

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

|   |   |                             |
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| <b>IN THE MATTER OF THE JOINT APPLICATION</b> | ) | <b>ORDER APPROVING SALE</b> |
| <b>FOR APPROVAL OF THE SALE OF THE</b>        | ) | <b>OF TELEPHONE</b>         |
| <b>STOCK OF TRI-COUNTY TELCOM, INC. FROM</b>  | ) | <b>EXCHANGES</b>            |
| <b>JAMES O. EKSTRAND TO HANSON</b>            | ) |                             |
| <b>COMMUNICATIONS, INC., A WHOLLY OWNED</b>   | ) | <b>TC04-206</b>             |
| <b>SUBSIDIARY OF MCCOOK COOPERATIVE</b>       | ) |                             |
| <b>TELEPHONE COMPANY</b>                      | ) |                             |

On September 27, 2004, the Commission received a Joint Application for Approval of the Sale of Stock of Tri-County Telcom, Inc. (Tri-County) from James O. Ekstrand to Hanson Communications, Inc. a Wholly Owned Subsidiary of McCook Cooperative Telephone Company (Hanson). Tri-County operates two local telephone exchanges serving the cities of Emery and Clayton, South Dakota, and the surrounding areas. It is requested that (1) the Commission approve the purchase and sale of all of the issued and outstanding shares of all classes of stock of Tri-County in accordance with the provisions of the Stock Purchase Agreement, dated as of September 16, 2004, and (2) to amend the Certificate of Authority previously issued to Tri-County to reflect the change in ownership of the corporation.

On September 30, 2004, the Commission electronically transmitted notice of the filing and the intervention deadline of October 15, 2004, to interested individuals and entities. No petitions to intervene or comments were filed. Notification of the pending sale of exchanges was published in the following papers: *Emery Enterprise*, November 10, 2004; *The Daily Republic and The Salem Special*, November 11, 2004. No comments were received on the sale of the exchanges.

According to its application, Hanson will provide the following:

1. adequate local telephone service;
2. reasonable rates for local service;
3. provisioning of 911, Enhanced 911, and other public safety services;
4. payment of taxes;
5. the ability of the local exchange company to provide access to modern, state-of-the-art telecommunications services that will help promote economic development, tele-medicine, and distance learning.

At its November 30, 2004, regularly scheduled meeting, the Commission considered this matter. The Commission has jurisdiction over the sale of the exchanges pursuant to SDCL Chapters 1-26 and 49-31, specifically 1-26-17.1, 49-31-3, 49-31-3.1, 49-31-4, 49-31-5.1, 49-31-7, 49-31-7.1, 49-31-11, 49-31-18, 49-31-19, 49-31-20, 49-31-21, and 49-31-59. Pursuant to SDCL 49-31-59, the Commission is required to separately vote on the sale of each exchange and to consider the following factors: 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 access to modern, state-of-the-art telecommunications services that will help promote economic development, tele-medicine, and distance learning.

Commission Staff recommended approval of the sale of the above referenced exchanges,

subject to:

1. That the sale of exchanges proceed substantially in accordance with the terms set forth in the Application and the other documents submitted in support of the Application.
2. That Hanson not recover any of the acquisition adjustment or good will associated with the purchase through its regulated interstate or intrastate rates, through its local rates, or through federal or state universal service funds;
3. That Hanson honor all existing contracts, commitments, leases, licenses, and other agreements which relate to, arise from, or are used for the operation of the purchased exchanges;
4. That Hanson continue to offer all services in those portions of the exchanges located in South Dakota that are currently offered by Tri-County to such customers; and
5. That Hanson not discontinue any extended area service currently provided to those portions of the exchanges located in South Dakota without first obtaining approval from the Commission.

The Commission voted separately on the sale of each of the Tri-County exchanges. The sale of each of the Tri-County exchanges to Hanson was separately approved by unanimous vote of the Commission, subject to the above-referenced conditions. The Commission further found that the public interest is protected.

It is therefore

ORDERED, that the sale of the Emery and Clayton exchanges by Tri-County to Hanson is approved, subject to the above-referenced conditions.

Dated at Pierre, South Dakota, this 10th day of December, 2004.

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| <b>CERTIFICATE OF SERVICE</b>  |
| 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: _____  |
| Date: _____  |
| (OFFICIAL SEAL)  |

BY ORDER OF THE COMMISSION:

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ROBERT K. SAHR, Chairman

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GARY HANSON, Commissioner

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JAMES A. BURG, Commissioner