

**BEFORE THE
SOUTH DAKOTA PUBLIC UTILITIES COMMISSION**

IN THE MATTER OF THE REQUEST OF)	
KNOLGY OF THE BLACK HILLS, LLC)	TC08-085
FOR CERTIFICATION)	SUPPLEMENTAL RESPONSE
REGARDING ITS USE OF FEDERAL)	
UNIVERSAL SERVICE SUPPORT.)	

Knology of the Black Hills, LLC, (“Knology” or the "Company"), by and through the undersigned, files the following supplemental response to the South Dakota Public Utilities Commission’s inquiries in the above captioned docket. Knology appreciates the opportunity to clarify its previous written filings and looks forward to appearing before the Commission at its next available meeting to address the concerns expressed by the Commission at its meeting on August 12, 2008.

On May 30, 2008, Knology filed its Annual ETC Certification Filing and Submittal in accordance with 47 C.F.R. § 54.314 and pursuant to ARSD § 20:10:32:52, 20:10:32:53, and 20:10:32:54. Attached to the filing were confidential exhibits A, B, and C. Following that submission, the Staff of the Commission posed follow up questions, to which Knology filed a written response on June 9, 2008. Knology appeared at the Commission’s meeting on August 12, 2008, and fielded questions related to the above filings. The Commission requested that Knology answer, more fully, the question previously posed by the Staff regarding capital improvement targets not met by the Company in 2007.

As noted in the June 9, 2009 filing, the 2007 actual capital expenditures for Knology of the Black Hills were roughly 17% higher than had been estimated the year

before. There were no specific targets for 2007 that did not get fulfilled. Knology's budget is not prepared or maintained on a "wire center" or "exchange" level. Therefore, when Knology is required to provide capital expenditure estimates to the Commission on a wire center basis, the overall estimated capital budget impacting the Knology of the Black Hills, LLC entity is allocated across all of the exchanges. In other words, while the estimated capital expenditure numbers for some exchanges were higher than the resulting actual capital expenditures in those specific exchanges, overall the Company spent more money than it had estimated and there were no specific projects or targets that did not get accomplished.

Knology stands ready to respond to any further questions the Commission may have and reiterates its request that the Commission issue an appropriate certification to the FCC and USAC indicating that Knology of the Black Hills, LLC is in compliance with 47 U.S.C. § 254(e) and should receive all federal universal service support determined for distribution to the Company in 2009.

Dated this 5th day of September, 2008.

Respectfully submitted,

Kathryn E. Ford
Director of Legal Affairs