NOTICE BY THE SOUTH DAKOTA PUBLIC UTILITIES COMMISSION OF THE PROPOSED SALE OF LOCAL TELEPHONE EXCHANGES

On July 15, 2014, the South Dakota Public Utilities Commission (Commission) received a joint application to approve the sale of certain local telephone exchanges from Kite Parent Corp. (a subsidiary of WideOpenWest Finance, LLC, ("WOW!")), on behalf of itself and its subsidiaries Knology of the Plains, Inc.; Knology of the Black Hills, LLC; Knology Community Telephone, Inc.; Knology of South Dakota, Inc.; and Black Hills Fiber Systems, Inc. (collectively referred to as "WOW! South Dakota") and Clarity Telecom, LLC ("Clarity"). WOW! South Dakota proposes to sell its local telephone exchanges to Clarity. The proposed sale affects a number of local telephone exchanges and includes the following communities: Alsen, Belle Fourche, rural Beresford, Black Hawk, Box Elder, Canton, Centerville, Central City, Chancellor, Colman, Davis, Deadwood, Elk Point, Flandreau, Flyger, Gayville, Harrisburg, Hurley, Irene, Lead, Lennox, Madison, Monroe, North Sioux City, Parker, Piedmont, Rapid City, Sioux Falls, Spearfish, St. Onge, Sturgis, Summerset, Tea, Vermillion, Viborg, Volin, Wakonda, Watertown, Whitewood, Worthing, and Yankton. The application states that the sale is in the public interest for the following reasons: 1) while under the previous two owners many operational functions were completed out of state. Clarity's focus will solely be the operation and expansion of the networks located in South Dakota, Minnesota, and Iowa; 2) Clarity plans to upgrade the network infrastructure; 3) there will be no change in rates for local telephone services offered in the telephone exchanges resulting from the purchase; 4) Clarity will continue to provide enhanced 911; 5) there will be no reduction in tax revenues to the state of South Dakota resulting solely from the purchase and sale of the telephone exchanges; 6) Clarity is committed to providing modern state-of-the-art telecommunications services; and 7) and there will be no discontinuance, reduction, or impairment of any of the services presently offered.

The public is invited to participate by providing written comments to the Commission within 15 days of publication of this notice. Any member of the public may petition for intervention as a formal party in the proceeding by following the procedure set forth in ARSD 20:10:01:15.02, which is available at http://legis.sd.gov/rules/DisplayRule.aspx?Rule=20:10:01:15.02 or which may be obtained by contacting the Commission. Petitions for intervention must be received by the Commission within 15 days of publication of this notice. If sufficient public interest is demonstrated or if requested by a party, the Commission may schedule a public hearing on the application. The Commission shall issue a final decision on the application in accordance with SDCL 49-31-59.

The public may offer comments or obtain copies of the application and other non-confidential filings in the case by contacting the South Dakota Public Utilities Commission, 500 E. Capitol Avenue, Pierre, SD 57501; phone 1-800-332-1782 or (605) 773-3201; fax 1-866-757-6031; e-mail: <u>puc@state.sd.us</u>. The application is also available on the Commission's website at: <u>http://puc.sd.gov/Dockets/Telecom/2014/TC14-073.aspx</u>.