

TC97-111

TZTS

TC97-111

DOCKET NO.

In the Matter of

IN THE MATTER OF THE  
APPLICATION OF Z-TEL, INC. FOR A  
CERTIFICATE OF AUTHORITY TO  
PROVIDE TELECOMMUNICATIONS  
SERVICES IN SOUTH DAKOTA

Public Utilities Commission of the State of South Dakota

DATE	MEMORANDA
6/25/97	Filed and docketed;
6/26/97	TC for Filing;
8/27/97	Order Granting COA;
8/27/97	Docket Closed

8.00.0410/K\*

TC97-111

EARLY, LENNON, PETERS & CROCKER, P.C.

ATTORNEYS AT LAW  
900 COMERICA BUILDING  
KALAMAZOO, MICHIGAN 49007-4752  
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DAVID G. CROCKER  
HAROLD E. FISCHER, JR.  
LAWRENCE M. BRENTON  
GORDON C. MILLER

BLAKE D. CROCKER  
ROBERT M. TAYLOR  
PATRICK D. CROCKER  
ANDREW J. VOBRICH\*  
NICOLETTE G. HAHN\*\*

OF COUNSEL  
VINCENT T. EARLY  
MON. C.H. MULLEN  
THOMPSON BENNETT

JOSEPH J. BURDIE  
(1926 - 1992)

\*Also admitted in Iowa

\*\*Also admitted in California and North Carolina

RECEIVED

JUN 25 1997

SOUTH DAKOTA PUBLIC  
UTILITIES COMMISSION

June 24, 1997

Executive Director  
South Dakota Public Utilities Commission  
State Capitol  
Pierre, South Dakota 57501-5070

Re: Z-TEL, INC.

Dear Mr. Damgaard:

Enclosed for filing with the Commission please find an original and ten (10) copies of the above captioned corporation's Application for a Certificate of Authority to transact the business of a reseller of interexchange telecommunications services within South Dakota, along with a check in the amount of \$250.00 to cover filing fees relating to same.

Also enclosed is an exact duplicate of this letter. Please date-stamp the duplicate and return same to me in the enclosed postage pre-paid, addressed envelope.

Should you have any questions concerning this filing, please contact me.

Very truly yours,

EARLY, LENNON, PETERS & CROCKER, P.C.

Patrick D. Crocker

PDC/ldt

8143.662

TC97-111

BEFORE THE  
PUBLIC UTILITIES COMMISSION  
OF THE STATE OF SOUTH DAKOTA

RECEIVED  
JUN 25 1997  
SOUTH DAKOTA PUBLIC  
UTILITIES COMMISSION

IN THE MATTER OF:

THE APPLICATION )  
OF Z-TEL, INC. )  
FOR A CERTIFICATE OF PUBLIC CONVENIENCE )  
AND NECESSITY TO TRANSACT THE BUSINESS )  
OF A RESELLER OF INTEREXCHANGE )  
TELECOMMUNICATIONS SERVICES AND )  
FOR APPROVAL OF ITS INITIAL TARIFF )

DOCKET NO. \_\_\_\_\_

APPLICATION FOR AUTHORIZATION

Z-TEL, INC. (hereinafter "Applicant") respectfully requests that the Public Utilities Commission of the State of South Dakota (hereinafter referred to as "Commission") grant Applicant authority pursuant to SDCL 49-31-3 and in accordance with ARSD 20:10:24:02 to provide intrastate telecommunications services to the public within South Dakota through the resale of similar services offered by other interexchange carriers ("IXCs") in the State. Applicant further requests that the Commission approve its initial proposed tariff. Applicant, for purposes of verification, and in evidence of its fitness to operate and the public need for its services, offers the following information in support of this Application:

Identification of the Applicant

1. Applicant maintains its headquarters at 4403 S.E. 16th Place, Suite #1, Cape Coral, Florida 33904.
2. Applicant is incorporated under the laws of the State of Nevada. A copy of the Company's Articles of Incorporation is attached hereto as Exhibit A. Applicant has applied for authority to transact business within the State of South Dakota as a foreign corporation. A copy of the qualifying document is set forth in Exhibit B hereto.

3. Correspondence regarding this Application should be directed to:

Patrick D. Crocker  
EARLY, LENNON, PETERS & CROCKER, P.C.  
900 Comerica Building  
Kalamazoo, MI 49007-4752  
(616) 381-8844

4. The name of Applicant's Registered Agent, and the address of the registered office of the corporation in South Dakota is:

Corporation Guarantee and Trust Company  
117 E. Capitol  
P.O. Box 66  
Pierre, South Dakota 57501-0066

**Description of Authority Requested**

5. Applicant seeks authority to operate as a reseller of intrastate telecommunications services to the public on a statewide basis. Applicant seeks authority to offer a full range of "1+" interexchange telecommunications services on a resale basis. Specifically, Applicant seeks authority to provide MTS, out-WATS, in-WATS, and calling card services.

6. Applicant does not intend to provide operator services, 900 or 700 services.

7. Applicant owns no transmission facilities. Applicant will offer service to its subscribers using facilities of the communications networks of AT&T, other facilities-based IXCs and the local exchange telephone companies ("LECs").

8. Applicant has no plans at this time to construct any telecommunications transmission facilities of its own and seeks no construction authority by means of this Application. Applicant will operate exclusively as a reseller.

9. Applicant will abide by all rules governing telecommunications resellers which the Commission has promulgated or may promulgate in the future, unless application of such rules is specifically waived by the Commission.



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### Proposed Services

10. Applicant intends to offer MTS, in-WATS, out-WATS, and Calling Card services to subscribers within South Dakota. Applicant combines high quality transmission services with very competitive rates, flexible end user billing, professional customer service and excellent reporting to create a unique blend which meets the individualized needs of such business customers.

11. Applicant's services are designed to be especially attractive to small and medium sized businesses.

12. Applicant's intends to engage in "switchless" resale. Applicant will arrange for the traffic of underlying subscribers to be routed directly over the networks of Applicant's network providers.

13. Applicant is committed to the use of ethical sales practices. All distributors of its products must commit in writing to market Applicant's services in a professional manner, and to fairly and accurately portray Applicant's services and the charges for them.

### Description and Fitness of Applicant

14. Applicant's officers have extensive managerial, financial and technical experience with which to execute the business plan described herein. Applicant's management personnel represent a broad spectrum of business and technical disciplines, possessing many years of individual and aggregate telecommunications experience. In support of Applicant's managerial and technical ability to provide the services for which authority is sought herein, Applicant submits a description of the background and experience of its current management team as Exhibit C. In support of Applicant's financial ability to provide the proposed services, Applicant attaches a recent Income Statement and Balance Sheet as Exhibit D.

### Public Interest Considerations

15. Applicant's entry into the South Dakota marketplace is in the public interest because Applicant intends to make a uniquely attractive blend of service quality, network management and reporting, and low rates available. Namely, Applicant's offering ultimately will enable small and medium businesses in South Dakota to obtain long distance services at rates which previously were available only to larger businesses.

16. In addition to the direct benefits delivered to the public by its services, Applicant's entry into the South Dakota marketplace will benefit the public indirectly by increasing the competitive pressure felt by existing IXCs, spurring them to lower costs and improve services in response.

### Requested Regulatory Treatment.

17. Applicant is a non-dominant reseller of interexchange telecommunications services. Applicant requests to be regulated by the Commission in the same relaxed fashion extended to other, similarly situated resellers.

### Initial Proposed Tariff

18. Applicant proposes to offer service pursuant to the rules, regulations, rates and other terms and conditions included in Applicant's initial proposed tariff which is attached hereto as Exhibit E. Billing, payment, credit, deposit and collection terms are set forth in Applicant's proposed tariff.

Compliance with ARSD 20:10:24:02

19. In accordance with ARSD 20:10:24:02, Applicant provides the following information:

- (1). The name, address and telephone number of Applicant:

Z-TEL, INC.  
4403 S.E. 16th Place, Suite #1  
Cape Coral, Florida 33904  
(800) 800-7275

- (2). Applicant shall provide services under the name Z-TEL, INC.

- (3). (a) See paragraph 2 of this Application.  
(b) Applicant has no principal office in South Dakota. Applicant's registered agent is set forth in paragraph 4 hereinabove.  
(c) A copy of Applicant's Articles of Incorporation is attached as Exhibit A.

Applicant's Officers and Directors are as follows:

Tom C. Chubokas, President and CEO

James C. Watson, Vice President/Secretary

Tatiana Filippov, Director

- (d) A list of the names and addresses of Applicant's current Officers and

Board of Directors:

Tom C. Chubokas  
4403 S.E. 16th Place, Suite #1  
Cape Coral, Florida 33904

James C. Watson  
4403 S.E. 16th Place, Suite #1  
Cape Coral, Florida 33904

Tatiana Filippov  
4403 S.E. 16th Place, Suite #1  
Cape Coral, Florida 33904

- (e) Applicant is a wholly owned subsidiary of COMMUNICATIONS, CORPORATION ("CCC"). CCC's shareholders are as follows:

<u>Shareholder</u>	<u>% of Shares</u>
Scott McClintock	.004%
Morris, Rosalind Kantrowtiz	.008%
Vincent Albanese	.040%
Malcolm McNair	.020%
Anthony J. Rando	.006%
Marvin Zimmer	.004%
Tom C. Chubokas	32.777%
Tatiana Filippov	30.978%
T.W. Communications	0.999%
James C. Watson	17.987%
Jay C. Salyer	0.959%
Arthur Abrams	3.997%
Jon Gilbert	3.997%
Lauretta Kitzlyk	3.997%
Samar Investments	3.997%
R.B. Bowes	0.040%
Tom Voght	0.088%
Denis Boule	0.100%

- (f) No corporation, association, or partnership own any interest in Applicant.
- (g) Applicant owns or controls no subsidiaries.
- (4). Applicant is a corporation organized under the laws of Nevada.
- (5). See paragraph 5 of the Application.
- (6). See paragraph 6 of the Application.



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- (7). Applicant shall offer services on all equal access areas within the State of South Dakota. Accordingly, Applicant does not attach a map describing service boundaries.
- (8). See Exhibits D and E attached hereto.
- (9). All complaints and regulatory matters should be directed to Applicant's attorney as set forth in paragraph 3 of this Application.

#### Applicant's Cost for Underlying Transport Services

20. Applicant proposes to resell services within South Dakota in excess of Applicant's cost of purchasing services from Applicant's underlying carrier (SPRINT). Applicant purchases intrastate services from Sprint for approximately \$.12 per minute and resells to the public for approximately \$.16 a minute.

#### Conclusion

21. A decision by the Commission to grant Applicant a Certificate of Public Convenience and Necessity is plainly in the public interest. Applicant will introduce important new products and services at very competitive rates as well as enhance the competitiveness of the overall long distance market in South Dakota.

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**WHEREFORE, Z-TEL, INC.,** respectfully requests that this Commission grant it authority to transact the business of a reseller of interexchange telecommunications services within the State of South Dakota, that the Commission regulate it in a streamlined fashion, and that the Commission approve Applicant's initial proposed tariff effective on the date of the Order granting authority.

Respectfully submitted,

Z-TEL, INC.

Dated: 6-24-97

By: \_\_\_\_\_

Patrick D. Crocker  
EARLY, LENNON, PETERS  
& CROCKER, P.C.  
900 Comerica Building  
Kalamazoo, MI 49007-4752

Its: Attorneys

82-00-4428

VERIFICATION

James C. Watson, Vice President of Z-TEL, INC. first being duly sworn on oath, deposes and says that he has read the foregoing Application and verifies that the statements made therein are true and correct to the best of his knowledge, information, and belief.

Z-TEL, INC.

By: [Signature]  
James C. Watson

he foregoing instrument was acknowledged before me this 24th day of May, 1997  
by James C. Watson.

[Signature]  
Notary Public  
For the County of Jefferson, Pennsylvania  
My Commission Expires: 10/24/97

RENEE A. ALBERT  
Notary Public - Not. Seal  
STATE OF MISSOURI  
Jefferson County  
My Commission Expires Oct. 24, 1997

# **EXHIBIT A**



**FILED**  
 IN THE OFFICE OF THE  
 SECRETARY OF STATE OF THE  
 STATE OF NEVADA

FEB 18 1997

## ARTICLES OF INCORPORATION

OF

Z-TEL, INC.

C3189-97  
*Dean Hill*  
 SECRETARY OF STATE

FIRST: The name of this corporation is:

Z-TEL, INC.

SECOND: Its principal office in the State of Nevada is located at 502 East John Street, Carson City, Nevada, 89706. The name and address of its resident agent is CSC Services of Nevada, Inc., at the above address.

THIRD: The nature of the business or objects or purposes proposed may be organized under the General Corporation Law of the State of Nevada;

To engage in any lawful act or activity for which corporations may be organized under the General Corporation Law of the State of Nevada.

FOURTH: The total authorized capital stock of the corporation is 25,000,000 all of which are of a par value of \$.001 each and are of the same class and are common shares.

FIFTH: The governing board of this corporation shall be known as directors, and the number of directors may from time to time be increased or decreased in such manner as shall be provided in the by-laws of this corporation, provided that the number of directors shall not be reduced less than one unless there is less than one stockholder.

The name and post office address of the first board of directors, which shall be one in number, is as follows:

NAME	POST OFFICE ADDRESS
Scott Symons	1700 S. Dixie Highway Ste 4D Boca Raton, FL 33432

SIXTH: The capital stock, after the amount of the subscription price, or par value, has been paid in, shall not be subject to assessment to pay the debts of the corporation.

SEVENTH: The name and post office address of the incorporator signing the articles of incorporation is as follows:

NAME	POST OFFICE ADDRESS
B. Gould	502 East John Street Carson City, NV 89706

EIGHTH: The corporation is to have perpetual existence.

NINTH: In furtherance and not in limitation of the powers conferred by statue, the board of directors is expressly authorized, subject to the by-laws, if any, adopted by the shareholders, to make, alter or amend the by-laws of the corporation.

TENTH: Meetings of stockholders may be held outside of the State of Nevada at such place or places as may be designated from time to time by the board of directors or in the by-laws of the corporation.

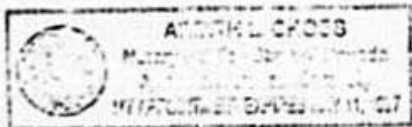
ELEVENTH: This corporation reserves the right to amend, alter, change or repeal any provision contained in the articles of incorporation, in the manner now or hereafter prescribed, and all rights conferred upon stockholders herein are granted subject to this reservation.

I, THE UNDERSIGNED, being the sole incorporator herein before named for the purpose of forming a corporation pursuant to the General Corporation Law of the State of Nevada, do make and file these articles of incorporation, hereby declaring and certifying that the facts herein stated are true, and accordingly have hereunto set my hand this seventeenth day of February, A.D. 191997.

  
B. Gould, Incorporator

STATE OF NEVADA )  
 ) SS  
CARSON CITY )

On this seventeenth day of February, A.D., 1997, before me a Notary Public, personally appeared, B. Gould, who severally acknowledged that he/she executed the above instrument.



*Judith L. Cross*  
\_\_\_\_\_  
Notary Public

CERTIFICATE OF ACCEPTANCE  
OF

APPOINTMENT OF RESIDENT AGENT

I, B. Gould, Authorized Representative, on behalf of CSC Services of Nevada, Inc. hereby accepts appointment as Resident Agent of the above-named corporation.

*B. Gould*  
\_\_\_\_\_  
Authorized Representative

February 17, 1997

**FILED**  
IN THE OFFICE OF THE  
SECRETARY OF STATE OF THE  
STATE OF NEVADA

MAR 04 1997

143 3189-97

*Lean Miller*  
LEAN MILLER, SECRETARY OF STAT.

CERTIFICATE OF AMENDMENT  
OF  
CERTIFICATE OF INCORPORATION  
OF  
Z-TEL, INC.

Under Section 78.385 of the General  
Corporation Law of the State of Nevada

The undersigned, B. Gould, sole incorporator of  
Z-TEL, INC. , a corporation organized and existing under the  
laws of the State of Nevada ("the Corporation"). of which no  
stock has been issued, incorporated on February 18, 1997, does  
hereby certify as follows:

FIRST: The name of the Corporation is Z-TEL, INC.

SECOND: The Certificate Incorporation of the Corporation  
has been amended as follows:

Article "FOURTH" of the Certificate of  
Incorporation of the Corporation, is hereby amended to read  
as follows:

"FOURTH: The total authorized capital stock of the  
corporation is 75,000,000 all of which are of a par value of  
\$.001 each and are of the same class and are common shares."

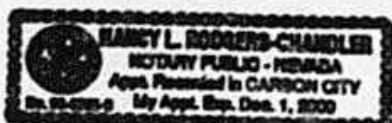
*B. Gould*  
\_\_\_\_\_  
Sole incorporator

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STATE OF NEVADA        )  
                              :    ss.:  
CARSON CITY            )

I, Nancy L. Rodgers-Chandler, a notary public, do hereby certify that on this 4th day of February, 1997, personally appeared before me B. Gould, who being by me first duly sworn declared that she is the sole incorporator of Z-Tel, Inc. and that the statements therein contained are true.



*Nancy L. Rodgers-Chandler*  
Notary Public

My commission expires 12/1/00  
(Notarial Seal)

**FILED**  
IN THE OFFICE OF THE  
SECRETARY OF STATE OF THE  
STATE OF NEVADA

CERTIFICATE OF AMENDMENT  
OF

4/21/97  
12.24  
\$75

CERTIFICATE OF INCORPORATION  
OF

APR 30 1997  
No. C 3189-97  
*Dean Heller*  
DEAN HELLER, SECRETARY OF STATE

Z-TEL, INC.

Under Section 78.385 of the General Corporation Law of the State of Nevada

The undersigned, R. Gould, as sole incorporator of Z-TEL, INC., a corporation organized and existing under the laws of the State of Nevada ("the Corporation"), does hereby certify as follows:

FIRST: The name of the Corporation is Z-TEL, INC.

SECOND: The original Articles were filed in the Office of the Secretary of State on February 18, 1997.

THIRD: As of the date of this certificate, no stock of the corporation has been issued.

FOURTH: The Certificate Incorporation of the Corporation has been amended as follows:

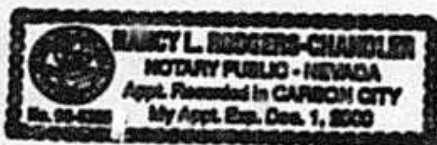
Article "FOURTH" of the Certificate of Incorporation of the Corporation, is hereby amended to read as follows:

"FOURTH: The total authorized capital stock of the corporation is 10,000 all of which are of a par value of \$1.00 each and are of the same class and are common shares."

*R. Gould*  
\_\_\_\_\_  
sole incorporator

STATE OF NEVADA        )  
                              ):  SS.:  
CARSON CITY            )

I, Nancy Rodgers-Chandler, a notary public, do hereby certify that on this twenty-first day of April, 1997, personally appeared before me, B. Gould, who, being by me first duly sworn, declared that she is the incorporator of Z-Tel, Inc. that executed the foregoing document as the incorporator of the corporation, and that the statements therein contained are true.



*Nancy L. Rodgers-Chandler*  
Notary Public

My commission expires 12/1/00  
(Notarial Seal)



# **EXHIBIT B**



# State of South Dakota



## OFFICE OF THE SECRETARY OF STATE

### CERTIFICATE OF AUTHORITY

I, JOYCE HAZELTINE, Secretary of State of the State of South Dakota, hereby certify that duplicate of the Application for a Certificate of Authority of Z-TEL, INC. (NV) to transact business in this state duly signed and verified pursuant to the provisions of the South Dakota Corporation Acts, have been received in this office and are found to conform to law.

ACCORDINGLY and by virtue of the authority vested in me by law, I hereby issue this Certificate of Authority and attach hereto a duplicate of the application to transact business in this state under the name of Z-TEL, INC.

IN TESTIMONY WHEREOF, I have hereunto set my hand and affixed the Great Seal of the State of South Dakota, at Pierre, the Capital, this June 3, 1997.

JOYCE HAZELTINE  
Secretary of State



**NEXT**

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**DOCUMENT (S)**

**BEST IMAGE**

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**POSSIBLE**

THU 10:49 AM CORP GUAR TR CO

FAX NO. 2155639410

P. 9

SECRETARY OF STATE  
STATE CAPITOL  
500 E. CAPITOL

PIERRE, S.D. 57501-5077  
PHONE 223-4900  
FAX 223-4905

FILE NO \_\_\_\_\_  
RECEIPT NO \_\_\_\_\_

APPLICATION FOR CERTIFICATE OF AUTHORITY

Pursuant to the provisions of SDCL 47-8-7, the undersigned corporation hereby applies for a Certificate of Authority to transact business in the State of South Dakota and for that purpose submits the following information:

(1) The name of the corporation is Z-TEL, INC.  
(Exact corporate name) RECEIVED JUN 3 1997

(2) If the name of the corporation does not contain the word "corporation", "company", "incorporated" or "limited" or does not contain an abbreviation of one of such words, then the name of the corporation with the word or abbreviation which it elects to add thereto for use in this state is

(3) State where incorporated NEVADA Federal Taxpayer ID# Applied for

(4) The date of its incorporation is FEBRUARY 18, 1997 and the period of its duration is PERPETUAL

(5) The address of its principal office in the state or country under the laws of which it is incorporated is 302 EAST JOHN STREET, CARSON CITY, NV Zip Code 89706

(6) The street address, or a statement that there is no street address, of its proposed registered office in the State of South Dakota is 117 E. CAPITOL, PIERRE, SD Zip 57501 and the name of its proposed registered agent in the State of South Dakota at that address is RONALD D. OLINGER

(7) The purposes which it proposes to pursue in the transaction of business in the State of South Dakota are: TELECOMMUNICATION MARKETING AND RESELLING

(8) The names and respective addresses of its directors and officers are:

Name	Officer Title	Street Address	City	State	Zip
<u>TATIANA FILIPPOV</u>	<u>DIRECTOR</u>	<u>4403 SE 16TH PL, STE 1,</u>	<u>CAPE CORAL,</u>	<u>FL</u>	<u>33904</u>
<u>TOM C. CHUBOKAS</u>	<u>PRESIDENT</u>	<u>4403 SE 16TH PL, STE 1,</u>	<u>CAPE CORAL,</u>	<u>FL</u>	<u>33904</u>
<u>JAMES C. WATSON</u>	<u>VICE-PRES, SECY AND TREAS.</u>	<u>4403 SE 16TH PL, STE 1,</u>	<u>CAPE CORAL,</u>	<u>FL</u>	<u>33904</u>

(9) The aggregate number of shares which it has authority to issue, itemized by classes, par value of shares, shares without par value, and series, if any, within a class is:

Number of shares	Class	Series	Par value per share or statement that shares are without par value
<u>10,000</u>	<u>COMMON</u>	<u>---</u>	<u>\$.10</u>



The aggregate number of its issued shares, itemized by classes, par value of shares, shares without par value, and series, if any, within a class, is:

Number of Shares	Class	Series	Par value per share or statement that shares are without par value
5,000	COMMON	-	\$ .10

The amount of its stated capital is \$ 1,000.00

This application is accompanied by a CERTIFICATE OF FACT duly acknowledged by the secretary of the corporation or other officer having custody of corporate records in the state or country under whose laws it is incorporated.

That such corporation shall not directly or indirectly combine or make any contract with any incorporated company, foreign or domestic, through their stockholders or the trustees or assigns of such stockholders, or with any copartnership or association of persons, or in any manner whatever to fix the prices, limit the production or regulate the transportation of any product or commodity so as to prevent competition in such prices, production or transportation or to establish excessive prices therefor.

That such corporation, as a consideration of its being permitted to begin or continue doing business within the State of South Dakota, will comply with all the laws of the said State with regard to foreign corporations.

This application must be signed by the chairman of the board of directors, or by the president or by another officer.

I DECLARE AND AFFIRM UNDER THE PENALTY OF PERJURY THAT THIS APPLICATION IS IN ALL THINGS, TRUE AND CORRECT.

Dated May 10 19 97

[Signature]  
(Signature)  
President  
(Title)

State of FLORIDA  
County of LEE

On this 10<sup>th</sup> day of May, 19 97, before me Tom Chubok KAS personally appeared [Signature] known to me or proved to me, to be the [Signature] of the corporation that is described in and that executed the within instrument and acknowledged to me that such corporation executed same.

My Commission Expires [Signature]  
Notarial Seal Francis G. Boese  
Notary Public, State of Florida  
Commission No. CC 560262  
My Commission Exp. 07/08/2000  
(Notary Public)

The Consent of Appointment below must be signed by the registered agent listed in number six.

CONSENT OF APPOINTMENT BY THE REGISTERED AGENT

RONALD D. OLINGER hereby give my consent to serve as the  
(name of registered agent)  
registered agent for Z-TEL, INC.  
(corporate name)  
Dated June 2 19 97  
[Signature]  
(signature of registered agent)



# EXHIBIT C

## BIOGRAPHIES

**Tom Chubokas** Tom Chubokas began in business at the early age of 15, handling shrinkage for a warehouse retail sales outfit. Mr. Chubokas then attended college at Bowling Green University and graduated from Cleveland State University with a Bachelor of Arts degree.

From 1980 to 1988 Mr. Chubokas started the Marshall Corporation. He became President and C.E.O. of Marshall Corporation, the largest privately owned security firm in the state of Ohio from 1984 to 1988. His client list included accounts such as Revco, Riteaid, I.J. Fox, and Woolworths, together with many other prestigious firms and individuals. This company was sold in 1988-1989.

In 1990 Mr. Chubokas entered into the communications arena, running an agent based support and sales organization. This company grew to become one of the largest sales and marketing firms in the telecommunications industry. In addition, Mr. Chubokas is accomplished in Carrier relations and has negotiated contracts for and on behalf of Carriers.

**James C. Watson** Mr. Watson began his career in telecommunications in 1984 during the divestiture of AT&T. Mr. Watson's expertise is in the development of high-tech system applications and network development, focused in the environment of Carriers services, CAPs, and Local Exchange Carrier Services. Much of his career has been devoted to interexchange switching platforms, administrative management and operations of facilities.

During his tenure with C&L Communications of San Antonio, Mr. Watson was responsible for the technical and sales training of 65 independent, switched based Intexchange Carriers.

Mr. Watson assisted in the original service program for the Debit Cellular Market in 1991.

Mr. Watson owned a telecommunications consulting company - Intelligent Network Communications, Inc. - offering services in every aspect of telecommunications: Carrier and Reseller Billing, Carrier Auditing, Regulatory Consulting, T-1 and DS-3 Provisioning and Support, Switch Partitioning, Consulting Services and Customer Support. Mr. Watson enjoys a reputation as one of the top consultants in the Interexchange Telecom Industry.

## BIOGRAPHIES (continued)

Mr. Watson has diplomas and certification in Electronics: Advanced Electronic\* ISDN and FT/T-1, T-3, \* Electro-Mechanical Engineering, CPE telephone equipment systems\* T-1 Digital Interface Cards to Channel Banks\*, Mitel Digital PBX Training \* Call Controller and PBX Router, Digital Data Termination Equipment

Systems Overviews: Harris 20/20., DMS 250, DEC 400 and 600, Data Packer Systems, Interegated Audio Text Systems, Sonet Multiplexing and Redundancy, Data Network Design and Planning DS-1 / d4 and DS-1 ESF Protocols, Call Controller PBX Router, Frame Relay LM-1, Cellular & Microwave radio systems, Basic Satellite

**Tatiana Filippov** Tatiana Filippov is currently employed in marketing and sales by American Airlines. Ms. Filippov was previously a founder and director of Salon Technologies, Inc., a distributor and marketer of salon quality cosmetics. Salon Technologies, Inc. pioneered the introduction of "Jolco" products into Canada and is currently the leading salon product line in Canada. Ms. Filippov is director of two other private companies with assets of over two million dollars. Ms. Filippov assists in international affairs and marketing.

# EXHIBIT D



Z-TEL, INC.  
BALANCE SHEET  
JUNE 1, 1997

ASSETS	
Cash and Banks	\$ 25,000.00
Organization Costs	<u>\$ 33,812.00</u>
<b>TOTAL ASSETS</b>	<u><b>\$ 58,832.00</b></u>
LIABILITIES AND EQUITY	
<b>Liabilities</b>	\$ -
Equity	
Paid in Capital - Investors	<u>\$ 58,832.00</u>
Retained Earnings - Beginning	<u>\$ -</u>
Current Year Profit (Loss)	<u>\$ -</u>
Retained earnings - Ending	<u>\$ -</u>
<b>TOTAL EQUITY</b>	<u><b>\$ 58,832.00</b></u>
<b>TOTAL LIABILITIES AND EQUITY</b>	<u><b>\$ 58,832.00</b></u>

0143.66.29

EXHIBIT E

**SOUTH DAKOTA TELECOMMUNICATIONS TARIFF**

This Tariff contains the descriptions, regulations, and rates applicable to the furnishing of service and facilities for telecommunications services within the State of South Dakota by Z-TEL, INC. ("Company"). This Tariff is on file with the South Dakota Public Utilities Commission, and copies may also be inspected, during normal business hours, at the following location: 4403 S.E. 16th Place, Suite #1, Cape Coral, Florida 33904.

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Issued:

Effective:

Issued by: James C. Watson, Vice President  
Z-TEL, INC.  
4403 S.E. 16th Place, Suite #1  
Cape Coral, Florida 33904

CHECK SHEET

The title page and pages 1-34 inclusive of this Tariff are effective as of the date shown. Original and revised sheets, as named below, comprise all changes from the original Tariff in effect on the date indicated.

<u>SHEET</u>	<u>REVISION</u>	<u>SHEET</u>	<u>REVISION</u>
1	Original	18	Original
2	Original	19	Original
3	Original	20	Original
4	Original	21	Original
5	Original	22	Original
6	Original	23	Original
7	Original	24	Original
8	Original	25	Original
9	Original	26	Original
10	Original	27	Original
11	Original	28	Original
12	Original	29	Original
13	Original	30	Original
14	Original	31	Original
15	Original	32	Original
16	Original	33	Original
17	Original	34	Original

\* New or Revised Sheets

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CONCURRING, CONNECTING AND OTHER PARTICIPATING CARRIERS

CONCURRING CARRIERS:

No Concurring Carriers

CONNECTING CARRIERS:

No Connecting Carriers

OTHER PARTICIPATING CARRIERS:

No Participating Carriers

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**TARIFF FORMAT**

Sheet Numbering - Sheet numbers appear in the upper right hand corner of the page. Sheets are numbered sequentially and from time to time new pages may be added to the Tariff. When a new page is added between existing pages, a decimal is added to the preceding page number. For example, a new page added between Sheets 3 and 4 would be numbered 3.1.

Paragraph Numbering Sequence - There are nine levels of paragraph coding. Each level of coding is subservient to its next higher level:

- 2.
- 2.1.
- 2.1.1.
- 2.1.1.A.
- 2.1.1.A.1.
- 2.1.1.A.1.(a).
- 2.1.1.A.1.(a).1.
- 2.1.1.A.1.(a).1.(i).
- 2.1.1.A.1.(a).1.(i).1.

Check Sheets - When a Tariff filing is made with the Commission, an updated check sheet accompanies the Tariff filing. The check sheet lists the pages contained in the Tariff, with a cross reference to the current revision number. When new pages are added, the check sheet is changed to reflect the revision, all revisions made in a given filing are designed by an asterisk (\*). There will be no other symbols used on this page if these are the only changes made to it. The Tariff user should refer to the latest check sheet to find out if a particular page is the most current on file with the Commission.

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APPLICABILITY

This Tariff contains the Service offerings, rates, terms and conditions applicable to the furnishing of intrastate interexchange telecommunications services within the State of South Dakota by Z-TEL, INC. ("Company").

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EXPLANATION OF SYMBOLS

- (D) To signify discontinued material
- (I) To signify a rate or charge increase
- (M) To signify material relocated without change in text or rate
- (N) To signify new material
- (R) To signify a reduction
- (T) To signify a change in text but no change in rate or regulation

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1. TECHNICAL TERMS AND ABBREVIATIONS

For the purpose of this Tariff, the following definitions will apply:

Access Coordination

Provides for the design, ordering, installation, coordination, pre-service testing, service turn-up and maintenance on a Company or Customer provided Local Access Channel.

Administrative Change

A change in Customer billing address or contact name.

Alternate Access

Alternate Access is a form of Local Access except that the provider of the Service is an entity, other than the Local Exchange Carrier, authorized or permitted to provide such Service. The charges for Alternate Access may be subject to private agreement rather than published or special tariff if permitted by applicable governmental rules.

Application for Service

A standard Company order form which includes all pertinent billing, technical and other descriptive information which will enable the Company to provide a communication Service as required.

ASR

ASR (Access Service Request) means an order placed with a Local Access Provider for Local Access.

Authorized User

A person, firm, corporation or other entity that either is authorized by the Customer to receive or send communications or is placed in a position by the Customer, either through acts or omissions, to send or receive communications.

Bandwidth

The total frequency band, in hertz, allocated for a channel.

Bill Date

The date on which billing information is compiled and sent to the Customer.

Call

A completed connection between the Calling and Called Stations.

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Called Station  
The telephone number called.

Calling Station

The telephone number from which a Call originates.

Cancellation of Order

A Customer initiated request to discontinue processing a Service order, either in part or in its entirety, prior to its completion. Cancellation charges will be assessed for each Circuit-end or Dedicated Access line canceled from an order prior to its completion by the Company, under the following circumstances: (1) if the LEC has confirmed in writing to the Company that the Circuit-end or Dedicated Access line will be installed; or (2) if the Company has already submitted facilities orders to and interconnecting telephone company.

Channel or Circuit

A dedicated communications path between two or more points having a Bandwidth or Transmission Speed specified in this Tariff and selected by a Customer.

Commission

South Dakota Public Utilities Commission

Company

Z-TEL, INC.

Company Recognized National Holidays

The following are Company Recognized National Holidays determined at the location of the originator of the Call: New Year's Day, Martin Luther King Day, President's Day, Memorial Day, Independence Day, Labor Day, Columbus Day, Veteran's Day, Thanksgiving Day, Christmas Day.

The evening rate is used unless a lower rate would normally apply. When a Call begins in one rate period and ends in another, the rate in effect in each rate period applies to the portion of the Call occurring within that rate period. In the event that a minute is split between two rate periods, the rate in effect at the start of that minute applies.

Customer

The person, firm, corporation or governmental unit which orders Service and which is responsible for the payment of charges and for compliance with the Company's Tariff regulations. A Customer is considered to be an account for billing purposes. The term Customer also includes an entity that remains pre-authorized to the Company Service after its account(s) are removed from the Company's billing system, subsequently continues to use Company's network, and is billed by a local exchange carrier for such use, or otherwise uses Service for which no other Customer is obligated to compensate Company.

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Customer Premises/Customer's Premises

Locations designated by a Customer where Service is originated/terminated whether for its own communications needs or for the use of its resale customers.

DCS

DCS means Digital Cross-Connect System.

Dedicated Access/Special Access

Dedicated Local Access between the Customer's Premises or serving wire center and the Company's Point-of-Presence for origination or termination of Calls.

DS-0

DS-0 means Digital Signal Level 0 Service and is a 64 Kbps signal.

DS-1

DS-1 means Digital Signal Level 1 Service and is a 1.544 Mbps signal.

DS-0 with VF Access

DS-0 Service with VF Local Access facilities provides for the transmission of analog voice and/or data within 300 Hz to 3000 Hz frequency range.

DS-0 with DDS Access

DS-0 Service with VF Local Access facilities provides for the transmission of digital data at speeds 2.4, 4.8, 9.6 or 56 Kbps.

Due Date

The Due Date is the date on which payment is due.

Expedite

A Service order initiated at the request of the Customer that is processed in a time period shorter than the Company's standard Service interval.

FCC

Federal Communications Commission

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Individual Case Basis (ICB)

Individual Case Basis (ICB) determinations involve situations where complex Customer-specific Company arrangements are required to satisfactorily serve the Customer. The nature of such Service requirements makes it difficult or impossible to establish general tariff provisions for such circumstances. When it becomes possible to determine specific terms and conditions for such offerings, they will be offered pursuant to such terms and conditions.

Installation

The connection of a Circuit, Dedicated Access line, or port for new, changed or an additional Service.

Interexchange Service

Interexchange Service means that portion of a communications channel between a Company-designated Point-of-Presence in one exchange and a Point-of-Presence in another exchange.

Interruption

Interruption shall mean a condition whereby the Service or a portion thereof is inoperative, beginning at the time of notice by the Customer to Company that such Service is inoperative and ending at the time of restoration.

Kbps

Kilobits per second.

LATA (Local Access Transport Area)

A geographical area established for the provision and administration of communications Service of a local exchange company.

Local Access

Local Access means the Service between a Customer Premises and a Company designated Point-of-Presence.

Local Access Provider

Local Access Provider means an entity providing Local Access.

Local Exchange Carrier (LEC)

The local telephone utility that provides telephone exchange services.

Mbps

Megabits per second.

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Multiplexing

Multiplexing is the sequential combining of lower bit rate Private Line Services onto a higher bit rate Private Line Service for more efficient facility capacity usage or vice versa.

N/A

Not available.

Nonrecurring Charges

Nonrecurring Charges are one-time charges.

Payment Method

The manner which the Customer designates as the means of billing charges for Calls using the Company's Service.

Physical Change

The modification of an existing Circuit, Dedicated Access line or port, at the request of the Customer, requiring some Physical Change or retermination.

Point-of-Presence (POP)

A Company-designated location where a facility is maintained for the purpose of providing access to its Service.

Primary Route

The route which, in the absence of Customer-designated routing or temporary re-routing, would be used by the Company in the provision of Service.

Private Line

A dedicated transmission channel furnished to a customer without intermediate switching arrangements for full-time customer use.

Private Line Service

A dedicated full-time transmission Service utilizing dedicated access arrangements.

Rate Center

A specified geographical location used for determining mileage measurements.

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Requested Service Date

The Requested Service Date is the date requested by the Customer for commencement of Service and agreed to by the Company.

Restore

To make Service operative following an interruption by repair, reassignment, re-routing, substitution of component parts, or otherwise, as determined by the carrier(s) involved.

Route Diversity

Two channels which are furnished partially or entirely over two physically separate routes.

Service

Service means any or all Service(s) provided pursuant to this Tariff.

Service Commitment Period

The term elected by the Customer and stated on the Service order during which the Company will provide the Services subscribed to by the Customer. The term can be monthly or in the case of Private Line Services for a period of up to 5 years.

Special Promotional Offerings

Special trial offerings, discounts, or modifications of its regular Service offerings which the Company may, from time to time, offer to its Customers for a particular Service. Such offerings may be limited to certain dates, times, and locations.

Start of Service Date

The Requested Service Date or the date Service first is made available by the Company whichever is later.

Tariff

The current Intrastate Services Tariff and effective revisions thereto filed by the Company with the Commission.

Transmission Speed

Data transmission speed or rate, in bits per seconds (bps).

Two-Way Conversation

A Two-Way Conversation is a telephone conversation between or among two or more parties.

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VF

VF is voice frequency or voice-grade Service designed for private-line Service. Normal transmission is in the 300 hertz to 3000 hertz frequency band.

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**2. RULES AND REGULATIONS****2.1. Description and Limitations of Services**

- 2.1.1. Intrastate Telecommunications Service ("Service") is the furnishing of Company communication Services contained herein between specified locations under the terms of this Tariff.
- 2.1.2. Any member of the general public (including any natural person or legally organized entity such as a corporation, partnership, or governmental body) is entitled to obtain Service under this Tariff, provided that the Company reserves the right to deny Service: (A) to any Customer that, in the Company's reasonable opinion, presents an undue risk of nonpayment, (B) in circumstances in which the Company has reason to believe that the use of the Service would violate the provisions of this Tariff or any applicable law or if any applicable law restricts or prohibits provision of the Service, or (C) if insufficient facilities are available to provide the Service (in such cases Company shall make best efforts to accommodate the needs of all potential Customers by means of facility improvements or purchases, of capacity, if such efforts will, in the Company's opinion, provide the Company with a reasonable return on its expenditures), but only for so long as such unavailability exists.
- 2.1.3. Company, when acting at the Customer's request and as its authorized agent, will make reasonable efforts to arrange for Service requirements, such as special routing, Diversity, Alternate Access, or circuit conditioning.
- 2.1.4. Service is offered in equal access exchanges subject to the availability of facilities and the provisions of this Tariff. Company reserves the right to refuse to provide Service to or from any location where the necessary facilities and/or equipment are not available.
- 2.1.5. Service may be discontinued after five business days written notice to the Customer if:
- 2.1.5.A. the Customer is using the Service in violation of this Tariff; or
- 2.1.5.B. the Customer is using the Service in violation of the law or Commission regulation.
- 2.1.6. Service begins on the date that billing becomes effective and is provided on the basis of a minimum period of at least one month, 24 hours per day. For the purposes of computing charges in this Tariff, a month is considered to have 30 days.
- 2.1.7. Service will be provided until canceled, by the Customer on not less than thirty (30) days' written notice from the date of postmark on the letter giving notice of cancellation.
- 2.1.8. Nothing herein, or in any other provision of this Tariff, or in any marketing materials issued by the Company shall give any person any ownership, interest, or proprietary right in any code or 800 number issued by the Company to its Customers.

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- 2.1.9. The Company reserves the right to discontinue furnishing Services or billing options, upon written notice, when necessitated by conditions beyond its control. Conditions beyond the Company's control include, but are not limited to, a Customer's having Call volume or a calling pattern that results, or may result, in network blockage or other Service degradation which adversely affects Service to the calling party, the Customer, or other Customers of the Company.
- 2.1.10. Except as otherwise provided in this Tariff or as specified in writing by the party entitled to receive Service, notice may be given orally or in writing to the persons whose names and business addresses appear on the executed Service order and the effective date of any notice shall be the date of delivery of such notice, not the date of mailing. By written notice, Company or Customer may change the party to receive notice and/or the address to which such notice is to be delivered. In the event no Customer or Company address is provided in the executed Service order, notice shall be given to the last known business address of Customer or, as appropriate.
- 2.2. Other Terms and Conditions
- 2.2.1. The name(s) of the Customer(s) desiring to use the Service must be stipulated in the Application for Service.
- 2.2.2. The Customer agrees to operate the Company provided equipment in accordance with instructions of the Company or the Company's agent. Failure to do so will void the Company liability for interruption of Service and may make Customer responsible for damage to equipment pursuant to Section 2.2.3 below.
- 2.2.3. Customer agrees to return to the Company all Company-provided equipment delivered to Customer within five (5) days of termination of the Service in connection with which the equipment was used. Said equipment shall be in the same condition as when delivered to Customer, normal wear and tear only excepted. Customer shall reimburse the Company, upon demand, for any costs incurred by the Company due to Customer's failure to comply with this provision.
- 2.2.4. A Customer shall not use any service-mark or trademark of the Company or refer to the Company in connection with any product, equipment, promotion, or publication of the Customer without prior written approval of the Company.
- 2.2.5. In the event suit is brought or any attorney is retained by the Company to enforce the terms of this Tariff, the Company shall be entitled to recover, in addition to any other remedy, reimbursement for reasonable attorneys' fees, court costs, costs of investigation and other related expenses incurred in connection therewith.
- 2.2.6. The provision of Service will not create a partnership or joint venture between the Company and the Customer nor result in joint Service offerings to their respective Customers.

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- 2.2.7. The rate or volume discount level applicable to a Customer for a particular Service or Services shall be the rate or volume discount level in effect at the beginning of the monthly billing period applicable to the Customer for the particular Service or Services. When a Service is subject to a minimum monthly charge, account charge, port charge or other recurring charge or Nonrecurring Charge for both intrastate and interstate Service, only one such charge shall apply per account and that charge shall be the interstate charge.
- 2.2.8. Service requested by Customer and to be provided pursuant to this Tariff shall be requested on Company Service Order forms in effect from time to time or Customer's forms accepted in writing by an authorized headquarters representative of the Company (collectively referred to as "Service Orders").
- 2.2.9. If an entity other than the company (e.g., another carrier or a supplier) imposes charges on the Company in connection with a Service that entity's charges will be passed through to the Customer also.
- 2.2.10. The Service Commitment Period for any Service shall be established by the Service Order relevant thereto and commence on the Start of Service Date. Upon expiration, each Service Commitment Period for such Service shall automatically be extended subject to written notice of termination by either Company or Customer as of a date not less than thirty (30) days after delivery of said notice to the other. The charges for Interexchange Service during any such extension shall not exceed the then current Company month-to-month charges applicable to such Service.

### 2.3. Liability

- 2.3.1. Except as provided otherwise in this Tariff, the Company shall not be liable to Customer or any other person, firm or entity for any failure of performance hereunder if such failure is due to any cause or causes beyond the reasonable control of the Company. Such causes shall include, without limitation, acts of God, fire, explosion, vandalism, cable cut, storm or other similar occurrence, any law, order, regulation, direction, action or request of the United States government or of any other government or of any civil or military authority, national emergencies, insurrections, riots, wars, strikes, lockouts or work stoppages or other labor difficulties, supplier failures, shortages, breaches or delays, or preemption of existing Services to restore service in compliance with Part 64, Subpart D, Appendix A, of the FCC's Rules and Regulations.
- 2.3.2. With respect to the Services contained herein and except as otherwise provided herein, the Company's liability shall not exceed an amount equal to the charge applicable to a one minute Call to the Called Station at the time the affected Call was made. If the initial minute rate is higher than the additional minute rate, the higher rate shall apply. For those Services with monthly recurring charges, the Company's liability is limited to an amount equal to the proportionate monthly recurring charges for the period during which Service was affected.
- 2.3.3. The Company is not liable for any act or omission of any other company or companies (including any Company affiliate that is a participating or concurring carrier) furnishing a portion of the Service or facilities, equipment, or Services associated with such Service.

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- 2.3.4. The Customer is responsible for taking all necessary legal steps for interconnecting the Customer provided terminal equipment with the Company facilities. The Customer shall ensure that the signals emitted into the Company's network do not damage Company equipment, injure personnel or degrade Service to other Customers. The Customer is responsible for securing all licenses, permits, rights-of-way, and other arrangements necessary for such interconnection. In addition, the customer shall comply with applicable LEC signal power limitations.
- 2.3.5. The Company may rely on Local Exchange Carriers or other third parties for the performance of other Services such as Local Access. Upon Customer request and execution and delivery of appropriate authorizing documents, the Company may act as agent for Customer in obtaining such other Services. Customer's liability for charges hereunder shall not be reduced by untimely installation or non-operation of Customer provided facilities and equipment.
- 2.3.6. The failure to give notice of default, to enforce or insist upon compliance with any of the terms or conditions herein, the waiver of any term or conditions herein, or the granting of an extension of time for performance by the Company or the Customer shall not constitute the permanent waiver of any term or condition herein. Each of the provisions shall remain at all time in full force and effect until modified in writing.
- 2.3.7. The Company shall not be liable to the Customer or any other person, firm or entity in any respect whatsoever as a result of mistakes, accidents, errors, omissions, interruptions, delays, or defects in Service (collectively "Defects"). Defects caused by or contributed to, directly or indirectly, by any act or omission of Customer or its customers, affiliates, agents, representatives, invitees, licensees, successors or assigns or which arise from or are caused by the use of facilities or equipment of Customer or related parties shall not result in the imposition of any liability whatsoever upon the Company, and Customer shall pay to the Company any reasonable costs, expenses, damages, fees or penalties incurred by the Company as a result thereof, including penalties incurred by the Company as a result thereof, including costs of Local Access Providers' labor and materials. In addition, all or a portion of the Service may be provided over facilities of third parties, or sold by third parties, and the Company shall not be liable to Customer or any other person, firm or entity in any respect whatsoever arising out of Defects caused by such third parties. THE COMPANY SHALL NOT BE LIABLE FOR ANY DIRECT, INDIRECT, CONSEQUENTIAL, SPECIAL, ACTUAL, PUNITIVE OR ANY OTHER DAMAGES, OR BUSINESS INTERRUPTION, FOR ANY LOST PROFITS OF ANY KIND OR NATURE WHATSOEVER ARISING OUT OF ANY DEFECTS OR ANY OTHER CAUSE. THE COMPANY'S LIABILITY, IF ANY, WITH REGARD TO THE DELAYED INSTALLATION OF THE COMPANY'S FACILITIES OR COMMENCEMENT OF SERVICE SHALL NOT EXCEED \$1,000. THIS WARRANTY AND THESE REMEDIES ARE EXCLUSIVE AND IN LIEU OF ALL OTHER WARRANTIES OR REMEDIES, WHETHER EXPRESS, IMPLIED OR STATUTORY, INCLUDING WITHOUT LIMITATION IMPLIED WARRANTIES OF MERCHANTABILITY AND FITNESS FOR A PARTICULAR PURPOSE. IN THE EVENT OF AN INTERRUPTION IN SERVICE OR ANY DEFECT IN THE SERVICE WHATSOEVER, NEITHER COMPANY NOR ANY AFFILIATED OR UNAFFILIATED THIRD PARTY, THIRD PARTY PROVIDER OR OPERATOR OF FACILITIES EMPLOYED IN THE PROVISION OF THE SERVICE SHALL BE LIABLE FOR ANY DIRECT, INDIRECT, CONSEQUENTIAL, SPECIAL, ACTUAL, PUNITIVE OR ANY OTHER DAMAGES, OR FOR ANY LOST PROFITS OF ANY KIND OR NATURE WHATSOEVER.

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- 2.3.8. With respect to the routing of Calls by the Company to public safety answering points or municipal Emergency Service providers, Company liability, if any, will be limited to the lesser of: (a) the actual monetary damages incurred and proved by the Customer as the direct result of the Company's action, or failure to act, in routing the Call, or (b) the sum of \$1,000.00.
- 2.3.9. In the event parties other than Customer (e.g., Customer's customers) shall have use of the Service directly or indirectly through Customer, then Customer agrees to forever indemnify and hold Company and any affiliated or unaffiliated third-party, third-party provider or operator of facilities employed in provision of the Service harmless from and against any and all claims, demands, suits, actions, losses, damages, assessments or payments which may be asserted by said parties arising out of or relating to any Defects.
- 2.3.10. In the event that Company is required to perform a Circuit redesign due to inaccurate information provided by the Customer; or, circumstances in which such costs and expenses are caused by the Customer or reasonably incurred by the Company for the benefit of the Customer, the Customer is responsible for the payment of all such charges.
- 2.4. Cancellation of Service by a Customer
- 2.4.1. If a Customer cancels a Service Order before the Service begins, before completion of the Minimum Period, or before completion of some other period mutually agreed upon by the Customer and the Company, a charge will be levied upon the Customer for the nonrecoverable portions of expenditures or liabilities incurred expressly on behalf of the Customer by the Company and not fully reimbursed by Installation and monthly charges. If, based on a Service order by a Customer, any construction has either begun or been completed, but no Services provided, the nonrecoverable costs of such construction shall be borne by the Customer.
- 2.4.2. Upon thirty (30) days' prior written notice, either Customer or Company shall have the right, without cancellation charge or other liability, to cancel the affected portion of the Service, if the Company is prohibited by governmental authority from furnishing said portion, or if any material rate or term contained herein and relevant to the affected Service is substantially changed by order of the highest court of competent jurisdiction to which the matter is appeal, the Federal Communications Commission, or other local, state or federal government authority.
- 2.5. Cancellation for Cause by the Company
- 2.5.1. Upon nonpayment of any sum owing to the Company, or upon a violation of any of the provisions governing the furnishing of Service under this Tariff, the Company may, upon five business days written notification to the Customer, except in extreme cases, without incurring any liability, immediately discontinue the furnishing of such Service. The written notice may be separate and apart from the regular monthly bill for service. Customer shall be deemed to have canceled Service as of the date of such disconnection and shall be liable for any cancellation charges set forth in this Tariff.

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- 2.5.2. Without incurring any liability, the Company may discontinue the furnishing of Service(s) to a Customer upon five business days written notice if the Company deems that such action is necessary to prevent or to protect against fraud or to otherwise protect its personnel, agents, facilities or Services under the following circumstances, except under extreme cases where the customer may be disconnected immediately and without notice:
- 2.5.2.A. if the Customer refuses to furnish information to the Company regarding the Customer's credit-worthiness, its past or current use of common carrier communications Services or its planned use of Service(s);
- 2.5.2.B. if the Customer provides false information to the Company regarding the Customer's identity, address, credit-worthiness, past or current use of Customer communications Services, or its planned use of the Company Service(s);
- 2.5.2.C. if the Customer states that it will not comply with a request of the Company for reasonable security for the payment for Service(s);
- 2.5.2.D. if the Customer has been given five business days written notice in a separate mailing by the Company of any past due amount (which remains unpaid in whole or in part) for any of the Company's communications Services to which the Customer either subscribes or had subscribed or used;
- 2.5.2.E. in the event of unauthorized use.
- 2.5.2.F. Following the disconnection of service for any of these reasons, the Company or the local exchange utility acting as Company agent, will notify the telephone user/customer that service was disconnected and why. The notice will include all reasons for the disconnection and will include a toll-free number where an end user/customer can obtain additional information. Notice shall be deemed given upon deposit, postage prepaid, in the U.S. Mail to the end user's/customer's last known address and in compliance with the Commission's rules.
- 2.5. The discontinuance of Service(s) by the Company pursuant to this Section does not relieve the Customer of any obligations to pay the Company for charges due and owing for Service(s) furnished up to the time of discontinuance. The remedies set forth herein shall not be exclusive and the Company shall at all times be entitled to all rights available to it under either law or equity.
- 2.6. Credit Allowance
- 2.6.1. Credit allowance for the interruption of Service is subject to the general liability provisions set forth in this Tariff. Customers shall receive no credit allowance for the interruption of service which is due to the Company's testing or adjusting, negligence of the Customer, or to the failure of channels or equipment provided by the Customer. The Customer should notify the Company when the Customer is aware of any interruption in Service for which a credit allowance is desired. Before giving such notice, the Customer shall ascertain that the trouble is not being caused by any

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action or omission within Customer's control, or is not in wiring or equipment, if any, furnished by the Customer in connection with the Company's Services.

- 2.6.2. No credit is allowed in the event service must be interrupted in order to provide routine service quality or related investigations.
- 2.6.3. No credit shall be allowed:
- 2.6.3.A. For failure of services or facilities of Customer; or
- 2.6.3.B. For failure of services or equipment caused by the negligence or willful acts of Customer.
- 2.6.4. Credit for an interruption shall commence after Customer notifies Company of the interruption and ceases when services have been restored.
- 2.6.5. Credits are applicable only to that portion of Service interrupted.
- 2.6.6. For purposes of credit computation, every month shall be considered to have 720 hours.
- 2.6.7. No credit shall be allowed for an interruption of a continuous duration of less than two hours.
- 2.6.8. The Customer shall be credited for an interruption of two hours or more at a rate of 1/720th of the monthly recurring charge for the service affected for each hour or major fraction thereof that the interruption continues. Calculations of the credit shall be made in accordance with the following formula.

Credit Formula:

$$\text{Credit} = \frac{A}{720} \times B$$

\*A\* = outage time in hours

\*B\* = total monthly charge for affected facility

2.7. Use of Service

- 2.7.1. The Services offered herein may be used for any lawful purpose, including residential, business, governmental, or other use. There are no restrictions on sharing or resale of Services. However, the Customer remains liable for all obligations under this Tariff notwithstanding such sharing or resale and regardless of the Company's knowledge of same. The Company shall have no liability to any person or entity other than the Customer and only as set forth in Section 2.3. The Customer shall not use nor permit others to use the Service in a manner that could interfere with Services provided to others or that could harm the facilities of the Company or others.
- 2.7.2. Service furnished by the Company may be arranged for joint use or authorized use. The joint user or Authorized User shall be permitted to use such Service in the same manner as the Customer, but subject to the following:

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- 2.7.2.A. One joint user or Authorized User must be designated as the Customer.
- 2.7.2.B. All charges for the Service will be computed as if the Service were to be billed to one Customer. The joint user or Authorized User which has been designated as the Customer will be billed for all components of the Service and will be responsible for all payments to the Company. In the event that the designated Customer fails to pay the Company, each joint user or Authorized User shall be liable to the Company for all charges incurred as a result of its use of the Company's Service.
- 2.7.3. In addition to the other provisions in this Tariff, Customers reselling Company Services shall be responsible for all interaction and interface with their own subscribers or customers. The provision of the Service will not create a partnership or joint venture between Company and Customer nor result in a joint communications Service offering to the Customers of either the Company or the Customer.
- 2.7.4. Service furnished by the Company shall not be used for any unlawful or fraudulent purposes.
- 2.7.5. The Customer will be billed directly by the LEC for certain Dedicated Access arrangements selected by the Customer for the provisioning of direct access arrangements. In those instances where the Company at the Customer's request may act as agent in the ordering of such arrangements, the Company will bill the Customer Local Access charges.
- 2.8. Payment Arrangements
- 2.8.1. The Customer is responsible for payment of all charges for Services furnished to the Customer or its joint or Authorized Users. This responsibility is not changed due to any use, misuse, or abuse of the Customer's Service or Customer provided equipment by third parties, the Customer's employees, or the public.
- 2.8.2. The Company's bills are due upon receipt. Amounts not paid within 30 days from the Bill Date of the invoice will be considered past due. Customers will be assessed a late fee on past due amounts in the amount not to exceed the maximum lawful rate under applicable state law. If a Customer presents an undue risk of nonpayment at any time, the Company may require that Customer to pay its bills within a specified number of days and to make such payments in cash or the equivalent of cash.
- 2.8.3. In determining whether a Customer presents an undue risk of nonpayment, the Company shall consider the following factors: (A) the Customer's payment history (if any) with the Company and its affiliates, (B) Customer's ability to demonstrate adequate ability to pay for the Service, (C) credit and related information provided by Customer, lawfully obtained from third parties or publicly available, and (D) information relating to Customer's management, owners and affiliates (if any).
- 2.8.4. Disputes with respect to charges must be presented to the Company in writing within thirty days from the date the invoice is rendered or such invoice will be deemed to be correct and binding on the Customer.

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- 2.8.5. If a LEC has established or establishes a Special Access surcharge, the Company will bill the surcharge beginning on the effective date of such surcharge for Special Access arrangements presently in Service. The Company will cease billing the Special Access surcharge upon receipt of an Exemption Certificate or if the surcharge is removed by the LEC.
- 2.8.6. In the event the Company incurs fees or expenses, including attorney's fees, in collecting, or attempting to collect, any charges owed the Company, the Customer will be liable to the Company for the payment of all such fees and expenses reasonably incurred.
- 2.8.7. Company will not require deposits or advance payments by Customers for Services.
- 2.9. Assignment
- 2.9.1. The obligations set forth in this Tariff shall be binding upon and inure to the benefit of the parties hereto and their respective successors or assigns, provided, however, the Customer shall not assign or transfer its rights or obligations without the prior written consent of the Company.
- 2.10. Taxes
- 2.10.1. All state and local taxes (i.e., gross receipts tax, sales tax, municipal utilities tax) are listed as separate line items and are not included in the quoted rates.
- 2.10.2. If at any future time a municipality acquires the legal right to impose an occupation tax, license tax, permit fee, franchise fee or other similar charge upon the Carrier, and imposes the same by ordinance or otherwise, such taxes, fees or charges shall be billed to the end users receiving service within the territorial limits of such municipality. Such billing shall allocate the tax, fee or charge among end users uniformly on the basis of each end user's monthly charges for the types of service made subject to such tax, fee or charge.
- 2.10.3. If at any future time a county or other local taxing authority acquires the legal right to impose an occupation tax, license tax, permit fee, franchise fee or other similar charge upon the Carrier, and imposes the same by ordinance or otherwise, such taxes, fees or charges shall be billed to the end users receiving service within the territorial limits of such county or other taxing authority. Such billing shall allocate the tax, fee or charge among end users uniformly on the basis of each end user's monthly charges for the types of service made subject to such tax, fee or charge.
- 2.10.4. When utility or telecommunications assessments, franchise fees, or privilege, license, occupational, excise, or other similar taxes or fees, based on interstate or intrastate receipts are imposed by certain taxing jurisdictions upon the Company or upon local exchange companies and passed on to the Company through or with interstate or intrastate access charges, the amounts of such taxes or fees will be billed to Customers in such a taxing jurisdiction on a prorated basis. The amount of charge that is prorated to each Customer's bill is determined by the interstate or intrastate telecommunications service provided to and billed to an end user/customer service location in such a taxing jurisdiction with the aggregate of such charges equal to the amount of the tax or fee imposed upon or passed on to the Company.

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2.11. Method for Calculation of Airline Mileage

- 2.11.1. The airline mileage between two cities can be calculated using the Vertical (V) and Horizontal (H) coordinates of the serving wire centers associated with the Company's POP locations. The method for calculating the airline mileage is obtained by reference to AT&T's Tariff F.C.C. No. 10 in accordance with the following formula:

$$\text{the square root of: } \frac{(V_1 - V_2)^2 + (H_1 - H_2)^2}{10}$$

where V1 and H1 correspond to the V&H coordinates of City 1 and V2 and H2 correspond to the V&H coordinates of City 2.

Example:		<u>V</u>	<u>H</u>
	City 1	5004	1406
	City 2	5987	3424

$$\text{the square root of: } \frac{(5004 - 5987)^2 + (1406 - 3424)^2}{10}$$

The result is 709.83 miles. Any fractional miles are rounded to the next higher whole number; therefore, the airline mileage for this example is 710 miles.

2.12. Time of Day Rate Periods

- 2.12.1. Time of Day Rate Periods are determined by the time of day at the location of the Calling Station.

The rates shown in Section 4 apply as follows:

DAY:	From 8:01 AM to 5:00 PM Monday - Friday
EVENING:	From 5:01 PM to 11:00 PM Monday - Friday and Sunday
NIGHT/ WEEKEND:	From 11:01 PM to 8:00 AM Everyday From 8:01 AM to 11:00 PM Saturday From 8:01 AM to 5:00 PM Sunday

2.13. Special Customer Arrangements

- 2.13.1. In cases where a Customer requests a special or unique arrangement which may include engineering, conditioning, installation, construction, facilities, assembly, purchase or lease of facilities and/or other special Services not offered under this Tariff, the Company, at this option, may provide the requested Services. Appropriate recurring charges and/or Nonrecurring Charges and other terms and conditions will be developed for the Customer for the provisioning of such arrangements.

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2.14. Inspection

- 2.14.1. The Company may, upon notice, make such tests and inspections as may be necessary to determine that the requirements of this Tariff are being complied with in the installation, operation or maintenance of Customer or the Company equipment. The Company may interrupt the Service at any time, without penalty to the Company, should Customer violate any provision herein.

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3. DESCRIPTION OF SERVICES

3.1. Wide Area ("WATS") and Message ("MTS") Toll Services

3.1.1. The Company offers WATS and MTS intrastate interexchange long distance service utilizing switched or dedicated access arrangements between the Customer's Premises and the Company's facilities for call origination. Call termination is completed through a combination of Company facilities and LEC switched access arrangements.

3.2. Switched Inbound Service

3.2.1. Switched inbound service permits inward calling (via 800 codes) to a specific location utilizing premium switched, Feature Group D access on both ends.

3.3. Dedicated Inbound Service

3.3.1. Dedicated inbound service permits inward calling (via 800 codes) to a specific location featuring the use of a dedicated, special access type connection on the terminating end. The Customer shall be responsible for all LEC charges in addition to the Recurring, Non-recurring and Usage charges set forth hereinafter.

3.4. Switched Outbound Service

3.4.1. Switched outbound services permits outward calling utilizing premium switched Feature Group D access on both the originating and terminating ends.

3.5. Dedicated Outbound Service

3.5.1. Dedicated outbound service permits outward calling to stations in diverse service areas. Dedicated outbound service is distinguished from other services by the existence of a dedicated, special access connection on one end. The Customer shall be responsible for all LEC charges in addition to the Recurring, Non-recurring and Usage charges set forth hereinafter.

3.6. Calling Card Service

3.6.1. The Company's Calling Card Service permits Customers to place long distance calls utilizing Company issued Calling Cards for billing purposes.

3.7. Timing of Calls

3.7.1. Long distance usage charges are based on the actual usage of the Company network. Chargeable time begins when a connection is established between the Calling Station and the Called Station. Chargeable time ends when either party "hangs up" thereby releasing the network connection.

3.7.2. Unless otherwise specified in this Tariff, the minimum call duration for billing purposes is eighteen (18) seconds. In addition, unless otherwise specified in this Tariff, usage is measured thereafter in six (6) second increments and rounded to the next higher six (6) second period.

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3.8. Minimum Call Completion Rate

- 3.8.1. A Customer can expect a call completion rate of not less than 90% during peak use periods for all Feature Group D services.

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4. RATES AND CHARGES4.1. Usage Rates

4.1.1. The following are the maximum usage charges which apply to all calls. These charges are in addition to the Non-recurring Charges and Recurring Charges referred to herein.

4.2. Switched Inbound Usage Rates

4.2.1. Switched inbound service permits inward calling (via 800 or 888 codes) to a specific location utilizing premium switched, Feature Group D access on both ends.

**BUSINESS DAY**  
**EVENING/NIGHT/WEEKEND**

Mileage	Initial 18 Seconds	Additional 6 Seconds
0 - 292	\$0.0447	\$0.0149
293 - 430	\$0.0447	\$0.0149
430 +	\$0.0447	\$0.0149

4.2.2. Customers will receive the following discounts on base tariff rates when executing term or volume commitments:

**DISCOUNTS**

VOLUME	1 YEAR TERM
\$500 - \$999	2.7%
\$1,000 - \$1,499	4.1%
\$1,500 - \$2,999	13.6%
\$3,000 - \$3,999	14.5%
OVER \$4,000	16.1%

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4.3. Dedicated Inbound 800 Usage Rates

- 4.3.1 Dedicated inbound service permits inward calling (via 800 or 888 codes) to a specific location featuring the use of a dedicated, special access type connection on the terminating end. Customers will be responsible for all applicable local loop charges.

**BUSINESS DAY**  
**EVENING/NIGHT/WEEKEND**

Mileage	Initial 18 Seconds	Additional 6 Seconds
0 - 292	\$0.03948	\$0.01316
293 - 430	\$0.03948	\$0.01316
431 +	\$0.03948	\$0.01316

- 4.3.2. Customers will receive the following discounts on base tariff rates when executing term or volume commitments:

**DISCOUNTS**

VOLUME	1 YEAR TERM
\$5,000 - \$9,999	7.2%
\$10,000 - \$19,999	24.8%
\$20,000 - \$29,999	32.4%
\$30,000 - \$49,999	36.5%
OVER \$50,000	40%

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4.4. Switched Outbound Usage Rates

- 4.4.1. Switched outbound services permits outward calling utilizing premium switched Feature Group D access on both the originating and terminating end

**BUSINESS DAY  
EVENING/NIGHT/WEEKEND**

Mileage	Initial 18 Seconds	Additional 6 Seconds
0 - 292	\$0.0447	\$0.0149
293 - 430	\$0.0447	\$0.0149
431 -	\$0.0447	\$0.0149

- 4.4.2. Customers will receive the following discounts on base tariff rates when executing term or volume commitments:

**DISCOUNTS**

VOLUME	1 YEAR TERM
\$500 - \$999	2.7%
\$1,000 - \$1,499	4.1%
\$1,500 - \$2,999	13.4%
\$3,000 - \$3,999	14.5%
OVER \$4,000	16.1%

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4.5. Dedicated Outbound Usage Rates

- 4.5.1. Dedicated outbound service permits outward calling to stations in diverse service areas. Dedicated outbound service is distinguished from other services by the existence of a dedicated, special access connection on one end.

**BUSINESS DAY**  
**EVENING/NIGHT/WEEKEND**

Mileage	Initial 18 Seconds	Additional 6 Seconds
0 - 292	\$0.03948	\$0.01316
293 - 430	\$0.03948	\$0.01316
431 +	\$0.03948	\$0.01316

- 4.5.2. Customers will receive the following discounts on base tariff rates when executing term or volume commitments:

**DISCOUNTS**

VOLUME	1 YEAR TERM
\$5,000 - \$9,999	7.2%
\$10,000 - \$19,999	24.8%
\$20,000 - \$29,999	32.4%
\$30,000 - \$49,999	36.5%
OVER \$50,000	40%

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4.6. Calling Card Usage Rates

- 4.6.1 The Company's Calling Card Service permits Customers to place long distance calls utilizing Company issued Calling Cards for billing purposes using .
- 4.6.2 Customer may receive a 25% discount under a specific term agreement when such agreement relates to the Company's switched outbound service or switched inbound service.

**BUSINESS DAY  
EVENING/NIGHT/WEEKEND**

Mileage	Initial Minute	Additional Minute
All	\$0.25	\$0.25

4.7. Recurring Charges

- 4.7.1. Customers will incur the following monthly Recurring Charges:

	<u>SWITCHED ACCESS</u>	<u>DEDICATED ACCESS</u>
Per 800 Number	\$5.00	\$5.00
Accounting Codes(non-verified)	N/C	N/C
Authorization Codes/BTN (verified)	N/C	N/C
Authorization Code change/add/delete	N/C	N/C
Monthly Recurring Charge Per T-1	N/C	\$25.00
Monthly Service Fee	\$3.00	\$3.00

4.8. Non-recurring Charges

- 4.8.1. Customers will incur the following Non-recurring Charges:

	<u>SWITCHED ACCESS</u>	<u>DEDICATED ACCESS</u>
Per 800 Number	N/C	N/C
Accounting Codes(non-verified)	N/C	N/C
Authorization Codes/BTN (verified)	\$25.00	N/C
Authorization Code change/add/delete	N/C	N/C
Set and Installation Charge	N/C	N/C

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4.9. Special Promotional Offering

4.9.1. The Company may from time to time engage in Special Promotional Offerings or Trial Service Offerings limited to certain dates, times or locations designed to attract new subscribers or increase subscriber usage when approved by Commission. Company will not have special promotional offerings for more than 90 days in any 12 month period. In all such cases, the rates charged will not exceed those specified in Section 4 hereof.

4.10. Emergency Calls

4.10.1. Customer shall configure its PBX or other switch vehicle from which a customer places a call so that 911 emergency calls, where available, and similar emergency calls will be automatically routed to the emergency answering point for the geographical location where the call originated without the intervention of Company.

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**EARLY, LENNON, PETERS  
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South Dakota  
Public Utilities Commission  
State Capitol 500 E. Capitol  
Pierre, SD 57501-5070  
Phone: (800) 332-1782  
Fax: (605) 773-3809

## TELECOMMUNICATIONS SERVICE FILINGS

These are the telecommunications service filings that the Commission has received for the period of:

**06/20/97 through 06/26/97**

If you need a complete copy of a filing faxed, overnight expressed, or mailed to you, please contact Delaine Kolbo within five days of this filing.

DOCKET NUMBER	TITLE/STAFF/SYNOPSIS	DATE FILED	INTERVENTION DEADLINE
<b>REQUEST FOR CERTIFICATE OF AUTHORITY</b>			
TC97-106	Application by Call Plus, Inc. for a Certificate of Authority to operate as a telecommunications company within the state of South Dakota. (Staff: TS/CH) "Applicant is a switchless reseller which intends to offer 1+ direct dialing, 800 toll free and travel card service (not prepaid calling cards) through the resale of telephone services provided by facilities-based interexchange carriers."	06/20/97	07/11/97
TC97-110	Application by MFS Network Technologies, Inc. for a Certificate of Authority to operate as a telecommunications company within the state of South Dakota. (Staff: DJ/TZ)	06/25/97	07/11/97
<b>TC97-111</b>	Application by Z-Tel, Inc. for a Certificate of Authority to operate as a telecommunications company within the state of South Dakota. (Staff: TS/TZ) Applicant seeks authority to provide MTS, out-WATS, in-WATS, and calling card services. Applicant does not intend to provide operator services, 900 or 700 services.	06/25/97	07/11/97
TC97-112	Application by CapRock Communications Corp. for a Certificate of Authority to operate as a telecommunications company within the state of South Dakota. (Staff: TS/TZ) Applicant seeks authority to provide Message Toll Service, Incoming 800, Travel Card and Prepaid Calling Card services.	06/25/97	07/11/97
<b>REQUEST FOR ELIGIBLE TELECOMMUNICATIONS COMPANY STATUS</b>			
TC97-108	Faith Municipal Telephone Company pursuant to 47 U.S.C. 214(e) and 47 CFR 54.201 hereby seeks designation as an eligible telecommunications carrier within the local exchange areas that constitute its service area in South Dakota. Faith Municipal Telephone Company is the facilities-based local exchange carrier presently providing local exchange telecommunications services in the following exchange: Faith (967). Faith Municipal Telephone Company, to its knowledge, is the only carrier today providing local exchange telecommunications services in the above identified exchange areas. (Staff: HB/KC)	06/23/97	07/11/97
TC97-113	Armour Independent Telephone Company pursuant to 47 U.S.C. 214(e) and 47 CFR 54.201 hereby seeks designation as an eligible telecommunications carrier within the local exchange areas that constitute its service area in South Dakota. Armour Independent Telephone Company is the facilities-based local exchange carrier presently providing local exchange telecommunications services in the following exchange: Armour (724). Armour Independent Telephone Company, to its knowledge, is the only carrier today providing local exchange telecommunications services in the above identified exchange areas. (Staff: HB/CH)	06/25/97	07/11/97

TC97-114	Bridgewater-Canistota Independent Telephone Company pursuant to 47 U.S.C. 214(e) and 47 CFR 54.201 hereby seeks designation as an eligible telecommunications carrier within the local exchange areas that constitute its service area in South Dakota. Bridgewater-Canistota Independent Telephone Company is the facilities-based local exchange carrier presently providing local exchange telecommunications services in the following exchanges: Bridgewater (729) and Canistota (296). Bridgewater-Canistota Independent Telephone Company, to its knowledge, is the only carrier today providing local exchange telecommunications services in the above identified exchange areas. (Staff: HB/CH)	06/25/97	07/11/97
TC97-115	Union Telephone Company pursuant to 47 U.S.C. 214(e) and 47 CFR 54.201 hereby seeks designation as an eligible telecommunications carrier within the local exchange areas that constitute its service area in South Dakota. Union Telephone Company is the facilities-based local exchange carrier presently providing local exchange telecommunications services in the following exchanges: Hartford (528) and South Hartford (526). Union Telephone Company, to its knowledge, is the only carrier today providing local exchange telecommunications services in the above identified exchange areas. (Staff: HB/CH)	06/25/97	07/11/97
<b>FORMAL COMPLAINT</b>			
TC97-107	Kathy Rottenbucher vs. Stateline Telecommunications, Inc. "I specifically requested and insisted on an unpublished address Stateline furnished and provided U S WEST this information for [the] Northern Hills and Surrounding Areas...I want proof of written reprimands for all parties, I want proof they made changes to avoid future incidents, I want access to Board of Directors, and I want one thousand dollars for violation of trust, confidence, .... and for emotional and mental anguish and duress, and inconvenience." (LH/TZ)	06/23/97	NA
<b>FILING OF INFORMATIONAL INTRASTATE PAYPHONE TARIFFS</b>			
No	East Plains Telecom, Inc. on June 13, 1997.	NA	NA

**Important Notice:** The Commission is compiling a list of internet addresses. If you have an internet address please notify the Commission by E-mailing it to Terry Neum at [terryne@public.state.sd.us](mailto:terryne@public.state.sd.us) Faxing the address to the Commission at 605-773-3809



EARLY, LENNON, PETERS & CROCKER, P.C.

ATTORNEYS AT LAW  
900 COMERICA BUILDING  
KALAMAZOO, MICHIGAN 49007-4752  
TELEPHONE (616) 381-8844  
FAX (616) 349-8525

RECEIVED

JUL 29 1997

SOUTH DAKOTA PUBLIC  
UTILITIES COMMISSION

OF COUNSEL  
VINCENT T. EARLY  
HON. C.H. MULLEN  
THOMPSON BENNETT  
JOSEPH J. BURGIL  
(1928 - 1962)

GEORGE H. LENNON  
JOHN T. PETERS, JR.  
DAVID G. CROCKER  
HAROLD E. FISCHER, JR.  
LAWRENCE M. BRENTON  
GORDON C. MILLER  
BLAKE D. CROCKER  
ROBERT M. TAYLOR  
PATRICK D. CROCKER  
ANDREW J. VORBRICH\*  
NICOLETTE G. HAHN\*\*  
ROBERT G. LENNON\*\*\*

\*Also admitted in Iowa.  
\*\*Also admitted in California and North Carolina.  
\*\*\* Also admitted in New York, Illinois, and Washington, D.C.

July 28, 1997

Ms. Tammi Stangoehr  
South Dakota Public Utilities Commission  
State Capitol Building  
500 East Capitol Avenue  
Pierre, South Dakota 57501-5070

Re: Z-TEL, INC.  
SD PUC Docket: TC 97-111

Dear Ms. Stangoehr:

Pursuant to our telephone conversation enclosed herewith please find an original and 10 copies of the corrected Application page.

Should you have any questions, please contact me.

Very truly yours,

EARLY, LENNON, PETERS & CROCKER, P.C.

Patrick D. Crocker  
PDC/jdt

*Put this corrected page in Application.*



(d) A list of the names and addresses of Applicant's current Officers and

Board of Directors:

Tom C. Chubokas  
4403 S.E. 16th Place, Suite #1  
Cape Coral, Florida 33904

James C. Watson  
4403 S.E. 16th Place, Suite #1  
Cape Coral, Florida 33904

Tatiana Filippov  
4403 S.E. 16th Place, Suite #1  
Cape Coral, Florida 33904

(e) The names of Applicant's shareholders and numbers of shares held by each:

<u>Shareholder</u>	<u>% Ownership</u>
Tom C. Chubokas	32.8%
James C. Watson	18%
Tatiana Filippov	31%

(f) No corporation, association, or partnership own any interest in Applicant.

(g) Applicant owns or controls no subsidiaries.

(4). Applicant is a corporation organized under the laws of Nevada.

(5). See paragraph 5 of the Application.

(6). See paragraph 6 of the Application.

*Replaced*

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

IN THE MATTER OF THE APPLICATION OF Z- )  
TEL, INC. FOR A CERTIFICATE OF )  
AUTHORITY TO PROVIDE )  
TELECOMMUNICATIONS SERVICES IN )  
SOUTH DAKOTA )

ORDER GRANTING  
CERTIFICATE OF  
AUTHORITY

TC97-111

On June 25, 1997, the Public Utilities Commission (Commission), in accordance with SDCL 49-31-3 and ARSD 20 10 24 02, received an application for a certificate of authority from Z-Tel, Inc. (Z-Tel)

Z-Tel seeks authority to provide MTS, out-WATS, in-WATS, and calling card services. Z-Tel does not intend to provide operator services, 900 or 700 services. A proposed tariff was filed by Z-Tel. The Commission has classified long distance service as fully competitive.

On June 26, 1997, the Commission electronically transmitted notice of the filing and the intervention deadline of July 11, 1997, to interested individuals and entities. No petitions to intervene or comments were filed and at its regularly scheduled August 18, 1997, meeting, the Commission considered Z-Tel's request for a certificate of authority. Commission Staff recommended granting a certificate of authority, subject to the condition that Z-Tel not offer a prepaid calling card or require deposits or advance payments without prior approval of the Commission.

The Commission finds that it has jurisdiction over this matter pursuant to Chapter 49-31, specifically 49-31-3 and ARSD 20 10 24 02 and 20 10 24 03. The Commission finds that Z-Tel has met the legal requirements established for the granting of a certificate of authority. Z-Tel has, in accordance with SDCL 49-31-3, demonstrated sufficient technical, financial and managerial capabilities to offer telecommunications services in South Dakota. The Commission approves Z-Tel's application for a certificate of authority, subject to the condition that Z-Tel not offer a prepaid calling card or require deposits or advance payments without prior approval of the Commission. As the Commission's final decision in this matter, it is therefore

ORDERED, that Z-Tel's application for a certificate of authority is hereby granted effective August 25, 1997, subject to the condition that Z-Tel not offer a prepaid calling card or require deposits or advance payments without prior approval of the Commission. It is

FURTHER ORDERED, that Z-Tel shall file informational copies of tariff changes with the Commission as the changes occur.

Dated at Pierre, South Dakota, this 27th day of August, 1997.

**CERTIFICATE OF SERVICE**

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, by facsimile or by first class mail, in properly addressed envelopes, with charges prepaid thereon.

By

Date

(OFFICIAL SEAL)

BY ORDER OF THE COMMISSION

  
JAMES A. BURG, Chairman

  
PAM NELSON, Commissioner

  
LASKA SCHOENFELDER, Commissioner

# SOUTH DAKOTA PUBLIC UTILITIES COMMISSION

## CERTIFICATE OF AUTHORITY

To Conduct Business As A Telecommunications Company  
Within The State Of South Dakota

Authority was Granted August 18, 1997, effective August 25, 1997  
Docket No. TC97-111

*This is to certify that*

**Z-TEL, INC.**

*is authorized to provide telecommunications services in South Dakota.*

This certificate is issued in accordance with SDCL 49-31-3 and ARSD 20:10.24.02, and is subject to all of the conditions and limitations contained in the rules and statutes governing its conduct of offering telecommunications services.

Dated at Pierre, South Dakota, this 27<sup>th</sup> day of August, 1997.

SOUTH DAKOTA PUBLIC  
UTILITIES COMMISSION:



*James A. Burg*  
\_\_\_\_\_  
JAMES A. BURG, Chairmap

*Pam Nelson*  
\_\_\_\_\_  
PAM NELSON, Commissioner

*Laska Schoenfelder*  
\_\_\_\_\_  
LASKA SCHOENFELDER, Commissioner



EARLY, LENNON, PETERS & CROCKER, P.C.

ATTORNEYS AT LAW  
900 COMERICA BUILDING  
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NICOLETTE G. HAHN\*\*\*  
ROBERT G. LENNON\*\*\*

\*Also admitted in Iowa  
\*\*Also admitted in California and North Carolina  
\*\*\*Also admitted in New York, Illinois and Washington, D.C.

RECEIVED

JUN 09 1999

SOUTH DAKOTA PUBLIC  
UTILITIES COMMISSION

OF COUNSEL  
VINCENT T. EARLY  
HON. C. H. MULLEN  
THOMPSON BENNETT

JOSEPH J. BURGE  
(1926-1992)

June 8, 1999

William Bullard, Jr., Executive Director  
South Dakota Public Utilities Commission  
State Capitol Building  
500 East Capitol Avenue  
Pierre, South Dakota 57501-5070

RE: STORMTEL, INC.  
Formerly, Z-TEL, INC.  
Docket No. TC 97-111

Dear Mr Bullard:

The South Dakota Public Utilities Commission ("Commission") authorized Z-TEL, INC. ("Company") to provide telecommunications services on August 18, 1997 in Docket No. TC97-111. The Company filed a tariff establishing the rules, rates, and regulations for the furnishing of service to subscribers within the State of South Dakota. With Commission approval, the Company intends to transact business within South Dakota under the new corporate name of STORMTEL, INC. Attached hereto as Exhibit A is the amended Certificate of Authority to transact business in the State of South Dakota as a foreign corporation under the name STORMTEL, INC.

Enclosed herewith for filing with the Commission as Exhibit B, please find an original and ten (10) copies of the above captioned corporation's tariff pages, as follows:

<u>Revision</u>	<u>Pages</u>
First Revised	1-34
Original	29.1, 31.1

These tariff pages reflect the Company's new corporate name and address; changes the Company's Calling Card Service to a Travel Card Service with a reduction in usage rates; reduces rates for the Switched Inbound and Switched Outbound Service; and adds The Freedom Plan, which includes new Switched Inbound Service and Switched Outbound Service plans.

Also enclosed is an exact duplicate of this letter attached to a copy of all attachments. Please stamp the duplicate received and return same in the self-addressed, stamped envelope.

Should you have any questions, please contact me.

Very truly yours,

EARLY, LENNON, PETERS & CROCKER, P.C.

Patrick D. Crocker  
PDC/pas



EARLY, LENNON, PETERS & CROCKER, P.C.

ATTORNEYS AT LAW  
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KALAMAZOO, MICHIGAN 49007-4752  
TELEPHONE (616) 381-8844  
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RECEIVED

JUN 11 1999

SOUTH DAKOTA PUBLIC  
UTILITIES COMMISSION

GEORGE H. LENNON  
JOHN T. PETERS, JR.  
DAVID G. CROCKER  
HAROLD E. FISCHER, JR.  
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NICOLETTE G. HAHN\*\*  
ROBERT G. LENNON\*\*\*

OF COUNSEL  
VINCENT T. EARLY  
HON. C. H. MULLEN  
THOMPSON BENNETT

JOSEPH J. BURGE  
(1926 - 1992)

\*Also admitted in Iowa

\*\*Also admitted in California and North Carolina

\*\*\*Also admitted in New York, Illinois and Washington, D.C.

June 10, 1999

William Bullard, Jr., Executive Director  
South Dakota Public Utilities Commission  
State Capitol Building  
500 East Capitol Avenue  
Pierre, South Dakota 57501-5070

RE: STORMTEL, INC.  
Formerly, Z-TEL, INC.  
Docket No. TC 97-111

Dear Mr Bullard:

In accordance with staff member request, enclosed herewith, please find the Certificate of Authority issued to Z-TEL, INC. on August 27, 1997. With Commission approval the Company intends to transact business under the new corporate name of STORMTEL, INC.

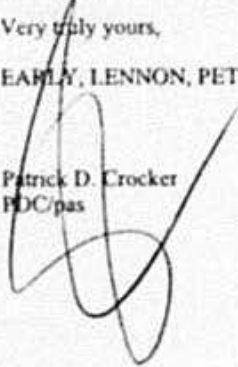
The Company respectfully requests that the Commission issue a new Certificate of Authority under the new corporate name of STORMTEL, INC.

Should you have any questions, please contact the undersigned.

Very truly yours,

EARLY, LENNON, PETERS & CROCKER, P.C.

Patrick D. Crocker  
PDC/pas



BEFORE THE PUBLIC UTILITIES COMMISSION  
OF THE STATE OF SOUTH DAKOTA

IN THE MATTER OF THE APPLICATION OF Z- ) ORDER GRANTING  
TEL, INC. FOR A CERTIFICATE OF ) CERTIFICATE OF  
AUTHORITY TO PROVIDE ) AUTHORITY  
TELECOMMUNICATIONS SERVICES IN )  
SOUTH DAKOTA ) TC97-111

On June 25, 1997, the Public Utilities Commission (Commission), in accordance with SDCL 49-31-3 and ARSD 20:10:24.02, received an application for a certificate of authority from Z-Tel, Inc. (Z-Tel).

Z-Tel seeks authority to provide MTS, out-WATS, in-WATS, and calling card services. Z-Tel does not intend to provide operator services, 900 or 700 services. A proposed tariff was filed by Z-Tel. The Commission has classified long distance service as fully competitive.

On June 26, 1997, the Commission electronically transmitted notice of the filing and the intervention deadline of July 11, 1997, to interested individuals and entities. No petitions to intervene or comments were filed and at its regularly scheduled August 18, 1997, meeting, the Commission considered Z-Tel's request for a certificate of authority. Commission Staff recommended granting a certificate of authority, subject to the condition that Z-Tel not offer a prepaid calling card or require deposits or advance payments without prior approval of the Commission.

The Commission finds that it has jurisdiction over this matter pursuant to Chapter 49-31, specifically 49-31-3 and ARSD 20:10:24.02 and 20:10:24.03. The Commission finds that Z-Tel has met the legal requirements established for the granting of a certificate of authority. Z-Tel has, in accordance with SDCL 49-31-3, demonstrated sufficient technical, financial and managerial capabilities to offer telecommunications services in South Dakota. The Commission approves Z-Tel's application for a certificate of authority, subject to the condition that Z-Tel not offer a prepaid calling card or require deposits or advance payments without prior approval of the Commission. As the Commission's final decision in this matter, it is therefore

ORDERED, that Z-Tel's application for a certificate of authority is hereby granted effective August 25, 1997, subject to the condition that Z-Tel not offer a prepaid calling card or require deposits or advance payments without prior approval of the Commission. It is

FURTHER ORDERED, that Z-Tel shall file informational copies of tariff changes with the Commission as the changes occur.

Dated at Pierre, South Dakota, this 27<sup>th</sup> day of August, 1997.

<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, by facsimile or by first class mail, in properly addressed envelopes, with charges prepaid thereon.</p> <p>By <u>Debbie Kaito</u></p> <p>Date <u>9/2/97</u></p> <p>(OFFICIAL SEAL)</p>
---

BY ORDER OF THE COMMISSION

James A. Burg  
JAMES A. BURG, Chairman

Pam Nelson  
PAM NELSON, Commissioner

Laska Schoenfelder  
LASKA SCHOENFELDER, Commissioner

# SOUTH DAKOTA PUBLIC UTILITIES COMMISSION

## CERTIFICATE OF AUTHORITY

To Conduct Business As A Telecommunications Company  
Within The State Of South Dakota

Authority was Granted August 18, 1997, effective August 25, 1997  
Docket No. TC97-111

*This is to certify that*

**Z-TEL, INC.**

*is authorized to provide telecommunications services in South Dakota.*

This certificate is issued in accordance with SDCL 49-31-3 and ARSD 20:10:24.02, and is subject to all of the conditions and limitations contained in the rules and statutes governing its conduct of offering telecommunications services.

Dated at Pierre, South Dakota, this 27<sup>th</sup> day of August, 1997.

SOUTH DAKOTA PUBLIC  
UTILITIES COMMISSION:



*James A. Burg*  
JAMES A. BURG, Chairman

*Pam Nelson*  
PAM NELSON, Commissioner

*Laska Schoenfelder*  
LASKA SCHOENFELDER, Commissioner



# SOUTH DAKOTA PUBLIC UTILITIES COMMISSION

---

## CERTIFICATE OF AUTHORITY

To Conduct Business As A Telecommunications Company  
Within The State Of South Dakota

Authority was Granted August 18, 1997, to Z-Tel, Inc. Name was changed  
from Z-Tel, Inc. to StormTel, Inc. on June 11, 1999  
Docket No. TC97-111

*This is to certify that*

**STORMTEL, INC.**

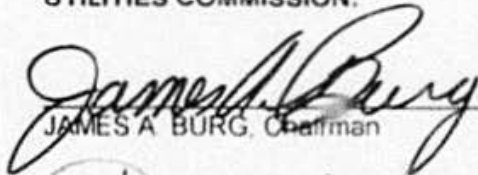
*is authorized to provide telecommunications services in South Dakota.*

This certificate is issued in accordance with SDCL 49-31-3 and ARSD  
20:10:24:02, and is subject to all of the conditions and limitations contained in  
the rules and statutes governing its conduct of offering telecommunications  
services

Dated at Pierre, South Dakota, this 22<sup>nd</sup> day of June, 1999

SOUTH DAKOTA PUBLIC  
UTILITIES COMMISSION:



  
JAMES A. BURG, Chairman

  
PAM NELSON, Commissioner

  
LASKA SCHOENFELDER, Commissioner