

**BEFORE THE
SOUTH DAKOTA PUBLIC UTILITIES COMMISSION**

IN THE MATTER OF THE REQUEST OF)	
KNOLOGY OF THE BLACK HILLS, LLC)	
FOR CERTIFICATION REGARDING ITS)	ANNUAL ETC CERTIFICATION
USE OF FEDERAL UNIVERSAL)	FILING
SERVICE SUPPORT.)	

Knology of the Black Hills, LLC (the “Company”), by and through the undersigned, makes this filing to seek certification from the South Dakota Public Utilities Commission (the “Commission”) as is required under 47 C.F.R. § 54.314 and to comply with the provisions of ARSD §§ 20:10:32:52 and 20:10:32:54 of the Commission’s rules pertaining to eligible telecommunications carriers (“ETCs”).

In accordance with 47 C.F.R. § 54.314, federal universal service support provided to carriers pursuant to 47 C.F.R. §§ 54.307, frozen high cost model support and interstate access support will be made available only if the State Commission files the requisite annual certification with the FCC and USAC. The certification required specifically for non-rural carriers and/or eligible telecommunications carriers serving lines in the service area of a non-rural carrier to receive federal universal service support for all four quarters during calendar year 2016 is currently due to be filed with the FCC and USAC on or before October 1, 2015. The certification may be presented to these entities in the form of a letter from the State Commission. The letter must identify which carriers in the State are eligible to receive federal support during the 12-month period and must certify that the carriers listed will only use the support for the provision, maintenance and upgrading of facilities and services for which the support is intended.

As the Commission is aware, at the beginning of October 2014, the assets of Knology of the Black Hills, LLC used in the business of providing residential and commercial cable television series, local exchange services and interexchange services and high speed Internet services in South Dakota were sold to Clarity Telecom, LLC dba Vast Broadband. *See* Order Granting Eligible Telecommunications Designation; Order Granting Relinquishment of Eligible Telecommunications Designations; Order Granting Certification, TC14-073 (Sept. 24, 2014). This resulted in the facilities currently being used by Knology of the Black Hills, LLC to be used by Clarity Telecom, LLC dba Vast Broadband to provide services. *Id.* As part of this transaction, Clarity Telecom, LLC dba Vast Broadband was designated as an ETC in the exchanges in which Knology of the Black Hills, LLC had been designated. *Id.* Accordingly, in last year’s certification filing with the FCC, the Commission certified Knology of the Black Hills, LLC only for 2013. Knology of the Black Hills, LLC hereby provides the following information which pertains to the nine months of 2014 in which the Company owned and operated the facilities and for which it was an ETC:

1. The Company is a competitive local exchange telephone company that has previously been designated by this Commission as an ETC. In the first nine months of 2014, the Company provided local exchange telephone services, including all of the essential services that are included in the federal definition of universal service, to approximately 7,567 access lines within its established service area in South Dakota.

2. The provisions of ARSD §§ 20:10:32:54 addressing the annual “Certification requirements” set forth by this Commission indicate in part that the ETC must show “how much universal service support was received.” Accordingly, the Company’s 2014 federal universal service receipts are reflected on Exhibit A hereto (presented as part of the Company’s “Progress Report” and §§ 20:10:32:54(2)). This same Exhibit also shows total expenditures of the Company in the first nine months of 2014 related to the provision, maintenance and upgrading of the facilities and services that are supported by federal universal service funding. As explained above, the Company no longer owns or operates the facilities. Accordingly, no information is provided by the Company regarding any planned 2015 investments noted in last year’s two-year plan, the changes are referenced in that Exhibit or estimates of the expenditures to be made by the Company for calendar year 2015, related to the provision, maintenance, and upgrading of facilities and services supported by federal universal service which would have been provided on Exhibit B hereto as part of the Company’s current Two-Year Plan associated with §§ 20:10:32:54(1) if it would have continued to own and operate the facilities. For the first nine months of 2014, the Company used federal universal service amounts received to offset a portion of the expenditures set forth in Exhibit A. This use of federal universal service support enabled the Company to: (1) maintain rates for its local exchange services that were affordable and reasonably comparable to rates being charged for the same services in urban areas; and (2) to upgrade its telecommunications facilities and equipment as necessary to meet evolving service requirements, including those related to broadband services, and maintain high quality service. The use of federal universal service support for these purposes is clearly consistent with the federal universal service provisions.

3. The Company was informed by USAC that instead of filing an FCC Form 481 as required by 47 C.F.R. § 54.313 and 54.422, it should not file such a form and instead provide Clarity Telecom, LLC dba Vast Broadband with the data for the first nine months of 2014 so that it can include the data in its filing. Accordingly, this filing has no Exhibit C attached and the data for the first nine months of 2014 is included with the Form 481 filed by Clarity Telecom, LLC which is attached as its Exhibit C which fulfils the requirements associated with §§ 20:10:32:54(3), 20:10:32:54(4) and 20:10:32:54(5), on lines 220, 300-330 and 400-450 of Form 481 respectively

4. Exhibit B is a document containing other certifications, including those required under the provisions of ARSD §§ 20:10:32:54(6) and 20:10:32:54(7). §§ 20:10:32:54(8) and 20:10:32:54(9) were waived in their entirety as part of PUC docket TC13-027.

5. In the Commission’s Docket TC13-027 (*In the Matter of the Consideration of Eligible Telecommunications Carrier Certification Requirements*) in its “Order Clarifying Eligible Telecommunications Carrier Certification Requirements” issued May 20, 2015, the Commission required a copy of “their most recent FCC 477 submission data in electronic spreadsheet format, where applicable, when carriers file their annual requests for ETC designation.” Voice and broadband providers made their most recent FCC 477 submission in February 2015 which was for data as of December 31, 2014. As explained herein, the Company did not own the facilities at that time. Accordingly, Knology of the Black Hills, LLC did not make a Form 477 filing for the exchanges in which the Company previously had been designated. Instead, Clarity Telecom, LLC dba Vast Broadband, the entity that owned the facilities at that time, made the Form 477 filing and will supply the 477 data in its annual request for ETC designation.

6. Based on all of the foregoing information, including the information provided on Exhibits A and B, the Company requests that this Commission issue an appropriate certification to the FCC and USAC indicating that Knology of the Black Hills, LLC was in compliance with 47 U.S.C. § 254(e) during the first nine months of 2014 when it owned the facilities and should have received all federal universal service support determined for distribution to the Company during that period.

Dated this 24 day of June 2015.

Respectfully submitted,

A handwritten signature in black ink, appearing to read "Bruce Schoonover, Jr.", written over a horizontal line.

Bruce Schoonover, Jr.

Vice President – Regulatory Compliance