

Docket Number: TC15-062

Subject Matter: First Data Request

Request to: NextGen Communications, Inc.

Request from: South Dakota Public Utilities Commission Staff

Date of Request: September 23, 2015

Responses Due: September 30, 2015

1-13. Page 9, point 23 of the application, states, “Additionally, while not a request for waiver, NextGen requests that it not be required to post a performance bond. NextGen does not intend to collect deposits and will provide its 9-1-1 emergency services through contracts with government entities and carriers.” In Exhibit C – Payment Schedule of the State of South Dakota Consulting Contract, NextGen received a one-time, non-recurring fee of \$855,980. Explain why NextGen does not consider this initial fee a form of prepayment. Source: Contract 15-1400-025; <http://bfm.sd.gov/ledger/rfp.asp?RFPNumber=2228>

Answer: The non-recurring fee of \$855,980 has not been received by NextGen. Instead, as PSPs are deployed, NextGen will draw down against this amount based on the cost of deployment. For example, if the cost of deployment is \$10,000 then NextGen will invoice and draw down against the total amount leaving \$845,980 remaining to be paid as work progresses.

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