

2254

DOCKET NO.

In the Matter of — IN THE MATTER OF THE
APPLICATION OF SOUTHNET
TELECOMM SERVICES, INC. FOR A
CERTIFICATE OF AUTHORITY TO
PROVIDE TELECOMMUNICATIONS
SERVICES IN SOUTH DAKOTA

Public Utilities Commission of the State of South Dakota

DATE	MEMORANDA
4/13 99	Filed and Packeted;
4/15 99	Weekly Filing;
5/7 99	Revised Tariff;
5/18 99	Order Granting COA;
5/18 99	Packet Closed.

VIA OVERNIGHT COURIER

April 9, 1999

Mr. William Bullard, Jr.
Executive Director
South Dakota Public Utilities Commission
State Capitol
500 East Capitol Avenue
Pierre, SD 57501-5071

ORIGINAL

RECEIVED

APR 13 1999

Re: Registration of SouthNet TeleComm Services, Inc.
Authority to Provide Intrastate Telecommunications
Services within the State of South Dakota

SOUTH DAKOTA PUBLIC
UTILITIES COMMISSION

Dear Mr. Bullard:

Enclosed herewith for filing with the South Dakota Public Utilities Commission (the "Commission"), on behalf of SouthNet TeleComm Services, Inc. ("SouthNet"), are an original and ten (10) copies of SouthNet's Registration Application for Authority to Provide Intrastate Telecommunications Services within the State of South Dakota and Exhibits thereto. Also enclosed is a check in the amount of \$250.00 in satisfaction of the statutory filing fee associated with this Registration Application.

Please file/stamp the enclosed copy of this transmittal letter to acknowledge receipt of SouthNet's Application by the Commission and return it to our offices in the enclosed addressed envelope.

Should you have any questions concerning this matter, please do not hesitate to contact the undersigned.

Respectfully submitted,

Catherine M. Hannan

Catherine M. Hannan

Enclosures

BEFORE THE SOUTH DAKOTA
PUBLIC UTILITIES COMMISSION

ORIGINAL

Registration of)
SouthNet TeleComm Services, Inc.)
for Authority to Provide Intrastate)
Telecommunications Services)
within the State of South Dakota)

Docket No. _____

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

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

SouthNet TeleComm Services, Inc.
2300 Lake Park Drive, Suite 100
Smyrna, GA 30080
Telephone: (770) 937-9550
Facsimile: (770) 937-9303

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.

SouthNet TeleComm Services, Inc. ("SouthNet") is a corporation formed under
the laws of the State of Georgia on September 27, 1995. A copy of the Applicant's
Certificate of Authority to transact business in the State of South Dakota is attached
hereto as Exhibit 1.

- (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

A copy of SouthNet's Articles of Incorporation is attached hereto as Exhibit 2.

- (c) The names and addresses of any corporation, association, partnership, cooperative, or individual holding a 20 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:

Stockholder and officer/director identifying information is set forth below.

NAME	Number of Shares Owned	Percentage of Shares Owned	Percentage of Voting Control
Ronald F. Anderegg 16162 Arbor View Dr. Spring Lake, MI 49456	6,003	90% common stock	90%
Paul Anderegg 8808 River Rise Drive Cordova, TN 38018	667	10% common stock	10%

SouthNet's Officers and Directors are:

Ronald F. Anderegg
16162 Arbor View Drive
Spring Lake, MI 49456

President, Chief Executive Officer
Director

Robert A. Morris
2182 Chartwell Drive
Smyrna, GA 30080

Vice President and General Manager

SouthNet has not entered into any management agreements.

4. **If the Applicant is a Partnership, the name, title and business address of each partner, both general and limited:**

Not applicable.

5. **A description of the telecommunications services the Applicant intends to offer:**

If authorized by the Commission, SouthNet will offer toll telecommunications services to consumers in the State of South Dakota and will make available to its long distance customers a toll-free "800/888" customer service line to respond to customer inquiries and complaints, as well as 24-hour/365-day emergency toll free access to its network control center. SouthNet intends to provide the following interexchange services on a resale basis within the State of South Dakota: intraLATA and interLATA switched and dedicated outbound interexchange services, and calling card services accessed via company-provided "800/888" numbers. SouthNet's services are described more fully in its proposed Telecommunications Services Tariff, attached hereto as Exhibit 5.

6. **A statement of the means by which the Applicant will provide its services:**

SouthNet intends to provide the above-described telecommunications services on a resale basis. As a resale carrier, SouthNet will neither own nor lease equipment or facilities for the transport of telecommunications in the State of South Dakota. SouthNet will utilize the resold transmission services of other carriers.

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

SouthNet intends to offer service throughout the entire state of South Dakota.

8. **Current financial statements, including a balance sheet, income statement and cash flow 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 applicant's tariff book:**

SouthNet's financial statements for the period ending December 31, 1998, are attached hereto as Exhibit 3. Because it is not a publicly traded corporation, SouthNet TeleComm Services, Inc. does not publish an annual report or report to stockholders. The terms, conditions and charges applicable to SouthNet's proposed service offerings are set forth in Applicant's proposed Telecommunications Services Tariff, attached hereto as Exhibit 4.

9. **The names and addresses of the Applicant's representatives to whom all inquiries should be made regarding complaints and regulatory matters and a description of how the Applicant handles customer billings and customer service matters:**

For inquiries regarding this Application and Tariff and/or regulatory matters, contact:

Catherine M. Hannan
Hunter Communications Law Group, P.C.
1620 I Street, N.W., Suite 701
Washington, D.C. 20006
Telephone: (202) 293-2500
Facsimile: (202) 293-2571

For inquiries regarding complaints, contact:

Lori N. Langan
Manager of Customer Services
SouthNet TeleComm Services, Inc.
2300 Lake Park Drive, Suite 100
Smyrna, GA 30080
Telephone: (770) 937-9550
Facsimile: (770) 937-9303

Customers may contact SouthNet's customer service department twenty-four hours a day, seven days a week at (800) 787-3221. Customer service personnel are fully trained to handle calls efficiently and courteously. SouthNet maintains a fully staffed customer

service department and provides a toll-free telephone number which can be utilized by customers to register complaints, or to request refunds or bill adjustments. Additionally, SouthNet has in place internal procedures for facilitating the processing and resolution of customer complaints. The Company's customer service employees receive specific training in the efficient, prompt resolution of customer complaints and are instructed to provide full contact information for state commission consumer complaint departments.

10. A list of the States in which the Applicant is registered or certified to provide telecommunications services, whether the applicant has ever been denied registration or certification in any state and the reasons for any such denial, a statement as to whether or not the applicant is in good standing with the appropriate regulatory agency in the states where it is registered or certified, and a detailed explanation of why the applicant is not in good standing in a given state, if applicable.

SouthNet is authorized to provide local and long distance telecommunications services in the States of California, Connecticut, Delaware, Florida, Massachusetts, New Jersey, New York, North Carolina, Pennsylvania, Rhode Island, South Carolina, Tennessee and Texas, and to provide long distance telecommunications services in the States of Arizona and Georgia.

SouthNet has not been denied certification from any state utility commission nor has its certificate been revoked in any state. SouthNet is in good standing with all regulatory agencies in the states where the Company is registered or certified.

11. A description of how the Applicant intends to market its services, its target market, whether the Applicant engages in any multilevel marketing, and copies of any company brochures used to assist in the sale of services:

SouthNet utilizes in-house sales agents to market its services to both commercial and residential customers. Prior to commencing sales activities on behalf of SouthNet, the Company's sales agents undergo training designed to educate them about their obligations pursuant to such rules and regulations as the Telephone Consumer Protection Act of 1991,

the Federal Communications Commission's "Do Not Call" and "Slamming" rules, and the Federal Trade Commission's Telemarketing Sales Rules, among others. Sales agents are required to periodically undergo refresher training courses. SouthNet's call center management personnel are trained to monitor the activities of sales personnel, identifying and correcting behavior not in accordance with federal and/or state rules and regulations. When necessary, SouthNet terminates the relationship between particular sales agents and the Company.

The Company does not intend to market its services through non-profit organizations or through multi-level marketing programs and at present does not intend to utilize sales brochures within the State of South Dakota.

12. **Cost support for rates shown in the Company's Tariff for all noncompetitive or emerging competitive services:**

All services proposed to be offered by SouthNet are fully competitive. Accordingly, no cost support data is provided herewith.

13. **Federal tax identification number:**

SouthNet's Federal tax identification number is 58-2200292.

14. **The number and nature of complaints filed against the applicant with any state or federal regulatory commission regarding the unauthorized switching of a customer's telecommunications provider and the act of charging customers for services that have not been ordered:**

SouthNet has not been the subject of any formal complaints regarding the unauthorized switching of a customer's telecommunications provider, or charging customers for services that have not been ordered, before any state or federal regulatory commission.

15. A written request for waiver of those rules the applicant believes to be inapplicable:

SouthNet does not request waiver of Commission rules at this time.

16. Additional Information:

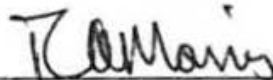
SouthNet has the technical and managerial capability to provide high quality interexchange telecommunications services within and throughout the State of South Dakota. SouthNet has developed a management team well-versed in addressing the service needs and concerns of its customer base. Profiles of SouthNet's key management personnel are attached as Exhibit 4.

The information contained in this Application and the Exhibits attached hereto fully describe SouthNet's business and its ability to provide consumers within and throughout the State of South Dakota with a viable and economical alternative for the satisfaction of their telecommunications service needs. Grant of Authority to provide intrastate telecommunications services to SouthNet will benefit the public interest by spurring greater competition in the provision of such services in the State of South Dakota, adding another substantial competitor to the market. Greater competition is known to generate downward pressure on rates and enhance product and service diversity and quality. Increased competition promotes the public interest by: (i) encouraging competitive pricing; (ii) discouraging unjust, unreasonable and unreasonably discriminatory carrier practices; (iii) reducing the need for detailed regulatory intervention, the expenditure of administrative costs and the potential for market distortions that may accompany such intervention; (iv) promoting innovation and the efficient deployment and use of telecommunications facilities; (v) improving carrier management and marketing; (vi) generating increased research and development; and (vi) positively affecting the growth of the market for telecommunications.

As evidenced by the foregoing Application, SouthNet TeleComm Services, Inc. ("SouthNet") is fully qualified to offer and provide long distance service within the State of South Dakota. Therefore, SouthNet respectfully requests that the Commission grant SouthNet's application for authority to provide intrastate telecommunications services at its earliest convenience.

Dated this 9th day of April 1999.

Respectfully submitted,

A handwritten signature in dark ink, appearing to read "R. Morris", is written over a horizontal line.

Robert A. Morris
Vice President and General Manager
SouthNet TeleComm Services, Inc.

EXHIBIT 1

SOUTHNET TELECOMM SERVICES, INC.

**CERTIFICATE OF AUTHORITY TO
TRANSACTION BUSINESS IN SOUTH DAKOTA**

State of South Dakota

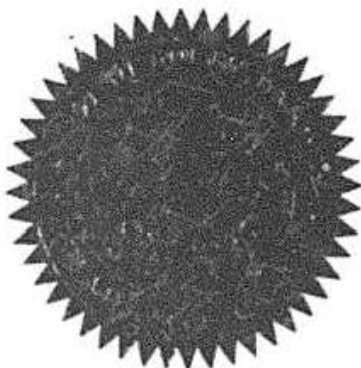


OFFICE OF THE SECRETARY OF STATE

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 SOUTHNET TELECOM SERVICES, INC. (GA) 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 February 25, 1999.

JOYCE HAZELTINE
Secretary of State



State Capitol
500 E. Capitol Ave
Pierre SD 57501
Phone 605-773-4845
Fax 605-773-4848

RECEIPT NO. _____

RECEIVED

FEB 23 1999

S.D. SEC. OF STATE

RECEIVED

FEB 25 1999

S.D. SEC. OF STATE

Application for Certificate of Authority

Pursuant to the provisions of SDCL 47-8-7, the undersigned corporation hereby applies for a Certificate of Authority to transact business in the State of South Dakota and for that purpose submits the following statement:

(1) The name of the corporation is SouthNet TeleComm Services, Inc.
(exact corporate name)

(2) If the name of the corporation does not contain the word "corporation", "company", "incorporated" or "limited" or does not contain an abbreviation of one of such words, then the name of the corporation with the word or abbreviation which it elects to add thereto for use in this state is _____

(3) State where incorporated Georgia Federal Taxpayer ID# 58-2200292

(4) The date of its incorporation is September 27, 1995 and the period of its duration, which may be perpetual, is perpetual

(5) The address of its principal office in the state or country under the laws of which it is incorporated is 2333 Windy Hill Road, Marietta, GA Zip Code 30067
mailing address if different from above is: _____ Zip Code _____

(6) The street address, or a statement that there is no street address, of its proposed registered office in the State of South Dakota is 300 South Phillips Avenue, Suite 300, Sioux Falls, SD Zip Code 57102
and the name of its proposed registered agent in the State of South Dakota at that address is National Registered Agents, Inc.

(7) The purposes which it proposes to pursue in the transaction of business in the State of South Dakota are: (state specific purpose)
Telecommunication services

(8) The names and respective addresses of its directors and officers are:

Name	Officer Title	Street Address	City	State	Zip
<u>Ronald F. Anderegg</u>	<u>President & Director</u>	<u>1014 S. Beacon Blvd.,</u>	<u>Grand Haven,</u>	<u>MI</u>	<u>49456</u>
<u>Robert A. Morris</u>	<u>Vice President</u>	<u>2333 Windy Hill Road,</u>	<u>Marietta,</u>	<u>GA</u>	<u>30067</u>
_____	_____	_____	_____	_____	_____
_____	_____	_____	_____	_____	_____

(9) The aggregate number of shares which it has authority to issue, itemized by classes, par value of shares, shares without par value, and series, if any, within a class is:

Number of shares	Class	Series	Par value per share or statement that shares are without par value
<u>1,000,000</u>	<u>Common</u>	_____	<u>\$1.00</u>
_____	_____	_____	_____
_____	_____	_____	_____

(10) The aggregate number of its issued shares, authorized by classes, par value of shares, shares without par value, and series, if any, within a class, is

Number of shares	Class	Series	Par value per share or statement that shares are without par value
6,670	Common		\$1.00

(11) The amount of its stated capital is \$ 6,670.00
Shares issued times par value equals stated capital. In the case of no par value stock, stated capital is the consideration received for the issued shares

(12) This application is accompanied by a CERTIFICATE OF FACT or a CERTIFICATE OF GOOD STANDING duly acknowledged by the Secretary of State or other officer having custody of corporate records in the state or country under whose laws it is incorporated

(13) That such corporation shall not directly or indirectly combine or make any contract with any incorporated company, foreign or domestic, through their stockholders or the trustees or assigns of such stockholders, or with any copartnership or association of persons, or in any manner whatever to fix the prices, limit the production or regulate the transportation of any product or commodity so as to prevent competition in such prices, production or transportation or to establish excessive prices therefor.

(14) That such corporation, as a consideration of its being permitted to begin or continue doing business within the State of South Dakota, will comply with all the laws of the said State with regard to foreign corporations.

The application must be signed, in the presence of a notary public, by the chairman of the board of directors, or by the president or by another officer.

I DECLARE AND AFFIRM UNDER THE PENALTY OF PERJURY THAT THIS APPLICATION IS IN ALL THINGS, TRUE AND CORRECT.

Dated 2/18 1999

Robert A. Morris
(Signature)
(Title) Robert A. Morris, Vice President

STATE OF Georgia
COUNTY OF Cobb

I, _____, a notary public, do hereby certify that on this 12th day of Feb 1999, personally appeared before me Robert A. Morris who, being by me first duly sworn, declared that he/she is the Vice President of SouthNet TeleComm Services, Inc. that he/she signed the foregoing document as officer of the corporation, and the statements therein contained are true.

Notary Public, Cobb County, Georgia
My Commission Expires April 20, 2002

Sharon P. Gandy
(Notary Public)

Notarial Seal

.....
The Consent of Appointment below must be signed by the registered agent listed in number six.

Consent of Appointment by the Registered Agent
Tina Leland, Assistant Secretary for
 I, National Registered Agents, Inc. hereby give my consent to serve as the registered
(name of registered agent)
 agent for SouthNet TeleComm Services, Inc.
(corporate name)
 Dated 12/12 19 99 Tina Leland
(signature of registered agent)

The proper filing fee must accompany the application. Make checks payable to the Secretary of State.

FEE SCHEDULE

Authorized capital stock of	25,000	or less	\$ 90
Over \$25,000 and not exceeding	100,000		110
Over \$100,000 and not exceeding	500,000		130
Over \$500,000 and not exceeding	1,000,000		150
Over \$1,000,000 and not exceeding	1,500,000		200
Over \$1,500,000 and not exceeding	2,000,000		250
Over \$2,000,000 and not exceeding	2,500,000		300
Over \$2,500,000 and not exceeding	3,000,000		350
Over \$3,000,000 and not exceeding	3,500,000		400
Over \$3,500,000 and not exceeding	4,000,000		450
Over \$4,000,000 and not exceeding	4,500,000		500
Over \$4,500,000 and not exceeding	5,000,000		550

For each additional \$500,000, \$40 in addition to \$550.

For purposes only of computing fees under this section, the dollar value of each authorized share having a par value shall be equal to par value and the value of each authorized share having no par value shall be equal to one hundred dollars per share. The maximum amount charged under this subdivision may not exceed sixteen thousand dollars.

FILING INSTRUCTIONS:

The application must be signed, in the presence of a notary public, by the chairman of the board of directors, or its president, or any other officer. One original and one photocopy of the application must be submitted.

The application must be accompanied by an original, currently dated, **CERTIFICATE OF FACT** or a **CERTIFICATE OF GOOD STANDING** from the Secretary of State in the state where incorporated. A photocopy of a certificate is not acceptable. It should be dated within ninety (90) days of submitting it to our office.

South Dakota law requires every corporation to continuously maintain a resident of this state as the registered agent (number six on the application). The registered agent's address is considered the registered office address of the corporation in South Dakota. A complete street address must be listed for service of process.

The Consent of Registered Agent portion must be signed by the South Dakota registered agent.

Mail the application, certificate, and filing fee to the Secretary of State, Corporate Division, 500 E. Capitol Avenue, Pierre, SD 57501-5070. The duplicate and a Certificate of Authority will be returned for your records.

EXHIBIT 2

SOUTHNET TELECOMM SERVICES, INC.

ARTICLES OF INCORPORATION

Secretary of State

Corporations Division
315 West Tower
2 Martin Luther King, Jr. Dr.
Atlanta, Georgia 30334-1530

DOCKET NUMBER : K90321111
CONTROL NUMBER : K528406
DATE INC/AUTH/FILED: 09/27/1995
JURISDICTION : GEORGIA
PRINT DATE : 02/01/1999
FORM NUMBER : 215

HUNTER COMMUNICATION LAW GROUP
ATTN: CATHERINE HANNAN
1620 I STREET NW STE 701
WASHINGTON DC 20006

CERTIFIED COPY

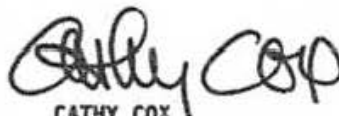
I, Cathy Cox, the Secretary of State of the State of Georgia, do hereby certify under the seal of my office that the attached documents are true and correct copies of documents filed under the name of

SOUTHNET TELECOMM SERVICES, INC. A DOMESTIC PROFIT CORPORATION

Said entity was formed in the jurisdiction set forth above and has filed in the office of the Secretary of State on the date set forth above its certificate of limited partnership, articles of incorporation, articles of association, articles of organization or application for certificate of authority to transact business in Georgia.

This certificate is issued pursuant to Title 14 of the Official Code of Georgia Annotated and is prima-facie evidence of the existence or nonexistence of the facts stated herein.




CATHY COX
SECRETARY OF STATE

Secretary of State
Business Information and Services
Suite 315, West Tower
Martin Luther King Jr. Dr.
Atlanta, Georgia 30334-1530

CONTROL NUMBER: 9528406
EFFECTIVE DATE: 09/27/1995
COUNTY : FULTON
REFERENCE : 0091
PRINT DATE : 09/27/1995
FORM NUMBER : 0311

CT CORPORATION SYSTEM
PATTIE HARDY
1201 PEACHTREE STREET, NE
ATLANTA, GA 30361

CERTIFICATE OF INCORPORATION

I, MAX CLELAND, Secretary of State and the Corporation
Commissioner of the State of Georgia, do hereby certify under the
seal of my office that

SOUTHNET TELECOMM SERVICES, INC.

has been duly incorporated under the laws of the State of Georgia
on the effective date stated above by the filing of articles of
incorporation in the office of the Secretary of State and by the
paying of fees as provided by Title 14 of the Official Code of
Georgia Annotated.

WITNESS my hand and official seal in the City of Atlanta and the
State of Georgia on the date set forth above.



Max Cleland
MAX CLELAND
SECRETARY OF STATE

ARTICLES OF INCORPORATION
OF
SOUTHNET TELECOMM SERVICES, INC.

WE, the undersigned, in order to form a corporation under and pursuant to the provisions of the Laws of Georgia for the purposes set forth below, hereby subscribed to these Articles of Incorporation.

ARTICLE I

The name of the corporation shall be SouthNet Telecomm Services, Inc.

ARTICLE II

The purposes and general nature of the business to be conducted and transacted by the corporation shall be as follows:

A. To do and transact any and all business as permitted under the laws of the State of Georgia and the United States of America.

B. To purchase for investment and resale, and to traffic in land, property, houses and buildings and other property of any nature. To create, sell and deal in freehold and leasehold ground rents. To make advances upon the security of land or houses or other property. To deal in any manner with real and personal property.

C. To draw, make, accept, endorse, discount, execute and issue promissory notes, bills of exchange, or other negotiable instruments, including bonds, debentures, or other obligations of this corporation, whether secured by mortgage, pledge, or otherwise, or unsecured, for money borrowed, or in payment for property purchased or acquired, or for other lawful objects.

D. To guarantee, purchase, hold, sell, assign, transfer, mortgage, pledge, or otherwise dispose of the shares of capital stock, or any bonds, securities, or other evidences of indebtedness, created by any corporation and while owner of such stock or evidences or indebtedness, to exercise all of the rights, powers and privileges of ownership, including the right to vote according to the rights of said instruments and agreements.

E. To purchase, hold, sell, and transfer shares of its own capital stock; subject, however, to such limitations as may be provided by law; and provided further, that shares of its own capital stock owned by the corporation shall not be voted upon directly or indirectly nor counted as outstanding for the purpose of any stockholder's quorum or vote.

Without limiting any of the purposes, powers and objects of this corporation, it is expressly declared and provided that this corporation shall have power in carrying on its own business, or for the purpose of accomplishment of any of the purposes or attainment of the objects hereinabove specified, to make and perform contracts of any kind and description and to do any and all other acts and things, and to exercise any and all powers, either as principal, agent or broker, conferred by the Laws of Georgia upon corporations, and which a partnership or natural person could do and exercise, and which now or hereafter may be authorized by law.

ARTICLE III

The number of shares of stock that this corporation is authorized to have outstanding at any time is 1,000,000 shares at \$1.00 par value.

ARTICLE IV

The amount of capital with which this corporation shall begin business shall be \$500.00.

ARTICLE V

The existence of this corporation shall be perpetual.

ARTICLE VI

The principal office of this corporation shall be located at 1640 Powers Ferry Road, Building 2, Suite 150, Marietta, Georgia 30067.

ARTICLE VII

The Board of Directors of this corporation shall consist of not less than 1 but not more than 7 members.

ARTICLE VIII

The names and addresses of the first Board of Directors, who shall, subject to these Articles of Incorporation, By-Laws, and the Laws of Georgia, hold office for the first year of the corporation's existence, or until their successors shall have been elected and qualified, are as follows:

NAME

ADDRESS

C. William Laystrom, Jr.

1177 S.E. Third Avenue
Ft. Lauderdale, Florida 33316

ARTICLE IX

The Registered Agent and the registered office for this corporation will be:

CT Corporation System
1201 Peachtree Street N.E. Ste. 1240
Atlanta, Georgia 30361

CT CORPORATION SYSTEM
1201 Peachtree Street N.E.
Atlanta, Georgia 30361

ARTICLE X

The names and addresses of each subscriber to these Articles of Incorporation are as follows:

<u>NAME</u>	<u>ADDRESS</u>
C. William Laystrom, Jr.	1177 S.E. Third Avenue Ft. Lauderdale, Florida 33316

ARTICLE XI

The Officers of the corporation until the first meeting of the corporation Board of Directors, or until successors are elected, shall be:

C. William Laystrom, Jr. - President/Secretary/Treasurer

ARTICLE XII

This corporation shall be initially governed by the stockholders, notwithstanding other provisions of these Articles of Incorporation. At the discretion of the initial sole stockholder or the successor of all shares of the stockholder, or when there are two or more stockholders owning stock in the corporation, at a meeting held for that purpose, stockholders may elect to operate with a Board of Directors and officers as provided elsewhere in these Articles of Incorporation. At such time, there shall be elected a minimum of one (1) director who shall hold office for one (1) year after their election or until their successors are elected or appointed and have qualified. The stockholders shall also elect such persons to fill the offices of: PRESIDENT, VICE-PRESIDENT, SECRETARY/TREASURER, and such other

offices as are permitted by the By-Laws of the corporation. The officers shall serve for one (1) year after their election or until their successors are elected or appointed and have qualified. The manner and form of electing or appointing officers and directors shall be set out in the By-Laws.

IN WITNESS WHEREOF, we have hereunto made, subscribed and acknowledged these Articles of Incorporation.

Samantha Williams
WITNESS
Print: Samantha Williams

Lorna J. Vane
WITNESS
Print: Lorna J. Vane

C. William Laystrom, Jr.
C. WILLIAM LAYSTROM, JR.

SEP 27 2 37 PM '95
BSM (1)

SECRETARY OF STATE

STATE OF FLORIDA)
SS:
COUNTY OF BROWARD)

I HEREBY CERTIFY that on this day personally appeared C. WILLIAM LAYSTROM, JR., to me well known to be the same described in and who executed these Articles of Incorporation, and acknowledged the Articles to be the act and deed of the subscriber(s) and that the facts set forth therein are true.

WITNESS my hand and seal at Fort Lauderdale, Broward County, Florida this 11th

day of Sept, 1995.

E. Scott Allworth
NOTARY PUBLIC

Print: E. Scott Allworth

My Commission Expires:



SEP-25-1995 14:48

CT CORPORATION SYSTEM
2 Martin Luther King Jr. Drive
Atlanta, Georgia 30334-1530
(404) 836-2817

404 836 6450 P.02/87

MAX CILAND
Secretary of State
State of GeorgiaTRANSMITTAL INFORMATION FOR GEORGIA
PROFIT OR NONPROFIT CORPORATIONSJ. F. GULLION
Director

DO NOT WRITE IN SHADED AREA - SDS USE ONLY

BOOKET #	952700793	PENDING CONTROL #		CONTROL #	9528406
Booket Code	311	Corporation Type	DP		
Date Filed	9-27-95	Amount Received \$	160.00	Check/Receipt #	1281
Jurisdiction (County) Code	060	Fulton			
Examiner	91	Date Completed			

NOTICE TO APPLICANT: PRINT PLAINLY OR TYPE REMAINDER OF THIS FORM.
INSTRUCTIONS ARE ON THE BACK OF THIS FORM.

1.	952700790	Corporate Name Reservation Number	
	SouthNet Telecomm Services, Inc.	Corporate Name (exactly as appears on name reservation)	
2.	C. William Laystrom, Jr.	Applicant/Attorney	770-525-5141
	1177 SE 3 rd Avenue	Address	Telephone Number
	Ft. Lauderdale, Florida	City	State
		Zip Code	33316

3. NOTICE: THIS FORM DOES NOT REPLACE THE ARTICLES OF INCORPORATION. MAIL OR DELIVER DOCUMENTS AND THE SECRETARY OF STATE FILING FEE TO THE ABOVE ADDRESS. DOCUMENTS SHOULD BE SUBMITTED IN THE FOLLOWING ORDER. (A COVER LETTER IS NOT REQUIRED.)

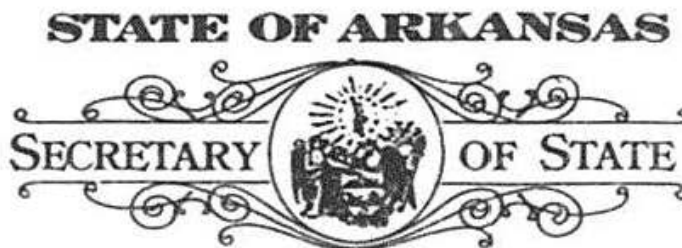
1. FORM 227 - TRANSMITTAL FORM (ATTACH SECRETARY OF STATE FILING FEE OF \$60.00 TO THIS FORM)
2. ORIGINAL ARTICLES OF INCORPORATION
3. ONE COPY OF ARTICLES OF INCORPORATION

I understand that the information on this form will be entered in the Secretary of State business registration database. I certify that a Notice of Intent to Incorporate and a publishing fee of \$40.00 has been mailed or delivered to the authorized newspaper as required by law.

C. William Laystrom Jr.
Authorized Signature

Date

(CA. - 904 - 12/4/92)



Sharon Priest
SECRETARY OF STATE

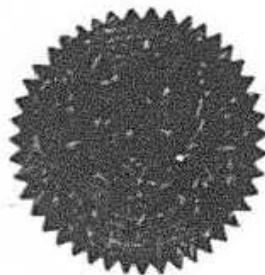
CERTIFICATE OF AUTHORITY TO FOREIGN
CORPORATION

To All to Whom These Presents Shall Come, Greetings:

I, Sharon Priest, Secretary of State of Arkansas, do hereby
certify that

SOUTHNET TELECOMM SERVICES, INC.

has filed in this office a duly authorized Certificate of Existence, a statement naming the state, territory or foreign country under whose laws the Corporation was incorporated, the date of its incorporation and period of duration, the nature of the business of the Corporation, the address of the general office, or principal place of business of the Corporation in the jurisdiction under whose laws the Corporation was incorporated, a statement including the name and address of the registered agent of the Corporation upon whom Service of Process may be had in any of the courts of the State of Arkansas, a statement showing the number of shares of the Corporation's capital stock owned or to be owned by residents of the State of Arkansas and the par value of each share, a statement of the value of the assets owned by the Corporation including those in Arkansas, that said Corporation has paid the fees required by law to be paid and has in all things complied with the provisions of Act 958 of 1987 as enacted by the General Assembly of Arkansas.



In Testimony Whereof, I have hereunto
set my hand and affixed my official Seal
Done at my office in the City of Little Rock,
this 23rd day of February 1995.

Sharon Priest

Secretary of State

99 FEB 23 PM 1:21

Application for Certificate of Authority

(Please type or print)

SHARON PRIEST
SECRETARY OF STATE
STATE OF ARKANSAS

Pursuant to the provisions of Arkansas Code of 1987 Annotated, the undersigned as the duly-authorized and acting president, secretary, treasurer, superintendent or managing agent in the State of Arkansas, of the foreign corporation named below (the "corporation") for which this statement is submitted, under oath hereby state:

1a. The name of the corporation is: SouthNet TeleComm Services, Inc.

1b. Fictitious name to be used in Arkansas: _____

(The corporation may use a fictitious name to transact business in Arkansas if its real name is unavailable and it delivers to the Secretary of State for filing a copy of the resolution of its board of directors certified by its secretary adopting a fictitious name.)

2. The state, territory or foreign country under whose laws the corporation was incorporated is:

Georgia

3. Date Incorporated September 27, 1995 Period of Duration: Perpetual

4. The nature of the business of the corporation and the object or purposes to be transacted, promoted or carried on by it are:

Telecommunication services

5. The address of the general office or place of business of the corporation in Arkansas is designated to be:

None

(Street Address)

(City)

(State)

(Zip)

6. The name and address of the registered agents of the corporation upon whom Service of Process is authorized to be in Arkansas is:

National Registered Agents, Inc. of AR

(Name)

101 South Spring Street

Little Rock

AR

72201

(Street Address)

(City)

(State)

(Zip)

7. The address of the general office or principal place of business of the corporation is:

2333 Windy Hill Road

Marietta

GA

30067

(Street Address)

(City)

(State)

(Zip)

8. The number and par value, if any, of shares of the corporation's capital stock owned or to be owned by residents of Arkansas:

None

9. Value of Assets in Arkansas \$ -0-

Total value of all Assets (including Arkansas) \$ 411,762.09

10. The foreign corporation shall deliver with the completed application a certificate of existence (or document of similar import) duly authorized by the Secretary of State or other official having custody of corporate records in the state or country under whose laws it is incorporated.

11. A filing fee of \$300.00 is submitted herewith in accordance with Act 958 of 1987.

Witness the hand and seal of the corporation executed under oath by the undersigned in behalf of the corporation on this the 12th day of February, 19 99

SouthNet TeleComm Services, Inc.

(Name of Corporation)

(Signature of Authorized Officer)

Robert A. Morris, Vice President

(Title of Position Held by Authorized Officer)

EXHIBIT 3

SOUTHNET TELECOMM SERVICES, INC.

FINANCIAL STATEMENTS

**SOUTHNET TELECOMM SERVICES
(A Corporation)**

FINANCIAL STATEMENTS

TWELVE MONTHS ENDED DECEMBER 31, 1998

**De Boer, Baumann
& Company P.L.C.**
Certified Public Accountants & Consultants

TABLE OF CONTENTS

	-- Page
ACCOUNTANTS' COMPILATION REPORT	1
FINANCIAL STATEMENTS	
Balance Sheet	2
Statement of Income and Stockholders' Accumulated Deficit	3
Statement of Cash Flows	4
SUPPLEMENTAL INFORMATION	
Detail Statement of Income	6
Detail Statement of Income - Corporate	14
Detail Statement of Income - Internet	16
Detail Statement of Income - Georgia	21
Schedule of Accrued Leases	27

De Boer, Baumann & Company P.L.C.

Certified Public Accountants & Consultants

Terri D. Beckwith, CPA
Neil F. De Boer, CPA
William J. Brown, CPA
Steven L. Baumann, CPA
Lance M. Goshorn, CPA
John A. Grinnell, CPA
Gordon J. Collins, CPA
Cory M. Gardner, CPA
Mark A. Vennema, CPA

Member
American Institute of
Certified Public Accountants

Michigan Association of
Certified Public Accountants

Board of Directors and Stockholders Southnet TeleComm Services Marietta, Georgia

We have compiled the accompanying balance sheet of Southnet TeleComm Services, (an S - Corporation) as of December 31, 1998, and the related statements of income and stockholders' accumulated deficit and cash flows, for the twelve months then ended, in accordance with Statements on Standards for Accounting and Review Services issued by the American Institute of Certified Public Accountants.

A compilation is limited to presenting in the form of financial statements information that is the representation of management. We have not audited or reviewed the accompanying financial statements and, accordingly, do not express an opinion or any other form of assurance on them.

Management has elected to omit substantially all of the disclosures required by generally accepted accounting principles. If the omitted disclosures were included in the financial statements, they might influence the user's conclusions about the Company's financial position, results of operations, and cash flows. Accordingly, these financial statements are not designed for those who are not informed about such matters.

The supplemental information contained on Page 6 through Page 27, is presented only for analysis purposes and has been compiled by us from information that is the representation of management, without audit or review, and we do not express an opinion or any other form of assurance on such information.

DE BOER, BAUMANN & COMPANY, P.L.C.



Certified Public Accountants
Grand Haven, Michigan
March 18, 1999

LIABILITIES AND EQUITY

CURRENT LIABILITIES

ACCOUNTS PAYABLE	\$ 225,480.42
CUSTOMER DEPOSITS - GA	150.00
CURRENT MATURITIES OF LONG-TERM DEBT	531.69
ACCRUED LEASES	183,357.38
ACCRUED TAXES	10,059.53
OTHER ACCRUED EXPENSES	<u>162,337.39</u>

TOTAL CURRENT LIABILITIES \$ 581,916.41

LONG-TERM DEBT, NET OF CURRENT MATURITIES

STOCKHOLDERS	\$ 3,576,738.73
OTHER	<u>0.00</u>

TOTAL LONG-TERM DEBT \$ 3,576,738.73

EQUITY

COMMON STOCK - CORP	\$ 5,000.00
COMMON STOCK - GA	1,670.00
STOCKHOLDERS' ACCUMULATED DEFICIT	<u>(3,751,609.60)</u>

TOTAL EQUITY \$ (3,744,939.60)

TOTAL LIABILITIES AND EQUITY \$ 413,715.54

=====

SOUTHNET TELECOMM SERVICES
STATEMENT OF INCOME AND STOCKHOLDERS'
ACCUMULATED DEFICIT
Twelve Months Ended December 31, 1998

	January 01, 1998 To <u>December 31, 1998</u>	Percent
NET SALES	\$ 1,456,254.95	100.00 %
COST OF GOODS SOLD	<u>1,715,471.96</u>	<u>117.80</u>
GROSS LOSS ON SALES	<u>(259,217.01)</u>	<u>(17.80)</u>
GENERAL AND ADMINISTRATIVE EXPENSE		
Sales and Marketing	199,238.59	13.68
Vehicle/Equipment Operating	12,164.81	0.84
Building Occupancy	65,151.02	4.47
Other General and Administrative	<u>1,055,935.98</u>	<u>72.51</u>
	<u>1,332,490.40</u>	<u>91.50</u>
OPERATING LOSS	(1,591,707.41)	(109.30)
OTHER (INCOME) AND EXPENSE	<u>189,064.63</u>	<u>12.98</u>
NET LOSS	(1,780,772.04)	<u>(122.28) %</u>
BALANCE STOCKHOLDERS' ACCUMULATED DEFICIT - JANUARY 1, 1998	<u>(1,970,837.56)</u>	
BALANCE STOCKHOLDERS' ACCUMULATED DEFICIT DECEMBER 31, 1998	<u><u>\$(3,751,609.60)</u></u>	

SOUTHNET TELECOMM SERVICES
STATEMENT OF CASH FLOWS
Twelve Months Ended December 31, 1998

CASH FLOW FROM OPERATING ACTIVITIES

Net loss	\$ (1,780,772.04)
Adjustments to reconcile net income to net cash flow provided by operating activities	
Amortization	5,609.70
Depreciation	17,372.54
Changes in working capital items	
Accounts receivable	195,992.23
Employee Advance	(1,000.00)
Inventory	(37,961.10)
Prepaid licenses	(3,800.00)
Accounts payable	28,990.10
Customer deposits	150.00
Accrued liabilities	<u>223,809.25</u>

NET CASH PROVIDED BY (USED IN) OPERATING ACTIVITIES

(1,351,609.32)

CASH FLOW FROM INVESTING ACTIVITIES

Purchase of property, plant and equipment	(58,749.96)
Decrease in deposits	83,742.71
Decrease in deferred equipment charges	<u>104,070.27</u>

NET CASH PROVIDED BY (USED IN) INVESTING ACTIVITIES

129,063.02

NET CASH FROM FINANCING ACTIVITIES

Proceeds from long-term debt	1,295,000.00
Payments on long-term debt	<u>(65,655.85)</u>

NET CASH PROVIDED BY (USED IN) FINANCING ACTIVITIES

1,229,344.15

NET INCREASE IN CASH

6,797.85

CASH AT BEGINNING OF PERIOD

70,483.31

CASH AT END OF PERIOD

\$ 77,281.16

CASH PAID DURING PERIOD

Interest	\$ 151,703.77
Income taxes	-

SUPPLEMENTAL INFORMATION

SOUTHNET TELECOMM SERVICES
DETAIL STATEMENT OF INCOME
For The Period

	December 01, 1998		January 01, 1998	
	To		To	
	<u>December 31, 1998</u>	<u>Pct%</u>	<u>December 31, 1998</u>	<u>Pct%</u>
CELLULAR AND PAGING SALES				
Cellular Access - Atlanta	\$ 30,973.13	26.53	\$ 481,840.36	33.09
Cellular Access - Phoenix	10,987.19	9.41	149,979.57	10.30
Cellular Service - Atlanta	18,695.18	16.01	310,636.81	21.33
Cellular Service - Phoenix	6,134.20	5.25	82,985.32	5.70
Cellular phone	553.15	0.47	6,547.18	0.45
Cellular Accessories	373.80	0.32	4,915.31	0.34
Cellular Features	214.95	0.18	3,088.68	0.21
Cellular Protection Plan	1,284.77	1.10	20,972.31	1.44
Cellular Activation	45.00	0.04	3,345.10	0.23
Cellular Installation	0.00	0.00	71.95	0.00
Cellular Roaming	5,565.20	4.77	75,470.81	5.18
Late fees	976.00	0.84	9,914.34	0.68
NSF Fees	175.00	0.15	3,430.75	0.24
Clone/Fraud Credit	(202.06)	(0.17)	(18,922.76)	(1.30)
Call Credits - Dropped	(172.44)	(0.15)	(1,764.60)	(0.12)
Referral Credits	(6.95)	(0.01)	(186.14)	(0.01)
Refunds - Overpay	0.00	0.00	(519.04)	(0.04)
Posting errors	(153.87)	(0.13)	239.90	0.02
Prepaid cellular	139.99	0.12	(18,772.81)	(1.29)
Bundled internet charges	165.85	0.14	596.75	0.04
Paging Digital - State	3,741.98	3.21	48,405.09	3.32
Paging Digital - Regional	184.28	0.16	7,845.56	0.54
Paging Digital - National	844.05	0.72	9,985.90	0.69
Paging Alpha - State	245.00	0.21	2,913.10	0.20
Paging Alpha - Regional	32.95	0.03	395.40	0.03
Paging Alpha - National	545.60	0.47	2,227.53	0.15
Paging Equip. Digital Lease	0.00	0.00	856.49	0.06
Paging Equip. Digital Purch	99.00	0.08	4,942.83	0.34
Paging Equip Alpha Lease	70.00	0.06	973.00	0.07
Paging Accessories	0.00	0.00	42.21	0.00
Paging Features	1,023.57	0.88	15,825.03	1.09
Paging Protection Plan	99.75	0.09	3,417.75	0.23
Paging Activation	0.00	0.00	90.00	0.01
Paging Crystal	60.00	0.05	1,430.80	0.10
Cellular Taxes	4,182.08	3.58	58,632.64	4.03
Accounts Receivable Variance	<u>0.00</u>	<u>0.00</u>	<u>(39,837.97)</u>	<u>(2.74)</u>

See accompanying accountants' compilation report.

SOUTHNET TELECOMM SERVICES
DETAIL STATEMENT OF INCOME
For The Period

	December 01, 1998 To December 31, 1998		Pct%	January 01, 1998 To December 31, 1998		Pct%
Total CELLULAR AND PAGING SALES	\$	86,876.35	74.42	\$	1,232,015.15	84.60
INTERNET SALES						
Internet Access	\$	7,287.65	6.24	\$	57,277.11	3.93
Reseller Internet Access		4,033.90	3.46		17,128.95	1.18
ISDN Access		359.55	0.31		2,477.40	0.17
Licenses		9,500.00	8.14		24,300.00	1.67
Missing 4120-00 Account		0.82	0.00		0.82	0.00
Web Page Hosting		917.70	0.79		5,358.15	0.37
Domain Name		375.00	0.32		6,903.25	0.47
Reseller Hosting		888.05	0.76		4,066.80	0.28
Accounts Receivable Variance		0.00	0.00		(1,571.13)	(0.11)
Total INTERNET SALES	\$	23,362.67	20.01	\$	115,941.35	7.96
OTHER SALES						
Long Dist. - National	\$	2,720.50	2.33	\$	40,110.55	2.75
Calling Card		125.25	0.11		3,927.65	0.27
Equip. Sales Tax		13.15	0.01		229.63	0.02
Long Distance Tax		2,135.74	1.83		32,813.61	2.25
Termination Penalty		1,000.00	0.86		23,097.25	1.59
Termination Penalty Equip.		510.00	0.44		8,119.76	0.56
Total OTHER SALES	\$	6,504.64	5.57	\$	108,298.45	7.44
COST OF SALES						
Activation Fees	\$	60.00	0.05	\$	458.50	0.03
Cellular Access - Atlanta		12,399.87	10.62		163,820.12	11.25
Cellular Access - Phoenix		5,078.14	4.35		72,735.58	4.99
Cellular Service - Atlanta		18,910.89	16.20		269,589.99	18.51
Cellular Service - Phoenix		4,728.37	4.05		63,787.47	4.38
Cellular Phone Depr.		4,567.17	3.91		111,626.60	7.67
Cellular Access. Cost		461.91	0.40		4,319.80	0.30
Cellular Deposit/PP Loss		0.00	0.00		800.00	0.05
Cellular Features		103.79	0.09		4,212.59	0.29
Cellular Usage Tax		6,479.01	5.55		62,581.16	4.30

See accompanying accountants' compilation report.

SOUTHNET TELECOMM SERVICES
DETAIL STATEMENT OF INCOME
For The Period

	December 01, 1998		January 01, 1998	
	To		To	
	<u>December 31, 1998</u>	<u>Pct%</u>	<u>December 31, 1998</u>	<u>Pct%</u>
Programming Tools	\$ 0.00	0.00	\$ 165.00	0.01
Roaming Airtime Cost	6,660.94	5.71	79,255.19	5.44
Misc. Charges	405.50	0.35	4,729.21	0.32
Prepaid Cellular	60.00	0.05	3,763.35	0.26
Paging Service Cost	2,348.86	2.01	37,703.87	2.59
Paging Unit Deprec.	445.54	0.38	12,109.69	0.83
Dispatch Cost	146.55	0.13	2,098.05	0.14
Paging Feature Cost	684.67	0.59	13,169.94	0.90
Pager Crystal	0.00	0.00	1,445.00	0.10
LD Service Nat'l	2,511.95	2.15	16,488.63	1.13
LD Service Internat'l	216.88	0.19	2,172.69	0.15
LD Calling Ca. J Cost	0.00	0.00	3,400.66	0.23
LD Debit Card Cost	160.47	0.14	243.47	0.02
LD Features Cost	189.03	0.16	1,240.16	0.09
L/D Excise Tax	(2,054.77)	(1.76)	32,014.43	2.20
Call forwarding lines	0.00	0.00	40.91	0.00
IP Address	0.00	0.00	20.75	0.00
Internet Start up Fees	0.00	0.00	250.00	0.02
Internet Access	504.60	0.43	37,214.21	2.56
ISDN Access	5,202.67	4.46	7,129.66	0.49
Web Page Design	0.00	0.00	2,500.00	0.17
Domain Names	280.00	0.24	5,037.60	0.35
Miscellaneous Software	724.30	0.62	2,573.30	0.18
CD-ROM Costs	0.00	0.00	5,999.96	0.41
Internet Box Depreciation	0.00	0.00	335.93	0.02
NOC Software Depreciation	0.00	0.00	659.25	0.05
NOC Hardware Depreciation	0.00	0.00	2,199.17	0.15
Satellite Installation	0.00	0.00	4,100.00	0.28
Box Installation	1,210.02	1.04	17,260.84	1.19
Network Installation	0.00	0.00	4,920.23	0.34
Network - T-1	47,549.59	40.73	162,491.81	11.16
Network - PRJ	40,383.09	34.59	49,727.12	3.41
Network - T 3	0.00	0.00	75,163.16	5.16
Frame Relay Port	4,306.12	3.69	10,750.45	0.74
Co-location Cost	4,132.40	3.54	34,156.83	2.35
Call Forwarding Lines	504.42	0.43	10,799.41	0.74
IP Address	0.00	0.00	465.71	0.03
AC Filtering	100.00	0.09	1,500.00	0.10

See accompanying accountants' compilation report.

SOUTHNET TELECOMM SERVICES
DETAIL STATEMENT OF INCOME
For The Period

	December 01, 1998 To December 31, 1998		Pct%	January 01, 1998 To December 31, 1998		Pct%
B/U Power Supply	\$	0.00	0.00	\$	5,386.76	0.37
Equipment Lease #1		17,758.97	15.21		106,553.82	7.32
Equipment Lease #2		12,094.32	10.36		36,282.96	2.49
Equipment Lease #3		43,769.09	7.49		131,307.27	9.02
Use Tax on Leases		0.00	0.00		4,457.64	0.31
License Cost		10,450.00	8.95		30,400.00	2.09
Credit Card Charges		514.42	0.44		1,856.06	0.13
Total COST OF SALES	\$	<u>254,048.78</u>	<u>217.61</u>	\$	<u>1,715,471.96</u>	<u>117.80</u>
Total GROSS PROFIT	\$	<u>(137,305.12)</u>	<u>(117.61)</u>	\$	<u>(259,217.01)</u>	<u>(17.80)</u>
TELEMARKETING						
Salaries - Sales Manager	\$	1,639.82	1.40	\$	42,837.76	2.94
Salaries F.T. Sales		8,235.58	7.05		59,315.84	4.07
Commission		110.12	0.09		922.81	0.06
Matching (Health/Welf)	(	198.18)	(0.17)	(	759.60)	(0.05)
Literature	(	1,795.40)	(1.54)		709.33	0.05
Telephone		1,503.65	1.29		2,946.66	0.20
Travel		105.72	0.09		447.88	0.03
Marketing Supplies		0.00	0.00		594.88	0.04
Miscellaneous		0.00	0.00		1,022.32	0.07
Missing 6011-00 Account		5,592.00	4.79		5,592.00	0.38
Payroll tax expense		1,181.59	1.01		8,171.99	0.56
Total TELEMARKETING	\$	<u>16,374.90</u>	<u>14.03</u>	\$	<u>121,801.87</u>	<u>8.36</u>
COMMERCIAL						
Travel	\$	321.03	0.27	\$	321.03	0.02
Miscellaneous		258.00	0.22		1,068.00	0.07
Total COMMERCIAL	\$	<u>579.03</u>	<u>0.50</u>	\$	<u>1,389.03</u>	<u>0.10</u>

See accompanying accountants' compilation report.

SOUTHNET TELECOMM SERVICES
DETAIL STATEMENT OF INCOME
For The Period

	December 01, 1998 To December 31, 1998		Pct%	January 01, 1998 To December 31, 1998		Pct%
ADVERTISING AND PROMOTIONS						
Mail/Call List	\$	0.00	0.00	\$	736.39	0.05
Labels		0.00	0.00		10,091.74	0.69
Adv - Television		0.00	0.00		67.75	0.00
Adv - Newspaper		0.00	0.00		258.00	0.02
Adv - Radio		0.00	0.00		17,900.00	1.23
Adv. Billboard		0.00	0.00		557.55	0.04
Yellow Pages		2,031.37	1.74		13,092.26	0.90
Direct Mail		452.73	0.39		452.73	0.03
Brochure Distribution		0.00	0.00		772.50	0.05
Literature		0.00	0.00		3,582.10	0.25
Trade Shows		518.51	0.44		9,905.89	0.68
Supplies/Forms		0.00	0.00		279.43	0.02
Printing/Layout		14.70	0.01		1,679.46	0.12
Advertising - Misc.		0.00	0.00		16,671.89	1.14
Total ADVERTISING AND PROMOTIONS	\$	3,017.31	2.58	\$	76,047.69	5.22
SALES AND MARKETING						
	\$	19,971.24	17.11	\$	199,238.59	13.68
VEHICLE/ EQUIPMENT OPERATING						
Gas & Oil	\$	165.07	0.14	\$	848.10	0.06
Licenses/Tags		0.00	0.00		586.41	0.04
Leasing Cost		1,927.04	1.65		6,854.42	0.47
Repairs & Maint.		45.00	0.04		383.93	0.03
Insurance		0.00	0.00		3,437.00	0.24
Tools		0.00	0.00		54.95	0.00
Total VEHICLE/ EQUIPMENT OPERATING	\$	2,137.11	1.83	\$	12,164.81	0.84

See accompanying accountants' compilation report.

SOUTHNET TELECOMM SERVICES
DETAIL STATEMENT OF INCOME
For The Period

	December 01, 1998 To December 31, 1998		Pct%	January 01, 1998 To December 31, 1998		Pct%
BUILDING OCCUPANCY						
Rent	\$	3,971.82	3.40	\$	44,709.06	3.07
Storage Cost		0.00	0.00		592.00	0.04
Utilities		472.61	0.40		6,158.63	0.42
Taxes		0.00	0.00		13.56	0.00
Security System		0.00	0.00		324.35	0.02
Building Maintenance		0.00	0.00		595.49	0.04
Leasehold Improvements		0.00	0.00		503.93	0.03
Insurance		(2,031.37)	(1.74)		12,233.00	0.84
Moving Expense		0.00	0.00		21.00	0.00
Total BUILDING OCCUPANCY	\$	2,413.06	2.07	\$	65,151.02	4.47
ADMINISTRATION LABOR						
Admin. Salaries - Gen. Mgr.	\$	17,554.98	15.04	\$	130,843.25	8.98
Office Manager		2,812.34	2.41		38,792.02	2.66
Office Clerical		3,131.59	2.68		27,874.36	1.91
Service Technician		2,775.69	2.38		39,377.19	2.70
Auditor		0.00	0.00		211.54	0.01
AR Clerk		2,554.96	2.19		25,029.32	1.72
Customer Serv. Rep.		22,725.51	19.47		150,130.56	10.31
Admin. Bonus		28,388.00	24.32		36,388.00	2.50
Matching (Health/Welf)		(379.84)	(0.33)		(5,799.07)	(0.40)
Network Manager		5,993.53	5.13		10,224.31	0.70
Network Representatives		12,093.16	10.36		19,791.72	1.36
Missing 7012-00 Account		1,769.23	1.52		1,769.23	0.12
Payroll tax expense		5,601.53	4.80		34,104.23	2.34
Vice-President of Technical		6,153.76	5.27		10,384.52	0.71
Payroll Taxes		1,079.21	0.92		6,384.28	0.44
Total ADMINISTRATION LABOR	\$	112,253.65	96.15	\$	525,505.46	36.09
OTHER ADMINISTRATIVE						
Relocation Expense	\$	0.00	0.00	\$	3,046.03	0.21
Admin. Travel		18,133.83	15.53		26,977.96	1.85
Admin. Meals		6,152.13	5.27		7,066.60	0.49

See accompanying accountants' compilation report.

SOUTHNET TELECOMM SERVICES
DETAIL STATEMENT OF INCOME
For The Period

	December 01, 1998 To December 31, 1998		Pct%	January 01, 1998 To December 31, 1998		Pct%
Training Meetings	\$	125.00	0.11	\$	822.71	0.06
Legal		18,980.27	16.26		121,106.23	8.32
Accounting		0.00	0.00		29,120.00	2.00
Other professional		3,746.00	3.21		37,729.50	2.59
Dues & Subscriptions		3.30	0.00		2,408.30	0.17
Bad debt expense		5,062.35	4.34		96,047.33	6.60
Billing & Collection		4,656.98	3.99		62,889.83	4.32
Office Equip. Maint.		626.58	0.54		2,851.81	0.20
Office Equip. Lease		428.32	0.37		5,102.01	0.35
Office Supplies		2,098.75	1.80		5,413.44	0.37
Postage		3,114.59	2.67		7,732.56	0.53
Telephone Charges		3,673.01	3.15		40,049.38	2.75
Telephone Equipment		1,655.00	1.42		3,144.42	0.22
Insurance - Med.		135.85	0.12		13,759.79	0.94
Courier		289.33	0.25		4,568.58	0.31
Cellular Phone/Pager		1,076.10	0.92		9,409.07	0.65
Empl. Recruit Fees		576.25	0.49		3,524.37	0.24
Workman's Comp		0.00	0.00		3,728.00	0.26
Charitable Donations		0.00	0.00		173.00	0.01
Bank Charges		1,848.87	1.58		3,068.75	0.21
Credit Card Charges		121.92	0.10		2,279.79	0.16
Business License		0.00	0.00		6,304.14	0.43
Computer Hardware		0.00	0.00		1,997.50	0.14
Computer Software		0.00	0.00		7,902.94	0.54
Computer Forms/Supplies		0.00	0.00		60.17	0.00
Computer Maintenance		541.35	0.46		1,863.10	0.13
Water		43.58	0.04		493.57	0.03
Credit Checks		95.00	0.08		1,094.00	0.08
Depreciation		1,552.71	1.33		17,372.54	1.19
Payroll Fees		127.20	0.11		1,323.10	0.09
Total OTHER ADMINISTRATIVE	\$	74,864.27	64.13	\$	530,430.52	36.42
GENERAL AND ADMININSTRATIVE	\$	187,117.92	160.28	\$	1,055,935.98	72.51
Total NET OPERATING INCOME (LOSS)	\$	(348,944.45)	(298.90)	\$	(1,591,707.41)	(109.30)

See accompanying accountants' compilation report.

SOUTHNET TELECOMM SERVICES
DETAIL STATEMENT OF INCOME
For The Period

	December 01, 1998 To <u>December 31, 1998</u>		January 01, 1998 To <u>December 31, 1998</u>	
		<u>Pct%</u>		<u>Pct%</u>
OTHER (INCOME) AND EXPENSES				
Interest	\$ 17,090.22	14.64	\$ 178,747.91	12.27
Amortization	467.53	0.40	5,609.70	0.39
Interest income	(39.39)	(0.03)	(7,121.88)	(0.49)
Cash over/short	11,460.95	9.82	11,704.48	0.80
Penalties	<u>0.00</u>	<u>0.00</u>	<u>124.42</u>	<u>0.01</u>
Total OTHER (INCOME) AND EXPENSES	\$ <u>28,979.31</u>	<u>24.82</u>	\$ <u>189,064.63</u>	<u>12.98</u>
NET INCOME (LOSS)	\$ <u>(377,923.76)</u>	<u>(323.72)</u>	\$ <u>(1,780,772.04)</u>	<u>(122.28)</u>
NET INCOME (LOSS) AFTER TAX	\$ <u>(377,923.76)</u>	<u>323.72</u>	\$ <u>(1,780,772.04)</u>	
	=====	=====	=====	=====

See accompanying accountants' compilation report.

SOUTHNET TELECOMM SERVICES
DETAIL STATEMENT OF INCOME - CORPORATE
For The Period

	December 01, 1998 To December 31, 1998	Pct%	January 01, 1998 To December 31, 1998	Pct%
VEHICLE/ EQUIPMENT OPERATING				
Gas & Oil - Corp	\$ 121.22	(0.10)	\$ 165.22	(0.01)
Leasing Cost - Corp	<u>1,486.00</u>	<u>(1.27)</u>	<u>1,486.00</u>	<u>(0.10)</u>
Total VEHICLE/ EQUIPMENT OPERATING	\$ <u>1,607.22</u>	(1.38)	\$ <u>1,651.22</u>	(0.11)
OTHER ADMINISTRATIVE				
Relocation Expense - Corp	\$ 0.00	0.00	\$ 221.84	(0.02)
Admin. Travel - Corp	17,322.45	(14.84)	17,322.45	(1.19)
Admin. Meals - Corp	5,565.98	(4.77)	5,747.17	(0.39)
Training Meetings - Corp	0.00	0.00	162.94	(0.01)
Accounting - Corp	0.00	0.00	29,120.00	(2.00)
Other professional - Corp	0.00	0.00	8,089.00	(0.56)
Dues & Subscriptions - Corp.	3.30	0.00	298.30	(0.02)
Office Equip. Maint. - Corp	0.00	0.00	99.00	(0.01)
Office Supplies - Corp	1,476.23	(1.26)	2,085.43	(0.14)
Postage - Corp	2,614.59	(2.24)	2,659.92	(0.18)
Telephone Charges - Corp	802.52	(0.69)	2,697.38	(0.19)
Courier - Corp	178.73	(0.15)	420.53	(0.03)
Cellular Phone/Pager - Corp.	76.80	(0.07)	189.18	(0.01)
Empl. Recruit Fees - Corp	75.71	(0.06)	120.49	(0.01)
Charitable Donations - Corp	0.00	0.00	48.00	0.00
Bank Charges - Corp	1,893.77	(1.62)	3,075.25	(0.21)
Business License - Corp	0.00	0.00	4,190.00	(0.29)
Computer Hardware - Corp	0.00	0.00	211.97	(0.01)
Depreciation - Corp	<u>78.70</u>	<u>(0.07)</u>	<u>942.20</u>	<u>(0.06)</u>
Total OTHER ADMINISTRATIVE	\$ <u>30,088.78</u>	(25.77)	\$ <u>77,701.05</u>	(5.34)
GENERAL AND ADMININSTRATIVE	\$ <u>30,088.78</u>	(25.77)	\$ <u>77,701.05</u>	(5.34)
Total NET OPERATING INCOME (LOSS)	\$ <u>(31,696.00)</u>	27.15	\$ <u>(79,352.27)</u>	5.45

See accompanying accountants' compilation report.

SOUTHNET TELECOMM SERVICES
DETAIL STATEMENT OF INCOME - CORPORATE
For The Period

	December 01, 1998 To <u>December 31, 1998</u>		January 01, 1998 To <u>December 31, 1998</u>	
		<u>Pct%</u>		<u>Pct%</u>
OTHER (INCOME) AND EXPENSES				
Interest - Corp	\$ 17,087.13	(14.64)	\$ 178,644.96	(12.27)
Amortization - Corp	467.53	(0.40)	5,609.70	(0.39)
Interest income - Corp	<u>(39.39)</u>	<u>0.03</u>	<u>(7,121.88)</u>	<u>0.49</u>
Total OTHER (INCOME) AND EXPENSES	\$ <u>17,515.27</u>	<u>(15.00)</u>	\$ <u>177,132.78</u>	<u>(12.16)</u>
NET INCOME (LOSS)	\$ <u>(49,211.27)</u>	<u>42.15</u>	\$ <u>(256,485.05)</u>	<u>17.61</u>
NET INCOME (LOSS) AFTER TAX	\$ <u>(49,211.27)</u>	<u>42.15</u>	\$ <u>(256,485.05)</u>	
	=====	=====	=====	=====

See accompanying accountants' compilation report.

SOUTHNET TELECOMM SERVICES
DETAIL STATEMENT OF INCOME - INTERNET
For The Period

	December 01, 1998 To <u>December 31, 1998</u>		<u>Pct%</u>	January 01, 1998 To <u>December 31, 1998</u>		<u>Pct%</u>
INTERNET SALES						
Internet Access	\$	7,287.65	6.24	\$	57,277.11	3.93
Reseller Internet Access		4,033.90	3.46		17,128.95	1.18
ISDN Access - Inet		359.55	0.31		2,477.40	0.17
Licenses - Inet		9,500.00	8.14		24,300.00	1.67
VoIP Usage - Internet		0.82	0.00		0.82	0.00
Web Page Hosting		917.70	0.79		5,358.15	0.37
Domain Name		375.00	0.32		6,903.25	0.47
Reseller Hosting		888.05	0.76		4,066.80	0.28
Accounts Receivable Variance -		<u>0.00</u>	<u>0.00</u>		<u>(1,571.13)</u>	<u>(0.11)</u>
Total INTERNET SALES	\$	<u>23,362.67</u>	<u>20.01</u>	\$	<u>115,941.35</u>	<u>7.96</u>

COST OF SALES

Domain Names - Inet	\$	(70.00)	(0.06)	\$	0.00	0.00
Internet Start up Fees		0.00	0.00		250.00	0.02
Internet Access		504.60	0.43		37,214.21	2.56
ISDN Access		5,202.67	4.46		7,129.66	0.49
Web Page Design		0.00	0.00		2,500.00	0.17
Domain Names		280.00	0.24		5,037.60	0.35
Miscellaneous Software		724.30	0.62		2,573.30	0.18
CD-ROM Costs		0.00	0.00		5,999.96	0.41
Internet Box Depreciation		0.00	0.00		335.93	0.02
NOC Software Depreciation		0.00	0.00		659.25	0.05
NOC Hardware Depreciation		0.00	0.00		2,199.17	0.15
Satellite Installation		0.00	0.00		4,100.00	0.28
Box Installation		1,210.02	1.04		17,260.84	1.19
Network Installation		0.00	0.00		4,920.23	0.34
Network - T-1		47,549.59	40.73		162,491.81	11.16
Network - PRI		40,383.09	34.59		49,727.12	3.41
Network - T3		0.00	0.00		75,163.16	5.16
Frame Relay Port		4,306.12	3.69		10,750.45	0.74
Co-location Cost		4,132.40	3.54		34,156.83	2.35
Call Forwarding Lines - Inet		504.42	0.43		10,799.41	0.74
IP Address - Inet		0.00	0.00		465.71	0.03
AC Filtering - Inet		100.00	0.09		1,500.00	0.10

SOUTHNET TELECOMM SERVICES
 DETAIL STATEMENT OF INCOME - INTERNET
 For The Period

	December 01, 1998 To December 31, 1998		Pct%	January 01, 1998 To December 31, 1998		Pct%
B/U Power Supply - Inet	\$	0.00	0.00	\$	5,386.76	0.37
Equipment Lease #1		17,758.97	15.21		106,553.82	7.32
Equipment Lease #2		12,094.32	10.36		36,282.96	2.49
Equipment Lease #3		43,769.09	37.49		131,307.27	9.02
Use Tax on Leases		0.00	0.00		4,457.64	0.31
License Cost - Inet		10,450.00	8.95		30,400.00	2.09
Credit Card Charges - Inet		514.42	0.44		1,856.06	0.13
Total COST OF SALES	\$	189,414.01	162.25	\$	751,479.15	51.60
Total GROSS PROFIT	\$	(166,051.34)	(142.24)	\$	(635,537.80)	(43.64)
TELEMARKETING						
Salaries - Sales Manager- Inet	\$	1,639.82	1.40	\$	42,837.76	2.94
Salaries F.T. Sales - Inet		8,235.58	7.05		59,315.84	4.07
Commission - Inet		110.12	0.09		907.81	0.06
Matching (Health/Welfare)-Inet	(	198.18)	(0.17)	(	738.96)	(0.05)
Literature - Inet	(	1,795.40)	(1.54)		308.22	0.02
Telephone - Inet		1,503.65	1.29		2,412.65	0.17
Travel - Inet		105.72	0.09		392.22	0.03
Marketing Supplies - Inet		0.00	0.00		47.88	0.00
Miscellaneous - Inet		0.00	0.00		690.18	0.05
Bonus		5,592.00	4.79		5,592.00	0.38
Payroll tax expense - Inet		1,181.59	1.01		8,171.99	0.56
Total TELEMARKETING	\$	16,374.90	14.03	\$	119,937.59	8.24
COMMERCIAL						
Travel - Inet	\$	321.03	0.27	\$	321.03	0.02
Miscellaneous - Inet		258.00	0.22		1,068.00	0.07
Total COMMERCIAL	\$	579.03	0.50	\$	1,389.03	0.10

See accompanying accountants' compilation report.

SOUTHNET TELECOMM SERVICES
DETAIL STATEMENT OF INCOME - INTERNET
For The Period

	December 01, 1998 To December 31, 1998		Pct%	January 01, 1998 To December 31, 1998		Pct%
ADVERTISING AND PROMOTIONS						
Mail/Call List - Inet	\$	0.00	0.00	\$	736.39	0.05
Labels - Inet		0.00	0.00		9,531.86	0.65
Adv - Television - Inet		0.00	0.00		67.75	0.00
Adv. Radio - Inet		0.00	0.00		17,900.00	1.23
Adv. Billboard - Inet		0.00	0.00		557.55	0.04
Direct Mail - Inet		452.73	0.39		452.73	0.03
Brochure Distribution - Inet		0.00	0.00		687.50	0.05
Literature - Inet		0.00	0.00		2,093.50	0.14
Trade Shows - Inet		518.51	0.44		9,905.89	0.68
Supplies/Forms - Inet		0.00	0.00		84.00	0.01
Printing/Layout - Inet		14.70	0.01		1,679.46	0.12
Advertising - Misc. - Inet		0.00	0.00		16,671.89	1.14
Total ADVERTISING AND PROMOTIONS	\$	985.94	0.84	\$	60,368.52	4.15
SALES AND MARKETING	\$	17,939.87	15.37	\$	181,695.14	12.48
VEHICLE/ EQUIPMENT OPERATING						
Tools - Inet	\$	0.00	0.00	\$	54.95	0.00
Total VEHICLE/ EQUIPMENT OPERATING	\$	0.00	0.00	\$	54.95	0.00
BUILDING OCCUPANCY						
Rent - Inet	\$	984.38	0.84	\$	10,434.78	0.72
Building Maintenance - Inet		0.00	0.00		15.62	0.00
Leaschold Improvements - Inet		0.00	0.00		425.48	0.03
Insurance - Inet		0.00	0.00		3,834.00	0.26
Moving Expense - Inet		0.00	0.00		21.00	0.00
Total BUILDING OCCUPANCY	\$	984.38	0.84	\$	14,730.88	1.01

See accompanying accountant's compilation report.

SOUTHNET TELECOMM SERVICES
DETAIL STATEMENT OF INCOME - INTERNET
For The Period

	December 01, 1998 To December 31, 1998			January 01, 1998 To December 31, 1998		
		Pct%			Pct%	
ADMINISTRATION LABOR						
Admin. Salaries - G/M - Inet	\$	11,881.99	10.18	\$	56,314.05	3.87
Network Ops - Inet		0.00	0.00		211.54	0.01
Customer Serv. Rep. - Inet		19,963.76	17.10		127,384.47	8.75
Admin. Bonus - Inet		9,350.00	8.01		9,850.00	0.68
Network Manager		5,993.53	5.13		10,224.31	0.70
Network Representatives - Inet		12,093.16	10.36		19,791.72	1.36
Cust. Svc. Mgr - Inet		1,769.23	1.52		1,769.23	0.12
Payroll tax expense - Inet		3,980.44	3.41		16,841.88	1.16
Vice-President of Technical		6,153.76	5.27		10,384.52	0.71
Total ADMINISTRATION LABOR	\$	71,185.87	60.98	\$	252,771.72	17.36
OTHER ADMINISTRATIVE						
Relocation Expense - Inet	\$	0.00	0.00	\$	2,824.19	0.19
Admin. Travel - Inet		811.38	0.70		9,527.40	0.65
Admin. Meals - Inet		121.81	0.10		855.09	0.06
Training Meetings - Inet		125.00	0.11		125.00	0.01
Legal - Inet		18,980.27	16.26		121,081.23	8.31
Other professional - Inet		3,746.00	3.21		28,409.48	1.95
Dues & Subscriptions - Inet		0.00	0.00		2,070.00	0.14
Bad debt - Inet		441.76	0.38		1,793.06	0.12
Office Equip. Maint. - Inet		242.70	0.21		358.30	0.02
Office Equip. Lease - Inet		0.00	0.00		1,853.52	0.13
Office Supplies - Inet		93.40	0.08		1,064.60	0.07
Postage - Inet		0.00	0.00		416.00	0.03
Telephone charges - Inet		2,115.60	1.81		17,700.20	1.22
Telephone Equipment - Inet		1,655.00	1.42		3,144.42	0.22
Courier - Inet		0.00	0.00		1,700.25	0.12
Empl. Recruit Fees - Inet		500.54	0.43		3,403.88	0.23
Workman's Comp - Inet		0.00	0.00		3,355.20	0.23
Charitable Donations - Inet		0.00	0.00		25.00	0.00
Bank Charges - Inet		7.50	0.01		37.50	0.00
Business License - Inet		0.00	0.00		153.39	0.01
Computer Hardware - Inet		0.00	0.00		1,373.84	0.09
Computer Software - Inet		0.00	0.00		7,902.94	0.54

SOUTHNET TELECOMM SERVICES
 DETAIL STATEMENT OF INCOME - INTERNET
 For The Period

	December 01, 1998 To December 31, 1998		Pct%	January 01, 1998 To December 31, 1998		Pct%
Credit Checks - Inet	\$	45.00	0.04	\$	45.00	0.00
Depreciation - Inet		<u>568.37</u>	<u>0.50</u>		<u>5,801.69</u>	<u>0.40</u>
Total OTHER ADMINISTRATIVE	\$	<u>29,474.33</u>	<u>25.25</u>	\$	<u>215,021.18</u>	<u>14.77</u>
GENERAL AND ADMININSTRATIVE	\$	<u>100,660.20</u>	<u>86.22</u>	\$	<u>467,792.90</u>	<u>32.12</u>
Total NET OPERATING INCOME (LOSS)	\$	<u>(285,635.79)</u>	<u>(244.67)</u>	\$	<u>(1,299,811.67)</u>	<u>(89.26)</u>
OTHER (INCOME) AND EXPENSES						
Cash over/short - Inet	\$	<u>0.00</u>	<u>0.00</u>	\$	<u>1,912.47</u>	<u>0.13</u>
Total OTHER (INCOME) AND EXPENSES	\$	<u>0.00</u>	<u>0.00</u>	\$	<u>1,912.47</u>	<u>0.13</u>
NET INCOME (LOSS)	\$	<u>(285,635.79)</u>	<u>(244.67)</u>	\$	<u>(1,301,724.14)</u>	<u>(89.39)</u>
NET INCOME (LOSS) AFTER TAX	\$	<u>(285,635.79)</u>	<u>(244.67)</u>	\$	<u>(1,301,724.14)</u>	<u> </u>
		=====	=====		=====	=====

See accompanying accountants' compilation report.

SOUTHNET TELECOMM SERVICES
DETAIL STATEMENT OF INCOME - GEORGIA
For The Period

	December 01, 1998		January 01, 1998	
	To		To	
	<u>December 31, 1998</u>	<u>Pct%</u>	<u>December 31, 1998</u>	<u>Pct%</u>
CELLULAR AND PAGING SALES				
Cellular Access - Atl - GA	\$ 30,973.13	26.53	\$ 481,840.36	33.09
Cellular Access - Phn - GA	10,987.19	9.41	149,979.57	10.30
Cellular Service - Atl - GA	18,695.18	16.01	310,636.81	21.33
Cellular Service - Phn - GA	6,134.20	5.25	82,985.32	5.70
Cellular phone - GA	553.15	0.47	6,547.18	0.45
Cellular Accessories - GA	373.80	0.32	4,915.31	0.34
Cellular Features - GA	214.95	0.18	3,088.68	0.21
Cellular Protection Plan - GA	1,284.77	1.10	20,972.31	1.44
Cellular Activation - GA	45.00	0.04	3,345.10	0.23
Cellular Installation - GA	0.00	0.00	71.95	0.00
Cellular Roaming - GA	5,565.20	4.77	75,470.81	5.18
Late fees - GA	976.00	0.84	9,914.34	0.68
NSF Fees - GA	175.00	0.15	3,430.75	0.24
Clone/Fraud Credit - GA	(202.06)	(0.17)	(18,922.76)	(1.30)
Call Credits - Dropped - GA	(172.44)	(0.15)	(1,764.60)	(0.12)
Referral Credits - GA	(6.95)	(0.01)	(186.14)	(0.01)
Refunds - Overpay - GA	0.00	0.00	(519.04)	(0.04)
Posting errors - GA	(153.87)	(0.13)	239.90	0.02
Prepaid cellular - GA	139.99	0.12	(18,772.81)	(1.29)
Bundled internet charges - GA	165.85	0.14	596.75	0.04
Paging Digital - State - GA	3,741.98	3.21	48,405.09	3.32
Paging Digital - Regional - GA	184.28	0.16	7,845.56	0.54
Paging Digital - National - GA	844.05	0.72	9,985.90	0.69
Paging Alpha - State - GA	245.00	0.21	2,913.10	0.20
Paging Alpha - Regional - GA	32.95	0.03	395.40	0.03
Paging Alpha - National - GA	545.60	0.47	2,227.53	0.15
Paging Equip. Digital Lease-GA	0.00	0.00	856.49	0.06
Paging Equip. Digital Purch-GA	99.00	0.08	4,942.83	0.34
Paging Equip Alpha Lease - GA	70.00	0.06	973.00	0.07
Paging Accessories - GA	0.00	0.00	42.21	0.00
Paging Features - GA	1,023.57	0.88	15,825.03	1.09
Paging Protection Plan - GA	99.75	0.09	3,417.75	0.23
Paging Activation - GA	0.00	0.00	90.00	0.01
Paging Crystal - GA	60.00	0.05	1,430.80	0.10
Cellular Taxes - GA	4,182.08	3.58	58,632.64	4.03
Accounts Receivable Variance	<u>0.00</u>	<u>0.00</u>	<u>(39,837.97)</u>	<u>(2.74)</u>

See accompanying accountants' compilation report.

SOUTHNET TELECOMM SERVICES
DETAIL STATEMENT OF INCOME - GEORGIA
For The Period

	December 01, 1998 To December 31, 1998		Pct%	January 01, 1998 To December 31, 1998		Pct%
Total CELLULAR AND PAGING SALES	\$	86,876.35	74.42	\$	1,232,015.15	84.60
OTHER SALES						
Long Dist. - National - GA	\$	2,720.50	2.33	\$	40,110.55	2.75
Calling Card - GA		125.25	0.11		3,927.65	0.27
Equip. Sales Tax - GA		13.15	0.01		229.63	0.02
Long Distance Tax - GA		2,135.74	1.83		32,813.61	2.25
Termination Penalty - GA		1,000.00	0.86		23,097.25	1.59
Termination Penalty Equip. -GA		510.00	0.44		8,119.76	0.56
Total OTHER SALES	\$	6,504.64	5.57	\$	108,298.45	7.44
COST OF SALES						
Activation Fees - GA	\$	60.00	0.05	\$	458.50	0.03
Cellular Access - Atl - GA		12,399.87	10.62		163,820.12	11.25
Cellular Access - Phn - GA		5,078.14	4.35		72,735.58	4.99
Cellular Service - Atl - GA		18,910.89	16.20		269,589.99	18.51
Cellular Service - Phn - GA		4,728.77	4.05		63,787.47	4.38
Cellular Phone Depr. - GA		4,637.17	3.97		111,626.60	7.67
Cellular Access. Cost - GA		461.91	0.40		4,319.80	0.30
Cellular Deposit/PP Loss - GA		0.00	0.00		800.00	0.05
Cellular Features - GA		103.79	0.09		4,212.59	0.29
Cellular Usage Tax - GA		6,479.01	5.55		62,581.16	4.30
Programming Tools - GA		0.00	0.00		165.00	0.01
Roaming Airtime Cost - GA		6,660.94	5.71		79,255.19	5.44
Misc. Charges - GA		405.50	0.35		4,729.21	0.32
Prepaid Cellular - GA		60.00	0.05		3,763.35	0.26
Paging Service Cost - GA		2,348.86	2.01		37,703.87	2.59
Paging Unit Deprec. - GA		445.54	0.38		12,109.69	0.83
Dispatch Cost - GA		146.55	0.13		2,093.05	0.14
Paging Feature Cost - GA		684.67	0.59		13,169.94	0.90
Pager Crystal - GA		0.00	0.00		1,445.00	0.10
LD Service Nat'l - GA		2,511.95	2.15		16,488.63	1.13
LD Service Internat'l - GA		216.88	0.19		2,172.69	0.15
LD Calling Card Cost - GA		0.00	0.00		3,400.66	0.23
LD Debit Card Cost - GA		160.47	0.14		243.47	0.02

SOUTHNET TELECOMM SERVICES
 DETAIL STATEMENT OF INCOME - GEORGIA
 For The Period

	December 01, 1998 To December 31, 1998		January 01, 1998 To December 31, 1998	
		Pct%		Pct%
LD Features Cost - GA	\$ 189.03	0.16	\$ 1,240.16	0.09
L/D Excise Tax - GA	(2,054.77)	(1.76)	32,014.43	2.20
Call forwarding lines - GA	0.00	0.00	40.91	0.00
IP Address - Inet	0.00	0.00	20.75	0.00
Total COST OF SALES	\$ 64,634.77	55.36	\$ 963,992.81	66.20
Total GROSS PROFIT	\$ 28,746.22	24.62	\$ 376,320.79	25.84
TELEMARKETING				
Commission - GA	\$ 0.00	0.00	\$ 15.00	0.00
Matching (Health/Welf) - GA	0.00	0.00	(20.64)	0.00
Literature - GA	0.00	0.00	401.11	0.03
Telephone - GA	0.00	0.00	534.01	0.04
Travel - GA	0.00	0.00	55.66	0.00
Marketing Supplies - GA	0.00	0.00	547.00	0.04
Miscellaneous - GA	0.00	0.00	332.14	0.02
Total TELEMARKETING	\$ 0.00	0.00	\$ 1,864.28	0.13
ADVERTISING AND PROMOTIONS				
Labels - G.	\$ 0.00	0.00	\$ 559.88	0.04
Adv - Newspaper - GA	0.00	0.00	258.00	0.02
Yellow Pages - GA	2,031.37	1.74	13,092.26	0.90
Brochure Distribution - GA	0.00	0.00	85.00	0.01
Literature - GA	0.00	0.00	1,488.60	0.10
Supplies/Forms - GA	0.00	0.00	195.43	0.01
Total ADVERTISING AND PROMOTIONS	\$ 2,031.37	1.74	\$ 15,679.17	1.08
SALES AND MARKETING	\$ 2,031.37	1.74	\$ 17,543.45	1.20

SOUTHEAST TELECOMM SERVICES
DETAIL STATEMENT OF INCOME - GEORGIA
For The Period

	December 01, 1998 To December 31, 1998		Pct%	January 01, 1998 To December 31, 1998		Pct%
VEHICLE/ EQUIPMENT OPERATING						
Gas & Oil - GA	\$	43.85	0.04	\$	682.83	0.05
Licenses/Tags - GA		0.00	0.00		586.41	0.04
Leasing Cost - GA		441.04	0.38		5,368.42	0.37
Repairs & Maint. - GA		45.00	0.04		383.93	0.03
Insurance - GA		0.00	0.00		3,437.00	0.24
Total VEHICLE/ EQUIPMENT OPERATING	\$	529.89	0.45	\$	10,458.64	0.72
BUILDING OCCUPANCY						
Rent - GA	\$	2,987.44	2.56	\$	34,274.28	2.35
Storage Cost - GA		0.00	0.00		592.00	0.04
Utilities - GA		472.61	0.40		6,158.63	0.42
Taxes - GA		0.00	0.00		13.56	0.00
Security System - GA		0.00	0.00		324.35	0.02
Building Maintenance - GA		0.00	0.00		579.87	0.04
Leasehold Improvements - GA		0.00	0.00		78.45	0.01
Insurance - GA		(2,031.37)	(1.74)		8,399.00	0.58
Total BUILDING OCCUPANCY	\$	1,428.68	1.22	\$	50,420.14	3.46
ADMINISTRATION LABOR						
Admin. Salaries - G/M - GA	\$	5,672.99	4.86	\$	74,529.20	5.12
Office Manager - GA		2,812.34	2.41		38,792.02	2.66
Office Clerical - GA		3,131.59	2.68		27,874.36	1.91
Service Technician - GA		2,775.69	2.38		39,377.19	2.70
AR Clerk - GA		2,554.96	2.19		25,029.32	1.72
Customer Serv. Rep. - GA		2,761.75	2.37		22,746.09	1.56
Admin. Bonus - GA		19,038.00	16.31		26,538.00	1.82
Matching (Health/Welf) - GA		(379.84)	(0.33)		(5,799.07)	(0.40)
Payroll tax expense - GA		1,621.09	1.39		17,262.35	1.19
Payroll Taxes - GA		1,079.21	0.92		6,384.28	0.44
Total ADMINISTRATION LABOR	\$	41,067.78	35.18	\$	272,733.74	18.73

SOUTHERN TELECOMM SERVICES
DETAIL STATEMENT OF INCOME - GEORGIA
For The Period

	December 01, 1998 To December 31, 1998		Pct%	January 01, 1998 To December 31, 1998		Pct%
OTHER ADMINISTRATIVE						
Admin. Travel - GA	\$	0.00	0.00	\$	128.11	0.01
Admin. Meals - GA		464.34	0.40		464.34	0.03
Training Meetings - GA		0.00	0.00		534.77	0.04
Legal - GA		0.00	0.00		25.00	0.00
Other professional - GA		0.00	0.00		1,231.02	0.08
Dues & Subscriptions - GA		0.00	0.00		40.00	0.00
Bad debt - GA		4,620.59	3.96		94,254.27	6.47
Billing & Collection - GA		4,656.98	3.99		62,889.83	4.32
Office Equip. Maint. - GA		383.86	0.33		2,394.51	0.16
Office Equip. Lease - GA		428.32	0.37		3,248.49	0.22
Office Supplies - GA		529.12	0.45		2,263.41	0.16
Postage - GA		500.00	0.43		4,656.64	0.32
Telephone Charges - GA		754.89	0.65		19,651.80	1.35
Insurance Med. - GA		135.85	0.12		13,759.79	0.94
Courier - GA		110.60	0.09		2,447.80	0.17
Cellular Phone/Pager - GA		999.30	0.86		9,219.89	0.63
Workman's Comp - GA		0.00	0.00		372.80	0.03
Charitable Donations - GA		0.00	0.00		100.00	0.01
Bank Charges - GA	(	52.40)	(0.04)	(	44.00)	0.00
Credit Card Charges - GA		121.92	0.10		2,279.79	0.16
Business License - GA		0.00	0.00		1,960.75	0.13
Computer Hardware - GA		0.00	0.00		411.69	0.03
Computer Forms/Supplies - GA		0.00	0.00		60.17	0.00
Computer Maintenance - GA		541.35	0.46		1,863.10	0.13
Water - GA		43.58	0.04		493.57	0.03
Credit Checks - GA		50.00	0.04		1,049.00	0.07
Depreciation - GA		885.64	0.76		10,628.65	0.73
Payroll Fees - GA		127.20	0.11		1,323.10	0.09
Total OTHER ADMINISTRATIVE	\$	15,301.16	13.11	\$	237,708.29	16.32
GENERAL AND ADMININSTRATIVE	\$	56,368.94	48.28	\$	510,442.03	35.05
Total NET OPERATING INCOME (LOSS)	\$	(31,612.66)	(27.08)	\$	(212,543.47)	(14.60)

SOUTHNET TELECOMM SERVICES
 DETAIL STATEMENT OF INCOME - GEORGIA
 For The Period

	December 01, 1998 To December 31, 1998		Pct%	January 01, 1998 To December 31, 1998		Pct%
OTHER (INCOME) AND EXPENSES						
Interest - GA	\$	3.09	0.00	\$	102.95	0.01
Cash over/short - GA		11,460.95	9.82		9,792.01	0.57
Penalties - GA		<u>0.00</u>	<u>0.00</u>		<u>124.42</u>	<u>0.01</u>
Total OTHER (INCOME) AND EXPENSES	\$	<u>11,464.04</u>	<u>9.82</u>	\$	<u>10,019.38</u>	<u>0.69</u>
NET INCOME (LOSS)	\$	<u>(43,076.70)</u>	<u>(36.90)</u>	\$	<u>(222,562.85)</u>	<u>(15.28)</u>
NET INCOME (LOSS) AFTER TAX	\$	<u>(43,076.70)</u>	<u>(36.90)</u>	\$	<u>(222,562.85)</u>	
		<u>=====</u>	<u>=====</u>		<u>=====</u>	<u>=====</u>

See accompanying accountants' compilation report.

SOUTHNET TELECOMM SERVICES
SCHEDULE OF ACCRUED LEASES
December 31, 1998

INCEPTION DATE	JULY 1, 1998	OCT. 1, 1998	OCT. 5, 1998	TOTAL
LEASE TERM	48 MONTHS	48 MONTHS	48 MONTHS	
NUMBER OF PAYMENTS REQUIRED	42	42	42	
EXPENSE TO DATE	\$ 106,553.82	\$ 36,282.96	\$ 131,307.27	\$ 274,144.05
PAYMENTS TO DATE	<u>20,295.96</u>	<u>13,822.08</u>	<u>56,668.63</u>	<u>90,786.67</u>
ACCRUED LEASES AT DECEMBER 31, 1998	<u>\$ 86,257.86</u>	<u>\$ 22,460.88</u>	<u>\$ 74,638.64</u>	<u>\$ 183,357.38</u>

See accompanying accountants' compilation report.

BEFORE THE SOUTH DAKOTA
PUBLIC UTILITIES COMMISSION

STATE OF GEORGIA)

COUNTY OF COBB)

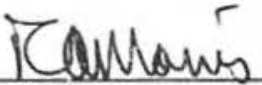
ss:

CERTIFICATION

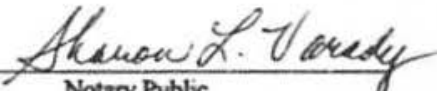
I, Robert A. Morris, a duly authorized officer of SouthNet TeleComm Services, Inc., am authorized to make this certification on behalf of SouthNet TeleComm Services, Inc. The statements concerning SouthNet TeleComm Services, Inc., made in the foregoing Unaudited Financial Statements of SouthNet TeleComm Services, Inc., for the periods ending December 31, 1998, are true, complete, and accurate to the best of my knowledge and are made in good faith.

SOUTHNET TELECOMM SERVICES, INC.

By:


Robert A. Morris
Vice President and General Manager

Subscribed and sworn to before me, in and for the State and County named above
this 6 day of April, 1999.


Notary Public

My Commission Expires:

Notary Public, Cobb County, Georgia
My Commission Expires April 20, 2002

EXHIBIT 4

SOUTHNET TELECOMM SERVICES, INC.

PROFILES OF KEY MANAGEMENT PERSONNEL

SOUTHNET TELECOMM GROUP, INC. TECHNICAL AND MANAGERIAL QUALIFICATIONS

SouthNet TeleComm Services, Inc. ("SouthNet") has assembled a highly skilled management team which brings a wealth of experience and expertise to SouthNet's telecommunications services venture in the State of South Dakota. Together, SouthNet's executives provide it with the depth and breadth of management, operational and technical capabilities necessary to facilitate its provision of high quality, affordable interexchange services.

Brief summaries of the experience of key members of SouthNet's executive management team are set forth below:

RONALD F. ANDEREGG **PRESIDENT AND CHIEF EXECUTIVE OFFICER**

Ronald F. Anderegg, President and Chief Executive Officer of SouthNet TeleComm Services, Inc. ("SouthNet"), possesses nearly two decades of executive-level managerial experience with consumer service companies. Mr. Anderegg began his business career as Branch Manager and Sales Manager for Waste Management, Inc., a regional lawn care service company. In 1982, Mr. Anderegg was appointed Region Manager of a seven-state territory for the Company.

In 1990, Mr. Anderegg was appointed an Officer and Division Vice President of TruGreen-ChemLawn, the largest lawn care, tree and shrub, landscape and indoor and outdoor pest control services provider in the United States. During Mr. Anderegg's association with TruGreen, he was one of the three executives directly responsible for structuring and directing the course of the Company. Under his direction, the Company experienced tremendous growth. Indeed, during his first five years with the Company, Mr. Anderegg initiated and directed strategic plans, systems and procedures which took the Company from less than \$10 million to in excess of \$500 million in annual revenues, including transforming his division, which theretofore had not generated a profit, into a \$50 million profit center. Mr. Anderegg was responsible for the oversight of 2,500 employees, in 76 locations in 19 states East of the Mississippi.

Mr. Anderegg was responsible for developing and directing division and region organization of marketing, operations, administration and accounting. He also developed commercial and residential sales strategies, systems and literature and was instrumental in developing operational strategies, systems, equipment and fleet requirements. Mr. Anderegg designed compensation plans for residential and commercial sales representatives and specialists, as well as for branch and regional management personnel. Mr. Anderegg was also instrumental in the successful merger of ChemLawn with the TruGreen East Division, resulting in the creation of TruGreen-ChemLawn.

Recognizing the emerging opportunities in the telecommunications field, and the significant advantage to consumers of the availability of one-stop shopping for the satisfaction of their various telecommunications needs, Mr. Anderegg founded SouthNet in 1995 and has served as its President and Chief Executive Officer since that time. Originally a non-facilities based resale provider of cellular, paging and long distance services, under Mr. Anderegg's direction, the Company has emerged as a cutting-edge provider of IP telephony, having implemented a nationwide frame relay network. Currently, SouthNet maintains 114 locations in 26 states, offering nationwide Internet access, Internet telephony, voice-over-frame and wireless services to commercial and end-user markets.

Mr. Anderegg received his undergraduate degree from Western Michigan University in 1974. Mr. Anderegg has also undertaken post-graduate management studies.

ROBERT A. MORRIS

VICE PRESIDENT AND GENERAL MANAGER

Robert A. Morris, Vice President and General Manager of SouthNet, possesses more than a decade of managerial business experience with consumer service companies, beginning his business career as Marketing Manager for All Green Corporation, a supplier of lawn, tree and shrub care and indoor pest control services to residential and commercial customers throughout the United States. Mr. Morris was responsible for initiating the Company's Dallas, Texas operations, generating annual revenues in excess of \$1.5 million within the first two years of operation in that geographic area. Mr. Morris was named All Green's Marketing Manager of the Year three years in a row and was subsequently elevated to the position of Regional Marketing Manager.

As Regional Marketing Manager for the Company, Mr. Morris was responsible for the supervision of over 100 employees and took annual revenues to the \$12 million level. During this time, Mr. Morris designed and wrote the majority of the sales training manuals and was responsible for the design and oversight of the Company's sales presentations and telemarketing programs. Mr. Morris was also instrumental in growing the Company through mergers with various existing competing firms. Mr. Morris remained in this position until 1995, when he joined SouthNet as General Manager.

Working closely with Mr. Anderegg, Mr. Morris has held the front-line position in establishing SouthNet as a full-service telecommunications provider. In addition to being integrally involved in the development and implementation of SouthNet's marketing strategy, Mr. Morris has been instrumental in the formulation of SouthNet's business plan as well as the Company's accounting and business systems, employee compensation plans, labor policy and procedure systems and manuals, customer service procedures and manuals, and advertising and literature development. Further, Mr. Morris has instituted, and overseen since the Company's inception, all of SouthNet's major internal systems operations.

Mr. Morris received his undergraduate degree from Slippery Rock State College.

JEFFREY W. LEMAY
DIRECTOR OF INTERNET SERVICES

Jeffrey W. LeMay joined SouthNet in 1995. As Director of Internet Services for SouthNet, Mr. LeMay is responsible for the design and implementation of the Company's national frame relay network, including selection of Internet access and telephony hardware products, procurement of network lines from regional Bell Operating Companies, recruiting, training and managing the Company's Internet services customer service and network administrator departments, developing business plans and growth models. Mr. LeMay has played a significant role in the implementation of the Company's nationwide Internet access, Internet telephony, voice-over-frame and wireless services offering to commercial and end-user markets, presently consisting of 114 locations in 26 states.

Mr. LeMay is a graduate of Angelina College and the Kettering College of Medical Arts.

ELIZABETH W. STOWE
MANAGER OF NETWORK SERVICES

Elizabeth W. Stowe is a recent addition to SouthNet's management team. As Manager of Network Services for the Company, Ms. Stowe oversees network management and monitoring. In this capacity, she is responsible for maintaining network performance, ensuring the availability of adequate capacity and ordering and provisioning network lines and circuits.

Ms. Stowe has been active in the telecommunications field since the early 1980s and has held administrative and supervisory positions with Southern Bell, AT&T Information Systems, Southernnet, Sprint, GE Exchange, GridNet International, Preferred Networks, Inc., and Vartec Telecom. In these positions, Ms. Stowe has been responsible for analyzing and developing network provisioning policies and procedures, identifying and developing interdepartmental interfaces, negotiating service contracts and interconnection agreements, and managing in-house switch activity. Ms. Stowe has also been involved in new product development and the supervision and training of customer service and other personnel.

JAMES ZEUNIK

MANAGER OF TECHNICAL SUPPORT SERVICES

James Zeunik, also a new addition to the SouthNet's executive team, joins the Company as Manager of Technical Support Services. In this capacity, Mr. Zeunik supervises the departmental staff responsible for responding to customer inquiries regarding technical issues involving SouthNet's service. Mr. Zeunik entered the computer software arena in 1990 and since that time has recruited, hired, trained and directed computer systems support staff on behalf of such corporations as the National Tech Team of Ford Motor Company, Interactive Business Systems and Alternative Resources Corporation. Mr. Zeunik has been responsible for the supervision of a 40-person technical support unit. In his supervisory positions, Mr. Zeunik has also developed business plans and internal systems, including performing ongoing analysis and modification of internal processes to ensure compliance with ISO 9000 and QI quality systems.

Mr. Zeunik attended Jackson Community College and Eastern Michigan University.

LORI N. LANGAN

MANAGER OF CUSTOMER SERVICES

Lori N. Langan is Manager of Customer Services for SouthNet. Ms. Langan is responsible for the oversight and ongoing training of the Company's customer service personnel. In this capacity, Ms. Langan develops procedures and training materials designed to educate the Company's customer service personnel in the efficient handling and resolution of customer inquiries and/or complaints. Ms. Langan is also responsible for ensuring all customer service personnel are familiar with both Federal Communications Commission and Federal Trade Commission rules and regulations concerning such matters as customer-initiated carrier changes and telemarketing sales rules. Finally, Ms. Langan oversees the Company's quality assurance programs with respect to customer service functions.

Ms. Langan has been active in the telecommunications area since the early 1990s and has held positions of increasing responsibility with Donnelly Communications, Inc. Originally supervising 100 call center employees, Ms. Langan was promoted to Client Services Director and, in her most recent position, Vice President of Operations.

Ms. Langan is a graduate of Georgia Institute of Technology.

EXHIBIT 5

SOUTHNET TELECOMM SERVICES, INC.

PROPOSED TELECOMMUNICATIONS SERVICES TARIFF

TARIFF
OF
SOUTHNET TELECOMM SERVICES, INC.

LONG DISTANCE TELECOMMUNICATIONS SERVICE

This Tariff, filed with the South Dakota Public Utilities Commission contains the rates, terms and conditions applicable to the Resale Telecommunications Services provided by SouthNet TeleComm Services, Inc. within the State of South Dakota.

TELECOMMUNICATIONS SERVICES

CHECK SHEET

Pages of this tariff, as listed below, are effective as of the date shown at the bottom of the respective page(s). 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>
1	Original
2	Original
3	Original
4	Original
5	Original
6	Original
7	Original
8	Original
9	Original
10	Original
11	Original
12	Original
13	Original
14	Original
15	Original
16	Original
17	Original
18	Original
19	Original
20	Original

Issued:

Effective:

Issued by: Robert A. Morris, Vice President and General Manager
SouthNet TeleComm Services, Inc.
2300 Lake Park Drive, Suite 100
Smyrna, GA 30080

TELECOMMUNICATIONS SERVICES

CHECK SHEET (cont'd)

<u>PAGE</u>	<u>REVISION</u>
21	Original
22	Original
23	Original
24	Original
25	Original
26	Original
27	Original
28	Original
29	Original
30	Original
31	Original
32	Original
33	Original
34	Original
35	Original
36	Original
37	Original
38	Original
39	Original
40	Original

Issued:

Effective:

Issued by: Robert A. Morris, Vice President and General Manager
SouthNet TeleComm Services, Inc.
2300 Lake Park Drive, Suite 100
Smyrna, GA 30080

TELECOMMUNICATIONS SERVICES

CHECK SHEET (cont'd)

<u>PAGE</u>	<u>REVISION</u>
41	Original
42	Original
43	Original
44	Original
45	Original
46	Original
47	Original
48	Original
49	Original
50	Original
51	Original
52	Original
53	Original
54	Original
55	Original
56	Original
57	Original
58	Original
59	Original
60	Original

Issued:

Effective:

Issued by: Robert A. Morris, Vice President and General Manager
SouthNet TeleComm Services, Inc.
2300 Lake Park Drive, Suite 100
Smyrna, GA 30080

TELECOMMUNICATIONS SERVICES

CHECK SHEET (cont'd)

<u>PAGE</u>	<u>REVISION</u>
61	Original
62	Original
63	Original

Issued:

Effective:

Issued by: Robert A. Morris, Vice President and General Manager
SouthNet TeleComm Services, Inc.
2300 Lake Park Drive, Suite 100
Smyrna, GA 30080

TELECOMMUNICATIONS SERVICES

TABLE OF CONTENTS

Title Sheet	1
Check Sheet	2
Table of Contents	5
Concurring, Connecting, Other Participating Carriers	12
Explanation of Symbols	13
Tariff Format	14
SECTION 1 - Technical Terms and Abbreviations	15
SECTION 2 - Rules and Regulations	24
2.1 Undertaking of the Company	24
2.1.1 Scope	24
2.1.2 Provision of Customer Equipment	24
2.1.3 Agency	24
2.1.4 Routing	24
2.1.5 Minimum Call Completion Rate	24

Issued:

Effective:

Issued by: Robert A. Morris, Vice President and General Manager
SouthNet TeleComm Services, Inc.
2300 Lake Park Drive, Suite 100
Smyrna, GA 30080

TELECOMMUNICATIONS SERVICES

TABLE OF CONTENTS (cont'd)

2.2	Limitations	25
2.2.1	Availability of Services	25
2.2.2	Rights of the Company	26
2.2.3	Restoration of Service	28
2.2.4	Fraud Prevention	28
2.2.5	Emergency Conditions	28
2.2.6	Property Rights	29
2.3	Use of Service	29
2.3.1	Authorized Use	29
2.3.2	Limitations	29
2.3.3	Compatibility	29
2.3.4	Modifications	29
2.4	Liability of the Company	30
2.4.1	General	30
2.4.2	Other Carriers	32
2.4.3	Consequential or Special Damages	33
2.4.4	Customer Premises/Customer-Provided Equipment	34
2.4.5	Force Majeure	36
2.4.6	Notice	36
2.4.7	Unauthorized Use	37
2.4.8	Explosive Atmosphere	37
2.4.9	Indemnification	38
2.4.10	Independent Contractor	39
2.4.11	Implied License	39

Issued:

Effective:

Issued by: Robert A. Morris, Vice President and General Manager
SouthNet TeleComm Services, Inc.
2300 Lake Park Drive, Suite 100
Smyrna, GA 30080

TELECOMMUNICATIONS SERVICES

TABLE OF CONTENTS (cont'd)

2.5	Customer Deposits	40
2.6	Taxes	40
2.7	Miscellaneous Rates and Charges Taxes	40
2.8	Terminal Equipment	41
2.9	Rendering and Payment of Bills	41
2.9.1	General	41
2.9.2	Billing Period	41
2.9.3	Rendering Bills	42
2.9.4	Due Date	43
2.9.5	Late Charge	43
2.9.6	Billing Disputes	44
2.9.7	Overbilling and Underbilling	45
	2.9.7.A Refunds for Overcharges	45
	2.9.7.B Backbilling of Undercharges	45
2.9.8	Payment Arrangements	46
2.9.9	Notification of Alternate Payment Programs or or Payment Assistance	46
2.9.10	Returned Checks	47
2.9.11	Collection Service Charge	47
2.9.12	Billing Entity Conditions	47
2.9.13	Pro-Rated Charges	47
2.9.14	Business Use of Calling Card	47

Issued:

Effective:

Issued by: Robert A. Morris, Vice President and General Manager
SouthNet TeleComm Services, Inc.
2300 Lake Park Drive, Suite 100
Smyrna, GA 30080

TELECOMMUNICATIONS SERVICES

TABLE OF CONTENTS (cont'd)

2.10	Cancellation or Delay of Service Orders	48
2.10.1	Cancellation of a Service Order	49
2.10.2	Delay of a Service Order	49
2.10.2.A	Delay of a Due Date by the Customer	49
2.10.2.B	Delay of a Due Date by the Company	49
2.11	Cancellation of Service	50
2.12	Interconnection	50
2.13	Discontinuance of Service	51
2.13.1	Suspension for Delinquent Bills	51
2.13.2	Suspension With Notice	53
2.13.3	Suspension Without Notice	53
2.13.4	Suspension Prohibited	54
2.13.5	Suspension on Holidays or Weekends	54
2.14	Inspections	55
2.15	Installation and Termination	55
2.16	Interruption of Service	55
2.17	Timing of Calls	56

Issued:

Effective:

Issued by: Robert A. Morris, Vice President and General Manager
SouthNet TeleComm Services, Inc.
2300 Lake Park Drive, Suite 100
Smyrna, GA 30080

TELECOMMUNICATIONS SERVICES

TABLE OF CONTENTS (cont'd)

SECTION 3 - DESCRIPTION OF SERVICES	57
3.1 Outbound Services	57
3.1.1 Switched Outbound Services	57
3.1.2 Dedicated Outbound Services	57
3.2 Inbound Services	58
3.2.1 Switched Inbound Services	58
3.2.2 Dedicated Inbound Services	58
3.3 Calling Card Services	58
SECTION 4 - RATES AND CHARGES	59
4.1 Rate Schedule	59
4.1.1 General	59
4.1.2 Rating Methodology	59
4.1.3 Billing Fees	59
4.1.4 Set-up Fees	59
4.1.5 Credit Card Fees	59
4.1.6 Operator Service Charges	59

Issued:

Effective:

Issued by: Robert A. Morris, Vice President and General Manager
SouthNet TeleComm Services, Inc.
2300 Lake Park Drive, Suite 100
Smyrna, GA 30080

TELECOMMUNICATIONS SERVICES

TABLE OF CONTENTS (cont'd)

4.2	Service Rates	60
4.2.1	Rates	60
4.2.1.A	Switched Outbound Service Rates	60
4.2.1.B	Dedicated Outbound Service Rates	60
4.2.1.C	Switched Inbound Service Rates	61
4.2.1.D	Dedicated Inbound Service Rates	61
4.2.1.E	Inbound Service Payphone Surcharge	61
4.2.3	Calling Card Service Rates	62
4.2.4	Miscellaneous Rates and Charges	63
4.2.4.A	Presubscribed Interexchange Carrier Change Charge	63
4.2.4.B	Pass-Through Charges	63

Issued:

Effective:

Issued by: Robert A. Morris, Vice President and General Manager
SouthNet TeleComm Services, Inc.
2300 Lake Park Drive, Suite 100
Smyrna, GA 30080

TELECOMMUNICATIONS SERVICES

CONCURRING CARRIERS

No concurring carriers

CONNECTING CARRIERS

No connecting carriers

OTHER PARTICIPATING CARRIERS

No other participating carriers

Issued:

Effective:

Issued by: Robert A. Morris, Vice President and General Manager
SouthNet TeleComm Services, Inc.
2300 Lake Park Drive, Suite 100
Smyrna, GA 30080

TELECOMMUNICATIONS SERVICES

EXPLANATION OF SYMBOLS

The following are the only symbols used for the purposes indicated below:

- D - Delete or Discontinue
- I - Change Resulting in an Increase in Rates
- M - Moved from Another Tariff Location
- N - New Regulation, Term, or Condition or Rate
- R - Change Resulting in a Reduction in Rate
- T - Change in Text or Regulation But no Change in Rates

Issued:

Effective:

Issued by: Robert A. Morris, Vice President and General Manager
SouthNet TeleComm Services, Inc.
2300 Lake Park Drive, Suite 100
Smyrna, GA 30080

TELECOMMUNICATIONS SERVICES

TARIFF FORMAT

A. Page Numbering - Page numbers appear in the upper right corner of the page. Pages are numbered sequentially. When a new page is added between pages already in effect, a decimal is added. For example, a new page added between pages 14 and 15 would be 14.1.

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 South Dakota Public Utilities Commission. For example, the 4th revised Page 14 cancels the 3rd revised Page 14. 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).I.
- 2.1.1.A.1.(a).I.(i).
- 2.1.1.A.1.(a).I.(i).(1).

D. Check Sheets - When a tariff filing is made with the South Dakota Public Utilities Commission, an updated Check Sheet accompanies the tariff 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 will be no other symbols used on this page if these are the only changes made to it (i.e., the format, etc. remain the same, just revised revision levels on some pages.)

Issued:

Effective:

Issued by: Robert A. Morris, Vice President and General Manager
SouthNet TeleComm Services, Inc.
2300 Lake Park Drive, Suite 100
Smyrna, GA 30080

TELECOMMUNICATIONS SERVICES

SECTION 1 - TECHNICAL TERMS AND ABBREVIATIONS

- 1.1 **Access:** The connection between the Customer's location and an interexchange switching center.
- 1.2 **Access Line:** A transmission line from either an LEC central office or an IXC POP to the Customer's Premises used to process voice and limited speed data Calls.
- 1.3 **Account Code:** A numerical code, assigned to the Customer, to enable the Company to identify use of the Services by the Customer and to bill the use of the Services by the Customer. Multiple Account Codes may be assigned to the Customer to identify individual users or groups of users.
- 1.4 **Additional Period:** The minimum additional portion of a Calling Period after an Initial Period for which charges are incurred for completed Calls.
- 1.5 **Analog:** A transmission method employing a continuous (rather than a pulsed or digital) electrical signal that varies in amplitude or frequency in response to changes of sound, light, position, etc., impressed on a transducer in the sending device.
- 1.6 **Asynchronous:** Transmission in which each information character is individually synchronized usually by the use of start-stop elements. The gap between each character is not of a fixed length.

Issued:

Effective:

Issued by: Robert A. Morris, Vice President and General Manager
SouthNet TeleComm Services, Inc.
2300 Lake Park Drive, Suite 100
Smyrna, GA 30080

TELECOMMUNICATIONS SERVICES

SECTION 1 - TECHNICAL TERMS AND ABBREVIATIONS (cont'd)

- 1.7 **Authorization Code:** A predefined series of numbers to be dialed by the Customer or End User upon access to the Company's system to identify the caller and validate the caller's authorization to use the Services provided. All Authorization Codes shall be the sole property of the Company and no Customer or End User shall have any property or other right or interest in the use of any particular Authorization Code. The Customer is responsible for charges incurred through the use of its assigned Authorization Code. Automatic Numbering Identification (ANI) may be used as or in connection with the Authorization Code.
- 1.8 **Automatic Numbering Identification (ANI):** A type of signalling provided by an LEC which automatically identifies the Calling Station.
- 1.9 **Bit:** The smallest unit of information in the binary system of notation.
- 1.10 **Call:** A completed connection established between a Calling Station and one or more Called Stations.
- 1.11 **Called Station:** The terminating point of a Call (i.e., the Called number).
- 1.12 **Calling Card:** A billing arrangement which bills the charge for an MTS Call to the Main Billing Number of a Customer.
- 1.13 **Calling Card Services:** The Services described in Section 3.3 of this Tariff.
- 1.14 **Calling Station:** The originating point of a Call (i.e., the Calling number).
- 1.15 **Calling Unit:** The measured period of a Call which is either Initial or Additional.

Issued:

Effective:

Issued by: Robert A. Morris, Vice President and General Manager
SouthNet TeleComm Services, Inc.
2300 Lake Park Drive, Suite 100
Smyrna, GA 30080

TELECOMMUNICATIONS SERVICES

SECTION 1 - TECHNICAL TERMS AND ABBREVIATIONS (cont'd)

- 1.16 **Commission:** South Dakota Public Utilities Commission.
- 1.17 **Common Carrier:** A company or entity providing telecommunications services to the public.
- 1.18 **Company:** SouthNet Telecomm Services, Inc. Also referred to as "SouthNet".
- 1.19 **Competitive Access Provider (CAP):** A Common Carrier engaged in the origination and/or termination of interstate, interexchange Calls.
- 1.20 **Competitive Local Exchange Carrier (CLEC):** A Common Carrier engaged in the provision of local dial tone and other local exchange services in competition with one or more LECs.
- 1.21 **Customer:** A Person who orders Services under this Tariff and who is responsible for payment of all charges therefor and for complying with the terms and conditions set forth in this Tariff.
- 1.22 **Customer Premises:** A location, on property owned, leased or otherwise controlled by the Customer, that is designated by the Customer for the provision of the Services to the Customer pursuant to this Tariff.
- 1.23 **Customer-Provided Equipment:** Telecommunications equipment provided by a Customer used to originate or terminate Calls at the Customer Premises.

Issued:

Effective:

Issued by: Robert A. Morris, Vice President and General Manager
SouthNet TeleComm Services, Inc.
2300 Lake Park Drive, Suite 100
Smyrna, GA 30080

TELECOMMUNICATIONS SERVICES

SECTION 1 - TECHNICAL TERMS AND ABBREVIATIONS (cont'd)

- 1.24 **Dedicated Access:** A non-switched circuit connecting a Customer Premises to an IXC POP with no intermediate switching functions.
- 1.25 **DS-0:** A form of Service offered at digital signal level 0 and providing a 64 Kbps signal.
- 1.26 **DS-1:** A form of private line Service offered at digital signal level 1 and providing a 1.544 Mbps signal.
- 1.27 **DS-3:** A form of private line Service at digital signal level 3 and providing digital signals at the speed of 44.736 Mbps.
- 1.28 **End User:** Any Person which uses the Services ordered by the Customer under this Tariff. If at any time the Customer fails to make timely payment for the Services, satisfaction of the Customer's payment obligations with respect to Services utilized by an End User shall become the direct responsibility of the End User and said End User shall make immediate payment directly to the Company of all associated overdue amounts. Notwithstanding the foregoing, the Customer shall not be relieved of its responsibility to fully satisfy its payment obligations under this Tariff.
- 1.29 **FCC:** Federal Communications Commission.

Issued:

Effective:

Issued by: Robert A. Morris, Vice President and General Manager
 SouthNet TeleComm Services, Inc.
 2300 Lake Park Drive, Suite 100
 Smyrna, GA 30080

TELECOMMUNICATIONS SERVICES

SECTION 1 - TECHNICAL TERMS AND ABBREVIATIONS (cont'd)

- 1.30 **Fractional Charges and Credits:** Each month is considered to have thirty (30) days for billing purposes. To determine charges or credits for portions of months, the days remaining in the billing period (including the thirty-first (31st) day of a thirty-one (31)-day month) are counted, starting with the day after the date on which the Services were furnished or discontinued; that figure is divided by thirty (30) days and the resultant fraction is multiplied by the Monthly Charge to arrive at the Fractional Charge or Credit.

- 1.31 **Inbound Services:** The Services described in Section 3.2 of this Tariff.

- 1.32 **Incomplete Call:** Any Call as to which voice transmission between the Calling and the Called Stations is not established (*i.e.*, busy, no answer).

- 1.33 **Incremental Call Unit:** The minimum additional period after an Initial Call Unit for which charges are incurred for completed Calls and, except as otherwise provided in this Tariff, equals six (6) seconds.

- 1.34 **Initial Call Unit:** The minimum period for which charges are incurred for a completed Call; unless otherwise specified herein, the Initial Call Unit for all services offered pursuant to this Tariff shall be eighteen (18) seconds.

- 1.35 **Installation Charge:** A fixed charge per unit which applies when certain Services are furnished.

- 1.36 **Interexchange Carrier (IXC):** A Common Carrier engaged in the transport of Calls and other telecommunications across LATA boundaries.

Issued:

Effective:

Issued by: Robert A. Morris, Vice President and General Manager
SouthNet TeleComm Services, Inc.
2300 Lake Park Drive, Suite 100
Smyrna, GA 30080

TELECOMMUNICATIONS SERVICES

SECTION 1 - TECHNICAL TERMS AND ABBREVIATIONS (cont'd)

- 1.37 **Isochronous**: A characteristic of a periodic signal in which the time interval that separates any two corresponding significant instants or transitions of signal level is equal to the unit interval or to a multiple of the unit interval. No timing or clock lead is provided at the customer interface.
- 1.38 **KBPS**: Kilobits per second.
- 1.39 **KHZ**: Kilohertz.
- 1.40 **LATA**: Local Access and Transport Area.
- 1.10 **Local Exchange Carrier or LEC**: A Common Carrier that is, or once was, the exclusive provider of local dial tone and other local exchange services within its service areas.
- 1.42 **Main Billing Number**: A telephone number assigned to the Customer to which charges for the Services are billed.
- 1.43 **MBPS**: Megabits per second.
- 1.44 **MHZ**: Megahertz.
- 1.45 **Minimum Payment Period**: The Minimum Payment Period is the minimum period, if any, for which the Customer is required to make payment for the Services. The Minimum Payment Period for a given Service is specified in the section of this Tariff applicable to that Service. Charges applicable to the Minimum Payment Period include recurring charges plus any nonrecurring and/or special construction charge(s) that may apply.

Issued:

Effective:

Issued by: Robert A. Morris, Vice President and General Manager
SouthNet TeleComm Services, Inc.
2300 Lake Park Drive, Suite 100
Smyrna, GA 30080

TELECOMMUNICATIONS SERVICES

SECTION 1 - TECHNICAL TERMS AND ABBREVIATIONS (cont'd)

- 1.46 **Monthly Charge/Monthly Recurring Charge:** A flat charge which applies for each month in which the Services are furnished to the Customer and which is prorated for a fractional month of Service.
- 1.47 **Move Charge:** A charge which applies when the physical location of the termination of an office connection or an office function is changed at the Customer's request. A move is considered to be the discontinuance of service at the old location and the reinstallation of the service at the new location. Installation charges apply only for the components that are moved. A new minimum payment period will be established.
- 1.48 **MTS:** Message Telecommunications Services.
- 1.49 **Nonrecurring Charges:** One-time charges payable to the Company including Installation Charges, Service Ordering Charges and Special Construction Charges. Charges may differ according to the work activity involved.
- 1.50 **NPA:** Numbering Plan Area, more commonly referred to as an area code.
- 1.51 **NPA Centroid:** The center of the area code, sometimes used to calculate mileage for inbound Calls where the NPA-NXX of the Calling Station is not available.
- 1.52 **NXX:** The first three digits of the Customer's telephone number. "N" is a number between 2 and 9. "X" is a number between 0 and 9.

Issued:

Effective:

Issued by: Robert A. Morris, Vice President and General Manager
SouthNet TeleComm Services, Inc.
2300 Lake Park Drive, Suite 100
Smyrna, GA 30080

TELECOMMUNICATIONS SERVICES

SECTION 1 - TECHNICAL TERMS AND ABBREVIATIONS (cont'd)

- 1.53 **Outbound Services**: The Services described in Section 3.1 of this Tariff.
- 1.54 **Person**: A natural being, firm, organization, partnership, association, corporation, or entity.
- 1.55 **Point-of-Presence (POP)**: The central switching office of an IXC where it interconnects with an LEC.
- 1.56 **Rate Center**: A group of central offices determined by NPA Centroid or NPA-NXX.
- 1.57 **Recognized National Holidays**: New Year's Day, Memorial Day, Independence Day, Labor Day, Thanksgiving Day and Christmas Day.
- 1.58 **Recurring Charge**: Monthly Charges and Usage Charges.
- 1.59 **Reseller**: Any Person which obtains Services under this Tariff for the purpose of reselling those Services to End Users. The Reseller shall be deemed to be the Customer of such resold services.

Issued:

Effective:

Issued by: Robert A. Morris, Vice President and General Manager
SouthNet TeleComm Services, Inc.
2300 Lake Park Drive, Suite 100
Smyrna, GA 30080

TELECOMMUNICATIONS SERVICES

SECTION 1 - TECHNICAL TERMS AND ABBREVIATIONS (cont'd)

- 1.60 **RespOrg**: The entity responsible for the management of, and which may access and modify, a subscriber's record in the SMS/800 database. A RespOrg must meet certain eligibility criteria established by the FCC.
- 1.61 **Service**: The telecommunications services provided by the Company pursuant to this Tariff as described in Section 3 of this Tariff.
- 1.62 **Service Order**: A Customer order for installation, move, or record change related to the Services.
- 1.63 **Special Construction Charge**: A charge associated with an installation of the Services requiring unique or additional equipment or facilities.
- 1.64 **Switched Access**: A switched circuit connecting a Customer Premises to an IXC POP with intermediate switching functions.
- 1.65 **Toll Call**: Any call extending beyond the local exchange of the originating caller which is rated on a toll schedule by the Company.
- 1.66 **Toll Service**: The Services provided by the Company in this Tariff.
- 1.67 **Underlying Carrier**: A facilities-based IXC which provides transport services that are resold by the Company.
- 1.68 **Usage Charge**: Charges stated as a function of, and which vary with, use (e.g., per connection or per unit of time); Usage Charges are set forth for each Service provided by the Company in Section 4 of this Tariff.

Issued:

Effective:

Issued by: Robert A. Morris, Vice President and General Manager
SouthNet TeleComm Services, Inc.
2300 Lake Park Drive, Suite 100
Smyrna, GA 30080

TELECOMMUNICATIONS SERVICES

SECTION 2 - RULES AND REGULATIONS

2.1 Undertaking of the Company.

- 2.1.1 Scope.** The Company undertakes to provide the Services in accordance with the terms and conditions set forth in this Tariff. The Services are furnished for communications originating at points within the State of South Dakota and terminating within the State of South Dakota.
- 2.1.2 Provision of Customer Equipment.** Customer-Provided Equipment may be used with the Services. The Company does not provide such equipment.
- 2.1.3 Agency.** The Company may act as an agent for the Customer in connection with the implementation and maintenance of the Services.
- 2.1.4 Routing.** The Company will maintain sole and absolute discretion over the routing of Calls originated by the Customer pursuant to this Tariff and the channels and/or service components used to provide the Services. The Company will maintain sole and absolute discretion over the selection of the Underlying Carrier over whose network Calls originated by the Customer pursuant to this Tariff will be carried and will be under no obligation to notify End Users of any change in the Underlying Carrier.
- 2.1.5 Minimum Call Completion Rate.** The Customer can expect a Call completion rate (e.g., number of Calls completed/number of Calls attempted) of not less than ninety-five percent (95%) during peak use periods.

Issued:

Effective:

Issued by: Robert A. Morris, Vice President and General Manager
SouthNet TeleComm Services, Inc.
2300 Lake Park Drive, Suite 100
Smyrna, GA 30080

TELECOMMUNICATIONS SERVICES

SECTION 2 - RULES AND REGULATIONS

2.2 Limitations.

- 2.2.1 Availability of Services.** The Services are offered subject to the availability of facilities and under the terms and conditions contained in this Tariff. The Company's obligation to furnish the Services is dependent upon its ability to obtain, retain and maintain without unreasonable expense access to suitable facilities, including service arrangements with Underlying Carriers, and is subject to transmission, atmospheric and like limitations. The Services may be temporarily refused or limited due to limitations in system capacity or to other circumstances beyond the Company's control. The Services may be temporarily interrupted or curtailed due to equipment modifications, upgrades, relocations, repairs, or similar activities necessary for the proper or improved operation of the Services.

Issued:

Effective:

Issued by: Robert A. Morris, Vice President and General Manager
SouthNet TeleComm Services, Inc.
2300 Lake Park Drive, Suite 100
Smyrna, GA 30080

TELECOMMUNICATIONS SERVICES

SECTION 2 - RULES AND REGULATIONS (cont'd)

2.2 Limitations (cont'd).

2.2.2 Rights of the Company. The Company reserves the right to refuse or limit the use of or suspend or discontinue (pursuant to Section 3.16) Service to the Customer without incurring liability:

- 1) For non-payment when due of any amount due and owing to the Company by the Customer.
- 2) For violation of, or failure to comply with, the terms and conditions of this Tariff by the Customer of either the provisions of this Tariff or for violation of any laws, rules, regulations, or policies of a governmental authority applicable to the Services and the Customer's use thereof.
- 3) By reason of an order or decision of a court or other governmental authority which prohibits the Company from furnishing the Services.
- 4) In the event that the Company's service arrangement with one or more Underlying Carriers is terminated and the Company is unable to secure another service arrangement without incurring unreasonable expense.
- 5) When necessitated by conditions beyond the Company's control. Conditions beyond the Company's control include, but are not limited to, the Customer generating Call volume or utilizing a Calling pattern that results, or may result, in network blockage or other service degradation which adversely affects the Service to other customers of the Company.

Issued:

Effective:

Issued by: Robert A. Morris, Vice President and General Manager
SouthNet TeleComm Services, Inc.
2300 Lake Park Drive, Suite 100
Smyrna, GA 30080

TELECOMMUNICATIONS SERVICES

SECTION 2 - RULES AND REGULATIONS (cont'd)

2.2 Limitations (cont'd).

2.2.2 Rights of the Company (cont'd).

- 6) For abuse or fraudulent use of the Services by the Customer or its End Users. Abuse of the Services includes, without limitation, the making of Calls which might reasonably be expected to frighten, abuse, torment or harass another or which in any way would interfere unreasonably with the use of the Service by others. Fraudulent use of the Services includes, without limitation: (1) use of the Services to transmit a message, locate a person or otherwise give or obtain information without payment for the Services; (2) use, or attempted use, of the Services with the intent to avoid payment therefor by rearranging, tampering with, or making connections not authorized by this Tariff to any service components or through use of fraudulent means, devices, tricks, schemes, false or invalid numbers, false credit devices or electronic devices; (3) use of an Inbound Service with the intent of gaining access to an out-bound calling capability on an unauthorized basis; or (4) use of fraudulent means or devices, tricks, schemes, false or invalid numbers, false credit devices or electronic devices to defraud or mislead callers.

Issued:

Effective:

Issued by: Robert A. Morris, Vice President and General Manager
SouthNet TeleComm Services, Inc.
2300 Lake Park Drive, Suite 100
Smyrna, GA 30080

TELECOMMUNICATIONS SERVICES

SECTION 2 - RULES AND REGULATIONS (cont'd)

2.2 Limitations (cont'd).

2.2.2 Rights of the Company (cont'd).

- 7) For submission or use by the Customer of insufficient or fraudulent billing information, invalid or unauthorized telephone numbers, or pre-arranged account code numbers.
- 8) If the Company deems such action necessary to protect itself or third parties against fraud or to otherwise protect its personnel, agents, or the Services.

2.2.3 Restoration of Service. The Company will provide or restore the Services when the Customer is in compliance with the provisions of this Tariff and all applicable laws, rules, regulations and policies of pertinent governmental authorities and the Company determines that the Services can be provided without undue risk to the Company or the Services provided to other Customers of the Company.

2.2.4 Fraud Prevention. In order to control fraud, the Company may refuse to accept Calling Card Calls or discontinue the use of Authorization Codes which it determines to be fraudulent or invalid and/or may limit the use of these billing options to or from certain areas, including any part of the State of South Dakota.

2.2.5 Emergency Conditions. The use and restoration of the Services during emergency conditions shall be in accordance with Part 64, Subpart D, Appendix A, of the FCC's Rules and Regulations, which specifies the priority system for such use and restoration.

Issued:

Effective:

Issued by: Robert A. Morris, Vice President and General Manager
SouthNet TeleComm Services, Inc.
2300 Lake Park Drive, Suite 100
Smyrna, GA 30080

TELECOMMUNICATIONS SERVICES

SECTION 2 - RULES AND REGULATIONS (cont'd)

2.2 Limitations (cont'd).

- 2.2.6 Property Rights.** The Customer will obtain no property right or interest in the use of any specific type of facility, service connection, equipment, number, process or code. All right, title and interest to such items will remain, at all times, solely with the Company.

2.3 Use of Service.

- 2.3.1 Authorized Use.** The Services may be used solely to transmit communications of the Customer or authorized End Users in a manner consistent with the terms and conditions of this Tariff and the policies and regulations of the Commission. The Services are furnished for the transmission of voice communications, but may also be used for data, facsimile, signaling, metering, or other similar communications, subject to the transmission capabilities of the Services and the laws, rules and regulations of the Commission.
- 2.3.2 Limitations.** The Services are furnished subject to the condition that they will be used only for authorized and lawful purposes by the Customer. The Customer may not use the Services for any unauthorized or unlawful purpose.
- 2.3.3 Compatibility.** The Customer's use of the Services shall not interfere with or impair the Company's ability to provide the Services to other customers, cause damage to the Company's equipment or resold equipment, impair the privacy of communications over the Company's system or create hazards to the employees of any company or the public.
- 2.3.4 Modifications.** The Customer may not rearrange, disconnect, remove, modify or attempt to repair or permit others to rearrange, disconnect, remove, modify or attempt to repair any Company facility without the prior written consent of the Company.

Issued:

Effective:

Issued by: Robert A. Morris, Vice President and General Manager
SouthNet TeleComm Services, Inc.
2300 Lake Park Drive, Suite 100
Smyrna, GA 30080

TELECOMMUNICATIONS SERVICES

SECTION 2 - RULES AND REGULATIONS (cont'd)

2.4 Liability of the Company.

2.4.1 General. The Company's liability, if any, for damages associated with the ordering (including the reservation of any specific number for use with a Service), installation (including delays associated therewith), provisioning, termination, maintenance, repair or restoration of the Services or associated facilities offered under this Tariff, shall be limited as follows:

- 1) With respect to any Outbound or Inbound Service provided by the Company which involves Dedicated Access, shared interexchange transmission, and shared termination, the Company's liability shall not exceed an amount equal to the proportionate Monthly Recurring Charges, including any Service charges, minimum Monthly Charges, basic feature package charges, Monthly Charges for optional features, charges for Dedicated Access facilities, and any other Monthly Charges, for the period during which the Service was affected, or, if only a transmission using the shared interexchange facilities is interrupted, an amount equal to the charge applicable to a one minute Call to the Called Station at the time the affected Call was made.

Issued:

Effective:

Issued by: Robert A. Morris, Vice President and General Manager
SouthNet TeleComm Services, Inc.
2300 Lake Park Drive, Suite 100
Smyrna, GA 30080

TELECOMMUNICATIONS SERVICES

SECTION 2 - RULES AND REGULATIONS (cont'd)**2.4 Liability of the Company (cont'd).****2.4.1 General (cont'd).**

- 2) With respect to any Outbound or Inbound Service provided by the Company which involves Switched Access, shared interexchange transmission, and shared termination, the Company's liability shall not exceed an amount equal to charge applicable to a one minute Call to the Customer's station at the time, and over the range of the affected Call, taking account of the form of Service and type of termination the Customer had selected. The liabilities of the Company for damages arising out of mistakes, omissions, interruptions, delays, errors or defects in transmission occurring in the course of furnishing Service hereunder and not caused by the negligence or intentional act of the Customer shall in no event exceed an amount equivalent to the Initial Period charge to the Customer under this Tariff for the Call during which such mistake, omission, interruption, delay, error or defect in transmission occurs. Other than amounts that may be due the Customer under this Tariff as a credit allowance, the Company shall have no further liability for damages or losses arising out of mistakes, omissions, interruptions, delays, errors or defects in the provision of the Services and/or associated equipment and facilities.

Issued:

Effective:

Issued by: Robert A. Morris, Vice President and General Manager
SouthNet TeleComm Services, Inc.
2300 Lake Park Drive, Suite 100
Smyrna, GA 30080

TELECOMMUNICATIONS SERVICES

SECTION 2 - RULES AND REGULATIONS (cont'd)

2.4 Liability of the Company (cont'd).

- 2.4.2 Other Carriers.** The Company shall not liable for any act or omission of any other company or companies furnishing services to the Customer in conjunction with the Services, or for damages associated with services, channels or equipment which it does not furnish, or for damages which result from the operation of Customer-Provided Equipment or services furnished by other companies which are interconnected with the Company's Services. The liability of any Underlying Carrier to the Customer or any End-User shall be limited by the tariffs pursuant to which such carrier provides network services.

No agents or employees of connecting, concurring or other participating carriers or companies shall be deemed to be agents or employees of the Company without written authorization from the Company.

Issued:

Effective:

Issued by: Robert A. Morris, Vice President and General Manager
SouthNet TeleComm Services, Inc.
2300 Lake Park Drive, Suite 100
Smyrna, GA 30080

TELECOMMUNICATIONS SERVICES

SECTION 2 - RULES AND REGULATIONS (cont'd)

2.4 Liability of the Company (cont'd).

- 2.4.3 Consequential or Special Damages.** The Company's liability for its gross negligence or willful misconduct is not limited by this Tariff. Regardless of the form of action, whether in contract, indemnity, warranty, strict liability or tort, including, without limitation, negligence of any kind whether active or passive, the Company shall not be liable for any indirect, incidental, consequential, reliance, special or punitive damages, including, without limitation, damages for lost profits, of any kind or nature whatsoever, arising out of the provisions or interruption of the Services provided under this Tariff absent a determination of gross negligence or willful misconduct in a judicial or administrative proceeding.

Issued:

Effective:

Issued by: Robert A. Morris, Vice President and General Manager
SouthNet TeleComm Services, Inc.
2300 Lake Park Drive, Suite 100
Smyrna, GA 30080

TELECOMMUNICATIONS SERVICES

SECTION 2 - RULES AND REGULATIONS (cont'd)**2.4 Liability of the Company (cont'd).**

- 2.4.4 Customer Premises/Customer-Provided Equipment.** The Company shall not be liable for any defacement of, or damage to, the Customer's premises resulting from the furnishing of the Services or attachment of the Company's equipment and associated wiring on such premises, or from the installation or removal thereof, when such defacement or damage is not the result of the Company's negligence. The Customer shall indemnify and save harmless the Company from any claims of the owner of the Customer Premises or other third party claims for such damages.

The Company shall not be liable for the Customer's failure to fulfill its obligation to take all necessary steps, including, without limitation, obtaining, installing and maintaining all necessary equipment, materials and supplies, for interconnecting the terminal equipment or communications system of the Customer, or any third party acting as its agent, to the Company's network. The Customer shall secure all licenses, permits, rights-of-way, and other arrangements necessary for such interconnection. In addition, the Customer shall ensure that its equipment and/or system or that of its agent is properly interfaced with the Company's Services, that the signals emitted into the Company's network are of the proper mode, band-width, power, data speed, and signal level for the intended use of the Customer and in compliance with the criteria set forth in the applicable subsections of this Tariff, and that the signals do not damage the Company's equipment, injure its personnel, or

Issued:

Effective:

Issued by: Robert A. Morris, Vice President and General Manager
SouthNet TeleComm Services, Inc.
2300 Lake Park Drive, Suite 100
Smyrna, GA 30080

TELECOMMUNICATIONS SERVICES

SECTION 2 - RULES AND REGULATIONS (cont'd)**2.4 Liability of the Company (cont'd).****2.4.4 Customer Premises/Customer-Provided Equipment (cont'd).**

degrade service to other Customers. If the FCC or some other appropriate certifying body certifies terminal equipment as being technically acceptable for direct electrical connection with interstate communications service, the Company will permit such equipment to be connected with its channels without the use of protective interface devices. If the Customer or its agent fails to maintain and operate its equipment and/or system or that of its agent properly, with resulting imminent harm to the Company's equipment, personnel, or the quality of service to other Customers, the Company may, upon written notice, require the use of protective equipment at the Customer's expense. If this fails to produce satisfactory quality and safety, the Company may, upon written notice, terminate the Services to the Customer without liability.

The Company shall not be responsible for the installation, operation or maintenance of any Customer-Provided Equipment. Where Customer-Provided Equipment is used in conjunction with the Services, the responsibility of the Company shall be limited to the furnishing, and the maintenance and operation in the proper manner, of the Services, and shall not include responsibility for the quality of, or defects in, the signal that are caused by the Customer-Provided Equipment. Subject to the above, the Company shall not be responsible for the through transmission of signals generated by, the reception of signals by, or network control signalling where such signalling is performed by Customer-Provided Equipment.

Issued:

Effective:

Issued by: Robert A. Morris, Vice President and General Manager
SouthNet TeleComm Services, Inc.
2300 Lake Park Drive, Suite 100
Smyrna, GA 30080

TELECOMMUNICATIONS SERVICES

SECTION 2 - RULES AND REGULATIONS (cont'd)**2.4 Liability of the Company (cont'd).**

2.4.5 Force Majeure. The Company shall not be liable for any failure of performance hereunder due to causes beyond its control, including, but not limited to: unavoidable interruption in the working of transmission facilities; acts of nature; storms, fire, flood or other catastrophes; any law, order, regulation, direction, action or request of the United States Government, or any other governmental entity having jurisdiction over the Company, or of any department, agency, commission, bureau, corporation or other instrumentality of any one or more of such governmental entities, or of any civil or military authority; national emergencies, insurrections, riots, rebellions, wars, strikes, lockouts, work stoppages, or other labor difficulties; or, notwithstanding anything in this Tariff to the contrary, the unlawful acts of individuals, including acts of the Company's agents and employees if committed beyond the scope of their employment.

2.4.6 Notice. Notwithstanding anything to the contrary set forth in this Section 3.3, the Company shall not be liable for damages or be obligated to provide any credit allowance unless the Customer has notified the Company of the basis of any claim for damages or credit allowance within thirty (30) calendar days after an invoice is rendered or a debit is effected by the Company for the Services or the Call giving rise to such claim. Any such notice must set forth sufficient facts to provide the Company with a reasonable basis upon which to evaluate the Customer's claim. Usage discounts will be adjusted based on total usage after all credits or adjustments have been applied.

Issued:

Effective:

Issued by: Robert A. Morris, Vice President and General Manager
SouthNet TeleComm Services, Inc.
2300 Lake Park Drive, Suite 100
Smyrna, GA 30080

TELECOMMUNICATIONS SERVICES

SECTION 2 - RULES AND REGULATIONS (cont'd)**2.4 Liability of the Company (cont'd).**

2.4.7 Unauthorized Use. The Company shall not be liable for any damages, including Usage Charges, that the Customer may incur as a result of the unauthorized use of Customer-Provided Equipment. The unauthorized use of Customer-Provided Equipment includes, but is not limited to, the placement of Calls from the Customer Premises and the placement of Calls through Customer-controlled or Customer-provisioned equipment that are transmitted or carried over the Company's network Services without the authorization of the Customer. The Customer is responsible for controlling access to, and use of, its own communications equipment, and shall be fully liable for all such charges.

2.4.8 Explosive Atmosphere. The Company does not guarantee or make any warranty with respect to the Services or the installation thereof at locations at which there is present an atmosphere that is explosive, prone to fire, dangerous or otherwise unsuitable for such Service or installations. The Customer shall indemnify and hold the Company harmless from any and all loss, claims, demands, suits or other action or any liability whatsoever, 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, whether owned by the Customer or others, caused or claimed to have been caused, directly or indirectly, by the installation, operation, failure to operate, maintenance, removal, presence, condition, location or use of the Services at such location.

Issued:

Effective:

Issued by: Robert A. Morris, Vice President and General Manager
SouthNet TeleComm Services, Inc.
2300 Lake Park Drive, Suite 100
Smyrna, GA 30080

TELECOMMUNICATIONS SERVICES

SECTION 2 - RULES AND REGULATIONS (cont'd)

2.4 Liability of the Company (cont'd).

2.4.9 Indemnification. The Company shall be indemnified, defended and held harmless by the Customer against any and all loss, claims, demands, suits or other action, or any liability whatsoever, arising from the use of the Services furnished pursuant to this Tariff involving:

- 1) Claims for libel, slander, infringement of patent or copyright, or unauthorized use of any trademark, trade name or service mark arising out of the material, data, information, or other content transmitted by the Company; violations of any other literary, intellectual, artistic, dramatic, or musical right; violations of the right to privacy; or violations of any other rights whatsoever relating to or arising from message content or the transmission thereof.
- 2) Claims arising out of abuse of or fraudulent use of the Services by the Customer or its End Users.
- 3) All other claims arising out of any act or omission of the Customer in connection with the Services provided by the Company.

Issued:

Effective:

Issued by: Robert A. Morris, Vice President and General Manager
SouthNet TeleComm Services, Inc.
2300 Lake Park Drive, Suite 100
Smyrna, GA 30080

TELECOMMUNICATIONS SERVICES

SECTION 2 - RULES AND REGULATIONS (cont'd)**2.4 Liability of the Company (cont'd).****2.4.9 Indemnification (cont'd).**

The Company shall not be liable for, and the Customer shall indemnify and hold the Company harmless from, all losses, claims, demands, suits or other action, or any liability whatsoever, whether suffered, made, instituted or asserted by the Customer or any other Person, for any personal injury to, or death of, any Person, and for any loss, damage, defacement or destruction of the equipment or premises of the Customer or others, caused or claimed to have been caused directly or indirectly by the installation, operation, failure to operate, maintenance, removal, presence, condition, location, or use of equipment or wiring provided by the Company, when such installation, operation, failure to operate, maintenance, condition, use or location is not the direct result of the Company's gross negligence or willful misconduct.

2.4.10 Independent Contractor. The Company's relationship with any Underlying Carrier that may provide facilities to the Company for resale to the Customer is that of an independent contractor and the Company and any such Underlying Carrier shall not be deemed to be partners or joint venturers by virtue of this relationship. No agents or employees of other carriers shall be deemed to be agents or employees of the Company.

2.4.11 Implied License. No license under patents, copyrights, trademarks, or trade secrets is granted to the Customer by the Company, or shall be implied or arise by estoppel, with respect to the Services.

Issued:

Effective:

Issued by: Robert A. Morris, Vice President and General Manager
SouthNet TeleComm Services, Inc.
2300 Lake Park Drive, Suite 100
Smyrna, GA 30080

TELECOMMUNICATIONS SERVICES

SECTION 2 - RULES AND REGULATIONS (cont'd)**2.5 Customer Deposits.**

The Company does not require deposits.

2.6 Taxes.

The Customer will be billed for and is liable for payment of all applicable federal, state and local taxes, surcharges, fees or other assessments, including such amounts as the Company may be authorized to pass through to the Customer. All taxes, surcharges, fees or other assessments are listed as separate line items and are not included in the quoted rates.

When utility or telecommunications assessments, franchise fees, or privilege, license, occupational, excise or other similar taxes or fees, based on intrastate receipts, are imposed by certain taxing jurisdictions upon the Company or upon any LEC and passed on to the Company through or with intrastate access charges, the amounts of such taxes or fees may be billed to the Customer in such a taxing jurisdiction on a prorated basis. The amount of charge that is prorated to each Customer's bill is determined by the intrastate telecommunications services provided to and billed to a Customer service location in such a taxing jurisdiction with the aggregate of such charges equal to the amount of the tax or fee imposed upon or passed on to the Company.

2.7 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.

Issued:

Effective:

Issued by: Robert A. Morris, Vice President and General Manager
SouthNet TeleComm Services, Inc.
2300 Lake Park Drive, Suite 100
Smyrna, GA 30080

TELECOMMUNICATIONS SERVICES

SECTION 2 - RULES AND REGULATIONS (cont'd)**2.8 Terminal Equipment**

The Company's facilities and service may be used with or terminated in Customer-provided terminal equipment or Customer-provided communications systems, such as a telephone set, PBX or key system. Such terminal equipment shall be furnished and maintained at the expense of the Customer, except as otherwise provided. The Customer is responsible for all costs at his or her premises, including personnel, wiring, electrical power, and the like, incurred in the use of the Company's service. When such terminal equipment is used, the equipment shall comply with the generally accepted minimum protective criteria standards of the telecommunications industry as endorsed by the Federal Communications Commission.

2.9 Rendering and Payment of Bills.

2.9.1 General. The Customer is ultimately responsible for payment of all charges for the Services provided by the Company to the Customer and its End Users, including, but not limited to, charges associated with Calls originated at the Customer's number(s), accepted at the Customer's number(s) or billed to the Customer's number(s) via Calling Cards, and the Services requested by the Customer.

2.9.2 Billing Period. The billing period is generally one calendar month; provided, however, that for purposes of billing Monthly Recurring Charges, each month is considered to have thirty (30) days. Usage Charges for the Services will be billed monthly in arrears; Monthly Recurring Charges will be billed monthly in advance; one-time fees will be billed upon completion of the associated Service. Monthly Charges start on the day after the Services are installed, but not before the due date of the order unless the Customer agrees to an earlier installation. Monthly Recurring Charges accrue through and include the day that the Services are discontinued.

Issued:

Effective:

Issued by: Robert A. Morris, Vice President and General Manager
SouthNet TeleComm Services, Inc.
2300 Lake Park Drive, Suite 100
Smyrna, GA 30080

TELECOMMUNICATIONS SERVICES

SECTION 2 - RULES AND REGULATIONS (cont'd)

2.9 Rendering and Payment of Bills (cont'd).

2.9.3 Rendering Bills. Bills will generally be rendered on a monthly basis. Bills are sent via U.S. mail to the most recent billing address provided to the Company by the Customer. Some bills may be rendered by an LEC on behalf of the Company. Bills shall contain the following information:

Name and telephone number of identifying number under which service is billed;

Any previous balance due;

The ending date of the bill cycle or the invoice date;

The due date of the bill and the date on which a late payment charge will be imposed;

Itemization of the charges including any applicable taxes;

Name and a toll free telephone number of the Company's customer service representatives for billing inquiries.

Issued:

Effective:

Issued by: Robert A. Morris, Vice President and General Manager
SouthNet TeleComm Services, Inc.
2300 Lake Park Drive, Suite 100
Smyrna, GA 30080

TELECOMMUNICATIONS SERVICES

SECTION 2 - RULES AND REGULATIONS (cont'd)

2.9 Rendering and Payment of Bills (cont'd).

2.9.4 Due Date. The due date for payment of a monthly bill for service shall be no less than twenty (20) days from the date of mailing by the Company to the Customer after issuance. If the last day for payment should fall on a Saturday, Sunday, or bank holiday or other day when the offices of the Company are not open to the general public, the due date shall be extended to the next business day.

2.9.5 Late Charge. If any portion of a payment is still outstanding thirty (30) days following the invoice date, a late payment charge may be applied. The charge is determined by applying the maximum rate allowed by law to the unpaid balance for each month or fraction thereof that such balance remains unpaid.

Issued:

Effective:

Issued by: Robert A. Morris, Vice President and General Manager
SouthNet TeleComm Services, Inc.
2300 Lake Park Drive, Suite 100
Smyrna, GA 30080

TELECOMMUNICATIONS SERVICES

SECTION 2 - RULES AND REGULATIONS (cont'd)**2.9 Rendering and Payment of Bills (cont'd).**

- 2.9.6 Billing Disputes.** Billing will be deemed to be correct and binding on the Customer unless the Customer notifies the Company in writing of any dispute within thirty (30) days of the date of the invoice on which the disputed charges appear. Billing disputes should be addressed in writing to SouthNet TeleComm Services, Inc., 2300 Lake Park Drive, Suite 100, Smyrna, GA 30080. Billing disputes may also be referred to the Company's Customer Service number, (800) 787-3221. Customer Service representatives are available to assist with billing inquiries Monday through Friday from 8:00 AM to 5:00 PM Eastern Time.

In the event of a dispute between a Customer and the Company regarding any bill for utility service, the company shall forthwith make such investigation as shall be required by the particular case, and report the results thereof to the Customer and, in the event the dispute is not resolved, shall inform the Customer of his or her right to file a complaint with the Commission. The South Dakota Public Utilities Commission can be reached at:

500 East Capitol
Pierre, SD 57501-5070
(605) 733-3201
(800) 332-1782

Notwithstanding any other provision of this Tariff, the Customer shall not be subject to discontinuance for nonpayment of that portion of a bill under dispute pending the completion of the investigation of the dispute by the Company.

Issued:

Effective:

Issued by: Robert A. Morris, Vice President and General Manager
SouthNet TeleComm Services, Inc.
2300 Lake Park Drive, Suite 100
Smyrna, GA 30080

TELECOMMUNICATIONS SERVICES

SECTION 2 - RULES AND REGULATIONS (cont'd)

2.9 Rendering and Payment of Bills (cont'd).

2.9.7 Overbilling and Underbilling. If billings for the Company's service are found to differ from Company's lawful rates for the services being purchased by the Customer, or if the Company fails to bill the Customer for such service, a billing adjustment shall be calculated by the Company.

2.9.7.A Refunds for Overcharges. If the Company has overbilled a Customer, the Company shall make a refund or billing credit in a subsequent billing cycle following discovery and computation of

2.9.7.B Backbilling of Undercharges. If the Customer was undercharged, the Company may back bill the Customer for the amount which was under billed. When the Company bills a Customer an amount correcting a previous underbilling, and it results in an undue hardship on a Customer, the Customer may call the Company and make special payment arrangements, unless the underbilling was caused by unauthorized or fraudulent use or procurement of service.

Issued:

Effective:

Issued by: Robert A. Morris, Vice President and General Manager
SouthNet TeleComm Services, Inc.
2300 Lake Park Drive, Suite 100
Smyrna, GA 30080

TELECOMMUNICATIONS SERVICES

SECTION 2 - RULES AND REGULATIONS (cont'd)**2.9 Rendering and Payment of Bills (cont'd).**

2.9.8 Payment Arrangements. A payment arrangement is any arrangement or agreement between the Company and a Customer in which an outstanding bill will be paid in installments that extend beyond the due date of the next bill. The company, through its employees, shall exercise good faith and fair judgment in attempting to enter into a reasonable payment agreement regarding undisputed amounts or to otherwise equitably resolve the matter. Factors to be taken into account when attempting to make a reasonable payment agreement shall include but not be limited to the size of the unpaid balance, the payment history of the Customer and the length of time over which the bill accumulated. The Company may not suspend service for an undisputed delinquent bill under the following circumstances: (1) while it is negotiating a payment agreement with the Customer; or (2) within twenty-four (24) hours after negotiating fails. In all other cases, the Company is encouraged to offer a payment arrangement to residential Customers.

2.9.9 Notification of Alternate Payment Programs or Payment Assistance. Any time a Customer contacts the Company to discuss their inability to pay a bill or to indicate that they are in need of assistance with their bill payment, a Company representative shall inform the Customer of all available alternative payment and any payment assistance programs that are available, such as payment arrangements, and of the eligibility requirements and procedures for applying for each

Issued:

Effective:

Issued by: Robert A. Morris, Vice President and General Manager
SouthNet TeleComm Services, Inc.
2300 Lake Park Drive, Suite 100
Smyrna, GA 30080

TELECOMMUNICATIONS SERVICES

SECTION 2 - RULES AND REGULATIONS (cont'd)

2.9 Rendering and Payment of Bills (cont'd).

2.9.10 Returned Checks. If payment for the Services is made by a check, draft or similar instrument that is returned by a bank to the Company for any reason, a returned check charge of twenty dollars (\$20.00) shall be applied in addition to the total amount due.

2.9.11 Collection Service Charge. If the Services to the Customer are discontinued for non-payment pursuant to Section 3.16.1, a collection service charge of twenty dollars (\$20.00) shall be applied in addition to the total amount due.

2.9.12 Billing Entity Conditions. If billing functions are performed on behalf of the Company by LECs, credit card companies or others, the payment conditions and regulations of such billing entities apply, including any applicable interest and/or late payment charge conditions.

2.9.13 Pro-Rated Charges. When the billing date and the date that the Services are started, changed, or discontinued do not coincide, Monthly Recurring Charges will be adjusted to reflect the fractional part of the month involved.

2.9.14 Business Use of Calling Card. In the event that ten (10) or more Calling Cards are issued by the Company to the Customer for use by employees of the Customer, the Customer shall be liable for all unauthorized use of any of the issued Calling Cards.

Issued:

Effective:

Issued by: Robert A. Morris, Vice President and General Manager
SouthNet TeleComm Services, Inc.
2300 Lake Park Drive, Suite 100
Smyrna, GA 30080

TELECOMMUNICATIONS SERVICES

SECTION 2 - RULES AND REGULATIONS (cont'd)

2.10 Cancellation or Delay of Service Orders.

- 2.10.1 Cancellation of a Service Order.** The Customer may cancel a Service Order at any time prior to the due date. A Service Order is considered to have been canceled when the Company receives a notification of cancellation from the Customer. Such notification may not be retroactive. Cancellation charges will be equal to the Installation Charge applicable to the Service involved, unless the cancellation is caused by Company delay, or otherwise specified in the section of this Tariff applicable to the specific Services.

Issued:

Effective:

Issued by: Robert A. Morris, Vice President and General Manager
SouthNet TeleComm Services, Inc.
2300 Lake Park Drive, Suite 100
Smyrna, GA 30080

TELECOMMUNICATIONS SERVICES

SECTION 2 - RULES AND REGULATIONS (cont'd)**2.10 Cancellation or Delay of Service Orders (cont'd).****2.10.2 Delay of a Service Order.**

2.10.2.A Delay of a Due Date by the Customer. The Customer may delay the due date of a Service Order involving the installation or change of the Services when: (i) the request for the delay is received by the Company prior to the Service Order's due date; and (ii) the total delay measured from the Service Order's initial due date does not exceed thirty (30) cumulative calendar days. Service Orders involving the discontinuance of Service may be delayed at any time prior to the due date. There will be no maximum delay period for these orders. A Customer having delayed a Service Order for the maximum thirty (30) cumulative calendar day period may not delay the Service Order again. The Customer instead has the option to (1) accept billing for the Services ordered, or (2) cancel the Service Order and pay the applicable Nonrecurring Charge(s) for the Services ordered. The billing or cancellation is effective on the thirtieth (30th) cumulative calendar day of the delay. If the Customer elects to accept billing, the installation will be completed as soon as reasonably practical after the Customer advises the Company.

2.10.2.B Delay of a Due Date by the Company. The Company will make every reasonable effort to assure that the Services are furnished on the due date. However, in some cases a delay in the installation may be unavoidable. If an order is delayed beyond its due date for more than forty-five (45) cumulative calendar days and such delay is not requested or caused by the Customer, the Customer may cancel the Service Order without penalty or payment of Nonrecurring Charges.

Issued:

Effective:

Issued by: Robert A. Morris, Vice President and General Manager
SouthNet TeleComm Services, Inc.
2300 Lake Park Drive, Suite 100
Smyrna, GA 30080

TELECOMMUNICATIONS SERVICES

SECTION 2 - RULES AND REGULATIONS (cont'd)**2.11 Cancellation of Service.**

The Customer may cancel the Services by giving thirty (30) days prior written notice to the Company. Upon receipt of the written notice, the Company places an order with the Underlying Carrier to cancel the Services. The Service are canceled when the Underlying Carrier moves the Customer to another carrier or when the Company receives notice from the Underlying Carrier that the Service has been canceled. The Customer will be liable for any traffic occurring with the Company through the cancellation date.

2.12 Interconnection.

The Customer shall take all necessary steps for the interconnection of Customer-Provided Equipment with Company-provided facilities. Interconnection between Customer-Provided Equipment and the Services, or between facilities or services provided to the Customer by another carrier and the Services, may be made by the Customer at an interface point designated by the Company. All terminal equipment and wiring necessary to connect to the channels at the designated interface point are provided by the Customer.

Issued:

Effective:

Issued by: Robert A. Morris, Vice President and General Manager
SouthNet TeleComm Services, Inc.
2300 Lake Park Drive, Suite 100
Smyrna, GA 30080

TELECOMMUNICATIONS SERVICES

SECTION 2 - RULES AND REGULATIONS (cont'd)

2.13 Discontinuance of Service.

2.13.1 Suspension for Delinquent Bills. A Customer's telecommunications service may be disconnected if a bill has not been paid or a payment arrangement has not been entered into within thirty (30) days from the date of mailing of a bill provided proper notice has been given. Proper notice shall consist of a separate mailing or hand delivery at least ten (10) days prior to a stated date of suspension. The notice shall contain the following:

- 1) The words "suspension notice" or similar language prominently displayed on the notice.
- 2) The reason for the threatened suspension of service.
- 3) A statement of amounts currently due.
- 4) A statement that a specific reconnection fee will be required to have service restored after it has been suspended if applicable.
- 5) A statement that the Customer should immediately contact the Company to attempt to resolve the matter. Such notice shall include the mailing address and telephone number where questions may be filed answered and payment agreements entered into with the Company.

Issued:

Effective:

Issued by: Robert A. Morris, Vice President and General Manager
SouthNet TeleComm Services, Inc.
2300 Lake Park Drive, Suite 100
Smyrna, GA 30080

TELECOMMUNICATIONS SERVICES

SECTION 2 - RULES AND REGULATIONS (cont'd)

2.13 Discontinuance of Service (cont'd).

2.13.1 Suspension for Delinquent Bills (cont'd).

- 6) Attached to or on the face of the suspension notice for telecommunications bills shall appear a statement notifying the Customer that if they are in need of assistance with payment of their bill, or are ill and unable to pay their bill, they may be eligible for alternative payment programs, such as a payment arrangement, and to contact the local office of the Company for more information.
- 7) The service suspension day may not fall on a holiday or weekend, but shall fall on the next working day after the tenth day. Payment at the Company's authorized payment agency is considered payment to the Company. The Company may request Customers who pay at payment agencies less than three (3) days prior to the suspension date to call the Company with receipt information. The Company shall not issue late notices or disconnect notices to the Customer earlier than the first day the bill becomes delinquent, so that a reasonable length of time is allowed to ascertain receipt of payment by mail or at the Company's authorized payment agency.

Issued:

Effective:

Issued by: Robert A. Morris, Vice President and General Manager
SouthNet TeleComm Services, Inc.
2300 Lake Park Drive, Suite 100
Smyrna, GA 30080

TELECOMMUNICATIONS SERVICES

SECTION 2 - RULES AND REGULATIONS (cont'd)

2.13 Discontinuance of Service (cont'd).

2.13.2 Suspension With Notice. Service may be disconnected after proper notice for any of the following reasons:

- 1) Nonpayment of an undisputed delinquent account or the undisputed portion of an account where a dispute exists as to part but not all of an amount billed by the Company or failure to comply with the terms of a payment arrangement.
- 2) Violation of the Company's rules pertaining to the use of service in a manner which interferes with the service of others or the operation of nonstandard equipment, if a reasonable attempt has been made to notify the Customer and the Customer is provided with a reasonable opportunity to remedy the situation.

2.13.3 Suspension Without Notice. Service may be disconnected without notice where a dangerous condition exists for as long as the condition exists or where service is connected without authority by a person who has not made application for service or who has reconnected service following suspension of service for nonpayment. Where reasonable, given the nature of the hazardous condition, a written statement providing notice of suspension and the reason therefore shall be posted at the place of common entry or upon the front door of each affected residential unit as soon as possible after service has been disconnected.

Issued:

Effective:

Issued by: Robert A. Morris, Vice President and General Manager
SouthNet TeleComm Services, Inc.
2300 Lake Park Drive, Suite 100
Smyrna, GA 30080

TELECOMMUNICATIONS SERVICES

SECTION 2 - RULES AND REGULATIONS (cont'd)

2.13 Discontinuance of Service (cont'd).

2.13.4 Suspension Prohibited. Service may not be disconnected for any of the following reasons:

- 1) Delinquency in payment for service by a previous occupant of the premises.
- 2) Failure to pay for merchandise, or charges for non-utility service provided by the Company.
- 3) Failure to pay for a different type or class of service unless the service is provided by the billing Company and unless the fee for such service is included on the same bill.
- 4) Failure to pay the account of another customer thereof, unless the Company has in writing the guarantee as a condition precedent to service.
- 5) Failure to pay charges arising from an under billing occurring due to misapplication of rates more than six (6) months prior to the current billing.

2.13.5 Suspension on Holidays or Weekends. Unless a dangerous condition exists, or unless the Customer requests disconnection, service shall not be disconnected on a day, or on a day immediately preceding a day, when personnel of the Company are not available to the public for the purpose of making collections and reconnecting service.

Issued:

Effective:

Issued by: Robert A. Morris, Vice President and General Manager
SouthNet TeleComm Services, Inc.
2300 Lake Park Drive, Suite 100
Smyrna, GA 30080

TELECOMMUNICATIONS SERVICES

SECTION 2 - RULES AND REGULATIONS (cont'd)**2.14 Inspections.**

The Company may, upon reasonable notice to the Customer, make such inspections, including monitoring of the Customer's use of the Services, as may be necessary to determine that requirements of the Tariff are being complied with in the installation, operation and maintenance of Customer-Provided Equipment connected to the Company facilities.

2.15 Installation and Termination.

Service is installed upon mutual agreement between the Customer and the Company. The service agreement does not alter rates specified in this tariff.

2.16 Interruption of Service.

Subject to Sections 2.2, 2.4 and 2.14, in the event a Customer's service is interrupted other than by negligence or willful act of the Customer, and it remains interrupted for two hours or more, the Custom shall be credited for such interruption at the rate of 1/720th of the monthly charge for the service affected for each hour or major fraction thereof that the interruption continues. Calculations of the credit shall be made in accordance with the following formula:

Credit Formula:

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

"A" - outage time in hours

"B" - total monthly charge for affected facility

Issued:

Effective:

Issued by: Robert A. Morris, Vice President and General Manager
SouthNet TeleComm Services, Inc.
2300 Lake Park Drive, Suite 100
Smyrna, GA 30080

TELECOMMUNICATIONS SERVICES

SECTION 2 - RULES AND REGULATIONS (cont'd)**2.18 Timing of Calls.**

Chargeable time is determined by the duration of the Call. Calls are timed and measured by the Underlying Carrier. Timing for all Calls begins when the Called Station 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. Chargeable time ends when either the Called Station or the Calling Station disconnects from the Call. There are no billing charges applied for incomplete Calls.

Issued:

Effective:

Issued by: Robert A. Morris, Vice President and General Manager
SouthNet TeleComm Services, Inc.
2300 Lake Park Drive, Suite 100
Smyrna, GA 30080

TELECOMMUNICATIONS SERVICES

SECTION 3 - DESCRIPTION OF SERVICES (cont'd)**3.2 Inbound Services.**

3.2.1 Switched Inbound Services. Switched Inbound Service provides the Customer with one or more 800/888 numbers which when dialed within the State of South Dakota will terminate on Customer-designated facilities or equipment within the State of South Dakota. All charges accruing in connection with usage of the Customer's assigned 800/888 numbers are billed to the Customer rather than the party originating the Call. Calls terminate via Switched Access provided by a LEC or other authorized access provider. The Customer is responsible for establishing originating local access facilities or equipment and for all nonrecurring, recurring, construction and other charges in connection with such originating access.

3.2.2 Dedicated Inbound Services. Dedicated Inbound Services permit Calls to be completed to the Customer's location without charge to the Calling Station. Access to the Service is gained by dialing a ten digit telephone number, (800/888) NXX-XXXX, which terminates at the Customer's Premises. Dedicated Inbound Services are available only to Customers that have terminating T-1 or DS0 access to the underlying carrier's POP. The Customer is responsible for all nonrecurring, recurring, construction and other charges incurred in connection with establishing such terminating dedicated access. At the Customer's request, the Company will arrange for terminating dedicated access to the underlying carrier's POP and pass through to the Customer all costs incurred in establishing such access.

3.3 Calling Card Services. Calling Card Service is an outbound service offered on a per-Call basis to Customers originating calls which originate and terminate within the State of South Dakota. Calling Card Service is accessed by dialing the Company's universal access toll free number to complete direct dialed or operator assisted calls.

Issued:

Effective:

Issued by: Robert A. Morris, Vice President and General Manager
SouthNet TeleComm Services, Inc.
2300 Lake Park Drive, Suite 100
Smyrna, GA 30080

TELECOMMUNICATIONS SERVICES

SECTION 3 - DESCRIPTION OF SERVICES**3.1 Outbound Services.**

3.1.1 Switched Outbound Services. Switched Outbound Service is offered on a per-Call basis to Customers which originate and terminate within the State of South Dakota. Outbound Service is accessed on a conventional "1+" pre-subscribed direct dial basis over the facilities of a LEC. Calls originate and terminate via Switched Access provided by a LEC or other authorized access provider. The Customer is responsible for establishing originating local access facilities or equipment and for all nonrecurring, recurring, construction and other charges in connection with such originating access. Residential Service is available only on a switched outbound basis.

3.1.2 Dedicated Outbound Services. Dedicated Outbound Services permit a Customer to establish a communications path between two (2) stations by using a uniform dialing plan. Dedicated outbound services are provided through T-1 or DS0 dedicated access and are available to customers that have T-1 or DS0 dedicated access to the underlying carrier's POP. The Customer is responsible for securing dedicated access to the underlying carrier's POP and for all nonrecurring and recurring, construction and other charges incurred in connection with establishing such Dedicated Access. At the Customer's request, the Company will arrange for dedicated access to the underlying carrier's POP and pass through to the Customer all costs incurred in establishing such access.

Issued:

Effective:

Issued by: Robert A. Morris, Vice President and General Manager
SouthNet TeleComm Services, Inc.
2300 Lake Park Drive, Suite 100
Smyrna, GA 30080

TELECOMMUNICATIONS SERVICES

SECTION 4 - RATES AND CHARGES

4.1 Rate Schedule.

- 4.1.1 **General.** This section sets forth the rates and charges applicable to the Services. All rates are set forth in U.S. dollars.
- 4.1.2 **Rating Methodology.** Usage-sensitive charges for the Services are applied on a per-Call basis. Message charges are based on the duration of the Call.
- 4.1.3 **Billing Fees.** A monthly billing fee may be assessed under individual service options.
- 4.1.4 **Set-up Fees.** A one-time service fee may be assessed under individual service options.
- 4.1.5 **Credit Card Fees.** A monthly service fee and per-Call surcharges may be assessed under individual service options for credit card usage.
- 4.1.6 **Operator Service Charges.** Operator Service charges are billed by the Underlying Carrier or its agent; the Company does not provide or bill for Operator Services.

Issued:

Effective:

Issued by: Robert A. Morris, Vice President and General Manager
SouthNet TeleComm Services, Inc.
2300 Lake Park Drive, Suite 100
Smyrna, GA 30080

TELECOMMUNICATIONS SERVICES

SECTION 4 - RATES AND CHARGES**4.1 Rate Schedule.**

- 4.1.1 **General.** This section sets forth the rates and charges applicable to the Services. All rates are set forth in U.S. dollars.
- 4.1.2 **Rating Methodology.** Usage-sensitive charges for the Services are applied on a per-Call basis. Message charges are based on the duration of the Call.
- 4.1.3 **Billing Fees.** A monthly billing fee may be assessed under individual service options.
- 4.1.4 **Set-up Fees.** A one-time service fee may be assessed under individual service options.
- 4.1.5 **Credit Card Fees.** A monthly service fee and per-Call surcharges may be assessed under individual service options for credit card usage.
- 4.1.6 **Operator Service Charges.** Operator Service charges are billed by the Underlying Carrier or its agent; the Company does not provide or bill for Operator Services.

Issued:

Effective:

Issued by: Robert A. Morris, Vice President and General Manager
SouthNet TeleComm Services, Inc.
2300 Lake Park Drive, Suite 100
Smyrna, GA 30080

TELECOMMUNICATIONS SERVICES

SECTION 4 - RATES AND CHARGES (cont'd)**4.2 Service Rates****4.2.1 Rates****4.2.1.A Switched Outbound Service Usage Rates**

Initial Call Unit	Incremental Call Unit
\$0.0948	\$0.0316

4.2.1.B Dedicated Outbound Service Usage Rates

Initial Call Unit	Incremental Call Unit
\$0.0491	\$0.0164

Issued:**Effective:**

Issued by: Robert A. Morris, Vice President and General Manager
SouthNet TeleComm Services, Inc.
2300 Lake Park Drive, Suite 100
Smyrna, GA 30080

TELECOMMUNICATIONS SERVICES

SECTION 4 - RATES AND CHARGES (cont'd)**4.2 Service Rates (cont'd).****4.2.1 Rates (cont'd).****4.2.1.C Switched Inbound Service Usage Rates.**

Initial Call Unit	Incremental Call Unit
\$0.1067	\$0.0356

4.2.1.D Dedicated Inbound Service Usage Rates.

Initial Call Unit	Incremental Call Unit
\$0.0461	\$0.0154

4.2.1.E Inbound Service Payphone Surcharge.

The Customer will be assessed a surcharge of \$0.25 for each Inbound Service Call placed from a payphone.

Issued:

Effective:

Issued by: Robert A. Morris, Vice President and General Manager
SouthNet TeleComm Services, Inc.
2300 Lake Park Drive, Suite 100
Smyrna, GA 30080

TELECOMMUNICATIONS SERVICES

SECTION 4 - RATES AND CHARGES (cont'd)**4.2 Service Rates (cont'd).****4.2.3 Calling Card Service Rates.**

Initial Call Unit	Incremental Call Unit
\$0.1422	\$0.0474

Calling Card Service Charge.

The Customer will be assessed a surcharge of \$0.75 for each Calling Card Service Call.

Calling Card Service Payphone Surcharge.

The Customer will be assessed a surcharge of \$0.25 for each Calling Card Service Call placed from a payphone.

Issued:

Effective:

Issued by: Robert A. Morris, Vice President and General Manager
SouthNet TeleComm Services, Inc.
2300 Lake Park Drive, Suite 100
Smyrna, GA 30080

TELECOMMUNICATIONS SERVICES

SECTION 4 - RATES AND CHARGES (cont'd)

4.2 Service Rates (cont'd).

4.2.4 Miscellaneous Rates and Charges.

4.2.5.A Presubscribed Interexchange Carrier Change Charge. The Company reserves the right to assess on the Customer a one time Presubscribed Interexchange Carrier Change Charge of \$5.00 upon initiation of the Services.

4.2.5.B Pass-Through Charges. The Company reserves the right to pass through to the Customer any charges resulting from governmental assessment, tax, charges or action.

Issued:

Effective:

Issued by: Robert A. Morris, Vice President and General Manager
SouthNet TeleComm Services, Inc.
2300 Lake Park Drive, Suite 100
Smyrna, GA 30080

South Dakota Public Utilities Commission
WEEKLY FILINGS
For the Period of April 8, 1999 through April 14, 1999

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

GAS AND ELECTRIC

**GE99-002 In the Matter of the Filing by Northwestern Public Service Company for
Approval to Add Language to its Customers' Bills**

Application by Northwestern Public Service Company to publish information on bills
concerning customer's ability to pay by credit card.

Staff Analyst: Dave Jacobson

Staff Attorney: Karen Cremer

Date Filed: 04/12/99

Intervention Deadline: NA

RULE MAKING

**RM99-001 In the Matter of the Establishment of New and Revised
Telecommunications Rules.**

On April 8, 1999, the Commission opened a docket to establish new and revised
telecommunications rules. The proposed rules seek to implement Senate Bill 238 which
prohibits slamming and cramming and provides penalties for offenders. The new law goes
into effect on July 1, 1999.

Hearing Date: 1:30 p.m. on May 13, 1999, Room 412 of the State Capitol, Pierre, SD

Staff Analyst: All Staff

General Counsel: Rolayne Wiest

Date Docketed: 04/08/99

Written Comments Deadline: 05/24/99

TELECOMMUNICATIONS

**TC99-036 In the Matter of the Application of SouthNet TeleComm Services, Inc. for a
Certificate of Authority to Provide Telecommunications Services in South
Dakota.**

On April 13, 1999, the Commission received an application by SouthNet TeleComm Services, Inc. for a Certificate of Authority to provide telecommunications services in South Dakota. SouthNet TeleComm Services, Inc. proposes to offer the following interexchange services on a resale basis within the State of South Dakota: intraLATA and interLATA switched and dedicated outbound interexchange services, and calling card services accessed via company-provided "800/888" numbers.

Staff Analyst: Bob Knadle

Staff Attorney: Camron Hoseck

Date Filed: 04/13/99

Intervention Deadline: 04/30/99

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

hunter communications law group

VIA OVERNIGHT COURIER

May 6, 1999

Mr. Robert Knadle, Utility Analyst
South Dakota Public Utilities Commission
State Capitol Building
500 East Capitol Avenue
Pierre, SD 57501-5070

RECEIVED

MAY 07 1999

SOUTH DAKOTA PUBLIC
UTILITIES COMMISSION

Re: Application of SouthNet TeleComm Services, Inc.
Docket No. TC99-036
Responses to Information Requests/Modifications

Dear Mr. Knadle:

Pursuant to your request, following are an original and three (3) copies of SouthNet's responses to the information requests and/or suggested modifications set forth in your letter of April 26, 1999.

In light of the number of modifications made to SouthNet's proposed tariff, the revised tariff is being transmitted in its entirety.

Thank you for your assistance in this matter. Please do not hesitate to call if you have any questions, or if you would like to discuss any further modifications to SouthNet's materials.

Sincerely yours,

Catherine M. Hannan

Catherine M. Hannan

Enclosures

1620 I Street, N.W.
Suite 701
Washington, D.C. 20006
Telephone (202) 293-2500
Facsimile (202) 293-2571

INFORMATION REQUEST RESPONSES
OF
SOUTHNET TELECOMM SERVICES, INC

RECEIVED

MAY 07 1999

SOUTH DAKOTA PUBLIC
UTILITIES COMMISSION

1. On page 4, response number 9 of the application, please provide the following:

- a) Toll free numbers for Catherine Hannan and Lori Langan
- b) E-mail addresses for Catherine Hannan and Lori Langan

- a) Catherine Hannan (800) 395-6995
Lori Langan (800) 787-3221

- b) Catherine Hannan huntlaw@erols.com
Lori Langan llangan@stsi.net

2. On Original Page 6 of the proposed tariff, please change the "Table of Contents" from page 5 to page 6.

Change made. (Please note, however, that as a result of the revisions to the tariff, all page numbers reflected in the Table of Contents have been updated.)

3. On Original Page 8 of the proposed tariff, under section 2.9.9, please eliminate "or" on the first line.

"or" eliminated.

4. On Original Page 9 of the proposed tariff, section 2.10.1, please change page 49 to page 48.

Change made.

5. On Original Page 16 of the proposed tariff, under section 1.7, please change "of" to "or" on the fourth line. Please eliminate the words "as or" in the last sentence of the same section.

Change made.

6. On Original Page 17 of the proposed tariff, under section 1.19, please eliminate the word "interstate," in the sentence or add language that is also applicable to intrastate.

"interstate," eliminated.

7. On Original Page 18 of the proposed tariff, please eliminate section 1.28.

Section eliminated.

8. On Original pages 25-39 of the proposed tariff, sections 2.2-2.4 attempts to limit the liability of the Company. Under South Dakota law found at 49-13-1 and 49-13-1.1, a person has the right to claim damages from a telecommunications company by coming before the Commission or a court of competent jurisdiction. Please remove the following sections from the tariffs: 2.4.1 (pages 30 and 31), 2.4.3 (page 33), the first paragraph of 2.4.4 (page 34), and the last paragraph of 2.4.9 (page 39). If you have any questions or concerns regarding this issue, please contact Camron Hoseck, staff attorney.

Sections removed.

9. On Original Page 32 of the proposed tariff, please insert the word "be" between not and liable in the first sentence.

Change made.

10. On Original Page 36 of the proposed tariff, under section 2.4.5, please insert the word "be" between the words not and liable in the first sentence.

Change made.

11. On Original Page 36 of the proposed tariff, under section 2.4.6, please change "Section 3.3" in the first sentence to the proper site. Also please replace the "thirty (30)" calendar days with "one hundred eighty (180)" calendar days in the fourth line of the paragraph.

Changes made.

12. On Original Page 41 of the proposed tariff, under section 2.9.2, please provide a list of the "monthly recurring charges" referred to in the fourth line. The list should include the charges for each recurring charge.

At the present time, the customer will incur no "monthly recurring charges" pursuant to this tariff.

13. On Original Page 43 of the proposed tariff, under section 2.9.4, please remove the words "after issuance" in the first sentence.

Change made.

14. On Original Page 43 of the proposed tariff, under section 2.9.5, please replace the words "invoice date" with "date of mailing" in the first sentence.

Change made.

15. On Original Page 44 of the proposed tariff, under section 2.9.6, please change the word "Billing" to "Billings" in the first sentence. Also, please change the word "thirty (30)" to "one hundred eighty (180)" in the first sentence.

Changes made.

16. On Original Page 44 of the proposed tariff, please change the Commission telephone number from "(605) 733-3201" to "(605) 773-3201".

Change made.

17. On Original Page 45 of the proposed tariff, under section 2.9.7.A, please provide language that completes the sentence.

Inserted "overcharge" at the conclusion of the sentence.

18. On Original Page 46 of the proposed tariff, under section 2.9.8, please change the word "by" to "but" in the seventh line.

Change made.

19. On Original Page 46 of the proposed tariff, under section 2.9.9, please insert the word "arrangements" between the words "payment" and "and" in the fourth line. Also insert a "." at the end of the paragraph.

Changes made.

20. On Original Page 47 of the proposed tariff, under section 2.9.12, please provide tariff language that details the terms and conditions for the referenced billing entities or eliminate the language from the tariff.

Language eliminated.

21. On Original Page 50 of the proposed tariff, under section 2.11, please change the word "are" to "is" in the third sentence.

Change made.

22. On Original Page 51 of the proposed tariff, under section 2.13.1, item number 5), please insert the words "toll-free" in front of "telephone" in the third line.

Change made.

23. On Original Page 55 of the proposed tariff, under section 2.15, please provide a copy of the service agreement that is referenced.

The Company does not require customers to execute service agreements. The reference to service agreements has been removed from section 2.15.

24. On Original Page 55 of the proposed tariff, under section 2.16, please change the word "Custom" to "Customer" in the third line.

Change made.

25. On Original Page 56 of the proposed tariff, please change "2.18" to "2.17".

Change made.

26. On Original Page 59 of the proposed tariff, under sections 4.1.3, 4.1.4, and 4.1.5, please provide the fees and surcharges referenced and the standards utilized to ascertain if a fee or surcharge will be assessed.

Because sections 4.1.3, 4.1.4 and 4.1.5 would apply only to individual service options, which are not contemplated under this tariff as currently structures, these sections have been deleted.

27. In accordance with SDCL 49-31-3, the Company has the burden to prove that it has financial capabilities to offer telecommunications services described in its application before the Commission may grant a certificate of authority. The balance sheet and income statement submitted by the Company with the application indicates a negative net income. Before bringing this application before the Commissioners for consideration, is your client willing to post a \$25,000 bond in order to request advance payments, i.e. monthly recurring charges billed in advance? If not, please revise the tariff to remove all advance payment requirements.

All advance payment requirements have been removed. SouthNet will be in arrears for all services provided to its customers.

RECEIVED

MAY 07 1993

SOUTH DAKOTA PUBLIC
UTILITIES COMMISSION

TARIFF

OF

SOUTHNET TELECOMM SERVICES, INC.

LONG DISTANCE TELECOMMUNICATIONS SERVICE

This Tariff, filed with the South Dakota Public Utilities Commission contains the rates, terms and conditions applicable to the Resale Telecommunications Services provided by SouthNet TeleComm Services, Inc. within the State of South Dakota.

TELECOMMUNICATIONS SERVICES

CHECK SHEET

Pages of this tariff, as listed below, are effective as of the date shown at the bottom of the respective page(s). 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>
1	Original
2	Original
3	Original
4	Original
5	Original
6	Original
7	Original
8	Original
9	Original
10	Original
11	Original
12	Original
13	Original
14	Original
15	Original
16	Original
17	Original
18	Original
19	Original
20	Original

Issued:

Effective:

Issued by: Robert A. Morris, Vice President and General Manager
SouthNet TeleComm Services, Inc.
2300 Lake Park Drive, Suite 100
Smyrna, GA 30080

TELECOMMUNICATIONS SERVICES

CHECK SHEET (cont'd)

<u>PAGE</u>	<u>REVISION</u>
21	Original
22	Original
23	Original
24	Original
25	Original
26	Original
27	Original
28	Original
29	Original
30	Original
31	Original
32	Original
33	Original
34	Original
35	Original
36	Original
37	Original
38	Original
39	Original
40	Original

Issued:

Effective:

Issued by: Robert A. Morris, Vice President and General Manager
SouthNet TeleComm Services, Inc.
2300 Lake Park Drive, Suite 100
Smyrna, GA 30080

TELECOMMUNICATIONS SERVICES

CHECK SHEET (cont'd)

<u>PAGE</u>	<u>REVISION</u>
41	Original
42	Original
43	Original
44	Original
45	Original
46	Original
47	Original
48	Original
49	Original
50	Original
51	Original
52	Original
53	Original
54	Original
55	Original
56	Original
57	Original
58	Original
59	Original

Issued:

Effective:

Issued by: Robert A. Morris, Vice President and General Manager
SouthNet TeleComm Services, Inc.
2300 Lake Park Drive, Suite 100
Smyrna, GA 30080

TELECOMMUNICATIONS SERVICES

TABLE OF CONTENTS

Title Sheet	1
Check Sheet	2
Table of Contents	5
Concurring, Connecting, Other Participating Carriers	11
Explanation of Symbols	12
Tariff Format	13
SECTION 1 - Technical Terms and Abbreviations	14
SECTION 2 - Rules and Regulations	23
2.1 Undertaking of the Company	23
2.1.1 Scope	23
2.1.2 Provision of Customer Equipment	23
2.1.3 Agency	23
2.1.4 Routing	23
2.1.5 Minimum Call Completion Rate	23

Issued:

Effective:

Issued by: Robert A. Morris, Vice President and General Manager
SouthNet TeleComm Services, Inc.
2300 Lake Park Drive, Suite 100
Smyrna, GA 30080

TELECOMMUNICATIONS SERVICES

TABLE OF CONTENTS (cont'd)

2.2	Limitations	24
2.2.1	Availability of Services	24
2.2.2	Rights of the Company	25
2.2.3	Restoration of Service	27
2.2.4	Fraud Prevention	27
2.2.5	Emergency Conditions	27
2.2.6	Property Rights	28
2.3	Use of Service	28
2.3.1	Authorized Use	28
2.3.2	Limitations	28
2.3.3	Compatibility	28
2.3.4	Modifications	28
2.4	Liability of the Company	29
2.4.1	Other Carriers	29
2.4.2	Customer Premises/Customer-Provided Equipment	30
2.4.3	Force Majeure	32
2.4.4	Notice	32
2.4.5	Unauthorized Use	33
2.4.6	Explosive Atmosphere	33
2.4.7	Indemnification	34
2.4.8	Independent Contractor	35
2.4.9	Implied License	35

Issued:

Effective:

Issued by: Robert A. Morris, Vice President and General Manager
SouthNet TeleComm Services, Inc.
2300 Lake Park Drive, Suite 100
Smyrna, GA 30080

TELECOMMUNICATIONS SERVICES

TABLE OF CONTENTS (cont'd)

2.5	Customer Deposits	36
2.6	Taxes	36
2.7	Miscellaneous Rates and Charges	36
2.8	Terminal Equipment	37
2.9	Rendering and Payment of Bills	37
2.9.1	General	37
2.9.2	Billing Period	37
2.9.3	Rendering Bills	38
2.9.4	Due Date	39
2.9.5	Late Charge	39
2.9.6	Billing Disputes	40
2.9.7	Overbilling and Underbilling	41
	2.9.7.A Refunds for Overcharges	41
	2.9.7.B Backbilling of Undercharges	41
2.9.8	Payment Arrangements	42
2.9.9	Notification of Alternate Payment Programs or Payment Assistance	42
2.9.10	Returned Checks	43
2.9.11	Collection Service Charge	43
2.9.12	Pro-Rated Charges	43
2.9.13	Business Use of Calling Card	43

Issued:

Effective:

Issued by: Robert A. Morris, Vice President and General Manager
SouthNet TeleComm Services, Inc.
2300 Lake Park Drive, Suite 100
Smyrna, GA 30080

TELECOMMUNICATIONS SERVICES

TABLE OF CONTENTS (cont'd)

2.10	Cancellation or Delay of Service Orders	44
2.10.1	Cancellation of a Service Order	44
2.10.2	Delay of a Service Order	45
2.10.2.A	Delay of a Due Date by the Customer	45
2.10.2.B	Delay of a Due Date by the Company	45
2.11	Cancellation of Service	56
2.12	Interconnection	56
2.13	Discontinuance of Service	57
2.13.1	Suspension for Delinquent Bills	57
2.13.2	Suspension With Notice	58
2.13.3	Suspension Without Notice	58
2.13.4	Suspension Prohibited	50
2.13.5	Suspension on Holidays or Weekends	50
2.14	Inspections	51
2.15	Installation and Termination	51
2.16	Interruption of Service	51
2.17	Timing of Calls	52

Issued:

Effective:

Issued by: Robert A. Morris, Vice President and General Manager
SouthNet TeleComm Services, Inc.
2300 Lake Park Drive, Suite 100
Smyrna, GA 30080

TELECOMMUNICATIONS SERVICES

TABLE OF CONTENTS (cont'd)

SECTION 3 - DESCRIPTION OF SERVICES	53
3.1 Outbound Services	53
3.1.1 Switched Outbound Services	53
3.1.2 Dedicated Outbound Services	53
3.2 Inbound Services	54
3.2.1 Switched Inbound Services	54
3.2.2 Dedicated Inbound Services	54
3.3 Calling Card Services	54
SECTION 4 - RATES AND CHARGES	55
4.1 Rate Schedule	55
4.1.1 General	55
4.1.2 Rating Methodology	55
4.1.3 Operator Service Charges	55

Issued:

Effective:

Issued by: Robert A. Morris, Vice President and General Manager
SouthNet TeleComm Services, Inc.
2300 Lake Park Drive, Suite 100
Smyrna, GA 30080

TELECOMMUNICATIONS SERVICES

TABLE OF CONTENTS (cont'd)

4.2	Service Rates	56
4.2.1	Rates	56
4.2.1.A	Switched Outbound Service Rates	56
4.2.1.B	Dedicated Outbound Service Rates	56
4.2.1.C	Switched Inbound Service Rates	57
4.2.1.D	Dedicated Inbound Service Rates	57
4.2.1.E	Inbound Service Payphone Surcharge	57
4.2.3	Calling Card Service Rates	58
4.2.4	Miscellaneous Rates and Charges	59
4.2.4.A	Presubscribed Interexchange Carrier Change Charge	59
4.2.4.B	Pass-Through Charges	59

Issued:

Effective:

Issued by: Robert A. Morris, Vice President and General Manager
SouthNet TeleComm Services, Inc.
2300 Lake Park Drive, Suite 100
Smyrna, GA 30080

TELECOMMUNICATIONS SERVICES

CONCURRING CARRIERS

No concurring carriers

CONNECTING CARRIERS

No connecting carriers

OTHER PARTICIPATING CARRIERS

No other participating carriers

Issued:

Effective:

Issued by: Robert A. Morris, Vice President and General Manager
SouthNet TeleComm Services, Inc.
2300 Lake Park Drive, Suite 100
Smyrna, GA 30080

TELECOMMUNICATIONS SERVICES

EXPLANATION OF SYMBOLS

The following are the only symbols used for the purposes indicated below:

- D - Delete or Discontinue
- I - Change Resulting in an Increase in Rates
- M - Moved from Another Tariff Location
- N - New Regulation, Term, or Condition or Rate
- R - Change Resulting in a Reduction in Rate
- T - Change in Text or Regulation But no Change in Rates

Issued:

Effective:

Issued by: Robert A. Morris, Vice President and General Manager
SouthNet TeleComm Services, Inc.
2300 Lake Park Drive, Suite 100
Smyrna, GA 30080

TELECOMMUNICATIONS SERVICES

TARIFF FORMAT

A. Page Numbering - Page numbers appear in the upper right corner of the page. Pages are numbered sequentially. When a new page is added between pages already in effect, a decimal is added. For example, a new page added between pages 14 and 15 would be 14.1.

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 South Dakota Public Utilities Commission. For example, the 4th revised Page 14 cancels the 3rd revised Page 14. 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).I.
- 2.1.1.A.1.(a).I.(i).
- 2.1.1.A.1.(a).I.(i).1).

D. Check Sheets - When a tariff filing is made with the South Dakota Public Utilities Commission, an updated Check Sheet accompanies the tariff 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 will be no other symbols used on this page if these are the only changes made to it (i.e., the format, etc. remain the same, just revised revision levels on some pages.)

Issued:

Effective:

Issued by: Robert A. Morris, Vice President and General Manager
SouthNet TeleComm Services, Inc.
2300 Lake Park Drive, Suite 100
Smyrna, GA 30080

TELECOMMUNICATIONS SERVICES

SECTION 1 - TECHNICAL TERMS AND ABBREVIATIONS

- 1.1 **Access:** The connection between the Customer's location and an interexchange switching center.
- 1.2 **Access Line:** A transmission line from either an LEC central office or an IXC POP to the Customer's Premises used to process voice and limited speed data Calls.
- 1.3 **Account Code:** A numerical code, assigned to the Customer, to enable the Company to identify use of the Services by the Customer and to bill the use of the Services by the Customer. Multiple Account Codes may be assigned to the Customer to identify individual users or groups of users.
- 1.4 **Additional Period:** The minimum additional portion of a Calling Period after an Initial Period for which charges are incurred for completed Calls.
- 1.5 **Analog:** A transmission method employing a continuous (rather than a pulsed or digital) electrical signal that varies in amplitude or frequency in response to changes of sound, light, position, etc., impressed on a transducer in the sending device.
- 1.6 **Asynchronous:** Transmission in which each information character is individually synchronized usually by the use of start-stop elements. The gap between each character is not of a fixed length.

Issued:

Effective:

Issued by: Robert A. Morris, Vice President and General Manager
SouthNet TeleComm Services, Inc.
2300 Lake Park Drive, Suite 100
Smyrna, GA 30080

TELECOMMUNICATIONS SERVICES

SECTION 1 - TECHNICAL TERMS AND ABBREVIATIONS (cont'd)

- 1.7 **Authorization Code:** A predefined series of numbers to be dialed by the Customer or End User upon access to the Company's system to identify the caller and validate the caller's authorization to use the Services provided. All Authorization Codes shall be the sole property of the Company and no Customer or End User shall have any property or other right or interest in the use of any particular Authorization Code. The Customer is responsible for charges incurred through the use of its assigned Authorization Code. Automatic Numbering Identification (ANI) may be used in connection with the Authorization Code.
- 1.8 **Automatic Numbering Identification (ANI):** A type of signalling provided by an LEC which automatically identifies the Calling Station.
- 1.9 **Bit:** The smallest unit of information in the binary system of notation.
- 1.10 **Call:** A completed connection established between a Calling Station and one or more Called Stations.
- 1.11 **Called Station:** The terminating point of a Call (*i.e.*, the Called number).
- 1.12 **Calling Card:** A billing arrangement which bills the charge for an MTS Call to the Main Billing Number of a Customer.
- 1.13 **Calling Card Services:** The Services described in Section 3.3 of this Tariff.
- 1.14 **Calling Station:** The originating point of a Call (*i.e.*, the Calling number).
- 1.15 **Calling Unit:** The measured period of a Call which is either Initial or Additional.

Issued:

Effective:

Issued by: Robert A. Morris, Vice President and General Manager
SouthNet TeleComm Services, Inc.
2300 Lake Park Drive, Suite 100
Smyrna, GA 30080

TELECOMMUNICATIONS SERVICES

SECTION 1 - TECHNICAL TERMS AND ABBREVIATIONS (cont'd)

- 1.16 **Commission:** South Dakota Public Utilities Commission.
- 1.17 **Common Carrier:** A company or entity providing telecommunications services to the public.
- 1.18 **Company:** SouthNet Telecomm Services, Inc. Also referred to as "SouthNet".
- 1.19 **Competitive Access Provider (CAP):** A Common Carrier engaged in the origination and/or termination of interexchange Calls.
- 1.20 **Competitive Local Exchange Carrier (CLEC):** A Common Carrier engaged in the provision of local dial tone and other local exchange services in competition with one or more LECs.
- 1.21 **Customer:** A Person who orders Services under this Tariff and who is responsible for payment of all charges therefor and for complying with the terms and conditions set forth in this Tariff.
- 1.22 **Customer Premises:** A location, on property owned, leased or otherwise controlled by the Customer, that is designated by the Customer for the provision of the Services to the Customer pursuant to this Tariff.
- 1.23 **Customer-Provided Equipment:** Telecommunications equipment provided by a Customer used to originate or terminate Calls at the Customer Premises.

Issued:

Effective:

Issued by: Robert A. Morris, Vice President and General Manager
SouthNet TeleComm Services, Inc.
2300 Lake Park Drive, Suite 100
Smyrna, GA 30080

TELECOMMUNICATIONS SERVICES

SECTION 1 - TECHNICAL TERMS AND ABBREVIATIONS (cont'd)

- 1.24 **Dedicated Access**: A non-switched circuit connecting a Customer Premises to an IXC POP with no intermediate switching functions.
- 1.25 **DS-0**: A form of Service offered at digital signal level 0 and providing a 64 Kbps signal.
- 1.26 **DS-1**: A form of private line Service offered at digital signal level 1 and providing a 1.544 Mbps signal.
- 1.27 **DS-3**: A form of private line Service at digital signal level 3 and providing digital signals at the speed of 44.736 Mbps.
- 1.28 **FCC**: Federal Communications Commission.

Issued:

Effective:

Issued by: Robert A. Morris, Vice President and General Manager
SouthNet TeleComm Services, Inc.
2300 Lake Park Drive, Suite 100
Smyrna, GA 30080

TELECOMMUNICATIONS SERVICES

SECTION 1 - TECHNICAL TERMS AND ABBREVIATIONS (cont'd)

- 1.29 **Fractional Charges and Credits:** Each month is considered to have thirty (30) days for billing purposes. To determine charges or credits for portions of months, the days remaining in the billing period (including the thirty-first (31st) day of a thirty-one (31)-day month) are counted, starting with the day after the date on which the Services were furnished or discontinued; that figure is divided by thirty (30) days and the resultant fraction is multiplied by the Monthly Charge to arrive at the Fractional Charge or Credit.
- 1.30 **Inbound Services:** The Services described in Section 3.2 of this Tariff.
- 1.31 **Incomplete Call:** Any Call as to which voice transmission between the Calling and the Called Stations is not established (*i.e.*, busy, no answer).
- 1.32 **Incremental Call Unit:** The minimum additional period after an Initial Call Unit for which charges are incurred for completed Calls and, except as otherwise provided in this Tariff, equals six (6) seconds.
- 1.33 **Initial Call Unit:** The minimum period for which charges are incurred for a completed Call; unless otherwise specified herein, the Initial Call Unit for all services offered pursuant to this Tariff shall be eighteen (18) seconds.
- 1.34 **Installation Charge:** A fixed charge per unit which applies when certain Services are furnished.
- 1.35 **Interexchange Carrier (IXC):** A Common Carrier engaged in the transport of Calls and other telecommunications across LATA boundaries.

Issued:

Effective:

Issued by: Robert A. Morris, Vice President and General Manager
SouthNet TeleComm Services, Inc.
2300 Lake Park Drive, Suite 100
Smyrna, GA 30080

TELECOMMUNICATIONS SERVICES

SECTION 1 - TECHNICAL TERMS AND ABBREVIATIONS (cont'd)

- 1.36 **Isochronous**: A characteristic of a periodic signal in which the time interval that separates any two corresponding significant instants or transitions of signal level is equal to the unit interval or to a multiple of the unit interval. No timing or clock lead is provided at the customer interface.
- 1.37 **KBPS**: Kilobits per second.
- 1.38 **KHZ**: Kilohertz.
- 1.39 **LATA**: Local Access and Transport Area.
- 1.40 **Local Exchange Carrier or LEC**: A Common Carrier that is, or once was, the exclusive provider of local dial tone and other local exchange services within its service areas.
- 1.41 **Main Billing Number**: A telephone number assigned to the Customer to which charges for the Services are billed.
- 1.42 **MBPS**: Megabits per second.
- 1.43 **MHZ**: Megahertz.
- 1.44 **Minimum Payment Period**: The Minimum Payment Period is the minimum period, if any, for which the Customer is required to make payment for the Services. The Minimum Payment Period for a given Service is specified in the section of this Tariff applicable to that Service. Charges applicable to the Minimum Payment Period include recurring charges plus any nonrecurring and/or special construction charge(s) that may apply.

Issued:

Effective:

Issued by: Robert A. Morris, Vice President and General Manager
SouthNet TeleComm Services, Inc.
2300 Lake Park Drive, Suite 100
Smyrna, GA 30080

TELECOMMUNICATIONS SERVICES

SECTION 1 - TECHNICAL TERMS AND ABBREVIATIONS (cont'd)

- 1.45 **Monthly Charge/Monthly Recurring Charge:** A flat charge which applies for each month in which the Services are furnished to the Customer and which is prorated for a fractional month of Service.
- 1.46 **Move Charge:** A charge which applies when the physical location of the termination of an office connection or an office function is changed at the Customer's request. A move is considered to be the discontinuance of service at the old location and the reinstallation of the service at the new location. Installation charges apply only for the components that are moved. A new minimum payment period will be established.
- 1.47 **MTS:** Message Telecommunications Services.
- 1.48 **Nonrecurring Charges:** One-time charges payable to the Company including Installation Charges, Service Ordering Charges and Special Construction Charges. Charges may differ according to the work activity involved.
- 1.49 **NPA:** Numbering Plan Area, more commonly referred to as an area code.
- 1.50 **NPA Centroid:** The center of the area code, sometimes used to calculate mileage for inbound Calls where the NPA-NXX of the Calling Station is not available.
- 1.51 **NXX:** The first three digits of the Customer's telephone number. "N" is a number between 2 and 9. "X" is a number between 0 and 9.

Issued:

Effective:

Issued by: Robert A. Morris, Vice President and General Manager
SouthNet TeleComm Services, Inc.
2300 Lake Park Drive, Suite 100
Smyrna, GA 30080

TELECOMMUNICATIONS SERVICES

SECTION 1 - TECHNICAL TERMS AND ABBREVIATIONS (cont'd)

- 1.52 **Outbound Services:** The Services described in Section 3.1 of this Tariff.
- 1.53 **Person:** A natural being, firm, organization, partnership, association, corporation, or entity.
- 1.54 **Point-of-Presence (POP):** The central switching office of an IXC where it interconnects with an LEC.
- 1.55 **Rate Center:** A group of central offices determined by NPA Centroid or NPA-NXX.
- 1.56 **Recognized National Holidays:** New Year's Day, Memorial Day, Independence Day, Labor Day, Thanksgiving Day and Christmas Day.
- 1.57 **Recurring Charge:** Monthly Charges and Usage Charges.
- 1.58 **Reseller:** Any Person which obtains Services under this Tariff for the purpose of reselling those Services to End Users. The Reseller shall be deemed to be the Customer of such resold services.

Issued:

Effective:

Issued by: Robert A. Morris, Vice President and General Manager
SouthNet TeleComm Services, Inc.
2300 Lake Park Drive, Suite 100
Smyrna, GA 30080

TELECOMMUNICATIONS SERVICES

SECTION 1 - TECHNICAL TERMS AND ABBREVIATIONS (cont'd)

- 1.59 **RespOrg**: The entity responsible for the management of, and which may access and modify, a subscriber's record in the SMS/800 database. A RespOrg must meet certain eligibility criteria established by the FCC.
- 1.60 **Service**: The telecommunications services provided by the Company pursuant to this Tariff as described in Section 3 of this Tariff.
- 1.61 **Service Order**: A Customer order for installation, move, or record change related to the Services.
- 1.62 **Special Construction Charge**: A charge associated with an installation of the Services requiring unique or additional equipment or facilities.
- 1.63 **Switched Access**: A switched circuit connecting a Customer Premises to an IXC POP with intermediate switching functions.
- 1.64 **Toll Call**: Any call extending beyond the local exchange of the originating caller which is rated on a toll schedule by the Company.
- 1.65 **Toll Service**: The Services provided by the Company in this Tariff.
- 1.66 **Underlying Carrier**: A facilities-based IXC which provides transport services that are resold by the Company.
- 1.67 **Usage Charge**: Charges stated as a function of, and which vary with, use (e.g., per connection or per unit of time); Usage Charges are set forth for each Service provided by the Company in Section 4 of this Tariff.

Issued:

Effective:

Issued by: Robert A. Morris, Vice President and General Manager
SouthNet TeleComm Services, Inc.
2300 Lake Park Drive, Suite 100
Smyrna, GA 30080

TELECOMMUNICATIONS SERVICES

SECTION 2 - RULES AND REGULATIONS**2.1 Undertaking of the Company.**

- 2.1.1 **Scope.** The Company undertakes to provide the Services in accordance with the terms and conditions set forth in this Tariff. The Services are furnished for communications originating at points within the State of South Dakota and terminating within the State of South Dakota.
- 2.1.2 **Provision of Customer Equipment.** Customer-Provided Equipment may be used with the Services. The Company does not provide such equipment.
- 2.1.3 **Agency.** The Company may act as an agent for the Customer in connection with the implementation and maintenance of the Services.
- 2.1.4 **Routing.** The Company will maintain sole and absolute discretion over the routing of Calls originated by the Customer pursuant to this Tariff and the channels and/or service components used to provide the Services. The Company will maintain sole and absolute discretion over the selection of the Underlying Carrier over whose network Calls originated by the Customer pursuant to this Tariff will be carried and will be under no obligation to notify End Users of any change in the Underlying Carrier.
- 2.1.5 **Minimum Call Completion Rate.** The Customer can expect a Call completion rate (e.g., number of Calls completed/number of Calls attempted) of not less than ninety-five percent (95%) during peak use periods.

Issued:

Effective:

Issued by: Robert A. Morris, Vice President and General Manager
SouthNet TeleComm Services, Inc.
2300 Lake Park Drive, Suite 100
Smyrna, GA 30080

TELECOMMUNICATIONS SERVICES

SECTION 2 - RULES AND REGULATIONS**2.2 Limitations.**

- 2.2.1 Availability of Services.** The Services are offered subject to the availability of facilities and under the terms and conditions contained in this Tariff. The Company's obligation to furnish the Services is dependent upon its ability to obtain, retain and maintain without unreasonable expense access to suitable facilities, including service arrangements with Underlying Carriers, and is subject to transmission, atmospheric and like limitations. The Services may be temporarily refused or limited due to limitations in system capacity or to other circumstances beyond the Company's control. The Services may be temporarily interrupted or curtailed due to equipment modifications, upgrades, relocations, repairs, or similar activities necessary for the proper or improved operation of the Services.

Issued:

Effective:

Issued by: Robert A. Morris, Vice President and General Manager
SouthNet TeleComm Services, Inc.
2300 Lake Park Drive, Suite 100
Smyrna, GA 30080

TELECOMMUNICATIONS SERVICES

SECTION 2 - RULES AND REGULATIONS (cont'd)

2.2 Limitations (cont'd).

2.2.2 Rights of the Company. The Company reserves the right to refuse or limit the use of or suspend or discontinue (pursuant to Section 2.13) Service to the Customer without incurring liability:

- 1) For non-payment when due of any amount due and owing to the Company by the Customer.
- 2) For violation of, or failure to comply with, the terms and conditions of this Tariff by the Customer of either the provisions of this Tariff or for violation of any laws, rules, regulations, or policies of a governmental authority applicable to the Services and the Customer's use thereof.
- 3) By reason of an order or decision of a court or other governmental authority which prohibits the Company from furnishing the Services.
- 4) In the event that the Company's service arrangement with one or more Underlying Carriers is terminated and the Company is unable to secure another service arrangement without incurring unreasonable expense.
- 5) When necessitated by conditions beyond the Company's control. Conditions beyond the Company's control include, but are not limited to, the Customer generating Call volume or utilizing a Calling pattern that results, or may result, in network blockage or other service degradation which adversely affects the Service to other customers of the Company.

Issued:

Effective:

Issued by: Robert A. Morris, Vice President and General Manager
SouthNet TeleComm Services, Inc.
2300 Lake Park Drive, Suite 100
Smyrna, GA 30080

TELECOMMUNICATIONS SERVICES

SECTION 2 - RULES AND REGULATIONS (cont'd)

2.2 Limitations (cont'd).

2.2.2 Rights of the Company (cont'd).

- 6) For abuse or fraudulent use of the Services by the Customer or its End Users. Abuse of the Services includes, without limitation, the making of Calls which might reasonably be expected to frighten, abuse, torment or harass another or which in any way would interfere unreasonably with the use of the Service by others. Fraudulent use of the Services includes, without limitation: (1) use of the Services to transmit a message, locate a person or otherwise give or obtain information without payment for the Services; (2) use, or attempted use, of the Services with the intent to avoid payment therefor by rearranging, tampering with, or making connections not authorized by this Tariff to any service components or through use of fraudulent means, devices, tricks, schemes, false or invalid numbers, false credit devices or electronic devices; (3) use of an Inbound Service with the intent of gaining access to an out-bound calling capability on an unauthorized basis; or (4) use of fraudulent means or devices, tricks, schemes, false or invalid numbers, false credit devices or electronic devices to defraud or mislead callers.

Issued:

Effective:

Issued by: Robert A. Morris, Vice President and General Manager
SouthNet TeleComm Services, Inc.
2300 Lake Park Drive, Suite 100
Smyrna, GA 30080

TELECOMMUNICATIONS SERVICES

SECTION 2 - RULES AND REGULATIONS (cont'd)

2.2 Limitations (cont'd).

2.2.2 Rights of the Company (cont'd).

- 7) For submission or use by the Customer of insufficient or fraudulent billing information, invalid or unauthorized telephone numbers, or pre-arranged account code numbers.
- 8) If the Company deems such action necessary to protect itself or third parties against fraud or to otherwise protect its personnel, agents, or the Services.

2.2.3 Restoration of Service. The Company will provide or restore the Services when the Customer is in compliance with the provisions of this Tariff and all applicable laws, rules, regulations and policies of pertinent governmental authorities and the Company determines that the Services can be provided without undue risk to the Company or the Services provided to other Customers of the Company.

2.2.4 Fraud Prevention. In order to control fraud, the Company may refuse to accept Calling Card Calls or discontinue the use of Authorization Codes which it determines to be fraudulent or invalid and/or may limit the use of these billing options to or from certain areas, including any part of the State of South Dakota.

2.2.5 Emergency Conditions. The use and restoration of the Services during emergency conditions shall be in accordance with Part 64, Subpart D, Appendix A, of the FCC's Rules and Regulations, which specifies the priority system for such use and restoration.

Issued:

Effective:

Issued by: Robert A. Morris, Vice President and General Manager
SouthNet TeleComm Services, Inc.
2300 Lake Park Drive, Suite 100
Smyrna, GA 30080

TELECOMMUNICATIONS SERVICES

SECTION 2 - RULES AND REGULATIONS (cont'd)

2.2 Limitations (cont'd).

- 2.2.6 Property Rights.** The Customer will obtain no property right or interest in the use of any specific type of facility, service connection, equipment, number, process or code. All right, title and interest to such items will remain, at all times, solely with the Company.

2.3 Use of Service.

- 2.3.1 Authorized Use.** The Services may be used solely to transmit communications of the Customer or authorized End Users in a manner consistent with the terms and conditions of this Tariff and the policies and regulations of the Commission. The Services are furnished for the transmission of voice communications, but may also be used for data, facsimile, signaling, metering, or other similar communications, subject to the transmission capabilities of the Services and the laws, rules and regulations of the Commission.
- 2.3.2 Limitations.** The Services are furnished subject to the condition that they will be used only for authorized and lawful purposes by the Customer. The Customer may not use the Services for any unauthorized or unlawful purpose.
- 2.3.3 Compatibility.** The Customer's use of the Services shall not interfere with or impair the Company's ability to provide the Services to other customers, cause damage to the Company's equipment or resold equipment, impair the privacy of communications over the Company's system or create hazards to the employees of any company or the public.
- 2.3.4 Modifications.** The Customer may not rearrange, disconnect, remove, modify or attempt to repair or permit others to rearrange, disconnect, remove, modify or attempt to repair any Company facility without the prior written consent of the Company.

Issued:

Effective:

Issued by: Robert A. Morris, Vice President and General Manager
SouthNet TeleComm Services, Inc.
2300 Lake Park Drive, Suite 100
Smyrna, GA 30080

TELECOMMUNICATIONS SERVICES

SECTION 2 - RULES AND REGULATIONS (cont'd)

2.4 Liability of the Company.

2.4.1 Other Carriers. The Company shall not be liable for any act or omission of any other company or companies furnishing services to the Customer in conjunction with the Services, or for damages associated with services, channels or equipment which it does not furnish, or for damages which result from the operation of Customer-Provided Equipment or services furnished by other companies which are interconnected with the Company's Services. The liability of any Underlying Carrier to the Customer or any End-User shall be limited by the tariffs pursuant to which such carrier provides network services.

No agents or employees of connecting, concurring or other participating carriers or companies shall be deemed to be agents or employees of the Company without written authorization from the Company.

Issued:

Effective:

Issued by: Robert A. Morris, Vice President and General Manager
SouthNet TeleComm Services, Inc.
2300 Lake Park Drive, Suite 100
Smyrna, GA 30080

TELECOMMUNICATIONS SERVICES

SECTION 2 - RULES AND REGULATIONS (cont'd)

2.4 Liability of the Company (cont'd).

- 2.4.2 Customer Premises/Customer-Provided Equipment.** The Company shall not be liable for the Customer's failure to fulfill its obligation to take all necessary steps, including, without limitation, obtaining, installing and maintaining all necessary equipment, materials and supplies, for interconnecting the terminal equipment or communications system of the Customer, or any third party acting as its agent, to the Company's network. The Customer shall secure all licenses, permits, rights-of-way, and other arrangements necessary for such interconnection. In addition, the Customer shall ensure that its equipment and/or system or that of its agent is properly interfaced with the Company's Services, that the signals emitted into the Company's network are of the proper mode, band-width, power, data speed, and signal level for the intended use of the Customer and in compliance with the criteria set forth in the applicable subsections of this Tariff, and that the signals do not damage the Company's equipment, injure its personnel, or

Issued:

Effective:

Issued by: Robert A. Morris, Vice President and General Manager
SouthNet TeleComm Services, Inc.
2300 Lake Park Drive, Suite 100
Smyrna, GA 30080

TELECOMMUNICATIONS SERVICES

SECTION 2 - RULES AND REGULATIONS (cont'd)**2.4 Liability of the Company (cont'd).**

2.4.3 Force Majeure. The Company shall not be liable for any failure of performance hereunder due to causes beyond its control, including, but not limited to: unavoidable interruption in the working of transmission facilities; acts of nature; storms, fire, flood or other catastrophes; any law, order, regulation, direction, action or request of the United States Government, or any other governmental entity having jurisdiction over the Company, or of any department, agency, commission, bureau, corporation or other instrumentality of any one or more of such governmental entities, or of any civil or military authority; national emergencies, insurrections, riots, rebellions, wars, strikes, lockouts, work stoppages, or other labor difficulties; or, notwithstanding anything in this Tariff to the contrary, the unlawful acts of individuals, including acts of the Company's agents and employees if committed beyond the scope of their employment.

2.4.4 Notice. Notwithstanding anything to the contrary set forth in this Section 2.4, the Company shall not be liable for damages or be obligated to provide any credit allowance unless the Customer has notified the Company of the basis of any claim for damages or credit allowance within one hundred eighty (180) calendar days after an invoice is rendered or a debit is effected by the Company for the Services or the Call giving rise to such claim. Any such notice must set forth sufficient facts to provide the Company with a reasonable basis upon which to evaluate the Customer's claim. Usage discounts will be adjusted based on total usage after all credits or adjustments have been applied.

Issued:

Effective:

Issued by: Robert A. Morris, Vice President and General Manager
SouthNet TeleComm Services, Inc.
2300 Lake Park Drive, Suite 100
Smyrna, GA 30080

TELECOMMUNICATIONS SERVICES

SECTION 2 - RULES AND REGULATIONS (cont'd)**2.4 Liability of the Company (cont'd).**

2.4.5 Unauthorized Use. The Company shall not be liable for any damages, including Usage Charges, that the Customer may incur as a result of the unauthorized use of Customer-Provided Equipment. The unauthorized use of Customer-Provided Equipment includes, but is not limited to, the placement of Calls from the Customer Premises and the placement of Calls through Customer-controlled or Customer-provisioned equipment that are transmitted or carried over the Company's network Services without the authorization of the Customer. The Customer is responsible for controlling access to, and use of, its own communications equipment, and shall be fully liable for all such charges.

2.4.6 Explosive Atmosphere. The Company does not guarantee or make any warranty with respect to the Services or the installation thereof at locations at which there is present an atmosphere that is explosive, prone to fire, dangerous or otherwise unsuitable for such Service or installations. The Customer shall indemnify and hold the Company harmless from any and all loss, claims, demands, suits or other action or any liability whatsoever, 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, whether owned by the Customer or others, caused or claimed to have been caused, directly or indirectly, by the installation, operation, failure to operate, maintenance, removal, presence, condition, location or use of the Services at such location.

Issued:

Effective:

Issued by: Robert A. Morris, Vice President and General Manager
SouthNet TeleComm Services, Inc.
2300 Lake Park Drive, Suite 100
Smyrna, GA 30080

TELECOMMUNICATIONS SERVICES

SECTION 2 - RULES AND REGULATIONS (cont'd)

2.4 Liability of the Company (cont'd).

2.4.7 Indemnification. The Company shall be indemnified, defended and held harmless by the Customer against any and all loss, claims, demands, suits or other action, or any liability whatsoever, arising from the use of the Services furnished pursuant to this Tariff involving:

- 1) Claims for libel, slander, infringement of patent or copyright, or unauthorized use of any trademark, trade name or service mark arising out of the material, data, information, or other content transmitted by the Company; violations of any other literary, intellectual, artistic, dramatic, or musical right; violations of the right to privacy; or violations of any other rights whatsoever relating to or arising from message content or the transmission thereof.
- 2) Claims arising out of abuse of or fraudulent use of the Services by the Customer or its End Users.
- 3) All other claims arising out of any act or omission of the Customer in connection with the Services provided by the Company.

Issued:

Effective:

Issued by: Robert A. Morris, Vice President and General Manager
SouthNet TeleComm Services, Inc.
2300 Lake Park Drive, Suite 100
Smyrna, GA 30080

TELECOMMUNICATIONS SERVICES

SECTION 2 - RULES AND REGULATIONS (cont'd)

2.4 Liability of the Company (cont'd).

2.4.8 Independent Contractor. The Company's relationship with any Underlying Carrier that may provide facilities to the Company for resale to the Customer is that of an independent contractor and the Company and any such Underlying Carrier shall not be deemed to be partners or joint venturers by virtue of this relationship. No agents or employees of other carriers shall be deemed to be agents or employees of the Company.

2.4.9 Implied License. No license under patents, copyrights, trademarks, or trade secrets is granted to the Customer by the Company, or shall be implied or arise by estoppel, with respect to the Services.

Issued:

Effective:

Issued by: Robert A. Morris, Vice President and General Manager
SouthNet TeleComm Services, Inc.
2300 Lake Park Drive, Suite 100
Smyrna, GA 30080

TELECOMMUNICATIONS SERVICES

SECTION 2 - RULES AND REGULATIONS (cont'd)**2.5 Customer Deposits.**

The Company does not require deposits.

2.6 Taxes.

The Customer will be billed for and is liable for payment of all applicable federal, state and local taxes, surcharges, fees or other assessments, including such amounts as the Company may be authorized to pass through to the Customer. All taxes, surcharges, fees or other assessments are listed as separate line items and are not included in the quoted rates.

When utility or telecommunications assessments, franchise fees, or privilege, license, occupational, excise or other similar taxes or fees, based on intrastate receipts, are imposed by certain taxing jurisdictions upon the Company or upon any LEC and passed on to the Company through or with intrastate access charges, the amounts of such taxes or fees may be billed to the Customer in such a taxing jurisdiction on a prorated basis. The amount of charge that is prorated to each Customer's bill is determined by the intrastate telecommunications services provided to and billed to a Customer service location in such a taxing jurisdiction with the aggregate of such charges equal to the amount of the tax or fee imposed upon or passed on to the Company.

2.7 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.

Issued:

Effective:

Issued by: Robert A. Morris, Vice President and General Manager
SouthNet TeleComm Services, Inc.
2300 Lake Park Drive, Suite 100
Smyrna, GA 30080

TELECOMMUNICATIONS SERVICES

SECTION 2 - RULES AND REGULATIONS (cont'd)**2.8 Terminal Equipment**

The Company's facilities and service may be used with or terminated in Customer-provided terminal equipment or Customer-provided communications systems, such as a telephone set, PBX or key system. Such terminal equipment shall be furnished and maintained at the expense of the Customer, except as otherwise provided. The Customer is responsible for all costs at his or her premises, including personnel, wiring, electrical power, and the like, incurred in the use of the Company's service. When such terminal equipment is used, the equipment shall comply with the generally accepted minimum protective criteria standards of the telecommunications industry as endorsed by the Federal Communications Commission.

2.9 Rendering and Payment of Bills

2.9.1 General. The Customer is ultimately responsible for payment of all charges for the Services provided by the Company to the Customer and its End Users, including, but not limited to, charges associated with Calls originated at the Customer's number(s), accepted at the Customer's number(s) or billed to the Customer's number(s) via Calling Cards, and the Services requested by the Customer.

2.9.2 Billing Period. The billing period is generally one calendar month; provided, however, that for purposes of billing Monthly Recurring Charges, each month is considered to have thirty (30) days. Usage Charges for the Services and Monthly Recurring Charges will be billed monthly in arrears; one-time fees will be billed upon completion of the associated Service. Monthly Charges start on the day after the Services are installed, but not before the due date of the order unless the Customer agrees to an earlier installation. Monthly Recurring Charges accrue through and include the day that the Services are discontinued.

Issued:

Effective:

Issued by: Robert A. Morris, Vice President and General Manager
SouthNet TeleComm Services, Inc.
2300 Lake Park Drive, Suite 100
Smyrna, GA 30080

TELECOMMUNICATIONS SERVICES

SECTION 2 - RULES AND REGULATIONS (cont'd)

2.9 Rendering and Payment of Bills (cont'd).

- 2.9.3 Rendering Bills.** Bills will generally be rendered on a monthly basis. Bills are sent via U.S. mail to the most recent billing address provided to the Company by the Customer. Some bills may be rendered by an LEC on behalf of the Company. Bills shall contain the following information:

Name and telephone number of identifying number under which service is billed;

Any previous balance due;

The ending date of the bill cycle or the invoice date;

The due date of the bill and the date on which a late payment charge will be imposed;

Itemization of the charges including any applicable taxes;

Name and a toll free telephone number of the Company's customer service representatives for billing inquiries.

Issued:

Effective:

Issued by: Robert A. Morris, Vice President and General Manager
SouthNet TeleComm Services, Inc.
2300 Lake Park Drive, Suite 100
Smyrna, GA 30080

TELECOMMUNICATIONS SERVICES

SECTION 2 - RULES AND REGULATIONS (cont'd)

2.9 Rendering and Payment of Bills (cont'd).

- 2.9.4 Due Date.** The due date for payment of a monthly bill for service shall be no less than twenty (20) days from the date of mailing by the Company to the Customer. If the last day for payment should fall on a Saturday, Sunday, or bank holiday or other day when the offices of the Company are not open to the general public, the due date shall be extended to the next business day.
- 2.9.5 Late Charge.** If any portion of a payment is still outstanding thirty (30) days following the date of mailing, a late payment charge may be applied. The charge is determined by applying the maximum rate allowed by law to the unpaid balance for each month or fraction thereof that such balance remains unpaid.

Issued:

Effective:

Issued by: Robert A. Morris, Vice President and General Manager
SouthNet TeleComm Services, Inc.
2300 Lake Park Drive, Suite 100
Smyrna, GA 30080

TELECOMMUNICATIONS SERVICES

SECTION 2 - RULES AND REGULATIONS (cont'd)

2.9 Rendering and Payment of Bills (cont'd).

2.9.6 Billing Disputes. Billings will be deemed to be correct and binding on the Customer unless the Customer notifies the Company in writing of any dispute within one hundred eighty (180) days of the date of the invoice on which the disputed charges appear. Billing disputes should be addressed in writing to SouthNet TeleComm Services, Inc., 2300 Lake Park Drive, Suite 100, Smyrna, GA 30080. Billing disputes may also be referred to the Company's Customer Service number, (800) 787-3221. Customer Service representatives are available to assist with billing inquiries Monday through Friday from 8:00 AM to 5:00 PM Eastern Time.

In the event of a dispute between a Customer and the Company regarding any bill for utility service, the company shall forthwith make such investigation as shall be required by the particular case, and report the results thereof to the Customer and, in the event the dispute is not resolved, shall inform the Customer of his or her right to file a complaint with the Commission. The South Dakota Public Utilities Commission can be reached at:

500 East Capitol
Pierre, SD 57501-5070
(605) 773-3201
(800) 332-1782

Notwithstanding any other provision of this Tariff, the Customer shall not be subject to discontinuance for nonpayment of that portion of a bill under dispute pending the completion of the investigation of the dispute by the Company.

Issued:

Effective:

Issued by: Robert A. Morris, Vice President and General Manager
SouthNet TeleComm Services, Inc.
2300 Lake Park Drive, Suite 100
Smyrna, GA 30080

TELECOMMUNICATIONS SERVICES

SECTION 2 - RULES AND REGULATIONS (cont'd)2.9 Rendering and Payment of Bills (cont'd).

2.9.7 Overbilling and Underbilling. If billings for the Company's service are found to differ from Company's lawful rates for the services being purchased by the Customer, or if the Company fails to bill the Customer for such service, a billing adjustment shall be calculated by the Company.

2.9.7.A Refunds for Overcharges. If the Company has overbilled a Customer, the Company shall make a refund or billing credit in a subsequent billing cycle following discovery and computation of the overcharge.

2.9.7.B Backbilling of Undercharges. If the Customer was undercharged, the Company may back bill the Customer for the amount which was under billed. When the Company bills a Customer an amount correcting a previous underbilling, and it results in an undue hardship on a Customer, the Customer may call the Company and make special payment arrangements, unless the underbilling was caused by unauthorized or fraudulent use or procurement of service.

Issued:

Effective:

Issued by: Robert A. Morris, Vice President and General Manager
SouthNet TeleComm Services, Inc.
2300 Lake Park Drive, Suite 100
Smyrna, GA 30080

TELECOMMUNICATIONS SERVICES

SECTION 2 - RULES AND REGULATIONS (cont'd)**2.9 Rendering and Payment of Bills (cont'd).**

2.9.8 Payment Arrangements. A payment arrangement is any arrangement or agreement between the Company and a Customer in which an outstanding bill will be paid in installments that extend beyond the due date of the next bill. The company, through its employees, shall exercise good faith and fair judgment in attempting to enter into a reasonable payment agreement regarding undisputed amounts or to otherwise equitably resolve the matter. Factors to be taken into account when attempting to make a reasonable payment agreement shall include but not be limited to the size of the unpaid balance, the payment history of the Customer and the length of time over which the bill accumulated. The Company may not suspend service for an undisputed delinquent bill under the following circumstances: (1) while it is negotiating a payment agreement with the Customer; or (2) within twenty-four (24) hours after negotiating fails. In all other cases, the Company is encouraged to offer a payment arrangement to residential Customers.

2.9.9 Notification of Alternate Payment Programs or Payment Assistance. Any time a Customer contacts the Company to discuss their inability to pay a bill or to indicate that they are in need of assistance with their bill payment, a Company representative shall inform the Customer of all available alternative payment arrangements and any payment assistance programs that are available, such as payment arrangements, and of the eligibility requirements and procedures for applying for each.

Issued:

Effective:

Issued by: Robert A. Morris, Vice President and General Manager
SouthNet TeleComm Services, Inc.
2300 Lake Park Drive, Suite 100
Smyrna, GA 30080

TELECOMMUNICATIONS SERVICES

SECTION 2 - RULES AND REGULATIONS (cont'd)

2.9 Rendering and Payment of Bills (cont'd).

2.9.10 Returned Checks. If payment for the Services is made by a check, draft or similar instrument that is returned by a bank to the Company for any reason, a returned check charge of twenty dollars (\$20.00) shall be applied in addition to the total amount due.

2.9.11 Collection Service Charge. If the Services to the Customer are discontinued for non-payment pursuant to Section 2.13, a collection service charge of twenty dollars (\$20.00) shall be applied in addition to the total amount due.

2.9.12 Pro-Rated Charges. When the billing date and the date that the Services are started, changed, or discontinued do not coincide, Monthly Recurring Charges will be adjusted to reflect the fractional part of the month involved.

2.9.13 Business Use of Calling Card. In the event that ten (10) or more Calling Cards are issued by the Company to the Customer for use by employees of the Customer, the Customer shall be liable for all unauthorized use of any of the issued Calling Cards.

Issued:

Effective:

Issued by: Robert A. Morris, Vice President and General Manager
SouthNet TeleComm Services, Inc.
2300 Lake Park Drive, Suite 100
Smyrna, GA 30080

TELECOMMUNICATIONS SERVICES

SECTION 2 - RULES AND REGULATIONS (cont'd)

2.10 Cancellation or Delay of Service Orders.

- 2.10.1 Cancellation of a Service Order.** The Customer may cancel a Service Order at any time prior to the due date. A Service Order is considered to have been canceled when the Company receives a notification of cancellation from the Customer. Such notification may not be retroactive. Cancellation charges will be equal to the Installation Charge applicable to the Service involved, unless the cancellation is caused by Company delay, or otherwise specified in the section of this Tariff applicable to the specific Services.

Issued:

Effective:

Issued by: Robert A. Morris, Vice President and General Manager
SouthNet TeleComm Services, Inc.
2300 Lake Park Drive, Suite 100
Smyrna, GA 30080

TELECOMMUNICATIONS SERVICES

SECTION 2 - RULES AND REGULATIONS (cont'd)**2.10 Cancellation or Delay of Service Orders (cont'd).****2.10.2 Delay of a Service Order.**

2.10.2.A Delay of a Due Date by the Customer. The Customer may delay the due date of a Service Order involving the installation or change of the Services when: (i) the request for the delay is received by the Company prior to the Service Order's due date; and (ii) the total delay measured from the Service Order's initial due date does not exceed thirty (30) cumulative calendar days. Service Orders involving the discontinuance of Service may be delayed at any time prior to the due date. There will be no maximum delay period for these orders. A Customer having delayed a Service Order for the maximum thirty (30) cumulative calendar day period may not delay the Service Order again. The Customer instead has the option to (1) accept billing for the Services ordered, or (2) cancel the Service Order and pay the applicable Nonrecurring Charge(s) for the Services ordered. The billing or cancellation is effective on the thirtieth (30th) cumulative calendar day of the delay. If the Customer elects to accept billing, the installation will be completed as soon as reasonably practical after the Customer advises the Company.

2.10.2.B Delay of a Due Date by the Company. The Company will make every reasonable effort to assure that the Services are furnished on the due date. However, in some cases a delay in the installation may be unavoidable. If an order is delayed beyond its due date for more than forty-five (45) cumulative calendar days and such delay is not requested or caused by the Customer, the Customer may cancel the Service Order without penalty or payment of Nonrecurring Charges.

Issued:

Effective:

Issued by: Robert A. Morris, Vice President and General Manager
SouthNet TeleComm Services, Inc.
2300 Lake Park Drive, Suite 100
Smyrna, GA 30080

TELECOMMUNICATIONS SERVICES

SECTION 2 - RULES AND REGULATIONS (cont'd)**2.11 Cancellation of Service.**

The Customer may cancel the Services by giving thirty (30) days prior written notice to the Company. Upon receipt of the written notice, the Company places an order with the Underlying Carrier to cancel the Services. The Service is canceled when the Underlying Carrier moves the Customer to another carrier or when the Company receives notice from the Underlying Carrier that the Service has been canceled. The Customer will be liable for any traffic occurring with the Company through the cancellation date.

2.12 Interconnection.

The Customer shall take all necessary steps for the interconnection of Customer-Provided Equipment with Company-provided facilities. Interconnection between Customer-Provided Equipment and the Services, or between facilities or services provided to the Customer by another carrier and the Services, may be made by the Customer at an interface point designated by the Company. All terminal equipment and wiring necessary to connect to the channels at the designated interface point are provided by the Customer.

Issued:

Effective:

Issued by: Robert A. Morris, Vice President and General Manager
SouthNet TeleComm Services, Inc.
2300 Lake Park Drive, Suite 100
Smyrna, GA 30080

TELECOMMUNICATIONS SERVICES

SECTION 2 - RULES AND REGULATIONS (cont'd)

2.13 Discontinuance of Service.

2.13.1 Suspension for Delinquent Bills. A Customer's telecommunications service may be disconnected if a bill has not been paid or a payment arrangement has not been entered into within thirty (30) days from the date of mailing of a bill provided proper notice has been given. Proper notice shall consist of a separate mailing or hand delivery at least ten (10) days prior to a stated date of suspension. The notice shall contain the following:

- 1) The words "suspension notice" or similar language prominently displayed on the notice.
- 2) The reason for the threatened suspension of service.
- 3) A statement of amounts currently due.
- 4) A statement that a specific reconnection fee will be required to have service restored after it has been suspended if applicable.
- 5) A statement that the Customer should immediately contact the Company to attempt to resolve the matter. Such notice shall include the mailing address and toll-free telephone number where questions may be answered and payment agreements entered into with the Company.

Issued:

Effective:

Issued by: Robert A. Morris, Vice President and General Manager
SouthNet TeleComm Services, Inc.
2300 Lake Park Drive, Suite 100
Smyrna, GA 30080

TELECOMMUNICATIONS SERVICES

SECTION 2 - RULES AND REGULATIONS (cont'd)

2.13 Discontinuance of Service (cont'd).

2.13.1 Suspension for Delinquent Bills (cont'd).

- 6) Attached to or on the face of the suspension notice for telecommunications bills shall appear a statement notifying the Customer that if they are in need of assistance with payment of their bill, or are ill and unable to pay their bill, they may be eligible for alternative payment programs, such as a payment arrangement, and to contact the local office of the Company for more information.
- 7) The service suspension day may not fall on a holiday or weekend, but shall fall on the next working day after the tenth day. Payment at the Company's authorized payment agency is considered payment to the Company. The Company may request Customers who pay at payment agencies less than three (3) days prior to the suspension date to call the Company with receipt information. The Company shall not issue late notices or disconnect notices to the Customer earlier than the first day the bill becomes delinquent, so that a reasonable length of time is allowed to ascertain receipt of payment by mail or at the Company's authorized payment agency.

Issued:

Effective:

Issued by: Robert A. Morris, Vice President and General Manager
SouthNet TeleComm Services, Inc.
2300 Lake Park Drive, Suite 100
Smyrna, GA 30080

TELECOMMUNICATIONS SERVICES

SECTION 2 - RULES AND REGULATIONS (cont'd)

2.13 Discontinuance of Service (cont'd).

2.13.2 Suspension With Notice. Service may be disconnected after proper notice for any of the following reasons:

- 1) Nonpayment of an undisputed delinquent account or the undisputed portion of an account where a dispute exists as to part but not all of an amount billed by the Company or failure to comply with the terms of a payment arrangement.
- 2) Violation of the Company's rules pertaining to the use of service in a manner which interferes with the service of others or the operation of nonstandard equipment, if a reasonable attempt has been made to notify the Customer and the Customer is provided with a reasonable opportunity to remedy the situation.

2.13.3 Suspension Without Notice. Service may be disconnected without notice where a dangerous condition exists for as long as the condition exists or where service is connected without authority by a person who has not made application for service or who has reconnected service following suspension of service for nonpayment. Where reasonable, given the nature of the hazardous condition, a written statement providing notice of suspension and the reason therefore shall be posted at the place of common entry or upon the front door of each affected residential unit as soon as possible after service has been disconnected.

Issued:

Effective:

Issued by: Robert A. Morris, Vice President and General Manager
SouthNet TeleComm Services, Inc.
2300 Lake Park Drive, Suite 100
Smyrna, GA 30080

TELECOMMUNICATIONS SERVICES

SECTION 2 - RULES AND REGULATIONS (cont'd)

2.13 Discontinuance of Service (cont'd).

2.13.4 Suspension Prohibited. Service may not be disconnected for any of the following reasons:

- 1) Delinquency in payment for service by a previous occupant of the premises.
- 2) Failure to pay for merchandise, or charges for non-utility service provided by the Company.
- 3) Failure to pay for a different type or class of service unless the service is provided by the billing Company and unless the fee for such service is included on the same bill.
- 4) Failure to pay the account of another customer thereof, unless the Company has in writing the guarantee as a condition precedent to service.
- 5) Failure to pay charges arising from an under billing occurring due to misapplication of rates more than six (6) months prior to the current billing.

2.13.5 Suspension on Holidays or Weekends. Unless a dangerous condition exists, or unless the Customer requests disconnection, service shall not be disconnected on a day, or on a day immediately preceding a day, when personnel of the Company are not available to the public for the purpose of making collections and reconnecting service.

Issued:

Effective:

Issued by: Robert A. Morris, Vice President and General Manager
SouthNet TeleComm Services, Inc.
2300 Lake Park Drive, Suite 100
Smyrna, GA 30080

TELECOMMUNICATIONS SERVICES

SECTION 2 - RULES AND REGULATIONS (cont'd)**2.14 Inspections.**

The Company may, upon reasonable notice to the Customer, make such inspections, including monitoring of the Customer's use of the Services, as may be necessary to determine that requirements of the Tariff are being complied with in the installation, operation and maintenance of Customer-Provided Equipment connected to the Company facilities.

2.15 Installation and Termination.

Service is installed upon mutual agreement between the Customer and the Company.

2.16 Interruption of Service.

Subject to Sections 2.2, 2.4 and 2.14, in the event a Customer's service is interrupted other than by negligence or willful act of the Customer, and it remains interrupted for two hours or more, the Customer shall be credited for such interruption at the rate of 1/720th of the monthly charge for the service affected for each hour or major fraction thereof that the interruption continues. Calculations of the credit shall be made in accordance with the following formula:

Credit Formula:

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

"A" - outage time in hours

"B" - total monthly charge for affected facility

Issued:

Effective:

Issued by: Robert A. Morris, Vice President and General Manager
SouthNet TeleComm Services, Inc.
2300 Lake Park Drive, Suite 100
Smyrna, GA 30080

TELECOMMUNICATIONS SERVICES

SECTION 2 - RULES AND REGULATIONS (cont'd)2.17 Timing of Calls.

Chargeable time is determined by the duration of the Call. Calls are timed and measured by the Underlying Carrier. Timing for all Calls begins when the Called Station 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. Chargeable time ends when either the Called Station or the Calling Station disconnects from the Call. There are no billing charges applied for incomplete Calls.

Issued:

Effective:

Issued by: Robert A. Morris, Vice President and General Manager
SouthNet TeleComm Services, Inc.
2300 Lake Park Drive, Suite 100
Smyrna, GA 30080

TELECOMMUNICATIONS SERVICES

SECTION 3 - DESCRIPTION OF SERVICES**3.1 Outbound Services.**

- 3.1.1 **Switched Outbound Services.** Switched Outbound Service is offered on a per-Call basis to Customers which originate and terminate within the State of South Dakota. Outbound Service is accessed on a conventional "1+" pre-subscribed direct dial basis over the facilities of a LEC. Calls originate and terminate via Switched Access provided by a LEC or other authorized access provider. The Customer is responsible for establishing originating local access facilities or equipment and for all nonrecurring, recurring, construction and other charges in connection with such originating access. Residential Service is available only on a switched outbound basis.
- 3.1.2 **Dedicated Outbound Services.** Dedicated Outbound Services permit a Customer to establish a communications path between two (2) stations by using a uniform dialing plan. Dedicated outbound services are provided through T-1 or DS0 dedicated access and are available to customers that have T-1 or DS0 dedicated access to the underlying carrier's POP. The Customer is responsible for securing dedicated access to the underlying carrier's POP and for all nonrecurring and recurring, construction and other charges incurred in connection with establishing such Dedicated Access. At the Customer's request, the Company will arrange for dedicated access to the underlying carrier's POP and pass through to the Customer all costs incurred in establishing such access.

Issued:

Effective:

Issued by: Robert A. Morris, Vice President and General Manager
SouthNet TeleComm Services, Inc.
2300 Lake Park Drive, Suite 100
Smyrna, GA 30080

TELECOMMUNICATIONS SERVICES

SECTION 3 - DESCRIPTION OF SERVICES (cont'd)**3.2 Inbound Services.**

3.2.1 Switched Inbound Services. Switched Inbound Service provides the Customer with one or more 800/888 numbers which when dialed within the State of South Dakota will terminate on Customer-designated facilities or equipment within the State of South Dakota. All charges accruing in connection with usage of the Customer's assigned 800/888 numbers are billed to the Customer rather than the party originating the Call. Calls terminate via Switched Access provided by a LEC or other authorized access provider. The Customer is responsible for establishing originating local access facilities or equipment and for all nonrecurring, recurring, construction and other charges in connection with such originating access.

3.2.2 Dedicated Inbound Services. Dedicated Inbound Services permit Calls to be completed to the Customer's location without charge to the Calling Station. Access to the Service is gained by dialing a ten digit telephone number, (800/888) NXX-XXXX, which terminates at the Customer's Premises. Dedicated Inbound Services are available only to Customers that have terminating T-1 or DS0 access to the underlying carrier's POP. The Customer is responsible for all nonrecurring, recurring, construction and other charges incurred in connection with establishing such terminating dedicated access. At the Customer's request, the Company will arrange for terminating dedicated access to the underlying carrier's POP and pass through to the Customer all costs incurred in establishing such access.

3.3 Calling Card Services. Calling Card Service is an outbound service offered on a per-Call basis to Customers originating calls which originate and terminate within the State of South Dakota. Calling Card Service is accessed by dialing the Company's universal access toll free number to complete direct dialed or operator assisted calls.

Issued:

Effective:

Issued by: Robert A. Morris, Vice President and General Manager
SouthNet TeleComm Services, Inc.
2300 Lake Park Drive, Suite 100
Smyrna, GA 30080

TELECOMMUNICATIONS SERVICES

SECTION 4 - RATES AND CHARGES

4.1 Rate Schedule.

- 4.1.1 **General.** This section sets forth the rates and charges applicable to the Services. All rates are set forth in U.S. dollars.
- 4.1.2 **Rating Methodology.** Usage-sensitive charges for the Services are applied on a per-Call basis. Message charges are based on the duration of the Call.
- 4.1.3 **Operator Service Charges.** Operator Service charges are billed by the Underlying Carrier or its agent; the Company does not provide or bill for Operator Services.

Issued:

Effective:

Issued by: Robert A. Morris, Vice President and General Manager
SouthNet TeleComm Services, Inc.
2300 Lake Park Drive, Suite 100
Smyrna, GA 30080

TELECOMMUNICATIONS SERVICES

SECTION 4 - RATES AND CHARGES (cont'd)**4.2 Service Rates.****4.2.1 Rates.****4.2.1.A Switched Outbound Service Usage Rates.**

Initial Call Unit	Incremental Call Unit
\$0.0948	\$0.0316

4.2.1.B Dedicated Outbound Service Usage Rates.

Initial Call Unit	Incremental Call Unit
\$0.0491	\$0.0164

Issued:

Effective:

Issued by: Robert A. Morris, Vice President and General Manager
SouthNet TeleComm Services, Inc.
2300 Lake Park Drive, Suite 100
Smyrna, GA 30080

TELECOMMUNICATIONS SERVICES

SECTION 4 - RATES AND CHARGES (cont'd)**4.2 Service Rates (cont'd).****4.2.1 Rates (cont'd).****4.2.1.C Switched Inbound Service Usage Rates.**

Initial Call Unit	Incremental Call Unit
\$0.1067	\$0.0356

4.2.1.D Dedicated Inbound Service Usage Rates.

Initial Call Unit	Incremental Call Unit
\$0.0461	\$0.0154

4.2.1.E Inbound Service Payphone Surcharge.

The Customer will be assessed a surcharge of \$0.25 for each Inbound Service Call placed from a payphone.

Issued:

Effective:

Issued by: Robert A. Morris, Vice President and General Manager
SouthNet TeleComm Services, Inc.
2300 Lake Park Drive, Suite 100
Smyrna, GA 30080

TELECOMMUNICATIONS SERVICES

SECTION 4 - RATES AND CHARGES (cont'd)**4.2 Service Rates (cont'd).****4.2.3 Calling Card Service Rates.**

Initial Call Unit	Incremental Call Unit
\$0.1422	\$0.0474

Calling Card Service Charge.

The Customer will be assessed a surcharge of \$0.75 for each Calling Card Service Call.

Calling Card Service Payphone Surcharge.

The Customer will be assessed a surcharge of \$0.25 for each Calling Card Service Call placed from a payphone.

Issued:

Effective:

Issued by: Robert A. Morris, Vice President and General Manager
SouthNet TeleComm Services, Inc.
2300 Lake Park Drive, Suite 100
Smyrna, GA 30080

TELECOMMUNICATIONS SERVICES

SECTION 4 - RATES AND CHARGES (cont'd)

4.2 Service Rates (cont'd).

4.2.4 Miscellaneous Rates and Charges.

4.2.5.A Presubscribed Interexchange Carrier Change Charge. The Company reserves the right to assess on the Customer a one time Presubscribed Interexchange Carrier Change Charge of \$5.00 upon initiation of the Services.

4.2.5.B Pass-Through Charges. The Company reserves the right to pass through to the Customer any charges resulting from governmental assessment, tax, charges or action.

Issued:

Effective:

Issued by: Robert A. Morris, Vice President and General Manager
SouthNet TeleComm Services, Inc.
2300 Lake Park Drive, Suite 100
Smyrna, GA 30080

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

IN THE MATTER OF THE APPLICATION OF)
SOUTHNET TELECOMM SERVICES, INC. FOR)
A CERTIFICATE OF AUTHORITY TO PROVIDE)
TELECOMMUNICATIONS SERVICES IN)
SOUTH DAKOTA)

ORDER GRANTING
CERTIFICATE OF
AUTHORITY

TC99-036

On April 13, 1999, 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 SouthNet TeleComm Services, Inc. (SouthNet).

SouthNet proposes to offer toll telecommunications services in South Dakota, including interLATA and intraLATA switched and dedicated outbound interexchange services and calling card services accessed via company-provided 800/888 numbers. A proposed tariff was filed by SouthNet. The Commission has classified long distance service as fully competitive.

On April 15, 1999, the Commission electronically transmitted notice of the filing and the intervention deadline of April 30, 1999, to interested individuals and entities. No petitions to intervene or comments were filed and at its May 12, 1999, meeting, the Commission considered SouthNet's request for a certificate of authority. Commission Staff recommended granting a certificate of authority, subject to the condition that SouthNet not offer a prepaid calling card or require deposits or advance payments without prior approval of the Commission.

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 SouthNet has met the legal requirements established for the granting of a certificate of authority. SouthNet 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 SouthNet's application for a certificate of authority, subject to the condition that SouthNet not offer a prepaid calling card or require deposits or advance payments without prior approval of the Commission. As the Commission's final decision in this matter, it is therefore

ORDERED, that SouthNet's application for a certificate of authority is hereby granted, effective June 13, 1999, subject to the condition that SouthNet not offer a prepaid calling card or require deposits or advance payments without prior approval of the Commission. It is

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

Dated at Pierre, South Dakota, this 18th day of May, 1999.

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

Date

5/19/98

(OFFICIAL SEAL)

BY ORDER OF THE COMMISSION:

James A. Burg
JAMES A. BURG, Chairman

Pam Nelson
PAM NELSON, Commissioner

Laska 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 May 12, 1999, effective June 13, 1999
Docket No. TC99-036

This is to certify that

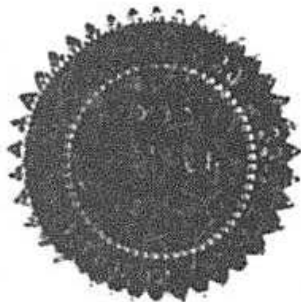
SOUTHNET TELECOMM SERVICES, INC.

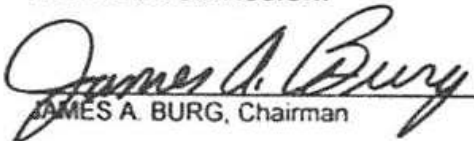
is authorized to provide telecommunications services in South Dakota.

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.

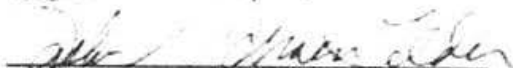
Dated at Pierre, South Dakota, this 18th day of May, 1999.

**SOUTH DAKOTA PUBLIC
UTILITIES COMMISSION:**




JAMES A. BURG, Chairman


PAM NELSON, Commissioner


LASKA SCHOENFELDER, Commissioner