

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

IN THE MATTER OF THE PETITION OF)	ORDER FOR AND NOTICE
DAKOTA COMMUNITY TELEPHONE, INC.)	OF HEARING
AND MCLEODUSA TELECOM)	
DEVELOPMENT, INC. FOR APPROVAL OF)	TC02-062
THE TRANSFER OF ITS STOCK TO)	
PRAIRIEWAVE COMMUNICATIONS, INC.)	

On June 17, 2002, Dakota Community Telephone, Inc. (DCT) and McLeodUSA Telecom Development, Inc. (MTD) (together, "Petitioners") filed a petition (petition or application) requesting the South Dakota Public Utilities Commission (Commission) to approve a transaction in which Petitioners' stock will be acquired by PrairieWave Communications, Inc. (PrairieWave). The application states that the change of ownership and control will be accomplished in accordance with the terms of the stock purchase agreement filed with the petition (Agreement). Petitioners have requested confidential treatment of both the Agreement and pro forma financial statements filed with the petition. Contemporaneously with the closing of the transaction, Petitioners will file with the Secretary of State to change the name of DCT to PrairieWave Community Telephone, Inc. and MTD to PrairieWave Telecommunications, Inc. The petition further states that there will be no change in the management or operation of Petitioners as a result of the transaction, that the terms, conditions and prices for local exchange service will remain in effect and that Petitioners' access tariffs will change in name only.

The petition states that DCT operates Petitioners' incumbent local exchanges and that MTD operates the competitive local exchanges. Petitioners provide local exchange services as the incumbent carrier to the following local exchanges: Alsen, Beresford Rural, Chancellor, Flyger, Gayville, Hurley, Irene, Lennox, Monroe, Parker, Volin, Wakonda and Worthing (DCT Exchanges). Petitioners provide local exchange services as a competitive carrier to the following local exchanges: Canton, Centerville, Colman, Elk Point, Flandreau, Harrisburg, Madison, North Sioux City, Tea, Viborg, Watertown and Yankton (MTD Exchanges).

On June 20, 2002, the Commission electronically transmitted notice of the filing and the intervention deadline of July 5, 2002, to interested individuals and entities. No petitions to intervene or comments were filed.

The Commission has jurisdiction in this matter pursuant to SDCL Chapters 1-26 and 49-31, specifically 1-26-17.1, 1-26-18, 1-26-19, 1-26-19.1, 49-31-2, 49-31-3, 49-31-7, 49-31-7.1, 49-31-59, 49-31-75, 49-31-77 and 49-31-89 through 49-31-97, inclusive. The Commission may rely upon any or all of these or other laws of this state in making its determination. Because of its public interest responsibilities under SDCL 49-31-59, the Commission deems it in the public interest to hold a public hearing on the application in the local exchange service area despite the absence of intervention by any party.

A hearing will be held on the application on August 12, 2002, at 6:30 P.M. (CDT), in the Viborg Community Center, 101 W. Sorenson, Viborg, South Dakota. The issues at the hearing will be whether the sales of each of the DCT Exchanges and each of the MTD Exchanges should be approved. Pursuant to SDCL 49-31-59, the Commission must separately approve the sale of each exchange after considering the following: the protection of the public interest, the adequacy of local telephone service, the reasonableness of rates for local service, the provision of 911, Enhanced 911,

and other public safety services, the payment of taxes, and the ability of the local exchange company to provide modern, state-of-the-art telecommunications services that will help promote economic development, tele-medicine, and distance learning in rural South Dakota.

The public is invited to participate by testifying at the hearing on a non-party basis pursuant to ARSD 20:10:01:15.06. The order of testimony will be: (1) Petitioners; (2) Commission Staff; and (3) the Public. All persons testifying, including non-party members of the public, will be subject to cross-examination by the parties to the proceeding.

The hearing is an adversary proceeding conducted pursuant to SDCL Chapter 1-26. All parties have the right to attend and represent themselves or be represented by an attorney. However, such 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 testimony and evidence, if any, presented during the hearing or a Final Decision may be issued by default pursuant to SDCL 1-26-20.

The Commission, after examining the evidence and hearing testimony presented by the parties and the public, shall make Findings of Fact, Conclusions of Law, and a Final Decision. As a result of the hearing, the Commission may either approve or reject the proposed sale of any or all of the DCT and MTD Exchanges. The Final Decision made by the Commission may be appealed by any party to the Circuit Court and the South Dakota Supreme Court as provided by law. It is therefore

ORDERED, that a hearing shall be held on the application for approval of the transfer by DCT and MTD of the DCT and MTD Exchanges to PrairieWave at the time and place specified above.

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 24th day of July, 2002.

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>Alaina Kelbo</i></u>
Date: <u>7/24/02</u>
(OFFICIAL SEAL)

BY ORDER OF THE COMMISSION:

James A. Burg
JAMES A. BURG, Chairman

Pam Nelson
PAM NELSON, Commissioner

Robert K. Sahr
ROBERT K. SAHR, Commissioner