

November 10, 2025

Leah Mohr, Executive Director
South Dakota Public Utilities Commission
Capitol Building, First Floor
500 East Capitol Avenue
Pierre, South Dakota 57501-5070

Re: TC25-034, In the Matter of the Joint Application of Clarity Telecom, LLC dba Bluepeak and Certain Subsidiaries for Approval of Asset Transfer, Request for Eligible Telecommunications Carrier Transfer and Designation, and Request for Relinquishment of Eligible Telecommunications Carrier Designation

Dear Director Mohr,

On behalf of Clarity Telecom, LLC dba Bluepeak ("Bluepeak Parent"), Bluepeak BTS Borrower, LLC ("Bluepeak BTS"), and Bluepeak ABS Asset Entity I, LLC ("Bluepeak ABS") (collectively, "Applicants"), please see below for additional information in response to questions raised during the November 6, 2025 Commission meeting on the joint application in the above-referenced proceeding ("Application").

Applicants seek Commission approvals in connection with a proposed internal transfer of assets, including customer contracts and related telecommunications network infrastructure, between Bluepeak Parent and two indirect wholly owned subsidiaries, Bluepeak BTS and Bluepeak ABS (the "Pro Forma Asset Transfer"). Both Bluepeak BTS and Bluepeak ABS are and will be controlled and managed by Bluepeak Parent.

After the *Pro Forma Asset Transfer* is completed, Bluepeak Parent will continue to manage the network. ***The Pro Forma Asset Transfer will not result in any change to the services, rates, terms, or conditions currently available to Bluepeak Parent's customers.*** Bluepeak BTS will remain committed to Bluepeak Parent's current eligible telecommunications carrier ("ETC") obligations.

In sum, following the completion of the *Pro Forma Asset Transfer*, Bluepeak BTS will assume most of the operations in Bluepeak Parent's current service area (with its network assets and customer agreements), including all of Bluepeak Parent's incumbent local exchange carrier ("ILEC") operations and much of its competitive local exchange carrier ("CLEC") operations. Bluepeak ABS will assume the portion of Bluepeak Parent's CLEC southeastern service area (with its network assets and customer agreements) around Sioux Falls and Vermillion.

Exhibit 1 provides an overview of the assets and authorizations that will be transferred in the *Pro Forma Asset Transfer*, as well as the associated authorizations and approvals that are the subject of the Application.

I. Transferred Assets.

Applicants respectfully request Commission approval to transfer the following assets currently owned by Bluepeak Parent to each of Bluepeak BTS and Bluepeak ABS, respectively, in the geographic areas to be served by each entity, as described in more detail in Section II below:

- Bluepeak Parent assets to be transferred to Bluepeak BTS (i.e., in the ILEC and most CLEC areas) include:
 - Network assets, which principally include fiber cables, coaxial cables, copper wires, associated conduits, poles, other outside plant facilities, and the equipment to operate the network;
 - Customer contracts;
 - Permits and authorizations, including cable franchises applicable to the proposed service territory for Bluepeak BTS; and
 - Bluepeak Parent's ILEC, CLEC and interexchange carrier ("IXC") certificates of authority granted by the Commission.¹
- Bluepeak Parent assets to be transferred to Bluepeak ABS (i.e., the CLEC service areas in Sioux Falls and Vermillion) will consist of:
 - Network assets, which principally include fiber cables, associated conduits, wires, poles, other outside plant facilities, and the equipment to operate the network;
 - Customer contracts; and
 - Permits and authorizations, including cable franchises applicable to the proposed service territory for Bluepeak ABS.

¹ Bluepeak Parent holds the incumbent local exchange, competitive local exchange, and interexchange Certificates of Authority that it acquired from Knology of the Plains, Inc. (a competitive local exchange carrier), Knology of the Black Hills, LLC (a competitive local exchange carrier), and Knology Community Telephone, Inc. (a rural incumbent local exchange carrier) on September 30, 2014 pursuant to the Commission's Order issued on September 8, 2014 in Docket No. TC14-073. *See In re the Joint application of Kite Parent Corp. (a Subsidiary of WideOpenWest Finance, LLC) and its Subsidiaries Knology of the Plains, Inc., Knology Communications Telephone, Inc., Knology of South Dakota, Inc., and Black Hills Fiber systems, Inc. and Clarity Telecom, LLC Regarding the Sale of Telephone Exchange to Clarity Telecom, LLC, Transfer of Certificates of Authority, Eligible Telecommunications Carrier Designation, and Relinquishment of Eligible Telecommunications Carrier, Order Approving Sale of Exchange; Order Approving Transfer of Certificates of Authority, Docket No. TC14-073 (Sept. 8, 2014).*

II. Proposed Service Territories

A. Bluepeak BTS.

Applicants respectfully request Commission approval for the transfer of Bluepeak Parent's certificates of authority² to Bluepeak BTS. Bluepeak BTS's service area after the *Pro Forma* Asset Transfer will consist of:

- All of Bluepeak Parent's ILEC territory;³
- All of Bluepeak Parent's CLEC territory in western South Dakota;⁴ and
- Bluepeak Parent's CLEC territory in eastern South Dakota (excluding Sioux Falls and Vermillion).⁵

Maps of the proposed service areas for Bluepeak BTS are set out in **Exhibit 2**.

B. Bluepeak ABS.

Applicants respectfully request a certificate of authority be issued to Bluepeak ABS to provide resold and facilities-based local exchange telecommunications services and interexchange services in the State of South Dakota. Bluepeak ABS's service area after the *Pro Forma* Asset Transfer will consist of Bluepeak Parent's CLEC service area in the Sioux Falls and Vermillion exchanges.

The map of the proposed service area for Bluepeak ABS is set out in **Exhibit 3**. A combined map of the service areas of both Bluepeak ABS and Bluepeak BTS is included as **Exhibit 4**.

III. Eligible Telecommunications Carrier Designations

A. New ETC Designation for Bluepeak BTS.

To continue fulfilling Bluepeak Parent's current ETC obligations, Bluepeak BTS seeks ETC designations for the proposed service areas described in Section II.A above, i.e., the ILEC service area and CLEC service area in western South Dakota. If granted, Bluepeak BTS will assume Bluepeak Parent's ETC buildout and service obligations. Currently, Bluepeak Parent is designated as an ETC in two study area codes in its service territory: (1) its ILEC service area (SAC 391652) and (2) its CLEC service area in western South Dakota (SAC 399006). Bluepeak BTS proposes to

² *Id.*

³ Bluepeak Parent's current ILEC territory includes the following exchanges: Alsen, Beresford, Flyger, Gayville, Hurley, Irene, Lennox, Parker, Wakonda, and Worthing.

⁴ Bluepeak Parent's current CLEC territory in western South Dakota includes the following exchanges: Belle Fourche, Blackhawk, Box Elder, Deadwood, Lead, Piedmont, Rapid City, St Onge, Spearfish, Sturgis, Summerset, and Whitewood.

⁵ Bluepeak Parent's current CLEC territory in eastern South Dakota that it proposes to transfer to Bluepeak BTS includes the following exchanges: Alcester, Canton, Centerville, Chancellor, Colman, Davis, Elk Point, Flandreau, Harrisburg, Gayville, Hurley, Irene, Lennox, Madison, Monroe, Parker, Viborg, Volin, Tea, Yankton, Wakonda, Watertown, and Worthing.

implement the two-year and five-year plans approved in Docket TC25-030 on August 27, 2025 and file successive plans in place of Bluepeak Parent.

B. Bluepeak BTS Lifeline-Only ETC Designation in CLEC Areas in Eastern South Dakota.

Bluepeak BTS is also seeking designation as a Lifeline-only provider in the CLEC service areas in eastern South Dakota that will be transferred to it as described in Section II.A above. This is not part of the existing Bluepeak Parent ETC designations. Bluepeak BTS will file two-year plans for these areas, in a manner consistent with its current practice with respect to Bluepeak Parent's plans for the ETC service area in western South Dakota.

Maps of the proposed ETC service areas for Bluepeak BTS (both high cost and Lifeline-only) are included as **Exhibit 5**.

C. Relinquishment of ETC Designation.

To the extent the Commission approves the ETC designation of Bluepeak BTS and the transfer of Bluepeak Parent's ETC obligations to Bluepeak BTS, Bluepeak Parent respectfully requests to relinquish its ETC designation. Bluepeak Parent requests relinquishment only after the date its high-cost support and obligations are transferred to Bluepeak BTS. After the transfer, Bluepeak Parent will no longer offer supported services and will no longer need its ETC designation.

D. Lifeline-Only ETC Designation for Bluepeak ABS.

Bluepeak ABS seeks designation as a new Lifeline-only ETC in the Sioux Falls and Vermillion CLEC service areas that will be transferred to Bluepeak ABS as described in Section II.B above. These areas are not part of Bluepeak Parent's existing ETC designations. While Bluepeak ABS is not seeking high-cost support, it will still file two-year plans for these service areas in a manner consistent with its current practice with respect to Bluepeak Parent's plans for the ETC service area in western South Dakota.

A map of the proposed ETC service area for Bluepeak ABS is included as **Exhibit 6**.

E. Limited Waiver Request

Applicants respectfully request a limited waiver of the Commission's rules at A.R.S.D. § 20:10:32:43.02(1)–(4), which primarily require new applicants to describe expected improvements in service quality from high-cost support, projected timelines for each high-cost project, the specific geographic areas where improvements will be made, and the estimated population to be served as a result of these improvements. A limited waiver is warranted because Bluepeak Parent is an existing facilities-based provider in all of the service areas for which ETC designation is being sought, and because Applicants are seeking Lifeline-only ETC designations for the eastern CLEC service areas. In addition, Bluepeak Parent's 2025 request for ETC certification was approved by the Commission in Docket TC25-030 on August 27, 2025, and Bluepeak incorporates by reference the information submitted in that docket.

IV. Approval of State Tariffs

Applicants respectfully request approval pursuant to SDCL §§ 49-31-12 through 12.8 of amendments to the South Dakota Access Tariffs of Bluepeak Parent for both its ILEC and CLEC

service areas to reflect that Bluepeak BTS and Bluepeak ABS will operate under these tariffs, copies of which were filed in the above-referenced docket on October 9, 2025. The amended tariffs do not have changes to the rates, prices, or practice affecting the services.

Specifically, Bluepeak BTS proposes to adopt Bluepeak Parent's current intrastate access tariffs for its:

- ILEC territory (Tariff No. 1);
- Western CLEC territory (Tariff No. 2); and
- Eastern CLEC territory (Tariff No. 3).

Bluepeak ABS proposes to adopt Bluepeak Parent's current intrastate access tariff for the Sioux Falls and Vermillion CLEC territory (Tariff No. 3). If the Commission approves these amendments of the tariffs, Applicants will submit revised tariff pages to reflect the changes in name.

Applicants also filed copies of the proposed ILEC interstate switched access and special access tariffs for Bluepeak BTS and the proposed CLEC interstate access tariffs for Bluepeak BTS and Bluepeak ABS in the above-referenced docket on October 9, 2025. Applicants filed those interstate tariffs for information only and do not request any Commission action on these interstate tariffs.

V. Application Fee

Applicants submitted the \$250 application fee for the Application via U.S mail posted on August 4, 2025. Out of an abundance of caution and to the extent required, Applicants sent a second application fee payment of \$250 via U.S. mail on November 7, 2025.

VI. Conclusion

Applicants believe that this supplement answers all of the Commission's questions raised during the November 6, 2025 meeting. If the Commission has any other questions, Applicants would be happy to further supplement this response either in advance of or during the November 18, 2025 meeting. Applicants reiterate that South Dakota residents and businesses currently served by Bluepeak Parent will not be affected by the *Pro Forma* Asset Transfer, as Bluepeak BTS and Bluepeak ABS will continue to offer the same high-quality services and customer care provided by Bluepeak Parent. Bluepeak BTS is committed to the high-cost ETC obligations of Bluepeak Parent, and Bluepeak BTS and Bluepeak ABS are committed to the ETC obligations for both their respective Lifeline-only service areas.

Simply put, the parent company's assets mentioned in Section I will move down to two subsidiaries. The parent company will wholly own the subsidiaries and continue to manage those businesses.

South Dakota residents will continue to know our company as "Bluepeak" and current employees of Bluepeak Parent will continue to manage and operate the business. This transaction will not affect Bluepeak Parent's South Dakota customers or their services. Rather, it will facilitate financing arrangements that will allow Applicants to expand their fiber network deployments and provide competitive, high-speed service to more South Dakota residents and businesses.

Respectfully,

/s/
H. Henry Shi
Seth A. Ismail
HWG LLP
1919 M Street N.W., Suite 800
Washington, D.C. 20036
(202) 730-1348 (tel)
(202) 730-1301 (fax)
hshi@hwglaw.com
sismail@hwglaw.com

/s/
Darla Pollman Rogers
Riter Rogers, LLP
319 South Coteau Street
P.O. Box 280
Pierre, SD 57501
605-224-7889
dprogers@riterlaw.com

Counsel for Applicants