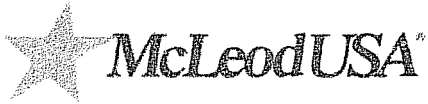


Working  
Docket

TC01-001





December 28, 2000

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

**Re: McLeodUSA Telecom Development, Inc.**

Dear Mr. Bullard:

McLeodUSA Telecom Development, Inc. respectfully submits its petition for approval of an EAS agreement between MTDI and Jefferson Telephone Company. If you have any questions regarding this matter please contact the undersigned at (605) 965-9379. Thank you for your time and consideration in this matter.

Sincerely,



Robert B. Griffith  
Network Counsel  
McLeodUSA Telecom Development, Inc.  
5100 South McLeod Lane  
Sioux Falls, SD 57108

RECEIVED

JAN 2 2001

SOUTH DAKOTA PUBLIC  
UTILITIES COMMISSION

BEFORE THE PUBLIC UTILITIES COMMISSION  
OF THE STATE OF SOUTH DAKOTA

IN THE MATTER OF COMMISSION	)	Petition For Approval of EAS
APPROVAL OF AN EXTENDED AREA	)	Agreement
SERVICE AGREEMENT BETWEEN	)	
MCLEODUSA TELECOM DEVELOPMENT,	)	
INC. F/K/A DAKOTA TELECOM, INC. AND		
JEFFERSON TELEPHONE COMPANY		

The Petitioner, McLeodUSA Telecom Development, Inc., hereby petitions the South Dakota Public Utilities Commission pursuant to ARSD 20:10:32:11 to approve the Extended Area Service Agreement between Petitioner and Jefferson Telephone Company.

I

McLeodUSA Telecom Development, Inc., F/K/A Dakota Telecom, Inc., ("Petitioner") has a Certificate of Authority and is in good standing with the South Dakota Public Utilities Commission. Currently, Petitioner offers local exchange service in a number of cities in Southeastern South Dakota. Specifically, Petitioner offers local exchange service in Elk Point, South Dakota. However, Petitioner does not offer local exchange service in Jefferson, South Dakota. To facilitate better service to its customers, Petitioner desires to offer Extended Area Service from Elk Point to the consumers within the city of Jefferson.

RECEIVED

JAN 07 2001

SOUTH DAKOTA PUBLIC  
UTILITIES COMMISSION

## II

Jefferson Telephone Company ("Jefferson") is a company with a Certificate of Authority and is in good standing with the South Dakota Public Utilities Commission. Jefferson offers local exchange service in the city of Jefferson, South Dakota.

## III

Jefferson and Petitioner have entered into an agreement for Extended Area of Service between Jefferson and Elk Point, South Dakota. Currently, the citizens of Jefferson cannot call outside of the city without incurring a toll charge. See attached copy at (Exhibit 1)

## IV

This agreement will allow citizens of Elk Point and Jefferson to call one another without a toll charge. Citizens of Jefferson will especially benefit from this agreement as Union County is a consolidated school district and the citizens of Jefferson will now be able to call the school their children attend in Elk Point without a toll charge. Additionally, the school will be able to call Jefferson Parents without incurring a toll charge, thus lower expenses and increasing convenience both the school district and parents.

## V

The EAS agreement will not be contrary to universal service, public safety and welfare, quality of service or conflict with the rights of consumers. In fact, this EAS

agreement will be of great benefit to all consumers in the two cities. For example, now residents of Jefferson can call the Union County Sheriff's office for non-emergencies without a toll charge. Consumers in Jefferson who make a call to Elk Point will not longer be required to pay toll charges for that call. The agreement between Petitioner and Jefferson will better serve the needs of both communities.

VI

For all of the reasons set forth above Petitioner respectfully requests that the Commission approve the Extended Area Service Agreement between Petitioner and Jefferson Communications Company. The convenience of local calling to consumers of both Elk Point and Jefferson will serve the public interest and will not be a detriment to consumers or universal service.

Respectfully submitted this 27<sup>th</sup> day of December, 2000



Robert B. Griffis  
Barbara E. Berkenpas  
Patrick J. Mastel  
William P. Heaston  
McLeodUSA Telecom Development, Inc.  
5100 South McLeod Lane  
Sioux Falls, SD 57108  
(605) 965-9379  
Its Attorneys

MUTUAL TRAFFIC EXCHANGE AGREEMENT  
NONEXCLUSIVE

This Mutual Traffic Exchange Agreement ("Agreement") is effective as provided herein by and between Dakota Telecom, Inc., a wholly owned subsidiary of McLeodUSA Incorporated ("McLeodUSA") and Jefferson telephone Company ("Jefferson").

Whereas, McLeodUSA has obtained authority from the South Dakota Public Utilities Commission ("SDPUC") to provide local exchange service in one or more local exchange areas adjacent to areas served by Jefferson; and

Whereas McLeodUSA and Jefferson desire to exchange traffic within and between the cities of Jefferson, South Dakota and Elk Point South Dakota thus creating an Extended Area of Service to their respective customers. This arrangement shall be nonexclusive in nature as to allow other companies to provide the same EAS area.

In consideration of the mutual obligations set forth below, the parties agree to the following terms and conditions:

1. McLeodUSA and Jefferson agree to exchange traffic pursuant to this Agreement. Traffic is defined as local traffic that originates in the local serving area of one party and terminates in the local service area of the other party. This Agreement applies only to traffic between Jefferson and Elk Point. The exchange of any other traffic is/will be subject to a separate agreement. This provision in no way limits either party's rights under the Communications Act of 1934, as amended, state laws or regulatory decisions.
2. Each party shall be responsible for ensuring that it has facilities in place to each other to transu traffic between the parties' networks.
3. McLeodUSA and Jefferson agree to terminate traffic on a bill and keep basis of compensation. Bill and keep shall mean that the originating party has no obligation to pay terminating charges to the terminating party, regardless of any charges the originating party may assess its end users.
4. McLeodUSA and Jefferson agree to load each other's NXX codes, which may change from time to time, into their respective switch translation databases in a reasonable and timely manner, in accordance with standard industry practices.
5. McLeodUSA and Jefferson agree to interconnect their SS7 (Signaling System 7) networks either directly or through third parties. McLeodUSA and Jefferson further agree to exchange TCAP messages that are necessary to provide call management features (automatic callback, automatic recall, and screening list editing) between the McLeodUSA local STPs (Signaling Transfer Points) and the STPs that provide connectivity with the Jefferson local switch. The parties agree to set message screening parameters so as to accept messages from any switching systems destined to any signaling point in the SS7 network with which the parties have a legitimate signaling relation. The parties further agree to exchange and load point code information in a reasonable and timely manner in accordance with standard industry

practices. Neither party will bill the other party for exchange of these ICAP (Transaction Capabilities Application Part) messages.

6. Each party will maintain and keep current its own customer information in currently available databases used in the provision of intercompany operator services (e.g., local assistance, directory assistance, directory assistance call completion, busy line verification/interrupt), and will ensure that the other party's access to such information is not restricted.
7. This Agreement shall commence when fully executed and have an initial term of Five (5) years. This Agreement will automatically renew for successive one year periods, unless either party requests renegotiation or gives notice of termination at least sixty (60) days prior to the expiration of the initial or any renewal term.
8. Except for a party's willful or intentional misconduct, or gross negligence, neither party shall be liable to the other for any lost profits or revenues or for any indirect, incidental, special or consequential damages arising out of or related to this Agreement or the provision of service hereunder. A repeated breach of a material obligation under this Agreement may be offered as evidence of willful or intentional misconduct, or gross negligence. A party's liability shall not be limited with respect to its indemnification obligations under this Agreement.
9. (a) Each party (the "Indemnifying Party") will indemnify and hold harmless the other party ("Indemnified Party") from and against any loss, cost, claim, liability, damage expense (including reasonable attorney's fees) to third parties, relating to or arising out of the libel, slander, invasion of privacy, misappropriation of a name or likeness, negligence or willful misconduct by the Indemnifying Party, its employees, agents, or contractors in the performance of this Agreement or the failure of the Indemnifying Party to perform its obligations under this Agreement. In addition, the Indemnifying Party will, to the extent of its obligations to indemnify hereunder, defend any action or suit brought by a Third Party against the Indemnified Party.  
  
(b) The Indemnified Party will (i) notify the Indemnifying Party promptly in writing of any written claims, lawsuits, or demand by third parties for which the Indemnified Party alleges that the Indemnifying Party is responsible under this Section and (ii) tender the defense of such claim, lawsuit or demand to the Indemnifying Party. The Indemnified Party also will cooperate in every reasonable manner with the defense or settlement of such claim, demand, or lawsuit. The Indemnifying Party shall keep the Indemnified Party reasonably and timely apprised of the status of the claim, demand or lawsuit. The Indemnified Party shall have the right to retain its own counsel, at its expense, and participate in but not direct the defense, provided, however, that if there are reasonable defenses in addition to those asserted by the Indemnifying Party, the Indemnified Party and its counsel may direct such defenses, which shall be at the expense of the Indemnifying Party.  
  
(c) The Indemnifying Party will not be liable under this Section for settlements or compromises by the Indemnified Party of any claim, demand, or lawsuit unless the Indemnifying Party has approved the settlement or compromise in advance or unless the



defense of the claim, demand, or lawsuit has been tendered to the Indemnifying Party in writing and the Indemnifying Party has failed to promptly undertake the defense

10. Neither party shall be held liable for any delay or failure in performance of any part of this Agreement from any cause beyond its control and without its fault or negligence, such as acts of God, acts of civil or military authority, embargoes, epidemics, war, terrorist acts, riots, insurrections, fires, explosions, earthquakes, nuclear accidents, floods, power blackouts, or unusually severe weather. In the event of any such excused delay in the performance of a party's obligation(s) under this Agreement, the due date for the performance of the original obligation(s) shall be extended by a term equal to the time lost by reason of the delay. In the event of such delay, the delaying party shall perform its obligations at a performance level no less than that which it uses for its own operations.
11. Nothing contained herein shall constitute the parties as joint venturers, partners, employees or agents of one another, and neither party shall have the right or power to bind or obligate the other.
12. (a) The parties agree that it may be necessary to exchange certain confidential information during the term of this Agreement including, without limitation, technical and business plans, technical information, proposals, specifications, drawings, procedures, orders for services, usage information in any form, customer account data and Customer Proprietary Network Information ("CPNI") as that term is defined by the Communications Act of 1934, as amended, and the rules and regulations of the Federal Communications Commission and similar information ("Confidential Information"). The Confidential Information is deemed proprietary to the Disclosing Party and it shall be protected by the Recipient as the Recipient would protect its own proprietary information. Confidential Information shall not be disclosed or used for any purpose other than to provide service as specified in this Agreement.  
  
(b) Recipient shall have no obligation to safeguard Confidential Information (i) which was in the Recipient's possession free of restriction prior to its receipt from Disclosing Party, (ii) after it becomes publicly known or available through no breach of this Agreement by Recipient, (iii) after it is rightfully acquired by Recipient free of restrictions on its Disclosing Party, or (iv) after it is independently developed by personnel of Recipient to whom the Disclosing Party's Confidential information had not been previously disclosed. Recipient may disclose Confidential Information if required by law, a court, or governmental agency, provided that Disclosing Party has been notified of the requirement promptly after Recipient becomes aware of the requirement, and provided that Recipient undertakes all lawful measures to avoid disclosing such information until Disclosing Party has had reasonable time to obtain a protective order. Recipient agrees to comply with any protective order that covers the Confidential Information to be disclosed.  
  
(c) Each party agrees that Disclosing Party would be irreparably injured by a breach of this Agreement by Recipient or its representatives and that Disclosing Party shall be entitled to seek equitable relief, including injunctive relief and specific performance, in the event of any breach of this paragraph. Such remedies shall not be exclusive, but shall be in addition to all other remedies available at law or in equity.

13. All notices or other communication hereunder shall be deemed to have been duly given when made in writing and delivered in person or deposited in the United States mail, certified mail, postage prepaid, return receipt requested and addressed as follows:

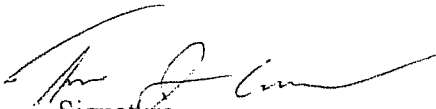
To McLeodUSA: McLeodUSA  
 5100 S McLeod Lane  
 Sioux Falls, SD 57108

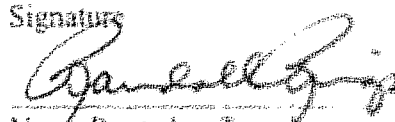
To Jefferson Telephone  
 Jefferson Telephone company  
 PO Box 128  
 311 Main St  
 Jefferson, SD 57038

If personal delivery is selected to give notice, a receipt of such delivery shall be obtained. The address to which notices or communications may be given to either party may be changed by written notice given by such party to the other pursuant to this Section.

14. If any part of this Agreement is held to be invalid for any reason, such invalidity will affect only the portion of the Agreement that is invalid. In all other respects this Agreement will stand as if such invalid provision had not been a part thereof, and the remainder of the Agreement shall remain in full force and effect.
15. This Agreement shall be binding upon, and inure to the benefit of, the parties hereto and their respective successors and permitted assigns. Any assignment by either party of any right, obligation, or duty, in whole or in part, or of any interest, to a non-affiliated entity without the written consent of the other party shall be void. A party assigning or delegating this Agreement or any right, obligation, duty or other interest hereunder to an affiliate shall provide written notice to the other party.
16. This Agreement constitutes the entire matter hereof and supercedes all prior oral or written agreements, representations, statements, negotiations, understandings, proposals, and undertakings with respect to the subject matter thereof.
17. This Agreement may be executed in counterparts and such counterparts shall together constitute one and the same instrument.

McLeodUSA and Jefferson hereby authorize and execute this Agreement:

  
 Signature  
 Tom J Connors  
 Name Printed or Typed  
 Manager  
 Title  
 12/12/00

  
 Signature  
 Randall Kings  
 Name Printed or Typed  
 Title  
 VP & Secretary  
 12/15/00

105-0000  
 10000000  
 10/1/00  
 10/1/00

CERTIFICATE OF SERVICE

I, Dawn Haase, on the 28<sup>th</sup> of December, 2000, served the attached filing by U S mail to all persons at the addresses indicated below

Mr. William Butiard  
South Dakota Public Utilities Commission  
State Capitol, 500 East Capitol  
Pierre, SD 57501-5070

Mr. Tom Connors  
Jefferson Telephone Company  
311 Main Street  
Jefferson, SD 57038

Dawn Haase

South Dakota Public Utilities Commission  
WEEKLY FILINGS  
For the Period of December 21, 2000 through January 3, 2001

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

**CONSUMER COMPLAINTS**

**CT01-001**      **In the Matter of the Complaint filed by Walter Misemer on behalf of The Connection, Rapid City, South Dakota, against ILD Teleservices, Inc. and NCP, Inc. Regarding Unauthorized Billing for Services.**

The Complainant claims that The Connection did not authorize the charges for a collect call which appeared on its billing. During an informal investigation of the complaint NCP did not respond to the complaint. The Complainant seeks credit for the charges.

Staff Analyst: Leni Healy  
Staff Attorney: Kelly Frazier  
Date Docketed: 01/02/01  
Intervention Deadline: N/A

**TELECOMMUNICATIONS**

**TC01-001**      **In the Matter of the Filing for Approval of an Extended Area Service Agreement between McLeodUSA Telecom Development, Inc. f/k/a Dakota Telecom, Inc. and Jefferson Telephone Company.**

McLeodUSA Telecom Development, Inc.(McLeodUSA) has filed a petition with the South Dakota Public Utilities Commission to approve the Extended Area Service Agreement between McLeodUSA and Jefferson Telephone. Currently, McLeodUSA provides local exchange service in Elk Point, SD but not in Jefferson, SD. To facilitate better service to its customers, McLeodUSA desires to offer Extended Area Service from Elk Point to the consumers within the city of Jefferson.

Staff Analyst: Michele Farris  
Staff Attorney: Kelly Frazier  
Date Docketed: 01/02/01  
Intervention Deadline: 01/19/01

You may receive this listing and other PUC publications via our website or via internet e-mail.  
You may subscribe or unsubscribe to the PUC mailing lists at <http://www.state.sd.us/puc/>



TC01-001

RECEIVED

JAN 08 2001

SOUTH DAKOTA PUBLIC  
UTILITIES COMMISSION

January 5, 2001

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

**Re: McLeodUSA Telecom Development, Inc.**

Dear Mr. Bullard:

McLeodUSA Telecom Development, Inc. respectfully resubmits its petition for approval of an EAS agreement between MTDI and Jefferson Telephone Company. Our first filing mistakenly made reference to the city of Jefferson juxtaposed to the Jefferson Exchange. Remember that this agreement only allows McLeodUSA customers in Elk Point and Jefferson Exchange customers to exchange calls to each other toll free. This agreement does not include Quest or any other telecommunications customers in Elk Point. If you have any questions regarding this matter please contact the undersigned at (605) 965-9379. Thank you for your time and consideration in this matter.

Sincerely,



Robert B. Griffis  
Network Counsel  
McLeodUSA Telecom Development, Inc.  
5100 South McLeod Lane  
Sioux Falls, SD 57108

BEFORE THE PUBLIC UTILITIES COMMISSION  
OF THE STATE OF SOUTH DAKOTA

RECEIVED

JAN 08 2001

SOUTH DAKOTA PUBLIC  
UTILITIES COMMISSION

IN THE MATTER OF COMMISSION  
APPROVAL OF AN EXTENDED AREA  
SERVICE AGREEMENT BETWEEN  
MCLEODUSA TELECOM DEVELOPMENT,  
INC. F/K/A DAKOTA TELECOM. INC. AND  
JEFFERSON TELEPHONE COMPANY

) Revised Petition For Approval of  
) EAS Agreement  
)  
)

The Petitioner, McLeodUSA Telecom Development, Inc., hereby petitions the South Dakota Public Utilities Commission pursuant to ARSD 20:10:32:11 to approve the Extended Area Service Agreement between Petitioner and Jefferson Telephone Company

I

McLeodUSA Telecom Development, Inc., F/K/A Dakota Telecom, Inc., ("Petitioner") has a Certificate of Authority and is in good standing with the South Dakota Public Utilities Commission. Currently, Petitioner offers local exchange service in a number of cities in Southeastern South Dakota. Specifically, Petitioner offers local exchange service in Elk Point, South Dakota. However, Petitioner does not offer local exchange service in the Jefferson, South Dakota Exchange. To facilitate better service to its customers, Petitioner desires to offer Extended Area Service from Elk Point to the consumers within the Jefferson Exchange.

## II

Jefferson Telephone Company ("Jefferson") is a company with a Certificate of Authority and is in good standing with the South Dakota Public Utilities Commission. Jefferson offers local exchange service in and around the city of Jefferson, South Dakota.

## III

Jefferson and Petitioner have entered an agreement for Extended Area of Service between the Jefferson Exchange and Elk Point, South Dakota. Currently, the citizens of Jefferson cannot call outside of the Jefferson Exchange without incurring a toll charge. See attached copy at (Exhibit 1)

## IV

This agreement will allow citizens of Elk Point and Jefferson to call one another without a toll charge. Citizens in the Jefferson Exchange will especially benefit from this agreement as Union County is a consolidated school district and the citizens within the Jefferson Exchange will now be able to call the school their children attend in Elk Point without a toll charge. Additionally, the school will be able to call Jefferson Parents without incurring a toll charge, thus lower expenses and increasing convenience both the school district and parents.

## V


The EAS agreement will not be contrary to universal service, public safety and welfare, quality of service or conflict with the rights of consumers. In fact, this EAS

agreement will be of great benefit to all consumers in the two areas. For example, now residents within the Jefferson Exchange can call the Union County Sheriff's office for non-emergencies without a toll charge. Consumers within the Jefferson Exchange who make a call to Elk Point will not longer be required to pay toll charges for that call. The agreement between Petitioner and Jefferson will better serve the needs of both communities.

## VI

For all of the reasons set forth above Petitioner respectfully requests that the Commission approve the Extended Area Service Agreement between Petitioner and Jefferson Communications Company. The convenience of local calling to consumers of both Elk Point and the Jefferson Exchange will serve the public interest and will not be a detriment to consumers or universal service.

Respectfully submitted this 5<sup>th</sup> day of January, 2001



Robert B. Griffis  
Barbara E. Berkenpas  
Patrick J. Mastel  
William P. Heaston  
McLeodUSA Telecom Development, Inc.  
5100 South McLeod Lane  
Sioux Falls, SD 57108  
(605) 965-9379  
Its Attorneys



MUTUAL TRAFFIC EXCHANGE AGREEMENT  
NONEXCLUSIVE

This Mutual Traffic Exchange Agreement ("Agreement") is effective as provided herein by and between Dakota Telecom, Inc., a wholly owned subsidiary of McLeodUSA Incorporated ("McLeodUSA") and Jefferson telephone Company ("Jefferson").

Whereas, McLeodUSA has obtained authority from the South Dakota Public Utilities Commission ("SDPUC") to provide local exchange service in one or more local exchange areas adjacent to areas served by Jefferson; and

Whereas McLeodUSA and Jefferson desire to exchange traffic within and between the cities of Jefferson, South Dakota and Elk Point South Dakota thus creating an Extended Area of Service to their respective customers. This arrangement shall be nonexclusive in nature as to allow other companies to provide the same EAS area.

In consideration of the mutual obligations set forth below, the parties agree to the following terms and conditions:

1. McLeodUSA and Jefferson agree to exchange traffic pursuant to this Agreement. Traffic is defined as local traffic that originates in the local serving area of one party and terminates in the local service area of the other party. This Agreement applies only to traffic between Jefferson and Elk Point. The exchange of any other traffic is/will be subject to a separate agreement. This provision in no way limits either party's rights under the Communications Act of 1934, as amended, state laws or regulatory decisions.
2. Each party shall be responsible for ensuring that it has facilities in place to each other to transit traffic between the parties' networks.
3. McLeodUSA and Jefferson agree to terminate traffic on a bill and keep basis of compensation. Bill and keep shall mean that the originating party has no obligation to pay terminating charges to the terminating party, regardless of any charges the originating party may assess its end users.
4. McLeodUSA and Jefferson agree to load each other's NXX codes, which may change from time to time, into their respective switch translation databases in a reasonable and timely manner, in accordance with standard industry practices.
5. McLeodUSA and Jefferson agree to interconnect their SS7 (Signaling System 7) networks either directly or through third parties. McLeodUSA and Jefferson further agree to exchange TCAP messages that are necessary to provide call management features (automatic callback, automatic recall, and screening list editing) between the McLeodUSA local STPs (Signaling Transfer Points) and the STPs that provide connectivity with the Jefferson local switch. The parties agree to set message screening parameters so as to accept messages from any switching systems destined to any signaling point in the SS7 network with which the parties have a legitimate signaling relation. The parties further agree to exchange and load point code information in a reasonable and timely manner in accordance with standard industry

practices. Neither party will bill the other party for exchange of these TCAP (Transaction Capabilities Application Part) messages.

- 6 Each party will maintain and keep current its own customer information in currently available databases used in the provision of intercompany operator services (e.g., local assistance, directory assistance, directory assistance call completion, busy line verification/interrupt), and will ensure that the other party's access to such information is not restricted.
- 7 This Agreement shall commence when fully executed and have an initial term of Five (5) years. This Agreement will automatically renew for successive one year periods, unless either party requests renegotiation or gives notice of termination at least sixty (60) days prior to the expiration of the initial or any renewal term.
- 8 Except for a party's willful or intentional misconduct, or gross negligence, neither party shall be liable to the other for any lost profits or revenues or for any indirect, incidental, special or consequential damages arising out of or related to this Agreement or the provision of service hereunder. A repeated breach of a material obligation under this Agreement may be offered as evidence of willful or intentional misconduct, or gross negligence. A party's liability shall not be limited with respect to its indemnification obligations under this Agreement.
- 9 (a) Each party (the "Indemnifying Party") will indemnify and hold harmless the other party ("Indemnified Party") from and against any loss, cost, claim, liability, damage expense (including reasonable attorney's fees) to third parties, relating to or arising out of the libel, slander, invasion of privacy, misappropriation of a name or likeness, negligence or willful misconduct by the Indemnifying Party, its employees, agents, or contractors in the performance of this Agreement or the failure of the Indemnifying Party to perform its obligations under this Agreement. In addition, the Indemnifying Party will, to the extent of its obligations to indemnify hereunder, defend any action or suit brought by a Third Party against the Indemnified Party.  
  
(b) The Indemnified Party will (i) notify the Indemnifying Party promptly in writing of any written claims, lawsuits, or demand by third parties for which the Indemnified Party alleges that the Indemnifying Party is responsible under this Section and (ii) tender the defense of such claim, lawsuit or demand to the Indemnifying Party. The Indemnified Party also will cooperate in every reasonable manner with the defense or settlement of such claim, demand, or lawsuit. The Indemnifying Party shall keep the Indemnified Party reasonably and timely apprised of the status of the claim, demand or lawsuit. The Indemnified Party shall have the right to retain its own counsel, at its expense, and participate in but not direct the defense, provided, however, that if there are reasonable defenses in addition to those asserted by the Indemnifying Party, the Indemnified Party and its counsel may direct such defenses, which shall be at the expense of the Indemnifying Party.  
  
(c) The Indemnifying Party will not be liable under this Section for settlements or compromises by the Indemnified Party of any claim, demand, or lawsuit unless the Indemnifying Party has approved the settlement or compromise in advance or unless the

defense of the claim, demand, or lawsuit has been tendered to the Indemnifying Party in writing and the Indemnifying Party has failed to promptly undertake the defense.

- 10 Neither party shall be held liable for any delay or failure in performance of any part of this Agreement from any cause beyond its control and without its fault or negligence, such as acts of God, acts of civil or military authority, embargoes, epidemics, war, terrorist acts, riots, insurrections, fires, explosions, earthquakes, nuclear accidents, floods, power blackouts, or unusually severe weather. In the event of any such excused delay in the performance of a party's obligation(s) under this Agreement, the due date for the performance of the original obligation(s) shall be extended by a term equal to the time lost by reason of the delay. In the event of such delay, the delaying party shall perform its obligations at a performance level no less than that which it uses for its own operations.
- 11 Nothing contained herein shall constitute the parties as joint venturers, partners, employees or agents of one another, and neither party shall have the right or power to bind or obligate the other.
- 12 (a) The parties agree that it may be necessary to exchange certain confidential information during the term of this Agreement including, without limitation, technical and business plans, technical information, proposals, specifications, drawings, procedures, orders for services, usage information in any form, customer account data and Customer Proprietary Network Information ("CPNI") as that term is defined by the Communications Act of 1934, as amended, and the rules and regulations of the Federal Communications Commission and similar information ("Confidential Information"). The Confidential Information is deemed proprietary to the Disclosing Party and it shall be protected by the Recipient as the Recipient would protect its own proprietary information. Confidential Information shall not be disclosed or used for any purpose other than to provide service as specified in this Agreement.  
  
(b) Recipient shall have no obligation to safeguard Confidential Information (i) which was in the Recipient's possession free of restriction prior to its receipt from Disclosing Party, (ii) after it becomes publicly known or available through no breach of this Agreement by Recipient, (iii) after it is rightfully acquired by Recipient free of restrictions on its Disclosing Party, or (iv) after it is independently developed by personnel of Recipient to whom the Disclosing Party's Confidential information had not been previously disclosed. Recipient may disclose Confidential Information if required by law, a court, or governmental agency, provided that Disclosing Party has been notified of the requirement promptly after Recipient becomes aware of the requirement, and provided that Recipient undertakes all lawful measures to avoid disclosing such information until Disclosing Party has had reasonable time to obtain a protective order. Recipient agrees to comply with any protective order that covers the Confidential Information to be disclosed.  
  
(c) Each party agrees that Disclosing Party would be irreparably injured by a breach of this Agreement by Recipient or its representatives and that Disclosing Party shall be entitled to seek equitable relief, including injunctive relief and specific performance, in the event of any breach of this paragraph. Such remedies shall not be exclusive, but shall be in addition to all other remedies available at law or in equity.

13 All notices or other communication hereunder shall be deemed to have been duly given when made in writing and delivered in person or deposited in the United States mail, certified mail, postage prepaid, return receipt requested and addressed as follows:

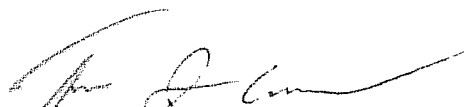
To McLeodUSA: McLeodUSA  
5100 S McLeod Lane  
Sioux Falls, SD 57108

To Jefferson Telephone  
Jefferson Telephone company  
PO Box 128  
311 Main St.  
Jefferson, SD 57038

If personal delivery is selected to give notice, a receipt of such delivery shall be obtained. The address to which notices or communications may be given to either party may be changed by written notice given by such party to the other pursuant to this Section.

14. If any part of this Agreement is held to be invalid for any reason, such invalidity will affect only the portion of the Agreement that is invalid. In all other respects this Agreement will stand as if such invalid provision had not been a part thereof, and the remainder of the Agreement shall remain in full force and effect.
15. This Agreement shall be binding upon, and inure to the benefit of, the parties hereto and their respective successors and permitted assigns. Any assignment by either party of any right, obligation, or duty, in whole or in part, or of any interest, to a non-affiliated entity without the written consent of the other party shall be void. A party assigning or delegating this Agreement or any right, obligation, duty or other interest hereunder to an affiliate shall provide written notice to the other party.
16. This Agreement constitutes the entire matter hereof and supersedes all prior oral or written agreements, representations, statements, negotiations, understandings, proposals, and undertakings with respect to the subject matter thereof.
17. This Agreement may be executed in counterparts and such counterparts shall together constitute one and the same instrument.

McLeodUSA and Jefferson hereby authorize and execute this Agreement.

  
Signature

Tom J Connors

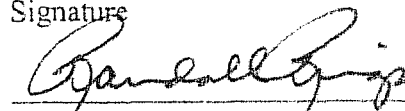
Name Printed or Typed

Manager

Title

12/13/00

Signature



Name Printed or Typed

Randall Rings

Title

VP & Secretary

12/15/00

DATE

LOW GROUP

APPROVED  
RM/RR

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

IN THE MATTER OF THE FILING FOR )	ORDER GRANTING
APPROVAL OF AN EXTENDED AREA )	APPROVAL OF EXTENDED
SERVICE AGREEMENT BETWEEN )	AREA SERVICE
MCLEODUSA TELECOM DEVELOPMENT, INC. )	AGREEMENT
f/k/a DAKOTA TELECOM, INC. AND )	
JEFFERSON TELEPHONE COMPANY )	TC01-001

On January 2, 2001, the South Dakota Public Utilities Commission (Commission) pursuant to ARSD 20 10:32:11 received a petition for approval of an extended area service agreement between McLeodUSA Telecom Development, Inc. (McLeodUSA) f/k/a Dakota Telecom, Inc. and Jefferson Telephone Company. On January 8, 2001, the Commission received a revised petition for approval of an extended area service agreement clarifying that the first filing mistakenly made reference to the City of Jefferson and corrected the original petition to reflect that the petitioner desired to offer extended area service from Elk Point to the consumers within the Jefferson Exchange.

On January 4, 2001, the Commission electronically transmitted notice of the filing and the intervention deadline of January 19, 2001, to interested individuals and entities. No petitions to intervene or comments were filed. At its regularly scheduled February 6, 2001, meeting, the Commission considered McLeodUSA's petition. Commission Staff recommended approval of the petition.

The Commission has jurisdiction in this matter pursuant to SDCL Chapters 1-26 and 49-31 and ARSD 20 10:32:11. The Commission found that McLeodUSA had shown that the extended area service agreement would not be contrary to universal service, public safety and welfare, quality of service, and consumer rights concerns. It is therefore

ORDERED, that the petition of McLeodUSA for approval of extended area service agreement is hereby approved.

Dated at Pierre, South Dakota, this 13<sup>th</sup> day of February, 2001

<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><i>Althea Kaelbo</i></u>
Date	<u>2/14/01</u>
(OFFICIAL SEAL)	

BY ORDER OF THE COMMISSION:

*James A. Burg*  
JAMES A. BURG, Chairman

*Pam Nelson*  
PAM NELSON, Commissioner