



Gary Hanson, Chairperson  
Chris Nelson, Vice Chairperson  
Kristie Fiegen, Commissioner

*South Dakota*

**PUBLIC UTILITIES COMMISSION**

500 East Capitol Avenue  
Pierre, South Dakota 57501-5070  
[www.puc.sd.gov](http://www.puc.sd.gov)

Capitol Office  
(605) 773-3201  
1-866-757-6031 fax

Grain Warehouse  
(605) 773-5280  
(605) 773-3225 fax

Consumer Hotline  
1-800-332-1782

TC14-021

- 1-1) Provide the work papers showing the steps the company used to determine its composite access rate to be in compliance with the July 1, 2014 portion of the FCC Reform Order and the March 31, 2014 clarification order.

**Response: See Excel File entitled “Knology of the Black Hills step down of end office terminating terminating rates 2014 data request 1”**

- 1-2) Explain the increase in the Local Switching – all other end offices and how that increase is compliant with the FCC Reform Order to reduce rates. Specifically does the company think the increase is compliant with §51.909(d)(4).

**Response: The FCC Order requires all End Office terminating rates to be combined as one element and the rate phased down to .0007 (in price cap areas) and to .005 (in rate of return areas) over a three year period. Knology of the Black Hills end office rates are Local Switching and Trunk port in the price cap areas. The trunk port element was combined with the local switching element and the total rate phased down beginning 7/1/2014. The calculation is shown in the Excel file provided as response to 1-1. So, the total end office rate is actually a decrease, not an increase.**