

BEFORE THE SOUTH DAKOTA PUBLIC UTILITIES COMMISSION

**APPLICATION OF EXTENET SYSTEMS, INC.)
FOR A CERTIFICATE OF PUBLIC)
CONVENIENCE AND NECESSITY)
TO PROVIDE FACILITIES BASED)
LOCAL EXCHANGE SERVICES)**

Docket No. 2017-_____

**APPLICATION OF EXTENET SYSTEMS, INC. FOR A CERTIFICATE
OF PUBLIC CONVENIENCE AND NECESSITY**

Comes now the Petitioner, ExteNet Systems, Inc. (“ExteNet” or “Applicant”) and petitions the South Dakota Public Utilities Commission (the “Commission”) for a Certificate of Public Convenience and Necessity to operate as a telephone utility and to provide competitive telecommunications services pursuant to 20:10:32:03 of the Rules of the South Dakota Public Utilities Commission. ExteNet seeks authority to operate as a wholesale provider of competitive local exchange services.

ExteNet has the financial, managerial and technical qualifications to provide telecommunications services in the state of South Dakota. Approval of ExteNet as a telecommunications utility in South Dakota will serve the public convenience and necessity.

1. Name of the Applicant.

The Applicant’s legal name is ExteNet Systems, Inc. The address of principal office and telephone number is:

ExteNet Systems, Inc.
3030 Warrenville Road, Ste. 340,
Lisle, IL 60532
Telephone: (630) 505-3800
Toll free: (866) 892-5327
Facsimile: (630) 577-1332
Website: <http://www.extenetsystems.com/>

2. Business Structure.

ExteNet was formed as a Delaware corporation on August 27, 2004. Its Articles of Incorporation and amendments filed with the State of Delaware are attached as **Exhibit A**.

3. Use of d/b/a (Doing Business As) Name.

Applicant does not use an alternative a “doing business as” name.

4. Registered Agent in South Dakota

Corporation Service Company
503 South Pierre Street
Pierre, SD 57501-4522
(800) 927-9800
compliancemail@cscglobal.com

5. Authority to Transact Business in South Dakota.

ExteNet’s Registration of Foreign Corporation as issued by the South Dakota Secretary of State is attached as **Exhibit B**.

6. Experience Providing Telecommunications Services.

ExteNet’s senior management team has extensive management and telecommunications experience. ExteNet is authorized to provide local telecommunications services 40 jurisdictions throughout the country and is providing services in approximately 19 states, and the management team is experienced with running the company’s operations.

7. Owners and Affiliates.

ExteNet is a privately held company and ownership information is highly confidential and proprietary. Therefore, ExteNet is providing ownership information under seal as

Confidential Exhibit D.

8. Description of Service; Service Area and Rates.

The Applicant intends primarily to deploy its own facilities within the geographic exchange

boundaries of the incumbent local exchange carriers. ExteNet seeks authority to provide local exchange telecommunications services throughout the State of South Dakota.

ExteNet will provide non-switched dedicated Point-To-Point Private Virtual Circuit (PVC) Transport Service on a wholesale basis to other carriers via a Distributed Antenna System (“DAS”) network. This service is offered to Wireless Services Providers (“WSPs”) so that they can improve their coverage by filling in “dead spots,” or increase their network capacity to provide new or improved services in certain geographic areas. ExteNet will provide its Point-to-Point PVC Transport Services on fiber optic cable through a combination of deploying its own network and facilities, and services leased from a variety of existing carriers and other suppliers.

In its common architecture, ExteNet’s DAS networks begin at the ExteNet Base Station (WSPs are responsible for providing or obtaining circuits to connect their networks to the ExteNet Base Station). The ExteNet Base Station contains the WSPs’ circuit terminating equipment, known as a Base Transceiver Station, as well as ExteNet’s Radio Frequency to Optical conversion equipment. The ExteNet equipment converts Wireless Carriers’ Radio Frequency signals into optical signals, and places those signals onto fiber optic facilities, which transport those signals to one or more remote locations, and then re-convert it back to an RF signal that is transmitted from an antenna at the remote location. This network is bi-directional, and the same components input an RF signal from an antenna at the remote location, convert it to an optical signal, transport it on fiber optic facilities back to the Base Station, and then re-convert it back to an RF signal that is handed off to WSP equipment located at the Base Station.

ExteNet does not intend to furnish switched voice services or dial tone, though it may provide those services to end-user customers in the future if market demand arises. At this time, ExteNet will provide service to other carriers on a wholesale basis. ExteNet’s services are subject to availability of equipment and technical/economic feasibility of constructing or leasing

necessary facilities and the network needs of ExteNet’s customers. ExteNet installs its equipment on or in existing infrastructure such as utility poles and conduit wherever possible, but it does place its own infrastructure if there are no feasible options using existing infrastructure. Applicant will endeavor to provide services to South Dakota customers as soon as possible following the Commission’s grant of authority.

9. Service Area.

ExteNet proposes to serve the entire State of South Dakota where competition has been authorized and customer need arises. ExteNet does not seek to operate in areas of the state designated as rural service areas.

10. Technical Competence.

ExteNet’s senior management team has extensive business and telecommunications experience, and the profiles of the Officers of the Company are set forth in **Exhibit C**.

The names and addresses of the senior management team of Applicant are as follows:

Title	Officer’s Name
CEO/President	Ross Manire
EVP/COO	Oliver Valente
EVP/CTO	Tormod Larsen
EVP, Business Development and Strategy	Eric Lekacz
EVP/CFO	Dan Timm
VP, External Relations	Jay Noceto
VP, General Counsel and Corporate Secretary	Anthony Lehv
SVP Sales and Marketing	Andrew Chavez
VP Global Services	Tim Ayers

ExteNet has the following personnel to respond to customer inquiries:

Regulatory, Legal and Compliance Matters:

Brian S. Kirk
Assistant General Counsel
ExteNet Systems, Inc.
3030 Warrenville Road, Ste. 340,
Lisle, IL 60532
Phone: (630) 505-3811
Fax: (630) 577-1332
Email: bkirk@extenetsystems.com

Billing and Payment

Robert Manire
ExteNet Systems, Inc.
3030 Warrenville Road, Ste. 340,
Lisle, IL 60532
Phone: (630) 245-6067
Fax: (630) 577-1332
Email: robert.manire@extenetsystems.com

Facilities Installation and Maintenance

ExteNet will comply with all applicable Commission quality of service requirements. Initially, ExteNet does not anticipate needing personnel located in South Dakota. However, depending on the nature of facilities deployed in the state, ExteNet will deploy personnel in the state as necessary to address any installation and repair issues.

11. Emergency Services (911, operator services, interexchange services, directory assistance, and telecommunications relay services).

ExteNet intends to provide wholesale services to other providers, therefore, it will be the responsibility of ExteNet's wholesale customers to provide services such as directory assistance, directory listings, operator services and 911 either through their own operations or by purchasing those services from underlying carriers.

12. Financial Qualifications

ExteNet is financially qualified to operate as a provider of facilities-based intrastate local and interexchange telecommunications services in South Dakota. ExteNet's audited 2015

financial statements, which were prepared in accordance with GAAP (including balance sheet, statement of operation and statement of cash flows), are provided as **Confidential Exhibit E**.¹ This information demonstrates that ExteNet has sufficient financial resources to fund its operations fully, and ExteNet is committed to doing so.

ExteNet requests the Commission grant confidential treatment to its financial statements submitted as **Confidential Exhibit E**. ExteNet is a privately-held company and therefore its financial information is not publicly available. ExteNet takes all reasonable steps to protect the privacy of its financial information. In situations where ExteNet must provide its financial information to other public utilities commissions or governmental entities, it does so under seal and requests confidential treatment. For this reason, ExteNet respectfully requests that this exhibit be accepted by the Commission as confidential and proprietary information.

13. Interconnection to provide proposed local exchange services.

ExteNet intends to construct its own facilities to provide point-to-point transport on a wholesale basis, and does not anticipate it will need to enter into interconnection agreements at this time.

14. A description of how the applicant intends to market its local exchange services, its target market, whether the applicant engages in multilevel marketing, and copies of any company brochures that will be used to assist in sale of the services.

Applicant markets its local exchange services directly to customers on an as-needed basis to enhance or expand customers' network capacity. Therefore, ExteNet does not target a specific market, but rather provides services in locations tailored to meet its wholesale customers' needs.

Applicant markets and sells its services exclusively through its website and its own sales representatives, and does not utilize telemarketers or third-party sales agents. Applicant does not engage in multi-level marketing. Please see **Exhibit G** for sample marketing materials used by

¹ ExteNet's audited 2016 financial statements are not yet available.

ExteNet to provide information to prospective customers. An electronic sample of its promotional materials is available at: <http://www.extenetsystems.com/whatwedo/index> .

15. If the applicant is seeking authority to provide local exchange service in the service area of a rural telephone company, the date by which the applicant expects to meet the service obligations imposed pursuant to § 20:10:32:15 and applicant's plans for meeting the service obligations.

Applicant does not seek authority to provide local exchange service in the service area of a rural telephone company, and requests waiver of the service obligations imposed pursuant to § 20:10:32:15.

16. 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.

A list of states in which the Applicant is registered, certified or otherwise has authority to provide telecommunications services is attached as **Exhibit F**. ExteNet applied for, but was unable to obtain a certificate to operate in Colorado because the state deregulated competitive telecommunications services and the state Commission no longer has authority to issue certificates to competitive carriers. Competitive providers in Colorado, therefore, are allowed operate without obtaining a certificate. The Applicant is in good standing with the regulatory agencies in the states where it is registered or certified.

17. The names, addresses, telephone numbers, Email addresses, and facsimile numbers of the applicant's representatives to whom all inquiries must be made regarding customer complaints and other regulatory matters.

Brian S. Kirk, Assistant General Counsel
ExteNet Systems, Inc.
3030 Warrenville Road, Ste. 340,
Lisle, IL 60532
Phone: (630) 505-3811
Fax: (630) 577-1332
Email: bkirk@extenetsystems.com

18. Information concerning how the applicant plans to bill and collect charges from customers who subscribe to its proposed local exchange services.

Applicant typically provides services pursuant to contracts, which specify the rates, terms and conditions related to customer billing. Customers may contact the following ExteNet representative with billing or payment inquiries.

Billing and Payment

Robert Manire
ExteNet Systems, Inc.
3030 Warrenville Road, Ste. 340,
Lisle, IL 60532
Phone: (630) 245-6067
Fax: (630) 577-1332
Email: robert.manire@extenetsystems.com

19. 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 local service customers by the applicant, its employees, or agents.

ExteNet typically provides service pursuant to contract negotiated directly with the wholesale customer. Such contracts include the rates, terms and conditions for initiating, assigning or terminating service. ExteNet does not provide switched end user services, therefore it is not possible for ExteNet to switch a customer's local service without authorization.

20. The number and nature of complaints filed against the applicant with any state or federal commission regarding the unauthorized switching of a customer's telecommunications provider and the act of charging customers for services that have not been ordered.

The applicant is not currently, nor has it within the past 5 years, been the subject of an investigation by a state or federal regulatory authority related to its provision of telecommunications services.

21. 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.

ExteNet provides individual case basis rates on a non-discriminatory basis to its wholesale customers. Prospective customers would contact ExteNet directly to discuss the customer's specific needs and requirements. ExteNet's customer contact portal:

<http://www.extenetsystems.com/aboutus/contactus>.

22. 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.

ExteNet typically provides services pursuant to contract, which frequently have multi-year terms. Therefore, it is unlikely that there would be any adverse change to a rate, term or condition for services provided by ExteNet. If however, ExteNet had a contractual right to revise rates, terms or conditions in a manner adverse to the customer, it would follow the notice and other applicable terms in the contract. Notice of material changes to a contract typically require 30 days advance notice.

23. A written request for waiver of those rules believed to be inapplicable.

Applicant will not be competing directly with rural telephone companies to provide end-user local exchange services and requests waiver of the service obligations imposed pursuant to § 20:10:32:15. Applicant further requests waiver of the requirements of ARSD 20:10:32:10.

Applicant will not offer any prepaid services, including prepaid calling cards, and will not require any deposits from its retail customers. Therefore, Applicant requests a waiver of providing the \$25,000 surety bond.

24. Federal tax identification number and South Dakota sales tax number.

Federal tax identification number: 22-3876065

SD state sale tax number: 1031-8847-ET

25. Other information requested by the commission needed to demonstrate that the applicant has sufficient technical, financial, and managerial capabilities to provide the local exchange services it intends to offer consistent with the requirements of this chapter and other applicable rules and laws.

ExteNet will provide further information as requested by the Commission.

Compliance with ARSD 20:10:32:04

Applicant will serve a notice of its Application to telecommunications carriers operating in territories where Applicant is requesting authority to operate.

WHEREFORE, ExteNet Systems, Inc. requests that the Commission grant its Application for a Certificate of Public Convenience and Necessity to provide local exchange telecommunications services throughout the State of South Dakota where competition has been authorized.

Respectfully submitted,

/s/Inna Vinogradov

iCommLaw
Anita Taff-Rice
Inna Vinogradov
1547 Palos Verdes, #298
Walnut Creek, CA 94597
Telephone: (415) 699-7885
Facsimile: (925) 274-0988
anita@icommlaw.com
inna@icommlaw.com