

**PUBLIC UTILITIES COMMISSION  
OF THE STATE OF SOUTH DAKOTA  
DOCKET NO. TC12-040**

**RESPONSIVE TESTIMONY OF  
LAWRENCE J. BAX**

**EXHIBIT LJB-2**

**REDACTED**

**DECEMBER 19, 2012**

TABLE 1:

AT&T ANALYSIS				
Capped Intrastate Rate (LECA Consolidated Rate)		\$ 0.125000		
	Restructured Intrastate Rate <sup>1</sup>	Transition Rate	Total Rate	Difference
Brookings 1st View				
Brookings 2nd View				
Corrected View				

TABLE 2:

HISTORICAL LECA RATE ELEMENT <sup>2</sup>	CATEGORY <sup>3</sup>	LECA CONSOLIDATED ELEMENT <sup>4</sup>
Carrier Common Line – Originating	Common Line	LECA Consolidated Rate
Carrier Common Line – Terminating	Common Line	
Local Switching – Originating	End Office	
Local Switching – Terminating	End Office	
Local Transport	Transport	

TABLE 3:

HISTORICAL LECA RATE - WEIGHTING ANALYSIS		
Intrastate Terminating Rates by Element <sup>5</sup>		
Element	MOU Rate	Weight
Carrier Common Line	\$ 0.0788	54.4575%
Local Switching	\$ 0.0274	18.9357%
Transport	\$ 0.0385	26.6068%
<b>Total</b>	<b>\$ 0.1447</b>	<b>100%</b>

TABLE 3 NOTE: Using the most recent historical LECA rate (i.e., the rate in effect immediately before implementation of the \$0.125 consolidated rate) for the intrastate terminating rate elements, each rate element is weighted based on its proportion of the total rate.

TABLE 4:

LECA RATE & REVENUE ANALYSIS - TERMINATING	
LECA Consolidated Rate	\$ 0.125000
Transport-only LECA Consolidated Rate <sup>6</sup>	\$ 0.033258
Total FY2011 Wireline MOUs	
Total FY2011 Wireless MOUs	
Total FY2011 Wireline Revenues	
Total FY2011 Wireless Revenues	
<b>Total FY2011 Intrastate Sw. Acc. Revenues</b>	

TABLE 4 NOTE: Applying the weights determined in the weighting analysis, the consolidated rate (i.e., \$0.125) is reduced to remove charges associated with end office and common line rate elements (i.e., producing a transport-only rate). The result is \$0.033 (i.e., \$0.125 \* 27%). The full consolidated rate is applied to wireline MOUs; The transport-only consolidated rate is applied to wireless MOUs. The results are added to determine total FY2011 terminating switched access revenues.

<sup>1</sup>The term "restructured intrastate rate" refers to intrastate demand cast across the interstate rate structure as shown in Line 7 through Line 38 of the Brookings Worksheet.

<sup>2</sup>Local Exchange Carrier Association, Inc. Tariff No. 1, 22nd Revised Page 17-1 and 22nd Revised Page 17-4 and. LECA and Brookings confirm these are the correct tariff pages. See, LECA Supplemental Responses to AT&T at number 11, attached as Bax Responsive Exhibit LJB-6. The referenced tariff pages are attached as Bax Responsive Exhibit LJB-5.

<sup>3</sup>The rate categories can be found in Local Exchange Carrier Association, Inc. Tariff No. 1, at Section 6.1.3.

<sup>4</sup>Local Exchange Carrier Association, Inc. Tariff No. 1, 23rd Revised Page 17-1 and 23rd Revised Page 17-4.

<sup>5</sup>Local Exchange Carrier Association, Inc. Tariff No. 1, 22nd Revised Page 17-1 and 22nd Revised Page 17-4 and. LECA and Brookings confirm these are the correct tariff pages. See, LECA Supplemental Responses to AT&T at number 11 attached as Bax Responsive Exhibit LJB-6. The referenced tariff pages are attached as Bax Responsive Exhibit LJB-5.

<sup>6</sup>LECA Tariff No. 1, Section 6.8.1(K), attached as Bax Responsive Exhibit LJB-8, states: "For FGD switched access service to a Mobile Telephone Switching Office (MTSO) directly interconnected to a Telephone Company access tandem office, the customer will be billed only the Local Transport element for the FGD usage." As such, the LECA tariff contemplates a transport-only consolidated rate.