

BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF SOUTH DAKOTA

**IN THE MATTER OF THE APPLICATION OF LONG DISTANCE) ORDER GRANTING
DIRECT HOLDINGS, INC. FOR A CERTIFICATE OF AUTHORITY) CERTIFICATE OF
TO PROVIDE TELECOMMUNICATIONS SERVICES, INCLUDING) AUTHORITY
LOCAL EXCHANGE SERVICES, IN SOUTH DAKOTA)
TC97-034**

On April 7, 1997, 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 Long Distance Direct Holdings, Inc. (LDDH).

LDDH intends to subscribe to and resell all forms of telephone service including local dial tone services, Message Telephone Service, Wide Area Telephone Service, WATS-like services, Foreign Exchange Service, private lines, tie lines, access service, cellular service, local switched service and other services and facilities of communications common carriers and other entities. LDDH intends to provide service to both residential and business class customers. A proposed tariff was filed by LDDH. The Commission has classified long distance service as fully competitive.

On April 10, 1997, the Commission electronically transmitted notice of the filing and the intervention deadline of April 25, 1997, to interested individuals and entities. On April 25, 1997, the South Dakota Independent Telephone Coalition (SDITC) filed for intervention, but later withdrew its intervention.

At its regularly scheduled June 24, 1997, meeting, the Commission considered LDDH's request for a certificate of authority. Commission Staff recommended granting a certificate of authority, subject to restrictions and rural safeguards. Further, Staff recommended waiver of ARSD 20:10:24:02(7), (8), and (12) as the provisions apply to local exchange service.

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 LDDH has met the legal requirements established for the granting of a certificate of authority and that there is good cause to waive subparagraphs (7), (8), and (12) of ARSD 20:10:24:02. LDDH 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 LDDH's application for a certificate of authority, subject to restrictions and rural safeguards. The Certificate of Authority for LDDH shall authorize it to offer local exchange services in those areas in South Dakota where U S WEST Communications, Inc. is the incumbent local exchange carrier. In the future should LDDH choose to provide local exchange services statewide, with respect to rural telephone companies, LDDH will have to come before the Commission in another

proceeding before being able to provide local service in that rural service area pursuant to 47 U.S.C. § 253(f) which allows the Commission to require a company that seeks to provide service in a rural service area to meet the requirements in 47 U.S.C. § 214(e)(1) for designation as an eligible telecommunications carrier. In addition, the granting of statewide certification will not affect the exemptions, suspensions, and modifications for rural telephone companies found in 47 U.S.C. § 251(f). LDDH's Certificate of Authority is further subject to the condition that LDDH not offer prepaid calling cards 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 LDDH's application for a certificate of authority is hereby granted. It is

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

FURTHER ORDERED, that the Certificate of Authority is subject to the condition that LDDH not offer prepaid calling cards or require advance payments or deposits without prior approval of the Commission. It is

FURTHER ORDERED, that the Commission shall authorize LDDH to offer its local exchange services in those areas in South Dakota where U S WEST Communications, Inc. is the incumbent local exchange carrier. It is

FURTHER ORDERED, that the Commission finds good cause to waive subparagraphs (7), (8), and (12) of ARSD 20:10:24:02.

Dated at Pierre, South Dakota, this 2nd day of July, 1997.

CERTIFICATE OF SERVICE

BY ORDER OF THE COMMISSION:

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.

JAMES A. BURG, Chairman

By: _____

PAM NELSON, Commissioner

Date: _____

(OFFICIAL SEAL)

LASKA SCHOENFELDER,
Commissioner

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