

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

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| IN THE MATTER OF THE PETITION OF U S) | ORDER RECLASSIFYING |
| WEST COMMUNICATIONS, INC. TO) | DIRECTORY ASSISTANCE |
| RECLASSIFY U S WEST'S DIRECTORY) | AS FULLY COMPETITIVE; |
| ASSISTANCE SERVICE) | ORDER APPROVING |
|) | SETTLEMENT AGREEMENT |
|) | TC99-098 |

On September 22, 1999, U S WEST Communications, Inc. (U S WEST) filed with the Public Utilities Commission (Commission) a Petition to Reclassify U S WEST's Directory Assistance Service. In its petition, U S WEST requests that directory assistance and related services be reclassified from noncompetitive services to fully competitive services. Pursuant to SDCL 49-31-3.2, when determining how a telecommunications service is to be classified, the Commission shall consider the following:

- (1) The number and size of alternative providers of the service and the affiliation to other providers;
- (2) The extent to which services are available from alternative providers in the relevant market;
- (3) The ability of alternative providers to make functionally equivalent or substitute services readily available at competitive rates, terms, and conditions of service;
- (4) The market share, the ability of the market to hold prices close to the cost, and other economic measures of market power; and
- (5) The impact on universal service.

The Commission has jurisdiction over this matter pursuant to SDCL 49-31-3.2 and 49-31-3.4. Pursuant to SDCL 49-31-3.4, in any proceeding to reclassify a telecommunications service, the person initiating the petition has the burden of proving that the existing classification is inappropriate. U S WEST filed its testimony along with its petition. No parties filed to intervene. A hearing was scheduled for November 23, 1999. On November 3, 1999, U S WEST and Commission Staff filed a Stipulation and Settlement Agreement.

In the Stipulation and Settlement Agreement, U S WEST and Commission Staff agreed that U S WEST's directory assistance services and related services are fully competitive. At its November 15, 1999, meeting, the Commission considered the Stipulation and Settlement Agreement. The Commission questioned the inclusion of "related services" and the Commission Staff stated that "related services" should have been deleted. The Commission deferred action.

On November 16, 1999, the Commission received a letter from Commission Staff stating that page 2 was being revised. The revision deleted "and related services" from paragraph II and substituted the words "arising from the utilization of the 411 and 555-1212 numbers." At its November 19, 1999, meeting, the Commission considered the Stipulation and Settlement Agreement with the revised page 2. The Commission noted that the words "and related services" were still contained in paragraph III(G). The Commission voted to approve the Stipulation and Settlement Agreement with the modification that the words "and related services" in paragraph III(G) be stricken and that the words "arising from the utilization of the 411 and 555-1212 numbers" be inserted. After consideration of the criteria listed in SDCL 49-31-3.2 and based upon the information filed in this docket, the Commission finds that directory assistance services arising from the utilization of the 411 and 555-1212 numbers shall be reclassified as fully competitive. The Commission finds the reclassification is in the public interest because there are numerous alternative providers of directory assistance services in South Dakota.

It is therefore

ORDERED, that directory assistance services arising from the utilization of the 411 and 555-1212 numbers shall be reclassified as fully competitive; and it is

FURTHER ORDERED, that the Stipulation and Settlement Agreement shall be approved with the modification listed above and shall be incorporated by reference into this Order the same as if it had been set forth in its entirety herein.

Dated at Pierre, South Dakota, this 8th day of December, 1999.

| CERTIFICATE OF SERVICE | |
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| The undersigned hereby certifies that this document has been served today upon all parties of record in this docket, as listed on the docket service list, by facsimile or by first class mail, in properly addressed envelopes, with charges prepaid thereon. | |
| By: | <u>Debbie Kelbo</u> |
| Date: | <u>12/8/99</u> |
| (OFFICIAL SEAL) | |

BY ORDER OF THE COMMISSION:

James A. Burg
JAMES A. BURG, Chairman

Pam Nelson
PAM NELSON, Commissioner

Laska Schoenfelder
LASKA SCHOENFELDER, Commissioner