

LAW OFFICES
BLOOSTON, MORDKOFKY, DICKENS, DUFFY & PRENDERGAST, LLP

BENJAMIN H. DICKENS, JR.
JOHN A. PRENDERGAST
GERARD J. DUFFY
RICHARD D. RUBINO
MARY J. SISAK
D. CARY MITCHELL
SALVATORE TAILLEFER, JR.

2120 L STREET, NW
WASHINGTON, DC 20037

(202) 659-0830
FACSIMILE: (202) 828-5568

November 21, 2018

ARTHUR BLOOSTON
1914 – 1999

AFFILIATED SOUTH AMERICAN OFFICES

ESTUDIO JAUREGUI & ASSOCIATES
BUENOS AIRES, ARGENTINA

HAROLD MORDKOFKY
OF COUNSEL

EUGENE MALISZEWSKYJ
ENGINEERING CONSULTANT

WRITER'S CONTACT INFORMATION

sta@bloostonlaw.com

202-828-5562

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VIA ECFS

Marlene H. Dortch, Secretary
Federal Communications Commission
445 12th Street, SW
Washington, DC 20554

Re: Notice of *Ex Parte* Presentation in WC Docket No. 18-100
In re: South Dakota Network, LLC Tariff F.C.C. No. 1, Transmittal No. 13

Dear Ms. Dortch:

On November 19, South Dakota Network, LLC (SDN) provided the attached confidential spreadsheet and held a conference call with Commission staff to discuss the same. Marlene Bennet of Consortia Consulting and Ben Dickens, Mary Sisak, and Sal Taillefer of this law firm participated in the call on behalf of SDN, and Richard Kwiatkowski and Chris Koves participated on behalf of Commission staff.

SDN also provided information on how it calculated its Part 64 adjustments for regulated and non-regulated operations, and how it accounted for its known-and-measureable costs in the submitted data.

In accordance with the Protective Order and the Commission's rules, one redacted copy has been filed via ECFS; one confidential, non-redacted copy has been submitted on paper via hand delivery to the Secretary's Office; and two confidential, non-redacted copies have been submitted on paper via hand delivery to Mr. Christopher Koves.

Sincerely,

A handwritten signature in black ink, appearing to read "Sal", with a stylized, overlapping flourish at the end.

Salvatore Taillefer, Jr.
Counsel to South Dakota Network, LLC

CC: Richard Kwiatkowski
Chris Koves

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South Dakota Network

INVESTMENT & EXPENSE ADJUSTMENTS

Study Area: **400000**
F100-INP

		2017						Percent Change
Line No.		EOY Trial Bal.	Reclass	Non-reg	Other	K&M or Other	EOY Adj. Amount	
A		C	D	E	F	G	H=C+D+E+F+G	I
---GENERAL SUPPORT FACILITIES---								
A/C 2110 Land								
Land	9							
A/C 2110 Support Assets	11							
Motor Vehicles	12							
Other Work Equipment	13							
Buildings	14							
Furniture	15							
Office Support Equipment	16							
Company Communications Equipment	17							
General Purpose Computers	18							
Other Support Assets	19							
TOTAL SUPPORT ASSETS	20							
SUPPORT ASSETS LESS G. P. COMPUTERS	21							
TOTAL GENERAL SUPPORT FACILITIES	22						\$1,642,036	
---CENTRAL OFFICE EQUIPMENT---								
A/C 2210 COE-Switching	25							
Cat 2-Tandem Switching	26							
Cat 3-Equal Access Investment	27							
Cat 3-Local Switching	28							
A/C 2230 COE-Transmission	30							
Cat 4.1-Exchange Circuit								
4.11.1 Exch Wideband - DSL	32							
4.11.2 Exch Wideband - Non DSL	33							
4.12 Ex Trk EAS	34							
4.13 Ex Line	35							
Cat 4.2-Interexchange								
4.22.1 Interexchange Wideband - DSL	37							
4.22.2 Interexchange Wideband - Non DSL	38							
4.23 All Other	39							
4.23 Direct Assignment	40							
Cat 4.3-Host/Remote								
Joint	42							
WATS	43							
TOTAL COE	44						\$1,231,274	

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	A	C	D	E	F	G	H=C+D+E+F+G	I
----INFORMATION ORIG/TERM EQUIPMENT ----								
A/C 2310 Info Orig/Term Equipment								
Cat 1-Other IOT Equip	48							
Direct Assignment	49							
Cat 2-Cust Premises Equip	50							
TOTAL IOT								
----CABLE & WIRE FACILITIES ----								
A/C 2410 Cable & Wire Facilities	54							
Cat 1 Exch Line	55							
Cat 2 Wideband & Exch Trunk								
Cat 2.1.1-Exch Wideband - DSL	57							
Cat 2.1.2-Exch Wideband - Non DSL	58							
2.2 E A S Trunk	59							
Cat 3 Interexchange Trunk								
3 Interexchange Trunk	61							
3 Direct Assignment	62							
3.1.1 Interexchange Wideband - DSL	63							
3.1.2 Interexchange Wideband - Non DSL	64							
Cat 4 Host/Remote C&WF								
Joint	66							
WATS	67							
TOTAL CWF	68							
TOTAL TPIS (less A/Cs 2680 and 2690)	70							
A/C 2002 Prop Held for Future Use	72							
A/C 2003 Plt Under Construction	73							
A/C 2005 Telephone Plant Adjustment	74							
TOTAL PLANT	76							
---OTHER PLANT ACCOUNTS, MATERIALS & SUPPLIES---								
A/C 1220 Materials & Supplies	79							
A/C 1402 RTB Stock	80							
Investment Allowances/Disallowances	81							
Extraordinary Switch Retirement (Unamort. Amt.)	82							
A/C 2680 Tangibles	83							
A/C 2690 Intangibles	84							
A/C 2690 Intangibles - Direct Assignment	85							
TOTAL TELEPHONE PLANT	86							
							\$70,122	
							\$2,943,432	

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	A	C	D	E	F	G	H=C+D+E+F+G	I							
---RESERVES & DEFERRALS---															
A/C 3100 Accum Depr-Tel Plt in Svc	89														
Support Assets	90														
COE - Switching	91														
COE - Transmission	92														
Info Orig/Term Equip	93														
Cable & Wire Facilities	94														
Equal Access Accum Depr.	95														
Total	96														
A/C 3200 Accum Depr-Plant Future Use	98														
A/C 3400 Accum Amort Tangibles	99														
A/C 3500 Accum Amort Intangibles	100														
A/C 3600 Accum Amortization Other	101														
TOTAL ACCUM DEPRECIATION TPIS	103						\$1,551,181								
--- CUSTOMER DEPOSITS															
A/C 4040 Customer Deposits	106														
-- DEFERRED INCOME TAXES															
A/C 4100 Net Current Def Op Inc Taxes	109														
A/C 4310 Other Long Term Liabilities	110														
A/C 4340 Net Noncurrent Def OIC Taxes	111														
TOTAL RESERVES & CUST DEPOSITS	113														
TOTAL NET PLANT	115														

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	A	C	D	E	F	G	H=C+D+E+F+G	I
---PLANT SPECIFIC EXPENSES---								
A/C 6110 Network Support Expenses								
Joint	119							
Direct Assignment	120							
A/C 6120 General Support Expenses								
Joint	122						\$27,858	
Direct Assignment	123							
A/C 6210 Central Office Switching Expense	124						\$344,690	
A/C 6220 Operators System Expense	125							
A/C 6230 Central Office Transmission expense	126							
A/C 6210 Equal Access Expense	127							
A/C 6310 IOT Equip Expenses								
Cat 1-Other IOT Eqpt Expense	129							
Cat 2-Cust Prem Eqpt Expense	130							
A/C 6410 C&WF Expenses								
Joint	132							
Direct Assignment	133							
TOTAL PLANT SPECIFIC EXPENSES	134							
---PLANT NON - SPECIFIC EXPENSES---								
A/C 6510 Other Prop Plant & Eq Expense	137							
A/C 6530 Network Operations Expense	138							
A/C 6540 Access Expense (IX Carriers)	139							
A/C 6540 USF Contribution Direct Assignment	140							
A/C 6560 Depreciation and Amort Expenses								
Depreciation Expense TPIS	143							
Support Assets	144						\$76,583	
COE-Switching	145						\$116,980	
Equal Access Depreciation Expense	146							
COE-Transmission	147							
Info Orig/Term Equip	148							
Cable & Wire Facilities	149							
A/C 6562 Property Held For Future Use	150							
A/C 6563 Tangibles	151							
A/C 6564 Intangibles	152						\$3,328	
A/C 6565 Amort Exp. - Other	153							
Extraordinary Switch Retirement Amort Exp.	154							
TOTAL PLT NON-SPECIFIC EXPENSES	155							

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---CUSTOMER OPERATION EXPENSES---								
A/C 6610 Marketing Expense	158							
Total								
A/C 6620 Services Expense								
Published Directory Listings:	161							
Classified	162							
Alpha	163							
Foreign	164							
Call Completion - Operator Assist	166							
Call Completion - Direct Assignment	167							
Total								
All Other, Local Business Office Expense								
Cat 1 - LBOE EU Sv Order Pros	170							
Cat 1 - LBOE IX Sv Order Pros	171							
Cat 1 - LBOE EU Pmt & Collect	173							
Cat 1 - LBOE IX Pmt & Collect	174							
Cat 1 - LBOE EU Billing Inquiry	176							
Cat 1 - LBOE IX Billing Inquiry	177							
Cat 1 - LBOE Coin Collect	179							
Cat 1 - LBOE End User Access	180							
Total Cat 1	181							
Cat 2 Message Processing	183							
Cat 2 Other Billing & Collecting	184							
Cat 2 CABS	185							
Cat 2 Direct Assignment	186							
Total Cat 2	187							
Cat 3 Other LBOE	189							
Cat 3 Direct Assignment	190							
Total Cat 3	191							
TOTAL CUSTOMER OPER. EXPENSE	193							

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Line	EOY						EOY Adj.	Percent
No.	Trial Bal.	Reclass	Non-reg	Other	K&M or Other		Amount	Change
A	C	D	E	F	G		H=C+D+E+F+G	I
---CORPORATE OPERATIONS EXPENSES---								
A/C 6710 Exec & Planning Expense								
All Other	197							
Direct Assignment Interstate	198							
Direct Assignment Intrastate	199							
A/C 6720 Gen'l & Administration Expense								
All Other	201							
Direct Assignment Interstate	202							
Direct Assignment Intrastate	203							
TOTAL CORPORATE EXPENSE	204							
---7200 Operating Taxes Exc. ICT								
A/C 7200 Operating Taxes Exc. ICT & Gross Receipts								
All Other	208							
Direct Assignment	209							
TOTAL OPER. EXPENSE EXC. CONTRIB. & ICT	211							
A/C 7200 Operating Taxes (Excluding A/C 7250)	213							
A/C 7250 Provision for Deferred Income Tax - Net	214							
--- Non-operating Income & Expenses								
A/C 7300 Non-operating Income & Expenses								
Funds Used During Construction	218							
Contributions	219							
--- Interest & Related Items								
A/C 7500 Interest & Related Items								
A/C 7510 Interest on Funded Debt (Fixed Charges)	223							
Interest on Customer Deposits (Part of A/C 7540)	224							
--- Miscellaneous Items								
Investment Tax Credit Amortization	227							
Uncollectibles Direct Assignment	228							
Amortization of Excess Def. Taxes	229							
Capitalized Payroll	230							
Depreciation Adjustments	231							
State Income Taxes	232							
Gross Receipts	233							

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Summary of Operating Expenses								
Total Plant Specific Expenses	230							
Total Non-Plant Spec. Exp. (less Depr. Exp.)	232							
Total Customer Operating Expenses	234							
Total Corporate Expenses	236							
A/C 7200 Oper. Taxes (Excluding ICT)	238							
Contributions	240							
Total Oper. Exp. (Excl. ICT & Depr. Exp.)	242							

Notes: Adjustments to Accounted Data (source: file name, sheet name)

Note 1 Source: 12-31-17 Trial Balance

Note 2 Source: Reclassifications 17.xls, Reclass Summary

Note 3 Source: Common and Power 17.xls, Allocation

Note 4 Source: TPUC Summary Tab

Note 5 Source: Non Reg Operations, Wages (See Wages Tab)

Note 6 Source: See Depreciation Tabs