TC98-055	04/-3	TC 98-05		
	In the Matter of IN THE MATTER OF THE APPLICATION OF WESTERN TELE- COMMUNICATIONS, INC./RETAIL SALES GROUP D/B/A PEOPLE LINK BY TCI FOR A CERTIFICATE OF AUTHORITY TO PROVIDE TELECOMMUNICATIONS SERVICES IN SOUTH DAKOTA			
	Pu	blic Utilities Commission of the State of South Dakota		
	DATE	MEMORANDA		
	2/26 98 7 3/18 98 5/26 98 (5/26 98)	Lepplement to application; Supplement to application; Such tit Classed.		

TC 98-055

PIPER & MARBURY

L.L.F

1 200 NINETEENTH STREET, N.W.

WASHINGTON, D.C. 20036-2430

202-861-3900 FAX 202-223-2085 FEB / 8 1998

SOUTH DAKOTA PUBLIC UTILITIES COMMISSION

NEW YORK
PHILADELPHIA
EASTON

WRITER'S DIRECT NUMBER 202-861-6475

JXK@pipermar.com

February 18, 1998

FEDERAL EXPRESS

Executive Director South Dakota Public Utilities Commission 500 E. Capitol Avenue Pierre, South Dakota 57501

Re: Application for Certificate of Authority as a Reseller of

Telecommunications Services

Dear Sir or Madam:

Enclosed please find an original and eleven (11) copies of the Application of Western Telecommunications, Inc./Retail Sales Group d/b/a/ People Link by TCI for a Certificate of Authority as a Reseller of Telecommunications Services. Also enclosed herewith is a filing fee in the amount of \$250.00.

Please date stamp one copy and return it in the enclosed self-addressed, stamped envelope. Should you have any questions regarding the foregoing, please contact the undersigned.

Sincerely,

Julie A. Kaminski

sor runch Leurs

/jak Enclosures

Before the
STATE OF SOUTH DAKOTA
PUBLIC UTILITIES COMMISSION

ON	FF		IVEL)
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			5310	Ņ
Case	No			-

17 -

In the Matter of the Petition of
Western Telecommunications, Inc./Retail Sales Group
d/b/a People Link by TCI for a Certificate of Authority
as a Reseller of Telecommunications
Services Under Section 49-31-3 of the SDCL and Section
20:10:24:02 of the Telecommunications Service
Rules of the South Dakota Public Utilities Commission

PETITION FOR A CERTIFICATE OF AUTHORITY

Western Tele-Communications, Inc./Retail Sales Group d/b/a People Link by TCI ("Applicant"), through its attorney, hereby petitions the Public Utilities Commission of the State of South Dakota ("PUC") for the issuance of a Certificate of Authority authorizing Applicant to resell interexchange intrastate service in the State of South Dakota. In compliance with the provisions of Section 20:10:24:02 of the PUC's Telecommunications Service Rules, the following information is provided:

(1) The full name of the Applicant is Western Tele-Communications, Inc./Retail Sales Group, d/b/a People Link by TCI. All correspondence with the Applicant may be sent to:

Tiffany Russo, Esq.
Western Tele-Communications, Inc./Retail Sales Group ("WTCI/RSG")
5619 DTC Parkway
8th Floor
Englewood, CO 80111-3000
(303) 267-5699
(303) 488-3208 (facsimile)

with a copy to:

Randall B. Lowe, Esq. Julie A. Kaminski, Esq. Piper & Marbury, LLP 1200 19th Street, NW Washington, D.C. 20036 (p) (202) 861-3900 (f) (202) 223-2085

- Applicant will provide service under the name People Link by TCI.
- (3) (a) Applicant was incorporated in the state of Colorado on October 19, 1995. A copy of Applicant's Articles of Incorporation is attached as Exhibit 1. Applicant's Certificate of Authority to transact business in the State of South Dakota is attached hereto as Exhibit 2.
- (b) Applicant does not have a principal office in the State of South Dakota. The name and address of Applicant's registered agent in the State of South Dakota is:

The Prentice-Hall Corporation System, Inc. 503 South Pierre Street Pierre, South Dakota 57501

- (c) Applicant is a wholly-owned subsidiary of Western Tele-Communications, Inc. ("WTCI"), which in turn, is a wholly-owned subsidiary of TCI Ventures Group, LLC. TCI Ventures Group, LLC, a Delaware limited liability company, is a wholly-owned, direct subsidiary of Tele-Communications, Inc. ("TCI").
 - (d) The Applicant does not own or control any subsidiaries.
- (4) Not applicable (Applicant is not a partnership).
- (5) Applicant seeks to provide intrastate toll service from points of origin in South Dakota to destination points in South Dakota, other parts of the United States, and foreign countries. Applicant intends to offer these services under a variety of means, initially by means of prepaid debit calling cards. Applicant intends to provide services as a non-facilities based carrier, and will not construct any new facilities in South Dakota to implement the authority sought herein. Applicant does not intend to provide local exchange service. Applicant's Prepaid Calling Card

will be offered at a fixed dollar amount. That fixed dollar amount is decremented from the Prepaid Calling Card based upon the duration of the call and the location to which the call is terminated, and may be replenished.

(6) Applicant intends to offer its services as a reseller, using the facilities of Athena International, LLP for its prepaid debit card services and IXC Communications, Inc. for long distance services.

Applicant has the technical, financial, and managerial resources and ability to provide the resale of intrastate and interLATA telecommunications services as required under the laws of South Dakota. In particular, the engineering, technical, and operating expertise of the parent company and its affiliates will be made available to the Applicant. TCI, through its subsidiaries and affiliates, is engaged in the construction, acquisition, ownership, and operation of cable television and telecommunications systems throughout the United States and overseas, as well as the development of new communications technologies.

The Applicant's parents and affiliates have been in the communications business since the early 1950s. Beginning with the development of cable technologies and cable television systems, TCI and its affiliates currently have extensive investments in cable and telecommunications technologies. For example, WTCI is currently providing point-to-point, dedicated circuits to interexchange carriers such as AT&T, MCI, and Sprint. TCI and U.S. West provide combined telephone and cable services to consumers throughout the United Kingdom. TCI has also built, maintained, and operated competitive access providers throughout the United States. Through four separate subsidiaries, TCI Wireline, Inc. currently provides both competitive local exchange services and competitive access services in Illinois and Connecticut, has received authority to provide similar services in California and Texas. In short, Applicant and its affiliates form a corporate structure with substantial technological skills and capabilities not only in the realm of cable television, but also telecommunications. As a result, TCI has been, and will continue to be, a leader in the communications market.

A brief description of the background and experience of Applicant's senior management team is attached as Exhibit 3.

- (7) Applicant intends to offer its services throughout the State of South Dakota and, therefore, requests statewide certification. Applicant therefore does not attach a map describing its service area.
- (8) As a newly formed entity, Applicant does not have any current financial statements. However, a copy of the parent company's most recent financial statement, including a balance sheet and statement of operations, is attached as Exhibit 4. Attached hereto as Exhibit 5 is a copy of TCI's 1996 annual report to shareholders. As a non-facilities-based reseller of telecommunications services, Applicant does not require construction of its own facilities nor has plans to construct facilities of its own. Therefore, Applicant requires no additional capitalization or financing nor does it expect to incur significant expenses to provide the services requested herein.

Attached hereto as Exhibit 6 is Applicant's proposed tariff, which reflects its terms and conditions of service.

- (9) All inquiries regarding complaints and regulatory matters should be directed to Tiffany Russo, Esquire, at the address set forth in Paragraph 1. Applicant has established a toll-free customer service number for its prepaid debit cards, 888-665-9015, which customers may use to register complaints or for general customer inquiries. Applicant will handle all complaints in accordance with industry standards and any applicable rules and regulations of the State of South Dakota. To the extent applicable, Applicant will use CSG Systems, Inc. as its third party provider for billing and collections as well as its operations support system.
- (10) Applicant has never been denied registration or certification in any state. Currently, Applicant is registered and/or certified in the following states: Indiana, Iowa, Michigan, Montana, Utah, and Wyoming. Applicant has filed for registration and/or certification and is

awaiting approval in the following states: Arizona, Kansas, Missouri, Nebraska, Oregon, Washington, Idaho and Nevada.

- (11) The Applicant intends to use its national sales staff located in Denver, Colorado to market its services in the State of South Dakota and other states where it is authorized to conduct its business. Applicant expects to use the normal media stream, including advertisements, billboards, and the like, to target residential and commercial customers. To date, Applicant does not have sales brochures which it expects to use in promoting its services in this market. As is set forth more fully in Exhibit 3, Applicant has well-qualified marketing executives to lead its sales force in promoting its services. It is unknown at this time whether Applicant will engage in any multilevel marketing.
- (12) Insofar as the services which Applicant proposes to offer, prepaid debit cards, are competitive services, Applicant is not submitting cost support for the rates set forth in its proposed tariff.

Expedited Consideration

Applicant will be prepared to offer resale services in the very near future and desires being licensed to do so at the earliest possible date. Therefore, Applicant is requesting that this Petition be given expedited consideration.

In view of the forgoing, Applicant respectfully requests that the South Dakota PUC grant this Petition, as Applicant is offering telecommunications services that will enhance competition in the State of South Dakota and will otherwise be in the public interest.

Respectfully Submitted,

WESTERN TELE-COMMUNICATIONS, INC./ Retail Sales Group

July & Womer DU

Randall B. Lowe, Esq. Julie A. Kaminski, Esq. Piper & Marbury L.L.P. 1200 19th Street, NW Washington, DC 20036 (202) 861-6477

Its Attorney

February 18, 1998

VERIFICATION OF APPLICANT

STATE OF COLORADO)
SS
COUNTY OF Arapahoe)

I, Robert J. Lemming, being duly sworn, states that I am Executive Vice President and Chief Operating Officer of Western Telecommunications, Inc./Retail Sales Group; that, in such capacity, I am qualified and authorized to file and verify this application; that I have carefully examined all the statements and matters contained in the application; and that all such statements made and matters set forth therein are true and correct to the best of my knowledge, information and belief.

SUBSCRIBED AND SWORN to before me, a

Notary Public in and for the State and County above named, this __26thday

of January , 1998.

(SEAL) Notary Public

My Commission Expires Sept. 10, 1998 7087 S. Grape Way

Littleton, Colorado 80122

Exhibit 1 - Articles of Incorporation

CCPY

ARTICLES OF INCORPORATION

OF

WTCI OF WYOMING, INC.

The undersigned incorporator, a natural person, desires to form a body corporate under the laws of the State of Colorado and does execute, sign, acknowledge, file, record, and deliver in duplicate to the Colorado Secretary of State these Articles of Incorporation:

ARTICLE I - NAME

| 951129044 C | 950.00 | 809881497 OF | STATE | 10-19-05 | 13101

The name of this Corporation shall be: WTCI of Wyoming, Inc.

ARTICLE II - INITIAL PRINCIPAL OFFICE

The address of the initial principal office of this Corporation is 5619 DTC Parkway, Englewood, Colorado 80111.

ARTICLE III - REGISTERED AGENT AND OFFICE

The address of the registered office of this Corporation is 5619 DTC Parkway, Englewood, Colorado 80111. The name of the registered agent at such address is Stephen M. Brett.

ARTICLE IV - CAPITAL

The aggregate number of shares of capital stock which this Corporation shall have authority to issue is 10,000 shares, with a par value of \$1.00 each. The shares of this class of common stock shall have unlimited voting rights and shall be entitled to receive the net assets of this Corporation upon dissolution. Cumulative voting shall not be allowed in the election of directors of this Corporation or otherwise.

ARTICLE V - DIRECTORS

The governing body of this Corporation shall be a board of directors. The number of directors may, from time to time, be increased or decreased in such manner as shall be provided by the bylaws of this Corporation. The powers of the board shall commence upon the acceptance for filing of these Articles of Incorporation by the Colorado Secretary of State.

The initial board of directors of this Corporation shall consist of three (3) directors. The names and addresses of the persons who shall serve as directors until the first annual meeting of shareholders or until their successors are elected and shall qualify are as follows:

Stephen M. Brett

5619 DTC Parkway

Englewood, Colorado 80111

John C. Malone

5619 DTC Parkway

Englewood, Colorado 80111

Larry E. Romrell

5619 DTC Parkway

Englewood, Colorado 80111

ARTICLE VI - INCORPORATOR

Name

Address

Mary M. McChesney

5619 DTC Parkway

Englewood, Colorado 80111

IN WITNESS WHEREOF, the above-named incorporator has signed these Articles of Incorporation on October 18, 1995.

Mary M. McChesney

The initial board of directors of this Corporation shall consist of three (3) directors. The names and addresses of the persons who shall serve as directors until the first annual meeting of shareholders or until their successors are elected and shall qualify are as follows:

Stephen M. Brett

5619 DTC Parkway

Englewood, Colorado 80111

John C. Malone

5619 DTC Parkway

Englewood, Colorado 80111

Larry E. Romrell

5619 DTC Parkway

Englewood, Colorado 80111

ARTICLE VI - INCORPORATOR

Name

Address

Mary M. McChesney

5619 DTC Parkway

Englewood, Colorado 80111

IN WITNESS WHEREOF, the above-named incorporator has signed these Articles of Incorporation on October 18, 1995.

Mary M. McChesney

Stephen M. Brett hereby consents to the appointment as the initial registered agent for WTCI OF WYOMING, INC.

Stephen M. Brett Initial Registered Agent Mail to: Secretary of State Corporations Section 1560 Broadway, Suite 200 Denver, CO 80202 (303) 894-2251 Fax (303) 894-2242

For office use only

FILED COPY

MUST BE TYPED FILING FEE: \$25.00 MUST SUBMIT TWO COPIES

Please include a typed self-addressed envelope

ARTICLES OF AMENDMENT
TO THE
ARTICLES OF INCORPORATION

#4100090F 0 605,00 #E09ETARY OF STATE 01-03-96 10:07

Pursuant to the Articles of Arr	he provisions of the Colorado Business Corporation Act, the undersigned corporation adopts the following nendment to its Articles of Incorporation:
FIRST: The n	ame of the corporation is WTCI OF WYOMING, INC.
SECOND: The by the Colora	e following amendment to the Articles of Incorporation was adopted on
-	No shares have been issued or Directors Elected - Action by Incorporators
	No shares have been issued but Directors Elected - Action by Directors
	Such amendment was adopted by the board of directors where shares have been issued.
<u>xx</u>	Such amendment was adopted by a vote of the shareholders. The number of shares voted for the amendment was sufficient for approval.
ARTICLE I IS	AMENDED IN ITS ENTIRETY TO READ AS FOLLOWS:
	The name of the corporation shall be: Western Tele-Communications, Inc./Retail Services Group
THIRD: The m shares provide	nanner, if not set forth in such amendment, in which any exchange, reclassification, or cancellation of issued and for in the amendment shall be effected, is as follows:
if these amend	dments are to have a delayed effective date, please list that date:
	Western Tele-Communications, Inc./Retail Services Group
	Stephen M. Brett, Its Vice President
	Stephen W. Drett, its vice President

Mail to: Secretary of State Corporations Section 1560 Broadway, Suite 200 Denver, CO 80202 (303) 894-2251 Fax (303) 894-2242 For office use only

MUST BE TYPED FILING FEE: \$25.00 MUST SUBMIT TWO COPIES

Please include a typed self-addressed envelope

ARTICLES OF AMENDMENT
TO THE
ARTICLES OF INCORPORATION

	to the provisions of the Colorado Business Corporation Act, the undersigned corporation adopts the following Amendment to its Articles of Incorporation:
FIRST: Th	e name of the corporation is WESTERN TELE-COMMUNICATIONS, INC/RETAIL SERVICES GROUP
	The following amendment to the Articles of Incorporation was adopted on
	No shares have been issued or Directors Elected - Action by Incorporators
	No shares have been issued but Directors Elected - Action by Directors
	Such amendment was adopted by the board of directors where shares have been issued.
<u>xx</u>	Such amendment was adopted by a vote of the shareholders. The number of shares voted for the amendment was sufficient for approval.
ARTICLE	IS AMENDED IN ITS ENTIRETY TO READ AS FOLLOWS:
	The name of the corporation shall be: Western Tele-Communications, Inc./Retail Sales Group
	he manner, if not set forth in such amendment, in which any exchange, reclassification, or cancellation of issued ovided for in the amendment shall be effected, is as follows:
If these an	nendments are to have a delayed effective date, please list that date:
	Western Tele-Communications, Inc./Retail Sales Group

Executive Vice President/COO



STATE OF COLORADO

DEPARTMENT OF STATE

CERTIFICATE

I, VICTORIA BUCKLEY, Secretary of State of the State of Colorado hereby certify that

According to the records of this office

WTCI OF WYOMING, INC. (COLORADO CORPORATION)

file # 951129044 was filed in this office on OCTOBER 19, 1995, and has complied with the applicable provisions of the laws of the State of Colorado and on this date is in good standing and authorized and competent to transact business or to conduct its affairs within this state.

Dated: OCTOBER 19, 1995

SECRETARY OF STATE

Exhibit 2 - Certificate of Authority to Transact Business

State of South Bakota



OFFICE OF THE SECRETARY OF STATE

CERTIFICATE OF AUTHORITY

I, JOYCE HAZELTINE, Secretary of State of the State of South Dakota, hereby certify that the Application for a Certificate of Authority of WESTERN TELE-COMMUNICATIONS, INC./RETAIL SALES GROUP (CO) to transact business in this state duly signed and verified pursuant to the provisions of the South Dakota Corporation Acts, have been received in this office and are found to conform to law.

ACCORDINGLY and by virtue of the authority vested in me by law, I hereby issue this Certificate of Authority and attach hereto a duplicate of the application to transact business in this state under the name of WESTERN TELE-COMMUNICATIONS, INC./RETAIL SALES GROUP.



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

JOYCE HAZELTINE

APPLICATION FOR CERTIFICATE OF AUTHORITY

OCT 1 8 1996

Pursuant to the provisions of SDCL 47-8-7, the undersigned corporation hereby a Authority to transact business in the State of South Dakota and for that purpose statement. 1) The name of the corporation is WESTERN TELE-COMMUNICATIONS, INC./RETAIL (Exact corporate name)	submits th	Certificate
The name of the corporation is WESTERN TELE-COMMUNICATIONS, INC./RETAI	IL SALES (ne following
(Exact corporate name)		TROUP
THE STATE OF THE S		RCE
2) If the same of the corporation does not contain the word "corporation", "compore "limited" or does not contain an abbreviation of one such words, then the na with the word or abbreviation which it elects to add thereto for use in this state is		
3) State where incorporatedCOLORADOFederal Taxpayer ID#_84-	-1337128	
4) The date of its incorporation is OCTOBER 19, 1995 furation is PERPETUAL	_ and the p	eriod of its
5) The address of its principal office in the state or country under the laws of wh		
5619 DTC PARKWAY, ENGLEWOOD, COLORADO	ip Code 801	11-3000
re: BROADBAND TELECOMMUNICATIONS AND WHATEVER LEGAL ACTIVITIES ARE CORPORATIONS IN THAT STATE.		
3) The names and respective addresses of its directors and officers are:	State	Zio
3) The names and respective addresses of its directors and officers are: Name Officer Title Street Address City		Zip 80111
3) The names and respective addresses of its directors and officers are: Name Officer Title Street Address City ARRY E. ROMRELL PRESIDENT/CEO 5619 DTC PARKWAY ENGLEWOO	OD CO	80111
B) The names and respective addresses of its directors and officers are: Name Officer Title Street Address City LARRY E. ROMRELL PRESIDENT/CEO 5619 DTC PARKWAY ENGLEWOO	OD CO	
B) The names and respective addresses of its directors and officers are: Name Officer Title Street Address City LARRY E. ROMRELL PRESIDENT/CEO 5619 DTC PARKWAY ENGLEWOR STEPHEN M. BRETT VP/SECRETARY SOBERT J. LEMMING EXEC VP/COO 5619 DTC PARKWAY ENGLEWOR	OD CO OD CO	80111 80111
Name Officer Title Street Address City LARRY E. ROMRELL PRESIDENT/CEO 5619 DTC PARKWAY ENGLEWOR STEPHEN M. BRETT VP/SECRETARY 5619 DTC PARKWAY ENGLEWOR ROBERT J. LEMMING EXEC VP/COO 5619 DTC PARKWAY ENGLEWOR STEPHEN M. BRETT DIRECTOR 5619 DTC PARKWAY ENGLEWOR STEPHEN M. BRETT DIRECTOR 5619 DTC PARKWAY ENGLEWOR	OD CO OD CO OD CO	80111 80111 80111
8) The names and respective addresses of its directors and officers are: Name Officer Title Street Address City PRESIDENT/CEO 5619 DTC PARKWAY ENGLEWOR STEPHEN M. BRETT OFFICER SECURITY STEPHEN M. BRETT OFFICER SECURITY STEPHEN M. BRETT DIRECTOR STEPHEN M. BRETT DIRECTOR	OD CO OD CO OD CO OD CO	80111 80111 80111 80111
8) The names and respective addresses of its directors and officers are: Name Officer Title Street Address City LARRY E. ROMRELL PRESIDENT/CEO 5619 DTC PARKWAY ENGLEWOR STEPHEN M. BRETT VP/SECRETARY FOR STEPHEN M. BRETT DIRECTOR STEPHEN M. BRETT DIRECTOR STEPHEN M. BRETT DIRECTOR	OD CO OD CO OD CO OD CO OD CO	80111 80111 80111 80111 80111 80111
8) The names and respective addresses of its directors and officers are: Name Officer Title Street Address City LARRY E. ROMRELL PRESIDENT/CEO 5619 DTC PARKWAY ENGLEWOO STEPHEN M. BRETT VP/SECRETARY 5619 DTC PARKWAY ENGLEWOO STEPHEN M. BRETT DIRECTOR DIRECTOR JOHN C. MALONE DIRECTOR DIR	OD CO OD CO OD CO OD CO OD CO es, par value	80111 80111 80111 80111 80111 80111

			The state of the s
Number or shares	Class	Series	Par value per share or statement that shares are without par value
1,000	COMMON		1.00 PER SHARE

	-	-	
		-	
(11) The amount	of its stated car	oital is \$1	.000.00
			FICATE OF FACT duly acknowledged by the secretary of state ds in the state or country under whose laws it is incorporated.
company, foreign or with any copa the production of	n or domestic, artnership or as or regulate the	through their s ssociation of p transportation of	ndirectly combine or make any contract with any incorporated stockholders or the trustees or assigns of such stockholders, persons, or in any manner whatever to fix the prices, limit of any product or commodity so as to prevent competition establish excessive prices therefor.
			of its being permitted to begin or continue doing business with all the laws of the said State with regard to foreign
The application mofficer.	nust be signed b	y the chairman	of the board of directors, or by the president or by another
TRUE AND CORR		THE PENALTY	OF PERJURY THAT THIS APPLICATION IS IN ALL THINGS,
)ated OCTOBER	1419_	96	(Signature) ROBERT J. LEMMING
			EXECUTIVE VICE PRESIDENT/COO
			(Title)
State ofCOL	ORADO		
	PAHOE		
On this 14th	day of	OCTOBER . 1	9 96 , before meE. JEAN REDDY
personally appeare	ed ROBERT J.	LEMMING	, known to me, or proved to me,
			of the corporation that is described in and that executed the such corporation executed same.
ASS	and acknowledge	/- C	
My Commission	HI WE CONTROL	98	(Notary Public)
Notarial seal), varia		(Notary Puduc)

THEO	ABLUATION TIME	nt below must b	be signed by the registered agent listed in number six.
CONS	SENT OF A	PPOINTME	ENT BY THE REGISTERED AGENT
I, THE PRENTICE	(name of reg	istered agent)	
registered agent f	or WESTERN T	ELE-COMMUNIC	ATIONS, INC./RETAIL SALES GROUP
			1 1 1

Exhibit 3 - Key Management

Robert Lemming, Executive Vice President and Chief Operating Officer

Mr. Lemming has been with Western Tele-Communications, Inc. ("WTCI") since 1973, when he began his career in microwave construction for Tele-Communications, Inc. ("TCI"). Mr. Lemming managed the initial involvement in the Company's major market competitive access business and is currently directing WTCI's development of rural business opportunities and private data network business.

Tim Leddy, Vice President of Marketing

Mr. Leddy has 14 years of experience in the telecommunications business, including local, long distance, and data communications. Mr. Leddy has held a wide variety of senior management positions in sales and marketing, customer service, and operations before accepting his current position.

Van Macatee, Director of Operations

Mr. Macatee has over 27 years of experience in telecommunications. He has managed Department of Defense combat support and fight operations networks; local exchange networks, large fiber optic and switching systems for an inter-exchange; and private and public data networks. Mr. Macatee has also directed the operations of large call centers and market development programs.

Mr. Macatee joined the cable television industry in 1996 and currently is responsible for Tele-Communications, Inc.'s development of network management strategy in support of its advanced digital networks.

Jerry Pittman, Vice President of Network Planning

Mr. Pittman has been with WTCI since 1989. In his role as Vice President of Network Planning, Mr. Pittman develops long distance and switched services as well as local exchange initiatives. Prior to joining WTCI, Mr. Pittman worked for ATC Time Warner as both the Engineering Director of an ATC cable division, and the Corporate Project Engineer for the telecommunications division.

Peter Stapp, Vice President of Regulatory Policy and Compliance

Mr. Stapp has been with WTCI since its inception. Mr. Stapp is a former attorney for the Colorado Public Utilities Commission who has extensive legal expertise in the area of telecommunications.

Exhibit 4 - Financial Statements for Tele-Communications, Inc.

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TELE-COMMUNICATIONS, INC. AND SUBSIDIARIES

CONSOLIDATED BALANCE SHEETS December 31, 1996 and 1995

Assets	1996	1995
•	AMOURIS	e millions
Cash and cash equivalents	\$ 394	118
Trade and other receivables, net	448	407
Inventories, net	_	104
Prepaid expenses	81	65
Prepaid program rights	49	47
Committed film inventory	136	122
Investments in affiliates, accounted for under the equity method, and related		
receivables (note 4)	3.012	2,372
Investment in Time Warner, Inc. ("Time Warner") (note 5)	2,027	
Investment in Turner Broadcasting System, Inc. ("TBS") (note 5)	_	955
Property and equipment, at cost:		
Land	77	88
Distribution systems	10,078	9.545
Support equipment and buildings	1,541	1,429
	11,696	11.062
Less accumulated depreciation	4,168	3.653
	7,528	7,409
Franchise costs	17,875	14,322
Less accumulated amortization	2,439	2,092
	15,436	12.230
Other assets, at cost, net of amortization	1,133	1,748
	\$30,244	25.577

(continued)

TELE-COMMUNICATIONS, INC. AND SUBSIDIARIES

CONSOLIDATED BALANCE SHEETS — (Continued) December 31, 1996 and 1995

Liabilities and Stockholders' Equity	1996	1995
	amounts	ia millions
Accounts payable	\$ 216	243
Accrued interest	274	233
Accrued programming expense	347	318
Other accrued expenses	812	1,114
Debt (note 8)	14,926	13,211
Deferred income taxes (note 14)	6,012	4,584
Other liabilities	253	195
Total liabilities	22,840	19.898
Minority interests in equity of consolidated subsidiaries	1,493	651
Redeemable preferred stocks (note 9)	658	478
Company-obligated mandatorily redeemable preferred securities of subsidiary trusts ("Trust Securities") holding solely subordinated debt securities of TCI		
Communications, Inc. ("TCIC") (note 10)	1,000	_
Stockholders' equity (note 11):		
Series Preferred Stock, \$.01 par value	-	_
Class B 6% Cumulative Redeemable Exchangeable Junior Preferred Stock, \$.01		
par value	_	_
Tele-Communications, Inc. Series A TCI Group common stock, \$1 par value. Authorized 1,750,000,000 shares; issued 696,325,478 shares in 1996 and		(***
672,211,009 shares in 1995	696	672
Tele-Communications, Inc. Series B TCI Group common stock, \$1 par value. Authorized 150,000,000 shares; issued 84,647,065 shares in 1996 and 84,691,554		
shares in 1995	85	85
Tele-Communications, Inc. Series A Liberty Media Group common stock, \$1 par value. Authorized 750,000,000 shares; issued 227,844,437 shares in 1996 and		
224,942.830 shares in 1995	228	225
Tele-Communications, Inc. Series B Liberty Media Group common stock, \$1 par value. Authorized 75,000,000 shares; issued 21,189,369 shares in 1996 and		
21,196.868 shares in 1995	21	21
Additional paid-in capital	3.672	3.986
Cumulative foreign currency translation adjustment, net of taxes	26	(9
.Unrealized holding gains for available-for-sale securities, net of taxes	15	338
Accumulated deficit	(176)	(454
	4,567	4,864
Series A TCI Group common stock, at cost, held by subsidiaries (116,853,196		
shares and 100,524,364 shares in 1996 and 1995, respectively)	(314)	(314
Total stockholders' equity	4,253	4,550
Commitments and contingencies (note 15)	***	
	\$30,244	25.577

See accompanying notes to consolidated financial statements.

TELE-COMMUNICATIONS, INC. AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF OPERATIONS Years ended December 31, 1996, 1995 and 1994

	1996	1995	1994
	1000	per share am	101
Revenue (note 16)	catepa	per seare am	945(3
Communications and programming services (note 6)	\$ 7.038	5,586	4.250
Net sales from electronic retailing services		920	432
	8.022	6.506	4,682
Operating costs and expenses:	0,022	0.200	4,00.
Operating costs and expenses.	2.917	2.161	1.507
Cost of sales from electronic retailing services	605	603	263
Selling, general and administrative	2.224	1.754	1.114
Compensation (adjustment to compensation) relating to options and stock appreciation rights	(13)	57	(8
Restructuring charges	41	17	10
Depreciation	1.093	899	700
Amortization	523	473	318
	7.390	5.964	3.894
Operating income (note 16)	632	542	788
Other income (expense):			
Interest expense	(1.096)	(1,010)	(785)
Interest and dividend income	64	52	36
Share of losses of affiliates, net (note 4)	(473)	(193)	(112)
Share of earnings of Liberty Media Corporation			128
Loss on early extinguishment of debt (note 8)	(71)	(6)	(9)
Minority interests in losses (earnings) of consolidated subsidiaries, net	(56)	17	2
Gain on sale of subsidiary stock (note 13)		123	
Gain on sale of stock by equity investee (note 4)	12	165	161
Gain (loss) on disposition of assets	1.593	49	(10
Other, net	(65)	(30)	(17)
	(92)	(833)	(606
Earnings (loss) before income taxes	540	(291)	182
Income tax benefit (expense) (note 14)	(262)	120	(120)
Net earnings (loss) (note 16)	278	(171)	62
Dividend requirements on preferred stocks	(35)	(34)	(8)
Net earnings (loss) attributable to common stockholders (note 6)	\$ 243	(205)	- 54
Net earnings (loss) attributable to common stockholders (note 2):			
TCI Class A and Class B common stock	s –	(71)	54
TCI Group Series A and Series B common stock	(813)	(107)	-
Liberty Media Group Series A and Series B common stock	1.056	(27)	
	\$ 243	(205)	-54
Primary net earnings (loss) attributable to common stockholders per common and common equivalent share (notes 2 and 6):			
TCI Class A and Class B common stock	s -	(.11)	10
TCI Group Series A and Series B common stock	\$ (1.22)	(.16)	_
Liberty Media Group Series A and Series B common stock	\$ 3.97	(.11)	_
Fully diluted net earnings (loss) attributable to common stockholders per common and common equivalent share (notes 2 and 6):			
TCI Class A and Class B common stock	5 -	(.11)	.10
TCI Group Series A and Series B common stock	\$ (1.22)	(.16)	_
Liberty Media Group Series A and Series B common stock	\$ 3.88	(.11)	-

See accompanying notes to consolidated financial statements.

Exhibit 5 - Annual Report of TCI

Tele-Communications, Inc. Shareholder Report





TCI Highlights

TCI GROUP

Year end Dec. 31 (In millions)	1996	1995	% change	
Total Revenue	\$ 6,790	\$ 5.145	32%	
Operating Cash Flow (total revenue minus operating and SG&A expense)	2,112	1.972	796	
Net Earnings (Loss)	(778)	(144)	(440)%	
Total Assets	27,154	23.059	18%	
Total Debt	14,924	12,960	15%	
Combined Equity	1,863	2.936	(37)%	
Shares Outstanding (in millions) (net of shares held by subsiduries)				
Series ATCI Group Common Stock	579	5-2	100000	
Series B TCI Group Common Stock	85	85	2000	

LIBERTY MEDIA GROUP

Year end Dec. 31 (In millions)	1996	1995	% change
Total Revenue	\$1,339	\$1,441	(7)%
Operating Cash Flow (total revenue minus operating and SG&A expense)	164	15	993%
Net Earnings (Loss)	1,056	(56)	N/A
Total Assets	3,059	2,518	21%
Total Debt	2	251	(99)%
Combined Equity	2,397	1,613	49%
Shares Outstanding (in millions)			
Series A Liberty Media Group Common Stock	228	225	-
Series B Liberty Media Group Common Stock	21	21	

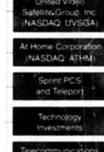
ORGANIZATION CHART



TCI Group (NASDAG-TCOMA/TCOMB)



Proposed TCI Ventures Group



Telecommunications International Inc (NASDAG TINTA)

Liberty Media Group



Spun off 12/96

TCI Satellite Entertainment, Inc. (NASDAQ: TSATA/TSATE)

The Company is strategically structured to combine the strengths of its parallel businesses. TCI Group includes domestic and international cable operations, non-cable assets and non-programming investments. Liberty Media Group reficets interests in entertainment and information programming, electronic retailing and related businesses. TCI Satellite Entertainment, Inc. was spun off to TCI Group shareholders in December 1996.

FORWARD-LOOKING STATEMENTS

In accordance with the safe harbor provisions of the Private Securities Litigation Reform Act of 1995, the Company notes that certain statements contained in this report are forward-looking in nature. These forward-looking statements include matters such as business strategies, market potential, future financial performance, product deployments and other future-oriented matters. Such matters inherently involve many risks and uncertainties (including risks and uncertainties associated with changes in competitive and market conditions, changes in regulation and technology and changes in customer acceptance of new products), which can cause actual results to differ materially from those projected in the forward-looking statements.

Message from the Chairman

JOHN C. MALONE CHAIRMAN OF THE BOARD AND CHIEF EXECUTIVE OFFICER OF TCI

Since 1968. Tele-Communications. Inc. (TCI) has grown from a small, regional antenna company to a diversified global media company and the largest multiple-system cable operator in the United States. Careful management, strategic planning, entrepreneurial opportunism and employee dedication have created a multinational company with a more than \$30 billion portfolio of compatible and complementary assets, ranging from cable television and programming to telecommunications services.

1996 was a pivotal year in TCIs growth, and one in which we experienced mixed financial and operating results. Our program-

operations and technology ventures business performed well, growing at healthy rates, while expanding and creating new opportunities.

John C. Malone

However, the Company's domestic cable operations did not perform as well. During 1996 we encountered industry-wide delays in the development of certain technologies, heightened competition and increased programming and other infrastructure development costs. Nonetheless, the fundamentals of this business remain sound and we have moved forward aggressively to fortify and leverage the strengths of our operations within the context of our dynamic industry.

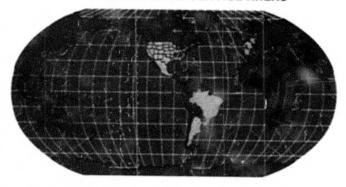
NEW STRATEGIC DIRECTION

We continually seek to maximize the power of the assets within the TCI family of companies to promote growth and to enhance shareholder value. As we move toward the next millennium, we are taking a variety of steps to achieve these goals. We are reinvigorating our cable operations and building on the success of our programming business. We are continuing our commitment to diversification, while seeking to organize the Company to make it more easily understood by investors. And at every turn, we remain committed to achieving our goal of steady, sustainable financial and operational results.

A SIMPLER TO

We have long recognized the benefits of diversification to better manage risk, identify and leverage new market opportunities, and combine the strengths of parallel businesses. We have been very successful in these efforts. However, as TCI has grown, it has become an increasingly complex company, and we have decided to organize our business structure so shareholders and lenders can

INTERNATIONAL SERVICE AREAS



Committed to global expansion and market leadership, Tele-Communications International, Incoperates in countries around the world, including: Argentina, Brazil, France, Germany, Japan, Mexico, Spain and the United Kingdom

better understand TCI and realize the combined value of our many and varied businesses.

In 1995, TCI reorganized its equity structure and issued common equity securities that track the performance of specific assets. These securities, known as tracking stocks, facilitate market recognition and provide investors with a method by which to measure the value and contributions of our diverse businesses. Tracking stocks also provide investors with the opportunity to invest in separate securities that reflect the performance of specific companies and to participate in the Company's equity investment in those companies, whether or not they are publicly traded

To continue these efforts, we have proposed the creation of a new tracking stock, named TCI Ventures Group, that will further segregate our business activities. TCI common stock is currently traded through two tracking stocks: Liberty Media Group (Nasdaq: LBTYA/LBTYB) and TCI Group (Nasdaq: TCOMA/TCOMB). Liberty Media Group reflects the performance of Liberty Media Group reflects the performance of Liberty Media Group respectively.

TCTs domestic cable operations, composed of TCI Communications. Inc. (TCIC), TKR Cable Company, and other relatively small domestic cable systems held by the TCI parent company.

TCI Group also includes the Company's interests in United Video Satellite Group; At Home Corporation, a high-speed Internet services company. (Home by TCLNET, the Company's high-speed Internet distribution service: TCI Technology Ventures, Inc., which manages the Company's investments in various technology companies: Tele-Communications International, Inc. (TINTA), the Company's international cable and programming businesses: Teleport Communications Group, a large independent alternative access communications provider: and Sprint Spectrum Holding Company, LP and PhillieCo, LP, providers of wireless personal communications services.

If approved by shareholders at the Annual Stockholders Meeting in August, the new tracking stock. ICI Ventures Group, will include the Company's international assets and substantially all of ICI's non-cable and non-programming domestic assets and investments. ICI Group thereafter will be composed primarily of the Company's domestic cable operations and its high-speed Internet and residential telephony distribution services. I invite you to review the enclosed proxy statement for details regarding this important proposal.

FOCUSING ON OUR STRENGTHS

Strategic diversification has worked well at TCI and will continue to be important in 1997. However, at the serv heart of TCI are its powerful cable and programming operations. These two businesses make a potent partnership and we will continue to focus on ways to reap maximum value from their alliance.

CABLE

At TCI, we continue to believe that a hybrid fiber-coaxial terrestrial network is the most cost effective way to provide the broad array of communications services that consumers will demand in the future. This kind of network has the unique ability to provide broad-based, high-speed, bi-directional video, voice and data connectivity. As compression technologies evolve and the Internet phenomenon grows, the optimal timing and nature of new service offerings continue to change.

In preparation for these new product offerings, TCI invested heavily in its operating infrastructure. However, deployment was delayed due to technological, regulatory and other factors that were difficult to predict. Moreover, among other things, rising programming costs eroded our cable operating profit margins and placed upward pressure on monthly cable rates. As we passed these costs through to our customers, some elected to reduce or disconnect their cable services.

Management took immediate steps to strengthen our cable operations. We cut most executive compensation, reduced our work force by 6 percent, implemented rigid cost containment and carefully examined all of our programming contracts, subsequently entering into negotiations with a number of our programming suppliers to secure better pro-

gramming arrangements.

We also sharply curtailed and redirected planned 1997 capital spending, recognizing that advances in compression technology would soon allow us to offer the majority of our customers digital video and data services utilizing existing coaxial plant, modified by fiber trunking. This configuration is not only more cost-effective, but also far faster to deploy than total analog system rebuilds. Long term, these same advances should make TCI less vulnerable to direct broadcast satellite (DBS) competition. I am pleased to report that our new capital spending plans, programming agreements and cost reduction activities have had an immediate impact, improving the Company's cable unadjusted operating cash flow by more than 40 percent by the end of the first quarter of 1997, as compared to the same period last year. Adjusting for acquisitions and dispositions, operating cash flow increased 24 percent compared to similarly adjusted 1996 first quarter.

While our cable operations are not yet where we would like them to be, early results indicate that their progress is on target. We face the future with renewed vigor, enthusiasm and challenging new goals. To provide both leadership and expertise on our mission, I appointed Leo J. Hindery. It to the posts of TCI President and Chief Operating Officer and TCIC President and Chief Executive Officer in early 1997. Leo will also be the Chief Executive Officer of the proposed TCI Ventures Group. Leo was previously Chief Executive Officer and founder of InterMedia Partners, one of the nation's top 10 multiple-system cable operators.

With almost 30 years of industry, investment banking and finance experience, Leo will guide the strategic shift in our cable business.

An on-screen interactive guide provides customers with a user-friendly way to manage the large variety of programming available through digital cable television.



THE PROPOSED TCI VENTURES GROUP

AS OF 7/15/97

	TELE-COMMUNICATIONS INTERNATIONAL, INC.	UNITED VIDEO SATELLITE GROUP, INC.	AT HOME CORPORATION	COMMUNICATIONS GROUP, INC.	SPRINT PCS	PCS	
Argunitation	NASDAG: TINTA	NASDAQ: UVSGA	NASDAQ: ATHM	NASDAQ: TCGI	A	1	
DESCRIPTION	The Company's primary vehicle for the conduct of its international cable telephony and program- ming businesses.	A provider of satellite-delivered video, audio, data and program promotion services to cable television systems, satellite dish owners, radio stations and private network users primanly throughout North America.	A provider of high- speed multimedia internet services and the Company's interest in other Internet-related assets.	A provider of competitive local exchange carrier service	A provider of wireless communications services, using radio spectrum for broadband personal communications services to residential and business customers nationwide.		
PERCENT OWNERSHIP	Equity Interest 85% Voting Control 92%	Equity Interest 40% Voting Control 85%	Equity Interest 39% Voting Control 72%	30% Voting Control	Equity Interest 30%		

while working closely with me in the day-to-day management of TCL Leo discusses his plans for TCI and for TCIC in his Letter to Shareholders, beginning on page six.

PROGRAMMING

Our programming operations are led by Robert (Dob) Bennett, Liberty Media's new President and Chief Executive Officer. Dob succeeded Peter Barton, who left Liberty in early 1997 following a very successful career. Dob, who served as Liberty's Executive Vice President and Chief Financial Officer since 1990, has the knowledge and experience to continue Liberty's outstanding record of success.

Most of Liberty's affiliated networks expe-



Liberty Media has a 10 percent, nonvoting equity interest in Time Warner

rienced strong subscriber growth in 1996; this trend continues in 1997, as DBS and other forms of video distribution businesses expand the number of pay television households. Subscriber growth contributed to a 62 percent increase in the attributed cash flow of Liberty's developed businesses in 1996.

Several of Liberty's attiliates successfully inunched new networks in 1996, such as Fox Sports Net. BET Movies/Starz!3 and Discovery's Animal Planet. Discovery also launched four new services designed for the digital platform: Discovery Science, Discovery Civilization, Discovery Travel & Living and Discovery Kids. These services will be included in TCI's new digital cable services. The established networks also continue to invest in expansion of their brands in Latin America, Asia and Europe.

During 1996 and the first half of 1997. Liberty was involved in several significant transactions, each of which served the goal of increasing shareholder value. Among these were the Turner/Time Warner merger: the Home Shopping Network/Silver King merger: the proposed sale of Liberty's interest in International Family Entertainment. Inc.; and the April 1996 sports partnership with The News Corporation, followed in June 1997 by a planned alliance with Cablevision, through which Fox/Liberty Sports

ESTERN TELE-COMMUNICATIONS, INC.	ETC witci, INC.	TCI SUMMITRAK OF TEXAS, INC. AMD TCI SUMMITRAK L.L.C.	TCI NATIONAL DIGITAL TELEVISION CENTER
ne Company's wholly-owned subsidiary hich provides long distance transport of ideo, voice and data traffic and other elecommunications services to telecommuni- ations carriers on a wholesale basis using inimarity a digital broadband microwave net- vork located throughout a 12-state region.	A subsidiary of the Company that devel- ops and distributes for-profit education, training and commu- nication services and products.	Wholly-owned subsidianes of the Company that provide an integrated network-based information management system to certain of TCI's cable systems.	A provider of digital compression and authorization services to programming suppliers and to video distribution outlets.
Equity Interest	Equity Interest	Equity Interest 100%	100%

will acquire 40 percent of Cablevision's regional sports networks and its Madison Square Garden business and will own 50 percent of a new national sports network. Dob comments on Liberty's success and on his future plans in his Letter to Shareholders, beginning on page 12.

My appointments of Leo and Dob bolster our senior management team with two seasoned industry eterans and mark a new era of partnership and cooperation between TCTs cable and programming interests.

A BRIGHT FUTURE

The events of the past year have positioned ICI to compete more effectively in the future. We have clearly demonstrated our ability to respond swiftly and decisively to changes in market conditions and technology. As indicated by our first quarter results, we have also shown that by exercising careful management, sound judgment, steady operating discipline and rigorous cost containment, we can deliver solid results to our shareholders. We must now show that we can sustain these results over time. We are respectful of the management challenges ahead.

and we tace each challenge with enthusiasm and a clear focus on the mission at hand.

In our remarkably fast-paced industry, we expect further change in 1997. One thing how ever will never change at TCI: we are built on the entrepreneurial philosophy and character of our founder and Chairman, Bob Magness, who passed away last November. Bob had a vision a dream — that drove a small, regional antenna company to become a cable systems and programming powerhouse. He knew that the source of TCTs strength was in the continuing support of our investors and in the dedication. creativity and talent of our approximately 34,000 employees. In this spirit, Leo. Dob and Lare working hard to ensure that TCI remains at the forefront of this exciting, rewarding and challenging industry.

Joe (Malon

John C. Malone Chairman of the Board and Chief Executive Officer of TCI July 1997

Message from the President & COO

LEO J. HINDERY, JR.
PRESIDENT AND CHIEF OPERATING OFFICER OF TCI
PRESIDENT AND CHIEF EXECUTIVE OFFICER OF TCIC

Through the creative foresight and long-range planning of TCTC nairman John Malone and the late Bob Magness. TCT has gathered perhaps the most commanding portfolio of assets in our industry. My charter as TCTs new president is to develop a powerful, unified relationship among those assets to promote thoughtful growth and increase shareholder value.

Our cable operations are among the strongest of our assers. Through ICIs domestic cable operations. ICI delivers analog basic and expanded basic premium and pay-per-view video services to more than 14 million customers. As the largest multiple-system cable

Operator with the broadest reach in the United States. If I has long been the leader and most prominent player in the cable industry.

TCI also develops and provides diverse, highquality programming to our customers through our programming business. Liberty Media Corporation Liberty and TCIs domestic cable operations work together to maximize the value of Liberty's programming investments and to provide the Company's cable operations with quality programming at reasonable rates.

If approved by our stockholders at the August Annual Meeting, ICI will create a third tracking stock. ICI Ventures Group. This Group will include the Company's investments in United Video Satellite Group: At Home Corporation, a high-speed Internet services company: Iele-Communications International. Inc. (TINTA), which encompasses the Company's non-U.S. video, telephony and programming assets, the Ieleport and Sprint PCS telephony investments: and various technology ventures and investments. Through these three business units, ICI helps develop and introduce new products that continue to position the Company as the leader in our industry and provide growth opportunities.

ENERGIZING OUR CABLE BUSINESS

Our cable operations represent a large piece of TCTs assets and contribute a significant portion of its cash flow. Accordingly, we continue to energize our organization, so we can more effectively manage the cable systems we own and constructively support the management of our affiliated operators.



CHOME BY TCI.NET SPEED COMPARISON



CABLE MODEM

1.6 seconds to download
a 2 megabyte file



ISDN
2 minutes 6 seconds to
download a 2 megabyte file



28.8 MODEM 9 minutes 20 seconds to download a 2 megabyte file

In sharp contrast to conventional services that rely on telephone modems. (Home by TCLNET provides round-the-clock cable access and rapid dounloading – bundreds of times faster than a typical phone modem. This high-speed Internet service delivers rich multimedia national and local content including news, sports, weather and children's topics, a customized browner and e-mail connectivity via a high-speed cable modem.

LISTENING TO OUR CUSTOMERS

In an industry dependent upon the loyalty and satisfaction of our customers, it is crucial that we maintain a keen focus on customer needs. We believe that ours is essentially a local business; we attempt to address customers at the local level and demonstrate that we listen to them and respond to their wishes.

With this in mind, our cable operation's strategy is to get as close as possible to our customers by reaching out to them in their home markets. To facilitate this, we have decentralized and reorganized our cable operations into six regional units, each representing between 2 and 2.5 million customers. Within a newly empowered and localized business structure, managers now have both the authority and the accountability to make local product and service decisions quickly. thereby enhancing customer satisfaction. With better support from central staff functions, managers can now engage more effectively in targeted marketing and sales programs, community efforts and public relations for maximum impact. This structure should help us to nurture our franchise relationships through proactive involvement, partnering with our franchise authorities in the common goal of customer satisfaction.

To strengthen our position in defined markets, over the past year and a half we have made select acquisitions of key cable systems such as Viacom Cable and the remaining interest in TKR Cable. We have also engaged in strategic system exchanges. More recently, we have agreed to



Vital to enhancing customer satisfaction, TCI's customer service representatives are available 24 hours a day, seven day, a teeck.

EXISTING PLANT STATUS AS OF 3/31/97

	Headends	Homes Passed	Plant Miles	Percent of Total Plant
Bandwith	125	423	6,554	2%
220 - 270 MHz	657	7,398	90,949	35%
300 - 350 MHz	89	2,502	26,261	10%
400 MHz Total <450 MHz	871	10,323	123.764	4700
Second-Section Control	207	4,661	49,294	1900
450 MHz 550 - 750 MHz	218	8,793	89,926	\$40 ₀
Total >450 MHz	+25	13.454	(30.226)	5,3%
Total	1,206	23.777	262,984	100°o
Fiber Sheath Miles	publication of a literature of the state of		18.778	700
Fiber Miles			600.896	

enter into several joint ventures and affiliations with quality cable operators which have records of outstanding customer service. This effort is expected to benefit the Company in numerous ways. For example, in each case a market or region will be consolidated, which should result in substantially reduced operating costs per customer and improved customer service. In addition, in aggregate the joint ventures should serve to deleverage the Company's cable operations to the benefit of our shareholders. Finally, we are now partners with a number of well-respected cable operators who share our values and commitment to quality customer service.

We are excited about the implications and potential of these new joint ventures. We believe that these ventures, combined with our customer focus and local strategy, give the Company a tremendous market advantage — one that will energize our core cable business and differentiate FCI in an increasingly competitive environment.

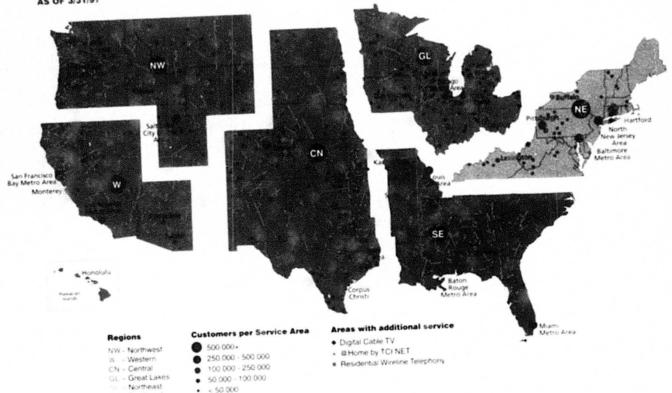
A NEW VIEW ON THE MARKET

Providing cutting-edge technology to our customers is a TCI trademark, and an effort to which we have dedicated significant financial resources. In the past 18 months, advances in digital compression technology have changed



Recognizing that cable service is a local business, dependent on customer locality and satisfaction. It I targets customers in local markets with a variety of direct marketing and sales promotion programs.

REGIONAL MAP OF THE UNITED STATES AS OF 3/31/97



To reach out to customers at the local level, TCI decentralized its cable operations into six regional units, each serving approximately 2.5 million customers. In late 1996 and early 1997, the Company introduced its digital cable television, and high-speed locernet and residential telephony distribution services to residents in several major cities.



TCI provides family-oriented programming and cable television service to more than 14 million direct customers and 3 million affiliated customers.

our industry. These advances mean that digital compression technology, performed by TCI's Headend in the Sky (HITS) facility in Denver, will be able to compress an average of 14 digital channels into the bandwidth previously occupied by just one analog channel, vastly enhancing our distribution capabilities with little additional cost. In addition, these advances allow us to offer our customers the range of products they desire at a minimum 450 MHz bandwidth, as opposed to the 550 or 750 MHz bandwidth that was previously thought to be required. As such we expect our capital expenditures to be one-fourth to one-third less than what would have been required to upgrade our entire plant to 750 MHz.

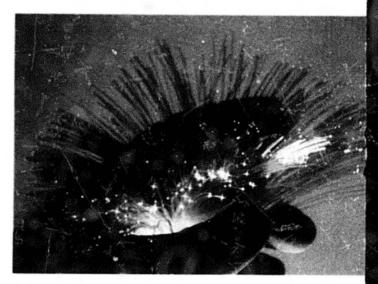
This important development has resulted in a strategic shift for our cable operations. We are now tocused on optimizing the existing broadband network or upgrading it as necessary to serve our customers' needs. We apply a "best fit" architecture approach to each market, through which we examine the upgrade costs, demographics, revenue potential and other factors to develop a business plan that makes the greatest economic sense for the specific market and delivers the best return on investment.

We can now deploy new revenue generating services more quickly and reduce capital spending, redirecting it to the upgrade of our headend equipment and to the installation of fiber optic cable, which increases system reliability and reduces plant maintenance costs.

In addition to our planned achievement of substantially decreased capital spending, we continue our focus on rigid operating cost control. In his letter, John Malone describes a number of



Service technicians perform maintenance on the Company's cable system in preparation for making digital cable television available to TCI's customers



ICI wer fiber optics to provide its customers with reliable and cost-efficient communication service.

that have contributed to improved operating margins. None are as important as our efforts to contain programming rate increases, which in 1996 rose by more than 20 percent. Through a series of negotiations with programming suppliers, we have emerged with agreements that will provide our cable operations with more flexibility and will deliver greater value to our customers. Operating margins have already been favorably impacted in the first quarter of 1997.

NEW PRODUCTS, NEW TECHNOLOGIES

With our ability and commitment to capitalize on our broadband network capabilities while still serving our customers' needs, we continue to develop and deliver a range of new integrated products and services. We have successfully tested three new products: digital cable television, access to Internet services and telephony. All three tests have provided valuable market intelligence upon which we will build in the future.

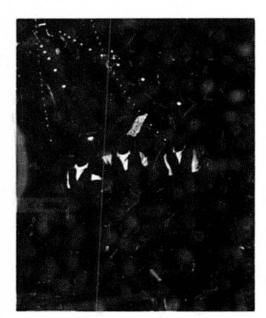
DIGITAL TELLISIS OF

The most immediate and promising of these new products is digital cable television. We expect digital cable television to allow us to expand our cable offerings in an appealing and cost-efficient manner, while generating additional revenue and cash flow and enhancing our competitive position.

Response in our initial markets indicates that customers are very pleased with the picture, sound, programming choices and ease of use capabilities of digital cable television. In late 1997, we expect to make digital cable television available to the majority of the homes passed by the Company's cable systems.

INTERNET

As part of our plan to provide integrated services over our broadband network, we have begun to roll out a high-speed Internet service.
The Home by TCLNET. For a one-time installation fee and a monthly subscription charge, customers in these markets will have unlimited Internet use, including e-mail, chat, a customized Thome browser and access to local news, weather, sports and business, all delivered over a



In fall 1996, the Company's installation team assisted in the introduction of @Home by TCLNET to residents in the San Francisco Bay area.

very high speed cable modem. Unlike conventional dial-up services, the @Home by TCLNET service is always accessible, allowing users to retrieve information from the Internet much faster than the typical telephone modem, with no additional usage charges. The @Home by ICLNET service is currently available to residents of Fremont, California; Hartford, Connecticut; Arlington Heights, Illinois; and Seattle, Washington.

TELEPHONY

We continue to explore ways to provide telephone services via the Company's cable systems. Test marketing has shown that the technology is effective; continued testing will allow us to evaluate customer acceptance and the economic attractiveness of our wireline service.

THE FUTURE

As the industry leader, we are excited about the future of our cable business. We now have a customer-focused strategy that invites loyalty and satisfaction; we have a solid broadband distribution network that can accommodate not just today's technology, but also tomorrow's; we have a strong sense of partnership between our cable and programming businesses; and we have a number of promising technology investments and new customer products in development or test market. As we move ahead, we will leverage these strengths, improve our financial and operational flexibility and focus on new ways to set us apart from the competition, with a constant goal of maximizing value for TCI's shareholders.

DIHLY

Leo J. Hindery, Jr.
President and Chief Operating Officer of TCI
President and Chief Executive Officer of TCIC
July 1997

Message from the President & CEO of Liberty Media

ROBERT R. BENNETT
EXECUTIVE VICE PRESIDENT OF TC:
PRESIDENT AND CHIEF EXECUTIVE OFFICER OF LIBERTY MEDIA CORPORATION

Liberty Media is one of the nation's largest and most diverse providers of television programming. We conduct our business through more than 25 affiliated companies in which we have a broad range of ownership interests. These companies offer movies, sports, documentaries, home shopping and entertainment programming to millions of viewers nationwide and around the world

At Liberty, we have a simple objective that we pursue with discipline and focus to maximize the per share value of our equity over a rolling five- to 10-year horizon. Our strategy for meeting this objective has three principal components.

First, we seek to increase the distribution and cash flow of the individual networks in order to make each of these investments more valuable. Second, we encourage our affiliates to lay the foun-

dation for future growth
by creating new networks in the United
States and abroad.
Third, we engage in
strategic transactions
that are intended
to make our overall
portfolio of businesses
more valuable. All of the
above are complemented
by cooperation with other
companies in the TCI

Robert R. Bennett

family and leveraged by opportunistic repurchases of our stock. The past 18 months have been very productive on all these fronts.

INTERNAL GROWTH

Cable and satellite programming networks are enjoying a period of robust growth, driven by the continuing increase in the number of television households subscribing to some form of pay television and by the migration of viewers from traditional television networks to cable and satellite networks. These two factors are driving double-digit growth in revenue without corresponding increases in expenses, resulting in healthy increases in each flow.

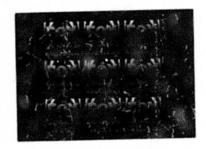
The talented entrepreneurs/owners who manage our businesses took full advantage of these environmental factors to create a 62 percent metease in the attributed cash flow of our developed businesses in 1996. A few examples: Discovery Channel cash flow rose by 22 percent over the prior year; Encore cash flow more than tripled: cash flow of our regional sports businesses increased by 44 percent; Home Shopping Network staged a dramatic turnaround; and QVC continued its record of growth with an 18 percent cash flow increase.

DEVELOPING NEW NETWORKS

In addition to managing the success of the established networks, our affiliated companies invested in new businesses that will supplement the fundamental growth of the more established networks. We successfully launched Fox Sports Net and Animal Planet in late 1996, and STARZ! and FX each saw significant distribution







Significant events among Liberty Media affiliates include Discovery Channel's successful launch of the new Animal Planet network, the combination of Encore and STARZ! national pay television movie services, and creation of a national network of regional sports network through partnerships with Fox Sports and Cablevision.

gains. Also, virtually all of our businesses expanded the quality and reach of their services in Latin America. Asia and Europe. While pursuing these opportunities requires expenditure of time and money, such investments are crucial to sustaining the growth rates we currently enjoy.

MANAGING THE PORTFOLIO

In 1996 and the first half of 1997, we initiated, participated in, or completed more than a dozen transactions. Each of them served one or more of the following objectives: enhanced our strategic positioning, combined similar businesses to create scale economies for greater efficiency or market positioning, captured unrealized value in a taxefficient manner or created liquidity. The following are a few highlights.

In the 1996 TBS/Time Warner merger, Liberty's 25 percent interest in TBS was converted into a 10 percent interest in Time Warner, one of the world's leading diversified media companies. We entered into this transaction because we believed that it was financially attractive to Liberty and that the TBS networks would be more valuable in the future as part of a larger and more vertically integrated entity. We are pleased to report that halfway through 1997, our Time Warner shares have a value of approximately \$2.8 billion, an increase of \$1.1 billion over the value of our TBS shares at the end of 1995.

In June of 1997, Fox Sports, our partnership with The News Corporation, reached agreement

for a strategic alliance and partnership with Cablevision Systems Corporation, majority owner of several regional sports networks and Madison Square Garden. This alliance will complete our long-held objective of creating a nationwide network of regional sports networks. Going forward. Fox Sports will have equity interests in 20 regional sports networks providing service to more than 55 million subscribers coast to coast. including most of the major television markets. In addition. Fox Sports and Cablevision will create a national network that will provide sports programming and sell national advertising for all of our regional networks as well as for several independent networks. This will allow us, for the first time, to take advantage of the high viewership ratings of our regional networks when we sell commercial time to national advertisers.

In June of 1997, we agreed to sell our interest in International Family Entertainment (IFE) for \$345 million of preferred stock of Fox Kids Worldwide. Inc., an affiliate of News Corp. By accepting preferred stock for our IFE shares, we will be able to defer taxes on the substantial financial gain on the transaction while earning a yield, significantly boosting our corporate liquidity.

While our movie networks. Encore and STARZ!, have been managed together since inception, their ownership interests were combined only in July of this year. As a result, Liberty Media Group now owns 80 percent and TCI Group owns 20 percent of the new company.

Encore Media Group ("EMG") In connection with the transaction, TCTs domestic cable operations entered into a new long-term attiliation agreement under which it will make fixed monthly payments to FMG. This agreement serves two purposes; for 1CTs domestic cuble operations, it permits broad flexibility in package ing and pricing the EMG services to its customers: and for Liberty, the assured minimum level of revenue substantially reduces the tisk of the business. Ultimately, the success of FMG hinges on out ability to attain significant levels of distribution outside of TCTs domestic cable operations, but we believe this newly configured business has the potential to be one of the largest contributors to our growth in value over the next five years.

FUTURE OPPORTUNITIES

As of the end of June, at the corporate level, Liberty had in excess of \$350 million in cash, no debt and \$350 million of available credit lines. We are confident our bank lines can be increased substantially and we are reviewing alternatives for raising longer-term funds. We expect that these sources, combined with internally generated cash flow, will be more than adequate to take advantage of investment and acquisition opportunities as they arise. Among these opportunities is our

agreement to repurchase 6." million Liberty Media Group shares that will be acquired as part of TCI Group's pending acquisition of Kearns-Iribune Corporation. This transaction is consistent with the 20 percent share repurchase authorization approved by the Board of Directors. Depending on market conditions, availability of cash and the suitability of other investment alternatives, we expect to repurchase additional shares in the future.

Each of the 12 full time employees who make up the Liberty corporate staff is a shareholder and each is dedicated to achieving our objective of shareholder equity appreciation. We are greatly assisted in this process by the corporate vision and leadership of John Malone and Leo Hindery and by our association and cooperation with the other companies in the TCI family. These internal strengths, combined with the attractive environment for programming businesses and our superior portfolio of well-managed assets, give us great optimism for the future.

Ph =

Robert R. Bennett President and Chief Executive Officer Liberty Media Corporation July 1997

LIBERTY MEDIA GROUP ASSETS

MOVIE SERVICES

	51153CR(81RS	SUBSCRIBERS	ATTRIBUTED
	AT 2/31/97	AT 12/31/96	OWNERSHIP
ENTITY	- Massanta	- Douberts	% at 7.15.97
Encore Media Group			80%
Encore	10.538	10.154	
MOVIEpiex	9.452	1.120	
Love Stones	1.876	1.681	
Westerns	3.604	3.261	
Mystery	3.053	2.708	
Action	1.875	1.664	
True Stories	1.876	1.660	
WAM! America's Kidz Network	1.897	1,661	
STARZ1	5.202	4.925	
STARZ'2	556	537	
BET Movies/STARZ13	31	N/A	52%
Request TV	40.594	39.639	40%
Viewer's Choice	48.880	44,889	10%

ELECTRONIC RETAILING

ENTITY	SUBSCHIBERS AT 2/31/97	SUBSCRIBERS AT 12:31:96 or movember	OWNERSHIP out 7.75.97
HSN Inc (Nasdag HSNI)			9
HSN	70.330 *	69.665	
America's Store	11 012 *	11.700 *	
ISN	On-line	On-line	
HSN-Germany	8.300	7.000	11%
Shop Channel (Japan)	846	300	11%
SKTV Inc.	28.300 **	28.302 **	
SF Broadcasting	1.8001	1.800 =	
QVC Inc.			43%
QVC Network	61 702	59.669	
Q2	12.994	13,111	
QVC The Shopping			
Channel (UK)	5.900	5,750	
QVC-Germany	4.900	4.500	
QVC	On-line	On-line	

ENTERTAINMENT AND INFORMATION

	公園SC名画を名	SUBSCRIBERS	ATTRIBUTED
	A1 3 31 9	A1 12 31 96	OWNERSHIP
MINY	a rissulatelli.	in houses	1, 8 7 75/97
Bay TV	1.415	1 390	49%
BET Holdings, Inc. (NYSE BTV)			22%
BET Cable Network	48 100	47 000	
BET Action Pay-Per-View	10 300	9:000	
BET on Jazz	3,000	2.200	
Court TV	27 513	26.453	33%
Discovery Communications Inc.			49%
Discovery Channel	71.034	70.556	
The Learning Channel	57 097	53.992	
Animal Planet	18 090	14,900	
Discovery Science			
Discovery Civilization			
Discovery Travel & Living			
Discovery Kids			
Discovery Aski	6.753	4 452	
Discovery India	4 000	4 625	
Discovery Japan	25	74 A	
Discovery Europe	13.534	13018	
Discovery Europe Discovery Germany	25	N.A.	
Discovery Italy Africa	150	74.A	
Discovery Latin America	6.742	6.251	
Discovery Latin America			
Kids Network	1.400	1.200	
Discovery Channel On-line	On-line	On line	
The Box Worldwide Inc			
			5%
(Nasdaq BOXW) The Box	23.745	22 189	
TO Music Inc. (Nasidaq TUNE			2".
DMX	19,400	19 400	
El Entertainment Television	40.852	41.872	10%
International Family Entertainment	ent		(Market)
Inc (NYSE FAM)		22 777	20%
The Family Channel	68 600	65 700	200
FiT TV	12.000	11.800	25%
International Channel	7,371	7.355	45%
MacNeil Lehrer Productions	N A	N A	67%
Odyssey	30.100	26.800	49%
Time Warner Inc. (NYSE, TWX	j.		10%
Time Warner Turner Programm	una Constant 1		

SATELLITE SERVICES

SATELLITE SERVICES			AND DESCRIPTION OF THE PERSON NAMED IN
Superstar/Netlink	919	961	50%
Netink Wholesale	2.862	2,905 "	100°e
Southern Satellite Systems, Inc. 10	67.674	66.735	100%

- (1) Number of subscribers to whom service is available
- (2) The interests of Liberty Media Group in these entities are presently or will become subject to buy-sell procedures under which one owner may indicate the procedure by giving notice setting forth a value for the entity and the other owners) may then elect either to buy the interest of the initiating owner or to sell their interests to the initiating owner at a price equal with the conducting united or to see their managers to the immating owner at a price equal to the value specified by the indisting owner multiplied by the ownership percentage of the selling partner.
- (3) Mergers of Silver King Communications, Inc. ("Silver King") with Home Shopping Network, Inc. and Savoy Pictures Entertainment, Inc. were consummated in December 1996 and Silver King subsequently changed to name to HSN. Inc. ("HSNI") Liberty owns direct and indirect interests in various HSNI and Home Shopping Network, Inc. is securities which, if convended or exchanged for HSNI common stock, would result in an ownership interest in HSNI of approximately 36.5%. Liberty curriently owns approximately 21% of HSNI.
- (4) Includes broadcast households and cable subscribers
- (5) Number of television households in areas of owned and operated broadcast stations.
- (6) Digital services to be launched on TCI's digital TV service.
- (7) Liberty has agreed to sell its IFE stock to Fox Kids Worldwide, Inc. for \$345 million of FKW Preferred Securities.
- (8) Includes CNN, Cartoon Network, Headline News, TNT, Turner Classic Movies, TBS Superstation, ChNen, CNN-SI, CNN International, TNT, Latin America, Cartoon Network Latin America, TNT & Cartoon Network Europe, TNT and Cartoon Network Asia, HBO.

SPORTS SERVICES

MISTR	AT 3.31 ST	SUBSCRIBERS AT 12/31/96 (or mousehos)	ATTRIBUTED ECONOMIC 5 M 7:15-97
Regional Sports Networks			
Fox Sports-Arizona	721	744	50%
Fox Sports			***
Intermountain West	630	617	50%
Fick Sports-Midwest	1,307	1.222	50%
Fox Sports Pritisburgh	1.837	1.698	50%
Fox Sports-Northwest	2,440	2.416	50%
Fox Sports Rocky Mountain	1.785	1,690	50%
Fox Sports-South	5.380	5.228	44%
Fox Sports Southwest	4.743	4,751	50%
Fox Sports-West	3.972		50%
Fox Sports West 2	N/A	N/A	50%
Home Team Sports	3.880	3.835	17%
SportsChannel Chicago	2.747	2.707	25%
SportsChannel Pacific	4 160	4.083	25%
ScortsChannel			
Philadelphia PRISM	2.560	2.534	17%
Sunshine Network	3.773	3.706	27%
National Sports Networks			
Fox Sports Americas (US)	2.233	1,682	25%
Fox Sports Direct "	4.488	3.731	50%
Fox Sports Net	31.790	23.632	50%
Fox Sports News	31,790	23.632	50%
FX	30 699	28.673	50%
Prime Network	54.611	52.592	25%
International Sports Programmin	g		10.55
Fox Sports Australia	369	171	12.5%
Fox Sports Americas	3.369	2,120	25%
STAR TV	220,000	220.000	
Tomeos y Competencias, S.A.			9%

PUBLIC STOCK INVESTMENTS

COMPANY	CLASS	SMARES AT 7.15/97
BET Holdings, Inc. (NYSE-BTV)	A Common B Common	1,831,600
N. SC. B. (V)		3.663.200 **
TCI Music Inc (Nasidaq TUN	(E) Common	1.514.765
HSN Inc (Nasdag HSNI)	Common 8 Common	12,799,999 ** 7,966,645 **
(redoudly 11574)		20.766,644 **
International Family Entertainment, Inc. (NYSE_FAM)	C Common Convertible Notes	7.088.732 2,587,500
(NTSE TANK)		9.676,232
Time Warner, Inc. (NYSE, TWX)	Series LMCN-V Common	57.061.942
The Box Wondwide, Inc. (Nasdag: BOXW)	A Common	1,203,464

Cinemax, Connedy Central, HBO Die, HBO Asia, TVKO and WB Television Net-Following consummation of the Time Warner/Tumer Integer on October 10, 1996, Liberty is no longer reporting subscriber numbers for these programming services.

- (9) Aggregate number of units. Netlink uplinks six broadcast stations
- (10) Distributes TBS Superstation in the U.S. and Canada. Time Warner has an option to acquire Southern for \$213 million.
- (11) "Economic" interests and "ownership" interests may vary for certain sports services
- 155 Prior years include subscribers now reported in Fox Sports-Arizona.
- (13) Formerly Liberty Satellite Sports, a distributor of sports programming to C-Band home satellite dish and direct broadcast satellite markets.
- (14) STAR TV is a satelise-delivered belevision platform. Programming services on STAR TV's platform include STAR Sports. STAR Plus. Phoenix Chinese Channel, STAR Movies and ZEE TV, among others. STAR TV reaches approximately 220 million people in Asia, India and the Middle East.
- (15) Total common equivalent shares
- (16) Common equivalent correship assuming exchange and exercise of various HSNI and HSN securities (see footnote 5)
- (17) \$23,000,000 face amount 6% Conventible Secured Notes due 2004, convertible into 2,587,500 shares of Class C Common Stock.
- (18) Convertible into an equivalent number of shares of Time Warner Common Stock under certain circumstances.

BOARD OF DIRECTORS

TONY COELHO

Chairman and Chief Executive Officer FTC wheel Inc. and Coelho Associates, LLC

DONNE F. FISHER

Business Executive Consultant to TCL Former Executive Vice President of TCL

JOHN W. GALLIVAN

Chairman of the Board Kearns-Eribune Corporation

PAUL A. GOULD

Managing Director

Allen & Company, Inc.

LEO J. HINDERY, JR.

President and Chief Operating Officer Tele Communications, Inc.

JEROME H. KERN

Business Consultant: Special Counsel to Baker & Bons, L.L.P.

KIM MAGNESS

Business Executive

DR. JOHN C. MALONE

Chairman of the Board and Chief Executive Officer Tele-Communications. Inc.

ROBERT A. NAIFY

Proident and Chief Executive Officer Todd-AO Corporation

J C SPARKMAN

Consultant and Former Executive Vice President of TCI

TELE-COMMUNICATIONS, INC. OFFICERS

DR. JOHN C. MALONE

Chairman of the Board and Chief Executive Officer

LEO J. HINDERY, JR.

President and Grief Operating Officer President and Chief Executive Officer TCI Communications. Inc.

ROBERT R. BENNETT

Executive Vice Provident

President and Chief Executive Officer Liberty Media Corporation

STEPHEN M. BRETT

Executive Vice President General Counsel and Secretary

BRENDAN R. CLOUSTON

Executive Vice President

LARRY E. ROMRELL

Executive Vice President
President and Chief Executive Officer
TCI Technology Ventures, Inc.

FRED A. VIERRA

Executive Vice President

Vice Chairman and Chief Executive Officer Tele-Communications International, Inc.

SHAREHOLDER INFORMATION

INVESTOR RELATIONS

For more shareholder information, please contact:

TCI GROUP	LIBERTY MEDIA GROUP
Linda J. Dill	Vivian J. Carr
Vice President	Vice President
Investor Relations	Liberty Media Corporation
TCI Communications, Inc.	8101 E. Prentice Avenue
P.O. Box 5630	Suite 500
Denver, CO 80217	Englewood, CO 80111
(303) 267-5048	(303) 721-5406

SHAREHOLDER ACCOUNT ASSISTANCE

For account consolidation, registration changes and other shareholder services, contact The Bank of New York at (800) 524-4458.

For address changes and lost stock certificates, contact Investor Relations at (303) 267-5048.

TRANSFER AGENT AND REGISTRAR

The Bank of New York
P.O. Box 11258, 11E, Church Street Station
New York, NY 10286-1258
(800) 524-4458
(9 a.m. - 5 p.m. LST)

AUDITORS

KPMG Peat Marwick, LLP Denver, Colorado

COUNSEL

Baker & Botts, L.L.P. New York, New York

Sherman & Howard, LLC Denver, Colorado

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STOCK LISTINGS

Tele-Communications, Inc. is traded through the TCI Group and the Liberty Media Group common stocks. TCI Group is traded on the National Market tier of the Nasdaq Market ("Nasdaq") with Series A and Series B TCI Group Common Stock, under the symbols of TCOMA and TCOMB, respectively. Also. the Company's Class B 6% Cumulative Redeemable Exchangeable Junior Preferred Stock is traded on Nasdaq under the symbol TCOMP. Liberty Media Group is traded on Nasdaq with Series A and Series B Common Stock, under the symbols of LBTYA and LBTYB, respectively. Tele-Communications International, Inc., which is traded on Nasdaq under the symbol TINTA, is attributed to the TCl Group, TCl Communications, Inc., the Company's domestic communications subsidiary, trades its Cumulative Exchangeable Preferred Stock, Series A on Nasdaq under the symbol TCICP, its 8.72% Trust Originated Preferred Securities on the New York Stock Exchange under the symbol TFI/pr and its 10% and 9.72% Trust Preferred Securities on the New York Stock Exchange under the symbols TFII and TFIV, respectively.

TCI ON-LINE SERVICES

Additional information on the Company may be found on the Internet at www.tci.com.

FORM 10-K

The Form 10-K filed with the Securities and Exchange Commission (SEC) may be obtained without charge by calling the Investor Relations Department request line at Tele-Communications. Inc., (303) 267-6651, or by accessing the Company's home page at www.tci.com.



Exhibit 6 - Proposed Tariff

REGULATIONS AND SCHEDULE OF CHARGES APPLICABLE TO INTRASTATE LONG DISTANCE MESSAGE TELECOMMUNICATIONS SERVICE FURNISHED BY

WESTERN TELE-COMMUNICATIONS, INC./RETAIL SALES GROUP, d/b/a People Link by TCI

BETWEEN POINTS WITHIN THE STATE OF SOUTH DAKOTA, AS SPECIFIED HEREIN. SERVICE IS PROVIDED BY MEANS OF WIRE, RADIO, TERRESTRIAL OR SATELLITE FACILITIES OR ANY COMBINATION THEREOF, AS SPECIFIED HEREIN.

This tariff contains the regulations and rates applicable to the provision of Intrastate Long Distance Message Telecommunications Service (ILDMTS) by Western Tele-Communications, Inc./Retail Sales Group, d/b/a People Link by TCI (hereinafter referred to as "the Company"), within the State of South Dakota as specified herein. This tariff is on file with the South Dakota Public Utilities Commission, and copies may also be inspected, during normal business hours, at the following location: 5619 DTC Parkway, Terrace Tower II, Denver, Colorado 80111-3000.

Issued:

CHECK SHEET

The Title page and pages 1 through 16, inclusive, of this tariff are effective as of the date shown.

Page	Number of Revision
Title	Original
1	Original
2	Original
2 3	Original
4	Original
5	Original
6	Original
7	Original
8	Original
9	Original
10	Original
11	Original
12	Original
13	Original
14	Original
15	Original
16	Original
	-

Issued Effective:

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EXPLANATION OF SYMBOLS

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

- (D) delete or discontinue
- (1) change resulting in an increase in rates
- (M) moved from another tariff location
- (N) new regulation, term, condition or rate
- (R) change resulting in a reduction in rates
- (T) change in text or regulation, but no change in rates

Issued: Effective:

TARIFF FORMAT

- A. Page Numbering -- Page numbers appear in the upper right corner of the page. Pages are numbered sequentially. However, new pages are occasionally added to the tariff. When a new page is added between pages already in effect, a decimal is added. For example, a new page added between pages 8 and 9 would be page 8.1.
- 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 South Dakota Public Utilities Commission. For example, the 3rd revised Page 8 cancels the 2nd revised Page 8.
- C. Paragraph Numbering Sequences -- There are nine levels of paragraph coding. Each level of coding is subservient to its next higher level:
 - 2
 - 2.1.
 - 2.1.1.
 - 2.1.1.A.
 - 2.1.1.A.1.
 - 2.1.1.A.1.(a).
 - 2.1.1.A.1.(a).(1).
 - 2.1.1.A.1.(a).(1).(i).
 - 2.1.1.A.1.(a).(1).(i).(1).
- D. Check Sheets -- When a tariff filing is made with the FPSC, 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 by an asterisk (*). There will be no other symbols used on this page if these are the only changes made to it (i.e., the format, etc. remains the same, just revised revision levels on some pages). The tariff user should refer to the latest check sheet to find out if a particular sheet is the most current on file with the South Dakota Public Utilities Commission.

Issued: Effective:

1. APPLICATION OF TARIFF

This tariff contains the regulations and rates applicable to the provision of Intrastate Long Distance Message Telecommunications Service (ILDMTS) by Western Tele-Communications, Inc./Retail Sales Group, d/b/a People Link by TCl (hereinafter referred to as "the Company"), within the State of South Dakota as specified herein. The Company's Service is furnished subject to transmission, atmospheric and like conditions. This tariff is on file with the South Dakota Public Utilities Commission, and copies may also be inspected, during normal business hours, at the following location: 5619 DTC Parkway, Terrace Tower II, Denver, Colorado 80111-3000.

2. DEFINITIONS

<u>Authorization Code</u>: An identification number, usually an eight to twelve digit number, that identifies the user as a Customer.

Company: The term "Company" denotes Western Tele-Communications, Inc./Retail Sales Group, d/b/a People Link by TCI.

<u>Customer</u>: The term "Customer" denotes the person who or the firm or corporation that purchases Service and is responsible for the payment of charges and compliance with the Company's regulations.

<u>Service</u>: The term "Service" refers to the Intrastate Long Distance Message Telecommunications Service offered by the Company.

Issued:

3. REGULATIONS

3.1 Undertaking of the Company

3.1.1 Scope

The Company undertakes to provide ILDMTS in accordance with the terms and conditions set forth in this tariff.

3.1.2 Shortage of Facilities

The Company's Service is subject to the availability of suitable facilities. The Company reserves the right to limit the length of communications or to discontinue furnishing Service when necessary because of the lack of satellite or other transmission medium capacity or because of any force majeure condition.

3.1.3 Liability of the Company

- (A) Except as stated in this Section 3.1.3, the Company shall have no liability for damages of any kind arising out of or related to events, acts, rights or privileges contemplated in this tariff. This tariff does not limit the liability of the Company for willful misconduct.
- (B) The liability of the Company for damage resulting in whole or in part from, or arising in connection with, the furnishing of Service under this tariff, including but not limited to mistakes, omissions, interruptions, delays, errors or other defects or misrepresentations shall not exceed the dollar amount of the call in which the Service disruption occurred. Such dollar amount shall be credited to the Customer's Prepaid Calling Card.

Issued:

REGULATIONS (Cont'd.)

- 3.1.3 Liability of the Company (Cont'd)
- (C) The Company shall not be liable for any failure of performance hereunder due to causes beyond its control, including but not limited to acts of God, fires, flood or other catastrophes, or any law, order, regulation, directive, action or request of the United States Government, or any other government, including state and local governments having jurisdiction over the Company, or of any department, agency, commission, bureau, corporation or other instrumentality of any one or more of said governments, or of any civil or military authority; national emergencies, insurrections, riots, wars or other labor difficulties.
- (D) The Company shall not be liable for any act or omission of any other entity furnishing facilities, equipment, or services used to provide the Company's Service. Nor shall the Company be liable for any damage or losses due to the failure or negligence of the Customer or due to the failure of Customer-provided equipment, facilities or services.
- (E) The Company reserves the right to discontinue furnishing Service without notice to the Customer when necessitated by conditions beyond its control or when the Customer is believed to be using the Service in violation of the provisions of this tariff or in violation of the law.

Issued

REGULATIONS (Cont'd.)

3.1.3 Liability of the Company (Cont'd.)

- (F) The Company, at its discretion, may discontinue or suspend all or a portion of its Service without notice to the Customer, by blocking facilities to certain locations, or by blocking calls placed using certain Authorization Codes, when the Company deems it necessary to take such action to prevent unlawful use of its Service. The Company will restore Service as soon as it can be provided without undue risk, and will, upon request by the Customer affected, assign a new Authorization Code to replace one that may have been deactivated.
- (G) All or any portion of the Company's Service may be provided over facilities of third parties, and the Company shall not be liable to Customer or any other person, firm or entity in any respect whatsoever arising out of defects caused by or acts or omissions of any such third parties.

Issued:

REGULATIONS (Cont'd.) 3.

- 3.1.3 Liability of the Company (Cont'd.)
- THE COMPANY SHALL NOT BE LIABLE FOR ANY DIRECT. INDIRECT, CONSEQUENTIAL, SPECIAL, ACTUAL, OR PUNITIVE (1) DAMAGES, OR FOR ANY LOST PROFITS OF ANY KIND OR NATURE WHATSOEVER ARISING OUT OF ANY DEFECTS OR ANY OTHER CAUSE. THIS WARRANTY AND THESE REMEDIES ARE EXCLUSIVE AND IN LIEU OF ALL OTHER WARRANTIES OR REMEDIES. WHETHER EXPRESS, IMPLIED OR STATUTORY. INCLUDING WITHOUT LIMITATION, IMPLIED WARRANTIES OF MERCHANTABILITY AND FITNESS FOR A PARTICULAR PURPOSE.
 - In the event parties other than Customer (e.g., Customer's authorized users) shall have use of the Service directly or indirectly through (J) Customer, then Customer agrees to forever indemnify and hold the Company harmless from and against any and all claims, demands, suits, actions, losses, damages, assessments or payments which may be asserted by said parties arising out of or relating to any defects.

3.1.4 Claims

The Company shall be indemnified and saved harmless by the Customer from and against all loss, liability, damage and expense, including reasonable counsel fees, due to claims for libel, slander, or infringement of copyright, service mark, trademark, trade name or patent resulting from use of the Company's Service; and any other claim resulting from any act or omission of the Customer or Customer's authorized user relating to the use of the Company's Service.

Issued

REGULATIONS (Cont'd.) 3.

Use of Service 3.2

The Company's Service may be used to transmit communications of the Customer in a manner consistent with the terms of this tariff and the policies and regulations of the Federal Communications Commission. The Company's Service shall not be used for any unlawful purpose.

Issued

REGULATIONS (Cont'd.)

3.3 Payment for Service

The Customer is responsible for payment of all charges for Service provided by the Company. The per-minute rates for the Prepaid Calling Card contained in Section 4.1.2 herein include all applicable Federal, state and local sales, use and excise taxes, and universal service fund assessments. In all other cases, applicable taxes appear as separate line items on the Customer's invoice.

3.4 Discontinuance of Service

- (A) Upon violation of any of the provisions governing the furnishing of Service under this tariff, the Company may, upon written notification to the Customer, without incurring any liability, immediately discontinue the Service.
- (B) The Company reserves the right to discontinue furnishing Service, without written notice to the Customer, when necessitated by conditions beyond its reasonable control.
- (C) Service may be discontinued by the Company, without notice to the Customer, by blocking traffic to certain locations, or by blocking calls using certain Customer Authorization Codes, when the Company deems it necessary to take such action to prevent unlawful use of its Service. The Company will restore Service as soon as it can be provided without undue risk.
- (D) Without incurring any liability, the Company may discontinue the furnishing of Service to a Customer immediately and without notice if the Company deems that such action is necessary to prevent or to protect against fraud or to otherwise protect its personnel, agents, or Service.

Issued: Effective:

- REGULATIONS (Cont'd.) 3.
 - 3.4
- The remedies set forth herein shall not be exclusive and the Company shall Discontinuance of Service (Cont'd.) at all times be entitled to all rights available to it under either law or equity. (E)

Effective:

Issued

SERVICE OFFERINGS

4.1 Prepaid Calling Card Service

4.1.1 Description of Service

The Company offers a Prepaid Calling Card, which may be purchased and used by the Customer to place an intrastate toll call. The Prepaid Calling Card may be used twenty-four (24) hours a day, seven (7) days a week.

4.1.2. Terms and Conditions

The Company's Prepaid Calling Card is obtained by paying the Company in advance an amount that the Customer wishes to have placed on the Prepaid Calling Card. Prepaid Calling Cards are available in denominations which are designated by the Company from time to time. When a Prepaid Calling Card is purchased, it is valued at a fixed dollar amount. In the six month period following the original purchase of a card or until the card is replenished, whichever comes first, that fixed dollar amount is decremented from the Prepaid Calling Card based upon the denomination of the card purchased (i.e., the higher the dollar value of the card, the lower the per-minute rate charged), and the duration of the call. When a Prepaid Calling Card is replenished, regardless of the dollar amount on the card when originally purchased or the dollar amount placed on the card when it is replenished, a flat per-minute rate applies to all calls and the card is decremented based on the duration of the call.

The Prepaid Calling Card Service is accessed by dialing a toll-free number, followed by the Customer's Authorization Code, followed by the appropriate area code and the desired telephone number. All calls must be charged against the Customer's Prepaid Calling Card that has a sufficient available balance. By means of a facility-prompted interrupt, the Customer will be notified during a call in progress of the balance on the Prepaid Calling Card, prior to such balance being depleted. Calls in progress will then be terminated by the Company when the balance is

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depleted. Calls must be touch tone dialed and completed without the assistance of an operator, and exclude such premium type calls as Personto-Person, Collect, Third Party Billed, Directory Assistance, or any other calls requiring the assistance of an operator. The Company is not responsible for loss or theft of a Prepaid Calling Card or Authorization Code.

The minimum billing increment when using the Prepaid Calling Card is one minute and all subsequent fractions of a minute will be rounded up to the next full minute. There is no additional surcharge for calls made by use of a Prepaid Calling Card and all applicable taxes are included in the per-minute rate. For a fee of \$2.50, the dollar value of a Prepaid Calling Card may be replenished in the same manner as it is originally purchased. A Prepaid Calling Card is valid for six (6) months from the original date of purchase or from the last date of replenishment, whichever is later. Any amount not used on the Prepaid Calling Card is forfeited after that six (6) month period.

4.1.3. Rates

Rates Applicable to Original Purchase of Card

Card Denomination	Per-Minute Rate
\$5.00	\$0.350
\$10.00	\$0.325
\$25.00	\$0.300
\$50.00	\$0.275
\$100.00	\$0.250

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B. Rates Applicable to All Replenishments Following Original Purchase of Card

When a Prepaid Calling Card is replenished, regardless of the dollar amount on the card when originally purchased or the dollar amount placed on the card when it is replenished, a flat per-minute rate applies to all calls and the card is decremented based on the duration of the call.

Rate Per-Minute: \$0.30

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PIPER & MARBURY L.L.P. 1200 NINETEENTH ST. N.W. WASHINGTON, D.C. 20035-2430 FIRST UNION NATIONAL BANK OF WASHINGTON, D.C. WASHINGTON, D.C. 20403

049934

15-122 540

02/18/98

PAYTO THE SECRETARY OF STATE OF SD

250.00

TWO HUNDRED FIFTY AND 00/100

Dollars

SECRETARY OF STATE OF SD

#049934# #:054001220#2030000054723#

South Dakota Public Utilities Commission State Capitol 500 E. Capitol Pierre, SD 57501-5070 Phone: (605) 773-3705

Fax: (605) 773-3809

TELECOMMUNICATIONS SERVICE FILINGS

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

 $02/20/98\ through\ 02/26/98$ If you need a complete copy of a filing faxed, overnight expressed, or mailed to you, please contact Delaine Kolbo within five days of this filing.

DOCKET NUMBER	TITLE/STAFF/SYNOPSIS	DATE FILED	INTERVENTION DEADLINE		
REQUEST FOR CERTIFICATE OF AUTHORITY					
TC98-055	Application by Western Tele-Communications, Inc./Retail Sales Group d/b/a People Link by TCI for a Certificate of Authority to operate as a telecommunications company within the state of South Dakota. (Staff: TS/CH) "Applicant seeks to provide intrastate toll service from points of origin in South Dakota to destination points in South Dakota, other parts of the United States, and foreign countries. Applicant intends to offer these services under a variety of means, initially by means of prepaid debit calling cards. Applicant intends to provide services as a non-facilities based carrier, and will not construct any new facilities in South Dakota to implement the authority sought herein. Applicant does not intend to provide local exchange service. Applicant's Prepaid Calling Card will be offered at a fixed dollar amount."	02/20/98	03/13/98		
TC98-056	Application by North Dakota Long Distance for a Certificate of Authority to operate as a telecommunications company within the state of South Dakota. (Staff: TS/CH) Applicant seeks to provide "long distance services which include prepaid calling cards, travel cards, 10XXX, international calling, and 800/888# serviceNorth Dakota Long Distance will resell the above listed services through a contract with WorldCom. NDLD does not own or maintain any lines."	02/23/98	03/13/98		
TC98-057	Application by SmartStop, Inc. for a Certificate of Authority to operate as a telecommunications company within the state of South Dakota. (Staff: DJ/KC) "Applicant seeksauthority to serve, 800 WATS, and 1+ prepaid telecard services COCOT (COPT) and IPP to the general publicSuch authority would include twenty-four hour origination and termination intrastate interLATA and intraLATA calls for customers, and to operate as a Travel and Prepaid Card reseller and Independent Payphone Provider (IPP). SmartStop is not applying for authorization to provide Operator services."	02/23/98	03/13/98		
TC98-058	Application by Nova Telecom, Inc. for a Certificate of Authority to operate as a telecommunications company within the state of South Dakota. (Staff: DJ/KC) "Applicant is a reseller which intends to offer 1+ direct dialing, 800 toll free, travel card and prepaid calling card service through the resale of telephone services provided by facilities-based interexchange carriers."	02/23/98	03/13/98		
TC98-059	Application by CSI Corp for a Certificate of Authority to operate as a telecommunications company within the state of South Dakota. (Staff: TS/KC) "Applicant proposes to offer switched and dedicated access "1+" long distance telecommunications services suitable for voice and limited data applications in the state of South Dakota. The applicant does not propose to provide alternative operator services."	02/23/98	03/13/98		

TC98-060	Application by U.S. Telco, Inc. for a Certificate of Authority to operate as a telecommunications company within the state of South Dakota. (Staff: TS/CH) "Applicant plans to provide on a resale basis, pre-paid monthly recurring, flat-rate local exchange service, including extended area service, toll restriction, call control options, tone dialing, custom calling services, and any other services available on a resale basis from U.S. WEST, the underlying incumbent local exchange carriers. Applicant will not construct, own or lease any facilities for the provision of its local services. Applicant hereby requests authority to provide interexchange telecommunications services throughout the state of South Dakota. Applicant intends to provide local exchange and interexchange telecommunications services in those areas currently served by U.S. WEST and any other relevant incumbent facilities-based LECs."	02/25/98	03/13/98
	PETITION TO UTILIZE NEGOTIATED AGREEMENT		
TC98-061	Dakota Telecom, Inc. and Dakota Telecommunications Systems, Inc. filed a petition to utilize, in its entirety, the negotiated agreement between Sprint Communications Company, L.P. and U.S. WEST Communications, Inc. which was filed for approval with the Commission on August 27, 1997, and which was approved by the Commission, subject to minor revisions, on November 18, 1997. (Staff. HB/KC)	02/25/98	

Important Notice The Commission is compiling a list of internet addresses. If you have an internet address please notify the Commission by E-mailing it to Terry Norum at 605-773-3809.

PIPER & MARBURY

LLP

1200 NINETEENTH STREET, N W

WASHINGTON, D.C. 20036-2430

202-861-3900 FAX 202 BALTIMORE NEW YORK PHILADELPHIA EASTON

WRITER'S DIRECT NUMBER 202-861-6475

JXK@pipermar.com

RECEIVED

March 17, 1998 MAR 1 8 1998

SOUTH DAKOTA PUBLIC UTILITIES COMMISSION

FEDERAL EXPRESS

Tammi Stangohr Utility Analyst South Dakota Public Utilities Commission 500 East Capitol Avenue Pierre, South Dakota 57501-5070

Re: SD PUC Docket TC 98-055 - Application of WTCI/RSG d/b/a People

Link by TCI

Dear Ms. Stangohr:

This letter is in response to your letter to Tiffany Russo, Esq., dated March 2, 1998, requesting additional information in connection with the Application of Western Telecommunications, Inc./Retail Sales Group d/b/a People Link by TCI ("Applicant") for a Certificate of Authority as a reseller of telecommunications services in the State of South Dakota. At your request, Applicant herewith supplements its application with the following information.

- Tariff Revisions. At your request, attached hereto are the revised pages of Applicant's proposed tariff, which identify the customer service contact person and adds the Commission's address and telephone number under the customer service complaint resolution.
- 2. Financial Capability. You requested additional information pertaining to Applicant's financial capability. Attached hereto is a copy of Applicant's most recent unaudited financial statements, including a balance sheet and profit and loss statement. This information supplements the financial information previously provided by Applicant with its application; i.e., the most recent financial statements and annual report of Applicant's parent company, Tele-Communications, Inc. ("TCI"). TCI is committed to the financial success of its subsidiary operations, including Applicant's operations in

March 17, 1998 Page 2

South Dakota, and will make any needed financial, technical and managerial assistance available to Applicant..

3. Billing and Customer Service. You requested additional information pertaining to Applicant's procedures for handling customer service matters and customer billing. As regards customer service issues, customers may direct complaints to Applicant's customer care department, either orally or in writing. When a complaint is received, it will be logged in by the customer care personnel and referred to the applicant's regulatory department. The two departments will research the complaint. Customer will receive a response to his or her complaint within five (5) business days of receipt of the complaint, detailing Applicant's findings and resolution of the complaint. Applicant has also established a toll-free customer service number for customers to call with questions, complaints or to resolve billing disputes.

Applicant intends to use CSG Systems, Inc. ("CSG") as its third party provider for billing and collections services. CSG is one of the world's leading providers of customer management solutions in the communications industry and their software products help automate customer transactions for telecommunications providers, cable companies, online services and satellite broadcasters, including processing billing, ordering, inquiries and customer service. As applicable, Applicant's customers will be billed every thirty (30) days for the long distance direct dial, calling card, and terminating 800 number calls. Where applicable, these charges will be included as part of the TCI cable bill as an additional product.

I am enclosing herewith an original and eleven (11) copies of this letter. Please date stamp one copy and return the same to my attention in the enclosed, self-addressed stamped envelope.

Sincerely,

Julie A. Kaminski

i Wesierry Land

/jak Enclosures

cc: Tiffany Russo, Esq.

REGULATIONS AND SCHEDULE OF CHARGES APPLICABLE TO INTRASTATE LONG DISTANCE MESSAGE TELECOMMUNICATIONS SERVICE FURNISHED BY

WESTERN TELE-COMMUNICATIONS, INC./RETAIL SALES GROUP, d/b/a People Link by TCI

BETWEEN POINTS WITHIN THE STATE OF SOUTH DAKOTA, AS SPECIFIED HEREIN. SERVICE IS PROVIDED BY MEANS OF WIRE, RADIO, TERRESTRIAL OR SATELLITE FACILITIES OR ANY COMBINATION THEREOF, AS SPECIFIED HEREIN.

This tariff contains the regulations and rates applicable to the provision of Intrastate Long Distance Message Telecommunications Service (ILDMTS) by Western Tele-Communications, Inc./Retail Sales Group, d/b/a People Link by TCI (hereinafter referred to as "the Company"), within the State of South Dakota as specified herein. This tariff is on file with the South Dakota Public Utilities Commission, and copies may also be inspected, during normal business hours, at the following location: 5619 DTC Parkway, Terrace Tower II, Denver, Colorado 80111-3000.

Issued:

CHECK SHEET

The Title page and pages 1 through 16, inclusive, of this tariff are effective as of the date shown.

Page	Number of Revision
Title	Original
1	Original
2	Original
3	Original
4	Original
5	Original
6	Original
7	Original
8	Original
9	Original
10	Original
11	Original
12	Original
13	Original
14	Original
15	Original
16	Original

Issued:

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Effective:

Issued by: Vice President of Regulatory Policy and Compliance Western Tele-Communications, Inc./Retail Sales Group, d/b/a People Link by TCl 5619 DTC Parkway Englewood, Colorado 80111

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Issued:

EXPLANATION OF SYMBOLS

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

- (D) delete or discontinue
- (1) change resulting in an increase in rates
- (M) moved from another tariff location
- (N) new regulation, term, condition or rate
- (R) change resulting in a reduction in rates
- (T) change in text or regulation, but no change in rates

Issued:

Issued by: Vice President of Regulatory Policy and Compliance Western Tele-Communications, Inc./Retail Sales Group, d/b/a People Link by TCI 5619 DTC Parkway Englewood, Colorado 80111

TARIFF FORMAT

- A. Page Numbering -- Page numbers appear in the upper right corner of the page. Pages are numbered sequentially. However, new pages are occasionally added to the tariff. When a new page is added between pages already in effect, a decimal is added. For example, a new page added between pages 8 and 9 would be page 8.1.
- 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 South Dakota Public Utilities Commission. For example, the 3rd revised Page 8 cancels the 2nd revised Page 8.
- C. Paragraph Numbering Sequences -- There are nine levels of paragraph coding. Each level of coding is subservient to its next higher level:
 - 2.
 - 2.1.
 - 2.1.1.
 - 2.1.1.A.
 - 2.1.1.A.1.
 - 2.1.1.A.1.(a).
 - 2.1.1.A.1.(a).(1).
 - 2.1.1.A.1.(a).(1).(i).
 - 2.1.1.A.1.(a).(1).(i).(1).
- D. Check Sheets -- When a tariff filing is made with the FPSC, 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 by an asterisk (*). There will be no other symbols used on this page if these are the only changes made to it (i.e., the format, etc. remains the same, just revised revision levels on some pages). The tariff user should refer to the latest check sheet to find out if a particular sheet is the most current on file with the South Dakota Public Utilities Commission.

Issued Effective:

1. APPLICATION OF TARIFF

This tariff contains the regulations and rates applicable to the provision of Intrastate Long Distance Message Telecommunications Service (ILDMTS) by Western Tele-Communications, Inc./Retail Sales Group, d/b/a People Link by TCl (hereinafter referred to as "the Company"), within the State of South Dakota as specified herein. The Company's Service is furnished subject to transmission, atmospheric and like conditions. This tariff is on file with the South Dakota Public Utilities Commission, and copies may also be inspected, during normal business hours, at the following location: 5619 DTC Parkway, Terrace Tower II, Denver, Colorado 80111-3000.

DEFINITIONS

<u>Authorization Code</u>: An identification number, usually an eight to twelve digit number, that identifies the user as a Customer.

Company: The term "Company" denotes Western Tele-Communications, Inc./Retail Sales Group, d/b/a People Link by TCI.

<u>Customer</u>: The term "Customer" denotes the person who or the firm or corporation that purchases Service and is responsible for the payment of charges and compliance with the Company's regulations.

<u>Service</u>: The term "Service" refers to the Intrastate Long Distance Message Telecommunications Service offered by the Company.

Issued:

3. REGULATIONS

3.1 Undertaking of the Company

3.1.1 Scope

The Company undertakes to provide ILDMTS in accordance with the terms and conditions set forth in this tariff.

3.1.2 Shortage of Facilities

The Company's Service is subject to the availability of suitable facilities. The Company reserves the right to limit the length of communications or to discontinue furnishing Service when necessary because of the lack of satellite or other transmission medium capacity or because of any force majeure condition.

3.1.3 Liability of the Company

- (A) Except as stated in this Section 3.1.3, the Company shall have no liability for damages of any kind arising out of or related to events, acts, rights or privileges contemplated in this tariff. This tariff does not limit the liability of the Company for willful misconduct.
- (B) The liability of the Company for damage resulting in whole or in part from, or arising in connection with, the furnishing of Service under this tariff, including but not limited to mistakes, omissions, interruptions, delays, errors or other defects or misrepresentations shall not exceed the dollar amount of the call in which the Service disruption occurred. Such dollar amount shall be credited to the Customer's Prepaid Calling Card.

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REGULATIONS (Cont'd.)

3.1.3 Liability of the Company (Cont'd)

- (C) The Company shall not be liable for any failure of performance hereunder due to causes beyond its control, including but not limited to acts of God, fires, flood or other catastrophes, or any law, order, regulation, directive, action or request of the United States Government, or any other government, including state and local governments having jurisdiction over the Company, or of any department, agency, commission, bureau, corporation or other instrumentality of any one or more of said governments, or of any civil or military authority; national emergencies, insurrections, riots, wars or other labor difficulties.
- (D) The Company shall not be liable for any act or omission of any other entity furnishing facilities, equipment, or services used to provide the Company's Service. Nor shall the Company be liable for any damage or losses due to the failure or negligence of the Customer or due to the failure of Customer-provided equipment, facilities or services.
- (E) The Company reserves the right to discontinue furnishing Service without notice to the Customer when necessitated by conditions beyond its control or when the Customer is believed to be using the Service in violation of the provisions of this tariff or in violation of the law.

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- 3. REGULATIONS (Cont'd.)
 - 3.1.3 Liability of the Company (Cont'd.)
 - (F) The Company, at its discretion, may discontinue or suspend all or a portion of its Service without notice to the Customer, by blocking facilities to certain locations, or by blocking calls placed using certain Authorization Codes, when the Company deems it necessary to take such action to prevent unlawful use of its Service. The Company will restore Service as soon as it can be provided without undue risk, and will, upon request by the Customer affected, assign a new Authorization Code to replace one that may have been deactivated.
 - (G) All or any portion of the Company's Service may be provided over facilities of third parties, and the Company shall not be liable to Customer or any other person, firm or entity in any respect whatsoever arising out of defects caused by or acts or omissions of any such third parties.

Issued:

REGULATIONS (Cont'd.)

- 3.1.3 Liability of the Company (Cont'd.)
- (I) 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. THIS WARRANTY AND THESE REMEDIES ARE EXCLUSIVE AND IN LIEU OF ALL OTHER WARRANTIES OR REMEDIES, WHETHER EXPRESS, IMPLIED OR STATUTORY, INCLUDING WITHOUT LIMITATION, IMPLIED WARRANTIES OF MERCHANTABILITY AND FITNESS FOR A PARTICULAR PURPOSE.
- (J) In the event parties other than Customer (e.g., Customer's authorized users) shall have use of the Service directly or indirectly through Customer, then Customer agrees to forever indemnify and hold the Company harmless from and against any and all claims, demands, suits, actions, losses, damages, assessments or payments which may be asserted by said parties arising out of or relating to any defects.

3.1.4 Claims

The Company shall be indemnified and saved harmless by the Customer from and against all loss, liability, damage and expense, including reasonable counsel fees, due to claims for libel, slander, or infringement of copyright, service mark, trademark, trade name or patent resulting from use of the Company's Service; and any other claim resulting from any act or omission of the Customer or Customer's authorized user relating to the use of the Company's Service.

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3	REGULATIONS (Cont'd.)	į
23.	ILLOCLITICATO (COM G.)	ş

3.2 Use of Service

The Company's Service may be used to transmit communications of the Customer in a manner consistent with the terms of this tariff and the policies and regulations of the Federal Communications Commission. The Company's Service shall not be used for any unlawful purpose.

Issued: Effective:

REGULATIONS (Cont'd.)

3.3 Payment for Service

The Customer is responsible for payment of all charges for Service provided by the Company. The per-minute rates for the Prepaid Calling Card contained in Section 4.1.2 herein include all applicable Federal, state and local sales, use and excise taxes, and universal service fund assessments. In all other cases, applicable taxes appear as separate line items on the Customer's invoice.

3.4 Discontinuance of Service

- (A) Upon violation of any of the provisions governing the furnishing of Service under this tariff, the Company may, upon written notification to the Customer, without incurring any liability, immediately discontinue the Service.
- (B) The Company reserves the right to discontinue furnishing Service, without written notice to the Customer, when necessitated by conditions beyond its reasonable control.
- (C) Service may be discontinued by the Company, without notice to the Customer, by blocking traffic to certain locations, or by blocking calls using certain Customer Authorization Codes, when the Company deems it necessary to take such action to prevent unlawful use of its Service. The Company will restore Service as soon as it can be provided without undue risk.
- (D) Without incurring any liability, the Company may discontinue the furnishing of Service to a Customer immediately and without notice if the Company deems that such action is necessary to prevent or to protect against fraud or to otherwise protect its personnel, agents, or Service.

Issued: Effective:

REGULATIONS (Cont'd.)

- 3.4 Discontinuance of Service (Cont'd.)
 - (E) The remedies set forth herein shall not be exclusive and the Company shall at all times be entitled to all rights available to it under either law or equity.
- 3.5 Customer Inquiries and Complaints
 - (A) Customer inquiries or complaints regarding service or billings may be made in writing or by phone to the Company at:

Tiffany L. Russo, Esq.
Western Tele-Communications, Inc./Retail Sales Group
5619 DTC Parkway
Englewood, Colorado 80111-3000
(303) 267-5699
888-727-9824

In addition, customer inquiries or complaints regarding the Company's prepaid calling card service only may call:

888-665-9015

(B) The Company will respond within 72 hours of receipt of an inquiry. If the customer is dissatisfied with the Company's response to a complaint or inquiry, he or she may file with the South Dakota Public Utilities Commission for resolution of the conflict. The South Dakota Public Utilities Commission can be reached at:

> 500 East Capitol Pierre, South Dakota 57501-5070 (605) 773-3201 (800) 332-1782

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Effective:

Issued by: Vice President of Regulatory Policy and Compliance Western Tele-Communications, Inc./Retail Sales Group, d/b/a People Link by TCI 5619 DTC Parkway Englewood, Colorado 80111

4. SERVICE OFFERINGS

4.1 Prepaid Calling Card Service

4.1.1 Description of Service

The Company offers a Prepaid Calling Card, which may be purchased and used by the Customer to place an intrastate toll call. The Prepaid Calling Card may be used twenty-four (24) hours a day, seven (7) days a week.

4.1.2. Terms and Conditions

The Company's Prepaid Calling Card is obtained by paying the Company in advance an amount that the Customer wishes to have placed on the Prepaid Calling Card. Prepaid Calling Cards are available in denominations which are designated by the Company from time to time. When a Prepaid Calling Card is purchased, it is valued at a fixed dollar amount. In the six month period following the original purchase of a card or until the card is replenished, whichever comes first, that fixed dollar amount is decremented from the Prepaid Calling Card based upon the denomination of the card purchased (i.e., the higher the dollar value of the card, the lower the per-minute rate charged), and the duration of the call. When a Prepaid Calling Card is replenished, regardless of the dollar amount on the card when originally purchased or the dollar amount placed on the card when it is replenished, a flat per-minute rate applies to all calls and the card is decremented based on the duration of the call.

The Prepaid Calling Card Service is accessed by dialing a toll-free number, followed by the Customer's Authorization Code, followed by the appropriate area code and the desired telephone number. All calls must be charged against the Customer's Prepaid Calling Card that has a sufficient available balance. By means of a facility-prompted interrupt, the Customer will be notified during a call in progress of the balance on the Prepaid Calling Card, price such balance being depleted. Calls in progress will then be terrested by the Company when the balance is

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depleted. Calls must be touch tone dialed and completed without the assistance of an operator, and exclude such premium type calls as Personto-Person, Collect, Third Party Billed, Directory Assistance, or any other calls requiring the assistance of an operator. The Company is not responsible for loss or theft of a Prepaid Calling Card or Authorization Code.

The minimum billing increment when using the Prepaid Calling Card is one minute and all subsequent fractions of a minute will be rounded up to the next full minute. There is no additional surcharge for calls made by use of a Prepaid Calling Card and all applicable taxes are included in the per-minute rate. For a fee of \$2.50, the dollar value of a Prepaid Calling Card may be replenished in the same manner as it is originally purchased. A Prepaid Calling Card is valid for six (6) months from the original date of purchase or from the last date of replenishment, whichever is later. Any amount not used on the Prepaid Calling Card is forfeited after that six (6) month period.

4.1.3. Rates

Rates Applicable to Original Purchase of Card

Card Denomination	Per-Minute Rate
\$5.00	\$0.350
\$10.00	\$0.325
\$25.00	\$0.300
\$50.00	\$0.275
\$100.00	\$0.250

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B. Rates Applicable to All Replenishments Following Original Purchase of Card

When a Prepaid Calling Card is replenished, regardless of the dollar amount on the card when originally purchased or the dollar amount placed on the card when it is replenished, a flat per-minute rate applies to all calls and the card is decremented based on the duration of the call.

Rate Per-Minute: \$0.30

Issued:

TELE-COMMUNICATIONS, INC. SYSTEM BALANCE SHEET CURRENT PERIOD 13-97 December 31, 1997

UNAUDITED

4,832.26

December 31, 1997	
Currency: USD GL# V43304 (WTCI RETAIL SALES GRP INC 97 CONS)	YEAR-TO-DATE
ASSETS	
CURRENT ASSETS CASH & INVESTMENTS	1,169.87
RECEIVABLES: TRADE RECEIVABLES OTHER RECEIVABLES	(4,786.75) (215.38)
TOTAL RECEIVABLES	(5,002.13)
LESS ALLOW FOR DOUBTFUL REC. NET RECEIVABLES	(5,002.13)
INVENTORY HOME SHOPPING NETWORK PREPAID EXPENSES	0.00
INVESTMENTS	
FIXED ASSETS: LAND	0.00
DISTRIBUTION SYSTEMS - OWNED	(1,000.00)
TOTAL PROPERTY & EQUIPMENT LESS ACCUMULATED DEPRECIATION & AMORTIZATION	(1,000.00)
NET PROPERTY & EQUIPMENT	(1,000.00)
FRANCHISE COSTS:	0.00
FRANCHISE & ROUTE COSTS ACCUMULATED AMORTIZATION FRANCHISE COSTS	0.00
NET FRANCHISE COSTS	0.00
EXCESS COSTS	0.00
ACCUMULATED AMORTIZATION EXCESS COTS	0.00
OTHER ASSETS	0.00
NEW ASSETS DISCONTINUED OPERATIONS	
TOTAL ASSETS	(4,832.26)
LIABILITIES & EQUITY	
LIABILITIES:	(250,665.80)
INTERCOMAPNY	(1,052.29)
ACCOUNTS PAYABLE ACCRUED LIABILITIES	(17,492.62)
ACCRUED INTEREST PAYABLE	0.00
SUBSCRIBER ADVANCE PAYMENTS	(6,079.57) 0.00
INCOME TAX PAYABLE	0.00
DEBT	0.00
DEBT DUE AFFILIATE DEFERRED INCOME TAXES	0.00
OTHER LIABILITIES	0.00
TOTAL LIABILITIES	(275,290.28)
STOCKHOLDER'S EQUITY:	(1,000.00)
SUBSIDIARIES EQUITY	0.00
RETAINED EARNINGS CURRENT EARNINGS	281,122.54
TOTAL STOCKHOLDER'S EQUITY	280,122.54

TOTAL LIABILITY & EQUITY

UNAUDITED

ţ,	PROD	ACTUAL	SUDGET	VARIANCE	ACTUAL	BUDGET	VARIANCE	TOT REVEN
EVENUE								
011 SERVICE REVENUE	4602 DS-0	0	•	0	(4, 490)			
	4603 DS-1	\$.772	0	(5,772)	(130.954)			
		٥	0	0	(151, 176)			
312 I/C SERVICE		0	0	0	(44, 328)			
101 SALES-EQUIPMENT		0	0	0	(30, 852)			36 3
RENTALS		0	0	0	(978)			1.0
	3010 TRANSMISSION	0	0	0	(978)			
	0000 DEFAULT	0	0	0	(11.199)			
REVEN	S401 OHE TIME CHAR	0	. 0	0	(71.870)			
OTHER REVENUE	0000 DEFAULT	0	0	0	(8.255)			
TAL MEVERATE		\$.772	0	(5,772)	(456, 480)			100.00
								:
LEASEBACK FACILITY	9000 DEFAULT	0	0	c	40 631			
LEASEBACK FACILITY	4602 DS-0	0	e	0				1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1
	4603 DS-1	(1,861)	0	1.861	146.824			
	4701 INTERNET ACCE	0	0	0	42,232			(9 35)
LEASEBACK FACILITY	4601 POINT TO POIN	0	0	0	189,878			(41.60)
PRODUCTION COSTS	0000 DEFAULT	0	0	•	***			
PRODUCTION COSTS	\$401 ONE TIME CHAR	•			****	-		16.91
PRODUCTION COSTS		243		(643)	7 421	The special party is assessed	NAME OF THE PERSONS ASSESSED ASSESSED.	(15.31)
VIDEOTAPE COSTS	0000 DEFAULT	•	0					1.67
cost of doops south	0000 DEFAULT	•	•		28.270			00.00
SELF INSURANCE EXP	0000 DEFAULT	•	0	0	714			17.0
OTHER EXPENSES - O 5018 ANCILLARY SER	SOIS ANCILLARY SER	0	0	0	1.681			(0 11)
OTHER EXPENSES - O	0000 DEFAULT	0	0	0	(1,681)			0.37
TAL OPERATING EXPENSE		(1, 319)	0	1,319	\$60,720			(122.64)
EXPENSE.								
- REGULAR	0000 DEFAULT	•	0	0	85.945			118 811
SALARIES - BONUSES	0000 DEFAULT	•	0	0	6.672			77
COMMISSIONS	0000 DEFAULT	•	0	•	26			(10.01)
BENEFITS	0000 DEFAULT	•	0	0	11,136			(2.44)
BENEFITS-ESPP	0000 DEFAULT	0	0	0	1,568			(0.34)
BENEFITS - EMPLOYEE	OGOO DEFAULT	0	0	•	c			00 0
EMPLOYEE COSTS	0000 DEFAULT	0	0	•	803			(0 111

TELE-COMMICATIONS, INC. MTCI P4L M/PRODUCT DETAIL
Current Period: 13-97

UNAUDITED

			CURRENT MONTH	***************************************		YEAR TO DATE		***************************************
r.	PROD	ACTUAL	BUDGET	VARIANCE		BUDGET	VARIANCE	TOT REVENUE
1 PATROLL TAXES		941	0	(341)	2.197			
11 CONTRACT LABOR	0000 DEFAULT	•	0	•				(1.04)
11 TRAVEL	0000 DEFAULT	966	c	10001				00.00
12 MEALS AND ENTERTAI	0000	•		1966)	10.416			(7.54)
	0000	, ,		0	5.855			(1.28)
The state of the s	200	9	0	0	325			10 011
9 OUTSIDE COMPUTER C	0000	0	•	0	119			
1 OFFICE SUPPLIES	0000 DEFAULT	0	0	c	653			10.03
2 PRINTED FORMS	0000 DEFAULT	•	•					10.14)
1 MAINTENANCE/REPAIR 0000					50			(60.0)
1.420A TELEBUONE COSTS				0	(34)			0.01
		131	•	(11)	9,276			(2.03)
1 TRADE DUES	0000 DEFAULT	0	•	•	***			
2 SUBSCRIPTIONS	0000 DEFAULT	•			940			(0 21)
1 ADVERTISING . PROM	0000			0 (0			00 0
3 TRACE SHOW EVENTS	0000		0 (0	285			(90.0)
1 DBOFFEETONY CFBC+		9	0	0	2,300			(0.50)
		0	0	0	0			000
- Marian	0000	0	0	0	1,571			141
JOINER LICENSES/TAX	0000	0	0	0	3.227			
1 BANK SERVICE CHARG 0000	0000 DEFAULT	0	0	0	*0*			(14.0)
9 OTHER EXPENSES - S 0000 DEFAULT	0000 DEFAULT	0	c					(60 0)
					7.007			10.579
AL SGLA EXPENSE		2 070	•					
			0	(2,070)	176,883	- 64		(38.75)
Teachine I to have								
THEORIGINA SE		6,523	0	(6,523)	281,123			163 541
ER (INCOME)/EXPENSE:								
EREST EXPENSE		0	c	c				
ER EXPENSES			•	> 1	0			00.0
5301/N				0	0			00.0
eson to		D	0	0	0			00 0

AL OTHER (INCOME) / EXPENSE	SENSE	•	0	•	0			
		***************************************						0
(INCOME)/LOSS		6.523	•	(16.53)				:
					591.167			(61.58)
								:::

DEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF SOUTH DAKOTA

IN THE MATTER OF THE APPLICATION OF)	ORDER GRANTING
WESTERN TELE-COMMUNICATIONS,)	CERTIFICATE OF
INC./RETAIL SALES GROUP D/B/A PEOPLE)	AUTHORITY
LINK BY TCI FOR A CERTIFICATE OF)	
AUTHORITY TO PROVIDE)	TC98-055
TELECOMMUNICATIONS SERVICES IN)	
SOUTH DAKOTA)	

On February 20, 1998, the Public Utilities Commission (Commission), in accordance with SDCL 49-31-3 and ARSD 20:10:24:02, received an application for a certificate of authority from Western Tele-Communications, Inc./Retail Sales Group d/b/a People Link by TCI (WTCI/RSG). On March 18, 1998, the Commission received a supplement to the application from WTCI/RSG.

WTCI/RSG proposes to provide intrastate toll service and to become a reseller of interexchange telecommunications services. WTCI/RSG intends to provide these services as a non-facilities based carrier by using prepaid debit calling cards and prepaid calling cards. A proposed tariff was filed by WTCI/RSG. The Commission has classified long distance service as fully competitive.

On February 26, 1998, the Commission electronically transmitted notice of the filing and the intervention deadline of March 13, 1998, to interested individuals and entities. No petitions to intervene or comments were filed and at its regularly scheduled May 12, 1998, meeting, the Commission considered WTCI/RSG's request for a certificate of authority. Commission Staff recommended granting a certificate of authority, subject to the condition that WTCI/RSG not offer a prepaid calling card or require deposits or advance payments without prior approval of the Commission.

The Commission finds that it has jurisdiction over this matter pursuant to Chapter 49-31, specifically 49-31-3 and ARSD 20:10:24:02 and 20:10:24:03. The Commission finds that WTCI/RSG has met the legal requirements established for the granting of a certificate of authority. WTCI/RSG 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 WTCI/RSG's application for a certificate of authority, subject to the condition that WTCI/RSG 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 WTCI/RSG's application for a certificate of authority is hereby granted, subject to the condition that WTCI/RSG not offer a prepaid calling card or require deposits or advance payments without prior approval of the Commission. It is

FURTHER ORDERED, that WTCI/RSG shall file informational copies of tariff changes with the Commission as the changes occur.

Dated at Pierre, South Dakota, this Robert day of May, 1998

JAMES A. BURG, Chairman

Jam Nelson

PAM NELSON, Commissioner

LASKA SCHOENFELDER, Commissioner

SOUTH DAKOTA PUBLIC UTILITIES COMMISSION

CERTIFICATE OF AUTHORITY

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

> Authority was Granted May 12, 1998 Docket No. TC98-055

> > This is to certify that

WESTERN TELE-COMMUNICATIONS, INC./ RETAIL SALES GROUP D/B/A PEOPLE LINK BY TCI

is authorized to provide telecommunications services in South Dakota.

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

Dated at Pierre, South Dakota, this 26 duday of Thay 1998.

3000 311 ATE SOUTH DAKOTA PUBLIC UTILITIES COMMISSION:

JAMES A. BURG, Chairman

PAM NELSON, Commissioner

LASKA SCHOENFELDER, Commissioner