

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

<b>IN THE MATTER OF THE APPLICATION OF Z- )</b>	<b>ORDER GRANTING</b>
<b>TEL COMMUNICATIONS, INC. FOR A )</b>	<b>CERTIFICATE OF</b>
<b>CERTIFICATE OF AUTHORITY TO PROVIDE )</b>	<b>AUTHORITY</b>
<b>LOCAL EXCHANGE SERVICES IN SOUTH )</b>	
<b>DAKOTA )</b>	<b>TC00-196</b>

On November 29, 2000, the Public Utilities Commission (Commission) received an application for a certificate of authority from Z-Tel Communications, Inc. (Z-Tel).

Z-Tel proposes to offer local exchange service, custom calling and CLASS features, local operator assisted services and other services basic to local exchange service. Z-Tel intends to offer its services initially in the territory now served by Qwest Corporation. A proposed tariff was filed by Z-Tel.

On November 30, 2000, the Commission electronically transmitted notice of the filing and the intervention deadline of December 15, 2000, to interested individuals and entities. No petitions to intervene or comments were filed and at its regularly scheduled March 6, 2001, meeting, the Commission considered Z-Tel's request for a certificate of authority. Commission Staff recommended granting a certificate of authority, subject to a continuous \$25,000 surety bond, and subject to rural safeguards. Commission Staff further recommended a waiver of ARSD 20:10:32:03(11).

The Commission finds that it has jurisdiction over this matter pursuant to SDCL Chapter 49-31, specifically 49-31-69 and ARSD 20:10:32:03. The Commission finds that Z-Tel has met the legal requirements established for the granting of a certificate of authority. Z-Tel has, in accordance with SDCL 49-31-71, 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 subparagraph (11) of ARSD 20:10:32:03.

The Commission approves Z-Tel's application for a certificate of authority, subject to a continuous \$25,000 surety bond, and subject to rural safeguards. The certificate of authority for Z-Tel shall authorize it to offer local exchange services in South Dakota, except in those areas served by a rural telephone company. In the future, should Z-Tel choose to provide local exchange services statewide, with respect to rural telephone companies, Z-Tel 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). It is therefore

ORDERED, that Z-Tel's application for a certificate of authority to provide local exchange services is granted, subject to a continuous \$25,000 surety bond; and it is

FURTHER ORDERED, that Z-Tel shall file informational copies of tariff changes with the Commission as the changes occur; and it is

FURTHER ORDERED, that the Commission shall authorize Z-Tel to offer its local exchange services in South Dakota, except in those areas served by a rural telephone company; and it is

FURTHER ORDERED, that the Commission finds good cause to waive subparagraph (11) of ARSD 20:10:32:03.

Dated at Pierre, South Dakota, this 9th day of March, 2001.

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 facsimile or by first class mail, in properly addressed envelopes, with charges prepaid thereon.	
By:	<u>Alvin Kelbo</u>
Date:	<u>3/13/01</u>
(OFFICIAL SEAL)	

BY ORDER OF THE COMMISSION:

James A. Burg  
JAMES A. BURG, Chairman

Pam Nelson  
PAM NELSON, Commissioner