

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

IN THE MATTER OF THE APPLICATION OF)	ORDER GRANTING
TELEDISTANCE, INC. FOR A CERTIFICATE)	CERTIFICATE OF
OF AUTHORITY TO PROVIDE)	AUTHORITY
TELECOMMUNICATIONS SERVICES IN)	
SOUTH DAKOTA)	TC00-016

On February 14, 2000, 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 TeleDistance, Inc. (TeleDistance).

TeleDistance proposes to be the recipient of the assets of certain subsidiaries of Qwest Communications International, Inc. (Qwest, Inc.), namely Qwest Communications Corporation, LCI International Telecom Corp., Phoenix Network, Inc., and USLD Communications, Inc. The purpose of this transfer of assets is to accommodate the merger of Qwest Communications International, Inc. and U S WEST Communications, Inc. In order to effectuate the divestiture, Qwest, Inc. created a new direct subsidiary, TeleDistance Holdings, Inc. (TD Holdings) which holds the stock of TeleDistance. The subsidiaries of Qwest Inc. will assign to TeleDistance their assets, including customers, immediately before the stock of TD Holdings is sold by Qwest Inc. to Touch America, Inc. At the time of this stock transfer, TeleDistance will be renamed Touch America Services, Inc. (TASI).

TeleDistance proposes to provide resold and facilities-based intrastate, interexchange telecommunications services to residential and business customers in South Dakota. Such services will include retail and wholesale switched interLATA (and in certain instances intraLATA) long distance services including 1+ and toll free services, retail and wholesale calling card services, retail and wholesale private line services, frame relay/ATM/IP transmission services, prepaid calling card services and operator services. A proposed tariff was filed by TeleDistance. The Commission has classified long distance service as fully competitive.

On February 17, 2000, the Commission electronically transmitted notice of the filing and the intervention deadline of March 3, 2000, to interested individuals and entities. AT&T Communications of the Midwest, Inc. moved to intervene on March 3, 2000; intervention was granted on March 28, 2000. The intervention was withdrawn on May 4, 2000.

At its June 20, 2000, meeting, the Commission considered TeleDistance's request for a certificate of authority. 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. Representatives of Qwest appeared at the meeting. After discussion by representatives of Qwest and Commission Staff, the Commission voted to approve the certificate of authority to be effective on the date of the stock transfer of TD Holdings to

Touch America, Inc. Since at the time of the stock transfer the name of TeleDistance will be changed to TASI, the Commission shall issue the certificate of authority in the name of TASI. The Commission finds that TeleDistance has met the legal requirements established for the granting of a certificate of authority. TeleDistance 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 TeleDistance's application for a certificate of authority, subject to a continuous \$25,000 surety bond. The bond shall be reissued to reflect the name change to TASI.

The Commission acknowledges the name change from TeleDistance to TASI. The Commission approves the issuance of a certificate of authority to TASI as a successor in interest to TeleDistance, effective on the date of the stock transfer. TeleDistance shall inform the Commission of the effective date of the stock transfer.

As the Commission's final decision in this matter, it is therefore

ORDERED, that TeleDistance's application for a certificate of authority is hereby granted and shall be issued in the name of TASI to be effective on the date of the stock transfer, subject to a continuous \$25,000 surety bond reissued in the name of TASI. It is

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

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

Dated at Pierre, South Dakota, this 26th day of June, 2000.

CERTIFICATE OF SERVICE	
The undersigned hereby certifies that this document has been served today upon all parties of record in this docket, as listed on the docket service list, by first class mail, in properly addressed envelopes, with charges prepaid thereon.	
By:	<u>Melanie Kalbo</u>
Date:	<u>6/26/00</u>
(OFFICIAL SEAL)	

BY ORDER OF THE COMMISSION:

James A. Burg
JAMES A. BURG, Chairman

Pam Nelson
PAM NELSON, Commissioner

Laska Schoenfelder
LASKA SCHOENFELDER, Commissioner