

BEFORE THE PUBLIC UTILITIES COMMISSION
OF THE STATE OF SOUTH DAKOTA

In the Matter of the Application)
of X5 OpCo LLC)
for a Certificate of Authority to Provide) Docket No. 15- _____
Interexchange Telecommunications Services)
Throughout the State of South Dakota.)

APPLICATION

X5 OpCo LLC, (“Applicant”), pursuant to SDCL 49-31-3 and ARSD §20:10:42:02, hereby applies to the South Dakota Public Utilities Commission (“Commission”) for a Certificate of Authority to provide intrastate intraLATA and interLATA interexchange telecommunications services throughout the State of South Dakota. In support of its Application, Applicant states as follows:

(1) The applicant's name, address, telephone number, facsimile number, web page URL, and E-mail address (ARSD §20:10:24:02(1)):

Applicant's name, address, telephone number, facsimile number, web page URL, and E-mail address are:

X5 OpCo LLC
1008 Western Avenue, Suite 400
Seattle, WA 98104
Telephone: 206.973.5800
Facsimile: 206.973.5899
Website: www.x5solutions.com
Email: regulatory@x5solutions.com

(2) A description of the legal and organizational structure of the applicant's company; If the applicant is a corporation: (ARSD §20:10:24:02(2)):

Applicant, X5 OpCo LLC is a privately-held corporation duly organized and existing under and by virtue of the laws of the State of Delaware on October 14, 2014. Applicant is a wholly owned subsidiary of X5 Holdings LLC (“X5 Holdings”) which, in turn, is majority owned and controlled by NewSpring Holdings LLC (“NewSpring”). NewSpring is a limited liability company organized under the laws of the State of Delaware. NewSpring is a private equity fund

that seeks to partner with successful business owners and management teams to grow profitable businesses.

- (3) The name under which the applicant will provide interexchange services if different than in subdivision (1) of this section: (ARSD §20:10:24:02(3)):**

Applicant will provide interexchange services under its legal name, X5 OpCo LLC.

- (4) A copy of the applicant's certificate of authority to transact business in South Dakota from the Secretary of State: (ARSD §20:10:24:02(4)):**

A copy of the applicant's certificate of authority to transact business in South Dakota from the Secretary of State is attached hereto at **Exhibit A**.

- (5) 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: (ARSD §20:10:24:02(5)):**

Applicant will not maintain an office in the State of South Dakota. Applicants registered agent for service of process is:

Corporation Service Company
503 South Pierre Street
Pierre, SD 57501

- (6) A list and specific description of the telecommunications services the applicant intends to offer: (ARSD §20:10:24:02(6)):**

Applicant seeks authority to provide interLATA and intraLATA interexchange telecommunications services within the State of South Dakota, in conjunction with Applicant's interstate services. Applicant initially proposes to provide interexchange telecommunications services, including switched and dedicated access intraLATA and interLATA voice and data transmission services, operator assisted calling exclusively to subscribers of record, and directory assistance, to mid-sized and enterprise subscribers.

(7) A detailed statement of how the applicant will provide its services: (ARSD §20:10:24:02(7)):

Applicant will use a combination of switching equipment and leased transport facilities, as well as resale to provide services. Applicant will not deploy equipment or facilities in South Dakota.

(8) A service area map or narrative description indicating with particularity the geographic area proposed to be served by the applicant: (ARSD §20:10:24:02(8)):

Applicant proposes to provide interexchange services statewide.

(9) For the most recent 12 month period, financial statements of the applicant including a balance sheet, income statement, and cash flow statement. The applicant shall provide audited financial statements, if available: (ARSD §20:10:24:02(9)):

Please refer to confidential **Exhibit B**. Applicant's balance sheet incorporates the financial operations of an entity whose assets were acquired under X5 OpCo, that has been operating for more than ten years.

(10) The names, addresses, telephone number, facsimile number, E-mail address, and toll free number of the applicant's representatives to whom all inquiries must be made regarding complaints and regulatory matters and a description of how the applicant handles customer service matters: (ARSD §20:10:24:02(10)):

The names, addresses, telephone number, facsimile number, E-mail address, and toll free number of the applicant's representatives to whom all inquiries must be made regarding complaints and regulatory matters are:

Complaints:

Meaghan Perez
Customer Service
X5 OpCo LLC
1008 Western Avenue, Suite 400
Seattle, WA 98104
Telephone: 888.588.1501
Facsimile: 206.973.5899
E-mail: support@X5solutions.com

Regulatory:

Barbara Meyer
Controller
X5 OpCo LLC
1008 Western Avenue, Suite 400
Seattle, WA 98104
Telephone: 206.973.5865
Facsimile: 206.973.5899
Email: regulatory@x5solutions.com

Applicant maintains in-house customer service representatives, overseen by a Customer Service Manager. Customer service representatives are available twenty-four hours per day, to respond to billing, service, and repair complaints.

The customer's first point of contact for billing or service complaints is the subscriber's account manager or if no account manager is assigned, Applicant's trained Customer Service Department's representatives. If, after contacting Applicant's account manager or customer service representative, the subscriber remains dissatisfied, the customer may be connected with Applicant's Customer Service Manager. Subscribers will be advised that they may contact the Commission at any time for assistance in the resolution of any issue concerning the Applicant's telecommunications service.

In instances of service affecting issues or outages, Applicant's network operations staff will determine whether the issue resides in Applicant's own network or in an underlying carrier's facilities. If in its own network, Applicant's network operations staff will determine the source of the issue and take corrective action immediately. If the issue is determined to be in an underlying carrier's facilities, Applicant's network operations staff will contact the designated service representative of the underlying carrier providing the network services to report the trouble and ascertain the estimated time of repair. The underlying carrier will take corrective procedures and will report the resolution of the trouble to Applicant. The company will then

immediately contact the customer and will verify with the customer that service has been restored.

(11) Information concerning how the applicant plans to bill and collect charges from customers: (ARSD §20:10:24:02(11)):

Applicant bills subscribers directly through a billing vendor monthly. Invoices are payable within 22 days from receipt and subject to commercial interest rate if not paid within thirty days, consistent with Applicant's current practice in other states.

(12) 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 interexchange customers: (ARSD §20:10:24:02(12)):

Applicant provides service exclusively to commercial subscribers under established service agreements. Applicant's subscribers must make an affirmative election of Applicant as their presubscribed service provider, precluding any possibility of unauthorized account transfers. Applicant avers compliance with Section 64.1100 *et seq.* of the Federal Communications Commission's rule, 47 C.F.R. §§64.1100 *et seq.* and Commission rules, if otherwise electing to adopt letters of agency to confirm new subscriber elections.

(13) 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: (ARSD §20:10:24:02(13)):

As noted *supra.*, Applicant provides service exclusively to commercial subscribers under established service agreements. Subscribers rates are clearly established under agreement. Subscribers may also contact Applicant's account representative or customer service for additional information or references.

- (14) 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: (ARSD §20:10:24:02(14)):**

As Applicant's rates are established under service agreements, any change in rates, terms and conditions is subject to renegotiation with the subscriber under the terms of Applicant's service agreement.

- (15) 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: (ARSD §20:10:24:02(15)):**

Applicant is currently certified/registered to provide interexchange service in the states of Oregon, Utah, and Washington. Applicant has never been denied registration or certification in any state. Applicant remains in good standing with all regulatory agencies in the states where it is registered or certified.

- (16) A description of how the applicant intends to market its services, its target market, whether the applicant engages in any multilevel marketing, and copies of any company brochures used to assist in the sale of services: (ARSD §20:10:24:02(16)):**

Applicant uses a combination of inside sales professionals and sales agents to market services to mid-level and enterprise commercial subscribers. Applicant does not engage in multilevel marketing. Marketing information appears on the Company's web site, www.x5solutions.com.

(17) Federal tax identification number and South Dakota sales tax: (ARSD §20:10:24:02(17)):

Applicant's federal tax identification number is 47-2623227. The Company's South Dakota Sales Tax license number is 1029-4596-ST.

(18) The number and nature of complaints filed against the applicant with any state or federal regulatory commission regarding the unauthorized switching of a customer's telecommunications provider and the act of charging customers for services that have not been ordered;; (ARSD §20:10:24:02(18)):

Applicant has not been the subject of complaints filed before any state or federal regulatory commission regarding the unauthorized switching of a customer's telecommunications provider, the act of charging customers for services that have not been ordered;, or otherwise. Has noted, subscribers are subject to service agreements that require affirmative election of Applicant as the subscriber's presubscribed service provider.

(19) A written request for waiver of those rules the applicant believes to be inapplicable: (ARSD §20:10:24:02(19)):

Applicant requests that the bonding requirement as set forth in [ARSD 20:10:24:04.05](#) be waived. Applicant does not collect deposits, advanced payments, or prepayment of recurring fees, nor does Applicant provide prepaid services. Applicant further requests that any rule that has been deemed inapplicable to competitive interexchange carriers and waived for other interexchange carrier applicants, be waived for Applicant.

(20) Other information requested by the commission needed to demonstrate that the applicant has sufficient technical, financial, and managerial capabilities to provide the interexchange services it intends to offer consistent with the requirements of this chapter and other applicable rules and laws: (ARSD §20:10:24:02(20)):

Applicant submits the following reasons in support of its belief that the public interest will be served by the approval of this Application. While providing subscribers with cost advantages realized by Applicant's service, Applicant's service will necessarily utilize existing

carrier communications facilities more efficiently through increased usage and provide greater revenues for local exchange carriers by way of additional exchange access through other carriers.

Commission approval of this Application will bring the following long-term benefits to the public:

- (a) greater value to customers through lower priced, better quality network services;
- (b) innovative network services and routing;
- (c) increased carrier choice in exchange access services utilizing advanced technology;
- (d) efficient use of existing telecommunications resources as well as increased diversification and reliability in South Dakota networks; and
- (e) an additional tax revenue source for the State of South Dakota.

Wherefore, X5 OpCo LLC respectfully requests that the Commission issue an order granting authority to provide interexchange services throughout the State of South Dakota.

Respectfully submitted this 16 day of November, 2015.

X5 OpCo LLC

By: _____


Gregory Forrest
President and Chief Executive Officer
1008 Western Avenue, Suite 400
Seattle, WA 98104

Andrew O. Isar
Miller Isar, Inc.
4423 Point Fosdick Drive NW, Suite 306
Gig Harbor, Washington 98335

Regulatory Consultants to
X5 OpCo LLC.

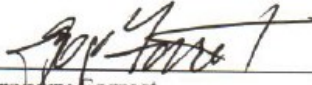
VERIFICATION OF APPLICANT

State of WASHINGTON)
) ss.
County of KING)

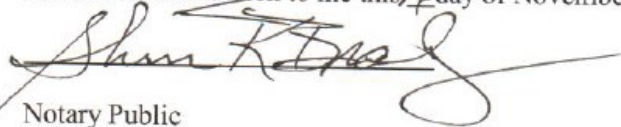
Gregory Forrest, being duly sworn, deposes and says that he is the President and Chief Executive Officer of X5 OpCo LLC; and that the facts set forth in the foregoing application have been prepared under his direction, from the original books, papers and records of said company, that he examined same, and declares same to be true and correct to the best of his knowledge and belief; and further, that Applicant has full knowledge of the Kansas Corporation Commission's jurisdiction affecting interexchange service providers and will comply with the applicable requirements of this Commission.

Dated this 16 day of November, 2015.

X5 OpCo LLC

By: 
Gregory Forrest
President and Chief Executive Officer
1008 Western Avenue, Suite 400
Seattle, WA 98104

Subscribed and Sworn to me this 16 day of November, 2015.


Notary Public

My Commission Expires 5-24-2016

