

DATE	MEMORANDA
4/30 99	Filed and Docketed;
5/6 99	Weekly Filing;
6/17 99	Revised, Tariff Page 10;
7/16 99	Order Granting COA;
7/16 99	Docket Closed.



210 N. Park Ave.
Winter Park, FL
32789

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

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

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

RE: Registration of NET-tel Corporation d/b/a NET-tel Communications Corporation (FL)

Dear Mr. Bullard:

Enclosed for filing are the original and ten (10) copies of the registration request of NET-tel Corporation d/b/a NET-tel Communications Corporation for authority to provide intrastate telecommunications services within South Dakota. I am also enclosing a check for \$250.00 for the applicable filing fee.

Please acknowledge receipt of this filing by date stamping the extra copy of this cover letter and returning it to me in the self-addressed stamped envelope.

Any questions you may have regarding this filing may be directed to me at (407) 740-8575. Thank you for your assistance.

Sincerely,

Thomas M. Forte
Consultant to
NET-tel Corporation

Enclosures

cc: Tom Lera - NET-tel
file: NET-tel - SD
tms# SDi9900

TC99-051

April 26, 1999

Via Overnight Delivery

RECEIVED

APR 30 1999

SOUTH DAKOTA PUBLIC
UTILITIES COMMISSION

**REGISTRATION OF
NET-TEL CORPORATION**

TC99-051

Pursuant to Rule 20:10:24:02 of the Commission's Telecommunications Services Rules, NET-tel Corporation ("NET-tel") submits the following registration information:

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

NET-tel Corporation
1023 31st Street NW
Washington DC, 20007
Telephone: (202) 295-6600
Facsimile: (202) 625-0078
Toll Free: (888) 263-8835 or (888) 2NET-tel

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

Same

3. If the applicant is a corporation:

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

The company was formed as a Florida Corporation on February 9, 1995 as NET TEL, INC. The Articles of Incorporation were amended on June 1, 1996 to NET-tel Corporation.

- (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: NET-tel has no principal offices in South Dakota.

Registered Agent: C T Corporation System
319 S. Coteau Street
Pierre, SD 57501

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

See Attachment II.

3. If the applicant is a corporation (continued):

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

See Attachment III.

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

See Attachment III.

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

See Attachment III.

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

None.

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

Not applicable.

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

NET-tel is a switchless reseller of interexchange telecommunications services. NET-tel originates calls via feature group D purchased by NET-tel from the local exchange carrier.

The calls are routed over switched access facilities to the nearest underlying carrier's point of presence. The underlying carrier transports the calls to its switch and terminates calls over its own terminating network (feature group or leased facilities).

Resold telecommunications services offered by NET-tel include outbound presubscribe and casual calling service, toll free inbound service and travel card service. Services are provided to both residential and business customers. Intrastate service is offered as an add-on to NET-tel's interstate service.

NET-tel's outbound casual calling service allows customers to place direct dialed calls to interstate and intrastate terminating locations. Calls are placed by dialing "1015041" or the company's "10xxx" code when issued and the destination telephone number, including the area code if applicable.

NET-tel's toll free service is an inward 800/888 type service. It permits termination of interstate and intrastate calls from diverse geographic locations to Customer local exchange lines or to dedicated access facilities. With toll free service, the Customer is billed for the call rather than the call originator.

NET-tel's travel card service allows customers to place calls from locations other than their normal place of business or residence. A toll free access number must be dialed to reach the NET-tel network. A customer-specific authorization code is then dialed in addition to the destination telephone number. Customers may connect to NET-tel's travel card service from any location which permits the dialing of the company's toll free access number.

Billing for direct dialed services provided by NET-tel will be handled by either the company for large customers or through the LEC for all other customers. The telephone number for customer inquiries and complaints, (888) 263-8835 or (888) 2NET-tel, will be provided by NET-tel on all customer bills.

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

NET-tel is a switchless reseller of interexchange telecommunications services. NET-tel originates calls via feature group D purchased by NET-tel's underlying carriers Frontier or MCI/WorldCom from the local exchange carrier. The calls are routed over switched access facilities to the nearest underlying carrier's point of presence. The underlying carrier transports the calls to its switch and terminates calls over its own terminating network (feature group or leased facilities).

NET-tel has no plans to construct switching or transmission facilities in South Dakota.

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

NET-tel intends to offer its services throughout the State of South Dakota.

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

NET-tel is providing its most recent financial statements as proof of its ability to provide telecommunications services within South Dakota.

The terms and conditions of service, as well as all rates and charges are provided in the applicant's proposed tariff in Attachment V.

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

For inquiries regarding this application and tariff, contact:

Thomas M. Forte
Technologies Management, Inc.
Consultant to NET-tel Corporation
P.O. Drawer 200
Winter Park, Florida 32790-0200
Telephone: (407) 740-8575
Facsimile: (407) 740-0613

For complaints, on-going regulatory issues and other matters, contact:

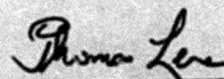
Mr. Thomas M. Lera
Regulatory Manager
NET-tel Corporation
1023 31st Street NW
Washington DC, 20007
Telephone: (202) 295-6600
Facsimile: (202) 625-0078

10. A detailed description of how the applicant intends to market services, the qualifications of its marketing sales personnel, 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.

NET-tel utilizes telemarketing or direct sales employees to contact and market the company's services to new customers. The company does not utilize any form of multilevel marketing in the sale of its services.

Submitted by:

By



Thomas M. Lera
Regulatory Manager
NET-tel Corporation

ATTACHMENT I

AUTHORITY TO OPERATE IN SOUTH DAKOTA

State of South Dakota

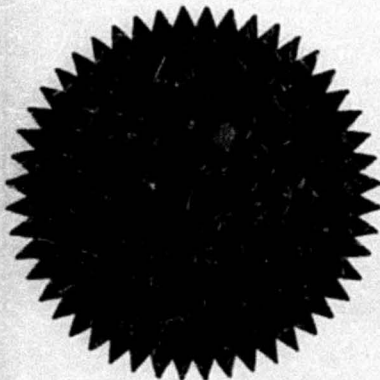


OFFICE OF THE SECRETARY OF STATE

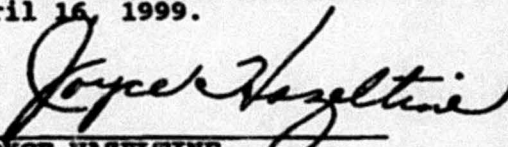
CERTIFICATE OF AUTHORITY

I, JOYCE HAZELTINE, Secretary of State of the State of South Dakota, hereby certify that the Application for a Certificate of Authority of NET-TEL CORPORATION d/b/a NET-TEL COMMUNICATIONS CORPORATION (FL) 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 April 16, 1999.


JOYCE HAZELTINE
Secretary of State

SECRETARY OF STATE
STATE CAPITOL
500 E. CAPITOL
PIERRE, S.D. 57501-5070
605-773-4845
FAX (605) 773-4558

FILE NO. _____

RECEIPT NO. _____

RECEIVED

APR 16 1999

APPLICATION FOR CERTIFICATE OF AUTHORITY

1. 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 NET-tel Corporation, dba NET-tel Communications
(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 Florida Federal Taxpayer ID# 650556498

(4) The date of its incorporation is February 9, 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

1985 South Ocean Drive, Suite 4A, Hallandale, Florida Zip Code 33309

mailing address if different from above is: Same

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 c/o C T Corporation System, 319 S. Coteau Zip 57501
and the name of its proposed registered agent in the State of South Dakota at that address is

C T Corporation System

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

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

Name	Officer Title	Street Address	City	State	Zip
James F. Kenefick	President and Director	1023 31st Street, NW, Washington, D.C.			20007
Thomas Lara	Secretary	1023 31st Street, NW, Washington, D.C.			20007

(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
1,000,000	Common	(No series)	\$0.01

ATTACHMENT II

ARTICLES OF INCORPORATION

ARTICLES OF AMENDMENT

OF

NET-TEL, INC.

PURSUANT TO SECTION 607.1006 OF THE FLORIDA BUSINESS CORPORATION ACT, THE UNDERSIGNED CORPORATION ADOPTS THESE ARTICLES OF AMENDMENT.

FIRST: THE NAME OF THE CORPORATION IS NET TEL, INC.

SECOND: THE ARTICLES OF INCORPORATION OF THIS CORPORATION ARE AMENDED BY CHANGING THE ARTICLES NUMBERED First, Third, and Ninth SO THAT, AS AMENDED, SAID ARTICLE SHALL READ AS FOLLOWS:

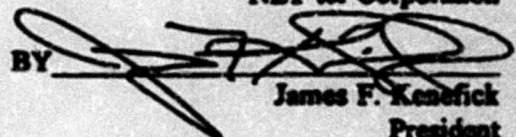
"FIRST" The Name of the Corporation is NET-tel Corporation.

"THIRD" The number of shares which the corporation is authorized to issue is one million (1,000,000) common.

THIRD: THE AMENDMENTS TO THE ARTICLES OF INCORPORATION OF THE CORPORATION SET FORTH ABOVE WERE ADOPTED ON June 1st, 1996.

FOURTH: THE NUMBER OF VOTES CAST FOR THE AMENDMENTS BY THE SHAREHOLDERS IN EACH VOTING GROUP WAS SUFFICIENT FOR APPROVAL BY THAT VOTING GROUP.

SIGNED ON: JUNE 7th, 1996

NET-tel Corporation
BY 
James F. Kenefick
President

State of Florida



Department of State

I certify the attached is a true and correct copy of the Articles of Incorporation of NET TEL, INC., a Florida corporation, filed on February 9, 1995, as shown by the records of this office.

The document number of this corporation is P95000011071.

Given under my hand and the
Great Seal of the State of Florida,
at Tallahassee, the Capital, this the
Ninth day of February, 1995



CR2E022 (2-91)

Sandra B. Northam
Secretary of State



FLORIDA DEPARTMENT OF STATE

Sandra B. Mortham
Secretary of State

February 9, 1995

**CT CORPORATION SYSTEM
1311 EXECUTIVE CENTER DRIVE
SUITE 200
TALLAHASSEE, FL 32301**

The Articles of Incorporation for NET TEL, INC. were filed on February 9, 1995 and assigned document number P95000011071. Please refer to this number whenever corresponding with this office regarding the above corporation. The certification you requested is enclosed.

PLEASE NOTE: COMPLIANCE WITH THE FOLLOWING PROCEDURES IS ESSENTIAL TO MAINTAINING YOUR CORPORATE STATUS. FAILURE TO DO SO MAY RESULT IN DISSOLUTION OF YOUR CORPORATION.

A CORPORATION ANNUAL REPORT MUST BE FILED WITH THIS OFFICE BETWEEN JANUARY 1 AND MAY 1 OF EACH YEAR BEGINNING WITH THE CALENDAR YEAR FOLLOWING THE YEAR OF THE FILING DATE NOTED ABOVE AND EACH YEAR THEREAFTER. FAILURE TO FILE THE ANNUAL REPORT ON TIME MAY RESULT IN ADMINISTRATIVE DISSOLUTION OF YOUR CORPORATION.

A FEDERAL EMPLOYER IDENTIFICATION (FEI) NUMBER MUST BE SHOWN ON THE ANNUAL REPORT FORM PRIOR TO ITS FILING WITH THIS OFFICE. CONTACT THE INTERNAL REVENUE SERVICE TO RECEIVE THE FEI NUMBER IN TIME TO FILE THE ANNUAL REPORT AT 1-800-828-3878 AND REQUEST FORM SS-4.

SHOULD YOUR CORPORATE MAILING ADDRESS CHANGE, YOU MUST NOTIFY THIS OFFICE IN WRITING, TO INSURE IMPORTANT MAILINGS SUCH AS THE ANNUAL REPORT NOTICES REACH YOU.

Should you have any questions regarding corporations, please contact this office at the address given below.

**Frinda Chesser, Corporate Specialist
New Filings Section**

Letter Number: 695A00005782

FILED
1995 FEB -9 AM 11:55
SECURITY DIVISION
TALLAHASSEE, FL 32304

(b) STATEMENT OF THE VARIATIONS IN THE RELATIVE RIGHTS AND PREFERENCES AS BETWEEN SERIES INSOFAR AS THE SAME ARE TO BE FIXED IN THE ARTICLES OF INCORPORATION:

<u>SERIES</u>	<u>RELATIVE RIGHTS</u>	<u>PREFERENCES</u>
<u>N/A</u>	<u>N/A</u>	<u>N/A</u>

(c) STATEMENT OF ANY AUTHORITY TO BE VESTED IN THE BOARD OF DIRECTORS TO ESTABLISH SERIES AND FIX AND DETERMINE THE VARIATIONS IN THE RELATIVE RIGHTS AND PREFERENCES BETWEEN SERIES:

W/A

SIXTH: PROVISIONS GRANTING PREEMPTIVE RIGHTS ARE:

Granted

SEVENTH: PROVISIONS FOR THE REGULATION OF THE INTERNAL AFFAIRS OF THE CORPORATION ARE:

Notes

EIGHTH: THE STREET ADDRESS OF THE INITIAL REGISTERED OFFICE OF THE CORPORATION IS 1200 South Pine Island Road, Plantation, FL 33324 AND THE NAME OF ITS INITIAL REGISTERED AGENT AT SUCH ADDRESS IS CT Corporation System

*NINTH: THE NUMBER OF DIRECTORS CONSTITUTING THE INITIAL BOARD OF DIRECTORS OF THE CORPORATION IS One AND THE NAMES AND ADDRESSES OF THE PERSONS WHO ARE TO SERVE AS DIRECTORS UNTIL THE FIRST ANNUAL MEETING OF SHAREHOLDERS OR UNTIL THEIR SUCCESSORS ARE ELECTED AND SHALL QUALIFY ARE:

TENTH: THE NAME AND ADDRESS OF EACH INCORPORATOR IS:

Francis P. Regan 1025 Vermont Ave., N.W., Washington, DC 20005
Lisa J. Wright 1025 Vermont Ave., N.W., Washington, DC 20005
S. Thomas Sombar 1025 Vermont Ave., N.W., Washington, DC 20005

THE UNDERSIGNED HAS (HAVE) EXECUTED THESE ARTICLES OF INCORPORATION

THIS 19th DAY OF January, 1995

Francis P. Regan
SIGNATURE/TITLE

Lisa J. Wright
SIGNATURE/TITLE

S. Thomas Sombar
SIGNATURE/TITLE

ACCEPTANCE BY THE REGISTERED AGENT AS REQUIRED IN SECTION
607.0501 (3) F.S.: CT CORPORATION SYSTEM IS FAMILIAR WITH AND
ACCEPTS THE OBLIGATIONS PROVIDED FOR IN SECTION 607.0505.

DATED January 19, 1995

SECRETARY OF STATE
TALLAHASSEE
1995 FEB - 9
FILE
CT Corporation System
BY A.D. Hamilton
A.D. Hamilton

(TYPE NAME OF OFFICER)

Special Asst. Secretary

(TITLE OF OFFICER)

ATTACHMENT III

OFFICERS, DIRECTORS, STOCKHOLDERS

Audited Consolidated Financial Statements

NET-tel Communications, Inc.

*Period from February 9, 1995 (inception)
through December 31, 1995,
years ended December 31, 1996 and 1997 and
the three months ended March 31, 1998
with Report of Independent Auditors*

START

OF

RETAKE

ATTACHMENT III

OFFICERS, DIRECTORS, STOCKHOLDERS

The following individuals serve as officers and directors of NET-tel Corporation. The company's corporate headquarters at 1023 31st Street NW, Washington DC, 20007

James F. Kenefick - President

Thomas M. Lera - Regulatory Manager/Secretary

ATTACHMENT IV

FINANCIAL INFORMATION

END

OF

RETAKE

NET-tel Communications, Inc.

Audited Consolidated Financial Statements

**Period from February 9, 1995 (inception)
through December 31, 1995,
years ended December 31, 1996 and 1997 and
the three months ended March 31, 1998**

Contents

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Consolidated Statements of Operations	3
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Report of Independent Auditors

Board of Directors
NET-tel Communications, Inc.

We have audited the accompanying consolidated balance sheets of NET-tel Communications, Inc. as of March 31, 1998, December 31, 1997 and 1996, and the related consolidated statements of operations, stockholders' equity (deficit), and cash flows for the three months ended March 31, 1998, the two years ended December 31, 1997 and 1996 and the period from February 9, 1995 (inception) through December 31, 1995. These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audits.

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

In our opinion, the financial statements referred to above present fairly, in all material respects, the consolidated financial position of NET-tel Communications, Inc. at March 31, 1998, December 31, 1997 and 1996, and the results of its operations and its cash flows for the three months ended March 31, 1998, the two years ended December 31, 1997 and 1996 and the period from February 9, 1995 (inception) through December 31, 1995 in conformity with generally accepted accounting principles.

Ernst & Young LLP

May 22, 1998, except for the last
two paragraphs of Note 7,
as to which the date is June 26, 1998

NET-tei Communications, Inc.

Consolidated Balance Sheets

	December 31,		March 31,
	1996	1997	1998
Assets			
Current assets:			
Cash	\$ 92,172	\$ 50,213	\$ 6,491,751
Accounts receivable, net of allowance of \$0, \$0 and \$26,575 at December 31, 1996 and 1997 and March 31, 1998, respectively	10,557	366,615	576,743
Deposits	2,608	10,257	158,783
Prepaid expenses	-	18,671	26,282
Total current assets	105,337	445,756	7,253,559
Property and equipment, net of accumulated depreciation	24,110	72,980	150,066
Total assets	\$ 129,447	\$ 518,736	\$ 7,403,625
Liabilities and stockholders' equity (deficit)			
Current liabilities:			
Accounts payable and accrued expenses	\$ 40,666	\$ 551,987	\$ 1,609,615
Accrued interest	-	34,981	8,130
Notes payable to related parties	673,926	-	-
Lines of credit	-	1,025,000	-
Current portion of capital lease obligations	9,886	21,141	35,892
Other current liabilities	-	18,379	11,461
Total current liabilities	724,478	1,651,488	1,665,098
Capital lease obligations, less current portion	7,836	9,064	25,489
Commitments:			
Stockholders' equity (deficit):			
Common stock, \$.0001 per value, 50,000,000 shares authorized	34	1,403	1,309
Additional paid-in capital	10,100	1,529,324	11,469,998
Accumulated deficit	(613,001)	(2,672,543)	(5,758,269)
Total stockholders' equity (deficit)	(602,867)	(1,141,816)	5,713,038
Total liabilities and stockholders' equity (deficit)	\$ 129,447	\$ 518,736	\$ 7,403,625

See accompanying notes.

NET-tel Communications, Inc.
Consolidated Statements of Operations

	Period from February 9, 1995 (inception) through December 31, 1995	Year ended December 31,		Three months ended March 31,
		1996	1997	1998
Revenue	\$ -	\$ 12,266	\$ 3,661,894	\$ 1,403,762
Cost of revenue	-	7,190	2,502,029	966,711
Gross profit	-	5,076	1,159,865	437,051
Expenses:				
Sales and marketing	-	142,189	2,401,240	1,705,930
General and administrative	74,492	384,833	697,892	1,814,009
Depreciation	105	6,773	20,544	8,510
Loss from operations	(74,597)	(528,719)	(1,959,811)	(3,091,398)
Other income (expense):				
Interest income	-	2,000	9,014	29,796
Interest expense	-	(11,685)	(108,745)	(24,124)
Total other income (expense)	-	(9,685)	(99,731)	5,672
Net loss	\$ (74,597)	\$ (538,404)	\$ (2,059,542)	\$ (3,085,726)

See accompanying notes.

NET-tel Communications, Inc.

Consolidated Statements of Stockholders' Equity (Deficit)

	Common Stock		Treasury Stock		Additional Paid-In Capital	Accumulated Deficit	Total Stockholders' Equity
	Shares	Amount	Shares	Amount			
Initial issuance of common stock	150,000	\$ 15	-	\$ -	\$ 85	\$ -	\$ 100
Net loss	-	-	-	-	-	(74,597)	(74,597)
Balance at December 31, 1995	150,000	15	-	-	85	(74,597)	(74,497)
Issuance of common stock	189,585	19	-	-	10,015	-	10,034
Net loss	-	-	-	-	-	(538,404)	(538,404)
Balance at December 31, 1996	339,585	34	-	-	10,100	(613,001)	(602,867)
Issuance of common stock	13,685,430	1,369	-	-	1,474,224	-	1,475,593
Contributed capital	-	-	-	-	45,000	-	45,000
Net loss	-	-	-	-	-	(2,059,542)	(2,059,542)
Balance at December 31, 1997	14,025,015	1,403	-	-	1,529,324	(2,672,543)	(1,141,816)
Purchase of treasury stock	-	-	(2,726,015)	(60,000)	-	-	(60,000)
Issuance of treasury stock	-	-	1,791,000	39,420	9,909,036	-	9,948,456
Contributed capital	-	-	-	-	52,124	-	52,124
Retiring of treasury stock	(935,015)	(94)	935,015	20,580	(20,486)	-	-
Net loss	-	-	-	-	-	(3,085,726)	(3,085,726)
Balance at March 31, 1998	13,090,000	\$ 1,309	-	\$ -	\$11,469,998	\$ (5,758,269)	\$ 5,713,638

See accompanying notes.

NET-tel Communications, Inc.

Consolidated Statements of Cash Flows

	Period from February 9, 1995 (inception) through December 31, 1995	Year ended December 31, 1996	Year ended December 31, 1997	Three months ended March 31, 1998
Operating activities				
Net loss	\$ (74,597)	\$ (538,404)	\$ (2,059,542)	\$ (3,085,726)
Adjustments to reconcile net loss to net cash used in operating activities:				
Depreciation	105	6,773	20,544	8,510
Interest	-	10,034	-	17,143
Changes in operating assets and liabilities:				
Accounts receivable	-	(10,557)	(356,058)	(210,128)
Other assets	(462)	(2,248)	(26,320)	(156,137)
Accounts payable and accrued liabilities	4,882	35,785	546,302	1,005,759
Other current liabilities	-	-	18,379	(6,918)
Net cash used in operating activities	(70,072)	(498,617)	(1,856,695)	(2,427,497)
Investing activities				
Purchases of property and equipment	(3,082)	(7,269)	(42,105)	(48,606)
Net cash used in investing activities	(3,082)	(7,269)	(42,105)	(48,606)
Financing activities				
Payments on capital lease obligations	-	(2,813)	(14,826)	(5,815)
Proceeds from notes payable	74,415	644,660	21,000	-
Payments on notes payable	-	(45,150)	(24,333)	-
Proceeds from lines of credit	-	-	1,285,000	250,000
Payments on lines of credit	-	-	(260,000)	(1,275,000)
Issuance of common stock	100	-	850,000	-
Issuance of treasury stock	-	-	-	9,948,456
Net cash provided by financing activities	74,515	596,697	1,856,841	8,917,641
Net increase (decrease) in cash	1,361	90,811	(41,959)	6,441,538
Cash at beginning of period	-	1,361	92,172	50,213
Cash at end of period	\$ 1,361	\$ 92,172	\$ 50,213	\$ 6,491,751
Supplemental disclosure of cash flow information				
Cash paid during the period for interest	\$ -	\$ 1,651	\$ 46,030	\$ 11,751
Supplemental disclosure of non-cash financing activities				
Purchase of treasury stock	\$ -	\$ -	\$ -	\$ 60,000
Conversion of debt to equity	\$ -	\$ 10,034	\$ 625,593	\$ -
Contributed capital	\$ -	\$ -	\$ 45,000	\$ 52,124
Assets purchased under capital leases	\$ -	\$ 20,535	\$ 27,309	\$ 36,992

See accompanying notes.

NET-tel Communications, Inc.

Notes to Consolidated Financial Statements

March 31, 1998

1. Summary of Significant Accounting Policies

The Company

NET-tel Communications, Inc. ("NET-tel" and the "Company"), a Delaware corporation, was incorporated on December 1, 1997, and pursuant to a reorganization and exchange offer (the "Reorganization") completed on December 30, 1997, became the parent company of a wholly-owned subsidiary, NET-tel Corporation ("NET-tel Corp."). NET-tel Corp. was incorporated in the State of Florida in February 1995. In the consolidated financial statements, the historical shareholders' equity of NET-tel Corp. prior to the Reorganization has been retroactively restated for the equivalent number of shares received in the Reorganization, on a 15 to 1 basis, after giving effect to the difference in par value of NET-tel Corp.'s common stock of \$0.01 and NET-tel Communications' common stock of \$0.0001 by an offset to additional paid in capital. (See Note 4.)

The Company is an interexchange carrier ("IXC") offering residential and commercial long distance telephone services primarily to medium-sized, small and small office/home office business customers in selected markets across the United States. NET-tel Corp. began carrying traffic in December 1996 and initially marketed "casual calling" services primarily to residential customers. Currently, the Company markets direct-dial long distance services through multiple sales channels. In addition, NET-tel offers 800 and 888 service, international long distance, calling cards, conference calling, T-1 and Internet connectivity services.

Basis of Presentation

The consolidated financial statements include the accounts of the Company and its wholly-owned subsidiary, NET-tel Corp. All significant intercompany balances and transactions have been eliminated in consolidation.

Use of Estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the amounts reported in the financial statements and accompanying notes. Actual results could differ from these estimates.

NET-tel Communications, Inc.

Notes to Consolidated Financial Statements (continued)

1. Summary of Significant Accounting Policies (continued)

Property and Equipment

Property and equipment are stated at historical cost and are depreciated using the straight-line method over the shorter of the asset's estimated useful life or the lease term ranging from two to seven years. Property and equipment consist of the following:

	December 31, 1996	December 31, 1997	March 31, 1998
Office equipment and furniture	\$10,453	\$ 36,314	\$ 56,712
Computer equipment held under capital leases	20,535	47,844	84,836
Computer equipment	-	10,729	38,935
Leasehold improvements	-	5,515	5,515
	30,988	100,402	185,998
Less accumulated depreciation	(6,878)	(27,422)	(35,932)
	<u>\$ 24,110</u>	<u>\$ 72,980</u>	<u>\$150,066</u>

Revenue Recognition

The Company's revenue was primarily derived from the sale of "casual calling" long distance services. The Company records revenue from the sale of telecommunications services at the time of customer usage. The Company earns revenue based on the number of minutes it bills to and collects from its customers. All casual calling revenue is billed directly by the local exchange carrier ("LEC") to the residential customer.

Cost of Revenue

The Company's cost of revenue primarily consists of costs associated with the origination, transport, and termination of the Company's telecommunications traffic.

NET-tel Communications, Inc.

Notes to Consolidated Financial Statements (continued)

1. Summary of Significant Accounting Policies (continued)

Sales and Marketing

In 1998, the Company began marketing its services through four principal sales channels including direct sales, franchising, telesales (prime dealers) and independent agents. Branchising is a cooperative relationship in which the Company partners with independent telecommunications sales professionals who build sales teams to exclusively sell NET-tel's services in exchange for operational support and sales commissions. The franchise agreements have three year terms under which the Company is committed to advancing limited funds to support operating expenses for up to twelve months, provided that designated revenue and employee targets are achieved. Under the prime dealer agreements, NET-tel is committed to advancing limited funds to the prime dealers to support operating expenses for up to eight months, provided that designated revenue and telesales stations targets are achieved. The Company currently expenses these advances as they are made to the franchisees and prime dealers. In addition to provisions for advances and commissions, both the franchisees and prime dealers could receive warrants to purchase shares of common stock upon the first, second and third anniversaries of the effective dates of the contracts if certain conditions are met.

Advertising Expense

The Company expenses all advertising costs as incurred. The Company incurred approximately \$0, \$142,000, \$2.3 million, and \$1.2 million in advertising costs, primarily for direct mailers, for the period from February 9, 1995 (inception) through December 31, 1995, the years ended December 31, 1996 and 1997 and for the three months ended March 31, 1998, respectively.

Stock Options

The Company has adopted Statement of Financial Accounting Standards No. 123, *Accounting for Stock-Based Compensation* ("SFAS No. 123"). SFAS No. 123 allows companies to account for stock-based compensation either under the new provisions of SFAS No. 123 or under the provisions of *Accounting Principles Bulletin* No. 25, *Accounting for Stock Issued to Employees* ("APB 25"), but requires pro forma disclosure in the footnotes to the financial statements as if the measurement provisions of SFAS No. 123 had been adopted. The Company has elected to account for its stock-based compensation in accordance with the provisions of APB No. 25.

NET-tel Communications, Inc.

Notes to Consolidated Financial Statements (continued)

1. Summary of Significant Accounting Policies (continued)

Significant Relationships

The Company entered into a 5 1/2 year sub-Carrier Identification Code ("CIC") contract on August 13, 1996 with Telco Communications Group ("Telco"), which was subsequently merged with Excel Communications, Inc., for termination of long distance traffic throughout the United States. For the year ended December 31, 1997 and the three months ended March 31, 1998, 98% and 81%, respectively, of the Company's total revenue was received through Telco, and the remaining revenue came from direct billing to commercial customers. As part of the CIC contract, the Company receives advances from Telco on 80% of the LEC-billed revenue. The Company pays interest on these advanced funds at the Prime rate plus 4%. Typically, the Company does not receive the remaining 20% of revenue until after Telco has collected the funds from the LEC, in which case any uncollected revenue is subtracted from the remaining 20%. The Company paid \$55,589 and \$8,130 in interest on these advances in the year ended December 31, 1997 and the quarter ended March 31, 1998, respectively. At December 31, 1996, the Company had a receivable of \$10,557 and a payable of \$10,033 with Telco. At December 31, 1997, the Company had a receivable of \$344,162 and a payable of \$362,853 with Telco. At March 31, 1998, the Company had a receivable of \$449,668 and a payable of \$483,700 with Telco.

Fair Value of Financial Instruments

The Company considers the recorded costs of its financial assets and liabilities, which consist primarily of cash, accounts receivable, accounts payable, related party notes payable and lines of credit to approximate the fair value of the respective assets and liabilities. The Company performs credit evaluations of the financial condition of its customers and typically does not require collateral from its customers.

Reclassifications

Certain amounts in the December 31, 1996 and 1997 financial statements have been reclassified to conform with the presentation of the March 31, 1998 financial statements.

NET-tel Communications, Inc.

Notes to Consolidated Financial Statements (continued)

1. Summary of Significant Accounting Policies (continued)

Comprehensive Income

In June 1997, the FASB issued Statement No. 130, *Reporting Comprehensive Income*, which is effective for fiscal years beginning after December 15, 1997. The Statement establishes standards for reporting and display of comprehensive income and its components in financial statements. The Company will adopt Statement No. 130 in 1998 and will provide the financial statement disclosures as required by the Statement. The application of the new rules is not expected to have a material impact on the Company's financial position or results from operations.

Segments

In June 1997, the FASB issued SFAS 131, *Disclosure About Segments of an Enterprise and Related Information*. SFAS 131 is effective for the fiscal year ended December 31, 1998 and establishes standards for disclosures about products, geographies and major customers. The Company expects that implementation of this standard will not have a material effect on its financial statement disclosures.

Start-up Activities

The Accounting Standards Executive Committee (AcSEC) recently issued SOP 98-5, *Reporting on the Costs of Start-up Activities*. SOP 98-5 is effective for fiscal years beginning after December 15, 1998 and requires the costs of start-up activities, including organization costs, to be expensed as incurred. The Company has elected early adoption of SOP 98-5. However, the early adoption of the new rules does not have a material effect on the Company's financial position or results from operations.

Year 2000 (Unaudited)

There is concern generally in the telecommunications industry concerning the "Year 2000 issue". The Year 2000 issue involves the risk that computer systems using two-digit date fields will fail to properly recognize the year 2000. This is expected to result in system failures or miscalculations causing disruptions of operations, including, among other things, a temporary inability to process transactions, send invoices, or engage in other normal business activities. The Company is in the initial phase of studying the implications of the Year 2000 issue on its systems. The Company does not expect to incur significant expenditures to address this issue. However, the ability of third parties with whom the Company transacts business to adequately address their Year 2000 issues is outside the Company's control.

NET-tel Communications, Inc.

Notes to Consolidated Financial Statements (continued)

2. Notes Payable and Lines of Credit (continued)

In September 1997, the Company obtained another revolving line of credit from the same shareholder for \$650,000. The terms require written loan requests to be in increments of \$25,000 with 5 day notices given to the shareholder for fund availability. Interest accrues on unpaid balances on a calendar monthly basis at a rate of 1½%, and is due within 30 days after the end of each calendar quarter. An amendment to this agreement in October 1997 provided for an additional \$650,000 line of credit, giving the Company total available credit of \$1,300,000. The revolving line of credit balance and all unpaid accrued interest is due and payable upon the Company obtaining financing from other sources. The Company borrowed \$1,200,000 against this credit facility during 1997, and had an outstanding balance of \$1,000,000 as of December 31, 1997. In the first three months of 1998, the Company borrowed an additional \$250,000 against this line of credit. The principal balance of \$1,250,000 was repaid in February 1998 and the accrued interest of \$52,124 was forgiven and converted to additional paid-in capital.

In January 1997, the Company established a revolving credit facility with a bank whereby the bank agreed to provide for working capital and letters of credit up to \$50,000. The Company was required to make monthly payments of accrued interest on any unpaid balances at the bank's Prime rate plus 2%. The facility was due and payable in full on demand and expired with all outstanding principal and interest due and payable on February 6, 1998. This line of credit was guaranteed by one of the shareholders of the Company. As of December 31, 1997, the Company had unused available credit of \$25,000 and an outstanding balance of \$25,000 under this revolving credit facility. In February 1998 the Company paid the outstanding balance on the line of credit along with the interest due. The line of credit was subsequently terminated.

3. Commitments

The Company leases certain computer equipment under capital lease agreements with 24 month terms which expire from July 1998 through April 2000. Capital lease depreciation is included in depreciation expense and accumulated depreciation in the accompanying financial statements. Capital leases entered into during the period from February 9, 1995 (inception) through December 31, 1995, the years ended December 31, 1996 and 1997, and the three months ended March 31, 1998 were \$0, \$20,535, \$27,309, and \$36,992, respectively.

NET-tel Communications, Inc.

Notes to Consolidated Financial Statements (continued)

2. Notes Payable and Lines of Credit (continued)

In September 1997, the Company obtained another revolving line of credit from the same shareholder for \$650,000. The terms require written loan requests to be in increments of \$25,000 with 5 day notices given to the shareholder for fund availability. Interest accrues on unpaid balances on a calendar monthly basis at a rate of 1½%, and is due within 30 days after the end of each calendar quarter. An amendment to this agreement in October 1997 provided for an additional \$650,000 line of credit, giving the Company total available credit of \$1,300,000. The revolving line of credit balance and all unpaid accrued interest is due and payable upon the Company obtaining financing from other sources. The Company borrowed \$1,200,000 against this credit facility during 1997, and had an outstanding balance of \$1,000,000 as of December 31, 1997. In the first three months of 1998, the Company borrowed an additional \$250,000 against this line of credit. The principal balance of \$1,250,000 was repaid in February 1998 and the accrued interest of \$52,124 was forgiven and converted to additional paid-in capital.

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NET-tel Communications, Inc.

Notes to Consolidated Financial Statements (continued)

4. Equity Transactions

Common Stock

On December 30, 1997, the shareholders of NET-tel Corp. transferred each share of common stock in NET-tel Corp. for fifteen shares of common stock in NET-tel Communications, Inc. Effective this date, NET-tel Corp. became a wholly-owned subsidiary of NET-tel Communications, Inc. Upon incorporation in December 1997, the Company was granted the authority to issue 50 million shares of common stock at a \$0.0001 per value. In the consolidated financial statements, the historical shareholders' equity of NET-tel Corp. prior to the Reorganization has been retroactively restated for the equivalent number of shares received in the Reorganization, after giving effect to the difference in par value of NET-tel Corp.'s common stock of \$0.01 and NET-tel Communications' common stock of \$0.0001 by an offset to additional paid in capital.

NET-tel Corp. was incorporated in the State of Florida in February 1995 as an S Corporation. All authorized shares were issued to the founder and sole shareholder upon incorporation. On December 31, 1996, the Company was converted from an S Corporation to a C Corporation and the accrued interest on a note payable to the sole shareholder was converted to equity. On January 20, 1997, \$375,593 of the principal balance of this note payable balance was converted to equity along with a \$250,000 note payable to one of the Company's directors.

On January 1, 1998, one of the shareholders returned 2,726,015 shares of common stock to the treasury for an increase in compensation of \$60,000. On February 24, 1998, 1,791,000 shares of the treasury stock were reissued to other investors for \$9,948,000. The remaining treasury shares were retired.

Stock Options

The 1998 Stock Incentive Plan (the "Plan") was adopted by the Board of Directors and approved by the stockholders on December 30, 1997. The purpose of the Plan is to offer selected individuals an opportunity to acquire a proprietary interest in the success of the Company, or to increase such interest, by purchasing shares of the Company's stock. The aggregate number of shares of common stock for which options may be granted under the Plan shall not exceed 2,310,000 shares.

NET-tel Communications, Inc.

Notes to Consolidated Financial Statements (continued)

4. Equity Transactions (continued)

Additional information with respect to stock option activity is summarized as follows:

	Three months ended March 31, 1998	
	Shares	Weighted-Average Exercise Price
Outstanding at beginning of period	0	\$ -
Options granted	1,730,000	\$ 0.17
Options exercised	-	\$ -
Options canceled or expired	-	\$ -
Outstanding at end of period	1,730,000	\$ 0.17
Options exercisable at end of period	-	\$ -

The options granted in 1998 were granted with exercise prices ranging from \$0.17 to \$0.187 per share and have a three year vesting period. No options have been exercised as of March 31, 1998. The weighted average remaining contractual life of the options outstanding at March 31, 1998 was 9.8 years.

The Company applies APB 25 in accounting for its stock option incentive plan and, accordingly, recognizes compensation expense for the difference between the fair value of the underlying common stock and the grant price of the option at the date of grant. The effect of applying SFAS No. 123's fair value method to the Company's stock-based awards results in net losses of \$3,090,612 for the three months ended March 31, 1998. The fair value of options granted in 1998, used as a basis for the above pro forma disclosures, was estimated as of the date of grant using a minimum value method option pricing model with the following weighted-average assumptions: dividend yield of 0%; risk-free interest rate of 6.5%; and expected life of the option of 10 years. The effect of applying SFAS No. 123 on 1998 pro forma net loss as stated above is not necessarily representative of the effects on reported net income for future years due to, among other things, the vesting period of the stock options and the fair value of additional stock options in future years.

NET-tel Communications, Inc.

Notes to Consolidated Financial Statements (continued)

5. Taxes

The Company accounts for taxes under Statement of Financial Accounting Standards No. 109, *Accounting for Income Taxes* ("SFAS 109"). Under SFAS 109, deferred tax liabilities and assets are determined based on the difference between the financial statement and tax basis of assets and liabilities using enacted rates expected to be in effect during the year in which the differences reverse. The Company files its income tax returns on the cash basis and this difference is the principal difference between financial statement and tax basis, as well as the net operating loss carryforwards described below.

For the period July 1, 1995 (date business operations began) to December 31, 1996, NET-tel Corp. and its stockholders were taxed as an S Corporation under the Internal Revenue Code. Under the provisions of the Tax code, the stockholders included their pro rata share of the NET-tel Corp.'s income and losses in their personal income tax returns. Accordingly, NET-tel Corp. was not subject to Federal income taxes during that period; however, it was subject to state taxes because the District of Columbia does not recognize S Corporation status. As of January 1, 1997, NET-tel Corp. elected to terminate its S Corporation election and accordingly, is now taxed as a C Corporation.

At December 31, 1997 and March 31, 1998 the Company had net operating loss carryforwards of approximately \$1.8 million and \$4.1 million, respectively. The timing and manner in which the operating loss carryforwards may be utilized in any year will be limited to the Company's ability to generate future earnings. Current net operating loss carryforwards will expire in the year 2012. As the Company has not generated earnings and no assurance can be made of future earnings, a valuation allowance in the amount of the deferred taxes has been recorded. The change in the valuation allowance was \$1,259,903 from December 31, 1997 to March 31, 1998.

NET-tel Communications, Inc.

Notes to Consolidated Financial Statements (continued)

7. Subsequent Events (continued)

On June 16, 1998, the Company signed a 60 month contract with Electronic Data Systems Corporation "EDS" with a monthly payment of \$10,175. In addition, NET-tel will pay EDS \$300,000 upon final acceptance of the IBM AS400e hardware and EDS Ixplus customer care, billing and management reporting software application with four annual installments of \$200,000 commencing June 16, 1999. The Company has also initiated a letter of credit in favor of IBM Credit Corp. for \$600,000 related to this purchase commitment.

On June 26, 1998, two of the Company's shareholders purchased an additional 1,540,000 shares of common stock at \$6.49 per share for a total of \$10,000,000. In addition, there are warrants to purchase an additional 1,185,800 shares of common stock exercisable over a 5 year period.

ATTACHMENT V

TARIFF

NET-tel Corporation
TELECOMMUNICATIONS TARIFF

This tariff contains the rates, terms and conditions applicable to the Intrastate Resale Telecommunications Services provided by NET-tel Corporation within the State of South Dakota.

DATED:

EFFECTIVE:

ISSUED BY:

Thomas M. Lera, Regulatory Manager
1023 31st Street NW
Washington, DC 20007

SDi9900

CHECK SHEET

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

PAGE	REVISION	PAGE	REVISION
1	Original *	26	Original *
2	Original *		
3	Original *		
4	Original *		
5	Original *		
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7	Original *		
8	Original *		
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22	Original *		
23	Original *		
24	Original *		
25	Original *		

* - indicates those pages includes with this filing

DATED:

EFFECTIVE:

ISSUED BY:

Thomas M. Lera, Regulatory Manager
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Washington, DC 20007

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DATED:

EFFECTIVE:

ISSUED BY:

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SYMBOLS

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

- (C)** - Change in Rule or Regulation.
- (D)** - Delete or discontinue.
- (I)** - Change Resulting in an increase to a customer's bill.
- (M)** - Moved from another tariff location.
- (N)** - New
- (R)** - Change resulting in a reduction to a customer's bill.
- (T)** - Change in text or regulation.

DATED:

EFFECTIVE:

ISSUED BY:

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SECTION 1 - TERMS AND ABBREVIATIONS

Access Line - An arrangement which connects the Subscriber's or Customer's location to the Carrier's designated point of presence or network switching center.

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

Carrier or Company - NET-tel Corporation unless otherwise indicated by the context.

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

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

Dedicated Access - See Special Access Origination/Termination.

NET-tel - Used throughout this tariff to refer to NET-tel Corporation unless otherwise indicated by the text.

Holiday - One of the following federally recognized holidays: New Year's Day (January 1), Independence Day (July 4), Labor Day, Thanksgiving Day, and Christmas Day (December 25).

DATED:

EFFECTIVE:

ISSUED BY:

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SECTION 1 - TERMS AND ABBREVIATIONS, (CONT'D.)

SDPUC - Refers to the South Dakota Public Utilities Commission.

Special Access Origination/Termination - Where originating or terminating access between the Customer and the interexchange carrier is provided on dedicated circuits. The Access Provider provides these dedicated circuits from the Customer's location to the Company's point of presence. The rates and charges for dedicated circuits are determined by the Access Provider and the Customer is responsible for payment of these charges to the Access Provider.

Subscriber - The person, firm, corporation, or other legal entity which arranges for services of the Company on behalf of itself or Authorized Users. The Subscriber is responsible for compliance with the terms and conditions of this tariff. A Subscriber may also be a Customer when the Subscriber uses services of the Company.

Switched Access Origination/Termination - Where originating or terminating access between the Customer and the interexchange carrier is provided on Feature Group circuits.

Terminal Equipment - Devices, apparatus, and associated wiring, such as teleprinters, telephones, or data sets.

V & H Coordinates - Geographic points which define the originating and terminating points of a call in mathematical terms so that the airline mileage of the call may be determined. Call mileage is used for the purposed of rating calls.

DATED:

EFFECTIVE:

ISSUED BY:

Thomas M. Lera, Regulatory Manager
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SECTION 2 - RULES AND REGULATIONS

2.1 Undertaking of NET-tel Corporation

NET-tel Corporation offers intrastate long distance direct dialed 1+ and inbound "800" service originating at specified points within the state of South Dakota under terms of this tariff.

NET-tel installs, operates, and maintains the communications services provided hereunder in accordance with the terms and conditions set forth under this tariff. NET-tel may act as the Subscriber's agent for ordering access connection facilities provided by other carriers or entities, when authorized by the Subscriber, to allow connection of a Subscriber's location to the NET-tel network. The Subscriber shall be responsible for all charges due for such service arrangement.

The Company's services and resold facilities are provided on a monthly basis unless otherwise provided, and are available twenty-four hours per day, seven days per week.

DATED:

EFFECTIVE:

ISSUED BY:

Thomas M. Lera, Regulatory Manager
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SECTION 2 - RULES AND REGULATIONS, (CONT'D.)

2.2 Limitations

- 2.2.1** Service is offered subject to the availability of the necessary resold facilities and equipment, or both facilities and equipment, and subject to the provisions of this tariff.
- 2.2.2** NET-tel reserves the right to discontinue or limit service when necessitated by conditions beyond its control, or when the Subscriber or Customer is using service in violation of provisions of this tariff, or in violation of the law.
- 2.2.3** The Company does not undertake to transmit messages, but offers the use of its facilities when available, and will not be liable for errors in transmission or for failure to establish connections.
- 2.2.4** All services and resold facilities provided under this tariff are directly or indirectly controlled by NET-tel and the Subscriber may not transfer or assign the use of service or facilities without the express written consent of the Company. Such transfer or assignment shall only apply where there is no interruption of the use or location of the service or facilities.
- 2.2.5** Prior written permission from the Company is required before any assignment or transfer. All regulations and conditions contained in this tariff shall apply to all such permitted assignees or transferees, as well as all conditions of service.

2.3 Use

Services provided under this tariff may be used for any lawful purpose for which the service is technically suited.

DATED:

EFFECTIVE:

ISSUED BY:

Thomas M. Lera, Regulatory Manager
1023 31st Street NW
Washington, DC 20007

SDI9900

SECTION 2 - RULES AND REGULATIONS, (CONT'D.)

2.4 Liabilities of the Company

- 2.4.1** NET-tel' liability for damages arising out of mistakes, interruptions, omissions, delays, errors, or defects in transmission which occur in the course of furnishing service or facilities, shall be determined in accordance with SDCL 49-13-1 and 49-13-1.1 and any other applicable law.
- 2.4.2** The Company shall not be liable for claim or loss, expense or damage (including indirect, special or consequential damage), for any interruption, delay, error, omission, or defect in any service, facility or transmission provided under this tariff, if caused by any person or entity other than the Company, by any malfunction of any service or facility provided by any other carrier, by an act of God, fire, war, civil disturbance, or act of government, or by any other cause beyond the Company's direct control.
- 2.4.3** The Company shall not be liable for, and shall be fully indemnified and held harmless by Customer and Subscriber against any claim or loss, expense, or damage (including indirect, special or consequential damage) for defamation, libel, slander, invasion, infringement of copy-right or patent, unauthorized use of any trademark, tradename or service mark, unfair competition, interference with or misappropriation or violation of any contract, proprietary or creative right, or any other injury to any person, property or entity arising out of the material, data, information, or other content revealed to, transmitted, or used by the Company under this tariff; or for any act or omission of the Customer or Subscriber; or for any personal injury or death of any person caused directly or indirectly by the installation, maintenance, location, condition, operation, failure, presence, use or removal of equipment or wiring provided by the Company, if not directly caused by negligence of the Company.
- 2.4.4** The Company shall not be liable for any defacement of or damages to the premises of a Subscriber resulting from the furnishing of service which is not the direct result of the Company's negligence.

DATED:

EFFECTIVE:

ISSUED BY:

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SECTION 2 - RULES AND REGULATIONS, (CONT'D.)

2.5 Deposits and Advanced Payments

The Company will not collect deposits from customers for service within South Dakota.

In lieu of a deposit, NET-tel reserves the right to collect an amount not to exceed two (2) months' estimated charges as an advance payment for service. This will be applied against the next month's charges and a new advance payment may be collected for the next month.

2.6 Taxes

All state and local taxes (i.e., gross receipts tax, sales tax, municipal utilities tax) are listed as separate line items and are not included in the quoted rates.

2.7 Terminal Equipment

The Company's facilities and service may be used with or terminated in Subscriber-provided terminal equipment or Subscriber-provided communications systems, such as a PBX or Pay Telephone. Such terminal equipment shall be furnished and maintained at the expense of the Subscriber, except as otherwise provided. The Subscriber is responsible for all costs at his or her premises, including personnel, wiring, electrical power, and the like, incurred in the use of NET-tel'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.

DATED:

EFFECTIVE:

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Thomas M. Lera, Regulatory Manager
1023 31st Street NW
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SECTION 2 - RULES AND REGULATIONS, (CONT'D.)

2.8 Installation and Termination

Service is installed upon mutual agreement between the Subscriber and the Company. The agreement will determine terms and conditions of installation, termination of service, any applicable sales commission structure, and sales commission payment schedule. The service agreement does not alter rates specified in this tariff.

When Customers are members of the transient public, they do not contract directly with NET-tel for provision of service. Subscribers contract for service on behalf of themselves and/or their transient patrons. Service provided to Customers (patrons of the contracting party) is governed by the terms of this tariff schedule and the lawful terms of the billing agency. No contractual agreements are required of the Customer.

2.9 Cancellation by NET-tel

Without incurring liability, NET-tel may immediately discontinue services to a Subscriber or End User or may withhold the provision of ordered or contracted services:

- 2.9.1** For nonpayment of any sum due NET-tel for more than thirty days after issuance of the bill for the amount due,
- 2.9.2** For violation of any of the provisions of this tariff,
- 2.9.3** For violation of any law, rule, regulation or policy of any governing authority having jurisdiction over NET-tel's services, or
- 2.9.4** By reason of any order or decision of a court, public service commission or federal regulatory body or other governing authority prohibiting NET-tel from furnishing its services.

DATED:

EFFECTIVE:

ISSUED BY:

Thomas M. Lera, Regulatory Manager
1023 31st Street NW
Washington, DC 20007

SDi9900

SECTION 2 - RULES AND REGULATIONS, (CONT'D.)

2.8 Installation and Termination

Service is installed upon mutual agreement between the Subscriber and the Company. The agreement will determine terms and conditions of installation, termination of service, any applicable sales commission structure, and sales commission payment schedule. The service agreement does not alter rates specified in this tariff.

When Customers are members of the transient public, they do not contract directly with NET-tel for provision of service. Subscribers contract for service on behalf of themselves and/or their transient patrons. Service provided to Customers (patrons of the contracting party) is governed by the terms of this tariff schedule and the lawful terms of the billing agency. No contractual agreements are required of the Customer.

2.9 Cancellation by NET-tel

Without incurring liability, NET-tel may immediately discontinue services to a Subscriber or End User or may withhold the provision of ordered or contracted services:

- 2.9.1** For nonpayment of any sum due NET-tel for more than thirty days after issuance of the bill for the amount due,
- 2.9.2** For violation of any of the provisions of this tariff,
- 2.9.3** For violation of any law, rule, regulation or policy of any governing authority having jurisdiction over NET-tel's services, or
- 2.9.4** By reason of any order or decision of a court, public service commission or federal regulatory body or other governing authority prohibiting NET-tel from furnishing its services.

DATED:

EFFECTIVE:

ISSUED BY:

Thomas M. Lera, Regulatory Manager
1023 31st Street NW
Washington, DC 20007

SDi9900

SECTION 2 - RULES AND REGULATIONS, (CONT'D.)

2.10 Interruption of Service by NET-tel

Without incurring liability, NET-tel may interrupt the provision of services at any time in order to perform tests and inspections to assure compliance with tariff regulations and the proper installation and operation of subscriber and NET-tel's equipment and facilities and may continue such interruption until any items of non-compliance or improper equipment operation so identified are rectified.

Service may be discontinued by NET-tel without notice to the subscriber, by blocking traffic to certain countries, cities, or NXX exchanges, or by blocking calls using certain customer authorization codes, when NET-tel deems it necessary to take such action to prevent unlawful use of its service. NET-tel will restore service as soon as it can be provided without undue risk, and will, upon request by the customer affected, assign a new authorization code to replace the one that has been deactivated.

2.11 Termination of Service by Subscriber

Unless otherwise specified by contractual commitment, any Subscriber may terminate service with NET-tel upon thirty days written notice.

DATED:

EFFECTIVE:

ISSUED BY:

Thomas M. Lera, Regulatory Manager
1023 31st Street NW
Washington, DC 20007

SDi9900

SECTION 2 - RULES AND REGULATIONS, (CONT'D.)

2.12 Payment for Service

All charges due by the Customer are payable to any agency duly authorized to receive such payments. The billing agency may be a local exchange telephone company, credit card company, or other billing service. Terms of payment shall be according to the rules and regulations of the agency and subject to the rules of regulatory agencies, such as the South Dakota PUC. Any objections to billed charges must be promptly reported to the Company's billing agent. Adjustments to Customer's bills shall be made to the extent that circumstances exist which reasonably indicate that such changes are appropriate.

Customer inquiries regarding service or billing may be made in writing or by call the toll free number listed below:

NET-tel Corporation
1023 31st Street NW
Washington, DC 20007
Telephone: (202) 295-6600
Facsimile: (202) 625-0078
Toll Free: (888) 263-8835

Customers who are dissatisfied with the response to their complaint may contact the South Dakota Public Utilities Commission for resolution of the issues at the following address:

South Dakota Public Utilities Commission
500 East Capitol
Pierre, South Dakota 57501
(605) 773-3201
(800) 332-1782
TTY through Relay South Dakota 800-877-1113

DATED:

EFFECTIVE:

ISSUED BY:

Thomas M. Lera, Regulatory Manager
1023 31st Street NW
Washington, DC 20007

SDi9900

SECTION 2 - RULES AND REGULATIONS, (CONT'D.)

2.13 Other Rules

2.13.1 Regulatory Changes

The Company reserves the right to discontinue service, limit service, or to impose requirements on Subscribers as required to meet changing regulatory rules and standards of the South Dakota Public Utilities Commission and the Federal Communications Commission.

2.13.2 Refunds or Credits for Service Outages or Deficiencies

Credit allowances for interruptions of service caused by service outages or deficiencies are limited to the initial minimum period call charges for re-establishing the interrupted call.

2.14 800 Numbers

2.14.1 The Company will make every effort to reserve "800" vanity numbers on behalf of customers, but makes no guarantee or warrantee that the requested "800" number(s) will be available or assigned to the customer requesting the number.

2.14.2 If a Customer accumulates undisputed past-due charges, the Company reserves the right not to honor the Customer's request for a change in 800 service to another carrier (e.g., "porting" of the 800 number), including a request for a Responsible Organization (Resp Org) change, until such time as all charges are paid in full.

2.14.3 800 numbers shared by more than one Customer, whereby individual customers are identified by a unique Personal Identification Number, may not be assigned or transferred for use with service provided by another carrier. Subject to the limitations provided in Section 2.14.2, the Company will only honor Customer requests for change in Resp Org or 800 service provider for 800 numbers dedicated to the sole use of that single Customer.

DATED:

EFFECTIVE:

ISSUED BY:

Thomas M. Lera, Regulatory Manager
1023 31st Street NW
Washington, DC 20007

SDi9900

SECTION 3 - DESCRIPTION OF SERVICE AND RATES

3.1 General

NET-tel provides direct dialed one plus and toll free inbound services for communications originating and terminating within the State of South Dakota under terms of this tariff.

DATED:

EFFECTIVE:

ISSUED BY:

Thomas M. Lera, Regulatory Manager
1023 31st Street NW
Washington, DC 20007

SDi9900

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

3.2 Timing of Calls

- 3.2.1** Timing for all calls begins when the called party answers the call (i.e. when two way communications are established.) Answer detection is based on standard industry answer detection methods, including hardware and software answer detection.
- 3.2.2** Chargeable time for all calls ends when either one of the parties disconnects from the call.
- 3.2.3** The minimum call duration and additional billing increments are specified on a per product basis in this section of the tariff.
- 3.2.4** The company will not bill for incomplete calls.

DATED:

EFFECTIVE:

ISSUED BY:

Thomas M. Lera, Regulatory Manager
1023 31st Street NW
Washington, DC 20007

SDi9900

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

3.3 Rate Periods

Unless otherwise indicated elsewhere in this tariff, all usage-based rates are subject to the following time-of-day, day-of-week, and holiday rate periods:

3.3.1 Switched service products will be provided on a flat rate basis with no time-of-day, day-of-week or holiday rate periods.

3.3.2 Dedicated service products will be provided on a Day and Non-Day basis. The Day Rate period is defined as Monday through Friday 8:00 AM to, but not including 5:00 PM. The Non-Day rate period is defined as any other time of the week not covered by the Day Rate period.

3.4 Special Access Channels

Special access channels (ie: dedicated facilities), if utilized, are provided and billed to the Customer by the local exchange telephone company. Charges for the special access channel are determined by the local access provider and the Customer is responsible for payment of these charges to the local exchange telephone company. NET-tel will, at the Customer's request, act on behalf of the Customer in the ordering and installation of the special access channel with the access provider. The Company may also request the access provider to bill them for the account, in the name of the Customer. If this option is utilized, the Company will pass the charges, including a billing service fee, through to the Customer.

DATED:

EFFECTIVE:

ISSUED BY:

Thomas M. Lera, Regulatory Manager
1023 31st Street NW
Washington, DC 20007

SDi9900

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

3.5 Calculation of Distance

Usage charges for all mileage sensitive products are based on the airline distance between serving wire centers associated with the originating and terminating points of the call.

The serving wire centers of a call are determined by the area codes and exchanges of the origination and destination points.

The distance between the Wire Center of the Customer's equipment and that of the destination point is calculated by using the "V" and "H" coordinates found in BellCore's V&H Tape and NECA FCC Tariff No. 4.

- Step 1 - Obtain the "V" and "H" coordinates for the Wire Centers serving the Customer and the destination point.
- Step 2 - Obtain the difference between the "V" coordinates of each of the Wire Centers. Obtain the Difference between the "H" coordinates.
- Step 3 - Square the differences obtained in Step 2.
- Step 4 - Add the squares of the "V" difference and "H" difference obtained in Step 3.
- Step 5 - Divide the sum of the square obtained in Step 4 by ten (10). Round to the next higher whole number if any fraction results from the division.
- Step 6 - Obtain the square root of the whole number obtained in Step 5. Round to the next higher whole number if any fraction is obtained. This is the distance between the Wire Centers.

Formula:

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

DATED:

EFFECTIVE:

ISSUED BY:

Thomas M. Lera, Regulatory Manager
1023 31st Street NW
Washington, DC 20007

SDi9900

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

3.6 Quality and Grade of Service Offered

Minimum Call Completion Rate - Customers can expect a call completion rate of not less than 90% during peak use periods. The call completion rate is calculated as the number of calls completed (including calls completed to a busy line or to a line which remains unanswered by the called party) divided by the number of calls attempted.

DATED:

EFFECTIVE:

ISSUED BY:

Thomas M. Lera, Regulatory Manager
1023 31st Street NW
Washington, DC 20007

SDi9900

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

3.7 NET-tel 1+ Service

Net-tel 1+ Service allows Customers to place direct dialed calls to terminating locations throughout the state of South Dakota. Customers are presubscribed to the NET-tel network or dial the Company's Access Code. Calls are placed by dialing "1+" or Casual Calling Access Code and the destination telephone number, including the area code if applicable. Customers may access NET-tel 1+ Service through switched access facilities. Calls are billed in one (1) minute increments with an initial period, for billing purposes, of one (1) minute.

3.7.1 Per Minute Rate

<u>Monthly Usage</u>	<u>Per Minute Rate</u>	<u>Recurring Monthly Fee</u>
\$ 0 - \$100	\$0.1600	\$2.99
\$101 - \$200	\$0.1600	\$2.99
\$201 - \$300	\$0.1600	\$2.99
\$300 +	\$0.1600	\$2.99

DATED:

EFFECTIVE:

ISSUED BY:

Thomas M. Lera, Regulatory Manager
1023 31st Street NW
Washington, DC 20007

SDi9900

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

3.8 Toll Free Inbound Service

NET-tel Toll Free Inbound Service is an inward calling service. It permits termination of intrastate calls from diverse geographic locations to Customer local exchange lines or to dedicated access facilities. With NET-tel Toll Free Service, the Customer is billed for the call rather than the call originator. Calls are billed in six (6) second increments with an initial period, for billing purposes, of eighteen (18) seconds.

3.8.1 Per Minute Rate Options

Customers of NET-tel's Toll Free Inbound Service are given the option of various billing rates depending on their calling patterns and anticipated usage. Each option provides for a lower per minute rate in exchange for a higher monthly fee.

<u>Monthly Recurring Charge</u>	<u>Per Minute Rate</u>
\$ 5.00	\$0.1290
\$ 7.00	\$0.1190
\$10.00	\$0.1090
\$15.00	\$0.0990

3.8.2 Registration Fee per Number \$75.00

3.8.3 Volume Discount

Customers are eligible for volume discounts based upon their total monthly intrastate and interstate NET-tel Toll Free Inbound Service. The volume discounts for this service are:

<u>Monthly Usage</u>	<u>Discount %</u>
\$ 0 - \$999.99	0.00%
\$1,000 +	10.00%

DATED:

EFFECTIVE:

ISSUED BY:

Thomas M. Lera, Regulatory Manager
1023 31st Street NW
Washington, DC 20007

SDi9900

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

3.9 NET-tel Dedicated Services

NET-tel Dedicated Service allows Customers to place direct dialed calls to terminating locations as well as receive toll free inbound calls from end users throughout the state of South Dakota. Customers are presubscribed to the NET-tel network through dedicated access facilities. Calls are placed by dialing "1+" and the destination telephone number, including the area code if applicable. Calls are billed in six (6) second increments with an initial period, for billing purposes, of eighteen (18) seconds.

Special access channels, if utilized, are provided and billed to the Customer by the local exchange telephone company. Charges for the special access channel are determined by the local exchange telephone company and the Customer is responsible for payment of these charges to the local exchange telephone company. Additionally, the Customer will be billed Local Loop installation and monthly recurring charges (on a pass-through basis) in the event that the Local Loop charges are billed to NET-tel as agent for the Customer.

3.9.1 Per Minute Rates

Monthly Usage	Outbound Per Minute Rate	Toll Free Per Minute Rate
\$ 0 - 100	\$0.1120	\$0.1120
\$ 101 - 200	\$0.1100	\$0.1100
\$ 201 - 300	\$0.1080	\$0.1080
\$ 301 - 400	\$0.1060	\$0.1060
\$ 401 - 500	\$0.1040	\$0.1040
\$ 501 - 600	\$0.1020	\$0.1020
\$ 601 - 700	\$0.1000	\$0.1000
\$ 701 - 800	\$0.0980	\$0.0980
\$ 801 - 900	\$0.0960	\$0.0960
\$ 901 - 1000	\$0.0940	\$0.0940
\$1001 - 2000	\$0.0920	\$0.0920
\$2001 - 3000	\$0.0900	\$0.0900
\$3001 +	\$0.0880	\$0.0880

DATED:

EFFECTIVE:

ISSUED BY:

Thomas M. Lera, Regulatory Manager
1023 31st Street NW
Washington, DC 20007

SDi9900

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

3.10 NET-tel Travel Card Services

NET-tel Travel Card Service allows the Customer to place calls within the State of South Dakota while away from the home or office. The Customer must dial an "800" number and a special access code before completing the call. Calls are billed in one (1) minute increments with an initial calling period of one (1) minute.

3.10.1 Flat Rate Travel Card Service

Per Call Surcharge	\$0.00
Per Minute Rate	\$0.18

DATED:

EFFECTIVE:

ISSUED BY:

Thomas M. Lera, Regulatory Manager
1023 31st Street NW
Washington, DC 20007

SDi9900

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

3.11 NET-tel Uni-Bill Service

NET-tel Uni-Bill Service allows Customers to place direct dialed calls to terminating locations throughout the state of South Dakota. Customers are presubscribed to the NET-tel network or dial the Company's Access Code. Calls are placed by dialing "1+" or Casual Calling Access Code and the destination telephone number, including the area code if applicable. Customers may access NET-tel Uni-Bill Service through switched access facilities. Calls are billed in six (6) second increments with an initial period, for billing purposes, of eighteen (18) seconds.

3.11.1 Per Period Rate

Per Period Rates			
Monthly Usage	Initial Period	Add'l. Period	Monthly Rec. Fee
\$ 0 - \$100	\$0.0480	\$0.0160	\$0.99
\$101 - \$200	\$0.0480	\$0.0160	\$0.99
\$201 - \$300	\$0.0480	\$0.0160	\$0.99
\$301 +	\$0.0480	\$0.0160	\$0.99

DATED:

EFFECTIVE:

ISSUED BY:

Thomas M. Lera, Regulatory Manager
1023 31st Street NW
Washington, DC 20007

SDi9900

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

3.12 Directory Assistance

Directory Assistance is available to Customers of CenturyTel's long distance services. A Directory Assistance charge applies to each call to the Directory Assistance Bureau. One request may be made on each call to Directory Assistance.

Rate Per Call

\$0.75

DATED:

EFFECTIVE:

ISSUED BY:

Thomas M. Lera, Regulatory Manager
1023 31st Street NW
Washington, DC 20007

SDi9900

SECTION 4 - MISCELLANEOUS

4.1 General

Each Customer is charged individually for each call placed through the Company. Charges will vary by service offering, class of call, time of day, day of week, class of call and/or call duration.

4.2 Late Payment Charge

The company will charge a one-time 1.5% late payment fee on all invoices not paid by the due date identified on the Company bill.

4.3 Return Check Charge

The Company will assess a return check charge of up to \$20.00 whenever a check or draft presented for payment of service is not accepted by the institution on which it is written. This charge applies each time a check is returned to the Company by a bank for insufficient funds.

DATED:

EFFECTIVE:

ISSUED BY:

Thomas M. Lera, Regulatory Manager
1023 31st Street NW
Washington, DC 20007

SDi9900

SECTION 5 - PROMOTIONS

5.1 Promotions - General

From time to time the Company shall, at its option, promote subscription or stimulate network usage by offering to waive some of all of the nonrecurring or recurring charges for the Customer (if eligible) of target services for a limited duration, not to exceed 90 days, or by offering premiums or refunds of equivalent value. Such promotions shall be made available to all similarly situated Customers in the target market area. All promotions will be filed with and approved by the Commission prior to offering them to Customers.

5.2 Demonstration of Calls

From time to time the Company shall demonstrate service by providing free test calls of up to four minutes duration over its network.

DATED:

EFFECTIVE:

ISSUED BY:

Thomas M. Lera, Regulatory Manager
1023 31st Street NW
Washington, DC 20007

SDi9900

SECTION 6 - CONTRACT SERVICES

6.1 General

At the option of the Company, service may be offered on a contract basis to meet specialized requirements of the Customer not contemplated in this tariff. The terms of each contract shall be mutually agreed upon between the Customer and Company and may include discounts off of rates contained herein, waiver of recurring or nonrecurring charges, charges for specially designed and constructed services not contained in the Company's general service offerings, or other customized features. The terms of the contract may be based partially or completely on the term and volume commitment, type of originating or terminating access, mixture of services or other distinguishing features. Service shall be available to all similarly situated Customers for six months after the initial offering to the first contract Customer for any given set of terms.

Each contract will be filed with the South Dakota Public Utilities Commission.

DATED:

EFFECTIVE:

ISSUED BY:

Thomas M. Lera, Regulatory Manager
1023 31st Street NW
Washington, DC 20007

SDi9900

ATTACHMENT VI

CERTIFICATED NET-TEL STATES

NET-tel Corporation is certificated to provide toll resale services in all states with the exception of Alaska, Hawaii, Maryland, North Dakota and South Dakota.

TECHNOLOGIES MANAGEMENT, INC.

P.O. BOX 200
210 N. PARK AVE.
WINTER PARK, FL 32789-0200
(407) 740-8575

NATIONSBANK
WINTER PARK, FL 32789
83-27/531

22918

4-26-99

PAY TO THE
ORDER OF

SD Public Service Commission

\$250.00

Two hundred and fifty and 10/100

DOLLARS
Security Features
Included.
Details on back.

MEMO Filing Fee for NET-TEL

TECHNOLOGIES MANAGEMENT, INC.

C.N.W. [Signature]

⑆022918⑆ ⑆063100277⑆ 2830066505⑆

TECHNOLOGIES MANAGEMENT, INC.

Filing fee for NET-TEL

\$250.00

22918

4-26-99

TC 99-051

South Dakota Public Utilities Commission
WEEKLY FILINGS

For the Period of April 29, 1999 through May 5, 1999

If you need a complete copy of a filing faxed, overnight expressed, or mailed to you, please contact
Delaune Kolbo within five business days of this filing.

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

CONSUMER COMPLAINT

CT99-004 In the Matter of the Complaint filed by James Frankenstein, Redfield, South Dakota, against U S WEST Communications, Inc. Regarding Poor Service and Request to have Lines Updated.

The Complainant states that they have had poor service for several years. The Complainant requests that U S WEST fix the service and upgrade their system so that they may connect to the internet and use Caller ID. The Complainant states: "We feel we should have access to these services like everyone else."

Staff Analyst: Leni Healy
Staff Attorney: Camron Hoseck
Date Filed: 04/22/99
Intervention Deadline: N/A

ELECTRIC

EL99-006 In the Matter of the Application of Black Hills Corporation for an Order Authorizing the Issuance of Stock Options under Black Hills Corporation 1999 Stock Option Plan.

On May 5, 1999, the Commission received an application from Black Hills Corporation, which operates its electric utility under the assumed name of Black Hills Power and Light Company, requesting the approval of Black Hills Corporation's 1999 Stock Option Plan providing for the granting of options to acquire up to 700,000 shares of the Company's authorized but unissued Common Stock.

Staff Analyst: Bob Knadle
Staff Attorney: Karen Crenner
Date Filed: 05/05/99
Intervention Deadline: 05/21/99

EL99-007 In the Matter of the Filing by Black Hills Power and Light Company for Approval of its 1998 Economic Development Plan Annual Report and 1999 Economic Development Plan.

On May 5, 1999, the Commission received a filing from Black Hills Power and Light Company of: (1) a report of its 1998 economic development activity as required by SD Public Utilities Commission docket EL95-003; and (2) setting forth its 1999 economic development plan in accordance with the same docket.

Staff analyst: Michele Farris
Staff Attorney: Camron Hoseck
Date filed: 05/05/99
Intervention Deadline: 05/21/99

TELECOMMUNICATIONS

TC99-050 In the Matter of the Establishment of Switched Access Revenue Requirement for Vivian Telephone Company d.b.a Golden West Communications, Inc.

Vivian Telephone Company filed a switched access cost study developing a revenue requirement that is included in the revenue requirement used to determine the switched access rates for the Local Exchange Carrier Association.

Staff Analyst: Harlan Best/Keith Senger
Staff Attorney: Karen Cremer
Date Filed: 04/29/99
Intervention Deadline: 05/21/99

TC99-051 In the Matter of the Application of NET-tel Corporation d/b/a NET-tel Communications Corporation (FL) for a Certificate of Authority to Provide Telecommunications Services in South Dakota.

Application by NET-tel Corporation d/b/a NET-tel Communications Corporation for a Certificate of Authority to provide interexchange, intrastate, inbound, outbound and travel card services in South Dakota.

Staff Analyst: Dave Jacobson
Staff Attorney: Camron Hoseck
Date Filed: 04/30/99
Intervention Deadline: 05/21/99

TC99-052 In the Matter of the Application of Columbia Telecommunications, Inc. d.b.a. aXessa for a Certificate of Authority to Provide Telecommunications Services in South Dakota.

On April 30, 1999, the Commission received an application by Columbia Telecommunications, Inc. d.b.a. aXessa for a Certificate of Authority to provide resold interexchange telecommunications services in the state of South Dakota. Proposed services include both inbound and outbound intraLata toll services.

Staff Analyst: Bob Knadle
Staff Attorney: Karen Cremer
Date Filed: 04/30/99
Intervention Deadline: 05/21/99

**TC99-053 In the Matter of the Filing by U S WEST Communications, Inc. for Approval of
Tariff Pages for its Access Service Tariff Implementing its IntraLATA Toll Dialing
Parity Plan.**

U S WEST Communications has filed for Commission approval Access Service Tariff pages implementing U S WEST's IntraLATA Toll Dialing Parity Plan. U S WEST has filed an Equal Access and Network Reconfiguration Recovery Charge and rates, terms and conditions for Presubscription.

Staff Analyst: Harlan Best
Staff Attorney: Karen Cremer
Date Filed: 05/03/99
Intervention Deadline: 05/21/99

**TC99-054 In the Matter of the Filing by Fort Randall Telephone Company and Mount
Rushmore Telephone Company to Establish Switched Access Rates.**

Mt. Rushmore Telephone Company and Fort Randall Telephone Company filed a combined switched access cost study similar to an interstate filing with a combined study area. The switched access rates will be used by both companies. Mt. Rushmore was granted a waiver from filing switched access cost studies in TC93-034.

Staff Analyst: Harlan Best/Keith Senger
Staff Attorney: Karen Cremer
Date Filed: 05/03/99
Intervention Deadline: 05/21/99

**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/>**



210 N. Park Ave.
Winter Park, FL
32789

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

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

Mr. David Jacobson
Utility Analyst
South Dakota Public Utilities Commission
500 East Capitol
Pierre, South Dakota 57501

June 15, 1999
Via Overnight Delivery

RECEIVED

JUN 17 1999

**SOUTH DAKOTA PUBLIC
UTILITIES COMMISSION**

**RE: Registration of NET-tel Corporation d/b/a NET-tel Communications
Corporation (FL) TC99-051**

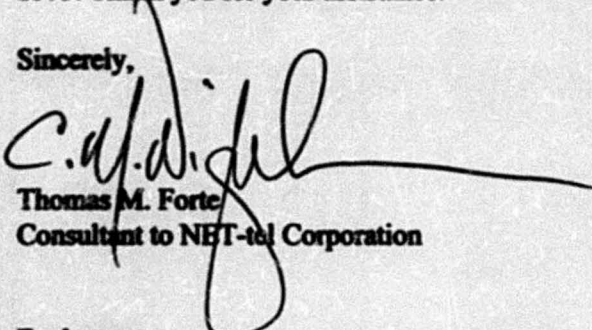
Dear Mr. Jacobson:

Enclosed is the response to your letter of June 9, 1999 in the above mentioned registration. The Company has agreed to the restrictions and we removed the second Paragraph found on Page 10 of the Proposed Tariff. Accordingly, we are enclosing an original and ten (10) copies of replacement Page 10.

Please acknowledge receipt of this filing by date stamping the extra copy of this cover letter and returning it to me in the self-addressed stamped envelope.

Any questions you may have regarding this filing may be directed to me at (407) 740-8575. Thank you for your assistance.

Sincerely,



Thomas M. Forte
Consultant to NET-tel Corporation

Enclosures

TMF/sbm

cc: T. Lera - NET-tel
to file: NET-tel - SD
TMX# SDi9900b

SECTION 2 - RULES AND REGULATIONS, (CONT'D.)

2.5 Deposits and Advanced Payments

The Company will not collect deposits or advanced payments from customers for service within South Dakota.

2.6 Taxes

All state and local taxes (i.e., gross receipts tax, sales tax, municipal utilities tax) are listed as separate line items and are not included in the quoted rates.

2.7 Terminal Equipment

The Company's facilities and service may be used with or terminated in Subscriber-provided terminal equipment or Subscriber-provided communications systems, such as a PBX or Pay Telephone. Such terminal equipment shall be furnished and maintained at the expense of the Subscriber, except as otherwise provided. The Subscriber is responsible for all costs at his or her premises, including personnel, wiring, electrical power, and the like, incurred in the use of NET-tel'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.

DATED:

EFFECTIVE:

ISSUED BY:

Thomas M. Lera, Regulatory Manager
1023 31st Street NW
Washington, DC 20007

SDi9900b

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

IN THE MATTER OF THE APPLICATION OF)
NET-TEL CORPORATION D/B/A NET-TEL)
COMMUNICATIONS CORPORATION (FL) FOR)
A CERTIFICATE OF AUTHORITY TO PROVIDE)
TELECOMMUNICATIONS SERVICES IN)
SOUTH DAKOTA)

ORDER GRANTING
CERTIFICATE OF
AUTHORITY

TC99-051

On April 30, 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 NET-tel Corporation d/b/a NET-tel Communications Corporation (FL) (NET-tel).

NET-tel proposes to offer outbound presubscribe and casual calling service, toll free inbound service and travel card service. A proposed tariff was filed by NET-tel. The Commission has classified long distance service as fully competitive.

On May 6, 1999, the Commission electronically transmitted notice of the filing and the intervention deadline of May 21, 1999, to interested individuals and entities. No petitions to intervene or comments were filed and at its July 13, 1999, meeting, the Commission considered NET-tel's request for a certificate of authority. Commission Staff recommended granting a certificate of authority, subject to the condition that NET-tel 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 NET-tel has met the legal requirements established for the granting of a certificate of authority. NET-tel 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 NET-tel's application for a certificate of authority, subject to the condition that NET-tel 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 NET-tel's application for a certificate of authority is hereby granted, subject to the condition that NET-tel not offer a prepaid calling card or require deposits or advance payments without prior approval of the Commission. It is

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

Dated at Pierre, South Dakota, this 16th day of July, 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: Nelaine Kalbo

Date: 7/19/99

(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 July 13, 1999
Docket No. TC99-051

This is to certify that

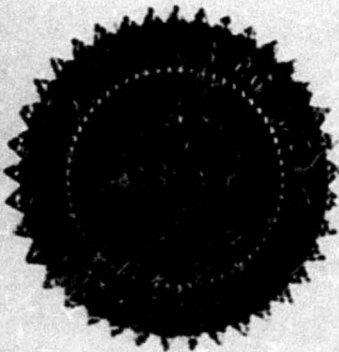
**NET-TEL CORPORATION
D/B/A NET-TEL COMMUNICATIONS CORPORATION (FL)**

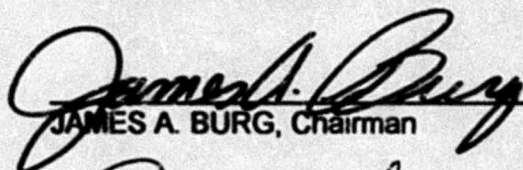
is authorized to provide telecommunications services in South Dakota.

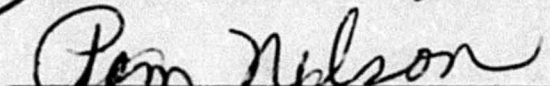
This certificate is issued in accordance with SDCL 49-31-3 and ARSD 20:10:24:02, and is subject to all of the conditions and limitations contained in the rules and statutes governing its conduct of offering telecommunications services.

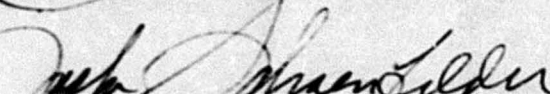
Dated at Pierre, South Dakota, this 16th day of July, 1999.

**SOUTH DAKOTA PUBLIC
UTILITIES COMMISSION:**




JAMES A. BURG, Chairman


PAM NELSON, Commissioner


LASKA SCHOENFELDER, Commissioner