KCBBB TC03-059 DOCKET NO. アレッシン In the Matter of ____ IN THE MATTER OF THE APPLICATION OF CONSOLIDATED COMMUNICATIONS **OPERATOR** SERVICES, INC. FOR A CERTIFICATE OF AUTHORITY то PROVIDE OPERATOR ASSISTED TELECOMMUNICATIONS SERVICES AND SERVICES FOR PAYPHONES IN SOUTH DAKOTA

Public Utilities Commission of the State of South Dakota

DATE	MEMORĄNDA
3/2103	Filed and bocketed;
3/27 03	
4/11 03	Reusel Tariff Page;
5/16 03	Order Granting COA;
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STATE PUBLISHING CO., PIERRE, SOUTH DAKOTA-SMEAD 62 SP14130



TC03-059

NIXON PEABODY LLP

ATTORNEYS AT LAW

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MAR 2 1 2003

SOUTH DAKOTA PUBLIC UTILITIES COMMISSION

March 20, 2003

VIA FEDERAL EXPRESS

South Dakota Public Utilities Commission Capitol Building, 1st Floor Telecommunications Division 500 East Capitol Avenue Pierre, SD 57501-5070

Re: Application of Consolidated Communications Operator Services, Inc.

To Whom It May Concern:

Enclosed for filing is the application of Consolidated Communications Operator Services, Inc. ("CCOSI"). CCOSI is a new corporation formed to provide nationwide operator services, including service South Dakota.

I have enclosed an original and two (2) copies, including one copy marked "Stamp and Return". Please return this copy to me in the attached envelope as proof of filing. I have also enclosed a filing fee in the amount of \$250.

Thank you very much for your assistance. If you have any questions concerning this application, please do not hesitate to contact me at 585-263-1289.

Respectfully submitted,

Scott R. Boesel

Enclosures

R672653.1

TC03-059

RECEIVED

MAR 2 1 2003

SOUTH DAKOTA PUBLIC UTILITIES COMMISSION

(OF SOUTH D	АКОТА
In the Matter of the Application of)	
**)	
Consolidated Communications Ope	rator)	
Services, Inc.)	
for a Certificate of Authority to Provi	de)	Doglast 1

for a Certificate of Authority to Provide Operator Assisted Telecommunications Services and Services for Payphones Within the State of South Dakota Docket No._____

Consolidated Communications Operator Services, Inc. ("CCOSI" or "Applicant") hereby submits its application for a Certificate of Authority to provide live and automated long distance assistance and directory assistance services, as well as services for coinless and coin-operated public telephones. This filing is made pursuant to South Dakota Statute 20:10:24:02 and the rules and regulations of the South Dakota Public Utilities Commission. In support of its application, CCOSI states as follows:

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)

)

BEFORE THE PUBLIC UTILITIES COMMISSION

- The name, address, and telephone number of the applicant: Consolidated Communications Operator Services, Inc. 121 South 17th Street Mattoon, Illinois 61938 Phone: 217-234-9947 Fax: 217-234-2810
- The name under which the applicant will provide these services if different than in subdivision (1) of this section:
 Same as above
- 3. Is the applicant a corporation? **[x]**Yes **[]**No
 - (a) State and Date of Incorporation: Delaware, August 5, 2002
 (A copy of the Certificate of Authority is attached as Exhibit 3(a))
 - (b) Location of Principal Office in South Dakota: Not applicable Name and Address of Registered Agent: Corporation Service Company 503 South Pierre Street Pierre, South Dakota 57501

- (c) Name and Address of 20% Shareholders: Consolidated Communications, Inc. P.O. Box 1234 Mattoon, Illinois 61938 Percentage Owned: 100%
- 4. If applicant is a partnership, the name, title, and business address of each partner, both general and limited: **Not applicable**
- 5. A description of the telecommunications services the applicant intends to offer: Consolidated Communications Operator Services, Inc. ("CCOSI") will provide live and automated long distance assistance and directory assistance services, as well as services for coinless and coin-operated public telephones.
- 6. A detailed statement of the means by which the applicant will provide its services: CCOSI will use the facilities of McLeodUSA Telecommunications, Inc. and other certificated telecommunications carriers where appropriate. CCOSI will use DMS-250 and DMS-100/200 switches located in Mattoon, Illinois. Where applicable, CCOSI will connect with LECs using switched access.
- 7. The geographic areas in which the services will be offered:
 CCOSI has or will have applications pending in all states except Alaska and North
 Dakota and proposes to offer services statewide in South Dakota.
- 8. Provide current financial statements of the applicant including a balance sheet, income statement, and cash flow statement; a copy of the applicant's latest annual report; a copy of the applicant's report to stockholders; and a copy of applicant's tariff with the terms and conditions of service: See Exhibit 8
- 9. (a) Name, address, telephone number, fax number, E-mail address, and toll-free number of contact regarding complaints and regulatory matters:
 Susan Montague

 121 South 17th Street
 Mattoon, Illinois 61938
 Phone: 217-234-9947
 Fax: 217-234-2810
 E-mail: susan.montague@consolidated.com
 Toll-free: 1-888-881-8516

(b) Description of how applicant handles customer billings and customer service matters: CCOSI will generate billing records and will send these to its outclearing agent, Billing Concepts, Inc. Initial customer billing inquiries can be made using a toll free number provided on the bill. This call goes to Billing Concepts, Inc. The billing agent is authorized to make a specific percentage discount if warranted. If the customer is not satisfied, the billing agent provides a toll free number directly to the CCOSI customer service representative. Each wholesale customer and corporate customer is assigned a customer service representative as the key point of contact. The assigned representative is routinely available during normal business hours, however, the customer service number is answered 24 hours per day 7 days per week. After hours calls go to an internal answering service. The answering service has access to the on-call customer service representative at all times.

The customer service representatives have direct access to technicians, switch engineers, network engineers, facility engineers, vendors, and senior executives to resolve problems. Customer service is proactive in notifying customers of outages, the status of the outage, and the estimated time of restoration. The customer service department is in daily contact with customers dealing with updates to property records, billing information, and operational reports. The customer services department rarely has contact with end user customers. The operators have instructions as to how to connect the end user customers with the wholesale customer service department.

- 10. (a) List of states in which applicant is registered or certified to provide telecommunications services:
 Applicant has or will have applications pending in all states except Alaska and North Dakota. Applicant has been certified in Arkansas, Colorado, Vermont and Wisconsin.
 - (b) Has applicant ever been denied registration or certification in any state? No

(c) Is applicant in good standing with the appropriate regulatory agency in the states where it is registered or certified? Yes

- 11. (a) Description of how the applicant intends to market its services, its target market, whether the applicant engages in any multilevel marketing.
 CCOSI markets wholesale and retail operator services through employee sales representatives and agents. Initial wholesale contacts are made through industry showcases at company display booths. Retail operator services are sold directly to business customers at their business location using employee sales representatives and agents. Customers include ILECs, CLECs, IXCs, wireless providers, large corporate users and the hospitality industry. CCOSI provides a high quality service that can be tailored to the specific needs of the customer. CCOSI assists customers in a turnkey service including billing, validation, network services and consulting. Pricing is competitive but above average for the industry and reflects a higher value product. Existing customers, vendors and industry contacts often times refer CCOSI services to other potential customers due to the quality service.
 - (b) Provide copies of any company brochures used to assist in the sale of services. N/A

- 12. Provide cost support for rates shown in the company's tariff for all noncompetitive or emerging competitive services. See Exhibit 12
- 13. Applicant's federal tax identification number. 02-0636485
- 14. Provide the number and nature of complaints filed against the applicant with any state or federal regulatory commission regarding the unauthorized switching of a customer's telecommunications provider and the act of charging customers for services that have not been ordered. Not applicable
- 15. Provide technical, financial and managerial capabilities of applicant. CCOSI is a wholly-owned subsidiary of Consolidated Communications, Inc., which is itself a wholly-owned subsidiary of Consolidated Holdings, Inc., a holding company with various telecommunications subsidiaries, including Illinois Consolidated Telephone Company ("ICTC"). ICTC, a Local Exchange Carrier located in Mattoon, Illinois, has been providing service, including Operator Service, in central Illinois for over 108 years. In 1985, Consolidated formed an operator services subsidiary which operated under the name Consolidated Communications Operator Services, Inc., until its acquisition by McLeodUSA Inc. in 1997. In 2002, agreement was reached between McLeodUSA and the former owners of Consolidated for the reacquisition of the assets and businesses sold in 1997, including CCOSI. Thus, CCOSI, in its own name, under the name Illinois Consolidated Telephone Company, and under the name McLeodUSA Operator Serivces, has been providing operator services since 1894. CCOSI has extensive industry experience providing operator services to Competitive Local Exchange Carriers, Interexchange Carriers, payphone providers, wireless companies, large corporate users, and hospitality markets.

WHEREFORE, CCOSI requests that the South Dakota Public Utilities Commission issue a Certificate of Authority authorizing it to provide live and automated long distance assistance and directory assistance services, as well as services for coinless and coin-operated public telephones to the public as proposed herein and set forth in the attached tariff.

Dated this $\underline{13}^{\text{PL}}$ day of \underline{March} , 2003.

Respectfully submitted,

By Name: R obert I Title: President

EXHIBIT 3(a)

South Dakota Certificate of Authority

See attached.

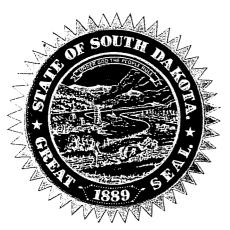
State of South Dakota



OFFICE OF THE SECRETARY OF STATE Certificate of Good Standing Foreign Corporation

ORGANIZATIONAL ID #: FB026618

I, JOYCE HAZELTINE, Secretary of State of the State of South Dakota, do hereby certify that CONSOLIDATED COMMUNICATIONS OPERATOR SERVICES, INC. (DE) was authorized to transact business in this state on September 16, 2002 I, further certify that said corporation has complied with the South Dakota law governing foreign corporations transacting business in this state, and so far as the records of this office show, said corporation is in good standing in this State at the date hereof and duly authorized to transact business in the State of South Dakota. This certificate is not to be construed as an endorsement, recommendation or notice of approval of the corporation's financial condition or business activities and practices. Such information is not available from this office.



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 September 20, 2002.

Toyce Haultine

Joyce Hazeltine Secretary of State

Good Standing Foreign Corp Merge.doc

State of South Dakota



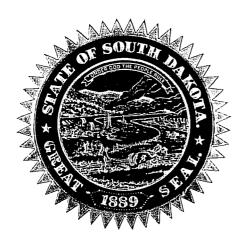
OFFICE OF THE SECRETARY OF STATE

Certificate of Authority

ORGANIZATIONAL ID #: FB026618

I, JOYCE HAZELTINE, Secretary of State of the State of South Dakota, hereby certify that the Application for a Certificate of Authority of CONSOLIDATED COMMUNICATIONS OPERATOR SERVICES, INC. (DE) 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.



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 September 16, 2002.

ne Vanitine

Joyce Hazeltine Secretary of State

Cert of Authority Merge.doc

EXHIBIT 8

Financial Statements

See attached.

NOTE: Because Consolidated Communications Operator Services, Inc. is a newly-formed company, certified financial statements, annual reports and other information may not be available. Financial information provided herein is based on estimates and projections of future performance.

Opening Balance Sheet Consolidated Communicaitons Operator Services (all amounts in 000's)

	Opening January 1, 2003
Cash	-
Accounts Receivable	751
Total Current Assets	751
Plant Property and Equipment	
Cost	4,722
Accum. Depreciation	1,953
Net	2,769
Total Assets	3,520
Accounts Payable	546
Advanced Billing and Deposits	51
Accrued Liabilities	515
Total Current Liabilities	1,112
Stockholders Equity	2,408
Total Liabilities and Equity	3,520

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Consolidated Communications Operator Services Statements of Income (all amounts in 000's)

ħ.,	2003	2004	2005	2006
Revenues				
Wholesale Toll and Assist	6,765	6,971	7,183	7,401
Retail Toll and Assist	5,873	5,918	5,964	6,013
NDA and other	6,047	7,116	8,207	9,319
Total Revenues	18,685	20,005	21,354	22,733
Cost of Revenue	13,255	14,140	15,033	15,952
Gross Margin	5,430	5,865	6,321	6,781
Expenses			•	
Compensation	715	945	1,170	1,403
Other SG&A	1,034	1,074	1,114	1,156
Depreciation and Amortization	274	225	262	309
Total Expenses	2,023	2,244	2,546	2,868
Operating Income	3,407	3,621	3,775	3,913
Other income, net	-	-	-	-
Interest Expense	- .	-	-	-
Income Before Taxes	3,407	3,621	3,775	3,913
Income Taxes	1,315	1,398	1,457	1,511
Net Income	2,092	2,223	2,318	2,403

MCLEODUSA OPERATOR SERVICES INC. INCOME STATEMENT AS OF DECEMBER 31ST	YE	AR TO DATE 2001	YEA	R TO DATE 2000	YEA	R TO DATE 1999
REVENUE TELECOMMUNICATIONS OPERATOR SERVICES TOTAL REVENUE	\$	3,037,524 12,464,458 15,501,982	\$ \$ \$	2,412,964 7,159,594 9,572,558	\$ \$ \$	1,701,897 3,548,873 5,250,770
COST OF SALES TELECOMMUNICATIONS OPERATOR SERVICES TOTAL COST OF SALES	\$ \$	18,938 7,884,292 7,903,230	\$ \$ 8	94,245 4,335,004 4,429,249	\$ \$ \$	71,498 <u>1,831,444</u> 1,902,942
GROSS MARGIN	\$	7,598,752	\$	5,143,309	\$	3,347,828
OPERATING EXPENSES CUSTOMER SERVICE SALES & MARKETING OTHER G & A DEPRECIATION & AMORTIZATION TOTAL OPERATING EXPENSES	6) 69 69 69	72,792 3,106,062 104,994 3,283,848	\$\$ \$\$ \$\$ \$\$ \$	414 149,529 1,377,180 100,375 1,627,498	\$\$ \$\$ \$\$ \$\$ \$	405 39,449 649,635 134,817 824,306
NON OPERATING INCOME(EXPENSE)	\$	138,216	\$	56,679	\$	-
PRE TAX NET INCOME	\$	4,453,120	\$	3,572,490	\$	2,523,522
NET INCOME	\$	4,453,120	\$	3,572,490	\$	2,523,522
EBITDA	-\$	4,419,8 98		3,616,186	\$	2,658,339

•

MCLEODUSA OPERATOR SERVICES INC.		YEAR TO DATE	YEAR TO DATE	
INCOME STATEMENT AS OF DECEMBER 31ST	YEAR TO DATE 2002	2001	2000	
REVENUE				
TELECOMMUNICATIONS	\$ 8,985,109	\$ 3,037,524	\$ 2,412,964	
OPERATOR SERVICES	<u>\$ 7,186,474</u>	<u>\$ 12,464,458</u>	\$ 7,159,594	
TOTAL REVENUE	\$ 16,171,583	\$ 15,501,982	\$ 9,572,558	
COST OF SALES				
TELECOMMUNICATIONS	\$ 352,168	\$ 18,938	\$ 94,245	
OPERATOR SERVICES	\$ 9,388,543	<u>\$7,884,292</u>	\$ 4,335,004	
TOTAL COST OF SALES	\$ 9,740,711	\$ 7,903,230	\$ 4,429,249	
GROSS MARGIN	\$ 6,430,872	\$ 7,598,752	\$ 5,143,309	
PERATING EXPENSES				
CUSTOMER SERVICE	\$ -	\$ -	\$ 414	
SALES & MARKETING	\$ 37	\$ 72,792	\$ 149,529	
OTHER G & A	\$ 1,217,945	\$ 3,106,062	\$ 1,377,180	
DEPRECIATION & AMORTIZATION	\$ 48,801	<u>\$ 104,994</u>	<u>\$ 100,375</u>	
OTAL OPERATING EXPENSES	\$ 1,266,783	\$ 3,283,848	\$ 1,627,498	
NON OPERATING INCOME(EXPENSE)	\$ 95,304	\$ 138,216	\$ 56,679	
RE TAX NET INCOME	\$ 5,259,393	\$ 4,453,120	\$ 3,572,490	
IET INCOME	\$ 5,259,393	\$ 4,453,120	\$ 3,572,490	
BITDA	\$ 5,212,890	\$ 4,419,898	\$ 3,616,186	

EXHIBIT 12

<u>Tariff</u>

See attached.

TITLE PAGE

SOUTH DAKOTA TELECOMMUNICATIONS RATE SHEET

OF

Consolidated Communications Operator Services, Inc.

This tariff contains the descriptions, regulations, and rates applicable to the furnishing of service and facilities for telecommunication services provided by Consolidated Communications Operator Services, Inc., with offices at 121 South 17th Street, Mattoon, Illinois 61938. This tariff applies for services furnished within the state of South Dakota. This tariff is on file with the South Dakota Public Utilities Commission, and copies may be inspected, during normal business hours, at the Company's principal place of business.

This tariff is governed and interpreted according to the laws of the state of South Dakota.

Effective:

CHECK SHEET

This tariff contains the pages listed below, inclusive, each of which is effective as of the date shown on each sheet. Original and revised pages as named below comprise all changes from the original tariff.

PAGE	REVISION		PAGE	REVISION	
1	Original	*	23	Original	*
2	Original	*	24	Original	*
3	Original	*	25	Original	*
4	Original	*	26	Original	*
5	Original	*	27	Original	*
6	Original	*	28	Original	*
7	Original	*	29	Original	*
8	Original	*	30	Original	*
9	Original	*	31	Original	*
10	Original	*	32	Original	*
11	Original	*	33	Original	*
12	Original	*	34	Original	*
13	Original	*	35	Original	*
14	Original	*	36	Original	*
15	Original	*	37	Original	*
16	Original	*	38	Original	*
17	Original	*	39	Original	*
18	Original	*	40	Original	*
19	Original	*	41	Original	*
20	Original	*	42	Original	*
21	Original	*	43	Original	*
22	Original	*			

*Indicates tariff Pages Included with This Filing.

TABLE OF CONTENTS

Title Sheet	1
Check Sheet	2
Table of Contents	3
Symbols	4
Tariff Format	5
Section 1.0 - Technical Terms and Abbreviations	6
Section 2.0 - Rules and Regulations	10
Section 3.0 - Description of Service and Rates	22
Section 4.0 - Promotions	43

121 South 17th Street Mattoon, Illinois 61938

SYMBOLS

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

- (C) Changed Regulation
- (D) Delete or Discontinue
- (I) Change Resulting in an Increase to a Customer's Bill
- (M) Moved from another Tariff Location
- (N) New
- (R) Change Resulting in a Reduction to a Customer's Bill
- (T) Change in Text or Regulation but no Change in Rate or Charge

RATE SHEET FORMAT

A. Sheet Numbering - Sheet numbers appear in the upper right corner of the page. Sheets are numbered sequentially. However, new sheets are occasionally added to the tariff. When a new sheet is added between sheets already in effect, a decimal is added. For example, a new sheet added between sheets 14 and 15 would be 14.1.

B. Sheet Revision Numbers - Revision numbers also appear in the upper right corner of each page. These numbers are used to determine the most current sheet version on file with the SD PUC. For example, the 4th revised Sheet 14 cancels the 3rd revised Sheet 14. Because of various suspension periods, deferrals, etc. the SD PUC follows in their tariff approval process, the most current sheet number on file with the Commission is not always the tariff pages in effect. Consult the check sheet for sheet currently in effect.

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

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

D. Check Sheets - When a tariff filing is made with the SD PUC, an updated check sheet accompanies the tariff filing. The check sheet lists the sheets contained in the tariff, with a cross reference to the current revision number. When new 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 the check sheet 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 SD PUC.

SECTION 1.0 - TECHNICAL TERMS AND ABBREVIATIONS

1.1 Abbreviations

The following abbreviations are used herein only for the purposes indicated below:

C.O.	-	Central Office
Corp.	-	Corporation
EAEA	-	Equal Access Exchange Area
FCC	-	Federal Communications Commission
IXC	-	Interexchange Carrier
LATA	-	Local Access and Transport Area
LEC	-	Local Exchange Carrier
MTS	-	Message Telecommunications Service
PBX	-	Private Branch Exchange
SD PUC	-	South Dakota Public Utilities Commission

SECTION 1.0 - TECHNICAL TERMS AND ABBREVIATIONS, continued

1.2 Definitions

Access Line - An arrangement which connects the Customer's location to Company's designated point of presence or network switching center.

Authorized User - A person, firm or corporation, or any other entity authorized by the Customer or Subscriber to communicate utilizing the Company's services. An authorized user also may be a consumer as defined herein.

Calling Card - A billing convenience whereby the charges for a call may be billed to an approved telephone company-issued calling card or valid commercial credit card where accepted. The terms and conditions of the local telephone company will apply to payment arrangements.

Casual Calling – A service whereby the Customer accesses the Company's service by dialing a Company-provided access code prior to placing the call, such as $101XXXX + 1 + area \text{ code} + destination number}$.

Collect Calling - A billing arrangement whereby the originating caller may bill the charges for a call to the called party, provided the called party agrees to accept the charges.

Commission – The South Dakota Public Utilities Commission.

Effective:

SECTION 1.0 - TECHNICAL TERMS AND ABBREVIATIONS, continued

1.2 Definitions, *continued*

Company - Used throughout this tariff to refer to Consolidated Communications Operator Services, Inc. unless otherwise clearly indicated by the context.

Consumer – A person who is not a Customer initiating any telephone calls using operator services.

Customer Dialed Calling Card Call - A service whereby the End User dials all of the digits necessary to route and bill the call without any operator assistance.

Customer - The person, firm or corporation, or other entity which orders, cancels, amends, or uses service or is responsible for the payment of charges and/or compliance with tariff regulations.

Customer Premises Equipment - Terminal equipment, as defined herein, which is located on the Customer's premises.

Operator Station Call - A service whereby caller places a non-Person-to-Person call with the assistance of an operator (live or automated).

Person-to-Person Call - A service whereby the person originating the call specifies a particular person to be reached, or a particular station, room number, department or office to be reached, or an agreed upon alternate.

SECTION 1.0 - TECHNICAL TERMS AND ABBREVIATIONS, continued

1.2 Definitions, *continued*

Subscriber - The person, firm, corporation, or other legal entity which arranges for services of the Company on behalf of transient third party Consumers. The Subscriber is responsible for compliance with the terms and conditions of this tariff. A Subscriber may also be a Customer when the Subscriber uses services of the Company. See also Traffic Aggregator.

Switched Access - Where access between the Customer and the interexchange carrier is provided on local exchange company Feature Group circuits. The cost of switched Feature Group access is billed to the interexchange carrier.

Third Party Billing - A billing arrangement by which the charges for a call may be billed to a telephone number that is different from the calling number and the called number.

Terminal Equipment - Devices, apparatus, and associated wiring, such as teleprinters, telephones, or data sets.

Traffic Aggregator - A Subscriber that in the ordinary course of its operations, makes telephones available to the public or to transient users of its premises, for telephone calls using a provider of operator services.

V & H Coordinates - Geographic points which define the originating and terminating points of a call in mathematical terms so that the airline mileage of the call may be determined. Call mileage is used for the purpose of rating calls.

SECTION 2.0 - RULES AND REGULATIONS

2.1 Undertaking of the Company

Consolidated Communications Operator Services, Inc. is a resale common carrier providing automated and live intrastate operator assisted, direct dialed telecommunications and directory assistance services to Customers within the state of South Dakota.

Service is provided twenty-four (24) hours per day, seven (7) days per week.

2.2 Applicability of Tariff

This tariff is applicable to telecommunications services provided by the Company within the state of South Dakota.

2.3 Payment and Credit Regulations

2.3.1 Payment Arrangements

The Customer is responsible for payment of all charges for services and equipment furnished to the Customer for transmission of calls via the Company. The Customer agrees to pay to the Company any cost(s) incurred as a result of any delegation of authority resulting in the use of his or her communications equipment and/or network services which result in the placement of calls via the Company. The Customer agrees to pay the Company or its authorized agent any and all cost(s) incurred as a result of the use of the service arrangement, including calls which the Customer did not individually authorize.

All charges due by the Customer are payable to any agency duly authorized to receive such payments. The billing agency may be a local exchange telephone company, credit card company, or other billing service. Terms of payment shall be according to the rules and regulations of the agency and subject to the rules of regulatory agencies, such as the South Dakota Public Utilities Commission. Any objections to billed charges must be promptly reported to the Company or its billing agent. Adjustments to Customers' bills shall be made to the extent that circumstances exist which reasonably indicate that such changes are appropriate.

Charges for installations, service connections, moves, and rearrangements, where applicable, are payable upon demand by the Company or its authorized agent. The billing thereafter will include recurring charges and actual usage as defined in this tariff.

2.3 Payment and Credit Regulations, continued

2.3.2 Deposits

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

2.3.3 Advance Payments

The Company does not require an advance payment from the Customer or Subscriber.

2.3.4 Late Payment Charge

A late fee of 1.5% per month will be charged on any past due balance in accordance with Commission rules.

2.3.5 Return Check Charge

A return check charge of \$25.00 will be assessed for checks returned for insufficient funds. Any applicable return check charges will be assessed according to the terms and conditions of the billing entity (i.e. local exchange company and/or commercial credit card company) and pursuant to South Dakota law and Commission regulations.

2.4 Taxes and Fees

The Company reserves the right to bill any and all applicable taxes, fees, governmental or quasi-governmental assessments in addition to normal long distance usage charges, including, but not limited to: Federal Excise Tax, State Sales Tax, Municipal Taxes, Universal Service Funds and Gross Receipts Tax.

2.5 Refunds or Credits for Service Outages or Deficiencies

2.5.1 Interruption of Service

Credit allowances for interruptions of service which are not due to the Company's testing or adjusting, to the negligence of the Customer or Subscriber, or to the failure of channels, equipment and/or communications systems provided by the Customer or Subscriber, are subject to the general liability provisions set forth in this tariff. It shall be the obligation of the Customer to notify Company immediately of any interruption in service for which a credit allowance is desired by Customer. Before giving such notice, the Customer shall ascertain that the trouble is not within his or her control, or is not in wiring or equipment, if any furnished by Customer and connected to terminal. Interruptions caused Customer-provided, Company's by Subscriber-provided or Company-provided automatic dialing equipment are not deemed an interruption of service as defined herein since the Customer has the option of using the long distance network via LEC access. For purposes of credit computation every month shall be considered to have 720 hours. For services with a monthly recurring charge, no credit shall be allowed for an interruption of continuous duration of less than two hours. For message rated toll services, credits will be limited to, at maximum, the price of the initial period of individual call that was interrupted.

2.5.2 Inspection, Testing and Adjustment

Upon reasonable notice, the facilities provided by the Company shall be made available to the Company for such tests and adjustments as may be deemed necessary for maintenance in a condition satisfactory to the Company. No interruption allowance will be granted for the time during which such tests and adjustments are made.

2.6 Liability of the Company

- **2.6.1** The Company's liability for damages arising out of mistakes, interruptions, omissions, delays, errors, or defects in transmission which occur in the course of furnishing service or facilities, in no event shall exceed an amount equivalent to the proportionate charge to the Customer for the period during which the faults in transmission occur.
- **2.6.2** The Company shall not be liable for claim or loss, expense or damage (including indirect, special or consequential damage), for any interruption, delay, error, omission, or defect in any service, facility or transmission provided under this tariff, if caused by any person or entity other than the Company, by any malfunction of any service or facility provided by any other carrier, by an act of God, fire, war, civil disturbance, or act of government, or by any other cause beyond the Company's direct control.
- **2.6.3** The Company shall not be liable for, and shall be fully indemnified and held harmless by the Customer against any claim or loss, expense, or damage (including indirect, special or consequential damage) for defamation, libel, slander, invasion, infringement of copyright or patent, unauthorized use of any trademark, trade name or service mark, unfair competition, interference with or misappropriation or violation of any contract, proprietary or creative right, or any other injury to any person, property or entity arising out of the material, data, information, or other content revealed to, transmitted, or used by the Company under this tariff; or for any act or omission of the Customer; or for any personal injury or death of any person caused directly or indirectly by the installation, maintenance, location, condition, operation, failure, presence, use or removal of equipment or wiring provided by the Company, if not directly caused by gross negligence of the company.
- **2.6.4** The Company shall not be liable for any defacement of or damages to the premises of a Customer resulting from the furnishing of service which is not the direct result of the Company's gross negligence.

2.7 Refusal or Discontinuance by the Company

The Company may refuse or discontinue service under the following conditions. Unless otherwise specified, the Customer or Subscriber will be given ten (10) days written notice and allowed a reasonable time to comply with any rule or remedy any deficiency.

- **2.7.1** For non-compliance with and/or violation of any State or municipal law, ordinance or regulation pertaining to telephone service.
- **2.7.2** For the use of telephone service for any other property or purpose other than that described in the application.
- **2.7.3** For neglect or refusal to provide reasonable access to the Company for the purpose of inspection and maintenance of equipment owned by the Company.
- **2.7.4** For non-compliance with and/or violation of the Commission's regulations or the Company's rules and regulations on file with the Commission.
- 2.7.5 For non-payment of bills for telephone service.
- **2.7.6** Without notice in the event of Customer, Authorized User or Subscriber use of equipment in such a manner as to adversely affect the Company's equipment or the Company's service to others.
- **2.7.7** Without notice in the event of tampering with the equipment furnished and owned by the Company.

2.7 Refusal or Discontinuance by the Company *continued*

- 2.7.8 Without notice in the event of unauthorized or fraudulent use of service. Whenever service is discontinued for fraudulent use of service, the Company may, before restoring service, require the Subscriber to make, at his or her own expense, all changes in facilities or equipment necessary to eliminate illegal use and to pay an amount reasonably estimated as the loss in revenues resulting from such fraudulent use.
- 2.7.9 For failure of the Customer or Subscriber to make proper application for service.
- **2.7.10** For Customer's or Subscriber's breach of the contract for service between the Company and the Customer, including posting or access requirements as specified to comply with state and federal regulations.
- **2.7.11** When necessary for the Company to comply with any order or request of any governmental authority having jurisdiction.

2.8 Limitations of Service

- **2.8.1** Service will be furnished subject to the availability of the necessary facilities and/or equipment and subject to the provisions of this tariff.
- **2.8.2** The Company reserves the right to discontinue furnishing service, upon written notice, when necessitated by conditions beyond its control, or when the Customer or Subscriber is using the service in violation of the provisions of this tariff, or in violation of law.
- **2.8.3** The Company does not undertake to transmit messages, but offers the use of its facilities when available, and will not be liable for errors in transmission or for failure to establish connections.
- **2.8.4** The Company reserves the right to discontinue the offering of service or deny an application for service if a change in regulation materially and negatively impacts the financial viability of the service in the best business judgment of the Company.

2.9 Use of Service

Service may be used for any lawful purpose for which it is technically suited.

2.10 Terminal Equipment

The Company's facilities and service may be used with or terminated in Customer-provided or Subscriber-provided terminal equipment or systems, such as PBXs, key systems, multiplexers, repeaters, signaling sets, teleprinters, handsets, or data sets. Such terminal equipment shall be furnished and maintained at the expense of the Customer or Subscriber, except as otherwise provided. The Subscriber or Customer is responsible for all costs at his or her premises, including personnel, wiring, electrical power, and the like, incurred in the use of Company's service.

SECTION 2.0 - RULES AND REGULATIONS, continued

~

2.11 Cost of Collection and Repair

The Customer is responsible for any and all costs incurred in the collection of monies due the Company including legal and accounting expenses. The Customer or the Subscriber is also responsible for recovery costs of Company-provided equipment and any expenses required for repair or replacement of damaged equipment.

2.12 Other Rules

- **2.12.1** The Company reserves the right to refuse to process Third Party Billed, Credit Card or Calling Card billed calls when authorization for use is denied or cannot be validated.
- **2.12.2** The Company reserves the right to discontinue service, limit service, or to impose requirements on Subscribers or Customers as required to meet changing regulations, rules or standards of the Commission.

SECTION 2.0 - RULES AND REGULATIONS, continued

2.13 Customer Complaints and/or Billing Disputes

The Customer has the right to refer billing disputes and any other complaints to the Company at:

Customer Service Department Consolidated Communications Operator Services, Inc. 121 South 17th Street Mattoon, Illinois 61938

If the Customer is unable to resolve the dispute with the Company, the Customer may contact the South Dakota Public Utilities Commission at the following address and telephone number:

South Dakota Public Utilities Commission Capitol Building, First Floor 500 East Capitol Avenue Pierre, South Dakota 57501-5070 Telephone: (800) 332-1782 Facsimile: (605) 773-3809

2.14 Location Surcharge

The Company may collect Location Surcharges on behalf of Subscribers. Location Surcharges apply on a per call basis and are included with usage charges on the Customer's bill for Carrier's services. The Company reserves the right to limit the amount of Location Surcharges it collects on behalf of the Subscriber.

Effective:

SECTION 3.0 - DESCRIPTION OF SERVICE AND RATES

3.1 General

The Company offers operator and directory assistance services to entities serving the transient public.

Each Customer is charged individually for each call placed through the Company. Charges are computed on an airline mileage basis as described in Section 3.2 of this tariff.

Charges may vary by service offering, mileage band, class of call, time of day, day of week and/or call duration.

Customers are billed based on their use of the Company's long distance service. No installation charges or fixed monthly recurring charges apply.

3.2 Calculation of Distance

Usage charges for all mileage sensitive products are based on the airline distance between serving wire centers associated with the originating and terminating points of the call.

The serving wire centers of a call are determined by the area codes and exchanges of the origination and destination points.

The distance between the Wire Center of the Customer's equipment and that of the destination point is calculated by using the industry-standard "V" and "H" coordinates.

Step 1 - Obtain the "V" and "H" coordinates for the Wire Centers serving the Customer and the destination point.

Step 2 - Obtain the difference between the "V" coordinates of each of the Wire Centers. Obtain the Difference between the "H" coordinates.

Step 3 - Square the differences obtained in Step 2.

Step 4 - Add the squares of the "V" difference and "H" difference obtained in Step 3.

Step 5 - Divide the sum of the square obtained in Step 4 by ten (10). Round to the next higher whole number if any fraction results from the division.

Step 6 - Obtain the square root of the whole number obtained in Step 5. Round to the next higher whole number if any fraction is obtained. This is the distance between the Wire Centers.

Formula
$$\sqrt{\frac{(v_1 - v_1)^2 + (h_1 - h_2)^2}{10}}$$

Effective:

3.3 Timing of Calls

Billing for calls placed over the network is based in part on the duration of the call. Timing of each call begins when the called party answers the call (i.e. when two way communications are established.) Answer detection is based on standard industry answer detection methods, including hardware and software answer detection. Call timing ends when either party hangs up.

- **3.3.1** Unless otherwise described in the individual service description in this tariff, calls are measured and billed in one (1) minute increments. The minimum call duration for billing purposes is one (1) minute.
- **3.3.2** There is no billing applied for incomplete calls.
- **3.3.3** When a call is established in one rate period and ends in another rate period, the rate in effect at the calling station applies to the portion of the call occurring within that rate period. When a unit of time is split between two rate periods, the rate applicable to that unit of time is based on the rate period in which it began.

3.4 Applicable Rate Periods

Unless otherwise indicated elsewhere in this tariff, usage-based rates may be subject to the following time-of-day, day-of-week, and holiday rate periods:

- **3.4.1** Day Rate Period Applies to that portion of a call occurring from 8:00 AM to, but not including, 5:00 PM Monday through Friday.
- **3.4.2** Evening Rate Period Applies to that portion of a call occurring from 5:00 PM to, but not including, 11:00 PM Sunday through Friday.
- **3.4.3** Night/Weekend Rate Period Applies to that portion of a call occurring from 11:00 PM to, but not including 8:00 AM all days, all day Saturday, and Sunday to, but not including 5:00 PM.

3.5 Pay Telephone Surcharge

In order to recover the Company's expenses to comply with the FCC's pay telephone compensation plan effective on October 7, 1997 (FCC 97-371), an undiscountable per call charge is applicable to all interstate, intrastate and international calls that originate from any domestic pay telephone used to access the Company's services. This surcharge, which is in addition to standard tariffed usage charges and any applicable service charges and surcharges associated with the Company's service, applies for the use of the instrument used to access the Company's service accessed from the pay telephone.

Pay telephones include coin-operated and coinless phones owned by local telephone companies, independent companies and other interexchange carriers. The Pay Telephone Surcharge applies to the initial completed call and any reoriginated call (i.e., using the "#" symbol).

Whenever possible, the Pay Telephone Surcharge will appear on the same invoice containing the usage charges for the surcharged call. In cases where proper pay telephone coding digits are not transmitted to the Company prior to completion of a call, the Pay Telephone Surcharge may be billed on a subsequent invoice after the Company has obtained information from a carrier that the originating station is an eligible pay telephone.

The Pay Telephone Surcharge does not apply to calls placed from pay telephones at which the Customer pays for service by inserting coins during the progress of the call and cannot be assessed on operator assisted calls.

Pay Telephone Surcharge, per Call \$1.50

3.6 Service Offerings

3.6.1 Operator Services

Operator Services is the furnishing of services for the completion of calls by Consumers and Customers presubscribed to Company made with the assistance of a company operator within the state including aggregator sites and locations. Aggregator sites include, but are not limited to hotels/motels, hospitals, business, military establishments; and locations of public, semi-public, or private pay telephones. Commercial credit cards are only accepted for payment for calls from pay telephone locations.

Usage charges apply to all operator service calls. Additionally, appropriate service charges are billed on a per call basis. The following per call service charges apply individually or in combination as described herein.

A. Calling Card Charge

This charge applies to an operator assisted or automated call placed by a Customer or Consumer where the call charges are billed to a local telephone company issued authorization code rather than to the originating or terminating telephone number. Three levels of assistance are available, depending on the extent of operator involvement in placing the call. See rate schedule below.

B. Operator Station Charge

This charge applies to a service whereby the Customer or Consumer places a non-Person to Person call with the assistance of an operator (live or automated).

3.6 Service Offerings, *continued*

3.6.1 Operator Services, *continued*

C. Collect Call Charge

This charge applies to a billing arrangement whereby the originating caller may bill the charges for a call to the called party, provided the called party agrees to accept the charges.

D. Third Party Billing Charge

This charge applies to a billing arrangement by which the charges for a call may be billed to a telephone number that is different from the calling number and the called number.

E. Sent Paid Charge

This charge applies when the Consumer requests the operator to bill back to the number from which they are calling. The operator can only do this if the Consumer is calling from a non-restricted number.

F. Person to Person Charge

This charge applies to a service whereby the person originating the call specifies a particular person to be reached, or a particular station, room number, department or office to be reached.

3.6 Service Offerings, *continued*

3.6.1 Operator Services, *continued*

G. Operator Dialed Surcharge

A surcharge applies to Operator Station and Person-to-Person rated calls when the Customer or Consumer has the capability of dialing all the digits necessary to complete a call, but elects to dial only the appropriate operator code and requests the operator to dial the called station. The surcharge does not apply to: 1) calls where a Customer cannot otherwise dial the call due to defective equipment or trouble on the Company network or 2) Calls in which a Company operator places a calls for a calling party who is identified as being handicapped and unable to dial the call because of his/her handicap.

3.6 Service Offerings, *continued*

3.6.1 Operator Services, *continued*

H. Busy Line Verification and Interrupt

1. Busy Line Verification

Busy Line Verification and Interrupt services are offered in areas where the service is available. With Busy Line Verification (BLV), the Company operator will determine if the called number or line is in use. Only one BLV will be made per telephone call and an associated charge will apply whether or not conversation was detected on the line. The operator will not complete the call for the Customer initiating the verification request.

2. Busy Line Verification - Interrupt

Busy Line Verification - Interrupt (BLVI) allows the Company operator to interrupt a telephone conversation in progress, upon the caller's request and after a Busy Line Verification occurs. Upon the caller's request, the Company operator will interrupt the busy line and inform the called party that there is a call waiting from the caller. The Operator will not complete the call, but will only inform the called party of the request. If the call is released the Company operator will offer to complete the call for the Customer initiating the interrupt request. An applicable service charge and applicable per minute charges will apply to the completed call. Only one BLVI attempt will be made per telephone call and a charge will apply whether or not the called party releases the line.

Effective:

3.6 Service Offerings, *continued*

3.6.1 Operator Services, *continued*

I. General Assistance Charge

This charge applies when the Customer or Consumer obtains information such as time of day, day of the week, area codes, international and/or city codes.

3.6 Service Offerings, *continued*

3.6.2 Rate Plan 1

A. General

Rate Plan 1 is available to Customers for outbound interLATA and intraLATA toll calling. Pay telephone calls are measured and billed in three (3) minute increments after an initial minimum call duration of three (3) minutes. All other calls are measured and billed in one (1) minute increments after an initial minimum call duration of one (1) minute. When the call is originated from a pay telephone the applicable charges are specified in paragraph C.2 of this section. Calls are not time of day sensitive.

B. Operator Service Rates

1. Per Minute Usage

Per Minute Rate \$0.89

2. Per Call Charges

Customer Dialed Calling Card	\$4.99
Operator Must Dial Calling Card	\$4.99
Operator Dialed Calling Card	\$5.50
Collect - Automated	\$4.99
Collect - Operator Handled	\$5.50
Third Party - Automated	\$4.99
Third Party - Operator Handled	\$9.99
Sent Paid - Non Coin - Automated	\$4.99
Sent Paid - Non Coin - Operator	\$9.99
Person-to-Person	\$9.99
Operator Dialed Surcharge	\$1.00
Busy Line Verification	\$9.99
Busy Line Verification – Interrupt	\$9.99
General Assistance	\$1.49

3.6 Service Offerings, *continued*

C.

3.6.2 Rate Plan 1, continued

Rates for Pay Telephone Calls 1. Per Minute Usage Per Minute Rate \$0.59 2. **Per Call Charges** Customer Dialed Calling Card \$3.00 Operator Must Dial Calling Card \$3.00 Operator Dialed Calling Card \$5.50 Collect - Automated \$5.50 Collect - Operator Handled \$5.50 \$5.50 Third Party - Automated Third Party - Operator Handled \$5.50 Person-to-Person \$9.99

Operator Dialed Surcharge

\$1.00

3.6 Service Offerings, *continued*

3.6.3 Rate Plan 2

A. General

Rate Plan 2 is available to Customers for outbound interLATA and intraLATA toll calling. Pay telephone calls are measured and billed in three (3) minute increments after an initial minimum call duration of three (3) minutes. All other calls are measured and billed in one (1) minute increments after an initial minimum call duration of one (1) minute. When the call is originated from a pay telephone the applicable charges are specified in paragraph C.2 of this section. Calls are not time of day sensitive.

B. Operator Service Rates

1. Per Minute Usage

Per Minute Rate \$0.801

2. Per Call Charges

Customer Dialed Calling Card	\$4.49
Operator Must Dial Calling Card	\$4.49
Operator Dialed Calling Card	\$4.95
Collect - Automated	\$4.49
Collect - Operator Handled	\$4.95
Third Party - Automated	\$4.49
Third Party - Operator Handled	\$8.99
Sent Paid - Non Coin - Automated	\$4.49
Sent Paid - Non Coin - Operator	\$8.99
Person-to-Person	\$8.99
Operator Dialed Surcharge	\$0.90
Busy Line Verification	\$8.99
Busy Line Verification – Interrupt	\$8.99
General Assistance	\$1.34

3.6 Service Offerings, *continued*

С.

3.6.3 Rate Plan 2, continued

Rates for Pay Telephone Calls		
Per Minute Usage		
Per Minute Rate	\$0.69	
Per Call Charges		
Customer Dialed Calling Card	\$3.00	
Operator Must Dial Calling Card	\$3.00	
Operator Dialed Calling Card	\$5.50	
Collect - Automated	\$5.50	
Collect - Operator Handled	\$5.50	
Third Party - Automated	\$5.50	
-	\$5.50	
Person-to-Person	\$9.99	
Operator Dialed Surcharge	\$1.00	
	Per Minute Usage Per Minute Rate Per Call Charges Customer Dialed Calling Card Operator Must Dial Calling Card Operator Dialed Calling Card Collect - Automated Collect - Operator Handled Third Party - Automated Third Party - Operator Handled Person-to-Person	

3.6 Service Offerings, *continued*

3.6.4 Rate Plan 3

A. General

Rate Plan 3 is available to Customers for outbound interLATA and intraLATA toll calling. Pay telephone calls are measured and billed in three (3) minute increments after an initial minimum call duration of three (3) minutes. All other calls are measured and billed in one (1) minute increments after an initial minimum call duration of one (1) minute. When the call is originated from a pay telephone the applicable charges are specified in paragraph C.2 of this section. Calls are not time of day sensitive.

B. Operator Service Rates

1. Per Minute Usage

Per Minute Rate \$0.445

2. Per Call Charges

Customer Dialed Calling Card	\$2.50
Operator Must Dial Calling Card	\$2.50
Operator Dialed Calling Card	\$2.75
Collect - Automated	\$2.50
Collect - Operator Handled	\$2.75
Third Party - Automated	\$2.50
Third Party - Operator Handled	\$5.00
Sent Paid - Non Coin - Automated	\$2.50
Sent Paid - Non Coin - Operator	\$5.00
Person-to-Person	\$5.00
Operator Dialed Surcharge	\$0.50
Busy Line Verification	\$5.00
Busy Line Verification – Interrupt	\$5.00
General Assistance	\$0.75

3.6 Service Offerings, *continued*

C.

3.6.4 Rate Plan 3, *continued*

Rates for Pay Telephone Calls			
1.	Per Minute Usage		
	Per Minute Rate	\$0.79	
2.	Per Call Charges		
	Customer Dialed Calling Card	\$3.00	
	Operator Must Dial Calling Card	\$3.00	
	Operator Dialed Calling Card	\$5.50	
	Collect - Automated	\$5.50	
	Collect - Operator Handled	\$5.50	
	Third Party - Automated	\$5.50	
	Third Party - Operator Handled	\$5.50	
	Person-to-Person	\$9.99	
	Operator Dialed Surcharge	\$1.00	

3.6 Service Offerings, *continued*

3.6.5 Rate Plan 4

A. General

2.

Rate Plan 4 is available to Customers for outbound interLATA and intraLATA toll calling. Calls are measured and billed in three (3) minute increments after an initial minimum call duration of three (3) minutes. Applicable charges are specified in paragraph B.2 of this section. Calls are not time of day sensitive.

B. Rates for Pay Telephone Calls

1. Per Minute Usage

Per Minute Rate	\$0.89
Per Call Charges	
Customer Dialed Calling Card	\$3.00
Operator Must Dial Calling Card	\$3.00
Operator Dialed Calling Card	\$5.50
Collect - Automated	\$5.50
Collect - Operator Handled	\$5.50
Third Party - Automated	\$5.50
Third Party - Operator Handled	\$5.50
Person-to-Person	\$9.99
Operator Dialed Surcharge	\$1.00

3.6 Service Offerings, *continued*

3.6.5 Directory Assistance

A. General

Directory Assistance is available to all Customers for the purpose of obtaining telephone numbers. Charges for Directory Assistance are not applicable to inquiries received from handicapped persons who have to rely on Directory Assistance as the only practical means of obtaining a telephone number. Such persons must contact the Company for credit on directory assistance calls.

Directory assistance is offered to all Customers. When operator assistance is provided to complete or bill the directory assistance charges appropriate operator service charges apply in addition to the directory assistance usage charge.

A maximum of two (2) telephone numbers are allowed per request. Additional charges may apply for requests of more than two (2) telephone numbers, which will not exceed the existing tariffed rate.

B. Rates and Charges

Intrastate Directory Assistance Charge, Per Call	\$1.25
National Directory Assistance Charge, Per Call	\$1.25

3.6 Service Offerings, *continued*

3.6.5 Directory Assistance, continued

C. Directory Assistance Call Completion

Directory Assistance Call Completion is offered in areas where the service is available. The Company Directory Assistance operator will complete the call to the number requested by the Customer without requiring the Customer to redial the number. A per minute Directory Assistance Call Completion rate applies for the duration of each completed call. This per minute usage rate is in addition to the charge for determining the telephone number requested by the Customer.

Directory Assistance Call Completion may be used in conjunction with operator assisted calling. For billing purposes, calls are billed in one (1) minute increments after an initial billing increment of one (1) minute. The completed call is billed at the applicable rate plan usage rate specified in this tariff.

Per Call Charge

\$0.00

3.7 Nonsubscriber Service Charge

A Service charge is applicable to interstate Operator Station, Person-to-Person or Real Time rated calls billed to all lines which are presubscribed to an interexchange carrier other than the Company, or not presubscribed to any interexchange carrier. This charge is in addition to the initial period and additional period charges applicable to calls from points within the state.

The Nonsubscriber Service Charge does not apply to calling card calls, intraLATA calls, conference calls, calls to Directory Assistance, toll free or 900 telephone numbers, Ship-to-Shore service or Telecommunications Relay Service, calls originated from cellular phones; Customers with disabilities and calls billed to all lines which have discontinued presubscription to the Company but for whom an active billing record still exists in the Company's billing system.

Nonsubscriber Service Charge, Per Call: \$3.50

3.8 Exemptions and Special Rates

3.8.1 Emergency Call Exemptions

The following calls are exempted from all charges: Emergency calls to recognizable authorized civil agencies including police, fire, ambulance, bomb squad and poison control. The Company will only handle these calls if the caller dials all of the digits to route and bill the call. Credit will be given for any billed charges pursuant to this exemption on a subsequent bill after verified notification by the billed Customer within thirty (30) days of billing.

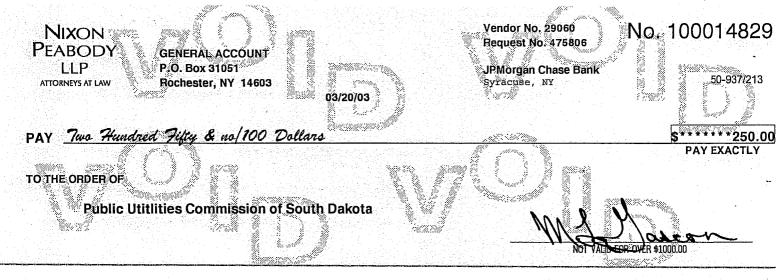
3.9 Individual Case Basis Rates (ICB)

Arrangements may be developed on a case-by-case basis in response to a bona fide special request from a Customer or prospective Customer to develop a competitive bid for a service not generally available under this tariff. ICB rates will be offered to the Customer in writing and on a non-discriminatory basis.

SECTION 4.0 - PROMOTIONS

4.1 **Promotional Offerings - General**

For promotional purposes, market research, or similar corporate purposes, the Company may, at its discretion, offer for limited periods of time, reduced rates or waiver of rates, provided that a copy of any promotional service offering is filed with the South Dakota Public Utilities Commission via a tariff filing, prior to implementation of the promotion. The tariff filing shall contain a brief description of the promotional offering including the length of time the offering will be available and the location in which it will be offered, if applicable.



"100014829" "021309379" 601"2"16617"

	VENDOR NO. 29060	REQUEST NO. 475806		Check #: 100014829
	DATE	INVOICE NO.	AMOUNT	DESCRIPTION
	3/20/03	FUB032003	\$ 250.00	Application for a Certificate of Authority (60491/301)
				TC03-059
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				CHECK TOTAL \$ 250.0
	DETACH STATEMENT B	EFORE DEPOSITING CHECK		PAGE NO. 1

South Dakota Public Utilities Commission WEEKLY FILINGS

For the Period of March 20, 2003 through March 26, 2003

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

ELECTRIC

EL03-012 In the Matter of the Request for an Electric Service Rights Exception between Black Hills Power and West River Electric Association, Inc.

On March 21, 2003, Black Hills Power (BHP) and West River Electric Association (WREA) submitted a joint request to the South Dakota Public Utilities Commission for approval of an Electric Service Rights Exception. The request would allow WREA to provide electrical service to three signs owned by Epic Outdoor Advertising adjacent to I-90, located in BHP's service territory. The signs are located in Sections 16 and 21, T2N, R7E, Pennington County.

Staff Analyst: Michele M. Farris Staff Attorney: Kelly Frazier Date Docketed: 03/21/03 Intervention Deadline: 04/11/03

TELECOMMUNICATIONS

TC03-058 In the Matter of the Application of C III Communications Operations, LLC for a Certificate of Authority to Provide Interexchange Telecommunications Services in South Dakota.

C III Communications Operations, LLC has filed an application for a Certificate of Authority to provide intrastate interexchange telecommunications services in South Dakota. The applicant intends to provide resold intrastate interexchange services, including message telecommunications service, outbound wide area telecommunication service, inbound 800 service, travel card service, operator assisted calling programs, private line services and frame relay service throughout South Dakota.

Staff Analyst: Bonnie Bjork Staff Attorney: Kelly Frazier Date Docketed: 03/21/03 Intervention Deadline: 04/11/03

TC03-059 In the Matter of the Application of Consolidated Communications Operator Services, Inc. for a Certificate of Authority to Provide Operator Assisted Telecommunications Services and Services for Payphones in South Dakota.

Consolidated Communications Operator Services, Inc. has filed an application for a Certificate of Authority to provide live and automated long distance assistance and directory assistance services, as well as services for coinless and coin-operated public telephones.

Staff Analyst: Bonnie Bjork Staff Attorney: Karen Cremer Date Docketed: 03/21/03 Intervention Deadline: 04/11/03

TC03-060 In the Matter of the Filing by Excel Telecommunications, Inc. for Approval of its Intrastate Switched Access Tariff and for an Exemption from Developing Company Specific Cost-Based Switched Access Rates.

On March 20, 2003, Excel Telecommunications, Inc. (Excel). filed its South Dakota P.U.C. access tariff No. 4 for approval. The proposed tariff introduces Excel's intrastate switched access services and rates including, Carrier Common Line Access, Local Transport, Local Switching and Toll-Free Database Query.

Staff Analyst: Keith Senger Staff Attorney: Kelly Frazier Date Docketed: 03/25/03 Intervention Deadline: 04/11/03

TC03-061 In the Matter of the Filing by VarTec Telecom, Inc. for Approval of its Intrastate Switched Access Tariff and for an Exemption from Developing Company Specific Cost-Based Switched Access Rates.

On March 20, 2003, VarTec Telecom, Inc. filed its South Dakota Access Tariff No. 2 for approval. The proposed tariff introduces VarTec's intrastate switched access services and rates, including Carrier Common Line Access, Local Transport, Local Switching and Toll-Free Database Query.

Staff Analyst: Michele M. Farris Staff Attorney: Karen Cremer Date Docketed: 03/25/03 Intervention Deadline: 04/11/03

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SOUTH DAKOTA PUBLIC UTILITIES COMMISSION

P.O. Drawer 200 Winter Park, FL 32790-0200

Tel: 407-740-8575 Fax: 407-740-0613 tmi@tminc.com Ms. Debra Elofson, Executive Director South Dakota Public Utilities Commission 500 East Capitol Pierre, South Dakota 57501

RE: Application for a Certificate of Authority by Consolidated Communications Operator Services, Inc. Docket No. TC03-059

Dear Ms. Elofson:

Enclosed for filing are the original and ten (10) copies of Original Sheet 15 of the proposed tariff of Consolidated Communications Operator Services, Inc. This sheet was corrected per Staff's request in a letter dated March 31, 2003.

Please acknowledge receipt of this filing by date stamping the extra copy of this cover letter and returning it to me in the self-addressed stamped envelope.

Any questions you may have regarding this filing may be directed to me at (407) 740-8575. Thank you for your assistance.

Sincerely,

Craig Neeld Consultant to Consolidated Communications Operator Services, Inc.

Enclosures

cc: S. Montague - Consolidated file: Consolidated - SD tms: SD00300a

SECTION 2.0 - RULES AND REGULATIONS, continued

2.6 Liability of the Company

- **2.6.1** The Company's liability for damages arising out of mistakes, interruptions, omissions, delays, errors, or defects in transmission which occur in the course of furnishing service or facilities, shall be determined by the Commission or a court of competent jurisdiction pursuant to SDCL 49-13-1 and 49-13-1.1.
- **2.6.2** The Company shall not be liable for claim or loss, expense or damage (including indirect, special or consequential damage), for any interruption, delay, error, omission, or defect in any service, facility or transmission provided under this tariff, if caused by any person or entity other than the Company, by any malfunction of any service or facility provided by any other carrier, by an act of God, fire, war, civil disturbance, or act of government, or by any other cause beyond the Company's direct control.
- **2.6.3** The Company shall not be liable for, and shall be fully indemnified and held harmless by the Customer against any claim or loss, expense, or damage (including indirect, special or consequential damage) for defamation, libel, slander, invasion, infringement of copyright or patent, unauthorized use of any trademark, trade name or service mark, unfair competition, interference with or misappropriation or violation of any contract, proprietary or creative right, or any other injury to any person, property or entity arising out of the material, data, information, or other content revealed to, transmitted, or used by the Company under this tariff; or for any act or omission of the Customer; or for any personal injury or death of any person caused directly or indirectly by the installation, maintenance, location, condition, operation, failure, presence, use or removal of equipment or wiring provided by the Company, if not directly caused by gross negligence of the company.
- **2.6.4** The Company shall not be liable for any defacement of or damages to the premises of a Customer resulting from the furnishing of service which is not the direct result of the Company's gross negligence.

BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF SOUTH DAKOTA

IN THE MATTER OF THE APPLICATION OF ORDER GRANTING COMMUNICATIONS CERTIFICATE OF CONSOLIDATED) SERVICES, OPERATOR INC. FOR AUTHORITY) CERTIFICATE OF AUTHORITY TO PROVIDE) ASSISTED OPERATOR TC03-059 TELECOMMUNICATIONS SERVICES AND SERVICES FOR PAYPHONES IN SOUTH) DAKOTA)

On March 21, 2003, 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 Consolidated Communications Operator Services, Inc. (Consolidated).

Consolidated proposes to provide live and automated long distance assistance and directory assistance services, as well as services for coinless and coin-operated public telephones. A proposed tariff was filed by Consolidated. The Commission has classified long distance service as fully competitive.

On March 27, 2003, the Commission electronically transmitted notice of the filing and the intervention deadline of April 11, 2003, to interested individuals and entities. No petitions to intervene or comments were filed and at its May 6, 2003, meeting, the Commission considered Consolidated's request for a certificate of authority. Commission Staff recommended granting a certificate of authority, subject to the condition that Consolidated not offer a prepaid calling card or require or accept deposits or advance payments without prior approval of the Commission. Commission Staff further recommended a waiver of ARSD 20:10:24:02(8).

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

ORDERED, that Consolidated's application for a certificate of authority to provide operator assisted telecommunications services and services for payphones is hereby granted, effective May 21, 2003, subject to the condition that Consolidated not offer a

prepaid calling card or require or accept deposits or advance payments without prior approval of the Commission. It is

FURTHER ORDERED, that the Commission waives ARSD 20:10:24:02(8). It is

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

Dated at Pierre, South Dakota, this _/6th day of May, 2003.

CERTIFICATE OF SERVICE
The undersigned hereby certifies that this document has been served today upon all parties of record in this docket, as listed on the docket service list, by first class mail, in properly addressed envelopes, with charges prepaid thereon.
Date: 5/20/03
(OFFICIAL SEAL)

BY ORDER OF THE COMMISSION:

ROBERT K. SAHŘ, Chairman

GÁRY-HÁNSÓN, Commissioner

MES A. BURG, 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 effective May 21, 2003 Docket No. TC03-059

> > This is to certify that

CONSOLIDATED COMMUNICATIONS OPERATOR SERVICES, INC.

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

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

Dated at Pierre, South Dakota, this <u>16</u>th day of May, 2003.



SOUTH DAKOTA PUBLIC UTILITIES COMMISSION:

ROBERT K. SAHR, Chairman

GARY HANSON, Commissioner