

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

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| IN THE MATTER OF THE APPLICATION OF) ECONOPHONE SERVICES, INC. FOR A) CERTIFICATE OF AUTHORITY TO PROVIDE) TELECOMMUNICATIONS SERVICES IN) SOUTH DAKOTA) | ORDER GRANTING THE TRANSFER OF A CERTIFICATE OF AUTHORITY TC98-136 |
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On July 23, 1998, the Public Utilities Commission (Commission), in accordance with SDCL 49-31-3 and ARSD 20:10:24:02, received an application from Econophone, Inc. to transfer its certificate of authority to its wholly-owned subsidiary, Econophone Services, Inc.

Econophone, Inc. was granted a certificate of authority by the Commission on July 18, 1996. At that time Econophone, Inc. was incorporated in the state of New York. Econophone, Inc. has reincorporated in the state of Delaware and is transferring its interexchange authorizations to Econophone Services, Inc. Econophone Services, Inc. notes that since customer service, invoices and promotional materials identify the carrier as Econophone, this change will be transparent to and have no effect on customers. A proposed tariff was filed by Econophone Services Inc. The Commission has classified long distance service as fully competitive.

On July 23, 1998, the Commission electronically transmitted notice of the filing and the intervention deadline of August 7, 1998, to interested individuals and entities. No petitions to intervene or comments were filed and at its regularly scheduled October 15, 1998, meeting, the Commission considered Econophone Inc.'s request to transfer its certificate of authority to its wholly-owned subsidiary, Econophone Services, Inc. Commission Staff recommended granting the transfer, subject to the condition that Econophone Services Inc. not offer a prepaid calling card or require deposits or advance payments without prior approval of the Commission.

The Commission finds that it has jurisdiction over this matter pursuant to Chapter 49-31, specifically 49-31-3 and ARSD 20:10:24:02 and 20:10:24:03. Econophone Services, Inc. has, in accordance with SDCL 49-31-3, demonstrated sufficient technical, financial and managerial capabilities to offer telecommunications services in South Dakota. The Commission approves Econophone Inc.'s application to transfer its certificate of authority to its wholly-owned subsidiary, Econophone Services, Inc., subject to the condition that Econophone Services, Inc. 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 Econophone Inc.'s application to transfer its certificate of authority to its wholly-owned subsidiary, Econophone Services, Inc., is hereby granted, subject to the condition that Econophone Services, Inc. not offer a prepaid calling card or require deposits or advance payments without prior approval of the Commission. It is

FURTHER ORDERED, that Econophone Services, Inc. shall file informational copies of tariff changes with the Commission as the changes occur.

Dated at Pierre, South Dakota, this 21st day of October, 1998.

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| CERTIFICATE OF SERVICE |
| The undersigned hereby certifies that this document has been served today upon all parties of record in this docket, as listed on the docket service list, by first class mail, in properly addressed envelopes, with charges prepaid thereon. |
| By: <u><i>William Kalbo</i></u> |
| Date: <u>10/22/98</u> |
| (OFFICIAL SEAL) |

BY ORDER OF THE COMMISSION:

James A. Burg
JAMES A. BURG, Chairman

Pam Nelson
PAM NELSON, Commissioner

Laska Schoenfelder
LASKA SCHOENFELDER, Commissioner