

# **EXHIBIT B**

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

**IN THE MATTER OF THE PETITION OF  
ALLIANCE COMMUNICATIONS  
COOPERATIVE, INC. FOR  
ARBITRATION PURSUANT TO THE  
TELECOMMUNICATIONS ACT OF 1996  
TO RESOLVE ISSUES RELATING TO  
AN INTERCONNECTION AGREEMENT  
WITH ALLTEL, INC.**

**DOCKET No. TC 07-111**

**ALLTEL RESPONSES TO  
INTERROGATORIES AND REQUESTS  
FOR PRODUCTION OF DOCUMENTS  
(SECOND SET)**

In accordance with the Commission's Procedural Order in the above-referenced docket, Alltel Communications, LLC ("Alltel") hereby provides its Responses to the Interrogatories and Requests for Production of Documents (Second Set) from Petitioner.

**ALLTEL'S RESPONSES TO INTERROGATORIES**

1. Please supplement Alltel's answer to Interrogatory No. 1 of Petitioner's Interrogatories and Requests for Production of Documents (First Set).

**RESPONSE:** Alltel does not have any further information with which to supplement its prior response at this time. Alltel is currently reviewing the cost models provided by Petitioner and reserves the right to further comment on the issue of the forward-looking economic cost per unit for call termination based upon its review and analysis of such cost studies as well as the supporting documentation provided and the remainder of the discovery information gathered in this proceeding as well as any other publicly available or independently developed information relevant to the issue of the forward-looking economic cost per unit for call termination. See Response No. 2 for further information. Alltel will supplement its response as appropriate.

2. State the basis for Alltel's contention that the proposed compensation rate does not reflect the forward looking economic cost per unit for call termination as set forth in its response to Interrogatory No. 1 of Petitioner's Interrogatories and Requests for Production of Documents ("First Set").

**RESPONSE:** At this time Alltel is continuing to review, analyze and assess the cost models and studies prepared by the Petitioners and reserves the right to more fully comment and rebut such models, studies and resulting rates within its Direct and Rebuttal Testimony.

However, as a general matter, Alltel observes with respect to switching costs that some Petitioners have higher than expected switch investments/line and annual cost factors (capital costs, operating expenses and common costs), and lower switched minutes/line. With respect to transport electronics costs, Alltel observes that some Petitioners have

high annual costs/DS0 circuit-termination, and all Petitioners have low annual minutes/DS0 circuit. The high annual costs/DS0 circuit-termination may be due to several factors, including the method used by Petitioners to measure transport demand in terms of "paths." With respect to transport outside plant costs, Alltel observes a wide variation in cable miles/DS0 circuit, one Petitioner with high costs/DS0 circuit-mile and again low annual minutes/DS0 circuit.

Alltel has requested information within its discovery requests to further investigate these and other observations. These observations are made with respect to FCC Rules 51.505 and 51.511, which define the requirements of forward-looking economic costs per unit. Alltel does not waive its right to identify further issues with respect to the cost model as its review and understanding of such cost models continues.

3. Identify by company name or other appropriate identifying information those "similar [sic] situated ILECs" to which Alltel is referring in its response to Interrogatory No. 1 of Petitioner's Interrogatories and Requests for Production of Documents (First Set).

**RESPONSE:** Through its course of dealings and prior participation in arbitrations and negotiations with RLECs in NC, MO, IL, CA, SD and UT Alltel has developed a baseline of knowledge and understanding of the operations and costs structures of RLECs in general that continues to provide a basis for its belief that the current reciprocal compensation rate proposed by Petitioner in this proceeding is inflated beyond reason and is unacceptable under the Act.

4. Please supplement Alltel's answer to Interrogatory No. 6 of Petitioner's Interrogatories and Requests for Production of Documents (First Set).

**RESPONSE:** Alltel is continuing in its review of the traffic study information provided by Petitioner and reserves the right to further comment on such study as its review and analysis continues. However, given the outdated information used within the study and the lack of any corresponding documentation as to the methodology of the information and outputs of the study, Alltel continues to believe that based upon its historical ability to successfully negotiate InterMTA use factors in other jurisdictions, the proposed rate is high.

5. Identify by company name those "similar [sic] situated ILECs" to which Alltel is referring in its response to Interrogatory No. 6 of Petitioner's Interrogatories and Requests for Production of Documents (First Set).

**RESPONSE:** Through its course of dealings and prior participation in arbitrations and negotiations with RLECs in NC, MO, MN, NE, TX, OK, IA, GA, KS, AL, IL, CA, SD and UT Alltel has developed a baseline of knowledge and understanding of the operations and traffic/usage patterns of RLECs in general that continues to provide a basis for its belief that the current InterMTA rate proposed by Petitioner in this proceeding is inflated.

Alltel has requested information within its discovery requests to further investigate these and other observations and therefore, does not waive its right to identify further issues with respect to the InterMTA use factors as its review and understanding of Petitioner's studies and disclosed information continues. For additional information see Attachment 1. Alltel will supplement its response as appropriate.

6. Identify those circumstances referenced in Alltel's answer to Interrogatory No. 7 of Petitioner's Interrogatories and Requests for Production of Documents (First Set) in which it is or would be appropriate for the rates applicable to InterMTA traffic to include "statutory or regulatory preference". Identify those circumstances in which it is not appropriate for the rates applicable to InterMTA traffic to include "statutory or regulatory preference".

**RESPONSE:** Alltel is not aware of any particular circumstance wherein the InterMTA rate must include a statutory or regulatory preference. The imposition of a tariffed or statutory rate on CMRS traffic has not been established to be the only accepted practice. The FCC has indicated that access charges may only be appropriate when an RLECs network used to "transit" a call to a roaming subscriber. As previously stated, Alltel believes the establishment of InterMTA rates is typically negotiated among the parties and arrived at through consideration of all open issues involved.

7. Please supplement Alltel's answer to Interrogatory No. 8 of Petitioner's Interrogatories and Requests for Production of Documents (First Set).

**RESPONSE:** Alltel does not have any further information with which to supplement its prior response at this time. Alltel has requested information within its discovery requests to further investigate InterMTA use factor and therefore, does not waive its right to identify further issues with respect to the InterMTA use factors as its review and understanding of Petitioner's studies and disclosed information continues.

8 Does Alltel currently have a process, method or practice by which to measure InterMTA traffic?

**RESPONSE:** Alltel maintains that the use of the parties' negotiated point of interconnection (POI) may be an appropriate measure of InterMTA traffic as it appropriately reflects the individual costs of each party. See Response No. 6 for further information.

9. If your Answer to Interrogatory No. 7 above is no, state whether Alltel intends to develop or propose an appropriate factor for measurement of InterMTA traffic during the course of this proceeding.

**RESPONSE:** Alltel continues to review the proposed factor, and related studies advanced by Petitioner, and has not yet made a determination of whether it will propose an alternative factor based upon its own subsequent studies or findings, if any. Alltel will supplement its response as appropriate.

Alltel has requested information within its discovery requests to further investigate these and other observations and therefore, does not waive its right to identify further issues with respect to the InterMTA issues as its review and understanding of Petitioner's studies and disclosed information continues. Alltel will supplement its response as appropriate.

10. Does Alltel intend to propose a methodology for the measurement of InterMTA traffic? If so, what is that methodology and upon what data and/or rationale is that proposal based?

**RESPONSE:** Development of an appropriate methodology is under consideration by Alltel as it continues to review the InterMTA traffic study information provided by Petitioner. However, at this time a final determination upon a methodology beyond a preferred negotiated solution has not been made and therefore, Alltel does not waive its right to identify further issues with respect to the InterMTA methodology as its review and understanding of Petitioner's studies and disclosed information continues. For further information see Response Nos. 6 and 8. Alltel will supplement its response as appropriate.

11. Does Alltel intend to develop a factor or propose a methodology for the measurement of InterMTA traffic which originates on a landline and terminates to a mobile line?

**RESPONSE:** See Responses Nos. 6, 8 and 10.

12. Does Alltel intend to develop a factor or propose a methodology for the measurement of InterMTA traffic which originates on a mobile line and terminates to a landline?

**RESPONSE:** See Response Nos. 6, 8 and 10.

13. Identify by month the total InterMTA MOU originated on the Petitioner's network and terminated on Alltel's network from January 1, 2007 through November 30, 2007.

**RESPONSE:** Alltel does not maintain or possess such information.

#### **REQUESTS FOR PRODUCTION OF DOCUMENTS**

1. Produce all documents not previously identified in any response to any discovery request set forth herein, but known to you to contain information related to the above-referenced dockets.

**RESPONSE: OBJECTION.** This request seeks attorney client information and work product. The request is also unduly board and burdensome. Without waiving the objection, please see attached Excel spreadsheet.

2. Please supplement Alltel's response to Request No. 2 of Petitioner's Interrogatories and Requests for Production of Documents (First Set) prior to the service of pre-filed testimony.

**RESPONSE:** Any such documents referred to or relied upon by Alltel or its consultants in its evaluation of the rate proposed by Petitioner include: Petitioner's cost study, supporting documentation, discovery responses and Sections 251 and 252 of the Act and corresponding FCC rules and Orders

Respectfully submitted,

Dated: February 25, 2008

As to Objections:

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