	167
1	DOCKET NO.

TC98-195 In the Matter of APPLICATION OF NETWORK BILLING SYSTEMS, L.L.C. FOR A CERTIFICATE PROVIDE TO TELECOMMUNICATIONS SERVICES IN SOUTH DAKOTA

Public Utilities Commission of the State of South Dakota DATE MEMORANDA

Telephone: 253 266 3910 Facilities: 253 266 3912 E-Matt. logottoplan com

RECEIVED

NOV 0.7 1998

SOUTH DAKOTA PUBLIC UTILITIES COMMISSION

VIA OVERNIGHT DELIVERY

29 October, 1998

Mr. William Bullard, Jr. South Dakota Public Utilities Commission State Capitol Building, 1st Floor 500 East Capitol Avenue Pierre, SD 57501-5070

> RE: Network Billing Systems, L.L.C. - Application for a Certificate of Public Convenience and Necessity

Dear Mr. Bullard:

Enclosed are an original and ten (10) copies Network Billing Systems, L.L.C.'s Application for Certificate of Public Convenience and Necessity to provide intrastate long distance telecommunications services within the State of South Dakota. Also enclosed is a check in the amount of \$250.00 to cover the cost of filing.

Please acknowledge receipt of this filing by file-stamping and returning the extra copy of the first page of the application in the self-addressed, stamped envelope provided for this purpose. Questions concerning this filing may be directed to me

Sincerely,

HARBOR CONSULTING GROUP INC.

For Network Billing Systems, L.L.C.

Dan Menser

Enclosures

BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF SOUTH DAKOTA

In the Matter of the Application)		
of Network Billing Systems, L.L.C. for)		
Registration as a Provider of)	No.	
Intrastate Telecommunications)		
Service on a Resold Basis in the)		
State of South Dakota.	_)		

APPLICATION

Network Billing Systems, L.L.C. ("Applicant"), a privately-held corporation, organized under the laws of the State of Nevada, hereby applies for registration as a provider of intrastate telecommunications services within the State of South Dakota on a resold basis, pursuant to SDCL 49-13-3 and ARSD 20:10:24:02. In support of its Application, Applicant provides the following information:

 Section 20:10:24:02(1). Applicant's name, address, telephone number and facsimile number are:

> Network Billing Systems, L.L.C. 155 Willowbrook Boulevard Wayne, New Jersey 07470

Telephone: 973 Facsimile: 973

973.256.2020 973.812.6609

- (2) <u>Section 20:10:24:02(2)</u>. Applicant will provide its service Network Billing Systems, L.L.C.
- (3) Section 20:10:24:02(3)(a). Applicant is a privately-held limited liability company organized under the laws of the State of New Jersey on May 12, 1998. A copy of Applicant's Articles of Formation is attached as Exhibit A.
- (4) <u>Section 20:10:24:02(3)(b)</u>. Applicant will not establish an office in the State of South Dakota. Its current registered agent is:

National Registered Agents, Inc. 300 South Phillips Avenue, Suite 300 Sioux Falls, South Dakota 57102

(5) <u>Section 20:10:24:02(3)(c)</u>. The names, title and address of Applicant's owners and managers are:

> Jonathan Kaufman, Manager 155 Willowbrook Boulevard Wayne, New Jersey 07470

> Jack Quinn, Manager 155 Willowbrook Boulevard Wayne, New Jersey 07470

- (6) Section 20:10:24:02(3)(d). Applicant does not own nor control any subsidiaries.
- (7) Section 20:10:24:03(5). Applicant is a non-facilities-based interexchange telecommunications resale provider proposing to offer outbound, switched access interexchange telecommunications services throughout the State of South Dakota. Applicant's services will be available to customers twenty-four (24) hours per day, seven (7) days per week, at rates, terms and conditions set by Applicant. Applicant does not propose to offer alternative operator services.

All network facilities are the property of, and controlled by Applicant's underlying carrier, MCIWorldcom. Applicant's local access is provided as part of the network services purchased from Applicant's underlying carriers.

Applicant offers outbound, switched access calling card services designed primarily for small business customers. Applicant's services are meant to compete directly with services provided by other interexchange carriers authorized to provide such services by the Commission. As a non-facilities-based reseller, Applicant is able to pass on significant savings to its customers, through volume purchase discounts provided by an underlying carrier, enabling customers to obtain attractive interexchange service rates typically unavailable directly from other interexchange carriers or local exchange companies. Applicant is able to provide greater flexibility in billing, customized customer service support, and service consultation, not generally available to Applicant's customers.

- (8) Section 20:10:24:02(6). As a non-facilities-based provider of telecommunications services, Applicant relies solely on the networks of its underlying carriers for local access, switching and transport. Applicant's service will be available twenty-four (24) hours per day, seven (7) days per week.
- (9) <u>Section 20:10:24:02(7)</u>. Applicant's service will be available throughout the entire State of South Dakota. As such, it is not limited by "service boundaries". No map is included, accordingly.
- (10) Section 20:10:24:02(8). Applicant's pro forma balance sheet and income statement are attached as Exhibit B. Applicant will require no additional debt to finance its operations in South Dakota. As a privately-held company, Applicant does not issue an annual report nor report to stockholders. Applicant's terms and conditions of service are include in its tariff, attached as Exhibit C.
- (11) Section 20:10:24:02(9). Correspondence and communications concerning this Application and tariff should be directed to:

Dan Menser Harbor Consulting Group Inc. 4312 92nd Avenue N.W. Gig Harbor, Washington 98335

Telephone: (253) 265-3910

Facsimile: (253) 265-3912

Official point of contact for the ongoing operations of the company and customer complaints inquiries from the Commission is:

> Mr. Jonathan Kaufman Network Billing Systems, L.L.C. 155 Willowbrook Boulevard Wayne, New Jersey 07470

Telephone: 973.256.2020

Facsimile: 973.812.6609

Customers may contact Applicant's customer service department directly at (888) 301.1721.

- (13) Section 20:10:24:02(10). Applicant holds intrastate operating authority in California, Colorado, Illinois, Indiana, Iowa, Massachusetts, Montana, New Jersey, Texas, Utah, and Virginia, and has initiated applications for regulatory authority in the remaining states. In no instance has any of Applicant's applications been suspended or rejected.
- (14) Section 20:10:24:02(11). Applicant markets its services through a network of independent agents. Applicant is solely responsible for development of all marketing material provided to prospective customers. Applicant targets small business customers and does not eneage in multilevel marketing.
- (15) <u>Section 20:10:24:02(12)</u>. Not applicable. Applicant's service is a competitive service.

- (16) Applicant submits the following reasons in support of its belief that the public interest will be served by the approval of this Application:
- (a) Applicant's proposed intrastate services are developed to serve the long distance needs of customers who cannot otherwise realize similar cost savings through major carriers.
- (b) While providing its customers with cost advantages realized by the resale of communications facilities, Applicant's service will necessarily utilize existing carrier communications facilities more efficiently through increased usage and provide greater revenues for local exchange carriers by way of additional access purchase through other carriers.
- (c) Commission approval of this Application will bring the following longterm benefits to the public:
 - greater value to customers through lower priced, better quality services;
 - (ii) innovative telecommunications services:
 - increased consumer choice in telecommunications service and alternative billing options;
 - efficient use of existing telecommunications resources as well as increased diversification and reliability in the supply of telecommunications services;
 - (v) an additional tax revenue source for the State of South Dakota; and
 - (vi) additional access revenues to local exchange providers.

WHEREFORE, Business Calling Plan, Inc. respectfully requests the South Dakota Public Utilities Commission grant Certificate of Public Convenience and Necessity authorizing the provision of competitive intrastate telecommunications resale services within the State of South Dakota.

Respectfully submitted this 15 day of Delater . 1998

Network Billing Systems, L.L.C.

By: / //9

Jonathan Kaufman, Manager 155 Willowbrook Boulevard Wayne, New Jersey 07470

Telephone: 973.256.2020 Facsimile: 973.812.6609

Harbor Consulting Group Inc. 4312 92nd Avenue N.W. Gig Harbor, Washington 98335 (253) 265-3910

Applicant's Regulatory Consultants

VERIFICATION OF APPLICANT

STATE OF NEW JERSEY)	
) ss.	
COUNTY OF PASSAIC)	

I, Jonathan Kaufman, being first duly sworn and deposed, state that I am Manager of Network Billing Systems, L.L.C., the Applicant in the proceeding entitled above, that I have read the foregoing application and know the contents thereof, and as to those matters that are therein stated on belief, I believe them to be true.

Jonathan Kaufman

Subscribed and swom to before me this Land and of DCIOBER

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ROLLE 3H 440

NOTATE THE OF THE STANDARD STANDA

STATE OF NEW JERSEY

WAYNE, N5 07470

VERIFICATION OF APPLICANT

) ss.

	COUNTY OF PASSAIC)
	I, Jonathan Kaufman, being first duly sworn and deposed, state that I am Manager of Netwo
	Billing Systems, L.L.C., the Applicant in the proceeding entitled above, that I have read the
	foregoing application and know the contents thereof, and as to those matters that are there
	stated on belief, I believe them to be true.
	Jonathan Kaufman
	Subscribed and sworn to before me this 1 day of OCTOBER , 1998.
1	RODAL S SH AND NOTAKY PUBLIC ST SEW JERSEY UN COMMISSION SEM SEM SERVEY 2003
	Notary Public in and for the State of New Jersey,
	residing at:
	1551

BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF SOUTH DAKOTA

In the Matter of the Application)		
of Network Billing Systems, L.L.C. fe	or)		
Registration as a Provider of)	No	_
Intrastate Telecommunications)		
Service on a Resold Basis in the)		
State of South Dakota.)		
	LIST OF	EXHIBITS	
EMINDE .	c.p.		
EXHIBIT A Articles	of Format	ion	

Financial Statements

EXHIBIT C Proposed Tariff

EXHIBIT B

EXHIBIT D Certificate of Authority

EXHIBIT A

ARTICLES OF FORMATION

(Attached)

CERTIFICATE OF FORMATION

MAY 12 1998

TONNA R. HOOKS Secretary of State

The undersigned, in accordance with the provisions of Section 42:2B-11 of the New Jersey Limited Liability Company Act, hereby states as follows:

1. The name of the Limited Liability Company (the "Company") is:

NETWORK BILLING SYSTEMS, L.L.C.

- 2. The Company may engage in any activity within the purposes for which limited liability companies may be organized under the New Jersey Limited Liability Company Act, Section 42:2B-1 et seq.
 - 3. The name and address of the Company's registered agent is:

Jonathan Kaufman with an address at 155 Willowbrook Boulevard Wayne, New Jersey 07470;

- 4. The Company has two or more members.
- 5. The term of the Company's existence shall terminate on December 31, 2047, unless terminated earlier.
- 6. The term of the Company shall commence upon filing of this Certificate of Formation with the Secretary of State of the State of New Jersey.

IN WITNESS WHEREOF, the undersigned acknowledges that he is authorized to sign this Certificate of Formation on behalf of the Company, and he hereby executes this Certificate of Formation on this 11th day of May, 1998.

Kennett & Caller, Kenneth R. Cohen, Esq.

EXHIBIT B

FINANCIAL STATEMENTS (Attached)

NETWORK BILLING SYSTEMS, LLC BALANCE SHEET July 20, 1998

ASSETS		LIABILITIES AND CAPITAL	
CURRENT ASSETS CASH	100,000	CURRENT LIABILITIES ACCOUNTS PAYAPLE	0
ACCOUNTS RECEIVABLE		ACCRUED LINE COSTS	0
LESS: ALLOW, FOR BAD DEBTS		PAYROLL TAXES PAYABLE	0
		INCOME TAXES PAYABLE	0
		SALES & UTILITY TAXES PAYABLE	0
OTHER CURRENT ASSETS		ACCRUED COMMISSIONS	0
TOTAL CURRENT ASSETS	100,000	OTHER ACCRUED LIABILITIES	0
FIXED ASSETS	0	TOTAL CURRENT LIABILITIES	
		OTHER LIABILITIES	
		TOTAL OTHER LIABILITIES	0
	-	TOTAL LIABILITIES	0
OTHER ASSETS		CAPITAL	
		MEMBERS CAPITAL	100,000
SECURITY DEPOSITS	0		0
OTHER ASSETS	0		
TOTAL OTHER ASSETS	0	TOTAL CAPITAL	100,000
TOTAL ASSETS	100,000	TOTAL LIABILITES AND CAPITAL	100,000

NETWORK BILLING SYSTEMS, LLC 1998 PRO FORMA INCOME STATEMENT

	SEPT	OCT	NOV	DEC	TOTAL	
LONG DISTANCE REVENUES	50,000	80,000	115,000	150,000	395,000	
COST OF SALES:						
CARRIER COSTS	35,000	56.000	80,500	105,000	276,500	
COMMISSIONS	4,000	6,400	9,200	12,000	31,600	
TOTAL COST OF SALES	39,000	62,400	89,700	117,000	308,100	
GENERAL & ADMIN EXPENSES:						
SALARIES & WAGES	9.000	9.000	11,000	15.000	44,000	
PAYROLL TAXES	900	900	1,100	1,500	4,400	
EMPLOYEE BENEFITS			500	500	1,000	
PROCESSING FEES		300	450	550	1,300	
BILLING COSTS	300	450	550	700	2,000	
POSTAGE	150	200	250	300	900	
TELEPHONE	800	1,200	1,500	1,800	5,300	
LICENSES & PERMITS	100	100	100	100	400	
INSURANCE	600	600	600	600	2,400	
OFFICE & ADMIN EXPENSES	1,500	1,500	1,500	1,500	6,000	
TOTAL G & A EXPENSES	13,350	14,250	17,550	22,550	67,700	
NET INCOME	(2,350)	3,350	7,750	10,450	19,200	
				The second second		

EXHIBIT C

PROPOSED TARIFF

(Attached)

TELECOMMUNICATIONS TARIFF

OF

NETWORK BILLING SYSTEMS, L.L.C.

155 Willowbrook Boulevard Wayne, NJ 07470

RESALE INTEREXCHANGE TELECOMMUNICATIONS SERVICE

This Tariff contains the descriptions, regulations, and rates applicable to the furnishing of telecommunications services provided Network Billing Systems, L.L.C. ("NBS") within the State of South Dakota. This Tariff is on file with the South Dakota Public Utilities Commission ("Commission"). Copies may be inspected during normal business hours at the Company's principal place of business: 155 Willowbrook Boulevard Wayne, NJ 07470.

Issued: October 21, 1998 Issued By: Effective Date:

CHECK SHEET

The Sheets 1 through 30 inclusive of this Tariff are effective as of the date shown at the bottom of the respective sheet(s).

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

Issued: October 21, 1998 Issued By: Effective Date:

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Effective Date:

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CONCURRING CARRIERS

None

CONNECTING CARRIERS

None

OTHER PARTICIPATING CARRIERS

None

EXPLANATION OF SYMBOLS

- (C) To signify changed condition or regulation
- (D) To signify deleted or discontinued rate, regulation or condition
- (1) To signify a change resulting in an increase to a Customer's bill
- (M) To signify that material has been moved from another Tariff location
- (N) To signify a new rate, regulation condition or sheet
- (R) To signify a change resulting in a reduction to a Customer's bill
- (T) To signify a change in text but no change to rate or charge

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Effective Date:

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TARIFF FORMAT

- A. Sheet Numbering Sheet numbers appear in the heading of each sheet. Sheets are numbered sequentially. However, occasionally, when a new sheet is added between sheets already in effect, a decimal is added. For example, a new sheet added between sheets 14 and 15 would be 14.1.
- B. Sheet Revision Numbers Revision numbers also appear in the upper right corner of each sheet. These numbers are used to determine the most current sheet version on file with the Commission. For example, the 4th revised Sheet 14 cancels the 3rd Revised Sheet 14. Because of various suspension periods, deferrals, etc. the Commission follows in its Tariff approval process, the most current sheet number on file with the Commission is not always the sheet in effect. Consult the Cheek Sheet for the sheet currently in effect.
- C. Paragraph Numbering Sequence There are nine levels of paragraph coding. Each level of code is subservient to its next higher level:

2. 2.1.1. 2.1.1.A. 2.1.1.A.1. 2.1.1.A.1.(a). 2.1.1.A.1.(a).I. 2.1.1.A.1.(a).I.(i).

2.1.1.A.1.(a).1.(i).(1).

D. Check Sheets - When a Tariff filing is made with the Commission, an updated Check Sheet accompanies the Tariff filing. The Check Sheet lists the sheets contained in the Tariff with a cross reference to the current revision number. When new sheets are added, the Check Sheet is changed to reflect the revision. All revisions made in a given filing are designated by and asterisk (*). There will be no other symbols used on this sheet if these are the only changes made to it (i.e., the format, etc., remains the same, just revised revision levels on some sheets). The Tariff user should refer to the latest Check Sheet to find if a particular sheet is the most current on file with the Commission.

Issued: October 21, 1998 Issued By:

Effective Date:

APPLICATION OF TARIFF

This Tariff contains the rates, terms and conditions applicable to the provision of specialized resold intrastate common carrier telecommunications services by Network Billing Systems, L.L.C. between various locations within the State of South Dakota.

All services are interstate offerings. Intrastate service is an add-on service available only if the Customer subscribes to the Company's interstate offerings.

Issued: October 21, 1998 Issued By: Effective Date:

Jonathan Kaufman

SECTION 1 - TECHNICAL TERMS AND ABBREVIATIONS

Account Code:

A numerical code, one or more of which are available to a Customer to enable identification of individual users or groups of users on an account and to allocate costs of service accordingly.

Called Station:

The terminating point of a call (i.e., the called number).

Calling Card:

A card issued by Company containing such account numbers assigned to its Customer which enables the charges for calls made to be properly billed on a pre-arranged basis. This may also be referred to as "Travel Card."

Commission:

The South Dakota Public Utilities Commission.

Company:

Network Billing Systems, L.L.C.

Credit Card:

A valid bank or financial organization card, representing and account to which the costs of products and services purchased by the card holder may be charged for future payment. Such cards include those issued by VISA or MasterCard.

Issued: October 21, 1998 Issued By: Effective Date:

SECTION 1 - TECHNICAL TERMS AND ABBREVIATIONS, Continued

Customer:

The person, firm, corporation or other entity which orders or uses service and is responsible for payment of charges and compliance with tariff regulation.

Dedicated Access:

Non-switched access between a Customer's premises and the point of presence of the Company's underlying carrier.

Disconnect or Disconnection:

The termination of a circuit connection between the originating station and the called station or the Company's operator.

Subscriber:

See "Customer" definition.

"800" Number:

An interexchange service offered pursuant to this tariff for which the called party is assigned a unique 800-NXX-XXXX or 888-NXX-XXXX or 877-NXX-XXXX number, or any other NPA, and is billed for calls terminating at that number.

Issued: October 21, 1998

Effective Date:

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SECTION 2 - RULES AND REGULATIONS

2.1 UNDERTAKING OF THE COMPANY

- 2.1.1. Company's services are furnished for telecommunications originating and/or terminating in any area within the State of South Dakota.
- 2.1.2. Company is a non-facilities-based provider of resold interexchange telecommunications to Customers for their direct transmission and reception of voice, data, and other types of communications.
- 2.1.3. Company resells access, switching, transport, and termination services provided by interexchange carriers.
- 2.1.4. Subject to availability, the Customer may use account codes to identify the users or user groups on an account. The numerical composition of the codes shall be set by Company to assure compatibility with the Company's accounting and billing systems and to avoid the duplication of codes.
- 2.1.5. The Company's services are provided on a monthly basis unless otherwise provided, and are available twenty-four (24) hours per day, seven (7) days per week.
- 2.1.6. Request for service under this Tariff will authorize the Company to conduct a credit search on the Customer. The Company reserves the right to refuse service on the basis of credit history, and to refuse further service due to late payment or nonpayment by the Customer.

2.2. LIMITATIONS OF SERVICE

2.2.1. Service is offered subject to availability of the necessary facilities and/or equipment and subject to the provisions of this Tariff.

Issued: October 21, 1998

Effective Date

Issued By:

Jonathan Kaufman Network Billing Systems, L.L.C. 155 Willowbrook Boulevard Wayne, NJ 07470

(973) 256-2020

2.2 LIMITATIONS OF SERVICE, Continued

- 2.2.2. The Company reserves the right to immediately disconnect service when necessitated by conditions beyond the company's control or when the Customer is using the service in violation of either the provisions of this tariff or the laws, rules, regulations, or policies of the jurisdiction of the originating station or terminating station, or the laws of the United States including rules, regulations and policies of the South Dakota Public Utilities Commission.
- 2.2.3. The Company does not undertake to transmit messages, but offers the use of its facilities when available, and will not be liable for errors in transmission or for failure to establish connections.
- 2.2.4. The Customer obtains no property right or interest in the use of any specific type of facility, service, equipment, telephone number, process or code. All rights, titles and interests remain, at all times, solely with the Company.
- 2.2.5. Prior written permission from the Company is required before any assignment or transfer. All regulations and conditions contained in this Tariff shall apply to all such permitted assignees or transferees, as well as all conditions of service.
- 2.2.6. The Company reserves the right to refuse an application for service by a present or former Customer who is indebted to the Company for service previously rendered pursuant to this Tariff until the indebtedness is satisfied.

2.3. USF

- 2.3.1. Service may be used for the transmission of communications by the Customer for any lawful purpose for which the service is technically suited.
- 2.3.2. Service may not be used for any unlawful purpose or for any purpose for which any payment or other compensation is received by the Customer, except when the Customer is a duly authorized and regulated common carrier. This provision does not prohibit an arrangement between the Customer, authorized user or joint user to share the cost of service.

Issued: October 21, 1998

Issued By:

Effective Date:

2.3. USE, Continued

- 2.3.3. Application for service may be made verbally or in writing. The name(s) of the Customer(s) desiring to use the service must be set forth in the application for service.
- 2.3.4. The Company strictly prohibits use of the Company's services without payment or an avoidance of payment by the Customer by fraudulent means or devices including providing falsified calling card numbers or invalid calling card numbers to the Company, providing falsified or invalid credit card numbers to the Company or in any way misrepresenting the identity of the Customer.

2.4. LIABILITIES OF THE COMPANY

- 2.4.1. The liability of the Company for damages arising out of mistakes, omissions, interruptions, delays, errors or defects in transmission occurring in the course of furnishing service or other facilities and not caused by the negligence of the Customer, commences upon activation of service and in no event exceeds an amount equivalent to the proportionate charge to the Customer for the period of service during which such mistakes, omissions, interruptions, delays, errors or defects in transmission occur. For the purpose of computing such amount, a month is considered to have thirty (30) days. To the extent permitted by law, the Company will in no event be responsible for any indirect, incidental, consequential, reliance, special, lost revenue, lost savings, lost profits, or exemplary or punitive damages, regardless of the form of action, whether in contract, tort, negligence of any kind whether active or passive, strict liability or otherwise. The terms of this Section shall apply notwithstanding the failure of any exclusive remedy.
- 2.4.2. Company is not liable for any act or omission of any other company or companies furnishing a portion of the service.
- 2.4.3 Except as expressly warranted in writing by Company, Company makes no warranty or guarantee, express or implied, and Company expressly disclaims any implied warranties of merchantability and fitness for a particular purpose.

Issued: October 21, 1998

Effective Date:

Issued By:

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SECTION 2 - RULES AND REGULATIONS, Continued

2.4. LIABILITIES OF THE COMPANY, Continued

- 2.4.4. Company shall be indemnified and held harmless by the Customer against:
 - A. Claims for libel, slander, infringement of copyright or unauthorized use of any trademark, trade name or service mark arising out of the material, data, information or other content transmitted over Company's facilities, and
 - Claims for patent infringement arising from combining or connecting company's facilities with apparatus and systems of the Customer; and
 - All other claims arising out of any act or omission of the Customer in connection with any service provided by Company.
- 2.4.5. The Company is not liable for any defacement of, or damage to, the equipment or premises of a Customer resulting from the furnishing of services when such defacement or damage is not the result of the Company's negligence.
- 2.4.6. Company shall not be liable for and the Customer indemnifies and holds harmless from any and all loss claims, demands, suits, or other action or liability whatsoever, whether suffered, made instituted or asserted by the Customer or by any other party or person, for any personal injury to, death of any person or persons, and for any loss, damage, defacement or destruction of the premises of the Customer or any other property, whether owned by the Customer or by others, caused or claimed to have been caused directly or indirectly by the installation, operation, failure to operate, maintenance, removal, presence, condition, location or use of equipment or wiring provided by Company where such installation, operation, failure to operate, maintenance, condition, location or use is not the direct result of Company's negligence.

Issued: October 21, 1998 Issued By: Effective Date:

Jonathan Kaufman Network Billing Systems, L.L.C.

Network Billing Systems, L.L.0 155 Willowbrook Boulevard Wayne, NJ 07470 (973) 256-2020 ر50 ·45 ·29

SECTION 2 - RULES AND REGULATIONS, Continued

2.4. LIABILITIES OF THE COMPANY, Continued

- 2.4.7. No agents or employees of connecting, concurring or other participating carriers or companies shall be deemed to be agents or employees of the Company without written authorization.
- 2.4.8. The Company is not liable for any failure of performance hereunder due to causes beyond its control, including, but not limited to, unavoidable interruption in the working of its circuits or those of another common carrier; acts of nature, storms, fire, floods, or other catastrophes; any law, order, regulation, direction, action, or request of the United States Government, or any other governmental entity having jurisdiction over the Company or of any department, agency, commission, bureau, corporation, or other instrumentality or any one of more of such governmental entities, or of any civil or military authority; national emergencies, insurrections, riots, rebellions, wars, strikes, lockouts, work stoppages, or other labor difficulties; or notwithstanding anything in this Tariff to the contrary, the unlawful acts of the Company's agents and employees, if committed beyond the scope of their employment.
- 2.4.9. The Company shall not be liable for damages or adjustments, refunds, or cancellation of charges unless the Customer has notified the Company, in writing of any dispute concerning charges, or the basis of any claim for damages, after the invoice is rendered by the Company as for the call giving rise to such dispute or claim. Any such notice must set forth sufficient facts to provide the Company with a reasonable basis upon which to evaluate the Customer's claim or demands.

Issued: October 21, 1998

Effective Date:

Issued By:

2.4. LIABILITIES OF THE COMPANY, Continued

2.4.10. The Company shall not be liable for any damages, including usage charges, that the Customer may incur as a result of the unauthorized use of its communications equipment. The unauthorized use of the Customer's communications equipment includes, but is not limited to, the placement of calls from the Customer's premises and the placement of calls through Customer-controlled or Customer-provisioned equipment that are transmitted or carried over the Company's network services without the authorization of the Customer. The Customer shall be fully liable for all such charges.

FULL FORCE AND EFFECT 2.5

Should any provision or portion of this Tariff be held by a court or administrative agency of competent jurisdiction to be illegal, invalid or unenforceable, the remaining provisions of this Tariff will remain in full force and effect.

2.6. INTERRUPTION OF SERVICE

- 2.6.1. Credit allowance for interruptions of service which are not due to Company's testing or adjusting, to the negligence of the Customer, or to the failure of channels, equipment and/or communications equipment provided by the Customer, are subject to the general liability provisions set forth in Section 2.4., herein. It shall be the obligation of the Customer to notify Company of any interruptions of service. Before giving such notice, the Customer shall ascertain that the trouble is not being caused by any action or omission of the Customer, not within the Customer's control.
- For purposes of credit computation for leased facilities, every month shall be considered to have 720 hours. No credit shall be allowed for an interruption of a continuous duration of less than two (2) hours

Issued: October 21, 1998

Issued By:

Effective Date:

2.6. INTERRUPTION OF SERVICE, Continued

2.6.3. The subscriber shall be credited for an interruption of two (2) hours or more at the rate of 1/720th of the monthly charge for the facilities affected for each hour or major fraction thereof that the interruption continues.

Credit formula: Credit - (A/720) X B

A - outage time in hours

B - total monthly charge for affected utility

2.7. RESTORATION OF SERVICE

The use and restoration of service in emergencies shall be in accordance with part 64, Subpart D of the Federal Communications Commission's Rules and Regulations which specifies the priority system for such activities.

2.8. MINIMUM SERVICE PERIOD

The minimum service period is one month (30 days).

2.9. PAYMENTS AND BILLING

- 2.9.1. Charges for service are applied on a recurring basis. Service is provided and billed on a monthly (30 day) basis. The billing date is dependent on the billing cycle assigned to the Customer. Service continues to be provided until canceled by the Customer on not less than thirry (30) days written notice, unless Commission rules specify otherwise.
- 2.9.2. The Customer is responsible in all cases for the payment of all charges for services furnished to the Customer. Charges are based on actual usage, and are billed monthly in arrears.

Issued: October 21, 1998 Issued By: Effective Date:

Jonathan Kaufman

2.9. PAYMENTS AND BILLING, Continued

- 2.9.3. Billing is payable upon receipt and past due thirty (30) days after issuance and posting of invoice. Bills not paid within thirty (30) days after the date of posting are subject to a 1.5 percent late payment charge for the unpaid balance, and may be subject to additional collection agency fees.
- 2.9.4. A charge of \$20.00 will apply whenever a check or draft presented for payment of service is not accepted by the institution on which it is written.
- 2.9.5. Billing disputes should be addressed to Company's customer service organization via telephone to 888.301.1721 Customer service representatives are available from 8:30 AM to 5:59 PM Eastern Time. Messages may be left for Customer Services from 6:00 PM to 8:29 AM Eastern Time, which will be answered on the next business day, unless in the event of an emergency which threatens customer service, in which case Customer Service Staff may be paged.
- 2.9.6. In the case of a dispute between the Customer and the Company for service furnished to the Customer, which cannot be settled with mutual satisfaction, the Customer can take the following course of action:
 - A. First, the Customer may request, and the Company will perform, an in-depth review of the disputed amount. The undisputed portion and subsequent bills must be paid on a timely basis or the service may be subject to disconnection.

Issued: October 21, 1998 Issued By: Effective Date:

2.9. PAYMENTS AND BILLING, Continued

2.9.6., Continued

B. Second, if there is still disagreement over the disputed amount after the investigation and review by a manager of the Company, the Customer may appeal to the South Dakota Public Utilities Commission for its investigation and decision.

The address and telephone number of the Commission are:

South Dakota Public Utilities Commission 500 East Capitol Avenue Pierre, South Dakota 57501-5070

Telephone: (800) 332-1782 TTY (800) 877-1113

2.10. CANCELLATION BY CUSTOMER

- 2.10.1. Customer may cancel service by providing written notice to Company thirty (30) days prior to cancellation.
- 2.10.2. Customer is responsible for usage charges while still connected to the Company's service, even if the customer utilizes services rendered after the Customers request for cancellation has been made notice and the payment of associated local exchange company charges, if any, for service charges.

Issued: October 21, 1998 Issued By: Effective Date:

Jonathan Kaufman Network Billing Systems, L.L.C. 155 Willowbrook Boulevard Wayne, NJ 07470

(973) 256-2020

CANCELLATION BY CUSTOMER, Continued

- 2.10.3. Any non-recoverable cost of Company expenditures shall be borne by the Customer if:
 - A. The Customer orders service requiring special facilities dedicated to the Customer's use and then cancels the order before such service begins, before completion of the minimum period or before completion of some period mutually agreed upon with the Customer for the non-recoverable portions of expenditures;
 - Liabilities are incurred expressly on behalf of the Customer by Company and not fully reimbursed by installation and monthly charges; and
 - If based on an order for service and construction has either begun or has been completed, but no service provided.

2.11. CANCELLATION BY COMPANY

- 2.11.1. Company reserves the right to immediately discontinue furnishing the service to Customers without incurring liability:
 - In the event of a condition determined to be hazardous to the Customer, to other customers of the utility, to the utility's equipment, the public or to employees of the utility; or
 - By reason of any order or decision of a court or any other governmental authority which prohibits the Company from furnishing such service; or
 - If the Company deems such refusal necessary to protect itself or third parties against fraud or to otherwise protect its personnel, agents, facilities or services without notice; or

Issued: October 21, 1998

Effective Date:

Issued By:

SECTION 2 - RULES AND REGULATIONS, Continued

2.11. CANCELLATION BY COMPANY, Continued

2.11.1., Continued

- D. For unlawful use of the service or use of the service for unlawful purposes; or
- E. If the Customer provides false information to the Company regarding the Customer's identity, address, credit-worthiness, past, current or planned use of Company's services.
- 2.11.2. Company may discontinue service according to the following conditions upon five (5) days notice:
 - A. For violation of Company's filed tariffs; or
 - B. For the non-payment of any proper charge as provided by Company's Tariff; or
 - For Customer's breach of the contract for service between the utility and Customer.
- 2.11.3. 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 available to the Company set forth herein shall not be exclusive and the Company shall at all times be entitled to all the rights available to it under law or equity.
- 2.11.4. The Company may refuse to permit collect calling, calling card and third-number billing which it determines to be fraudulent and/or may limit the use of these billing options or services.

Issued: October 21, 1998

Issued By:

Effective Date:

SECTION 2 - RULES AND REGULATIONS, Continued

2.12. INTERCONNECTION

- 2.12.1. Service furnished by Company may be interconnected with services or facilities of other authorized communications common carriers and with private systems, subject to the technical limitations established by Company. Any special interface of equipment or facilities necessary to achieve compatibility between the facilities of Company and other participating carriers shall be provided at the Customer's expense.
- 2.12.2. Interconnection between the facilities or services of other carriers shall be under the applicable terms and conditions of the other carriers' tariffs. The Customer is responsible for taking all necessary legal steps for interconnecting Customer-provided terminal equipment or communications equipment with Company's facilities. The Customer shall secure all licenses, permits, rights-of-way and other such arrangements necessary for interconnection.

2.13. DEPOSITS AND ADVANCE PAYMENTS

The Company does not require a deposit or advance payment from the Customer.

2.14. CREDIT LIMIT

The Company may, at any time and at its sole discretion, set a credit limit for any Customer's consumption of Services for any monthly period. If a credit limit is established, it shall be based on a reasonable assessment of the ability of the Customer to pay for services using the Customer's account history as a guide, and shall at all times be provided in a non-discriminatory manner.

2.15. TAXES

The Customer is responsible for payment of all federal, state and local taxes, franchise, excise and other fees applicable to the Services, including, but not limited to: sales, excise, franchise, access, universal service, 911 services and handicapped services.

Issued: October 21, 1998

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SECTION 3 - DESCRIPTION OF SERVICE

3.1. TIMING OF CALLS

- 3.1.1. The Customer's long-distance usage charge is based on the actual usage of Company's service. Usage begins when the receiver of the called number is answered. The moment of the called party's answer is determined by hardware supervision in which the local telephone company sends a signal to the underlying carrier's switch or the software utilizing audio tone detection. The timing of the call occurs when the called party answers and terminated when either party hangs up.
- 3.1.2. The minimum call duration for billing purposes for all services except calling card service is eighteen (18) seconds with six (6) second billing increments thereafter. Minimum call duration for calling cards is thirty (30) seconds with six (6) second billing increments thereafter.
- 3.1.3. Any portion of an applicable increment, after the appropriate minimum time for the call, will be rounded upward to the next increment. Calls less than the minimum length will be rounded to the minimum length.
- 3.1.4. There is no billing for incomplete calls.

3.2. NETWORK BILLING SYSTEMS TELECOMMUNICATIONS SERVICES

- 3.2.1. The rate for Company's service is based on the following factors:
 - A. The monthly billing volume;
 - B. The duration of the call: and
 - C. The type of service subscribed to.

Issued: October 21, 1998 Issued By:

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Effective Date:

SECTION 3 - DESCRIPTION OF SERVICE, Continued

3.2. NETWORK BILLING SYSTEMS TELECOMMUNICATIONS SERVICES, Continued

- 3.2.2. Dial Access Service is a switched or dedicated access service, offering users outbound "1 plus" long distance telecommunications services from points originating and terminating in the State of South Dakota.
- 3.2.3. 800 Service is a switched or dedicated access service, offering users inbound, toll free "800" number, long distance telecommunications services from points originating and terminating in the State of South Dakota This service enables the caller to contact the Customer without incurring toll charges, through the use of an assigned "800" number. The Customer pays for the call.
- 3.2.4 Calling Card Service permits the caller to charge the principal presubscribed location for a call while the caller is away from the principal location. The Customer may place calls from any touch tone phone in the U.S. by dialing a toll free "800" number and entering a personal identification code, followed by the desired telephone number. Calling card calls are billed at the Applicant's tariffed rates and appear on the Customer's monthly long-distance bill.

3.3. PROMOTIONS

The Company may, from time to time, engage in special promotions of new or existing Service offerings of limited duration designed to attract new Customers or to increase existing Customer awareness of a particular offering. The promotional offerings are subject to the availability of the Services and may be limited to a specific geographical area or to a subset of a specific market group; provided, however, all promotional offerings shall be offered in accordance with applicable Commission rules or regulations.

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3.4. Rate Groups

Rates are offered for each service based on rate group.

3.4.1. Group A

All switched access residential customers and switched access business customers with monthly billing volume of \$0 to \$500.

3.4.2. Group B

All switched access business customers with monthly billing volume of \$500 to \$1000 and dedicated access business customers with monthly billing volume less than \$5000.

3.4.3. Group C

All switched access business customers with monthly billing volume above \$1000 and dedicated access business customers with monthly billing volume over \$5000.

Issued: October 21, 1998 Issued By: Effective Date:

SECTION 4 - RATES

4.1 SERVICE CHARGES

Service charges per account are based on the following schedules:

4.1.1. Switched Access Services

A. Dial Access Service

Rate Group	Initial 18 seconds	Additional 6 seconds
Group A	\$.0354	\$.0177
Group B	\$.0332	\$.0166
Group C	\$.0310	\$.0155

Issued: October 21, 1998 Issued By: Effective Date:

4.1 SERVICE CHARGES, Continued

4.1.1. Switched Access Services, Continued

B. Direct Access 800 Service

Rate Group	Initial 18 seconds	Additional 6 seconds
Group A	\$.0354	\$.0177
Group B	\$.0332	\$.0166
Group C	\$.0310	\$.0155

A recurring monthly charge of \$2.00 is billed for each inbound "800" number.

A \$.30 surcharge will apply to all calls initiated from a pay telephone.

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Effective Date:

Jonathan Kaufman Network Billing Systems, L.L.C. 155 Willowbrook Boulevard Wayne, NJ 07470

(973) 256-2020

4.1. SERVICE CHARGES, Continued

412 Dedicated Access Services

Dedicated access services are designed for Customers with high traffic volumes, whose traffic volumes justify the additional costs of dedicated access facilities. Customers must experience a minimum of \$3,000.00 of monthly calling to qualify for dedicated access services. Dedicated facilities may be provided by the Customer or through the Company and are billed by the underlying local service provider under its access tariffs.

Dedicated Dial Access Service

Rate Group	Initial 18 seconds	Additional 6 seconds
Group A	\$.0196	\$.0098
Group B	\$.0184	\$.0092
Group C	\$.0172	\$.0086

Access coordination fee, if applicable -- \$450.00 Central Office connection fee, if applicable -- \$1,500 per exchange Entrance facilities charge, if applicable -- \$175.00 per month

Issued: October 21, 1998 Issued By:

Effective Date:

- 4.1 SERVICE CHARGES, Continued
- 4.1.2. Dedicated Access Services, Continued
 - B. Dedicated Access 800 Service

Rate Group	Initial 18 seconds	Additional 6 seconds
Group A	\$.0196	\$.0098
Group B	\$.0184	\$.0092
Group C	\$.0172	\$.0086

Issued: October 21, 1998 Issued By: Effective Date:

4.1. SERVICE CHARGES, Continued

4.1.3. Travel Card Service

Calling card charges are billed in six (6) second increments with a thirty (30) second minimum per call.

Rate Group	Initial 30 seconds	Additional 6 seconds
Group A	\$.125	\$.025
Group B	\$.095	\$.019
Group C	\$.085	\$.017

A \$.35 surcharge will apply to all calls initiated from a pay telephone.

Issued: October 21, 1998 Issued By: Effective Date:

Jonathan Kaufman

4.1. SERVICE CHARGES, Continued

4.1.4. Access Surcharge

An Access Surcharge will apply to each presubscribed line on a Customer's account.

Business Customers	\$2.75
Residential Customers	\$0.53

4.1.5. Service Line Charge

On gross total billed charges

3.91%

4.1.6. Directory Assistance

The Company provides Directory Assistance as an ancillary service exclusively to its customers. Directory Assistance is accessible by dialing "1", the area code of the desired number and "555-1212".

Directory Assistance, per call

5.85

4.1.7. Individual Case Basis (ICB) Arrangements

Arrangements will be developed on a case-by-case basis in response to a bona fide request from a Customer or prospective Customer to develop a competitive bid for a Service offered under this Tariff. Rates quoted in response to such competitive requests may be different than those specified for such Services in this Tariff. ICB rates will be offered to the Customer in writing and on a non-discriminatory basis.

Issued: October 21, 1998

Effective Date:

Issued By:

EXHIBIT D

Ø-50 ·45 ·46

CERTIFICATE OF AUTHORITY

(Attached)

State of South Bakota



OFFICE OF THE SECRETARY OF STATE

CERTIFICATE OF AUTHORITY

LIMITED LIABILITY COMPANY

I, JOYCE HAZELTINE, Secretary of State of the State of South Dakota, hereby certify that the Application for a Certificate of Authority of NETWORK BILLING SYSTEMS, L.L.C. (NJ) to transact business in this state duly signed and verified pursuant to the provisions of the South Dakota Limited Liability Company Act, have been received in this office and are found to conform to law.

ACCORDINGLY and by virtue of the authority vested in men by law, I hereby issue this Certificate of Authority and attach hereto a duplicate of the application to transact business in this state.



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 October 9, 1998.

YCE HAZELTINE

Duren 344

INTERCONNECT SERVICES GROUP

24165

X2509 / SOUTH DAKOTA PUBLIC UTILITIES COMM

24165

Invoice Ref 101598 Inv Date 10/15/98 Inv Amt Discount 250.00 0.00

Adj Amt 0.00 Amt Paid 250.00

TC98-195

(Acct: 1000)

Check Date 10/15/98

Total

CHECK NO.

250.00

INTERCONNECT SERVICES GROUP

155 WILLOWBROOK BOULEVARD WAYNE, NEW JERSEY 07470 THE BANK OF NEW YORK 963 VAN HOUTEN AVENUE CLIFTON, NEW JERSEY 07013 55-271/212 24165

***Two Hundred Fifty & No/100 Dollars

CATE

24165

AMOUNT

PAY
TO THE
ORDER
OF SOUTH DAKOTA PUBLIC UTILITIES COMM

10/15/98

\$250.00

POBLIC UTILITIES COMM

4024,1651 1:0212027191: 11610540K2241

South Dakota Public Utilities Commission WEEKLY FILINGS

For the Period of October 30, 1998 through November 5, 1998

If you need a complete copy of a filing faxed, overnight expressed, or mailed to you, please contact Delaine Kolbo within five business days of this filing Phone: 605-773-3705. Fax: 605-773-3809.

NATURAL GAS

NG98-010 In the Matter of the Application of MidAmerican Energy for continuation of its Incentive Gas Supply Procurement Program

Application of MidAmerican Energy to continue its Incentive Gas Supply Procurement Program for an additional three-year period or until such time as its purchased gas adjustment may be eliminated, whichever comes later. MidAmerican states that under a plan it has filed in Iowa, it will enable small volume gas transportation and has proposed to eliminate its PGA in May of 2000. MidAmerican is in the process of determining whether to extend the same type of transportation service to South Dakota.

Staff Attorney: Karen Cremer Staff Analyst: Dave Jacobson Date Filed: 10/30/98 Intervention Deadline: 11/19/98

TELECOMMUNICATIONS

TC98-195 In the Matter of the Application of Network Billing Systems, L.L.C. for a Certificate of Authority to Provide Telecommunications Services in South Dakota.

Application of Network Billing Systems, L.L.C. for a certificate of authority to provide intrastate telecommunications services in the state of South Dakota. Network Billing Systems is proposing to offer outbound interexchange telecommunications services. The Applicant does not propose to offer alternative operator services. Intrastate service is an add-on service available only if the customer subscribes to the company's interstate offerings.

Staff Attorney: Camron Hoseck Staff Analyst: Harlan Best Date Filed: 11/02/98 Intervention Deadline: 11/20/98

TC98-196 In the Matter of the Complaint filed by Don Jiracek on behalf of GSA, Inc., Rapid City, South Dakota, against McLeod USA, Regarding Inadequate Service.

Complaint by Don Jiracek vs. McLeod USA. The Complainant claims that a delay of installation of telephone service caused loss of income. The Complainant is seeking \$33,000 in damages for lost business.

Staff Attorney: Camron Hoseck Consumer Affairs: Leni Healy Date Filed: 11/02/98 Intervention Deadline: NA

You may receive this listing and other PUC publications via our website or via internet e-mail. You may subscribe to the PUC mailing list at http://www.state.sd.us/puc/

Intervention Deadline: 11/20/98

TC98-196 In the Matter of the Complaint filed by Don Jiracek on behalf of GSA, Inc., Rapid City, South Dakota, against McLeod USA, Regarding Inadequate Service

HARBOR CONSULTING GROUP INC.

4312 92nd Avenue Northwest Gig Harbor Washington 98335

Telephone 253.265.3980
Faction 1, 253.265.3982
E. Marc. logistration com

RECEIVED

NOV 23 1998

VIA PRIORITY MAIL

SOUTH DAKOTA PUBLIC UTILITIES COMMISSION

20 November 1998

Mr. William Bullard, Jr. South Dakota Public Utilities Commission State Capitol Building, 1st Floor 500 East Capitol Avenue Pierre, SD 57501-5070

RE: Network Billing Systems, L.L.C. - Application for a Certificate of Public Convenience and Necessity, Docket No. TC98-195.

Dear Mr. Bullard:

Enclosed are an original and ten (10) copies Network Billing Systems, L.L.C.'s Response to Interrogatories in the above-mentioned docket.

Questions concerning this filing may be directed to me.

Sincerely

HARBOR CONSULTING GROUP INC. For Network Billing Systems, L.L.C.

Dan Menser

Director - Regulatory Affairs

Enclosures

2

BEFORE THE PUBLIC UTILITIES COMMISSION
OF THE STATE OF SOUTH DAKOTA

RECEIVED

NOV 23 1998 SOUTH DAKOTA PUBLIC UTILITIES COMMISSION

In the Matter of the Application of Network Billing Systems, L.L.C. for Segistration as a Provider of Intrastate Telecommunications Service on a Resold Basis in the State of South Dakota

RESPONSE TO INTERROGATORIES

Network Billing Systems, L.L.C. ("Applicant") hereby responds to the questions posed in the South Dakota Public Utilities Commission's ("Commission") November 5, 1998 letter.

- The Applicant has provided an income statement and balance sheet effective July 1998. Since that time, the Applicant has undertaken steps necessary for the provision of telecommunications service. Network Billing Systems, L.L.C. has not, however, begun operations, and therefore cannot provide further evidence of operating income at this time.
- 2. The Applicant has amended its Tariff pursuant to the November 5th request and a subsequent conversation with Mr. Harlan Best. In that conversation, Mr. Best explained that the Commission is taking a new approach to liability limiting tariff provisions to comport with South Dakota law. The Applicant's Agent expressed the Applicant's desire to maintain industry-standard liability limiting provisions, noted the Applicant's willingness to remove the requested provisions in order to obtain tariff approval, and wishes to preserve liability limitations to the fullest extent permissible under South Dakota law.
- The Applicant's election to limit telecommunications services advanced to the Customer ("credit limit" under Tariff Section 2.14) is based primarily on whether the Customer's account is current or past due.
- Tariff revision requested in the Commission's November 5, 1998 request 4 and 5 are incorporated in the attached tariff pages.

Respectfully submitted this 20 day of Novacor ... 1998.

HARBOR CONSULTING GROUP INC. For Network Billing Systems, L.L.C.

Dan Menser Director - Regulatory Affairs HARBOR CONSULTING GROUP INC. For Network Billing Systems, L.L.C. Dan Menser

Director - Regulatory Affairs

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NOV 23 1998

Network Billing Systems, L.L.C. SOUTH DAKOTA PUBLIC South Dakota P.U.C. Tariff No. 1 Original Sheet No. 12

SECTION 2 - RULES AND REGULATIONS, Continued

- 2.3. USE, Continued
- 2.3.3. Application for service may be made verbally or in writing. The name(s) of the Customer(s) desiring to use the service must be set forth in the application for service.
- 2.3.4. The Company strictly prohibits use of the Company's services without payment or an avoidance of payment by the Customer by fraudulent means or, devices including providing falsified calling card numbers or invalid calling card numbers to the Company, providing falsified or invalid credit card numbers to the Company or in any way misrepresenting the identity of the Customer.

2.4. LIABILITIES OF THE COMPANY

- 2.4.1. Liability of the Company for damages arising out of mistakes, omissions, interruptions, delays, errors or defects in transmission occurring in the course of furnishing service or other facilities and not caused by the negligence of the Customer, shall be limited to the extent provided by South Dakota law. To the extent permitted by law, the Company will not be responsible for any indirect, incidental, consequential, reliance, special, lost revenue, lost savings, lost profits, or exemplary or punitive damages, regardless of the form of action, whether in contract, tort, negligence of any kind whether active or passive, strict liability or otherwise.
- 2.4.2. Company is not liable for any act or omission of any other company or companies furnishing a portion of the service.
- 2.4.3 Except as expressly warranted in writing by Company, Company makes no warranty or guarantee, express or implied, and Company expressly disclaims any implied warranties of merchantability and fitness for a particular purpose.

Issued: October 21, 1998 Issued By:

Effective Date:

Network Billing Systems, L.L.C.

South Dakota P.U.C. Tariff No. 1 Original Sheet No. 13

SECTION 2 - RULES AND REGULATIONS, Continued

2.4. LIABILITIES OF THE COMPANY, Continued

- 2.4.4. Company shall be indemnified and held harmless by the Customer against:
 - A. Claims for libel, slander, infringement of copyright or unauthorized use of any trademark, trade name or service mark arising out of the material, data, information or other content transmitted over Company's facilities; and
 - B. Claims for patent infringement arising from combining or connecting company's facilities with apparatus and systems of the Customer, and
 - C. All other claims arising out of any act or omission of the Customer in connection with any service provided by Company.
- 2.4.5. The Company is not liable for any defacement of, or damage to, the equipment or premises of a Customer resulting from the furnishing of services when such defacement or damage is not the result of the Company's negligence.
- 2.4.6. Reserved for future use.

Issued: October 21, 1998 Issued By:

Effective Date:

Network Billing Systems, L.L.C.

South Dakota P.U.C. Tariff No. 1 Original Sheet No. 14

SECTION 2 - RULES AND REGULATIONS, Continued

2.4. LIABILITIES OF THE COMPANY, Continued

- 2.4.7. No agents or employees of connecting, concurring or other participating carriers or companies shall be deemed to be agents or employees of the Company without written authorization.
- 2.4.8. The Company is not liable for any failure of performance hereunder due to causes beyond its control, including, but not limited to, unavoidable interruption in the working of its circuits or those of another common carrier; acts of nature, storms, fire, floods, or other catastrophes; any law, order, regulation, direction, action, or request of the United States Government, or any other governmental entity having jurisdiction over the Company or of any department, agency, commission, bureau, corporation, or other instrumentality or any one or more of such instrumentality or any one of more of such governmental entities, or of any civil or military authority; national emergencies, insurrections, riots, rebellions, wars, strikes, lockouts, work stoppages, or other labor difficulties; or notwithstanding anything in this Tariff to the contrary, the unlawful acts of the Company's agents and employees, if committed beyond the scope of their employment.
- 2.4.9. Reserved for future use.

Issued: October 21, 1998 Issued By:

Issued By:

Effective Date:

Network Billing Systems, L.L.C. 155 Willowbrook Boulevard Wayne, NJ 07470 (973) 256-2020

Network Billing Systems, L.L.C.

South Dakota P.U.C. Tariff No. 1 Original Sheet No. 15

SECTION 2 - RULES AND REGULATIONS, Continued

2.4. LIABILITIES OF THE COMPANY, Continued

2.4.10. The Customer shall be liable, to the extent permissible under South Dakota law, for any damages, including usage charges, that the Customer may incur as a result of the unauthorized use of its communications equipment.

2.5 FULL FORCE AND EFFECT

Should any provision or portion of this Tariff be held by a court or administrative agency of competent jurisdiction to be illegal, invalid or unenforceable, the remaining provisions of this Tariff will remain in full force and effect.

2.6. INTERRUPTION OF SERVICE

- 2.6.1. Credit allowance for interruptions of service which are not due to Company's testing or adjusting, to the negligence of the Customer, or to the failure of channels, equipment and/or communications equipment provided by the Customer, are subject to the general liability provisions set forth in Section 2.4., herein. It shall be the obligation of the Customer to notify Company of any interruptions of service. Before giving such notice, the Customer shall ascertain that the trouble is not being caused by any action or omission of the Customer, not within the Customer's control.
- 2.6.2. For purposes of credit computation for leased facilities, every month shall be considered to have 720 hours. No credit shall be allowed for an interruption of a continuous duration of less than two (2) hours.

Issued: October 21, 1998

Issued By:

Effective Date:

Network Billing Systems, L.L.C. 155 Willowbrook Boulevard Wayne, NJ 07470 (973) 256-2020

Network Billing Systems, L.L.C.

South Dakota P.U.C. Tariff No. 1 Original Sheet No. 23

SECTION 3 - DESCRIPTION OF SERVICE, Continued

- NETWORK BILLING SYSTEMS TELECOMMUNICATIONS SERVICES,
- 3.2.2. Dial Access Service is a switched or dedicated access service, offering users outbound "I plus" long distance telecommunications services from points originating and terminating in the State of South Dakota.
- 3.2.3. 800 Service is a switched or dedicated access service, offering users inbound, toll free "800" number, long distance telecommunications services from points originating and terminating in the State of South Dakota This service enables the caller to contact the Customer without incurring toll charges, through the use of an assigned "800" number. The Customer pays for the call.
- 3.2.4 Calling Card Service permits the caller to charge the principal presubscribed location for a call while the caller is away from the principal location. The Customer may place calls from any touch tone phone in the U.S. by dialing a toll free "800" number and entering a personal identification code, followed by the desired telephone number. Calling card calls are billed at the Applicant's tariffed rates and appear on the Customer's monthly long-distance bill.

PROMOTIONS

The Company may, from time to time, engage in special promotions of new or existing Service offerings of limited duration designed to attract new Customers or to increase existing Customer awareness of a particular offering. The promotional offerings are subject to the availability of the Services and may be limited to a specific geographical area or to a subset of a specific market group; provided, however, all promotional offerings shall be offered in accordance with applicable Commission rules and shall be filed with the Commission prior to being initiated.

Issued: October 21, 1998

Effective Date:

Issued By:

Network Billing Systems, L.L.C.

South Dakota P.U.C. Tariff No. 1 Original Sheet No. 30

SECTION 4 - RATES, Continued

4.1. SERVICE CHARGES, Continued

4.1.4. Access Surcharge

An Access Surcharge will apply to each presubscribed line on a Customer's account.

Business Customers Residential Customers

4.1.5. Service Line Charge

On gross total billed charges

3.91%

\$0.53

4.1.6. Directory Assistance

The Company provides Directory Assistance as an ancillary service exclusively to its customers. Directory Assistance is accessible by dialing "1", the area code of the desired number and "555-1212".

Directory Assistance, per call

\$.85

4.1.7. Individual Case Basis (ICB) Arrangements

Arrangements will be developed on a case-by-case basis in response to a bona fide request from a Customer or prospective Customer to develop a competitive bid for a Service offered under this Tariff. Rates quoted in response to such competitive requests may be different than those specified for such Services in this Tariff and shall be filed with the Commission prior to being initiated. ICB rates will be offered to the Customer in writing and on a non-discriminatory basis.

Issued: October 21, 1998

Effective Date:

Issued By:

HARBOR CONSULTING GROUP INC.

Mark Nyhus

4312 92ND AVENUE NORTHWEST GIG HARBOR WASHINGTON 98335

Transport 253 265 3910 Facionati 253 265 3912 E-Man, hopoternolosis com

RECEIVED

VIA PRIORITY MAIL

9 December 1998

Mr. William Bullard, Jr. South Dakota Public Utilities Commission State Capitol Building, 1st Floor 500 East Capitol Avenue Pierre, South Dakota 57501-5070

> RE: Network Billing Systems, L.L.C. - Application for a Certificate of Public Convenience and Necessity, Docket No. TC98-195.

Dear Mr. Bullard:

Enclosed are an original and ten (10) copies of Network Billing Systems, L.L.C.'s modified proposed original tariff sheet no. 12. This filing is made pursuant to the request of Commission staff and incorporates certain revisions to the company's liability to customers.

Questions concerning this filing may be directed to me.

Harbor Consulting Group Inc.

Mark Nyhus

Director Regulatory Affairs

Enclosures

ce: Ms. Lisa Kaufman, Network Billing Systems, L.L.C.

Network Billing Systems, L.L.C.

South Dakota P.U.C. Tariff No. 1 Original Sheet No. 12

SECTION 2 - RULES AND REGULATIONS, Continued

2.3. USE, Continued

- 2.3.3. Application for service may be made verbally or in writing. The name(s) of the Customer(s) desiring to use the service must be set forth in the application for service.
- 2.3.4. The Company strictly prohibits use of the Company's services without payment or an avoidance of payment by the Customer by fraudulent means or devices including providing falsified calling card numbers or invalid calling card numbers to the Company, providing falsified or invalid credit card numbers to the Company or in any way misrepresenting the identity of the Customer.

2.4. LIABILITIES OF THE COMPANY

- 2.4.1. The Company will not be liable for damages arising out of mistakes, omissions, interruptions, delays, errors or defects in transmission occurring in the course of furnishing service or other facilities to the extent that such damages are caused by the negligence of the Customer. To the extent permitted by law, the Company will not be responsible for any indirect, incidental, consequential, reliance, special, lost revenue, lost savings, lost profits, or exemplary or punitive damages resulting from the negligence of the Customer, regardless of the form of action, whether in contract, tort, negligence of any kind whether active or passive, strict liability or otherwise.
- 2.4.2. Company is not liable for any act or omission of any other company or companies furnishing a portion of the service.
- 2.4.3 Except as expressly warranted in writing by Company, Company makes no warranty or guarantee, express or implied, and Company expressly disclaims any implied warranties of merchantability and fitness for a particular purpose.

Effective Date:

Jonathan Kaufman Network Billing Systems, L.L.C. 155 Willowbrook Boulevard Wayne, NJ 07470 (973) 256-2020

Issued: October 21, 1998 Issued By:

Jonathan Kaufman Network Billing Systems, L.L.C. 155 Willowbrook Boulevard Wayne, NJ 07470 (973) 256-2020

HARBOR CONSULTING GROUP INC.

Mark Nyhus

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Teatricsa 253 265 3910 Favorate 253 265 3912 E-Man, hoper-volude com

RECEIVED DEC 2 8 1998

VIA FACSIMILE & REGULAR MAIL

FAX Received DEC 21 1996

21 December 1998

Mr. William Bullard, Jr. South Dakota Public Utilities Commission State Capitol Building, 1st Floor 500 East Capitol Avenue Pierre, South Dakota 57501-5070

RE: Network Billing Systems, L.L.C. - Application for a Certificate of Public Convenience and Necessity, Docket No. TC98-195.

Dear Mr. Bullard:

Pursuant to the request of Commission staff and the above-referenced docket number, attached is the second revised Original Sheet No. 12 of Network Billing Systems, L.L.C.'s proposed tariff. With this filing, Network Billing Systems removes the second sentence of Section 2.4.1., concerning liability of the company.

Questions concerning this filing may be addressed to me. Thank you for your assistance with this matter.

Sincerely,

Harbor Consulting Group Inc.

Mark Nyms

Director - Regulatory Affairs

cc: Ms. Lisa Kaufman, Network Billing Systems, L.L.C.

Network Billing Systems, L.L.C.

South Dakota P.U.C. Tariff No. 1 Original Sheet No. 12

SECTION 2 - RULES AND REGULATIONS, Continued

- 2.3.3. Application for service may be made verbally or in writing. The name(s) of the Customer(s) desiring to use the service must be set forth in the application for service.
- 2.3.4. The Company strictly prohibits use of the Company's services without payment or an avoidance of payment by the Customer by fraudulent means or devices including providing falsified calling card numbers or invalid calling card numbers to the Company, providing falsified or invalid credit card numbers to the Company or in any way misrepresenting the identity of the Customer.

2.4. LIABILITIES OF THE COMPANY

- 2.4.1. The Company will not be liable for damages arising out of mistakes, omissions, interruptions, delays, errors or defects in transmission occurring in the course of furnishing service or other facilities to the extent that such damages are caused by the negligence of the Customer.
- 2.4.2. Company is not liable for any act or omission of any other company or companies furnishing a portion of the service.
- 2.4.3 Except as expressly warranted in writing by Company, Company makes no warranty or guarantee, express or implied, and Company expressly disclaims any implied warranties of merchantability and fitness for a particular purpose.

Issued: October 21, 1998 Issued By:

Effective Date:

BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF SOUTH DAKOTA

IN THE MATTER OF THE APPLICATION OF |
NETWORK BILLING SYSTEMS, L.L.C. FOR A |
CERTIFICATE OF AUTHORITY TO PROVIDE |
TELECOMMUNICATIONS SERVICES |
SOUTH DAKOTA |

ORDER GRANTING CERTIFICATE OF AUTHORITY

TC98-195

On November 2, 1998, 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 Network Billing). L. L.C. (Network Billing).

Network Billing is a non-facilities-based interexchange resale provider proposing to offer outbound, switched access interexchange telecommunications services throughout South Dakota. A proposed tariff was filed by Network Billing. The Commission has classified long distance service as fully competitive.

On November 5, 1998, the Commission electronically transmitted notice of the filing and the intervention deadline of November 20, 1998, to interested individuals and entities. No petitions to intervene or comments were filed and at its regularly scheduled December 30, 1998, meeting, the Commission considered Network Billing's request for a certificate of authority. Commission Staff recommended granting a certificate of authority.

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 Network Billing has met the legal requirements established for the granting of a certificate of authority. Network Billing has, in accordance with SDCL 49-31-3, demonstrated sufficient technical, financial and managenal capabilities to offer telecommunications services in South Dakota. The Commission approves Network Billing's application for a certificate of authority. As the Commission's final decision in this matter, it is therefore

ORDERED, that Network Billing's application for a certificate of authority is hereby granted. It is

FURTHER ORDERED, that Network Billing shall file informational copies of tariff changes with the Commission as the changes occur.

Dated at Pierre, South Dakota, this 6 day of January, 1999.

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 first class mail, in properly addressed envisiones, with charges prepaid thereon.

By Delaine Kallo

(OFFICIAL SEAL)

BY ORDER OF THE COMMISSION:

JAMES A. BURG, Chairman

PAM NELSON, Commissioner

LASKA SCHOENFELDER, Commissioner

(OFFICIAL SEAL)

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 December 30, 1998 Docket No. TC98-195

> > This is to certify that

NETWORK BILLING SYSTEMS, L.L.C.

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 sequence.

Dated at Pierre, South Dakota, this 6th day of January, 1999.

SOUTH DAKOTA PUBLIC UTILITIES COMMISSION:

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SAMES A BURG Charman

Dam Melson
PAM NELSON, Commissioner

LASKA SCHOENFELDER, Commissioner