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SOUTH DAKOTA PUBLIC  
UTILITIES COMMISSION

Wednesday, June 10, 2009

Ms. Patty VanGerpen  
Executive Directory  
South Dakota Public Utilities Commission  
500 East Capitol Avenue  
Pierre, SD 57501-5070  
(601) 773-3201

Dear Ms. VanGerpen:

Enclosed is our application to become Telecommunications Company in the State of South Dakota to provide Local Exchange Services.

Sincerely,

Kirk Schipke

President

Black Hills Communications, LLC  
833 Hans Brinker Street  
Colorado Springs, CO 80907  
Phone: (605) 269-0014  
FAX: (719) 434-9900



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**SOUTH DAKOTA PUBLIC  
UTILITIES COMMISSION**

BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF SOUTH DAKOTA

APPLICATION

Application is hereby made to the South Dakota Public Utilities Commission (the "Commission") pursuant to ARSD 20:10:32:03 for an Order granting Black Hills Communications, LLC ("Applicant") a Certificate of Authority to Provide Local Exchange Services in the State of South Dakota. The following information is furnished in support thereof:

Black Hills Communications, LLC  
833 Hans Brinker Street  
Colorado Springs, CO 80907  
Phone: (605) 269-0014  
FAX: (719) 434-9900



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(1) The applicant's name, address, telephone number, facsimile number, web page URL, and E-mail address;

Black Hills Communications, LLC  
833 Hans Brinker Street  
Colorado Springs, CO 80907  
(605) 269-0014  
Facsimile: (719) 434-9900  
Web Page: <http://www.blackhillscommunications.com>  
E-mail Address: [regulatory@blackhillscommunications.com](mailto:regulatory@blackhillscommunications.com)

(2) A description of the legal and organizational structure of the applicant's company;

Applicant was organized in the State of South Dakota on 05/01/2009. A copy of the Applicant's Articles of Incorporation are attached hereto as Exhibit A. The Applicant has no parent company or subsidiaries.

(3) The name under which applicant will provide local exchange services if different than in subdivision (1) of this section;

Black Hills Communications, LLC

(4) The location of the applicant's principal office, if any, in this state and the name and address of its current registered agent, if applicable;

The Applicant has no principal office in South Dakota. The name and address of the Applicants current registered agent is:

National Registered Agents, Inc.  
300 South Phillips Avenue, Suite 300  
Sioux Falls, SD 57104

Black Hills Communications, LLC  
833 Hans Brinker Street  
Colorado Springs, CO 80907  
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(5) A copy of the applicant's certificate of authority to transact business in South Dakota from the Secretary of State;

A copy of Applicant's Certificate of Organization to transact business as Limited Liability Company in the State of South Dakota is attached here to as Exhibit B.

(6) A description of the applicant's experience providing any telecommunications services in South Dakota or in other jurisdictions, including the types of services provided, and the dates and nature of state or federal authorization to provide the services;

Applicant is a startup company with no existing history of telecommunications services, but the owners of the company have prior telecommunications experience. We have also retained consultants with experience in the development of rural telecommunications.

(7) Names and addresses of applicants affiliates, subsidiaries, and parent organizations, if any;

None

(8) A list and specific description of the types of services the applicant intends to offer and how the services will be provided;

Upon initiation of service in South Dakota, Black Hills Communications, LLC, proposes to offer to residential and commercial customers, local exchange services, and local services utilizing unbundled network elements ("UNEs") and/or UNE equivalents, within 90 days of approval of this application. Such services will be provided by utilizing a facilities based switch. The Applicant may provide all forms of local exchange telecommunications services including:

A. Local Exchange Services for business and residential customers that will enable customers to originate and terminate local calls in the local calling area served by other LECs, including dial tone and custom calling features.

B. Switched local exchange services, including basic service, trunks, carrier access, and any other switched local services that currently exist or will exist in the future.



- C. Non-switched local services (e.g., private line) that currently exist or will exist in the future.
- D. Centrex and/or Centrex-like services that currently exist or will exist in the future.
- E. Digital subscriber line, ISDN, and other high capacity services.

Black Hills Communications, LLC will rely upon the incumbent local exchange companies (LEC) and other carriers for the provision and access to emergency services (911 or E911), operator services, directory assistance, and telecommunications relay services.

(9) A service area map or narrative description indicating with particularity the geographic area proposed to be served by the applicant;

Black Hills Communications, LLC will operate within the Black Hills in Western South Dakota with our initial facility being installed in Whitewood South Dakota and the intention of growing into Spearfish and Sturgis.

(10) Information regarding the technical competence of the applicant to provide its proposed local exchange services including:

- (a) A description of the education and experience of the applicant's management personnel who will oversee the proposed local exchange services; and
- (b) Information regarding policies, personnel or arrangements made by the applicant which demonstrates the applicant's ability to respond to customer complaints and inquiries promptly and to perform facility and equipment maintenance necessary to ensure compliance with any commission quality of service requirements;

The senior management of Black Hills Communications, LLC has extensive telecommunications business technical and managerial expertise. Since Black Hills Communications, LLC will be providing resold and facilities-based UNE service, Black Hills Communications, LLC will also rely upon the managerial and technical expertise of the incumbent local exchange carriers which have been certified and deemed technically and managerially able to provide telecommunications services by the Commission. The relevant operational experience of Applicant's key management employees is set forth in Exhibit C which is attached hereto.

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Applicant's customer service department may be contacted via a toll-free number. The Company will maintain a Customer Service Department exclusively for Customer's questions, requests for service, complaints and trouble handling. The Company's Customer Service address and toll free number(s) will be printed on the Customer's bill. Customer Service Representatives will be available 8:00 AM to 5:00 PM standard time Monday through Friday. After hours, and on holidays, Customers will be automatically forwarded to an answering service for messaging and paging. If the customer is not satisfied with the complaint resolution, customer will be advised it can contact the Commission for resolution.

Since Applicant proposes to offer to resold local exchange services, and local services utilizing unbundled network elements ("UNEs") and/or UNE equivalents, facility and equipment maintenance will be the obligation of Applicant's underlying carriers. If Applicant installs facilities in the State of South Dakota, facility and equipment maintenance will be performed by the company, either directly or through contract, in order to ensure compliance with any commission quality of service requirements.

(11) Information explaining how the applicant will provide customers with access to emergency services such as 911 or enhanced 911, operator services, directory assistance, and telecommunications relay services;

Black Hills Communications, LLC will rely upon the incumbent local exchange companies (LEC) and other carriers for the provision and access to emergency services (911 or E911), operator services, directory assistance, and telecommunications relay services.

(12) For the most recent 12 month period, financial statements of the applicant consisting of balance sheets, income statements, and cash flow statements. The applicant shall provide audited financial statements, if available;

Applicant's is a startup company and will attach financial statements based on our startup investment. Additional capital will be contributed as needed by the members. The initial statements are attached hereto as Exhibit D. Since the Applicant will not require advance payments, deposits or prepayments of any kind, including prepaid calling cards, the Applicant will not be filing a surety bond.



(13) Information detailing the following matters associated with interconnection to provide proposed local exchange services:

(a) The identity of all local exchange carriers with which the applicant plans to interconnect;

Qwest

(b) The likely timing of initiation of interconnection service and a statement as to when negotiations for interconnection started or when negotiations are likely to start; and

Interconnection service will likely commence 120 days from approval of this application. Negotiations are likely to start within 30 days of approval application.

(c) A copy of any request for interconnection made by the applicant to any local exchange carrier;

Not applicable.

(14) A description of how the applicant intends to market its local exchange services, its target market, whether the applicant engages in multilevel marketing, and copies of any company brochures that will be used to assist in sale of the services;

Applicant intends to market its services primarily to commercial customers. All sales personnel will have telecommunications service experience. Applicant will market through direct sales by employees and agents. Applicant does not intend to engage in multilevel marketing. Applicant's marketing materials are currently being developed and are not available at this time.

(15) If the applicant is seeking authority to provide local exchange service in the service area of a rural telephone company, the date by which the applicant expects to meet the service obligations imposed pursuant to § 20:10:32:15 and applicant's plans for meeting the service obligations;

Applicant does not intend to provide local exchange service in the service area of a rural telephone company.



(16) A list of the states in which the applicant is registered or certified to provide telecommunications services, whether the applicant has ever been denied registration or certification in any state and the reasons for any such denial, a statement as to whether or not the applicant is in good standing with the appropriate regulatory agency in the states where it is registered or certified, and a detailed explanation of why the applicant is not in good standing in a given state, if applicable;

Applicant is not currently registered in any state. The Applicant is in good standing with the appropriate regulatory agency in the states where it is registered or certified. The Applicant has never been denied registration or certification in any state.

(17) The names, addresses, telephone numbers, E-mail addresses, and facsimile numbers of the applicant's representatives to whom all inquiries must be made regarding customer complaints and other regulatory matters;

All inquiries regarding regulatory matters should be addressed to:

Regulatory Affairs, Black Hills Communications, LLC , 833 Hans Brinker Street, Colorado Springs, CO 80907 (605) 269-0014, Facsimile: (719) 434-9900 E-mail Address: regulatory@blackhillscommunications.com

All inquiries regarding complaints should be addressed to:

Regulatory Affairs, Black Hills Communications, LLC , 833 Hans Brinker Street, Colorado Springs, CO 8090 (605) 269-0014, Facsimile: (719) 434-9900 E-mail Address: regulatory@blackhillscommunications.com

(18) Information concerning how the applicant plans to bill and collect charges from customers who subscribe to its proposed local exchange services;

The Applicant's customers will be direct billed utilizing "real-time" completed call detail information from Applicant's underlying carriers. Applicant will bill on a monthly basis. Applicant's bills will include call detail information, and separate line items for all services and charges, including any monthly recurring charges, onetime charges, taxes or surcharges.

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(19) Information concerning the applicant's policies relating to solicitation of new customers and a description of the efforts the applicant shall use to prevent the unauthorized switching of local service customers by the applicant, its employees, or agents;

Black Hills Communications, LLC will not submit a change order for local exchange or intrastate toll service until Black Hills Communications, LLC has obtained the customer's written authorization to submit the order which includes the following information from the customer: (1) The customer billing name) billing telephone number and billing address and each telephone number to be covered by the change order (2) The decision to change; and (3) The customer's understanding of the change fee, if any.

(20) The number and nature of complaints filed against the applicant with any state or federal commission regarding the unauthorized switching of a customer's telecommunications provider and the act of charging customers for services that have not been ordered;

None

(21) Information concerning how the applicant will make available to any person information concerning the applicant's current rates, terms, and conditions for all of its telecommunications services;

The Applicant will make available to any person information concerning the applicant's current rates, terms, and conditions for all of its telecommunications services through a toll-free telephone number, or through the Applicant's web site.

(22) Information concerning how the applicant will notify a customer of any materially adverse change to any rate, term, or condition of any telecommunications service being provided to the customer. The notification must be made at least thirty days in advance of the change;

The Applicant will notify a customer of any materially adverse change to any rate, term, or condition of any telecommunications service being provided to the customer through either a message in the bill, or a bill insert. The notification will be made at least thirty days in advance of the change

(23) Federal tax identification number and South Dakota sales tax number; Applicant's Federal tax identification number is 27-0254315.

Applicant's South Dakota sales tax number is 1021-4555-ST

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WHEREFORE, the undersigned Applicant requests that the South Dakota Public Utilities Commission enter an order granting this application.

DATED this Friday, June 12, 2009

Black Hills Communications, LLC

Kirk Schipke, President  
833 Hans Brinker Street  
Colorado Springs, CO 80907  
(605) 269-0014  
Facsimile: (719) 434-9900  
E-mail Address: [kirk@blackhillscommunications.com](mailto:kirk@blackhillscommunications.com)

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State of Colorado

County of El Paso

Kirk Schipke, being first duly sworn, deposes and says that he is the President of Black Hills Communications, LLC, the Applicant in the proceeding entitled above, that he has read the foregoing application and knows the contents thereof; that the same are true of his knowledge, except as to matters which are therein stated on information or belief, and to those matters he believes them to be true.

Kirk W. Schipke

President

Signed and sworn to me this 12<sup>th</sup> day of June, 2009.

  
Notary Public

My Commission Expires:

9-17-2011



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