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January 10, 2001

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SOUTH DAKOTA PUBLIC UTILITIES COMMISSION

VIA FEDERAL EXPRESS

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

Re: Application of SNIp Link, LLC for Certificate of Authority for Interexchange Service

Dear Mr. Bullard:

Please find enclosed for filing with the South Dakota Public Utilities Commission an original and ten (10) copies of the above-referenced Application and Tariff of SNIp Link, LLC, along with a check in the amount of two hundred fifty dollars (\$250.00) for the requisite filing fee. Please note that SNIp Link, LLC submits its financial statements under separate cover and under separate seal, and respectfully requests confidential treatment thereof.

In addition, a duplicate copy of this filing is enclosed. Please date-stamp the duplicate upon receipt, and return to the undersigned counsel in the self-addressed, postage paid envelope provided.

Respectfully submitted,  
  
Michael Engel

Enclosures

\*Admitted in New York only.





Copies of all correspondence, notices, inquiries and orders should also be sent to Mr.

Polito.

### **III. Description of Network and Authority Requested**

6. By this Application, SNiP Link, LLC proposes to provide resold intrastate interexchange telecommunications services to customers in the State of South Dakota. Initially, SNiP Link, LLC proposes to offer basic "1+" long distance services, otherwise known as Message Telecommunications Services ("MTS"), WATS, calling card services and toll-free services. The Applicant may expand its long distance offerings at a later date, to include other interexchange services.

7. SNiP Link, LLC shall provide the interexchange telecommunications services proposed herein by means of reselling services provided by Worldcom.

8. SNiP Link, LLC currently provides resold intrastate interexchange telecommunications services to customers in New Jersey, Delaware and Pennsylvania. In addition, SNiP Link, LLC is authorized to provide such services in Arkansas, California, Florida, Idaho, Illinois, Indiana, Iowa, Kentucky, Massachusetts, Michigan, Montana, North Carolina, North Dakota, Ohio, Oregon, Utah, Virginia, Wisconsin and Wyoming.

9. SNiP Link, LLC has never been denied certification to provide resold intrastate interexchange telecommunications services. Furthermore, SNiP Link, LLC is in good standing with the appropriate regulatory agency in each of the aforementioned jurisdictions, in which it is authorized to provide such services.

### **IV. Qualifications of the Applicant**

10. The resold intrastate interexchange telecommunications services proposed by SNiP Link, LLC are economically feasible and in the public interest. The Applicant has

sufficient financial capability to provide and maintain such services in the State of South Dakota. SNIIP Link, LLC will fund its interexchange operations in the State of South Dakota with a combination of (i) internal capital, (ii) proceeds from the sale of equity interests, and (iii) capital raised from other sources. Attached hereto as *Exhibit B* are the Applicant's consolidated balance sheet, income statement and cash flow statement. These statements are a combination of the Applicant's financial statements with those of SNIIP, Inc., an Internet service provider having the same owners as SNIIP Link, LLC. Please note that SNIIP Link, LLC submits these financial statements under separate seal, and requests confidential treatment thereof due to their highly proprietary and competitively sensitive nature.

11. SNIIP Link, LLC is well-qualified technically and managerially to provide the resold intrastate interexchange telecommunications services proposed herein. SNIIP's key executives have significant experience in the critical functions of network operations, sales and marketing, and finance. Collectively, its staff has many years of development and operating experience in various segments of the telecommunications industry, including successful operation of an Internet service provider. Furthermore, SNIIP's management team includes individuals with substantial experience in successfully developing telecommunications businesses, and increasing their profitability. The brief biographies of the management team, attached hereto at *Exhibit C*, demonstrate the managerial and technical competence of SNIIP Link, LLC.

#### V. Customer Service Policies

12. Customers may contact SNIIP Link, LLC 24 hours per day, 7 days per week, regarding billing and service-related inquiries. The toll-free number for such inquiries is (888) 764-7600. Alternatively, customers may contact:

Joseph Polito, Jr.  
Director of Telecommunications Sales  
100-A Twinbridge Drive  
Pennsauken, New Jersey 08110  
Phone (856) 662-8640  
Fax (856) 663-8641

13. It is the policy of SNiP Link, LLC to switch a customer only after receiving proper authorization, in accordance with Part 64 of the Federal Communications Commission's rules regarding changes in preferred carriers. There has been no complaint filed against SNiP Link, LLC with any State or Federal regulatory commission regarding the unauthorized switching of a customer's telecommunications provider, nor the act of charging customers for services that have not been ordered.

#### **VI. Initial Tariff**

14. SNiP Link, LLC intends to provide resold intrastate interexchange telecommunications services in the State of South Dakota pursuant to the terms and conditions outlined in its proposed initial tariff, attached hereto as *Exhibit D*. SNiP Link, LLC will file a final tariff for its services, in accordance with the Commission's procedures, prior to providing such services in the State of South Dakota.

#### **VII. Marketing of Proposed Services**

15. SNiP Link, LLC intends to market the interexchange telecommunications services proposed herein to residential and small business customers. As a start-up telecommunications company, SNiP Link, LLC is not marketing these services at the present time. However, SNiP Link, LLC shall disclose to the Commission its marketing methods, including any available marketing materials, when marketing activities commence.

#### **VIII. Requested Regulatory Treatment and Waivers**

16 SNiP Link, LLC hereby agrees to abide by all applicable orders, rules and regulations entered and adopted by the Commission. Additionally, as a competitive provider of telecommunications services in the State of South Dakota, SNiP Link, LLC respectfully requests that it be subject to the same streamlined regulatory treatment applicable to other competitive carriers.

WHEREFORE, SNiP Link, LLC respectfully requests that the Commission grant this Application for a Certificate of Authority For Interexchange Service In the State of South Dakota.

Respectfully submitted,

**SNiP Link, LLC**

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

Michael Engel\*

Kelley Drye & Warren LLP  
1200 Nineteenth Street, N.W.  
Suite 500  
Washington, D.C. 20036  
(202) 955-9600

Its Attorney

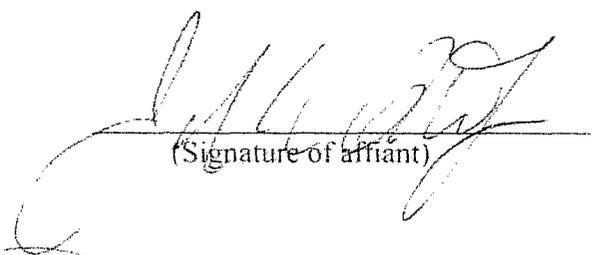
Dated: \_\_\_\_\_

\*Admitted in New York only.

VERIFICATION

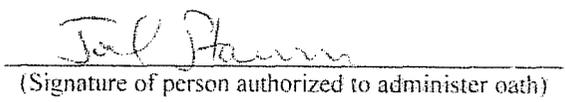
State of \_\_\_\_\_ )  
 )ss  
County of \_\_\_\_\_ )

Joseph A. Polito, Jr. makes oath and says that he is Director of Telecommunications Sales  
of SNIP Link LLC that he has examined the foregoing application and that to the best of his  
knowledge, information, and belief, all statements of fact contained in the said application are  
true, and the said application is a correct statement of the business and affairs of the above-  
named applicant in respect to each and every matter set forth therein.

  
(Signature of affiant)

Subscribed and sworn to before me, a Notary Public/ \_\_\_\_\_  
(Title of person authorized to administer oaths)

in the State and County above named, this 5 day of JAN, 2000

  
(Signature of person authorized to administer oath)

**JOEL STAMAN**  
My Commission Expires Dec 23, 2002  
State of New Jersey

**EXHIBIT A**

**CERTIFICATE OF QUALIFICATION**

# State of South Dakota



OFFICE OF THE SECRETARY OF STATE

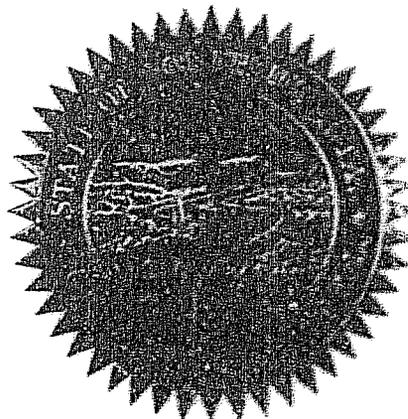
Certificate of Authority

Limited Liability Company

I, JOYCE HAZELTINE, Secretary of State of the State of South Dakota, hereby certify that duplicate of the Application for a Certificate of Authority of SNIP LINK, 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 me by law, I hereby issue this Certificate of Authority and attach hereto a duplicate of the application for certificate of authority.

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 August 29, 2000.



Joyce Hazeltine  
Secretary of State

**EXHIBIT B**

**FINANCIAL STATEMENTS**

**(FILED UNDER SEPARATE SEAL)**

Begin

Confidential

**CONFIDENTIAL # [ ]**

End

Confidential

**EXHIBIT C**

**MANAGEMENT BIOGRAPHIES**

**NAME:** Anthony Abate  
**TITLE:** President and Chief Technical Officer  
**AGE:** 34  
**YEARS IN INDUSTRY:** 12  
**EDUCATION:** BSEE, University of Pennsylvania

Anthony Abate graduated with a BSEE from the University of Pennsylvania in 1986. He immediately took a position at Formation, Inc. designing high performance embedded control-based peripherals for System/360 and AS/400 computer systems. These systems included the industry's first hot plug-able RAID based disk control units for the AS/400, the design of which won several awards for performance and reliability. Abate also led the design teams for several other products including a real time multimedia record and replay system for E911 services. Abate left Formation in March 1996 as Director of Engineering to found SNiP.

Currently, Abate is the President and Chief Technical Officer of SNiP, a New Jersey based Internet Service Provider. In the 3½ years since it's inception, SNiP has grown to be the second largest regional ISP in the Delaware Valley and was awarded as the second fastest growing privately held business in Southern New Jersey. Abate is now working with the other founders to form SNiP LiNK, LLC that will operate as a facilities based CLEC in the Bell Atlantic South regions.

**NAME:** Peter M. Cava, Jr.  
**TITLE:** CEO and VP of Sales and Marketing  
**AGE:** 38  
**YEARS IN INDUSTRY:** 15  
**EDUCATION:** BSEE, Drexel University

Pete Cava is the CEO and VP of Sales and Marketing at SNiP. Cava co-founded SNiP in 1995 and is a member of the Board of Directors. He is responsible for the day-to-day operation of the company and all sales, marketing, product development and customer care activities. Under his direction the sales and marketing team has helped grow SNiP to be the second largest ISP in the Delaware Valley. His customer care department boasts a low 2% monthly churn rate, which is 4 times better than the nation average for ISPs.

Before founding SNiP, Cava was Director of Technical Programs at Formation, Inc., Moorestown, NJ where he developed high performance embedded communications controllers. These included SCSI and Fibre Channel based RAID disk subsystems, radar communication adapters for the FAA Air Traffic Control network, and a family of T1/E1, X.25 and FDDI protocol adapters for VME based communications servers. Cava's responsibilities included hardware and software architecture and top-level design, project budgeting, scheduling and staffing, product requirements definition and proposal development, day-to-day management of technical staff, and contract negotiations.

Before leaving Formation Cava led their engineering department's ISO 9000 certification effort and is a certified ISO 9000 Internal Auditor.

**NAME:** Philip Abate, Jr.  
**TITLE:** VP of Business Facilities  
**AGE:** 48  
**YEARS IN INDUSTRY:** 25  
**EDUCATION:** Philadelphia Technical Institute

After earning an Associates Degree in Electro/Mechanical Engineering, Abate has worked in that trade as either a Project Leader or Facilities Manager for the past 25 years. Abate has additional schooling in Computer Aided Engineering, electrical wiring, air conditioning, heating and ventilation. Abate also worked for various companies including Commodore Computers, LaFrance, Ampro Broadcasting, I.E. Dynam and Magnavox. He is on the faculty at Camden County College teaching Engineering Graphics part-time.

**NAME:** Joseph J. Giacomelli  
**TITLE:** Director of Customer Support  
**AGE:** 43  
**YEARS IN INDUSTRY:** 21  
**EDUCATION:** Mohawk College, Canada

Obtained 16 years experience in providing Technical and Customer Support (both locally and nationally) for large IBM mainframe compatible peripherals OEM (Memorex Telex Corp). Clients included some of the largest phone companies and national banks in Canada. Joseph Giacomelli gained an appreciation and understanding of the workings of very large data centers and the required change control management and problem follow-up. Included in the 16 years were 4 years in a staff position at the Canadian Headquarters that involved developing and implementing machine and problem tracking systems.

Acquired an additional 3.5 years experience providing Product and Customer Support (nationally and internationally) for an IBM AS/400 RAID Disk compatible developer and manufacturer (Formation, Inc). Developed a real time Trouble Ticket Tracking System for the design-engineering group that improved the tracking and reporting of the product development cycle. Developed a real time Customer Complaint System that was used to track customer problems from first report to final resolution. These two online databases were key requirements to acquiring and maintaining ISO 9000 certification.

The last 1.5 years has been spent organizing and growing a Customer Support group for the second largest Regional ISP in the Delaware Valley (Southern New Jersey Internet Providers, Inc). This group currently provides technical support for a client base of almost 12,000 customers. Under Joseph Giacomelli's direction, an extensive Web based self-help database has been put in place and continues to grow. Using both internet and customer feedback, the group has continued to improve and distribute more customer friendly installation software. All support calls are logged to a Trouble Incident database that displays a complete customer account history. This real time system allows any support agent to provide seamless follow-up on all trouble calls. The underlying thread that Joseph Giacomelli's experience has-brought to ISP has been to provide unparalleled responsive Customer Support providing timely resolutions to a large customer base.

**NAME:** Marc D. Lefbowitz  
**TITLE:** Director of Network Operations  
**AGE:** 39  
**YEARS IN INDUSTRY:** 7  
**EDUCATION:** CE, University of Hartford

After graduating from the University of Hartford with a degree in Computer Engineering, Marc spent 6 years in architecture and design of high speed embedded disk controllers for the AS/400 and Open Server Machines. When he joined SNIP two years ago, he immediately began using his engineering background to expand, update, and maintain the SNIP LAN and WAN Networks. He is involved in the planning and engineering of network expansions and new POPs as well as responsible for the maintenance of all modems, routers, hubs, and servers. He is also responsible for managing all software that is used and developed by SNIP. This includes revision control for software developed in house as well as licensing for all software purchased and maintaining current code releases in the modems, routers, and servers throughout the SNIP Network.

Using both his engineering and network backgrounds, Marc will use his knowledge to continue to grow and maintain the SNIP and SNIP LINK Networks as the companies move forward.

**NAME:** Joseph A. Polito, Jr.  
**TITLE:** Director of Telecommunications Sales  
**AGE:** 36  
**YEARS IN INDUSTRY:** 10  
**EDUCATION:** LaSalle University

Having gained experience working in a regional interconnect located in the Bell Atlantic area Joseph Polito has had extensive exposure to the Public Switched Telephone Network, Private Line Services, High Speed Packet Networks and Internet solutions. This experience extends to developing and provisioning a varied array of telecommunications based solutions and provides for an extensive knowledge of products and services for the implementation of voice and data services.

This knowledge provides Polito the ability to work in varied arenas using, POTS and Centrex service, Frame Relay, SMDS, Private Line, ISDN products, ATM Networks and other customer based solutions. With an extensive knowledge of CPE for terminating voice and data service and PABX and Messaging Systems Polito can service and assist customers with well priced solutions that are functional and scalable.

**NAME:** John J. West, CPA  
**TITLE:** Controller  
**AGE:** 29  
**YEARS IN INDUSTRY:** 5  
**EDUCATION:** Rutgers University - School of Business

John West graduated from Rutgers University with a BS in Accounting in 1993. Thereafter, he joined the "Big Five" accounting firm of Deloitte & Touche LLP in Philadelphia. John obtained his CPA certification from the state of New Jersey in the fall of 1995. At Deloitte, John primarily focused on publicly held clients involved in manufacturing, retail and telecommunications. John managed various engagements and projects, including two IPO's and a debt offering while at Deloitte.

John left Deloitte in June of 1997 as a Senior Accountant to join Sterling Commerce as an Accounting Manager. Sterling Commerce is an electronic commerce and "EDI" company with approximately \$500 million in annual revenues. Sterling trades on the New York Stock Exchange under SE. At Sterling, John managed an accounting department of six staff accountants, reporting directly to the Vice President of Finance and Administration. After leaving Sterling Commerce in January 1999, John joined the management team at SNIP as the Controller. As the Controller, John is responsible for the day-to-day operations of the accounting department. In addition, John is in charge of obtaining financing and working relationships with various lending/financing institutions.

**EXHIBIT D**

**PROPOSED TARIFF**

**SNiP Link, LLC**

**100-A Twinbridge Drive**

**Pennsauken, NJ 08110**

**TOLL SERVICES RESELLER TARIFF**

Rules and regulations applicable for furnishing of Intrastate Interexchange Services by SNiP Link, LLC between one or more points in the State of South Dakota as authorized by the South Dakota Public Utilities Commission. This tariff is on file with the South Dakota Public Utilities Commission and may be inspected during regular business hours. Copies also may be inspected during regular business hours at SNiP Link, LLC's principal place of business, 100-A Twinbridge Drive, Pennsauken, NJ 08110.

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Board: \_\_\_\_\_

Issued by: Joseph Polito, Jr.  
Director of Telecommunications Sales  
SNiP Link, LLC  
100-A Twinbridge Drive  
Pennsauken, NJ 08110

Effective: \_\_\_\_\_

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Director of Telecommunications Sales  
SNIP Link, LLC  
100-A Twinbridge Drive  
Pennsauken, NJ 08110

**CHECK SHEET**

Pages 1-44 inclusive of this Tariff are effective as of the date shown. Original and revised pages, as noted below, comprise all changes from the original Tariff in effect on the date indicated.

<u>Page</u>	<u>Revision</u>	<u>Page</u>	<u>Revisions</u>
1	Original	29	Original
2	Original	30	Original
3	Original	31	Original
4	Original	32	Original
5	Original	33	Original
6	Original	34	Original
7	Original	35	Original
8	Original	36	Original
9	Original	37	Original
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25	Original		
26	Original		
27	Original		
28	Original		

\* signifies new or revised pages

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Director of Telecommunications Sales  
SNIP Link, LLC  
100-A Twinbridge Drive  
Pennsauken, NJ 08110

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SYMBOLS

The following are the only symbols used for the purposes indicated below:

- (C) To signify a change
- (D) To signify a rate decrease
- (I) To signify a rate increase

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Director of Telecommunications Sales  
SNiP Link, LLC  
100-A Twinbridge Drive  
Pennsauken, NJ 08110

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**TARIFF FORMAT**

- A. Page Numbering - Page numbers appear in the upper right corner of the page. Pages are numbered sequentially. However, new pages occasionally are added to the tariff. When a new page is added between pages already in effect, a decimal is added to the page number. For example, a new page added between pages 14 and 15 would be 14.1.
  
- B. Page Revision Numbers - Revision numbers also appear in the upper right corner of each page. These numbers are used to determine the most current page version on file with the Commission. For example, the 4<sup>th</sup> revised Page 14 cancels the 3<sup>rd</sup> revised Page 14. Because of various suspension periods, deferrals, etc. the Commission follows in its tariff approval process, the most current page number on file with the Commission is not always the tariff page in effect.
  
- C. 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).I.
  - 2.1.1.A.1.(a).I.(i).
  - 2.1.1.A.1.(a).I.3(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 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 designated on the check sheet by an asterisk(\*). There will be no other symbols used on the check sheet 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.

Issued: \_\_\_\_\_

Effective \_\_\_\_\_

Issued by: Joseph Polito, Jr.  
Director of Telecommunications Sales  
SNiP Link, LLC  
100-A Twinbridge Drive  
Pennsauken, NJ 08110

**SECTION 1. DEFINITIONS**

Authorized User - Any person, firm, corporation or other entity accessing or utilizing the services furnished by the Company to the Customer.

Billed Party - The person or entity responsible for payment of the Company's service. The Billed Party is the Customer associated with the Telephone Number used to place the call, with the following exceptions:

- (a) in the case of a calling card or credit card call, the Billed Party is the holder of the calling card or credit card used by the User; and
- (b) in the case of a collect or third party call, the Billed Party is the person responsible for the local telephone service at the telephone number that agrees to accept charges for the call.

Call - A completed connection between the calling and the called station.

Calling Station - The telephone number from which a call originates.

Called Station - The telephone number called.

Commission - South Dakota Public Utilities Commission.

Common Carrier - A company or entity providing telecommunications services to the public.

Company - SNiP Link, LLC.

Customer - A person, firm, corporation, partnership or other entity, including affiliates or divisions of the Customer, responsible for payment of charges to the Company and compliance with all terms and conditions of this tariff.

Issued: \_\_\_\_\_

Effective: \_\_\_\_\_

Issued by: Joseph Polito, Jr  
Director of Telecommunications Sales  
SNiP Link, LLC  
100-A Twinbridge Drive  
Pennsauken, NJ 08110

**SECTION I. DEFINITIONS (Cont'd)**

Day The period of time from 8:00 a.m. to (but not including) 5:00 p.m., Monday through Friday, as measured by local time at the location from which the call is originated.

Evening The period of time from 5:00 p.m. to (but not including) 11:00 p.m., Sunday through Friday and any time during a Holiday, as measured by local time at the location from which the call is originated.

Fiber Optic Cable - A thin filament of glass with a protective outer coating through which a light beam carrying communications signals may be transmitted by means of multiple reflections to a receiver, which translates a message.

Holiday - New Year's Day, Memorial Day, Independence Day, Labor Day, Thanksgiving Day, and Christmas Day.

Night/Weekend ("N/Wkd") - The period of time from 11:00 p.m. to (but not including) 8:00 a.m., Monday through Friday, any time on Saturday and all day Sunday, except 5:00 p.m. to (but not including) 11:00 p.m., as measured by local time at the location from which the call is originated.

Prepaid Calling Card - A calling card or other tangible item which (i) contains an Access Number or an access code, (ii) is supplied by the Company or its agent, and (iii) permits a User to use the Company's services up to an amount prepaid to the Company. Calls charged to a prepaid calling card will be debited against the amount the User has prepaid.

Service Order - The written request for network services executed by the Customer and the Company in the format devised by the Company. The signing of a Service Order by the Customer and acceptance by the Company initiates the respective obligations of the parties as set forth therein and pursuant to this tariff, but the duration of the service is calculated from the service commencement date.

User - Customer or any Authorized User.

Issued:

Issued by: Joseph Polito, Jr.  
Director of Telecommunications Sales  
SNiP Link, LLC  
100-A Twinbridge Drive  
Pennsauken, NJ 08110

Effective

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**SECTION 2. TERMS AND CONDITIONS**

**2.1 Application of Tariff**

- 2.1.1 This tariff contains the regulations and rates applicable to intrastate long distance services provided by the Company. The Company's services are furnished subject to the availability of facilities and the terms and conditions of this tariff.
- 2.1.2 The rates and regulations contained in this tariff apply only to the services furnished by the Company and do not apply, unless otherwise specified, to the lines, facilities, or services provided by a local exchange telephone company or other Common Carrier for use in accessing the services of the Company.

**2.2. Shortage of Equipment or Facilities**

- 2.2.1 The Company reserves the right to limit or to allocate the use of existing facilities, or of additional facilities offered by the Company, when necessary because of lack of facilities, or due to some other cause beyond the Company's control.
- 2.2.2 The furnishing of service under this tariff is subject to the availability on a continuing basis of all the necessary facilities and is limited to the capacity of the Company's facilities as well as facilities the Company may obtain from other carriers to furnish service from time to time as required at the sole discretion of the Company.

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Issued: \_\_\_\_\_

Effective: \_\_\_\_\_

Issued by: Joseph Polito, Jr.  
Director of Telecommunications Sales  
SNiP Link, LLC  
100-A Twinbridge Drive  
Pennsauken, NJ 08110

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**SECTION 2. TERMS AND CONDITIONS (Cont'd)**

**2.3 Use and Availability of Service**

- 2.3.1 Service is furnished to the User for any lawful purpose. Service shall not be used for any unlawful purpose, nor used in such a manner as to interfere unreasonably with the use of service by any other Users.
- 2.3.2 The use of the Company's services without payment for service or attempting to avoid payment for service by fraudulent means or devices, false or invalid numbers, or false calling or credit cards is prohibited.
- 2.3.3 The Company does not transmit messages pursuant to this tariff, but its services may be used for that purpose.
- 2.3.4 The Company's services may be denied for nonpayment of charges or for other violations of the terms and conditions set forth in this tariff.
- 2.3.5 The Company reserves the right to refuse service to individuals under the age of 18 and may require proof of age prior to initiating service.
- 2.3.6 The use of the Company's services to make calls which might reasonably be expected to frighten, abuse, torment, or harass another is prohibited.
- 2.3.7 Service temporarily may be refused or limited because of system capacity limitations.
- 2.3.8 Service is subject to transmission limitations caused by natural (including atmospheric, geographic or topographic) or artificial conditions adversely affecting transmission.
- 2.3.9 Service to any or all Customers may be temporarily interrupted or curtailed due to equipment modifications, upgrades, relocations, repairs and similar activities necessary for proper or improved operations.

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Issued: \_\_\_\_\_

Issued by: Joseph Polito, Jr.  
Director of Telecommunications Sales  
SNiP Link, LLC  
100-A Twinbridge Drive  
Pennsauken, NJ 08110

Effective \_\_\_\_\_

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**SECTION 2. TERMS AND CONDITIONS (Cont'd)**

**2.3 Use and Availability of Service (Cont'd)**

- 2.3.10 Service is provided on the basis of a minimum period of at least one month, 24-hours per day. For the purpose of computing charges in this tariff, a month is considered to have 30 days.
- 2.3.11 Customers may be required to enter into written Service Orders which shall contain or reference a specific description of the service ordered, the rates to be charged, the duration of the services, and the terms and conditions in the tariff. Customers also will be required to execute any other documents as may be reasonably requested by the Company.
- 2.3.12 At the expiration of the initial term specified in each Service Order, or in any extension thereof, service shall continue on a month to month basis at the then current rates unless terminated by either party upon 30 days' written notice. Any termination shall not relieve Customer of its obligation to pay any charges incurred under the service order and this tariff prior to termination. The rights and obligations which by their nature extend beyond the termination of the term of the Service Order shall survive such termination.

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**SECTION 2. TERMS AND CONDITIONS (Cont'd)**

**2.4 Liability of the Company**

- 2.4.1 The Company shall not be liable for any delay or failure of performance or equipment due to causes beyond its control, including but not limited to: acts of God, fire, flood, explosion or other catastrophes; any law, order, regulation, direction, action, or request of the United States Government, or of any other government, including state and local governments having or claiming jurisdiction over the Company, or of any department, agency, commission, bureau, corporation, or other instrumentality of any one or more of these federal, state, or local governments, or of any civil or military authority; national emergencies; insurrections; riots; wars; unavailability of rights-of-way or materials; or strikes, lockouts, work stoppages, or other labor difficulties.
- 2.4.2 The Company shall not be liable for (a) any act or omission of any entity furnishing to the Company or to the Company's Customers facilities or equipment used for interconnection with Network Services; or (b) for the acts or omissions of common carriers or warehousemen.
- 2.4.3 The Company shall not be liable for any damages or losses due to the fault or negligence of the Customer or due to the failure or malfunction of Customer-provided equipment or facilities.

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**SECTION 2. TERMS AND CONDITIONS (Cont'd)**

**2.4 Liability of the Company (Cont'd)**

2.4.4 The Company does not guarantee nor make any warranty with respect to installations it provides for use in an explosive atmosphere. The Customer indemnifies and holds the Company harmless from any and all loss, claims, demands, suits, or other action, or any liability whatsoever, whether suffered, made, instituted, or asserted by any other party or person(s), and for any loss, damage, or destruction of any property, whether owned by the Customer or 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 any installation so provided. The Company reserves the right to require each Customer to sign an agreement acknowledging acceptance of the provisions of this section 2.4.4 as a condition precedent to such installations.

2.4.5 The Company is not liable for any defacement of or damage to Customer premises resulting from the furnishing of services or equipment on such Premises or the installation or removal thereof, unless such defacement or damage is caused by gross negligence or willful misconduct of the Company's agents or employees.

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**SECTION 2. TERMS AND CONDITIONS (Cont'd)**

**2.4 Liability of the Company (Cont'd)**

2.4.6 The Company shall be indemnified, defended, held harmless by the Customer against any claim, loss or damage arising from Customer's use of services, involving claims for libel, slander, invasion of privacy, or infringement of copyright arising from the Customer's own communications.

2.4.7 The entire liability for any claim, loss, damage or expense from any cause whatsoever shall in no event exceed sums actually paid Company by Customer for the specific services giving rise to the claim. No action or proceeding against the Company shall be commenced more than one year after the service is rendered. Except in instances of gross negligence or willful misconduct of the Company's agents or employees, the Company shall not be liable for any direct, indirect, consequential, special, actual or punitive damages, or for any lost profits of any kind or nature whatsoever arising out of any defects or any other cause.

2.4.8 *THE COMPANY MAKES NO WARRANTIES OR REPRESENTATIONS, EXPRESS OR IMPLIED EITHER IN FACT OR BY OPERATION OF LAW, STATUTORY OR OTHERWISE, INCLUDING WARRANTIES OF MERCHANTABILITY OR FITNESS FOR A PARTICULAR USE, EXCEPT THOSE EXPRESSLY SET FORTH HEREIN.*

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**SECTION 2. TERMS AND CONDITIONS (Cont'd)**

**2.5 Notification of Service-Affecting Activities**

2.5.1 The Company will provide the Customer reasonable notification of service-affecting activities that may occur in normal operation of its business. Such activities may include, but are not limited to, equipment or facilities additions, removals or rearrangements and routine preventative maintenance. Generally, such activities are not specific to an individual Customer but affect many Customers' services. No specific advance notification period is applicable to all service activities. The Company will work cooperatively with the Customer to determine the reasonable notification requirements. With some emergency or unplanned service-affecting conditions, such as an outage resulting from cable damage, notification to the customer may not be possible.

**2.6 Provision of Equipment and Facilities**

2.6.1 The Company shall use reasonable efforts to make available services to a Customer on or before a particular date, subject to the provisions of, and compliance by the Customer with, the regulations contained in this tariff. The Company does not guarantee availability by any such date and shall not be liable for any delays in commencing service to any Customer.

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**SECTION 2. TERMS AND CONDITIONS (Cont'd)**

**2.6. Provision of Equipment and Facilities (Cont'd)**

2.6.2 The Company shall use reasonable efforts to maintain facilities and equipment that it furnishes to the Customer. The Customer may not, nor may Customer permit others to rearrange, disconnect, remove, attempt to repair, or otherwise interfere with any of the facilities or equipment installed by the Company, except upon the written consent of the Company.

2.6.3 The Company may substitute, change or rearrange any equipment or facility at any time and from time to time, but shall not thereby alter the technical parameters of the service provided the Customer.

2.6.4 Equipment the Company provides or installs at the Customer Premises for use in connection with the services the Company offers shall not be used for any purpose other than that for which the Company provided it.

2.6.5 The Customer shall be responsible for the payment of service charges as set forth herein for visits by the Company's agents or employees to the Premises of the Customer when the service difficulty or trouble report results from the use of equipment or facilities provided by any party other than the Company, including but not limited to the Customer.

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**SECTION 2. TERMS AND CONDITIONS (Cont'd)**

**2.6 Provision of Equipment and Facilities (Cont'd)**

2.6.6 The Company shall not be responsible for the installation, operation, or maintenance of any customer provided communications equipment. Where such equipment is connected to the facilities furnished pursuant to this tariff, the responsibility of the Company shall be limited to the furnishing of facilities offered under this tariff and to the maintenance and operation of such facilities. Subject to this responsibility, the Company shall not be responsible for:

- (a) the transmission of signals by Customer provided equipment or for the quality of, or defects in, such transmission; or
- (b) the reception of signals by Customer provided equipment.

**2.7 Nonroutine Installation**

2.7.1 At the Customer's request, installation and/or maintenance may be performed outside the Company's regular business hours, or in hazardous locations. In such cases, charges based on the cost of the actual labor, material, or other costs incurred by or charged to the Company will apply. If installation is started during regular business hours but, at the Customer's request, extends beyond regular business hours into time periods including, but not limited to, weekends, holidays, and/or night hours, additional charges may apply.

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**SECTION 2. TERMS AND CONDITIONS (Cont'd)**

**2.8 Ownership of Facilities**

2.8.1 Title to all facilities provided in accordance with this tariff remains in the Company, its agents or contractors.

**2.9 Prohibited Uses**

2.9.1 The services the Company offers shall not be used for any unlawful purpose or for any use as to which the Customer has not obtained all required governmental approvals, authorizations, licenses, consents and permits.

2.9.2 The Company may require applicants for service who intend to use the Company's offerings for resale and/or for shared use to file a letter with the Company confirming that their use of the Company's offerings complies with relevant laws and Commission regulations, policies, orders, and decisions.

2.9.3 The Company may require a Customer to immediately shut down its transmission of signals if said transmission is causing interference to others.

**2.10 Obligations of the Customer**

2.10.1 The Customer shall be responsible for:

- (a) the payment of all applicable charges pursuant to this tariff;

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**SECTION 2. TERMS AND CONDITIONS (Cont'd)**

**2.10 Obligations of the Customer (Cont'd)**

**2.10.1 (Cont'd)**

- (b) damage to or loss of the Company's facilities or equipment caused by the acts or omissions of the Customer; or the noncompliance by the Customer with these regulations; or by fire or theft or other casualty on the Customer Premises, unless caused by the gross negligence or willful misconduct of the employees or agents of the Company;
- (c) providing at no charge, as specified from time to time by the Company, any needed personnel, equipment, space and power to operate Company facilities and equipment installed on the premises of the Customer Premises, and the level of heating and air conditioning necessary to maintain the proper operating environment on such premises;
- (d) obtaining, maintaining, and otherwise having full responsibility for all rights-of-way and conduits necessary for installation of fiber optic cable and associated equipment used to provide Network Services to the Customer from the cable building entrance or property line to the location of the equipment space described in 2.10.1(c). Any costs associated with obtaining and maintaining the rights-of-way described herein, including the costs of altering the structure to permit installation of the Company-provided facilities, shall be borne entirely by, or may be charged by the Company to, the Customer;

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**SECTION 2. TERMS AND CONDITIONS (Cont'd)**

**2.10 Obligations of the Customer (Cont'd)**

2.10.1 (Cont'd)

- (e) not creating or allowing any liens or other encumbrances to be placed on the Company's equipment or facilities.

**2.11 Claims**

2.11.1 With respect to any service or facility provided by the Company, Customer shall indemnify, defend and hold harmless the Company from and against all claims, actions, damages, liabilities, costs and expenses, including reasonable attorneys' fees for:

- (a) any loss, destruction or damage to property of the Company or any third party, or the death or injury to persons, including, but not limited to, employees or invitees of either party, to the extent caused by or resulting from the negligent or intentional act or omission of the Customer, its employees, agents, representatives or invitees; or
- (b) any claim, loss, damage, expense or liability for infringement of any copyright, patent, trade secret, or any proprietary or intellectual property right of any third party, arising from any act or omission by the Customer, including, without limitation, use of the Company's services and facilities in a manner not contemplated by the agreement between Customer and Company.

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**SECTION 2. TERMS AND CONDITIONS (Cont'd)**

**2.11 Claims (Cont'd)**

- (c) providing a safe place to work and complying with all laws and regulations regarding the working conditions on the premises at which Company employees and agents shall be installing or maintaining the Company's facilities and equipment. The Customer may be required to install and maintain Company facilities and equipment within a hazardous area if, in the Company's opinion, injury or damage to the Company's employees or property might result from installation or maintenance by the Company. The Customer shall be responsible for identifying, monitoring, removing and disposing of any hazardous material (e.g. friable asbestos) prior to any construction or installation work;
  
- (d) complying with all laws and regulations applicable to, and obtaining all consents, approvals, licenses and permits as may be required with respect to, the location of Company facilities and equipment in any Customer premises or the rights-of-way for which Customer is responsible under section 2.10.1(d); and granting or obtaining permission for Company agents or employees to enter the premises of the Customer at any time for the purpose of installing, inspecting, maintaining, repairing, or upon termination of service as stated herein, removing the facilities or equipment of the Company; and

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**SECTION 2. TERMS AND CONDITIONS (Cont'd)**

**2.12 Customer Equipment and Channels**

- 2.12.1 A Customer may transmit or receive information or signals via the facilities of the Company.
- 2.12.2 Customer provided terminal equipment on the Customer Premises, and the electric power consumed by such equipment shall be provided by and maintained at the expense of the Customer.
- 2.12.3 The Customer is responsible for ensuring that Customer-provided equipment connected to Company equipment and facilities is compatible with such equipment and facilities. The magnitude and character of the voltages and currents impressed on Company-provided equipment and wiring by the connection, operation, or maintenance of such equipment and wiring shall be such as not to cause damage to the Company-provided equipment and wiring or injury to the Company's employees or to other persons. Any additional protective equipment required to prevent such damage or injury shall be provided by the Company at the Customer's expense.

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**SECTION 2. TERMS AND CONDITIONS (Cont'd)**

**2.12 Customer Equipment and Channels (Cont'd)**

2.12.4 Any special interface equipment necessary to achieve compatibility between the facilities and equipment of the Company used for furnishing Network Services and the channels, facilities, or equipment of others shall be provided at the Customer's expense.

2.12.5 Network Services may be connected to the services or facilities of other communications carriers only when authorized by, and in accordance with, the terms and conditions of the tariffs of the other communications carriers which are applicable to such connections.

**2.13 Inspections**

2.13.1 Upon suitable notification to the Customer, and at a reasonable time, the Company may make such tests and inspections as may be necessary to determine that the Customer is complying with the requirements set forth in section 2.12.3 for the installation, operation, and maintenance of Customer-provided facilities, equipment, and wiring in the connection of Customer-provided facilities and equipment to Company-owned facilities and equipment.

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**SECTION 2. TERMS AND CONDITIONS (Cont'd)**

**2.13 Inspections (Cont'd)**

2.13.2 If the protective requirements for Customer provided equipment are not being complied with, the Company may take such action as it deems necessary to protect its facilities, equipment, and personnel. The Company will notify the Customer promptly if there is any need for further corrective action. Within ten days of receiving this notice, the Customer must take this corrective action and notify the Company of the action taken. If the Customer fails to do this, the Company may take whatever additional action is deemed necessary, including the suspension of service, to protect its facilities, equipment and personnel from harm.

**2.14 Payment Arrangements**

**2.14.1 Payment for Service**

The Customer is responsible for the payment of all charges for facilities and services furnished by the Company to the Customer.

**2.14.1.A Taxes**

The Customer is responsible for the payment of any sales, use, gross receipts, excise, access or other local, state and federal taxes, charges or surcharges (however designated) (excluding taxes on the Company's net income) imposed on or based upon the provision, sale or use of Network Services.

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**SECTION I TERMS AND CONDITIONS (Cont'd)**

**214 Payment Arrangements (Cont'd)**

**214.2 Billing and Collection of Charges**

- 214.2 A The Customer is responsible for payment of all charges incurred by the Customer or other users for services and facilities furnished to the Customer by the Company.
- 214.2 B Non-recurring charges are due and payable within 30 days after the date an invoice is mailed to the Customer by the Company.
- 214.2 C The Company shall present invoices for Recurring Charges monthly to the Customer, on or about the first day of the month in which service is provided, and Recurring Charges shall be due and payable within 30 days after the invoice is mailed.
- 214.2 D When service does not begin on the first day of the month, or end on the last day of the month, the charge for the fraction of the month in which service was furnished will be calculated on a pro rata basis. For this purpose, every month is considered to have 30 days.

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**SECTION 2 TERMS AND CONDITIONS (Cont'd)**

**2.14 Payment Arrangements (Cont'd)**

**2.14.1 Billing and Collection of Charges (Cont'd)**

**2.14.1.1** Billing of the Customer by the Company will begin on the service commencement date, which is the first day following the date on which the Company notifies the Customer that the service or facility is available for use, except that the service commencement date may be postponed by mutual agreement of the parties, or if the service or facility does not conform to standards set forth in this tariff or the Service Order. Billing accrues through and includes the day that the service, circuit, arrangement or component is discontinued.

**2.14.1.2** If any portion of the payment is not received by the Company on or before the date due, or if any portion of the payment is received by the Company in funds which are not immediately available, then the Customer's account shall be delinquent, and a late payment penalty shall be due to the Company. The due date shall be no earlier than thirty (30) days after the Company's invoice is mailed. The late payment penalty shall be the portion of the payment not received by the date due, multiplied by a late factor. The late factor shall be the lesser of (a) 1.5% of the total monthly bill; or (b) the highest interest rate which may be applied under applicable state law for commercial transactions.

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**SECTION 2. TERMS AND CONDITIONS (Cont'd)**

**2.14 Payment Arrangements (Cont'd)**

**2.14.1 Deposits**

2.14.1.A If a Customer cannot demonstrate satisfactory credit by reasonable means appropriate under the circumstances, the Company may require a Customer to make a deposit to be held as a guarantee for the payment of charges. A deposit does not relieve the Customer of the responsibility for the prompt payment of bills on presentation. The deposit will not exceed an amount equal to two twelfths of a Customer's estimated annual billings.

2.14.1.B When a service or facility is discontinued, the amount of a deposit, if any, will be applied to the Customer's account and any credit balance remaining will be refunded. Before the service or facility is discontinued, the Company may, at its option, return the deposit or credit it to the Customer's account, but in no case shall the Company retain the deposit of a Customer who has made prompt and satisfactory payments to the Company for a period of twelve consecutive months.

2.14.1.C Deposits held will accrue interest at a rate based on the simple average interest rate for new issues of one year treasury bills computed over the one year period ending on the preceding first day of December.

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**SECTION 1. TERMS AND CONDITIONS (Cont'd)**

**1.14 Payment Arrangements (Cont'd)**

**1.14.4 Discontinuance of Service**

- 1.14.4.A Upon nonpayment of any amounts owing to the Company, the Company may, by giving ten days' prior written notice to the Customer, discontinue or suspend service without incurring any liability.
- 1.14.4.B Upon violation of any of the other material terms or conditions for furnishing service the Company may, by giving 30 days' prior notice in writing to the Customer, discontinue or suspend service without incurring any liability if such violation continues during that period.
- 1.14.4.C Upon condemnation of any material portion of the facilities used by the Company to provide service to a Customer or if a casualty renders all or any material portion of such facilities inoperable beyond feasible repair, the Company, by notice to the Customer, may discontinue or suspend service without incurring any liability.
- 1.14.4.D Upon the Customer's insolvency, assignment for the benefit of creditors, filing for bankruptcy or reorganization, or failing to discharge an involuntary petition within the time permitted by law, the Company may immediately discontinue or suspend service without incurring any liability.

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**SECTION 2 TERMS AND CONDITIONS (Cont'd)**

**2.14 Payment Arrangements (Cont'd)**

**2.14.4 Discontinuance of Service (Cont'd)**

2.14.4.I Upon any governmental prohibition or required alteration of the services to be provided or any violation of an applicable law or regulation, the Company may immediately discontinue service without incurring any liability.

2.14.4.F Upon the Company's discontinuance of service to the Customer under section 2.14.4.A or 2.14.4.B, the Company, in addition to all other remedies that may be available to the Company at law or in equity or under any other provision of this tariff, may declare all future monthly and other charges which would have been payable by the Customer during the remainder of the term for which such services would have otherwise been provided to the Customer to be immediately due and payable (discounted to present value at six percent).

**2.14.5 Cancellation of Application for Service**

2.14.5.A Applications for service are noncancellable unless the Company otherwise agrees. Where the Company permits Customer to cancel an application for service prior to the start of service or prior to any special construction, no charges will be imposed except for those specified below.

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Part 1: Terms and Conditions (Cont'd)

Section 1: General Provisions (Cont'd)

Section 1.1: Cancellation of Application for Service (Cont'd)

1.1.1

Where prior to cancellation by the Customer, the Company incurs any expenses in installing the service or in preparing to install the service that it otherwise would not have incurred a charge equal to the costs the Company incurred, less net salvage, shall apply, but in no case shall this charge exceed the sum of the charge for the minimum period of service ordered, including installation charges, and all charges others levy against the Company that would have been chargeable to the Customer had service begun (all discounted to present value at six percent).

1.1.2

Where the Company incurs any expense in connection with special construction, or where special arrangements of facilities or equipment have begun, before the Company receives a cancellation notice, a charge equal to the costs incurred, less net salvage, applies. In such cases, the charge will be based on such elements as the cost of the equipment, facilities, and material, the cost of installation, engineering labor, and supervision, general and administrative expense, other disbursements, depreciation, maintenance taxes, provision for return on investment, and any other costs associated with the special construction or arrangements.

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**SECTION 1. TERMS AND CONDITIONS (Cont'd)**

**1.14 Payment Arrangements (Cont'd)**

**1.14.6 Changes in Service Requested**

**1.14.6.A** If the Customer makes or requests material changes in circuit engineering, equipment specifications, service parameters, premises locations, or otherwise materially modifies any provision of the application for service, the Customer's installation fee shall be adjusted accordingly.

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SNIP LINK, LLC

**SECTION 2. TERMS AND CONDITIONS (Cont'd)**

**2.15 Contested Charges**

2.15.1 All bills are presumed accurate, and shall be binding on the Customer unless objection is received by the Company no more than fifteen (15) days after such bills are rendered. In the case of a billing dispute between the Customer and the Company for service furnished to the Customer, which cannot be settled with mutual satisfaction, the Customer may take the following course of action no more than fifteen (15) days after the billing date:

2.15.1.A First, the Customer may request, and the Company will provide, 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.)

2.15.1.B Second, if there is still a disagreement about the disputed amount after investigation and review by the Company, the Customer may file an appropriate complaint with the Public Utilities Commission. The address of the Commission is:

Capitol Bldg., 1st Floor, 500 East Capitol Ave., Pierre, S.D. 57501-5070

2.15.2 Billing inquiries may be directed to the Company toll free at 1-888-764-7600.

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**SECTION 2. TERMS AND CONDITIONS (Cont'd)**

**2.16 Allowances for Interruptions in Service**

2.16.1 Interruptions in service, which are not due to the negligence of, or noncompliance with the provisions of this tariff by, the Customer or the operation or malfunction of the facilities, power or equipment provided by the Customer, will be credited to the Customer as set forth in 2.16.2.A for the part of the service that the interruption affects.

**2.16.2 Credit for Interruptions**

2.16.2.A A credit allowance will be made when an interruption occurs because of a failure of any component furnished by the Company under this tariff. An interruption period begins when the Customer reports a service, facility or circuit to be interrupted and releases it for testing and repair. An interruption period ends when the service, facility or circuit is operative. If the Customer reports a service, facility or circuit to be inoperative but declines to release it for testing and repair, it is considered to be impaired, but not interrupted.

2.16.2.B For calculating credit allowances, every month is considered to have 30 days. A credit allowance is applied on a pro rata basis against the rate, specified hereunder and is dependent upon the length of the interruption. Only those facilities on the interrupted portion of the circuit will receive a credit.

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**SECTION 2. TERMS AND CONDITIONS (Cont'd)**

**2.16 Allowances for Interruptions in Service (Cont'd)**

**2.16.2 Credit for Interruptions (Cont'd)**

2.16.2 C A credit allowance will be given for interruptions of 15 minutes or more. Credit allowances shall be calculated as follows.

Interruptions of 24 Hours or Less

<u>Length of Interruption</u>	<u>Interruption Period To Be Credited</u>
Less than 15 minutes	None
15 minutes up to but not including 3 hours	1/10 Day
3 hours up to but not including 6 hours	1/5 Day
6 hours up to but not including 9 hours	2/5 Day
9 hours up to but not including 12 hours	3/5 Day
12 hours up to but not including 15 hours	4/5 Day
15 hours up to but not including 24 hours	One Day

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**SECTION 2. TERMS AND CONDITIONS (Cont'd)**

**2.16 Allowances for Interruptions in Service (Cont'd)**

**2.16.2 Credit for Interruptions (Cont'd)**

Two or more interruptions of 15 minutes or more during any one 24-hour period shall be considered as one interruption.

Interruptions Over 24 Hours and Less Than 72 Hours. Interruptions over 24 hours and less than 72 hours will be credited 1/5 day for each 3-hour period or fraction thereof. No more than one full day's credit will be allowed for any period of 24 hours.

Interruptions Over 72 Hours. Interruptions over 72 hours will be credited 2 days for each full 24-hour period. No more than 30 days credit will be allowed for any one month period.

**2.16.3 Limitations on Allowances**

No credit allowance will be made for:

- (a) interruptions due to the negligence of, or noncompliance with the provisions of this tariff by, the Customer, authorized user, joint user, or other common carrier providing service connected to the service of the Company;

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100-A Twinbridge Drive  
Pennsauken, NJ 08110

---

**SECTION 2. TERMS AND CONDITIONS (Cont'd)**

**2.16 Allowances for Interruptions in Service (Cont'd)**

**2.16.3 Limitations on Allowances (Cont'd)**

- (b) interruptions due to the negligence of any person other than the Company, including but not limited to the Customer or other common carriers connected to the Company's facilities;
- (c) interruptions due to the failure or malfunction of non-Company equipment;
- (d) interruptions of service during any period in which the Company is not given full and free access to its facilities and equipment for the purpose of investigating and correcting interruptions.
- (e) interruptions of service during a period in which the Customer continues to use the service on an impaired basis.
- (f) interruptions of service during any period when the Customer has released service to the Company for maintenance purposes or for implementation of a Customer order for a change in service arrangements; and
- (g) interruption of service due to circumstances or causes beyond the control of Company.

---

Issued: \_\_\_\_\_

Effective \_\_\_\_\_

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**SECTION 2. TERMS AND CONDITIONS (Cont'd)**

**2.16 Allowances for Interruptions in Service (Cont'd)**

**2.16.4 Cancellation For Service Interruption**

Cancellation or termination for service interruption is permitted only if any circuit experiences a single continuous outage of 8 hours or more or cumulative service credits equaling 16 hours in a continuous 12-month period. The right to cancel service under this provision applies only to the single circuit which has been subject to the outage or cumulative service credits.

**2.17 Cancellation of Service**

If a Customer cancels a Service Order or terminates services before the completion of the term for any reason whatsoever other than a service interruption (as defined in 2.16 above), Customer agrees to pay to Company the following sums which shall become due and owing as of the effective date of the cancellation or termination and be payable within the period set forth in 2.14 all costs, fees and expenses reasonably incurred in connection with 1) all Non-Recurring charges reasonably expended by Company to establish service to Customer, plus 2) any disconnection, early cancellation or termination charges reasonably incurred and paid to third parties by Company on behalf of Customer, plus 3) all Recurring Charges specified in the applicable Service Order Tariff for the balance of the then current term.

Issued: \_\_\_\_\_

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**SECTION 2. TERMS AND CONDITIONS (Cont'd)**

**2.18 Transfers and Assignments**

Neither the Company nor the Customer may assign or transfer its rights or duties in connection with the services and facilities provided by the Company without the written consent of the other party, except that the Company may, after receiving approval from the South Dakota Public Utilities Commission, assign its rights and duties (a) to any subsidiary, parent company or affiliate of the Company, (b) pursuant to any sale or transfer of substantially all the assets of the Company, or (c) pursuant to any financing, merger or reorganization of the Company.

**2.19 Notices and Communications**

2.19.1 The Customer shall designate on the Service Order an address to which the Company shall mail or deliver all notices and other communications, except that Customer may also designate a separate address to which the Company's bills for service shall be mailed.

2.19.2 The Company shall designate on the Service Order an address to which the Customer shall mail or deliver all notices and other communications except that Company may designate a separate address on each bill for service to which the Customer shall mail payment on that bill.

2.19.3 All notices or other communications required to be given pursuant to this tariff will be in writing. Notices and other communications of either party, and all bills mailed by the Company, shall be presumed to have been delivered to the other party on the third business day following placement of the notice, communication or bill with the U.S. Mail or a private delivery service, prepaid and properly addressed, or when actually received or refused by the addressee, whichever occurs first.

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**SECTION 1. TERMS AND CONDITIONS (Cont'd)**

**2.19 Notices and Communications (Cont'd)**

2.19.4 The Company or the Customer shall advise the other party of any changes to the addresses designated for notices, other communications or billing, by following the procedures for giving notice set forth herein.

**2.20 Individual Case Basis (ICB) Arrangements**

2.20.1 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 from those specified for such services in Section 5 of this tariff. ICB rates will be offered to the Customer in writing and on a nondiscriminatory basis.

**2.21 Temporary Promotional Programs**

2.21.1 The Company may establish temporary promotional programs wherein it may waive or reduce non-recurring or recurring charges, to introduce present or potential Customers to a service not previously received by the Customers.

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Pennsauken, NJ 08110

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SNIP LINK, LLC

**SECTION 3. EXPLANATION OF RATES**

The regulations set forth in this section explain how to apply the rate table associated with the various services offerings described in Section 4.

**3.1 Timing of Calls**

3.1.1 Billing for calls placed over the Company's underlying carrier's network is based on the duration of the call. Timing begins when the called station is answered, as determined by standard industry methods generally in use for ascertaining answers, including answer supervision hardware by which the local telephone company sends a signal to the switch or the software utilizing audio tone detection. Timing ends when either party hangs up.

**3.2 Computation of Charges**

3.2.1 As set forth in Section 4, calls will be billed in increments of either: (i) an initial eighteen (18) second period and additional six (6) second periods; (ii) an initial thirty (30) second period and additional six (6) second periods; (iii) an initial sixty (60) second period and additional thirty (30) second periods; or (iv) an initial one (1) minute period and additional one (1) minute periods.

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**SECTION 4. DESCRIPTIONS OF SERVICES**

**4.1 1+ Long Distance**

1+ Long Distance Service is a dedicated or switched long distance message telecommunications service provided between points located within the State. Dedicated 1+ Long Distance calls are billed in initial 18 second increments and additional increments of 6 seconds. Switched 1+ Long Distance calls are billed in initial 18 second increments and additional increments of 6 seconds.

**4.2 Toll Free Service**

Toll Free Service is a telecommunications service which allows a caller to place calls to a Customer at no cost to the calling party by dialing a telephone number that is assigned to a Customer Premises and that employs a toll-free area code. Toll free service is billed in initial 18 second increments and additional increments of 6 seconds.

**4.3 Calling Plans**

**4.3.1 Anytime USA**

The Company offers customers ordering Anytime USA three (3) alternative plans based upon the manner of bill presentment that the customer pre-selects. There is a monthly fee for this plan and no minutes of usage are provided.

**4.3.2 Integrated Services Calling Plan**

The Company offers customers ordering the Integrated Services Calling Plan three (3) alternative plans based upon the manner of bill presentment that the customer pre-selects. There is no monthly fee for this plan and no minutes of usage are provided. Separate Internet access rates of SNiP, Inc. apply in addition to the telecommunications usage rates below. This plan provides customers with a package of switched telecommunications services and Internet access. Customers must subscribe to a qualifying Internet service offered by the Company's Internet provider, SNiP, Inc.

**4.4 Toll Directory Assistance**

Toll Directory Assistance Service provides the Customer with access to telephone number listing information. The Company will provide this service through arrangements with other telecommunications carriers.

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**SECTION 4. DESCRIPTIONS OF SERVICES (Cont'd)**

**4.5 Toll Operator Services**

Toll Operator Services involve assisting Customers with the placement of long distance telephone calls, including Calling Card Calls, Station-to-Station Calls, and Person-to-Person Calls. The Company will provide this service through arrangements with other telecommunications carriers.

**4.6 Intrastate Calling Card Service**

The Company will provide its Customers with calling cards for the purpose of enabling the customer to access the Company's long distance services from locations other than the Customer's premises.

**4.7 Intrastate Calling Card Directory Assistance Service**

Intrastate Calling Card Directory Assistance Service provides Customers using the Intrastate Calling Card Service with access to telephone number listing information. The Company will provide this service through arrangements with other telecommunications carriers.

**4.8 Conference Calling Service**

Conference Calling Service is an audio service that allows Customers to establish conference calls with individuals located at different sites. Customers may enter into the conference meeting using a pre-assigned conference telephone number.

**4.9 OnNet Service**

OnNet Service is the virtual connection within the State originating from Customer Premises that are connected to the Company's point of presence ("POP") or virtual point of presence ("VPOP") using dedicated access. The Customer must deliver traffic to one of the Company's collocated facilities, using separate arrangements obtained from the Company or a third party. OnNet Service rates apply to all non-local traffic completed through such arrangements. OnNet Service calls are billed in initial 18 second increments and additional increments of 6 seconds.

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**SECTION 5. RATE SCHEDULES**

**5.1 1+ Long Distance Rates**

5.1.1 Dedicated 1+ Long Distance

\$0.1007 per minute

5.1.2 Switched 1+ Long Distance

\$0.1908 per minute

**5.2 Toll Free Service Rates**

5.2.1 Switched 1+ Toll Free Service

\$0.1908 per minute

5.2.2 Dedicated 1+ Toll Free Service

\$0.1007 per minute

**5.3 Calling Plans**

5.3.1 Anytime USA Rates

The recurring fee for the Anytime USA plan is \$4.95 per month.

	<u>Switched 1+ Rate</u>	<u>Toll Free Rate</u>
Direct/LEC Billing	\$ 0.1684	\$ 0.1684
Electronic Billing	\$ 0.1684	\$ 0.1684

5.3.2 Integrated Services Calling Plan

	<u>Switched 1+ Rate</u>	<u>Toll Free Rate</u>
Direct/LEC Billing	\$ 0.1684	\$ 0.1684
Electronic Billing	\$ 0.1684	\$ 0.1684

**5.4 Toll Directory Assistance**

Per Call \$0.68

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**SECTION 5. RATE SCHEDULES (Cont'd)**

**5.5 Toll Operator Services**

Direct Connect/Station-to-Station: \$0.95  
Direct Connect/Person-to-Person: \$3.70

**5.6 Intrastate Calling Card Service**

Per Call Set-up Charge: \$0.10  
Per Minute Rate: \$0.20  
Per Call Charge for Calling Card Calls  
Placed from a Payphone: \$0.40

**5.7 Intrastate Calling Card Directory Assistance**

Per Call: \$0.95

**5.8 Conference Calling Service**

Weekday charges apply 12:00 midnight CST Monday through 11:59 p.m. CST Friday.  
Weekend charges apply 12:00 midnight CST Saturday through 11:59 p.m. CST Sunday.

	<u>Weekday Charge</u>	<u>Weekend Charge</u>
Per Call Set-up Charge:	\$3.00	\$3.00
Per Minute Per Bridgeport Rate:	\$0.65	\$0.45

**5.9 OnNet Service Rates**

Between Intrastate LATAs: \$0.06 per minute

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SECTION 5. RATE SCHEDULES (Cont'd)

5.10 Volume and Term Discounts

The following volume and term discounts apply to all telecommunications usage purchased under this tariff. The Company will apply these discounts to the Customer's total monthly bill for services rendered, in the aggregate.

5.10.1 Term Discounts.

<u>Term</u>	<u>Discount</u>
One Year:	0%
Two Year:	2%
Three Year:	3%
Five Year:	4%

5.10.2 Volume Discounts.

<u>Monthly Recurring Revenue</u>	<u>Discount</u>
No Commitment:	0%
\$100.00 - 499.00	1%
\$500.00 - 999.00	2%
\$1,000.00 - 3,999.00:	3%
\$4,000.00 - 8,499.00:	5%
\$8,500.00 - 12,499.00:	7%
\$12,500.00 +:	9%

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Issued by: Joseph Polito, Jr.  
Director of Telecommunications Sales  
SNiP Link, LLC  
100-A Twinbridge Drive  
Pennsauken, NJ 08110

KELLEY DRYE & WARREN LLP  
1200 19TH STREET, N.W.  
WASHINGTON, DC 20036

15 12/2000  
SPRINGER ARMS

DATE January 10, 2001

PAY  
TO THE  
ORDER OF

South Dakota Public Utilities Commission

\$ 250.00

Two Hundred Fifty And No/100

DOLLARS

Security features  
included on this  
check as back

First Union National Bank

**FIRST UNION**

R/T 054001220

*Lawrence K. Lambert*

⑆00006503⑆ ⑆054001220⑆2000034690853⑆

MP

South Dakota Public Utilities Commission  
WEEKLY FILINGS  
For the Period of January 11, 2001 through January 17, 2001

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

TELECOMMUNICATIONS

**TC01-004** In the Matter of the Application of SNIP Link, LLC for a Certificate of Authority to Provide Interexchange Telecommunications Services in South Dakota.

SNIP Link LLC is seeking a Certificate of Authority to provide interexchange telecommunication services in South Dakota. Initially the applicant intends to offer basic 1+ long distance services, WATS, calling card service and toll-free services through resale.

Staff Analyst: Keith Senger  
Staff Attorney: Kelly Frazier  
Date Docketed: 01/11/01  
Intervention Deadline: 2/01/01

**TC95-121** In the Matter of the Request for Decertification of LDM Systems, Inc. as an Intrastate, Interexchange Carrier and for Assignment of its CLEC Authorization to its Parent Company, RSL COM U.S.A., Inc.

RSL COM U.S.A., Inc., the parent company of LDM Systems, Inc., requests to withdraw the interexchange Certificate of Authority granted to LDM Systems, Inc. in TC95-121 and to transfer the local Certificate of Authority granted to LDM Systems, Inc. in TC97-038 to itself. LDM Systems, Inc. will cease providing interexchange telecommunications services in the state, and the LDM Systems, Inc. current customers will continue to be served by RSL COM U.S.A., Inc. under the same rates and pursuant to the same terms and conditions of service. LDM Systems, Inc. does not have any local exchange customers in the state.

Staff Attorney: Karen Cremer  
Staff Analyst: Marian Best  
Date Docketed: 01/11/01  
Intervention Deadline: 02/02/01

**TC97-149** In the Matter of the Filing for Approval of a Third Amendment to an Interconnection Agreement between Qwest Corporation and Sprint Communications Company, L.P.

A amendment No. 3 to the Interconnection Agreement between Qwest Corporation (Qwest) and Sprint Communications Company, L.P. (Sprint) was filed with the Commission for the states of Idaho, Iowa, Montana, Nebraska, New Mexico, North Dakota, Oregon, South Dakota, Utah and Wyoming for approval by the Commission. The agreement is a negotiated agreement with the parties adopting the negotiated interconnection agreement between Sprint and Qwest which was approved by the Commission effective November 21, 1997 in Docket No. TC97-149. The Amendment adds terms and conditions for Complex Firm Order Confirmation (FOC). Any party wishing to comment on the agreement may do so by filing written comments with the Commission and the parties to the agreement no later than February 6, 2001.

KELLEY DRYE & WARREN LLP

ORIGINAL

1200 19<sup>TH</sup> STREET, N.W.

SUITE 500

WASHINGTON, D.C. 20036

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February 8, 2001

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SOUTH DAKOTA PUBLIC UTILITIES COMMISSION

VIA FEDERAL EXPRESS

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

Re SDPUC Docket TC01-004 - In the Matter of the Application of SNiP Link, LLC for a Certificate of Authority to Provide Interexchange Telecommunications Services in South Dakota

Dear Mr. Bullard:

Please find enclosed for filing an original and ten (10) copies of the responses, tariff revisions, and updated financial statements of SNiP Link, LLC to the requests of Utility Analyst Keith Senger. Please note that SNiP Link, LLC submits its financial statements under separate cover and under separate seal, and respectfully requests confidential treatment thereof.

In addition, a duplicate copy of this filing is enclosed. Please date-stamp the duplicate upon receipt, and return to the undersigned counsel in the self-addressed, postage paid envelope provided.

Respectfully submitted,

Michael Engel\*

Enclosure

\*Admitted in New York only

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UTILITIES COMMISSION

SDPUC Docket TC'01-004 - In the Matter of the Application of SNiP Link, LLC for a Certificate of Authority to Provide Interexchange Telecommunications Services in South Dakota

**Responses of SNiP Link, LLC to Questions and Suggested Changes of Utility Analyst Keith Senger**

1 Please provide the information required by ARSD 20:10:24:02(7).

**SNiP Link, LLC will provide service on a statewide basis.**

2 ARSD 20:10:24:02(8) requires statements (*i.e.* balance sheet, income statement and cash flow statement) of the applicant. The cash flow statement provided was the combined statement for SNiP Inc. Please provide a statement of cash flows for the applicant, SNiP Link, LLC. This statement should be for the same time period as the other SNiP Link, LLC financial statements submitted. If this statement is unavailable, you may request a waiver in accordance with ARSD 20:10:24:02(15). Please include the applicant's reasons for the request.

**Please see the attached updated financial statements (*Attachment A*) for the period of September 2000 through November 2000. Please note that SNiP Link, LLC's information is provided separately.**

3 The application did not address cost supports as required by ARSD 20:10:24:02(12). Please provide the required information.

**SNiP Link, LLC will provide interexchange services that are currently fully competitive in the South Dakota market. Consequently, no cost support for tariffed rates is included.**

4 In order to protect South Dakota consumers, the South Dakota Public Utilities Commission (SDPUC) has restricted applicants with unknown or marginal financial capabilities from offering prepaid calling cards/services and from collecting customer deposits and advance payments. These restrictions are placed in the Commission order granting authority. This would mean that the applicant would have to bill the monthly fees (including custom calling features and/or recurring monthly fees) in arrears. The applicant is free to apply to the Commission for removal of the restrictions once financial capability improves or is made known.

Based on the financial information received, the applicant has not demonstrated adequate financial capability to offer prepaid calling cards or to collect customer deposits and advance

payments. Does the applicant agree to the above restrictions? If so, please update the submitted tariff if necessary.

If these restrictions are unacceptable, the applicant may submit a \$25,000 bond naming the South Dakota Public Utilities Commission and the consumers of South Dakota as beneficiaries. The bond requirement would be placed in the Commission order granting authority. The applicant is free to apply to the Commission for removal of the bond requirement once financial capability improves or is made known.

Please increase the customer dispute period in Section 2.15.1 of the proposed tariff from 15 to 180 days.

**SNIP Link, LLC will not provide pre-paid calling cards to South Dakota consumers at this time.**

**Please see the attached revised tariff (Attachment B). Section 2.15.1 has been amended to allow provide for a customer dispute period of 180 days.**

- 3. Please include the Commission's toll free and hearing-impaired toll free telephone numbers in sections 2.15.1.B of the proposed tariff. They are: 1-800-332-1782 and TTY Through Relay South Dakota 1-800-877-1113.

**Please see the attached revised tariff (Attachment B). The Commission's toll-free and hearing impaired toll-free number are now included in Section 2.15.1.B.**

- 4. Section 2.4 of the proposed tariff attempts to limit the liability of the company. Under South Dakota law found at 49-13-1 and 49-13-1.1, a person has the right to claim damages from a telecommunications company by coming before the Commission or a court of competent jurisdiction. Please delete sections 2.4.7 and 2.4.8 and replace with "The liability of the Company shall be determined in accordance with SDCL 49-13-1, 49-13-1.1 and any other applicable law". Additionally please delete the word "gross" in section 2.4.5.

**Please see the attached revised tariff (Attachment B). Sections 2.4, 2.4.7, 2.4.8, and 2.4.5 have been amended to comply with the Commission's Rules.**

CONFIDENTIAL

# [2]

**SNIP**  
**Combining Balance Sheet**  
**February 29, 2000**

	SNIP, Inc.	SNIP LINK LLC	Eliminations	Combined
<b>Assets</b>				
petty Cash	\$72.05	\$0.00	\$0.00	\$72.05
Comm Oper Acct-3964319	5,237.79	0.00	0.00	5,237.79
Comm Marsh Acct-3964327	27,683.12	0.00	0.00	27,683.12
Comm PR Acct-3964301	16,642.79	0.00	0.00	16,642.79
Comm MM-3964707	48,383.68	0.00	0.00	48,383.68
Comm Checking-3965001-LINK L	0.00	5,000.00	0.00	5,000.00
<b>Total Cash</b>	<b>98,019.43</b>	<b>5,000.00</b>	<b>0.00</b>	<b>103,019.43</b>
Accounts Receivable	183,952.54	0.00	0.00	183,952.54
Employee Receivables	3,674.32	0.00	0.00	3,674.32
Due from SNIP Link, LLC	682,636.63	0.00	682,636.63	0.00
Prepaid	69,133.44	10,470.59	0.00	79,604.03
Other Current Assets	6,085.24	0.00	0.00	6,085.24
<b>Total Other Current Assets</b>	<b>945,482.17</b>	<b>10,470.59</b>	<b>682,636.63</b>	<b>273,316.13</b>
<b>Current Assets</b>	<b>1,043,501.60</b>	<b>15,470.59</b>	<b>682,636.63</b>	<b>376,335.56</b>
Computer Hardware	1,692,981.25	0.00	0.00	1,692,981.25
Computer Software	248,539.91	0.00	0.00	248,539.91
Office Equipment	282,856.22	0.00	0.00	282,856.22
Furniture & Fixtures	249,850.90	0.00	0.00	249,850.90
Leasehold Improvements	412,426.61	10,150.00	0.00	422,576.61
Telephony Equipment	0.00	1,728,114.46	0.00	1,728,114.46
<b>Total Fixed Assets</b>	<b>2,886,654.89</b>	<b>1,738,264.46</b>	<b>0.00</b>	<b>4,624,919.35</b>
AD - Computer Hardware	(643,526.54)	0.00	0.00	(643,526.54)
AD - Computer Software	(2,833.68)	0.00	0.00	(2,833.68)
AD - Office Equipment	(241,567.05)	0.00	0.00	(241,567.05)
AD - Furniture & Fixtures	(34,525.93)	0.00	0.00	(34,525.93)
AD - Leasehold Improvements	(40,055.40)	(3,677.34)	0.00	(43,732.74)
AD - Telephony Equipment	0.00	(16,099.50)	0.00	(16,099.50)
<b>Total Accumulated Depreciation</b>	<b>(962,508.60)</b>	<b>(19,776.84)</b>	<b>0.00</b>	<b>(982,285.44)</b>
<b>Net Fixed Assets</b>	<b>1,924,146.29</b>	<b>1,718,487.62</b>	<b>0.00</b>	<b>3,642,633.91</b>
Deposits	60,274.00	0.00	0.00	60,274.00
<b>Total Assets</b>	<b>3,027,921.89</b>	<b>1,733,958.21</b>	<b>682,636.63</b>	<b>4,079,243.47</b>
<b>Liabilities and Equity</b>				
Capital Leases - Current	296,157.05	0.00	0.00	296,157.05
Accounts Payable	1,092,452.71	0.00	0.00	1,092,452.71
Accrued Expenses	554,986.53	0.00	0.00	554,986.53
Deferred Income - Current	1,384,352.04	0.00	0.00	1,384,352.04
Due to SNIP Link, LLC	0.00	682,636.63	682,636.63	0.00
<b>Current Liabilities</b>	<b>3,327,948.33</b>	<b>682,636.63</b>	<b>682,636.63</b>	<b>3,327,948.33</b>
Long-Term Debt	1,319,282.71	1,480,889.13	0.00	2,800,171.84
Capital Leases - L/T	585,410.60	0.00	0.00	585,410.60
Deferred Income - L/T	127,254.95	0.00	0.00	127,254.95
<b>Total Liabilities</b>	<b>5,359,896.59</b>	<b>2,163,525.76</b>	<b>682,636.63</b>	<b>6,840,785.72</b>
Current Earnings	(404,678.99)	(96,422.22)	0.00	(501,101.21)
Retained Earnings	(2,946,553.71)	(338,145.33)	0.00	(3,284,699.04)
Member's Interest	0.00	5,000.00	0.00	5,000.00
Capital Stock	1,019,258.00	0.00	0.00	1,019,258.00
<b>Shareholder Equity</b>	<b>(2,331,974.70)</b>	<b>(429,567.55)</b>	<b>0.00</b>	<b>(2,761,542.25)</b>
<b>Total Liabilities and Equity</b>	<b>\$3,027,921.89</b>	<b>\$1,733,958.21</b>	<b>\$682,636.63</b>	<b>\$4,079,243.47</b>

**SNIP**  
**P&L w/ Departmental Breakdown**  
**Combining Statement**  
**For the Month Ending February 29, 2000**

**SNIP, Inc.    SNIP LINK LLC    Combined**

Data Services	\$334,676.12		\$334,676.12
Refunds - CC	(8,932.13)		(8,932.13)
Refunds - Cash	(2,642.70)		(2,642.70)
<hr/>			
Total Revenue	323,101.29		323,101.29
<hr/>			
Payroll	28,870.85		28,870.85
Employee Benefits - In	5,563.26		5,563.26
Dial-up Lines	74,749.86		74,749.86
Network Loops	21,885.91		21,885.91
CD's & Floppies	5,029.79		5,029.79
Books	4,902.29		4,902.29
Shipping & Postage	5,004.33		5,004.33
Temporary Labor	191.25		191.25
Miscellaneous Supplies	80.00		80.00
<hr/>			
Total COGS	146,277.54		146,277.54
<hr/>			
Gross Margin	176,823.75		176,823.75
Gross Margin %	54.73%		54.73%
<hr/>			
Payroll	92,742.10	5,940.08	98,682.18
Honor & Awards	2,493.00		2,493.00
Sales Commission	10,054.00		10,054.00
Referral Endorser & Registered	832.80		832.80
Employee Benefits - In	21,123.61	501.45	21,625.06
Advertising - Production	5.00		5.00
Advertising - Newspaper	30,070.05		30,070.05
Advertising - Directory	2,911.56		2,911.56
Advertising - Radio	21,669.84		21,669.84
Advertising - Billboard	800.00		800.00
Internet Connectivity	16,552.68		16,552.68
Network Loops	46,808.32	2,094.10	48,902.42
800 Numbers-Incoming	5,300.00		5,300.00
Equipment & Software	1,345.33	10.09	1,355.42
Leased & Rented Equipment	368.80		368.80
Lease Expenses		3,190.00	3,190.00
SS7 Expenses		4,050.01	4,050.01
Automobile	1,566.00		1,566.00
Dues & Subscriptions	200.00		200.00
Books	813.45		813.45
Service Contracts	3,014.22		3,014.22
Overnight Delivery	344.25		344.25
Travel	1,006.50		1,006.50
Meals & Entertainment	170.76		170.76
1099 Temp Help/Contractor	455.18		455.18
Recruitment Expenses	136.48		136.48
Misc. Other Expense	2,089.60	217.62	2,307.22
Debt Transaction Fees	6,887.00	6,887.00	13,774.00
Bank Charges	37.00		37.00
Merchant Expense	4,009.73		4,009.73
Insurance	2,460.00		2,460.00
Building Rent Expense	7,125.00	9,970.00	17,095.00
Utilities	3,251.71		3,251.71
Telephone	2,579.38		2,579.38
Building Maintenance	1,100.23		1,100.23
Office Expenses	2,330.03		2,330.03
Accounting	2,208.00		2,208.00
<hr/>			
Total SO&A	294,861.61	32,860.35	327,721.96
<hr/>			
Interest Income	(92.36)		(92.36)
Interest Expense	32,831.97		32,831.97
Depreciation Expense	52,243.32	11,237.23	63,480.55

SNIP  
P&L w/ Departmental Breakdown  
Combining Statement  
For the Month Ending February 29, 2000

	SNiP, Inc.	SNiP LiNK LLC	Combined
Total Cost (Income)/Expense	<u>\$84,982.93</u>	<u>\$11,237.23</u>	<u>\$96,220.16</u>
Net (Loss)/Income	<u>(\$203,020.79)</u>	<u>(\$44,097.58)</u>	<u>(\$247,118.37)</u>

SWP

Subsidiary Statement Cash Flows  
For the Three Months Ended 2/29/2000

Cash Flow from Operating Activities:

Net Income / (Loss) (501,101)

Adjustments to reconcile net income to net cash provided by operating activities:

Depreciation & Amortization 115,816

Changes in operating assets & liabilities:

Accounts Receivable, net	(43,330)
Prepaid & other current assets	(23,076)
Deposits	2,850
Accounts Payable	(82,030)
Current Liabilities	154,680
Deferred revenue	215,796

Net Cash Flow Used by Operating Activities (160,394)

Cash Flow from Investing Activities:

Fixed Asset Additions (94,967)

Net Cash Flow Used by Investing Activities (94,967)

Cash Flow from Financing Activities:

Borrowings - Newcourt Senior Secured Facility 300,000

Payments on Capital Leases -

Net Cash Provided by Financing Activities (61,162)

238,838

Net Decrease in Cash (16,524)

Cash Beginning of Year 119,544

Cash End of Year 103,020

**SNIP, Inc. (Unaudited)**  
**Balance Sheet**  
As of December 31, 1999

Dec 31, '99

**ASSETS**

**Current Assets**

**Checking/Savings**

1000000 - Petty Cash	72.05
1040000 - Comm Oper Acct-3964319	40,795.12
1050000 - Comm Merch Acct-3964327	3,552.37
1060000 - Comm PR Acct-3964301	2,309.44
1070000 - Comm MM-3964707	67,814.64

**Total Checking/Savings** 114,543.62

**Accounts Receivable**

1200000 - Accounts Receivable	140,622.80
-------------------------------	------------

**Total Accounts Receivable** 140,622.80

**Other Current Assets**

1300000 - Employee Receivables	2,169.96
1305000 - Due from SNIP Link, LLC	772,617.16
1500000 - Prepays	54,351.95
1570000 - Other Current Assets	9,765.95

**Total Other Current Assets** 838,905.02

**Total Current Assets** 1,054,071.44

**Fixed Assets**

1610000 - Computer Hardware	1,638,816.09
1620000 - Computer Software	242,438.57
1630000 - Office Equipment	282,856.22
1640000 - Furniture & Fixtures	249,850.90
1650000 - Leasehold Improvements	406,185.26
1710000 - A/D - Computer Hardware	-559,586.11
1720000 - A/D - Computer Software	-1,581.78
1730000 - A/D - Office Equipment	-236,533.48
1740000 - A/D - Furniture & Fixtures	-28,577.09
1750000 - A/D - Leasehold Improvements	-32,970.08

**Total Fixed Assets** 1,960,898.50

**Other Assets**

1810000 - Deposits	59,274.00
--------------------	-----------

**Total Other Assets** 59,274.00

**TOTAL ASSETS** 3,114,243.94

**LIABILITIES & EQUITY**

**Liabilities**

**Current Liabilities**

**Accounts Payable**

2010000 - Accounts Payable	1,174,482.76
----------------------------	--------------

**Total Accounts Payable** 1,174,482.76

**Other Current Liabilities**

2100000 - Accrued Liabilities	
2110000 - Accrued Salaries	55,180.26
2120000 - Accrued Commissions	15,261.25
2130000 - Accrued Bonuses	4,826.00
2140000 - Accrued Payroll Taxes	8,865.99
2150000 - Accrued Payroll Benefits	1,794.09
2160000 - Accrued Vacation	20,935.13
2190000 - Accrued - Other (Estimates)	293,443.88

**Total 2100000 - Accrued Liabilities** 400,306.60

2510000 - Capital Leases - Current 357,319.70

2520000 - Deferred Income - Current 1,195,827.24

**Total Other Current Liabilities** 1,953,453.54

**Total Current Liabilities** 3,127,936.30

03/22/00

SNIP, Inc. (Unaudited)  
Balance Sheet  
As of December 31, 1999

	Dec 31, 99
Long Term Liabilities	
2505000 · L/T Debt	2,505,000.00
2610000 · Capital Leases - L/T	2,610,000.00
2920000 · Deferred Income - L/T	2,920,000.00
Total Long Term Liabilities	8,035,000.00
Total Liabilities	8,035,000.00
Equity	
3920000 · Capital Stock	3,920,000.00
3030000 · Retained Earnings	3,030,000.00
Net Income	1,150,000.00
Total Equity	8,105,000.00
TOTAL LIABILITIES & EQUITY	16,140,000.00

03/30/00

SNIP, Inc. (Unaudited)  
Profit and Loss  
January through December 1999

Jan - Dec 99

Ordinary Income/Expense

Income

4000000 · Income	2,018,475.88
4900000 · Refunds (Sales Returns)	
4900101 · XS Refunds - CC	48,522.48
4900102 · XS Refunds - Cash	27,428.88
<b>Total 4900000 · Refunds (Sales Returns)</b>	<b>75,951.36</b>

Total Income

2,094,427.24

Cost of Goods Sold

5000000 · Cost of Goods Sold-Hardware	1,278.87
5001000 · COGS - XS	
5001100 · XS Supplies	1,428.37
5001200 · XS Welcome Kit	
5001201 · Shipping & Postage	38,228.88
5001202 · CD's & Floppies	22,228.88
5001203 · Internet Books	84,954.08
5001204 · Instruction Sheets	1,102.48
<b>Total 5001200 · XS Welcome Kit</b>	<b>117,514.32</b>
5001300 · XS Leased Equipment	12.87
5001411 · Dial-up Lines MRC	681,028.18
5001412 · Dial-up Lines NRC	28,818.08
5001461 · Domain Name Fees	2,100.00
5001462 · IP Address Fees	2,250.00
5001501 · XS Fulfillment	2,218.88
5001502 · XS Facilitation	2,150.88
5001503 · XS Customer Maintenance Mgmt	2,000.87
5001504 · XS Technical Support	102,218.87
5001505 · COGS - XS Benefits In	28,228.87
5001506 · COGS - XS Depreciation	221,228.88
<b>Total 5001000 · COGS - XS</b>	<b>1,102,228.88</b>
5002000 · COGS - AS	
5002100 · AS Supplies	2,000.88
5002200 · AS Customer Dedicated-Recurring	222,228.88
5002300 · AS Customer Dedicated Lines-NRC	58,228.88
5002400 · AS Equipment Leases	0.00
5002501 · AS Facilitation	2,000.88
5002504 · AS Technical Support	1,102.48
5002505 · COGS - AS Benefits In	12,228.87
5002506 · COGS - AS Depreciation	2,228.78
<b>Total 5002000 · COGS - AS</b>	<b>273,820.87</b>

Total COGS

1,476,049.75

Gross Profit

618,377.49

Expense

6000000 · General & Administrative	
6010000 · Merchant Expense	22,228.88
6020000 · Collocation Rent	22,228.88
6030101 · Internet Connectivity MRC	81,228.87
6040101 · Network Loops MRC	22,228.88
6040102 · Network Loops NRC	22,228.88
6041101 · Telephone MRC	22,228.88
6041102 · Telephone NRC	22,228.88
6042000 · 800 Numbers-Incoming	22,228.88
6050100 · Network Equip/Software (NRC)	22,228.88
6050200 · Network Equipment Leases	0.00
6050300 · Data Oper Equip Software (NRC)	22,228.88
6050400 · Data Operations Equip Leases	22,228.88
6060000 · General & Administrative Payrol	22,228.88
6061100 · Connection Services (XS)	
6061111 · XS Customer Maintenance Mgmt	48,228.88

**SNIP, Inc. (Unaudited)**  
**Profit and Loss**  
 January through December 1999

	Jan - Dec '99
6061112 · XS Technical Support	105,210.07
6061114 · XS Customer Services	24,092.34
6061115 · XS Support Web Pages	2,201.84
6061116 · XS Policy Enforcement	42.03
6061191 · XS Training/Seminars	1,259.52
<b>Total 6061100 · Connection Services (XS)</b>	<b>132,815.80</b>
6061200 · Access Services (AS)	
6061212 · AS Technical Support	710.07
<b>Total 6061200 · Access Services (AS)</b>	<b>710.07</b>
6061400 · Engineering	
6061401 · Lockheed 161985	10,916.12
<b>Total 6061400 · Engineering</b>	<b>10,916.12</b>
6062100 · Overhead	
6062101 · Finance Management	63,513.44
6062102 · Facilities Management	77,799.65
6062105 · Human Resources	5,006.14
6062107 · Purchasing	7,485.64
6062108 · Shipping and Receiving	2,749.54
6062109 · Business Office Maintenance	14,395.44
6062110 · MIS	29,464.31
6062111 · Accounting	39,229.53
6062112 · Officers	56,555.45
6062200 · Internetworking Operations (IO)	
6062201 · IO Management	25,043.31
6062202 · IO Technical Support	1,055.00
6062203 · IO POP Facilities Maintenance	31,794.54
6062204 · IO Server Maintenance	14,574.42
<b>Total 6062200 · Internetworking Operations (IO)</b>	<b>72,467.27</b>
<b>Total 6062100 · Overhead</b>	<b>372,751.71</b>
6063000 · Payroll Benefit Time Expense	
6063101 · Holiday	10,500.45
6063102 · PB/PI	9,507.75
6063103 · Vacation/PA	20,921.54
6063104 · Bonuses	40,223.03
6063200 · Excused Absence	1,129.35
<b>Total 6063000 · Payroll Benefit Time Expense</b>	<b>102,282.12</b>
6064000 · Payroll Tax Expenses	115,731.43
6065000 · Non-Payroll Benefits	
6065101 · Payroll Expenses (Paychex)	5,050.00
6065102 · Health Insurance	70,172.72
6065103 · Life Insurance	9,505.17
6065104 · Employer 401k Match	8,540.65
<b>Total 6065000 · Non-Payroll Benefits</b>	<b>102,268.54</b>
6066000 · Benefits Out	-175,048.04
<b>Total 6060000 · General &amp; Administrative Payrol</b>	<b>719,012.36</b>
6080000 · Pennsauken Facilities Expenses	
6081100 · Rent	60,144.92
6082100 · Utilities	
6082101 · Electric	31,113.62
6082102 · Water	61.92
6082103 · Oil/Gas	102.84
6082100 · Utilities - Other	-5,370.66
<b>Total 6082100 · Utilities</b>	<b>25,914.72</b>
6083100 · Fit-Out Cost Leases	-52.00
6084100 · Office Expenses	20,074.10
6085100 · Building Maintenance	10,120.55
6086100 · Bill Nicosia	7,034.00

**SNIP, Inc. (Unaudited)**  
**Profit and Loss**  
 January through December 1999

Jan - Dec '99

Total 6080000 · Pennsauken Facilities Expenses	133,145.82
6130000 · Professional Services	
6130001 · Legal Expenses	9,073.36
6130002 · Accounting	19,352.25
6130003 · Other	50.00
Total 6130000 · Professional Services	28,475.61
6210000 · Other Operating Expenses	
6210101 · Automobile	48,776.69
6210102 · Dues & Subscriptions	602.95
6210103 · Books	335.47
6210104 · Seminars & Training	5,170.88
6210105 · Bank charges	7,400.23
6210106 · Insurance	15,144.45
6210107 · Overnight Delivery	2,126.62
6210108 · Travel	17,418.05
6210109 · Meals & Entertainment	1,951.31
6210110 · Misc. Other Expense	33,878.04
6210112 · 1099 Temp Help/Contractor	21,540.36
6210113 · Recruitment Expenses	1,815.12
6210114 · Service Contracts - DO	5,783.32
Total 6210000 · Other Operating Expenses	161,743.49
6211000 · Debt Transaction Fees	103,289.29
Total 6000000 · General & Administrative	1,769,007.56
6500000 · Sales & Marketing	
6510000 · Advertising	
6510101 · Pre-Press Expenses	949.07
6510103 · Newspaper	335,192.12
6510104 · Magazine	14,242.00
6510105 · Directory	32,971.59
6510106 · Radio	143,635.00
6510108 · Billboard	2,611.50
Total 6510000 · Advertising	529,601.28
6520000 · Direct Mail	
6520101 · Postage	1,973.54
6520102 · Mailing	506.66
6520105 · Printing	6,684.86
6520000 · Direct Mail - Other	1,089.36
Total 6520000 · Direct Mail	10,254.42
6530000 · Promotions	
6530101 · Trade Shows	21,046.32
6530102 · Materials	8,440.15
6530103 · Membership Dues	1,282.00
Total 6530000 · Promotions	30,770.50
6540101 · Meals & Entertainment	2,823.33
6540102 · Travel	2,790.77
6550000 · Sales & Marketing Payroll	
6550101 · Sales and Marketing Mngt	46,496.31
6550102 · XS Sales Management	38,737.27
6550103 · XS Sales	109,698.45
6550104 · AS Sales Management	72,302.20
6550105 · AS Sales	21,918.73
6550106 · AS Sales Commission	145,235.30
6550107 · Sales & Market - Benefits In	116,620.99
Total 6550000 · Sales & Marketing Payroll	551,009.25
6560000 · IPartner Sales Commissions	2,632.50
Total 6500000 · Sales & Marketing	1,129,882.05

SNIP, Inc. (Unaudited)  
**Profit and Loss**  
 January through December 1999

Jan - Dec '99

Total Expense	2,898,889.61
Net Ordinary Income	-1,530,733.66
Other Income/Expense	
Other Income	
730000 - Interest Income	4,601.26
760000 - Other Income	57,600.00
Total Other Income	62,201.26
Other Expense	
720000 - Interest Expense	145,039.05
730000 - Depreciation Expense	236,294.22
Total Other Expense	381,333.27
Net Other Income	-319,132.01
Net Income	-1,849,865.87

03/22/00

SNIP Link, LLC (Development Stage-Unaudited)  
**Balance Sheet**  
 As of December 31, 1999

Dec 31, '99

**ASSETS**

## Current Assets

## Checking/Savings

1040000 · Comm Oper Acct - 3965001

8,000.00

## Total Checking/Savings

8,000.00

## Total Current Assets

8,000.00

## Fixed Assets

## 1600000 · Fixed Assets

1630000 · Telephony Equipment

1,600,000.00

1650000 · Leasehold Improvements

10,150.00

1730000 · A/D Telephony Equipment

-4,118.41

1740000 · A/D Furniture &amp; Fixtures

0.01

1750000 · A/D Leasehold Improvements

-3,102.00

## Total 1600000 · Fixed Assets

1,702,939.60

## Total Fixed Assets

1,702,939.60

## Other Assets

1810000 · Deposits

3,850.00

## Total Other Assets

3,850.00

**TOTAL ASSETS****1,711,434.72****LIABILITIES & EQUITY**

## Liabilities

## Current Liabilities

## Other Current Liabilities

2530000 · Due to SNIP, Inc.

772,017.18

## Total Other Current Liabilities

772,017.18

## Total Current Liabilities

772,017.18

## Long Term Liabilities

2605000 · L/T Debt

1,424,767.50

## Total Long Term Liabilities

1,424,767.50

## Total Liabilities

2,197,454.68

## Equity

3900 · Retained Earnings

-73,150.40

Net Income

-47,811.40

3020000 · Members' Interest

5,000.00

## Total Equity

-45,961.80

**TOTAL LIABILITIES & EQUITY****1,711,434.72**

03/22/00

SNIP Link, LLC (Development Stage-Unaudited)  
Profit and Loss  
January through December 1999

	Jan - Dec '99
Income	0 00
Cost of Goods Sold	
5001000 · COGS - LD/800 Resale MRC	0 00
5002000 · COGS - LD/800 Resale MRC	0 00
Total COGS	0 00
Gross Profit	0 00
Expense	
6001000 · Payroll Expense	48,750 00
6002000 · Professional Fees	52,525 70
6003000 · Rent Expense	58,754 84
6004000 · Miscellaneous	5,445 00
6005000 · Depreciation Expense	17,555 25
6006000 · Telephone Codes	2,045 00
6007000 · Debt Transaction Fees	55,842 17
6008000 · Phone Switch Expenses	694 00
6009000 · SS7 Expenses	11,503 75
6010000 · Leg Expenses	5,000 00
6040101 · Network Loops - OC12	41,076 78
6041101 · Telephone	3,000 00
6066000 · P/R Benefits - In	6,350 01
6082100 · Utilities	2,370 00
6084100 · Office Expense	1,227 05
6085100 · Building Maint	1,554 47
6210105 · Insurance	3,125 00
7200000 · Interest Expense	28,426 77
7300000 · Recruitment Expense	15,000 00
Total Expense	477,511 45
Net Income	477,511 45

SOUTHERN NEW JERSEY INTERNET PROVIDERS, INC  
FINANCIAL STATEMENTS FOR THE YEARS ENDED  
DECEMBER 31, 1998 AND 1997 AND  
INDEPENDENT AUDITORS' REPORT

KLARBERG, RAJOLA & ASSOCIATES  
Certified Public Accountants

SOUTHERN NEW JERSEY INTERNET PROVIDERS, INC.

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Ended December 31, 1998 and 1997

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**KLARBERG, RAIOLA & ASSOCIATES**

CERTIFIED PUBLIC ACCOUNTANTS

500 FIFTH AVENUE • SUITE 3000  
NEW YORK, NEW YORK 10110  
TEL (212) 921-4040  
FAX (212) 921-3765

Report of Independent Auditors'

To The Shareholders  
Southern New Jersey Internet Providers, Inc.

We have audited the accompanying balance sheets of Southern New Jersey Internet Providers, Inc. as of December 31, 1998 and 1997 and the related statements of income, stockholders' equity (deficiency) and cash flows for the years then ended. These financial statements are the responsibility of management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with generally accepted auditing standards. Those standards required that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Southern New Jersey Internet Providers, Inc. at December 31, 1998 and 1997 and the results of their operations and their cash flows for the years then ended in conformity with generally accepted accounting principles.



Klarberg, Raiola & Associates  
New York, New York  
May 14, 1999

SOUTHERN NEW JERSEY INTERNET PROVIDERS, INC  
BALANCE SHEETS  
DECEMBER 31, 1998 AND 1997

ASSETS	1998	1997
Current Assets:		
Cash	\$ 535,476	\$ 75,830
Prepaid Expenses	25,624	15,739
Accounts Receivable	62,047	36,007
Due from Snip Link, LLC	477,104	-
Employee Receivable	3,035	-
Total Current Assets	1,104,286	128,576
Fixed Assets:		
Equipment, Furniture and Fixtures	272,950	259,858
Computer Equipment	511,215	282,812
Less: Accumulated Depreciation	(364,312)	(128,134)
Fixed Assets, Net	419,853	414,536
Deposits	1,079	1,079
<b>TOTAL ASSETS</b>	<b>\$ 1,525,218</b>	<b>\$ 554,189</b>
LIABILITIES AND STOCKHOLDERS' EQUITY (DEFICIENCY)		
Current Liabilities:		
Accounts Payable	\$ 217,174	\$ 85,735
Accrued Liabilities	146,122	192,737
Capital Lease Payable	150,877	125,299
Line of Credit	21,779	-
Deferred Income	742,572	355,695
Total Current Liabilities	1,278,524	763,466
Non Current Liabilities:		
Deferred Salary	-	52,063
Deferred Income	55,116	30,051
Capital Lease Payable	116,183	114,053
Total Non Current Liabilities	171,299	196,167
<b>TOTAL LIABILITIES</b>	<b>1,449,823</b>	<b>959,633</b>
COMMITMENTS AND CONTINGENCIES		
Stockholders' Equity (Deficiency):		
Common Stock No Par Value - Authorized 5,000 Shares; Issued and Outstanding 1,072 and 900 shares in 1998 and 1997, respectively	1,019,258	20,060
Accumulated Deficit	(943,853)	(425,504)
Stockholders' Equity (Deficiency)	75,395	(405,444)
<b>TOTAL LIABILITIES AND STOCKHOLDERS' EQUITY (DEFICIENCY)</b>	<b>\$ 1,525,218</b>	<b>\$ 554,189</b>

The accompanying notes are an integral part of these financial statements.

SOUTHERN NEW JERSEY INTERNET PROVIDERS, INC  
 STATEMENTS OF INCOME  
 FOR THE YEARS ENDED DECEMBER 31, 1998 AND 1997

	1998	1997
NET REVENUES	\$ 1,621,338	\$ 572,357
 OPERATING COSTS AND EXPENSES		
Operating Costs	580,461	140,504
Sales and Marketing	455,904	234,859
General and Administrative Expenses	693,344	678,168
Depreciation	236,178	109,796
 TOTAL OPERATING COSTS AND EXPENSES	 2,175,887	 1,093,444
Operating Loss	(554,549)	(521,087)
Engineering Income	107,453	201,071
Engineering Expenses	(32,394)	(107,055)
Interest Income	4,774	54
Interest Expense	(43,443)	(37,719)
Miscellaneous Income	.	6,499
Net Loss Before Income Taxes	(518,159)	(328,237)
Income Tax Provision	200	200
Net Loss	\$ (518,359)	\$ (328,437)

The accompanying notes are an integral part of these financial statements

SOUTHERN NEW JERSEY INTERNET PROVIDERS, INC.  
 STATEMENTS OF STOCKHOLDERS' EQUITY (DEFICIENCY)  
 FOR THE YEARS ENDED DECEMBER 31, 1998 AND 1997

	<u>1998</u>	<u>1997</u>
Balance, January 1	\$ (403,444)	\$ (59,014)
Net Loss	(518,359)	(366,430)
Distributions to Stockholders	-	-
Capital Contributions	999,198	20,000
Balance, December 31	<u>\$ 75,395</u>	<u>\$ (405,444)</u>

The accompanying notes are an integral part of these financial statements.

SOUTHERN NEW JERSEY INTERNET PROVIDERS, INC  
STATEMENTS OF CASH FLOW  
FOR THE YEARS ENDED DECEMBER 31, 1998 AND 1997

Operating Activities:	<u>1998</u>	<u>1997</u>
Net Loss	\$ (518,359)	\$ (366,430)
Adjustments to reconcile net loss to net cash used in operating activities:		
Depreciation Expense	236,178	109,756
Changes in Operating Assets and Liabilities		
(Increase) Decrease in Other Receivable	(480,139)	-
(Increase) Decrease in Accounts Receivable	(26,040)	(16,709)
(Increase) Decrease in Prepaid Expenses	(10,885)	(15,739)
(Increase) Decrease in Other Assets	-	(1,079)
Increase (Decrease) in Accounts Payable	128,636	53,648
Increase (Decrease) in Accrued Liabilities	(46,813)	54,855
Increase (Decrease) in Deferred Income	411,942	385,746
Increase (Decrease) in Deferred Salary	(52,063)	-
Net cash (used in) provided by operating activities	<u>(357,543)</u>	<u>204,068</u>
Investing Activities:		
Purchase of Fixed Assets	(33,591)	(133,677)
Net cash used in investing activities	<u>(33,591)</u>	<u>(133,677)</u>
Financing Activities:		
Equity Contribution of Stockholders	999,198	20,000
Payments on Capital Leases	(171,197)	(68,613)
Net Borrowings Under Line of Credit	21,779	-
Net cash provided by (used in) financing activities	<u>849,780</u>	<u>(48,613)</u>
Net Increase in Cash	<u>458,646</u>	<u>21,798</u>
Cash - Beginning of Year	76,830	55,032
Cash - End of Year	<u>\$ 535,476</u>	<u>\$ 76,830</u>
Supplemental Disclosure of Cash Flow Information		
Cash paid during the year for:		
	<u>1998</u>	<u>1997</u>
Interest	\$ 39,798	\$ 37,718
Taxes	<u>\$ 200</u>	<u>\$ -</u>

Supplemental Schedule of Noncash Investing and Financing Activities:

Capital lease obligations entered into for new equipment during 1998 and 1997 were \$197,907 and \$308,964, respectively.

The accompanying notes are an integral part of these financial statements.

SOUTHERN NEW JERSEY INTERNET PROVIDERS, INC.  
NOTES TO FINANCIAL STATEMENTS

## SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

### General

Southern New Jersey Internet Providers, Inc. (the "Company") was organized July 25, 1995 as a New Jersey Corporation. The Company's stockholders elected to be treated as a S Corporation, pursuant to the Internal Revenue Code of 1986 as amended.

### Nature of Business

The Company is an Internet Service Provider located in Pennsauken, New Jersey. In addition, the Company derives revenue from providing consulting services to third parties. The income and expenses from providing these services are detailed as engineering income and expenses.

### Cash and Cash Equivalents

The Company considers all highly liquid instruments purchased with an initial maturity of three months or less to be cash equivalents. At December 31, 1998 and 1997 cash and cash equivalents are carried at cost, which approximates fair value and consists of cash in the bank.

### Fixed Assets

Depreciable fixed assets are stated at cost. Depreciation is computed over estimated useful lives ranging from three to seven years utilizing straight-line method. Depreciation expense charged to operations during 1998 and 1997 was \$236,178 and \$109,796, respectively.

### Revenue Recognition

The Company's revenue is derived primarily from providing access to the internet. Since the company is on the accrual basis of accounting, it recognizes income when it is earned and expenses when incurred. Advanced receipts are recorded as deferred income, a liability.

## Use of Estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the amounts reported in the financial statements and accompanying notes. Actual results could differ from those estimates.

## Reclassifications

Certain reclassifications were made to the prior year's financial statements to conform to classifications used in the current period.

## Impairment of Long-Lived Assets

Long-lived assets and certain identifiable intangibles are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount of an asset may not be recoverable. Recoverability is assessed based on future cash flows expected to result from the use of the asset and its eventual disposition. If the sum of the undiscounted cash flows is less than the carrying value of the asset, an impairment loss is recognized. Any impairment loss, if indicated, is measured as the amount by which the carrying amount of the asset exceeds the estimated fair value of the asset.

## Comprehensive Income

FAS No. 130: "Reporting Comprehensive Income." FAS 130 establishes standards for the reporting and display of comprehensive income and its components in a full set of general-purpose financial statements. The Company adopted FAS 130 effective January 1, 1998. There was no effect of implementing this standard, as comprehensive income is the same as net income.

## Income Taxes

The Company is treated as a S Corporation for federal and state income tax purposes. The Company's earnings and losses are included in the stockholders' income tax returns in relation to their respective ownership interests; accordingly, no provision is required for federal taxes. A \$200 provision has been made for the New Jersey minimum tax for 1998 and 1997.

The Internal Revenue Service recently finished auditing the Company's 1997 and 1996 Tax Returns. There was no impact on the financial position or the results of operations of the Company as a result of the audit

### Capital Leases

The Company leases certain equipment under capital and operating leases with an original term of up to three years, expiring in 2001. Future minimum lease payments by year and in aggregate under these leases, consisted of the following at December 31, 1998:

	<u>Capital Leases</u>	<u>Operating Leases</u>
1999	\$183,383	\$40,022
2000	107,501	2,218
2001	19,992	1,664
	-----	-----
Total Minimum Lease Payments	310,876	\$ <u>43,904</u>
Less: Amount representing interest	(43,815)	
Present value of minimum lease payments	<u>\$267,061</u>	

The net book value of equipment under the capital leases at December 31, 1998 and 1997 was \$307,509 and \$258,084, respectively.

Rental expense for operating leases for the years ended December 31, 1998 and 1997 was approximately \$80,319 and \$65,683, respectively.

### Stockholders' Equity

In August of 1998, the Company's Board of Directors increased the authorized shares available for issuance to 5,000 (without par value).

On October 1, 1998, a new stockholder purchased 172 shares of common stock for \$999,198. This represents an acquisition of 16.04% of the Company's outstanding stock.

## Related Parties

During 1998, the stockholders of the Company created a new entity named SNIp LiNK, LLC. SNIp LiNK, LLC will report financial information separate from that of the Company. The Company cosigned a lease for SNIp LiNK, LLC in 1998. As of December 31, 1998, the Company has a receivable from SNIp LiNK, LLC of \$477,104.

In connection with the formation of SNIp LiNK, LLC, the Company incurred costs that it paid for on behalf of SNIp LiNK, LLC. From time to time and until SNIp LiNK, LLC has begun operations, the Company will continue to make noninterest bearing advances to SNIp LiNK, LLC.

## Recent Pronouncements

There have been recent pronouncements by the FASB and the American Institute of Certified Public Accountants ("AICPA") that may require certain changes in the accounting policies of the Company and which may affect disclosure requirements. These recent pronouncements do not affect the current year's accounting or reporting requirements and are mentioned here for informational purposes only.

SOP 97-2 "Software Revenue Recognition." SOP 97-2 is effective for transactions entered into by the Company in the Company's fiscal year beginning January 1, 1998. In March 1998, the AICPA issued SOP 98-4 which defers certain provisions of SOP 97-2 for one year (until fiscal years beginning after December 15, 1998). Detailed implementation guidelines for the provisions of SOP 97-2 which were deferred have not been issued. The Company's accounting policy on software revenue recognition is generally in compliance with SOP 97-2, as amended by SOP 98-4, and adoption of these SOP's, as currently issued, is not expected to have a material impact on the financial position or results of the operations of the Company.

SOP 98-1 "Accounting for Costs of Computer Software Developed or Obtained for Internal Use." SOP 98-1 required companies to capitalize qualifying computer software costs which are incurred during the application development stage and amortize them over the software's useful life. SOP 98-1 will be effective for the Company's fiscal year beginning January 1, 1999. The adoption of SOP 98-1 is not expected to have a material impact on the financial position or results of operations of the Company.

**ATTACHMENT B  
REVISED TARIFF**

SNiP Link, LLC

100-A Twinbridge Drive

Pennsauken, NJ 08110

**TOLL SERVICES RESELLER TARIFF**

Rules and regulations applicable for furnishing of Intrastate Interexchange Services by SNiP Link, LLC between one or more points in the State of South Dakota as authorized by the South Dakota Public Utilities Commission. This tariff is on file with the South Dakota Public Utilities Commission and may be inspected during regular business hours. Copies also may be inspected during regular business hours at SNiP Link, LLC's principal place of business, 100-A Twinbridge Drive, Pennsauken, NJ 08110.

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FEB 09 2001

**SOUTH DAKOTA PUBLIC  
UTILITIES COMMISSION**

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SNiP Link, LLC  
100-A Twinbridge Drive  
Pennsauken, NJ 08110

Effective: \_\_\_\_\_

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 Director of Telecommunications Policy  
 SNIP Link, LLC  
 100-A Cambridge Center  
 Cambridge, MA 02142

**CHECK SHEET**

Pages 1-44 inclusive of this Tariff are effective as of the date shown. Original and revised pages, as named below, comprise all changes from the original Tariff in effect on the date indicated.

<u>Page</u>	<u>Revision</u>	<u>Page</u>	<u>Revisions</u>
1	Original	29	Original
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8	Original	36	Original
9	Original	37	Original
10	Original	38	Original
11	Original	39	Original
12	Original	40	Original
13	Original	41	Original
14	Original	42	Original
15	Original	43	Original
16	Original	44	Original
17	Original		
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25	Original		
26	Original		
27	Original		
28	Original		

\* signifies new or revised pages

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Article 2

The following are the only methods used for the purpose of this document:

- (C) To signify a change
- (D) To signify a new document
- (E) To signify a new contract

Issued

Issued by

SNIP Link, LLC  
Member of SNIP Link, LLC  
SNIP Link, LLC  
SNIP Link, LLC  
SNIP Link, LLC

Witness

Notarized

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).I.
- 2.1.1.A.1.(a).I.(i).
- 2.1.1.A.1.(a).I.3(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 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 designated on the check sheet by an asterisk(\*). There will be no other symbols used on the check sheet 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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**TARIFF FORMAT**

- A. Page Numbering - Page numbers appear in the upper right corner of the page. Pages are numbered sequentially. However, new pages occasionally are added to the tariff. When a new page is added between pages already in effect, a decimal is added to the page number. For example, a new page added between pages 14 and 15 would be 14.1.
  
- B. Page Revision Numbers - Revision numbers also appear in the upper right corner of each page. These numbers are used to determine the most current page version on file with the Commission. For example, the 4<sup>th</sup> revised Page 14 cancels the 3<sup>rd</sup> revised Page 14. Because of various suspension periods, deferrals, etc. the Commission follows in its tariff approval process, the most current page number on file with the Commission is not always the tariff page in effect.

of coding

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**SECTION 1. DEFINITIONS**

Authorized User - Any person, firm, corporation or other entity accessing or utilizing the services furnished by the Company to the Customer.

Billed Party - The person or entity responsible for payment of the Company's service. The Billed Party is the Customer associated with the Telephone Number used to place the call, with the following exceptions:

- (a) in the case of a calling card or credit card call, the Billed Party is the holder of the calling card or credit card used by the User; and
- (b) in the case of a collect or third party call, the Billed Party is the person responsible for the local telephone service at the telephone number that agrees to accept charges for the call.

Call - A completed connection between the calling and the called station.

Calling Station - The telephone number from which a call originates.

Called Station - The telephone number called.

Commission - South Dakota Public Utilities Commission.

Common Carrier - A company or entity providing telecommunications services to the public.

Company - SNiP Link, LLC.

Customer - A person, firm, corporation, partnership or other entity, including affiliates or divisions of the Customer, responsible for payment of charges to the Company and compliance with all terms and conditions of this tariff.

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**SECTION I. DEFINITIONS (Cont'd)**

Day The period of time from 8:00 a.m. to (but not including) 5:00 p.m., Monday through Friday, as measured by local time at the location from which the call is originated.

Evening The period of time from 5:00 p.m. to (but not including) 11:00 p.m., Sunday through Friday and any time during a Holiday, as measured by local time at the location from which the call is originated.

Fiber Optic Cable - A thin filament of glass with a protective outer coating through which a light beam carrying communications signals may be transmitted by means of multiple reflections to a receiver, which translates a message.

Holiday - New Year's Day, Memorial Day, Independence Day, Labor Day, Thanksgiving Day, and Christmas Day.

Night Weekend ("N/Wkd") The period of time from 11:00 p.m. to (but not including) 8:00 a.m., Monday through Friday, any time on Saturday and all day Sunday, except 5:00 p.m. to (but not including) 11:00 p.m., as measured by local time at the location from which the call is originated.

Prepaid Calling Card - A calling card or other tangible item which (i) contains an Access Number or an access code, (ii) is supplied by the Company or its agent, and (iii) permits a User to use the Company's services up to an amount prepaid to the Company. Calls charged to a prepaid calling card will be debited against the amount the User has prepaid.

Service Order The written request for network services executed by the Customer and the Company in the format devised by the Company. The signing of a Service Order by the Customer and acceptance by the Company initiates the respective obligations of the parties as set forth therein and pursuant to this tariff, but the duration of the service is calculated from the service commencement date.

User Customer or any Authorized User.

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**SECTION 2. TERMS AND CONDITIONS**

**2.1 Application of Tariff**

- 2.1.1 This tariff contains the regulations and rates applicable to intrastate long distance services provided by the Company. The Company's services are furnished subject to the availability of facilities and the terms and conditions of this tariff.
- 2.1.2 The rates and regulations contained in this tariff apply only to the services furnished by the Company and do not apply, unless otherwise specified, to the lines, facilities, or services provided by a local exchange telephone company or other Common Carrier for use in accessing the services of the Company.

**2.2. Shortage of Equipment or Facilities**

- 2.2.1 The Company reserves the right to limit or to allocate the use of existing facilities, or of additional facilities offered by the Company, when necessary because of lack of facilities, or due to some other cause beyond the Company's control.
- 2.2.2 The furnishing of service under this tariff is subject to the availability in a continuing basis of all the necessary facilities and is limited to the capacity of the Company's facilities as well as facilities the Company may obtain from other carriers to furnish service from time to time as required at the sole discretion of the Company.

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**SECTION 1. TERMS AND CONDITIONS (Cont'd)**

**1.1 Use and Availability of Service**

- 1.1.1 Service is furnished to the User for any lawful purpose. Service shall not be used for any unlawful purpose, nor used in such a manner as to interfere unreasonably with the use of service by any other Users.
- 1.1.2 The use of the Company's services without payment for service or attempting to avoid payment for service by fraudulent means or devices, false or invalid numbers, or false calling or credit cards is prohibited.
- 1.1.3 The Company does not transmit messages pursuant to this tariff, but its services may be used for that purpose.
- 1.1.4 The Company's services may be denied for nonpayment of charges or for other violations of the terms and conditions set forth in this tariff.
- 1.1.5 The Company reserves the right to refuse service to individuals under the age of 18 and may require proof of age prior to initiating service.
- 1.1.6 The use of the Company's services to make calls which might reasonably be expected to frighten, abuse, torment, or harass another is prohibited.
- 1.1.7 Service temporarily may be refused or limited because of system capacity limitations.
- 1.1.8 Service is subject to transmission limitations caused by natural (including atmospheric, geographic or topographic) or artificial conditions adversely affecting transmission.
- 1.1.9 Service to any or all Customers may be temporarily interrupted or curtailed due to equipment modifications, upgrades, relocations, repairs and similar activities necessary for proper or improved operations.

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**SECTION 2. TERMS AND CONDITIONS (Cont'd)**

**2.3 Use and Availability of Service (Cont'd)**

- 2.3.10 Service is provided on the basis of a minimum period of at least one month, 24-hours per day. For the purpose of computing charges in this tariff, a month is considered to have 30 days.
- 2.3.11 Customers may be required to enter into written Service Orders which shall contain or reference a specific description of the service ordered, the rates to be charged, the duration of the services, and the terms and conditions in the tariff. Customers also will be required to execute any other documents as may be reasonably requested by the Company.
- 2.3.12 At the expiration of the initial term specified in each Service Order, or in any extension thereof, service shall continue on a month to month basis at the then current rates unless terminated by either party upon 30 days' written notice. Any termination shall not relieve Customer of its obligation to pay any charges incurred under the service order and this tariff prior to termination. The rights and obligations which by their nature extend beyond the termination of the term of the Service Order shall survive such termination.

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**SECTION 2. TERMS AND CONDITIONS (Cont'd)**

**2.4 Liability of the Company**

- 2.4.1 The Company shall not be liable for any delay or failure of performance or equipment due to causes beyond its control, including but not limited to: acts of God, fire, flood, explosion or other catastrophes; any law, order, regulation, direction, action, or request of the United States Government, or of any other government, including state and local governments having or claiming jurisdiction over the Company, or of any department, agency, commission, bureau, corporation, or other instrumentality of any one or more of these federal, state, or local governments, or of any civil or military authority; national emergencies; insurrections; riots; wars; unavailability of rights-of-way or materials; or strikes, lockouts, work stoppages, or other labor difficulties.
- 2.4.2 The Company shall not be liable for (a) any act or omission of any entity furnishing to the Company or to the Company's Customers facilities or equipment used for interconnection with Network Services; or (b) for the acts or omissions of common carriers or warehousemen.
- 2.4.3 The Company shall not be liable for any damages or losses due to the fault or negligence of the Customer or due to the failure or malfunction of Customer-provided equipment or facilities.

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**SECTION 2. TERMS AND CONDITIONS (Cont'd)**

**2.4 Liability of the Company (Cont'd)**

2.4.4 The Company does not guarantee nor make any warranty with respect to installations it provides for use in an explosive atmosphere. The Customer indemnifies and holds the Company harmless from any and all loss, claims, demands, suits, or other action, or any liability whatsoever, whether suffered, made, instituted, or asserted by any other party or person(s), and for any loss, damage, or destruction of any property, whether owned by the Customer or 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 any installation so provided. The Company reserves the right to require each Customer to sign an agreement acknowledging acceptance of the provisions of this section 2.4.4 as a condition precedent to such installations.

2.4.5 The Company is not liable for any defacement of or damage to Customer premises resulting from the furnishing of services or equipment on such Premises or the installation or removal thereof, unless such defacement or damage is caused by negligence or willful misconduct of the Company's agents or employees.

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**SECTION 1. TERMS AND CONDITIONS (Cont'd)**

**1.4 Liability of the Company (Cont'd)**

1.4.6 The Company shall be indemnified, defended, held harmless by the Customer against any claim, loss or damage arising from Customer's use of services, involving claims for libel, slander, invasion of privacy, or infringement of copyright arising from the Customer's own communications.

1.4.7 The liability of the Company shall be determined in accordance with SDCL 49-13-1, 49-13-1.1 and any other applicable law.

1.4.8 [Reserved for Future Use]

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**SECTION 1. TERMS AND CONDITIONS (Cont'd)**

**2.4 Notification of Service-Affecting Activities**

2.51 The Company will provide the Customer reasonable notification of service-affecting activities that may occur in normal operation of its business. Such activities may include, but are not limited to, equipment or facilities additions, removals or rearrangements and routine preventative maintenance. Generally, such activities are not specific to an individual Customer but affect many Customers' services. No specific advance notification period is applicable to all service activities. The Company will work cooperatively with the Customer to determine the reasonable notification requirements. With some emergency or unplanned service-affecting conditions, such as an outage resulting from cable damage, notification to the customer may not be possible.

**2.6 Provision of Equipment and Facilities**

2.61 The Company shall use reasonable efforts to make available services to a Customer on or before a particular date, subject to the provisions of, and compliance by the Customer with, the regulations contained in this tariff. The Company does not guarantee availability by any such date and shall not be liable for any delays in commencing service to any Customer.

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**SECTION 2. TERMS AND CONDITIONS (Cont'd)**

**2.6 Provision of Equipment and Facilities (Cont'd)**

- 2.6.2 The Company shall use reasonable efforts to maintain facilities and equipment that it furnishes to the Customer. The Customer may not, nor may Customer permit others to rearrange, disconnect, remove, attempt to repair, or otherwise interfere with any of the facilities or equipment installed by the Company, except upon the written consent of the Company.
- 2.6.3 The Company may substitute, change or rearrange any equipment or facility at any time and from time to time, but shall not thereby alter the technical parameters of the service provided the Customer.
- 2.6.4 Equipment the Company provides or installs at the Customer Premises for use in connection with the services the Company offers shall not be used for any purpose other than that for which the Company provided it.
- 2.6.5 The Customer shall be responsible for the payment of service charges as set forth herein for visits by the Company's agents or employees to the Premises of the Customer when the service difficulty or trouble report results from the use of equipment or facilities provided by any party other than the Company, including but not limited to the Customer.

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**SECTION 2. TERMS AND CONDITIONS (Cont'd)**

**2.6 Provision of Equipment and Facilities (Cont'd)**

2.6.6 The Company shall not be responsible for the installation, operation, or maintenance of any customer provided communications equipment. Where such equipment is connected to the facilities furnished pursuant to this tariff, the responsibility of the Company shall be limited to the furnishing of facilities offered under this tariff and to the maintenance and operation of such facilities. Subject to this responsibility, the Company shall not be responsible for:

- (a) the transmission of signals by Customer provided equipment or for the quality of, or defects in, such transmission; or
- (b) the reception of signals by Customer provided equipment.

**2.7 Nonroutine Installation**

2.7.1 At the Customer's request, installation and/or maintenance may be performed outside the Company's regular business hours, or in hazardous locations. In such cases, charges based on the cost of the actual labor, material, or other costs incurred by or charged to the Company will apply. If installation is started during regular business hours but, at the Customer's request, extends beyond regular business hours into time periods including, but not limited to, weekends, holidays, and/or night hours, additional charges may apply.

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**SECTION 2. TERMS AND CONDITIONS (Cont'd)**

**2.8 Ownership of Facilities**

2.8.1 Title to all facilities provided in accordance with this tariff remains in the Company, its agents or contractors.

**2.9 Prohibited Uses**

2.9.1 The services the Company offers shall not be used for any unlawful purpose or for any use as to which the Customer has not obtained all required governmental approvals, authorizations, licenses, consents and permits

2.9.2 The Company may require applicants for service who intend to use the Company's offerings for resale and/or for shared use to file a letter with the Company confirming that their use of the Company's offerings complies with relevant laws and Commission regulations, policies, orders, and decisions

2.9.3 The Company may require a Customer to immediately shut down its transmission of signals if said transmission is causing interference to others

**2.10 Obligations of the Customer**

2.10.1 The Customer shall be responsible for:

- (a) the payment of all applicable charges pursuant to this tariff.

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Pennsauken, NJ 08110

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**SECTION 2. TERMS AND CONDITIONS (Cont'd)**

**2.10 Obligations of the Customer (Cont'd)**

**2.10.1 (Cont'd)**

- (b) damage to or loss of the Company's facilities or equipment caused by the acts or omissions of the Customer, or the non-compliance by the Customer with these regulations, or by fire or theft or other casualty on the Customer Premises, unless caused by the gross negligence or willful misconduct of the employees or agents of the Company.
- (c) providing at no charge, as specified from time to time by the Company, any needed personnel, equipment, space and power to operate Company facilities and equipment installed on the premises of the Customer Premises, and the level of heating and air conditioning necessary to maintain the proper operating environment on such premises.
- (d) obtaining, maintaining, and otherwise having full responsibility for all rights-of-way and conduits necessary for installation of fiber optic cables and associated equipment used to provide Network Services to the Customer from the cable building entrance or property line to the location of the equipment space described in 2.10.1(c). Any costs associated with obtaining and maintaining the rights-of-way described herein, including the costs of altering the structure to permit installation of the Company-provided facilities, shall to be borne entirely by, or may be charged by the Company to, the Customer.

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**SECTION 2. TERMS AND CONDITIONS (Cont'd)**

**2.10 Obligations of the Customer (Cont'd)**

**2.10.1 (Cont'd)**

- (e) not creating or allowing any liens or other encumbrances to be placed on the Company's equipment or facilities.

**2.11 Claims**

2.11.1 With respect to any service or facility provided by the Company, Customer shall indemnify, defend and hold harmless the Company from and against all claims, actions, damages, liabilities, costs and expenses, including reasonable attorneys' fees for:

- (a) any loss, destruction or damage to property of the Company or any third party, or the death or injury to persons, including, but not limited to, employees or invitees of either party, in the extent caused by or resulting from the negligent or intentional act or omission of the Customer, its employees, agents, representatives or invitees, or
- (b) any claim, loss, damage, expense or liability for infringement of any copyright, patent, trade secret, or any proprietary or intellectual property right of any third party, arising from any act or omission by the Customer, including, without limitation, use of the Company's services and facilities in a manner not contemplated by the agreement between Customer and Company

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SECTION 2. TERMS AND CONDITIONS (Cont'd)

2.11 Claims (Cont'd)

- (c) providing a safe place to work and complying with all laws and regulations regarding the working conditions on the premises at which Company employees and agents shall be installing or maintaining the Company's facilities and equipment. The Customer may be required to install and maintain Company facilities and equipment within a hazardous area if, in the Company's opinion, injury or damage to the Company's employees or property might result from installation or maintenance by the Company. The Customer shall be responsible for identifying, monitoring, removing and disposing of any hazardous material (e.g. friable asbestos) prior to any construction or installation work;
  
- (d) complying with all laws and regulations applicable to, and obtaining all consents, approvals, licenses and permits as may be required with respect to, the location of Company facilities and equipment on any Customer premises or the rights-of-way for which Customer is responsible under section 2.10.1(d), and granting or obtaining permission for Company agents or employees to enter the premises of the Customer at any time for the purpose of installing, inspecting, maintaining, repairing, or upon termination of service as stated herein, removing the facilities or equipment of the Company; and

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SECTION 2. TERMS AND CONDITIONS (Cont'd)

2.12 Customer Equipment and Channels

- 2.12.1 A Customer may transmit or receive information or signals via the facilities of the Company.
- 2.12.2 Customer provided terminal equipment on the Customer Premises and the electric power consumed by such equipment shall be provided by, and maintained at the expense of the Customer.
- 2.12.3 The Customer is responsible for ensuring that Customer provided equipment connected to Company equipment and facilities is compatible with such equipment and facilities. The magnitude and character of the voltages and currents impressed on Company-provided equipment and wiring by the connection, operation, or maintenance of such equipment and wiring shall be such as not to cause damage to the Company-provided equipment and wiring or injury to the Company's employees or to other persons. Any additional protective equipment required to prevent such damage or injury shall be provided by the Company at the Customer's expense.

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**SECTION 2. TERMS AND CONDITIONS (Cont'd)**

**2.12 Customer Equipment and Channels (Cont'd)**

2.12.4 Any special interface equipment necessary to achieve compatibility between the facilities and equipment of the Company used for furnishing Network Services and the channels, facilities, or equipment of others shall be provided at the Customer's expense.

2.12.5 Network Services may be connected to the services or facilities of other communications carriers only when authorized by, and in accordance with, the terms and conditions of the tariffs of the other communications carriers which are applicable to such connections.

**2.13 Inspections**

2.13.1 Upon suitable notification to the Customer, and at a reasonable time, the Company may make such tests and inspections as may be necessary to determine that the Customer is complying with the requirements set forth in section 2.12.3 for the installation, operation, and maintenance of Customer-provided facilities, equipment, and wiring in the connection of Customer-provided facilities and equipment to Company-owned facilities and equipment.

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**SECTION 2. TERMS AND CONDITIONS (Cont'd)**

**2.13 Inspections (Cont'd)**

2.13.2 If the protective requirements for Customer provided equipment are not being complied with, the Company may take such action as it deems necessary to protect its facilities, equipment, and personnel. The Company will notify the Customer promptly if there is any need for further corrective action. Within ten days of receiving this notice, the Customer must take this corrective action and notify the Company of the action taken. If the Customer fails to do this, the Company may take whatever additional action is deemed necessary, including the suspension of service, to protect its facilities, equipment and personnel from harm.

**2.14 Payment Arrangements**

**2.14.1 Payment for Service**

The Customer is responsible for the payment of all charges for facilities and services furnished by the Company to the Customer.

**2.14.1.A Taxes**

The Customer is responsible for the payment of any sales, use, gross receipts, excise, access or other local, state and federal taxes, charges or surcharges (however designated) (excluding taxes on the Company's net income) imposed on or based upon the provision, sale or use of Network Services.

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**SECTION 2. TERMS AND CONDITIONS (Cont'd)**

**2.14 Payment Arrangements (Cont'd)**

**2.14.2 Billing and Collection of Charges**

- 2.14.2.A The Customer is responsible for payment of all charges incurred by the Customer or other users for services and facilities furnished to the Customer by the Company.
- 2.14.2.B Non-recurring charges are due and payable within 30 days after the date an invoice is mailed to the Customer by the Company.
- 2.14.2.C The Company shall present invoices for Recurring Charges monthly to the Customer, on or about the first day of the month in which service is provided, and Recurring Charges shall be due and payable within 30 days after the invoice is mailed.
- 2.14.2.D When service does not begin on the first day of the month, or end on the last day of the month, the charge for the fraction of the month in which service was furnished will be calculated on a pro rata basis. For this purpose, every month is considered to have 30 days.

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**SECTION 2. TERMS AND CONDITIONS (Cont'd)**

**2.14 Payment Arrangements (Cont'd)**

**2.14.2 Billing and Collection of Charges**

- 2.14.2.A The Customer is responsible for payment of all charges incurred by the Customer or other users for services and facilities furnished to the Customer by the Company.
- 2.14.2.B Non-recurring charges are due and payable within 30 days after the date an invoice is mailed to the Customer by the Company.
- 2.14.2.C The Company shall present invoices for Recurring Charges monthly to the Customer, on or about the first day of the month in which service is provided, and Recurring Charges shall be due and payable within 30 days after the invoice is mailed.
- 2.14.2.D When service does not begin on the first day of the month, or end on the last day of the month, the charge for the fraction of the month in which service was furnished will be calculated on a pro rata basis. For this purpose, every month is considered to have 30 days.

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**SECTION 2. TERMS AND CONDITIONS (Cont'd)**

**214 Payment Arrangements (Cont'd)**

**2141 Billing and Collection of Charges (Cont'd)**

21411

Billing of the Customer by the Company will begin on the service commencement date, which is the first day following the date on which the Company notifies the Customer that the service or facility is available for use, except that the service commencement date may be postponed by mutual agreement of the parties, or if the service or facility does not conform to standards set forth in this tariff or the Service Order. Billing accrues through and includes the day that the service, circuit, arrangement or component is discontinued.

21412

If any portion of the payment is not received by the Company on or before the date due, or if any portion of the payment is received by the Company in funds which are not immediately available, then the Customer's account shall be delinquent, and a late payment penalty shall be due to the Company. The due date shall be no earlier than thirty (30) days after the Company's invoice is mailed. The late payment penalty shall be the portion of the payment not received by the date due, multiplied by a late factor. The late factor shall be the lesser of (a) 1.5% of the total monthly bill; or (b) the highest interest rate which may be applied under applicable state law for commercial transactions.

Approved

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**SECTION 2. TERMS AND CONDITIONS (Cont'd)**

**2.14. Payment Arrangements (Cont'd)**

**2.14.1. Deposits**

2.14.1.A. If a Customer cannot demonstrate satisfactory credit by reasonable means appropriate under the circumstances, the Company may require a Customer to make a deposit to be held as a guarantee for the payment of charges. A deposit does not relieve the Customer of the responsibility for the prompt payment of bills on presentation. The deposit will not exceed an amount equal to two twelfths of a Customer's estimated annual billings.

2.14.1.B. When a service or facility is discontinued, the amount of a deposit, if any, will be applied to the Customer's account and any credit balance remaining will be refunded. Before the service or facility is discontinued, the Company may, at its option, return the deposit or credit it to the Customer's account, but in no case shall the Company retain the deposit of a Customer who has made prompt and satisfactory payments to the Company for a period of twelve consecutive months.

2.14.1.C. Deposits held will accrue interest at a rate based on the simple average interest rate for new issues of one year treasury bills computed over the one year period ending on the preceding first day of December.

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**SECTION 2. TERMS AND CONDITIONS (Cont'd)**

**2.14 Payment Arrangements (Cont'd)**

**2.14.4 Discontinuance of Service**

- 2.14.4.A Upon nonpayment of any amounts owing to the Company, the Company may, by giving ten days' prior written notice to the Customer, discontinue or suspend service without incurring any liability.
- 2.14.4.B Upon violation of any of the other material terms or conditions for furnishing service the Company may, by giving 30 days' prior notice in writing to the Customer, discontinue or suspend service without incurring any liability if such violation continues during that period.
- 2.14.4.C Upon condemnation of any material portion of the facilities used by the Company to provide service to a Customer or if a casualty renders all or any material portion of such facilities inoperable beyond feasible repair, the Company, by notice to the Customer, may discontinue or suspend service without incurring any liability.
- 2.14.4.D Upon the Customer's insolvency, assignment for the benefit of creditors, filing for bankruptcy or reorganization, or failing to discharge an involuntary petition within the time permitted by law, the Company may immediately discontinue or suspend service without incurring any liability.

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**SECTION 2. TERMS AND CONDITIONS (Cont'd)**

**2.14 Payment Arrangements (Cont'd)**

**2.14.4 Discontinuance of Service**

- 2.14.4.A      Upon nonpayment of any amounts owing to the Company, the Company may, by giving ten days' prior written notice to the Customer, discontinue or suspend service without incurring any liability.
- 2.14.4.B      Upon violation of any of the other material terms or conditions for furnishing service the Company may, by giving 30 days' prior notice in writing to the Customer, discontinue or suspend service without incurring any liability if such violation continues during that period.
- 2.14.4.C      Upon condemnation of any material portion of the facilities used by the Company to provide service to a Customer or if a casualty renders all or any material portion of such facilities inoperable beyond feasible repair, the Company, by notice to the Customer, may discontinue or suspend service without incurring any liability.
- 2.14.4.D      Upon the Customer's insolvency, assignment for the benefit of creditors, filing for bankruptcy or reorganization, or failing to discharge an involuntary petition within the time permitted by law, the Company may immediately discontinue or suspend service without incurring any liability.

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**SECTION 2. TERMS AND CONDITIONS (Cont'd)**

**2.14 Payment Arrangements (Cont'd)**

**2.14.4 Discontinuance of Service (Cont'd)**

2.14.4.E Upon any governmental prohibition or required alteration of the services to be provided or any violation of an applicable law or regulation, the Company may immediately discontinue service without incurring any liability.

2.14.4.F Upon the Company's discontinuance of service to the Customer under section 2.14.4.A or 2.14.4.B, the Company, in addition to all other remedies that may be available to the Company at law or in equity or under any other provision of this tariff, may declare all future monthly and other charges which would have been payable by the Customer during the remainder of the term for which such services would have otherwise been provided to the Customer to be immediately due and payable (discounted to present value at six percent).

**2.14.5 Cancellation of Application for Service**

2.14.5.A Applications for service are noncancellable unless the Company otherwise agrees. Where the Company permits Customer to cancel an application for service prior to the start of service or prior to any special construction, no charges will be imposed except for those specified below.

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**SECTION 2. TERMS AND CONDITIONS (Cont'd)**

**2.14 Payment Arrangements (Cont'd)**

**2.14.5 Cancellation of Application for Service (Cont'd)**

2.14.5.B Where, prior to cancellation by the Customer, the Company incurs any expenses in installing the service or in preparing to install the service that it otherwise would not have incurred, a charge equal to the costs the Company incurred, less net salvage, shall apply, but in no case shall this charge exceed the sum of the charge for the minimum period of services ordered, including installation charges, and all charges others levy against the Company that would have been chargeable to the Customer had service begun (all discounted to present value at six percent).

2.14.5.C Where the Company incurs any expense in connection with special construction, or where special arrangements of facilities or equipment have begun, before the Company receives a cancellation notice, a charge equal to the costs incurred, less net salvage, applies. In such cases, the charge will be based on such elements as the cost of the equipment, facilities, and material, the cost of installation, engineering, labor, and supervision, general and administrative expense, other disbursements, depreciation, maintenance, taxes, provision for return on investment, and any other costs associated with the special construction or arrangements.

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**SECTION 2. TERMS AND CONDITIONS (Cont'd)**

**2.14 Payment Arrangements (Cont'd)**

**2.14.6 Changes in Service Requested**

2.14.6.A If the Customer makes or requests material changes in circuit engineering, equipment specifications, service parameters, premises locations, or otherwise materially modifies any provision of the application for service, the Customer's installation fee shall be adjusted accordingly.

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**SECTION 2. TERMS AND CONDITIONS (Cont'd)**

**2.15 Contested Charges**

2.15.1 All bills are presumed accurate, and shall be binding on the Customer unless objection is received by the Company 180 days after such bills are rendered. In the case of a billing dispute between the Customer and the Company for service furnished to the Customer, which cannot be settled with mutual satisfaction, the Customer may take the following course of action no more than 180 days after the billing date:

2.15.1.A First, the Customer may request, and the Company will provide, 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.)

2.15.1.B Second, if there is still a disagreement about the disputed amount after investigation and review by the Company, the Customer may file an appropriate complaint with the Public Utilities Commission. The address of the Commission is:

Capitol Bldg., 1st Floor, 500 East Capitol Ave., Pierre, S.D. 57501-5070

In addition, the Customer may call the Commission toll-free at 1-800-332-1782. Hearing impaired customers may call the Commission at TTY Through Relay South Dakota 1-800-877-1113.

2.15.2 Billing inquiries may be directed to the Company toll free at 1-888-764-7600.

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**SECTION 2. TERMS AND CONDITIONS (Cont'd)**

**2.16 Allowances for Interruptions in Service**

2.16.1 Interruptions in service, which are not due to the negligence of, or noncompliance with the provisions of this tariff by, the Customer or the operation or malfunction of the facilities, power or equipment provided by the Customer, will be credited to the Customer as set forth in 2.16.2.A for the part of the service that the interruption affects.

**2.16.2 Credit for Interruptions**

2.16.2.A A credit allowance will be made when an interruption occurs because of a failure of any component furnished by the Company under this tariff. An interruption period begins when the Customer reports a service, facility or circuit to be interrupted and releases it for testing and repair. An interruption period ends when the service, facility or circuit is operative. If the Customer reports a service, facility or circuit to be inoperative but declines to release it for testing and repair, it is considered to be impaired, but not interrupted.

2.16.2.B For calculating credit allowances, every month is considered to have 30 days. A credit allowance is applied on a pro rata basis against the rate, specified hereunder and is dependent upon the length of the interruption. Only those facilities on the interrupted portion of the circuit will receive a credit.

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**SECTION 2. TERMS AND CONDITIONS (Cont'd)**

**2.16 Allowances for Interruptions in Service (Cont'd)**

**2.16.2 Credit for Interruptions (Cont'd)**

2.16.2.C A credit allowance will be given for interruptions of 15 minutes or more. Credit allowances shall be calculated as follows:

Interruptions of 24 Hours or Less

<u>Length of Interruption</u>	<u>Interruption Period To Be Credited</u>
Less than 15 minutes	None
15 minutes up to but not including 3 hours	1/10 Day
3 hours up to but not including 6 hours	1/5 Day
6 hours up to but not including 9 hours	2/5 Day
9 hours up to but not including 12 hours	3/5 Day
12 hours up to but not including 15 hours	4/5 Day
15 hours up to but not including 24 hours	One Day

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**SECTION 2. TERMS AND CONDITIONS (Cont'd)**

**2.16 Allowances for Interruptions in Service (Cont'd)**

**2.16.2 Credit for Interruptions (Cont'd)**

Two or more interruptions of 15 minutes or more during any one 24-hour period shall be considered as one interruption.

Interruptions Over 24 Hours and Less Than 72 Hours. Interruptions over 24 hours and less than 72 hours will be credited 1/5 day for each 3-hour period or fraction thereof. No more than one full day's credit will be allowed for any period of 24 hours.

Interruptions Over 72 Hours. Interruptions over 72 hours will be credited 2 days for each full 24-hour period. No more than 30 days credit will be allowed for any one month period.

**2.16.3 Limitations on Allowances**

No credit allowance will be made for:

- (a) interruptions due to the negligence of, or noncompliance with the provisions of this tariff by, the Customer, authorized user, joint user, or other common carrier providing service connected to the service of the Company;

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**SECTION 2. TERMS AND CONDITIONS (Cont'd)**

**2.16 Allowances for Interruptions in Service (Cont'd)**

**2.16.3 Limitations on Allowances (Cont'd)**

- (b) interruptions due to the negligence of any person other than the Company, including but not limited to the Customer or other common carriers connected to the Company's facilities;
- (c) interruptions due to the failure or malfunction of non-Company equipment;
- (d) interruptions of service during any period in which the Company is not given full and free access to its facilities and equipment for the purpose of investigating and correcting interruptions;
- (e) interruptions of service during a period in which the Customer continues to use the service on an impaired basis;
- (f) interruptions of service during any period when the Customer has released service to the Company for maintenance purposes or for implementation of a Customer order for a change in service arrangements; and
- (g) interruption of service due to circumstances or causes beyond the control of Company.

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**SECTION 2. TERMS AND CONDITIONS (Cont'd)**

**2.16 Allowances for Interruptions in Service (Cont'd)**

**2.16.4 Cancellation For Service Interruption**

Cancellation or termination for service interruption is permitted only if any circuit experiences a single continuous outage of 8 hours or more or cumulative service credits equaling 16 hours in a continuous 12-month period. The right to cancel service under this provision applies only to the single circuit which has been subject to the outage or cumulative service credits.

**2.17 Cancellation of Service**

If a Customer cancels a Service Order or terminates services before the completion of the term for any reason whatsoever other than a service interruption (as defined in 2.16 above), Customer agrees to pay to Company the following sums which shall become due and owing as of the effective date of the cancellation or termination and be payable within the period set forth in 2.14 all costs, fees and expenses reasonably incurred in connection with 1) all Non-Recurring charges reasonably expended by Company to establish service to Customer, plus 2) any disconnection, early cancellation or termination charges reasonably incurred and paid to third parties by Company on behalf of Customer, plus 3) all Recurring Charges specified in the applicable Service Order Tariff for the balance of the then current term.

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**SECTION 3. EXPLANATION OF RATES**

The regulations set forth in this section explain how to apply the rate table associated with the various services offerings described in Section 4.

**3.1 Timing of Calls**

3.1.1 Billing for calls placed over the Company's underlying carrier's network is based on the duration of the call. Timing begins when the called station is answered, as determined by standard industry methods generally in use for ascertaining answers, including answer supervision hardware by which the local telephone company sends a signal to the switch or the software utilizing audio tone detection. Timing ends when either party hangs up.

**3.2 Computation of Charges**

3.2.1 As set forth in Section 4, calls will be billed in increments of either: (i) an initial eighteen (18) second period and additional six (6) second periods; (ii) an initial thirty (30) second period and additional six (6) second periods; (iii) an initial sixty (60) second period and additional thirty (30) second periods; or (iv) an initial one (1) minute period and additional one (1) minute periods.

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**SECTION 4. DESCRIPTIONS OF SERVICES**

**4.1 1+ Long Distance**

1+ Long Distance Service is a dedicated or switched long distance message telecommunications service provided between points located within the State. Dedicated 1+ Long Distance calls are billed in initial 18 second increments and additional increments of 6 seconds. Switched 1+ Long Distance calls are billed in initial 18 second increments and additional increments of 6 seconds.

**4.2 Toll Free Service**

Toll Free Service is a telecommunications service which allows a caller to place calls to a Customer at no cost to the calling party by dialing a telephone number that is assigned to a Customer Premises and that employs a toll-free area code. Toll free service is billed in initial 18 second increments and additional increments of 6 seconds.

**4.3 Calling Plans**

**4.3.1 Anytime USA**

The Company offers customers ordering Anytime USA three (3) alternative plans based upon the manner of bill presentment that the customer pre-selects. There is a monthly fee for this plan and no minutes of usage are provided.

**4.3.2 Integrated Services Calling Plan**

The Company offers customers ordering the Integrated Services Calling Plan three (3) alternative plans based upon the manner of bill presentment that the customer pre-selects. There is no monthly fee for this plan and no minutes of usage are provided. Separate Internet access rates of SNiP, Inc. apply in addition to the telecommunications usage rates below. This plan provides customers with a package of switched telecommunications services and Internet access. Customers must subscribe to a qualifying Internet service offered by the Company's Internet provider, SNiP, Inc.

**4.4 Toll Directory Assistance**

Toll Directory Assistance Service provides the Customer with access to telephone number listing information. The Company will provide this service through arrangements with other telecommunications carriers.

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**SECTION 4. DESCRIPTIONS OF SERVICES (Cont'd)**

**4.5 Toll Operator Services**

Toll Operator Services involve assisting Customers with the placement of long distance telephone calls, including Calling Card Calls, Station-to-Station Calls, and Person-to-Person Calls. The Company will provide this service through arrangements with other telecommunications carriers.

**4.6 Intrastate Calling Card Service**

The Company will provide its Customers with calling cards for the purpose of enabling the customer to access the Company's long distance services from locations other than the Customer's premises.

**4.7 Intrastate Calling Card Directory Assistance Service**

Intrastate Calling Card Directory Assistance Service provides Customers using the Intrastate Calling Card Service with access to telephone number listing information. The Company will provide this service through arrangements with other telecommunications carriers.

**4.8 Conference Calling Service**

Conference Calling Service is an audio service that allows Customers to establish conference calls with individuals located at different sites. Customers may enter into the conference meeting using a pre-assigned conference telephone number.

**4.9 OnNet Service**

OnNet Service is the virtual connection within the State originating from Customer Premises that are connected to the Company's point of presence ("POP") or virtual point of presence ("VPOP") using dedicated access. The Customer must deliver traffic to one of the Company's collocated facilities, using separate arrangements obtained from the Company or a third party. OnNet Service rates apply to all non-local traffic completed through such arrangements. OnNet Service calls are billed in initial 18 second increments and additional increments of 6 seconds.

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Issued: \_\_\_\_\_

Issued by: Joseph Polito, Jr.  
Director of Telecommunications Sales  
SNiP Link, LLC  
100-A Twinbridge Drive  
Pennsauken, NJ 08110

Effective: \_\_\_\_\_

**SECTION 5. RATE SCHEDULES**

**5.1 1+ Long Distance Rates**

**5.1.1 Dedicated 1+ Long Distance**

\$0.1007 per minute

**5.1.2 Switched 1+ Long Distance**

\$0.1908 per minute

**5.2 Toll Free Service Rates**

**5.2.1 Switched 1+ Toll Free Service**

\$0.1908 per minute

**5.2.2 Dedicated 1+ Toll Free Service**

\$0.1007 per minute

**5.3 Calling Plans**

**5.3.1 Anytime USA Rates**

The recurring fee for the Anytime USA plan is \$4.95 per month.

	<u>Switched 1+ Rate</u>	<u>Toll Free Rate</u>
Direct/LEC Billing	\$ 0.1684	\$ 0.1684
Electronic Billing	\$ 0.1684	\$ 0.1684

**5.3.2 Integrated Services Calling Plan**

	<u>Switched 1+ Rate</u>	<u>Toll Free Rate</u>
Direct/LEC Billing	\$ 0.1684	\$ 0.1684
Electronic Billing	\$ 0.1684	\$ 0.1684

**5.4 Toll Directory Assistance**

Per Call: \$0.68

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**SECTION 5. RATE SCHEDULES (Cont'd)**

**5.5 Toll Operator Services**

Direct Connect/Station-to-Station: \$0.95  
Direct Connect/Person-to-Person: \$3.70

**5.6 Intrastate Calling Card Service**

Per Call Set-up Charge: \$0.10  
Per Minute Rate: \$0.20  
Per Call Charge for Calling Card Calls  
Placed from a Payphone: \$0.40

**5.7 Intrastate Calling Card Directory Assistance**

Per Call: \$0.95

**5.8 Conference Calling Service**

Weekday charges apply 12:00 midnight CST Monday through 11:59 p.m. CST Friday.  
Weekend charges apply 12:00 midnight CST Saturday through 11:59 p.m. CST Sunday.

	<u>Weekday Charge</u>	<u>Weekend Charge</u>
Per Call Set-up Charge:	\$3.00	\$3.00
Per Minute Per Bridgeport Rate:	\$0.65	\$0.45

**5.9 OnNet Service Rates**

Between Intrastate LATAs: \$0.06 per minute

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Pennsauken, NJ 08110

Effective: \_\_\_\_\_

KELLEY DRYE & WARREN LLP

A LIMITED LIABILITY PARTNERSHIP

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MAR 01 2001

SOUTH DAKOTA PUBLIC  
UTILITIES COMMISSION

February 28, 2001

VIA FEDERAL EXPRESS

Mr. William Bullard, Jr.  
Executive Director  
**Attention: Keith Senger**  
South Dakota Public Utilities Commission  
State Capitol Building, 500 East Capitol Avenue  
Pierre, South Dakota 57501-5070

Re: SDPUC Docket TC01-004 – In the Matter of the Application of SNIIP Link, LLC for a Certificate of Authority

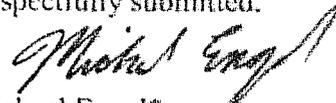
Dear Mr. Bullard:

Please find enclosed for filing an original and ten (10) copies of the tariff revisions of SNIIP Link, LLC. These revisions are submitted in response to the February 13, 2001 request of Utility Analyst Keith Senger.

In addition, SNIIP Link, LLC requests a waiver from ARSD 20:10:24:02(08) which requires that applications for a Certificate of Authority contain a cash flow statement. As a start-up, privately held limited liability SNIIP Link, LLC does not presently have a cash flow statement prepared. Therefore, pursuant to ARSD 20:10:24:02(15), SNIIP Link, LLC respectfully requests a waiver from the cash flow statement requirement.

In addition, a duplicate copy of this filing is enclosed. Please date-stamp the duplicate upon receipt, and return it in the self-addressed, postage paid envelope provided.

Respectfully submitted,

  
Michael Engel\*

Enclosures

\*Admitted in New York only.

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**SECTION 2. TERMS AND CONDITIONS (Cont'd)**

**2.14 Payment Arrangements (Cont'd)**

**2.14.3 Deposits**

2.14.3.A [RESERVED FOR FUTURE USE]

2.14.3.B When a service or facility is discontinued, the amount of a deposit, if any, will be applied to the Customer's account and any credit balance remaining will be refunded. Before the service or facility is discontinued, the Company may, at its option, return the deposit or credit it to the Customer's account, but in no case shall the Company retain the deposit of a Customer who has made prompt and satisfactory payments to the Company for a period of twelve consecutive months.

2.14.3.C Deposits held will accrue interest at a rate based on the simple average interest rate for new issues of one year treasury bills computed over the one year period ending on the preceding first day of December.

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Issued: \_\_\_\_\_

Issued by: Joseph Polito, Jr.  
Director of Telecommunications Sales  
SNiP Link, LLC  
100-A, Twinbridge Drive  
Pennsauken, NJ 08110

Effective: \_\_\_\_\_

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

IN THE MATTER OF THE APPLICATION OF )	ORDER GRANTING
SNIP LINK, LLC FOR A CERTIFICATE OF )	CERTIFICATE OF
AUTHORITY TO PROVIDE INTEREXCHANGE )	AUTHORITY
TELECOMMUNICATIONS SERVICES IN )	
SOUTH DAKOTA )	TC01-004

On January 11, 2001, 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 SNiP Link, LLC (SNiP Link).

SNiP Link proposes to offer basic 1+ long distance services, WATS, calling card services and toll-free services through resale. A proposed tariff was filed by SNiP Link. The Commission has classified long distance service as fully competitive.

On January 18, 2001, the Commission electronically transmitted notice of the filing and the intervention deadline of February 1, 2001, to interested individuals and entities. No petitions to intervene or comments were filed and at its April 17, 2001, meeting, the Commission considered SNiP Link's request for a certificate of authority. Commission Staff recommended granting a certificate of authority, subject to the condition that SNiP Link not offer a prepaid calling card or require deposits or advance payments without prior approval of the Commission. Commission Staff further recommended a waiver of ARSD 20:10:24:02(8).

The Commission finds that it has jurisdiction over this matter pursuant to SDCL Chapter 49-31, specifically 49-31-3 and ARSD 20:10:24:02 and 20:10:24:03. The Commission finds that SNiP Link has met the legal requirements established for the granting of a certificate of authority. SNiP Link has, in accordance with SDCL 49-31-3, demonstrated sufficient technical, financial and managerial capabilities to offer telecommunications services in South Dakota. Further, the Commission finds that there is good cause to waive ARSD 20:10:24:02(8). The Commission approves SNiP Link's application for a certificate of authority, subject to the condition that SNiP Link 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 SNiP Link's application for a certificate of authority is hereby granted, subject to the condition that SNiP Link not offer a prepaid calling card or require deposits or advance payments without prior approval of the Commission. It is

FURTHER ORDERED, that the Commission finds good cause to waive ARSD 20:10:24:02(8). It is

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

Dated at Pierre, South Dakota, this 24<sup>th</sup> day of April, 2001.

<b>CERTIFICATE OF SERVICE</b>
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 envelopes, with charges prepaid thereon.
By: <u>Helaine Kalbo</u>
Date: <u>4/24/01</u>
(OFFICIAL SEAL)

BY ORDER OF THE COMMISSION:

James A. Burg  
JAMES A. BURG, Chairman

Pam Nelson  
PAM NELSON, Commissioner

# SOUTH DAKOTA PUBLIC UTILITIES COMMISSION

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## *CERTIFICATE OF AUTHORITY*

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

Authority was Granted as of the date of the  
Order Granting Certificate of Authority  
Docket No. TC01-004

*This is to certify that*

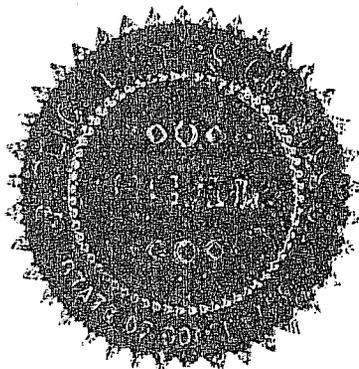
**SNIP LINK, LLC**

is authorized to provide interexchange telecommunications services in  
South Dakota, subject to the condition that it not offer a prepaid calling  
card or require deposits or advance payments without prior approval of the  
Commission.

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 24<sup>th</sup> day of April, 2001.

**SOUTH DAKOTA PUBLIC  
UTILITIES COMMISSION:**



  
JAMES A. BURG, Chairman

  
PAM NELSON, Commissioner