

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

**In the Matter of the Filing by Sancom, Inc.)
d/b/a Mitchell Telecom for Approval of its)
Intrastate Switched Access Tariff and for an)
Extension of an Exemption from Developing)
Company Specific Cost-Based Switched)
Access Rates.)**

**SETTLEMENT
STIPULATION
TC07-128**

I. SETTLEMENT STIPULATION

On December 28, 2007, Sancom, Inc. d/b/a Mitchell Telecom (Sancom) filed with the South Dakota Public Utilities Commission (Commission) a petition in accordance with ARSD 20:10:27:11 requesting an extension of its previously granted exemption from developing company specific cost based switched access rates. Sancom proposed decreasing its intrastate switched access rates to \$0.1150 per minute of use to concur with other South Dakota ILEC owned CLEC approved rates. On January 28, 2008, the Commission granted intervention to Qwest Communications Corporation (Qwest) and AT&T Communications of the Midwest, Inc. (AT&T).

The Commission Staff and Sancom (the Parties) held several negotiating sessions in an effort to arrive at a joint and acceptable resolution of this matter. As a result of the sessions, the Parties have been able to resolve all issues in this proceeding and have entered into this Settlement Stipulation (Stipulation), which, if accepted and ordered by the Commission, will determine switched access rates to result from this proceeding.

II. PURPOSE

This Stipulation has been prepared and executed by the Parties for the sole purpose of resolving Docket TC07-128 and is applicable to the final rates in this proceeding only. The Parties acknowledge that they may have differing

views that justify the end result, which they deem to be just and reasonable, and in light of such differences, the Parties agree that the proposals, positions, adjustments made or resolution of any single issue, whether express or implied by the Stipulation, should not be viewed as precedent setting.

No Party concedes the validity or correctness of any regulatory principle or methodology directly or indirectly in this Stipulation except as expressly set forth herein. No precedential effect or other significance, except as may be necessary to enforce this agreement or a Commission order concerning this Stipulation, shall attach to any principle or methodology contained in this Stipulation.

In consideration of the mutual promises hereinafter set forth, the Parties agree as follows:

- (1) Upon execution of this Stipulation, the Parties shall immediately file this Stipulation with the Commission, together with a Joint Motion requesting that the Commission issue an Order approving this Stipulation in its entirety without condition or modification.
- (2) This Stipulation includes all terms of settlement and is submitted with the condition that in the event the Commission imposes any changes in or conditions to this Stipulation which are unacceptable to any Party, this Stipulation shall be deemed withdrawn and shall not constitute any part of the record in this proceeding or any other proceeding nor be used for any other purpose.
- (3) This Stipulation shall become binding upon execution by the Parties, provided however, that if this Stipulation does not become effective in accordance with Paragraph 2 above, it shall be null, void, and privileged. This Stipulation shall not become effective and shall be of no force and effect unless and until the issuance of a final Commission order approving it in its entirety or which contains modifications of the terms and conditions that are acceptable to all Parties hereto. In the event the Commission modifies this Stipulation in any matter unac-

ceptable to any Party hereto, that Party may withdraw from the Stipulation. In the event any Party exercises its right to withdraw from this Stipulation, this Stipulation shall be null and void and of no effect and no force in this or any other proceeding in South Dakota. Should the Commission reject the Stipulation; the Parties will proceed to litigate the entire matter before the Commission as if the Stipulation had not been presented.

- (4) This Stipulation is intended to relate only to the specific matters referred to herein; no Party waives any claim or right which it may otherwise have with respect to any matter not expressly provided for herein; no Party shall be deemed to have approved, accepted, agreed or consented to any rate making principle, or any method of cost of service determination, or any method of cost allocation underlying the provision of this Stipulation, or be prejudiced or bound thereby in any other current or future proceeding before the Commission. No Party or representative thereof shall directly or indirectly refer to this Stipulation or that part of any Order of the Commission referring to this Stipulation as precedent in any other current or future rate proceeding before the Commission.
- (5) The Parties expressly reserve the right to advocate positions different from those stated in this Stipulation in any proceeding other than those necessary to enforce this Stipulation or a Commission Order relating to this Stipulation. Nothing in this Stipulation shall constitute a waiver by any Party with respect to any matter not specifically addressed in this Stipulation.
- ~~(6) In the event this Stipulation becomes null and void or in the event the~~
Commission does not approve this Stipulation, this document, as well as any drafts, negotiations, or discussions undertaken in conjunction with the Stipulation shall not be admissible as evidence in these or any other proceedings or dockets.

- (7) The Parties understand that if this matter is not settled, or if the Commission rejects or alters this Stipulation, the Parties may continue discovery, file motions and request a hearing on the matter be scheduled with the Commission.
- (8) The Parties stipulate that the results of the compromises and settlements reflected in this Stipulation are just, reasonable, and in the public interest.

III. ELEMENTS OF THE SETTLEMENT STIPULATION

1. Revenue Requirement

This Stipulation or the attached tariffed rate schedules are not designed to calculate or produce a specified revenue requirement for Sancom and may not represent Sancom's cost of providing service.

2. Intrastate Switched Access Rates

a. **Rate effective July 1, 2008.** Sancom shall, effective July 1, 2008, decrease its intrastate switched access rate for all originating and terminating intrastate Access Minutes from \$0.1225 to \$0.09145. [Carrier Common Line Access Service per Access Minute - \$0.05106; Local Switching (End Office) per Access Minute - \$0.01735; and Local Transport per Access Minute - \$0.02304]. This represents a decrease of \$0.03105 per Access Minute.

b. **Rate effective July 1, 2009.** Sancom shall, effective July 1, 2009, decrease its intrastate switched access rate for all originating and terminating intrastate Access Minutes from \$0.09145 to \$0.07593. [Carrier Common Line Access Service per Access Minute - \$0.04474; Local Switching (End Office) per Access Minute - \$0.01298; and Local Transport per Access Minute - \$0.01821]. This represents a decrease of \$0.01552 per Access Minute.

c. **Rate effective July 1, 2010.** Sancom shall, effective July 1, 2010, decrease its intrastate switched access rate for all originating and terminating intrastate Access Minutes from \$0.07593 to mirror or be lower than the Qwest Corporation intrastate switched access rate existing at that time. Sancom's rates shall continue to mirror or be lower than the Qwest Corporation intrastate switched ac-

cess rates from this date forward. {Information only - As of July 1, 2008 the Qwest rate is \$0.06042; [Carrier Common Line Access Service per Access Minute - \$0.03842; Local Switching (End Office) per Access Minute - \$0.00861; and Local Transport per Access Minute - \$0.01339]. This rate, if unchanged, would represent a decrease of \$0.01551 per Access Minute.}

3. Duration

These agreed upon rates shall be effective until the earlier of the following:

- (a) **FCC action.** The effective date of any FCC rulings or mandates in any current or future FCC docket that would require changes to the elements of this Stipulation; or
- (b) **Commission action.** The effective date of any Commission rulings or mandates in any current or future Commission docket that would require changes to the elements of this Stipulation; or
- (c) July 1, 2013.

The rates shall be adjusted to conform to either any new FCC or Commission rules or mandates as referenced above.

For the term of this Stipulation, Sancom waives its right to file for or implement any intrastate switched access rate increase above Qwest Corporation's intrastate switched access rate. Sancom is granted a continuing waiver from the requirement of filing cost data in support of Sancom's attached switched access services tariffs, as required by ARSD 20:10:27:07, and shall be allowed to file adjustments to its switched access rates so long as those adjustments either mirror Qwest Corporation's rate or are lower or until the Commission otherwise orders.

At any time during the term of this Stipulation, should the agreed upon rate exceed the rate as determined by ARSD 20:10:27:12, Sancom will, upon proper notice to its customers, adjust the rate downward and update its tariff on file with the Commission so that at no time will Sancom's rate exceed that as determined by ARSD 20:10:27:12. Any downward adjusted rate will remain in effect for the period as described above and comply with all portions of this Stipulation.

4. Implementation of Rates and Tariff

Unless otherwise amended as contained herein, the first attached revised tariff rate schedule shall be implemented for service rendered on and after July 1, 2008, so that any services rendered on and after July 1, 2008, shall be billed at the new \$0.09145 rate [Carrier Common Line Access Service per Access Minute - \$0.05106; Local Switching (End Office) per Access Minute - \$0.01735; and Local Transport per Access Minute - \$0.02304]. The second attached revised tariff rate schedule shall be implemented for service rendered on and after July 1, 2009, so that any services rendered on and after July 1, 2009, shall be billed at the new \$0.07593 rate [Carrier Common Line Access Service per Access Minute - \$0.04474; Local Switching (End Office) per Access Minute - \$0.01298; and Local Transport per Access Minute - \$0.01821]. No later than May 1, 2010, Sancom shall file an updated intrastate switched access tariff to be effective July 1, 2010, that either mirrors the Qwest rate or is lower than the Qwest rate current at that time.

5. Conclusion

This Stipulation is entered into this 31st day of July, 2008.

Sancom, Inc. d/b/a Mitchell Telecom

South Dakota Public Utilities
Commission Staff:

BY: 

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Larson & Nipe
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Woonsocket, SD 57385

BY: 

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Staff Attorney
SD Public Utilities Commission
State Capitol Building
500 E. Capitol
Pierre, SD 57501

SOUTH DAKOTA SWITCHED ACCESS SERVICES

17. Rates and Charges

17.1 Common Line Access Service

17.1.1 Carrier Common Line Access Service

Rate

Regulations concerning Carrier Common Line Access
are set forth in Section 3. Preceding.

Per Access Minute

\$0.05106 (R)

17.1.2 Reserved for Future Use

Issued: July 1, 2008

Effective: July 1, 2008

By: Ryan Thompson
General Manager

Address: 1801 North Main Street
Mitchell, SD 57301

SOUTH DAKOTA SWITCHED ACCESS SERVICES

17. Rates and Charges (Cont'd)

17.2 Switched Access Service

<u>17.2.1 Nonrecurring Charges</u>	<u>Rate</u>
(A) <u>Local Transport Element- Installation Per Line or Trunk</u>	\$295.00
(B) <u>Reserved for Future Use</u>	
(C) <u>Interim NXX Translation Per Order</u>	\$181.00

Per LATA or Market Area

17.2.2 Traffic Sensitive

Local Switching (End Office)

Per Access Minute \$0.01735 (R)

Local Transport

Per Access Minute \$0.02304 (R)

Network Blocking Per Blocked Call

Applies to FGD only \$0.0271

8XX Data Base Query Service

Per Query

Basic \$0.0079

Vertical Feature \$0.0082

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SOUTH DAKOTA SWITCHED ACCESS SERVICES

17. Rates and Charges

17.1 Common Line Access Service

17.1.1 Carrier Common Line Access Service

Rate

Regulations concerning Carrier Common Line Access
are set forth in Section 3. Preceding.

Per Access Minute

\$0.04474 (R)

17.1.2 Reserved for Future Use

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General Manager**

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Mitchell, SD 57301**

SOUTH DAKOTA SWITCHED ACCESS SERVICES

17. Rates and Charges (Cont'd)

17.2 Switched Access Service

17.2.1 Nonrecurring Charges Rate

(A) <u>Local Transport Element- Installation Per Line or Trunk</u>	\$295.00
(B) <u>Reserved for Future Use</u>	
(C) <u>Interim NXX Translation Per Order</u>	\$181.00

Per LATA or Market Area

17.2.2 Traffic Sensitive

Local Switching (End Office)

Per Access Minute \$0.01298 (R)

Local Transport

Per Access Minute \$0.01821 (R)

Network Blocking Per Blocked Call

Applies to FGD only \$0.0271

8XX Data Base Query Service

Per Query

Basic \$0.0079

Vertical Feature \$0.0082

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