

Docket Number: TC16-050
Subject Matter: Second Data Request
Request to: eNetworks, LLC (eNetworks or Company)
Request from: South Dakota Public Utilities Commission Staff (Staff)
Date of Request: November 8, 2016
Responses Due: November 23, 2016

Response of
eNetworks, LLC
Docket No. TC16-050

- 2-1. Provide the certificate of service of the company's notice of its application to each telecommunications company that already holds a certificate of authority to provide local exchange service in the geographic area where the applicant seeks to provide local exchange service.

Response: See Attachment A

- 2-2. In relation to the waiver request for ARSD 20:10:32:03(11), provide waiver requests according to ARSD 20:10:32:10.

Response: See Attachment B

- 2-3. Pursuant to ARSD 20:10:32:03(22), confirm that the applicant will notify customers of any materially adverse change to any rate, term, or condition of any telecommunications service being provided to the customer at least thirty days in advance of the change.

Response: The company will notify any customers of any changes in rates, terms and conditions thirty days in advance of any changes.

- 2-4. Pursuant to ARSD 20:10:32:03(8)(d), provide more information identifying the types of services the company seeks authority to provide.

Response: Applicant intends to offer leases on mobile infrastructure (primarily dark fiber and metro cell nodes) to mobility companies (Verizon Wireless, AT&T, Sprint, and T-Mobile) on a "build to suit" basis. The location of these projects will depend on the demand growth of the carriers' networks for data, device, and population growth. Thus the fiber and node locations are not dependent upon traditional exchange boundaries and will be directed primarily by the mobile carriers. The carriers will typically own the equipment and the data and eNetworks will be providing fiber and node leasing services to mobile inthat is not dependent upon traditional exchange boundaries.

Applicant proposes to deploy fiber and outdoor metro cell nodes at the direction of the mobility carriers (Verizon Wireless, AT&T, Sprint, and T-Mobile). A metro cell node is comprised of equipment and an antenna most typically mounted on or near a utility pole or light pole. Over 20,000 nodes have been deployed across the United States. The footprint of a node is typically far, far less intrusive to a municipality than that of a traditional macro cell (i.e., cell tower). Applicant may rely on existing facilities (e.g., leased fiber, utility pole

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owner attachment agreements, etc.) to deploy its network in some cases. Applicant will also construct its own facilities in many cases.

- 2-5. Provide the extent to which the applicant, applicant's affiliates, or applicant's principals have been subject to any civil, criminal, or administrative action in connection with the provisioning of telecommunications services.

Response: The applicants, applicant's affiliates, or applicant's principals have not been subject to any civil, criminal, or administrative action in connection with the provisioning of telecommunications services.

- 2-6. Provide the prior experience of the applicant or the applicant's principals or employees in providing telecommunications services or related services in South Dakota or other jurisdictions, including the extent to which that experience relates to and is comparable to service plans outlined in the application;

Response: See attached Bios.

- 2-7. Explain all lines in the corporate structure diagram from Attachment V.

Response: See below.

- 2-8. Provide more explanation on how eNetworks is affiliated with Essentia.

Response: eNetworks, LLC is owned by Telecommunication Strategies Consultants, LLC and Project Management and Design Services, LLC and it is managed by co-CEOs, Baxter M. Hayes, III and Jarrod T. Hayes.

Owners of Telecommunication Strategies Consultants, LLC and Project Management and Design Services, LLC, Baxter M. Hayes, III and Jarrod T. Hayes respectively, are co-owners of Essentia, Inc.

Essentia, Inc. was a division of Utilipath, LLC that was spun-off in 2013 into a separate entity.

Utilipath, LLC was founded in 2003 by Baxter M. Hayes, III, Jarrod T. Hayes and Baxter M. Hayes, Jr. The Company consisted of two divisions:

Outside Plant Infrastructure Services ("OSP") – Utilipath's OSP infrastructure services division primarily deploys outside plant network infrastructure and cabling for telecommunication service providers.

Enterprise and Carrier Network Services ("Network Services") – The Network Services division primarily deploys infrastructure, cabling, and equipment in telco rooms, offices, equipment rooms, data centers, headend/hub sites, central offices and other environments.

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In August of 2013 the OSP division was sold in a \$20 million transaction and the Network Services division became Essentia. Essentia is owned by Baxter M. Hayes, III and Jarrod T. Hayes. Each of the owners manage Essentia through their management companies, Telecommunication Strategies Consultants, LLC and Project Management and Design Services, LLC.

- 2-9. Refer to number 12 of the application: applicant's financial statements are not included in Attachment II. Provide the financial statements of applicant pursuant to ARSD 20:10:32:03(12). If not available, provide the financial statements of the applicant's parent companies.

Response: Attachment II, which was filed confidentially, contained audited financial statements for Essentia, Inc., the parent company of eNetworks, LLC.

- 2-10. Number 13a. of the application states that "a filing regarding interconnection [with CenturyLink] will be forthcoming," but data request 1.6 states that "eNetworks does not plan to sign any interconnection agreements with any local exchange carrier." Please explain.

Response: eNetworks does not plan to offer "dial-tone" type services as we described in the revised responses to #8 and #9 of the revised application. The company is seeking CLEC authority for the sole purpose of installing cable facilities and the required pole attachments that will be need for said construction.

- 2-11. Provide information on the material the company uses for direct sales channels.

Response: The company does not have any sales collateral for its direct sales channels. All sales will be done via direct, face to face sales meetings.

- 2-12. Will the company be taking deposits or prepayments?

Response: No, the company will not be taking deposits or advance payments from end users in South Dakota.

- 2-13. Will the company's services interface on the PTSN?

Response: No.