

TCOO-091

TC00-091

CH/HE

TC00-091

DOCKET NO.

In the Matter of

IN THE MATTER OF U S WEST  
COMMUNICATIONS, INC'S  
CLASSIFICATION OF CERTAIN  
SERVICES

Public Utilities Commission of the State of South Dakota

DATE	MEMORANDA
6/9 00	Order Opening New Packet;
6/15 00	Feebley Filing;
6/26 00	Petition for Leave to Intervene of the Association of <sup>Electric</sup> Communications
7/19 00	Order Granting Intervention; Order Setting Procedural Schedule;
8/3 00	Quest's Comments;
8/17 00	Commission Staff's Comments;
8/28 00	Quest's Rebuttal Comments;
11/16 00	Order Determining Classification of Service;
11/16 00	Packet Closed

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

IN THE MATTER OF U S WEST )	ORDER OPENING NEW
COMMUNICATIONS, INC.'S CLASSIFICATION )	DOCKET
OF CERTAIN SERVICES )	
)	TC00-091

On March 27, 2000, U S WEST Communications, Inc. (U S WEST) filed with the Public Utilities Commission (Commission) for approval of certain pages from its Exchange and Network Services Tariff. U S WEST stated the changes were to clarify the terms and conditions relating to customer payment options and application of the charge for a payment returned to U S WEST for insufficient funds or a closed account. The application was filed as Docket TC00-059.

On April 10, 2000, Commission Staff filed a motion requesting that the Commission issue an order requiring U S WEST to provide information regarding its actions with respect to one of the tariff pages U S WEST was requesting be approved in Docket TC00-059. Staff stated that the tariff page in question, Exchange and Network Services Tariff, Section 1, page 13, Release 5, had been changed earlier without Commission approval. Specifically, Staff noted that the last release approved for Section 1, Page 13 was release 3, and that U S WEST had not filed for approval of Section 1, Page 13, Release 4. Staff requested that U S WEST be ordered to appear before the Commission, produce the necessary documentation, and further explain its actions and demonstrate to the Commission why U S WEST should not have statutory penalties imposed against it for violation of SDCL 49-31-12.

On May 12, 2000, U S WEST filed its response to Staff's Motion. U S WEST stated that it had made the changes to that tariff page without Commission approval because it removed a toll restriction service from its subject index. U S WEST asserted this change did not need Commission approval because the Commission reclassified toll services as fully competitive in Docket TC99-099. U S WEST also attached pages for other services that it considered to be toll related services.

At its May 17, 2000, meeting, the Commission considered this matter. After listening to arguments from Staff and representatives of U S WEST, the Commission voted to consider the issues raised by Staff's motion and U S WEST's response in another docket. The issue before the Commission in this docket will be whether the services that U S WEST referenced in its response are fully competitive services. Specifically, the services in question are: Pay Per Call Restriction; Billed Number Screening; Toll Restriction; and Blocking for 10XXX1+/10XXX011+. The Commission requests that U S WEST explain why these services should be considered as fully competitive services. The Commission is interested in knowing whether these services are currently being provided by interexchange carriers. It is therefore

**South Dakota Public Utilities Commission**  
**WEEKLY FILINGS**  
For the Period of June 8, 2000 through June 14, 2000

If you need a complete copy of a filing faxed, overnight expressed, or mailed to you,  
please contact Delaine Kolbo within five business days of this filing.  
Phone: 605-773-3705 Fax: 605-773-3809

**TELECOMMUNICATIONS**

**TC00-090 In the Matter of the Application of KDD America, Inc. for a Certificate of Authority to Provide Telecommunications Services in South Dakota.**

KDD America, Inc. is seeking a Certificate of Authority to provide resold interexchange telecommunications services in South Dakota. The applicant intends to provide WATS and MTS services. Applicant will offer services to its subscribers using facilities of the communications networks of Frontier, other facilities-based IXCs and the local exchange telephone companies.

Staff Analyst: Keith Senger  
Staff Attorney: Karen E. Cremer  
Date Docketed: 06/09/00  
Intervention Deadline: 06/30/00

**TC00-091 In the Matter of U S WEST Communications, Inc.'s Classification of Certain Services.**

The issue before the Commission in this docket will be whether Pay Per Call Restriction; Billed Number Screening; Toll Restriction; and Blocking for 10XXX1+/10XXX011+ are fully competitive services as classified by U S WEST in Docket TC99-099. The Commission requests that U S WEST explain why these services should be considered as fully competitive services. The Commission is interested in knowing whether these services are currently being provided by interexchange carriers.

Staff Analyst: Harlan Best  
Staff Attorney: Camron Hoseck  
Date Docketed: 06/09/00  
Intervention Deadline: 06/30/00

**TC00-092 In the Matter of the Application of RapTel Communications, LLC for a Certificate of Authority to Provide Telecommunications Services in South Dakota.**

RapTel Communications, LLC has filed a request for a Certificate of Authority to offer resold non-facilities-based interexchange telecommunications services throughout South Dakota. RapTel proposes to acquire and resell various voice and data

communications services offered by interexchange carriers, and to package and provide these services for the specialized functions and needs of its customers.

Staff Analyst: Heather Forney  
Staff Attorney: Camron Hoseck  
Date Docketed: 06/13/00  
Intervention Deadline: 06/30/00

**TC99-093 In the Matter of the Application of Sterling Time Company for a Certificate of Authority to Provide Telecommunications Services in South Dakota.**

Sterling Time Company has filed a request for a Certificate of Authority. Sterling Time Company is a switch-based reseller which intends to offer 1+ and 101XXXX direct outbound dialing, 800/888 toll-free inbound dialing, travel card service, and prepaid calling card service throughout South Dakota.

Staff Analyst: Michele Farris  
Staff Attorney: Karen E. Cremer  
Date Docketed: 06/14/00  
Intervention Date: 06/30/00

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RECEIVED

JUN 26 2000

SOUTH DAKOTA PUBLIC  
UTILITIES COMMISSION

Via Overnight Delivery

23 June 2000

Mr. William Bullard, Jr.  
Executive Secretary  
Public Utilities Commission of South Dakota  
State Capitol  
500 East Capitol Street  
Pierre, South Dakota 57501-5070

RE: In the Matter of the Inquiry of Whether to Reclassify US West Communications, Inc.'s IntraLATA Toll and Wide-Area Telephone Services, Docket No. TC99-097

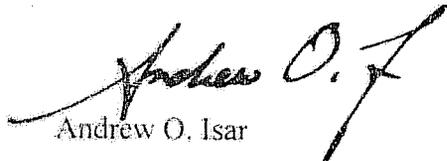
Dear Mr. Bullard:

Enclosed please find an original and three copies of the *Petition to Intervene* of the Association of Communications Enterprises in the above referenced proceeding.

Questions may be directed to the undersigned.

Sincerely,

Association of Communications Enterprises



Andrew O. Isar

Enclosures

JUN 28 2000

SOUTH DAKOTA PUBLIC UTILITIES COMMISSION

BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF SOUTH DAKOTA

In The Matter Of US West Communications, Inc.'s )  
Classification of Certain Services )

Docket No. TC00-091

PETITION FOR LEAVE TO INTERVENE OF THE ASSOCIATION OF COMMUNICATIONS ENTERPRISES

The Association of Communications Enterprises ("ASCENT," formerly the Telecommunications Resellers Association), on behalf of its members and pursuant to ARSD §§20:10:01:15.02 and 20:10:01:15.03, hereby respectfully petitions the South Dakota Public Utilities Commission for leave to intervene in the above-captioned proceeding. In support of its application, ASCENT submits the following:

1. ASCENT is a national trade organization representing more than 750 telecommunications service providers and suppliers throughout the United States. ASCENT's members are generally small to medium-sized telecommunications service providers. ASCENT members offer a variety of value-added competitive interexchange, local, wireless, Internet, and enhanced services to the public. Several ASCENT members are authorized by the Commission to provide competitive local and interexchange services in the state of South Dakota.

2. As local and interexchange service providers who currently compete or may compete with US West Communications, Inc. ("US West"), ASCENT members have a direct and substantial interest in the matters raised by the Commission's investigation into whether to reclassify US West's Pay Per Call, Billed Number Screening, Toll Restriction and Dial-Around Blocking services from emerging competitive to fully competitive. There are no other parties to this proceeding who can adequately address the concerns of ASCENT or provide the unique perspective of its membership.

3. ASCENT wishes to intervene for the specific purpose of monitoring this proceeding and submitting comments as appropriate. ASCENT does not intend to sponsor witnesses nor engage in discovery or cross-examination of witnesses. The proposed intervention by ASCENT will not unduly broaden the issues involved in this proceeding or prejudice other parties.

4. The name and address of the individual to receive documents and communications regarding this proceeding is:

Andrew O. Isar  
Director – State Affairs  
Association of Communications Enterprises  
3220 Uddenberg Lane, Suite 4  
Gig Harbor, WA 98335  
Telephone: 253.851.6700  
Facsimile: 253.851.6474  
Email: [aisar@millerisar.com](mailto:aisar@millerisar.com)

WHEREFORE, the Association of Communications Enterprises respectfully requests that the Commission grant its Petition for Leave to Intervene in this proceeding.

Respectfully submitted,

Association of Communications Enterprises

BY:



Andrew O. Isar  
Director – State Affairs  
3220 Uddenberg Lane, Suite 4  
Gig Harbor, WA 98335  
Telephone: 253.851.6700  
Facsimile: 253.851.6474

23 June 2000

BEFORE THE  
PUBLIC UTILITIES COMMISSION OF THE STATE OF SOUTH DAKOTA

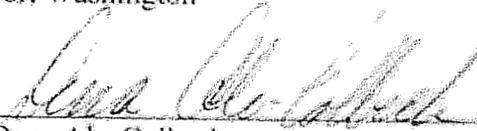
In The Matter Of US West Communications, Inc.'s )  
Classification of Certain Services )  
\_\_\_\_\_ )

Docket No. TC00-091

CERTIFICATE OF SERVICE

I hereby certify that I have this day served the *Petition to Intervene of the Association of Communications Enterprises* on all parties of record in the above-captioned proceeding, as listed in the following service list, via United States Mail, postage prepaid.

Dated this 23<sup>rd</sup> Day of June, 2000 at Gig Harbor, Washington

  
\_\_\_\_\_  
Dena Alo-Colbeck

Andrew D. Crain, Esq.  
Charles W. Steese, Esq.  
Alex Duarte, Esq.  
US West Law Department  
1801 California Street, Suite 5100  
Denver, CO 80202

Thomas J. Welk  
Boyce Murphy, McDowell & Greenfield, LLP  
101 North Phillips Avenue, Suite 600  
Sioux Falls, SD 57117-5015

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

<b>IN THE MATTER OF U S WEST</b>	)	<b>ORDER GRANTING</b>
<b>COMMUNICATIONS, INC.'S CLASSIFICATION</b>	)	<b>INTERVENTION; ORDER</b>
<b>OF CERTAIN SERVICES</b>	)	<b>SETTING PROCEDURAL</b>
	)	<b>SCHEDULE</b>
	)	<b>TC00-091</b>

On March 27, 2000, U S WEST Communications, Inc. (U S WEST) filed with the Public Utilities Commission (Commission) for approval of certain pages from its Exchange and Network Services Tariff. U S WEST stated the changes were to clarify the terms and conditions relating to customer payment options and application of the charge for a payment returned to U S WEST for insufficient funds or a closed account. The application was filed as Docket TC00-059.

On April 10, 2000, Commission Staff filed a motion requesting that the Commission issue an order requiring U S WEST to provide information regarding its actions with respect to one of the tariff pages U S WEST was requesting be approved in Docket TC00-059. Staff stated that the tariff page in question, Exchange and Network Services Tariff, Section 1, page 13, Release 5, had been changed earlier without Commission approval. Specifically, Staff noted that the last release approved for Section 1, Page 13 was release 3, and that U S WEST had not filed for approval of Section 1, Page 13, Release 4. Staff requested that U S WEST be ordered to appear before the Commission, produce the necessary documentation, and further explain its actions and demonstrate to the Commission why U S WEST should not have statutory penalties imposed against it for violation of SDCL 49-31-12.

On May 12, 2000, U S WEST filed its response to Staff's Motion. U S WEST stated that it had made the changes to that tariff page without Commission approval because it removed a toll restriction service from its subject index. U S WEST asserted this change did not need Commission approval because the Commission reclassified toll services as fully competitive in Docket TC99-099. U S WEST also attached pages for other services that it considered to be toll related services.

The Commission has jurisdiction over this matter pursuant to SDCL Chapters 49-13 and 49-31. At its May 17, 2000, meeting, the Commission considered this matter. After listening to arguments from Staff and representatives of U S WEST, the Commission voted to consider the issues raised by Staff's motion and U S WEST's response in this docket. The Commission determined that the issue in this docket will be whether the services that U S WEST referenced in its response are fully competitive services. Specifically, the services in question are: Pay Per Call Restriction; Billed Number Screening; Toll Restriction; and Blocking for 10XXX1+/10XXX011+. The Commission requests that U S WEST explain why it believes that these services have already been classified as fully competitive services in Docket TC99-099. The Commission is interested in knowing whether these services are currently being provided by interexchange carriers.

On June 26, 2000, the Commission received a Petition for Leave to Intervene of the Association of Communications Enterprises (ASCENT). At its July 13, 2000, meeting, the Commission voted unanimously to grant the petition to intervene. The Commission further voted to set a procedural schedule to allow the parties to file written comments on the issues presented by this docket. The Commission sets the following procedural schedule:

U S WEST shall file written comments on or before August 3, 2000;

Any intervenor or Commission staff may file reply comments on or before August 17, 2000; and

U S WEST may file rebuttal comments on or before August 28, 2000.

It is therefore

ORDERED, that ASCENT's petition to intervene is granted, and it is

FURTHER ORDERED, that the parties shall follow the procedural schedule as set forth above.

Dated at Pierre, South Dakota, this 19th day of July, 2000.

<b>CERTIFICATE OF SERVICE</b>	
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>Delaine Kalbo</u>
Date:	<u>7/19/00</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

**BOYCE, MURPHY, McDOWELL & GREENFIELD, L.L.P.**  
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John R. McDowell

J.W. Boyce (1854-1915)  
John S. Murphy (1924-1986)

August 2, 2000

**VIA UPS OVERNIGHT**

**RECEIVED**

**AUG 03 2000**

William Bullard, Executive Director  
Public Utilities Commission  
State Capitol Building  
500 East Capitol Avenue  
Pierre, SD 57501

**SOUTH DAKOTA PUBLIC  
UTILITIES COMMISSION**

Re: In the Matter of Qwest Corporation's Classification of Certain Services (TC 00-091)  
Our File No. 2104.066

Dear Bill:

Enclosed please find the original and ten (10) copies of Qwest Corporation's Comments and Certificate of Service in the above referenced matter.

Sincerely yours,

**BOYCE, MURPHY, MCDOWELL  
& GREENFIELD, L.L.P.**

Thomas J. Welk

TJW/vjj

Enclosure

cc: Karen Cremer  
Andrew Isar  
Colleen Sevold  
Alex Duarte

**BOYCE, MURPHY, McDOWELL & GREENFIELD, L.L.P.**  
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J.W. Boyce (1884-1915)  
John S. Murphy (1924-1986)

August 2, 2000

**VIA FACSIMILE**

Andrew O. Isar 253-0851-6474  
Director - State Affairs  
Association of Communications Enterprises  
3220 Uddenberg Lane - Suite 4  
Gig Harbor, WA 98335

**VIA U S MAIL**

Karen Cremer  
SD Public Utilities Commission  
500 E. Capitol Avenue  
Pierre, SD 57501

Re: In the Matter of Qwest Corporation's Classification of Certain Services (TC 00-091)  
Our File No. 2104.066

Dear Karen and Andrew:

Attached please find a copy of Qwest Corporation's Comments and Certificate of Service in the above referenced matter. This is intended as service upon Ms. Cremer by U S mail and personal service upon Mr. Isar via facsimile.

Sincerely yours,

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



Thomas J. Welk

TJW/vjj  
Enclosure  
cc: Colleen Sevold  
Alex Duarte

**RECEIVED**

AUG 03 2000

SOUTH DAKOTA PUBLIC  
UTILITIES COMMISSION

RECEIVED

AUG 03 2000

BEFORE THE PUBLIC UTILITIES COMMISSION  
OF THE STATE OF SOUTH DAKOTA

SOUTH DAKOTA PUBLIC  
UTILITIES COMMISSION

IN THE MATTER OF U S WEST  
COMMUNICATIONS, INC.'S  
CLASSIFICATION OF CERTAIN  
SERVICES

TC00-091

QWEST CORPORATION'S COMMENTS

Pursuant to the Order Granting Intervention; Order Setting Procedural Schedule, dated July 19, 2000 (the "Order") entered by the Public Utilities Commission of the State of South Dakota ("the Commission") Qwest Corporation formerly U S WEST Communications, Inc. ("Qwest") files these comments. The Order specifically requires Qwest to explain why the telecommunications services of Pay Per Call Restriction, Billed Number Screening, Toll Restriction and Blocking for 10XXX1+/1-XXX011+ ("Blocking") have already been classified as fully competitive services in Docket 99-099. In addition, the Commission is interested in knowing whether these services are currently being provided by interexchange carriers.

Qwest offers a family of toll service restriction products, all of which are totally optional, discretionary services and are not functionally required for the provision of noncompetitive services. Included in this group of services are CustomNet (toll restriction), which allows a customer to block all outgoing long distance calls, and blocking for 10XXX calls. CustomNet was determined by the Commission to be a fully competitive product in Docket F-3818. A copy of the Final Decision and Order of the Commission in Docket F-3818 is attached here to as Exhibit A. Blocking for 10XXX calls was classified as a fully competitive product by the Commission in Docket TC93-015. Attached as Exhibit B is the Order Approving Tariff Revisions dated March 1, 1993.

Exhibits A and B had obviously not been discovered by the Staff of the Commission, the Commission and Qwest prior to the entry of the Order or prior to Qwest's submission of U S

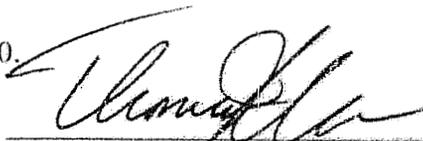
WEST Communications, Inc.'s Response to Staff's Motion in TC00-59 dated May 12, 2000. ("the Response") Subsequent to the filing of the Response, however, additional research was done by Qwest and Exhibits A and B were found.

Toll restriction services and Blocking were indisputedly classified as fully competitive by the Commission. As a result of Exhibits A and B, Qwest must modify the Response because at the time of the Response U S WEST had not discovered the prior orders of the Commission. Thus, the only changes in toll services, which are the subject of this docket, not previously approved by the Commission that were made after the Toll Reclassification Order, as defined in the Response, would be Pay Call Restriction and Billed Number Screening. These two remaining toll services are simply different types of toll restriction services. Billed Number Screening provides the customer the capability of restricting collect and/or third number billing to their telephone. Pay Per Call restriction prohibits 1+900 calls. Both of these services clearly fit the criteria of a fully competitive service because they are optional and discretionary just as the toll restriction services that the Commission has already classified as fully competitive services in Exhibits A and B.

Qwest does not know whether interexchange carriers are offering Billed Number Screening or Pay Per Call Restriction. The service offerings of interexchange carriers are determined by each individual carrier.

Technically, interexchange carriers do have the ability to provide Billed Number Screening which blocks collect and billed to third number calls. When a customer wishes to have this service the blocking information is transmitted to the Line Verification Administration System ("LVAS") and then is available in Line Identification Data Base ("LIDB"). All carriers or independent companies who wish to validate for alternate billing of calls have access to the LIBD database just as Qwest.

DATED this 2nd day of August, 2000.



Thomas J. Welk  
BOYCE, MURPHY, McDOWELL &  
GREENFIELD, L.L.P.  
101 North Phillips Avenue, Suite 600  
Sioux Falls, SD 57117-5015  
(605) 336-2424

Alex M. Duarte  
U S WEST Communications, Inc.  
1801 California Street - #5100  
Denver, CO. 80202  
(303) 672-5871  
Attorneys for Qwest Corporation formerly  
U S WEST Communications, Inc.

### CERTIFICATE OF SERVICE

I, Thomas J. Welk, do hereby certify that I am a member of the law firm of Boyce, Murphy, McDowell & Greenfield, L.L.P., and on the 2nd day of August, 2000 at approximately \_\_\_\_\_ p.m., a true and correct copy of Qwest Corporation's Comments was personally served on the following via facsimile to the following:

Andrew O. Isar      253-0851-6474  
Association of Communications Enterprises  
3220 Uddenberg Lane - Suite 4  
Gig Harbor, WA 98335

and by U S first class mail, postage prepaid to the following:

Karen Cremer  
SD Public Utilities Commission  
500 E. Capitol Avenue  
Pierre, SD 57501



Thomas J. Welk

**NEXT**

**DOCUMENT (S)**

**BEST IMAGE**

**POSSIBLE**

BEFORE THE PUBLIC UTILITIES COMMISSION

OF THE STATE OF SOUTH DAKOTA

IN THE MATTER OF THE APPLICATION )  
OF NORTHWESTERN BELL TELEPHONE )  
COMPANY TO RECLASSIFY VARIOUS )  
SERVICES TO FULLY COMPETITIVE. )

FINAL DECISION AND ORDER

( F-3818 )

I.

PROCEDURAL BACKGROUND

On May 19, 1989, the Public Utilities Commission (Commission) received an application filed by Northwestern Bell Telephone Company, d/b/a U.S. West Communications (USWC), containing its proposal to reclassify twelve services as fully competitive. On May 31, 1989, the Commission issued its Notice of Opportunity to Intervene and Object relative to this docket. Subsequently, the Commission extended the time allowed for intervention. The South Dakota Independent Telephone Coalition, Inc. (SDITC), Dakota Cooperative Telecommunications, Inc. (DCT) and Midco Communications (Midco) were granted leave to intervene. The hearing in this case was held on August 23, 1989. On November 3, 1989, USWC filed a letter with the Commission requesting that the Optional Payment Plans Service be withdrawn from this docket and not be considered by the Commission to be declared as fully competitive.

II.

USWC's Testimony

At the hearing, USWC presented the prefilled direct testimony of its witness, Richard D. McCauley, the Manager of Regulatory Affairs for USWC in South Dakota. Mr. McCauley was present at the hearing and provided further testimony by means of direct and cross-examination. Mr. McCauley testified that the twelve services outlined in its filing should be declared fully competitive based upon their similarity to other services that have been specified as fully competitive.

Upon cross-examination, Mr. McCauley explained that with regard to one of the services, the Foreign Exchange Service, the local loop portion of that service would remain under the control of the Commission.

III.

DCT's Testimony

DCT prefilled the testimony of its witness, Darwin Bendt, with the Commission, however. Mr. Bendt was not present at the hearing for cross-examination. USWC objected to the testimony since the witness was not present at the hearing (TR 20). Further, USWC asserted that it had not received a prefilled copy of Mr. Bendt's testimony and objected to the testimony since it had not been filed in accordance with Commission rules (TR 23). The hearing transcript did not indicate that the testimony had been received into evidence (TR 4). However, Chairman Burg overruled the objection allowing the exhibit into the record (TR 24). DCT noted that Mr. Bendt's testimony focused on the Foreign Exchange Service portion of USWC's filing.

EXHIBIT

A

IV.

SDITC's Testimony

SDITC presented at the hearing the prefiled testimony of its witness, Douglas Martin (TR 21). USWC maintained that it had not received prefiled copies of SDITC's testimony and objected to the testimony (TR 21, 24). The Commission took a recess at that time to give the parties who did not have copies of testimony in this proceeding an opportunity to review the filings. After recess, the Commission then overruled USWC's objection to entry of Mr. Martin's testimony into evidence (TR 24).

Mr. Martin was then called as a witness at the hearing on behalf of SDITC. SDITC again offered Mr. Martin's prefiled testimony into evidence and USWC objected. At this time no action was taken to receive the testimony into evidence (TR 25) and the hearing transcript did not indicate that it had been received (TR 4). Mr. Martin then proceeded to offer further testimony by means of direct and cross-examination (TR 25-57). Mr. Martin testified that the Foreign Exchange Service should not be classified as a fully competitive service. Mr. Martin maintained that the Foreign Exchange Service is essentially local service in another company's exchange. Mr. Martin also prepared a written summary of his testimony which was not entered into the record (TR 40-43). SDITC submitted four other exhibits which included various tariff sheets and a drawing which were entered into the record (TR 4, 27, 30, 34 and 36).

V.

STAFF'S TESTIMONY

The Commission Staff presented at the hearing the prefiled testimony of its witness, Harlan Best, Deputy Director of Fixed Utilities for the Commission. Mr. Best was present at the hearing and noted some changes in Staff's prefiled testimony. Staff originally questioned the reclassification of the following services in this docket: Automatic Intercept, Combined Main Station, Foreign Exchange, Rotary Break and TeenLink. However, after a review of USWC's prefiled testimony and the testimony presented at the hearing, Mr. Best's questions concerning these services were satisfied. Therefore, Mr. Best testified that each service can be deemed a limited or discretionary service which is not functionally required for the provision of noncompetitive services and which the customer has the option to purchase. Mr. Best concluded that these services are optional services and should be classified as fully competitive services.

VI.

Based upon the testimony taken and the evidence received in this proceeding, this Commission makes the following findings of fact:

FINDINGS OF FACT

1. An optional service is defined in SDCL 49-31-1(7) as a limited or discretionary service which is not functionally required for the provision of noncompetitive services and which the customer has the option to purchase.
2. SDCL 49-31-1.3 defines fully competitive services as services that satisfy the criteria of SDCL 49-31-3.2 and which have alternative services

available to over 50% of the company's customers for that service or which are of limited scope or so discretionary in nature that regulation is not warranted.

3. SDCL 49-31-1.3 classifies optional services as fully competitive, as fully competitive is defined within that statute.

4. USWC withdrew its Optional Payment Plans Service from its original filing and it was not to be considered for reclassification in this proceeding.

5. The services being reviewed in this case include the following:

a. The Automatic Intercept Service provides per line intercept and a new number referral service for CENTREX/CENTRON and Private Branch Exchange-Direct Inward Dialing subscribers who have incurred a number change. This service is subject to availability of facilities and will be provided for a period of twelve months or until the next directory is published, whichever is longer.

b. The Combined Main Station Service is an arrangement whereby two individual line main stations in the same exchange may be connected so that calls to one station may be answered at either station. Monthly rates include business/residential lines at full price and with private line features.

c. Custom Net (Selective Class of Call Screening) enables a customer to restrict outgoing toll calls from station users to only those calls which are charged to the called telephone, a third number, or a telephone company credit card account or to fully restrict outgoing long distance calls.

d. With the Customized Number Service, subscribers may request the assignment of "special" or "desirable" telephone numbers. If the telephone number requested by the subscriber is available, the telephone company may assign the number to the subscriber.

e. The Foreign Exchange Service is a service whereby a customer may obtain local service from an exchange foreign to the exchange in which the customer is located. Monthly rates include business or residential lines at full price and with private line features.

f. With the Night Transfer Numbers Service, a Private Branch Exchange subscriber may be furnished with special numbers to assist in handling incoming calls at periods outside of business hours when the Private Branch Exchange is not attended.

g. The Rotary (Line Hunting) Break Arrangement Service permits the control of the rotary or line hunting features when it is necessary to limit the number of incoming calls.

h. Seminars are telecommunications-related seminars and workshops.

i. Special Billing Plan Codes, provided by the telephone company, may be used by customers to allocate long distance messages to specific stations, departments or accounts.

j. TeenLink is a residential second line package designed for (but not limited to) use by households with teenagers. This service will be billed to the primary service. The service will be denied on both lines for non-payment.

of the bill. Monthly rates include a residential line at full price and ancillary special features at a discount price.

k. The Toll Diverting Service restricts station users from the toll network, but is not intended to be used with standard installations. Where the service arrangement dictates that toll diversion is to be provided, such as, in schools, hospitals and similar institutions, the diverting equipment is installed on a "per trunk" basis.

6. The local exchange line portion of the Foreign Exchange and TeenLink services will remain classified as noncompetitive and priced according to rates filed in approved tariffs.

7. No telecommunications company is required to provide Foreign Exchange services. Telephone cooperatives, municipal telephone systems and independent telephone companies serving less than 10,000 local exchange subscribers may refuse a request by USMC to provide FX service within their exchanges.

#### VII.

In considering the evidence presented and the testimony taken in this proceeding, this Commission makes the following Conclusions of Law:

#### CONCLUSIONS OF LAW

1. The Commission has jurisdiction over the parties and the matters in this docket pursuant to SDCL 49-31, 49-31-1.3 and 49-31-3.2.

2. The eleven services considered in this docket are optional services which are limited or discretionary services not functionally required to provide noncompetitive services, and which the customer has the option to purchase.

3. The eleven services considered in this docket should be classified as optional services and fully competitive in accordance with SDCL 49-31-1.3.

4. The local exchange line portion of any service will remain classified as noncompetitive and subject to tariff rates.

5. Current law and Commission rulings do not require any telecommunications company to provide FX service to the end user of another telecommunications company, thereby providing dial a tone to the other company's end user within its exchange. It is therefore

ORDERED, that the eleven services considered in this docket shall be classified as fully competitive services.

Dated at Pierre, South Dakota, this 7th day of November, 1989.

BY ORDER OF THE COMMISSION:

  
JAMES A. BURG, Chairman

  
LASKA SCHOENFELDER, Commissioner

(OFFICIAL SEAL)

KENNETH STOFFERAHN, Commissioner  
(Abstained)

BEFORE THE PUBLIC UTILITIES COMMISSION

OF THE STATE OF SOUTH DAKOTA

IN THE MATTER OF THE APPLICATION OF U S WEST COMMUNICATIONS TO INTRODUCE 10XXX11+ AND 10XXX011+ BLOCKING.

ORDER APPROVING TARIFF REVISIONS (DOCKET # TC93-015)

On February 3, 1993, U S WEST COMMUNICATIONS (USWC) filed an application with the Public Utilities Commission (Commission) for approval of the following new sheet of its services catalog:

Section 18, Page 2, Release 1

The proposed tariff revisions introduce 10XXX11+ and 10XXX011+ blocking. The application states: This feature allows i+ dialing but blocks 10XXX1+ and 10XXX011+ dialing. It is a feature that will be used by aggregators of toll service to allow end users in a public switch to place toll calls through their interexchange carrier of choice by placing operator assisted calls. INTRATA new services were classified as non-competitive by the Commission in docket 3743. USWC requests an effective date of March 1, 1993, and that this filing be approved as fully competitive.

On February 4, 1993, the Commission faxed notice of the filing and the intervention deadline of February 18, 1993, to interested individuals and entities. No petitions to intervene or comments were filed and at its regularly scheduled February 23, 1993, meeting, the Commission considered USWC's request for approval of its revised tariff. Commission staff recommended approval.

The Commission finds that it has jurisdiction over this matter pursuant to SDCL Chapter 49-31, specifically under SDCL 49-31-1.1, 49-31-1.3, 49-31-3.2 and 49-31-7.1. Upon review of USWC's filing the Commission concludes that the proposed tariff revisions are fair and reasonable and should be approved. As the Commission's final decision in this matter, it in character

ORDERED, that USWC's proposed tariff revisions introducing 10XXX11+ and 10XXX011+ blocking are hereby approved as filed and shall be effective for telecommunications services rendered on and after March 1, 1993, and it is FURTHER ORDERED, that USWC's request that this service be classified as fully competitive is hereby granted.

Dated at Pierre, South Dakota, this 1st day of March, 1993.

BY ORDER OF THE COMMISSION:

*[Signature]*  
LASKA SCHOENFELDER, CHAIRMAN

*[Signature]*  
KENNETH STOFFERMAN, COMMISSIONER

*[Signature]*  
JAMES A. BURG, COMMISSIONER

OFFICIAL SEAL  
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 *[Signature]*  
Date: March 1, 1993

EXHIBIT B

BEFORE THE PUBLIC UTILITIES COMMISSION  
OF THE STATE OF SOUTH DAKOTA

TC00-059

IN THE MATTER OF THE FILING BY U S WEST COMMUNICATIONS, INC. FOR APPROVAL OF REVISIONS TO ITS EXCHANGE AND NETWORK SERVICES TARIFF

U S WEST COMMUNICATIONS, INC.'S RESPONSE TO STAFF'S MOTION

The Staff of the Public Utilities Commission of the State of South Dakota ("Staff") filed a motion with the Commission dated April 10, 2000 in this docket. The Staff requests the Public Utilities Commission ("Commission") for an order which provides information regarding justification for U S WEST Communications, Inc.'s ("U S WEST") actions described in the motion. The specific actions on which the Staff requires the Commission to issue an order related to certain changes to the U S WEST Exchange and Network Services Tariff. ("the Tariff")

In response to the motion, U S WEST requests that the Commission, pursuant to SDCL 1-26-19(4), take judicial notice of the Commission's order in Docket TC99-099 entitled "In the Matter of the Inquiry of Whether to Reclassify U S WEST Communications, Inc.'s Intralata Toll and Wide Area Telephone Services" dated December 8, 1999, which is attached hereto as Exhibit A ("Toll Reclassification Order"). Such order unequivocally provides "that U S WEST intralata toll and wide area services are fully competitive and shall be reclassified from emerging competitive to fully competitive." (pg. 2 of Toll Reclassification Order).

The date of the Toll Reclassification Order is significant because all of the information requested by the Staff occurred **after** the date of the Toll Reclassification Order of December 8, 1999. What U S WEST did in changing the Tariff was to remove the portions of the Tariff identified in the Staff's motion because they are toll related products.

EXHIBIT

C

The cited changes in the Staff's motion all relate to Section 1 of the Tariff which is the subject index. Attached as Exhibits B, C and D are releases 3, 4 and 5 which are changes in the subject index of the Tariff which are referred to in the Staff's motion.

Release 3, which is attached as Exhibit B, was the existing subject index of its general exchange tariff that was approved in Docket TC97-152. Release 4, which was effective December 29, 1999, did only one thing in that it removed "Pay Per Call Restrictions" which is a toll restriction service, therefore a toll product. A copy of Section 10 in the General Exchange Tariff that was removed as to Pay Per Call Restriction, is attached at Exhibit E. In addition, other toll services that were removed from the Tariff effective December 29, 1999 include Billed Number Screening, Toll Restriction and Blocking for 10XXX1+/10XXX011+. Again, these are all toll related products. These Tariff sections are attached as Exhibits F, G and H.

U S WEST by changing its Tariff did nothing more than eliminate the toll products that had been deregulated as fully competitive pursuant to the Toll Reclassification Order. Pursuant to SDCL 49-31-4 and SDCL 49-31-12, the Commission provides no regulation of the rates or prices as to fully competitive services.

WHEREFORE, U S WEST respectfully requests that the Commission not issue the order requested by the Staff.

DATED this 12th day of May, 2000.



---

Thomas J. Welk  
BOYCE, MURPHY, McDOWELL &  
GREENFIELD, L.L.P.  
101 North Phillips Avenue, Suite 600  
Sioux Falls, SD 57117-5015  
(605) 336-2424

Alex M. Duarte  
U S WEST Communications, Inc.  
1801 California Street - #5100  
Denver, CO. 80202  
(303) 672-5871  
Attorneys for U S WEST Communications, Inc

**CERTIFICATE OF SERVICE**

I, Thomas J. Welk, do hereby certify that I am a member of the law firm of Boyce, Murphy, McDowell & Greenfield, L.L.P., and on the 12th day of May, 2000 at approximately 1:50 p.m., a true and correct copy of U S WEST Communications, Inc.'s Response to Staff's Motion was personally served on the following via facsimile to the following number:

Camron Hoseck 605-773-3809  
SD Public Utilities Commission  
500 E. Capitol Avenue  
Pierre, SD 57501

Thomas J. Welk



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

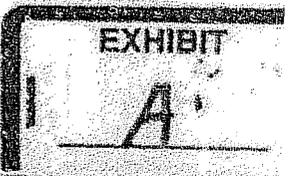
<b>IN THE MATTER OF THE INQUIRY OF</b>	)	<b>ORDER RECLASSIFYING</b>
<b>WHETHER TO RECLASSIFY U S WEST</b>	)	<b>U S WEST'S INTRALATA</b>
<b>COMMUNICATIONS, INC.'S INTRALATA TOLL</b>	)	<b>TOLL AND WIDE-AREA</b>
<b>AND WIDE-AREA TELEPHONE SERVICES</b>	)	<b>TELEPHONE SERVICES AS</b>
	)	<b>FULLY COMPETITIVE;</b>
	)	<b>ORDER APPROVING</b>
	)	<b>SETTLEMENT AGREEMENT</b>
	)	<b>TC98-099      DEC 9</b>

At its August 17, 1999, meeting, the Public Utilities Commission (Commission) voted to direct the Executive Director to open a docket to consider whether to have IntraLATA toll and wide-area telephone services for U S WEST Communications, Inc. (U S WEST) reclassified from emerging competitive to fully competitive (Commissioner Schoenfelder, dissenting). Pursuant to SDCL 49-31-3.2, when determining how a telecommunications service is to be classified, the Commission shall consider the following:

- (1) The number and size of alternative providers of the service and the affiliation to other providers;
- (2) The extent to which services are available from alternative providers in the relevant market;
- (3) The ability of alternative providers to make functionally equivalent or substitute services readily available at competitive rates, terms, and conditions of service;
- (4) The market share, the ability of the market to hold prices close to the cost, and other economic measures of market power; and
- (5) The impact on universal service.

The Commission has jurisdiction over this matter pursuant to SDCL 49-31-3.2 and 49-31-3.4. Pursuant to SDCL 49-31-3.4, in any proceeding to reclassify a telecommunications service, the telecommunications company providing the service has the burden of proving that the classification is appropriate if the proceeding is commenced by the Commission on its own motion. On October 8, 1999, Sprint Corporation (Sprint) and Telecommunications Resellers Association (TRA) filed Petitions for Leave to Intervene. At its November 1, 1999, meeting, the Commission granted the requests for intervention. U S WEST filed testimony on October 22, 1999. The hearing was scheduled for November 22, 1999.

On November 3, 1999, the Commission received a Stipulation and Settlement Agreement entered into between U S WEST and Commission Staff. In the Stipulation and Settlement Agreement, U S WEST and Commission Staff agreed that U S WEST's



Staff requested approval of the Stipulation and Settlement Agreement. On November 8, 1999, the Commission received a letter from Sprint stating that with the inclusion of paragraph III(J), which notes U S WEST's continued imputation of access charges, Sprint was satisfied with the result. TRA did not respond until after the Commission approved the Stipulation and Agreement. TRA was given the opportunity to participate in the settlement negotiations and was sent a copy of the Stipulation and Settlement Agreement. Although TRA stated that it did not have sufficient notice of the Commission meeting, TRA was informed the morning of November 15, 1999, that the Commission would consider whether to approve the Stipulation and Settlement Agreement that afternoon. TRA chose not to participate in the meeting.

At its November 15, 1999, meeting, the Commission considered the Stipulation and Settlement Agreement. The Commission voted to approve the Stipulation and Settlement Agreement. After consideration of the criteria listed in SDCL 49-31-3.2 and based upon the information filed in this docket, the Commission finds that U S WEST's intraLATA toll and wide-area telephone services are fully competitive and shall be reclassified from emerging competitive to fully competitive. The Commission finds the reclassification is in the public interest because there are numerous alternative providers of intraLATA toll and wide-area telephone services in South Dakota. Further, the Commission notes that since the implementation of intraLATA dialing parity all South Dakota customers now have the ability to preselect a specific carrier for their intraLATA toll calls by dialing "1" plus the number.

It is therefore

ORDERED, that U S WEST's intraLATA toll and wide-area telephone services shall be reclassified as fully competitive; and it is

FURTHER ORDERED, that the Stipulation and Settlement Agreement shall be approved and shall be incorporated by reference into this Order the same as if it had been set forth in its entirety herein.

Dated at Pierre, South Dakota, this 8<sup>th</sup> day of December, 1999.

<b>CERTIFICATE OF SERVICE</b>	
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>Delaine Kelso</u>
Date:	<u>12/8/99</u>
(OFFICIAL SEAL)	

BY ORDER OF THE COMMISSION.

James A. Burg  
JAMES A. BURG, Chairman

Pat Nelson  
PAT NELSON, Commissioner

Laska Schoenfelder  
LASKA SCHOENFELDER, Commissioner

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

SECTION 1  
Page 13  
Release 3  
Effective: 9-28-97

State of South Dakota  
Issued: 8-28-97

**L APPLICATION AND REFERENCE**

**1.3 SUBJECT INDEX (Cont'd)**

	SECTION
Party Line Service .....	2
Pay Per Call Restriction .....	10
Payment for Service .....	2
Payment of Bills .....	2
Payment Plans .....	2
Premium Exchange Services .....	5
Private Branch Exchange (PBX) Trunks .....	5
Private or Hotel Branch Exchange Station Line Mileage .....	10
Public Access Line Service .....	5
Public Communications Service - Coin and Coinless .....	5
Public Emergency Reporting System .....	105
Public Response Calling Service .....	5
Reasons for Termination .....	2
Refusal .....	2
Residence Individual Auxiliary Lines .....	5
Responsibilities of the Customer .....	2
Restoral of Service .....	2
Returned Check Charge .....	2
Rotary Service .....	5
Royalty Fees .....	2
Service Charges .....	3
Service Entrance Facilities - Urban Areas .....	4
Service Liabilities .....	2
Service Stations .....	105
Shared Use Service .....	5
Special Arrangements .....	2
Special Services .....	2
Special Taxes, Fees, Charges .....	2
STAND-BY Line Service .....	5
Supplemental Information Services .....	6
SWITCHNET 56 Service .....	15

13

EXHIBIT  
**B**

**NEXT**

**DOCUMENT (S)**

**BEST IMAGE**

**POSSIBLE**

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

SECTION 1  
 Page 13  
 Release 4  
 Effective: 12-29-99

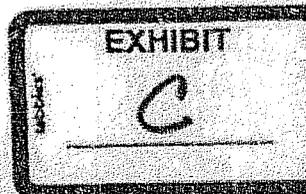
State of South Dakota  
 Issued: 12-22-99

**1. APPLICATION AND REFERENCE**

**L3 SUBJECT INDEX (Cont'd)**

	SECTION
Party Line Service .....	2
Payment for Service .....	2
Payment of Bills .....	2
Payment Plans .....	2
Premium Exchange Services .....	5
Private Branch Exchange (PBX) Trunks .....	5
Private or Hotel Branch Exchange Station Line Mileage .....	10
Public Access Line Service .....	5
Public Communications Service - Coin and Coinless .....	5
Public Emergency Reporting System .....	109
Public Response Calling Service .....	5
Reasons for Termination .....	2
Refusal .....	2
Residence Individual Auxiliary Lines .....	2
Responsibilities of the Customer .....	2
Restoral of Service .....	2
Returned Check Charge .....	2
Rotary Service .....	2
Royalty Fees .....	2
Service Charges .....	3
Service Entrance Facilities - Urban Areas .....	4
Service Liabilities .....	2
Service Stations .....	105
Shared Use Service .....	3
Special Arrangements .....	2
Special Services .....	2
Special Taxes, Fees, Charges .....	2
STAND-BY Line Service .....	5
Supplemental Information Services .....	6
SWITCHNET 56 Service .....	15

(D)



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

SECTION 1  
 Page 13  
 Release 5  
 Effective: 1

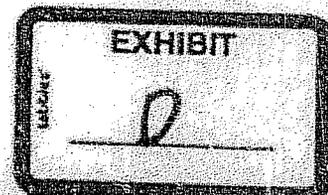
State of South Dakota  
 Issued: 3-24-2000

**1. APPLICATION AND REFERENCE**

**13 SUBJECT INDEX (Cont'd)**

	<b>SECTION</b>
Party Line Service .....	2
Payment for Service .....	2
Payment of Bills .....	2
Payment Plans .....	2
Premium Exchange Services .....	5
Private Branch Exchange (PBX) Trunks .....	5
Private or Hotel Branch Exchange Station Line Mileage .....	10
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Public Communications Service - Coin and Coinless .....	5
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Service Liabilities .....	2
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Special Arrangements .....	2
Special Services .....	2
Special Taxes, Fees, Charges .....	2
STAND-BY Line Service .....	5
Supplemental Information Services .....	6
SWITCHNET 56 Service .....	15

(C)



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

SECTION 10

Page 4.1

Release 1

State of South Dakota  
Issued: 12-22-99

Effective: 12-29-99

10. MISCELLANEOUS SERVICE OFFERINGS

10.4 TOLL RESTRICTION SERVICE (Cont'd)

10.4.5 PAY PER CALL RESTRICTION

(2)

A. Description

Pay Per Call Restriction enables residential and business customers with individual line flat rate or measured rate service to prohibit dialing to 1+900 numbers.

B. Terms and Conditions

This service is subject to availability of existing central office facilities.

C. Rates and Charges

	USOC	NONRECURRING CHARGE	MONTHLY RATE
• Pay Per Call Restriction, per line equipped	RTVXN	\$12.50	-

NOTICE

THE INFORMATION CONTAINED IN THIS DOCUMENT IS SUBJECT TO CHANGE  
without notice

EXHIBIT

E

# U S WEST COMMUNICATIONS, INC.

Exchange and Network  
Services Catalog

SECTION 10

Page 3.1

Release 1

State of South Dakota

Issued: 12-22-99

Effective: 12-29-99

## 10. MISCELLANEOUS SERVICE OFFERINGS

### 10.4 TOLL RESTRICTION SERVICE (Cont'd)

#### 10.4.3 BILLED NUMBER SCREENING (N)

##### A. Description

Billed Number Screening provides a customer the capability of restricting collect and/or third number billing to his/her telephone number.

##### B. Terms and Conditions

1. Callers attempting to place a bill to third number or collect call to an equipped line will be advised by the operator that such billing is unauthorized and another form of billing is required.
2. Some calls, originating from locations that do not have screening capabilities, may not be capable of being intercepted and denied. These calls, e.g., International calls and calls that do not go through the Billing Validation Authority data base, will be billed to the customer if completed.

##### C. Rates and Charges

	USOC	NONRECURRING CHARGE	MONTHLY RATE
• Residence	RTVXQ	\$12.50	-
• Business	RTVXQ	12.50	-

NOTICE

THE INFORMATION CONTAINED IN THIS DOCUMENT IS SUBJECT TO CHANGE

EXHIBIT

F

# U S WEST COMMUNICATIONS, INC.

Exchange and Network  
Services Catalog

SECTION 10

Page 4

Release 2

Effective: 1-1-98

State of South Dakota

Issued: 12-16-97

## 10. MISCELLANEOUS SERVICE OFFERINGS

### 10.4 TOLL RESTRICTION SERVICE (Cont'd)

#### 10.4.4 TOLL RESTRICTION

##### A. Description

Toll Restriction provides for exchange access lines or trunks to be restricted from dialing sent paid toll calls. Local directory assistance calls are allowed. Attempted violation of the restrictions are routed to an announcement.

##### B. Terms and Conditions

1. This service is offered, subject to the availability of existing CO facilities, to individual line residence, individual line business and dial switching type customers.
2. Provision of Toll Restriction does not alleviate customer responsibility for completed toll calls.
3. Subscription to services that incorporate Toll Restriction may prevent the completion of 1-plus local calls.
4. Toll Restriction is available to Lifeline customers without charge. (N)

##### C. Rates and Charges

	USOC	NONRECURRING CHARGE	MONTHLY RATE
• Per line or trunk arranged	KX9	\$25.00	\$3.00
• Per line or trunk arranged[1]	KX9	8.50	-

[1] Applies to residence customers subscribing to Deposit Alternative Service in Credit Culture Trial.

NOTICE

THE INFORMATION CONTAINED IN THIS DOCUMENT IS SUBJECT TO CHANGE.

EXHIBIT

G

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

SECTION 10

Page 5

Release 2

State of South Dakota

Issued: 12-22-99

Effective: 12-29-99

10. MISCELLANEOUS SERVICE OFFERINGS

10.4 TOLL RESTRICTION SERVICE (Cont'd)

10.4.7 BLOCKING FOR 10XXX1+/10XXX011+

A. Description

This service prevents 10XXX1+ and 10XXX011+ calls from being completed. Blocked calls will be routed to an announcement.

B. Terms and Conditions

1. This service is offered subject to the availability of existing central office facilities.
2. Provision of 10XXX1+/10XXX011+ Blocking does not alleviate customer responsibility for completed toll calls.

C. Rates and Charges

	USOC	NONRECURRING CHARGE	MONTHLY RATE
* Per Line, Trunk or Network Access Register Arranged	RTVXY	\$12.50 (1)	\$0.10

NOTICE

THE INFORMATION CONTAINED IN THIS DOCUMENT IS SUBJECT TO CHANGE

EXHIBIT

H

# South Dakota Public Utilities Commission

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



August 17, 2000

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

Re: In the Matter of U S WEST Communications,  
Inc.'s Classification of Certain Services

Dear Mr. Bullard:

Enclosed for filing you will find Commission Staff's Comments with reference to the above captioned matter.

Very truly yours,

Karen E. Cremer  
Staff Attorney

KEC: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 Website  
[www.state.sd.us/puc/](http://www.state.sd.us/puc/)

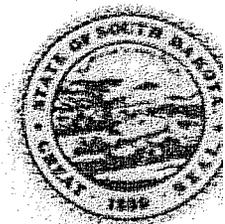
Jim Burg  
Chairman  
Pam Nelson  
Vice-Chairman  
Laska Schoenfelder  
Commissioner

William Bullard Jr.  
Executive Director

Harlan Best  
Martin C. Bettmann  
Sue Cichos  
Karen E. Cremer  
Terry Emerson  
Michele M. Farris  
Marlette Fischbach  
Heather K. Forney  
Lucy Fossen  
Mary Giddings  
Lewis Hammond  
Leni Healy  
Mary Healy  
Cameron Hoseck  
Lisa Hull  
Dave Jacobson  
Jennifer Kirk  
Bob Knadle  
Delaine Kolbo  
Charlene Lund  
Gregory A. Rislov  
Keith Senger  
Rolayne Ailts Wiest

# South Dakota Public Utilities Commission

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



August 17, 2000

Mr. Alex Duarte  
Senior Attorney  
Qwest Corporation  
1801 California Street, Suite 5100  
Denver, CO 80202

Ms. Colleen E. Sevold  
Manager - Regulatory Affairs  
Qwest Corporation  
125 South Dakota Avenue, 8th Floor  
Sioux Falls, SD 57194

Mr. Thomas J. Welk  
Attorney at Law  
Boyce, Murphy McDowell &  
Greenfield, L.L.P.  
P. O. Box 5015  
Sioux Falls, SD 57117-5015

Mr. Andrew O. Isar  
Director - State Affairs  
Association of Communications  
Enterprises  
3220 Uddenberg Lane NW, Suite 4  
Gig Harbor, WA 98335

Re: In the Matter of U S WEST Communications,  
Inc.'s Classification of Certain Services

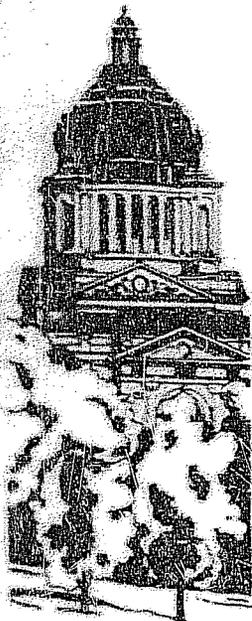
Dear Folks:

Enclosed you will each find a copy of Commission Staff's Comments with reference to the above captioned matter. This is intended as service upon you by mail.

Very truly yours,

Karen E. Cremer  
Staff Attorney

KEC: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 Website  
[www.state.sd.us/puc/](http://www.state.sd.us/puc/)

Jim Burg  
Chairman  
Pam Nelson  
Vice-Chairman  
Laska Schoenfelder  
Commissioner

William Bullard Jr.  
Executive Director

Harlan Best  
Martin C. Bettmann  
Sue Cichos  
Karen E. Cremer  
Terry Emerson  
Michele M. Farris  
Marlette Fischbach  
Heather K. Forney  
Lucy Fossen  
Mary Giddings  
Lewis Hammond  
Leni Healy  
Mary Healy  
Carron Huseck  
Lisa Hull  
Dave Jacobson  
Jennifer Kirk  
Bob Knadle  
Delaine Kolbo  
Charlene Lund  
Gregory A. Rislov  
Keith Senger  
Rolayne Alts Wiest

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

<b>IN THE MATTER OF U S WEST )</b>	<b>COMMISSION STAFF'S</b>
<b>COMMUNICATIONS, INC'S CLASSIFICATION )</b>	<b>COMMENTS</b>
<b>OF CERTAIN SERVICES )</b>	
<b>)</b>	<b>TC00-091</b>

On July 19, 2000, the Public Utilities Commission entered an Order Setting Procedural Schedule in the above captioned matter. The Commission requested that U S WEST explain why it believes the services known as Pay Per Call Restriction, Billed Number Screening, Toll Restriction, and Blocking for 10XXX1+/10XXX011+ have already been classified as fully competitive services in Docket TC99-099. The Commission also requested information as to whether these services are currently being provided by interexchange carriers. Qwest Corporation, formerly U S WEST, filed its comments on August 3, 2000. Intervenor and Commission Staff comments are due August 17, 2000.

Qwest's Exchange and Network Services Tariff (tariff) and Exchange and Network Services Catalog (catalog), before any changes, consisted of a subsection 10.4 entitled, "Toll Restriction Service." These subsections were in both the tariff and catalog.

The first two services that the Commission has concerns with are "Toll Restriction" and "Blocking for 10XXX1+/10XXX011+." Both of these services are already found in the Qwest catalog. The only change made to Toll Restriction by Qwest was to increase the nonrecurring charge for 10XXX1+ and 10XXX011+ from \$4.00 to \$12.50. (See Exhibits G and H to Qwest's August 3, 2000, comments).

In TC00-059, Qwest's Response to Staff's Motion, Qwest included Blocking as a service that was removed from the tariff. This is incorrect as Blocking was never in a tariff.

When the Commission approved the service, it was placed in the **catalog**. Therefore Commission Staff has no issues with the placement of these two services.

The other two services that the Commission expressed concern with are Pay Per Call Restriction and Billed Number Screening. Qwest, on its own, moved 10.4.3 Billed Number Screening from the tariff to the catalog and increased the nonrecurring charge from "no charge" to \$12.50. (Exhibit F to Qwest's August 3, 2000, comments). At the same time Qwest also moved 10.4.5 Pay Per Call Restriction from the tariff to the catalog and increased the nonrecurring charge from "no charge" the first time this service is installed and \$2.50 for each subsequent installation on the same line to \$12.50 per line equipped. (Exhibit E to Qwest's August 3, 2000, comments).

Commission Staff would agree with Qwest that Pay Per Call Restriction is a discretionary and optional service. The \$12.50 one time charge seems awfully high, but Qwest can set the price without Commission review or approval. Reclassification of this service however does need Commission approval.

Commission Staff also is concerned with the \$12.50 nonrecurring charge for Billed Number Screening service that for "[s]ome calls, originating from locations that do not have screening capabilities, may not be capable of being intercepted and denied. These calls, e.g., International calls and calls that do not go through the Billing Validation authority data base, will be billed to the customer if completed." (Exhibit F to Qwest's August 3, 2000, comments). It seems unreasonable to charge customers for a service that is marketed as being capable of restricting collect or third party calls when, in reality, other carriers may assess the end user for those very calls. Qwest states in its August 3, 2000, comments

that it does not know whether interexchange carriers are offering Billed Number Screening as a service. Until Qwest can show that interexchange carriers offer this service, it should remain classified as a noncompetitive service.

It is Commission Staff's position that the Commission determined in TC99-099 that WATS and MTS were fully competitive. Commission Staff only looked at those two products. Commission Staff does not believe that in making WATS and MTS fully competitive that the Commission also intended to make all auxiliary services associated with those services fully competitive. Commission Staff would submit that Billed Number Screening is an auxiliary service and it should remain a noncompetitive service until the Commission determines it to be a fully competitive service.

Dated at Pierre, South Dakota, this 17<sup>th</sup> day of August, 2000.



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

#### CERTIFICATE OF SERVICE

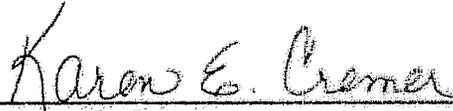
I hereby certify that copies of Commission Staff's Comments were served on the following by mailing the same to them by United States Post Office First Class Mail, postage thereon prepaid, at the address shown below on this the 17<sup>th</sup> day of August, 2000.

Mr. Alex Duarte  
Senior Attorney  
Qwest Corporation  
1801 California Street, Suite 5100  
Denver, CO 80202

Ms. Colleen E. Sevold  
Manager - Regulatory Affairs  
Qwest Corporation  
125 South Dakota Avenue, 8th Floor  
Sioux Falls, SD 57194

Mr. Thomas J. Welk  
Attorney at Law  
Boyce, Murphy McDowell &  
Greenfield, L.L.P.  
P. O. Box 5015  
Sioux Falls, SD 57117-5015

Mr. Andrew O. Isar  
Director - State Affairs  
Association of Communications  
Enterprises  
3220 Uddenberg Lane NW, Suite 4  
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---

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August 28, 2000

VIA FACSIMILE – 605-773-3809

William Bullard, Executive Director  
Public Utilities Commission  
State Capitol Building  
500 East Capitol Avenue  
Pierre, SD 57501

Re: In the Matter of Qwest Corporation's Classification of Certain Services (TC 00-091)  
Our File No. 2104.066

Dear Bill:

Enclosed please find for filing Qwest Corporation's Rebuttal Comments and Certificate of Service in the above referenced matter. The original and ten (10) copies are being mailed to you today.

Sincerely yours,

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

Thomas J. Welk

TJW/vjj  
Enclosure

cc: Karen Cremer  
Andrew Isar  
Colleen Sevold  
Alex Duarte

FAX Received AUG 28 2000

RECEIVED

AUG 30 2000

SOUTH DAKOTA PUBLIC  
UTILITIES COMMISSION

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August 28, 2000

**VIA FACSIMILE**

Andrew O. Isar 253-851-6474  
Director - State Affairs  
Association of Communications Enterprises  
3220 Uddenberg Lane - Suite 4  
Gig Harbor, WA 98335

Karen Cremer 605-773-3809  
SD Public Utilities Commission  
500 E. Capitol Avenue  
Pierre, SD 57501

Re: In the Matter of Qwest Corporation's Classification of Certain Services (TC 00-091)  
Our File No. 2104.066

Dear Karen and Andrew:

Attached please find a copy of Qwest Corporation's Rebuttal Comments and Certificate of Service in the above referenced matter. This is intended as personal service upon you via facsimile.

Sincerely yours.

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



Thomas J. Welk

TJW/vjj  
Enclosure

cc: Colleen Sevold  
Alex Duarte

FAX Received AUG 28 2000

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AUG 30 2000

SOUTH DAKOTA PUBLIC  
UTILITIES COMMISSION

FAX Received AUG 28 2000

RECEIVED

AUG 18 2000

BEFORE THE PUBLIC UTILITIES COMMISSION  
OF THE STATE OF SOUTH DAKOTA

SOUTH DAKOTA PUBLIC  
UTILITIES COMMISSION

**IN THE MATTER OF U S WEST  
COMMUNICATIONS, INC.'S  
CLASSIFICATION OF CERTAIN  
SERVICES**

**TC00-091**

**QWEST CORPORATION'S  
REBUTTAL COMMENTS**

Pursuant to the Order Granting Intervention; Order Setting Procedural Schedule, dated July 19, 2000 (the "Order") entered by the Public Utilities Commission of the State of South Dakota ("the Commission") Qwest Corporation formerly U S WEST Communications, Inc. ("Qwest") files these rebuttal comments to the comments of the Staff of the Commission dated August 17, 2000 ("Staff's Comments"). Qwest has not been served with any comments that have been filed by the Association of Communications Enterprises ("ASCENT")

Staff's Comments do not address Qwest's position that Toll Restriction and Blocking, as defined in Qwest's initial comments, dated August 2, 2000, have been classified as fully competitive. Thus, there appears to be no dispute regarding these two toll services that they are presently classified as fully competitive telecommunications services.

In addition, it appears that there is no dispute that Pay Per Call Restriction is a discretionary and optional service that the Staff agrees would merit fully competitive classification (Staff Comments p. 2). The Staff, however, indicates that reclassification of this service needs to be approved.

Staff's comments appear to address the only remaining telecommunication service at issue (Billed Number Screening). Qwest believes that the Staff's concerns arise from a misunderstanding of the Billed Number Screening service. Billed Number Screening is a service that provides the customer the capability of restricting collect and/or third number billing to their telephone number on all calls that Qwest handles. All carriers have access to the same databases

that Qwest uses, however, Qwest can only control the calls placed through Qwest operators. This service is handled by the toll operator representing the long distance carrier. Qwest does inform customers subscribing to this service that it is not capable of screening all calls. Qwest has no control over whether other toll carriers desire to offer this service. Thus, this service is a toll service offered by toll companies which is deregulated and is offered through toll operators. There should be no dispute whatsoever that Billed Number Screening is a toll service and is therefore fully deregulated under the Commission's Toll Reclassification Order dated December 8, 1999 in Docket TC 99-099 ("Toll Order"). The most important fact regarding this service is that if a customer in South Dakota is not a Qwest toll customer the customer cannot receive the Billed Number Screening service from Qwest. Thus, the Staff's concerns regarding the classification of this service are misplaced.

Finally, the Staff (and the Commission) should be concerned with a violation of SDCI 49-31-85 in regard to the regulation of these Qwest toll services. Based on information provided to Qwest, Black Hills FiberCom, McLeod, AT&T and MCI offer Billed Number Screening which have never been filed or approved by the Commission. If the Commission is going to attempt to regulate any type of toll service offered by Qwest after its Toll Order then the Commission needs to review whether these same types of services offered by other local exchange carriers need to be classified and regulated by the Commission. This type of regulation is unnecessary and unwarranted.

DATED this 28th day of August, 2000,



Thomas J. Welk  
BOYCE, MURPHY, McDOWELL &  
GREENFIELD, L.L.P.  
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Alex M. Duarte  
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(303) 672-5871  
Attorneys for Qwest Corporation formerly  
U S WEST Communications, Inc.

### CERTIFICATE OF SERVICE

I, Thomas J. Welk, do hereby certify that I am a member of the law firm of Boyce, Murphy, McDowell & Greenfield, L.L.P., and on the 28th day of August, 2000 at approximately 11:30 p.m., a true and correct copy of Qwest Corporation's Rebuttal Comments was personally served on the following via facsimile to the following:

Andrew O. Isar          253-0851-6474  
Association of Communications Enterprises  
3220 Uddenberg Lane – Suite 4  
Gig Harbor, WA 98335

Karen Cremer          605-773-3809  
SD Public Utilities Commission  
500 E. Capitol Avenue  
Pierre, SD 57501



---

Thomas J. Welk

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

<b>IN THE MATTER OF U S WEST</b>	)	<b>ORDER DETERMINING</b>
<b>COMMUNICATIONS, INC.'S CLASSIFICATION</b>	)	<b>CLASSIFICATION OF</b>
<b>OF CERTAIN SERVICES</b>	)	<b>SERVICES</b>
	)	
	)	
	)	<b>TC00-091</b>

On March 27, 2000, U S WEST Communications, Inc. (U S WEST) filed with the Public Utilities Commission (Commission) for approval of certain pages from its Exchange and Network Services Tariff. U S WEST stated the changes were to clarify the terms and conditions relating to customer payment options and application of the charge for a payment returned to U S WEST for insufficient funds or a closed account. The application was filed as Docket TC00-059.

On April 10, 2000, Commission Staff filed a motion requesting that the Commission issue an order requiring U S WEST to provide information regarding its actions with respect to one of the tariff pages U S WEST was requesting be approved in Docket TC00-059. Staff stated that the tariff page in question, Exchange and Network Services Tariff, Section 1, page 13, Release 5, had been changed earlier without Commission approval. Specifically, Staff noted that the last release approved for Section 1, Page 13 was release 3, and that U S WEST had not filed for approval of Section 1, Page 13, Release 4. Staff requested that U S WEST be ordered to appear before the Commission, produce the necessary documentation, and further explain its actions and demonstrate to the Commission why U S WEST should not have statutory penalties imposed against it for violation of SDCL 49-31-12.

On May 12, 2000, U S WEST filed its response to Staff's Motion. U S WEST stated that it had made the changes to that tariff page without Commission approval because it removed a toll restriction service from its subject index. U S WEST asserted this change did not need Commission approval because the Commission reclassified toll services as fully competitive in Docket TC99-099. U S WEST also attached pages for other services that it considered to be toll related services.

The Commission has jurisdiction over this matter pursuant to SDCL Chapters 49-13 and 49-31. At its May 17, 2000, meeting, the Commission considered this matter. After listening to arguments from Staff and representatives of U S WEST, the Commission voted to consider the issues raised by Staff's motion and U S WEST's response in this docket. The Commission determined that the issue in this docket will be whether the services that U S WEST referenced in its response are fully competitive services. Specifically, the services in question are: Pay Per Call Restriction; Billed Number Screening; Toll Restriction; and Blocking for 10XXX1+/10XXX011+. The Commission requests that U S WEST explain why it believes that these services have already been classified as fully competitive services in Docket TC99-099. The Commission is interested in knowing whether these services are currently being provided by interexchange carriers.

By order dated July 19, 2000, the Commission granted the Petition for Leave to Intervene of the Association of Communications Enterprises (ASCENT) and set a procedural schedule.

At its November 2, 2000, meeting, the Commission considered this matter. The Commission first notes that Blocking for 10XXX1+/10XXX011+ and Toll Restriction have both been previously classified as fully competitive services. See Docket F-3818 and Docket TC93-015. The Commission voted unanimously to find that Pay Per Call Restriction and Billed Number Screening are optional services and shall be classified as fully competitive services. It is therefore

ORDERED, that Pay Per Call Restriction and Billed Number Screening are optional services and shall be classified as fully competitive services.

Dated at Pierre, South Dakota, this 16<sup>th</sup> day of November, 2000.

<b>CERTIFICATE OF SERVICE</b>
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>Helaine Kalles</u>
Date: <u>11/16/00</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