



December 19, 2007

VIA EMAIL

Patricia Van Gerpen
Executive Director
South Dakota Public Utilities Commission
500 East Capitol Avenue
Pierre, SD 57501

RE: TC07-118 Petition to Amend and Provide Waiver for Exemption from Developing Company-Specific Cost-Based Switched Access Rates for PrairieWave Telecommunications, Inc.

Dear Ms. Van Gerpen:

Pursuant to ARSD 20:10:27:11 to 20:10:27:13, attached is a request that the Commission exempt PrairieWave Telecommunications, Inc. ("PrairieWave") from developing company-specific cost-based switched access rates.

If you have any questions, please contact me as indicated below. Thank you.

Sincerely,

A handwritten signature in black ink, appearing to read "William P. Heaston", is written over a horizontal line.

William P. Heaston
5100 South Broadband Lane
Sioux Falls, SD 57108
(605) 965-9894
wheaston@prairiewave.com

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

IN THE MATTER OF THE PETITION OF PRAIRIEWAVE TELECOMMUNI- CATIONS, INC. TO BE EXEMPT FROM DEVELOPING COMPANY- SPECIFIC COST-BASED SWITCHED ACCESS RATES.))) Docket No. TC07-118)))
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**REQUEST TO AMEND PETITION AND
PROVIDE A WAIVER**

On November 19, 2007 PrairieWave Telecommunications, Inc. ("PrairieWave") filed a petition pursuant to ARSD 20:10:27:11 to 20:10:27:13, requesting that the Commission exempt PrairieWave from developing company-specific cost-based switched access rates in 2007 and to continue to charge its currently tariffed intrastate switched access charges. PrairieWave wishes to amend its petition to request that the Commission provide a waiver from the requirement in ARSD 20:10:27:07 to file a cost study "no less than once every three years." PrairieWave makes this request based on the following:

1. The Commission approved PrairieWave's existing intrastate switched access rates on December 29, 2004, in Docket No. TC04-115. The required cost study was conducted pursuant to the Commission's rules in ARSD chapters 20:10:27 through 20:10:29. Commission Staff thoroughly reviewed the cost study filed by PrairieWave and, based on Staff's recommendations, the Commission approved the study and the switched access rates currently on file with the Commission in the appropriate switched access tariff. PrairieWave's composite switched access rate is approximately \$.01 per minute of use higher than the current Qwest rate also approved in 2005 in Docket No. TC05-006, dated March 17, 2005. That price difference represents several hundred thousand dollars in revenue.
2. PrairieWave does not have internal expertise or resources necessary to determine cost-based intrastate access rates. It would have to employ the services of outside consultants which would be expensive and would not result in any meaningful benefit to the consumer. A cursory analysis indicates that a full study could result in justifying a higher rate.
3. PrairieWave understands that consistent with ARSD 20:10:27:07 it must file cost data support "no less than once every three years." PrairieWave further understands that that it is seeking a waiver from that requirement, but believes any waiver must be read in the context of the three year requirement. PrairieWave would expect to either file a new cost study or seek renewal of any waiver within that three year period.

4. Based on the foregoing PrairieWave does not believe it would be wise or in the best interests of PrairieWave's customers or of fair competition to agree to mirror the Qwest intrastate switched access rate. PrairieWave's current access rates are cost-based relying on established Commission rules. When Qwest filed in 2005 for its exemption, it was allowed to retain its current rate level. PrairieWave competes with Qwest in the local exchange market. Mirroring Qwest's rates would impose an unfair and substantial competitive disadvantage on PrairieWave in those markets. Until the Commission's rules are changed to appropriately address competitive concerns, the Commission should allow PrairieWave to recover its costs in the same manner that Qwest does.

PrairieWave respectfully requests that the Commission grant this amended Petition.

Submitted this 19th day of December, 2007.

/s/ filed electronically

William P. Heaston

5100 South Broadband Lane

Sioux Falls, SD 57108

(605) 965-9894

wheaston@prairiewave.com