Crystal Communications, Inc., ("Crystal"), Enventis Telecom, Inc. ("Enventis") and Consolidated Communications Enterprise Services, Inc. ("CCES") (collectively, "Applicants"), pursuant to Section 49-31-3 of the South Dakota Codified Laws and Section 20:10:24:04.1 of the Administrative Rules of South Dakota, request South Dakota Public Utilities Commission ("Commission") approval or such other authority as may be necessary or required (1) for a pro forma internal consolidation of Enventis and Crystal into CCES (the "Consolidation"), (2) the associated transfer of the Certificate of Authority ("Certificate") of Enventis to CCES, and (3) the cancellation of the Certificate of Crystal upon notification that the Consolidation was completed. The Consolidation is part of a series of intra-company transactions that will simplify the corporate structure of Applicants' ultimate parent company, Consolidated Communications Holdings, Inc. ("CCHI").

## I. <u>DESCRIPTION OF THE APPLICANTS</u>

CCHI is a publicly traded (NASDAQ: CNSL) Delaware corporation, and headquartered in Mattoon, Illinois. Through its operating subsidiaries, CCHI provides a wide range of telecommunications services to residential and business customers in Alabama, California, Illinois, Indiana, Iowa, Kansas, Kentucky, Louisiana, Minnesota, Missouri, Montana, North Dakota, Ohio, Pennsylvania, South Dakota, Tennessee, Texas, Washington, and Wisconsin, including: local and long-distance telephone service, high-speed broadband Internet access, standard and high-definition digital television, and digital telephone service, custom calling features, private line services, carrier access services, network capacity services over regional fiber optic networks, directory publishing. CCHI's operating subsidiaries include both

incumbent and competitive local exchange carriers. CCHI does not itself provide telecommunications services.

CCES, a Delaware corporation, is a competitive local exchange, interexchange, internet service, video and VoIP provider operating primarily in California, Illinois, Kansas, Missouri, Pennsylvania and Texas. CCES is wholly owned direct subsidiary of Consolidated Communications, Inc. ("CCI"), a Delaware corporation and wholly owned direct subsidiary of CCHI. CCES does not hold any certificate of authority in South Dakota.

Crystal is a Minnesota corporation and is authorized to provide local and interexchange services in South Dakota pursuant to a Certificate granted in Docket No. TC 97-103 on August 18, 1997.

Enventis Telecom, a Minnesota corporation, is authorized to provide interexchange services in South Dakota pursuant to a Certificate granted in Docket No. TC 08-104 on October 3, 2008.

Like CCES, Crystal and Enventis are currently wholly owned direct subsidiaries of CCI.

## III. DESCRIPTION OF THE CONSOLIDATION AND REQUEST FOR APPROVAL OF TRANSFER OF CERTIFICATE OF AUTHORITY

In order to simplify its corporate structure, CCHI is undertaking a series of *pro forma* intra-company transactions including the consolidation of the Enventis and Crystal into CCES. The *Consolidation* is expected to result from the mergers of Crystal and Enventis with and into CCES, whereupon CCES will be the surviving entity and the separate existence of Enventis and Crystal will cease. <u>Exhibit A</u> contains diagrams

of the corporate organization structure of the Applicants before and after the Consolidation.

Pursuant to SD Administration Rule 20:10:24:04:01, <u>Sale</u>, <u>assignment</u>, <u>lease</u>, <u>or transfer of certificate of authority</u>, CCES provides below the information required by § 20:10:24:02 in connection with the transfer of Enventis' Certificate of Authority to Provide Interexchange Services to CCES:

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

The applicant's legal name is Consolidated Communications Enterprise Services, Inc. Its headquarters are located at 121 S. 17<sup>th</sup> Street, Mattoon, IL 61938. Its web page url is <a href="https://www.consolidated.com">www.consolidated.com</a>.

Questions concerning this application may be directed to:

Carrie Rice
Manager, Legislative and Regulatory
221 E. Hickory Street
Mankato, MN 56001
507-386-3667 phone
507-387-6813 fax
Carrie.rice@consolidated.com

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

CCES is a wholly owned direct subsidiary of Consolidated Communications, Inc., a Delaware corporation and itself a wholly owned direct subsidiary of CCHI. Please see Exhibit A for charts depicting CCES' organizational structure.

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

Although CCES may use a shortened name, "Consolidated Communications," on certain marketing and billing materials, it will use no other names in its provision of services in South Dakota.

(4) A copy of the applicant's certificate of authority to transact business in South Dakota from the Secretary of State;
Attached as Exhibit B.

(5) 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;

CCES does not maintain an office in the state of South Dakota. Its current registered agent is:

NATIONAL CORPORATE RESEARCH, LTD. 326 N MADISON AVE PIERRE, SD 57501 USA

(6) A list and specific description of the telecommunications services the applicant intends to offer;

CCES intends to offer intrastate, interexchange services to its subscribers.

(7) A detailed statement of how the applicant will provide its services;

CCES will provide interexchange service through a combination of its own nationwidenetwork and resale of services of other carriers.

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

CCES intends to market its services in the areas currently served by incumbent provider CenturyLink.

(9) For the most recent 12 month period, financial statements of the applicant including a balance sheet, income statement, and cash flow statement. The applicant shall provide audited financial statements, if available;

CCES does not maintain financial statements separate from the consolidated financial statements of CCHI. The most recent audited, consolidated financials statements (excluding notes) of CCHI as filed on SEC Form 10-K is attached as Exhibit C.

(10) The names, addresses, telephone number, facsimile number, E-mail address, and toll free number of the applicant's representatives to whom all inquiries must be made regarding complaints and regulatory matters and a description of how the applicant handles customer service matters;

Customer complaints may

be addressed to:

Other Regulatory matters may be addressed to:

Scott Kitchen

Director, Compliance 350 S. Loop 336 W. Conroe, TX 77304

Phone: 936-521-7736 Fax: 936.788.1229

Scott.kitchen@consolidated.com

Carrie Rice

Manager, Legislative & Regulatory

221 E. Hickory Street Mankato, MN 56001 Phone: 507-386-3667

Fax: 507-387-6813

carrie.rice@consolidated.com

Customer service inquiries may be reached toll-free at 844-YOUR-CCI (844-968-7224)

(11) Information concerning how the applicant plans to bill and collect charges from customers;

CCES will render bills directly via a monthly statement mailed to customers. Any usage based charges shall be billed in arrears. CCES does not offer any prepaid services.

(12) 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 interexchange customers;

CCES will comply with the rules of the FCC and this Commission relating to solicitation of new customers, including obtaining the necessary authorization from new customers to prevent unauthorized switching of providers.

(13) 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;

CCES provides its services via contract, which governs all the rates, terms and conditions of service.

(14) 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;

CCES will notify its customers at least thirty days in advance of any materially adverse change to a rate, term or condition of service either by bill message, bill insert or special mailing.

(15) 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;

CCES has never been denied registration or certification in any state and is registered or certified to provide telecommunications services in the following states, where it is also in good standing: Alabama, California, Illinois, Indiana, Iowa, Kansas, Kentucky, Louisiana, Minnesota, Missouri, Montana, North Dakota, Ohio, Pennsylvania, Tennessee, Texas, Washington, and Wisconsin.

(16) A description of how the applicant intends to market its services, its target market, whether the applicant engages in any multilevel marketing, and copies of any company brochures used to assist in the sale of services;

CCES does not utilize any multilevel marketing, but instead relies on direct sales efforts of its sales team and authorized agents.

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

CCES' FEIN is 02-0636464 and its South Dakota sales tax number is 1010-5239-ST.

(18) The number and nature of complaints filed against the applicant with any state or federal regulatory commission regarding the unauthorized switching of a customer's telecommunications provider and the act of charging customers for services that have not been ordered;

CCES has not had any complaints filed against it with any state or federal regulatory commission regarding slamming or cramming.

(19) A written request for waiver of those rules the applicant believes to be inapplicable; and

CCES is not seeking a waiver of any of the Commission's rules.

(20) Other information requested by the commission needed to demonstrate that the applicant has sufficient technical, financial, and managerial capabilities to provide the interexchange services it intends to offer consistent with the requirements of this chapter and other applicable rules and laws.

CCES has no further information in support of this application.