

TC02-051

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May 22, 2002

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MAY 22 2002

SOUTH DAKOTA PUBLIC
UTILITIES COMMISSION

HAND DELIVERED

Debra Elofson
Executive Secretary
Public Utilities Commission
500 East Capitol Avenue
Pierre, South Dakota 57501

RE: **INTERCONNECTION AGREEMENT BETWEEN MCLEODUSA AND MIDCONTINENT COMMUNICATIONS**
Our file: 0053

Dear Debra:

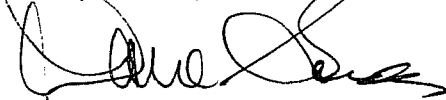
With respect to this filing, we represent both Midcontinent and McLeodUSA. Enclosed are two copies of an Interconnection Agreement between McLeod and Midcontinent, accompanied by a summarization statement required by ARSD 20:10:32:21. Please file the enclosures.

If there is anything further which the Commission requires, please contact me. Otherwise, please docket the enclosures for consideration and approval by the Commission under its rules.

I am enclosing an extra face page from the summarization statement, please date stamp the face page and return it to me in the enclosed self-addressed stamped envelope. Thank you very much.

Yours truly,

MAY, ADAM, GERDES & THOMPSON LLP



DAVID A. GERDES
DAG:mw
Enclosures
cc: Tom Simmons
Pat Mastel

TC02-051
APPROVED
Pjm
Law Group
Date *5-8-02*

INTERCONNECTION AGREEMENT

between

MIDCONTINENT COMMUNICATIONS COMPANY

and

MCLEODUSA TELECOM DEVELOPMENT, INC.

for

SOUTH DAKOTA

INTERCONNECTION AGREEMENT

This Interconnection Agreement, made as of the 10th day of MAY, 2002, is between McLeodUSA Telecom, Inc. and McLeodUSA Telecommunications Systems, Inc., and McLeodUSA Incorporated (collectively "McLeodUSA") and Midcontinent Communications ("Midcontinent").

I. RECITALS

Pursuant to this Interconnection Agreement ("Agreement"), McLeodUSA and Midcontinent (collectively, "the Parties") will extend certain facility arrangements to one another within the DK1 service areas. This Agreement includes terms, conditions, and prices for resale and facilities-based network interconnection.

II. SCOPE OF AGREEMENT

- A. This Agreement sets forth the terms, conditions and prices under which the parties agree to provide interconnection and reciprocal compensation for the exchange of local traffic between Midcontinent and McLeodUSA in the DK1 service areas. The Agreement includes all accompanying appendices.
- B. In the performance of their obligations under this Agreement, the Parties shall act in good faith and consistently with the intent of the Act. Where notice, approval or similar action by a Party is permitted or required by any provision of this Agreement, such action shall not be reasonably delayed, withheld or conditioned.

III. DEFINITIONS

- A. "Act" means the Communications Act of 1934 (47 U.S.C. § 151, et. seq.), as amended by the Telecommunications Act of 1996, and as from time to time interpreted judicially and in the duly authorized rules and regulations of the FCC or the Commission within its state of jurisdiction.
- B. "Calling Party Number" or "CPN" is a Common Channel Signaling ("CCS") parameter which refers to the number transmitted through a network identifying the calling party. Reference Technical Pub. 77342.
- C. "Commission" means the South Dakota Public Utilities Commission.
- D. "Common Channel Signaling" or "CCS" means a method of digitally transmitting call set-up and network control data over a special signaling network fully separate from the public voice switched network elements that carry the actual call. The CCS used by the Parties shall be Signaling System 7.

- E. "Interconnection" is as described in the Act and refers to the connection of separate pieces of equipment, facilities, or platforms between or within networks for the purpose of transmission and routing of telecommunications traffic.
- F. "LIS" is defined as local interconnection services.
- G. "Local Traffic" means traffic that is originated by an end user of one Party in an exchange and terminates to an end user of the other Party in the same exchange.
- H. "North American Numbering Plan" or "NANP" means the numbering plan used in the United States that also serves Canada, Bermuda, Puerto Rico and certain Caribbean Islands. The NANP format is a 10-digit number that consists of a 3-digit NPA code (commonly referred to as the area code), followed by a 3-digit NXX code and 4-digit line number.
- I. "NXX" means the fourth, fifth and sixth digits of a ten-digit telephone number.
- J. "Party" means either Midcontinent or McLeodUSA and "Parties" means Midcontinent and McLeodUSA.
- K. "Point of Interface" or "POI" is a mutually agreed upon point of demarcation where the exchange of traffic between Midcontinent and McLeodUSA takes place.
- L. "Telecommunications Carrier" means any provider of telecommunications services, except that such term does not include aggregators of telecommunications services (as defined in Section 226 of the Act).
- M. "Transit Traffic" is traffic that, for purposes of this Agreement only, neither originates nor terminates with the party providing the transit service. Transit traffic does not include switched access traffic, which shall be provided pursuant to each party's access tariffs.
- N. Terms not otherwise defined here, but defined in the Act or in regulations implementing the Act, shall have the meaning defined there.

IV. RECIPROCAL TRAFFIC EXCHANGE

A. Scope

Reciprocal traffic exchange addresses the exchange of traffic between McLeodUSA end users and Midcontinent end users.

B. Types of Traffic

1. The types of traffic to be exchanged under this Agreement are limited to DK1 traffic as described above.
2. The traffic not covered by the interexchange provisions of this Agreement includes all other traffic, including InterLATA toll traffic, EAS traffic, Transit Traffic, and certain ancillary traffic such as:
 - a. Directory Assistance (unless under separate agreement)
 - b. Operator call termination (unless under separate agreement)
 - c. 800/888 database dip
 - d. LIDB
 - e. Information services requiring special billing (unless under separate agreement)
 - f. Wireless traffic terminating on either Party's network from a Commercial Mobile Radio Service provider.

Certain other EAS traffic not covered by this Agreement is being exchanged by the Parties. This Agreement is not intended to alter or change those arrangements.

C. Ordering

1. When ordering LIS, the ordering Party shall specify on the service order the number of two-way LIS trunks to be interconnected at the POI.
2. A joint planning meeting will precede McLeodUSA and Midcontinent trunking orders.
3. Due dates for installation of facilities will be determined on an individual case basis.
4. The provisions of Section V.B. will apply.

V. INTERCONNECTION

A. Definition

"Interconnection" is the linking of the Midcontinent and McLeodUSA networks for the mutual exchange of traffic. Interconnection does not include the transport and termination of traffic.

B. Physical Point of Interface (POI)

Each Party is responsible for providing its own facilities, including the cost of those facilities, up to the actual physical POI. The Parties will negotiate the facilities arrangement between their networks and the physical POI.

C. Interconnection Forecasting

1. The Parties agree to meet within thirty (30) days of the approval of the Agreement by the Commission (if submitted) and discuss the use of Common Language Location Identifier (CLLI-MSG), which are described in Bellcore documents BR 795-100-100 and BR 795-400-100;
2. Each Party shall provide the name of the person to contact for planning, forecasting and trunk servicing purposes.

D. Service Interruptions

1. The characteristics and methods of operation of any circuits, facilities or equipment of either Party connected with the services, facilities or equipment of the other Party pursuant to this Agreement shall not: 1) interfere with or impair service over any facilities of the other Party, its affiliated companies, or its connecting and concurring carriers involved in its services; 2) cause damage to their plant; 3) violate any applicable law or regulation regarding the invasion of privacy of any communications carried over the Party's facilities; or 4) create hazards to the employees of either Party or to the public. Each of these requirements is hereinafter referred to as an "Impairment of Service."
2. To facilitate trouble reporting and to coordinate the repair of the service provided by each Party to the other under this Agreement, each Party shall designate a Trouble Reporting Control Office (TRCO) for such service. Each Party shall provide a method for receiving trouble reports on a 24-hour basis. A mechanized recording process that is reviewed during normal business hours shall satisfy this requirement.
3. Each Party shall furnish a trouble reporting telephone number.
4. Before either Party reports a trouble condition, they shall use their best efforts to be sure that the trouble is not caused by its own facilities.

- a. In cases where a trouble condition affects a significant portion of the other's service, the Parties shall assign the same priority provided to other interconnecting carriers.
- b. The Parties shall cooperate in isolating trouble conditions.

VI. DIALING PARITY

The Parties shall provide Dialing Parity to each other as required under Section 251(b)(3) of the Act.

VII. NOTICE OF CHANGES

If a Party makes a change in its network that it believes will materially affect the inter-operability of its network with the other Party, the Party making the change shall provide advance notice of such change to the other Party.

VIII. MISCELLANEOUS TERMS

A. General Provisions

1. Each Party is individually responsible to provide facilities within its network which are necessary for routing, transporting, measuring, and billing traffic from the other Party's network and for delivering such traffic to the other Party's network in the standard format compatible with the other Party's network and to terminate the traffic it receives in that standard format to the proper address on its network. Such facility shall be designed based upon the description and forecasts provided under this Agreement.
2. Neither Party shall use any service related to or use any of the services provided in this Agreement in any manner that interferes with other persons in the use of their service, prevents other persons from using their service, or otherwise impairs the quality of service to other carriers or to either Party's customers, and each Party may discontinue or refuse service if the other Party violates this provision. Upon such violation, either Party shall provide the other Party notice of such violation, if practicable, at the earliest practicable time.
3. Each Party is solely responsible for the services it provides to its customers and to other Telecommunications Carriers.
4. The Parties shall work cooperatively to minimize fraud associated with third-number billed calls, calling card calls, and any other services related to this Agreement.

B. Term of Agreement

This Agreement shall become effective on the latter of Commission approval pursuant to Sections 251 and 252 of the Act or _____. This Agreement shall remain effective for a period of three years, expiring on 5/10/05. After that date, the Agreement shall automatically renew for one-year terms unless written notice terminating the Agreement is provided no later than six months before the end of the then-current term. This Agreement shall remain in effect until replaced by another Agreement.

C. Most Favored Nation Terms and Treatment

The Parties agree that the provisions of Section 252(i) of the Act shall not apply during the term of this Agreement.

D. Billing and Payment

1. Amounts payable under this Agreement are due and payable within thirty (30) days after the date of invoice.
2. Invoices shall be sent 60 in arrears.
2. Unless otherwise specified in this Agreement, any amount due and not paid by the due date stated above shall be subject to a late charge equal to either: i) 0.049 percent per day for the number of calendar days from the payment due date to and including, the date of payment, that would result in an annual percentage rate of 18% or ii) the highest lawful rate, whichever is less.
3. Should either Party dispute any portion of the monthly billing under this Agreement, that Party will notify the other in writing within thirty (30) days of the receipt of such billing, identifying the amount and details of such dispute. As a limited exception to this requirement, a dispute concerning any of the first three invoices may be made within ninety (90) days. The disputing Party shall pay all amounts due. Both McLeodUSA and Midcontinent agree to expedite the investigation of any disputed amounts in an effort to resolve and settle the dispute prior to initiating any other rights or remedies. Should the dispute be found in McLeodUSA's favor, Midcontinent will reimburse McLeodUSA the resolved amount plus interest at the above-specified rate. Should the dispute be found in Midcontinent's favor, McLeodUSA will reimburse Midcontinent the resolved amount plus interest from the date of payment at the above-specified rate.

E. Disconnection

Should either Party fail to make payment within ninety (90) days of receipt of a billing, the other Party may disconnect the interconnection facilities after providing ten (10) days written notice. Disconnection of service shall not occur without providing customer notice, and Midcontinent and McLeodUSA shall cooperate in providing the notice.

F. Taxes

Each Party securing services hereunder shall pay or otherwise be responsible for all federal, state, or local sales, use, excise, gross receipts, transaction or similar taxes, fees or surcharges levied against or upon such securing Party (or the providing Party when such providing Party is permitted to pass along to the securing Party such taxes, fees or surcharges), except for any tax on either Party's corporate existence, status or income. Whenever possible, these amounts shall be billed as a separate item on the invoice.

G. Force Majeure

Neither Party shall be 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 including, without limitation, acts of nature, acts of civil or military authority, government regulations, embargoes, epidemics, terrorist acts, riots, insurrections, fires, explosions, earthquakes, nuclear accidents, floods, work stoppages, equipment failure, power blackouts, volcanic action, other major environmental disturbances, unusually severe weather conditions, inability to secure products or services of other persons or transportation facilities or acts or omissions of transportation carriers (collectively, a "Force Majeure Event"). In the event of a labor dispute or strike, the Parties agree to provide service to each other at a level equivalent to the level they provide themselves.

H. Limitation of Liability

1. Each Party shall be liable to the other for direct damages for any loss, defect or equipment failure resulting from the causing Party's conduct or the conduct of its agents or contractors in performing the obligations contained in this Agreement.
2. Neither Party shall be liable to the other under this Agreement for indirect, incidental, consequential, or special damages, including (without limitation) damages for lost profits, lost revenues, lost savings suffered by the other Party regardless of the form of action, whether in contract, warranty, strict liability, tort, including (without limitation) negligence of any kind and regardless of whether the Parties know the possibility that such damages could result.

3. Nothing contained in this Section shall limit either Party's liability to the other for willful or intentional misconduct.
4. Nothing contained in this Section shall limit either Party's obligations of indemnification as specified in the Indemnity Section of this Agreement.

I. Warranties

NOTWITHSTANDING ANY OTHER PROVISION OF THIS AGREEMENT, THE PARTIES AGREE THAT NEITHER PARTY HAS MADE, AND THAT THERE DOES NOT EXIST, ANY WARRANTY, EXPRESS OR IMPLIED, INCLUDING BUT NOT LIMITED TO WARRANTIES OF MERCHANTABILITY AND FITNESS FOR A PARTICULAR PURPOSE.

J. Assignment

Neither Party may assign or transfer (whether by operation of law or otherwise) this Agreement (or any rights or obligations hereunder) to a third party without the prior written consent of the other Party provided that each Party may assign this Agreement to a corporate affiliate or an entity under its common control or an entity acquiring all or substantially all of its assets or equity by providing prior written notice to the other Party of such assignment or transfer. Any attempted assignment or transfer that is not permitted is void ab initio. Without limiting the generality of the foregoing, this Agreement shall be binding upon and shall inure to the benefit of the Parties' respective successors and assigns.

K. Severability

In the event that any one or more of the provisions contained herein shall for any reason be determined to be unenforceable or in conflict with state or federal law in any respect, the Parties will negotiate in good faith for replacement language. If replacement language cannot be agreed upon, either Party may seek regulatory intervention, including negotiations pursuant to Sections 251 and 252 of the Act.

L. Nondisclosure

All information, including but not limited to specifications, microfilm, photocopies, magnetic disks, magnetic tapes, drawings, sketches, models, samples, tools, technical information, data, employee records, maps, financial reports, and market data (i) furnished by one Party to the other Party shall remain the property of the disclosing Party. A Party who receives Proprietary Information via an oral communication may request written confirmation that the material is Proprietary Information.

M. Survival

The Parties' obligations under this Agreement, which by their nature are intended to continue beyond the termination or expiration of this Agreement, including the provisions of Section VI, (H), shall survive the termination or expiration of this Agreement.

N. Dispute Resolution

If any claim, controversy or dispute between the Parties, their agents, employees, officers, directors or affiliated agents ("Dispute") cannot be settled through negotiation, it shall be resolved by arbitration conducted by a single arbitrator engaged in the practice of law, under the then current rules of the American Arbitration Association ("AAA"). The Federal Arbitration Act, 9 U.S.C. Secs. 1-16, not state law, shall govern the arbitrability of all Disputes. The arbitrator shall not have authority to award punitive damages. All expedited procedures prescribed by the AAA rules shall apply. The arbitrator's award shall be final and binding and may be entered in any court having jurisdiction thereof. Each Party shall bear its own costs and attorneys' fees, and shall share equally in the fees and expenses of the arbitrator. The arbitration shall occur in Sioux Falls, South Dakota. Nothing in this Section shall be construed to waive or limit either Party's right to seek relief from the Commission or the Federal Communications Commission as provided by state or federal law.

No Dispute, regardless of the form of action, arising out of this Agreement, may be brought by either Party more than two (2) years after the cause of action accrues.

O. Controlling Law

This Agreement was negotiated by the Parties in accordance with the terms of the Act and the laws of South Dakota. It shall be interpreted solely in accordance with the terms of the Act and the applicable South Dakota law.

P. Joint Work Product

This Agreement is the joint work product of the Parties and has been negotiated by the Parties and their respective counsel and shall be fairly interpreted in accordance with its terms and, in the event of any ambiguities, no inferences shall be drawn against either Party.

Q. Responsibility for Environmental Contamination

Neither Party shall be liable to the other for any costs whatsoever resulting from the presence or release of any environmental hazard that either Party did not introduce to the affected work location. Both Parties

shall defend and hold harmless the other, its officers, directors and employees from and against any losses, damages, claims, demands, suits, liabilities, fines, penalties and expenses (including reasonable attorneys' fees) that arise out of or result from (i) any environmental hazard that the indemnifying Party, its contractors or agents introduce to the work locations or (ii) the presence or release of any environmental hazard for which the indemnifying Party is responsible under applicable law.

R. Notices

Any notices required by or concerning this Agreement shall be sent to the Parties at the addresses shown below:

Midcontinent Communications Company
Regulatory Affairs
5001 West 41st Street
Sioux Falls, SD 57106

McLeodUSA Telecom Development, Inc.
Legal Department
5100 S McLeod Lane
Sioux Falls, SD 57108

Each Party shall inform the other of any changes in the above addresses.

S. Responsibility of Each Party

Each Party is an independent contractor, and has and hereby retains the right to exercise full control of and supervision over its own performance of its obligations under this Agreement and retains full control over the employment, direction, compensation and discharge of all employees assisting in the performance of such obligations. Each Party will be solely responsible for all matters relating to payment of such employees, including compliance with social security taxes, withholding taxes and all other regulations governing matters. Each Party will be solely responsible for proper handling, storage, transport and disposal at its own expense of all (i) substances or materials that it or its contractors or agents bring to, create or assume control over at work locations or, (ii) waste resulting therefrom or otherwise generated in connection with its or its contractors' or agents' activities at the work locations. Subject to the limitations on liability and except as otherwise provided in this Agreement, each Party shall be responsible for (i) its own acts and performance of all obligations imposed by applicable law in connection with its activities, legal status and property, real or personal and, (ii) the acts of its own affiliates, employees,

agents and contractors during the performance of that Party's obligations hereunder.

T. No Third Party Beneficiaries

Except as may be specifically set forth in this Agreement, this Agreement does not provide and shall not be construed to provide third parties with any remedy, claim, liability, reimbursement, cause of action, or other privilege.

U. Referenced Documents

All references to Sections and Appendixes shall be deemed to be references to Sections of, and Appendixes to, this Agreement unless the context shall otherwise require. Whenever any provision of this Agreement refers to a technical reference, technical publication, McLeodUSA practice, Midcontinent practice, any publication of telecommunications industry administrative or technical standards, or any other document specifically incorporated into this Agreement, it will be deemed to be a reference to the most recent version or edition (including any amendments, supplements, addenda, or successors) of such document that is in effect, and will include the most recent version or edition (including any amendments, supplements, addenda, or successors) of each document incorporated by reference in such a technical reference, technical publication, McLeodUSA practice, Midcontinent practice, or publication of industry standards (unless McLeodUSA elects otherwise). Should there be any inconsistency between or among publications or standards, McLeodUSA shall elect which requirement shall apply.

V. Publicity and Advertising

Neither Party shall publish or use any advertising, sales promotions or other publicity materials that use the other Party's logo, trademarks or Marks without the prior written approval of the other Party.

W. Amendment

McLeodUSA and Midcontinent may mutually agree to amend this Agreement in writing. Since it is possible that amendments to this Agreement may be needed to fully satisfy the purposes and objectives of this Agreement, the Parties agree to work cooperatively, promptly and in good faith to negotiate and implement any such additions, changes and corrections to this Agreement which are needed to provide resold services, Points of Interface and reciprocal compensation.

X. Executed in Counterparts

This Agreement may be executed in any number of counterparts, each of which shall be deemed an original; but such counterparts shall together constitute one and the same instrument.

Y. Headings of No Force or Effect

The headings of Articles and Sections of this Agreement are for convenience of reference only, and shall in no way define, modify or restrict the meaning or interpretation of the terms or provisions of this Agreement.

Z. Cancellation Charges

Except as provided pursuant to Section VI (H), or as otherwise provided in any applicable tariff or contract referenced herein, no cancellation charges shall apply. If McLeodUSA ceases to use the facilities installed by Midcontinent used to interconnect with McLeodUSA prior to the expiration of 36 months from the effective date of this Agreement, it shall reimburse Midcontinent its full cost for the interconnection facilities.

AA. Regulatory Approval

The Parties understand and agree that this Agreement will be filed with the Commission and may thereafter be filed with the FCC and shall, at all times, be subject to review by the Commission or the FCC. In the event any such review rejects any portion of this Agreement, renders it inoperable or creates any ambiguity of requirement for further amendment, the Parties agree to meet and negotiate in good faith to arrive at a mutually acceptable modification.

BB. Compliance

Each party shall comply with all applicable federal, state, and local laws, rules and regulations applicable to its performance under this Agreement.

CC. Compliance with the Communications Law Enforcement Act of 1994 (“CALEA”)

Each Party represents and warrants that any equipment, facilities or services provided to the other Party under this Agreement comply with CALEA. Each party shall indemnify and hold the other Party harmless from any and all penalties imposed upon the other Party for such noncompliance and shall at the non-compliant Party’s sole cost and expense, modify or replace any equipment, facilities or services provided to the other Party under this Agreement to ensure that such equipment, facilities and services fully comply with CALEA.

DD. Entire Agreement

This Agreement constitutes the entire agreement between the Parties and supersedes all prior oral or written agreements, representations, statements, negotiations, understandings, proposals and undertakings with respect to the subject matter hereof.

IN WITNESS WHEREOF, the parties hereto have caused this Agreement to be executed by their respective duly authorized representatives.

McLeodUSA Telecom Development, Inc.

Midcontinent Communications

By 

By 

Its ASST. SEC

Its VICE PRESIDENT

5/10/02

5/7/02

Date

Date

**Appendix A
Rates and Charges**

Call Forwarding	Nonrecurring \$5 per customer Recurring \$3.50 for each 20 numbers
Local Referral Announcement	Nonrecurring \$5 per customer Recurring \$3.50 for each 20 numbers
Host switching (on net only)	Recurring of \$0.03/minute of use from (605) XXX-XXXX to (605) XXX-XXXX
	Recurring of \$0.04/minute of use from (605) XXX-XXXX to (507) XXX-XXXX and vice versa.

South Dakota Public Utilities Commission
WEEKLY FILINGS
For the Period of May 16, 2002 through May 22, 2002

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 report. Phone: 605-773-3705 Fax: 605-773-3809

NATURAL GAS

NG02-003 In the Matter of the Application of MidAmerican Energy Company for Approval of Revisions to its South Dakota Natural Gas Tariff.

Application by MidAmerican Energy Company for approval of tariff revisions limiting the availability of Small Volume Interruptible and Large Volume Interruptible rates to existing customers as of the effective date of this tariff change. For reasons including small interruptible load and additional administrative expense, MidAmerican is proposing to limit interruptible rates to existing customers and may in the future file to eliminate the interruptible purchased gas adjustment therefore consolidating the firm and interruptible rates.

Staff Analyst: Dave Jacobson
Staff Attorney: Kelly Frazier
Date Docketed: 05/16/02
Intervention Deadline: 06/07/02

TELECOMMUNICATIONS

TC02-049 In the Matter of the Application of Houlton Enterprises, Inc. d/b/a Guaranteed Phone Service for a Certificate of Authority to Provide Local Exchange Services in South Dakota.

On May 20, 2002, the Commission received an application from Houlton Enterprises, Inc. d/b/a Guaranteed Phone Service (GPS) for a certificate of authority to provide local exchange telecommunications services in South Dakota. GPS intends to provide basic local exchange services with customer calling features in Qwest territory. Most of GPS' subscribers are high credit risk customers who fail to qualify for basic local exchange services from the incumbent local exchange carriers and who do not qualify for Universal Service programs such as Lifeline and Link Up.

Staff Analyst: Keith Senger
Staff Attorney: Kelly Frazier
Date Docketed: 05/20/02
Intervention Deadline: 06/07/02

TC02-050 In the Matter of the Filing for Approval of an Amendment to an Interconnection Agreement between Qwest Corporation and NPCR, Inc. d/b/a Nextel Partners.

On May 20, 2002, the Commission received for approval a Filing of Internet Service Provider Bound Traffic Amendment to the Type 2 Wireless Interconnection Agreement between NPCR, Inc. d/b/a Nextel Partners (Nextel) and Qwest Corporation (Qwest). According to the parties, the Amendment is made in order to implement the requirements of the FCC Order on Remand and Report and Order in CC Docket No. 99-68 regarding intercarrier compensation for ISP bound traffic. The original Agreement was approved by the Commission on September 14, 2001, in Docket No. TC01-072. Any party wishing to comment on the agreement may do so by filing written comments with the Commission and the parties to the agreement no later than June 10, 2002. Parties to the agreement may file written responses to the comments no later than twenty days after the service of the initial comments.

Staff Attorney: Kelly Frazier
Date Docketed: 05/20/02
Initial Comments Due: 06/10/02

TC02-051 In the Matter of the Filing for Approval of an Interconnection Agreement between McLeodUSA Telecom Development, Inc., McLeodUSA Telecommunications Systems, Inc., McLeodUSA Incorporated and Midcontinent Communications, Inc.

On May 22, 2002, the Commission received for approval a filing of an Interconnection Agreement between McLeodUSA Telecom Development, Inc., McLeodUSA Telecommunications Systems, Inc., McLeodUSA Incorporated, (all three collectively "McLeodUSA") and Midcontinent Communications, Inc. (Midcontinent). According to the parties, the Agreement sets forth the terms, conditions and prices under which the parties agree to provide interconnection and reciprocal compensation for the exchange of local traffic between Midcontinent and McLeodUSA in the DKI service areas. Any party wishing to comment on the agreement may do so by filing written comments with the Commission and the parties to the agreement no later than June 11, 2002. Parties to the agreement may file written responses to the comments no later than twenty days after the service of the initial comments.

Staff Attorney: Kelly Frazier
Date Docketed: 05/22/02
Initial Comments Due: 06/11/02

**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>**

TC02-051

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MAY 29 2002

SOUTH DAKOTA PUBLIC
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May 28, 2002

e-mail
koenecke@magt.com

Kelly Frazier
Public Utilities Commission
500 East Capitol Avenue
Pierre, SD 57501

RE: Interconnection Agreement Between McLeodUSA Telecom, Inc., and Midcontinent
Communications
Our file: 0053

Dear Kelly:

Enclosed please find two copies of a new title page and page 1 of the Interconnection Agreement to be substituted as per the letter from Pat Mastel (and would appreciate your attaching the same). I have enclosed for you a copy of his letter thanking you for catching the mistake. Also enclosed is an amended summarization statement.


For your information, the DKI service area is the old Dakota Community territory in the southeast part of the state. If you have any question about what exactly that entails, please let me know. Once again, thanks.

Very truly yours.

MAY, ADAM, GERDES & THOMPSON LLP



BRETT M. KOENECKE

BMK: 

Enclosures

cc: Pat Mastel
W. Tom Simmons

RECEIVED

MAY 29 2002

SOUTH DAKOTA PUBLIC UTILITIES COMMISSION

BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF SOUTH DAKOTA

IN THE MATTER OF THE FILING FOR APPROVAL OF AN INTERCONNECTION AGREEMENT WITH TERMS FOR RECIPROCAL COMPENSATION BETWEEN MIDCONTINENT COMMUNICATIONS, A GENERAL PARTNERSHIP, AND MCLEODUSA) DOCKET NO: _____

AMENDED SUMMARIZATION OF THE AGREEMENT

Pursuant to ARSD 20:10:32:21, the parties submit their Interconnection Agreement to the Commission for approval as a negotiated agreement pursuant to SDCL 49-31-81, as follows:

1. Parties. The parties are Midcontinent Communications, a general partnership, and McLeodUSA Telecom Development, Inc. Midcontinent Communications is a general partnership owned by Midcontinent Media, Inc., and AT&T Broadband & Internet Services. McLeodUSA is the collective identification of McLeodUSA Telecom Development, Inc., and Dakota Community Telephone, Inc.

2. Summary of the agreement. The Interconnection Agreement between the parties, two copies of which are filed herewith with the Commission, extends certain facility arrangements of the parties to one another within the DKI service areas. The agreement includes terms, conditions, and prices for resale and facilities-based network interconnection agreement. The agreement sets forth the terms, conditions and prices under which the parties agree to provide interconnection

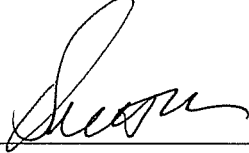
and reciprocal compensation for the exchange of local traffic between Midcontinent and McLeodUSA in the DKI service areas.

3. Representation. The parties have consented to mutual representation by the undersigned counsel.

Dated this 20 day of May, 2002.

MAY, ADAM, GERDES & THOMPSON LLP

BY: _____


BRETT M. KOENECKE
DAVID A. GERDES
Attorneys for the Submitting Parties
503 S. Pierre Street
PO Box 160
Pierre, South Dakota 57501-0160
(605) 224-8803
(605) 224-6289 (FAX)

INTERCONNECTION AGREEMENT

between

MIDCONTINENT COMMUNICATIONS COMPANY

and

MCLEODUSA TELECOM DEVELOPMENT, INC.,

AND

DAKOTA COMMUNITY TELEPHONE, INC.

for

SOUTH DAKOTA

INTERCONNECTION AGREEMENT

This Interconnection Agreement, made as of the ____ day of _____, 2002, is between McLeodUSA Telecom Development, Inc. (CLEC) and Dakota Community Telephone, Inc. (ILEC) (collectively "McLeodUSA") and Midcontinent Communications ("Midcontinent").

I. RECITALS

Pursuant to this Interconnection Agreement ("Agreement"), McLeodUSA and Midcontinent (collectively, "the Parties") will extend certain facility arrangements to one another within the DKI service areas. This Agreement includes terms, conditions, and prices for resale and facilities-based network interconnection.

II. SCOPE OF AGREEMENT

- A. This Agreement sets forth the terms, conditions and prices under which the parties agree to provide interconnection and reciprocal compensation for the exchange of local traffic between Midcontinent and McLeodUSA in the DKI service areas. The Agreement includes all accompanying appendices.
- B. In the performance of their obligations under this Agreement, the Parties shall act in good faith and consistently with the intent of the Act. Where notice, approval or similar action by a Party is permitted or required by any provision of this Agreement, such action shall not be reasonably delayed, withheld or conditioned.

III. DEFINITIONS

- A. "Act" means the Communications Act of 1934 (47 U.S.C. § 151, et. seq.), as amended by the Telecommunications Act of 1996, and as from time to time interpreted judicially and in the duly authorized rules and regulations of the FCC or the Commission within its state of jurisdiction.
- B. "Calling Party Number" or "CPN" is a Common Channel Signaling ("CCS") parameter which refers to the number transmitted through a network identifying the calling party. Reference Technical Pub. 77342.
- C. "Commission" means the South Dakota Public Utilities Commission.
- D. "Common Channel Signaling" or "CCS" means a method of digitally transmitting call set-up and network control data over a special signaling network fully separate from the public voice switched network elements that carry the actual call. The CCS used by the Parties shall be Signaling System 7.

McLeodUSA[®]

May 23, 2002

David A. Gerdes
Brett Koenecke
May, Adam, Gerdes, & Thompson
PO Box 160
Pierre, SD 57501

**RE: Interconnection Agreement Between McLeodUSA Telecom, Inc. and
Midcontinent Communications**

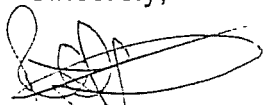
Dear Dave and Brett:

On behalf of my client, McLeodUSA Telecom Development, Inc. and Dakota Community Telephone, Inc., I hereby request that you file an amended cover and first page to reflect the appropriate entities involved with this Interconnection Agreement. These two entities are the successors to the old DTG ILEC-CLEC entities and were intended to be the parties to the agreement. This can be seen by the reference on page 1 to "DKI" which is the ACNA code under which these entities operate.

I apologize for this confusion. Somewhere in this process these entities got changed and none of us caught the error. Please pass on my thanks to Kelly Frazier for catching this.

Again my apologies for the confusion.

Sincerely,



Patrick J. Mastel
Assistant General Counsel
McLeodUSA
5100 S McLeod Lane
Sioux Falls, SD 57108

cc. W. Tom Simmons, Midcontinent Communications

LAW OFFICES
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503 SOUTH PIERRE STREET
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OF COUNSEL
WARREN W. MAY
GLENN W. MARTENS 1981-1983
KARL GOLDSMITH 1985-1988

TELEPHONE
605 224-8803

TELECOPIER
605 224-8289

TELECOPIER TRANSMITTAL COVER SHEET

Date: May 31, 2002
Time: 1:52 PM

DELIVER TO: Kelly Frazier
ADDRESS: Public Utilities Commission
FAX NUMBER: 605-773-3809
FROM: Brett Koenecke
Attorney at Law

TOTAL PAGES (including cover sheet): 2

Our File Number: 0053

TRANSMIT FAX NUMBER: (605) 224-6289

Kelly,

The attachment is page 1 of the Interconnection Agreement, docket TC02-051, as per your e-mail.

Brett

If you do not receive legible copies of all pages, please contact PAT at 605-224-8803.

Original(s): _____ Not Sent
_____ First Class Mail
_____ Sent by Overnight Courier
_____ Hand Delivered

The information contained in this facsimile message is attorney-client privileged and confidential information intended only for the use of the individual or entity names above. If the reader of this message is not the intended recipient, or the employee or agent responsible to deliver it to the intended recipient, you are hereby notified that any dissemination, distribution or copying of this communication is strictly prohibited. If you have received this communication in error, please notify us immediately by telephone, and return the original message to us at the above address via U.S. Postal Service.

INTERCONNECTION AGREEMENT

This Interconnection Agreement, made as of the 10th day of May, 2002, is between McLeodUSA Telecom Development, Inc. (CLEC) and Dakota Community Telephone, Inc. (ILEC) (collectively "McLeodUSA") and Midcontinent Communications ("Midcontinent").

I. RECITALS

Pursuant to this Interconnection Agreement ("Agreement"), McLeodUSA and Midcontinent (collectively, "the Parties") will extend certain facility arrangements to one another within the DKI service areas. This Agreement includes terms, conditions, and prices for resale and facilities-based network interconnection.

II. SCOPE OF AGREEMENT

- A. This Agreement sets forth the terms, conditions and prices under which the parties agree to provide interconnection and reciprocal compensation for the exchange of local traffic between Midcontinent and McLeodUSA in the DKI service areas. The Agreement includes all accompanying appendices.
- B. In the performance of their obligations under this Agreement, the Parties shall act in good faith and consistently with the intent of the Act. Where notice, approval or similar action by a Party is permitted or required by any provision of this Agreement, such action shall not be reasonably delayed, withheld or conditioned.

III. DEFINITIONS

- A. "Act" means the Communications Act of 1934 (47 U.S.C. § 151, et. seq.), as amended by the Telecommunications Act of 1996, and as from time to time interpreted judicially and in the duly authorized rules and regulations of the FCC or the Commission within its state of jurisdiction.
- B. "Calling Party Number" or "CPN" is a Common Channel Signaling ("CCS") parameter which refers to the number transmitted through a network identifying the calling party. Reference Technical Pub. 77342.
- C. "Commission" means the South Dakota Public Utilities Commission.
- D. "Common Channel Signaling" or "CCS" means a method of digitally transmitting call set-up and network control data over a special signaling network fully separate from the public voice switched network elements that carry the actual call. The CCS used by the Parties shall be Signaling System 7.

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e-mail
koenecke@magt.com

August 23, 2002

Kelly Frazier
Public Utilities Commission
500 E. Capitol
Pierre, SD 57501

RECEIVED

AUG 23 2002

**SOUTH DAKOTA PUBLIC
UTILITIES COMMISSION**

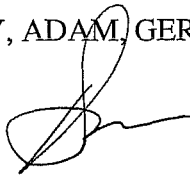
RE: In the Matter of the Filing for An Approval of an Interconnection Agreement Between
McLeodUSA Telecomm Development, Inc., and Dakota Community Telephone, Inc.,
and Midcontinent Communications Company
Docket No.: TC02-051
Our file: 0053 and 1924

Dear Kelly:

Enclosed please find a new Interconnection Agreement as discussed previously. It does not contain the Section 252I language previously found at page 6 of the prior agreement. If it is in good order please accept the same and ask the Commission to issue its order of approval. If you have any questions, please do not hesitate to let me know.

Very truly yours.

MAY, ADAM, GERDES & THOMPSON LLP



BRETT M. KOENECKE

BMK:njh

Enclosures

cc: Rolayne Weist
Pat Mastel
Tom Simmons

RECEIVED

AUG 23 2002

**SOUTH DAKOTA PUBLIC
UTILITIES COMMISSION
INTERCONNECTION AGREEMENT**

between

MIDCONTINENT COMMUNICATIONS COMPANY

and

MCLEODUSA TELECOM DEVELOPMENT, INC.,

AND

DAKOTA COMMUNITY TELEPHONE, INC.

for

SOUTH DAKOTA

INTERCONNECTION AGREEMENT

This Interconnection Agreement, made as of the 15th day of AUGUST, 2002, is between McLeodUSA Telecom, Development, Inc. (CLEC) and Dakota Community Telephone, Inc. (ILEC) (collectively "McLeodUSA") and Midcontinent Communications ("Midcontinent").

I. RECITALS

Pursuant to this Interconnection Agreement ("Agreement"), McLeodUSA and Midcontinent (collectively, "the Parties") will extend certain facility arrangements to one another within the DKI service areas. This Agreement includes terms, conditions, and prices for resale and facilities-based network interconnection.

II. SCOPE OF AGREEMENT

- A. This Agreement sets forth the terms, conditions and prices under which the parties agree to provide interconnection and reciprocal compensation for the exchange of local traffic between Midcontinent and McLeodUSA in the DKI service areas. The Agreement includes all accompanying appendices.
- B. In the performance of their obligations under this Agreement, the Parties shall act in good faith and consistently with the intent of the Act. Where notice, approval or similar action by a Party is permitted or required by any provision of this Agreement, such action shall not be reasonably delayed, withheld or conditioned.

III. DEFINITIONS

- A. "Act" means the Communications Act of 1934 (47 U.S.C. § 151, et. seq.), as amended by the Telecommunications Act of 1996, and as from time to time interpreted judicially and in the duly authorized rules and regulations of the FCC or the Commission within its state of jurisdiction.
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- C. "Commission" means the South Dakota Public Utilities Commission.
- D. "Common Channel Signaling" or "CCS" means a method of digitally transmitting call set-up and network control data over a special signaling network fully separate from the public voice switched network elements that carry the actual call. The CCS used by the Parties shall be Signaling System 7.

- E. "Interconnection" is as described in the Act and refers to the connection of separate pieces of equipment, facilities, or platforms between or within networks for the purpose of transmission and routing of telecommunications traffic.
- F. "LIS" is defined as local interconnection services.
- G. "Local Traffic" means traffic that is originated by an end user of one Party in an exchange and terminates to an end user of the other Party in the same exchange.
- H. "North American Numbering Plan" or "NANP" means the numbering plan used in the United States that also serves Canada, Bermuda, Puerto Rico and certain Caribbean Islands. The NANP format is a 10-digit number that consists of a 3-digit NPA code (commonly referred to as the area code), followed by a 3-digit NXX code and 4-digit line number.
- I. "NXX" means the fourth, fifth and sixth digits of a ten-digit telephone number.
- J. "Party" means either Midcontinent or McLeodUSA and "Parties" means Midcontinent and McLeodUSA.
- K. "Point of Interface" or "POI" is a mutually agreed upon point of demarcation where the exchange of traffic between Midcontinent and McLeodUSA takes place.
- L. "Telecommunications Carrier" means any provider of telecommunications services, except that such term does not include aggregators of telecommunications services (as defined in Section 226 of the Act).
- M. "Transit Traffic" is traffic that, for purposes of this Agreement only, neither originates nor terminates with the party providing the transit service. Transit traffic does not include switched access traffic, which shall be provided pursuant to each party's access tariffs.
- N. Terms not otherwise defined here, but defined in the Act or in regulations implementing the Act, shall have the meaning defined there.

IV. RECIPROCAL TRAFFIC EXCHANGE

A. Scope

Reciprocal traffic exchange addresses the exchange of traffic between McLeodUSA end users and Midcontinent end users.

B. Types of Traffic

1. The types of traffic to be exchanged under this Agreement are limited to DK1 traffic as described above.
2. The traffic not covered by the interexchange provisions of this Agreement includes all other traffic, including InterLATA toll traffic, EAS traffic, Transit Traffic, and certain ancillary traffic such as:
 - a. Directory Assistance (unless under separate agreement)
 - b. Operator call termination (unless under separate agreement)
 - c. 800/888 database dip
 - d. LIDB
 - e. Information services requiring special billing (unless under separate agreement)
 - f. Wireless traffic terminating on either Party's network from a Commercial Mobile Radio Service provider.

Certain other EAS traffic not covered by this Agreement is being exchanged by the Parties. This Agreement is not intended to alter or change those arrangements.

C. Ordering

1. When ordering LIS, the ordering Party shall specify on the service order the number of two-way LIS trunks to be interconnected at the POI.
2. A joint planning meeting will precede McLeodUSA and Midcontinent trunking orders.
3. Due dates for installation of facilities will be determined on an individual case basis.
4. The provisions of Section V.B. will apply.

V. INTERCONNECTION

A. Definition

"Interconnection" is the linking of the Midcontinent and McLeodUSA networks for the mutual exchange of traffic. Interconnection does not include the transport and termination of traffic.

B. Physical Point of Interface (POI)

Each Party is responsible for providing its own facilities, including the cost of those facilities, up to the actual physical POI. The Parties will negotiate the facilities arrangement between their networks and the physical POI.

C. Interconnection Forecasting

1. The Parties agree to meet within thirty (30) days of the approval of the Agreement by the Commission (if submitted) and discuss the use of Common Language Location Identifier (CLLI-MSG), which are described in Bellcore documents BR 795-100-100 and BR 795-400-100;
2. Each Party shall provide the name of the person to contact for planning, forecasting and trunk servicing purposes.

D. Service Interruptions

1. The characteristics and methods of operation of any circuits, facilities or equipment of either Party connected with the services, facilities or equipment of the other Party pursuant to this Agreement shall not: 1) interfere with or impair service over any facilities of the other Party, its affiliated companies, or its connecting and concurring carriers involved in its services; 2) cause damage to their plant; 3) violate any applicable law or regulation regarding the invasion of privacy of any communications carried over the Party's facilities; or 4) create hazards to the employees of either Party or to the public. Each of these requirements is hereinafter referred to as an "Impairment of Service."
2. To facilitate trouble reporting and to coordinate the repair of the service provided by each Party to the other under this Agreement, each Party shall designate a Trouble Reporting Control Office (TRCO) for such service. Each Party shall provide a method for receiving trouble reports on a 24-hour basis. A mechanized recording process that is reviewed during normal business hours shall satisfy this requirement.
3. Each Party shall furnish a trouble reporting telephone number.
4. Before either Party reports a trouble condition, they shall use their best efforts to be sure that the trouble is not caused by its own facilities.
 - a. In cases where a trouble condition affects a significant portion of the other's service, the Parties shall assign the same priority provided to other interconnecting carriers.

- b. The Parties shall cooperate in isolating trouble conditions.

VI. DIALING PARITY

The Parties shall provide Dialing Parity to each other as required under Section 251(b)(3) of the Act.

VII. NOTICE OF CHANGES

If a Party makes a change in its network that it believes will materially affect the inter-operability of its network with the other Party, the Party making the change shall provide advance notice of such change to the other Party.

VIII. MISCELLANEOUS TERMS

A. General Provisions

1. Each Party is individually responsible to provide facilities within its network which are necessary for routing, transporting, measuring, and billing traffic from the other Party's network and for delivering such traffic to the other Party's network in the standard format compatible with the other Party's network and to terminate the traffic it receives in that standard format to the proper address on its network. Such facility shall be designed based upon the description and forecasts provided under this Agreement.
2. Neither Party shall use any service related to or use any of the services provided in this Agreement in any manner that interferes with other persons in the use of their service, prevents other persons from using their service, or otherwise impairs the quality of service to other carriers or to either Party's customers, and each Party may discontinue or refuse service if the other Party violates this provision. Upon such violation, either Party shall provide the other Party notice of such violation, if practicable, at the earliest practicable time.
3. Each Party is solely responsible for the services it provides to its customers and to other Telecommunications Carriers.
4. The Parties shall work cooperatively to minimize fraud associated with third-number billed calls, calling card calls, and any other services related to this Agreement.

B. Term of Agreement

This Agreement shall become effective on the latter of Commission approval pursuant to Sections 251 and 252 of the Act or _____. This Agreement shall remain effective for a period of three years, expiring

on 8/15/05. After that date, the Agreement shall automatically renew for one-year terms unless written notice terminating the Agreement is provided no later than six months before the end of the then-current term. This Agreement shall remain in effect until replaced by another Agreement.

C. Billing and Payment

1. Amounts payable under this Agreement are due and payable within thirty (30) days after the date of invoice.
2. Invoices shall be sent 60 in arrears.
2. Unless otherwise specified in this Agreement, any amount due and not paid by the due date stated above shall be subject to a late charge equal to either: i) 0.049 percent per day for the number of calendar days from the payment due date to and including, the date of payment, that would result in an annual percentage rate of 18% or ii) the highest lawful rate, whichever is less.
3. Should either Party dispute any portion of the monthly billing under this Agreement, that Party will notify the other in writing within thirty (30) days of the receipt of such billing, identifying the amount and details of such dispute. As a limited exception to this requirement, a dispute concerning any of the first three invoices may be made within ninety (90) days. The disputing Party shall pay all amounts due. Both McLeodUSA and Midcontinent agree to expedite the investigation of any disputed amounts in an effort to resolve and settle the dispute prior to initiating any other rights or remedies. Should the dispute be found in McLeodUSA's favor, Midcontinent will reimburse McLeodUSA the resolved amount plus interest at the above-specified rate. Should the dispute be found in Midcontinent's favor, McLeodUSA will reimburse Midcontinent the resolved amount plus interest from the date of payment at the above-specified rate.

D. Disconnection

Should either Party fail to make payment within ninety (90) days of receipt of a billing, the other Party may disconnect the interconnection facilities after providing ten (10) days written notice. Disconnection of service shall not occur without providing customer notice, and Midcontinent and McLeodUSA shall cooperate in providing the notice.

E. Taxes

Each Party securing services hereunder shall pay or otherwise be responsible for all federal, state, or local sales, use, excise, gross receipts, transaction or similar taxes, fees or surcharges levied against or upon such securing Party (or the providing Party when such providing Party is permitted to pass along to the securing Party such taxes, fees or surcharges), except for any tax on either Party's corporate existence, status or income. Whenever possible, these amounts shall be billed as a separate item on the invoice.

F. Force Majeure

Neither Party shall be 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 including, without limitation, acts of nature, acts of civil or military authority, government regulations, embargoes, epidemics, terrorist acts, riots, insurrections, fires, explosions, earthquakes, nuclear accidents, floods, work stoppages, equipment failure, power blackouts, volcanic action, other major environmental disturbances, unusually severe weather conditions, inability to secure products or services of other persons or transportation facilities or acts or omissions of transportation carriers (collectively, a "Force Majeure Event"). In the event of a labor dispute or strike, the Parties agree to provide service to each other at a level equivalent to the level they provide themselves.

G. Limitation of Liability

1. Each Party shall be liable to the other for direct damages for any loss, defect or equipment failure resulting from the causing Party's conduct or the conduct of its agents or contractors in performing the obligations contained in this Agreement.
2. Neither Party shall be liable to the other under this Agreement for indirect, incidental, consequential, or special damages, including (without limitation) damages for lost profits, lost revenues, lost savings suffered by the other Party regardless of the form of action, whether in contract, warranty, strict liability, tort, including (without limitation) negligence of any kind and regardless of whether the Parties know the possibility that such damages could result.
3. Nothing contained in this Section shall limit either Party's liability to the other for willful or intentional misconduct.
4. Nothing contained in this Section shall limit either Party's obligations of indemnification as specified in the Indemnity Section of this Agreement.

H. Warranties

NOTWITHSTANDING ANY OTHER PROVISION OF THIS AGREEMENT, THE PARTIES AGREE THAT NEITHER PARTY HAS MADE, AND THAT THERE DOES NOT EXIST, ANY WARRANTY, EXPRESS OR IMPLIED, INCLUDING BUT NOT LIMITED TO WARRANTIES OF MERCHANTABILITY AND FITNESS FOR A PARTICULAR PURPOSE.

I. Assignment

Neither Party may assign or transfer (whether by operation of law or otherwise) this Agreement (or any rights or obligations hereunder) to a third party without the prior written consent of the other Party provided that each Party may assign this Agreement to a corporate affiliate or an entity under its common control or an entity acquiring all or substantially all of its assets or equity by providing prior written notice to the other Party of such assignment or transfer. Any attempted assignment or transfer that is not permitted is void ab initio. Without limiting the generality of the foregoing, this Agreement shall be binding upon and shall inure to the benefit of the Parties' respective successors and assigns.

J. Severability

In the event that any one or more of the provisions contained herein shall for any reason be determined to be unenforceable or in conflict with state or federal law in any respect, the Parties will negotiate in good faith for replacement language. If replacement language cannot be agreed upon, either Party may seek regulatory intervention, including negotiations pursuant to Sections 251 and 252 of the Act.

K. Nondisclosure

All information, including but not limited to specifications, microfilm, photocopies, magnetic disks, magnetic tapes, drawings, sketches, models, samples, tools, technical information, data, employee records, maps, financial reports, and market data (i) furnished by one Party to the other Party shall remain the property of the disclosing Party. A Party who receives Proprietary Information via an oral communication may request written confirmation that the material is Proprietary Information.

L. Survival

The Parties' obligations under this Agreement, which by their nature are intended to continue beyond the termination or expiration of this Agreement, including the provisions of Section VI, (H), shall survive the termination or expiration of this Agreement.

M. Dispute Resolution

If any claim, controversy or dispute between the Parties, their agents, employees, officers, directors or affiliated agents ("Dispute") cannot be settled through negotiation, it shall be resolved by arbitration conducted by a single arbitrator engaged in the practice of law, under the then current rules of the American Arbitration Association ("AAA"). The Federal Arbitration Act, 9 U.S.C. Secs. 1-16, not state law, shall govern the arbitrability of all Disputes. The arbitrator shall not have authority to award punitive damages. All expedited procedures prescribed by the AAA rules shall apply. The arbitrator's award shall be final and binding and may be entered in any court having jurisdiction thereof. Each Party shall bear its own costs and attorneys' fees, and shall share equally in the fees and expenses of the arbitrator. The arbitration shall occur in Sioux Falls, South Dakota. Nothing in this Section shall be construed to waive or limit either Party's right to seek relief from the Commission or the Federal Communications Commission as provided by state or federal law.

No Dispute, regardless of the form of action, arising out of this Agreement, may be brought by either Party more than two (2) years after the cause of action accrues.

N. Controlling Law

This Agreement was negotiated by the Parties in accordance with the terms of the Act and the laws of South Dakota. It shall be interpreted solely in accordance with the terms of the Act and the applicable South Dakota law.

O. Joint Work Product

This Agreement is the joint work product of the Parties and has been negotiated by the Parties and their respective counsel and shall be fairly interpreted in accordance with its terms and, in the event of any ambiguities, no inferences shall be drawn against either Party.

P. Responsibility for Environmental Contamination

Neither Party shall be liable to the other for any costs whatsoever resulting from the presence or release of any environmental hazard that either Party did not introduce to the affected work location. Both Parties shall

defend and hold harmless the other, its officers, directors and employees from and against any losses, damages, claims, demands, suits, liabilities, fines, penalties and expenses (including reasonable attorneys' fees) that arise out of or result from (i) any environmental hazard that the indemnifying Party, its contractors or agents introduce to the work locations or (ii) the presence or release of any environmental hazard for which the indemnifying Party is responsible under applicable law.

Q. Notices

Any notices required by or concerning this Agreement shall be sent to the Parties at the addresses shown below:

Midcontinent Communications Company
Regulatory Affairs
5001 West 41st Street
Sioux Falls, SD 57106

McLeodUSA Telecom Development, Inc.
Legal Department
5100 S McLeod Lane
Sioux Falls, SD 57108

Each Party shall inform the other of any changes in the above addresses.

R. Responsibility of Each Party

Each Party is an independent contractor, and has and hereby retains the right to exercise full control of and supervision over its own performance of its obligations under this Agreement and retains full control over the employment, direction, compensation and discharge of all employees assisting in the performance of such obligations. Each Party will be solely responsible for all matters relating to payment of such employees, including compliance with social security taxes, withholding taxes and all other regulations governing matters. Each Party will be solely responsible for proper handling, storage, transport and disposal at its own expense of all (i) substances or materials that it or its contractors or agents bring to, create or assume control over at work locations or, (ii) waste resulting therefrom or otherwise generated in connection with its or its contractors' or agents' activities at the work locations. Subject to the limitations on liability and except as otherwise provided in this Agreement, each Party shall be responsible for (i) its own acts and performance of all obligations imposed by applicable law in connection with its activities, legal status and property, real or personal and, (ii) the acts of its own affiliates, employees, agents and contractors during the performance of that Party's obligations hereunder.

S. No Third Party Beneficiaries

Except as may be specifically set forth in this Agreement, this Agreement does not provide and shall not be construed to provide third parties with any remedy, claim, liability, reimbursement, cause of action, or other privilege.

T. Referenced Documents

All references to Sections and Appendixes shall be deemed to be references to Sections of, and Appendixes to, this Agreement unless the context shall otherwise require. Whenever any provision of this Agreement refers to a technical reference, technical publication, McLeodUSA practice, Midcontinent practice, any publication of telecommunications industry administrative or technical standards, or any other document specifically incorporated into this Agreement, it will be deemed to be a reference to the most recent version or edition (including any amendments, supplements, addenda, or successors) of such document that is in effect, and will include the most recent version or edition (including any amendments, supplements, addenda, or successors) of each document incorporated by reference in such a technical reference, technical publication, McLeodUSA practice, Midcontinent practice, or publication of industry standards (unless McLeodUSA elects otherwise). Should there be any inconsistency between or among publications or standards, McLeodUSA shall elect which requirement shall apply.

U. Publicity and Advertising

Neither Party shall publish or use any advertising, sales promotions or other publicity materials that use the other Party's logo, trademarks or Marks without the prior written approval of the other Party.

V. Amendment

McLeodUSA and Midcontinent may mutually agree to amend this Agreement in writing. Since it is possible that amendments to this Agreement may be needed to fully satisfy the purposes and objectives of this Agreement, the Parties agree to work cooperatively, promptly and in good faith to negotiate and implement any such additions, changes and corrections to this Agreement which are needed to provide resold services, Points of Interface and reciprocal compensation.

W. Executed in Counterparts

This Agreement may be executed in any number of counterparts, each of which shall be deemed an original; but such counterparts shall together constitute one and the same instrument.

X. Headings of No Force or Effect

The headings of Articles and Sections of this Agreement are for convenience of reference only, and shall in no way define, modify or restrict the meaning or interpretation of the terms or provisions of this Agreement.

Y. Cancellation Charges

Except as provided pursuant to Section VI (H), or as otherwise provided in any applicable tariff or contract referenced herein, no cancellation charges shall apply. If McLeodUSA ceases to use the facilities installed by Midcontinent used to interconnect with McLeodUSA prior to the expiration of 36 months from the effective date of this Agreement, it shall reimburse Midcontinent its full cost for the interconnection facilities.

Z. Regulatory Approval

The Parties understand and agree that this Agreement will be filed with the Commission and may thereafter be filed with the FCC and shall, at all times, be subject to review by the Commission or the FCC. In the event any such review rejects any portion of this Agreement, renders it inoperable or creates any ambiguity of requirement for further amendment, the Parties agree to meet and negotiate in good faith to arrive at a mutually acceptable modification.

AA. Compliance

Each party shall comply with all applicable federal, state, and local laws, rules and regulations applicable to its performance under this Agreement.

BB. Compliance with the Communications Law Enforcement Act of 1994 ("CALEA")

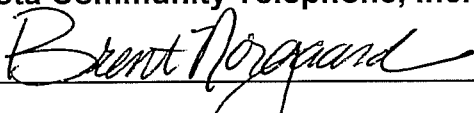
Each Party represents and warrants that any equipment, facilities or services provided to the other Party under this Agreement comply with CALEA. Each party shall indemnify and hold the other Party harmless from any and all penalties imposed upon the other Party for such noncompliance and shall at the non-compliant Party's sole cost and expense, modify or replace any equipment, facilities or services provided to the other Party under this Agreement to ensure that such equipment, facilities and services fully comply with CALEA.

CC. Entire Agreement

This Agreement constitutes the entire agreement between the Parties and supersedes all prior oral or written agreements, representations, statements, negotiations, understandings, proposals and undertakings with respect to the subject matter hereof.


IN WITNESS WHEREOF, the parties hereto have caused this Agreement to be executed by their respective duly authorized representatives.

**McLeodUSA Telecom Development, Inc.
Dakota Community Telephone, Inc.**

By 
Its Vice President & General Manager

8/15/02
Date

Midcontinent Communications

By 
Its VICE PRESIDENT

8/19/02
Date

**Appendix A
Rates and Charges**

Call Forwarding	Nonrecurring \$5 per customer Recurring \$3.50 for each 20 numbers
Local Referral Announcement	Nonrecurring \$5 per customer Recurring \$3.50 for each 20 numbers
Host switching (on net only)	Recurring of \$0.03/minute of use from (605) XXX-XXXX to (605) XXX-XXXX Recurring of \$0.04/minute of use from (605) XXX-XXXX to (507) XXX-XXXX and vice versa.

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

IN THE MATTER OF THE FILING FOR) APPROVAL OF AN INTERCONNECTION) AGREEMENT BETWEEN MIDCONTINENT) COMMUNICATIONS, INC. AND MCLEODUSA) TELECOM DEVELOPMENT, INC. AND) DAKOTA COMMUNITY TELEPHONE, INC.)	ORDER APPROVING AGREEMENT TC02-051
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On May 22, 2002, the Commission received for approval a filing of an Interconnection Agreement between McLeodUSA Telecom Development, Inc., McLeodUSA Telecommunications Systems, Inc., McLeodUSA Incorporated, (all three collectively "McLeodUSA") and Midcontinent Communications, Inc. (Midcontinent).

On May 23, 2002, the Commission electronically transmitted notice of the filing to interested individuals and entities. The notice stated that any person wishing to comment on the parties' request for approval had until June 11, 2002, to do so. No comments were filed.

On May 29, 2002, the parties submitted a new title page and page 1 of the Interconnection Agreement. The revisions stated that the interconnection agreement was between McLeodUSA Telecom Development, Inc. (CLEC) and Dakota Community Telephone, Inc. (ILEC) (collectively "McLeodUSA") and Midcontinent.

At its duly noticed August 15, 2002, meeting, the Commission considered whether to approve the agreement between McLeodUSA and Midcontinent. Commission Staff stated that Section VIII (C), Most Favored Nation Terms and Treatment, needed to be deleted and the parties had agreed to the deletion. Commission Staff recommended approval upon receipt of the revised agreement.

The Commission has jurisdiction over this matter pursuant to SDCL Chapter 49-31, and the Federal Telecommunications Act of 1996. In accordance with 47 U.S.C. § 252(e)(2), the Commission found that, upon deletion of the language as recommended above, the agreement does not discriminate against a telecommunications carrier that is not a party to the agreement and the agreement is consistent with the public interest, convenience, and necessity. The Commission unanimously voted to approve the agreement, if revised. On August 23, 2002, the Commission received the revised agreement with the language deleted. It is therefore

ORDERED, that the Commission approves the agreement as revised.

Dated at Pierre, South Dakota, this 29th day of August, 2002.

CERTIFICATE OF SERVICE
The undersigned hereby certifies that this document has been served today upon all parties of record in this docket, as listed on the docket service list, by facsimile or by first class mail, in properly addressed envelopes, with charges prepaid thereon.
By: <u>Tina Dargatzis</u>
Date: <u>8-29-02</u>
(OFFICIAL SEAL)

BY ORDER OF THE COMMISSION:

James A. Burg
JAMES A. BURG, Chairman

Pam Nelson
PAM NELSON, Commissioner

Robert K. Sahr
ROBERT K. SAHR, Commissioner

John Smith
by John Smith