## Before the Public Utilities Commission of the State of South Dakota

In the Matter of the Application of ATV Holdings, LLC, for a Certificate of Authority to Provide Competitive Local Exchange Services to Subscribers within the Non-Rural Areas of the Mitchell, South Dakota Exchange

DOCKET NO. 16-

## Application

ATV Holdings, LLC (the "Applicant") pursuant to SDCL § 49-31-76 and ARSD 20:10:32:03, hereby applies to the South Dakota Public Utilities Commission (the "Commission") for a Certificate of Authority to provide competitive local exchange services to subscribers within the non-rural areas of the Mitchell, South Dakota exchange. In support of its Application, the Applicant states as follows:

(1) The applicant's name, address, telephone number, facsimile number, web page URL, and E-mail address;

ATV Holdings, LLC 330 S. Nebraska Street Salem, SD 57058 Telephone: (605)425-2238

Facsimile: (605-425-2712 Web page: [Not yet available] Email Address: Bkroth@triotel.net

(2) A description of the legal and organizational structure of the applicant's company;

ATV Holdings, LLC ("Applicant") is a South Dakota manager-managed limited liability company organized under SDCL Chapter 47-34A.

(3) The name under which applicant will provide local exchange services if different than in subdivision (1) of this section;

The Applicant will utilize the fictitious name "Mitchell Telecom" for marketing purposes. Within a practicably reasonable time following the consummation of the asset purchase as further described in Section 8(c) below, Applicant will file for the use of "Mitchell Telecom" as a tradename with the office of the Secretary of State of the State of South Dakota.

(4) 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;

Principal Office: 330 S. Nebraska Street, Salem, SD 57058

Registered Agent: Ryan J. Taylor, 100 N. Phillips Ave., 7th Floor, Sioux Falls, SD 57104

(5) A copy of its certificate of authority to transact business in South Dakota from the secretary of state;

A copy of Applicant's Certificate of Authority is attached hereto as **Exhibit A** and incorporated herein by this reference.

(6) A description of the applicant's experience providing any telecommunications services in South Dakota or in other jurisdictions, including the types of services provided, and the dates and nature of state or federal authorization to provide the services;

Applicant is a start-up company. However, as shown below, Applicant's parent companies, Alliance Communications Cooperative, Inc. ("Alliance"), Triotel Communications, Inc. ("Triotel"), and Venture Communications Cooperative ("Venture"), each have significant experience in providing local exchange telecommunications services to portions of Eastern South Dakota:

Alliance presently provides local exchange services to 9,218 customers in Eastern South Dakota, 613 customers in Southwestern Minnesota, and 1,869 customers in Northwestern Iowa. In addition to providing local exchange telecommunications services, Alliance also provides long distance service, calling features, local dial tone, and high speed internet service throughout their exchange areas. Alliance also provides cable television service in twenty-six communities in South Dakota, Minnesota, and Iowa. Alliance, was granted a Certificate of Public Convenience and Necessity to operate as a public utility in the State of South Dakota on August 12, 1955, a Certificate of Authority to operate as a public utility in the State of Minnesota on August 20, 1957 and a Certificate of Authority to operate as a public utility in the State of Iowa on September 23, 2002. Alliance was granted Section 214 authority to operate as a local exchange carrier by the Commission on December 17, 1997.

Triotel presently provides local exchange services to 2,301 customers in Eastern South Dakota. In addition to providing local exchange telecommunications services, Triotel and its subsidiaries also provide long distance service, calling features, local dial tone, and high speed internet service throughout their exchange areas. Triotel also provides cable television service in five communities. Triotel was granted Section 214 authority to operate as a local exchange carrier by the Commission on December 17, 1997. Triotel was also granted Certificates of Authority to operate as a public utility in the State of South Dakota on June 6, 1953.

Venture presently provides local exchange services to 12,750 customers in Eastern South Dakota. In addition to providing local exchange telecommunications services, Venture and its subsidiaries also provide long distance service, calling features, local dial tone, and high speed internet service throughout their exchange areas. Venture also provides cable television service in twenty-seven communities. Venture was granted Section 214 authority to operate as a local exchange carrier by the Commission on December 17, 1997. Venture was also granted Certificates of Public Convenience and Necessity to operate as a public utility in the State of South Dakota on June 10, 1955.

(7) Names and addresses of applicant's affiliates, subsidiaries, and parent organizations, if any;

Applicant has no subsidiaries. Applicant is owned by the following companies in equal one-third parts:

Alliance Communications Cooperative, Inc. 612 3<sup>rd</sup> Street Garretson, SD 57030.

Triotel Communications, Inc. 330 S. Nebraska Street Salem, SD 57058

Venture Communications Cooperative 218 Commercial Ave., SE Highmore, SD 57345

- (8) A list and specific description of the types of services the applicant seeks to offer and how the services will be provided including:
  - (a) Information indicating the classes of customers the applicant intends to serve;

Applicant will provide service to all customer classes.

(b) Information indicating the extent to and time-frame by which applicant will provide service through the use of its own facilities, the purchase of unbundled network elements, or resale;

Applicant intends to provide the services described below within 10 days of receipt of all necessary regulatory approvals and completion of the asset acquisition described in 8(c).

(c) A description of all facilities that the applicant will utilize to furnish the proposed local exchange services, including any facilities of underlying carriers; and

Applicant will be purchasing substantially all of the assets of Sancom Inc. ("Sancom"). In providing the services described herein, Applicant will utilize the facilities presently used by Sancom and will make such repairs and improvements as necessary. Applicant's local exchange network in the Mitchell exchange will connect with SDN Communications' SONET Ring and Sioux Falls tandem. Applicant will utilize the existing switch located in Mitchell, South Dakota for dial tone in the portion of the Mitchell exchange served by it.

(d) Information identifying the types of services it seeks authority to provide by reference to the general nature of the service;

Applicant will provide the following services:

- Local Dial Tone and Voice Grade Access to the Public Switched Telephone Network
- 911 Service
- Access to Operator Services
- Access to IXC Services
- Access to Directory Assistance

- Non-Published and Non-Listed Directory Services
- Access to Telecommunications Relay Service
- Toll and 900 Number Blocking
- Special Circuits
- High Speed Internet Access
- Calling Features

## (9) A service area map or narrative description indicating with particularity the geographic area proposed to be served by the applicant;

Applicant proposes to serve those portions of the Mitchell local telephone exchange area that are within and in the vicinity of the city limits of Mitchell, South Dakota.

- (10) Information regarding the technical competence of the applicant to provide its proposed local exchange services including:
- (a) A description of the education and experience of the applicant's management personnel who will oversee the proposed local exchange services; and

Applicant's parent companies, Alliance, Triotel, and Venture, have a long history of providing telecommunications services with a high customer satisfaction level. From this long history of service, its directors, management, and staff already possess the technical competence to provide the requested services herein.

The board of managers for Applicant will oversee operations and will include the general managers of Alliance, Triotel, and Venture, along with a non-voting member from the Mitchell community. Each of the general managers has significant experience in the operations and management of providing telecommunications services:

Bryan Roth, General Manager of Triotel, attained his education and degree from Mitchell Vo-Tech in Electronics and Communications and has been involved in the telecommunications field since 1985. Mr. Roth began his telecommunications career as a technician and advanced his career to the general manager/chief executive officer position of several rural telecommunications companies. Mr. Roth currently serves on numerous industry boards and partnership ventures with other telecommunication companies within the State of South Dakota including, but not limited to SDN Communications, South Dakota Telecommunications Association, Local Exchange Carriers Association, and OLS Wireless.

Randy Houdek, General Manager of Venture, has been with Venture for 29 years, 18 years as general manager and chief executive officer. Mr. Houdek has a bachelor's of science degree from Northern University in Accounting and Finance. Mr. Houdek currently serves on numerous industry boards and partnership ventures with other telecommunication companies within the State of South Dakota including, but not limited to SDN Communications and National Rural Telecommunications Cooperative.

Ross Petrick, General Manager of Alliance, attained his education and degree from South Dakota State University. Mr. Petrick has been involved in the telecommunications field serving in a wide-spectrum of fields in the telecommunications industry including Director of Regulatory and Product Development with Golden West Telecommunications Cooperative, Inc., and with Vantage Point Solutions as an Engineer, Consulting Team Leader and as Director of Consulting. Mr. Petrick currently serves on numerous industry boards and partnership ventures with other telecommunication companies within the State of South Dakota including, SDN Communications.

Mr. Scott Peper will serve as General Manager of Applicant. Mr. Peper graduated from Northern State University in 2002 with a Bachelor of Science degree, majoring in marketing. Mr. Peper has over 14 years of telecommunications services experience. His first position was in the marketing department for four years at Northern Valley Communications. Since leaving Northern Valley Communications, Mr. Peper has worked at Sancom, Inc. First as the Sales and Marketing Manager and for the last nine years as Subsidiary Manager. Mr. Peper has attended numerous technical workshops, seminars, and industry training.

Ms. Kari Flanigan, current office manager for Alliance, will also serve as office manager for Applicant. Ms. Flanigan graduated from Augustana College in 1987 with a Bachelor of Arts degree, majoring in accounting. Ms. Flanigan has over 20 years of telecommunications office operations and management experience at Alliance having begun her employment at Alliance in 1996.

Applicant's plant construction and operations will be overseen by Applicant's plant manager, Justin Norris, who also currently serves as plant manager for Triotel. Mr. Norris has over fifteen years of experience from 2002 to the present time in telecommunications management and operations. Mr. Norris has attended numerous technical workshops, seminars, and industry training in his over fifteen year career.

(b) Information regarding policies, personnel, or arrangements made by the applicant which demonstrates the applicant's ability to respond to customer complaints and inquiries promptly and to perform facility and equipment maintenance necessary to ensure compliance with any commission quality of service requirements;

The Applicant's managerial, operational, plant, and administrative personnel are sufficient to oversee and administer this project in the future. Applicant will initially utilize the policies and arrangements of Sancom, Inc., in promptly responding to customer complaints and inquiries and to perform maintenance on facilities and equipment. The Applicant's policies, personnel, and procedures are adequate to respond to customer complaints and inquiries promptly and to perform facility and equipment maintenance for purposes of complying with any commission quality service requirements.

(11) Information explaining how the applicant will provide customers with access to emergency services such as 911 or enhanced 911, operator services, interexchange services, directory assistance, and telecommunications relay services;

Applicant will connect with the Mitchell Police Department PSAP and will provide enhanced 911 service consistent with current 911 requirements. Applicant will contact the proper officials and will provision and test E911 before offering any services. Applicant will contract with a vendor to provide operator and directory assistance services. Applicant will provision its switch to provide and properly route all telecommunications relay services. Applicant will connect to SDN Communications to provide interexchange services. Both inter-and-intrastate equal access will be provided. All toll providers currently registered with the Commission will be notified and given an opportunity to be on Applicant's equal access ballot and to become a picable toll provider by Applicant's customers.

(12) For the most recent 12 month period, financial statements of the applicant consisting of balance sheets, income statements, and cash flow statements. The applicant shall provide audited financial statements, if available;

Applicant is a start-up entity and does not presently have audited financial statements. Applicant's parent companies, Alliance, Triotel, and Venture have been in existence since the 1950s. During that time, each has had significant financial activity providing telecommunications services in Eastern South Dakota and other areas. Attached hereto as **Exhibit B** are the most recent twelve-month period financial statements, consisting of balance sheets, income statement, and statements of cash flows of Applicant's parent companies. As further specified in Applicant's request for confidential treatment of information, Applicant requests confidential treatment of the information set forth in **Exhibit B**.

- (13) Information detailing the following matters associated with interconnection to provide proposed local exchange services:
- (a) The identity of all local exchange carriers with which the applicant plans to interconnect;

Applicant will be competing with Midcontinent Communications and Qwest Corporation d/b/a CenturyLink QC within its Mitchell Exchange and will interconnect with both Midcontinent communications and Qwest Corporation d/b/a CenturyLink QC.

(b) The likely timing of initiation of interconnection service and a statement as to when negotiations for interconnection started or when negotiations are likely to start; and

Applicant has requested interconnection with Qwest Corporation d/b/a CenturyLink QC.

(c) A copy of any request for interconnection made by the applicant to any local exchange carrier;

Applicant has requested interconnection with Owest Corporation d/b/a CenturyLink OC.

(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 will market directly to residential and business customers. Marketing will include a variety of methods, such as direct mailing, billboards, newspaper, and radio. Applicant will not engage in any multi-level marketing. The company's marketing brochures are currently under development and do not presently exist.

(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 is not seeking authority to provide local exchange service in the service area of any rural telephone company.

(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;

Applicant is not registered to provide telecommunications services in any states. Applicant has never been denied registration or certification in any state. Applicant is not yet subject to the jurisdiction of any state regulatory commission

(17) The names, addresses, telephone numbers, E-mail addresses, and facsimile numbers of the applicant's representatives to whom all inquiries must be made regarding customer complaints and other regulatory matters;

ATV Holdings, LLC Attn: Bryan Roth 330 S. Nebraska Street Salem, SD 57058

Telephone: (605)425-2238
Facsimile: (605-425-2712
Web page: [Not yet available]
Email Address: Bkroth@triotel.net

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

Applicant will mail a monthly bill to its customers on the first day of each month for all services. The bill will require payment within 30 days. Although exempt from the Commission's rules regarding billing, collections, and credit under SDCL §49-31-5.1, Applicant will generally follow such rules.

(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;

New customers seeking Applicant's service will be required to sign a letter of agency and a service application form. All consents to switch customers will be in writing, greatly minimizing the chance of any unauthorized switching of services.

(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;

Applicant has never had any complaints filed against it in any state or before any federal agency for the unauthorized switching of carriers or for charging customers for services not ordered.

(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;

Information concerning the applicant's rates, terms, and conditions will be available at the office of each of the Applicant's parent companies and at Applicant's Mitchell office. This information will also be available on the company's website and will be furnished to any person requesting such information.

(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;

Applicant will notify a customer of any materially adverse change to any rate, term or condition of telecommunications service to the customer through either a message in the bill or a bill insert. The notification will be made at least thirty days in advance of the change.

(23) A written request for waiver of those rules believed to be inapplicable;

None.

(24) Federal tax identification number and South Dakota sales tax number; and

Applicant's federal tax identification number is 47-5381752. Applicant's South Dakota Sales tax number is 1030-2090-ST. As further specified in its Petition for Confidential Treatment of Information, applicant requests that the information set forth in this item be treated as confidential.

(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.

The information provided herein, including all exhibits, fully describes Applicant's business plan and its ability to provide high quality telecommunications services to South Dakota consumers. Applicant demonstrates herein that it has the technical, financial, and managerial skills to offer telecommunications services in South Dakota exchanges and that such service will be in the public interest.

WHEREFORE, the undersigned Applicant requests that the South Dakota Public Utilities Commission enter an order: (i) granting the Applicant the Certificate of Authority as requested herein; and, (ii) granting such other relief as the Commission may deem just and proper.

Dated this //day of July, 2016.

ATV HOLDINGS, LLC

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