



SDN COMMUNICATIONS

March 26, 2010

EFILE: PUCDOCKETFILING@state.sd.us

Patricia VanGerpen
Executive Director
South Dakota Public Utilities Commission
500 East Capitol
Pierre, SD 57501

RE: Application for a Certificate of Authority to Provide Local Exchange Service

Dear Ms. VanGerpen:

Attached for filing is South Dakota Network's application for a certificate of authority to provide local exchange service in Qwest Corporation's local exchange service territory. The application is filed with Exhibits A, B, and D. Confidential Exhibit C will be filed as a separate item. If there are any questions or concerns, please contact the undersigned as indicated below. Thank you.

Sincerely,

William P. Heaston
VP, Legal & Regulatory
(605) 978-3596
bill.heaston@sdncommunications.com

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

In the Matter of the Application of South Dakota)
Network, LLC for a Certificate of Authority to)
Provide Competitive Local Exchange Service) TC10-
In Qwest Corporation Service Areas.)

APPLICATION

Pursuant to SDCL §§ 49-31-70 through 76 and ARSD ¶ 20:10:32:03, South Dakota Network, LLC (“SDN”) provides the following information in support of this application for a Certificate of Authority (“COA”) to provide local exchange service in Qwest Corporation (“Qwest”) service areas in South Dakota:

1. The applicant’s identifying information is:

South Dakota Network, LLC
d/b/a SDN Communications
2900 West 10th Street
Sioux Falls, SD 57104-2543
Telephone No. (800) 247-1442
Fax No. (605) 334-4782
Web URL www.sdncommunications.com
Email address: bill.heaston@sdncommunications.com

2. SDN is a South Dakota limited liability company owned and managed by a board of managers from the rural local exchange companies (“RLEC”) in South Dakota.

3. Services will be provided by SDN Communications.

4. SDN’s principal office is located as described in paragraph 1, above. The registered agent is Darla Pollman Rogers, 319 South Coteau Street, Pierre, SD 57501-3187

5. A copy of SDN’s certificate of authority to transact business in South Dakota is attached as Exhibit A.

6. SDN started in the telecommunications business 20 years ago to provide centralized equal access service (“CEAS”) and tandem switching services to its RLEC owners and intra and interstate interexchange carriers to originate and terminate long distance traffic from and to end user customers in the RLEC service areas. In the intervening years SDN has expanded its service offerings to include Internet service, regional dedicated data transport, network surveillance, broadband services and connectivity, colocation, network equipment, telephone systems, cabling services, and a cable TV headend. The SDN Internet website contains more detailed information (www.sdncommunications.com). SDN also manages and operates a long distance reseller, Express Communications, Inc., for its RLEC owners. SDN recently built and now operates and manages the South Dakota Research Education Economic Development (REED) state-wide network connecting the state’s universities, the deep underground laboratory and the EROS Data Center with regional and national data networks using the latest in high speed data transport. SDN is certified/registered and provides services in the following neighbor states:

a. Minnesota – certified to provide CEAS for South Dakota RLECs that provide local exchange service to Minnesota communities (December 27, 1991), to provide local niche services (Internet, dedicated data transport and broadband services generally) (February 25, 2009), and will be filing an application for a COA to provide CLEC and additional tandem services.

b. North Dakota – registered to provide all services (August 27, 2009)

c. Iowa – registered to provide Internet and data transport services (November 24, 2008)

d. Nebraska – registered as a Communications Provider (VoIP) and Information Service Provider (Internet and data transport) (November 19, 2008).

e. Wyoming – attempted to register as an Internet and data transport provider, but informed by the PSC that the PSC does not regulate those services and that registration was not permitted (November 28, 2008).

SDN has blanket domestic 214 authority from the FCC pursuant to 47 CFR § 63.01.

7. SDN has ownership interests in Northern Hills Transport, LLC and SDN Technologies, LLC, both of which are located at the address in paragraph 1, above. SDN also has an ownership interest in the West Central Transport Group, Inc., which is a fiber network in central and southern Minnesota currently located with and managed by 702 Communications, 702 Main Avenue, Moorhead, MN 56560. SDN does not have any subsidiaries.

8. SDN seeks to provide authority to provide local exchange voice services to business customers through voice over Internet protocol (VoIP) or through use of unbundled network elements or resale of voice service provided by Qwest. Voice services will be provided on an individual case basis (“ICB”) at customer request as an adjunct to Internet and other broadband service provided by SDN. SDN will utilize its own broadband network and soft switch whenever possible to provide VoIP. SDN will also utilize local DSL loops from Qwest to provide such services when necessary. All interoffice transport will be on SDN’s and SDN’s owners’ networks wherever possible and Qwest’s network where necessary and available. SDN will provide whatever calling features (e.g. call waiting, call forwarding, caller id, etc.) the customer requests. SDN provides long distance services through Express Communications, Inc., a reseller owned by the owners of and managed by SDN.

9. SDN will offer service only within the Qwest local exchange boundaries in the state of South Dakota, the maps for which are already on file with the Commission.

10. a. Short biographies of the senior management describing each individual’s education and telecommunications background are attached as Exhibit B. The management of SDN has significant experience in the switching and provisioning of local exchange service. Additionally, SDN employs nearly 100 technical personnel who have extensive knowledge and experience in engineering, installing, operating, billing and troubleshooting telecommunications facilities, equipment and end user services. SDN has been supporting the provisioning of local exchange and long distance service since its inception.

b. SDN’s network and the networks of its owners and customers are monitored 24x7x365 by a Network Surveillance Center (“NSC”) staffed by skilled and well-trained telecommunications technicians. In addition to its own outside plant and service engineers, SDN also has access to technicians and support personnel of its owners, who cover the entire geography of the state and who will

respond to service disruptions and network problems upon NSC notification. SDN also has an 800 number (800-247-1442) and web access at www.sdncommunications.com for customer service.

11. SDN will utilize Qwest and other vendors for the provisioning of 911 and E911 services, operator services, directory assistance, and telephone relay service. Interexchange service will be provided as described in paragraph 8, above.

12. An audited financial statement is provided in Confidential Exhibit C. SDN is not a public company.

13. SDN will interconnect with Qwest and is in the process of negotiating and interconnection agreement with it. Notice of a desire to negotiate an agreement was sent on March 9, 2010. Copies of the email request and responses are attached as Exhibit D. SDN intends to opt-in to an existing agreement and it will be expeditiously completed and filed with the Commission.

14. SDN does not intend to market its voice service except by reference and description on its Internet website. Service will be provided as part of a bundle of data and Internet services and will be provided pursuant to contract.

15. SDN will not provide local exchange service in the service area of a rural telephone company.

16. See the response to paragraph 6, above, as to where SDN is registered and certified. SDN has not been denied registration or certification in any state and is in good standing in every state where it is registered or certified.

17. Customers may complain or they and others may inquire as to complaints and other regulatory matters to the following:

Bill Heaston
2900 West 10th Street
Sioux Falls, SD 57104
Tel: (605) 978-3596
Fax: (605) 334-4782
bill.heaston@sdncommunications.com

18. Local Exchange service billing and any required taxes and fees will appear in a separate section of the customer's monthly bill for the data and Internet service that are a part of the service package. The amount billed will be prospective and due and payable within 30 days of the billing date.

19. Service will be provided under contract and only as part of a package of other services. SDN will require a letter of agency ("LOA") from the customer if the provisioning of the local exchange or interexchange service results in an incumbent or other competitive carrier losing the customer for its local exchange and/or long distance service.

20. SDN has not had a complaint filed against it in any state or federal commission for the unauthorized switching of a customer's telecommunications provider or for charging customers for services they had not ordered.

21. Information on SDN's rates and terms and conditions of service are available upon request. All services are provided under contract. SDN does have on its Internet website an Acceptable use Policy

("AUP"), which applies to service provided by SDN. The AUP will be modified to include local exchange services prior to SDN offering such services.

22. Services are offered only under contract. Changes in rates or terms and conditions of service can only be changed as stated in the contract and only in writing as the parties mutually agree to.

23. SDN requests a Commission waiver of the following rules:

a. ARSD ¶ 20:10:32:06.01 – Performance bonds. SDN is a long standing provider of telecommunications services in the state. As is evident from the financial information provided in Confidential Exhibit C, SDN operates a sound business and there is no need for any security to ensure customer welfare regarding the provisioning of or payment for any service.

b. ARSD ¶ 20:10:07:03 – Transmittal of bills. SDN provides its bills in electronic format and itemized as required by this rule. The customers are medium to large business that require that billing format finding more efficient than providing large stacks of paper. Paper bills or portions thereof can be provided upon request.

24. Federal tax identification number: 46-0454662

South Dakota sales tax number: 1017-6206-ST

Notice of this application has been sent to existing providers.

From the foregoing information, it is apparent that SDN has the technical, managerial and financial wherewithal to provide local exchange service in Qwest service territory. SDN respectfully requests and this application be granted.

Submitted this 26th day of March, 2010.



William P. Heaston
VP, Legal & Regulatory
(605) 978-3596

bill.heaston@sdncommunications.com

EXHIBIT A

State of South Dakota



OFFICE OF THE SECRETARY OF STATE

Certificate of Existence Limited Liability Company

ORGANIZATIONAL ID #: DL002688

I, **Chris Nelson**, Secretary of State of the State of South Dakota, do hereby certify that **SOUTH DAKOTA NETWORK, LLC** was duly organized under the laws of this state on **December 30, 1999** for a **perpetual** term of existence.

I, further certify that said Limited Liability Company has complied with the laws of this State relative to the formation of Limited Liability Companies of its kind and is now a regularly and properly organized and existing Limited Liability Company under the laws of this State and is in good standing, as shown by the records of this office. The annual report required by law has been filed with our office and articles of termination have not been filed. This certificate is not to be construed as an endorsement, recommendation or notice of approval of the Limited Liability Company's financial condition or business activities and practices. Such information is not available from this office.

IN TESTIMONY WHEREOF, I have hereunto set my hand and affixed the Great Seal of the State of South Dakota, at Pierre, the Capital, this April 27, 2006.

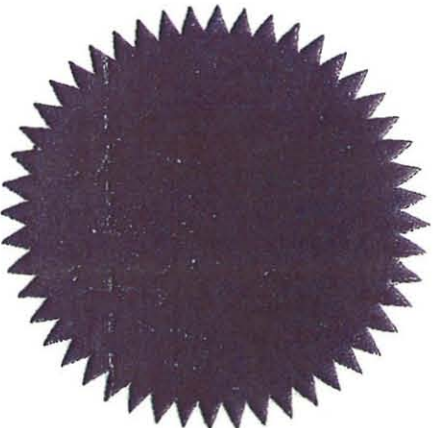

Chris Nelson
Chris Nelson
Secretary of State

EXHIBIT B

Mark Shlanta, CEO

Mark Shlanta leads SDN Communications as its Chief Executive Officer, a position he has held since 2000. He worked as SDN's network planning and operations director for two years before becoming CEO. Prior to joining SDN, Shlanta held various positions with Contel, GTE, Ameritech Cellular and Consolidated Communications. Shlanta is a South Dakota native. He holds degrees in mechanical engineering and engineering management from the University of Missouri - Rolla.

He is president of the Sioux Falls Development Foundation, chairman of the Education Telecommunications Board for South Dakota Public Broadcasting, and a volunteer for the Boy Scouts, Junior Achievement, and Holy Spirit Catholic Church. Mark and his wife, Peg, have four boys.

Tom Durfee, Vice President of Network Planning and Operations

Tom Durfee became Vice President of Network Operations in 2005, leading a team of engineers in designing and maintaining SDN's 21,000-mile fiber optic network. Tom actually started at SDN as one of those engineers in 2002. Prior to that he traveled the world for a Texas satellite telecom company where he did project management, design, and engineering work. The Highmore native is glad to be back home in South Dakota where he and his wife can play an active role in Boy Scouts and coaching sports for their three sons.

Michael Kedik, Vice President of Information Technology, Application and Product Development

Michael Kedik has 20 years experience in the IT and Telecommunications industries. As Director of Product and Application Development, Michael works with state and local government, health care and large banking organizations in and around the state of South Dakota developing products and services that meet their needs. Michael serves as a product expert in the areas of network surveillance along with all aspects of MPLS and data internetworking. Michael has been with SDN Communications since 2002. Prior to joining SDN Communications, he worked as vice president of IT for a large credit card servicing provider.

Brad Whitsell, Vice President of Corporate Operations

Brad Whitsell oversees accounting, finance, administrative and human resources. He also heads up the Technologies Division, which sells networking equipment and IP Telephony phone systems.

Brad has majors in Accounting and Business Economics from Northwestern University. He also has a Masters in Business Administration from the University of South Dakota. Brad is a CPA with a license to practice in South Dakota and Iowa.

Dennis Kautz, Vice President of Sales and Pricing

Dennis Kautz recently joined the SDN Communications' team as Vice-president of sales and pricing. In this role, he manages a team of account executives and pricing specialists that identify, propose and sell network connectivity. He has 15 years of sales management and consulting experience in telecommunications and network integration.

In his free time, he enjoys attending his children's activities, including soccer, basketball and baseball games, hunting, fishing and camping.

Bill Heaston, Vice President of Legal and Regulatory

As the Vice President of Business Development, Bill provides advice and support to SDN for regulatory, legal and significant customer issues. Before SDN, he spent 21 years in the Army Judge Advocate General's Corps (JAG) and, for the past 22 years, has been an attorney for US West, DTG, McLeodUSA, PrairieWave and Knology. Bill has Bachelor of Arts and Juris Doctor degrees from Creighton University and a Master of Laws degree from New York University.

Bill also serves on the Worthing Olde Towne Dinner Theatre board and works with the Sudanese Lost Boys community in Sioux Falls. He and his wife, Dorris, have four grown children, three grandchildren and live in rural Harrisburg. He enjoys working in his yard, playing golf and tennis and snow skiing.

Joe Galinanes, General Manager of SDN Technologies

As the General Manager of SDN Technologies, Joe Galinanes will manage the day-to-day operations of the division. Galinanes brings to the company over 20 years of experience in business development, marketing, technical support and product management skills.

The majority of Galinanes' career has been spent in the telecommunications arena, where he worked for a Midwest MSO, PrairieWave Communications as VP of Sales and Marketing. In addition to PrairieWave, he also served two international telecommunications providers: Cable & Wireless, Inc. as Director of Operations, and Teleglobe International as Director of Global Customer Service.

His start-up experience covers Vice President of Customer Acquisition and Retention for Simplicity, Inc., a telecommunications e-commerce marketplace. In addition, he also held the position VP of Retail Operations for ACN Energy, a retail energy provider based in McLean, VA.

Galinanes holds a B.S. degree in marketing from St. John's University (Jamaica, New York). He has been married to his wife, Kelly for 19 years and has three children.

Vernon Brown, Director of Marketing & Community Relations

Vernon Brown works to spread the message of SDN Communications. He oversees all company communications and assists SDN's 18 member companies in marketing efforts. Vernon started with SDN in 2002 and draws on his 12 years of television reporting experience to manage SDN's message.

Mitch Elfstrand, Director of Network Engineering

As Manager of Network Engineering, Mitch Elfstrand oversees the day-to-day development and growth of SDN's network. One of his greatest responsibilities is developing South Dakota's high-speed Research Education and Economic Development (REED) Network.

While his three kids keep him and his wife busy with activities, he still finds time to ride motorcycle in the summer and snowmobile in the winter.

Rodney Grissom, Director of Network Operations

At SDN, Rodney Grissom is responsible for managing the Network Operations group for the optical, data, MPLS, ATM and Internet core backbone of SDN's ever-growing network. Rodney has been in the telecommunications business for over 25 years and has used his experience in over 60 countries and 49 states.

In his spare time, Rodney enjoys spending time with his daughters, golfing, fishing, and hunting. He is even generous enough to share homemade deer snacks with his co-workers.

Mark Shaw, Director of Network Pricing, Provisioning, and Network Optimization

Mark Shaw has served in various positions at SDN for the past ten years. In his current role as of Network Pricing, Mark designs DS0, DS1, DS3 and OC-n level circuits, maintains equipment and network inventory, analyzes data to help establish pricing for new products and provides project management for larger customer conversions.

In addition to being active members of his church, Mark and his family enjoy camping, fishing and other outdoor activities.

Charles Fejfar, Senior Manager of Switching Operations

As Senior Manager of Switching Operations, Chuck Fejfar is responsible for the tandem switch, Express long distance, SS7 service, PIC/CARE, usage processing and much more. Prior to joining SDN 16 years ago, Chuck worked in Minnesota as a NOC technician.

In his free time, he enjoys golf, bowling, volleyball and birdwatching. He and his wife have three children and one grandchild.

David Vinzant, Manager of Human Resources and Administrative Services

In his role at SDN, David Vinzant is responsible for overseeing the company policies, benefits, compensation plans and other Human Resource duties. David also works with Express Communications to oversee the toll free, travel card and operational duties to set up new or ported toll free numbers, travel card administration and 1+ PICs.

David loves to play volleyball, read, learn more about investing and spend time with his wife, RoSchell, and three children.

EXHIBIT D

Bill Heaston

From: Interconnection Agreements [intagree@qwest.com]
Sent: Monday, March 22, 2010 1:59 PM
To: Bill Heaston
Subject: RE: SDN Communications RE: Interconnection Agreements for MN/SD
Attachments: Adoptable Wireline.xls

Bill,
Thanks for your info - Attached is the list of adoptable agreements for Minnesota and South Dakota - with their expiration dates.
If you elect one of them - the expire date would be the same and then your agreement would continue on a month to month agreement.

If you would like our template - the expiration date would be 3 years from the approval date of your agreement.

Let me know which you would prefer.

Steve Dea

Qwest Corporation
1801 California Street, 24th Floor
Denver, CO 80202
303-965-3029
steve.dea@qwest.com

Perfecting the Customer Experience

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From: Bill Heaston [mailto:Bill.Heaston@sdncommunications.com]
Sent: Monday, March 22, 2010 10:45 AM
To: Interconnection Agreements
Subject: RE: SDN Communications RE: Interconnection Agreements for MN/SD

Steve

Glad to see you are still around. Attached is the completed form. Call if you have questions. Thanks.

Bill Heaston
Director of Business Development
SDN Communications
2900 W. 10th Street
Sioux Falls, SD 57104
(605) 978-3596

From: Interconnection Agreements [mailto:intagree@qwest.com]
Sent: Wednesday, March 10, 2010 8:37 AM
To: Bill Heaston
Subject: SDN Communications RE: Interconnection Agreements for MN/SD

Bill,
Welcome to the Wonderful World of Interconnection. Attached is the information needed as you begin the process and the information I need to process your request ("New Customer Info Needed"). We can process your request simultaneously as you complete your application for CLEC status.

If you have additional questions please contact me.

Steve

Steve Dea

Qwest Corporation
1801 California Street, 24th Floor
Denver, CO 80202
303-965-3029
steve.dea@qwest.com

Perfecting the Customer Experience

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From: Bill Heaston [mailto:Bill.Heaston@sdncommunications.com]
Sent: Tuesday, March 09, 2010 3:49 PM
To: Interconnection Agreements
Subject: Interconnection Agreements for MN/SD

SDN is in the process of preparing applications to become a CLEC in MN and SD. We need to start the process of negotiating an interconnection agreement for each state. Please send me whatever is needed.

Bill Heaston
Director of Business Development
SDN Communications
2900 W. 10th Street
Sioux Falls, SD 57104
(605) 978-3596

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