

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

IN THE MATTER OF THE AMENDED )  
COMPLAINT OF SOUTH DAKOTA )  
NETWORK, LLC, AGAINST SPRINT ) DOCKET NO. TC09-098  
COMMUNICATIONS COMPANY L.P. )

IN THE MATTER OF THE THIRD PARTY ) **AFFIDAVIT OF DON J. WOOD**  
COMPLAINT OF SPRINT )  
COMMUNICATIONS COMPANY L.P. )  
AGAINST SPLITROCK PROPERTIES, INC., )  
NORTHERN VALLEY COMMUNICATIONS, )  
INC., SANCOM, INC., AND CAPITAL )  
TELEPHONE COMPANY )

STATE OF GEORGIA )  
 ) ss  
COUNTY OF FULTON )

Don Wood, being first duly sworn, states as follows:

1. My name is Don J. Wood. I am a principal in the firm of Wood & Wood, an economic and financial consulting firm. My business address is 914 Stream Valley Trail, Alpharetta, Georgia 30022. I provide economic, financial, and regulatory analysis of issues in telecommunications and related convergence industries, with an emphasis on economic and regulatory policy, competitive market development, and cost-of-service issues.

2. I received a BBA in Finance with distinction from Emory University (1985) and an MBA with concentrations in Finance and Microeconomics from the College of William and Mary (1987).

3. My telecommunications experience includes employment at both a large Local Exchange Carrier, or “LEC,” and an Interexchange Carrier, or “IXC.” I was employed in the local exchange industry by BellSouth Services, Inc. in its Pricing and Economics, Service Cost Division. My responsibilities included performing cost analyses of new and existing services

(including but not limited to access services), preparing documentation for filings with state regulators and the Commission, developing cost methodology and computer models for use by other analysts, and performing special assembly cost studies. I was employed in the interexchange industry by MCI Telecommunications Corporation, as Manager of Regulatory Analysis for the Southern Division. In this capacity I was responsible for the development and implementation of regulatory policy for operations across a nine (and later fifteen) state region. My role included an in-depth analysis of the annual interstate access filings of the Bell Operating Companies, and of state tariff filings for access services provided by Local Exchange Companies. I then served as a Senior Manager in MCI's Economic Analysis and Regulatory Affairs Organization, where I participated in the development of regulatory policy for national issues.

4. Since leaving MCI in 1994, I have provided consulting services primarily in telecommunications and other technology-driven industries. I have provided sworn testimony before the regulatory commissions of forty-three states, Puerto Rico, and the District of Columbia; in state, federal, and overseas courts, before alternative dispute resolution tribunals, before the Internal Revenue Service, and in proceedings before the Federal Communications Commission ("FCC"). A listing of previous testimony and publications is attached as Exhibit DJW-1.

5. During my industry employment and in previous consulting assignments, I have become familiar with the nature and structure of the "access charges" assessed by Local Exchange Carriers, including both Incumbent Local Exchange Carriers ("ILECS") and Competitive Local Exchange Carriers ("CLECS"), to Interexchange Carriers ("IXCs").

6. During my industry employment and in previous consulting assignments, I have reviewed and analyzed the rates, terms, and conditions contained in LEC tariffs for access services, including but not limited to switched access services.

7. During my industry employment and in previous consulting assignments, I have reviewed regulatory rulings, including those issued by the FCC and state regulators, that specifically addressed rates, terms, and conditions of LEC access charges, and have applied the conclusions reached in those rulings to my analysis of case-specific facts.

8. During my industry employment and in previous consulting assignments, I have become familiar with the business operations of LECs, including but not limited to the tariffing of LEC-provided services and the billing of end user customers for those services.

9. During my industry employment and in previous consulting assignments, I have become familiar with “traffic pumping” schemes engaged in by both ILECs and CLECs, and with the decisions of state and federal regulators that address these schemes.

10. When performing this assignment, I relied upon my twenty-five years of experience in the telecommunications industry and my understanding, developed during that time, of common and accepted industry practices and of the common and accepted meaning of industry-specific terms. This experience includes, but is not limited to, other projects and cases related to the structure and application of LEC access charges; the application of LEC tariff provisions to a specific set of facts; the application of the decisions of regulatory agencies to a specific set of facts; the application of the requirements of the Communications Act of 1934 (as amended by the Telecommunications Act of 1996) to a specific set of facts; and the quantification of damages.

11. The information that I relied upon to reach my opinions and conclusions is the kind of information that is reasonably and normally relied upon by experts in my field of expertise, and my analysis has been conducted in a manner consistent with the standards of my profession.

12. I have been asked by Sprint Communications Company, LLC (“Sprint”) to review the available information regarding the operations of Northern Valley Communications, Inc. (“Northern Valley”). A listing of the documents that I reviewed is attached as Exhibit DJW-2.

13. As Northern Valley acknowledges in its pleadings, originating access charges are due only for calls that are originated by an end user customer of a LEC-provided local exchange service. Terminating access charges are due only for calls delivered by a LEC to an end user of LEC-provided local exchange service. This acknowledgement is consistent with the historic application of access charges, the language of the application tariffs, and my understanding of the South Dakota statutes and rules. Because the question of whether access services have been provided relies directly on a determination of whether calls have been delivered to, and originated from, end user customers of Northern Valley’s local exchange services, my analysis has focused on such a determination. The traffic at issue involves calls delivered by Northern Valley to a number of Call Connection Companies (“CCCs”).

14. Based on my analysis of the available information, I have reached the following conclusions: **[BEGIN CONFIDENTIAL]**

[REDACTED]





[REDACTED]

[END CONFIDENTIAL]

*s/Don Wood*  
\_\_\_\_\_  
Don J. Wood

Subscribed and sworn to before  
me this 30th day of August, 2012.

*s/Deborah L. Wood*  
\_\_\_\_\_  
Notary Public  
My Commission expires: 3/24/2013