

Docket Number: TC14-019
Subject Matter: Fourth Data Request
Request to: Blue Jay Wireless
Request from: South Dakota Public Utilities Commission Staff
Date of Request: March 10, 2015
Responses Due: N/A

- 1) Refer to the response to DR3-8, provide the plan(s) offered by the ILEC that Blue Jay used in the comparison to its own plans.

As stated in Blue Jay's response to DR3-8, Blue Jay's usage plan is different from, but comparable to, one offered by the ILEC in the same designated service area, considering the value-added capabilities and services included with its plans. To Blue Jay's knowledge, CenturyLink does not offer a local service at no cost to the end user. However, CenturyLink does offer two plans of note:

CenturyLink's Basic Phone Service includes unlimited local calling without calling features or long distance for \$21.25 per month.¹ This plan is the closest to the retail cost of Blue Jay's 250 minute plan, the retail cost of which is \$9.25 per month, and includes unlimited local calling. This CenturyLink plan does not, however, include the calling features that Blue Jay's service offers (*e.g.* caller ID, call waiting or voicemail) or long distance calling at no additional cost.

CenturyLink's Home Phone Unlimited plan includes unlimited local and nationwide long distance calling and eleven calling features for \$49 per month.² These features include some that Blue Jay also provides, such as caller ID and call waiting, as well as some that Blue Jay does not provide, such as anonymous call rejection and call screening services. While both plans include nationwide long distance, the CenturyLink plan's minutes are unlimited. However, the CenturyLink plan is nearly \$40 more per month than Blue Jay's 250 minute plan.

- 2) In response to DR3-9, how many Blue Jay Lifeline customers purchased data in 2014?

In reviewing the information submitted for DR3-9, Blue Jay realized that it inadvertently misstated the customer counts associated with its data offerings. As such, Blue Jay provides a revised response to DR3-9 (c) and (d) below. This revised response to DR3-9(d) also provides an answer to Question DR4-2.

9) In regards to data plans offered by Blue Jay and data usage:

c) How many Blue Jay customers currently subscribe to a data plan? What is the percentage of data subscribers to total Customers?

d) How many Blue Jay Lifeline customers currently subscribe to a data plan? What is the percentage of Lifeline data subscribers to total Lifeline Customers?

c) Since its services are pre-paid, Blue Jay does not have any customers that "subscribe" to a data plan. In 2014, Blue Jay did have 1 customer sign up for a recurring prepaid data

¹ See <https://www.centurylink.com/home/phone/>.

² See *id.*

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enabled service plan (which included a set number of voice minutes, texts and included data). However, in 2014, 2,198 Blue Jay customers (both Lifeline and non-Lifeline) purchased at least one data top-up. Based on this number, approximately 1 percent (0.98 percent) of Blue Jay's subscriber base, Lifeline and non-Lifeline, has purchased at least one data top-up.

d) In 2014, Blue Jay did not have any Lifeline customers sign up for any recurring prepaid data enabled service plans. However, in 2014, 2,189 Blue Jay Lifeline customers purchased at least one data top-up. Based on this number, approximately 1 percent (.98 percent) of Blue Jay's Lifeline subscriber base has purchased at least one data top-up.

- 3) Are customers able to access data using features on their phones even if they haven't purchased any prepaid data?

If the customer is using a Wi-Fi enabled handset, the customer will be able to access features that require a data connection even if he or she hasn't purchased any prepaid data or if he or she has exhausted any prepaid data previously purchased. However, if the customer is not connected to a Wi-Fi connection, he or she will not be able to access data features on the handset unless the customer purchases additional data services.

- 4) What happens when a customer reaches its allotment of data? Are they able to exceed their prepaid data limit? Is the data feature remotely deactivated once a customer uses its prepaid data allotment or how does Blue Jay track data usage?

Before a customer reaches his or her allotment of data, the customer will receive a text message from the Company informing the customer that he or she has exhausted 80 percent of the data currently on the customer's account. When a customer exhausts 100 percent of the data allotment that he or she had purchased, another text message will be sent providing the customer information on how to purchase additional data. At that time, Blue Jay's underlying carrier will turn off the data on the customer's phone. The data feature is not deactivated but, instead, access to mobile data is suspended. As discussed in the Response to 3, above, the customer will still be able to access data features via Wi-Fi, if the customer has a Wi-Fi enabled handset.

- 5) If it is possible to exceed the prepaid data limits from question 4, is there a penalty assessed to a customer or any other charges for the extra data? Provide any charges applicable.

Because Blue Jay offers service on a prepaid basis, there is no risk of overage charges. After Blue Jay's underlying carrier turns off the data on a customer's phone, the customer will not be unable to use data that he or she has not already purchased in full. Any costs associated with additional data are those that the customer proactively agrees to in order to purchase additional data services. In this manner, there are no "surprise" charges, which is one of the features that

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draws customers living on tight discretionary budgets to the prepaid service model in the first place.

- 6) Refer to DR3-3, the company states it has updated Exhibit D. Described all updates the company made to its terms and conditions.

Blue Jay reviewed and made multiple ministerial and cosmetic changes to its Terms and Conditions. In addition to these non-substantive changes, Blue Jay made the following substantive modifications to its standard terms and conditions:

- Added emancipated minor to individuals able to purchase services
- Application of tariffs updated to reflect any successor documents in the event of detariffing
- Changed the customer service call in number for Blue Jay Wireless and repeat availability of 611 and customer service
- Updated “Acceptable Use: No Resale” section to reflect current “Prohibited Network Uses” policy
- Added section on “Unlimited Use Plans”
- Added section on “No Resale”
- Updated Blue Jay Wireless Corporate Address in multiple locations
- Wireless Phone Number – removed statement that Blue Jay Wireless reserves right to change phone number
- Updated state-specific qualifying program discussion to add National School Lunch Program, and update valid eligibility documentation
- Lifeline Free Plan 250 – updated plan to reflect 250 minutes and 250 text messages for all states excluding tribal areas
- Lifeline Free Plan 350 – updates plan to reflect the fact that it is available in Kentucky only
- Added Tribal Resident Lifeline Unlimited Plan, Tribal Resident Lifeline Unlimited Voice and Text Plan, and Tribal 1,000 Voice and 1,000 Text Plan with 100 MB Data to replace existing Tribal plans for Oklahoma only
- Updated Tribal Unlimited Voice and Text with 500 MB Data plan for Oklahoma only
- Blue Jay Wireless Data Service Rates – updated to add data starting at \$.10 per megabyte which can be reduced on a per MB basis based on volume purchase

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- 7) Explain why the updated Q1 profit and loss provided in DR3 does not match up with the totals in the first three months provided in the originally profit and loss filed with the application.

[BEGIN CONFIDENTIAL]



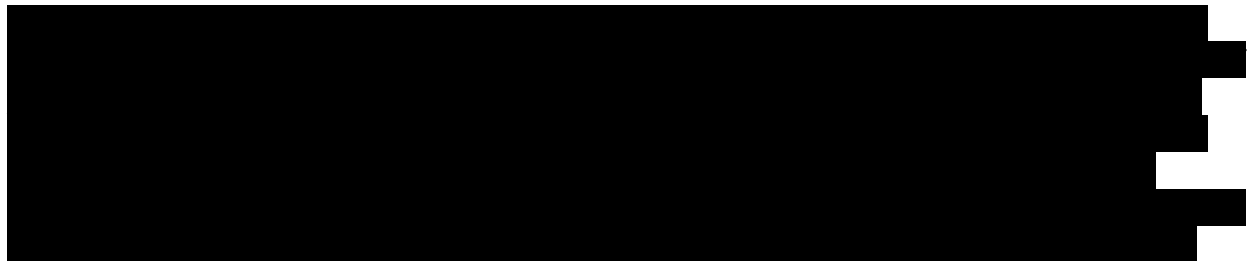
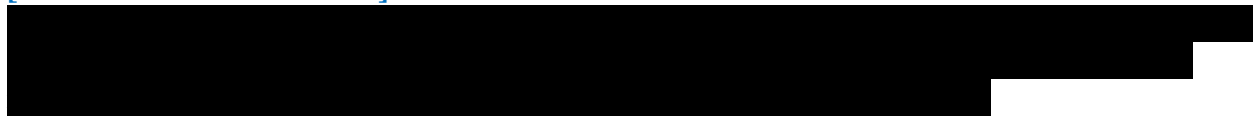
[END CONFIDENTIAL]

The correct adjusted figures are reflected in Confidential Exhibit G provided in Blue Jay's response to DR3 on March 6, 2015.

- 8) Refer to the updated profit and loss sheet provided in DR3, explain the significant increases in bad debts, payroll and professional fees from Q3 to Q4.

The increases between Q3 and Q4 are attributable as follows:

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[REDACTED]

[REDACTED]

[END CONFIDENTIAL]

- 9) Refer to the updated profit and loss sheet provided in DR3, explain the significant decrease in taxes and fees from Q3 to Q4.

[BEGIN CONFIDENTIAL]

[REDACTED]

[END CONFIDENTIAL]