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July 21, 2006

RECEIVED

JUL 21 2006

SOUTH DAKOTA PUBLIC
UTILITIES COMMISSION

Patty Van Gerpen
South Dakota Public Utilities Commission
500 East Capitol Avenue
Pierre, South Dakota 57501

Re: Docket TC05-083; Docket TC05-087; Docket TC05-090; Docket TC05-091;
Docket TC05-092; Docket TC05-093; Docket TC05-094; Docket TC05-095;
Docket TC05-109

Dear Patty:

Please find enclosed for filing four (4) copies of the following Direct Testimony, together with Certificate of Service, in the above referenced dockets:

~~Docket TC05-083: Direct Testimony of Christy Miedema~~

~~Docket TC05-087: Direct Testimony of Ann Kuyper~~

Docket TC05-090 – TC05-095: Direct Pre-Filed Testimony of Tim Eklund

~~Docket TC05-109: Direct Testimony of Jonas O. Karlsson~~

Sincerely yours,

RITER, ROGERS, WATTIER & BROWN, LLP

By:



Margo D. Northrup

MDN/rar
Enclosures

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

IN THE MATTER OF THE)	
ESTABLISHMENT OF SWITCHED)	
ACCESS REVENUE REQUIREMENT FOR)	
BERESFORD MUNICIPAL TELEPHONE)	DOCKET NO. TC05-092
COMPANY, KENNEBEC TELPHONE)	DOCKET NO. TC05-095
COMPANY, McCOOK COOPERATIVE)	DOCKET NO. TC05-094
TELEPHONE COMPANY, MIDSTATE)	DOCKET NO. TC05-090
COMMUNICATIONS, INC., ROBERTS)	DOCKET NO. TC05-093
COUNTY TELEPHONE COMPANY)	DOCKET NO. TC05-091
COOPERATIVE ASSOCIATION, AND)	
WESTERN TELEPHONE COMPANY.)	
)	

Direct Pre-Filed Testimony of Tim Eklund

July 21, 2006

1 Q. **Please State your name, employer, business address and telephone number.**

2 A. My name is Tim Eklund. I am employed with TELEC Consulting Resources Inc.
3 (TELEC). My business address is 9300 Underwood Avenue, Suite 310, Omaha,
4 Nebraska, 68114. My telephone number is 402-398-0062.

5 Q. **On whose behalf are you testifying?**

6 A. I am testifying on behalf of Beresford Municipal Telephone Company, Kennebec
7 Telephone Company, McCook Cooperative Telephone Company, Midstate
8 Communications, Inc., Roberts County Telephone Company Cooperative
9 Association, and Western Telephone Company (Companies).

10 Q. **What is your current position?**

11 A. I am a consultant at TELEC.

12 Q. **What are your duties and responsibilities at TELEC?**

13 A. I am responsible for consulting with clients regarding regulatory, financial and
14 interconnection issues. I am also responsible for the development of economic
15 models to facilitate competitive studies and exchange/business valuations. In
16 addition, I manage TELEC Consulting's cost separations team which prepares
17 interstate and state jurisdictional cost studies.

18 Q. **What is your educational and business background?**

19 A. I received a Bachelor of Science degree with an emphasis in Accounting from
20 Nebraska Wesleyan University in Lincoln, Nebraska. I joined TELEC Consulting
21 in 2004, after a 23-year career with Lincoln Telephone Company, Aliant
22 Communications, Inc. and ALLTEL. That prior experience included various
23 accounting, financial, and regulatory responsibilities.

1 Q. **What is the purpose of your testimony?**

2 A. The purpose of my testimony is to provide testimony on how the Companies
3 Intrastate Cost Studies were developed according to ARSD 20:10:27 through
4 ARSD 20:10:29.

5 Q. **Did you determine the Companies' 2005 intrastate switched access rate?**

6 A. Yes, it was determined based on the 2005 intrastate cost study with a base year of
7 2004 according to ARSD 20:10:27 through ARSD 20:10:29.

8 Q. **How is the intrastate switched access rate determined?**

9 A. It is determined by dividing the intrastate revenue requirement by intrastate
10 demand.

11 Q. **How is the intrastate revenue requirement determined?**

12 A. It is determined by the jurisdictional allocation of regulated net investment,
13 expense and taxes according to ARSD 20:10:27 through ARSD 20:10:29. The
14 intrastate revenue requirement is the authorized rate of return on intrastate net
15 investment plus intrastate operating expense and taxes.

16 Q. **How is intrastate demand determined?**

17 A. A sampling of switch traffic data for the base year is captured, usually one week
18 for each month. The sampling is applied to total demand to determine
19 jurisdictional factors (i.e interstate, intrastate, local and EAS).

20 Q. **Were applicable SDPUC rules followed to determine the allocable portion of
21 embedded costs to the intrastate jurisdiction?**

22 A. Yes, ARSD 20:10:27 through ARSD 20:10:29 were followed to determine the
23 allocation of investment, reserve, operating expense, and taxes to the intrastate

1 jurisdiction. The remaining investment, reserve, operating expense and taxes
2 were allocated to interstate and other in the cost study.

3 Q. **Please summarize your direct testimony?**

4 A. I believe the 2005 intrastate switched access rate appropriately reflects the
5 embedded cost of the Companies. I believe the 2005 intrastate cost study was
6 developed in accordance with ARSD 20:10:27 through ARSD 20:10:29. .

7 Q. **Does this conclude your testimony?**

8 A. Yes.

BEFORE THE PUBLIC UTILITIES COMMISSION
OF THE STATE OF SOUTH DAKOTA

IN THE MATTER OF THE ESTABLISHMENT OF LECs' 2005 SWITCHED ACCESS REVENUE REQUIREMENTS

CERTIFICATE OF SERVICE

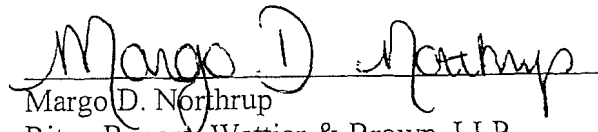
ALLIANCE COMMUNICATIONS COOP., INC.	TC05-083
BROOKINGS MUNICIPAL TELEPHONE (SWIFTEL)	TC05-087
MIDSTATE COMMUNICATIONS	TC05-090
WESTERN TELEPHONE COMPANY	TC05-091
BERESFORD MUNICIPAL TELEPHONE COMPANY	TC05-092
ROBERTS COUNTY TELEPHONE COOPERATIVE	TC05-093
McCOOK COOPERATIVE TELEPHONE	TC05-094
KENNEBEC TELEPHONE COMPANY	TC05-095
WEST RIVER TELECOMMUNICATIONS COOPERATIVE	TC05-109

CERTIFICATE OF SERVICE

I hereby certify that a true and correct copy of the Direct Testimony of Christy Miedema, Ann Kuyper, Tim Eklund and Jonas O. Karlsson was served in each of the above dockets via the method(s) indicated below, on the 21st day July, 2006, addressed to:

Karen Cremer, Staff Attorney	()	First Class Mail
South Dakota Public Utilities Commission	(X)	Hand Delivery
500 East Capitol Avenue	()	Facsimile
Pierre, South Dakota 57501	()	Overnight Delivery
	()	E-Mail
David A. Gerdes	()	First Class Mail
Brett M. Koenecke	(X)	Hand Delivery
May, Adam, Gerdes & Thompson	()	Facsimile
P. O. Box 160	()	Overnight Delivery
Pierre, South Dakota 57501	()	E-Mail
William M. Van Camp, Jr.	()	First Class Mail
Olinger, Lovald, McCahren & Reimers	(X)	Hand Delivery
Box 66	()	Facsimile
Pierre, South Dakota 57501	()	Overnight Delivery
	()	E-Mail

Dated this 21st day of July, 2006.

A handwritten signature in black ink that reads "Margo D. Northrup". The signature is written in a cursive style and is positioned above a horizontal line.

Margo D. Northrup
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