

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

IN THE MATTER OF THE FILING BY HILLS)	ORDER GRANTING
TELEPHONE COMPANY, INC. FOR)	PETITION FOR WAIVER
APPROVAL OF ITS INTRASTATE SWITCHED)	
ACCESS TARIFF AND FOR AN EXEMPTION)	TC04-205
FROM DEVELOPING COMPANY SPECIFIC)	
COST-BASED SWITCHED ACCESS RATES)	

On September 27, 2004, the Public Utilities Commission (Commission) received a petition from Hills Telephone Company, Inc. (Hills) for approval of its Intrastate Switched Access Tariff No. 1. Additionally, Hills requested an exemption from developing company specific cost-based switched access rates in accordance with ARSD 20:10:27:11. Hills also requested this exemption on an ongoing basis similar to the exemptions granted other incumbent local exchange carriers that have a small number of access lines. Hills states that its tariff rates are based on a statewide average in accordance with ARSD 20:10:27:12. These rates are an interim rate based on the statewide average of the cost companies developed in Docket TC04-119. Hills requested an effective date of November 1, 2004.

On September 30, 2004, the Commission electronically transmitted notice of the filing and the intervention deadline of October 8, 2004, to interested individuals and entities. No comments or petitions to intervene were filed.

On October 26, 2004, the Commission considered Hills' request for an exemption from developing company specific cost-based switched access rates in accordance with ARSD 20:10:27:11 and for approval of its Intrastate Switched Access Tariff No. 1. Commission Staff recommended approval of the exemption and tariff rate subject to refund, with interest, should the final rate be lower than the interim rate. The Commission has jurisdiction over this matter pursuant to SDCL 49-31-18, 49-31-19, ARSD 20:10:27:11 and ARSD 20:10:27:12. The Commission voted to approve the exemption and Hills' Intrastate Switched Access Tariff No. 1 subject to refund, with interest, should the final rate be lower than the interim rate. It is therefore

ORDERED, that Hills' petition to be exempt from developing company specific cost-based switched access rates is granted; and it is further

ORDERED, that Hills' Intrastate Switched Access Tariff No. 1 is approved as filed, effective November 1, 2004, subject to refund, with interest, should the final rate be lower than the interim rate.

Dated at Pierre, South Dakota, this 4th day of November, 2004.

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: _____

Date: _____

(OFFICIAL SEAL)

BY ORDER OF THE COMMISSION:

ROBERT K. SAHR, Chairman

GARY HANSON, Commissioner

JAMES A. BURG, Commissioner