

TC97-023

CH/TS

TC97-023

DOCKET NO.

In the Matter of IN THE MATTER OF THE
APPLICATION OF ATLAS
COMMUNICATIONS, LTD. FOR AN
AMENDED CERTIFICATE OF
AUTHORITY TO PROVIDE RESOLD
LOCAL EXCHANGE SERVICES IN
SOUTH DAKOTA

Public Utilities Commission of the State of South Dakota

DATE	MEMORANDA
3/10/97	Filed and docketed,
3/13/97	TS for filing,
3/25/97	Notice to Intervene by SDITC,
4/16/97	Order granting Intervention,
4/29/97	Letter advising of Notice to Intervene from SDITC,
6/13/98	Order granting Amended COA,
6/13/98	Docket Closed.

TC97-023

EARLY, LENNON, PETERS & CROCKER, P.C.

ATTORNEYS AT LAW
900 COMERICA BUILDING
KALAMAZOO, MICHIGAN 49007-4752
TELEPHONE (616) 381-8844
FAX (616) 349-8525

RECEIVED

MAR 10 1997

OF COUNSEL:
VINCENT T. EARLY
HON. C. H. MULLEN
THOMPSON BENNETT
SOUTH DAKOTA PUBLIC UTILITIES COMMISSION
JOSEPH J. BURGE
(1976-1992)

GEORGE H. LENNON
JOHN T. PETERS, JR.
DAVID G. CROCKER
HAROLD B. FISCHER, JR.
LAWRENCE M. BRENTON
GORDON C. MILLER

BLAKE D. CROCKER
ROBERT M. TAYLOR
CORENN V. WRIGHT
PATRICK D. CROCKER
ANDREW J. VORBRICH

March 7, 1997

Mr. Marshall Damgaard
Executive Director
South Dakota Public Utilities Commission
State Capitol
Pierre, South Dakota 57501-5070

Re: ATLAS COMMUNICATIONS, LTD

Dear Mr. Damgaard:

Enclosed for filing with the Commission please find an original and ten (10) copies of the above captioned corporation's APPLICATION FOR AUTHORITY TO PROVIDE LOCAL EXCHANGE RESALE SERVICES WITHIN THE STATE OF SOUTH DAKOTA, along with a check in the amount of \$250.00 to cover filing fees relating to same.

Also enclosed is an exact duplicate of this letter. Please date-stamp the duplicate and return same to me in the enclosed postage pre-paid, addressed envelope.

Should you have any questions concerning this filing, please contact me.

Very truly yours,

EARLY, LENNON, PETERS & CROCKER, P.C.

Patrick D. Crocker

PDC/ldt

TC97-023

BEFORE THE
PUBLIC UTILITIES COMMISSION
OF THE STATE OF SOUTH DAKOTA

RECEIVED

MAR 10 1997

SOUTH DAKOTA PUBLIC
UTILITIES COMMISSION

In the of the Application of)
)
Atlas Communications, Ltd.)
)
For a Certificate of Authority to Provide)
Resold Local Exchange Services)

Docket No.

APPLICATION FOR AUTHORITY TO PROVIDE
LOCAL EXCHANGE RESALE SERVICES

I. INTRODUCTION

Pursuant to S.D.C.L. § 49-31.3 and the Federal Telecommunications Act of 1996 ("Federal Act" or "Act"), Pub L. No. 104-104, 100 Stat. 56 (1996) Atlas Communications, Ltd. ("Applicant") respectfully seeks to amend its Certificate of Public Convenience and Necessity to permit it to provide resold local exchange services in the State of South Dakota.

The recently enacted Telecommunication Act of 1996 presents this Commission with the unique opportunity to expand upon existing pro-competitive telecommunications policies to ensure that all consumers--residential and business--will have access to high quality, low-cost, and innovative telecommunications services. The Federal Act was adopted to promote competition and reduce regulation in order to secure lower prices and higher quality telecommunications services for the American populace.

In accordance with these goals, Congress included provisions in the Federal Act designed to facilitate increased competition in all aspects of the local exchange market. Section 253 of the Act prohibits states from imposing any requirements that would constitute any barriers to entry into the local exchange market. The Federal Act also imposes several requirements on the incumbent local exchange carriers ("LECs") to assist new entrants in the market. Specifically, the Federal Act prohibits all LECs from imposing unreasonable or discriminatory conditions or

limitations on the resale of telecommunications services, 47 U.S.C. § 251(b)(1). Incumbent LECs also must enter reciprocal compensation arrangements for the origination and termination of telecommunications services, 47 U.S.C. §§ 251, 252. Finally, incumbent LECs are required to offer for resale at wholesale rates (based on retail prices minus avoided costs), any telecommunications services that the carrier provides to subscribers who are not telecommunications carriers. Id. Applicant seeks authority from the Commission to provide local exchange services as soon as these rates are available.

The Federal Act's prohibition against barriers to entry clearly contemplates that the State will not impose any requirement that are more burdensome than necessary. In light of Applicant's extensive experience in providing telecommunications services in the State and its intent to provide nonfacilities-based services only, Applicant requests that a Certificate be granted without hearing or any other formal proceeding that would delay its expansion into the local resale market.

The approval of this Application will further the purposes of the Federal Telecommunications Act of 1996 as well as S.D.C.L. § 49-31.3. Accordingly, Applicant requests that the Commission amend its Certificate of Authority to provide resold local exchange services.

In support thereof, Applicant provides the following information:

II. QUALIFICATIONS

I. Applicant's legal name is Atlas Communications, Ltd. Applicant maintains its principal place of business at:

Atlas Communications, Ltd.
482 Norristown Road
Blue Bell, PA 19422
(Tel) 610-940-9040
(Fax) 610-940-9049

2. Correspondence or communications pertaining to this application should be directed to Applicant's attorney:

Patrick D. Crocker
Early, Lennon, Peters & Crocker P.C.
900 Commercial Building
Kalamazoo, MI 49007
(Tel) 616-381-8844
(Fax) 616-349-8525

3. Questions concerning the ongoing operations of Applicant following certification should be directed to:

John Fudesco
President
482 Norristown Road
Blue Bell, PA 19422

4. Applicant is a Pennsylvania corporation. Applicant is qualified to do business in the State of South Dakota. Applicant is currently registered to provide resold long distance services within the State. See Docket No. TC 95-116. A copy of Applicant's Articles of Incorporation and Certificate of Authority to Transact Business within the State are attached hereto as Exhibit A.

5. Applicant's registered agent in South Dakota is:

Corporation Guarantee and Trust Company
117 E. Capitol
P.O. Box 66
Pierre, South Dakota 57501-0066

6. Applicant intends to provide local exchange service on a resale basis. The specific manner in which Applicant will provide local exchange service depends upon the result of negotiations with the incumbent local exchange carriers currently operating within the State.

7. Applicant is financially qualified to provide resold telecommunications services in the State. In particular, Applicant has access to the financing and capital necessary to conduct

its telecommunications operations as specified in this Application. In support of Applicant's financial ability to provide the proposed service, Applicant attaches most recent statements as Exhibit B.

8. All complaints and billing inquires should be made to Applicant's headquarters in Blue Bell, Pennsylvania. Applicant's customer service organization is available 24 hours per day, seven days per week to receive questions and billing inquires. Customers may contact a Customer Service Representative ("CSR") by calling Applicant's toll-free customer service number or by writing to Applicant. When an inquiry is received, a CSR will research the questions and obtain pertinent information about the customer's account. If needed, CSR will make adjustments to a customer's bill at the time of inquiry. In the event of a billing dispute, each CSR has the authority to make adjustments to a customer's bill up to a specified dollar amount. Any adjustments which exceed this amount are handled by a department supervisor. When an adjustment is made, the customer will see the credit on the subsequent invoice. The contact person responsible for customer complaints is John Fudesco. Mr. Fudesco may be reached directly at (610) 940-9040. Applicant's toll-free number for customer complaints and inquires is 1-800-883-8775.

9. Applicant is technically qualified to provide resold telecommunications services within the State. Applicant is authorized by registration or certification to provide resold long distance service in every state, excluding Alaska, Hawaii, New Mexico and Maine. Applicant currently provides small business customers with high quality cost effective telecommunications services. The successful provision of resold interexchange service in South Dakota and throughout the country is proof of Applicant's technical qualifications. Descriptions of Applicant's key personnel are attached hereto as Exhibit C.

III. PROPOSED SERVICES

1. Applicant proposes to provide resold local exchange service to subscribers from all points within the State of South Dakota and, therefore, seeks statewide authorization. Specifically, Applicant seeks authority to resell local exchange service in the existing service areas of US West and any other relevant carriers. Applicant intends to provide all forms of intrastate telecommunications services including: (1) Basic Residential Exchange Services (Local Exchange Falt Rate, Measured Rate Services, operator access, etc.); (2) Residential Custom and Class Features (call waiting, caller ID, call forwarding, etc.); (3) Basic Business Exchange Services; (4) Business Custom Calling and Class Features; (5) Adjunct Provided Features (voice messaging, etc.), and (6) Business and Residential Ancillary Services (911, directory listing, directory assistance, etc.)

2. The Federal Act establishes the framework for incumbent LECs to provide resellers of local exchange service with unbundled service at wholesale rates. 47 U.S.C. §§ 251, 252. These rates must be based on current retail rates minus the avoided costs as prescribed by the Federal Act until such time as commercially viable wholesale rates are available from the incumbent LECs. Applicant is unable to file a proposed tariff. As soon as such rates are available, and prior to the commencement of service, Applicant shall file a proposed tariff (containing its rates, terms and conditions of service) with the Commission for its review.

IV. CONCLUSION

The telecommunications industry is growing and changing at an impressive pace. The entry of Applicant into the local exchange resale market will enhance competition in the provision of telecommunications services within the State of South Dakota as prescribed by the South Dakota Codified Laws and the Federal Act. Applicant will bring significant benefits to South Dakota State telecommunications users. Applicant's expertise in the telecommunications sector

will permit it to select the most economic and efficient services, thereby providing customers with a better combination of price, quality, and customer service than other carries. Accordingly, Applicant anticipates its proposed service will provide subscribers with better quality services and will increase consumer chice of innovative, diversified, and reliable service offerings.

Wherefore, Atlas Communications, Ltd. requests that the South Dakota Public Utilities Commission approve the requested authority to amend its certificate of public convenience and necessity to include resold local exchange services in South Dakota.

Respectfully Submitted,

ATLAS COMMUNICATIONS, LTD.

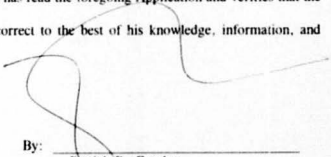
Dated: _____

By: _____

Patrick D. Crocker
EARLY, LENNON, PETERS
& CROCKER, P.C.
900 Comerica Building
Kalamazoo, MI 49007-4752
Its: Attorneys

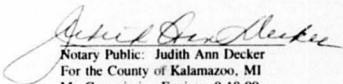
VERIFICATION

Patrick D. Crocker, Attorney for ATLAS COMMUNICATIONS, LTD., first being duly sworn on oath, deposes and says that he has read the foregoing Application and verifies that the statements made therein are true and correct to the best of his knowledge, information, and belief.

By: 

Patrick D. Crocker

The foregoing instrument was acknowledged before me this 7th day of March, 1997
by Patrick D. Crocker.


Notary Public: Judith Ann Decker
For the County of Kalamazoo, MI
My Commission Expires: 8-18-99

Seal

EXHIBIT A



COMMONWEALTH OF PENNSYLVANIA

DEPARTMENT OF STATE

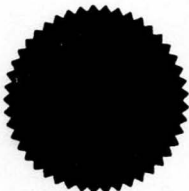
AUGUST 24, 1995

TO ALL WHOM THESE PRESENTS SHALL COME, GREETING:

ATLAS COMMUNICATIONS, LTD.

I, Yvette Kane, Secretary of the Commonwealth of Pennsylvania do hereby certify that the foregoing and annexed is a true and correct photocopy of Articles of Amendment

which appear of record in this department



IN TESTIMONY WHEREOF, I have hereunto set my hand and caused the Seal of the Secretary's Office to be affixed, the day and year above written.

A handwritten signature in cursive script, appearing to read "Yvette Kane".

Secretary of the Commonwealth

DPOS

NEXT

DOCUMENT (S)

DISREGARD

BACKGROUND

Microfilm Number _____

Filed with the Department - State on _____

Entry Number 2639165Secretary of the Commonwealth JuARTICLES OF INCORPORATION
(25CB-15-1306)(Rev. 89)

Indicate type of domestic corporation (check one):

☒ Business stock (15 Pa. C.S. § 1306)☐ Professional (15 Pa. C.S. § 2903)☐ Business nonstock (15 Pa. C.S. § 2102)☐ Management (15 Pa. C.S. § 2701)☐ Business statutory close (15 Pa. C.S. § 2304a is applicable)☐ Cooperative (15 Pa. C.S. § 7701)1. The name of the corporation is ATLAS COMMUNICATIONS, LTD.

This corporation is incorporated under the provisions of the Business Corporation Law of 1988.

2. The (a) address of this corporation's initial registered office in this Commonwealth or (b) commercial registered office, provider and the county of venue is:

(a) 287 OLD YORK RD. ELKINS PARK PA 19027 MONTGOMERY
Number and Street City State Zip County(b) N/A

Name of Commercial Registered Office Provider

County

For a corporation represented by a commercial registered office provider, the county in (b) shall be deemed the county in which the corporation is located for venue and official publication purposes.

3. The aggregate number of shares authorized is 10,000 (other provisions, if any, attach 8 1/2 x 11 sheet)

4. The name and address, including street and number, if any, of each incorporator is:

Name Address

STEVEN M. ZELITCH 287 OLD YORK RD. ELKINS PARK, PA 19027

Signature

Date

5. The specific effective date, if any, is N/A month day year, if any

6. Any additional provisions of the articles, if any, attach an 8 1/2 x 11 sheet



RECEIPT OF STATE

MAY 25 1995

Attention: Mr. _____

Filed with the Department of State on JUN 19 1995Entry Number: 2639165

Secretary of the Commonwealth

ARTICLES OF AMENDMENT-COMESTIC BUSINESS CORPORATION
(32.1-1112 (Rev. 81))

In accordance with the requirements of 15 Pa.C.S. § 1515 (relating to articles of amendment), the undersigned business corporation, desiring to amend its Articles of Incorporation, hereby certifies that:

ATLAS COMMUNICATIONS, LTD.

1. The name of the corporation is _____

2. The full address of this corporation's current registered office within the Commonwealth of its name of its registered office is _____
 (State, county and the county of venue is the Department of State's jurisdiction to effect the following amendment to the articles of incorporation of the Corporation)

On 7537 Old York Road, Elkins Park, PA 19027, Montgomery
 (Number and Street) (City) (State) (County)

(If applicable) Name of Commercial Registered Chief Officer: _____ (County)

For a corporation governed by a nonmember registered office officer, the entity is to state the address of the officer and the address of the officer's office.

3. The statute by or under which it was incorporated is Business Corporation Law of 1988

4. The date of its incorporation is May 25, 1995

5. (Check, and if appropriate complete, one of the following:

☒ The amendment shall be effective upon filing these Articles of Amendment in the Department of State.
 _____ The amendment shall be effective on _____ at _____
 (Date) (Hour)

6. (Check one of the following):

☒ The amendment was accepted by the shareholders (or members) pursuant to 15 Pa.C.S. § 1914(a) and (b).
 _____ The amendment was accepted by the board of directors pursuant to 15 Pa.C.S. § 1514(b).

7. (Check, and if appropriate complete, one of the following):

_____ The amendments adopted by the corporation, set forth in this certificate, are in full force and effect.

☒ The amendments adopted by the corporation is set forth in full in Exhibit A attached hereto and made a part hereof.

PA DEPT OF STATE

JUN 19 1995

FEB- 4-37 TUE 9:40 AM CORP GUAR TR CO

FAX NO. 2155639410

1.5

CSZB (3-9-5 #4-8) 7

9. (Check if the amendment revises the AMCIIS).

The resulting angles of inclination approximate the original angles and all where $\theta = 0$ and $\theta = \pi$ are zero.

ON THIS DAY, I HEREBY, the undersigned, declare that the above is a true and correct copy of the original document.

 Date: 11 of June 1995

ATLAS COMMUNICATIONS, LTD.

1942-1943

2- File

President

EXHIBIT A

RESOLVED, That the Articles of Incorporation of this corporation be amended by changing Article 3 thereof so that, as amended, said Article 3 shall be and read as follows:

3. The aggregate number of shares authorized is Ten Thousand (10,000). The authorized shares shall be divided into One Thousand (1,000) shares of Class A common stock, no par value, and Nine Thousand (9,000) shares of Class B common stock, no par value. Class A common stock and Class B common stock shall have identical rights and powers, except that Class B common stock shall have no voting rights on any matter whatsoever, including the election of directors.

4593 1186

JUN 30 1995

JACQUES NATHAN

Filed with the Department of State on

Entry Number: 2629145

Secretary of the Commonwealth

STATEMENT OF CHANGE OF REGISTERED OFFICE

DSCB-15-1301-144307-1144307 (Rev. 88)

Indicate type of entity (check one):

☒ Domestic Business Corporation (15 Pa.C.S. § 1507)☐ Foreign Nonprofit Corporation (15 Pa.C.S. § 6144)☐ Foreign Business Corporation (15 Pa.C.S. § 4144)☐ Domestic Limited Partnership (15 Pa.C.S. § 6506)☐ Domestic Nonprofit Corporation (15 Pa.C.S. § 5507)

In compliance with the requirements of the applicable provisions of 15 Pa.C.S. (relating to corporations and unincorporated associations) the undersigned corporation or limited partnership, desiring to effect a change of registered office, hereby states that:

1. The name of the corporation or limited partnership is: ATLAS COMMUNICATIONS, LTD.

2. The (a) address of this corporation's or limited partnership's current registered office in this Commonwealth or (b) name of its commercial registered office provider and the county of venue is: (the Department is hereby authorized to correct the following information to conform to the records of the Department):

(a) 7837 Old York Road Elkins Park PA 19027 Montgomery

Number and Street City State Zip County

(b) G/O: _____
Name of Commercial Registered Office Provider County

For a corporation or a limited partnership represented by a commercial registered office provider, the county in (b) shall be deemed the county in which the corporation or limited partnership is located for venue and official publication purposes.

3. (Complete part (a) or (b)):

(a) The address to which the registered office of the corporation or limited partnership in the Commonwealth is to be changed is:

482 N. Westtown Road, Suite 200 Blue Bell PA 19422 Montgomery

Number and Street City State Zip County

(b) The registered office of the corporation or limited partnership shall be provided by:

G/O: _____
Name of Commercial Registered Office Provider County

For a corporation or a limited partnership represented by a commercial registered office provider, the county in (b) shall be deemed the county in which the corporation or limited partnership is located for venue and official publication purposes.

HADEP STATE

JUN 30 1995

FEB- 4-97 TUE 9:42 AM CORP GUAR TR CO

FAX NO. 2155639410

P. 8

DECB 15 1974 15550261449506 (Rev 95-2)

4. (Strike out if a limited partnership) Such change was authorized by the Board of Directors of the corporation.

IN TESTIMONY WHEREOF, the undersigned corporation or limited partnership has caused this statement to be signed by a duly authorized officer this 22 day of June, 1995.

ATLAS COMMUNICATIONS, LTD.

a corporation/limited partnership

BY 

(Signature)

TITLE: PRESIDENT

EXHIBIT B

Sent by: EARLY LENNON PETERS CROCKER

6163498525

09/16/96 11:52AM Jettfax #789; Page 3/13

Received: 9/13/96 4:23PM

610 840 8048 -> EARLY LENNON PETERS CROCKER; Page 2

SEP 13 1996 04:22PM ATLAS COMMUNICATIONS

P 2/12

Two Commerce Square

Suite 2200

2200 Market Street

Philadelphia, PA 19103-7090

215 561-4200

FAX 215 561-0265

Grant Thornton

GRANT THORNTON LLP ACCOUNTANTS AND
MANAGEMENT CONSULTANTS
The U.S. Member Firm of
Grant Thornton International

Report of Independent Certified Public Accountants

Board of Directors
Atlas Communications, Ltd.

We have audited the accompanying balance sheet of Atlas Communications, Ltd. as of December 31, 1995, and the related statements of operations and accumulated deficit, and cash flows for the period from May 25, 1995 (inception) through December 31, 1995. These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with generally accepted auditing standards. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Atlas Communications, Ltd. as of December 31, 1995, and the results of its operations and its cash flows for the period from May 25, 1995 (inception) through December 31, 1995 in conformity with generally accepted accounting principles.

Grant Thornton LLP

Philadelphia, Pennsylvania
June 11, 1996

Atlas Communications, Ltd.

BALANCE SHEET

December 31, 1995

ASSETS

CURRENT ASSETS

Cash	\$ 160,295
Accounts receivable, less allowance of \$19,951	510,935
Fee receivable - related party	86,400
Notes receivable	79,065
Prepaid expenses and other assets	<u>100</u>
Total current assets	936,795

FIXED ASSETS - AT COST, net of accumulated depreciation and
amortization of \$ 7,323

157,088

OTHER ASSETS

Deposits	<u>1,552</u>
	\$ 1,095,436

LIABILITIES AND STOCKHOLDER'S DEFICIENCY

CURRENT LIABILITIES

Notes payable - related parties	\$ 735,252
Accounts payable	
Carrier - related party	445,172
Agents	108,954
Sales and excise taxes	9,281
Accrued payroll and related taxes	146,883
Accrued interest	20,131
Other accrued liabilities	<u>105,808</u>
Total current liabilities	1,571,481

STOCKHOLDER'S DEFICIENCY

Common stock, no par value, 10,000 shares authorized, 1,000 shares issued and outstanding	10,000
Additional paid-in capital	<u>(486,045)</u>
Accumulated deficit	<u>(476,045)</u>
	\$ 1,095,436

The accompanying notes are an integral part of this statement.

Sent by: EARLY LENNON PETERS CROCKER

6163498525;

09/16/96 11:53AM; Jorfax #789; Page 5/13

Received: 07/13/96 4:23PM;

B10 B40 B048 -> EARLY LENNON PETERS CROCKER; PAGE 4

SEP 13 1996 24:22PM ATLAS COMMUNICATIONS

P.4-12

Atlas Communications, Ltd.

STATEMENT OF OPERATIONS AND ACCUMULATED DEFICIT

Period from May 25, 1995 (inception) through December 31, 1995

Revenues	<u>\$ 866,568</u>
Cost of revenue	
Billing service	13,762
Carrier costs - related party	479,126
Commissions	113,723
Other	<u>561</u>
	<u>607,172</u>
Gross profit	<u>259,396</u>
Operating expenses	
Salaries and wages	322,865
Employee benefits and payroll taxes	52,416
Professional fees	99,750
Rent	55,953
Equipment rental	4,295
Telephone and utilities	18,277
Insurance	1,880
Interest	20,131
Corporate registration	22,031
Office supplies and expense	23,020
Travel and entertainment	68,864
Conferences and seminars	5,794
Customer service	32,012
Advertising	9,080
Postage and delivery	3,704
Temporary employees	3,534
Bad debts	19,951
Depreciation and amortization	7,323
Miscellaneous	<u>6,070</u>
Total operating expenses	<u>776,958</u>
Loss from operations before other income	(517,554)
Other income	<u>31,506</u>
NET LOSS	(486,045)
Retained earnings at beginning of period	-
Accumulated deficit at end of period	<u>\$ (486,045)</u>

The accompanying notes are an integral part of this statement.

Atlas Communications, Ltd.

STATEMENT OF CASH FLOWS

Period from May 25, 1995 (inception) through December 31, 1995

Cash flows from operating activities	
Net loss	\$ (486,045)
Adjustments to reconcile net loss to net cash used in operating activities	
Depreciation and amortization	7,323
Provision for bad debts	19,951
Increase in assets	
Accounts receivable	(630,886)
For receivable - related party	(86,400)
Prepaid expenses and other assets	(100)
Deposits	(1,553)
Increase in liabilities	
Accounts payable	563,407
Accrued payroll and related taxes	146,883
Accrued interest	20,131
Other accrued liabilities	<u>105,808</u>
Net cash used in operating activities	<u>(241,481)</u>
Cash flows from investing activities	
Purchases of furniture and equipment	(164,411)
Notes receivable - related parties	<u>(79,064)</u>
Net cash used in investing activities	<u>(243,475)</u>
Cash flows from financing activities	
Proceeds from notes payable	748,341
Repayment of notes payable	(13,089)
Contribution of capital	<u>10,000</u>
Net cash provided by financing activities	<u>745,252</u>
NET INCREASE IN CASH	160,295
Cash at beginning of period	<u>-</u>
Cash at end of period	<u>\$ 160,295</u>

The accompanying notes are an integral part of this statement.

Atlas Communications, Ltd.

NOTES TO FINANCIAL STATEMENTS

December 31, 1995

NOTE A - NATURE OF ACTIVITY

Atlas Communications, Ltd. (the Company) is a wholly-owned subsidiary of Com-Partners, Ltd. The Company is a provider of long-distance services to small and medium-sized commercial and residential customers located throughout the United States. The Company provides these services primarily through contract tariffs with a national carrier which are licensed by an affiliated organization. The Company markets these services nationally through an established network of independent long-distance and marketing companies known as agents.

NOTE B - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

1. Recognition of Revenues

The Company recognizes revenues upon completion of telephone calls by end users. Allowances are provided for estimated uncollectible usage.

2. Estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements. Estimates also affect the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

3. Furniture and Equipment and Leasehold Improvements

Furniture and equipment are recorded at cost. Major renewals and betterments are capitalized, and ordinary maintenance and repairs, which do not extend the life of the respective assets, are expensed currently. Upon sale or retirement, the costs of the asset and the related accumulated depreciation are removed from the accounts and the resulting gain or loss, if any, is included in income.

Depreciation is provided on accelerated methods over the estimated useful lives of the various assets as follows:

Furniture and equipment	5-7 years
Leasehold improvements	7 years
Software	3 years

4. Income Taxes

On May 25, 1995, the Company was incorporated as a Subchapter "S" Corporation for federal income tax purposes. On September 15, 1995, the Company underwent a reorganization in which all the outstanding common stock was transferred to a sole shareholder, Com-Partners, Ltd., and the Company became a C corporation. Accordingly, federal income taxes on net earnings prior to September 15, 1995 are payable personally by the former shareholders of the Company.

Atlas Communications, Ltd.

NOTES TO FINANCIAL STATEMENTS - CONTINUED

December 31, 1995

NOTE C - CONCENTRATION OF CREDIT RISK

The Company maintains its cash balances in one financial institution. These balances are insured by the Federal Deposit Insurance Corporation up to \$100,000. At December 31, 1995, the uninsured balances approximated \$86,000.

NOTE D - NOTES RECEIVABLE

Notes receivable consist of the following:

Note receivable from an employee, which bears interest at 10% and is due on demand	\$ 30,000
Note receivable from an employee, which bears interest at 6% and is due on demand	16,667
Note receivable from a director, which bears interest at 6% and is due on demand	8,333
Note receivable from an agent, which bears interest at 12% and is due on demand	20,703
Interest receivable	<u>3,362</u>
	<u>\$ 79,065</u>

NOTE E - FIXED ASSETS

Fixed assets consist of the following:

Furniture and equipment	\$ 112,093
Leasehold improvements	16,846
Software	21,517
Artwork	<u>13,952</u>
	164,411
Less accumulated depreciation and amortization	<u>7,322</u>
	<u>\$ 157,089</u>

Atlas Communications, Ltd.

NOTES TO FINANCIAL STATEMENTS - CONTINUED

December 31, 1995

NOTE F - NOTES PAYABLE - RELATED PARTIES

Notes payable - related parties consist of the following:

Note payable to parent, which bears interest at 9% and is due on demand	\$ 100,000
Note payable to an affiliate, which bears interest at 9% and is due on demand	<u>635,252</u>
	\$ <u>735,252</u>

NOTE G - DEFERRED TAXES

Deferred tax assets and liabilities consist of the following:

Deferred tax assets	
Allowance for doubtful accounts	\$ 7,781
Start-up costs (net of amortization)	112,291
Deferred compensation	56,550
Net operating loss	<u>8,194</u>
	184,816
Net deferred tax asset:	<u>184,816</u>
Less valuation allowance	<u>184,816</u>
	\$ <u>-</u>

NOTE H - RELATED PARTY TRANSACTIONS

An affiliate of the Company has contract tariffs with a national carrier to provide long-distance services. The affiliate has granted the Company exclusive marketing rights to these tariffs in exchange for a 5% fee on the charges incurred under a national carrier contract. The contract contains minimum commitment levels, and the affiliate is assessed a surcharge for not meeting these commitments. Under the marketing agreement, the Company must reimburse the affiliate for any surcharges incurred. No surcharges were incurred in 1995.

Under the marketing agreement, the Company will be reimbursed by the affiliate for direct costs related to marketing the long-distance services. In 1995 these costs amounted to \$36,400.

NOTE I - COMMITMENTS

The Company leases office space and office equipment under operating leases with terms expiring in 1998. The lease for the office space contains two renewal options for two years each and annual rent increases based on increases in the Consumer Price Index.

(Continued)

Sent by: EARLY LENNON PETERS CROCKER

6163498525;

09/16/96 11:55AM; Jetfax #789; Page 10/13

Received: 9/13/96 4:25PM;

810 840 8048 -> EARLY LENNON PETERS CROCKER: Page 9

SEP 13 '96 04:24PM ATLAS COMMUNICATIONS

P. 9/12

Atlas Communications, Ltd.

NOTES TO FINANCIAL STATEMENTS - CONTINUED

December 31, 1995

NOTE I - COMMITMENTS - Continued

The following is a schedule by years of minimum rental payments under operating leases with a remaining term of one year or more.

Year Ending December 31,

1996	\$ 89,520
1997	89,520
1998	<u>37,300</u>
	\$ <u>216,340</u>

**ATLAS COMMUNICATIONS, LTD
BALANCE SHEET
(UNAUDITED)**

aprx

ASSETS**CURRENT ASSETS**

**AT
April 30, 1996**

Cash	378,547
Accounts Receivable, less allowance of \$114,805	4,048,401
Fee Receivable	86,400
Notes Receivable	162,044
Assigned Claim Receivable	38,800
Prepaid expenses and other assets	2,323
Total Current Assets	<u>4,716,015</u>

Fixed Assets - At Cost, net of accumulated depreciation and amortization of \$36,136	190,273
--	---------

Other Assets - Deposits	<u>6,553</u>
-------------------------	--------------

Total Assets	<u>4,913,441</u>
--------------	-------------------------

LIABILITIES AND STOCKHOLDERS EQUITY**CURRENT LIABILITIES**

Note payable, Related parties	748,394
Other Loans Payable	278,717
Accounts payable	
Carrier	3,859,964
Agents	114,877
Sales and excise taxes	108,286
Accrued Payroll and related taxes	299,284
Deferred Agent Revenue	193,787
Accrued interest	48,069
Other accrued liabilities	77,575
Total Current Liabilities	<u>5,728,013</u>

STOCKHOLDER'S EQUITY

Common stock, no par 10,000 shares authorized, 1,000 shares issued and outstanding	0
Additional paid-in capital	10,000
Accumulated deficit	<u>(824,572)</u>
Total Stockholder's Equity	<u>(814,572)</u>

Total Liabilities and Stockholder's Equity	<u>4,913,441</u>
--	-------------------------

ATLAS COMMUNICATIONS LTD
STATEMENT OF OPERATIONS AND ACCUMULATED DEFICIT
(UNAUDITED)

	<u>For The Month of April 1996</u>	<u>Four Months Ending April 30, 1996</u>
Revenues		
AO1	6,133.00	11,520.00
AO2	7,375.00	20,937.00
AO3	2,946.00	7,436.00
AO4	927.00	1,517.00
AO5	2,872.00	6,301.00
AO6	1,814.00	3,441.00
AT0	-	2,708.00
AT1	258,207.00	684,066.00
AT7	104,698.00	441,088.00
AT8	14,181.00	1,378,970.00
AT9	187,693.00	506,781.00
CBE	46,128.00	169,126.00
ITS	291,783.00	336,611.00
LDM	328,422.00	335,432.00
GAN	328,931.00	993,271.00
Bilable	1,836.00	30,014.00
Error	(4,148.00)	81,417.00
Subtotal	1,586,888.00	6,013,548.00
Recurring Charge Revenue	22,334.00	93,119.00
Feature Charge Revenue	5,176.00	19,298.00
All Other Revenue	40,438.44	59,136.00
Total Revenue	1,554,836.44	5,185,070.00
Cost of Revenue		
Billing Service	32,801.00	361,464.00
Carrier Costs	1,251,118.00	4,154,498.00
Commissions	31,563.00	81,088.00
Other		
Total Cost of Revenue	<u>1,315,483.00</u>	<u>4,597,050.00</u>
Gross Profit	339,353.44	588,020.00

ATLAS COMMUNICATIONS, LTD
STATEMENT OF OPERATIONS AND ACCUMULATED DEFICIT
(UNAUDITED)

Operating Expenses

Salaries & Wages	101,073.00	418,917.00
Employee Benefits and Payroll Taxes	10,511.00	41,822.00
Professional Fees	68,687.00	83,553.00
Rent	8,313.00	32,444.00
Equipment Rental	770.00	3,751.00
Telephone and Utilities	7,600.00	27,540.00
Interest	11,108.00	35,977.00
Corporate Registration & Legal	5,355.00	43,813.00
Office Supplies and Expense	1,014.00	5,228.00
Travel and Entertainment	6,553.00	28,221.00
Conferences and Seminars	1,200.00	3,928.00
Customer Service	-	23,518.00
Advertising	885.00	43,240.00
Postage and Delivery	917.00	3,888.00
Temporary Employees	110.00	13,958.00
Bad Debts	23,027.00	94,858.00
Depreciation and Amortization	7,418.86	28,811.88
Miscellaneous	352.00	1,504.00

Total Operating Expenses

242,303.96

936,718.68**Gain/(Loss) from operations before other income** 96,749.49 (348,888.68)**Other Income** 2,372.00 10,162.00**Net Gain/(Loss)**

99,121.49

(338,626.68)**Accumulated Deficit, Beginning of Period** (480,045.01)**Accumulated Deficit, End of Period**

(624,671.88)

EXHIBIT C

ATLAS COMMUNICATIONS, LTD
482 NORRISTOWN ROAD, SUITE 200
BLUE BELL, PA. 19422

FEIN # 23-2510094

STATE OF INCORPORATION = PENNSYLVANIA
DATE OF INCORPORATION = 6/25/95

OFFICERS

NAME	TITLE	ADDRESS, CITY, STATE, ZIP CODE
Mark W. Kelly	CEO	482 Norristown Road Suite 200 Blue Bell, Pa. 19422
Neal Nodvin	COO	482 Norristown Road Suite 200 Blue Bell, Pa. 19422
John C. Fudesco	President	482 Norristown Road Suite 200 Blue Bell, Pa. 19422
Colleen Kasperek	Secretary	482 Norristown Road Suite 200 Blue Bell, Pa. 19422

ATLAS COMMUNICATIONS

CORPORATE OFFICERS, AS OF 12/26/96

Mark W. Kelly, CEO

Mark combines extensive executive and board level experience with direct operational and management experience in marketing, sales and sales management, strategic planning, corporate finance, product development and administration in the telecommunications, biotechnology, environmental technologies, media and advertising industries. In addition to serving on the boards of eight companies, he has designed debt and equity-based private placements and limited partnerships, equipment leasing packages and technology licensing agreements. He also designs and executes strategic, market development, marketing and new product launch plans. Mr. Kelly holds a Bachelor of Science degree in Business Administration, with a major in management, from Central Connecticut State University.

Neal L. Nodvin, COO

With over 21 years of business experience as a hands-on manager in start-up and growth oriented companies, Neal has been highly successful in creating, managing and operating both tangible products and intangible service companies. Nodvin has earned his status in the business community with a respectable foundation of over 18 years experience in mortgage, commercial, and investment banking, as well as a vast knowledge of the dynamic telecommunications industry. He has been the founder and/or cofounder of four privately-held companies and the creator and/or manager of five new business ventures for First Union National Bank.

John C. Fudesco, President

John C. Fudesco is a member of the Bar, by examination, in the states of California, New York, Florida, and the District of Columbia. He served as an Attorney-advisor to the Commissioners of the Interstate Commerce Commission, and practiced law in Washington, DC for fifteen years with the firms of Buchanan Ingersoll and as a partner in Fehrenbacher, Sale, Fudesco and Quinn. Prior to joining Atlas in September of 1995, Mr. Fudesco was with value-added Communications where he served as Senior Vice President and General Counsel.

EARLY, LENNON, PETERS
& CROCKER, P.C.
ATTORNEYS AT LAW
900 COMERICA BLDG
KALAMAZOO, MI 49007 4752

19319

3/7/97

9-9/720
522

PAY TO THE ORDER OF *South Dakota Public Utilities Commission*

\$ *250.00*

Two Hundred Fifty + 00/100

DOLLARS

COMERICA

Comerica Bank
Kalamazoo, Michigan

FOR

⑆019319⑆ ⑆072000096⑆ 1840391625⑆

NA	WorldCom, Inc. filed to renew its Bottom Line Business promotion for new customers with an expiration date of June 30, 1997.	03/10/97	NA
NA	AT&T filed to offer incremental usage credits to new and existing SDN, SCS and VTNS customers. The promotions are effective March 13, 1997.	03/12/97	NA
NA	Excel Communications, Inc. filed to increase the rates for the Evening and Night/Weekend Time-of-Day rate periods for the following service offerings: Excel Plus, Excel Plus II and Premier Plus II. In addition, minor textual changes may have been included. The revisions are effective March 13, 1997.	03/12/97	NA
NA	Leard Cost Routing, Inc. filed to amend its rates. The revisions are effective March 14, 1997.	03/13/97	NA
NA	MCI Telecommunications Corporation filed to introduce Option AE (Advanced Option II for Small Business) and Option AF (homeMCI One). The revisions are effective March 23, 1997.	03/13/97	NA
NA	Cable & Wireless, Inc. filed to introduce Personal Office and Promotional Offering service, to increase rates for Travel WATS service associated with Focus and Excel products, intrastate Calling Card rates on the integrated products associated with Venture, VNS, Simplicity, and BFI Operator Handled and Toll-free Meet Me calls. CWI incorporates Time Periods for Operator Services and makes other minor revisions. The revisions are effective March 14, 1997.	02/27/97	NA

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.Nelson@state.sd.us. Faxing the address to the Commission at 605-773-3829.

PAGE 2 OF 2

South Dakota Public Utilities Commission State Capitol 500 E. Capitol Pierre, SD 57501-5070 Phone: (605) 332-1782 Fax: (605) 773-3829		TELECOMMUNICATIONS SERVICE FILINGS These are the telecommunications service filings that the Commission has received for the period of: 03/07/97 through 03/13/97 If you need a complete copy of a filing faxed, overnight expressed, or mailed to you, please contact Delane Kolbo within five days of this filing.	
DOCKET NUMBER	TITLE/STAFF/SYNOPSIS	DATE FILED	INTERVENTION DEADLINE
REQUEST FOR CERTIFICATION OF AUTHORITY			
TC97-022	Application by MCImetro Access Transmission Services, Inc. for a Certificate of Authority to operate as a telecommunications company within the state of South Dakota. (Staff: TS/KC) Applicant will provide a full-range of telecommunications services, including, but not limited to, resale, various intrastate private line services and switched services, local exchange and intraLATA toll services. Initially, MCImetro plans to provide services by reselling local telecommunications exchange services offered by the incumbent local exchange carrier. MCImetro plans to interconnect its network with U S WEST and other local exchange carriers in order to bring the widest range of services to consumers in South Dakota.	03/07/97	03/28/97
TC97-023	Application by Atlas Communications, Ltd. to amend its Certificate of Authority to provide local exchange services within the state of South Dakota. (Staff: TS/CH) Applicant intends to provide local exchange service on a resale basis. The specific manner in which Applicant will provide local exchange service depends upon the result of negotiations with the incumbent local exchange carriers currently operating within the State. Applicant seeks authority to resell local exchange service in the existing service areas of U S WEST and any other relevant carriers.	03/10/97	03/28/97
TC97-024	Application by U S Republic Communications, Inc. for a Certificate of Authority to operate as a telecommunications company within the state of South Dakota. (Staff: TS/KC) Applicant seeks authority to provide resold long distance telecommunications services in South Dakota. Initially, Applicant's operator services will be provided through the utilization of AT&T's existing operator services.	03/10/97	03/28/97
TC97-025	Application by Cypress Telecommunications Corporation for a Certificate of Authority to operate as a telecommunications company within the state of South Dakota. (Staff: TS/CH) Applicant seeks authority to operate as a reseller of interexchange telecommunications services, including operator-assisted services within South Dakota.	03/12/97	03/28/97
TC97-026	Application by East Plains Telecom, Inc. (East Plains) for a Certificate of Authority to operate as a telecommunications company within the state of South Dakota. (DJ/KC) East Plains will provide local exchange telephone service within the exchange boundaries of the Alcester and Hudson exchanges. On May 2, 1996, the Commission approved the sale of the Alcester exchange from U S WEST Communications to East Plains. On October 24, 1996, the Commission approved the sale of the Hudson exchange from U S WEST Communications to East Plains.	03/13/97	03/28/97
FULLY COMPETITIVE TELECOMMUNICATIONS FILINGS			

PAGE 1 OF 2

SDITC

South Dakota Independent
Telephone Coalition, Inc.

Richard D. Coit
Executive Director

Bette Dozier
Administrative Assistant

March 24, 1997

RECEIVED

MAR 25 1997

Mr. William Bullard Jr.
Executive Director
South Dakota Public Utilities Commission
500 East Capitol Avenue
Pierre, SD 57501

**SOUTH DAKOTA PUBLIC
UTILITIES COMMISSION**

RE: Docket TC97-023 (In the Matter of the Application of Atlas Communications, LTD. for a
Certificate of Authority to Provide Resold Local Exchange Services)

Dear Bill:

Enclosed is the original and 10 copies of SDITC's Petition to Intervene in the above referenced
docket

Thank you for your assistance in this matter

Sincerely,



Richard D. Coit
Executive Director and General Counsel

RDC/bd

Enclosures

cc: Patrick D Crocker, Attorney
Atlas Communications, LTD.



RECEIVED

MAR 25 1997

SOUTH DAKOTA PUBLIC
UTILITIES COMMISSION

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

IN THE MATTER OF THE APPLICATION OF)
ATLAS COMMUNICATIONS, LTD. FOR A) DOCKET TC97- 023
CERTIFICATE OF AUTHORITY TO PROVIDE)
RESOLD LOCAL EXCHANGE SERVICES)

Petition to Intervene

The South Dakota Independent Telephone Coalition ("SDITC") hereby petitions the Commission for intervention in the above captioned proceeding pursuant to SDCL 1-26-17.1 and ARSD §§ 20.10.01.15.02, 20.10.01.15.03 and 20.10.01.15.05. In support hereof, SDITC states as follows:

1. SDITC is an incorporated organization representing the interests of numerous cooperative, independent and municipal telephone companies operating throughout the State of South Dakota.

2. As expressly noted in the Bylaws of SDITC, duly adopted by the Coalition, "one of the primary purposes for the formation and existence of the South Dakota Independent Telephone Coalition is representation by the Coalition before the South Dakota Public Utilities Commission." The member companies of SDITC have delegated to the SDITC Board of Directors and its President the authority to intervene on their behalf in PUC proceedings which will or might potentially impact their common interests.

3. The application for certification filed by Atlas Communications, Ltd. ("Atlas") indicates that the company is seeking statewide authority to provide resold local exchange services. It proposes to provide such services "to subscribers from all points within the State of South Dakota."

4. SDITC member companies operate as "incumbent LECs" and "rural telephone companies" throughout South Dakota and, as such, the companies will be impacted by and have a

pecuniary interest in this docket. To the extent Atlas seeks local service authority in rural telephone company service areas or the Commission in this proceeding addresses issues relating to how Atlas will be regulated or what types of service obligations may be imposed on the company, SDITC member company interests will be affected.

5. SDITC member companies are especially concerned that any action taken in this docket be consistent with and not hinder or otherwise affect the Commission's ability under the new Federal Telecommunications Act to appropriately condition competitive entry into "service areas" operated by rural telephone companies (See Section 251(f)(1), 253(b) and 253(f), Telecommunications Act of 1996). The Commission, in other pending applications for certification to provide local exchange telecommunications services, has issued procedural orders which preserve its authority to review rural safeguard issues in later proceedings prior to the time that competing providers actually begin to offer or provide their services in any exchange areas served by Rural Telephone Companies. It is SDITC's position that the same Commission action should be taken in this proceeding.

6. Based on the foregoing, SDITC in its authorized representative capacity is an interested party to this proceeding and seeks intervention herein.

SDITC respectfully requests permission to intervene on behalf of its member companies and an opportunity to be heard in this matter.

Dated this 24 day of March, 1997.

THE SOUTH DAKOTA INDEPENDENT
TELEPHONE COALITION

By 
Richard D. Coit
Executive Director & General Counsel

CERTIFICATE OF SERVICE

I hereby certify that an original and ten copies of SDITC's Petition to Intervene was delivered via US Postal Service on the 24th day of March, 1997, to the following person:

William Bullard Jr.
Executive Director
South Dakota Public Utilities Commission
State of South Dakota
500 East Capitol Avenue
Pierre, SD 57501

and a true and correct copy was delivered via the US Postal Service addressed to the following person:

Patrick D. Crocker
Early, Lennon, Peters & Crocker P.C.
900 Commercial Building
Kalamazoo, MI 49007


Bette Dozier
Administrative Assistant
SDITC
207 East Capitol, Suite 206
Pierre, SD 57501

BEFORE THE PUBLIC UTILITIES COMMISSION
OF THE STATE OF SOUTH DAKOTA

IN THE MATTER OF THE APPLICATION OF)	ORDER GRANTING
ATLAS COMMUNICATIONS, LTD. FOR AN)	INTERVENTION
AMENDED CERTIFICATE OF AUTHORITY TO)	
PROVIDE RESOLD LOCAL EXCHANGE)	TC97-023
SERVICES IN SOUTH DAKOTA)	

On March 10, 1997, the Public Utilities Commission (Commission) received an application by Atlas Communications, Ltd. (Atlas) to amend its Certificate of Authority to provide local exchange services within the state of South Dakota. Atlas intends to provide local exchange service on a resale basis. The specific manner in which it will provide local exchange service depends upon the result of negotiations with the incumbent local exchange carriers currently operating within the state. Atlas seeks authority to resell local exchange service in the existing service areas of U S WEST and any other relevant carriers.

The Commission has jurisdiction in this matter pursuant to SDCL Chapters 1-26, 49-13 and 49-31.

On March 25, 1997, the Commission received a Petition to Intervene by the South Dakota Independent Telephone Coalition, Inc. (SDITC).

At its regularly scheduled April 1, 1997, meeting, the Commission found that the Petition to Intervene was timely filed and demonstrated good cause to grant intervention. It is therefore

ORDERED that the Petition to Intervene by SDITC be granted.

Dated at Pierre, South Dakota, this 10th day of April, 1997.

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

Date

(OFFICIAL SEAL)

BY ORDER OF THE COMMISSION:

James A. Burg
JAMES A. BURG, Chairman

Pam Nelson
PAM NELSON, Commissioner

Laska Schoenfelder
LASKA SCHOENFELDER, Commissioner

SDITC

South Dakota Independent
Telephone Coalition, Inc.

Richard D. Coit
Executive Director

May 29, 1997

Bette Dozier
Administrative Assistant

Mr. Bill Bullard
Executive Director
South Dakota Public Utilities Commission
State Capitol Building
Pierre, SD 57501

FAX Received MAY 29 1997

RECEIVED

MAY 30 1997

SOUTH DAKOTA PUBLIC
UTILITIES COMMISSION

RE: Petitions to Intervene in Dockets TC97-022 and TC97-023
(Applications for local service authority filed by MCIMetro and Atlas
Communications)

Dear Bill:

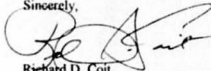
Please accept this letter as notice that SDITC is withdrawing its Petitions to Intervene filed in the above referenced dockets. The Petitions were filed by SDITC merely to offer comment, if necessary, to ensure that Commission orders issued on the pending local service applications are consistent with how the Commission has addressed previous similar certifications - specifically, that language be included in the orders preserving rural safeguards provided for under the Federal Telecommunications Act.

Our withdrawal is based on discussions I've had with Tammy Stangohr of Staff who has indicated that Staff recommendations on the applications for certification will be consistent with the Commission's previous local service orders and will request inclusion of the necessary rural safeguard language. Accordingly, I am satisfied that our concerns will be properly addressed and I wish to withdraw the SDITC intervention requests.

A copy of this letter has been faxed this afternoon and mailed to counsel for the applicant companies.

If there are questions or anything further needs to be done, please advise.

Sincerely,



Richard D. Coit
Executive Director and General Counsel

cc: David A. Gerdes
Patrick D. Crocker

RDC/ms



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

IN THE MATTER OF THE APPLICATION OF) ATLAS COMMUNICATIONS, LTD. FOR AN) AMENDED CERTIFICATE OF AUTHORITY TO) PROVIDE TELECOMMUNICATIONS) SERVICES, INCLUDING LOCAL EXCHANGE) SERVICES, IN SOUTH DAKOTA)	ORDER GRANTING AMENDED CERTIFICATE OF AUTHORITY TC97-023
--	---

On March 10, 1997, the Public Utilities Commission (Commission), in accordance with SDCL 49-31-3 and ARSD 20 10 24 02, received an application for an amended certificate of authority from Atlas Communications, Ltd. (Atlas).

Atlas intends to provide local exchange service on a resale basis

On March 13, 1997, the Commission electronically transmitted notice of the filing and the intervention deadline of March 28, 1997, to interested individuals and entities. On March 25, 1997, the Commission received a Petition to Intervene from South Dakota Independent Telephone Coalition (SDITC). SDITC was granted intervention by order dated April 10, 1997. On May 29, 1997, the Commission received a letter from SDITC withdrawing their Petition to Intervene. At its regularly scheduled January 8, 1998, meeting, the Commission considered Atlas' request for an amended certificate of authority. Commission Staff recommended granting an amended certificate of authority, subject to rural safeguards, and subject to the condition that Atlas not offer a prepaid calling card or require deposits or advance payments without prior approval of the Commission. Commission Staff further recommended a waiver of 20 10 24 02(8) and (12).

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 Atlas has met the legal requirements established for the granting of an amended certificate of authority. Atlas has, in accordance with SDCL 49-31-1, 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 subparagraphs (8) and (12) of ARSD 20 10 24 02.

The Commission approves Atlas' application for an amended certificate of authority, subject to rural safeguards, and subject to the condition that Atlas not offer a prepaid calling card or require deposits or advance payments without prior approval of the Commission. The amended certificate of authority for Atlas 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 Atlas choose to provide local exchange services statewide, with respect to rural telephone companies, Atlas 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 Atlas' application for an amended certificate of authority to provide telecommunications services, including local exchange services, is granted, subject to the condition that Atlas not offer a prepaid calling card or require deposits or advance payments without prior approval of the Commission; and it is

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

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

FURTHER ORDERED, that the Commission finds good cause to waive subparagraphs (8) and (12) of ARSD 20.10.24.02.

Dated at Pierre, South Dakota, this 13th day of January, 1998.

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>Melanie Kallio</u>
Date	<u>1/12/98</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

NEXT

DOCUMENT (S)

DISREGARD

BACKGROUND

SOUTH DAKOTA PUBLIC UTILITIES COMMISSION

AMENDED CERTIFICATE OF AUTHORITY

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

Authority was Granted January 8, 1998
Docket No TC97-023

This is to certify that

ATLAS COMMUNICATIONS, LTD.

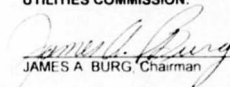
is authorized to provide telecommunications services in South Dakota.

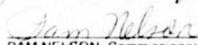
This certificate is issued in accordance with SDCL 49-31-3 and ARSD 20 10 24 02, and is subject to all of the conditions and limitations contained in the rules and statutes governing its conduct of offering telecommunications services.

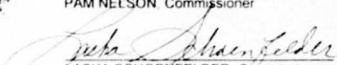
Dated at Pierre, South Dakota, this 13th day of January, 1998.

**SOUTH DAKOTA PUBLIC
UTILITIES COMMISSION:**




JAMES A. BURG, Chairman


PAM NELSON, Commissioner


LASKA SCHOENFELDER, Commissioner