

**BEFORE THE PUBLIC UTILITIES COMMISSION
OF THE STATE OF SOUTH DAKOTA**

**IN THE MATTER OF THE APPLICATION FOR) ORDER GRANTING
TRANSFER OF CERTIFICATES OF) TRANSFER OF CERTIFICATES
AUTHORITY FROM SAGE TELECOM, INC. TO) OF AUTHORITY
SAGE TELECOM COMMUNICATIONS, LLC)
)
) TC13-036**

On April 24, 2013, the Public Utilities Commission (Commission) received a Joint Application on behalf of Sage Telecom, Inc. (Sage Inc.) and Sage Telecom Communications, LLC (Sage LLC) (collectively, Applicants) for approval of the transfer of the local and interexchange certificates of authority held by Sage Inc. to Sage LLC. As a result of the Transaction, Sage Inc.'s customers will be transferred to Sage LLC, which will become the service provider for those customers.

On April 25, 2013, the Commission electronically transmitted notice of the filing and the intervention deadline of May 10, 2013, to interested individuals and entities. No petitions to intervene or comments were filed. On May 22, 2013, Applicants filed their response to data request 1. On June 18, 2013, Applicants filed their response to data request 2. On June 25, 2013, Applicants filed a Rider with a Principal Name Change, providing for the name change on the requisite bond.

At its regularly scheduled meeting of July 11, 2013, the Commission considered the request for the transfer of the certificate of authority. Commission staff recommended granting the transfer of the certificates of authority from Sage Inc. to Sage LLC, subject to a continuous \$25,000 surety bond and that the Applicant be subject to rural safeguards. Staff further recommended waivers of ARSD 20:10:24:02(9) and 20:10:32:03(12).

The Commission finds that it has jurisdiction over this matter pursuant to Chapter 49-31, specifically 49-31-3 and 49-31-71 and ARSD 20:10:24:04.01, 20:10:32:02, and 20:10:32:08. The Commission finds that Sage LLC has met the legal requirements established for the transfer of the certificates of authority. Sage LLC has, in accordance with SDCL 49-31-3 and 49-31-71, demonstrated sufficient technical, financial, and managerial capabilities to offer telecommunications services in South Dakota. The Commission granted the waivers as recommended by staff.

The Commission approves Applicant's request for a transfer of the certificates of authority, on the condition that Sage LLC be subject to a continuous \$25,000 surety bond, and subject to rural safeguards. The certificate of authority for Sage LLC shall authorize it to provide local exchange telecommunications service in South Dakota, except in those areas served by a rural telephone company. In the future, should Sage LLC choose to provide local exchange services in areas served by a rural telephone company, Sage LLC will have to come before the Commission in another proceeding before being able to provide local service in that rural service area pursuant to 47 U.S.C. § 253(f). This allows the Commission to require a company that seeks to provide service in a rural service area to meet the requirements in 47 U.S.C. § 214(e)(1) for designation as an eligible telecommunications carrier. In addition, the granting of statewide certification will not affect the exemptions, suspensions, and modifications for rural telephone companies found in 47 U.S.C. § 251(f). It is therefore

ORDERED, that Sage LLC's application for a transfer of the certificates of authority to provide local exchange and interexchange services is granted, subject to a continuous \$25,000 surety bond. It is further

ORDERED, that this certificate of authority authorizes Sage LLC to offer its local exchange services in South Dakota, except in those areas served by a rural telephone company. It is further

ORDERED, that the Commission waives ARSD 20:10:24:02(9) and 20:10:23:03(12). It is further

ORDERED, that this order constitutes Sage LLC's certificates of authority as described above.

Dated at Pierre, South Dakota, this 12th day of July, 2013.

CERTIFICATE OF SERVICE
The undersigned hereby certifies that this document has been served today upon all parties of record in this docket, as listed on the docket service list, electronically.
By: <u>Tina Douglas</u>
Date: <u>7-12-13</u>
(OFFICIAL SEAL)

BY ORDER OF THE COMMISSION:

Gary Hanson
GARY HANSON, Chairman

Chris Nelson
CHRIS NELSON, Commissioner

Kristie Fiegen
KRISTIE FIEGEN, Commissioner