

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

IN THE MATTER OF THE ESTABLISHMENT)	ORDER GRANTING
OF DIFFERENT RATES FOR)	INTERVENTION
INTERCONNECTION AND UNBUNDLED)	
NETWORK ELEMENTS IN AT LEAST THREE)	TC99-106
GEOGRAPHIC AREAS FOR NONRURAL)	
TELECOMMUNICATIONS COMPANIES)	

In August of 1996, the Federal Communications Commission (FCC) issued its Local Competition Order implementing section 251 of the federal Telecommunications Act of 1996. Section 51.507(f) required each state commission to establish different rates for interconnection and unbundled network elements (UNEs) in at least three geographic areas within the state to reflect geographic cost differences. The Eighth Circuit subsequently stayed and then vacated the deaveraging rule. Based on those decisions, the Commission did not establish different rates for different geographic areas. However, in January of 1999, the U. S. Supreme Court reversed the Eighth Circuit's decision. On May 7, 1999, the FCC stayed the effectiveness of the rule in order to allow states additional time to comply with the rule. By order released November 2, 1999, the FCC ruled that the stay will be lifted on May 1, 2000. *In the Matter of the Federal-State Joint Board on Universal Service*, CC Docket 96-45, Ninth Report and Order and Eighteenth Order on Reconsideration, FCC 99-306, paragraph 120 (rel. Nov. 2, 1999). The order provides that by May 1, 2000, "states are required to establish different rates for interconnection and UNEs in at least three geographic areas pursuant to section 51.507(f) of the Commission's rules." *Id.*

On November 15, 1999, the Public Utilities Commission (Commission) considered how to proceed in this matter after due and timely notice. Comments were received from various interested parties. On February 2, 2000, the Commission again considered how to proceed and issued a procedural order dated February 4, 2000.

Timely petitions to intervene were received from the respective parties on the following dates:

U S WEST Communications, Inc.	February 8, 2000
McLeodUSA Telecommunications Services Incorporated	February 8, 2000
Sprint Communications Company, L.P.	February 9, 2000
AT&T Communications of the Midwest, Inc.	February 9, 2000

The Commission has jurisdiction in this matter pursuant to SDCL Chapters 1-26 and 49-31, 47 U.S.C. Sections 251 and 252 and ARSD 20:10:01:15.05.

At a regularly scheduled meeting of February 29, 2000, the Commission found that the Petitions to Intervene were timely filed and demonstrated good cause to grant intervention. It is therefore

ORDERED, that the Petitions to Intervene as described above are hereby granted.

Dated at Pierre, South Dakota, this 6th day of March, 2000.

CERTIFICATE OF SERVICE
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>Alaine Kalbs</u>
Date: <u>3/8/00</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