

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

**IN THE MATTER OF THE FILING BY SAGE
TELECOM, INC. FOR APPROVAL OF
REVISIONS TO ITS TARIFF NO. 3**

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**ORDER APPROVING
TARIFF REVISIONS AND
WAIVER/SUSPENSION
REQUEST**

TC12-103

On June 27, 2012, the Public Utilities Commission (Commission) received a filing from Sage Telecom, Inc. (Sage) for approval of revisions to its Tariff No. 3. The purpose of this filing is to implement the Federal Communications Commission's (FCC) intercarrier compensation reforms as set forth in its Connect America Fund Order (Order), released November 18, 2011.¹ As part of its Order, the FCC adopted "bill-and-keep as the default methodology" and "end state" for all intercarrier compensation traffic, including intrastate traffic. The FCC further adopted a defined "transition path" for moving to this end state. The first reduction mandated by the FCC's Order requires a carrier to reduce its intrastate terminating access rate, if above the carrier's interstate access rate, by 50 percent of the differential between the carrier's intrastate rate and the carrier's interstate access rate. The reduced rates are required to be effective by July 3, 2012.² Sage requests an effective date for this revision of July 1, 2012.

Sage requested approval of the following tariff pages:

South Dakota Tariff No. 3

1st Revised Page No. 2

Cancels Original Page No. 2

1st Revised Page No. 59

Cancels Original Page No. 59

On June 28, 2012, the Commission electronically transmitted notice of the filing and the intervention deadline of July 13, 2012, to interested individuals and entities. No parties sought intervention. On August 6 and 7, 2012, Sage filed additional tariff revisions.

At its regularly scheduled meeting of August 14, 2012, the Commission considered this matter. The Commission has jurisdiction over this matter pursuant to SDCL Chapter 49-31. The Commission voted unanimously to approve the requested revisions to Sage's Tariff No. 3 and to waive/suspend, until the Commission otherwise orders, the specific provisions in rules ARSD 20:10:29:10, 20:10:29:12, and 20:10:29:16 that state "[t]he per minute charge is equal for both originating and terminating traffic." It is therefore

ORDERED, that the Commission approves the above referenced revisions to Sage's Tariff No. 3 effective as of July 1, 2012. It is further

¹ *In the Matter of Connect America Fund et al.*, WC Docket Nos. 10-90, et al., Report and Order and Further Notice of Proposed Rulemaking, FCC 11-161 (rel. November 18, 2011).

² *See In the Matter of Connect America Fund et al.*, WC Docket Nos. 10-90, et al., Order, DA 12-870 (rel. June 5, 2012) (allowing effective dates for intrastate filings to be extended from July 1, 2012 to July 3, 2012).

ORDERED, until such time as the Commission otherwise orders, the waiver/suspension of the specific provisions in rules ARSD 20:10:29:10, 20:10:29:12, and 20:10:29:16 that state "[t]he per minute charge is equal for both originating and terminating traffic" is hereby granted.

Dated at Pierre, South Dakota, this 17th day of August, 2012.

<p>CERTIFICATE OF SERVICE</p> <p>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, electronically.</p> <p>By: <u>Joy Denny</u></p> <p>Date: <u>August 17, 2012</u></p> <p>(OFFICIAL SEAL)</p>

BY ORDER OF THE COMMISSION:

Chris Nelson

CHRIS NELSON, Chairman

Kristie Fiegen

KRISTIE FIEGEN, Commissioner

Gary Hanson

GARY HANSON, Commissioner