yeah.

14 Q. What about in the last two years, have you
15 made any reports like that?

16 A. Not on the double-talk. It's happened now
17 but you just put up with it, I mean, as far as they
18 can't do a lot about it so you just accept some of
19 those things. If we had crystal clear phone lines all
20 the time, we probably would call on it.

21 Q. And you don't have any problem with the
22 people that have come out and serviced you?

23 A. The technicians?

24 Q. Right.

25 A. Oh, no, very nice.

1 Q. How did you fill out your complaint form?
2 Did you call the Commission, or did you pick it up at
3 the Cenex like the rest of the people?

4 A. I talked to the Commission a couple times.
5 Actually, we were in the process of our problems here
6 working through them kind of, not aware of the Cenex,
7 but they had them working on the doing the same thing
8 from two different.

9 Q. So you filed a separate complaint?

10 A. Yes. I mailed mine in separately.

11 Q. And you didn't -- who did you talk with at
12 the Commission about?

13 A. Oh, let's see, yesterday was the first time I
14 had met Steve up in Carpenter. Maybe Leni? Is there a
15 Leni?

16 Q. Leni Healy, consumer complaint person? Is
17 that the person you spoke with?

18 A. Yeah. When I was also out there when the
19 rest of the group presented their complaints, but mine
20 was there but hadn't been filed yet so that's why.

21 Q. You were the other guy that hadn't quite
22 filed theirs?

23 A. That's right.

24 Q. So you were one of the last complaints?

25 A. Probably. That's why, like I say, my deal

1 was kind of separate from theirs.

2 Q. How many lines do you have in your place?

3 A. We just have one.

4 Q. Have you ever asked for a second line?

5 A. Yeah, we did. That's when we pursued this
6 ISDN line.

7 Q. Do you know what the rate is? You pay a
8 business rate or residential rate?

9 A. I know our phone bill for a year runs about
10 \$1,200 a year, but actually --

11 Q. Basic rate is you don't know?

12 A. 20 something maybe. I'm just guessing.

13 Q. You don't know?

14 A. I don't know.

15 MR. WELK: No thanks. I have nothing
16 further.

17 MS. WIEST: Miss Cremer?

18 MS. CREMER: Thank you.

19 CROSS-EXAMINATION

20 BY MS. CREMER:

21 Q. Where is law enforcement? Where do you get
22 law enforcement out of this?

23 A. That would be Huron.

24 Q. Are you in Beadle County?

25 A. Yes, in the corner of Beadle County.

1 Q. And what about fire and ambulance?

2 A. That comes out of Willow Lake.

3 Q. And have you ever had an occasion to call any
4 of those entities?

5 A. Fire years ago. Ambulance, not in recent
6 years.

7 Q. Have you ever had any -- and I don't remember
8 now has your current line -- you said the other day
9 during the storm it just quit working, or you were
10 disconnected?

11 A. Right. We were having a conversation and it
12 just clicked. We were done.

13 Q. Has there ever been an occasion when you
14 can't attribute it to weather that you know about?

15 A. I'd have to say that hasn't happened often.
16 The other night it did ring once, just kind of a half
17 ring and quit.

18 Q. Does it do that a lot?

19 A. I wouldn't say a lot.

20 Q. Do you have children at home?

21 A. No, we don't. We have children. We like to
22 commute with E-mail, you know.

23 Q. Right.

24 A. I know we have -- when the kids come home
25 they can't believe how slow our computer system is with

1 trying to get E-mail with that compared to where
2 they're at.

3 Q. Where are they at?

4 A. I have a son that's in Woonsocket. He's on
5 Santel. And a daughter is in Iowa.

6 Q. So the Internet, that's for business
7 purposes; is that right?

8 A. Basically that's what I use it for.

9 Q. That's what you would want to use it for?

10 A. I have with my business with Pioneer, it's
11 all done with the computer on phone lines and phone
12 modems. So, you know, when I have orders to send in,
13 that's all done on the modem on the phone.

14 Q. Okay. So you require reliable phone lines
15 for your economic livelihood?

16 A. Absolutely. When you're 30 miles out, you do
17 a lot more stuff on the phone than if you could run
18 across the street and do it.

19 Q. How long have you lived in Carpenter?

20 A. I've been on the place where I'm at for 50
21 years.

22 Q. And have you had a phone? Paid for a phone
23 out there?

24 A. The same phone has been there all the time.
25 We've never been late on a phone bill.

1 Q. Okay. Do you know are you getting any more
2 services than you did ten years ago?

3 A. I would have to say not. We don't -- you
4 know, we don't have Caller ID or any of that stuff.
5 You know, I can call my son, and he'll say, "Hello,
6 Dad." He knows I'm calling before he picks up with
7 Caller ID.

8 Q. Do you know are you paying more for your
9 phone than you were ten years ago for local service?

10 A. I've never really checked that out. I assume
11 we are because everything else goes up, but it's not a
12 big issue.

13 Q. Okay. What relief would you like the
14 Commission to order?

15 A. Well, I guess I'd just like to see our phone
16 lines updated. I mean there aren't any of us farming
17 with equipment as probably as old as our phone lines
18 are. We're living in a day and age where technology is
19 where it's at in communication; and, you know, to have
20 phone lines that don't handle what we want them to do,
21 it's just in this day and age is just pretty poor.

22 Q. So if the Commission were to order what you
23 have asked for, would that accommodate your business
24 and family needs?

25 A. Yes, it would.

1 MS. CREMER: That's all I'd have.

2 MS. WIEST: Commissioners?

3 CHAIRMAN BURG: Is there a -- what percentage
4 of your business, is your seed business? Is that a
5 large percent?

6 A. I would call it a sideline. My farming is my
7 main business.

8 CHAIRMAN BURG: And what kind of services is
9 this Pioneer offering that you can offer your customers
10 that you would use the computer for?

11 A. Well, with this new system there's a wealth
12 of knowledge on there. You could, you know, answer any
13 question that a customer might have.

14 CHAIRMAN BURG: Are your customers depending
15 on you for that service?

16 A. I think they will more and more as that
17 becomes available, yeah. You know, with all these new
18 technologies, it's almost full-time job keeping up
19 with, you know, the new hybrids and the new technology,
20 and that.

21 CHAIRMAN BURG: So do you have a laptop now,
22 you say?

23 A. No. I sent that back. I have a PC. The
24 laptop was run on 9,600 bauds, or bytes, whatever, and
25 we run on 45. That's maximum.

1 CHAIRMAN BURG: Did you say the Pioneer
2 Company furnished you with a laptop as part of the
3 service or not?

4 A. I would have to pay a lease on that. But
5 they were encouraging it. They wanted us to have it.

6 CHAIRMAN BURG: And if the telecommunications
7 was updated where you could do that, would you get one
8 then?

9 A. I already had it and I sent it back because
10 it wouldn't work. All the other reps in the area have
11 one.

12 CHAIRMAN BURG: That's all I have.

13 MS. WIEST: Any other questions?

14 COMMISSIONER SCHOENFELDER: But you do have
15 some kind of Internet service now where you do have a
16 computer on line? You said it was slow?

17 A. Just E-mail. We can't get on line but we can
18 do E-mail if you're patient enough.

19 MS. WIEST: Any other questions of this
20 witness? Thank you. (Witness excused.) Any other
21 witnesses for the complainants?

22 MS. CREMER: Is Bob Syring here? He was
23 going to speak to the education and that. He had an
24 eye appointment.

25 MS. WIEST: Any other witnesses for the

1 company?

2 MS. CREMER: Can I just call him out of
3 order?

4 MS. WIEST: That should be fine. Mr. Welk.

5 MR. WELK: Do you want us to start calling
6 our witnesses? We call Mr. Wegman, Steve Wegman.

7 STEVEN WEGMAN,

8 called as a witness, being first duly sworn,
9 was examined and testified as follows:

10 DIRECT EXAMINATION

11 BY MR. WELK:

12 Q. Would you please state your name.

13 A. Steven Wegman.

14 Q. And, Mr. Wegman, are you a member of the
15 Public Utilities Commission staff?

16 A. That's correct.

17 Q. And what is your educational background?

18 A. South Dakota State University and a few
19 classes and a variety of different technical workshops
20 put on by Bell Corp Industry Groups, Department of
21 Energy. I didn't bring my full resume with me.

22 Q. Did you have a degree from South Dakota
23 State?

24 A. No, I didn't.

25 Q. The technical conferences that you have

1 attended, what type of information have you learned,
2 Mr. Wegman, at those conferences?

3 A. Basically with the computing networks,
4 interconnections with wireless, wire type telephone
5 connections, basics of telephony.

6 Q. I'm sure that many of us in the room know
7 what the word telephony means. Would you tell us on
8 the record what your understanding is of that term
9 telephony?

10 A. Well, telephony, the way that I would use it,
11 would be providing 300 to 3,000 hertz voice grade
12 service, or equivalent to 9,600 bytes per second.

13 Q. So that's an engineering technical
14 specification?

15 A. That is an FCC requirement.

16 Q. Does telephony refer to voice and data or
17 both?

18 A. Telephony can be -- people use it
19 intermittently and interchange those terms much like
20 baud rate and byte rate.

21 Q. And what is your understanding, telephony
22 includes both voice and data transmission?

23 A. That's correct.

24 Q. As part of your functions with the
25 Commission, have you also looked at the legislation

1 that was passed in 1997 that was referred to as the
2 Governor Janklow's Vision Bill, 41-31-60, and statutes
3 that have passed?

4 A. Correct.

5 Q. Is one of your functions on the staff is to
6 look at that Vision Bill and to monitor some of the
7 policies and regulations that are called for in that
8 Vision Bill?

9 A. Correct.

10 Q. Now, I'd like to just talk with you a little
11 bit about some of the technology that you've been
12 learning about in the various conferences that you've
13 been attending. Tell us what you've been learning at
14 the conferences about the technology of landline
15 migrating to wireless technology.

16 A. In the area of like wires, local loops?

17 Q. Tell us what you've been learning about
18 landline transmissions versus wireless transmissions,
19 generally speaking.

20 A. Basically there is talking of migration of
21 moving from using landlines, migrating from the
22 landlines to the local wireless type of loop
23 connections. It does have some -- has quite a bit of
24 limitations. One of them is capital, one is
25 deployment, one is customer base, one is the technical

1 aspects of operating the system.

2 Q. A landline system is like U S West with fixed
3 facilities; correct?

4 A. That's correct.

5 Q. And a wireless carrier, explain what that is
6 for purposes of the record.

7 A. A wireless carrier could be something like
8 what we would refer to as special mobile radio, could
9 be cellular provider, could be personal communication
10 systems network, could be satellite-based, are some
11 examples.

12 Q. And what do you see in regard to the
13 conferences that you've attended regarding the Internet
14 providers and utilization of the Internet through
15 landline facilities versus the wireless facilities?

16 A. Typically the wireless providers are looking
17 more at an urban environment rather than a rural
18 environment based on cost.

19 Q. Is the Internet accessible through wireless
20 providers today?

21 A. In certain parts of the United States, yes.

22 Q. And where are generally those areas?

23 A. Would be, for example, I don't know of any --
24 excuse me. In the southeast part of the state would be
25 like Sioux Valley Wireless through their microwave

1 system, past microwave system. I'm trying to think if
2 there are any other. I don't know of any other up and
3 operating currently. I did talk to a direct PC, which
4 is a satellite-based Internet provider across the
5 United States and Canada. And they referred to me that
6 they did not have any customers in South Dakota
7 currently. But one thing I found really interesting
8 was with the satellite providers was that you need a
9 telephone landline to connect to the satellite system,
10 and that connection must be 9,600 bytes per second.

11 Q. What do you learn at these conferences is
12 that requirement, is that going to change, that 9,600
13 requirement?

14 A. The 9,600 bytes per second is the floor.

15 Q. But the conferences that you've been
16 attending, has there been any discussion about the
17 change of the floor or not?

18 A. Not.

19 Q. The satellite provider -- so we have one
20 satellite provider in South Dakota, or one wireless?

21 A. We have one wireless provider.

22 Q. That's Sioux Valley Electric near Sioux
23 Falls?

24 A. Sioux Valley Wireless, correct.

25 Q. And they are providing Internet access, are

1 they not, to the Sioux Falls Catholic public schools?

2 A. Correct.

3 Q. Are there any schools, either public or
4 private, that have access to the Internet through a
5 wireless provider?

6 A. Not that I'm familiar with.

7 Q. What about the schools that are in the Sioux
8 Valley area that they serve? I mean Colman, Egan,
9 those areas around in there?

10 A. Last time I checked, their service was
11 provided by U S West.

12 Q. So except for the Sioux Falls Catholic
13 schools, are those the only schools you're aware of
14 having Internet access through a wireless provider?

15 A. Correct.

16 Q. What is the cost currently of the wireless
17 provider Internet access?

18 A. You mean as far as equipment or monthly
19 charge.

20 Q. The monthly charge.

21 A. I didn't reserve the monthly charge on that.

22 Q. And the conferences you've been attending,
23 what are they telling you about the evolution from
24 landline to wireless and how that may be available?
25 What's the time frame?

1 A. They're looking between a three- to five-year
2 environment. One of the interesting things I should
3 note, though, is that they're mainly targeting the
4 urban market and not the rural markets.

5 Q. The one that you talked to, the PC provider
6 that you discussed?

7 A. In the PC provider for both direct PC and for
8 the SMR's and the cellular providers who currently have
9 service in South Dakota.

10 Q. What about Sioux Valley, did you have any
11 discussions with them?

12 A. No, I did not.

13 Q. And are they the biggest wireless provider,
14 Internet provider, in South Dakota?

15 A. Yes.

16 Q. Now, did you have any involvement in the
17 complaints that were filed with the Commission in this
18 matter?

19 A. They contacted the Commission office.

20 Q. Who is they?

21 A. Willow Lake Elevator.

22 Q. That was the first complainant that was
23 filed?

24 A. Correct.

25 Q. And then what did they do after they

1 contacted the office?

2 A. They talked about their frustration and
3 wanted to know if they could file a formal complaint,
4 which I then put together two complaint forms and put
5 them in the mail that day.

6 Q. Other than putting the complaint forms in the
7 mail, did you take any other action or do anything
8 regarding these complaints?

9 A. Well, it happened to be I was going to be in
10 Huron the next day. So I came to Huron, had a meeting
11 with the South Dakota Electrical Council. After that
12 was done, I drove through Carpenter, South Dakota.

13 Q. And what did you do? Did anyone tell you to
14 do this or did you do it on your own?

15 A. Usually when we get an inquiry and if I'm in
16 the area, I'll stop in to see what's going on. Their
17 complaint was kind of what we classify as not the
18 formal type of complaint. It's not a slamming type
19 issue. They were frustrated in getting response from U
20 S West.

21 Q. Did you decide to do this or someone else
22 tell you to go?

23 A. I decided to do this.

24 Q. On your own?

25 A. On my own.

1 Q. You went and were at this conference and
2 drove up to Carpenter. And what happened then?

3 A. It's pretty hard to disguise a state car in
4 Carpenter, South Dakota; and they knew that they had an
5 indication from where I was at from the Public
6 Utilities Commission. And I just told them that I'm
7 from the Public Utilities Commission and I was curious
8 on what their concerns were and if I could take a look
9 at their telephone network.

10 Q. You went to the elevator?

11 A. Went to the elevator at Carpenter.

12 Q. Did you talk to anybody else besides the
13 people at the elevator about their complaint?

14 A. That's it.

15 Q. Did you leave -- were you the one that left
16 the blank complaint forms that we've heard about?

17 A. No.

18 Q. So you didn't leave blank forms?

19 A. No. I put them in the mail the day before I
20 left for here.

21 Q. How many did you put in the mail?

22 A. Two, because most people when they make the
23 first mistakes on the first one, they can fill out the
24 second form.

25 Q. That was for the Willow Lake complaint?

1 A. Right, mailed it to Willow Lake.

2 Q. Did you send any other forms up in the area?

3 A. No, I did not.

4 Q. So this, as far as you know, would have been
5 the initial blank form was copied and left at the
6 Cenex? Do you have any information about that?

7 A. I have no information.

8 Q. Did you ever go back after that initial
9 conference that you had up there at the Willow Lake
10 Elevator?

11 A. No, except for yesterday.

12 Q. Before the hearing to review the facilities?

13 A. Right.

14 Q. You were there once to take the initial
15 complaint and other than yesterday to visit the
16 facilities?

17 A. That's correct.

18 Q. Did you determine what the local rates were
19 up there?

20 A. They're around \$16.40. I'd have to verify
21 that number correctly.

22 Q. That's for residential rate?

23 A. Correct.

24 Q. What is the business rate?

25 A. I did not look it up.

1 Q. Were you able to determine how many
2 subscribers were on the system that served the
3 Carpenter area?

4 A. No.

5 MR. WELK: I have nothing further.

6 MS. WIEST: Miss Cremer, do you have any
7 questions?

8 CROSS-EXAMINATION

9 BY MS. CREMER:

10 Q. The last question that Mr. Welk asked you as
11 to how many subscribers, how come you don't know that
12 number?

13 A. I was assigned the case some mid-part of
14 March as a staff analyst and sent in my data request as
15 soon as one day after I was assigned the case, and U S
16 West has yet to acknowledge my data response.

17 Q. So what you're saying in laymen's terms is
18 they didn't answer it?

19 A. That is correct.

20 MS. CREMER: That's all I'd have at this
21 time.

22 MS. WIEST: Do any of the complainants have
23 any questions of Mr. Wegman based on the questions by
24 Mr. Welk? Commissioners?

25 CHAIRMAN BURG: Mr. Wegman, there was quite a

1 bit of discussion between wireless and wire. In your
2 opinion, and do you ever -- do you see in the
3 short-term future at least, the use of wireless in a
4 rural area for data transmission?

5 A. In talking to all of the major wireless
6 providers, except for Sioux Valley because what I was
7 looking at was both landline for voice type
8 communications, not just Internet. In contacting all
9 the companies, they had no plans at this time to even
10 look at this part of the area for wireless, even within
11 the next three to five years.

12 CHAIRMAN BURG: Even the systems you know, is
13 the wireless as effective in transmitting data as
14 landline?

15 A. No.

16 CHAIRMAN BURG: Why not?

17 A. Due to terrain and weather.

18 CHAIRMAN BURG: And how about is there a
19 difference in capable speeds?

20 A. Speed is a function of what they put on for
21 equipment. In one of the wireless equipments that we
22 looked at from going from Huron into Carpenter, we
23 could drop into Carpenter, it looked like between
24 \$80,000, and that's a bare bones, cheap, cheap system,
25 won't handle more than 24 conversations.

1 CHAIRMAN BURG: That's wireless?

2 A. Wireless. It's really expensive.

3 CHAIRMAN BURG: How would wireless
4 transmission compare to the ability for the elevator to
5 put in dedicated lines?

6 A. I looked at from a Willow Lake to Carpenter,
7 and we discovered there's a 250-foot mountain in
8 between there so they have to put a 200-foot tower,
9 plus in Willow Lake, to get over the ridge to
10 Carpenter. Their only option, realistically, would be
11 to come from Huron up to Carpenter on a wireless type
12 operation.

13 CHAIRMAN BURG: But let's take for a minute
14 that the signal would be fine.

15 A. Okay.

16 CHAIRMAN BURG: How about the transmission
17 rates and what you want to do?

18 A. You could get to a T-1.

19 CHAIRMAN BURG: Over a wireless, if you had
20 good, clear transmission?

21 A. Correct. But you're also going to need
22 battery backup to have that hundred percent
23 reliability.

24 CHAIRMAN BURG: That's all I have.

25 MS. WIEST: Any more questions of this

1 witness?

2 COMMISSIONER NELSON: I just have one. Do
3 you believe that the wireless technology for Internet
4 is in the next three to five years going to be a
5 reliable alternative?

6 A. Only, only in the urban areas.

7 COMMISSIONER NELSON: Not in rural areas?

8 A. Not in rural areas.

9 COMMISSIONER NELSON: Not in the Carpenter
10 area?

11 A. Not in the Carpenter area.

12 COMMISSIONER NELSON: Thank you.

13 MS. WIEST: Any other questions?

14 REDIRECT EXAMINATION

15 BY MR. WELK:

16 Q. Why do you say -- is the answer to
17 Commissioner Nelson's question that it won't be
18 available in the rural area, is that based upon
19 conversations that you've had recently with the other
20 providers?

21 A. Within the last two months with the recent
22 providers and the amount of capital it's going to take
23 to beef up their systems.

24 Q. Are you aware of the Microsoft announcement
25 within the last month or so on two-way interactive?

1 A. Right.

2 Q. What was that announcement about?

3 A. Basically it's using a microwave system for
4 data and voice connection, if I remember correctly.
5 I'm not real -- I'd have to go back and review exactly
6 what they had.

7 Q. That would be available to the Carpenter
8 area?

9 A. Is it a possibility?

10 Q. Well, you said you didn't think in three to
11 five years. Is the Microsoft alternative, in your
12 opinion, going to be available in the three to five
13 years to Carpenter?

14 A. No.

15 Q. It's not going to be?

16 A. No.

17 Q. And what do you base that on?

18 A. Dollars for customers in the area.

19 Q. That no provider will pay that much --

20 A. That's correct.

21 Q. -- to provide because there won't be
22 sufficient revenue?

23 A. Correct.

24 Q. So it isn't that the technology maybe won't
25 be there; it's is the fact the investment won't be

1 recovered. Is that what you are saying?

2 A. Investment would be at a higher risk than at
3 other areas.

4 Q. So I want to get this clear. The technology
5 would be available for the Carpenter area over the next
6 three to five years, but it's your opinion that no
7 satellite provider would do that because it won't
8 recover its investment in the area? Is that what your
9 opinion is?

10 A. Correct.

11 MR. WELK: Nothing further.

12 COMMISSIONER NELSON: I have a couple. Would
13 you say that the technology through the wireless that
14 might be available out there, would you think it isn't
15 going to be there because of the investment?

16 A. That's correct. To kind of give you an
17 example: cellular telephone current landline system
18 uses a 1:8 ratio between lines to trunks in the central
19 office out. Cellular telephone uses 1:64. They're
20 going to have to increase their system by a factor of
21 eight to ten times what it currently is to compete even
22 with landline phone service without having blocked
23 calls or delayed calls. Internet users use a system
24 much longer than -- they're the longest use customers
25 in minutes of use than any other customer we have out

1 there.

2 COMMISSIONER NELSON: So are you saying that
3 the investment for the wireless people would be
4 significantly higher than for the landline people?

5 A. It could be.

6 COMMISSIONER NELSON: Do you believe it would
7 be?

8 A. It probably is, yes.

9 COMMISSIONER NELSON: Do you also -- would
10 you also agree that U S West has a monopoly there?

11 A. Yes.

12 COMMISSIONER NELSON: Would you also believe
13 that -- if I'm not right, correct me -- that because
14 they're a monopoly, they have an obligation to serve,
15 they have a right to a guaranteed rate of return, that
16 the wireless people wouldn't be in that same level
17 playing field; right? They don't have any guaranteed
18 rate of return?

19 A. U S West has the opportunity to earn up to,
20 while the wireless people it's on the line.

21 COMMISSIONER NELSON: Right. So would you
22 say that more resources would be available for U S West
23 than for their wireless possible competitor?

24 A. Could be, yes.

25 COMMISSIONER NELSON: Would you say that the

1 wireless people have less opportunity to spread those
2 costs?

3 A. At this time, yes.

4 COMMISSIONER NELSON: And that the U S West,
5 being a monopoly, has a captive audience and more
6 ability to spread those costs and an opportunity to
7 recover those costs that wireless people don't have?

8 A. Correct.

9 COMMISSIONER NELSON: Thank you.

10 MS. WIEST: Any other questions?

11 CHAIRMAN BURG: Yeah. You've heard and been
12 here for all the testimony on these dockets; right?

13 A. That is correct.

14 CHAIRMAN BURG: And I believe that U S West
15 established you as an expert witness probably here, an
16 expert in this area. What do you think it would take
17 to bring the services that the people that have filed
18 complaints are requesting?

19 A. I would love to answer this question had they
20 filled out my data requests.

21 MS. CREMER: You know, if I could just
22 interrupt, Mr. Chairman, I'm going to call Steve after
23 U S West has testified because they didn't answer our
24 data requests. We don't know what they've got, and so
25 we're kind of waiting on our recommendation until we

1 hear what U S West has to say.

2 CHAIRMAN BURG: He will be a witness again?

3 MS. CREMER: The staff is going to call him.

4 CHAIRMAN BURG: If I need that question at a
5 later date, I could get it. Let me ask one other one.
6 Maybe I should at that time too. If wireless were a
7 viable alternative, economics-wise especially, and
8 service quality-wise, would there be anything to
9 prevent U S West from using it?

10 A. No.

11 CHAIRMAN BURG: If that was a more efficient
12 way to provide?

13 A. That's correct.

14 CHAIRMAN BURG: Because they are the provider
15 of this territory exclusively; correct?

16 A. Correct. They're also an Internet provider,
17 too, in this area.

18 COMMISSIONER NELSON: Can I clarify one thing
19 just so I'm right here? If U S West made the
20 investment to buy the -- provide the necessary upgrade
21 and allow people to get Caller ID and Internet and all
22 those things in the Carpenter area, it is true that
23 they would be able to require this Commission to order
24 us to allow them to recover those costs; right?

25 A. Correct.

1 COMMISSIONER NELSON: Their wireless
2 competitor would not have that option; is that right?

3 A. That's correct.

4 CHAIRMAN BURG: Let me back up a second. I
5 believe I said exclusively. I don't know, does U S
6 West have exclusive service authorization in the
7 territory? I believe alternative providers could offer
8 service in the territory; is that correct?

9 A. I would have to check to see who is, if
10 McLeod or FirstTel are and the other CLEC's are
11 available. But they will still buy service from U S
12 West though.

13 CHAIRMAN BURG: It could overbill though?

14 A. They could overbill.

15 COMMISSIONER NELSON: Even if they didn't
16 have exclusive territory, exclusive serving right, they
17 still would if they made those improvements to provide
18 those services, require us to allow them to recover
19 their costs; right?

20 A. Yes.

21 COMMISSIONER NELSON: And their wireless
22 alternative people would not have that opportunity;
23 right?

24 A. Would be in the risk of doing business.

25 MS. CREMER: I have one question for you.

1 Why do you sound like Barry White?

2 A. I just have a sore throat.

3 MS. WIEST: Any questions for this witness?

4 MR. WELK: I want to clear up the record.

5 FURTHER REDIRECT EXAMINATION

6 BY MR. WELK:

7 Q. Mr. Wegman, you indicated in response to
8 Commissioner Nelson's question that U S West is a
9 monopoly in this territory. Didn't you say that?

10 A. It should be corrected. It operates in a
11 franchised area.

12 Q. And is there any restriction that you're
13 aware of, of any other provider coming and serving the
14 Carpenter area?

15 A. No.

16 Q. So if someone wanted to come in and serve
17 these people, they could certainly do so, couldn't
18 they?

19 A. That's correct.

20 Q. Now, in regard to Commissioner Nelson's other
21 question about ordering the cost recovery, I'd like to
22 ask you how the Commission would order -- if the
23 Commission ordered a new system to put in, what would
24 the cost recovery mechanism be for U S West to recover
25 these costs?

1 A. I would have to do a little more research on
2 that.

3 Q. So you believe, however, that the Commission
4 has the authority to order a cost recovery mechanism if
5 U S West is ordered to put in these facilities? Is
6 that your testimony?

7 A. Could you repeat the question again?

8 Q. It's your belief that the Commission has the
9 authority to order the facilities if it so desires to
10 be put in, but also to allow U S West to recover the
11 costs of putting in these facilities?

12 MS. CREMER: I would just interject an
13 objection. Steve really isn't an economist. I guess
14 if he knows, but --

15 MR. WELK: I'm following up on her question.

16 MS. CREMER: Fine.

17 MS. WIEST: If he can answer the question.
18 Mr. Wegman, if you know.

19 A. I don't know the real specifics on that. It
20 takes some research.

21 Q. But you believe they could order a recovery
22 mechanism, whatever the costs are?

23 MS. CREMER: Asked and answered.

24 Q. Is your answer I don't know?

25 A. I don't know.

1 MS. WIEST: Any other questions of this
2 witness?

3 COMMISSIONER NELSON: I guess I have a
4 couple. Since I used the term monopoly, that's the not
5 correct term. So is the franchise service area the
6 correct term?

7 A. I'd have to look in the legal statute to see
8 exactly what the correct term would be.

9 COMMISSIONER NELSON: On the costs recovered,
10 if they made those investments, they would have the
11 opportunity to recover those costs likely through a
12 rate base; right, a rate case; right?

13 A. Not necessarily. I'd rather go back and
14 research that one a little more.

15 COMMISSIONER NELSON: Are you not the right
16 person to ask that?

17 A. I'm not the right person.

18 COMMISSIONER NELSON: Who is the right
19 person?

20 A. They're not in this room right now.

21 COMMISSIONER SCHOENFELDER: I need to follow
22 up. In this area -- and we're talking about this area
23 for these complaints are right now -- under South
24 Dakota statute and under the federal statute, there is
25 alternative providers that can come into U S West

1 territory; isn't that right?

2 A. Correct.

3 COMMISSIONER SCHOENFELDER: And if they do
4 so, they can come in generally in under two
5 methodologies, or two ways they could come in and
6 compete and offer services in U S West territory. One
7 is to do facilities-based competition, which means to
8 us put in wireless, or facilities in the ground that
9 would provide what the people in this area would want.
10 The other way they would do that is to use U S West
11 facilities for resale and unbundled network elements of
12 some type. But in the first instance the type of
13 technology that you would use would depend upon the
14 provider who decided to compete with U S West. Is that
15 right?

16 A. That would be one portion of it. The second
17 portion would be how many customers are out there.

18 COMMISSIONER SCHOENFELDER: Yeah, but I'm
19 talking about -- I'm not talking about economic
20 recovery. I'm talking about the way you could do it.
21 The other way that you would do competition, or there
22 would be an ability for an alternate provider would be
23 to use U S West facilities and resell them. If U S
24 West facilities will not handle what the people
25 require, we still have the same limitation, do we not?

1 A. Correct.

2 COMMISSIONER SCHOENFELDER: Then further than
3 that -- and I lost my train of thought. Just a
4 moment. If U S West invested in better facilities so
5 that these services could be delivered over their
6 network, they still have not lost their customer, have
7 they? They have lost their retail customer, but not
8 the wholesaler?

9 A. They would have a wholesaler customer,
10 correct.

11 COMMISSIONER SCHOENFELDER: So they still
12 have a method without under business to recover their
13 costs from some type of a customer to perhaps try to
14 recover their cost?

15 A. Correct.

16 COMMISSIONER SCHOENFELDER: Okay. Thank
17 you.

18 MS. WIEST: Any other questions of this
19 witness?

20 MS. CREMER: I just have one.

21 FURTHER RECROSS-EXAMINATION

22 BY MS. CREMER:

23 Q. Steve, do you know could ITC come in and
24 build facilities to the complainants, if you know?

25 A. Could they or would they?

1 Q. Could they?

2 A. They could, but I doubt it.

3 Q. Okay.

4 MS. WIEST: Any other questions?

5 FURTHER REDIRECT EXAMINATION

6 BY MR. WELK:

7 Q. The reason they wouldn't come in is because
8 the cost of recovery; is that correct, Steve?

9 MS. CREMER: If you know why ITC wouldn't.

10 A. Basically it's an expensive proposition
11 because they would have to overbuild everything and
12 they're close, but they're not that close.

13 Q. And if U S West put the facilities in to
14 upgrade these facilities here, is there any guarantee
15 that the customers will be there through the life of
16 any -- to recover any of the investment?

17 MS. CREMER: I would object as to
18 speculative.

19 MS. WIEST: If you can answer.

20 A. A tornado could take them off the planet
21 tomorrow. These are established farms. They look like
22 they're going to be there for a long time.

23 Q. But they are under no legal obligation. If U
24 S West put facilities in, they're under no legal
25 obligation if someone came along with a better deal to

1 stay with U S West, are they?

2 MS. CREMER: I would object. Really the
3 question is better asked to the complainants than Steve
4 Wegman.

5 MS. WIEST: Well --

6 MS. CREMER: Speculation on his part as to
7 whether or not they would stay.

8 MS. WIEST: It appears to call for a legal
9 conclusion so I'll sustain the objection.

10 MR. WELK: I have nothing further.

11 MS. WIEST: Any other questions of this
12 witness?

13 COMMISSIONER NELSON: Could I clarify
14 something Mrs. Schoenfelder asked? She was asking
15 about the resellers and whether or not their needs
16 could be met through U S West, at least as I
17 interpreted her question, by U S West infrastructure.
18 And if they could not be met, the same limitations of
19 the system would still exist. And you said that was
20 right; right?

21 A. Right.

22 COMMISSIONER NELSON: Okay. So what would it
23 take, then, for somebody to be the equivalent of a U S
24 West out there to be a facilities-based provider with
25 comparable kinds of -- or what we would like to be

1 available out there, let's say, kind of system to be --
2 what would it take for someone to be a facilities-based
3 provider out there and how long would it take?

4 A. You're going to need -- it's -- it depends
5 whether it's a terrestrial-based like a landline
6 system. You know, it could take a switch and cable and
7 things like that. If you're going to be an alternate
8 provider, probably the easier way to be would be a
9 wireless. The problem I have answering this question
10 is I still don't have any data on how many customers
11 are in this area, how many -- what type of service they
12 do or do not have. And I need some more basic
13 information. I might be able to answer this question a
14 little bit later after U S West presents its case.

15 COMMISSIONER NELSON: A wireless provider
16 would have limitations that the landline provider
17 wouldn't have; right, or is that not true?

18 A. That's true. Its line of site and it's also
19 going to be weather-related.

20 COMMISSIONER NELSON: Would you consider that
21 to be a level playing field?

22 A. Not at this time.

23 COMMISSIONER NELSON: Okay. Thanks.

24 MS. WIEST: Any other questions?

25 MR. GALEN WALDNER: Can data be transferred

1 over wireless?

2 A. Yes.

3 MR. GALEN WALDNER: How private is it?

4 A. Depends what kind of encryption mode you
5 use. But typically it's out there for anybody else to
6 take a look at. Wired systems, hard wire systems, are
7 more secure in that basis alone.

8 MS. WIEST: Any other questions? If not,
9 thank you. You may call your next witness. (Witness
10 excused.)

11 MR. WELK: Russ Evans.

12 **RUSSELL EVANS,**

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

15 DIRECT EXAMINATION

16 BY MR. WELK:

17 Q. Would you please state your name?

18 A. Russell Evans.

19 Q. And, Mr. Evans, are you the same person who
20 testified this morning before the Commission regarding
21 a complaint of Ben Hofer?

22 A. Yes.

23 MR. WELK: In order to expedite this matter,
24 could I ask that the initial questions that I asked of
25 Mr. Evans regarding his background, work experience, be

1 incorporated in this matter?

2 MS. WIEST: Any objection? If not, they'll
3 be incorporated.

4 Q. By whom are you employed?

5 A. U S West Communications.

6 Q. What is your current position?

7 A. I am the engineering manager for South Dakota
8 and Nebraska.

9 Q. For U S West?

10 A. For U S West.

11 Q. And what do your duties and responsibilities
12 include as that engineering manager for South Dakota?

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

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

16 A. It will be 32 years in September.

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

19 A. I started in 1966 in South Dakota. I had
20 various positions, from splicer, lineman, line
21 supervisor, cable splicing supervisor, and
22 engineering.

23 Q. Were those in South Dakota?

24 A. They were in South Dakota.

25 Q. And generally where were they in South

1 Dakota?

2 A. I started in Mitchell. Went from Mitchell to
3 Winner, Winner to Rapid City, then to Spearfish, then
4 back to Sioux Falls.

5 Q. And then this position that you currently
6 have, where do you live?

7 A. In Littleton, Colorado.

8 Q. When did you move to Littleton?

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

10 Q. And you have overall engineering
11 responsibility for South Dakota?

12 A. South Dakota and Nebraska.

13 MR. WELK: Also I would like to move for what
14 was marked in the Hofer matter as Exhibit 3 to be the
15 next exhibit in this file.

16 MS. WIEST: I believe that's Exhibit 2. Any
17 objection to that map?

18 MS. CREMER: Can I have one?

19 MR. WELK: I'll offer which was marked for
20 Exhibit 2 in this case, which was Exhibit 3 in the
21 Hofer matter.

22 MS. WIEST: Any objection to the map from
23 anybody?

24 MS. CREMER: I'll need one.

25 MS. WIEST: Do you have any objection?

1 MS. CREMER: No.

2 MS. WIEST: Exhibit 2 has been admitted.

3 Q. Also, Mr. Evans, this morning I asked you a
4 number of questions about the cost model that U S West
5 used to develop facilities, equipment, labor, and other
6 related materials and costs for construction. Do you
7 recall those questions being asked this morning?

8 A. Yes.

9 MR. WELK: And I would ask that all of the
10 questions relating to cost model be incorporated within
11 this record as well.

12 MS. WIEST: Is there an objection to that?

13 MS. CREMER: I'm sorry, what were you talking
14 about? I wasn't listening.

15 MR. WELK: To incorporate by reference all of
16 the questions and answers that were given in the Hofer
17 complaint regarding the development of U S West's cost
18 model and its verifiability that I asked this morning.

19 MS. CREMER: Sure, that's fine.

20 MR. WELK: So that will be included in the
21 record?

22 MS. WIEST: Yes.

23 Q. "And how do you do that from U S West's
24 perspective?

25 A. We use a state specific costing tool that's

1 in our computer system in Littleton.

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

4 A. It has the cost of the material, cost of
5 contracting, cost of labor, everything that would be
6 involved in putting that system in out there.

7 Q. And how often are those costs components
8 changed or updated?

9 A. Each time we have a different contractor come
10 to work for us, a placing contractor, those costs are
11 put in state specific.

12 Q. What was your experience in 1997 with this
13 computer costing tool on how the jobs were done in
14 South Dakota?

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

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

21 A. Yes, I have.

22 Q. When you did -- when you proceed to final
23 detailed engineering costs, that's when you run this
24 cost model?

25 A. Yes."

1 Q. Let's turn to, Mr. Evans, the complainants in
2 the Carpenter matter; and I would like just generally
3 to start by would you describe the facilities that
4 currently exist that serve the Carpenter area?

5 A. It's called the SLC 40 system. There's three
6 remotes, five systems. Each system works off of a DS1
7 or a T line. And at the remotes it's divided into 40
8 channels, and the 40 channels are analog, voice grade
9 service to each customer.

10 Q. You said it was a SLC. How do you spell that
11 for the Court Reporter?

12 A. S-L-C.

13 Q. What's that stand for?

14 A. Subscriber line carrier.

15 Q. It's a SLC what?

16 A. 40.

17 Q. And that's the name of the -- is it a carrier
18 system?

19 A. Yes.

20 Q. And how does that, from an engineering
21 standpoint, compare with the system that currently
22 serves Ben Hofer?

23 A. It was the next step up upgrade from the
24 Anaconda carrier type stuff. It did go to a digital
25 line carrier T-1 that does feed it.

1 Q. Now, you have before you what's previously
2 been marked as the Exhibit 3, now Exhibit 2, in this
3 proceeding. Do you have that in front of you?

4 A. Yes.

5 Q. Now, the facilities that exist to serve the
6 Carpenter area and the complainants, are they marked on
7 this exhibit?

8 A. Yes, they are.

9 Q. And are the names of the complainants marked
10 on the map as well?

11 A. Yes.

12 Q. And is it the red line that consists of those
13 described as facilities?

14 A. Yes.

15 Q. I guess I'm having a difficult time because I
16 don't want the record to reflect what is physically
17 different about the carrier system that serves the
18 Carpenter area versus the Anaconda carrier that you
19 described for Mr. Hofer. What's different? Are there
20 more boxes? What's the difference?

21 A. Well, the repeater spacing is different.

22 Q. What's different about it on the SLC 40
23 versus the Anaconda?

24 A. The Anaconda is spaced quite a bit further
25 apart because it's not a digital type service that

1 feeds that remote carrier system.

2 Q. And you've used that word several times, that
3 phrase digital service. What does that mean relative
4 to telecommunication services? When you hear a digital
5 service, what does that mean?

6 A. It's a clear channel type service that's put
7 out there, very high speed, whatever you want to call
8 it.

9 Q. So the repeaters are farther apart on the
10 Anaconda system than they are on the SLC 40 system?

11 A. Yes.

12 Q. And you can do more things on the SLC 40
13 system than you can on the Anaconda?

14 A. With one T line we can get 40 subscribers on
15 that one T line, which is a four-wire circuit. Four
16 wires to get 40 customers.

17 Q. How many subscribers are served off of this
18 SLC 40 system?

19 A. There's 124 in the Carpenter area.

20 Q. No, is that lines or customers?

21 A. That is lines. That's working service out of
22 the SLC 40's that are up there.

23 Q. So if some person -- that is one more than
24 one line, that wouldn't be another customer. There's
25 124, approximately, lines?

1 A. There's 124 working lines out of there.

2 Q. Now, what has been your experience as an
3 engineer with the SLC 40 system and its capabilities?

4 A. Well, it's got limited capabilities because
5 you do divide the one T line into 40 channels. It does
6 put out 2,400 baud, or 2.4, but the further away you
7 get from the remote itself, you take into consideration
8 the loss of the cable from the remote to the subscriber
9 so that does not -- does knock that 24 or 2.4 down
10 somewhat.

11 Q. You use the word remote. What do you mean by
12 that?

13 A. The remote is the cabinet that we get the 40
14 channels out of once we put the T line into it.

15 Q. Do you have repeaters on this SLC 40 system
16 as well?

17 A. Yes, we do.

18 Q. So you have a remote then meets the signal
19 and the repeaters continue to strengthen it as you
20 described this morning?

21 A. Yes, it does.

22 Q. All right. Now, does the SLC 40 system, from
23 an engineering standpoint, allow one to access the
24 Internet?

25 A. If you do it's very slow. And if you were

1 closer to the remote, you would be closer to the 2,400
2 baud, or 2.4, so you might be a little bit faster.

3 Q. So where is the remote on the red line that
4 you keep talking about?

5 A. The one that actually feeds the Carpenter
6 area is up there. What is it, a mile and a half south
7 of Carpenter and two miles west.

8 Q. Where it's got written on there SLC number
9 40?

10 A. SLC 40.

11 Q. So that is where the remote is located for
12 the Carpenter area?

13 A. That's for, yes, these complainants.

14 Q. So when you say -- like the person who Regan
15 Glanzer is closer to the remote, so he's got a better
16 chance of having a faster connect to the Internet?

17 A. Yes.

18 Q. So the farther you are away from the remote,
19 the slower it's going to be?

20 A. Yes.

21 Q. Is that what you're saying? Now, what about
22 ISDN on the SLC 40? Is that capable of being provided
23 on the SLC 40?

24 A. No, it is not.

25 Q. What would have to be done on the SLC 40

1 system to modify it?

2 A. You can't. They don't have the technology,
3 the cards, to put in a SLC 40 or ISDN.

4 Q. So the facility would have to be directed
5 from a new facility directed from the Huron central
6 office?

7 A. Yes.

8 Q. So ISDN is available out of the Huron office
9 but there would have to be a new facility constructed
10 to provide ISDN?

11 A. Yes.

12 Q. So one could get it up in the Carpenter area
13 but it's going to be very expensive?

14 A. Yes.

15 Q. Because it would have to be a whole new
16 facility?

17 A. New span line for the repeaters similar to
18 what we did in the Hofer.

19 Q. But the technology resides in the Huron
20 central office to do that?

21 A. Yes.

22 Q. Now, did you also -- did you do some costing
23 if you were going to replace the SLC 40 system?

24 A. Yes.

25 Q. And did you use the same model that you did

1 in looking at the Ben Hofer costs?

2 A. Yes.

3 Q. Now, initially in this docket the answer of U
4 S West reflected that the cost to construct the new
5 facility was approximately 55 thousand; is that
6 correct?

7 A. Yes.

8 Q. All right. And how was -- was there any
9 detailed engineering done to support that number?

10 A. No. That was strictly a look at it from the
11 planning aspect, a broad gauge type.

12 Q. And you described that, and that broad gauge
13 is essentially what?

14 A. It's just a blanket cost to what your
15 repeaters would cost, or what your remotes would cost
16 and cabling.

17 Q. In preparation for this hearing, did you
18 proceed to a full detailed engineering cost to replace
19 the system?

20 A. Yes.

21 Q. And what did you do to prepare final and full
22 detailed engineering costs?

23 A. We went into the design costing tool, pulled
24 all the repeaters out, and redone the dial-up, they
25 call it, to find out the spacing of the repeaters,

1 found out we couldn't use the repeater system that was
2 there because they're space is 8,000 feet. We need to
3 have them spaced around 5,100 feet. So we cost it out
4 with the costing tool I talked about this morning. The
5 repeaters and the three remotes and cabling that needs
6 to be done at the remotes.

7 Q. And what did that produce as a cost?

8 A. 211,000, a little over \$211,000.

9 Q. What drove the cost from 55 to 211?

10 A. Having to replace 22 repeaters up that span
11 line.

12 Q. Why would you have to replace 22 repeaters?

13 A. The spacing on the SLC 40 type carrier was
14 about 8,000 foot apart. So we have to go back to the
15 5,000, or 5,100 foot apart on the repeaters.

16 Q. Initially you thought you would not have to
17 replace that repeater system?

18 A. That's right.

19 Q. And when you did full detailed engineering
20 you found that you had to?

21 A. Yes.

22 Q. What if you didn't replace the repeater
23 system, what would be the effect from that engineering?

24 A. We would have the loss, the dB loss, between
25 the repeaters too high to run the span line going into

1 the NEC type terminals to get the 24 channels out of
2 it.

3 Q. What's that mean?

4 A. There would be too much loss between the
5 repeaters to boost the power of the cable up in order
6 to reach there.

7 Q. Basically it wouldn't work?

8 A. Okay. Thanks.

9 Q. Is that the bottom line? It wouldn't work
10 because the signal gets weaker?

11 A. No, it would not work.

12 Q. Because the signal would get weaker?

13 A. Get weaker.

14 Q. I don't want to put words in your mouth. Is
15 that really what the engineering effect is?

16 A. Yes, that's really why it wouldn't work.

17 Q. Now, under the current SLC 40 system, is
18 there a capacity to provide the people in the area of
19 Carpenter additional second lines if they want it?

20 A. Yes, there is in the SLC 40.

21 Q. What's the capacity in the SLC 40 system to
22 provide second lines to people if they want it?

23 A. Oh, we have 200 channels up there. Five
24 system at 40 channels a system, and we've got 124
25 working lines right now, so there would be 70-some

1 spare channels.

2 Q. And how many lines are there on each channel?

3 A. One.

4 Q. So you would have 70 extra capacity lines, is
5 what you're saying?

6 A. Yes, on that route to Carpenter.

7 Q. Now, did you review the trouble history on
8 the SLC 40 system?

9 A. Yes.

10 Q. And the trouble history is what for U S West
11 terms? What does that mean when you say you reviewed
12 the trouble history?

13 A. Each time a case of trouble is phoned in,
14 somebody phoned in work, we monitor that. It goes into
15 a computer system, and it keeps track of how many cases
16 of trouble or trouble history you have on each
17 telephone number out of each channel.

18 Q. And what was your conclusion reviewing the
19 trouble history in the Carpenter area?

20 A. On the complainants there was only ten cases
21 of trouble that was related to something other than
22 can't use Caller ID or can't use their computer since
23 we started keeping track of the trouble history.

24 Q. And how long has that been?

25 A. '78, '79.

1 Q. But you were able to find that?

2 A. Yes.

3 Q. So compared to the Hofer line, what does that
4 trouble history compare to the Hofer line look like?

5 A. This is very minor compared to the Anaconda
6 trouble we had on the Hofer line.

7 Q. Were there any complaints that when trouble
8 was reported, it wasn't satisfactorily taken care of in
9 a prompt, reasonable manner?

10 A. I never had a complaint of that.

11 Q. So as I understand what you're saying, if you
12 want to provide to the people in the Carpenter area
13 what they want, it's going to cost, according to your
14 cost model, about \$211,000?

15 A. Yes.

16 MR. WELK: I have nothing further.

17 MS. WIEST: Do any of the complainants have
18 any questions of this witness? Galen.

19 MR. GALEN WALDNER: \$211,000 per complainant
20 or per person on the line?

21 A. No, that's \$211,000 is to put -- to replace
22 the SLC 40 system from the Huron central office to the
23 last system out of Carpenter.

24 MR. WELK: Total cost is what you're saying?

25 A. Total cost.

1 MR. WELK: It's not looking at individual
2 customers. It's the total cost of the job.

3 A. Total cost to take SLC 40 out, place the new
4 digital line carrier called NEC.

5 MR. WELK: It would be the same thing you
6 suggested earlier this morning on the Hofers?

7 A. That is exactly the same.

8 MR. WELK: Does that answer your question?

9 MR. GALEN WALDNER: I think so. 211,000 for
10 the whole system, not per -- for 124 paying customers.

11 MR. MIKE MADSEN: You were saying that there
12 was 70 extra lines, or 70 more people that could get a
13 second line?

14 A. There are 70 spare channels.

15 MR. MIKE MADSEN: What area are these lines
16 in? Is it available to everybody?

17 A. Well --

18 MR. MIKE MADSEN: Or is it in certain parts?

19 A. I haven't got it broken down. I'll give you
20 the Carpenter area, for instance. Where the SLC 40
21 sits, going to the Carpenter area, there is 12 spare
22 channels going up there.

23 MR. MIKE MADSEN: To the Carpenter area?

24 A. To the Carpenter area. The rest of them are
25 back in the legs. There's three remote sites with five

1 sets. There's 70 total amongst those three.

2 MR. MIKE MADSEN: Okay. And then so if the
3 cost of updating the Carpenter area is so high, how do
4 they project the cost of recovering their money when
5 with the economic growth and the moving around of
6 people all the time? If you're saying there's 128 of
7 them up there, what's to say five years from now there
8 might not be 200?

9 A. I have no forecast of that. And I don't know
10 the policy or how the recovery is of getting our money
11 back. I don't deal in that. But with no forecast --
12 you know, we have our forecasters, like I mentioned
13 this morning, that go into an area, look at an area,
14 see if there is growth potential there. And they feed
15 that back to us in what is called the Captain System.
16 And in the Carpenter area, in that section up there, we
17 have shown no growth.

18 MR. MIKE MADSEN: Well, why would a new
19 business want to come into Carpenter if you can't get
20 the stuff we're asking for? I mean most of your
21 businesses now rely on computers. If they're not going
22 to be able to come to Carpenter and get this, why would
23 they want to come?

24 A. I have no idea, but we do provide good voice
25 grade service up there.

1 MR. MIKE MADSEN: But not data transmission?

2 A. Not data transmission.

3 MR. MIKE MADSEN: I guess that's what my
4 question is then. If the cost of updating is going to
5 be so high that this system -- it doesn't sound like it
6 will ever be updated, what's going to happen ten years
7 from now if the line quality gets so bad that it isn't
8 usable? Then we're just not going to have any phones?

9 A. No. It will be similar to what we're doing
10 in the Hofer situation. We do know that the trouble
11 rate was up. That justified part of the replacement of
12 that. Plus, the growth, the small amount of growth
13 that the Hofers, themselves, are going to add to that
14 system down there. But their trouble history on that
15 Anaconda carrier is a lot greater than the trouble
16 history on the SLC 40, which the Carpenter folks work
17 off the SLC 40.

18 MR. SYRING: I have a question too. It was
19 mentioned that you said the amount of trouble history
20 on the Hofer line is much greater than the trouble
21 history on the Carpenter line. Okay, maybe from
22 voice. But from the standpoint of the digital side of
23 it, or from the computer standpoint, or the capability
24 to get Internet, and the number of farmers that are in
25 that area that are going to depend on having Internet,

1 the number of students that need the Internet in order
2 to get an education, because it's a requirement by some
3 of the school districts now, how does that relate to
4 Mr. Hofer?

5 Mr. Hofer has one line going in, new one.
6 The farmers here, there's 120-some lines that are
7 available. These gentlemen and women and men will
8 probably have second lines going into their homes using
9 it for Internet or for computers and that.

10 How does that -- just because it's a trouble,
11 you got a phone call, doesn't make this situation
12 correct. You're trying to provide a service and a
13 competitive service and a competitive edge to some of
14 these people who are business people. Every farmer in
15 here is a businessman. It doesn't matter if there's
16 only two businesses in the town of Carpenter. That has
17 nothing to do with it. Every person in this facility
18 is a business person, as far as I'm concerned, because
19 he's competing in the marketplace. If he has to know
20 price, he has to know product.

21 And what you're doing right now by saying
22 that is baloney because to me you're taking away from
23 all of these farmers the ability to compete and it's
24 costing them money and a lot of it. So by saying it's
25 a troubleshooting, that you've gotten complaints,

1 doesn't have anything to do with the situation we're
2 talking about right here. We're talking about being
3 competitive. We're talking about giving our children
4 the same rights as the other people in the school in
5 the Willow Lake. That's what we're talking about.

6 A. And what I hear testified to is we are
7 providing good voice grade service.

8 MR. SYRING: We're not talking about voice
9 grade. I said that.

10 A. I'm here to testify that we are providing
11 good voice grade service to the Carpenter area, to the
12 people that are on the SLC 40 systems. I am not here
13 to make a decision to whether we're going to provide
14 digital service to every farm place out there. That's
15 not my -- that's not --

16 MR. SYRING: Could I ask a question? How
17 many SLC 40 systems exist in the state of South Dakota?

18 A. There's two different areas that we do serve
19 on SLC 40. There is four systems working in Hill City,
20 South Dakota, and five systems in Huron.

21 MR. SYRING: And that's all in the entire
22 state?

23 A. That's all in the entire state.

24 MR. SYRING: So that's all if you have
25 today. Now, are all the other systems that you have a

1 doesn't have anything to do with the situation we're
2 talking about right here. We're talking about being
3 competitive. We're talking about giving our children
4 the same rights as the other people in the school in
5 the Willow Lake. That's what we're talking about.

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7 providing good voice grade service.

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11 good voice grade service to the Carpenter area, to the
12 people that are on the SLC 40 systems. I am not here
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15 not my -- that's not --

16 MR. SYRING: Could I ask a question? How
17 many SLC 40 systems exist in the state of South Dakota?

18 A. There's two different areas that we do serve
19 on SLC 40. There is four systems working in Hill City,
20 South Dakota, and five systems in Huron.

21 MR. SYRING: And that's all in the entire
22 state?

23 A. That's all in the entire state.

24 MR. SYRING: So that's all if you have
25 today. Now, are all the other systems that you have a

1 more up-to-date system where you provide both the voice
2 and the digital capability to other customers?

3 A. No.

4 MR. SYRING: Or are there worse? There are
5 systems older than the SLC 40?

6 A. The stuff that Mr. Hofer is working on is
7 older.

8 MR. SYRING: Is that the only one?

9 A. No, there is -- can I tell them?

10 MR. WELK: There are other systems.

11 MR. SYRING: I mean is there a bunch, or how
12 many systems?

13 A. Quite a few.

14 MR. SYRING: How many systems do you have
15 throughout the state of South Dakota?

16 A. Of Anaconda system?

17 MR. SYRING: Of any system.

18 A. 155, I believe it is, of Anaconda.

19 MS. GRANN: I want to say something.

20 MS. WIEST: Wait.

21 MR. WELK: I'm going to object. I know we're
22 not lawyers, but this is a chance to ask questions, not
23 make statements. And I didn't object to the man making
24 a statement, but we have a process, and you'll get a
25 chance at the end. But I think this is the time the

1 general counsel said if you want to ask questions.

2 MS. WIEST: Are there any other questions of
3 this witness from the complainants?

4 MS. GRANN: I'll make it a question because
5 it was his testimony this morning. This morning you
6 said you could justify spending \$180,000 because you
7 could see the growth in 26 families. I don't
8 understand how you can see that growth and not see the
9 potential for a growth justify spending 211,000 for
10 124. I'd like to know how you establish that growth.

11 A. With the growth that I had from the Hofers, I
12 had orders on hand. The orders were there. We held
13 them because we didn't have the facilities to work.
14 The growth I have up there does not justify spending --
15 and it's \$153,000. The growth I have up there does not
16 justify spending \$153,000. What more come into it was
17 the trouble history of his voice grade service, of all
18 their voice grade service. Where theirs is a lot
19 worse, like I said a minute ago, than anything that's
20 on the SLC 40. That justified it more than the growth
21 that I had up there, which is two more lines to
22 Mr. Hofer. That doesn't justify spending \$153,000. It
23 does not. Not in your business, not in mine,
24 anywhere. But for the service we need to provide to
25 our customers, it helped justify that \$153,000.

1 MR. SYRING: I have a question. When you
2 upgrade a system, do you only upgrade that system based
3 off of complaints, or because of new technology? Do
4 you go out and upgrade systems just because of new
5 technology?

6 A. I do not go out and spend the company's money
7 just to upgrade technology, no. It's either has to
8 have the trouble history behind it, we are causing it
9 to cost us more to repair it than to replace it, and if
10 I see enough growth to justify spending that kind of
11 money on the growth.

12 MR. SYRING: And what do you base your
13 information on for that growth? How do you determine
14 that growth?

15 A. Like I indicated this morning, we have
16 forecasters that travel the state to look at, visit
17 with contractors, visit with businessmen, visit with
18 city councils, to see how much growth they're
19 anticipating in an area, plus they physically look at
20 these areas. They get feedback from the local
21 technicians that are in the towns, from the local
22 managers. They feed that information into these
23 forecasters, and they try to come up with how many
24 we're going to grow in a community.

25 MR. SYRING: Are they only basing this on

1 voice or also data?

2 A. That's all I'm here for is voice grade
3 service.

4 MR. SYRING: I'm just asking a question. Do
5 they base that information on voice only, or is it --
6 do they base it on both, I mean, in the industry?

7 A. I don't know if they distinguish it by a
8 resident with the data to the voice. They do in the
9 business arena. But I don't know about the regular
10 residents. I don't know how that works.

11 MR. SYRING: So if you would have a fax line
12 and you have a telephone on that fax line, is that
13 considered voice or considered data?

14 A. When the fax is on there it's data.

15 MR. SYRING: When you got a second line into
16 it and you also have a telephone used on that, do they
17 consider that a growth, or consider that a voice or
18 data? I shouldn't say you, because you do the voice.
19 I don't know where you're coming from with that. But
20 if you have two lines in, one on your fax machine, one
21 on your telephone line, yes, that is considered two
22 separate entities or lines into your house.

23 MR. KEITH GLANZER: Could you tell me what U
24 S West grossed in South Dakota in the last year, your
25 gross income, just to kind of put this in perspective?

1 A. I have no idea. I'm not privy to that
2 information.

3 MR. KEITH GLANZER: I've seen figures it's
4 125 million, so that compared to 200,000 sounds, you
5 know --

6 A. I have no idea. I honest to God don't.

7 MS. WIEST: Ms. Cremer.

8 MS. CREMER: Thank you.

9 CROSS-EXAMINATION

10 BY MS. CREMER:

11 Q. I've got a number of questions, Mr. Evans, so
12 I'll be jumping around. When you talked about the
13 Hofers, there were already orders in hand, how many
14 orders in hand were you talking about?

15 A. One.

16 Q. When you looked at replacing a SLC 40, did
17 you look at anything other than the -- what did you
18 say, replacing the 22 repeaters? I mean did you look
19 at other systems?

20 A. I did the same as I did for the Hofer stuff.
21 I looked at the size core, 24, the light span, anything
22 that I could get backpowering for the more than the 13
23 repeaters. The only system big enough to handle what's
24 out there and has backpower and capabilities, and that
25 again is putting power from the outside again and back,

1 is the NEC. And we have to use a T-REC's to get that
2 backpowering shelf in it.

3 Q. And what would that cost for the Carpenters
4 then, for the Carpenter complaints, to put that in?

5 A. I would have to replace the whole system, all
6 three remotes, all five systems in order to do it. You
7 can't interact two different computer -- or repeater
8 spans in the same cable, so it would cost 211,000 to do
9 the whole thing, and I'd have to replace all five
10 systems.

11 Q. Okay. And then if I understood your
12 testimony correctly, what you're telling us is that in
13 order for the Carpenter complainants to get an upgrade,
14 an updating of the system, what they should do every
15 time the line makes a noise, there's double-talk,
16 there's static, it goes out, they should call U S West
17 and report that?

18 A. No, I didn't say that.

19 Q. Because I thought you said the trouble
20 reports is what makes the difference here.

21 A. The trouble reports and the growth is what
22 generates work, what we look at to replace a system
23 that is bad or a section of cable that's bad or
24 whatever.

25 Q. So they should also call in and be requesting

1 second lines and whatever else, because the Hofer
2 system had one held order and a lot of trouble
3 reports. So these people need to call in with a lot of
4 trouble reports?

5 A. If they're honest-to-gosh trouble reports.

6 Q. And I would believe they would be.

7 A. So would I.

8 Q. You heard the testimony earlier, didn't you,
9 about the noise and the double-talk and the static, and
10 you heard all that?

11 A. Uh-huh.

12 Q. Do you doubt their word?

13 A. I don't have to answer that.

14 MR. WELK: Objection. That is an improper
15 question. He is not testifying as to the veracity of
16 any witness. If you want to ask him some questions
17 about facts that have been reported. That is a totally
18 improper question for an attorney to ask.

19 MS. CREMER: Oh, please, Mr. Welk, back
20 down.

21 MR. WELK: Counsel, I move the remarks be
22 stricken. I'm entitled to make an objection.

23 MS. CREMER: You're absolutely right.

24 CHAIRMAN BURG: I'll sustain the objection.

25 Q. You heard their testimony about safety

1 issues, outages, some related to weather, some they
2 don't know why, convenience and accommodation of the
3 public; is that right?

4 A. Yes.

5 Q. Would you agree with me that that is the
6 definition found in 49-31-7.1 for basic service?

7 MR. WELK: Objection. It calls for a legal
8 question.

9 MS. CREMER: Okay.

10 MS. WIEST: Sustained.

11 Q. The local dedicated line that the elevator
12 wants, would that be a second line or new line?

13 A. That would be a four-wire circuit, so that
14 would be a main line, or whatever you want to call it.

15 Q. Is it a second line or new line?

16 A. It would be a new line.

17 Q. A new line. Does the Carpenter elevator get
18 that line from anyone else?

19 A. I have no idea.

20 Q. Is there a reason why U S West won't furnish
21 them a second line to do that?

22 A. With what they originally asked for?

23 Q. Yeah.

24 A. We would have to take a piece of cable from
25 the Carpenter Elevator to our exchange boundaries, and

1 that's where they come up with this dollar amount that
2 it would cost them to have us do that.

3 Q. So would you answer my question?

4 A. I think so. Did I answer your question?

5 Q. Yeah. My question was why won't U S West
6 furnish them a second line?

7 A. We will, and we quoted them excess
8 construction to do that.

9 Q. The first cost that was quoted to Ms. Grann,
10 not the \$50,000 one.

11 A. That's what I quote. I don't quote any of
12 the other prices.

13 Q. Okay.

14 A. I'm in engineering, outside plant. I'm not
15 in the marketing part of it.

16 Q. When was the last time any updating of the
17 facilities or the ancillary equipment in the Carpenter
18 area was done?

19 A. Updating of the SLC 40 itself, we have not
20 done any.

21 Q. Any facilities or ancillary equipment?

22 A. Since 1976, back as far as we can find the
23 records, we've done 16 various jobs up there. Some of
24 them replacing small pieces of cable that went bad,
25 upgraded a little on the size, and that kind of stuff.

1 But actually for the electronic systems, we haven't
2 done anything.

3 Q. Since 1976?

4 A. Since 1978 when it was installed.

5 Q. The SLC 40 system you said was used in the
6 Huron area, which would be Carpenter. Is that what
7 we're talking about and Hill City?

8 A. Yes.

9 Q. Have you had complaints from the Hill City
10 area on the SLC 40 system?

11 A. I have not. I have not.

12 Q. You have not. But you don't know if U S West
13 has?

14 A. I do not.

15 Q. Do you know does anybody else in the industry
16 use the SLC 40 system?

17 A. I do not know that.

18 Q. You may not be the witness for this. You can
19 just tell me. What are these -- what are the
20 facilities' remaining technical and economic life of
21 the SLC 40?

22 A. The technical, we don't really know. It has
23 not started to be a bad system yet so we don't know
24 what the life is on the technical side of it because it
25 still furnishes good voice grade service.

1 Q. That would be -- that's your opinion; right,
2 that that's good voice grade with the static, with the
3 double-talk, with the noise, that you consider that
4 good voice grade service?

5 A. No.

6 Q. Okay. And you don't know what the remaining
7 economic life would be?

8 A. I do not.

9 Q. Do you know a witness here today that will
10 know that?

11 A. I don't see any so, no.

12 Q. Will you have anybody here on economic
13 questions we can ask about depreciation, other
14 complaints, things like that?

15 MR. WELK: No.

16 MS. CREMER: Is he going to be your only
17 witness?

18 MR. WELK: No.

19 MS. CREMER: Okay.

20 Q. Having heard the testimony by the Carpenter
21 complainants, what do you think is causing these
22 problems? The slow faxing, the static, all that?

23 A. We don't have the bandwidth that it takes for
24 the faxing and for the computers. We put out 24 baud
25 rate or kilobytes. Most of your computers are 28.8 or

1 somewhere in that neighborhood, and it's just slow.

2 Q. What does that translate into hertz?

3 A. We provide from 300 to 3,000, in that range,
4 out of the SLC 40 systems.

5 Q. What causes the static and the noise and the
6 double-talk and the outages that aren't
7 weather-related?

8 A. Well, it's a possibility that the cables
9 themselves -- I noticed a couple of the cases of
10 trouble there were a drop. One of the drop wires or
11 two of the drop wires were bad going into the houses,
12 rusted off, causing noise or hum on the line. It's
13 just normal plant facilities. I mean it's --

14 Q. Whose responsibility is that to take care of
15 that?

16 A. It's the local I and M people.

17 Q. The who?

18 A. The local installation and maintenance
19 people.

20 Q. It's not the customer, the end user?

21 A. No.

22 Q. That would be U S West's responsibility to
23 replace that stuff?

24 A. Yes.

25 Q. And are they planning on doing that now that

1 you've seen that?

2 A. If I have some trouble history of that and
3 can go out and identify that there is a bad section,
4 yes, we will replace that bad section. That's part of
5 the 16 jobs that were done in that area.

6 Q. Would weather affect these lines?

7 A. What was the question?

8 Q. Would weather affect these lines, these phone
9 lines?

10 A. They should not.

11 Q. But mice would affect them; right?

12 A. Yes. Our friendly mice did cause a slow
13 problem, yeah.

14 Q. Have you done any testing of the lines in the
15 Carpenter area?

16 A. I personally have not.

17 Q. Has someone?

18 A. I do not know.

19 Q. Would it be procedure or policy when you get
20 these kind of complaints to test the lines?

21 A. And as most of the complainants had said,
22 when they did have cases of trouble, or they called in
23 that their computer didn't work, the technicians went
24 out, done their readings, and told the people -- told
25 the customers that it was within the bands of what that

1 SLC 40 would provide. So if there is a case of trouble
2 on it each time the computer didn't work, the customer
3 was told that with the testing that the I and M, or the
4 local technician did, the circuit met what our voice
5 grade standards are.

6 Q. And your voice grade standards again are
7 what?

8 A. Just good voice grade service, somewhere
9 between the 300 hertz and 3,000 hertz.

10 Q. You wouldn't know why the elevator wasn't
11 provided a written estimate for the cost of the line
12 for either of those prices, would you?

13 A. I would not.

14 Q. If U S West can provide dial-up -- well, why
15 can't they provide dedicated?

16 A. We don't have a spare, or I don't think it
17 would go out that far anyway, a spare copper pair. It
18 would have to be a bare, nothing else on it, in order
19 to provide that. And to go 36 miles from the Huron
20 central office up there, I don't think it would work
21 once it would get there without a bunch of
22 pre-provisioning span lines, repeaters, to boost that
23 power to get it up there.

24 Q. Can you explain that \$211,000 cost in detail?

25 A. In detail?

1 Q. Yeah.

2 A. Have you got that much time?

3 Q. I certainly do.

4 A. That is to place 22 repeaters from the Huron
5 central office. That is to place three separate RECs
6 type cabinets, T-RECs, C-RECs type cabinets, and the
7 cabling at each one of those cabinets, the repeater
8 housings that we need in the central office to power
9 the repeaters for the first 13 repeaters out and the
10 power shelves in the recollection cabinets that power
11 the 13 spans back, the placing of the repeaters, the
12 splicing of the repeaters, and what we call the
13 cutover.

14 Q. Do you have a price for each of those things?

15 A. Yes, we do. That we got from the costing
16 tool that we talked about earlier.

17 MS. CREMER: Are you going to -- can we put
18 that in as an exhibit?

19 MR. WELK: No, not without a confidentiality
20 order.

21 MS. CREMER: That's proprietary?

22 MR. WELK: Yes, it is. We'll be glad to give
23 it to you provided you sign a confidentiality order and
24 anybody else.

25 Q. And you arrived at that figure it spit out of

1 the computer program?

2 A. Yes, out of the costing tool.

3 Q. In U S West's answer they say there's no
4 possibility to recover this money. Are you familiar
5 with that?

6 A. I do not.

7 Q. What?

8 A. No.

9 MS. CREMER: Are you going to put somebody on
10 that can answer questions about that?

11 MR. WELK: Yes.

12 Q. Do you know in Huron do customers have the
13 ability to get CLASS services?

14 A. In Huron city limits?

15 Q. Yes.

16 A. Yes.

17 Q. What about outside of Huron city limits?

18 A. For a certain distance out, yes.

19 Q. What kind of system do they have?

20 A. If we're on plain copper wires, loaded copper
21 pairs, the ones on the Anaconda system, the ones on the
22 SLC 40 system does not have Caller ID. Everybody else
23 should have the capability of Caller ID.

24 Q. Do you know is it the same monthly rate in
25 Carpenter as it is in Huron cost for local service?

1 the computer program?

2 A. Yes, out of the costing tool.

3 Q. In U S West's answer they say there's no
4 possibility to recover this money. Are you familiar
5 with that?

6 A. I do not.

7 Q. What?

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21 pairs, the ones on the Anaconda system, the ones on the
22 SLC 40 system does not have Caller ID. Everybody else
23 should have the capability of Caller ID.

24 Q. Do you know is it the same monthly rate in
25 Carpenter as it is in Huron cost for local service?

1 A. I do not. I am in engineering.

2 Q. Because the people in Carpenter, those on the
3 Anaconda and the SLC 40, don't have the capability to
4 get Caller ID or the Internet or faxing, is that due to
5 speed? Is that what we're talking; right?

6 A. Yes.

7 Q. And is it your testimony that satellite would
8 work with the current landline system in Carpenter?

9 A. I've never investigated that. I've got some
10 rumblings from here about that, but I've not
11 investigated it. I'm not in wireless, and I'm not in
12 that part of the business.

13 Q. Do you know anything about the battery system
14 up here in Carpenter?

15 A. Yes.

16 Q. And is that connected to the utility or the
17 central office, the battery system? Is that connected
18 to the electric utility?

19 A. The battery system is to back up when the
20 power goes out.

21 Q. Is that hooked up with the utility?

22 A. Yes.

23 Q. And where is that connection?

24 A. It's in the remote huts. As you go out, the
25 three remote sites that we talk about.

1 Q. Are there alarms on those batteries?

2 A. Yes.

3 Q. And that's similar to other central offices?

4 A. Yes.

5 Q. Do you know what U S West's policy is at the
6 time when the weather caused an outage for checking or
7 replacing the batteries?

8 A. We always -- we have a routine check of them
9 every year to see what their life span is. And when
10 they do go out, we do send the technicians, again, the
11 local technicians, if they can get there safely, to put
12 on a generator, to recharge the batteries, and to put
13 service back on the lines, when they can safely get to
14 the remotes.

15 Q. And was that U S West's policy at the time
16 that the weather caused an outage up here?

17 A. Yes.

18 Q. And you said they did that every year?

19 A. They test the batteries every year, an annual
20 test, yes.

21 Q. And they replace them, I assume, if they're
22 old or --

23 A. The meter they put on them tells them what
24 part of the life span they're onto, and when they start
25 going down it relays them.

1 Q. Do you know when the last time the batteries
2 up here were replaced?

3 A. I do not.

4 Q. Would weak batteries have anything to do with
5 this weak signal we're hearing about?

6 A. It would not.

7 Q. When the complaints such as these that came
8 in grouped together in one area like this, do you know
9 what steps are taken by U S West management to address
10 these problems?

11 A. Similar to what we did do. We looked at what
12 the facilities were up there. We looked at replacing
13 the facilities, what it would cost us, what the trouble
14 history is, what the service issues were and tried to
15 address them.

16 Q. And would there have been any records that
17 would show an analysis or a proposal to find a solution
18 to the problems up here in Carpenter? Would there be
19 any records to indicate that by management?

20 A. For a solution?

21 Q. Yeah.

22 A. Other than what I pulled here to look at,
23 what we would need to replace that up there, none that
24 I would have access to.

25 Q. Do you know who in U S West is in charge of

1 seeing that the customers in Carpenter get reliable
2 service?

3 A. Our maintenance, installation maintenance
4 group, here in Huron has a responsibility of keeping
5 the service up, making sure and maintaining service up
6 there and that kind of stuff.

7 Q. So the buck stops with them, I and M?

8 A. Yes, if you want to call it buck stops with
9 them. They have the responsibility, if there's trouble
10 on a line, to get it fixed, to get the customer back
11 into service.

12 Q. Do they have the authority to order or to
13 require new services to be put in here?

14 A. They don't have the authority to require it,
15 but as they work on lines as theirs are going bad, the
16 trouble history goes in, they identify that to my
17 group. My group takes a look at that particular area,
18 tries to isolate it down to where we replace whatever
19 piece or pieces of our plant is bad.

20 Q. Okay.

21 A. They have feedback but not authorization.

22 Q. In the SLC 40 system, you said that that can
23 handle 40 channels; is that right?

24 A. Yes.

25 Q. So how many customers -- and you said there's

1 124. You can serve another 70?

2 A. There's 124 working lines in the five systems
3 we have up there.

4 Q. 124?

5 A. 124.

6 Q. Right. Is that okay? So let me -- and you
7 have 70 spare; right?

8 A. We have the capability of 200 channels. We
9 have five systems, 40 channels a system.

10 Q. What happens when number 201 wants a line?

11 A. I wish that would come about. We would have
12 to do something to replace that.

13 Q. So what happens when number 201 comes on?
14 You'll you have to replace it?

15 A. We'll have to look at replacement.

16 Q. Well, but what if 201 is here? You would
17 have to do more than look at it, wouldn't you, or do
18 you just tell them we're the provider of last resort,
19 but until someone dies or moves, you're out of luck?

20 A. I don't think you would ever find U S West
21 would do that.

22 Q. I don't think so either.

23 A. We would look at what it would take to
24 replace them.

25 Q. To add capacity, which would include what?

1 A. A number of things. We could maybe add
2 another system of SLC 40. We could do like we did on
3 the Hofer, put in a digital line carrier system like
4 that.

5 Q. Would you really put in another SLC 40
6 system?

7 A. Personal opinion?

8 Q. Yeah.

9 A. It's a good system. If I had access to put
10 it in, I probably would. But I don't have access to a
11 full new system.

12 Q. So even though that was state of the art in
13 1978 and that's why it was placed, you're saying in
14 1993 you would use that system in light of all these
15 other 150 ones that are in the state of South Dakota?
16 You would choose SLC 40?

17 A. No, I wouldn't choose SLC 40.

18 Q. Could you explain capacity provisioning for
19 rural versus urban areas?

20 A. Capacity provisioning for rural versus
21 urban? I don't understand.

22 Q. Is there a difference? Do you do capacity
23 provisioning different for rural versus the urban
24 areas?

25 A. No. They're all our customers.

1 Q. Okay.

2 A. We do put digital line carriers in town. We
3 put them out in the country. We try and maximize our
4 plant facilities.

5 Q. In the U S West amended answer they state
6 that a new repeater is required. My question is why is
7 it required now and not six months ago when there were
8 these -- and why didn't anybody look at it before that
9 when these complaints first started coming in?

10 A. Like I indicated this morning, even with the
11 Hofer deal, when we first took a look at it, we looked
12 at it from a planning aspect. We didn't look at the
13 final design or done the dial-ups or any of the final
14 engineering work on it. We looked at it as a planning
15 aspect and done some assumptions, which everybody does,
16 that we could re-use that span line. When we did our
17 -- that's the repeater lines. And when we done our
18 final drawings, or the final engineering on it, doing
19 the dial-ups, and the dial-ups are telling us what loss
20 we have between each repeater, they were spaced too far
21 apart. So we have to replace the whole span line in
22 order to keep it in balance and to keep the power going
23 to that remotes up there.

24 Q. And there was no way you would know that?
25 Before they started calling and complaining about that,

1 there's no way U S West would know that?

2 A. Know?

3 Q. It was a problem up here before that.

4 A. No. To my knowledge, it hasn't been a
5 problem other than they can't get on the computer and
6 they don't have Caller ID.

7 Q. Was the system to Carpenter under-designed
8 when it was installed?

9 A. Under-designed?

10 Q. Under-designed.

11 A. If we installed it in 1978, we still have 70
12 spare channels. I wouldn't call that under-designing.

13 Q. Have you ever -- have they ever tested for
14 noise up here on the lines?

15 A. I personally have not. But like I indicated
16 before, each time a case of trouble is called in, the
17 line is tested to make sure it does meet all the
18 criteria for voice grade plus the noise on it.

19 Q. Plus the noise?

20 A. It's all tested.

21 Q. And how does it test?

22 A. They test it. It's a called a unit 965,
23 which is a hook on there, which is a testing piece of
24 testier that they hook on there and test for noise and
25 grounds and shorts.

1 Q. And what are the test results showing for
2 noise?

3 A. To my knowledge, I didn't know there was
4 noise. On all the trouble tickets I have pulled, there
5 is none on there for noise except for the one that we
6 had the drop that was chewed apart, and that drop was
7 causing the noise and we fixed it. No noise.

8 Q. What voltage should be found on a telephone
9 loop?

10 A. 48.

11 Q. At the NID what should the voltage be?

12 A. At the NID?

13 Q. At the N-I-D.

14 A. Whatever the NID is. I don't have any idea.

15 Q. Network interface.

16 A. At the SNI. 48 volts.

17 MR. WELK: Why don't we --

18 A. Service network interface is the unit you put
19 on the house where the drop terminates and the inside
20 wires come in.

21 Q. And that's a "nide"?

22 A. SNI, S-N-I, service network interface.

23 Q. And if it's less than 48, what does that
24 mean?

25 A. Well, you might have a short or something

1 wrong with the cable pair.

2 Q. I don't suppose you wouldn't. Oh, but you
3 haven't answered the data request yet so. Let me look
4 here. Oh, where do you get parts for the SLC 40?

5 A. I get them from KGB enterprises.

6 Q. Can you explain -- and you have, so I'll
7 strike that. Would you know how many other U S West
8 customers don't have access to Caller ID or other
9 similar CLASS features in South Dakota?

10 A. I can only go by the people that are on
11 systems that will not allow Caller ID. And there would
12 be 1,052 on the systems that will not accommodate
13 Caller ID, and there's approximately 600 that are 2FR,
14 still in the 2FR arena, which Caller ID will not work
15 on.

16 Q. That's multi-party, is that 2FR?

17 A. Yes.

18 COMMISSIONER NELSON: So that's 1,052 plus
19 62?

20 A. Plus 600. It's 1,652 that I know of that are
21 on systems that will not accommodate Caller ID. There
22 might be more that are a long ways out from the central
23 office that the loss is there.

24 Q. So if you've told me, I'm sorry, you'll have
25 to tell me again. Why isn't Caller ID available on the

1 SLC 40?

2 A. It doesn't have the band width to accommodate
3 Caller ID.

4 Q. What does Caller ID require for bandwidth?

5 A. 37.7, 37.7 kilobytes.

6 Q. That doesn't fall between that 300 and 3,000
7 hertz?

8 A. That's hertz. You're looking at 2,400
9 kilobytes for output out of the SLC 40.

10 Q. Doesn't 2,400 fall between 300 and 3,000?

11 A. You're talking 300 hertz, which is like we're
12 talking here our voice range compared to byte rates, or
13 data over that same bandwidth. It won't accommodate it
14 because of the bandwidth it needs in order to send that
15 data back to the customer from the central office.

16 Q. So bottom line, U S West's contention here --
17 your testimony is you're providing between the 300 and
18 3,000 hertz. Is that 9,600 bytes? The 9,600 bytes
19 wouldn't fit in that?

20 A. No. Between the hertz and the bytes, the
21 hertz is a range of voice, range of noise; and the byte
22 rate is the speed that it will accept or translate data
23 or transmissions. How many bytes of information per
24 second that it will allow to be go over that channel or
25 go over that line.

1 Q. And 300 to 3,000 hertz won't do it?

2 A. Your hertz is different than your byte rate.
3 I don't know.

4 Q. I don't either.

5 MS. CREMER: That's all I have.

6 MS. WIEST: I think we need to take a break.

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

8 MS. WIEST: Let's get started. I believe you
9 were at the Commissioners questions of this witness.

10 COMMISSIONER SCHOENFELDER: Yeah, I do. I
11 have several things I want to talk to you about. But,
12 first of all, Mr. Welk, I do want his cost breakdowns
13 filed. You file them under cover and whatever needs to
14 look at them.

15 MR. WELK: We have copies here if you want
16 to, Commissioner. We have sufficient copies here.

17 COMMISSIONER SCHOENFELDER: I don't want to
18 ask questions from them. I want them in the record so
19 I can review them.

20 MR. WELK: We want to reserve number three as
21 a late-filed exhibit with that confidentiality
22 provision on that on the 211,000, Commissioner.

23 MS. CREMER: Can I ask a question on these
24 exhibits? You know, this is 3. What's 1? One is the
25 letter?

1 MS. WIEST: The map.

2 MS. CREMER: My problem is each of these
3 dockets should have their own exhibits. And I just
4 don't know how you're going to -- and you can leave
5 them all. It just may become a problem with seven
6 dockets having one set of exhibits.

7 MS. WIEST: I don't think it will be a
8 problem. So Exhibit No. 3 will be the cost study
9 breakdown, and that will be filed as confidential.

10 MR. WELK: Yes.

11 MS. WIEST: Is there any objection to that?

12 MS. CREMER: No.

13 MS. WIEST: Let's just admit it then.

14 COMMISSIONER SCHOENFELDER: So I want that,
15 so you're going to admit it into evidence under cover?

16 MR. WELK: Right. Anybody that wants to see
17 it has to sign a proprietary agreement.

18 COMMISSIONER SCHOENFELDER: I need to go
19 back. And I don't want to badger you, but very seldom
20 here that I can ask questions like this too. So let's
21 go back to an old thing that they used to tell me all
22 the time that the reason we couldn't have Caller ID in
23 South Dakota and a reason we couldn't have a lot of
24 things we want in South Dakota until your company
25 decided to put them in here was a thing call Signalling

1 System Seven. And I don't know how that works, if you
2 put it in the switch, if that's where you put it, why
3 it doesn't reach out there okay? And it's the carrier
4 system is why it doesn't reach out there. Am I right?

5 A. It is the bandwidth that is capable of
6 putting that digital system on for the line to go out
7 there, the system to tell the Caller ID box what the
8 phone number is.

9 COMMISSIONER SCHOENFELDER: Okay. So
10 Signalling System Seven just doesn't work on this
11 bandwidth on these kinds of wires?

12 A. That is right, on the SLC 40 or the Anaconda.

13 COMMISSIONER SCHOENFELDER: Okay. Thank
14 you.

15 A. Every other person should have the ability to
16 have Caller ID.

17 COMMISSIONER SCHOENFELDER: Okay. Now, the
18 next thing I want to know, and I asked you this in the
19 Hofer case and I need to know now again. You call it
20 the NEC system that you're putting in the Hofer case,
21 and this is what it would take to replace the SLC 40
22 system in the Carpenter case?

23 A. It will take three of them.

24 COMMISSIONER SCHOENFELDER: It would take
25 three of those?

1 A. Yes.

2 COMMISSIONER SCHOENFELDER: Okay. Then is
3 that the only technology that's available in the
4 marketplace, or is that the only technology that U S
5 West uses?

6 A. That is the only technology that has the
7 backpowering capabilities that is economical to put in
8 up there.

9 COMMISSIONER SCHOENFELDER: So the answer is
10 there are other technologies out there, but you don't
11 choose to use them because of the economics?

12 A. Right.

13 COMMISSIONER SCHOENFELDER: Thank you. Now I
14 need to have --

15 A. To clarify that, there's only one other
16 system that has the backpowering capability that we
17 need in that area, and that's called the light span.
18 And the light span is normally a fiber fed unit. You
19 can feed it with copper, but the cost of feeding that
20 with copper is twice what it would cost for the NEC for
21 the same type of service.

22 COMMISSIONER SCHOENFELDER: And in order to
23 use the fiber, you would have to have fiber to the
24 home?

25 A. You would have to have fiber all the way from

1 here to each one of the remotes going towards
2 Carpenter.

3 COMMISSIONER SCHOENFELDER: You wouldn't need
4 it in the last mile though?

5 A. No.

6 COMMISSIONER SCHOENFELDER: Then I need to
7 have you file something else for me, and you may not
8 have this but Mr. Welk has available to it. And I want
9 the inspection records for the battery backups in this
10 area. I want them filed, if you could do that, please,
11 so we could see when they were inspected.

12 MR. WELK: We have them here. We have a
13 couple of the last couple years.

14 COMMISSIONER SCHOENFELDER: That's fine. I
15 would like to have those in the record.

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

18 MS. WIEST: Let the record reflect that
19 Exhibit No. 4 has been admitted.

20 COMMISSIONER SCHOENFELDER: On the map that
21 you've used in both places this is the existing system
22 now?

23 A. Yes.

24 COMMISSIONER SCHOENFELDER: Okay. Can you --

25 MR. WELK: That's the red line?

1 COMMISSIONER SCHOENFELDER: Right, yeah. I'm
2 not talking about the Hofer thing. I'm talking about
3 the other. I need to understand some of this stuff.
4 You have something called on there somewhere -- Harlan,
5 help me with it again. Here it is, right down here
6 where it says power something. Can you explain that to
7 me?

8 A. I cannot because I didn't write that in
9 there. I used a map that was -- maybe somebody had
10 made a note on before. It doesn't, to my knowledge,
11 have anything to do with either the yellow or the red
12 line.

13 COMMISSIONER SCHOENFELDER: Okay. There's
14 something over here. Did you write that there?

15 A. Keith Glanzer.

16 COMMISSIONER SCHOENFELDER: Below that it's
17 something that looks like WR4 and an arrow.

18 A. I did not write that either.

19 COMMISSIONER SCHOENFELDER: Okay. Then tell
20 me where those remotes are on this line.

21 A. The only one that I've indicated on here is
22 for the customer -- or the Carpenter customer, and it's
23 right there where the two lines jog back a little bit
24 where it says SLC 40. Yes, that is the system that all
25 the Carpenter -- everybody that's on the complaints,

1 except for the Keith Glanzer works out of.

2 COMMISSIONER SCHOENFELDER: What do all these
3 little boxes mean here then?

4 A. Little boxes?

5 COMMISSIONER SCHOENFELDER: Well, that's the
6 best way I can explain it right here.

7 A. Can I walk up there? These? Them are the
8 load points.

9 COMMISSIONER SCHOENFELDER: What's a load
10 point?

11 A. A load point is part of the distribution
12 cable that we put it on there. And to be real simple
13 about it, it takes the twist or the cross talk out of
14 your cable pairs.

15 COMMISSIONER SCHOENFELDER: Okay.

16 A. It has nothing --

17 COMMISSIONER SCHOENFELDER: So there
18 shouldn't be any cross talk on this?

19 A. That's the principle behind it. That doesn't
20 have anything to do with the SLC 40 part of it. It's
21 the out cable from that, or it's the customer side of
22 that needs to be loaded in.

23 COMMISSIONER SCHOENFELDER: I'm going to come
24 over here because of the court reporter, not because
25 I'm trying to act like a lawyer. But here's Keith

1 Glanzer's down here and up here is Mr. Madsen's, over
2 here is Dick Glanzer. They're that far away from this
3 system?

4 A. Yes.

5 COMMISSIONER SCHOENFELDER: Do they have less
6 capability than the people?

7 A. This young man works out of the second
8 system, which I didn't mark it on here but it's down
9 here. All these folks, plus that guy, all work out of
10 this system right here.

11 MR. WELK: Mr. Evans, the court reporter
12 needs the names. She can't down a moving finger. Just
13 tell the court reporter what you were pointing to for
14 the Commission.

15 A. A Madsen, Dick Glanzer, Galen Waldner, Regan
16 Glanzer, plus the grain elevator, the Carpenter grain
17 elevator, and Claudia Glanzer all work out of the
18 remote, the last remote going up. These people right
19 here, Keith Glanzer, works out of the second system
20 going up, or second remote going up. And I didn't mark
21 it on there, but it's right in this area here, and he
22 works out of that. Claudia Glanzer, being that close
23 to the SLC 40 system itself, would have more capability
24 there to get on his computer than Madsen clear up nine
25 miles from the remote itself because of the loss in the

1 distribution or the customer site of that remote.

2 COMMISSIONER SCHOENFELDER: Okay. If you put
3 the new one in, if you put this NEC or whatever it is
4 you're going to put in, would it follow that line?

5 A. Exactly. We will put --

6 COMMISSIONER SCHOENFELDER: Then, okay, if it
7 followed the line exactly, what then would be Keith
8 Glanzer or the Madsen properties, would they still be
9 too far away?

10 A. No. The new NEC system we'll be able to work
11 anybody within a 900 ohm resistance of that cabinet.
12 That's why on this particular route, not like the one
13 up for Hofer, we have to put three separate cabinets on
14 this run up there because we take and find out what a
15 900 ohm resistance is around that cabinet and make sure
16 the people were out of each one of those cabinets, and
17 you design them with that specs.

18 COMMISSIONER SCHOENFELDER: I think I
19 understand it a bit better. Now, I have one other
20 question I want to ask you. You didn't have a lot of
21 reports of trouble up there and noise on the line, that
22 kind of thing, and yet some of the people testified
23 that they had those problems. So is it by our own very
24 nature as rural South Dakotans, because we don't whine
25 a lot, that we're hurting ourselves?

1 A. I believe there were a couple of the people
2 that testified to that. We just live with it. But
3 when we do go up on a case of trouble, we do test it.
4 We do make sure that it meets all of our specs and
5 there is no noise on it.

6 COMMISSIONER SCHOENFELDER: And then you
7 talk --

8 A. But various things can cause noise.

9 COMMISSIONER SCHOENFELDER: Then you talked
10 about rusty drops. I think that's what you said, they
11 were rusty. I know what a drop is. You said they were
12 rusty or corrosion or something?

13 A. Yeah.

14 COMMISSIONER SCHOENFELDER: And it was the
15 company's responsibility. I think that's what you told
16 Miss Cremer in her questioning. You don't have any way
17 to know about that unless there's a problem and someone
18 else calls in and complains. You don't run out there
19 and check those once in a while?

20 A. No, we do not. We would be running all over.

21 COMMISSIONER SCHOENFELDER: Thank you. But
22 it seems to me that with well-planned maintenance there
23 should be a periodic check on some of that stuff
24 especially as it gets older.

25 A. I don't know if anybody would have enough

1 employee base to go out and check the 297,000 lines we
2 have working in South Dakota on a periodic basis.

3 COMMISSIONER SCHOENFELDER: You mean you just
4 put them out there and wait until something happens?

5 A. If you want to put it that way.

6 COMMISSIONER SCHOENFELDER: That's not the
7 way I run my car. I sort of have to do some
8 maintenance on it.

9 A. We do with the batteries and all that kind of
10 stuff, we do do routine maintenance, but we don't do it
11 on all the drop facilities we have. We do run tests.
12 It's an automatic test from the Huron office that
13 identifies cable is going bad before it really gets
14 bad. It's called a LIT report, which you wouldn't
15 understand if I could explain.

16 COMMISSIONER SCHOENFELDER: Probably not.

17 A. If I could explain, I said. But it does
18 monitor those cables for trouble and does kind of
19 prevent a maintenance type thing.

20 COMMISSIONER SCHOENFELDER: I think that's
21 all I have.

22 MS. WIEST: Do you have anything more?

23 CHAIRMAN BURG: You indicated that you have
24 124 lines in the -- that you're servicing in that area
25 now; is that correct?

1 employee base to go out and check the 297,000 lines we
2 have working in South Dakota on a periodic basis.

3 COMMISSIONER SCHOENFELDER: You mean you just
4 put them out there and wait until something happens?

5 A. If you want to put it that way.

6 COMMISSIONER SCHOENFELDER: That's not the
7 way I run my car. I sort of have to do some
8 maintenance on it.

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10 stuff, we do do routine maintenance, but we don't do it
11 on all the drop facilities we have. We do run tests.
12 It's an automatic test from the Huron office that
13 identifies cable is going bad before it really gets
14 bad. It's called a LIT report, which you wouldn't
15 understand if I could explain.

16 COMMISSIONER SCHOENFELDER: Probably not.

17 A. If I could explain, I said. But it does
18 monitor those cables for trouble and does kind of
19 prevent a maintenance type thing.

20 COMMISSIONER SCHOENFELDER: I think that's
21 all I have.

22 MS. WIEST: Do you have anything more?

23 CHAIRMAN BURG: You indicated that you have
24 124 lines in the -- that you're servicing in that area
25 now; is that correct?

1 A. 124 working lines in that span going up
2 there.

3 CHAIRMAN BURG: Do you know how many
4 customers of record you have for that same area?

5 A. I do not. I just know the working lines.

6 CHAIRMAN BURG: Is it really U S West's
7 policy or position, then, that if it's too expensive to
8 the company to provide the people of the Carpenter
9 exchange the service they're requesting, then they
10 should not have computer level service?

11 A. I don't know if I know enough about the
12 company policy on that. I do know that what we are
13 required is voice grade service.

14 CHAIRMAN BURG: Well, because I understood
15 from the first, from Mr. Hofer's this morning, that you
16 put in a request to upgrade that system. It was
17 approved to upgrade and allow it. Did you put in a
18 request to upgrade this system so computer level
19 service could be provided?

20 A. I have not. I have not asked for funding, if
21 that's what you're asking.

22 CHAIRMAN BURG: That's basically what I'm
23 asking. And that's why I'm asking is the policy. And
24 if you don't have outage problems, if you don't have
25 service problems that rise to the level that you have

1 determined, and that if it's too expensive, then you
2 will not provide computer level service to an area?

3 A. That is a fact. I do have a limited budget.
4 They're liberal with it, but I do have a limited budget
5 to do what I can do in South Dakota.

6 CHAIRMAN BURG: Because if you had a
7 metropolitan area or urban area that requested these
8 kinds of services, what's the determinant whether you
9 put one in there then?

10 A. Most of your urban areas are within the range
11 of the central office and they do work.

12 CHAIRMAN BURG: But sometime you had to
13 decide to fix that central office up because you
14 felt --

15 A. That's long before I was in the planning
16 stage of where we set our central offices or how we
17 build our towns around them.

18 CHAIRMAN BURG: I'm not sure, you probably
19 aren't the one to answer this, but I'm trying to
20 understand how we're going to meet the 1997 Act,
21 so-called the Governor's Act, with that policy, which
22 was to get everybody in South Dakota treated basically
23 the same; that they would have the availability of
24 computer services. But I think that's probably more of
25 a political answer.

1 A. I can't answer that.

2 CHAIRMAN BURG: The last one I have is -- and
3 I think you may have partially answered this but I want
4 to ask it again. You said you had to take a new line
5 from the Carpenter Elevator to the exchange boundary to
6 provide them with dedicated line; is that correct?

7 A. Yes.

8 CHAIRMAN BURG: Is that the normal way you
9 provide dedicated lines?

10 A. Well, I don't know what you would call
11 normal. But normally we would take it from our central
12 office to that customer so when a customer would call
13 in, they would go through our central office to
14 wherever it's dedicated to.

15 CHAIRMAN BURG: But couldn't I purchase -- if
16 I'm in the Carpenter area, evidently not. But if I
17 were in Sioux Falls, couldn't I purchase a dedicated
18 line from there to Minneapolis?

19 A. From, yes, but it would --

20 CHAIRMAN BURG: That's farther than from
21 Carpenter to Willow Lake?

22 A. It would go through our central office.

23 CHAIRMAN BURG: That's what I was getting
24 at. A normal way would be to go through central office
25 with a copper pair in this case?

1 A. Yes.

2 CHAIRMAN BURG: Could be fiber if you had
3 fiber?

4 A. Yes.

5 CHAIRMAN BURG: With a copper pair at the
6 central office then you would somehow connect with
7 interstate ITC to provide them that dedicated line?

8 A. With our cable, yes.

9 CHAIRMAN BURG: Tell me again why you can't
10 provide it in that method here.

11 A. They want to run data over it. And with the
12 SLC 40 systems we got up there, all the lines up there,
13 you can't run data over it. That's why they have the
14 automatic dial-up, whatever. That doesn't work very
15 well for them because the system we got up there won't
16 carry the data they want to carry on that line.

17 CHAIRMAN BURG: But if you did run a separate
18 brand new line as you had said from the Carpenter
19 elevator to the exchange boundary, how would you run
20 data over that line?

21 A. It would have to be powered from the Willow
22 Lake central office.

23 CHAIRMAN BURG: So you would--

24 A. They would have to come from their central
25 office to the exchange boundaries. We would meet

1 there. They would have to provide the dial tone or the
2 data circuit on that. We would have to match our
3 provisioning of that cable pair to their provisioning
4 in order to make it work.

5 CHAIRMAN BURG: Normally you could go back
6 through the exchange because you would have adequate
7 power to get data level, what I call bytes, and go
8 through the central exchange and connect with
9 interstate and take it to Willow Lake; and that could
10 be going all over the country before it got there;
11 right?

12 A. Yes.

13 CHAIRMAN BURG: But you would have a
14 dedicated path for them. You can't give them a
15 dedicated path from Carpenter to Willow Lake because
16 you can't go back through your exchange? You don't
17 have enough power?

18 A. That's right. And we would have no way of
19 powering that from our central office going through the
20 SLC 40 system.

21 CHAIRMAN BURG: And if you powered, but if
22 you went to the exchange boundary, then you could power
23 it out of the Willow Lake?

24 A. They would have to power it from the Willow
25 Lake area.

1 CHAIRMAN BURG: Which would basically be a
2 foreign exchange. That's where they got that
3 terminology; is that right?

4 A. Yes. And when we looked at that, we looked
5 at placing the cable from the Carpenter Elevator to
6 that exchange boundary is where that dollar figure come
7 in, the big dollar figure.

8 CHAIRMAN BURG: I really am having trouble
9 figuring how we can tell this group of people because
10 the company put in a 20 -- put in a system 20 years
11 ago, it works perfectly fine, so it doesn't need
12 upgraded from that standpoint, but because it's not a
13 system adequate to carry modern technology, you're
14 going to be without. And that evidently is the policy
15 that I am hearing you explain to us; is that correct?

16 A. I don't know if you would call it policy, but
17 that's what we are required to serve our customers.

18 CHAIRMAN BURG: Required by whom?

19 A. Whatever people regulate us.

20 CHAIRMAN BURG: No, no.

21 A. It's voice grade service.

22 CHAIRMAN BURG: You put a lot of systems in
23 like that that we didn't require through regulation.
24 That's the policy of the company the way I see it.

25 A. That will work for me.

1 COMMISSIONER NELSON: I have a couple
2 questions, I guess. Earlier in your testimony someone
3 asked you about how you could justify -- and I'm not
4 sure if the number was \$152,000 for the -- justify the
5 \$152,000 for the Carpenter system or the Hofer system,
6 but not the \$211,000 for the Carpenter system. And the
7 answer that I thought I heard you give was that in the
8 Hofer case the \$152,000 you had some orders.

9 A. I had commented that it was hard for me to
10 justify spending \$153,000 to go up there to the Hofer
11 ranch. It's hard to justify replacing that stuff up
12 there for that dollar amount for one order or two
13 orders.

14 COMMISSIONER NELSON: But --

15 A. Or ten orders.

16 COMMISSIONER NELSON: But did you do it;
17 right?

18 A. But with the trouble rate we had, the service
19 issues we had, plus what two ordered growth, or one
20 ordered growth, whatever is up there, helped people
21 understand that we needed to replace that Anaconda
22 system.

23 COMMISSIONER NELSON: And the growth was
24 based on one held order?

25 A. That's all it is. It's hard to justify

1 spending \$153,000 for one order. That is not my
2 decision to make.

3 COMMISSIONER NELSON: I understand. But you
4 did say that you could do it because you had one held
5 order and it was part of the growth and you had the
6 Hofer people who made the request. Why is that
7 different than the Willow Lake Elevator being
8 considered a held order and one request?

9 A. I can give the Carpenter Elevator another
10 line off the SLC 40. I couldn't give the Hofers
11 another line off the Anaconda carrier. It was
12 upgraded.

13 COMMISSIONER NELSON: However, giving even
14 Mr. Hofer only one line didn't really improve anything
15 that he wanted to do because he also wanted Internet
16 access, he also wanted data transmission at faster
17 rates and speeds than he had before. Now, you can
18 provide, I understood you say today, the Carpenter
19 people with an additional line?

20 A. Right.

21 COMMISSIONER NELSON: But although they could
22 have an additional line, they're not better off because
23 they still can't have any of the services like the
24 Internet, Caller ID, and those kinds of things that
25 we're going to be able to provide for Mr. Hofer. Or

1 even if you could have provided Mr. Hofer with another
2 line, if you were to only provide him a line, then he
3 would have been no better served than the people in
4 Carpenter. Is that not true?

5 A. That is true, if I could.

6 COMMISSIONER NELSON: Why isn't it relevant
7 to this case? Because you just said that we could --
8 you were justifying the Hofer expenditure based on one
9 held order because that represented growth and demand
10 for services.

11 A. I think you heard me say I had a heck of a
12 time justifying that. But the only two issues that
13 come into it was the trouble history, the cost that it
14 cost us to have our maintenance people maintain that
15 system. It cost us more to maintain it than it is to
16 replace it. It's still hard to justify spending that
17 kind of money for one order or for one small group of
18 customers, but when it starts costing you more to
19 maintain it than it is to replace it, that helps
20 justify the expenditures that we'll do up there.

21 COMMISSIONER NELSON: Would you agree that
22 the only difference between the Carpenter and Hofer
23 cases are -- the only difference is that the Hofer
24 people seem to complain more than the Carpenter people
25 and so, therefore, you have a longer history of trouble

1 than you did than the Hofer people -- or the Carpenter
2 people?

3 A. I can't answer that.

4 COMMISSIONER NELSON: Why not?

5 A. Because.

6 COMMISSIONER NELSON: It seems like a simple
7 question to me. You said there were these certain
8 criteria that you use to make your decision. One of
9 those was the growth thing. And you were saying that
10 one order apparently represented a growth in your
11 mind. The other was that you had a trouble history.
12 And maybe there were others. But it seems to me that
13 except for the trouble history, the Hofer and the
14 Carpenter situation is the same.

15 A. I can still repair a SLC 40. I can't repair
16 Anaconda carrier. It's the vintage before the SLC 40.
17 So it costs us more in maintenance, more in trying to
18 make it work, that that helped justify spending the
19 \$153,000.

20 COMMISSIONER NELSON: Okay. And let's talk
21 about this trouble repair stuff or troubling history.
22 If people complain about noise, screeching, double
23 voices on the line, those kinds of things for voice
24 grade communication out there and you sent somebody out
25 to test that and they say -- or if they wanted data

1 transmission and they find that they didn't really --
2 that you were meeting the voice grade standard, would
3 that be recorded as a one trouble history?

4 A. That would be reported as no trouble found.

5 COMMISSIONER NELSON: Because you were
6 providing --

7 A. If you don't find any trouble on it, you
8 can't mark it down as a case of trouble. It's recorded
9 if a subscriber customer called in. But if you don't
10 find any trouble on it, you do your tests, it meets all
11 the criteria we need, it's written as no trouble found.

12 COMMISSIONER NELSON: If is it written that
13 way because it meets the standard voice grade standard?

14 A. Yes.

15 COMMISSIONER NELSON: Not necessarily because
16 you didn't find any screeching or humming or anything
17 on there?

18 A. If you don't find any trouble, you write it
19 down as no trouble found. That's not part of the --

20 COMMISSIONER NELSON: How do you find
21 trouble?

22 A. When you actually go out there and pick up
23 the phone, there is noise, there is ground, there is
24 something wrong with the line. If a customer called in
25 every day and say says, "Hey, my phone don't work," we

1 send a technician out there. And if he doesn't find
2 anything wrong with it, it goes down as no trouble
3 found. When I review that trouble history, I can pick
4 all those out and they're not counted as trouble
5 history because there was no trouble on the line.

6 COMMISSIONER NELSON: If it were
7 weather-related, intermittent, and if the wind and rain
8 and those kind of things affected it, it is possible
9 there could have been trouble there; right? You might
10 not know?

11 A. In rare occasions, yes.

12 COMMISSIONER NELSON: In rare occasions?

13 A. Yes.

14 COMMISSIONER NELSON: How would you decide
15 when it was a rare occasion or not?

16 A. Well, if it would continue to come back and
17 forth and we wouldn't get it, we would probably
18 investigate it until we did find what the trouble was
19 if there was really trouble on it.

20 COMMISSIONER NELSON: Are you familiar with
21 your investment plan in South Dakota?

22 A. I am not.

23 COMMISSIONER NELSON: Is it true that -- in
24 the Hofer case, all the people in this room today -- or
25 the people who complained today would be able to get a

1 second line if they want one?

2 A. We have enough channels available in the SLC
3 40 to do that. I do not know about the facilities from
4 our cable terminals into their houses, if they have one
5 pair in there. It's just like the Hofers. They would
6 be billed to beef that part of the facility up. At
7 today's records, we do have enough facilities in the
8 channels of the SLC 40 and in the copper cable that is
9 laying in all them ditches up there.

10 COMMISSIONER NELSON: Well, you can say what
11 you want, but I want you to answer the question that I
12 think I asked, which is I want to know in my language
13 if every person that filed a complaint here today is
14 you are going to say that they can get a second one?

15 A. Yes.

16 COMMISSIONER NELSON: They absolutely can if
17 they wanted one?

18 A. We have enough spare facilities up there
19 today as we speak that they could each get another
20 line.

21 COMMISSIONER NELSON: And those facilities
22 that are there, are you aware where all these people
23 live so they could indeed get them?

24 A. In today's investigation, yes.

25 COMMISSIONER NELSON: What do you mean by in

1 today's investigation?

2 A. There is enough spare facilities in the
3 distribution up there for all of them to have another
4 line.

5 COMMISSIONER NELSON: Although even --

6 A. That complaint in here today.

7 COMMISSIONER NELSON: But even if they had
8 another line, they couldn't have -- they wouldn't be
9 able to do anything but voice grade communication;
10 right?

11 A. It would be no different than the line they
12 have today.

13 COMMISSIONER NELSON: Do you believe that the
14 voice grade communication provided to the people in
15 Carpenter and who filed complaints today is comparable
16 to the voice grade communication in, let's say, Huron?

17 A. Yes.

18 COMMISSIONER NELSON: You can truthfully say
19 you believe that after listening to people here today
20 that some who lived there 44 years and said they just
21 kind of not used?

22 A. You asked for my opinion. My opinion is yes.

23 COMMISSIONER NELSON: I guess we differ on
24 that. And I -- just so it's clear, why would they have
25 all this screeching and double-talk?

1 A. I have no idea.

2 COMMISSIONER NELSON: No idea?

3 A. I have not heard of a SLC 40 having the
4 screech in it. I've heard of the Anaconda carrier
5 having a squeal in it, but I have not heard of the SLC
6 40 having a squeal.

7 COMMISSIONER NELSON: Since we heard about it
8 from the people in Willow Lake, they have the SLC 40;
9 right?

10 A. Yes, and Carpenter not Willow Lake.

11 COMMISSIONER NELSON: But it's in Carpenter.
12 Okay. Well, isn't -- didn't Crystal Grann talk about
13 the -- okay, the Carpenter Elevator, they're on the SLC
14 40, is that not true?

15 A. Yes.

16 COMMISSIONER NELSON: If they have this
17 problem on the SLC 40, what might be the cause of the
18 problem?

19 A. I would have to have the I and M people, or
20 the installation and maintenance people, do some
21 tests. I have no idea how it can squeal on a digital
22 line that serves that SLC 40.

23 COMMISSIONER NELSON: How about the double
24 voice?

25 A. The double voice could come from if there was

1 a moisture in the cable somewhere in the outside or the
2 customer side of the SLC 40 they would get maybe some
3 cross talk. If snow would blow in the terminal or
4 something that would cause that.

5 COMMISSIONER NELSON: One of the things you
6 said you were going to do when you improve the
7 situation in the Hofer case was to have -- you have
8 better like to keep the mice out, the weather and the
9 elements out. Is the system that you're going to
10 provide when you do that upgrade in Hofer different
11 than the situation that's going to exist with the SLC
12 40's?

13 A. Yes. It's a different cabinet, different
14 type of cabinet, brand new, sealed better, not been out
15 in the weather, probably take years to ever deteriorate
16 down to where there would be gaps in it or a way for a
17 mouse to get in. And we do put chemical -- not
18 chemicals, compound in our terminals to prevent the
19 mice from coming in.

20 COMMISSIONER NELSON: Do you know the
21 condition of the SLC 40 systems in the Carpenter area?

22 A. Do I know the condition of them? By
23 physically looking at them or by trouble history?

24 COMMISSIONER NELSON: By looking at them and
25 by trouble history, I guess.

1 A. By looking at them, they look like they're in
2 good shape yet. We were up there yesterday. The
3 cabinets are sitting there nice and straight. Need a
4 little paint job, but other than that, they look pretty
5 good.

6 COMMISSIONER NELSON: I think that's it.

7 CHAIRMAN BURG: I just have one more. Is it
8 true have you got a policy of trying to replace all the
9 Anaconda's over a period of time more so than the SLC
10 40's?

11 A. Not a written policy. I replace Anaconda
12 carrier every chance I get.

13 CHAIRMAN BURG: That's what I was going to
14 say, because you have can't get repairs as well?

15 A. That's right. The cost of maintenance is too
16 high.

17 CHAIRMAN BURG: They're just a poor system?

18 A. And if you look at the Aberdeen area, the
19 last year the work we done in Aberdeen, we done that
20 work to get rid of the Anaconda carrier because it was
21 starting to cause us as many problems it was causing
22 the customers. Every chance I get. And I don't have
23 the data with me now, but I believe the number was 35
24 systems of Anaconda carrier that we eliminated last
25 year through different growth programs, upgrades in

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19 last year the work we done in Aberdeen, we done that
20 work to get rid of the Anaconda carrier because it was
21 starting to cause us as many problems it was causing
22 the customers. Every chance I get. And I don't have
23 the data with me now, but I believe the number was 35
24 systems of Anaconda carrier that we eliminated last
25 year through different growth programs, upgrades in

1 areas. And we do concentrate on trying to get rid of
2 all of them. Nothing would make me happier than to get
3 rid of all of them.

4 CHAIRMAN BURG: That's all I have.

5 MS. WIEST: Any redirect?

6 MR. WELK: No.

7 MS. WIEST: Thank you. Do you have any?

8 MS. CREMER: I had a couple questions.

9 RECROSS-EXAMINATION

10 BY MS. CREMER:

11 Q. What's the symbol for the SLC 40?

12 A. I have no idea.

13 Q. Since it's only three miles from the current
14 Anaconda line over to where the Carpenter SLC 40
15 starts, how hard would it be to serve the people from
16 Carpenter with that new T-REC that you're putting in?

17 A. First of all, it would be outside the 900 ohm
18 circle that we're having around the Hofer area to feed
19 that. Plus, it is a completely different route that
20 goes up to Carpenter. It happens to be just at one
21 spot a mile apart. To try and turn all that into the
22 two routes into one with your span lines being in
23 there, I don't believe it would work very well. And my
24 planners look at stuff like that. I mean it's any way
25 to make the service better to save our company money.

1 But with the two different routes, the two different
2 types of cable going up there, and the 900 ohm circle,
3 it didn't work. That's part of the comments they asked
4 me earlier about the 55,000 now, why 211,000. If you
5 would just pick this up as a planner and say I can
6 combine them two into one repeater, so all I need to do
7 is price out three terminals and give the answer. But
8 when you do the dial-ups, when you do the loss readings
9 and all that stuff, it wasn't possible to combine the
10 two routes.

11 Q. Did you check all the SLC 40's yesterday,
12 physically check them?

13 A. No, not all of them.

14 Q. How many?

15 A. We went to the remote that is fed out of the
16 Carpenter area.

17 Q. The one that's marked on the map?

18 A. The one marked on the map.

19 Q. When was that? What time of day was that?

20 A. As a matter of fact, it was twice. Somewhere
21 around 1 o'clock the I and M manager and I went up,
22 installation and maintenance manager went up, and later
23 in the afternoon somewhere around 4:00, 4:30, Jon
24 Lehner, Mr. Welk, and Colleen and I drove up there.

25 Q. You had to walk through the snow too?

1 A. No. The snow was gone late in the
2 afternoon. We even got to turn around.

3 MS. CREMER: That's all I have.

4 MS. WIEST: Any other questions?

5 MR. SYRING: Could I ask a question? You
6 talked about the repair cost associated with Hofer's
7 versus Carpenter's. Can you tell me what the money is
8 you spent on the repair for Carpenter versus Hofer?

9 A. No, I cannot. That's a report that I didn't
10 bring with me. I have got that information in Denver
11 that I can pull up, but I don't have it personally, no.

12 MS. WIEST: Any other questions? Thank you.
13 (Witness excused.) Do you have another witness, Mr.
14 Welk?

15 MR. WELK: Yes. Colleen Sevold.

16 **COLLEEN SEVOLD,**
17 called as a witness, being first duly sworn,
18 was examined and testified as follows:

19 DIRECT EXAMINATION

20 BY MR. WELK:

21 Q. Would you please state your name?

22 A. My name is Colleen Sevold.

23 Q. And where do you live?

24 A. I live in Sioux Falls, South Dakota.

25 Q. By whom are you employed?

1 A. U S West Communications.

2 Q. And what is your position?

3 A. I'm regulatory affairs. I'm the manager of
4 the regulatory affairs.

5 Q. What are your duties and responsibilities of
6 manager of regulatory affairs?

7 A. As manager of regulatory affairs I work with
8 filing the tariffs before the Commission, I witness at
9 Commission hearings, I work on customer complaints
10 occasionally.

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

12 A. About 18 and a half years.

13 Q. In regard to the complaints that were made
14 from the Carpenter area, after the complaints were
15 filed, did you call a number of the complainants
16 personally by telephone to discuss their complaints?

17 A. Yes, I did. I have personally visited with
18 all of the complainants.

19 Q. Who specifically did you visit with?

20 A. Actually in the time frame between March 2nd,
21 3rd and 4th, I called all of the complainants, with the
22 exception of the Willow Lake Elevator, which I had
23 talked to them on a prior occasion, and then I've
24 talked to them just a few days ago. I called each one
25 of the customers, and I either talked to the customer

1 who had signed the complaint or their spouse.

2 Q. And what questions did you ask?

3 A. I first identified myself. I said that I was
4 calling regarding the complaint that they had filed
5 with the Commission and I would just like to take a few
6 minutes of their time to visit with them about their
7 complaint and about their phone service.

8 Q. And did you ask them any other questions
9 about their complaint?

10 A. Yes, I did. After they acknowledged that
11 they had a few minutes to visit with me, and they were
12 all very cordial about visiting with me, I asked them
13 specifically, "I would like you to tell me about your
14 voice line. I would like to know the problems you're
15 having on your voice line." Every single one of the
16 customers told me their voice line was working just
17 fine.

18 Q. So all of the complaints that were heard
19 today about the screeching and the static on the line,
20 there was none of those that were voiced to you during
21 your telephone conversations in early March?

22 A. Not a single one. Maybe two of them told me
23 about the outage that happened, which we've heard about
24 earlier today. But, in fact, I would say, "Any
25 static? You know, the reason I'm asking, do you have

1 any static? Do you have any noise? Do you have
2 problems like that?" And I did not hear one of them
3 say they did.

4 Q. Did you review the trouble history also on
5 these lines?

6 A. I reviewed the trouble history for the last
7 two years.

8 Q. And the review of that, other than the
9 complaints about getting computers, Caller ID, data
10 access, can you tell us what the records of the company
11 reveal about the trouble histories of the people?

12 A. Yes. I could either go down each one of
13 them, or I could just generalize that. With the
14 exception of the Caller ID, a couple of them called no
15 dial tone, but they called right back and said cancel
16 because it's working. And a lot of times what happens
17 is they've had an extension off hook or something like
18 that and they've discovered that. And a couple of
19 times there was a cut drop, and we went out and
20 repaired that.

21 Q. Give me the names of the ones with the cut
22 drops.

23 A. Sure, if you give me a minute here. We have
24 one, Michael Madsen on August 28th, 1997. Out of
25 service wire cut in driveway due to Spink County

1 cutting it. We have another one for Keith Glanzer,
2 November '96, repaired drop. We do have one case on
3 Keith Glanzer, October 1997, no dial tone; and that was
4 due to a U S West repairman that had been working on
5 the system. Other than that, I cannot see anything on
6 here. And we did have, as Regan Glanzer said, in
7 November of '96, no dial tone, and we found mice in the
8 terminal.

9 Q. So were there any complaints about static
10 that were on the line that were on the trouble lists in
11 the last two years?

12 A. There was not.

13 Q. Or a screeching?

14 A. There is not.

15 Q. What are the local residential rates that are
16 paid by the people from Carpenter?

17 A. The residential rate is \$16.55.

18 Q. What is the local business rate that's paid?

19 A. \$32.45.

20 Q. What does U S West charge for Caller ID?

21 A. \$5.95 for name and number.

22 Q. Per month?

23 A. Per month.

24 Q. From your prior involvements with the
25 dockets, has there been a number that has been agreed

1 on between the staff and U S West as to the cost to
2 provide service in South Dakota?

3 A. Yes. I believe in the what we refer to as
4 the 121 price regulation docket, the cost, the average
5 statewide cost to provide service was somewhere around
6 \$21.00.

7 Q. That's an average statewide cost?

8 A. That's correct.

9 Q. That includes the people in Sioux Falls, the
10 rural areas and everyone?

11 A. That is correct.

12 MR. WELK: I have nothing further.

13 MS. WIEST: Do the complainants have any
14 questions of this witness?

15 MR. SYRING: I just have one. Can you tell
16 me what the rate is in Huron for a residential?

17 A. \$16.55.

18 MR. SYRING: It's the same?

19 A. Yes.

20 MR. SYRING: And that resident in Huron can
21 have voice as well data communications? They could
22 have Internet to access?

23 A. Depending on how close they're located to the
24 central office.

25 MR. SYRING: Anywhere in Huron, the city of

1 Huron?

2 A. If they're close enough to the central office
3 they probably could, yes.

4 MR. SYRING: Have you had any complaints from
5 Huron stating the fact that they cannot get the
6 Internet access living in the city here?

7 A. Not that I'm aware of. But I would not -- I
8 do not get the trouble history on them.

9 MR. MIKE MADSEN: I have a question. Is the
10 \$21.00 average statewide, is that business and
11 residential combined too?

12 A. That is residential service.

13 MR. MIKE MADSEN: Just residential? Okay.

14 MS. WIEST: Any other questions from the
15 complainants? Ms. Cremer.

16 MS. CREMER: Thank you.

17 CROSS-EXAMINATION

18 BY MS. CREMER:

19 Q. What are the facilities' remaining economic
20 life?

21 A. I cannot answer that question.

22 Q. Will there be someone from U S West that can
23 answer that question?

24 A. I believe we stated that there will not be.

25 Q. I thought you said there will be.

1 A. There will not be.

2 Q. Do you know why the elevator was never
3 provided with a written estimate for the cost of either
4 price that was quoted to them?

5 A. No, I do not.

6 Q. And is that typical of U S West not to
7 provide a written estimate when they've been requested
8 of one from a customer?

9 A. I guess I wouldn't have any basis to answer
10 that. Those would come out of the business office. I
11 would have no reason to know why they wouldn't.

12 Q. Do you know why the price quote varied so
13 much?

14 A. No, I don't. I imagine, I think, as I
15 understand it, they were talking about several
16 different types of services and several different
17 possibilities.

18 Q. Did you ever call when this complaint came in
19 and as you were preparing for the hearing, did you ever
20 call the service rep department and ask them why no
21 written confirmation was sent?

22 A. No, I didn't. I believe that I did talk to
23 the engineer about the problem of getting the
24 facilities to them.

25 Q. Yeah, but I'm talking about the written

1 confirmation.

2 A. No, I did not.

3 Q. Why not? Why didn't you call and ask someone
4 why wasn't this followed up on?

5 A. As I understand it, and as I understand the
6 complaint, they were told that it would need to be
7 forwarded to engineering for their review. And it's my
8 understanding that engineering did come back to them
9 and quote them a charge that it would cost to get them
10 that service.

11 Q. They quoted them a price, but they never sent
12 them anything in writing?

13 A. I'm not sure. I know they were quoted
14 approximately \$50,000. I'm not sure if that was in
15 writing or verbally.

16 Q. In U S West's answer they said there's no
17 possibility to recover this money, this \$211,000 to be
18 spent in Carpenter. Do you recall that?

19 A. Yes, I do.

20 Q. That didn't include, however, toll, CLASS,
21 all the other services, second lines, Internet, that
22 the Carpenter residents made by U S West, did it?

23 A. Well, the second lines we can provide to them
24 today on the facilities that are there today.

25 Q. But you didn't figure that cost in when you

1 did your multiplication here and came up with \$1,400?
2 None of those revenues were figured in, were they?

3 A. What I would look at is incremental revenue
4 that we cannot get today on this system that the new
5 system would provide. And today they can have
6 additional lines.

7 Q. Okay. I'm obviously not asking the question
8 right. U S West came up with a bottom line figure in
9 their answer that said \$1,400 is all the residents of
10 Carpenter will provide to us versus a 211 dollar cost;
11 is that right?

12 A. That is correct.

13 Q. Okay. That didn't include toll?

14 A. That did not include toll.

15 Q. And it didn't include CLASS. If you were to
16 update these services, update the facilities, there
17 would probably be additional toll, CLASS, all those
18 other services, Internet, they might possibly buy from
19 you; isn't that correct?

20 A. What I believe our response said is the
21 revenue that we get today.

22 Q. I don't suppose you know anything about the
23 satellite system, do you, that U S West put in their
24 answer would be a viable alternative?

25 A. It is my understanding that that information

1 came from Steve Wegman after he had been to some type
2 of an industry forum or something, and he gave that
3 information to Jon Lehner and talked about how that was
4 going to be the possibility. And so that is where the
5 answer came from.

6 Q. So U S West's answer is based on Steve
7 Wegman?

8 A. A conversation Steve Wegman had with Jon
9 Lehner.

10 Q. So you don't know anything about this if I
11 were to ask you any other questions on this satellite
12 alternative?

13 A. That's correct.

14 Q. What's the percentage of U S West customers
15 in South Dakota that have Caller ID?

16 A. I would say that we have probably running 20
17 to 25 percent.

18 Q. Do you know is that high, low, or average in
19 U S West territory?

20 A. I would only be guessing. I would say about
21 average, but I'm only guessing.

22 Q. I'm trying to figure out the point of your
23 testimony regarding your conversations with the people
24 in Carpenter in their testimony today. What was the
25 point of your testimony?

1 A. The point of my testimony was I made a call
2 to each one of these individuals just for that reason.
3 I wanted to know of any problems they were having with
4 their voice grade line because I felt that I needed to
5 know that. I had reviewed their repair history. There
6 was nothing there. I wanted to know any problems. And
7 they all said -- in fact, I documented the calls as I
8 was making them. And some of them said, in fact, it
9 works great.

10 Q. So when you documented, did you tape them?

11 A. No. I wrote them as I was talking.

12 Q. So if they didn't tell you yesterday that
13 they -- or whatever day it was, two days ago, that they
14 had static and double-talk and all this and that they
15 get this call out of the blue from U S West and they
16 didn't tell you suddenly none of those problems really
17 existed? Is that the point of your testimony?

18 MR. WELK: Objection. It's argumentative.

19 MS. CREMER: What part?

20 MR. WELK: Your whole question is
21 argumentative.

22 Q. Okay. I'll try again. The point of your
23 testimony regarding what you talked to them about is
24 what?

25 A. I wanted to know, and I asked them all to

1 tell me about any static and complaints, any problems
2 they were having with their voice grade service because
3 that was the purpose of my call. And none of them told
4 me anything, and I gave them plenty of opportunity. In
5 fact, I asked them to please tell me. And so the
6 purpose of me saying that is that is what all of the
7 customers have told me.

8 Q. Okay. So that being the first half of the
9 story, what's the second half? So what's the point of
10 your testimony?

11 A. That they all told me that their voice line
12 service is working very fine.

13 Q. What are we to infer from that?

14 MR. WELK: I'm going to object. It's
15 argumentative. You can make whatever point you want.
16 She's just testifying as to the facts, Counsel. The
17 inference, I can draw and you can draw and the
18 Commission.

19 Q. What is your inference from that?

20 A. I would believe that if they told me they
21 were having no problems, then I would believe they were
22 having no problems because that is what they told me.

23 MS. CREMER: Okay. I think that's all the
24 questions I have.

25 MS. WIEST: Commissioners?

1 COMMISSIONER NELSON: I have a couple.
2 Colleen, do you know anything about your investment
3 plan in South Dakota?

4 A. Yes, I'm familiar with it.

5 COMMISSIONER NELSON: In your investment
6 plan, as I think back in my mind, and we went back to
7 the quality of service docket, at that point -- and I'm
8 sure, if I'm not accurate, you can correct me. I
9 thought that in that investment plan you testified --
10 your company testified to the fact that by the first
11 quarter of 1996 or '97, that -- the last quarter of
12 1997, that you were going to have Caller ID available
13 to all people in South Dakota. And that, in fact, you
14 had made that commitment and you had it completed prior
15 to that in 1996 instead of 1997?

16 A. I believe -- this is what I remember. I
17 believe that we said that we would have Caller ID
18 available in all of our central offices. But when we
19 actually introduced Caller ID service to the
20 Commission, which was probably back in 1995, I believe
21 I recall in the filing we said where technically
22 available and feasible. But we did commit that we
23 would have Caller ID in all of our central offices,
24 which we do have.

25 COMMISSIONER NELSON: Are you telling us here

1 today that when you are asked the question about
2 whether or not Caller ID was going to be available in
3 your investment plan, that it meant that it was
4 available only in that it means only in your central
5 office? If it's available -- well, I may be reaching
6 the wrong conclusion. Because the conclusion I'm
7 reaching is if you're saying -- I mean, I think it's if
8 you don't ask the right question, you don't get the
9 right answer. So when the question was asked when
10 would it be available? Your investment plan says it
11 will be available to everybody. I don't recall seeing
12 an investment plan that said only in your central
13 office. But do I stand corrected there?

14 A. I'm not sure what our investment plan --
15 I can't tell you without looking at it today. But I do
16 recall that when we filed the introduction of Caller
17 ID, I do believe I recall that we said where
18 technically possible.

19 MS. CREMER: If I could interrupt. I have
20 that investment plan, and you could look at it.

21 COMMISSIONER NELSON: Would you agree if it's
22 available only in your central office, it does people
23 no good if they can't use it? So you could -- I mean
24 it's there, but if nobody can make use the service,
25 it's not of any use; right?

1 A. Well, if it's technically not available,
2 that's correct, they wouldn't be able to get it. If it
3 does not work where they are located, then it wouldn't
4 be able to. But it is available in the central office,
5 so the vast majority of our customers would have it.
6 But if there's a technical limitation, they would not
7 have it.

8 COMMISSIONER NELSON: I guess that I'm
9 somewhat misled. I feel misled here. Because when
10 someone asked me about if Caller ID is available,
11 having it available in the central office, if it's no
12 good to anybody except the central office, of what
13 value do you see that it is?

14 A. The only thing I can say is that it is
15 available to the vast majority of our customers. Yes,
16 there may be some where technically it's not
17 available. So I guess in answer to your question what
18 value is it, it is available to almost all of our
19 customers, so I would say it has significant value.

20 COMMISSIONER NELSON: Would you -- could you
21 put the investment plan as Exhibit 5?

22 MS. WIEST: Can we mark that Exhibit 5?

23 (EXHIBIT NO. 5 WAS MARKED FOR
24 IDENTIFICATION.)

25 CHAIRMAN BURG: The only comment I would

1 make, it doesn't necessarily have to be that copy. If
2 U S West's investment plan would be filed as a
3 late-filed exhibit, that's adequate.

4 MR. WELK: I just asked him to review it. He
5 knows it, I don't.

6 MS. WIEST: Is there any objection to
7 admitting the investment plan as Exhibit 5? If not,
8 it's admitted.

9 COMMISSIONER NELSON: Now that you reviewed
10 it, Colleen, could you tell me whether or not it said
11 only if it was available in the central office?

12 A. To me it says --

13 COMMISSIONER NELSON: What does it actually,
14 literally say?

15 A. This plan provides for the expansion of CLASS
16 to all remaining U S West exchanges, not customer's
17 exchanges, which to me would be the central office. It
18 is available to all U S West exchanges.

19 COMMISSIONER NELSON: Would you agree that
20 the facts today, if things are testified to under oath,
21 speak for themselves?

22 A. I'm not sure I understand the question.

23 COMMISSIONER NELSON: Well, if it's -- if
24 people testified today, would you agree that that's
25 probably a fact?

1 MR. WELK: Objection.

2 A. I can't answer that.

3 COMMISSIONER NELSON: Well, I guess that
4 Colleen testified that when prior to today's meeting
5 she talked to the people who are complainants here
6 today and they indicated that they didn't have any
7 problem with voice grade communication. However, today
8 under oath, quite a few of those testified that they
9 had. Would you agree that the facts speak for
10 themselves?

11 A. To me, the only facts I have are that I
12 personally visited with each one of them. And I would
13 be glad to visit with them again if they care to. And
14 also I have reviewed their repair history, and there
15 are no facts there to say they have noise at all or
16 other, you know, static.

17 COMMISSIONER NELSON: Would you agree
18 sometimes people talk about the biggest problem and
19 sometimes they're willing to overlook the other
20 problems and that does not necessarily mean that there
21 aren't other problems?

22 A. Well, actually, just to show you a comment, I
23 asked him specifically about his voice line service.
24 I'm reading my notes. He indicated that it was just
25 fine.

1 COMMISSIONER NELSON: My question wasn't
2 that.

3 A. So they did.

4 COMMISSIONER NELSON: Would you agree that
5 sometimes when people have a whole bunch of problems,
6 sometimes they only dwell on -- or might mention the
7 biggest problem that they have and they might have
8 overlooked some other things, but that would not
9 necessarily mean that they were not a problem? So
10 would you agree that that might be true?

11 A. I can only say that I specifically asked, and
12 every one of them told me their voice grade was fine.

13 COMMISSIONER NELSON: Are you saying, then,
14 that even though these people testified under oath that
15 voice grade communication is also a problem, that they
16 didn't tell the truth?

17 A. I cannot answer that. I can only tell you
18 what I know from my conversations.

19 COMMISSIONER NELSON: So then I would say for
20 the record that the facts speak for themselves. The
21 people testified under oath today that voice grade
22 communication is a problem. Do you have a problem with
23 that?

24 MR. WELK: I'm going to object to the
25 question. Respectfully, Commissioner, what you choose

1 to believe is what you choose to believe. All we can
2 testify is about the facts. I'm sorry, I object to
3 your question. It's inappropriate. You draw whatever
4 conclusions you want, but the witness does not legally
5 have to make those inferences.

6 COMMISSIONER NELSON: She doesn't have to
7 make those inferences, but when she said they told her
8 yesterday that they told her there wasn't a problem and
9 today under oath the record will reflect that they said
10 there was a problem, that says to me that we're
11 inferring that somebody lied.

12 MR. WELK: Nobody is making that inference.
13 This happens in court all the time. You can choose to
14 believe whatever you want.

15 MS. WIEST: It's up to the Commissioners to
16 judge the credibility of the witnesses.

17 COMMISSIONER NELSON: I'll let that go.
18 Would you agree that maybe because there were other
19 more serious problems as people saw them, that perhaps
20 they overlooked mentioning to you possibly that voice
21 grade communications might be a problem?

22 A. The purpose of my call was to ask them about
23 their voice grade line, not their other problems, just
24 about the voice grade line.

25 COMMISSIONER NELSON: Okay. I think that's

1 all.

2 CHAIRMAN BURG: A couple real quick ones.
3 You gave us the rate, both the business and the
4 residential rate in the Carpenter area?

5 A. Yes.

6 CHAIRMAN BURG: And what is -- is there a
7 separate farm rate? Or which rate do farmers fall
8 under?

9 A. No, they pay the 16.55.

10 CHAIRMAN BURG: They pay the residential?

11 A. Residential.

12 CHAIRMAN BURG: We used to have an agri
13 business rate, but that was eliminated in the past?

14 A. That's been gone quite a long time.

15 CHAIRMAN BURG: What does second lines cost?

16 A. They would pay the same, \$16.55.

17 CHAIRMAN BURG: That's all I have.

18 COMMISSIONER SCHOENFELDER: Colleen, I have
19 one, and probably because you testified to it and I
20 missed it. But did you say you made those calls
21 yesterday?

22 A. No. I said I made them between beginring
23 Monday, March 2nd, Tuesday, and then I believe there
24 were a couple customers that I still hadn't contacted
25 or that wanted to call me back and called me back on

1 Wednesday. That's March 2nd, 3rd and 4th.

2 COMMISSIONER SCHOENFELDER: Okay. Then I
3 misunderstood. I thought someone said yesterday.

4 COMMISSIONER NELSON: I said it. She said
5 Wednesday.

6 MS. WIEST: Any other questions from the
7 Commissioners? Any redirect?

8 MR. WELK: Nothing.

9 MR. SYRING: I have a question. Do you
10 provide handicapped telephone systems to let's say in
11 town to the blind? Do you have special phone systems
12 to allow blind people to have a telephone?

13 A. I believe that we provide directory
14 assistance allowances for people.

15 MR. SYRING: But, okay, let's say they have
16 no voice, okay? They can't actually talk on the
17 phone. Do you provide any kind of digital system or
18 any kind of a system for those people?

19 A. U S West does not.

20 MR. SYRING: So if you're deaf and dumb,
21 you're out of luck? You don't get a phone?

22 A. I believe there is a state fund that can help
23 those people.

24 MR. SYRING: But it isn't provided by U S
25 West?

1 A. No.

2 MS. CREMER: That's prompts a question.
3 Would the TDDY work in Carpenter?

4 A. I don't think I could answer that question.

5 MS. CREMER: Was there anybody here who
6 could? Would, Mr. Evans, do you know?

7 MR. EVANS: What is it?

8 MS. CREMER: Do you know would the TDDY -- do
9 you know what that is?

10 A. I do not.

11 MS. CREMER: The hearing impaired.

12 MR. BEST: Telecommunications device for the
13 deaf.

14 MR. EVANS: I don't know, I'm sorry.

15 MS. CREMER: You don't know if that would
16 work for the SLC system?

17 MR. EVANS: I do not.

18 MR. WELK: I think, Mr. Evans, can you check
19 the engineering designs on that and report back?

20 MR. EVANS: Yes.

21 COMMISSIONER NELSON: That prompted another
22 question, too, when Karen is done. You said there was
23 no way to recover the cost of this?

24 A. (By Ms. Sevold) Yes, that's correct.

25 COMMISSIONER NELSON: Isn't it true that you

1 could come with a rate case which would possibly allow
2 you to recover those costs?

3 A. We are regulated today under price regulation
4 so we are not rate of return regulated today.

5 COMMISSIONER NELSON: So are you saying you
6 never have to come to us for a rate case?

7 A. I'm saying under the current law today we are
8 price regulated with price caps.

9 COMMISSIONER NELSON: Even under price caps,
10 my understanding is we're required to allow you to
11 recover your costs.

12 A. For residential service today we are not
13 recovering our cost.

14 COMMISSIONER NELSON: Well, at least you're
15 not recovering through rates.

16 MS. WIEST: Just to clear up one thing for
17 the record though. That \$21.00 that you mention is the
18 cost of service that was based on rate of return
19 regulation, not price regulation, was it not?

20 A. It was my understanding it was part of the
21 121 price regulation docket.

22 MS. WIEST: But the number itself, the 21
23 something, was based on rate of return regulation, not
24 on price regulation standards?

25 A. I don't think I can answer that question.

1 MR. WELK: Mr. Lehner can answer that.

2 MR. LEHNER: I'm under oath. The answer to
3 that is yes.

4 MS. WIEST: Thank you. Any more questions
5 from this witness? Thank you. (Witness excused.) Do
6 you have any other witnesses, Mr. Welk?

7 MR. WELK: No.

8 MS. WIEST: Miss Cremer, do you have any
9 witnesses?

10 MS. CREMER: Yes. I would call Bob Syring.

11 **BOB SYRING,**

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

14 DIRECT EXAMINATION

15 BY MS. CREMER:

16 Q. Could you state your name and spell it,
17 please?

18 A. Yeah, Bob Syring, S like in Sam, Y-R-I-N-G.

19 Q. And what's your address?

20 A. P.O. Box 283, Willow Lake.

21 Q. What is your profession?

22 A. I have an income tax, accounting, and
23 consulting firm in Willow Lake.

24 Q. And one of the people you consulted with, as
25 we heard earlier today, was the elevator; is that

1 right?

2 A. That's correct.

3 Q. Do you do some substitute teaching?

4 A. Yes, I do.

5 Q. And where do you do that?

6 A. Willow Lake, Iroquois and DeSmet.

7 Q. Basically, as I understand it, you were going
8 to be a spokesperson for a number of the residents in
9 Carpenter; is that correct?

10 A. Yes, I am.

11 Q. And I would just let you speak to that then.

12 A. Okay. I guess, first of all, I have a letter
13 here from the Willow Lake school staff. And what it
14 basically says is the following: It's really addressed
15 to the Public Utility Commission. Probably should have
16 addressed it to U S West.

17 But it said, "We, as members of the Willow
18 Lake Education System, are writing this letter in
19 concern for the well-being of our Carpenter students.
20 The Internet has become an integral part of our world,
21 and it is our understanding they cannot receive access
22 in Carpenter with the current services that you
23 provide. Students are given assignments in a wide
24 variety of classes that involve usage of Internet
25 research and the Carpenter students cannot do this at

1 home. They're not given the same opportunities as the
2 other students in our school district. We ask you do
3 something about this. Thank you for your consideration
4 regarding this matter. We hope that you will really
5 consider our children to provide this service." And
6 it's signed by most of the high school teachers at the
7 Willow Lake school system and the principal as well as
8 the superintendent.

9 MS. CREMER: Could we have that marked as an
10 exhibit, please?

11 (EXHIBITS NO. 6 & 7 WERE MARKED FOR
12 IDENTIFICATION.)

13 MS. CREMER: Just to update you because you
14 were gone, 6 is a letter from the teachers in the
15 Willow Lake District. And I have had her mark 7. We
16 were just going to talk about that.

17 Q. Before you is what has been marked Exhibit
18 7. Can you identify that?

19 A. Yes. It's a petition signed by residents of
20 the Carpenter area.

21 Q. What does that petition regard?

22 A. To the phone system provided by U S West.

23 Q. Okay. And can you summarize what's on that
24 petition?

25 A. Basically they're concerned about -- it

1 basically states the following: "I live in the
2 Carpenter area and use U S West telephone lines. I am
3 directly affected by the problems with these lines. My
4 concerns include the danger involved when phone lines
5 are not working, the inability to access Internet, the
6 unavailability of extra lines, and the poor quality of
7 these lines. I am also concerned that the problems
8 with these phone lines make it difficult for businesses
9 like the Willow Lake Farmers Elevator to operate in an
10 efficient and technologically advanced way and
11 therefore affect the economic well-being of our
12 community." And it's signed by I believe there's
13 40-some signatures on here.

14 Q. And are those addresses Carpenter addresses?

15 A. Yes, they all are.

16 Q. Okay. And I interrupted your statement.

17 I'll allow to you finish in a minute. I'll move for
18 the admission mission of Exhibit 6 and 7?

19 MR. WELK: Can I ask questions for purposes
20 of foundation?

21 MS. WIEST: Go ahead.

22 MR. WELK: The petition that you bring today,
23 did you circulate the petition?

24 A. No, I did not.

25 MR. WELK: Who did?

1 A. It was done in the city or town of Carpenter.

2 MR. WELK: Is there any one particular person
3 who witnessed all the signatures?

4 A. I can't answer that. I wasn't there.

5 MR. WELK: Who prepared it?

6 A. I believe Mr. Glanzer.

7 MR. WELK: With the help of anybody, or did
8 he do it on his own?

9 A. I can't answer that.

10 MR. WELK: So you don't know who prepared it,
11 other than maybe Mr. Glanzer and how it was circulated;
12 is that correct?

13 A. That's correct.

14 MR. WELK: And there's no notary
15 authorization or acknowledgment that these were signed
16 before any particular person; is that correct?

17 A. That's correct.

18 MR. WELK: I'm going to object on foundation
19 purposes.

20 MS. CREMER: My the point here was merely the
21 community's feelings on this matter. The Commission
22 can give it the weight it feels it deserves.

23 MS. WIEST: Well, I would say that it should
24 be denied. I just don't see there has been any
25 foundation established by this witness.

1 MS. CREMER: That's fine.

2 Q. You can go ahead and finish your statement.

3 A. From an educational standpoint, I've been
4 substituting in Willow Lake ever since I moved there
5 about three years. My main areas of substitution are
6 in the classroom in the computer area. Willow Lake
7 just recently purchased 26 new computers, IBM
8 compatible, and are accessing the Internet at the
9 school. One of the things that the reason this letter
10 was signed was the fact that students often get
11 assignments in the high school area to do reports.
12 Most of those reports from now are available -- the
13 information is available on the Internet. So most of
14 the students at that time when they go home at night,
15 they access the Internet and get as much information as
16 they can from that source, and a lot of times that's
17 what their reports are based on. The Carpenter
18 students do not have that same capability, so therefore
19 they are, I want to say, a handicap, but they certainly
20 are at a loss for being able to do the same, having the
21 same capability as the students are at Willow Lake High
22 School.

23 MS. CREMER: That's all I have and move the
24 Exhibit 6.

25 MS. WIEST: Is there an objection to the

1 letter, Mr. Welk?

2 MR. WELK: I don't have any objection to the
3 letter.

4 MS. WIEST: The letter is admitted.

5 COMMISSIONER SCHOENFELDER: I disagree with
6 your ruling on the petition. I don't know that we have
7 any requirement that there has to be a notarized
8 thing. This is something that someone wanted us to
9 take notice of. I think we can take it and look at it
10 and give it the weight that's necessary. I don't think
11 it should have to have the legal connotation of a
12 petition for election or a petition to remove someone
13 from office. This is just sort of an expression of the
14 people in the area's feelings. So I disagree with your
15 ruling just for the record.

16 COMMISSIONER NELSON: Do you want to move to
17 overrule the Chair?

18 COMMISSIONER NELSON: I'd second that.

19 CHAIRMAN BURG: I'll agree. I think that we
20 can look at what is there and give it the weight that's
21 necessary.

22 MS. WIEST: Exhibit 7 is admitted. Anything
23 else? Do you have any questions, Mr. Welk?

24 MR. WELK: No, I don't.

25 MS. WIEST: Commissioners?

1 CHAIRMAN BURG: Yes, I have a couple. You
2 said you're in the computer business in Willow Lake; is
3 that correct?

4 A. That's correct.

5 CHAIRMAN BURG: Do you have any idea how many
6 of the students in the Willow Lake school have access
7 to a computer at home?

8 A. I -- it would be a guess, but I would say
9 probably 50 percent have computers at home, 50 and 60
10 percent of the students probably have a home-based
11 computer.

12 CHAIRMAN BURG: In the Willow Lake school
13 districts? That would be families?

14 A. There's quite a few.

15 CHAIRMAN BURG: Would those all be connected
16 to the Internet, in your estimation?

17 A. Maybe a good share of them, half or better
18 maybe. But I'm sure there's a lot of them that don't
19 have it, too, but they do have -- the Willow Lake
20 students do have the capability of getting on the
21 Internet if they need to.

22 CHAIRMAN BURG: Yes, I understand that. But
23 the 50 percent, then, we'll just assume, or 40 percent
24 that do not have it, would be in the same boat at
25 Carpenter; is that correct?

1 A. Yes, it could be.

2 CHAIRMAN BURG: That's all I have.

3 A. Or they could possibly go to a house in
4 Willow Lake.

5 CHAIRMAN BURG: But the Carpenter students
6 could do the same thing because they're all in the same
7 community?

8 A. Yes.

9 COMMISSIONER SCHOENFELDER: To your
10 knowledge, do you know -- and this probably is not a
11 relevant question, but I want to know any way. In the
12 Willow Lake school system itself, do you have any types
13 of interactive education? I know they use computers
14 and so forth, but do they have any interactive
15 education teaching?

16 A. Yes. We just set up a special room. When
17 the new computers were set up, they set up a special
18 room to hold classes through US -- South Dakota State
19 University in Brookings, so, yes.

20 COMMISSIONER SCHOENFELDER: That's video as
21 well as --

22 A. As computer, yeah.

23 COMMISSIONER SCHOENFELDER: Thank you.

24 MS. WIEST: Any other questions of this
25 witness? If not, thank you. (Witness excused.) Any

1 other witnesses, Miss Cremer?

2 MS. CREMER: I think he's in a hurry to go
3 home. I would like to call Claude Glanzer.

4 CLAUDE GLANZER,

5 called as a witness, being previously sworn,
6 was examined and testified as follows:

7 DIRECT EXAMINATION

8

9 BY MS. CREMER:

10 Q. Now, you heard Mr. Evans call you Claudia, of
11 course, a few times, didn't you?

12 A. Yes.

13 Q. But really the point of his testimony, or one
14 of the things he said is that the closer you live to
15 the remote, I believe, that you would be able to get
16 Internet. It would be easier for you to get Internet
17 than those who live further away from the remote; is
18 that right?

19 A. That's right.

20 Q. Did you hear him say that?

21 A. Yes, I did.

22 Q. How far do you live from the remote?

23 A. May I look at the map to make sure where it's
24 at? I think I know. Okay. We would be one mile from
25 the remote, would be one mile south and a mile and a

1 quarter west.

2 Q. Okay. And have you tried to get on the
3 Internet?

4 A. We have.

5 Q. And what has been your success rate?

6 A. We tried to get on the Internet. It wasn't
7 working. We called back to the -- where it's Santel,
8 where we got the Internet from. And they had us run
9 through the computer and do some checks, and they said
10 we lost something in the computer, so on the program.
11 We took our computer in to where we bought it in town,
12 to Joe Clark, and he went through it and got everything
13 back on. We pulled up the Internet and E-mail. My
14 wife sent an E-mail there at Joe's. We took it home;
15 it did the same thing again. We called up Santel
16 again, and she says, "Where exactly are you at?" We
17 told her Carpenter. That's when she said, "Do you know
18 Dick and Marcie Glanzer?" I said, "Yes, we're
19 neighbors to them." She says that's where they found
20 out it wasn't working because of the lines weren't
21 adequate.

22 Q. So you were never able to get Internet?

23 A. No.

24 MS. CREMER: That's all I would have.

25 MS. WIEST: Any questions of this witness,

1 Mr. Welk?

2 MR. WELK: No.

3 MS. WIEST: Commissioners?

4 CHAIRMAN BURG: Just one quick one. You
5 indicated you thought you were a mile and a half.
6 Would it be two and a half the way I look at this?

7 A. We're a mile south to a mile and a quarter
8 west.

9 CHAIRMAN BURG: Are you right on the red line
10 that goes northeast and west?

11 A. No. We're a mile north of that red line.

12 CHAIRMAN BURG: And where does -- which way
13 does your phone line come in from, do you know?

14 A. It comes in from the east.

15 CHAIRMAN BURG: So you would be a mile south
16 and about a mile and a quarter west?

17 A. That's right.

18 CHAIRMAN BURG: Thank you.

19 MS. WIEST: Any other questions of this
20 witness? If not, thank you. (Witness excused.) Miss
21 Cremer, any more witnesses?

22 MS. CREMER: Yes. I would call Steve
23 Wegman.

24 STEVEN WEGMAN,
25 called as a witness, being previously sworn,

1 was examined and testified as follows:

2 DIRECT EXAMINATION

3 BY MS. CREMER:

4 Q. I would just remind you you're under oath.
5 Steve, in your opinion, was the system under-designed,
6 the SLC 40 system?

7 A. When it was designed in 1978, it was probably
8 adequate for voice communication.

9 Q. And what about now?

10 A. Right now -- I did quite a bit of research on
11 the SLC 40 system with Lucent Technology, and it took
12 me quite some time to get some information on it.

13 One of the things that was at comment was the
14 guy says, "You need parts for it or something?" And I
15 said, "No, tell you what, I'm just looking for the
16 technical specifications on it." Lucent Technology is
17 the original manufacturer of the SLC 40 system. They
18 did not have any books in their library. I also called
19 all of the exchanges that were sold by U S West, and no
20 one has -- I could not find a tech book on it.

21 Basically, a SLC 40 system is a four byte,
22 what's called adaptive Delta modulation. In other
23 words, it does not like to pass data very well, which
24 results in for a lot of things. It's not going to let
25 information like that pass through the voice channels

1 like you would have on a regular 5E switch or some of
2 the other NEC type of carrier systems out there.

3 Q. Will the satellite system that U S West
4 proposed work if the landline system isn't providing
5 300 to 3,000 hertz?

6 A. You need to have 9,600 bytes per second for
7 the satellite connection to work. In the conversation
8 I had with direct PC on it, is that they require the
9 landline telephone to pick their Internet provider.
10 The satellite in return downloads all the big part of
11 the portion of the data to the Internet user. So, in
12 essence, it's a one-way system on the phone line and
13 it's a one-way system back through the satellite
14 system. So, in other words, it won't work because you
15 cannot get 9,600 bytes per second on a SLC 40 system.

16 Q. This 9,600 bytes per second, how does this
17 figure in this 300 to 3,000 hertz?

18 A. According to the FCC regulation, 9,600 bytes
19 per second equates back to 335, 300 to 3,000 hertz for
20 the bandwidth. And without it, computer modems or fax
21 machines aren't going to work correctly. In this
22 conversation, basically you have different modulating
23 schemes. From the 9,600 bytes per second, it depends
24 on what the symbol rate is and how many bytes per
25 symbols are going to be sent there. This is how you

1 get to the higher speeds of 14.4, 19.2, and 28.6, et
2 cetera. It's a modulation scheme done between the
3 bytes per seconds to symbol rates.

4 Q. So if U S West were providing, according to
5 their testimony, they're providing 300 to 3,000 hertz,
6 in your opinion, if they were providing that, would the
7 people in Carpenter be able to get Caller ID -- you
8 know, CLASS features, Caller ID, be able to transmit
9 data?

10 A. They would if they were getting 9,600 bytes
11 per second, but, obviously -- and this is the part that
12 I don't have on the SLC 40 system. Does it operate
13 between 300 to 3,500? As I understand, the SLC 40
14 system optimizes voice grade service or voice
15 communications and is a detriment to the data side of
16 it. But I'm not sure exactly how it does it.
17 Remember, it's an adaptive Delta modulation, which
18 means it's a four byte. It appears to be a four byte
19 system, while we work in an eight byte environment. So
20 I'm a little confused at that portion there.

21 Q. So what is this adaptive Delta modulation
22 that you just referred to?

23 A. That is the scheme on how they get 40
24 channels on a T-1. It appears to be it does an
25 adaptive rate. It's not compatible with what's

1 currently used in the industry as pulse code
2 modulation, or PCM. The SLC 40 system had a short
3 shelf life. It was between the mid-seventies and
4 probably not after 1982 they were installed. And
5 that's according to the Lucent people I talked to in
6 what's called the Lucent radio center.

7 Q. Did you do any testing on the network in the
8 Carpenter area?

9 A. I did some limited testing in Pierre, Huron,
10 and on the Carpenter phone numbers.

11 Q. And can you tell us what did your tests
12 involve? What you did?

13 A. Okay. Basically I used a digital from
14 Digital Services Group. It's called an MQT data
15 grabber. It's two matched units that look at modem
16 speeds, looks at signal to noise, it looks at dB loss.
17 It looks at error rates and bytes sent. And they're
18 both matched, they're both certified pieces of
19 equipment. They are fairly easy to use. They're what
20 you call a plug and play technology. You plug it in
21 the phone jack and off it runs. In the Pierre area I
22 got it, and I rented an autorange to find out what the
23 maximum speed to speed was and what the error rate
24 would be.

25 To give you an idea in Pierre I used both the

1 PBX. I tried a PBX, NTRON PBX to PBX, did it from my
2 house and a couple other houses in Pierre residential
3 into the PBX in Pierre at the Capitol complex. In all
4 cases ran it for five minutes, kind of what we call in
5 the business a Polaroid moment, to find out what's its
6 characteristics. In all the cases in the five minutes
7 in those instances, I sent over a 400,000 bytes of
8 information and received zero errors. That's very,
9 very good. In addition to that, found that the voltage
10 at both of the -- at the RJ11 plugs was 49 to 50 volts,
11 which is good because I tried to keep in the network at
12 48 volts. That would be minus 48 volts dc or minus 49
13 volts.

14 In Huron I tried two different numbers. And
15 in both of them in the five-minute test, they sent
16 roughly right around 400,000 bytes of information, very
17 similar to Pierre. Again, no errors. It means all
18 400,000 bytes received at both ends and back. And,
19 again, the voltage was minus 50 volts and minus 49
20 volts.

21 Carpenter became very interesting. I have
22 pulled five random numbers in the exchange due to the
23 mud conditions yesterday. In Carpenter two of the
24 phone lines I could not get a connection. The modems
25 would not lock in. On those two phone lines the

1 voltage was 42.9 volts and the other one was 39 volts.
2 And the modems wouldn't lock in. On the other three I
3 got the modems to lock in, but the error rate was over
4 40 percent. In other words -- and, also, they only
5 locked in at 12,000 units. Of those units, 40 percent
6 of them got lost between Carpenter to Huron at the
7 number I had tested, in both cases. That could be due
8 to the SLC 40 system or a high signal loss rate, which
9 kind of leads us an idea that there could be noise on
10 the line.

11 One of the things that the people complained
12 about is a drop corrections. Drop connection, when
13 they cannot connect. It could be two items, to be a
14 SLC 40 condition, or it could be noise on the line.
15 The lowest voltage that I received out there was 37
16 volts at the plug, which they're supposed to have 48
17 volts out there. And I found that very, very
18 interesting, which kind of would give an idea if it's
19 37 volts, why these people talk about the phone might
20 ring half of a ring and may not come through there. It
21 may not have enough voltage to ring the circuit. I
22 just found it very interesting. It's just again, to my
23 mind, the Commission, it's just kind of a snapshot on
24 looking at it. But 37 volts is not a normal operating
25 range. It's supposed to be minus 48.

1 Q. How would you solve the voltage problem?

2 A. I'm not sure if it's because of load coils
3 out there. One would have to do a more design
4 engineering to find out exactly what is causing it.
5 Could be loose connections. It could be a variety of
6 things, but it would take a more detailed study.

7 Q. What about the 40 percent error rate?

8 A. 40 percent error rate, one would have to do
9 more analysis. Either a SLC 40 condition or a high
10 signal loss rate on the network. It's one of the
11 reasons why in the data requests I sent out to U S
12 West, what kind of testing do you do out there, what
13 kind of frequency response it, what is the signal noise
14 loss, what's the loss rate, and the what is the voltage
15 in the network beyond the central office? From what --
16 from looking at just five random places, and I just --
17 these people didn't select them. They didn't coach
18 me. I just said I want to go here, and that's what I
19 did.

20 Q. Have you looked at any alternative
21 provisioning of services?

22 A. I looked at SMR. I looked at satellite. SMR
23 is special mobile radio. Satellite, looked at cellular
24 systems, and talked to vendors, and also looked at
25 private microwave link. And it would not meet these

1 people's needs for local basic service, what they're
2 looking to use. They want to use computers at home.
3 They want to use Internet. They want to use fax. They
4 wanted second lines. They just want good quality
5 service.

6 Q. And what's your recommendation to the
7 Commission, keeping in mind -- well, just what's your
8 recommendation to the Commission?

9 A. My recommendation would be for the Commission
10 would be to replace the SLC 40 system and put in a
11 comparable system that the more urban areas have so
12 that these people do get Internet service, they can
13 send fax, they can conduct their business on a daily
14 basis.

15 Q. And if the Commission were to order that a
16 new facilities, a new system be put in, would that
17 satisfy the safety, convenience, and accommodation of
18 the public, the sorts of concerns we heard from the
19 residents of Carpenter?

20 A. If they put a system that would be comparable
21 to the NEC T-RECs or C-RECs systems, yes.

22 (EXHIBITS NO. 8, 9 & 10 WERE MARKED FOR
23 IDENTIFICATION.)

24 Q. I'll show you what's been marked as Exhibit
25 8. Can you explain to us what that is?

1 A. Exhibit 8 is Beadle County, and it shows the
2 locations for -- and I have to apologize to the
3 complainants that I did put a number on them rather
4 than their name and that's because it's easier for me
5 to find. It shows the locations of their farmsteads or
6 residences or business. First one, Beadle County and
7 it's TC98-010 and TC8-016 and TC98-012.

8 Q. And 10 is Regan Glanzer; is that right?

9 A. That's correct.

10 Q. Where he lives. 12 is Claude Glanzer and 16
11 would be Keith Glanzer; is that correct?

12 A. That is correct. And for Commissioner
13 Schoenfelder asked where the James Valley School was,
14 and that is on the Lake Byron Road right here at the
15 James Valley, one, two, and about a half miles east of
16 the South Dakota Highway 37.

17 Q. And Exhibit 9?

18 A. Would be that's the south Spink. It's the
19 south half of Spink County. And that would show a Ben
20 Hofer's, which would be TC97-178; and Mike Madsen,
21 TC98-011.

22 Q. And then Exhibit 10?

23 A. Is the south half of Clark County. And it
24 shows the location of the Willow Lake Elevator,
25 TC98-007, in the highlighted area. That's the green

1 and dashed yellow line; Dick Glanzer, which is
2 TC98-009; and TC98-008, it must be a Waldner.

3 Q. Galen Waldner.

4 MS. CREMER: I would offer those. They're
5 merely demonstrative. I think that's the appropriate
6 word, just to show where the people lived in the county
7 was the point of those exhibits.

8 MS. WIEST: It just shows the location?

9 MS. CREMER: That's correct.

10 MS. WIEST: Any objection to Exhibits 8, 9
11 and 10?

12 MR. WELK: No. I hate to think they brought
13 those charts from Pierre and we don't get them in.

14 MS. WIEST: 8, 9 and 10 have been admitted.

15 MS. CREMER: That's all the questions I would
16 have.

17 MS. WIEST: Mr. Welk?

18 MR. WELK: Just a few questions, Mr. Wegman.

19 CROSS-EXAMINATION

20 BY MR. WELK:

21 Q. All the tests that you described that you did
22 in Pierre and out in the Carpenter area in Huron, are
23 those tests regarding data transmission?

24 A. You have to remember a modem. A modem is a
25 device that takes digital signal data and converts it

1 into a voice signal. So if one wants to call that
2 data, which some people do, or some people just call it
3 plain old voice signal. It operates in the particular
4 bandwidth. Is it intelligible as far as the human
5 ear? No, but it is to another machine.

6 Q. So it's machine to machine?

7 A. That is correct.

8 Q. I want to talk about your recommendations.
9 First of all, if U S West was ordered to put in the
10 facilities, the 211,000 -- and is there any contracts
11 that you're aware of that exist between U S West and
12 the customers up in this Carpenter area, any long-term
13 contractual commitments?

14 A. Not that I know of.

15 Q. So if U S West put the facilities in and for
16 some reason and maybe we're all wrong or a new provider
17 comes along in a year or two or three and provides a
18 cheaper service and a better service, there's no
19 requirement that these people stay with U S West? They
20 would have the option to go with the new provider with
21 the better service, cheaper service; correct?

22 A. Depends on how you want to define that
23 service. Is it terrestrial based or wireless?

24 Q. Doesn't make any difference. They're not
25 obligated, are they, if this facility goes in, to walk

1 away from U S West or to any other provider?

2 A. If they would get into a resell situation,
3 they're still going to buy from U S West on a secondary
4 market.

5 Q. That's not my question. Are they obligated
6 under a long-term basis if U S West puts these
7 facilities in to remain a U S West customer?

8 A. No. They could have no telephone service.

9 Q. And would you agree with me since you are the
10 visionary of the Commission regarding the Governor's
11 Vision Bill, which is statute 41-31-60, that the
12 facilities that proposed the 211,000 would be
13 consistent with implementing that vision?

14 A. If you put ISDN cards, yes.

15 Q. And if U S West put that facility in, is
16 there any question that he would be entitled to a fair
17 rate of return on investment?

18 MS. CREMER: I would object.

19 MS. WIEST: On what basis?

20 MS. CREMER: What was your question?

21 Q. Would there be any question that U S West
22 would be entitled to a fair rate of return on its
23 investment?

24 MS. CREMER: Well, my objection is they're
25 not under a rate of return. And isn't that what you're

1 talking about?

2 MR. WELK: 41-31-60 says that. But I just
3 wanted to get him --

4 MS. CREMER: I will object. You're asking
5 for a legal conclusion, and he's not a lawyer.

6 MS. WIEST: Can you answer the question,
7 Mr. Wegman?

8 A. No, I cannot.

9 Q. So you're the person from the Commission that
10 is in charge of implementing the Vision, and you can't
11 tell me what the provider puts in a service is entitled
12 to fair rate of return?

13 MS. CREMER: Now I object. You put the label
14 on him that he's the man in charge of the Vision in the
15 Commission. And Mr. Wegman's position is merely he is
16 the analyst on the docket. The Commission is in
17 charge. You have put -- you stuck that label on and I
18 let you get away with it because it's no big deal, but
19 really he's not the person in charge and you should
20 re-word your question.

21 MS. WIEST: He answered the question. Can
22 you move on? He said he didn't know.

23 MR. WELK: I don't have any further
24 questions.

25 MS. WIEST: Do the complainants have any

1 questions of Mr. Wegman? Commissioners?

2 COMMISSIONER NELSON: I have one. Steve, do
3 you know if you can use TDDY's on the SLC 40's?

4 A. I'm -- I don't have -- I don't know the
5 answer to that. I just looked at the higher rate, and
6 I'm quite concerned with it. When you send -- I sent
7 data that was slow speed, and 40 percent of it never
8 got to where it was supposed to go. I would have a
9 concern that probably might not. I'm not sure.

10 COMMISSIONER NELSON: TDDY is not a voice
11 communication. It is a data communication. So can one
12 assume then that it's --

13 A. It may take a long time. It may look like a
14 fax machine. In looking at some of the faxes that they
15 sent, it took three to five minutes, three to 15
16 minutes for some of the faxes to go through. So it
17 might work.

18 COMMISSIONER NELSON: And you recommended
19 that we replace the SLC 40?

20 A. That's correct.

21 COMMISSIONER NELSON: And your reason for
22 that was because it's obsolete technology? Is that
23 what you said?

24 A. It doesn't meet their current needs. And I
25 would have a better reason if U S West would have

1 answered my data request. Then I could -- I don't
2 believe that it meets the 300 to 3,000 hertz.

3 COMMISSIONER NELSON: And, therefore, would
4 not be in compliance with the Federal Act?

5 A. With the ETC requirement, correct.

6 COMMISSIONER NELSON: When you talked a
7 little bit about the noise on the line, what might
8 cause that, I think you gave us two things that might
9 cause it; right?

10 A. Corrosion, line taps, load coils can.

11 COMMISSIONER NELSON: Are those the only
12 things that could cause it?

13 A. Oh, no.

14 COMMISSIONER NELSON: There are a lot?

15 A. There are other variables out there, yes.

16 COMMISSIONER NELSON: Thank you.

17 COMMISSIONER SCHOENFELDER: I have to ask
18 you, not because that I'm implying it applies to U S
19 West. But if you know, can you tell me what the hertz
20 requirement is under the RUS, the Rural Utility
21 Service, that they require of their borrowers to borrow
22 from the Rural Utility Service in the rural areas from
23 their phone companies?

24 A. 300 to 3,000 is what I remember reading.

25 COMMISSIONER SCHOENFELDER: Oh. I hate to

1 tell you, I think you're wrong.

2 A. Okay.

3 COMMISSIONER SCHOENFELDER: That's all I
4 have.

5 CHAIRMAN BURG: Just one that Commissioner
6 Nelson's question brought to me. When you said there's
7 a lot of noise on the line, was that the right word?
8 Is that what we use?

9 A. Yes.

10 CHAIRMAN BURG: Was that are you talking data
11 noise? Are you talking voice noise?

12 A. Data noise.

13 CHAIRMAN BURG: Did you pick that up from the
14 testing?

15 A. Yes.

16 CHAIRMAN BURG: I thought you said the
17 testing was done with data.

18 A. Well, it's machine to machine. It's what
19 you're sending is acoustical sound waves.

20 CHAIRMAN BURG: But the point I'm getting at
21 would that same kind of noise be evident in a voice
22 conversation?

23 A. Well, you have to remember, your ear is not a
24 real good perfect listening device, while machines are
25 more -- it tracks each item that comes down there. If

1 you send 400,000 little boxes, it's going to count for
2 400,000 little boxes. Your hearing isn't that precise
3 of a listening device and so you could -- certain
4 people won't here certain noises.

5 CHAIRMAN BURG: So is your answer in a normal
6 conversation you may not pick up noise on there?

7 A. That's correct. Right.

8 CHAIRMAN BURG: There was an awful lot of
9 questions about noise on the line. I do not want to
10 get confused for decision-making purposes of what noise
11 that you found from trying to move data compared to
12 noise what you would hear if I called somebody up in
13 Carpenter.

14 A. Certain people, if they worked on loud
15 equipment, they're going to have certain frequencies
16 and their ears may not pick up certain noises.

17 CHAIRMAN BURG: Or if you used a dog, they
18 might pick them up?

19 A. Right. One of the things I found interesting
20 in the cafe, when I picked up the phone in cafe in
21 Carpenter, I could hardly hear the other people on the
22 end of the line, while other phones I picked up worked
23 fairly good. And in the times that I have called the
24 people in Carpenter, it was a matter of selection which
25 channel I kind of think that you got on. Some were

1 good and some were not as good.

2 CHAIRMAN BURG: That's all I have.

3 MS. WIEST: Miss Cremer, any redirect?

4 MS. CREMER: No.

5 MS. WIEST: Any other questions for the
6 witness?

7 COMMISSIONER NELSON: I have one. When you
8 talked about sometimes people got disconnected, did I
9 understand you to say that that could be because of
10 noise on the line?

11 A. That's correct.

12 COMMISSIONER NELSON: Is that the noise on
13 the line that's coming from data, or the noise on the
14 line that's coming from voice communication?

15 A. It depends on which -- it would depend on
16 which channel. I would say it depends which channel
17 you're on.

18 COMMISSIONER NELSON: Do you have any -- you
19 don't switch channels? You're either on one channel or
20 the other. So depending on which channel you're
21 assigned, that would depend on the quality of your
22 voice data voice communication; right?

23 A. Because U S West didn't answer my data
24 requests, the assumption I'm making is that each time
25 you pick up the phone line, it depends on which channel

1 you're going to be in that SLC 40 system.

2 COMMISSIONER NELSON: So it does switch.
3 Kind of like on your cordless phone, you get whatever?

4 A. Whatever number is available. And that's
5 based on personal interview with the people. Sometimes
6 their equipment would work; sometimes it wouldn't
7 work. And so it kind of gives me an idea in a SLC 40
8 system it selects which channel you're going to be on.
9 It may not be the same.

10 COMMISSIONER NELSON: Would noise on the line
11 also cause the crossover problem where you hear
12 different voices?

13 A. Cross talk could be something -- could be a
14 channel function back in the SLC 40 system. That cross
15 talk can come from a variety of areas.

16 COMMISSIONER NELSON: Is one of those noise
17 on the line?

18 A. Would be like -- could be like a noise on
19 line or a close proximity to the conductors, things
20 like that.

21 COMMISSIONER NELSON: Okay. Thank you.

22 MS. WIEST: Thank you, Mr. Wegman. (Witness
23 excused.) Do you have any other witnesses, Miss
24 Cremer?

25 MS. CREMER: No, I don't.

1 MS. WIEST: Do any of the complainants have
2 any rebuttal testimony they would like to give at this
3 time?

4 CRYSTAL GRANN,
5 called as a witness, being previously sworn,
6 was examined and testified as follows:

7 REBUTTAL EXAMINATION

8 BY MS. GRANN: Just in response to what
9 Colleen -- and, I'm sorry, I don't remember your last
10 name -- was saying. She indicated she spoke to each
11 party and with the specific purpose of asking them
12 about the voice quality of the phones. I think I'm the
13 one that she spoke to as far as the Willow Lake
14 Elevator is concerned. At least someone from U S West
15 called back in January shortly after we filed the
16 petition, the complaint. At that time all she asked
17 was the nature of our complaint. I basically told her
18 what we wrote on the complaint, plus the second page of
19 all the details of who I talked to at U S West and all
20 that. She wasn't familiar with that and suggested that
21 maybe she should get that. I agreed with her. As far
22 as I can remember, that was the extent of our
23 conversation.

24 Then again about a week ago someone else,
25 perhaps the same person, a lady called. The only thing

1 she asked is if we were the company that was having
2 trouble sending faxes. I said yes. I explained about
3 our different location. But I said I was familiar with
4 it. She asked about the specifications of the fax
5 machine. I told her that. That was the extent of the
6 conversation.

7 MS. WIEST: Any other rebuttal testimony? Is
8 there anything else that you need to do before I ask if
9 anybody makes any closings statements?

10 MR. WELK: I want Colleen under oath to
11 clarify what she said before.

12 MS. SEVOLD: I believe -- I believe the
13 record will show that I said I called all the customers
14 in the March time frame on voice grade line, with the
15 exception of the elevator because I had talked to them
16 back in January about their complaint. So I believe
17 the record will show that I said with the exception of
18 the elevator.

19 MS. WIEST: Okay. Is there anything else?

20 CHAIRMAN BURG: The question that I would
21 have, you denied the quash of the data request; is that
22 right?

23 MS. WIEST: I thought it was moot because
24 staff was not asking for a continuance in order to get
25 that information.

1 CHAIRMAN BURG: I guess all I'm saying, the
2 only thing I was considering, Mr. Wegman said he could
3 not make some clear recommendation because of lack of
4 some of the data at this time. I was wondering about
5 data being filed at this point would help with the
6 decision-making process, is all I'm thinking.

7 MS. CREMER: Staff's point, I guess, and our
8 point is, you know, if they didn't want to provide that
9 information to us so that we could make a
10 recommendation, that may be, you know, less drastic
11 than replacing all the facilities up in the Carpenter
12 area, that was certainly their choice. They chose not
13 to respond. Not having had any information, we went
14 with what we had and that is replacement of all the
15 facilities.

16 CHAIRMAN BURG: I guess I would request it
17 this way. I leave it up to the company, U S West, as
18 to whether they wanted to provide that data as a
19 late-filed exhibit or something or not.

20 MR. WELK: I don't know what they want,
21 Commissioner.

22 CHAIRMAN BURG: What was request of staff?

23 MS. CREMER: There was two different data
24 requests.

25 MR. WELK: Well, we have -- we brought the

1 data. I mean we brought the inspection reports, we
2 brought the cable things today. They're here.

3 MS. CREMER: Well, then apparently you didn't
4 put that evidence on.

5 MR. WELK: Don't need to. You didn't ask.
6 It's here. And I said all these documents are
7 confidential. And I told you in the record this
8 morning the reason we didn't provide it is because you
9 didn't go to the Commission the way we have to go to
10 the Commission. If the information is here, it would
11 be right. All these are confidential documents. If
12 you want to supplement them, I mean, you could have
13 asked for them here, or we could put them as a
14 late-filed exhibit, but they're here.

15 MS. WIEST: Does the Commission want those as
16 late-filed exhibits?

17 CHAIRMAN BURG: I don't care. I just allow
18 each side to put on their case.

19 COMMISSIONER SCHOENFELDER: I do if they're
20 pertinent to the case and if they answer the staff data
21 request questions. They can file them under cover.
22 I'd rather have too much information than not enough.

23 MS. WIEST: Then will you file that
24 information that you brought.

25 MR. WELK: I'll do that with the Commission,

1 what they requested on the studies.

2 MS. WIEST: That would be late-filed
3 exhibits. We don't know how many numbers. Is there
4 anything else before I ask if there's any closing
5 statements? Do any of the complainants wish to make a
6 closing statement at this time?

7 MR. KEITH GLANZER: In closing, I would just
8 like to ask U S West to please consider our needs and
9 meet them in our rural community. Our telephone
10 related needs are very important for rural communities
11 to survive. We are all the time important to family
12 farmers and how we can keep our children on the farms
13 and in our state. And we kind of sit here today
14 feeling like kind of a second-rate citizen because
15 we're 30 miles from town and we should be home tending
16 on livestock, dragging calves out of the mud. Next
17 week we can sell them, and you can eat the best beef in
18 the United States. You know, I'm sure attorneys and
19 politicians know what good beef is. So I guess I don't
20 feel that we should be deprived of the convenience of
21 what the people in town have. And, you know, we can't
22 all live in Sioux Falls. Some of us have to field this
23 world.

24 And I found something on the back of our
25 phone books. This is a Huron directory. Most of our

1 what they requested on the studies.

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3 exhibits. We don't know how many numbers. Is there
4 anything else before I ask if there's any closing
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13 and in our state. And we kind of sit here today
14 feeling like kind of a second-rate citizen because
15 we're 30 miles from town and we should be home tending
16 on livestock, dragging calves out of the mud. Next
17 week we can sell them, and you can eat the best beef in
18 the United States. You know, I'm sure attorneys and
19 politicians know what good beef is. So I guess I don't
20 feel that we should be deprived of the convenience of
21 what the people in town have. And, you know, we can't
22 all live in Sioux Falls. Some of us have to field this
23 world.

24 And I found something on the back of our
25 phone books. This is a Huron directory. Most of our

1 names are in here. And U S West has right on the back,
2 "it's easy to call in our experience," big red. You
3 can read it way back there. It says, "Of all the ways
4 you're communicating today, U S West is ready for you
5 right now." Did you hear that? "And as your personal
6 needs change or your office grows, we've got the
7 products and the services that will keep the lines of
8 communication open and productive clear into the
9 future." We're worried about today, not the future. I
10 mean that's on the back of our phone books is that
11 propaganda or does that mean something. Do you want
12 that for evidence?

13 MS. WIEST: No.

14 MR. KEITH GLANZER: That's a brand new phone
15 book.

16 MR. WELK: It's not part of the evidence.
17 You made your statement, sir.

18 MS. WIEST: Do any of the other complainants
19 wish to make a closing statement?

20 MR. SYRING: Bob Syring. I just kind of
21 wrote a closing statement here. I said I would like to
22 start this letter off by saying, what did the town of
23 Carpenter ever do to U S West? This small town at the
24 eastern part of South Dakota is asking for some help in
25 making their lives easier, more educational, more

1 profitable, more competitive, and especially more
2 safe.

3 Let's start with the small community being
4 safer. By U S West not upgrading the communication
5 system from the SLC 40 to a more efficient and modern
6 system that causes some safety issues, what happens if
7 all these lines are busy and someone needs to get
8 through to an ambulance or a fire truck? Does this
9 mean that these people who need the help will have to
10 sit and wait until someone gets off a party line and
11 then make their emergency call? I hope not. What if a
12 neighbor has some sort of emergency and can't get help
13 because the system is busy? I would think U S West --
14 that U S West feels as strong as we do about making
15 sure the people in this community have every
16 opportunity to get emergency help when it's needed. I
17 would like to think that a public utility company would
18 not allow the cost to fix this problem be a
19 consideration or trade for a someone's life. How would
20 you feel if someone in your family would be hurt or die
21 due to the fact an organization the size of U S West
22 put money before someone's life?

23 Let's look at the next important factor to
24 consider are our children. What price do you want to
25 pay for them not receiving all the benefits of getting

1 the same education as everyone else that attends their
2 school? These children are the age of the new
3 millennium. They're being educated in the classroom on
4 computers. They're being asked more and more to spend
5 time and learning about computers benefits of using
6 them. One of those benefits is ability to get on the
7 Internet. How do we -- how do they do this with the
8 1,200 baud line? Why should they not have the same
9 benefit every other child in South Dakota has? They're
10 asked to do research. How do they do this without the
11 ability to get on the Internet and find research
12 information? You have taken away from them the ability
13 to be competitive with the other students. The other
14 students have an edge on them from Carpenter, and this
15 is not right. We need to provide all our children with
16 the same advantages and same opportunities.

17 Let's talk a little about the farmers in the
18 Carpenter area. How are they supposed to compete with
19 farmers in other areas? The Internet provides them
20 with essential information from latest information
21 about such things as chemicals, fertilizers, seed,
22 equipment, weather, new technologies, and many other
23 important aspects of farming. If they had Internet
24 capability, they could discontinue using DTN and only
25 have one system. They would save each of these

1 individuals money. We have taken away a means of
2 getting this information to help them provide the best
3 way of competing with the other farmers in South
4 Dakota. How much of it has this cost them by not
5 having the latest prices on grains, feed, cattle, and
6 other marketable products? With the current system,
7 you have put them back into the 1940's.

8 I thought that what U S West would be
9 striving for is to improve communication technology to
10 your customers not going backwards. How about the
11 businesses in the small town? What are you providing
12 for them? Nothing. The Willow Lake Elevator has a
13 station and agronomy business in this town. There are
14 other small businesses in this town. How are they
15 supposed to compete? The Willow Lake elevator's main
16 office would like to hook up to the Carpenter
17 facility. They would like to be on line and real
18 time. This is impossible with the communication system
19 you currently have.

20 The Carpenter station has an agronomy package
21 they use for -- pardon me -- this package to help men
22 execute the correct requirement for spraying and
23 fertilizing needs. They need to send this information
24 to Minnesota. How do they do this? They can't
25 communicate in data to AgriSource in Minnesota. The

1 AgriSource facility cannot slow down their system
2 enough to pick up the data. Sometimes it will go
3 through, and most of the time it will not. Do you have
4 any idea what this creates? It takes away from the
5 business being able to compete with other businesses in
6 that area. They cannot provide the information on a
7 timely and accurate basis and therefore they lose
8 customers.

9 How would you like it if we took away the
10 ability to compete? You currently have no competition
11 in the area of being a public utility and you're asking
12 for the PUC to give you more freedom. What about these
13 people in Carpenter? They are asking you give them
14 some of the same ability to stay competitive. I guess
15 I don't understand what the problem is other than
16 money. You have put them in jeopardy with their public
17 safety. You take away the ability for the children not
18 to have the same benefit as other children in the
19 school. You take away the ability for the farmer and
20 the business to compete with other businesses. And all
21 you can say is you provide the minimum required by
22 law.

23 I believe that's not the case. I hope the
24 PUC feels the minimum 1,200 baud is not the case and
25 you should provide at Carpenter the same as the rest of

1 the state of South Dakota. I wonder how many other
2 public services telephone companies provide the minimum
3 service in this state? It might be interesting to take
4 a survey to see just what other -- some of the others
5 do provide.

6 My final question to you is this: Where else
7 in the state of South Dakota does the minimum service
8 exist? I'd like to be willing to bet that Sioux Falls
9 doesn't have it. I'll bet that the Rapid City
10 doesn't. How about Huron or Watertown? Does Redfield
11 or Aberdeen have minimum service? And how about such
12 towns as Doland, Tulare, Wessington or Wessington
13 Springs? I bet they have lines larger than 1,200
14 baud. What do you think? So why are you
15 discriminating against this town?

16 Should the Public Utilities Company provide
17 the same service to all its customers regardless of the
18 size and location or cost? Maybe we should look at the
19 phone bills to see if you charge more for one location
20 than another. Why does Carpenter pay the same rates
21 for the telephone service if it's not close to other
22 locations? I hope that you take the time to evaluate
23 this and not let the cost as much as your as what you
24 are doing to this small community. They should have
25 the same rights and privileges as everyone else. Thank

1 you.

2 MS. WIEST: Any other closing statements?

3 MS. GRANN: Just one comment. Mr. Welk, you
4 caught me off guard earlier when you asked me as a
5 business woman if I could justify this kind of cost. I
6 testified earlier that our company just spent \$80,000
7 on a new computer system. This isn't the kind of
8 expense that we're going to see a visible return on.
9 But if we can improve our services, increase our
10 services, have less down time, less maintenance, yeah,
11 I think we're going to see a return on it and we can
12 justify it; and, yes, I think U S West can too. We're
13 not asking for that much.

14 MS. WIEST: Mr. Welk, do you have a closing?

15 MR. WELK: I would prefer to do it with
16 Proposed Findings of Fact, Conclusions of Law, and a
17 legal brief.

18 MS. WIEST: Okay. Staff?

19 MS. CREMER: Yes, I do. Something is wrong
20 here. The people who use the system in Carpenter have
21 told us there's a problem. Staff's recommendation is
22 to replace the SLC 40 system as necessary for the
23 safety, convenience, and accommodation of the public.
24 U S West has discriminated between the Hofers and the
25 Carpenter complainants, and the SLC 40 system should be

1 replaced.

2 MS. WIEST: Anything else? What date will
3 you get that brief to the Commission, Mr. Welk?

4 (Discussion off the record.)

5 MS. WIEST: Is staff filing a brief in this
6 case?

7 MS. CREMER: I guess I didn't see a legal
8 issue raised.

9 MS. WIEST: Okay. I don't think there's
10 anything else.

11 COMMISSIONER NELSON: I have one question of
12 Mr. Wegman. You're under oath; right? Can he answer
13 from there? Mr. Wegman, do you feel that safety is a
14 significant issue in your recommendation to replace the
15 SLC 40's like the access to the fire, the ambulance,
16 the police, or not?

17 A. I don't have sufficient information on coming
18 to a conclusion on that portion.

19 COMMISSIONER NELSON: Would you after we
20 review the data?

21 A. I might.

22 COMMISSIONER NELSON: Okay. Thank you.

23 MS. WIEST: That will close the hearing.

24 MR. KEITH GLANZER: I just want to
25 personally, on behalf of the group, thank you, the PUC

1 and the staff, for taking time out of your busy
2 schedule to come here to hear our community's needs.

3 (THE HEARING CONCLUDED AT 7:20 P.M.)
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1 STATE OF SOUTH DAKOTA)
2 COUNTY OF HUGHES)
3

4 I, Lori J. Grode, RMR, Notary Public, in and
5 for the State of South Dakota, do hereby certify that
6 the above hearing, pages 1 through 278, inclusive, was
7 recorded stenographically by me and reduced to
8 typewriting.

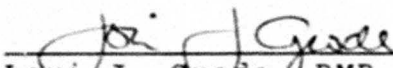
9 I FURTHER CERTIFY that the foregoing
10 transcript of the said hearing is a true and correct
11 transcript of the stenographic notes at the time and
12 place specified hereinbefore.

13 I FURTHER CERTIFY that I am not a relative or
14 employee or attorney or counsel of any of the parties,
15 nor a relative or employee of such attorney or counsel,
16 or financially interested directly or indirectly in
17 this action.

18 IN WITNESS WHEREOF, I have hereunto set my
19 hand and seal of office at Pierre, South Dakota, this
20 10th day of April, 1998.

21

22


Lori J. Grode RMR

23

24

25

AGRI SOURCE

Information System for Crop Technology

February 24, 1998

Willow Lake Farmers Elevator
Att: Mike Madsen
P.O. Box 113
Carpenter, SD 57322-0113

Mr. Madsen:

This letter is sent to document the communications problems we have been jointly experiencing over the last several weeks.

We support AgriSource software at more than 500 accounts. We have the most difficulty in supporting your account due to slow data transmission speeds over the bad telephone lines in your area.

Our experience has been that we can reliably connect to your system at only 2400 baud, on a good day. Most days we do well to connect at 1200 baud. Today, 2/24/98, I was unable to reliably connect at any speed down to 300 baud.

The 2400 baud maximum data rate specified by your telephone company is less than adequate for modern business telecommunications. These slow data rates are also difficult to establish with today's modems and communication software. To make such a connection requires us to revert to older software and to manually specify modem initialization strings to force the modems to connect at low speed. The sophistication of such technical procedures are beyond the experience and capabilities of most office personnel.

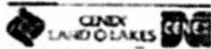
My best recommendation is to strongly encourage your telephone company to improve the data transmission capabilities of your telephone system.

Feel free to contact me if I may be of further assistance.

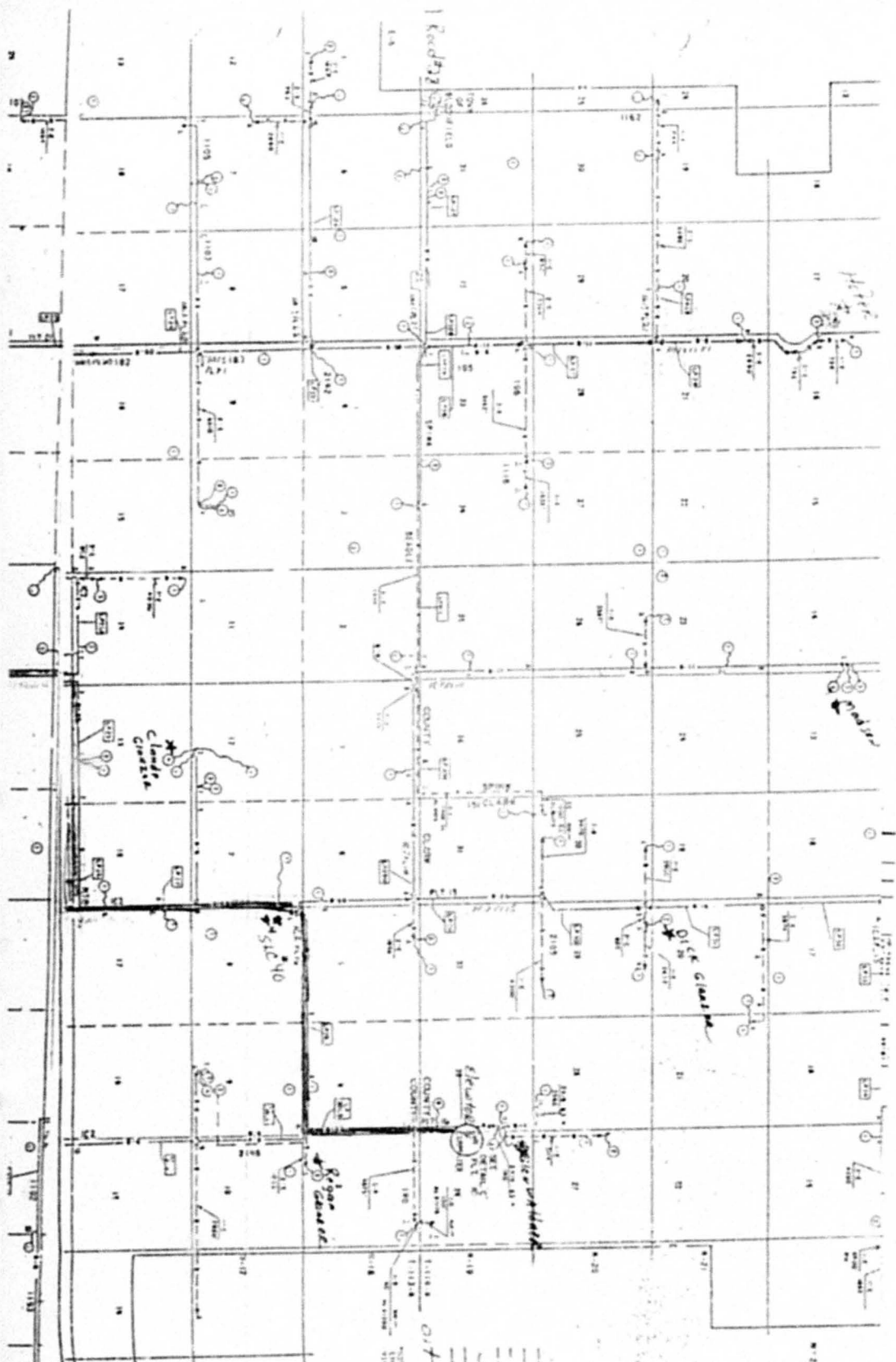
Thank You;

Robert C. Graves

Robert C. Graves
AgriSource Support
Cenex / Land O'Lakes Agronomy Company
P.O. Box 64089 / MS 370
Saint Paul, MN 55164-0089
(800) 232-3639 x1648

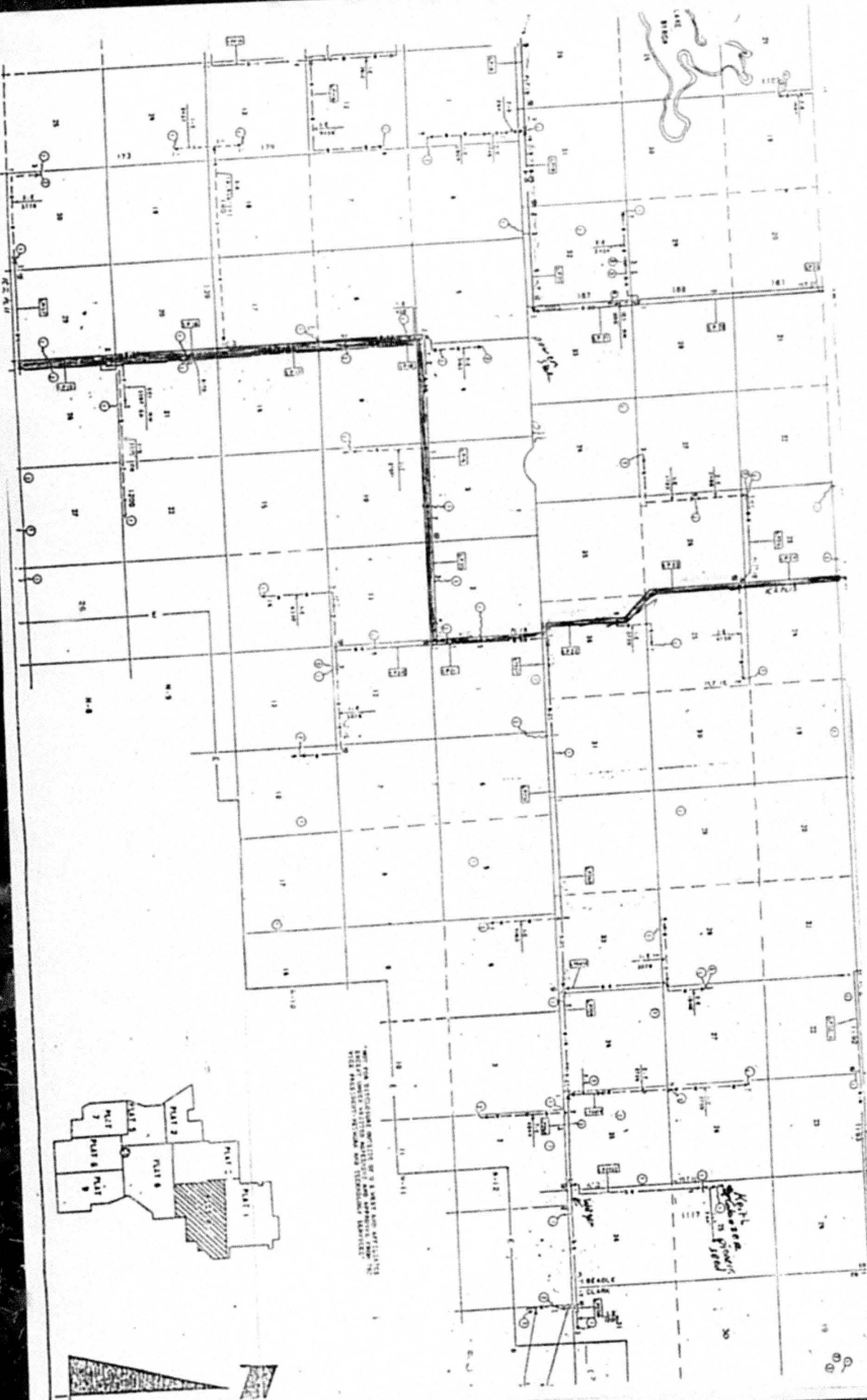


P.O. Box 64089, St. Paul, MN 55164-0089
5500 Cenex Drive, Inver Grove Heights, MN 55077

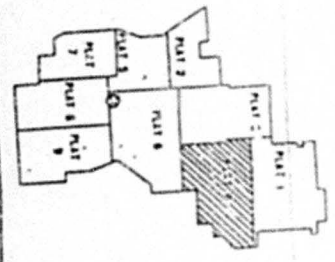


EXHIBIT

1-2-76



FOR THE RECORDING OFFICE OF THE DISTRICT OF COLUMBIA
 DISTRICT OF COLUMBIA
 DISTRICT OF COLUMBIA
 DISTRICT OF COLUMBIA



Map
 of
 the
 District
 of
 Columbia

SUBSCRIBER LOOP CARRIER INSPECTION

DATE 2-10-98

TECHNICIAN NAME 483

EXCHANGE

HURON

FLAT

1C2 pl+10

TYPE SLC

SLC 40 2T

ADDRESS

N4E7E9

Systems

CELL CODE

HURUSD9060

AREA LOCATION

61655

BATTERY TYPE

Cyclon Hatter

NUMBER OF BATTERIES

3-6 pks

BATTERY TEST RESULTS

1 good

5

2 good

6

3 good

7

4

8

GENERAL CABINET CONDITION

OK

ALARM TEST RESULTS

OK

EXHIBIT

4

SUBSCRIBER LOOP CARRIER INSPECTION

DATE 2-10-98

TECHNICIAN NAME 483

EXCHANGE

HURON

FLAT

1 C2 plat. 13

TYPE SLC

SLC 40RT

ADDRESS

N17E14-N1
System 3

CLI CODE

HUNSDR030

AREA LOCATION

61688

BATTERY TYPE

Cyclov-Hawker

NUMBER OF BATTERIES

3-6 packs

BATTERY TEST RESULTS

1 good

5

2 good

6

3 good

7

4

8

GENERAL CABINET CONDITION

OK

ALARM TEST RESULTS

OK

SUBSCRIBER LOOP CARRIER INSPECTION

DATE 2-10-98

TECHNICIAN NAME 483

EXCHANGE
HURONFLAT
1C2 pkt 13TYPE SLC
SLC 40PTADDRESS
N17E14-N1
System 4CLI CODE
HURONSDR9030AREA LOCATION
61688BATTERY TYPE
Cyclon-Hawker energyNUMBER OF BATTERIES.
3.6 pk.

BATTERY TEST RESULTS

1 good

5

2 good

6

3 good

7

4

8

GENERAL CABINET CONDITION

OK

ALARM TEST RESULTS

OK

MAR. -25' 98 (MON) 13:58

TEL: 16059964027

P. 005

SUBSCRIBER LOOP CARRIER INSPECTION

DATE 2-10-98

TECHNICIAN NAME Hampton

EXCHANGE
HURON

FLAT
1C 2 flat 12

TYPE SLC
SLC 40 RT

ADDRESS
N12E12-W2
System 2

CLI CODE
Huron SDR9020

AREA LOCATION
61687

BATTERY TYPE
Cyclon-Hawker

NUMBER OF BATTERIES
3-6 pk.

BATTERY TEST RESULTS

1 good

5

2 good

6

3 good

7

4

8

GENERAL CABINET CONDITION

OK

ALARM TEST RESULTS

OK

SUBSCRIBER LOOP CARRIER INSPECTION

DATE 2-10-98

TECHNICIAN NAME Hampton

EXCHANGE

HURON

FLAT

1C2 pl. 12

TYPE SLC

SLC40RT

ADDRESS

N12 E12 W2
System 1

CLI CODE

HURNSDR9020

AREA LOCATION

61687

BATTERY TYPE

Cyclon-Hawker energy

NUMBER OF BATTERIES

3 - 6 pks.

BATTERY TEST RESULTS

1 good

5

2 good

6

3 good

7

4

8

GENERAL CABINET CONDITION

OK

ALARM TEST RESULTS

OK

SUBSCRIBER LOOP CARRIER INSPECTION

DATE 2-19-97

TECHNICIAN NAME

EXCHANGE
HuronFLAT
1C2 plat 12TYPE SLC
SLC40 RTADDRESS
N12 E12-W2
System 1CLI CODE
HuronSDR9020AREA LOCATION
61687BATTERY TYPE
Cyclon - Hawker energy
each 2 volt 25.0 AH
Sealed lead Battery
BATTERY TEST RESULTSNUMBER OF BATTERIES
3-6 packs

1 good

5

2 good

6

3 good

7

4

8

GENERAL CABINET CONDITION

Bad latch will be Replaced.

ALARM TEST RESULTS

OK

SUBSCRIBER LOOP CARRIER INSPECTION

DATE 2-19-97

TECHNICIAN NAME

EXCHANGE
HURON

PLAT
1 C2 plat 12

TYPE SLC
SLC40RT

ADDRESS
N12 E12-W2
System 2

CLI CODE
Huron SD R9020

AREA LOCATION
61687

BATTERY TYPE
Cyclov-Hawker energy

NUMBER OF BATTERIES
3-6 packs

BATTERY TEST RESULTS

1 good

5

2 good

6

3 good

7

4

8

GENERAL CABINET CONDITION

OK

ALARM TEST RESULTS

OK

SUBSCRIBER LOOP CARRIER INSPECTION

DATE 2-19-97

TECHNICIAN NAME

EXCHANGE

HURON

FLAT

1C2 plat 13

TYPE SLC

SLC40RT

ADDRESS

N17E14-N1

System 4

CLI CODE

HURUSD R9030

AREA LOCATION

61688

BATTERY TYPE

Cyclov-Hawker energy

NUMBER OF BATTERIES

3-6 packs

BATTERY TEST RESULTS

1 good

5

2 good

6

3 good

7

4

8

GENERAL CABINET CONDITION

OK

ALARM TEST RESULTS

OK

SUBSCRIBER LOOP CARRIER INSPECTION

DATE 2-19-97

TECHNICIAN NAME

EXCHANGE

Huron

FLAT

1C2 plat 13

TYPE SLC

SLC 40 RT

ADDRESS

N17E14-N1

System 3

CLI CODE

HURVSDR9030

AREA LOCATION

61688

BATTERY TYPE

Cyclon-Hawker energy

NUMBER OF BATTERIES

3-6 packs

BATTERY TEST RESULTS

1 good

5

2 Bad replaced 3-26-97

6

3 good

7

4

8

GENERAL CABINET CONDITION

OK

ALARM TEST RESULTS

OK

MAR -23' 98 (MON) 13:59

TEL: 16059964027

P. 012

SUBSCRIBER LOOP CARRIER INSPECTION

DATE

TECHNICIAN NAME

EXCHANGE

HURON

PLAT

1C2 plat 10

TYPE SLC

SLC 40 RT

ADDRESS

N4E7 E9
System #5

CLI CODE

HURON SD9060

AREA LOCATION

41655

BATTERY TYPE

Cyclon - Hawker energy

NUMBER OF BATTERIES

3 - 6 packs

BATTERY TEST RESULTS

1 good

5

2 good

6

3 good

7

4

8

GENERAL CABINET CONDITION

OK

ALARM TEST RESULTS

OK

SOUTH DAKOTA INVESTMENT PLAN**A. CLASS**

Current plans provide for CLASS to Sioux Falls, Rapid City and their remote offices that are not a part of the Exchange Sale. This plan provides for the expansion of CLASS to all remaining USWC exchanges in South Dakota over two years.

B. SINGLE PARTY SERVICE

This plan contemplates a complete elimination of all multiparty service in the 5-year period from 1996 to 2000. This will involve the elimination of approximately 1,250 multiparty lines in 35 exchanges.

C. SOUTH DAKOTA INFRASTRUCTURE PLAN**1. Infrastructure Development**

To meet South Dakota's need for applications development for the information highway, numerous technologies need to be deployed and expanded. Therefore, U S WEST plans to develop services encompassing traditional transport services to added value or enhanced services that will provide end-users access to the full promise of the information highway.

U S WEST currently provides many transport services, ranging from facilities-based solutions, dedicated private lines to finished transport services. Upon expanded deployment, South Dakota is poised to take advantage of the following U S WEST services and technologies:

- ATM Cell Relay Switches
- Frame Relay Service
- Commercial Video Service
- Transparent LAN Service (TLS)
- Switched Voice Services
- Special Metallic Access System
- Digital Access and Crossconnect System (DACS)
- Synchronous Optical Network (SONET) Multiplexing
- Local Fiber Distribution
- Remote Switch Module (RSM)

This proposal will expand the availability of many of these services and include new services that will usher in multimedia communications including integration of data, text graphics, video and voice.

EXHIBIT5

2. Systems Required

Additional SMAS points are needed to provide fast and accurate trouble detection and isolation. U S WEST can provide superior service by exhibiting our commitment to repairing circuits and assuring limited down time. The State is an extremely sophisticated customer and demands full disclosure and immediate correction of trouble occurrences. SMAS points strategically located in our network will allow us to comply with their request.

DACS provide an efficient method for changing and rearranging network designs. State government needs change constantly. U S WEST needs to be capable of adopting and accommodating these changes. DACS provide for flexible network designs to satisfy the needs of the state. Strategically located DACS will allow for quick rearrangements the state can remotely administer themselves.

SONET MUXES can be utilized to expand the capacity of the current fiber optic infrastructure. SONET will allow us to increase the bandwidth in our network without burying more fiber lines. As the needs of the customers in South Dakota grow so will the requirements for larger networks. Increasing the amount of SONET equipment will help U S WEST adjust for these needs more economically.

FRAME RELAY SERVICE is a fast packet data connectivity service that is the preferred method for connection to the Internet. Multiple entities in South Dakota are requesting Frame Relay Service for their Internet connection business. Additionally, other businesses in the State like the financial industry are utilizing frame relay in other parts of U S WEST. Frame Relay is an ideal method for lower bandwidth Wide Area Networks (WANS). It is also ideal for emulating private line service.

ATM is the method for networks that are required to provide bandwidth for a combination of voice, data and video. Adding ATM to the network infrastructure will provide an efficient method of establishing a single network that will handle all of the customers' requirements for information distribution. The State of South Dakota currently uses a dedicated DS3 backbone for their voice, data and compressed video services. Non-dedicated switched networks are evolving and provide more efficient service for these types of customers. The State of South Dakota wants to move to this type of more efficient network. The State of South Dakota is also interested in utilizing ATM as the method for distribution of the South Dakota Public Broadcasting Network. Transmitting television signals throughout the state using a U S WEST ATM network would provide them considerable savings in maintenance and equipment charges.

The network could be sized to accommodate all of their voice, data, compressed video and television video and be provided by one source, U S WEST.

Fiber Optic Facilities are required in the local loop of the network also. U S WEST must add to the existing fiber optic infrastructure in the local exchanges. Bandwidth requirements are and will continue to increase in demand from all of our customers. Services such as Transparent LAN Service (TLS) require the high bandwidth across the exchange that only fiber optic cable is capable of transporting. The state of South Dakota has asked U S WEST for design plans for TLS systems in Aberdeen, Rapid City, Sioux Falls and Yankton. These systems would require a large amount of fiber optic cable in these exchanges. The majority of the fiber required would be usable by other customers also. Fiber optic systems in the local loop would also be required to deliver higher order services like ATM to the state's locations.

Remote Switching Modules are required in the Mitchell and Redfield exchanges. These exchanges are currently served by Ericsson central offices. The Ericsson CO's cannot provide many of the Centrex Plus features the State wants. The Ericsson switches can remain in the exchanges and would continue to provide basic telephone service for the majority of the customers. Advanced services like ISDN could be provided by the RSMs. The necessary Centrex Plus service could provide the State and other customers service from the RSMs. Providing these exchanges with RSM technology would also provide the State an ubiquitous 5E platform for Centrex Plus. All of the Centrex Plus systems under contract by the State are currently networked via a series of tie lines. This service will migrate to Primary Rate Interface tie lines in 1995. The RSMs are necessary in Mitchell and Redfield to provide this interface for their Centrex Plus systems.

SMAS

Special Metallic Access Systems (SMAS) provides access points in the network for remote monitoring and testing. These services are located in the central offices and provide information needed to test circuits to ensure the quality of service required. SMAS points are required to provide service assurance for all customers of U S WEST. Our customers are establishing point to point Analog and 56kb networks in South Dakota. They look to U S WEST to provide consistent quality service with little or no down time. When trouble is detected, they demand that U S WEST provide accurate and up to date information on restoral time and details of the problems. Installing additional SMAS points will provide us the capability for faster trouble shooting and more detailed reporting of trouble occurrences. SMAS points are required for these central offices:

- Madison
- Spearfish
- Vermillion

DACS

Digital Access and Crossconnect System (DACS) equipment is designed to provide intelligent mixing of digital services. DACS provides the ability to change the routing paths of dedicated circuits as required by customer request or in the event of disasters. The service can be preprogrammed to allow redirection of circuits so that digital circuits can be redirected to back up centers in the event of failures or damage to the host sites. DACS provides the customers the ability to redirect their circuits via software programming they can direct from their own terminals. DACS is used by customers to efficiently program digital services to the locations needed as directed by their business requirements. A single line from a host can be redirected to multiple locations. This design reduces the need for direct lines between the host and all sites constantly if only one site needs to be connected to the host at one time.

DACS also provide remote testing capabilities for digital services, DS1 and above. Remote testing assists in faster response times during service interruptions and allows circuit segments to be isolated during trouble resolution.

DACS also allows U S WEST the capability to use the cross connecting ability in the design of our internal network. All customers of digital services are prospective users of DACS equipment. Additional DACS are needed in the following host central offices:

- | | |
|--------------|-------------|
| • Huron | • Watertown |
| • Rapid City | • Yankton |

SONET MUXES

Synchronous Optical Network (SONET) Multiplexing is special fiber optic terminating equipment that provides the ability to increase the capacity of fiber optic strands. Typically the existing termination equipment provides the capacity of up to 560 Mbps. The more sophisticated SONET equipment can increase the capacity of the fiber optics from OC-3 up to OC-48 (2.4 Gigabits) and into the Gigabit range of services. Additionally, SONET MUXES will provide the ability for drop and insert technology. This means that a customer with multiple sites can purchase DS3 service to connect the sites and drop off individual DS1s at the sites where they are needed. SONET design also includes the self healing capability for the network to redirect itself around trouble spots and provide near 100% up time for the network. The SONET

technology would be used throughout the network in South Dakota for U S WEST's backbone. All U S WEST customers in South Dakota would benefit from this technology. Additional SONET Muxes are needed in the following central offices:

- Aberdeen
- Huron
- Sioux Falls
- Vermillion
- Yankton

FRAME RELAY SERVICE

Frame Relay Service employs "fast packet" technology with access speeds of 56kbps, 64 kbps and 1.544Mbps to provide a high speed connection-oriented data transfer service. "Fast Packet" technology may be classified as having two types of packets: cells and frames. A cell is defined as a fixed size packet (53 octets), whereas frames may vary in packet size. Frame Relay is a frame-oriented packet technology that supports variable frame sizes to cost effectively support bursty applications (e.g., Local Area Network (LAN) interconnection and file transfers), which contain both variable and bandwidth requirements and low delay requirements. The frame relay protocol contains less overhead than the widely available X.25 protocol, translating into reduced processing requirements for the network nodes, hence, less transit delay and increased throughput. Frame Relay utilizes Permanent Virtual Circuits (PVCs) to establish logical connections between customer locations to provide higher access speeds and less delay than traditional packet-switch technologies. In lieu of multiple physical dedicated lines, multiple logical connections may be established on a single FRS Access Link to provide simultaneous logical connections between customer Network interfaces. These multiple logical connections increase the customer's flexibility for data transfer applications. On presubscribed logical connections, variable length frames are relayed between the FRS customer's source and destination locations, utilizing the FRS Access Link's bandwidth only as needed.

- Aberdeen
- Mitchell
- Pierre
- Rapid City
- Vermillion
- Watertown
- Yankton
- Huron

ATM

Asynchronous Transfer Mode is a cell relay service that can incorporate voice data and video signals into one transport method. The signals are placed in cells of digital information and rapidly transported through the network to the address included in the header of the cell. ATM is the method for combining all three services into a non-dedicated transport service. Currently if customers need high bandwidth for constant transmission of signals (like video) they are

required to subscribe to dedicated point to point services. Video and voice are constant bit rate services that cannot tolerate delay of signal. Data transmission can tolerate some delay because the equipment can buffer the transmissions and present the signal as a constant transmission. High bandwidth is required for transmission of large files in the data and video environment. ATM is the network technology that can accommodate the transport of all three types of information and not require dedicated circuits for all three services. ATM establishes the paths for the transport as needed and can dynamically allocate the required bandwidth at the time of transmission. This allows the customer to subscribe to one transmission service instead of dedicating services for each need. ATM switches are required in these locations:

- Aberdeen
- Huron
- Mitchell
- Pierre
- Rapid City
- Sioux Falls
- Vermillion
- Volga
- Watertown
- Yankton

LOCAL FIBER DISTRIBUTION

Fiber optic rings are sophisticated loops deployed in exchanges that are designed to counter rotate so information is transmitted in both directions. When the information is received the equipment determines the best transmission and accepts it. This service provides a guarantee that information will reach its destination even in the event of a cable cut or equipment failure on one route. Customers provided service via this method are assured of near 100% up time on their networks. This is critical for customers depending on our service for their operations. Customers that rely on their network for their business, like telephones sales, public emergency centers, data processing centers, etc., need reliable networks. Fiber rings in the local loop are required to provide this type of service. Existing fiber optic facilities must be expanded to provide for the future requirements of fiber optic rings, Transparent LAN Service and ATM. Additional local fiber distribution is required in these cities:

- Aberdeen
- Rapid City
- Sioux Falls
- Vermillion
- Watertown
- Yankton

RSM

A Remote Switch Module (RSM) is an attachment to a central office connected over distance to extend the capabilities of the central office to another location like a different city. An RSM can be used to economically provide advanced services to additional cities without completely replacing the central office. The RSM does not need to be engineered to provide service for the entire exchange. The RSM is sized to provide advanced services to the customers

that require them. Services such as ISDN can be delivered to a smaller group of customers.

RSMs are needed in these locations.

- Mitchell
- Redfield

INTERNET SERVICE

Internet Service is a data communications and information service that provides capabilities for regional internetworking of various computers, utilizing industry standard LAN/WAN protocols (viz. IP, IPX) for the purposes of both intra-enterprise and inter-enterprise communications and networking. INTERNET delivers a suite of services that allows its customer to be able to:

- gain access to various repositories of information (local/regional/global)
- facilitates the delivery and exchange of information
- conduct business with each other electronically
- communicate electronically.

Internet Service delivers a full range of connectivity to the INTERNET, a network of networks reaching more than 11,000 networks (connecting over 3.2 million servers) and 22 million users, thereby allowing INTERNET customers to reach beyond any particular local serving area.

Customers connecting to the INTERNET come from virtually all segments of the market. Our service, Interact's INTERNET Service, is targeted, however, at the professional member of a community of interest who needs an easy to use managed service. Making information available that is appropriate for users' needs is key and unique to our service offering. Filtering and managing appropriate content for K-12 customers, for example, is key to their adoption of our service. Through the development of this platform, we have been able to create this type of managed service.

This plan contemplates providing local dial-up access to INTERNET at all USWC exchanges.

D. DISTANCE LEARNING PROPOSAL

This proposal provides three of the necessary components for Distance Learning applications: desktop video equipment, which can be used for video conferencing and information services access (this part of the proposal may be modified based on discussions with various state agencies, including the Bureau of Information Technology); a discount on State Telecommunications Services which can be

passed along to educational entities for network connections; and a grant for a Teacher Network that will help in funding training for use of technology.

Switched Interactive Video:

This part of the proposal provides a desktop video system to each of the public schools in U S WEST served territory in South Dakota. The service would be comprised of a Microsoft Windows based PC and a PictureTel PCS 100 desktop video system. The service would utilize U S WEST ISDN service. We would include a 16-port video bridge also manufactured by PictureTel.

The PC would be acquired to provide the platform for the interactive video service. The PCS 100 operates as an additional card in the PC and integrates two ISDN B channels to provide 128 Kbps of bandwidth. The PCS 100 conforms to the national standard H.320 for video conferencing and is compatible with all other standards compliant digitally compressed video equipment. It can also be used for other PC-based applications that use a Windows operating system.

The PCS 100 system includes a Flip cam dual purpose camera, video board, an audio board, a full duplex speakerphone, a camera stand, cables, conference control and information sharing software and documentation. The system includes additional video ports and can be used with standard NTSC equipment.

In addition to the PCS 100, a 16-port video bridge is included to provide the ability to connect more than two systems on the same video call. The bridge would be the central point that users would dial in order to connect to multipoint sessions.

The PCS 100 and ISDN is an excellent low cost method to provide interactive video for distance learning.

Master Service Agreement:

Currently under development is a Master Service Agreement between U S WEST and the State of South Dakota. The service agreement would provide a discount for all services purchased by the State from U S WEST. The State could then act as a purchasing agent for schools and use the discount to help defray the cost to the schools of their network connections. Currently the State of South Dakota is responsible for approximately \$5,000,000.00 in annual billed revenue. A 5 to 7 percent discount is anticipated.

Foundation Assistance for Training:

The U S WEST Foundation, in aligning more closely with U S WEST's overall mission, is focusing on providing grants using telecommunications technology to connect people.

A three-year grant in the range of \$300,000-\$350,000 from the U S WEST Foundation would allow school districts and teachers within the South Dakota U S WEST serving territory access to a wide variety of local, regional and world-wide telecommunication possibilities. This would replicate a grant to provide laptop computers and technology training for over 300 Colorado teachers recently awarded by the U S WEST Foundation to the University of Colorado. Through collaborative efforts with Dakota State University in Madison, known for its computer technology expertise, and the State of South Dakota Bureau of Information and Technology in Pierre, a low-cost, locally-controlled and integrative telecommunications system with training, equipment and technological back-up would be established.

During the first year of the project, Dakota State University would establish a U S WEST Center for Instructional Technology within the Business and Education Institute. This center would continue to draw upon faculty expertise in Computer Science, Information systems and the School of Education to develop summer workshops, conduct training sessions, host seminars and promote the utilization of instructional technology in K-12 schools - all focused on telecommunications technology in education. A training package for teachers and administrators would be developed to provide education and training in the use of telecommunications technology, with college credit being given to training participants.

U S WEST served school districts in close proximity to Madison would be selected the first year to participate in this project. Each district would be provided with a computer, and multimedia connectivity as an incentive to participate. Those districts would demonstrate and implement a plan to expand this educational opportunity to other teachers and administrators in their districts. Additional districts would be selected in year two and, in year three, all U S WEST served districts would participate.

Partnerships would also be formed with Black Hills State University and the University of South Dakota in order that preservice teachers and inservice teachers receive the technology training in an equitable and cost-effective manner. Dakota State University will work closely with DECA, the South Dakota National Science Foundation Systemic Initiative and the School Modernization Project.

An "education computer network" that supports Internet access, World-Wide-Web access, electronic mail, local list serve functions and exchange of administrative reports and information would be established. Connection to this resource will be provided in conjunction with the state's digital network.

E. TIME FRAME FOR CAPITAL DEPLOYMENT

	Capital Deployment	
	Begin	End
1. CLASS	1996	1997
2. Single Party Service	1996	2000
3. South Dakota Infrastructure Plan		
SMAS (Special Metallic Access Systems)	1996	1998
DACS (Digital Access & Cross Connect System)	1996	1999
SONET Multiplexers	1996	1998
Frame Relay	1996	1997
ATM Switches	1996	1997
Local Fiber Distribution	1996	1999
RSM (Remote Switch Modules)	1996	1997
Internet Service	1995	1996
4. Distance Learning	1996	1996

Note: The detailed sequence of deployment for these individual enhancements will be developed mutually with the customer (in most cases, the State of South Dakota). The estimated value of these investments is approximately \$25 million.

April 1, 1998

Dear Public Utility Commission:

We, as members of the Willow Lake School education system, are writing this letter in concern for the well-being of our Carpenter students. The internet has become an intricate part of our world and it is to our understanding that they cannot receive access in Carpenter with the current services that you provide. Students are given assignments in a wide variety of classes that involve usage of internet research, but Carpenter students cannot do this at home. They are not given the same opportunities as the other students in our school district. We ask that you do something about this.

Thank you for your consideration regarding this matter. We hope that you will really consider our children and provide the services.

Sincerely,

Willow Lake School Staff

Cheryl L. Berens	M. Hinkley
Cindy Warkentin	Paul Kullen
Cheryl Lator	Kathleen Warkentin
Madeline Lator	Angie Bratland
Karen Lator	Judy Lator
Larry J. Burdon	Paul White
Kerry Hobbs	Kathy Poppo

I live in the Carpenter area and use US West telephone lines. I am directly affected by the problems with those lines. My concerns include the danger involved when phone lines are not working, the inability to access Internet, the unavailability of extra lines, and the poor quality of these lines. I am also concerned that the problems with these phone lines make it difficult for businesses, like the Willow Lake Farmers Elevator, to operator in an efficient and technologically advanced way and therefore affect the economic well-being of our community.

EXHIBIT

7

Date	Name (Print)	Address	Signature
3-9-98	Harold Walter	41174 193rd St	Harold Walter
3-10-98	CHARLES BREDE	Carpenter SD	Charles Breda
3-10-98	Gus Madsen	Carpenter SD	Gus Madsen
3-10-98	Jeff Gramm	Carpenter SD	JEFF GRAMM
3-10-98	Terry Wicks	Carpenter SD	Terry Wicks
3-10-98	Stephanie Wicks	Carpenter SD	Stephanie Wicks
3-10-98	Valerie Madsen	PO Box 123 Carpenter SD	Valerie Madsen
3-10-98	Sherry Breda	P.O. Box 152 Carpenter	Sherry Breda
3-10-98	Kim Madsen	PO Box 123 Carpenter SD	Kim Madsen
3-10-98	Mike Waldner	P.O. Box 1 Carpenter SD	Mike Waldner
3-10-98	Mary Opsahl	P.O. Box 194 Carpenter SD	MARY OPSAHL
3-10-98	Dakota Farm Int	41178 193rd St Carpenter SD 57322	JH
3-10-98	Jessica Gramm	HCR #1 Box 31A Carpenter	Jessica Gramm
3-10-98	Crystal Gramm	HCR Box 31A Carpenter	Crystal Gramm
3-11-98	Kirk Madsen	HCR #1 Box 24 Carpenter	Kirk Madsen
3-11-98	Jared Popper	Agreement out of Carpenter Area	Jared Popper
3-11-98	Jon Gramm	HCR #1 Box 31 Carpenter	Jon Gramm
3-11-98	Brian Helkum	HCR #1 Box 25 Carpenter	Brian Helkum
3-11-98	Taren Madsen	HECR Box 22 Carpenter	Taren Madsen
3-11-98	BRAD BREDE	Box 152 CARPENTER SD	Brad Breda

I live in the Carpenter area and use US West telephone lines. I am directly affected by the problems with those lines. My concerns include the danger involved when phone lines are not working, the inability to access Internet, the unavailability of extra lines, and the poor quality of these lines. I am also concerned that the problems with these phone lines make it difficult for businesses, like the Willow Lake Farmers Elevator, to operator in an efficient and technologically advanced way and therefore affect the economic well-being of our community.

Date	Name (Print)	Address	Signature
3-10-98	Tim Walter	4117E 143rd St carpenter	[Signature]
3-13-98	Judy Blanger	PO Box 4 Carpenter	Judy Blanger
3-13-98	STEVEN BLANGER	HC1 Box 4 carpenter	Steven Blanger
3-13-98	JIM OPSAHL	HC 1 Box 6 CARPENTER SD.	James Opsahl
3-14-98	Lynn Nelson	RR1 Box 586 Tigard	Lynn Nelson
3-14-98	Sergio L. Nelson	HCR 121 Carpenter	Sergio L. Nelson
3-14-98	Randy L. Nelson	HCR 121 Carpenter	Randy L. Nelson
3-17-98	Kim K. Waldner	HC1 Box 1 Carpenter	Kim Waldner
3-17-98	Katie L. Waldner	HCR Box 1 Carpenter	Katie Waldner
3-18-98	Kim Nelson	HCR 1 Box 121 Carpenter	Kim Nelson
3-18-98	Aaron Wicks	HCR 1 Box 1B Carpenter	Aaron Wicks
3-18-98	Dave Hoff	HCR 1 Box 41 Carpenter	Dave Hoff
3-21-98	Ellery Waldner	HCR 1 Box 110 Carpenter	Ellery Waldner
3-21-98	Kendall Waldner	HC1 Box 110 Carpenter	Kendall Waldner
4-1-98	Larry Hiest	18801 906 Ave Carpenter SD	Larry Hiest

EXHIBITS 8, 9 AND 10 ARE LARGE MAPS. THEY ARE
IN THE TRANSCRIPT IN DOCKET TC98-007. WE HAVE
NOT REPRODUCED THEM TO PUT WITH THE OTHER
TRANSCRIPTS - TC98-008-012 AND TC98-016.

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

Jeremiah D. Murphy
Russell R. Greenfield
David J. Vickers
Gary J. Pashby
Vance R.C. Goldammer
Thomas J. Welk
Terry N. Prendergast
James E. McManis
Michael S. McNaught
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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)

April 13, 1998

RECEIVED

APR 14 1998

Rolayne Ailts Wiest
South Dakota Public Utilities Commission
500 East Capitol
Pierre, SD 57501

**SOUTH DAKOTA PUBLIC
UTILITIES COMMISSION**

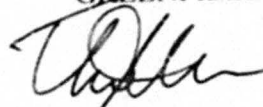
Re: Carpenter Complaints (TC98-007-12 and 98-016) and Hofer Complaint (97-178)
Our File No. 2104-98-007 and 97-178

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

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.

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@puc.state.sd.us

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

William Bullard Jr.
Executive Director

Edward R. Anderson
Harlan Best
Martin C. Bettmann
Charlie Bolle
Sue Cichos
Karen E. Cremer
Marlette Fischbach
Shirleen Fugitt
Lewis Hammond
Katie Hartford
Lena Healy
Carron Hoseck
Dave Jacobson
Bob Knadle
Delaine Kolbo
Jeffrey P. Lorenson
Terry Norum
Gregory A. Rislov
Tamara Stangohr
Steven M. Wegman
Rolayne Ailts Wiest

Confidential

Information

is in Docket

TC 98-007

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

RECEIVED

APR 28 1998

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

April 27, 1998

**SOUTH DAKOTA PUBLIC
UTILITIES COMMISSION**

John S. Murphy (1924-1966)
John S. Murphy (1924-1966)

FAX Received
APR 27 1998

VIA FACSIMILE - 605-773-3809

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

Re: In the Matter of Complaints Filed by The Willow Lake Elevator (TC98-007), Galen Waldner (TC98-008), Dick Glanzer (TC98-009), Regan Glanzer (TC98-010), Mike Madsen (TC98-011), Claude Glanzer (TC98-012) and Keith Glanzer (TC98-016) Against U S West Communications, Inc. Regarding Telephone Line Location Our File No. 2104-98-007

Dear Mr. Bullard:

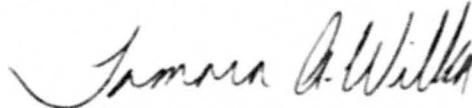
Please find enclosed U S WEST's Post Hearing Brief, Proposed Findings of Fact & Conclusions of Law and Notice of Filing of Late Filed Exhibit together with the original Request for Confidential Treatment of Information without attached documents.

Seven (7) originals of the Findings, Brief and Notice of Late Filed Exhibit and ten (10) copies of each are being mailed to you today together with the original Certificate of Service and Request for Confidential Treatment of Information (with attached documents).¹ Please put one set of originals in each of the Carpenter files.

¹ I am sending only one original of the Request for Confidential Treatment of Information with attached documents pursuant to my telephone conversation today with Rolayne Wiest.

Sincerely yours,

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

A handwritten signature in cursive script, reading "Tamara A. Wilka". The signature is fluid and elegant, with a large initial 'T' and a long, sweeping underline.

Tamara A. Wilka

TAW/vjj

Enclosures

cc: James Gallegos
Jon Lehner

FAX Received APR 27 1998
BEFORE THE PUBLIC UTILITIES COMMISSION
OF THE STATE OF SOUTH DAKOTA

RECEIVED
APR 28 1998
SOUTH DAKOTA PUBLIC
UTILITIES COMMISSION

IN THE MATTER OF THE COMPLAINT
FILED BY WILLOW LAKE ELEVATOR,
WILLOW LAKE, SOUTH DAKOTA
AGAINST U S WEST COMMUNICATIONS,
INC. REGARDING TELEPHONE
SERVICE OUTAGES AND INADEQUATE
SERVICE

TC98-007

IN THE MATTER OF THE COMPLAINT
FILED BY GALEN WALDNER,
CARPENTER, SOUTH DAKOTA AGAINST
U S WEST COMMUNICATIONS, INC.
REGARDING TELEPHONE SERVICE
OUTAGES AND INADEQUATE SERVICE

TC98-008

IN THE MATTER OF THE COMPLAINT
FILED BY DICK GLANZER, CARPENTER,
SOUTH DAKOTA AGAINST U S WEST
COMMUNICATIONS, INC. REGARDING
TELEPHONE SERVICE OUTAGES AND
INADEQUATE SERVICE

TC98-009

IN THE MATTER OF THE COMPLAINT
FILED BY REGAN GLANZER, CARPENTER,
SOUTH DAKOTA AGAINST U S WEST
COMMUNICATIONS, INC. REGARDING
TELEPHONE SERVICE OUTAGES AND
INADEQUATE SERVICE

TC98-010

IN THE MATTER OF THE COMPLAINT
FILED BY MIKE MADSEN, CARPENTER,
SOUTH DAKOTA AGAINST U S
WEST COMMUNICATIONS, INC. REGARDING
TELEPHONE SERVICE OUTAGES AND
INADEQUATE SERVICE

TC98-011

IN THE MATTER OF THE COMPLAINT
FILED BY CLAUDE GLANZER,
CARPENTER, SOUTH DAKOTA AGAINST
U S WEST COMMUNICATIONS, INC.
REGARDING TELEPHONE SERVICE
OUTAGES AND INADEQUATE SERVICE

TC98-012

IN THE MATTER OF THE COMPLAINT
FILED BY KEITH GLANZER, CARPENTER,
SOUTH DAKOTA AGAINST U S WEST
COMMUNICATIONS, INC. REGARDING
TELEPHONE SERVICE OUTAGES AND
INADEQUATE SERVICE

TC98-016

U S WEST'S POST HEARING BRIEF

Preliminary Statement

For purposes of this memorandum, the South Dakota Public Utilities Commission will be referred to as the "Commission", U S WEST Communications, Inc. as "U S WEST", and the Hearing Transcript as "Tr." followed by the appropriate page number.

Status of the Case and Facts

The statute of the case and the relevant facts are adequately presented in the proposed findings and conclusions attached to this brief.

Argument

1. The evidence clearly establishes that U S WEST provides good quality voice grade service in the Carpenter area.

In making findings of fact, the Commission must consider all of the evidence. See Sopko v. C & R Transfer Co. and Home Insurance Co., 1998 SD 8 ¶s 6 and 7. When all of the evidence is considered, it is clear U S WEST provides good quality voice grade service in the Carpenter area.

During the hearing the complainants were questioned at length under oath about their telephone service. Without hesitation, they testified that their primary concern involves the transmission of data:

Mr. Welk: [Y]our complaints, as I understand today in listening to you, are all related to data transmission problems; is that correct?

Mrs. Grann: Yes.

Mr. Welk: And you're not complaining about voice quality. You're complaining about the data capabilities of the line you have; is that correct?

Mrs. Grann: That's correct.

* *

* *

Mr. Welk: So your basic complaint, as I understand it, you want access to the Internet to run your computer and to also help with your business; is that correct?

Mr. Waldner: Right.

Tr. at 18, 44 (emphasis added). See also Tr. at 62. It is settled law that a party cannot claim a version of the facts more favorable than his or her own testimony. Guthmiller v. South Dakota Dept. of Transp., 502 N.W.2d 586, 589 (S.D. 1993); State v. Jacobson, 491 N.W.2d 455 (S.D. 1992); Trammell v. Prairie States Ins. Co., 473 N.W.2d 460, 463 (S.D. 1991); Waddell v. Dewey County Bank, 471 N.W.2d 591, 595 n.3 (S.D. 1991); Lalley v. Safway Steel Scaffolds, Inc., 364 N.W.2d 139, 141 (S.D. 1985); Myers v. Lennox Co-op Ass'n, 307 N.W.2d 863 (S.D. 1981); Swee v. Myrl & Roy's Paving, Inc., 283 N.W.2d 570 (S.D. 1979).

Consistent with the testimony cited above, U S WEST's service records show that since 1978 there have only been ten cases of reported trouble in the Carpenter area which relate to something other than Caller ID or Internet access, both of which involve data

transmission. Tr. at 146. This averages out to just one complaint every two years. There are 124 subscribers served by the Carpenter SLC 40 system. Tr. 139.

2. U S WEST is required only to provide voice grade service.

U S WEST is a local exchange carrier that provides local exchange service to the complainants. Local exchange service is defined as "the access and transmission of two-way switched voice communications within a geographic territorial unit established by a telecommunications company for the administration of telecommunications services" SDCL 49-31-1(5) (emphasis added). It does **not** include data transmission or Internet access.

U S WEST is currently providing good voice grade service to the Carpenter area. Nothing more is required.

3. If the Commission orders US WEST to replace the existing telephone system in Carpenter, it must provide a fair rate of return on U S WEST's investment.

It is undisputed that if U S WEST were to replace the SLC 40 system serving Carpenter with an NEC system, it would cost \$211,000. Tr. at 147. It is similarly undisputed that if the Commission were to order U S WEST to install a NEC system¹ and ISDN cards, the new system would be consistent with Governor Janklow's Vision Bill, SDCL 41-31-60 et seq., which was passed last year. Tr.at 257.

SDCL 41-31-60 provides, in relevant part:

It is the intent of the Legislature that all of the future rules, policies, actions and decisions of the State of South Dakota and all of its political subdivisions, and the actions and decisions of its offices and employees, shall be made consistent with and

¹ Although referred to in the singular, U S WEST would actually have to install three NEC systems to serve the Carpenter area. Tr. at 182.

further the purposes and directives of §§ 49-31-60 through 49-31-68, inclusive. Any rule, policy, action, decision, or directive from a regulatory agency shall consider input from common carriers, including local exchange carriers, and others; allow economic deployment of technology; encourage maximum cooperation among facilities providers; and consider a fair return on the investment made by facility providers to implement § § 49-31-60 through 49-31-68, inclusive.

(emphasis added). The Commission has no discretion. It must provide a fair rate of return on U S WEST's investment.

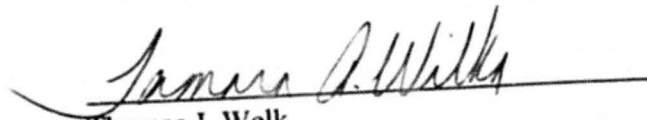
4. Revenue from Carpenter subscribers for residential, business and Caller ID services are not adequate to provide a fair rate of return to U S WEST to upgrade facilities to the complainants.

The rate for residential service in Carpenter is \$16.55.² Tr. 214. The rate for business service in Carpenter is \$32.45. Id. U S WEST charges \$5.95 per month for Caller ID. Tr. at 214. If U S WEST were to replace the SLC 40 system, the only **additional** revenue generated would be from Caller ID.. If twenty-five percent of the Carpenter subscribers (the statewide average) bought Caller ID, the annual revenue would be only \$2,214.

Revenue from Carpenter subscribers for residential, business and Caller ID services isare not adequate to provide a fair rate of return to U S WEST to upgrade facilities to the complainants. Thus, if the Commission orders U S WEST to replace the Carpenter telephone system it must provide a cost recovery mechanism.

² This rate is below the average statewide cost to provide residential service of \$21.00. Tr. at 215.

Dated this 27th day of April, 1998.

A handwritten signature in dark ink, appearing to read "Tamara A. Wilka", is written over a horizontal line.

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

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

IN THE MATTER OF THE COMPLAINT
FILED BY WILLOW LAKE ELEVATOR,
WILLOW LAKE, SOUTH DAKOTA
AGAINST U S WEST COMMUNICATIONS,
INC. REGARDING TELEPHONE
SERVICE OUTAGES AND INADEQUATE
SERVICE

TC98-007

IN THE MATTER OF THE COMPLAINT
FILED BY GALEN WALDNER,
CARPENTER, SOUTH DAKOTA AGAINST
U S WEST COMMUNICATIONS, INC.
REGARDING TELEPHONE SERVICE
OUTAGES AND INADEQUATE SERVICE

TC98-008

IN THE MATTER OF THE COMPLAINT
FILED BY DICK GLANZER, CARPENTER,
SOUTH DAKOTA AGAINST U S WEST
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TC98-009

IN THE MATTER OF THE COMPLAINT
FILED BY REGAN GLANZER, CARPENTER,
SOUTH DAKOTA AGAINST U S WEST
COMMUNICATIONS, INC. REGARDING
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TC98-010

IN THE MATTER OF THE COMPLAINT
FILED BY MIKE MADSEN, CARPENTER,
SOUTH DAKOTA AGAINST U S
WEST COMMUNICATIONS, INC. REGARDING
TELEPHONE SERVICE OUTAGES AND
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TC98-011

IN THE MATTER OF THE COMPLAINT
FILED BY CLAUDE GLANZER,
CARPENTER, SOUTH DAKOTA AGAINST
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TC98-012

**IN THE MATTER OF THE COMPLAINT
FILED BY KEITH GLANZER, CARPENTER,
SOUTH DAKOTA AGAINST U S WEST
COMMUNICATIONS, INC. REGARDING
TELEPHONE SERVICE OUTAGES AND
INADEQUATE SERVICE**

TC98-016

**U S WEST'S PROPOSED FINDINGS OF FACT
AND CONCLUSIONS OF LAW**

In January, 1998, a number of individuals from Carpenter, South Dakota and the Carpenter branch of the Willow Lake Elevator filed complaints with the Public Utilities Commission (Commission) against U S WEST Communications, Inc. ("U S WEST") requesting that the Commission order U S WEST to upgrade its facilities. The Commission issued separate orders finding probable cause and notice requiring answer. U S WEST filed a consolidated answer on March 5, 1998. It subsequently moved to amend its answer. The motion was granted and U S WEST filed a consolidated amended answer on March 27, 1998.

The Commission assumed jurisdiction pursuant to SDCL 49-13-1, 49-13-4, 49-13-13, 49-13-14.1, 49-31-3, 49-31-7, 49-31-7.1, 49-31-11 and ARSD 20:10:01:08.01 and 20:10:01:09.

On or about March 16, 1998, Staff served its First Data Request. The following day it served additional data requests. On March 23, 1998, U S WEST moved to quash the data requests. In addition, it filed a Motion to Preclude Staff from Participating in Hearing and Motion to Take Judicial Notice. The Commission denied all three motions. Hearing Transcript at 6-8.

The complaints were consolidated for purposes of hearing and a hearing was held on

April 2, 1998 in Huron, South Dakota. Hearing Transcript at 9. Fourteen (14) witnesses testified and ten (10) exhibits were received during the hearing. Two exhibits were received as late-filed exhibits.

After consideration of all of the evidence received, the written arguments of counsel, the Commission now makes the following:

FINDINGS OF FACT

1. U S WEST is a Colorado corporation providing local exchange telecommunications service, interexchange carrier access, intraLATA interexchange telecommunications services, and other telecommunications services throughout South Dakota.

2. Docket TC98-007 involves a complaint filed by the Willow Lake Elevator ("the Elevator"). The Elevator has several remote locations including Carpenter. TC98-007 Complaint. It requests that the Commission require U S WEST to replace its current telephone system in Carpenter to improve communications in the area. It also requests a local dedicated line from Carpenter to Willow Lake.

3. The Elevator is in the process of installing a new fully integrated, on line, real time computer system.

4. Approximately five years ago, the Elevator installed a point of sale computer system in each of its remote locations. At the Carpenter location, the program was set up to automatically transmit data via a modem to the Elevator's main office each night. The program never worked in Carpenter due to connection difficulties. Ultimately, the Elevator

transferred the data on disks. Tr. at 9-10.

5. In March, 1997, the Elevator contacted U S WEST and requested a four-wire, two-way communication dedicated leased line between Carpenter and Willow Lake. Initially the Elevator was told there would be a one-time hookup fee of \$450 and a monthly charge of \$161.45. Tr. at 10. It later learned there would be excess construction charges of \$50,000 because the lines in the Carpenter area were obsolete. Id. at 11.

6. In lieu of leasing a dedicated line, the Elevator could utilize random dial up. If this option were pursued, the Elevator would incur charges from U S WEST and Intrastate Telephone Company, Inc. ("ITC"). ITC provides local exchange service to subscribers in Willow Lake. These charges would include a combined hookup fee of approximately \$700 and a combined monthly charge of approximately \$320. Id. at 20. The Elevator has rejected this option as cost prohibitive. Id. at 20-21.

7. All of the Elevator's complaints relate to data transmission problems as opposed to voice quality. Id. at 18.

8. Docket TC98-008 is a complaint filed by Galen Waldner. Mr. Waldner tried unsuccessfully to hook up to the Internet in December, 1997. Mr. Waldner requests that the Commission order U S WEST to install new phone lines in the Carpenter area to assist in the transfer of data. TC98-008 Complaint.

9. Mr. Waldner has experienced no major problems with voice quality. Tr. 44-45.

10. Mr. Waldner's basic complaint concerns data transmission. He wants access to the Internet to run his computer and to assist him with his agriculture and insurance

businesses. Tr. at 44, 40.

11. TC98-009 is a complaint by Dick Glanzer. Mr. Glanzer's complaint is similar to Mr. Waldner's. He too has tried unsuccessfully to access the Internet. Tr. at 50-51.

12. Mr. Glanzer testified that he was informed U S WEST does not guarantee a baud rate over 1,200 and that this was probably why he was unable to connect to the Internet. Id. at 53-54.

13. Access to the Internet is Mr. Glanzer's biggest concern. Id. at 58.

14. Mr. Glanzer has never made any complaints regarding his voice grade service. Id. at 52.

15. Mr. Glanzer and Mr. Waldner are both members of the Willow Lake Elevator's Board of Directors. Id. at 17 and 52.

16. TC98-010 is a complaint by Regan Glanzer. He wants Caller ID. Id. at 61. Caller ID involves data transmission.

17. The Carpenter system has insufficient band width to accommodate Caller ID. Id. at 179.

18. Approximately 25 percent of U S WEST's South Dakota customers utilize Caller ID. Tr. at 220.

19. Regan Glanzer testified that he has not had any problems "to speak of" with voice grade quality service. Tr. at 62, 64. According to Glanzer, when on occasion he has called in a trouble report, U S WEST has fixed the problem in a timely manner. Id. at 67.

20. TC98-011 is a complaint by Mike Madsen. Mr. Madsen is the branch manager

at the Elevator. Tr. at 68.

21. Approximately ten years ago, Mr. Madsen reported a scratchy line. U S WEST sent a repairman who fixed the problem. Tr. at 73. Since then, Mr. Madsen has not reported any trouble on his personal line. *Id.* at 74.

22. Mr. Madsen wants Caller ID and Internet access. His complaint also states that he requested a second line but was informed by U S WEST that it could not accommodate his request. TC98-011.

23. During the hearing, Mr. Madsen testified that notwithstanding his assertion he has not requested a second line since he moved to his new address in 1986. Tr. at 72-73.

24. TC98-012 is a complaint by Claude Glanzer. Claude Glanzer has tried unsuccessfully to hook up to the Internet and Caller ID. Tr. at 82.

25. TC98-016 is a complaint by Keith Glanzer. Keith Glanzer has also tried, without success, to hook up to the Internet. He requests that the Commission "apply pressure to U S WEST to improve our phone lines so that we might have acceptable levels of data transmission." TC98-016 Complaint.

26. In addition to transmitting data via telephone lines, data may also be transferred via a wireless carrier such as a satellite-based system. Tr. at 107-15.

27. In South Dakota, the Sioux Falls Catholic Schools utilize a wireless carrier to access the Internet. Tr. at 108-109.

28. The telephone system serving Carpenter is a Subscriber Line Carrier 40 ("SLC 40") system. It consists of three remotes. Each system works off of a T line (or DS-1). A

T line is a four-wire circuit. Each remote is divided into forty (40) voice grade channels. Tr. at 137, 139.

29. There are 124 subscribers in the Carpenter area who are served by the existing telephone system. Tr. at 139.

30. Additional lines are available in the Carpenter area. Id. at 145.

31. The SLC 40 still furnishes good voice grade service. Id. at 149 and 162.

32. The SLC 40 has insufficient bandwidth for faxing and computer interconnection. Id. at 163.

33. The SLC 40 system is a newer system than the Anaconda system which serves Ben Hofer and was the subject of Docket TC98-178. Tr. at 137.

34. There are no additional lines available on the Anaconda system which serves Ben Hofer. Id. at 198.

35. U S WEST has agreed to replace the Anaconda system serving Mr. Hofer with an NEC system at a cost of \$153,000. Tr. at 154.

36. If U S WEST were to replace the SLC 40 system serving Carpenter with an NEC system, it would cost \$211,000. Id. at 147. Although U S WEST initially estimated the cost to be far less, it determined it could not use the existing repeater system because it is spaced too far apart. Thus, it would have to replace all 22 repeaters. Id. at 144.

37. The trouble history on the SLC 40 system serving Carpenter is "very minor" compared with the trouble on the Hofer line. Id. at 147.

38. Since 1978, there have only been ten cases of trouble relating to something

other than Caller ID or Internet access on the SLC 40 system in the Carpenter area. Id. at 146.

39. If the Commission requires U S WEST to replace the existing system serving Carpenter with a NEC system¹ and ISDN cards, the new system would be consistent with Governor Janklow's Vision Bill, SDCL 41-31-60 et seq., which was passed in 1997. Tr. at 257.

40. U S WEST charges \$5.95 per month for Caller ID. Id. at 214.

41. If U S WEST were to replace the SLC 40 system, the only additional revenue generated would be from Caller ID.

42. If twenty-five percent (25%) (the statewide average) of the Carpenter subscribers bought Caller ID, the annual revenue generated would be only \$2,214.

43. The SLC 40 system is able to carry calls utilizing a telecommunications device for the deaf. Exhibit 12 (late-filed).

44. The rate for residential service in Carpenter is \$16.55. The average statewide cost to provide residential service is approximately \$21.00. Id. at 214-15.

45. The rate for business service in Carpenter is \$32.45. Id. at 214.

46. To the extent that any proposed finding of fact is more appropriately a conclusion of law, that finding is incorporated by reference as a conclusion of law.

¹ Although referred to in the singular, U S WEST would actually have to install three NEC systems to serve the Carpenter area. Tr. at 182.

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¹ Although referred to in the singular, U S WEST would actually have to install three NEC systems to serve the Carpenter area. Tr. at 182.

Based upon the above findings of fact, the Commission makes the following conclusions of law:

CONCLUSIONS OF LAW

1. The Commission has personal jurisdiction over U S WEST and subject matter jurisdiction over these matters pursuant to SDCL Chapter 49-13.
2. These are contested case hearings under SDCL Chapter 1-26.
3. Pursuant to ARSD 20:10:01:15.01, the complainants have the burden to prove U S WEST committed an unlawful or unreasonable act, rate, practice or omission.
4. Local exchange service is "the access and transmission of two-way switched voice communications within a geographic territorial unit established by a telecommunications company for the administration of telecommunications services" SDCL 49-31-1(5). It does not include data transmission or Internet access.
5. Local exchange service is a noncompetitive service. SDCL 49-31-1.1.
6. U S WEST is a local exchange carrier that provides local exchange service to the complainants. In providing such service, U S WEST is only obligated to provide voice grade service.
7. The evidence by U S WEST and the admissions of the complainants establishes by a preponderance of the evidence that U S WEST currently provides good voice grade service in the Carpenter area.
8. If the Commission were to order U S WEST to replace the existing telephone system in Carpenter, it would cost \$211,000.

9. The Commission concludes that the NEC system, as proposed by U S WEST, would be consistent with SDCL 49-31-60, et. seq. ("the Governor's Vision Bill").

10. The Commission must provide a fair rate of return on investment made by U S WEST to implement the Governor's Vision Bill.

11. U S WEST is entitled to a fair rate of return on the investment of \$211,000 to upgrade facilities to the complainants.

12. Revenue from Carpenter subscribers for residential, business and Caller ID services is not adequate to provide a fair rate of return to U S WEST to upgrade facilities to the complainants.

13. To require U S WEST to replace the existing telephone system in Carpenter without providing the company with a fair rate of return on the investment of \$211,000 would deny U W WEST just compensation in violation of Article VI §§ 2 and 13 of the South Dakota Constitution and the Fifth and Fourteenth Amendments to the United States Constitution.

14. The Commission concludes that the complainants have not met their burden of proof that U S WEST has committed an unlawful or unreasonable act, rate, practice or omission

15. To the extent that any proposed conclusion of law is more appropriately a finding of fact, that conclusion is incorporated by reference as a finding of fact.

Dated at Pierre, South Dakota, this _____ day of _____, 1998.

BY ORDER OF THE COMMISSION:

JAMES A. BURG, Chairman

PAM NELSON, Commissioner

LASKA SCHOENFELDER, Commissioner

FAX Received APR 27 1998

BEFORE THE PUBLIC UTILITIES COMMISSION
OF THE STATE OF SOUTH DAKOTA

RECEIVED

APR 28 1998

SOUTH DAKOTA PUBLIC
UTILITIES COMMISSION

IN THE MATTER OF THE COMPLAINT
FILED BY WILLOW LAKE ELEVATOR,
WILLOW LAKE, SOUTH DAKOTA
AGAINST U S WEST COMMUNICATIONS,
INC. REGARDING TELEPHONE
SERVICE OUTAGES AND INADEQUATE
SERVICE

TC98-007

IN THE MATTER OF THE COMPLAINT
FILED BY GALEN WALDNER,
CARPENTER, SOUTH DAKOTA AGAINST
U S WEST COMMUNICATIONS, INC.
REGARDING TELEPHONE SERVICE
OUTAGES AND INADEQUATE SERVICE

TC98-008

IN THE MATTER OF THE COMPLAINT
FILED BY DICK GLANZER, CARPENTER,
SOUTH DAKOTA AGAINST U S WEST
COMMUNICATIONS, INC. REGARDING
TELEPHONE SERVICE OUTAGES AND
INADEQUATE SERVICE

TC98-009

IN THE MATTER OF THE COMPLAINT
FILED BY REGAN GLANZER, CARPENTER,
SOUTH DAKOTA AGAINST U S WEST
COMMUNICATIONS, INC. REGARDING
TELEPHONE SERVICE OUTAGES AND
INADEQUATE SERVICE

TC98-010

IN THE MATTER OF THE COMPLAINT
FILED BY MIKE MADSEN, CARPENTER,
SOUTH DAKOTA AGAINST U S
WEST COMMUNICATIONS, INC. REGARDING
TELEPHONE SERVICE OUTAGES AND
INADEQUATE SERVICE

TC98-011

IN THE MATTER OF THE COMPLAINT
FILED BY CLAUDE GLANZER,
CARPENTER, SOUTH DAKOTA AGAINST
U S WEST COMMUNICATIONS, INC.
REGARDING TELEPHONE SERVICE
OUTAGES AND INADEQUATE SERVICE

TC98-012

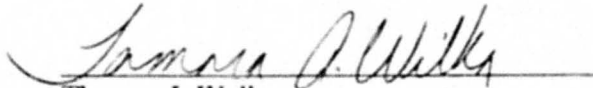
**IN THE MATTER OF THE COMPLAINT
FILED BY KEITH GLANZER, CARPENTER,
SOUTH DAKOTA AGAINST U S WEST
COMMUNICATIONS, INC. REGARDING
TELEPHONE SERVICE OUTAGES AND
INADEQUATE SERVICE**

TC98-016

**NOTICE OF FILING BY U S WEST COMMUNICATIONS, INC. OF
LATE FILED EXHIBIT**

COMES NOW U S WEST Communications, Inc. and files the attached late filed exhibit (Exhibit 12) in response to Staff Counsel's inquiry about whether the TDD would work in Carpenter.

Dated this 27th day of April, 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

Attorneys for U S WEST Communications, Inc.

State: South Dakota
Subject: 98-007, 98-008, 98-009, 98-010, 98-011, 98-012 and 98-016
Respondent: Russ Evans

Following the Commission hearing, I directed an investigation to determine whether a TDD would work on the SLC 40 system operating in the Carpenter area. Based on this investigation, I determined that a TDD will work on the Carpenter SLC 40 system.

FAX Received Apr 27 1998

RECEIVED

APR 27 1998

SOUTH DAKOTA PUBLIC
UTILITIES COMMISSION

BEFORE THE PUBLIC UTILITIES COMMISSION
OF THE STATE OF SOUTH DAKOTA

IN THE MATTER OF THE COMPLAINT
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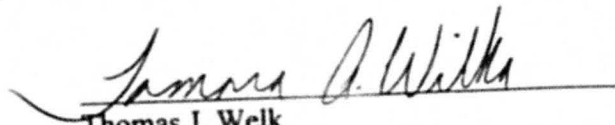
TC98-016

REQUEST FOR CONFIDENTIAL TREATMENT OF INFORMATION

U S WEST Communications, Inc. ("U S WEST") requests pursuant to ARSD 20:10:01:41 that the attached documents be treated as confidential. In support of its request, U S WEST states as follows:

1. The attached documents (CAR 0001 - CAR 0292) are responsive, in part, to Staff's First and Second Data Requests in these dockets.
2. U S WEST requests that these documents be treated as confidential at all times and that they be returned to U S WEST when the Commission closes these dockets.
3. Contact: Colleen Sevoid
address: U S West Communications, Inc.
125 S. Dakota Avenue 8th floor
Sioux Falls, SD 57104
telephone number: 605-335-4596
4. These documents constitute trade secrets and confidential business information and, as such, are confidential pursuant to SDCL 19-13-20 and ARSD 20:10:01:39.
5. These documents contain information which, if disclosed to competitors of U S WEST or others, could result in irreparable damage and injury to U S WEST.

Dated this 27th day of April, 1998.

A handwritten signature in dark ink, appearing to read "Tamara A. Wilka", is written over a horizontal line.

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

Attorneys for U S WEST Communications, Inc.

BEFORE THE PUBLIC UTILITIES COMMISSION
OF THE STATE OF SOUTH DAKOTA

RECEIVED

APR 28 1998

SOUTH DAKOTA PUBLIC
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TC98-016

CERTIFICATE OF SERVICE

I, Tamara A. Wilka, do hereby certify that I am a member of the law firm of Boyce, Murphy, McDowell & Greenfield, and on the 27th day of April, 1998 true and correct copies of U S WEST's Proposed Findings of Fact & Conclusions of Law, Post Hearing Brief, Notice of Filing of Late Filed Exhibit and Request for Confidential Treatment of Information (without attached documents) were sent by U S mail, postage prepaid,

Willow Lake Farmers Elevator
Attn.: Doug Reggow, Gen. Manager
P.O. Box 227
Willow Lake, SD 57278

Galen Waldner
HCR Box 1
Carpenter, SD 57322

Dick Glanzer
HCR 1, Box 8
Carpenter, SD 57322

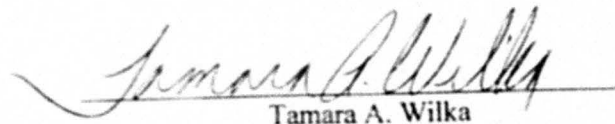
Regan Glanzer
41530 191st Street
Carpenter, SD 57322

Mike Madsen
HCR 1, Box 22
Carpenter, SD 57322

Claude Glanzer
41173 192nd Street
Carpenter, SD 57322

Keith Glanzer
19460 117th Street
Carpenter, SD 57322

Karen Cremer
SD 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

May 7, 1998

Capitol Office
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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@puc.state.sd.us

Jim Burg
Chairman

Pam Nelson
Vice-Chairman

Laska Schoenfelder
Commissioner

William Bullard Jr.
Executive Director

Edward R. Anderson
Harlan Best

Martin C. Bettmann

Charlie Bolle

Sue Cichos

Karen E. Cremer

Marlette Fischbach

Shirleen Fugitt

Lewis Hammond

Katie Hartford

Leni Healy

Cameron Hoseck

Dave Jacobson

Bob Knadle

Delaine Kolbo

Jeffrey P. Lorenson

Terry Norum

Gregory A. Rislov

Tammi Stangohr

Steven M. Wegman

Rolayne Aults Wiest

Mr. Galen Waldner
HCR Box 1
Carpenter, SD 57322

Re: Galen Waldner Complaint Against U S WEST
Docket TC98-008

Dear Mr. Waldner:

Enclosed you will find a copy of Staff's Response to U S WEST's Post Hearing Brief in the above captioned matter. This is intended as service upon you by mail.

Very truly yours,

Karen E. Cremer
Staff Attorney

KEC:dk
Eric



South Dakota Public Utilities Commission



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

May 7, 1998

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Camron Hoseck
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Bob Knadie
DeLaine Kolbo
Jeffrey P. Lorenson
Terry Norum
Gregory A. Rislov
Tamara Stangohr
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Rolayne Aults Wiest

Mr. Jim Gallegos
Senior Attorney
U S WEST Communications, Inc.
1801 California Street, Suite 5100
Denver, CO 80202

Mr. Thomas J. Welk and
Ms. Tamara A. Wilka
Boyce, Murphy, McDowell & Greenfield
P. O. Box 5015
Sioux Falls, SD 57117-5015

Re: Carpenter Complaints
Dockets TC98-007 through TC98-012 and TC98-016

Dear Counsel:

Enclosed each of you will find copies of Staff's Response to U S WEST's Post Hearing Brief in the above captioned matters. This is intended as service upon you by mail.

Very truly yours,

Karen E. Cremer
Staff Attorney

KEC dk
Enc

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

IN THE MATTER OF THE COMPLAINT FILED)	STAFF'S RESPONSE TO U S
BY GALEN WALDNER, CARPENTER, SOUTH)	WEST'S POST HEARING
DAKOTA, AGAINST U S WEST)	BRIEF
COMMUNICATIONS, INC. REGARDING)	
TELEPHONE SERVICE OUTAGES AND)	TC98-008
INADEQUATE SERVICE)	

STATEMENT OF THE CASE

A hearing was held on April 2, 1998, in the above-captioned matter. U S WEST Communications, Inc. (U S WEST) filed its post hearing brief on April 27, 1998. The South Dakota Public Utilities Commission Staff (Staff), by and through its undersigned counsel, submits this brief in response to U S WEST's Post Hearing Brief. References to the hearing transcript will be "Tr." followed by the appropriate page number.

ARGUMENT

U S WEST alleges in its brief that, "the evidence establishes that U S WEST provides good quality voice grade service in the Carpenter area." Staff would submit that the evidence clearly showed that good voice grade service is NOT provided in the Carpenter area.

The Public Utilities Commission (Commission) must consider all of the evidence when making its determination. U S WEST references just two witnesses' statements of the eight witnesses that testified and alleges that this established that U S WEST provides good quality voice grade service. Even the two statements used by U S WEST are taken out of context. In reality what the witnesses testified to is as follows:

Q. Ms. Cremer: Do you have problems with line noise?

A. Ms. Grann: The screeching, the static sounds that Mrs. Loewen was talking about this morning, that's common out there.

Q. Ms. Cremer: Okay. And for how many years has that been going on?

A. Ms. Grann: From personal experience out there, I'd say five anyway.

Tr. 24-25; see also page 18, lines 3-11.

Q. Mr. Welk: On your voice line have you - - you haven't had any problems with the voice line, the lines that have gone into your home, have you?

A. Galen Waldner: Nothing major.

...

Q. Ms. Cremer: Mr. Waldner, when you said nothing major with your phone lines, what - -

A. Galen Waldner: Oh, occasionally you get a bad connection or something. And usually if I get a bad connection, we'll hang up and dial again and it's fine.

Q. Ms. Cremer: What do you mean a bad connection? You can't hear, or that screeching noise they're talking about?

A. Galen Waldner: Oh yeah, there's a lot of static or something on the lines and it isn't very audible.

Tr. 44.

Q. Ms. Cremer: And has it ever gone out other than when the phone - - other than when the electricity is off, that you know?

A. Dick Glanzer: I can't pinpoint a certain time or date when it has happened. I believe, yes, it probably has.

Tr. 54.

...

Q. Ms. Cremer: Do you have problems with noise on the line?

A. Dick Glanzer: Yes. Occasionally there is either static on the line, or sometimes you can be talking to someone and actually hear another conversation in the background, somebody else talking.

Q. Ms. Cremer: Do you have any problem - - does the other person ever complain that they can't hear you or you can't hear them very well?

A. Dick Glanzer: Sometimes, yes.

Tr. 56.

Q. Ms. Cremer: Has there been any other times when the electricity was working and your phone didn't work?

A. Regan Glanzer: Yes.

Q. Ms. Cremer: Do you ever have trouble hearing people on the other line, or them complaining that they can't hear you?

A. Regan Glanzer: At times.

Tr. 64-65.

Mike Madsen: We do have a lot of voice problems with the phones. Tr.68.

And at that time I had asked him, you know about the double-talk and stuff we have been getting. And a lot of times he said the double-talk and things like that were caused by the moisture in the line or weather-related from, you know the moisture that we've had.

Tr. 69-70.

....

It's just that the phone doesn't ever give a full ring. Tr. 70.

....

As far as the voice part of it, I also asked the repairman that was in Carpenter that day why it was sometimes when we would - - when somebody would call in, why do we - - it sounds like - - sometimes sounds like they're talking in a tin can. And he kind of referred back to that as being the same thing as a moisture problem or moisture in the lines or something to that effect. Tr. 70.

....

Q. Ms. Cremer: Did you say you could hear others talking on your phone?

....

A. Mike Madsen: The wife has mentioned several times that they've been really scratchy and things like that.

Tr. 74.

....

Q. Ms. Cremer: You said you have had noise on the line?

A. Mike Madsen: Yes.

Tr. 79.

.....

Claude Glanzer: We've had the double-talk in the lines. We've had some static that, I guess, with the static and the noisy lines is something I've grown up and didn't pay much attention to that, I guess. Tr. 82

....

Q. Ms. Cremer: Have you ever had any outages at your house?

A. Claude Glanzer: I guess the major one we mentioned earlier during the ice storm. There had been other ones just for a brief period of time.

Q. Ms. Cremer: And I'm just curious why don't you ever call every time your phone goes out and every time there's noise and any time there's double-talk or whatever else? Why don't you call U S WEST?

A. Claude Glanzer: Well, I guess a lot times it's just don't want to be a pain in the neck, I guess. It doesn't last, you know, real long.

Tr. 87-88.

...

Q. Ms. Cremer: The problem here is the quality of the phone lines themselves; is that right?

A. Claude Glanzer: Yes.

Tr. 89.

Keith Glanzer: And like Claude said, you just kind of grow up knowing the phone isn't always going to be crystal clear, and it's usually there when we need it though. And over the years we've had different problems with noise on the line or double-talk. Just here the last couple of days in that storm two days ago, I was on the phone and just like that we were cut off. And I just assumed that there was a power outage or something. We didn't lose our phone service, but we were disconnected. And we do experience another voice on the line occasionally. Here a few years here we were having a pretty serious problem. You could actually listen to the people talking and understand them. And we reported that, and they came out and found the problem and fixed that. And it's been good for quite some time, but now again we're experiencing that again. I can hear a second voice on the line when we have conversation. Tr. 91-92.

As shown by the testimony of those who use the SLC 40 system in the Carpenter area, U S WEST is not providing good voice grade service. SDCL 49-31-1(19) defines local exchange service.¹ U S WEST states that it is not required to provide anything more than the bare minimum. It is Staff's position that U S WEST has failed to provide even the bare minimum that it is legally required to provide. At a minimum, U S WEST should be providing a band width of 300 to 3000 hertz.² If U S WEST was providing this level of band width in the Carpenter area, the complainants would be able to utilize CLASS services such as Caller ID. Caller ID requires 9600 bytes per second which would come within the perimeters of the 300 to 3000 hertz. Tr. 248. The testimony showed that the complainants were not able to utilize Caller ID. Tr. 61, 71, 82, 101. U S WEST's witness Russ Evans testified that the Carpenter system has insufficient band width to accommodate Caller ID. Tr. 179.

Steve Wegman, an analyst for the Public Utilities Commission, conducted a number of tests on the telephone lines used by the complainants. The results of these tests showed that in Pierre and Huron, over 400,000 bytes of information were sent in a five minute test and there were zero errors. The voltage at the RJ11 plugs was 49 to 50 volts. When the testing was conducted at Carpenter, two of the five lines would not even lock in so that testing could be conducted. The voltage on one line was 39 volts. The voltage on the other line was 42.9 volts. The remaining three lines were tested, however it showed

¹49-31-1(19) "Local exchange service," the access and transmission of two-way switched voice communications within a geographic territorial unit established by a telecommunications company for the administration of telecommunications services. U S WEST incorrectly cites the definition throughout its brief as well as in its Findings of Fact and Conclusions of Law.

²Federal Communications Commission, In the Matter of Federal State Joint Board on Universal Service, CC Docket No. 96-45, rel. May 8, 1997, and the accompanying rules cited as 47 C.F.R. Part 54.

that only 12,000 bytes of information were sent and the error rate was 40% of that 12,000. The lowest voltage found on the remaining three lines tested at 37 volts which may not be enough voltage to ring the circuit. Tr. 249-251. As testified to by Mr. Evans, voltage on a service network interface should be 48 volts. Tr. 177.

FAIR RETURN ON INVESTMENT

Staff does not agree with U S WEST that the replacement cost of the SLC 40 system is \$211,000. However for purposes of this docket, the actual cost of replacing the SLC 40 system is not the pivotal issue. Rather one of the issues to be addressed is what constitutes a "fair return on the investment made by facility providers," as that language is found in SDCL 49-31-60. Staff's position is that a fair return on investment does not equate to "rate of return" as is argued by U S WEST. Staff submits that U S WEST would receive a fair return on its investment through the additional revenues received due to the addition of CLASS services, second lines, Internet usage, the dedicated line that Willow Lake Elevator wishes to purchase, and other such telecommunications services if the SLC 40 system were upgraded.

Further, Judge Zinter found in In the Matter of the Establishment of Switched Access Rates for U S WEST Communications, Inc., Sixth Judicial Circuit, Civ. No. 97-462, that SDCL 49-31-60 applies only to cases where the facility provider is required to make an investment in order to implement §§ 49-31-60 through 49-31-68, inclusive. In the dockets regarding the Carpenter area, the Commission should order U S WEST to replace the SLC 40 system as necessary for the improvement of telecommunications service as well as for the safety, convenience and accommodation of the public. Tr. 27-28, 48-49, 58-59, 67, 80, 90, 100, 101.

Finally as noted by Judge Zinter, SDCL 49-31-60 only requires the Commission to consider a fair return on investment, it does not mandate an exact return.

CONCLUSION

The evidence shows that U S WEST is not providing adequate voice grade service in the Carpenter area, let alone "good" voice grade service. The complainants testified as to line noise, disrupted communications, partial ringing of the phone, static, double talk, cross talk, screeching, and unexplained outages. Despite U S WEST's attempt to portray this evidence as "good quality voice grade service," the facts tell a completely different story. "Good" is not good enough. U S WEST should be providing local exchange services that do not unjustly or unreasonably prejudice, disadvantage, or give preference to any person.

U S WEST is discriminating against its customers in the Carpenter area in violation of SDCL 49-31-11.³ Pursuant to SDCL 49-31-7 and 49-31-7.1, the Commission should

³§ 49-31-11. Discrimination prohibited - Civil fine.

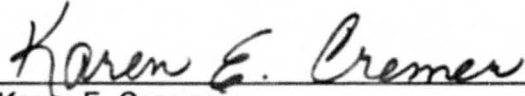
No person or telecommunications company may unjustly or unreasonably discriminate between persons in providing telecommunications services or in the rate or price charged for those services. No telecommunications company may offer a rate or charge, demand, collect or receive from any person a greater or lesser compensation for any telecommunications service offered than it charges, demands, collects or receives from any other person for providing a like telecommunications service. No telecommunications company may make or give any unjust or unreasonable preference or advantage to any person, nor unjustly or unreasonably prejudice or disadvantage any person, in the provision of any telecommunications service. Notwithstanding any prohibitions in this section, upon application to the commission, any telecommunications company may after investigation by the commission, be authorized by the commission to charge special rates or to give certain preferences which are determined by the commission to be fair and reasonable.

Nothing in this section applies to volume discounts or to the provision of telecommunications services at reduced rates for the United States, this state, local governments or governmental subdivisions.

Whoever violates any of the provisions of this section is guilty of unjust discrimination and shall be punished by a civil fine not less than one thousand nor more than five thousand dollars for each violation. Nothing in this section may alter or eliminate any remedy otherwise available to an injured party, including an injured party's right to initiate a suit against the company guilty of discrimination pursuant to § 49-13-14.1.

order U S WEST to replace the SLC 40 system as necessary for the improvement of telecommunications service as well as for the safety, convenience and accommodation of the public.

Dated this 7th day of May, 1998.



Karen E. Cremer
Staff Attorney
South Dakota Public Utilities Commission
500 East Capitol
Pierre, SD 57501
(605) 773-3201

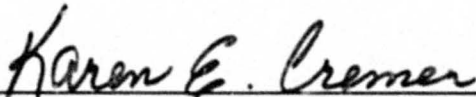
CERTIFICATE OF SERVICE

I hereby certify that copies of Staff's Response to U S WEST's Post Hearing Brief were served on the following by mailing the same to them by United States Post Office First Class Mail, postage thereon prepaid, at the address shown below on this the 7th day of May, 1998.

Galen Waldner
HCR Box 1
Carpenter, SD 57322

Jim Gallegos
Senior Attorney
U S WEST Communications, Inc.
1801 California Street, Suite 5100
Denver, CO 80202

Thomas J. Welk and
Tamara A. Wilka
Attorneys at Law
Boyce, Murphy, McDowell & Greenfield, L.L.P.
P. O. Box 5015
Sioux Falls, SD 57117-5015



Karen E. Cremer
Staff Attorney
South Dakota Public Utilities Commission
500 East Capitol
Pierre, SD 57501

MAY 11 '98 04:35PM BOYCE MURPHY

P.2/4

BEFORE THE PUBLIC UTILITIES COMMISSION
OF THE STATE OF SOUTH DAKOTA

RECEIVED

MAY 13 1998

SOUTH DAKOTA PUBLIC
UTILITIES COMMISSION

IN THE MATTER OF THE COMPLAINT
FILED BY WILLOW LAKE ELEVATOR,
WILLOW LAKE, SOUTH DAKOTA
AGAINST U S WEST COMMUNICATIONS,
INC. REGARDING TELEPHONE
SERVICE OUTAGES AND INADEQUATE
SERVICE

TC98-007

FAX Received MAY 11 1998

IN THE MATTER OF THE COMPLAINT
FILED BY GALEN WALDNER,
CARPENTER, SOUTH DAKOTA AGAINST
U S WEST COMMUNICATIONS, INC.
REGARDING TELEPHONE SERVICE
OUTAGES AND INADEQUATE SERVICE

TC98-008

IN THE MATTER OF THE COMPLAINT
FILED BY DICK GLANZER, CARPENTER,
SOUTH DAKOTA AGAINST U S WEST
COMMUNICATIONS, INC. REGARDING
TELEPHONE SERVICE OUTAGES AND
INADEQUATE SERVICE

TC98-009

IN THE MATTER OF THE COMPLAINT
FILED BY REGAN GLANZER, CARPENTER,
SOUTH DAKOTA AGAINST U S WEST
COMMUNICATIONS, INC. REGARDING
TELEPHONE SERVICE OUTAGES AND
INADEQUATE SERVICE

TC98-010

IN THE MATTER OF THE COMPLAINT
FILED BY MIKE MADSEN, CARPENTER,
SOUTH DAKOTA AGAINST U S
WEST COMMUNICATIONS, INC. REGARDING
TELEPHONE SERVICE OUTAGES AND
INADEQUATE SERVICE

TC98-011

IN THE MATTER OF THE COMPLAINT
FILED BY CLAUDE GLANZER,
CARPENTER, SOUTH DAKOTA AGAINST
U S WEST COMMUNICATIONS, INC.
REGARDING TELEPHONE SERVICE
OUTAGES AND INADEQUATE SERVICE

TC98-012

MAY 11 '98 04:49PM BOYCE MURPHY

P.2/2

IN THE MATTER OF THE COMPLAINT
FILED BY KEITH GLANZER, CARPENTER,
SOUTH DAKOTA AGAINST U S WEST
COMMUNICATIONS, INC. REGARDING
TELEPHONE SERVICE OUTAGES AND
INADEQUATE SERVICE

TC98-016

AFFIDAVIT OF RUSS EVANS

STATE OF COLORADO)
 :SS
COUNTY OF ARAPAHO)

1, Russ Evans, being first duly sworn, state:

1. I am employed by U S WEST Communications, Inc. ("U S WEST") as engineering manager for South Dakota and Nebraska.

2. I testified at the hearing in this matter.

3. The purpose of this Affidavit is to supplement my testimony.

4. I have reviewed Staff's Response to U S WEST's Post Hearing Brief ("Staff's Response"). Staff asserts that if U S WEST were providing a band width of 300 to 3000 hertz, the complainants would be able to utilize CLASS services such as Caller ID. Since they are not able to utilize Caller ID, Staff concludes that U S WEST is not providing a band width of 300 to 3000 hertz. Staff's assertion and the conclusion upon which it is based are untrue. The reason the complainants cannot utilize Caller ID is because they do not have on hook transmission. On hook transmission connects the complainants telephone sets directly to the central office so that the central office can send signals to the telephone even when it is on the receiver. In the SLC 40 system, the central office does not have connection to the subscriber until the set is picked up or off hook.

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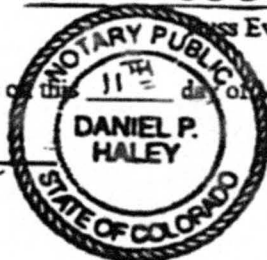
P. 4/4

Dated this 11th May, 1998.R. L. Evans

R. L. Evans

Subscribed and sworn to before me on this 11th day of May, 1998.D. P. Haley
Notary Public - State of Colorado
My Commission Expires:

12-22-2000



BEFORE THE PUBLIC UTILITIES COMMISSION
OF THE STATE OF SOUTH DAKOTA

IN THE MATTER OF THE COMPLAINT
FILED BY WILLOW LAKE ELEVATOR,
WILLOW LAKE, SOUTH DAKOTA
AGAINST U S WEST COMMUNICATIONS,
INC. REGARDING TELEPHONE
SERVICE OUTAGES AND INADEQUATE
SERVICE

TC98-007

RECEIVED

MAY 13 1998

SOUTH DAKOTA PUBLIC
UTILITIES COMMISSION

IN THE MATTER OF THE COMPLAINT
FILED BY GALEN WALDNER,
CARPENTER, SOUTH DAKOTA AGAINST
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TC98-012

**IN THE MATTER OF THE COMPLAINT
FILED BY KEITH GLANZER, CARPENTER,
SOUTH DAKOTA AGAINST U S WEST
COMMUNICATIONS, INC. REGARDING
TELEPHONE SERVICE OUTAGES AND
INADEQUATE SERVICE**

TC98-016

CERTIFICATE OF SERVICE

I, Tamara A. Wilka, do hereby certify that I am a member of the law firm of Boyce, Murphy, McDowell & Greenfield, and on the 11th day of May, 1998 true and correct copies of the Affidavit of Russ Evans were sent by U S mail, postage prepaid, to the following at the following addresses:

Willow Lake Farmers Elevator
Attn.: Doug Reggow, Gen. Manager
P.O. Box 227
Willow Lake, SD 57278

Galen Waldner
HCR Box 1
Carpenter, SD 57322

Dick Glanzer
HCR 1, Box 8
Carpenter, SD 57322

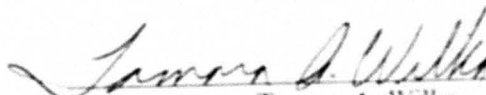
Regan Glanzer
41530 191st Street
Carpenter, SD 57322

Mike Madsen
HCR 1, Box 22
Carpenter, SD 57322

Claude Glanzer
41173 192nd Street
Carpenter, SD 57322

Keith Glanzer
19460 117th Street
Carpenter, SD 57322

Karen Cremer
SD Public Utilities Commission
500 East Capitol
Pierre, SD 57501



Tamara A. Wilka

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

IN THE MATTER OF THE COMPLAINT)	FINDINGS OF FACT AND
FILED BY WILLOW LAKE ELEVATOR,)	CONCLUSIONS OF LAW;
WILLOW LAKE, SOUTH DAKOTA,)	NOTICE OF ENTRY OF ORDER
AGAINST U S WEST COMMUNICATIONS,)	
INC. REGARDING TELEPHONE SERVICE)	TC98-007
OUTAGES AND INADEQUATE SERVICE)	

IN THE MATTER OF THE COMPLAINT)	
FILED BY GALEN WALDNER,)	
CARPENTER, SOUTH DAKOTA, AGAINST)	TC98-008
U S WEST COMMUNICATIONS, INC.)	
REGARDING TELEPHONE SERVICE)	
OUTAGES AND INADEQUATE SERVICE)	

IN THE MATTER OF THE COMPLAINT)	
FILED BY DICK GLANZER, CARPENTER,)	
SOUTH DAKOTA, AGAINST U S WEST)	TC98-009
COMMUNICATIONS, INC. REGARDING)	
TELEPHONE SERVICE OUTAGES AND)	
INADEQUATE SERVICE)	

IN THE MATTER OF THE COMPLAINT)	
FILED BY REGAN GLANZER, CARPENTER,)	
SOUTH DAKOTA, AGAINST U S WEST)	TC98-010
COMMUNICATIONS, INC. REGARDING)	
TELEPHONE SERVICE OUTAGES AND)	
INADEQUATE SERVICE)	

IN THE MATTER OF THE COMPLAINT)	
FILED BY MIKE MADSEN, CARPENTER,)	
SOUTH DAKOTA, AGAINST U S WEST)	TC98-011
COMMUNICATIONS, INC. REGARDING)	
TELEPHONE SERVICE OUTAGES AND)	
INADEQUATE SERVICE)	

IN THE MATTER OF THE COMPLAINT)
FILED BY CLAUDE GLANZER,)
CARPENTER, SOUTH DAKOTA, AGAINST)
U S WEST COMMUNICATIONS, INC.)
REGARDING TELEPHONE SERVICE)
OUTAGES AND INADEQUATE SERVICE)

TC98-012

IN THE MATTER OF THE COMPLAINT)
FILED BY KEITH GLANZER, CARPENTER,)
SOUTH DAKOTA, AGAINST U S WEST)
COMMUNICATIONS, INC. REGARDING)
TELEPHONE SERVICE OUTAGES AND)
INADEQUATE SERVICE)

TC98-016

On January 20, 1998, the Public Utilities Commission (Commission) received a complaint filed by the Willow Lake Elevator, Willow Lake, South Dakota (Complainant) against U S WEST Communications, Inc. (U S WEST). The Complainant stated "The Willow Lake Elevator is in the process of installing a new fully integrated, on line, real time, computer system. We have several remote locations and one of those locations is Carpenter. The Elevator would like to have a fully dedicated, local line from Carpenter to Willow Lake. The two different telephone companies (ITC & U S WEST) said that this could not be done. We live a total of 14 miles from each other and are in the same county, yet we cannot communicate locally. Our business is expanding at a rapid rate over the past 4 years. In order for us to stay competitive we need to upgrade our computer equipment. We also need the ability to respond to the needs of our customers. This can only be done by improving our communications. The current communications is impeding our ability to find new customers in this area of the county. By being able to respond quickly to their needs, we will grow." The Complainant requests that the system be replaced with new cable (fiber optic or digital) to replace the old system. Complainant is also requesting a local dedicated line from Carpenter to Willow Lake.

On January 20, 1998, the Commission received a complaint filed by Galen Waldner, Carpenter, South Dakota, against U S WEST. Mr. Waldner wrote "In December of 1997 we tried to hook up to the Internet partially for education benefits for my children and partially for our farming and insurance business. We could not get the Internet to work. We could get our information out but could not get the information back because of our phone lines. After talking to people from U S WEST they basically said our service was working well for voice and there was nothing they would do. For the educational benefits for my children and the well being of my business we would really like to see the phone lines improved." Mr. Waldner is requesting that U S WEST be required to put new phone lines in the Carpenter area.

On January 20, 1998, the Commission received a complaint filed by Dick Glanzer, Carpenter, South Dakota, against U S WEST. Mr. Glanzer stated "We tried to get on the Internet with 2 different providers, and after much time and aggravation found out that we were unable to get connected because of 'antique' phone lines. Can't take advantage of caller ID. When we have a power outage we also lose our telephone. This is dangerous in case of an emergency. Fax machines are extremely slow or sometimes don't work properly." Mr. Glanzer is requesting that U S WEST bury new phone lines in the affected area.

On January 20, 1998, the Commission received a complaint filed by Regan Glanzer, Carpenter, South Dakota, against U S WEST. Mr. Glanzer stated: "I cannot get Caller ID as the phone lines are old and also cannot get in the Internet. Also when the electricity goes out the phone goes out so 911 services are gone." Mr. Glanzer has requested that steps be taken to correct the problem, to put in new phone lines or whatever it takes. Mr. Glanzer states that he pays the bill just like the other customers but does not receive the same services or as many options.

On January 20, 1998, the Commission received a complaint filed by Mike Madsen, Carpenter, South Dakota, against U S WEST. Mr. Madsen stated: "We cannot get Caller ID. Phone rings alot and when you answer, no one is there. Can't get our computer on the Internet. Phone connection is poor, have alot of double talk or alot of static. Would like to add a second line and phone company says we can't. When electricity goes out, phones die within a couple of hours so we can't even make emergency calls." Mr. Madsen is requesting that the phone lines be updated.

On January 20, 1998, the Commission received a complaint filed by Claude Glanzer, Carpenter, South Dakota, against U S WEST. Mr. Glanzer stated: "The U S WEST telephone lines serving our farm cannot supply us with services that we are in need of and are being charged to us on our local phone bill. We cannot get Internet, Caller Id, and a second line. Noisy phone lines. If electricity is cut off '911' won't work." Mr. Glanzer is requesting that the phone lines be replaced or updated.

On January 30, 1998, the Commission received a complaint filed by Keith Glanzer, Carpenter, South Dakota, against U S WEST. Mr. Glanzer stated: "We purchased a computer for home and business use in August of 1997. At the same time we signed up for internet service for the information available and mail. Upon several attempts it was discovered that internet use was not possible over our phone line with U S WEST. U S WEST technicians checked our line and said it was fairly good considering our location. We also found out that a standard phone line does not have a guaranteed data rate. On Oct. 28, 1997, we ordered an ISDN line which the U S WEST salesperson told us was available. After repeated calls U S WEST told us on Jan. 8, 1998, that no ISDN line could be provided to us. I am a Pioneer Seed Salesperson and during this time Pioneer had the sales staff migrated to laptop PCs with on line communication with Pioneer. After receiving training and the laptop it was discovered (after several days of customer support with Pioneer) that it was impossible to utilize this system due to our poor phone line. At this point in time U S WEST seems unwilling to upgrade the Slick 40 serving our area or improve the cable plant. Consequently our need for a good quality phone line seems impossible to achieve in U S WEST service area. I would ask the PUC that they would apply pressure to U S WEST to improve our phone line so that we might have acceptable levels of data transmission."

On February 3, 1998, at its duly noticed meeting, the Commission reviewed all of the complaints except for Docket TC98-016. On February 10, 1998, at its duly noticed meeting, the Commission reviewed the complaint in Docket TC98-016. The Commission voted unanimously to find probable cause and served the complaints on U S WEST. U S WEST filed its Answer to Complaints on March 5, 1998.

By orders dated March 12, 1998, the hearing for all of the above-listed dockets was scheduled for April 2, 1998, at the Crossroads Hotel and Convention Center, Huron, South Dakota. The hearing was held as scheduled.

At its May 12, 1998, meeting, the Commission considered this matter. The Commission voted unanimously to find that U S WEST has committed an unreasonable or unlawful act, practice, or omission in its failure to provide to the Carpenter Complainants adequate telephone service. The

Commission ordered U S WEST to replace the current SLC 40 system in the Carpenter area with three NEC digital line carrier systems. The Commission found that this replacement is necessary for the improvement of telecommunications service in the Carpenter area and the convenience of the Complainants.

Based on the evidence and testimony presented to the Commission, the Commission makes the following Findings of Fact and Conclusions of Law

FINDINGS OF FACT

1. The Complainant in docket TC98-007 is the Willow Lake Farmers Elevator. A branch of the Willow Lake Farmers Elevator is located in Carpenter, South Dakota [hereinafter referred to as Carpenter Elevator] Tr. at 9. Crystal Grann, office manager for the Willow Lake Farmers Elevator in the Willow Lake location, testified on behalf of the Carpenter Elevator. Id. The Willow Lake Farmers Elevator is a 25 million dollar business, with a large part of the growth from the expanded trade area in and around Carpenter Tr. at 10

2. A point of sale computer system was set up at each of Willow Lake Farmers Elevator's three locations Tr. at 9. The program never worked at the Carpenter Elevator so Ms. Grann contacted U S WEST to inquire about getting a four-wire, two-way communication dedicated leased line between Carpenter and Willow Lake. Tr. at 10. She was quoted a hook-up fee of \$450.00 and a monthly charge of \$161.45. Id. She asked to get this in writing and when two months later U S WEST had not responded, she called again and was eventually told that a leased line would cost \$50,000.00 in extra construction because the lines in the Carpenter area were obsolete. Tr. at 11. The Carpenter Elevator currently uses a random dial-up method due to the prohibitive cost of the leased line. Id. It sometimes takes three to five times to make a connection, the quality varies, the data transfer is extremely slow, and the connection is sometimes broken. Tr. at 11, 12

3. In order to provide the Carpenter Elevator with a dedicated line, U S WEST would have to run a separate new line from the Carpenter Elevator to the exchange boundary and then it would be powered from the Willow Lake central office which is operated by another local exchange company, ITC. Tr. at 11, 194-195. Normally, a dedicated line is run from the company's central office to the customer. Tr. at 193. However, this normal method of provisioning a dedicated line cannot be used with a SLC 40 system because it is incapable of effectively running data over the lines. Tr. at 194.

4. Due to the obsolete lines located in Carpenter, the Carpenter Elevator will not be able to fully use the new \$80,000.00 computer system that will be in place in July. Tr. at 12. Ms. Grann stated that improved lines would help their economic development. Tr. at 27-28

5. A company that the Carpenter Elevator does business with stated that it can connect to the Carpenter Elevator at only 2,400 baud on a good day, usually at 1,200 baud, and has been unable to connect at any speed down to 800 baud. Tr. at 13

6. Although Ms. Grann stated that she was complaining about data transmission problems, she also stated that she has problems with disrupted communications and voice quality, but that they just put up with that. Tr. at 18. She said screeching and static sounds have been common for the last five years. Tr. at 24-25. U S WEST has fixed the problem but it is a temporary fix. Tr. at 26. The Carpenter Elevator is unable to get CLASS features such as Caller ID. Tr. at 27.

7. The Commission finds that the Carpenter Elevator is being provided inadequate telecommunications services by U S WEST for the following reasons: (1) problems with voice quality

such as screeching and static sounds, (2) disrupted communications, (3) slow and inadequate data transmission, (4) inability to receive a dedicated line from the central office, (5) inability to receive CLASS services, and (6) inability to effectively use its new computer system.

8. Galen Waldner, the Complainant in Docket TC98-008, lives a quarter mile from Carpenter. Tr. at 39, 41. He could not get the Internet hooked up at his home. Tr. at 39-40. He got a second line to use for the Internet which he is currently paying for but it is not being used due to his inability to access the Internet. Tr. at 42. He wanted access to the Internet for his business and for his children. Tr. at 44, 46. He attempted to find out why he could not access the Internet by calling U S WEST but they were unable to give him an answer. Tr. at 43.

9. Galen Waldner occasionally would get a bad connection and experienced static and problems with audibility on his telephone line. Tr. at 44.

10. The Commission finds that Galen Waldner is being provided inadequate telecommunications services by U S WEST for the following reasons: (1) inability to access the Internet, and (2) occasional problems with his voice quality such as static and with audibility.

11. Dick Glanzer, the Complainant in Docket TC98-009, lives a few miles from Carpenter, South Dakota. Tr. at 50-51. He stated his biggest complaint was that he is unable to access the Internet and believes his children are disadvantaged as a result. Tr. at 50-51, 55, 58.

12. Dick Glanzer also stated that his telephone will not work when the power has been off for awhile. Tr. at 54. He occasionally has static on his telephone line, hears other voices talking on the line, or has trouble hearing the other person. Tr. at 56.

13. The Commission finds Dick Glanzer is being provided inadequate telecommunications services by U S WEST for the following reasons: (1) inability to access the Internet, (2) telephone does not work when the power is out, and (3) problems with voice quality such as static, cross-talk, and audibility.

14. Regan Glanzer, the Complainant in Docket TC98-010, lives near Carpenter, South Dakota. Tr. at 61, 62. Mr. Glanzer wanted Caller ID. Tr. at 61. U S WEST stated that it was available in his area and sent out a Caller ID box but it did not work. Id. He has not had much trouble with his voice grade quality, but his telephone has been out of order a few times. Tr. at 62-64. He also has experienced problems with audibility. Tr. at 64-65. He requested that the line be updated and that he would be able to get Caller ID. Tr. at 66.

15. The Commission finds Regan Glanzer is being provided inadequate telecommunications services by U S WEST for the following reasons: (1) inability to receive Caller ID, (2) telephone outages, and (3) problems with audibility.

16. Mike Madsen, the Complainant in TC98-011, resides in rural Carpenter, South Dakota. Tr. at 68. He is also the branch manager at the Carpenter Elevator. Id. He stated that he has a lot of voice problems with his telephone. Tr. at 68, 74. He believes that it is caused by moisture getting in the line. Tr. at 68. Once, when a construction crew cut a telephone line, they discovered the line was only four to five inches in the ground. Tr. at 69. Sometimes the telephone will only ring once even though there is still someone on the line. Tr. at 70. The telephone also does not work at times and this appears to be related to the weather. Id. In addition, it sometimes sounds like he is talking into a tin can when he uses his telephone. Id. He also hears others talking on the telephone. Tr. at 70.

17. Internet service providers have told Mr. Madsen that they have had little luck in hooking people up to the Internet in the Carpenter area. Tr. at 71. In addition, a family member, who lives on a farm next to Mr. Madsen's, was unable to obtain Caller ID. Tr. at 71, 81. Mr. Madsen was unable to call an elderly uncle to check on him during a blizzard because the telephones did not work. Tr. at 79-80.

18. The Commission finds Mike Madsen is being provided inadequate telecommunications services by U S WEST for the following reasons: (1) problems with voice quality such as cross-talk and poor tone; (2) telephone outages; (3) telephone stops ringing even when someone is still on line; and (4) inability to access the Internet.

19. Claude Glanzer, the Complainant in TC98-012, lives a few miles from Carpenter, South Dakota. Tr. at 82-83. Although Russell Evans, U S WEST's engineering manager, stated that since Claude Glanzer was close to the SLC 40 system he would have more capability to use his computer, Mr. Glanzer stated that he was unable to get on the Internet. Tr. at 82, 132, 187-188, 244; U S WEST Exhibit 2. Mr. Glanzer believes his children are disadvantaged by not having access to the Internet and he is disadvantaged in his business also. Tr. at 86-87. He was also unable to get Caller ID. Tr. at 82.

20. Claude Glanzer has trouble with voice quality. Id. He hears cross-talk on the lines and static which sometimes causes him to have to hang up and try again. Tr. at 82, 87-88. He has also experienced telephone outages. Tr. at 87. He has not complained every time he has experienced a problem because he does not want to be a "pain in the neck." Tr. at 87-88. He has lived there all his life and has become accustomed to the problems. Tr. at 82, 88. He requested that the line be upgraded so he can use the Internet, obtain Caller ID, and improve the voice quality of the line. Tr. at 90.

21. The Commission finds Claude Glanzer is being provided inadequate telecommunications services by U S WEST for the following reasons: (1) problems with voice quality such as cross-talk; (2) telephone outages; (3) inability to obtain Caller ID; and (4) inability to access the Internet.

22. Keith Glanzer, the Complainant in TC98-016, lives seven miles from Carpenter, South Dakota. Tr. at 91. He has experienced problems with noises and cross-talk. Tr. at 92. A few years ago he could actually listen to other people talking on the telephone and understand them. Id. That problem was fixed but now the problem is recurring and he can hear other voices on the line again. Id. It is common for a caller to tell Mr. Glanzer that it is difficult to hear him over the telephone line. Tr. at 94. He stated that he often just puts up with the cross-talk and does not complain to U S WEST about it. Tr. at 96.

23. Keith Glanzer upgraded his computer so he could obtain access to the Internet but he was unable to receive access due to the telephone line. Tr. at 92-93. As a Pioneer sales representative he is supposed to use a laptop computer but it does not work due to the telephone line. Tr. at 93. As a result he had to return the computer. Tr. at 103. He needs reliable telephone lines for his economic livelihood. Tr. at 100. He attempted to obtain ISDN and U S WEST assured him he could receive ISDN. Tr. at 93. Three months later, however, U S WEST admitted it could not provide him ISDN. Id.

24. The Commission finds Keith Glanzer is being provided inadequate telecommunications services by U S WEST for the following reasons: (1) problems with voice quality such as cross-talk, noise, inability to hear people; (2) inability to obtain ISDN; (3) inability to effectively use his computer; and (4) inability to access the Internet.

25. Although U S WEST's records showed that ten cases of trouble were reported by the Complainants, these trouble reports did not include complaints concerning the inability to obtain Caller ID or effective use of computers. Tr. at 146. Moreover, some of the Complainants stated that they often did not complain about telephone problems because they did not want to be a bother or they had become accustomed to the problems. Tr. at 18, 87-88, 96.

26. Colleen Sevold, U S WEST's manager of regulatory affairs, stated that when she called all of the Complainants, with the exception of the Carpenter Elevator, she asked about their voice line quality and was told they did not have a problem, except for some outages. Tr. at 210-213. However, rather than relying on hearsay testimony, the Commission finds that it will rely on the direct testimony provided by the Complainants at the hearing which revealed that they did experience voice quality problems.

27. Russell Evans, U S WEST's engineering manager, stated that the Carpenter area is currently served by a Subscriber Line Carrier (SLC) 40 system. Tr. at 132, 133, 137. The entire SLC 40 system consists of three remotes and five systems with each system working off a DS-1 or a T-1 line. Tr. at 137. He stated that at each remote it is divided into 40 analog, voice grade channels, with 124 working lines and a capacity for 200 channels. Tr. at 137, 139, 145. There are 12 spare channels for the Carpenter area. Tr. at 148. The remote that feeds the Carpenter area is a mile and one-half south and two miles west of Carpenter. Tr. at 141.

28. The SLC 40 system has limited capabilities because the T-1 line is divided into 40 channels. Tr. at 140. The further away from the remote, the lower the baud rate. Id. If a person is able to get access to the Internet, it is very slow. Tr. at 140-141. ISDN is not capable of being provided on a SLC 40 system. Tr. at 141-142. In order to provide ISDN a new system would have to be constructed. Tr. at 142. The new system would consist of three NEC digital line carrier systems. Tr. at 148, 182.

29. Mr. Evans stated that a SLC 40 system is capable of providing voice grade service within the 300 to 3,000 hertz range. Tr. at 152, 164. However, after the filing of these seven complaints, he did not do any testing on the Carpenter lines to see if the lines were in fact operating within that range. Tr. at 165. He stated that the service network interface, which is where the drop terminates, should have a voltage of 48 volts. Tr. at 177.

30. Steve Wegman, analyst for the Commission, stated that SLC 40 systems had a short shelf life. Tr. at 249. The systems probably were not installed after 1982. Id. A SLC 40 system is a four byte, adaptive Delta modulation which does not pass data very well. Tr. at 246. He was not sure if a SLC 40 system operates between 300 to 3,000 hertz. Tr. at 248. However, he did state that 9,600 bytes per second equates back to 300 to 3,000 hertz for the bandwidth and that a SLC 40 system is unable to operate at 9,600 bytes per second. Tr. at 247.

31. Mr. Wegman did some limited testing in Pierre, Huron, and the Carpenter area. Tr. at 249. He used an MQT data grabber that checks modem speeds, signal to noise, dB loss, error rates, and bytes sent. Id. The modem takes digital signal data and converts it into a voice signal. Tr. at 255-256. The testing is referred to as the testing of data transmission or may be referred to as the testing of voice signal. Id.

32. The testing in Pierre showed zero error rates and the voltage at the plugs was 49 to 50 volts. Tr. at 250. He stated that the voltage rate was good because it should be at minus 48 volts dc or minus 49 volts. Id. In Huron the testing again showed no error rates with a voltage of minus 50 volts and minus 49 volts. Id.

33. In the Carpenter exchange he could not get a connection on two of the telephone lines. Id. He stated the voltage on those two lines was 42.9 volts and 39 volts. Tr. at 250-251. On the other three lines he tested he was able to connect but the error rate was over 40 percent. Tr. at 251. He stated that this error rate could be due to a SLC 40 condition or to a high signal loss rate which could lead to noise on the line. Id. The lowest voltage he received was 37 volts which may explain why the telephone may not ring correctly. Id. He stated that sometimes he had a good voice connection in the Carpenter area but that other times he did not, and said that could be dependent on what channel was being used at that time. Tr. at 262-263. He recommended that the SLC 40 system be replaced by an NEC system. Tr. at 253.

34. The Commission finds that the telecommunications system is producing an unacceptable error rate when tested. The Commission finds that some of the lines have unacceptably low voltage rates. The Commission finds that the telecommunications system in the Carpenter area is outdated and has not been shown to operate between 300 to 3,000 hertz.

35. U S WEST currently has 1,052 customers that cannot receive Caller ID. Tr. at 179. However, in U S WEST's investment plan U S WEST agreed to expand CLASS services "to all remaining USWC exchanges in South Dakota over two years." Exhibit 5, page 1. This would have required CLASS to be in all U S WEST exchanges by the end of 1997. Id. at page 10. Customers on a SLC 40 system are incapable of receiving Caller ID which is part of CLASS services. Tr. at 178-179. Ms. Sevold's interpretation of the language in the investment plan was that it "provides for the expansion of CLASS to all remaining U S WEST exchanges, not customer's exchanges, which to me would be the central office." Tr. at 226. However, an exchange encompasses a specific geographic area that is served by a local exchange company. There is no such thing as a customer exchange as opposed to a company exchange and an exchange is obviously not limited to central offices; it encompasses all of the customers within the exchange. Therefore, U S WEST has failed to provide CLASS services to all customers within its exchanges, including the exchange that encompasses the Carpenter area.

36. Children of the Complainants are disadvantaged by being unable to access the Internet at their homes. Tr. at 237. Teachers from the Willow Lake School District stated that students from the Carpenter area do not have the same opportunities as the other students in the school district. Tr. at 235-236, Exhibit 6.

37. The Commission finds that the telecommunications system that serves the Carpenter area is detrimental to the Complainants' economic well-being and also raises safety concerns.

38. The Commission finds that the telecommunications system that serves the Carpenter area is not providing reliable, adequate, telecommunications services. Specifically, the Commission finds that the telecommunications system is not providing adequate voice grade telecommunications services. The Commission further finds that the telecommunications system is providing inadequate and slow data transmission resulting in the inability of the Complainants to effectively use faxes and computers and the inability to access the Internet. The Commission finds that the telecommunications system is unable to provide ISDN and CLASS services.

39. The Commission finds that the Complainants are being provided inadequate telecommunications services and this is detrimental to the public interest. U S WEST has committed an unreasonable act or practice in its failure to provide the Complainants with an adequate, reliable telecommunications system.

40. U S WEST's costing model showed that to replace the system would cost around \$211,000.00. Tr. at 143-144. Originally U S WEST stated it would cost around \$55,000.00 but later

found out it would have to replace 22 repeaters and three separate NEC type cabinets which increased the cost to around \$211,000.00. Tr. at 143-144, 167

41. Although U S WEST claimed it could not recover this investment through rates charged to the Carpenter Complainants, rates charged to end users are not based on the costs of the infrastructure located within each exchange. U S WEST has traditionally recovered investments in infrastructure through averaged rates. The Commission recognizes that U S WEST is currently under price regulation and has agreed to price caps pursuant to its settlement agreement in Docket TC94-121, In the Matter of the Petition of U S WEST Communications, Inc. to have its Noncompetitive Services Regulated as Provided for in SDCL § 49-31-4.1. However, that settlement agreement does not provide that any future investments in infrastructure are to be recovered through rates charged to end users who specifically benefit from that infrastructure.

42. The Commission finds that due to the inadequate and unreliable telecommunications system currently in place in the Carpenter area, U S WEST shall replace that system with three NEC digital line carrier systems prior to the end of this construction season. The Commission finds the replacement is necessary to protect the public interest. The Commission finds the replacement is necessary for the improvement of telecommunications service and the convenience of the public. The Commission finds the replacement is necessary, reasonable, and expedient in order to promote the safety, convenience, and accommodation of the public.

43. The Commission rejects U S WEST's proposed Findings of Fact and Conclusions of Law.

CONCLUSIONS OF LAW

1. 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.

2. The Commission orders U S WEST to replace the current inadequate telecommunications system with three NEC digital line carrier systems.

3. Pursuant to 49-31-7, the Commission finds the replacement is necessary to protect the public interest. The Commission further finds that the replacement is necessary for the improvement of telecommunications service and the convenience of the public.

4. Pursuant to SDCL 49-31-7 and 49-31-7.1, the Commission finds the replacement is necessary, reasonable, and expedient in order to promote the safety, convenience, and accommodation of the public.

5. Pursuant to SDCL 49-31-7 and 49-31-7.1, the Commission orders U S WEST to complete the installation of three NEC digital line carrier systems in the Carpenter area prior to the end of this year's construction season.

6. The Commission rejects U S WEST's proposed Findings of Fact and Conclusions of Law.

It is therefore

ORDERED, that the Commission finds that U S WEST has committed an unreasonable rate or practice by its failure to provide the Complainants with adequate, reliable telecommunications service; and it is

FURTHER ORDERED, that U S WEST shall replace the current telecommunications system in the Carpenter area with three NEC digital line carriers prior to the end of this year's construction season.

NOTICE OF ENTRY OF ORDER

PLEASE TAKE NOTICE that this Order was duly entered on the 19th day of June, 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 19th day of June, 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>Heldene Kelle</u>
Date	<u>6/19/98</u>
(OFFICIAL SEAL)	

BY ORDER OF THE COMMISSION

James A. Burg
JAMES A. BURG, Chairman

Pam Nelson
PAM NELSON, Commissioner

Laska Schoenpelder
LASKA SCHOENPELDER, Commissioner



South Dakota Public Utilities Commission

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



July 23, 1998

Ms. Colleen E. Sevold
U S WEST Communications, Inc.
125 South Dakota Avenue, 8th Floor
Sioux Falls, SD 57194

Re: Carpenter Complaints

Dear Colleen:

In accordance with the Request for Confidential Treatment of Information with reference to the Carpenter complaints, enclosed you will find the confidential information that was furnished to us.

Very truly yours,

Delaine Kolbo
Legal Secretary

Enc.

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@puc.state.sd.us

♦
Jim Purg
Chairman
Pam Nelson
Vice-Chairman
Laska Schoenfelder
Commissioner

William Bullard Jr.
Executive Director

Edward R. Anderson
Harlan Best
Martin C. Bettmann
Charlie Bolle
Sue Cichos
Karen E. Cremer
Marlette Fischbach
Shirleen Fugitt
Lewis Hammond
Katie Hartford
Lem Healy
Camron Hoseck
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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