

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

IN THE MATTER OF THE APPLICATION OF)	ORDER FOR AND NOTICE
SPLITROCK TELECOM COOPERATIVE, INC.,)	OF HEARING
BALTIC TELECOM COOPERATIVE AND EAST)	
PLAINS TELECOM, INC. FOR APPROVAL OF)	TC02-159
THE SALE, BY MERGER AND DISSOLUTION,)	
OF THE ALCESTER, HUDSON, BALTIC AND)	
CROOKS TELEPHONE EXCHANGES AND)	
FOR APPROVAL OF AN AMENDMENT TO)	
SPLITROCK TELECOM COOPERATIVE, INC.'S)	
CERTIFICATE OF AUTHORITY)	

On September 18, 2002, Splitrock Telecom Cooperative, Inc. (Splitrock) , Baltic Telecom Cooperative (Baltic) and East Plains Telecom, Inc. (East Plains) (together, "Applicants") filed an Application for Approval of a Transfer of Telephone Exchanges and Amended Certificate of Authority seeking approval by the South Dakota Public Utilities Commission (Commission) of a transaction in which (i) East Plains will be dissolved and its assets, including its local telephone exchanges will be distributed to Baltic, East Plains's sole shareholder, and (ii) following such dissolution and distribution, Baltic will merge into Splitrock in accordance with the Agreement and Plan of Merger between the parties. Following the merger, Splitrock will change its name to Alliance Communications Cooperative, Inc. The application further states that Splitrock and Baltic are presently parties to a Management Agreement pursuant to which Splitrock provides management and administrative services to Baltic and East Plains. The application states that since Applicants are currently operated under common management, there will be no noticeable change in the management or operations of Applicants following the transaction. Splitrock also seeks Commission approval of an amendment to its Certificate of Authority to authorize it to provide local exchange telephone service in the exchanges to be transferred to it as a result of the transaction.

The application states that Splitrock operates two local telephone exchanges serving Brandon and Garretson and the surrounding areas, that Splitrock Properties, Inc., Splitrock's wholly-owned subsidiary, operates two local telephone exchanges serving Howard, Oldham and Ramona and the surrounding areas, that Baltic operates two local telephone exchanges serving Baltic and Crooks and the surrounding areas (Baltic Exchanges) and East Plains operates two local telephone exchanges serving Alcester and Hudson (East Plains Exchanges). As a result of the proposed merger transaction, the Baltic and East Plains Exchanges will be transferred to Splitrock.

On September 19, 2002, the Commission electronically transmitted notice of the filing and the intervention deadline of October 4, 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 October 15, 2002, at 7:30 p.m., at the American Legion, 504 North Main, Garretson, South Dakota. The issues at the hearing will be whether the sales of each of the Baltic Exchanges and each of the East Plains Exchanges through dissolution and merger into Splitrock should be approved and whether an amendment to Splitrock's Certificate of Authority should be approved authorizing it to provide local exchange service in the service areas

of the Baltic and East Plains Exchanges. 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. In determining whether to grant the amendment to the Certificate of Authority, the Commission will consider whether Splitrock possesses the financial, managerial and technical capabilities to provide local exchange services to the Baltic and East Plains Exchanges.

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) Applicants; (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 will be forfeited if not exercised at the hearing. If a party or its representative fails 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, will 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 Baltic and East Plains 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 at the time and place specified above on the application for approval of the transfer by Baltic and East Plains of the Baltic and East Plains Exchanges to Splitrock and the amendment of Splitrock's Certificate of Authority.

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 4th day of October, 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>Alvin Kalbs</i></u>
Date:	<u>10/4/02</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