

**BEFORE THE PUBLIC UTILITIES COMMISSION  
OF THE STATE OF SOUTH DAKOTA**

**IN THE MATTER OF THE APPLICATION OF )  
EXTENET SYSTEMS, INC. FOR A CERTIFICATE )  
OF AUTHORITY TO PROVIDE LOCAL )  
EXCHANGE SERVICES IN SOUTH DAKOTA )**

**ORDER GRANTING  
CERTIFICATE OF AUTHORITY  
AND GRANTING WAIVERS**

**TC17-009**

On March 23, 2017, the South Dakota Public Utilities Commission (Commission) received a filing from ExteNet Systems, Inc. (ExteNet) requesting a certificate of authority to provide local exchange services in South Dakota to operate as a wholesale provider of competitive local exchange services, specifically non-switched dedicated Point-To-Point Private Virtual Circuit Transport Service. ExteNet also requested a waiver of ARSD 20:10:32:10 and 20:10:32:15.

On March 30, 2017, the Commission electronically transmitted notice of the filing and the intervention deadline of April 14, 2017, to interested individuals and entities on the Commission's PUC Weekly Filings electronic listserv. On April 13, 2017, South Dakota Telecommunications Association (SDTA) filed a Petition to Intervene which was granted by the Commission on May 5, 2017. On April 21 and May 3, 2017, ExteNet responded to Commission staff's data requests. On May 22, 2017, SDTA and ExteNet filed a Joint Stipulation.

At its regularly scheduled meeting on June 6, 2017, the Commission considered this matter. Commission staff recommended granting a certificate of authority for the purpose of providing non-switched dedicated Point-To-Point Private Virtual Circuit Transport Service only with the conditions that, for retail purposes, ExteNet not offer any prepaid services including prepaid calling cards, not accept or require any deposits or advance payments without prior approval of the Commission, and be subject to rural safeguards. Commission staff also recommended granting waivers of ARSD 20:10:32:10 and 20:10:32:15. Commission staff further recommended that the Commission grant SDTA and ExteNet's request to include the terms and conditions as set forth in the Joint Stipulation.

The Commission finds that it has jurisdiction over this matter pursuant to SDCL Chapter 49-31, specifically 49-31-3, 49-31-69 through 49-31-75, and ARSD 20:10:32:03, 20:10:32:10, and 20:10:32:15. The Commission finds that ExteNet has met the legal requirements established for the granting of a certificate of authority. ExteNet has, in accordance with SDCL 49-31-3 and 49-31-71, demonstrated sufficient technical, financial, and managerial capabilities to offer telecommunications services in South Dakota. The Commission voted unanimously to approve ExteNet's application for a certificate of authority subject to the conditions that, for retail purposes, ExteNet not offer any prepaid services including prepaid calling cards, not accept or require any deposits or advance payments without prior approval of the Commission, and be subject to rural safeguards, and to grant the waivers of ARSD 20:10:32:10 and 20:10:32:15. The certificate of authority for ExteNet shall be subject to the terms and conditions as set forth in the Joint Stipulation:

- (a) The parties agree that the certificate of authority granted by the Commission to ExteNet would be limited to authorizing ExteNet to provide "non-switched virtual private point-to-point transport service."
- (b) The certification granted by the Commission would not permit ExteNet to provide telephone exchange services or switched access services within rural telephone company service areas. In addition, ExteNet agrees that the offering of its service in South Dakota's rural service areas will not require it to request interconnection services from rural telephone companies.

- (c) In the future, if ExteNet chooses to provide telephone exchange services or switched access services within any area served by a rural telephone company, ExteNet is required to come before the Commission in another proceeding before being able to provide local service in that rural service area pursuant to 47 U.S.C. § 253(f). This will allow the Commission to require ExteNet to meet the requirements in 47 U.S.C. §214(e)(1) for designation as an eligible telecommunications carrier in a rural service area.
- (d) The parties agree that the grant of statewide certification to ExteNet as specified herein will not affect the exemptions, suspensions, and modifications for rural telephone companies found in 47 U.S.C. §251 (f).

It is therefore

ORDERED, that ExteNet's application for a certificate of authority is granted, subject to the terms and conditions outlined above and in the Joint Stipulation. It is further

ORDERED, that this certificate of authority authorizes ExteNet to offer its non-switched local transport services in South Dakota, subject to the terms and conditions outlined above and in the Joint Stipulation. It is further

ORDERED, that ExteNet's requested waiver of ARSD 20:10:32:10 and 20:10:32:15 is hereby granted. It is further

ORDERED, that this order constitutes ExteNet's certificate of authority as described above.

Dated at Pierre, South Dakota, this 13<sup>th</sup> day of June, 2017.

<p><b>CERTIFICATE OF SERVICE</b></p> <p>The undersigned hereby certifies that this document has been served today upon all parties of record in this docket, as listed on the docket service list, electronically or by mail.</p> <p>By: <u>Karen E. Cremer</u></p> <p>Date: <u>6/13/17</u></p> <p style="text-align: center;">(OFFICIAL SEAL)</p>
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BY ORDER OF THE COMMISSION:

Kristie Fiegen  
 KRISTIE FIEGEN, Chairperson

Gary Hanson  
 GARY HANSON, Commissioner

Chris Nelson  
 CHRIS NELSON, Commissioner