

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

IN THE MATTER OF THE APPLICATION OF)	ORDER FOR AND NOTICE
QWEST CORPORATION TO RECLASSIFY)	OF PROCEDURAL
LOCAL EXCHANGE SERVICES AS FULLY)	SCHEDULE AND HEARING
COMPETITIVE)	TC03-057

On March 14, 2003, the South Dakota Public Utilities Commission (Commission) received the complaint of Qwest Corporation (Qwest) to reclassify local exchange and other related services as fully competitive in all Qwest exchanges in South Dakota (Complaint).

On March 20, 2003, the Commission electronically transmitted notice of the filing and the intervention deadline of April 4, 2003, to interested individuals and entities. Black Hills FiberCom, L.L.C. (Black Hills) filed a Petition for Leave to Intervene on March 26, 2003, Northern Valley Communications, L.L.C. (NVC) filed a Petition to Intervene on March 28, 2003, Midcontinent Communications, Inc. (Midcontinent) filed a Petition to Intervene on April 2, 2003, PrairieWave Telecommunications, Inc. and PrairieWave Community Telephone, Inc. (PrairieWave) filed a Petition to Intervene on April 3, 2003, and Midstate Telecom, Inc. (Midstate), South Dakota Telecommunications Association (SDTA) and WorldCom (WorldCom) filed Petitions to Intervene on April 4, 2003.

The Commission has jurisdiction in this matter pursuant to SDCL Chapters 1-26 and 49-31, specifically SDCL 49-31-3, 49-31-3.2 and 49-31-44 and ARSD 20:10:24:11 through 20:10:24:19.

At a regularly scheduled meeting of April 15, 2003, the Commission granted intervention to Black Hills, NVC, Midcontinent, PrairieWave, Midstate, SDTA and WorldCom.

At a regularly scheduled meeting of May 6, 2003, the Commission found that the proceeding cannot be completed within 90 days and that an additional 90 day period is necessary for the Commission to adequately and completely fulfill its duty under Chapter 49-31. The Commission deferred its decision on the assessment of a deposit pursuant to SDCL 49-31-44.

Finally, the Commission approved the procedural schedule as set forth below.

The procedural schedule for testimony shall be as follows:

DATE	PROCEDURAL SCHEDULE
May 27, 2003	Staff and Intervenors Testimony Due

July 28, 2003

Qwest Rebuttal Testimony Due

August 12-15, 2003

Hearing

A hearing shall be held beginning at 9:00 A.M. on August 12, 2003 and continuing through August 15, 2003, in Room 412 of the State Capitol Building, 500 E. Capitol, Pierre, South Dakota. All persons testifying will be subject to cross-examination by the parties.

The issue at the hearing is whether the local exchange services and other related services provided by Qwest in South Dakota, listed on Attachment 1 to the testimony of David L. Tietzel filed with the Complaint and attached hereto as Attachment 1, shall be classified as fully competitive services based upon their meeting the definition of "fully competitive service" set forth in SDCL 49-31-1.3 and satisfying the criteria for classification as fully competitive services set forth in 49-31-3.2. The Commission shall determine in accordance with SDCL 49-31-1.3 whether the identified services are services (i) which have alternative services available to over fifty percent of the company's customers for that service or (ii) which are of limited scope or so discretionary in nature that regulation is not warranted. In determining how the services are to be classified, the Commission shall also consider in accordance with SDCL 49-31-3.2:

- (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 cost, and other economic measures of market power; and
- (5) The impact on universal service.

The hearing shall be an adversary proceeding conducted pursuant to SDCL Chapter 1-26. All parties have the right to be present and to be represented by an attorney. These rights and other due process rights shall be forfeited if not exercised at the hearing. If you or your representative fail to appear at the time and place set for the hearing, the Final Decision will be based solely on the testimony and evidence provided, if any, during the hearing or a Final Decision may be issued by default pursuant to SDCL 1-26-20. After the hearing, the Commission will consider all evidence and testimony that was presented at the hearing. The Commission will then enter Findings of Fact, Conclusions of Law, and a Final Decision regarding this matter. As a result of the hearing, the Commission shall determine whether the local exchange and other related services specified in the Complaint shall be reclassified as fully competitive services. The Commission's Final Decision may be appealed by the parties to the state Circuit Court and the state Supreme Court as provided by law. It is therefore

ORDERED, that an additional 90 days shall be allowed for the proceeding. it is further

ORDERED, that the procedural schedule set forth above shall be followed by all parties to this proceeding. It is further

ORDERED, that a hearing shall be held at the time and place specified above on the issue of whether the local exchange and other related services specified in the Complaint shall be reclassified as fully competitive services.

Pursuant to the Americans with Disabilities Act, this hearing is being held in a physically accessible location. Please contact the Public Utilities Commission at 1-800-332-1782 at least 48 hours prior to the hearing if you have special needs so arrangements can be made to accommodate you.

Dated at Pierre, South Dakota, this 16th day of May, 2003.

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><i>Dalaine Kolbo</i></u>
Date: <u>5/16/03</u>
(OFFICIAL SEAL)

BY ORDER OF THE COMMISSION:

Robert K. Sahr
ROBERT K. SAHR, Chairman

Gary Hanson
GARY HANSON, Commissioner

James A. Burg
JAMES A. BURG, Commissioner

LOCAL EXCHANGE AND RELATED SERVICES TO BE RECLASSIFIED AS FULLY COMPETITIVE

Party Line Service	2.2.1	A single exchange access line used by multiple customers
Change of Responsibility	2.2.1	Applies when a new customer takes over an existing account or when a customer regrades from residence to business service
60 Day Product Guarantee	2.2.3	Allows residence customers who are new subscribers to a covered product to receive a credit for all applicable paid charges if dissatisfied with the service
Change of Telephone Number	2.2.7	Applies to customer-initiated change of telephone number
Full Toll Denial	2.2.9	Provides for denial of MTS Service when customer fails to pay outstanding charges
Restoral of Service	2.2.9	Applies to restoration of service that has been temporarily suspended due to non-payment of charges or for violation of regulations
Vacation Service	2.2.10	Applies to restoral of service temporarily suspended upon customer request
Work on Customer's Premises	2.2.11	Applies to work performed on customer premises during customer-requested hours which results in overtime or premium pay
Special Arrangements	2.2.11	Applies to special service arrangements not specifically covered in the Tariff
Termination Liability/Waiver Policy	2.2.14	Apply when the customer discontinues contracted services
Late Payment Charge	2.3.2	Applies to all amounts previously billed which remain unpaid at the time the next bill is prepared
Returned Payment Charge	2.3.2	Applies to each occasion that check, bank draft, or electronic funds transfer item is returned to the Company for reasons of insufficient funds or no account.

LOCAL EXCHANGE AND RELATED SERVICES TO BE RECLASSIFIED AS FULLY COMPETITIVE

Service	Rate	Description
Royalty Fees	2.6	Applies to customers using services which require the Company to pay royalty fees
Portable Radio Broadcast Kit	3.1.1	
Dual Service	3.1.7	Provides exchange access line service with the same telephone number simultaneously to two different addresses served from the same wire center.
Express Service	3.1.8	Provides access line dial tone prior to the standard installation service date.
Expedited Maintenance Service	3.1.10	Provides repair service outside of regular working hours
*Today's Trouble Today		Immediate repair on a call-out basis
Construction Charges	4	Provides for the furnishing of facilities involving excessive costs in relation to the revenues to be received
*Outside Base Rate Area	4.2	Provides for the furnishing of facilities where telephone facilities are not in place
*Service Entrance Facilities	4.3	Provides for the placement of a buried entrance when the company would ordinarily install aerial facilities
*New Real Estate Additions	4.4.1	Provides buried and/or underground facilities to subdivisions and developments outside the Base Rate Area
Local Exchange Service	5	Provides access to and transmission of two-way switched telecommunications service within a local exchange area
*Extended Calling Plan	5.1.6	Provides for extension of the local calling service area to contiguous exchanges in South Dakota
*Residence Individual Auxiliary Lines	5.2	Provides for an additional residence line on the same premises in the same dwelling unit
*Budget Pac	5.2.1	Provides for a residential exchange access line and usage
*Hourly Usage Package Service	5.2.1	Provides for residential local exchange service for which rates are based upon exchange access and usage
*Value Pac	5.2.1	Provides for business local exchange service furnished with rates for an exchange access line and usage
*Hearing or Speech Impairment Discount	5.2.1	Provides for credit on day, evening, and certain night rates from a certified account premises

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Service	Number	Description
*Measured Service and Hourly Usage Package Service Billing Options	5.2.1	Provides customers with option on how local usage charges will be billed
*Residence flat rate service	5.2.4	Provides for residence exchange service for which a specified rate is charged, regardless of usage
*Business flat rate service	5.2.4	Provides for business exchange service for which a specified rate is charged, regardless of usage
*Hunting (Rotary Service)	5.2.5	Provides for completing calls to an idle line when the called line is in use
*Public Response Calling Service	5.2.5	Provides facilities for call-in programs, promotional activities and contests
*Dormitory Communication Service	5.2.5	Provides the equivalent of residence individual line local exchange service to accredited educational institutions
*Extension Service	5.2.5	Provides the user with the capability for originating and terminating calls at locations in addition to the location of the main line service
*Incoming Lines and Trunks	5.2.5	Provides additional lines or trunks to be used exclusively for inward service from the central office
*Stand-By Line Service	5.2.5	Provides business customers with ability to expand access to business and capacity to make outgoing calls
*Measured Rate Trunks	5.3.1	Refer to Value Pac Service
*Business Flat Rate Trunks	5.3.3	Provides two-way, four-wire trunk, In-only analog DID trunk
*Network Access Registers	5.3.6	Provides for the dialing of exchange and MTS calls to and from a Centron/Centrex Plus system.
*Touch-Tone Calling	5.4.2	Provides for the origination of calls by means of instruments equipped for tone type address signaling and special office facilities
*Data Conditioning	5.4.5	Provides customers a level of transmission performance for voice and analog data
*Public Access Line Service	5.5.7	Provides flat or message, two-way or outgoing only lines for use with pay telephones
*Concession Service	5.6	Provides discounts on residential exchange telephone services to employees of Qwest
*Directory Listings	5.7.1	Provides customer name, telephone number, and address in telephone directory, included in the rate for exchange telephone service
*Intercept Services	5.8.4	Provide new number or explanatory information to callers dialing changed or disconnected numbers
*Shared Use Service	5.10	Provides for the shared use of a customer's business local exchange service
Local Operator Services	6.2.1	Provides operator assistance to customers upon request in order to complete local calls

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Service	Tariff Code	Description
Operator Verification/Interrupt	6.2.8	Provides line status or busy interrupt for a requested line or trunk upon customer's request
Connections of Equipment, Communications Systems and Premises Wire	8.1	Equipment and systems not subject to Title 47, Telecommunication, of the Code of Federal Regulations, Part 68.
Centrex Plus Local Transport Facility	9.1.16	Provides local transport for use with Centrex Plus Service
Centrex 21 Local Transport Facility	9.1.17	Provides local transport for use with Centrex 21 Service
Telephone Answering Bureau Service	9.3	Provides central office facilities so that incoming calls can be answered by an Answering Bureau
Mileage Charges	10.2	
*Extra Exchange Line Mileage	10.2.1	Provides for mileage charges in connection with main stations, private branch exchange systems, hotel branch exchange systems, Centrex systems, and 4-pty lines located outside the base rate area
*Private or Hotel Branch Exchange Station Line Mileage	10.2.2	Provides for a carrying charge to be applied in lieu of the private branch exchange station line mileage charges
Digital Switched Service	15.1	Provides digital exchange service for PBX customers
SWITCHNET 56	15.2	Provides a single-party, four wire conditioned service used to transmit voice and data.
Uniform Access Solution Service	15.3	Provides an arrangement that allows channels to function with one number per channel group.

