

TC98-182

TC98-182

DOCKET NO.

In the Matter of **IN THE MATTER OF THE
APPLICATION OF MEGSINET-CLEC,
INC. FOR A CERTIFICATE OF
AUTHORITY TO PROVIDE
TELECOMMUNICATIONS SERVICES IN
SOUTH DAKOTA**

Public Utilities Commission of the State of South Dakota

DATE

MEMORANDA

10/14/98 Filed andocketed;
10/15/98 Weekly Filing;
10/26/98 Revised Tariff Pages;
11/9/98 Order Granting COA;
11/9/98 Docket Closed



210 N. Park Ave
Winter Park, FL
32789

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

Tel: 407-740-8575
Fax: 407-740-0513
tmi@tminc.com

RECEIVED

OCT 14 1998

SOUTH DAKOTA PUBLIC
UTILITIES COMMISSION

TC98-182

October 12, 1998
Via Overnight Delivery

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

Re: Application and Tariff of Magsinet-CLEC, Inc.

Dear Mr. Bullard:

Enclosed please find the original and ten (10) copies of the application and tariff for Magsinet-CLEC, Inc. Also enclosed is a check for \$250 to cover the filing fee.

Please acknowledge receipt of this filing by date-stamping the extra copy of this letter and returning it to me in the enclosed envelope provided for that purpose.

Should you or your staff have any additional questions, please contact me at (407) 740-8575. Thank you.

Sincerely,

Mark G. Lammert
Consultant to Magsinet-CLEC, Inc.

Enclosures

cc: La Vern Trotter - Magsinet-CLEC, Inc.

File: Magsinet - SD IXC
TMS: SDI9800

TC98-182

BEFORE THE
SOUTH DAKOTA
PUBLIC UTILITIES COMMISSION

Registration of
Megsinet-CLEC, Inc., for
Authority to Provide
Intrastate Telecommunications
Services within South Dakota

Docket No. _____

Pursuant to Rule 20:10:24:02 of the Commission's Telecommunications Services Rules, Megsinet-CLEC, Inc. ("Megsinet" or "Applicant") submits the following registration information:

1. The name, address and telephone number of the applicant.

Megsinet-CLEC, Inc.
225 West Ohio, Suite 200
Chicago, Illinois 60610
Telephone: (312) 470-9015
Facsimile: (312) 245-9023
Toll-Free: (888) 233-1144

2. The name under which the Applicant will provide these services if different than in subdivision (1) of this section:

Not Applicable.

3. If the applicant is a corporation:

- (a) The state in which it is incorporated, the date of incorporation and a copy of its certificate of incorporation or, if it is an out-of-state corporation, a copy of its certificate of authority.

The Company was formed as a Corporation under the laws of the State of Illinois in January 1998. Articles of Organization and Certificate of Qualification from the South Dakota Secretary of State are included as Attachment I.

- (b) **The location of its principal office, if any, in this state and the name and address of its current registered agent.**

Principal office in South Dakota: None

Registered Agent: National Registered Agents, Inc.
300 South Phillips Avenue, Suite 300
Sioux Falls, SD 57102

- (c) **A copy of its articles of incorporation which includes a list of the names and addresses of the corporate officers and member of the board of directors at the time of incorporation.**

See Attachment II for Articles of Incorporation.

- (d) **A list of the names and addresses of the current corporate officers and members of the board of directors.**

Megsinet-CLEC, Inc.'s officers and directors are as follows:

Michael Henry	President and Chief Executive Officer
Jason Vanick	Vice President of Network Operations
Scott Widham	Vice President of Operations
Michael Boland	Vice President of Marketing, Sales & Customer Service
Michael Green	Vice President of MIS
Brian Clark	Controller

All Officers and Directors may be contacted at the corporation headquarters address.

- (e) **The names and addresses of the ten common stockholders who own the greatest number of shares of common stock and the number of shares owned by each.**

% Ownership

Michael Henry -	President/Chief Executive Officer	28.5%
-----------------	-----------------------------------	-------

Mr. Henry may be contacted at the corporation headquarters address.

- (f) The names and address of any corporation, association, partnership, cooperative or individual holding a five percent or greater ownership or management interest in the applicant corporation. The amount and character of the ownership interest shall be indicated. A copy of any management agreement shall be attached.

See (e) above.

- (g) The names and addresses of subsidiaries owned or controlled by the applicant.

Not Applicable.

4. If the applicant is a partnership, the name, title and business address of each partner, both general and limited.

Not Applicable.

5. A specific description of the telecommunications services the applicant intends to offer.

Megsinet offers inbound and outbound telecommunications services to residential and business Customers utilizing switched access. Switched access service is available on a presubscription basis from equal access originating end offices. Megsinet also offers travel card services. All services are available twenty-four (24) hours per day, seven (7) days a week. Service is offered as an add-on to Megsinet's interstate service.

Megsinet operates as a switchless reseller. Calls originate over LEC facilities to the Company's underlying carrier (currently WorldCom). The Company's underlying carrier performs all interexchange switching, routing and call termination functions. Call detail information is provided to the Company by the underlying carrier for purposes of rating and billing calls.

6. **A detailed statement of the means by which the applicant will provide its services, including the type and quantity of equipment to be used in the operation, the capacity, and the expected used of the equipment.**

Megsinet-CLEC, Inc. does not maintain offices or equipment in the State of South Dakota. The Company does not plan to install any equipment, plant, or facilities within the state of South Dakota.

Applicant operates as a reseller of the underlying carrier's services. Calls originate over local exchange company feature group facilities to the underlying carrier and are switched over that company's long distance network.

7. **The geographic areas in which the services are, or will be, offered, including a map describing the service boundaries.**

Megsinet-CLEC, Inc. intends to offer service throughout the entire state of South Dakota.

8. **A current balance sheet and income statement; a copy of the applicant's latest annual report; a copy of the applicant's report to stockholders; the terms and conditions of service; the access charges and a copy of the applicant's tariff book.**

Megsinet has the financial resources to successfully provide intrastate resale telecommunications services in South Dakota. In support of Megsinet's financial ability to provide the services it proposes, financial statements are offered as Attachment III. The terms and conditions of service, as well as all rates and charges are provided in Megsinet's proposed tariff in Attachment IV.

9. **The names and addresses of the applicant's representatives to whom all inquiries should be made regarding complaints and regulatory matters.**

For correspondence concerning this application:

Mark G. Lammert
Consultant to Megsinet-CLEC, Inc.
Technologies Management, Inc.
P.O. Box 200
Winter Park, Florida 32790-0200
Telephone: (407) 740-8575
Facsimile: (407) 740-0613

For correspondence concerning ongoing operations:

La Vern Trotter, Regulatory Manager
Megsinet-CLEC, Inc.
225 West Ohio, Suite 200
Chicago, Illinois 60610
Telephone: (312) 470-9015
Facsimile: (312) 245-9023
Toll-Free: (888) 233-1144

10. **Determination of Competitive Classification.**

Megsinet-CLEC, Inc. requests an Emerging Competitive classification for its services. Megsinet will offer competitive resold intrastate service within the State of South Dakota. These services are similar to and substitutes for telecommunications services provided by numerous other carriers in the state.

11. **Supporting cost data for Initial Filing.**

Cost support information is provided in Attachment V.

12. **Additional information:**

Additional Customer Service Information:

Local service and equipment troubles are directed to the appropriate service providers. Long distance troubles will be reported by the Customer to Megsinet via its toll free number. Customer service (888) 233-1144. Billing Inquiries may be directed to the same number.

Customer service representatives are available Monday through Friday from 8:00 AM to 7:00 PM Central time. Customer service agents are also available on Saturday from 10:00 AM to 4:00 PM. Calls outside of the normal hours will reach the answering service and will be returned the next business day. The answering service will page the designated after hours company representative for matters requiring immediate attention. Megsinet-CLEC will be responsible for all customer inquiries and complaints. The toll-free telephone number will be provided on the Customer bill and in virtually all Megsinet-CLEC mailings.

All billing errors will be handled by customer service and will be addressed within 48 hours with final resolution no later than 30 days. In most cases, calls in question will be researched and, if applicable, credits will be applied on the Customer's next bill.

Marketing Plans:

Megsinet does not market differently from state to state. Megsinet sells its telecommunications services through distributors and retailers. The Company does not use direct mail or telemarketing.

12. **Additional information:** (Continued)

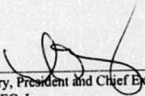
Certification Status:

Megsinet is presently authorized to provide service in California, Illinois, Missouri, Montana, New Jersey, Texas, Washington and Wyoming by virtue of direct authorization, certification or registration with state regulatory commissions. The Company has applications pending in the following states: Alabama, Arizona, Arkansas, Delaware, Florida, Georgia, Indiana, Kansas, Maryland, Massachusetts, Minnesota, Mississippi, Nebraska, Nevada, New Mexico, New York, North Carolina, Ohio, Oklahoma, Oregon, South Carolina, Tennessee and Wisconsin. Megsinet plans to file applications in all remaining states within the next thirty (30) days.

As evidenced by the foregoing application, Megsinet-CLEC, Inc. is fully qualified to offer and provide long distance service within the state of South Dakota. Therefore, Megsinet-CLEC, Inc. respectfully requests that the Commission grant this application at its earliest convenience.

Dated this 24th day of September, 1998.

Respectfully Submitted,



Michael Henry, President and Chief Executive Officer
Megsinet-CLEC, Inc.

ATTACHMENT I

Megsinet-CLEC, Inc.

AUTHORITY TO OPERATE IN SOUTH DAKOTA

State of South Dakota



OFFICE OF THE SECRETARY OF STATE

CERTIFICATE OF AUTHORITY

I, JOYCE HAZELTINE, Secretary of State of the State of South Dakota, hereby certify that the Application for a Certificate of Authority of MEGSINET-CLEC, INC. (IL) 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 October 2, 1998.

Joyce Hazeltine
JOYCE HAZELTINE
Secretary of State

ATTACHMENT II

Megsinet-CLEC, Inc.

ARTICLES OF INCORPORATION

State of Illinois
Office of
The Secretary of State

Whereas, ARTICLES OF AMENDMENT TO THE ARTICLES OF
INCORPORATION OF MEGSINET-CLEC, INC.
INCORPORATED UNDER THE LAWS OF THE STATE OF ILLINOIS HAVE BEEN
FILED IN THE OFFICE OF THE SECRETARY OF STATE AS PROVIDED BY THE
BUSINESS CORPORATION ACT OF ILLINOIS, IN FORCE JULY 1, A.D. 1984.

Now Therefore, I, George H. Ryan, Secretary of State of the State of Illinois, by virtue of the powers vested in me by law, do hereby issue this certificate and attach hereto a copy of the Application of the aforesaid corporation.

In Testimony Whereof, I hereto set my hand and cause to be affixed the Great Seal of the State of Illinois, at the City of Springfield, this 8TH day of JULY A.D. 19 98 and of the Independence of the United States the two hundred and 23RD



George H Ryan

Secretary of State

Form **BCA-10.30**

(Rev. Jan. 1995)

George H. Ryan
 Secretary of State
 Department of Business Services
 Springfield, IL 62758
 Telephone (217) 792-1832

Permit payment in check or money
 order, payable to "Secretary of State."

The filing fee for restated articles of
 amendment - \$100.00

<http://www.sos.state.il.us>

ARTICLES OF AMENDMENT

File #5977-036-5

FILED

JUL 08 1998

GEORGE H. RYAN
 SECRETARY OF STATE

SUBMIT IN DUPLICATE

This space for use by
 Secretary of State

Date 7-2-98
 Franchise Tax \$
 Filing Fee \$25.00
 Penalty \$
 Approved: [Signature]

1. CORPORATE NAME: MESSINET-CLEC, INC.

(Note 1)

2. MANNER OF ADOPTION OF AMENDMENT:

The following amendment of the Articles of Incorporation was adopted on June 18,

19 98 in the manner indicated below. ("X" one box only)

☒ By a majority of the incorporators, provided no directors were named in the articles of incorporation and no directors have been elected;

(Note 2)

☐ By a majority of the board of directors, in accordance with Section 10.10, the corporation having issued no shares as of the time of adoption of this amendment;

(Note 2)

☐ By a majority of the board of directors, in accordance with Section 10.15, shares having been issued but shareholder action not being required for the adoption of the amendment;

(Note 3)

☐ By the shareholders, in accordance with Section 10.20, a resolution of the board of directors having been duly adopted and submitted to the shareholders. At a meeting of shareholders, not less than the minimum number of votes required by statute and by the articles of incorporation were voted in favor of the amendment;

(Note 4)

☐ By the shareholders, in accordance with Sections 10.20 and 7.10, a resolution of the board of directors having been duly adopted and submitted to the shareholders. A consent in writing has been signed by shareholders having not less than the minimum number of votes required by statute and by the articles of incorporation. Shareholders who have not consented in writing have been given notice in accordance with Section 7.10;

(Notes 4 & 5)

☐ By the shareholders, in accordance with Sections 10.20 and 7.10, a resolution of the board of directors having been duly adopted and submitted to the shareholders. A consent in writing has been signed by all the shareholders entitled to vote on this amendment.

(Note 5)

3. TEXT OF AMENDMENT:

a. When amendment effects a name change, insert the new corporate name below. Use Page 2 for all other amendments.

Article 1: The name of the corporation is:

 (NEW NAME)

All changes other than name, include on page 2
 (over)

Text of Amendment

- b. (If amendment affects the corporate purpose, the amended purpose is required to be set forth in its entirety, if there is not sufficient space to do so, add one or more sheets of this size.)

By action of the sole incorporator, MICHAEL HENRY, there having been named in the articles of incorporation and no directors having been elected, the following resolution was adopted:

RESOLVED, that Article 4 of the ARTICLES OF INCORPORATION, Paragraph 1 thereof be amended by deleting the present Paragraph 1 of Article 4 in its entirety and by adopting in lieu thereof the following:

Class	Par Value Per Share.	Number of Shares Authorized	Number of Shares Proposed to be Issued	Consideration to be Received Therefor
Common	\$0.01	10,000,000	100,000	\$1,000.00
TOTAL=				\$1,000.00

4. The manner, if not set forth in Article 3b, in which any exchange, reclassification or cancellation of issued shares, or a reduction of the number of authorized shares of any class below the number of issued shares of that class, provided for or effected by this amendment, is as follows: *(If not applicable, insert "No change")*

No Change

5. (a) The manner, if not set forth in Article 3b, in which said amendment affects a change in the amount of paid-in capital (Paid-in capital replaces the terms Stated Capital and Paid-in Surplus and is equal to the total of these accounts) is as follows: *(If not applicable, insert "No change")*

No Change

- (b) The amount of paid-in capital (Paid-in Capital replaces the terms Stated Capital and Paid-in Surplus and is equal to the total of these accounts) as changed by this amendment is as follows: *(If not applicable, insert "No change")*

No Change

	Before Amendment	After Amendment
Paid-in Capital	\$ _____	\$ _____

(Complete either Item 6 or 7 below. All signatures must be in **BLACK INK**.)

6. The undersigned corporation has caused this statement to be signed by its duly authorized officers, each of whom affirms, under penalties of perjury, that the facts stated herein are true.

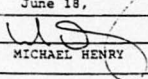
Dated _____, 19____ (Exact Name of Corporation at date of execution)
attested by _____ by _____
(Signature of Secretary or Assistant Secretary) (Signature of President or Vice President)
(Type or Print Name and Title) (Type or Print Name and Title)

7. If amendment is authorized pursuant to Section 10.10 by the incorporators, the incorporators must sign below, and type or print name and title.

OR

If amendment is authorized by the directors pursuant to Section 10.10 and there are no officers, then a majority of the directors or such directors as may be designated by the board, must sign below, and type or print name and title.

The undersigned affirms, under the penalties of perjury, that the facts stated herein are true.

Dated June 18, 19 98
 SOLE INCORPORATOR
MICHAEL HENRY

File Number 5977-036-5

State of Illinois
Office of
The Secretary of State

Whereas,

ARTICLES OF INCORPORATION OF
MEGSINET-CLEC, INC.
INCORPORATED UNDER THE LAWS OF THE STATE OF ILLINOIS HAVE BEEN
FILED IN THE OFFICE OF THE SECRETARY OF STATE AS PROVIDED BY THE
BUSINESS CORPORATION ACT OF ILLINOIS, IN FORCE JULY 1, A.D. 1984.

Now Therefore, I, George H. Ryan, Secretary of State of the State of Illinois, by virtue of the powers vested in me by law, do hereby issue this certificate and attach hereto a copy of the Application of the aforesaid corporation.

In Testimony Whereof, I hereto set my hand and cause to be affixed the Great Seal of the State of Illinois, at the City of Springfield, this 21ST day of JANUARY A.D. 19 98 and of the Independence of the United States the two hundred and 22ND



George H Ryan
Secretary of State

Form **BCA-2.10** | ARTICLES OF INCORPORATION

(Rev. Jan. 1995)

George H. Ryan
Secretary of State
Department of Business Services
Springfield, IL 62756

Payment must be made by certified check, cashier's check, Illinois attorney's check, Illinois C.P.A.'s check or money order, payable to "Secretary of State."

This space for use by Secretary of State

FILED

JAN 21 1998

GEORGE H. RYAN
SECRETARY OF STATE

[illegible]

This space for use by

Date _____

Franchise Tax

Filing Fee

Approved:

1. CORPORATE NAME: MEGSINET-CLEC, INC.

(The corporate name must contain the word "corporation", "company," "incorporated," "limited" or an abbreviation thereof.)

- | | | |
|------------------------------|-------------------------------|-----------|
| 2. Initial Registered Agent: | Michael | Henry |
| | First Name | Last name |
| Initial Registered Office: | 225 W. Ohio Street, Suite 200 | |
| | Street | Suite # |
| | Chicago IL | Cook |
| | City | County |
| | Zip Code | |

3. Purpose or purposes for which the corporation is organized:
(If not sufficient space to cover this point, add one or more sheets of this size.)

The corporation is organized to conduct all lawful business that a corporation is authorized to conduct under the laws of the State of Illinois.

4. Paragraph 1: Authorized Shares, Issued Shares and Consideration Received:

Class	Par Value per Share	Number of Shares Authorized	Number of Shares Proposed to be Issued	Consideration to be Received Therefor
Common	\$10 Par Value	10,000,000	1,000,000	\$ 1,000
				TOTAL = \$ 1,000

Paragraph 2: The preferences, qualifications, limitations, restrictions and special or relative rights in respect of the shares of each class are:
(If not sufficient space to cover this point, add one or more sheets of this size.)

EXPEDITED

JAN 21 1998

SECRETARY OF STATE

(over)

5. **OPTIONAL:** (a) Number of directors constituting the initial board of directors of the corporation: _____
 (b) Names and addresses of the persons who are to serve as directors until the first annual meeting of shareholders or until their successors are elected and qualify:

Name	Residential Address	City, State, ZIP

6. **OPTIONAL:** (a) It is estimated that the value of all property to be owned by the corporation for the following year wherever located will be: \$ _____
 (b) It is estimated that the value of the property to be located within the State of Illinois during the following year will be: \$ _____
 (c) It is estimated that the gross amount of business that will be transacted by the corporation during the following year will be: \$ _____
 (d) It is estimated that the gross amount of business that will be transacted from places of business in the State of Illinois during the following year will be: \$ _____

7. **OPTIONAL: OTHER PROVISIONS**

Attach a separate sheet of this size for any other provision to be included in the Articles of Incorporation, e.g., authorizing preemptive rights, denying cumulative voting, regulating internal affairs, voting majority requirements, fixing a duration other than perpetual, etc.

8. **NAME(S) & ADDRESS(ES) OF INCORPORATOR(S)**

The undersigned incorporator(s) hereby declare(s), under penalties of perjury, that the statements made in the foregoing Articles of Incorporation are true.

Dated: June 15, 1998, 19 98

Signature and Name
1. <u>Michael Henry</u> (Type or Print Name)
2. _____ (Type or Print Name)
3. _____ (Type or Print Name)

Address
1. <u>225 W. Ohio Street, Suite 200</u> Street <u>Chicago, IL 60610</u> City/Town State Zip/Code
2. _____ Street City/Town State Zip Code
3. _____ Street City/Town State Zip/Code

(Signatures must be in **BLACK INK** on original document. Carbon copy, photocopy or rubber stamp signatures may only be used on conformed copies.)

NOTE: If a corporation acts as incorporator, the name of the corporation and the state of incorporation shall be shown and the execution shall be by its president or vice president and verified by him, and attested by its secretary or assistant secretary.

FEE SCHEDULE

- The initial franchise tax is assessed at the rate of 15/100 of 1 percent (\$1.50 per \$1,000) on the paid-in capital represented in this state, with a minimum of \$25.
- The filing fee is \$75.
- The minimum total due (franchise tax + filing fee) is \$100.
(Applies when the Consideration to be Received as set forth in Item 4 does not exceed \$16,667)
- The Department of Business Services in Springfield will provide assistance in calculating the total fees if necessary.
Illinois Secretary of State Springfield, IL 62756
Department of Business Services Telephone (217) 782-9522 or 782-9523

C-162.18

TOTAL P.04

ATTACHMENT III

Megsinet-CLEC, Inc.

FINANCIAL INFORMATION

The Company submits its balance sheet as of September 28, 1998.

The Company has been dormant since inception.

Megsinet-CLEC, Inc.

Statement of Financial Capability

The purpose of this document is to highlight the financial strengths of the Company and serve as the Company's Statement of Financial Capability.

Megsinet-CLEC, Inc. has sufficient financial capability to provide the requested telecommunication services in South Dakota, the financial capability to maintain these services, and the financial capability to meet its lease and ownership obligations. Attached is the balance sheet and bank statement of Megsinet-CLEC, Inc. as of September 28, 1998.

Megsinet-CLEC, Inc. has not been operating since its inception in January 1998, and therefore does not have an income statement. The Company is a start-up company. No operations are taking place at this point and will not take place until the Company receives certification from Public Utility/Service Commissions.

The Company has \$105,000 in cash in a bank account (see attached). The Company has access to additional sources of cash via cash infusions from stockholders, sale of preferred stock and other equity financing sources. The Company also has access to credit financing sources via lines of credit, loans, capital leases on future purchases of equipment, etc. There are a myriad of options for the Company to obtain additional sources of cash. At this point, the Company does not anticipate needing to use any of these sources. The Company expects their financing to come from the profits of the operation once they are certificated from the Public Utility/Service Commissions.

Summary

The Company has established a strong team to support its venture into the telecommunications market. The Company has and will outsource business functions to obtain expertise and provide a financial and technical competitive advantage in the industry.

As noted in the analysis documented above, the Company has prepared prudently for its venture into the resold interexchange services market. The Company has positioned itself to add large amounts of revenue growth while keeping expenses under control. The Company has sufficient financial capability to provide the requested telecommunication services, sufficient financial capability to meet all lease and ownership obligations, and sufficient financial capability to maintain a large Customer base.

MegsINet-CLEC, Inc.

Balance Sheet

September 28, 1998

Assets

Cash	\$ 105,000
Nortel deposit	<u>1,500,000</u>
Total Assets	<u>\$ 1,605,000</u>

Stockholder's Equity

Common Stock	\$ 1,000
Paid in Capital	<u>1,604,000</u>
total Stockholder's Equity	<u>\$ 1,605,000</u>

MegsNet-CLEC, Inc.
Statement of Operations
For The Period
From Formation through September 28, 1998

Revenues

\$ -

Expenses

-

Net Income (Loss) from Operations

\$ -

10/05/98 08:58

DBI CORP.

002/002

FROM: HACHA BANK SUNSET HILLS

FAX: 314-984-8738

Oct-02-98 P:1 14143

PAGE: 02



HACHA BANK, NA
16722 SUNSET HILLS PLZ 1-800-333-1346
ST LOUIS, MO 63127-1219

090
00192



MEGGINET
ATTN: LISA FREDRICK/SUNSET HILLS
16722 SUNSET HLS
ST LOUIS MO 63127

SNAPSHOT
090 REQUESTED
DATE 09-30-98
PAGE 1

THE OCT. 9 CONVERSION DATE HAS BEEN
CHANGED TO NOV. 13, 1998. PLEASE CALL
1-800-844-6890 IF YOU HAVE QUESTIONS.

ACCOUNT NO.	3152704304	BUSINESS MONEY MARKET ACCT
PREVIOUS BALANCE	09-29-98	104,201.03
0 DEPOSITS AND CREDITS		.00
0 CHECKS AND DEBITS		.00
CURRENT BALANCE		105,201.03
1998 INTEREST PAID YEAR TO DATE		201.03
- - STATEMENT PERIOD - -		
ENDING DATE	09-30-98	
NUMBER OF DAYS		1

NOTICE: SEE REVERSE SIDE AND ACCOMPANYING STATEMENT(S) FOR IMPORTANT INFORMATION.

ATTACHMENT IV

Megsinet-CLEC, Inc.

PROPOSED TARIFF

Megsinet-CLEC, Inc.

**RESALE INTEREXCHANGE TELECOMMUNICATIONS
SERVICE TARIFF**

This tariff contains the regulations, rates and charges applicable to the provision of interexchange telecommunications services by Megsinet-CLEC, Inc. for the use of Customers transmitting messages within the State of South Dakota.

This tariff is available for public inspection during normal business hours at the main office of Megsinet-CLEC, Inc., located at 225 West Ohio, Suite 200, Chicago, Illinois 60610.

ISSUED: October 13, 1998

EFFECTIVE:

ISSUED BY: Michael Henry, President and Chief Executive Officer
225 West Ohio, Suite 200
Chicago, Illinois 60610

SD00000

CHECK SHEET

The pages of this tariff as listed below are effective as of the date shown at the bottom of the respective pages. Original and revised pages, as named below, comprise all changes from the original tariff and are currently in effect as of the date on the bottom of this page.

<u>Page</u>	<u>Revision</u>	<u>Page</u>	<u>Revision</u>
1	Original	26	Original
2	Original	27	Original
3	Original	28	Original
4	Original	29	Original
5	Original	30	Original
6	Original	31	Original
7	Original	32	Original
8	Original	33	Original
9	Original	34	Original
10	Original	35	Original
11	Original	36	Original
12	Original	37	Original
13	Original	38	Original
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21	Original		
22	Original		
23	Original		
24	Original		
25	Original		

ISSUED: October 13, 1998

EFFECTIVE:

ISSUED BY: Michael Henry, President and Chief Executive Officer
225 West Ohio, Suite 200
Chicago, Illinois 60610

SDWING

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Section 4 - Miscellaneous Services	37
Section 5 - Promotions	38

ISSUED: October 13, 1998

EFFECTIVE:

ISSUED BY: Michael Henry, President and Chief Executive Officer
225 West Ohio, Suite 200
Chicago, Illinois 60610

SD0000

TARIFF FORMAT

- A. **Page Numbering** - Page numbers appear in the upper right corner of the page. Pages are numbered sequentially. However, new pages are occasionally added to the tariff. When a new page is added between pages already in effect, a decimal is added.
- B. **Page Revision Numbers** - Revision numbers also appear in the upper right corner of each page. These numbers are used to determine the most current page version on file with the Commission. For example, the 4th revised Page 14 cancels the 3rd revised Page 14. Because of the various suspension periods and deferrals the Commission follows in its tariff approval process, the most current page number on file with the Commission is not always the tariff page in effect. Consult the check sheet for the page 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).1
 - 2.1.1.A.1.(a).1.(i)
 - 2.1.1.A.1.(a).1.(i).1
- D. **Check Sheets** - When a tariff filing is made with the Commission an updated check sheet accompanies the filing. The check sheet lists the pages 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 shall be no other symbols used on this page if these are the only changes made to it. The tariff user should refer to the latest check sheet to find out if a particular page is the most current on file with the Commission.

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EXPLANATION OF SYMBOLS

Changes to this tariff shall be identified on the revised page(s) through the use of symbols. The following are the only symbols used for the purposes indicated below:

- (D) - To signify a discontinued rate or regulation.
- (I) - To signify an increase in rate or charge.
- (M) - To signify material relocated from one page to another without change.
- (N) - To signify a new rate or regulation.
- (R) - To signify a reduced rate or charge.
- (T) - To signify a change or regulation but no change in rate or charge.

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SECTION 1 - DEFINITION OF TERMS AND ABBREVIATIONS

Access Line - An arrangement which connects the Customer's location to a Megsinet-CLEC, Inc. switching center or point of presence.

Authorization Code - A pre-defined series of numbers to be dialed by the Customer or Authorized User upon access to the Carrier's network to identify the caller and validate the caller's authorization to use the service provided.

Authorized User - A person, firm, corporation, or any other entity authorized by the Customer to communicate utilizing the Carrier's service.

Available Usage Balance - The amount of usage remaining in a Debit Account at any particular point in time. Each Debit Account begins with an initial usage amount which is depleted as services provided by the Company are utilized by the Customer.

Called Party - The person, individual, corporation, or other entity whose telephone number is called by the End User.

Commission - The South Dakota Public Utilities Commission.

Company or Carrier - Megsinet-CLEC, Inc. ("Megsinet-CLEC") unless otherwise clearly indicated by the context.

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

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

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SECTION 1 - DEFINITION OF TERMS AND ABBREVIATIONS, CONT'D.

Dedicated Access - A method of reaching the Company's services whereby the Customer is connected directly to the Company's Point of Presence without utilizing services of the local switched network. The cost of these dedicated circuits is billed by the access provider directly to the end user.

Depletion - Reductions in the Available Balance based on usage of the Customer Debit Account. Depletion of dollar based service occurs on a real time basis at the tariffed per minute rates contained herein.

End User - Any person, firm, corporation, partnership or other entity which uses the services of the Carrier under the provisions and regulations of this tariff. The End User is responsible for payment unless the charges for the services utilized are accepted and paid by another Customer.

Initial Usage Balance - The amount of usage on a Debit Account upon issuance and before any depleting call activity.

LATA - Local access and transport area. A geographic area established by the US District Court for the District of Columbia in Civil Action No. 17-49, within which a local exchange company provides communications services.

Local Exchange Company (LEC) - A company which furnishes local exchange services.

Marks - A collective term to mean such items as trademarks, service marks, trade names, trade logos, copyrighted words, artwork, designs, pictures, or images, or any other device or merchandise to which legal rights of ownership are held or reserved by an entity.

Megsinet-CLEC - Refers to Megsinet-CLEC, Inc.

Personal Account Code - A pre-defined series of numbers to be dialed by the Customer or Authorized User upon access to the Carrier's network which identifies the Debit Account from which charges for service shall be debited and which validates the caller's authorization to use the services provided.

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SECTION 1 - DEFINITION OF TERMS AND ABBREVIATIONS, CONT'D.

Premises - A building or buildings on contiguous property.

Presubscribe - A method used to identify Megsinet-CLEC as the Customer's primary interexchange carrier and provides the Customer with direct dial "1+" long distance calling on Megsinet-CLEC's network.

Renewal - A method of replenishing a Debit Account's Available Usage Balance with additional minutes of use as authorized and paid for by the Customer.

Sponsor - A corporation or other legal entity that exclusively permits the use of its Marks to the Company for use with telephone card or other merchandise, and contracts with the Company for the marketing of the services described herein.

Switched Access - A method for reaching the Company through the local switched network whereby the Customer uses standard business or residential local lines.

Terminal Equipment - Telecommunications devices, apparatus and associated wiring on the Premises of the Customer.

Travel Card - A billing mechanism which enables the Customer to access the service of the Company while away from home or office.

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 purposed of rating calls.

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SECTION 2 - REGULATIONS

2.1 Undertaking of Megsinet-CLEC, Inc.

- 2.1.1 Megsinet-CLEC, Inc. ("Megsinet") is a resale common carrier providing intrastate direct dialed (1+), inbound toll free and travel card communication services to Customers for the transmission and reception of voice, data, and other types of communications within the State of South Dakota under the terms of this Tariff.
- 2.1.2 Megsinet may act as the Customer's agent for ordering access connection facilities provided by other carriers or entities, when authorized by the Customer, to allow connection of a Customer's location to the Megsinet services. The Customer shall be responsible for all charges due for such service arrangement.
- 2.1.3 The Company's service is available twenty-four (24) hours per day, seven (7) days per week.
- 2.1.4 No charges apply to incomplete calls.

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SECTION 2 - REGULATIONS, CONT'D.

2.2 Limitations on Service

- 2.2.1 Service is offered subject to the availability of the necessary facilities and subject to the provisions of this tariff.
- 2.2.2 Company reserves the right to discontinue furnishing Service, or to limit the use of Service, when necessitated by conditions beyond its control, when Customer or an Authorized User is using Service in violation of the law or in violation of the provisions of this tariff, or for non-payment by Customer.
- 2.2.3 Service provided under this tariff is directly controlled by Company, and Customer may not transfer or assign the use of Service, except with the prior written consent of Company. Such transfer or assignment shall only apply where there is no interruption in the use or location of Service, and all regulations and conditions contained in this tariff, as well as all conditions for Service, shall apply to all such permitted assignees or transferees.
- 2.2.4 Customer may, where applicable, request Company to assign one or more sub-accounts for billing purposes and to direct sub-account invoices to affiliates of Customer or other designated entities for payment purposes. Such requests shall not affect the liability of Customer, who shall remain solely liable to Company for payment of all invoices for Service requested and obtained by Customer, whether invoiced by Company to Customer, its affiliates, or other designated entities.
- 2.2.5 Service may not be used for any unlawful purpose.
- 2.2.6 Intrastate Services are provided only in conjunction with interstate Services.

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SECTION 2 - REGULATIONS, CONT'D.

2.3 Limitations on Liabilities

- 2.3.1** Except as otherwise stated in this section, the liability of the Company for damages arising out of either: (1) the furnishing of its Services, including but not limited to mistakes, omissions, interruptions, delays, or errors, or other defects, representations, or use of these Services, or (2) the failure to furnish its Service, whether caused by acts or omission, shall be limited to the extension of allowances to the Customer for interruptions in Service as set forth in Section 2.14.
- 2.3.2** Except for the extension of allowances to the Customer for interruptions in Service as set forth in this tariff, the Company shall not be liable to a Customer or third party for any direct, indirect, special, incidental, reliance, consequential, exemplary or punitive damages, including, but not limited to, loss of revenue or profits, for any reason whatsoever, including, but not limited to, any act or omission, failure to perform, delay, interruption, failure to provide any Service or any failure in or breakdown of facilities associated with the Service.
- 2.3.3** The liability of the Company for errors in billing that result in overpayment by the Customer shall be limited to a credit equal to the dollar amount erroneously billed or, in the event that payment has been made and Service has been discontinued, to a refund of the amount erroneously billed.

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SECTION 2 - REGULATIONS, CONT'D.

2.3 Limitations on Liabilities, Cont'd.

2.3.4 The Company shall not be liable for any claims for loss or damages involving:

- A. Any act or omission of: (a) the Customer, (b) any other entity furnishing service, equipment or facilities for use in conjunction with Services provided by the Company; or (c) common carriers or warehousemen;
- B. Any delay or failure of performance or equipment due to causes beyond the Company's control, including but not limited to, acts of God, fires, floods, earthquakes, hurricanes, or other catastrophes; national emergencies, insurrections, riots, wars or other civil commotions; strikes, lockouts, work stoppages or other labor difficulties; criminal actions taken against the Company; unavailability, failure or malfunction of equipment or facilities provided by the Customer or third parties; and any law, order, regulation or other action of any governing authority or agency thereof;
- C. Any unlawful or unauthorized use of the Company's Services;
- D. Libel, slander, invasion of privacy or infringement of trademarks, patents, trade secrets, or copyrights arising from or in connection with the transmission of communications by means of Company provided facilities or Services; or by means of the combination of Company provided facilities or Services with Customer provided services;
- E. Breach in the privacy or security of communications transmitted over the Company's Service;

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SECTION 2 - REGULATIONS, CONT'D.

2.3 Limitations on Liabilities, Cont'd.

2.3.4 The Company shall not be liable for any claims for loss or damages involving:,
cont'd.

- F. Changes in any of the facilities, operations or procedures of the Company that render any equipment, facilities or services provided by the Customer obsolete, or require modification or alteration of such equipment, facilities or services, or otherwise affect their use or performance, except where reasonable notice is required by the Company and is not provided to the Customer, in which event the Company's liability is limited as set forth in paragraph 2.3.1 of this Subsection;
- G. Defacement of or damage to Customer premises resulting from the furnishing of Services or equipment on such premises or the installation or removal thereof;
- H. Injury to property or injury or death to persons, including claims for payments made under Workers' Compensation law or under any plan for employee disability or death benefits, arising out of, or caused by, any act or omission of the Customer, or the construction, installation, maintenance, presence, use or removal of the Customer's facilities or equipment connected, or to be connected to the Company's facilities.

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SECTION 2 - REGULATIONS, CONT'D.

2.3 Limitations on Liabilities, Cont'd.

2.3.5 The Company shall be indemnified, defended and held harmless by the Customer from and against any and all claims, loss, demands, suits, expense, or other action or any liability whatsoever, including attorney fees, whether suffered, made, instituted, or asserted by the Customer or by any other party, for any personal injury to or death or any person or persons, and for any loss, damage or destruction of any property, including environmental contamination, whether owned by the Customer or by any other party, caused or claimed to have been caused directly or indirectly by the installation, operation, failure to operate, maintenance, presence, condition, location, use or removal of any Company or Customer equipment or facilities or Service provided by the Company.

2.3.6 The Company does not guarantee nor make any warranty with respect to installations provided by it for use in an explosive atmosphere. The Company shall be indemnified, defended and held harmless by the Customer from and against any and all claims, loss, demands, suits, or other action, or any liability whatsoever, including attorney fees, whether suffered, made, instituted or asserted by the Customer or by any other party, for any personal injury to or death of any person or persons, and for any loss, damage or destruction of any property, including environmental contamination, whether owned by the Customer or by any other party, caused or claimed to have been caused directly or indirectly by the installation, operation, failure to operate, maintenance, presence, condition, location, use or removal of any equipment or facilities of the Service.

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SECTION 2 - REGULATIONS, CONT'D.

2.4 Cancellation or Discontinuance of Service by the Company

Service continues to be provided until canceled by the Customer or until canceled by the Company as set forth below. The Company may render bills subsequent to the termination of service for charges incurred before termination. The Customer shall pay such bills in full in accordance with the payment terms of this tariff. Card Services will not be available in South Dakota when the Customer has been canceled for Service in his/her home state.

- 2.4.1 Service may be suspended by the Company, without notice to the Customer, by blocking traffic to certain cities or NXX exchanges when the Company deems it necessary to take such action to prevent unlawful use of its service. Megsinet will restore services as soon as it can be provided without undue risk, and will upon request by the Customer, assign new codes to replace ones that have been deactivated.
- 2.4.2 For nonpayment: The Company, by written notice to the Customer and in accordance with applicable law, may refuse, suspend or cancel service without incurring any liability when there is an unpaid balance for service that is more than 60 days overdue.
- 2.4.3 For returned checks: The Customer whose check or draft is returned unpaid for any reason, after two attempts at collection, shall be subject to refusal, suspension or cancellation of service in the same manner as provided for nonpayment of overdue charges.

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SECTION 2 - REGULATIONS, CONT'D.

2.4 Cancellation or Discontinuance of Service by the Company, Cont'd.

- 2.4.4** For lack of use: The Company, by written notice to the Customer, may refuse, suspend or cancel service in the same manner as provided for nonpayment of overdue charges if after three full billing cycles the service has not been used.
- 2.4.5** For violation of law or this tariff: Except as provided elsewhere in this tariff, the Company may refuse, suspend or cancel service, without notice, for any violation of terms of this tariff, for any violation of any law, rule, regulation, order, decree or policy of any government authority of competent jurisdiction, or by reason of any order or decision of a court or other government authority having jurisdiction which prohibits the Company from furnishing such service or prohibits Customer from subscribing to, using, or paying for such service.

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SECTION 2 - REGULATIONS, CONT'D.

2.4 Cancellation or Discontinuance of Service by the Company, Cont'd.

- 2.4.6** For the Company to comply with any order or request of any governmental authority having jurisdiction: The Company may refuse, suspend or cancel service, without notice, in order to permit the Company to comply with any order or request of any governmental authority having jurisdiction.
- 2.4.7** For unauthorized or unlawful use of Authorization Codes. Authorization Codes are issued by the Company only to the Customer and may not be sold or otherwise distributed without the written consent of the Company. Any unauthorized or unlawful use of such numbers or Authorization Codes shall result in the immediate refusal, suspension or cancellation of service without notice.
- 2.4.8** Megsinet may refuse or discontinue service under the following conditions provided that, unless otherwise stated in this tariff, the Customer shall be given 15 days notice to comply with any rule or remedy any deficiency:
- A. For neglect or refusal to provide reasonable access to Megsinet or its agents for the purpose of inspection and maintenance of equipment owned by Megsinet or its agents.
 - B. Without notice in the event of Customer or Authorized User use of equipment in such a manner as to adversely affect Megsinet's equipment or service to others.
 - C. Without notice in the event of tampering with the equipment or services owned by Megsinet or its agents.
 - D. Without notice in the event of unauthorized or fraudulent use of service. Whenever service is discontinued for fraudulent use of service, Megsinet may, before restoring service, require the Customer 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.

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SECTION 2 - REGULATIONS, CONT'D.

2.5 Cancellation or Termination of Service by Customer

2.5.1 Service shall be canceled by Company promptly upon receipt of a cancellation request from Customer. Upon cancellation a final bill will be prepared, as per the specifications set forth in this tariff. The Customer shall be liable for all recurring charges prior to proper notice if a change in presubscribed carrier is initiated by the Customer.

2.5.2 If Customer, either on behalf of itself or an Authorized User, orders Service from the Company which requires special construction or facilities for Customer's or Authorized User's use, and then cancels its order before Service begins, a charge shall be made to Customer for the non-recoverable portions of the expenditures or liabilities incurred on behalf of Customer or Authorized User by Company.

2.6 Restoration of Service

The use and restoration of Service shall in all cases be in accordance with the priority system specified in Part 64, Subpart D, of the Rules and Regulations of the Federal Communications Commission.

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SECTION 2 - REGULATIONS, CONT'D.

2.7 Payment and Billing

- 2.7.1 Service is provided and billed by the Company on a monthly basis. Usage sensitive charges are billed in arrears and fixed monthly recurring charges, if any, are billed one month in advance. The Customer shall pay monthly in advance or on demand all monthly recurring charges for Service and shall pay on demand all charges for usage at any agency duly authorized to receive such payments.
- 2.7.2 Bills are due and payable upon receipt. Interest at the lesser of a rate of one and one-half percent (1.5%) per month, or the maximum rate allowed by law, shall be charged on any amount previously unassessed which remains unpaid at the time the next bill is prepared.
- 2.7.3 Should service be suspended for nonpayment of charges, it will be restored when appropriate payments are made.
- 2.7.4 When service has been disconnected for nonpayment, the service agreement is considered to have been terminated. Reestablishment of service may be made only upon the execution of a new service agreement which is subject to the provisions of this tariff.
- 2.7.5 In its discretion, the Company may restore or reestablish service which has been suspended or disconnected for nonpayment of charges, prior to payment of all charges due. Such restoration or reestablishment shall not be construed as a waiver of any rights to suspend or disconnect service for nonpayment of any such or other charges due and unpaid or for the violation of the provisions of this tariff; nor shall the failure to suspend or disconnect service for nonpayment of any past due account or accounts operate as a waiver or estoppel to suspend or disconnect service for nonpayment of such account or of any other past due account.

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SECTION 2 - REGULATIONS, CONT'D.

2.7 Payment and Billing, Cont'd.

2.7.6 The Company may demand immediate payment under the following circumstances:

- A. Where Service is terminated or abandoned.
- B. Where actual usage is two times greater than the Customer's average usage as reflected on the monthly bills for the three months prior to the current bill or, in the case of a new Customer who has been receiving Service for less than four months, where the actual usage is twice the estimated monthly usage charge.
- C. Where the Company has reason to believe that a Business Customer is about to go out of business or that bankruptcy is imminent for that Customer.

2.7.7 A charge of \$20.00 will apply whenever a check, draft, or electronic funds transfer presented for payment for service is not accepted by the institution on which it is written.

2.7.8 The security of Authorization Codes used by Customer or its Authorized Users are the responsibility of Customer. All calls placed using such Authorization Codes or using facilities owned or controlled by Customer or its Authorized Users shall be billed to Customer and must be paid by Customer.

2.7.9 If notice from Customer of a dispute as to charges is not received in writing by the Company within thirty (30) days after delivery of an invoice to the custody of the U.S. Mail or other standard delivery service, the billing will be considered correct and binding.

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SECTION 2 - REGULATIONS, CONT'D.

2.7 Payment and Billing, Cont'd.

2.7.10 Customers with billing or service inquiries may contact the Company toll-free by dialing 888-233-1144 or by writing to the following address:

Megsinet-CLEC, Inc.
Attn: Customer Service
225 West Ohio, Suite 200
Chicago, Illinois 60610

2.7.11 Customers dissatisfied with the Company's response to a complaint or inquiry may contact the South Dakota Public Utilities Commission for resolution of the conflict at 500 East Capitol, Pierre, South Dakota, 57501-5070 or toll-free at (800) 332-1782.

2.8 Deposits

The Company does not collect deposits for services provided to its Customers. However, the Company reserves the right to examine the credit record of the Customer, using any lawful sources for determining credit standing. If the Customer's financial condition is unknown or unacceptable to the Company, the Customer may be denied service by the Company.

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SD00000

SECTION 2 - REGULATIONS, CONT'D.

2.9 Advance Payments

The Company does not collect advance payments for services provided to its Customers.

2.10 Taxes and Fees

The Company shall charge the Customer an amount sufficient to recover all governmental assessments, fees, licenses, federal, state and local taxes, including but not limited to federal excise tax, state gross receipts taxes, sales taxes, municipal utilities taxes imposed upon the Company.

- A. For Debit services, taxes, assessments, fees and licenses shall be included in the rates and charges stated in the Company's rate schedule for this service.
- B. For all other services offered by the Company, taxes, assessments, fees and licenses shall be added pro-rata, insofar as practical, to the rates and charges stated in the Company's rate schedules and listed as separate line items on the Customer's bill for services provided. The Company shall charge the Customer an amount sufficient to recover any governmental assessments, fees, license, or other similar taxes or fees imposed upon the Company.

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SECTION 2 - REGULATIONS, CONT'D.**2.11 Terminal Equipment**

Service may be used with or terminated in terminal equipment or communications systems, such as a PBX or key telephone system, provided by Customer or its Authorized User. Such terminal equipment or communications systems shall be furnished by and maintained at the expense of Customer or its Authorized User, except as otherwise provided. Customer or its Authorized User is also responsible for all costs at its premises incurred in the use of Service, including but not limited to equipment, wiring, electrical power, and personnel. When such terminal equipment or communications systems are used, they shall in all respects comply with the generally accepted minimum protective standards of the telecommunications industry as endorsed by the Federal Communications Commission.

2.12 Interconnection

Service furnished by the Company to Customer or its Authorized Users may be connected with the services or facilities of other carriers. Customer is responsible for all charges billed by other carriers in connection with the use of Service. Any special equipment or facilities necessary to achieve compatibility between carriers are the sole responsibility of Customer.

2.13 Miscellaneous Rates and Charges

The Company may adjust its rates and charges or impose additional rates and charges on its Customers in order to recover amounts it is required by governmental or quasi-governmental authorities to collect from or pay to others in support of statutory or regulatory programs. Examples of such programs include, but are not limited to, the Universal Service Fund, the Primary Interexchange Carrier Charge, and compensation to payphone service providers for the use of their payphones to access the Company's service.

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SCLH000

SECTION 2 - REGULATIONS, CONT'D.

2.14 Inspection, Testing and Adjustment

- 2.14.1** The Company may, upon reasonable notice, make such tests and inspections as may be necessary to determine whether tariff requirements are being complied with in the installation, operation, and maintenance of Customer's, Authorized User's, or the Company's equipment. The Company may, without notice, interrupt Service at any time, as necessary, because of a departure from any of these requirements and may continue such interruption until its requirements have been satisfied.
- 2.14.2** Upon reasonable notice, the facilities provided by the Company shall be made available to the Company by Customer or its Authorized Users for such tests and adjustments as may be necessary for their maintenance to a condition satisfactory to the Company.
- 2.14.3** The Company shall not be liable to Customer or its Authorized Users for any damages for Service interruption pursuant to this Section. Neither Customer nor its Authorized Users shall be entitled to any credit for interruption of Service pursuant to this Section when the interruption of Service is less than two (2) hours.

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SDC/MS

SECTION 2 - REGULATIONS, CONT'D.

2.15 Interruption of Service

- 2.15.1 Customer shall be given a credit allowance for any interruption of Service which is not due to (a) Company's inspection, testing or adjustment, if for a period of two (2) hours or less; (b) mistakes or errors of Customer or its Authorized Users; or (c) the failure of facilities or equipment provided by Customer or its Authorized Users.
- 2.15.2 Credit allowances shall be subject to the general liability provisions set forth in Section 2.3 herein. It shall be the obligation of Customer to notify Company immediately of any interruption of Service for which a credit allowance is desired. Before giving such notice, Customer shall ascertain that the trouble is not being caused by action or omission of Customer or its Authorized Users, or is not in facilities or equipment, if any, furnished by Customer or Authorized User and connected to Company's Services.
- 2.15.3 For the purposes of credit computation, every month shall be considered to have seven hundred twenty (720) hours. No credit shall be allowed for any interruption of Service of a continuous duration of less than two (2) hours.
- 2.15.4 Customer shall be credited for an interruption of Service of two (2) hours or more at the rate of 1/720th of the monthly non-usage sensitive charges for the Service affected for each hour or major fraction thereof that the interruption continues. The formula for calculating credit shall be as follows:

$$\text{Credit} = \frac{A}{720} \times B$$

"A" = Outage time in hours

"B" = Total monthly fixed, non-usage sensitive
charge for affected facility

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SLP/PHS

SECTION 3 - DESCRIPTION OF SERVICE AND RATES

3.1 General

The Company provides interexchange switched and dedicated telecommunications services for personal or business use. Intrastate service is provided as an add-on to Megsinet-CLEC's interstate offerings. Descriptions and rates contained in this tariff apply to the interstate portion of the Carrier's services only.

Each call is rated and charged individually for each call placed through the Company. Call timing is rounded to the nearest billing increment, (i.e. six (6) seconds). Fractional call charges are rounded up to the next whole cent on a per call basis.

3.2 Service Availability

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

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SECTION 3 - DESCRIPTION OF SERVICE AND RATES, CONT'D**3.3 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:

$$\sqrt{\frac{(V_1 - V_2)^2 + (H_1 - H_2)^2}{10}}$$

ISSUED: October 13, 1998

EFFECTIVE:

ISSUED BY: Michael Henry, President and Chief Executive Officer
225 West Ohio, Suite 200
Chicago, Illinois 60610

SDW000

SECTION 3 - DESCRIPTION OF SERVICE AND RATES, CONT'D

3.4 Timing of Calls

Billing for calls placed over the network is based in part on the duration of the call.

3.4.1 Timing for all calls 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.

3.4.2 Chargeable time for all calls ends when one of the parties disconnects from the call.

3.4.3 Minimum call duration and call timing increments for billing purposes is specified on a per-product basis in Section 3 of this tariff.

3.4.4 No charges apply for incomplete calls.

3.4.5 Usage charges are computed and rounded up to the nearest penny on a per call basis.

3.5 Rate Periods

The Company's services are not time of day or day of week sensitive. The same rates apply 24 hours a day, 7 days a week.

ISSUED: October 13, 1998

EFFECTIVE:

ISSUED BY: Michael Henry, President and Chief Executive Officer
225 West Ohio, Suite 200
Chicago, Illinois 60610

SD0900

SECTION 3 - DESCRIPTION OF SERVICE AND RATES, CONT'D

3.6 Direct Dial 1+ Service

Direct Dial 1+ Service allows Customers to make 1+ direct dialed calls from presubscribed switched or dedicated access lines. This service is available from equal access end offices only.

3.6.1 Direct Dial Switched Silver Service

Direct Dial Switched Silver Service allows Customers to make 1+ direct dialed calls from presubscribed switched access lines. This service is available from equal access end offices only. Customers access the service via switched access lines. All Customers are eligible to subscribe to this service.

For billing purposes, call timing is rounded up to the nearest six (6) second increment after the initial minimum period of eighteen (18) seconds.

Per Minute Rate

Charges per minute are as follows: \$ 0.099

ISSUED: October 13, 1998

EFFECTIVE:

ISSUED BY: Michael Henry, President and Chief Executive Officer
225 West Ohio, Suite 200
Chicago, Illinois 60610

SLDTRM01

SECTION 3 - DESCRIPTION OF SERVICE AND RATES, CONT'D

3.6 Direct Dial 1+ Service, (Cont'd)

3.6.2 Direct Dial Switched Gold Service

Direct Dial Switched Gold Service allows Customers to make 1+ direct dialed calls from presubscribed switched access lines. This service is available from equal access end offices only. Customers access the service via switched access lines. All Megsinet-CLEC local exchange Customers are eligible to subscribe to this service.

For billing purposes, call timing is rounded up to the nearest six (6) second increment after the initial minimum period of eighteen (18) seconds.

Per Minute Rate

Charges per minute are as follows:

\$ 0.099

ISSUED: October 13, 1998

EFFECTIVE:

ISSUED BY: Michael Henry, President and Chief Executive Officer
225 West Ohio, Suite 200
Chicago, Illinois 60610

SD20900

SECTION 3 - DESCRIPTION OF SERVICE AND RATES, CONT'D

3.6 Direct Dial 1+ Service, (Cont'd)

3.6.3 Dedicated Direct Dial Service

Dedicated Direct Dial Service allows Customers to make 1+ direct dialed calls. Customers access the service via dedicated or special access T-1 (1.544 Mbps) lines. Service is available only where T-1 access is available. The Customer is responsible for payment charges associated with the dedicated T-1 circuit. Such charges are normally billed by and paid directly to the access provider (i.e. local exchange carrier). All Customers are eligible to subscribe to this service.

For billing purposes, call timing is rounded up to the nearest six (6) second increment after the initial minimum period of six (6) seconds.

Per Minute Rate

Charges per minute are as follows: \$ 0.059

ISSUED: October 13, 1998

EFFECTIVE:

ISSUED BY: Michael Henry, President and Chief Executive Officer
225 West Ohio, Suite 200
Chicago, Illinois 60610

STW:WJ

SECTION 3 - DESCRIPTION OF SERVICE AND RATES, CONT'D**3.7 Inbound Toll Free (i.e. 800/888) Service**

Inbound Toll Free Service provides an inbound toll free calling service to Megsinet-CLEC Customers. The Megsinet-CLEC Customer is billed for each toll free call, rather than the call originator. Toll free calls may be originated from any location throughout the continental United States. Calls terminate to the Megsinet-CLEC toll free Customer via switched or dedicated access lines.

3.7.1 Inbound Switched Silver Service

Inbound Switched Silver Service provides an in-bound toll free calling service to Megsinet-CLEC Customers. Calls terminate to the Megsinet-CLEC Toll Free Customer via switched access lines. All Customers are eligible to subscribe to this service.

For billing purposes, call timing is rounded up to the nearest six (6) second increment after the initial minimum period of eighteen (18) seconds.

Per Minute Rate

Charges per minute are as follows:

\$ 0.099

ISSUED: October 13, 1998

EFFECTIVE:

ISSUED BY: Michael Henry, President and Chief Executive Officer
225 West Ohio, Suite 200
Chicago, Illinois 60610

SD04900

SECTION 3 - DESCRIPTION OF SERVICE AND RATES, CONT'D

3.7 Inbound Toll Free (i.e. 800/888) Service, (Cont'd)

3.7.2 Inbound Switched Gold Service

Inbound Switched Gold Service provides an in-bound Toll Free calling service to Megsinet-CLEC Customers. Calls terminate to the Megsinet-CLEC Toll Free Customer via switched access lines. All Megsinet-CLEC local exchange Customers are eligible to subscribe to this service.

For billing purposes, call timing is rounded up to the nearest six (6) second increment after the initial minimum period of eighteen (18) seconds.

Per Minute Rate

Charges per minute are as follows:

\$ 0.099

ISSUED: October 13, 1998

EFFECTIVE:

ISSUED BY: Michael Henry, President and Chief Executive Officer
225 West Ohio, Suite 200
Chicago, Illinois 60610

SDWTR01

SECTION 3 - DESCRIPTION OF SERVICE AND RATES, CONT'D

3.7 Inbound Toll Free (i.e. 800/888) Service, (Cont'd)

3.7.3 Dedicated Inbound Toll Free Service

Dedicated Toll Free Service calls terminate to the Megsinet-CLEC Toll Free Customer via dedicated T-1 (1,544) access lines. Service is available only where T-1 access is available. The Customer is responsible for payment charges associated with the dedicated T-1 circuit. Such charges are normally billed by and paid directly to the access provider (i.e. local exchange carrier). All Megsinet-CLEC Customers are eligible to subscribe to this service.

For billing purposes, call timing is rounded up to the nearest six (6) second increment after the initial minimum period of six (6) seconds.

Per Minute Rate

Charges per minute are as follows: \$ 0.059

ISSUED: October 13, 1998

EFFECTIVE:

ISSUED BY: Michael Henry, President and Chief Executive Officer
225 West Ohio, Suite 200
Chicago, Illinois 60610

SD00030

SECTION 3 - DESCRIPTION OF SERVICE AND RATES, CONT'D**3.8 Travel Card**

Megsinet-CLEC's Travel Card provide telecommunications services and optional enhanced service to customers while traveling away from the office or home. Customers must dial a Toll-Free (i.e. 800/888) access number followed by their authorization code to make a call or use the service. A monthly credit limit will be assigned to each card for fraud protection. Customers have the option of raising or lowering the limit amount to best suit their calling practices.

For billing purposes, call timing is rounded up to the nearest six (6) second increment after the initial minimum period of eighteen (18) seconds.

Per Minute Rate

Charges per minute are as follows:

\$ 0.189

A \$0.25 per call surcharge applies to each call.

ISSUED: October 13, 1998

EFFECTIVE:

ISSUED BY: Michael Henry, President and Chief Executive Officer
225 West Ohio, Suite 200
Chicago, Illinois 60610

SDP0001

SECTION 3 - DESCRIPTION OF SERVICE AND RATES, CONT'D

3.9 Public 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 service and is unrelated to 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 Public Pay Telephone Surcharge applies to the initial completed call and any reoriginated call (i.e., using the "#" symbol).

Whenever possible, the Public 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 Public 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 Public 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.

Per Call Surcharge:

\$0.35

ISSUED: October 13, 1998

EFFECTIVE:

ISSUED BY: Michael Henry, President and Chief Executive Officer
225 West Ohio, Suite 200
Chicago, Illinois 60610

SDR000

SECTION 4 - MISCELLANEOUS SERVICES

4.1 Directory Assistance

A Directory Assistance charge applies per intrastate directory assistance calls made from points within the State of South Dakota. The customer may make two (2) requests for a telephone number per call. The Directory Assistance Charge applies regardless of whether the operator is able to supply the requested number. Discounts are not applicable to Directory Assistance Charges. Directory Assistance Charges are not included in usage commitments or computed in any discount calculations.

Per call to directory assistance: \$0.95

ISSUED: October 13, 1998

EFFECTIVE:

ISSUED BY: Michael Henry, President and Chief Executive Officer
225 West Ohio, Suite 200
Chicago, Illinois 60610

SDM000

SECTION 5 - PROMOTIONS

5.1 Demonstration Calls

From time to time Megsinet-CLEC will demonstrate its services by providing free test calls of up to fifteen minutes duration over its network.

5.2 Promotions - General

From time to time, Megsinet-CLEC may provide promotional offerings to introduce a current or potential Subscriber to a service not being used by the subscriber. These offerings may be limited to certain dates, times or locations and may waive or reduce recurring or non-recurring charges.

5.2.1 Competitive Response Promotion

Megsinet-CLEC will, at its discretion, match certain standard or promotional offerings of other interexchange carriers or resellers in order to acquire new Customers. The Customer must demonstrate to the Company's satisfaction that 1) an alternative service offering is valid and currently available from a competing interexchange carrier or reseller and 2) the Customer intends to either subscribe to or remain with the competing interexchange carrier or reseller. The Company reserves the right to verify that the alternative offering is an approved tariff on file with the Commission.

5.2.2 Best Rate Guarantee Promotion

Megsinet-CLEC will, at its discretion, match certain standard non-promotional offerings of other interexchange carriers or resellers in order to retain existing accounts. The competing rate must be provided in writing and be listed in an approved tariff on file with the Commission and must result in a lower overall bill for the same service offered by the Company.

ISSUED: October 13, 1998

EFFECTIVE:

ISSUED BY: Michael Henry, President and Chief Executive Officer
225 West Ohio, Suite 200
Chicago, Illinois 60610

SD0000

ATTACHMENT V

Megsinet-CLEC, Inc.

COST SUPPORT DATA

Megsinet-CLEC, Inc.
COST STUDY

Cost Support Information

The costs and revenues calculated below are based on a projected mix of traffic and current network cost experience. All services provided by Megsinet-CLEC, Inc. are planned and priced to cover costs and generate a reasonable return for the corporation.

AVERAGE COST BASE:

Carrier Costs	<u>\$ 0.0525</u>	per message
Billing	<u>\$ 0.0020</u>	per message and distribution of funds
Bad Debt Reserve	<u>\$ 0.0050</u>	per message
Sales & Marketing	<u>\$ 0.0200</u>	per message
Administration	<u>\$ 0.0070</u>	per message

Calculated Cost Base \$ 0.0865 per message

AVERAGE INTRASTATE REVENUE:

Calculated Revenue	<u>\$ 0.1250</u>	per message
NET MARGIN:	<u>30.80 %</u>	

TECHNOLOGIES MANAGEMENT, INC.P.O. BOX 200
210 N. PARK AVE.
WINTER PARK, FL 32789-0200
(407) 740-8575BARNETT BANK, N.A.
WINTER PARK, FL 32789
80-319-831

21124

10/12/98

PAY TO THE
ORDER OF South Dakota Public Service Comm

\$ **250.00

Two Hundred Fifty and 00/100*****

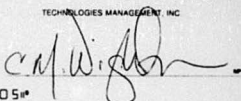
South Dakota Public Service Comm.
State Capitol
Pierre, SD 57501-5070

TECHNOLOGIES MANAGEMENT, INC.

DOLLARS
Security Features
Included
Details on back

MEMO Application Fee for MegaNet

TC98-182



⑈ 0 2 1 1 2 4 ⑈ ⑆ 0 6 3 1 0 3 1 9 3 ⑆ 2 8 3 0 0 6 6 5 0 5 ⑈

TECHNOLOGIES MANAGEMENT, INC.South Dakota Public Service Comm.
10/12/98

Bill #MegaNet

10/12/98

21124

250.00

TC98-182

Cash operating

Application Fee for MegaNet

250.00

South Dakota Public Utilities Commission

WEEKLY FILINGS

For the Period of October 9, 1998 through October 15, 1998

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 filing
Phone: 605-773-3705 Fax: 605-773-3809

NATURAL GAS

- NG98-009 In the Matter of the Filing by MidAmerican Energy Company for Approval of
Tariff Extension for Recovery of IGSP Program

MidAmerican Energy Company (MidAmerican) received approval from the South Dakota Public Utilities Commission to implement the Incentive Gas Supply Procurement Program (IGSPP) on November 8, 1995, in Docket No. NG95-006. MidAmerican is asking the Commission to extend the IGSP tariff-adjustment for billing through October 31, 1999. This extension of the tariff period will allow the remaining last two periods of the IGSP programs approved in Docket No. NG95-006.

Staff Attorney: Karen Cremer
Staff Analyst: Dave Jacobson
Date Filed: 10/15/98
Intervention Deadline: N/A

TELECOMMUNICATIONS

- TC98-182 In the Matter of the Application of Megsinet-CLEC, Inc., for a Certificate of Authority
to Provide Telecommunications Services in South Dakota

Application of Megsinet-CLEC, Inc. for a certificate of authority to provide inbound and outbound telecommunications services to residential and business customers utilizing switched access. Switched access service is available on a presubscription basis from equal access originating end offices. Megsinet also offers travel card services. All services are available twenty-four hours per day, seven days a week. Service is offered as an add-on to Megsinet's interstate service.

Staff Attorney: Camron Hoseck
Staff Analyst: Bob Knadle
Date Filed: 10/14/98
Intervention Deadline: 10/30/98

You may receive this listing and other PUC publications via our website or via internet e-mail.
You may subscribe to the PUC mailing list at <http://www.state.sd.us/state/executive/puc/puc.htm>



210 N. Park Ave.
Winter Park, FL
32789

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

Tel: 407-740-8575
Fax: 407-740-0613
tmi@tminc.com

October 22, 1998
Via Overnight Delivery

Mr. William Bullard, Jr.
Executive Director
Attention: Mr. Bob Knadle
South Dakota Public Utilities Commission
500 East Capitol Avenue
Pierre, South Dakota 57501-5070

Re: Application and Tariff of Megsinet-CLEC, Inc.
TC 98-182

RECEIVED
OCT 26 1998
SOUTH DAKOTA PUBLIC
UTILITIES COMMISSION

Dear Mr. Bullard:

Enclosed please find the original and ten (10) copies of the responses to your October 21, 1998 facsimile. The responses consists of answers to your questions and revised original tariff pages that replace the existing tariff pages in their entirety.

Please acknowledge receipt of this filing by date-stamping the extra copy of this letter and returning it to me in the enclosed envelope provided for that purpose.

Should you or your staff have any additional questions, please contact me at (407) 740-8575. Thank you.

Sincerely,

Mark G. Hammert
Consultant to Megsinet-CLEC, Inc.

Enclosures

cc: La Vern Trotter - Megsinet-CLEC, Inc.

File: Megsinet - SD IXC
TMS: SDI9800a

Megsinet-CLEC, Inc.

TC 98-182

Responses to October 21, 1998 Facsimile

1. The application represents that Mr. Henry is the only individual with greater than 20% of the ownership in the Company. No one else owned more than 20% of the Company.

On September 25, 1998 the Company issued additional shares of stock. Presently, no one owns more than 20% of the Company. Mr. Henry now owns 19.99% of the Company.

2. The Company has never been denied registration or certification in any state.
3. The Company plans to market its service through sales representatives. The representatives will meet with the prospective customers and discuss the service the Company provides. The Company does not plan on using any other sales channels at this time.
- 4 - 11 Please see the attached tariff pages which replace the existing tariff pages in their entirety.
12. The Company is not requesting certification to offer local exchange service at this time.

01550116110

Megsinet-CLEC, Inc.
TC 98-182

Responses to October 21, 1998 Facsimile - Tariff Pages

SECTION 1 - DEFINITION OF TERMS AND ABBREVIATIONS

Access Line - An arrangement which connects the Customer's location to a Megsinet-CLEC, Inc. switching center or point of presence.

Authorization Code - A pre-defined series of numbers to be dialed by the Customer or Authorized User upon access to the Carrier's network to identify the caller and validate the caller's authorization to use the service provided.

Authorized User - A person, firm, corporation, or any other entity authorized by the Customer to communicate utilizing the Carrier's service.

Called Party - The person, individual, corporation, or other entity whose telephone number is called by the End User.

Commission - The South Dakota Public Utilities Commission.

Company or Carrier - Megsinet-CLEC, Inc. ("Megsinet-CLEC") unless otherwise clearly indicated by the context.

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

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

ISSUED: October 13, 1998

EFFECTIVE:

ISSUED BY: Michael Henry, President and Chief Executive Officer
225 West Ohio, Suite 200
Chicago, Illinois 60610

SD0600

SECTION 1 - DEFINITION OF TERMS AND ABBREVIATIONS, CONT'D.

Dedicated Access - A method of reaching the Company's services whereby the Customer is connected directly to the Company's Point of Presence without utilizing services of the local switched network. The cost of these dedicated circuits is billed by the access provider directly to the end user.

End User - Any person, firm, corporation, partnership or other entity which uses the services of the Carrier under the provisions and regulations of this tariff. The End User is responsible for payment unless the charges for the services utilized are accepted and paid by another Customer.

LATA - Local access and transport area. A geographic area established by the US District Court for the District of Columbia in Civil Action No. 17-49, within which a local exchange company provides communications services.

Local Exchange Company (LEC) - A company which furnishes local exchange services.

Megsinet-CLEC - Refers to Megsinet-CLEC, Inc.

ISSUED: October 13, 1998

EFFECTIVE:

ISSUED BY: Michael Henry, President and Chief Executive Officer
225 West Ohio, Suite 200
Chicago, Illinois 60610

SD00002

SECTION 1 - DEFINITION OF TERMS AND ABBREVIATIONS, CONT'D.

Premises - A building or buildings on contiguous property.

Presubscribe - A method used to identify Megsinet-CLEC as the Customer's primary interexchange carrier and provides the Customer with direct dial "1+" long distance calling on Megsinet-CLEC's network.

Switched Access - A method for reaching the Company through the local switched network whereby the Customer uses standard business or residential local lines.

Terminal Equipment - Telecommunications devices, apparatus and associated wiring on the Premises of the Customer.

Travel Card - A billing mechanism which enables the Customer to access the service of the Company while away from home or office.

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.

ISSUED: October 13, 1998

EFFECTIVE:

ISSUED BY: Michael Henry, President and Chief Executive Officer
225 West Ohio, Suite 200
Chicago, Illinois 60610

5289600

SECTION 2 - REGULATIONS, CONT'D.

2.3 Limitations on Liabilities

2.3.1 Reserved for future use.

2.3.2 Reserved for future use.

2.3.3 The liability of the Company for errors in billing that result in overpayment by the Customer shall be limited to a credit equal to the dollar amount erroneously billed or, in the event that payment has been made and Service has been discontinued, to a refund of the amount erroneously billed.

ISSUED: October 13, 1998

EFFECTIVE:

ISSUED BY: Michael Henry, President and Chief Executive Officer
225 West Ohio, Suite 200
Chicago, Illinois 60610

SD0000

SECTION 2 - REGULATIONS, CONT'D.

2.7 Payment and Billing

- 2.7.1 Service is provided and billed by the Company on a monthly basis. Usage sensitive charges are billed in arrears and fixed monthly recurring charges, if any, are billed one month in advance. The Customer shall pay monthly in advance or on demand all monthly recurring charges for Service and shall pay on demand all charges for usage at any agency duly authorized to receive such payments.
- 2.7.2 Bills are due and payable upon receipt. Interest at the lesser of a rate of one and one-half percent (1.5%) per month, or the maximum rate allowed by law, shall be charged on any amount previously assessed which remains unpaid at the time the next bill is prepared.
- 2.7.3 Should service be suspended for nonpayment of charges, it will be restored when appropriate payments are made.
- 2.7.4 Reserved for future use.
- 2.7.5 In its discretion, the Company may restore or reestablish service which has been suspended or disconnected for nonpayment of charges, prior to payment of all charges due. Such restoration or reestablishment shall not be construed as a waiver of any rights to suspend or disconnect service for nonpayment of any such or other charges due and unpaid or for the violation of the provisions of this tariff; nor shall the failure to suspend or disconnect service for nonpayment of any past due account or accounts operate as a waiver or estoppel to suspend or disconnect service for nonpayment of such account or of any other past due account.

ISSUED: October 13, 1998

EFFECTIVE:

ISSUED BY: Michael Henry, President and Chief Executive Officer
225 West Ohio, Suite 200
Chicago, Illinois 60610

SDP/RS

SECTION 2 - REGULATIONS, CONT'D.

2.9 Advance Payments

The Company does not collect advance payments for services provided to its Customers.

2.10 Taxes and Fees

The Company shall charge the Customer an amount sufficient to recover all governmental assessments, fees, licenses, federal, state and local taxes, including but not limited to federal excise tax, state gross receipts taxes, sales taxes, municipal utilities taxes imposed upon the Company. Taxes, assessments, fees and licenses shall be added pro-rata, insofar as practical, to the rates and charges stated in the Company's rate schedules and listed as separate line items on the Customer's bill for services provided. The Company shall charge the Customer an amount sufficient to recover any governmental assessments, fees, license, or other similar taxes or fees imposed upon the Company.

ISSUED: October 13, 1998

EFFECTIVE:

ISSUED BY: Michael Henry, President and Chief Executive Officer
225 West Ohio, Suite 200
Chicago, Illinois 60610

SD0080

SECTION 2 - REGULATIONS, CONT'D.

2.14 Inspection, Testing and Adjustment

- 2.14.1** The Company may, upon reasonable notice, make such tests and inspections as may be necessary to determine whether tariff requirements are being complied with in the installation, operation, and maintenance of Customer's, Authorized User's, or the Company's equipment. The Company may, without notice, interrupt Service at any time, as necessary, because of a departure from any of these requirements and may continue such interruption until its requirements have been satisfied.
- 2.14.2** Upon reasonable notice, the facilities provided by the Company shall be made available to the Company by Customer or its Authorized Users for such tests and adjustments as may be necessary for their maintenance to a condition satisfactory to the Company.
- 2.14.3** Reserved for Future Use.

ISSUED: October 13, 1998

EFFECTIVE:

ISSUED BY: Michael Henry, President and Chief Executive Officer
225 West Ohio, Suite 200
Chicago, Illinois 60610

SD01980

SECTION 3 - DESCRIPTION OF SERVICE AND RATES

3.1 General

The Company provides interexchange switched and dedicated telecommunications services for personal or business use. Intrastate service is provided as an add-on to Megsinet-CLEC's interstate offerings. Descriptions and rates contained in this tariff apply to the intrastate portion of the Carrier's services only.

Each call is rated and charged individually for each call placed through the Company. Call timing is rounded to the nearest billing increment, (i.e. six (6) seconds). Fractional call charges are rounded up to the next whole cent on a per call basis.

3.2 Service Availability

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

ISSUED: October 13, 1998

EFFECTIVE:

ISSUED BY: Michael Henry, President and Chief Executive Officer
225 West Ohio, Suite 200
Chicago, Illinois 60610

SD0400

SECTION 5 - PROMOTIONS

5.1 Demonstration Calls

From time to time Megsinet-CLEC will demonstrate its services by providing free test calls of up to fifteen minutes duration over its network.

5.2 Promotions - General

From time to time, Megsinet-CLEC may provide promotional offerings to introduce a current or potential Subscriber to a service not being used by the subscriber. These offerings may be limited to certain dates, times or locations and may waive or reduce recurring or non-recurring charges. Such promotional offerings will be filed with the South Dakota Public Utilities Commission.

5.2.1 Competitive Response Promotion

Megsinet-CLEC will, at its discretion, match certain standard or promotional offerings of other interexchange carriers or resellers in order to acquire new Customers. The Customer must demonstrate to the Company's satisfaction that 1) an alternative service offering is valid and currently available from a competing interexchange carrier or reseller and 2) the Customer intends to either subscribe to or remain with the competing interexchange carrier or reseller. The Company reserves the right to verify that the alternative offering is an approved tariff on file with the Commission.

5.2.2 Best Rate Guarantee Promotion

Megsinet-CLEC will, at its discretion, match certain standard non-promotional offerings of other interexchange carriers or resellers in order to retain existing accounts. The competing rate must be provided in writing and be listed in an approved tariff on file with the Commission and must result in a lower overall bill for the same service offered by the Company.

ISSUED: October 13, 1998

EFFECTIVE:

ISSUED BY: Michael Henry, President and Chief Executive Officer
225 West Ohio, Suite 200
Chicago, Illinois 60610

SD0980

BEFORE THE PUBLIC UTILITIES COMMISSION
OF THE STATE OF SOUTH DAKOTA

IN THE MATTER OF THE APPLICATION OF)	ORDER GRANTING
MEGSINET-CLEC, INC. FOR A CERTIFICATE)	CERTIFICATE OF
OF AUTHORITY TO PROVIDE)	AUTHORITY
TELECOMMUNICATIONS SERVICES IN)	
SOUTH DAKOTA)	TC98-182

On October 14, 1998, 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 Megsinet-CLEC, Inc. (Megsinet).

Megsinet is a resale common carrier that proposes to offer interexchange direct dialed (1+), inbound toll free and travel card services to customers throughout South Dakota. Intrastate service is offered as an add-on to interstate service. A proposed tariff was filed by Megsinet. The Commission has classified long distance service as fully competitive.

On October 15, 1998, the Commission electronically transmitted notice of the filing and the intervention deadline of October 30, 1998, to interested individuals and entities. No petitions to intervene or comments were filed and at its regularly scheduled November 3, 1998, meeting, the Commission considered Megsinet's request for a certificate of authority. Commission Staff recommended granting a certificate of authority.

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 Megsinet has met the legal requirements established for the granting of a certificate of authority. Megsinet 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 Megsinet's application for a certificate of authority. As the Commission's final decision in this matter, it is therefore

ORDERED, that Megsinet's application for a certificate of authority is hereby granted, effective December 14, 1998. It is

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

Dated at Pierre, South Dakota, this 9th day of November, 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 first class mail, in properly addressed envelopes, with charges prepaid thereon.

By William Kachko

Date 11/10/98

(OFFICIAL SEAL)

BY ORDER OF THE COMMISSION:

James A. Burg
JAMES A. BURG, Chairman

Pam Nelson
PAM NELSON, Commissioner

William Schoenfelder
LASKA SCHOENFELDER, 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 November 3, 1998, effective December 14, 1998
Docket No. TC98-182

This is to certify that

MEGSINET-CLEC, INC.

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 9th day of November, 1998.

SOUTH DAKOTA PUBLIC
UTILITIES COMMISSION:



James A. Burg
JAMES A. BURG, Chairman

Pam Nelson
PAM NELSON, Commissioner

Laska Schoenfelder
LASKA SCHOENFELDER, Commissioner