

RICHARD A. CUTLER  
KENT R. CUTLER  
BRIAN J. DONAHOE \*\*  
STEVEN J. SARBACKER \*\*  
JAYNA M. VOSS  
MICHAEL D. BORNITZ ‡  
TRENT A. SWANSON \*  
RYAN J. TAYLOR °  
KIMBERLY R. WASSINK  
MEREDITH A. MOORE  
DAVID L. EDWARDS  
NATHAN S. SCHOEN †  
ONNA B. DOMINIACK †  
AMY L. ELLIS ^  
NICHOLE MOHNING ROTHS %  
WILLIAM D. SIMS #  
BOBBI L. THURY \*  
DANIEL J. DOYLE

CUTLER & DONAHOE, LLP  
ATTORNEYS AT LAW

Telephone (605) 335-4950

Fax (605) 335-4961

[www.cutlerlawfirm.com](http://www.cutlerlawfirm.com)

May 27, 2009

JEAN BROCKMUELLER, CPA (Inactive)  
BUSINESS MANAGER

\*Also licensed to practice  
in Minnesota

#Also licensed to practice  
in Iowa

‡Also licensed to practice  
in Nebraska

+Also licensed to practice  
in Missouri

^Also licensed to practice  
in Colorado

%Also licensed to practice  
in Kansas

†Admitted to practice in  
United States Tax Court

°Also licensed as a  
Certified Public Accountant

E-FILING

Ms. Patricia Van Gerpen  
Executive Director  
South Dakota Public Utilities Commission  
State Capitol Building  
500 East Capitol Avenue  
Pierre, SD 57501-5070

Re: ETC Certification - Hills Telephone Company, Inc.  
Our File No. 280.01

Dear Ms. Van Gerpen:

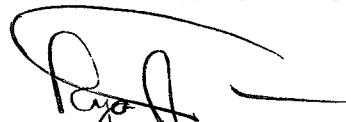
Enclosed for filing is the Annual ETC Certification of Hills Telephone Company, Inc., together with Exhibits A, B, and C. Please note that Exhibits A and B are marked as "Confidential." Please treat them accordingly.

Enclosed for filing is the South Dakota Public Utilities Commission Lifeline/Link up Advertising/Outreach Annual Report June 1, 2009.

If you have any questions, please feel free to contact me at your convenience at (605) 335-4950. Thank you for your assistance in this matter.

Sincerely,

CUTLER & DONAHOE, LLP

  
Ryan J. Taylor  
For the Firm

RJT:dah  
Attachments  
cc: Don Snyder

**BEFORE THE  
SOUTH DAKOTA PUBLIC UTILITIES COMMISSION**

---

<b>IN THE MATTER OF THE REQUEST OF )</b>	
<b>HILLS TELEPHONE COMPANY, INC. )</b>	
<b>FOR CERTIFICATION REGARDING ITS )</b>	<b>ANNUAL ETC CERTIFICATION</b>
<b>USE OF FEDERAL UNIVERSAL )</b>	<b>FILING</b>
<b>SERVICE SUPPORT. )</b>	

---

*Hills Telephone Company, Inc.* (the “Company”), by and through its attorney, makes this filing to seek certification from the South Dakota Public Utilities Commission (the “Commission”) as is required under 47 C.F.R. § 54.314 and to comply with the provisions of ARSD §§ 20:10:32:52 and 20:10:32:54 of the Commission’s rules pertaining to eligible telecommunications carriers (“ETCs”).

In accordance with 47 C.F.R. § 54.314, federal universal service support provided to carriers pursuant to 47 C.F.R. §§ 54.301, 54.305 and/or 54.307 and/or Part 36, Subpart F (high-cost loop support, local switching support, safety net additive support and safety valve support) will be made available only if the State Commission files the requisite annual certification with the FCC and USAC. The certification required specifically for rural carriers to receive federal universal service support for all four quarters during calendar year 2010 is currently due to be filed with the FCC and USAC on or before October 1, 2009. The certification may be presented to these entities in the form of a letter from the State Commission. The letter must identify which carriers in the State are eligible to receive federal support during the 12-month period and must certify that the carriers listed will only use the support for the provision, maintenance and upgrading of facilities and services for which the support is intended.

As part of its annual request to the Commission for certification, the Company provides the following information:

1. The Company is a rural telephone company that has previously been designated by this Commission as an ETC. The Company provides local exchange telephone services, including all of the essential services that are included in the federal definition of universal service, to approximately 445 access lines within its established rural service area in South Dakota.

2. The provisions of ARSD § 20:10:32:54 addressing the annual “Certification requirements” set forth by this Commission indicate in part that the ETC must show “how much universal service support was received.” Accordingly, the Company’s 2008 federal universal service receipts are reflected on Exhibit A hereto (presented as part of the Company’s “Progress Report”). This same Exhibit also shows total expenditures of the Company in 2008 related to the provision, maintenance and upgrading of the facilities and services that are supported by federal universal service funding. In addition, to the extent changes have occurred, to date, with respect to the Company’s planned 2009 investments noted in last year’s two-year plan, the changes are referenced in that Exhibit. Estimates of the expenditures to be made by the Company for calendar year 2010, related to the provision, maintenance, and upgrading of facilities and services supported by federal universal service, are provided on Exhibit B hereto as part of the Company’s current Two-Year Plan. Consistent with federal universal service principles, the

Company will use federal universal service amounts received in 2010 to offset a portion of these 2010 expenditures. This use of federal universal service support will enable the Company to: (1) maintain rates for its local exchange services that are affordable and reasonably comparable to rates being charged for the same services in urban areas; and (2) to upgrade its telecommunications facilities and equipment as necessary to meet evolving service requirements and maintain high quality service. The use of federal universal service support for these purposes is clearly consistent with the federal universal service provisions.

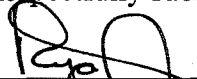
3. In addition to the information included in Exhibits A and B, the following information is provided to meet the Commission's "Certification requirements" set forth in § 20:10:32:54:

- During calendar year 2008, the Company experienced no service outages affecting at least 10 percent of its end user customers, for a period lasting longer than 30 minutes.
- The Company was able to provide service to all potential customers that requested service during 2008, and as of December 31, 2008, the Company had no unfulfilled requests for service.
- During 2008, the Company's customer service department received an estimated 18 complaints from consumers. Only 6 of these complaints were received by the Company more formally as written complaints or as complaints that needed to be resolved with the involvement of other Company representatives outside of the customer service department.
- Also attached as "Exhibit C" is a document containing other certifications, including those required under the provisions of ARSD §§ 20:10:32:54(6), 20:10:32:54(7), 20:10:32:54(8) and 20:10:32:54(9).

4. Based on all of the foregoing information, including the information provided on Exhibits A, B and C, the Company requests that this Commission issue an appropriate certification to the FCC and USAC indicating that *Hills Telephone Company, Inc.* is in compliance with 47 U.S.C. § 254(e) and should receive all federal universal service support determined for distribution to the Company in 2010. In order to ensure that this certification is issued to the FCC prior to October 1, 2009, the Company would further ask the Commission to expedite the process that is initiated based on this filing.

Dated this 26th day of May 2009.

~~Respectfully submitted,~~



\_\_\_\_\_  
Attorney for the Company

Ryan J. Taylor  
Cutler & Donahoe, LLP  
100 N. Phillips Ave., 9th Floor  
Sioux Falls, SD 57104  
(605) 335-4950

**EXHIBIT C**  
**Affidavit**

STATE OF SOUTH DAKOTA        )  
                                          ) ss.  
COUNTY OF MINNEHAHA        )

1. I am the General Manager of *Hills Telephone Company, Inc.* and am authorized to give this affidavit on behalf of the Company. This affidavit is provided to support the Company's Request for Certification to the South Dakota Public Utilities Commission as contemplated in 47 C.F.R. § 54.314.

2. As an authorized representative of the Company, I hereby affirm familiarity with and an understanding of the requirements of the Federal Communications Act of 1934, as amended by the Telecommunications Act of 1996, with respect to the receipt of any federal universal service funds received as high-cost loop support, local switching support, safety net additive support and/or safety valve support.

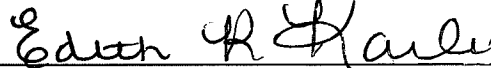
3. During 2008, the Company received federal universal service support as shown on Exhibit A to this affidavit and had investment and expenses relating to the provision, maintenance and upgrading of facilities and services for which such support was intended as also shown on Exhibit A. During 2008, the Company used the federal universal service support it received only for the provision, maintenance and upgrading of facilities and services for which the support was intended consistent with 47 U.S.C. § 254(e).

4. The Company certifies that it will use the federal universal service support it receives during 2010 only for the provision, maintenance and upgrading of facilities and services for which the support is intended consistent with 47 U.S.C. § 254(e).

5. The Company certifies that it (i) is in compliance with applicable service quality standards and consumer protection rules; (ii) is able to function in emergency situations as set forth in § 20:10:32:43:03; (iii) provides a flat-rated local exchange service free of per minute charges; and (iv) provides equal access to long distance carriers.

  
\_\_\_\_\_

Subscribed and Sworn to before me this 26th day of May 2009.

  
\_\_\_\_\_

NOTARY PUBLIC

My Commission Expires: 6/26/2012