

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

IN THE MATTER OF THE FILING BY HILLS)	ORDER APPROVING TARIFF
TELEPHONE COMPANY INC. FOR APPROVAL)	REVISIONS
OF REVISIONS TO ITS ACCESS SERVICE)	
TARIFF NO. 1)	TC12-070

On May 30, 2012, the Public Utilities Commission (Commission) received a filing from Hills Telephone Company Inc. (Hills Telephone) for approval of revisions to its South Dakota Switched Access Services Tariff No. 1. The purpose of this filing is to implement the Federal Communications Commission's (FCC) intercarrier compensation reforms as set forth in its Connect America Fund Order (Order), released November 18, 2011.¹ As part of its Order, the FCC adopted "bill-and-keep as the default methodology" and "end state" for all intercarrier compensation traffic, including intrastate traffic. The FCC further adopted a defined "transition path" for moving to this end state. The first reduction mandated by the FCC's Order requires a carrier to reduce its intrastate terminating access rate, if above the carrier's interstate access rate, by 50 percent of the differential between the carrier's intrastate rate and the carrier's interstate access rate. The reduced rates are required to be effective by July 1, 2012.²

Hills Telephone requested approval of the following tariff pages:

South Dakota Switched Access Services Tariff No. 1

1 st Revised Title Page	Cancels Original Title Page
2nd Revised Page 17-1	Cancels 1st Revised Page 17-1
2nd Revised Page 17-4	Cancels 1st Revised Page 17-4

On May 31, 2012, the Commission electronically transmitted notice of the filing and the intervention deadline of June 15, 2012, to interested individuals and entities. No parties filed to intervene.

At its regularly scheduled meeting of July 17, 2012, the Commission considered this matter. The Commission has jurisdiction over this matter pursuant to SDCL Chapter 49-31. Commission staff recommended approval of all requested tariff revisions. The Commission voted unanimously to approve the requested revisions to Hills Telephone's South Dakota Switched Access Services Tariff No. 1. It is therefore

¹ *In the Matter of Connect America Fund et al.*, WC Docket Nos. 10-90, et al., Report and Order and Further Notice of Proposed Rulemaking, FCC 11-161 (rel. November 18, 2011).

² *See In the Matter of Connect America Fund et al.*, WC Docket Nos. 10-90, et al., Order, DA 12-870 (rel. June 5, 2012) (allowing effective dates for intrastate filings to be extended from July 1, 2012 to July 3, 2012).

ORDERED, that the Commission approves the above referenced revisions to Hills Telephone's South Dakota Switched Access Services Tariff No. 1 effective as of July 1, 2012.

Dated at Pierre, South Dakota, this 23rd day of July, 2012.

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, electronically.

By: _____

Date: _____

(OFFICIAL SEAL)

BY ORDER OF THE COMMISSION:

Chris Nelson
CHRIS NELSON, Chairman

Kristie Fiegen
KRISTIE FIEGEN, Commissioner

Gary Hanson
GARY HANSON, Commissioner