

TC98-095

TC98-095

DOCKET NO.

In the Matter of

IN THE MATTER OF THE
APPLICATION OF NETEL, INC. D.B.A
TEL3 FOR A CERTIFICATE OF
AUTHORITY TO PROVIDE
TELECOMMUNICATIONS SERVICES IN
SOUTH DAKOTA

Public Utilities Commission of the State of South Dakota

DATE

MEMORANDA

5/1/98 Filed and docketed;
5/17/98 TC for filing;
6/19/98 Order granting COA;
6/19/98 Docket Closed



May 1, 1998

Executive Secretary
South Dakota Public Utilities Commission
500 East Capitol Avenue
Pierre, SD 57501-5070

Dear Executive Secretary:

In accordance with your requirements, enclosed please find an original and ten (10) photocopies of the Application of NeTel, Inc. d.b.a. TEL3 to operate as a reseller of interexchange telecommunications services in the state of South Dakota

Also, enclosed please find a check for payment of the application fee in the amount of \$250.00

For the purposes of verification of receipt, please date stamp and return the enclosed copy of this letter in the stamped and addressed envelope also provided.

Please contact me if there is further information or documentation which you require with respect to the Application and the enclosed tariff.

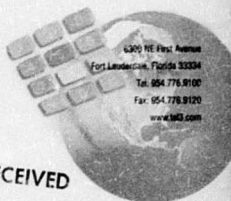
Very truly yours,

A handwritten signature in cursive script that reads "Lynn A. Froesch".

Lynn A. Froesch
Executive Administrator

Enclosures

TC98-095



RECEIVED

MAY 01 1998

SOUTH DAKOTA PUBLIC
UTILITIES COMMISSION

TC 98-095

RECEIVED

MAY 01 1998

SOUTH DAKOTA PUBLIC
UTILITIES COMMISSION

BEFORE THE PUBLIC SERVICE COMMISSION OF
THE STATE OF SOUTH DAKOTA

In the Matter of the Application)
of NeTeL, Inc. d.b.a. TEL3 for a Certificate)
of Public Convenience and Necessity)
To Provide Resold Interexchange)
Telecommunications Services)
within the State of South Dakota)

Application No: 98-

Application and Request for Authority

NeTeL, Inc. d.b.a. TEL3, hereby files this verified application before the Public Service Commission pursuant to its requirements for a Certificate of Public Convenience and Necessity to operate as a reseller of interexchange telecommunications services within the State of South Dakota and, in support thereof, states as follows:

1. Applicant's legal name is NeTeL, Inc. The name under which applicant will do business is TEL3.
2. Applicant is a privately held corporation incorporated in the State of Delaware on November 3, 1994.
3. Applicant's address and the telephone number of its principal office is:

6300 NE First Avenue
Third Floor
Fort Lauderdale, Florida 33334
954/776-9100

4. Applicant's designated agent in South Dakota is:

Steve C. Polley
19 Nickel Place
Spearfish, SD 57783

5. Applicant has received a Certificate of Authority to operate as a Foreign Corporation from the Secretary of State of the State of South Dakota.

6. Applicant is a switchless reseller of interexchange telecommunication services and a provider of calling card services. Applicant is licensed to provide services in 43 states and has been providing interexchange telecommunication services since 1995. Applicant purchases the services of an underlying carrier for resale to its end users and does not have any facilities or equipment in South Dakota. Applicant provides calling card services by utilizing a tandem switch that was developed internally by engineers. Applicant has the in-house support to service and maintain this equipment.
7. Applicant will provide service to all geographic areas of South Dakota.
8. Any inquiries regarding complaints and regulatory matters should be directed to:

Scott D. Lehman
President
6300 NE First Avenue, Third Floor
Fort Lauderdale, Florida 33334
954-776-9100

9. Applicant will bill customers through their local exchange service. Applicant has a relationship with USBI, a billing clearinghouse, who, in turn, has relationships with the local exchange service providers.
10. Applicant employs a team of customer service representatives for the purpose of servicing end users. Customer Service can be reached via a toll-free 800 number (800/962-2181) and is available from 9 AM to 6 PM EST Monday through Friday. Calling Card Customer Service is available toll-free (800/962-2182) from 9 AM to 9PM Monday through Friday EST.

4. 0 0 4. 9 4 1 0

11. NeTeL, Inc. d.b.a. TEL3 is authorized to do business in 36 states and the District of Columbia by the respective Secretary of States offices (Exhibit H). NeTeL, Inc. d.b.a. TEL3 is certified to provide long distance resale service in 32 states by the Public Service Commissions (Exhibit H).

12. NeTeL, Inc. d.b.a. TEL3 has previously been denied certification in South Dakota and Minnesota. NeTeL, Inc. d.b.a. TEL3's application for certificate of authority was denied by South Dakota due to an incomplete application that did not demonstrate sufficient technical, financial and managerial capabilities to offer telecommunication services in South Dakota. NeTeL, Inc. d.b.a. TEL3's application for a certificate of permanent authority to provide long distance was denied by Minnesota, without prejudice.

13. Applicant utilizes a multi-level marketing approach and marketing materials are targeted toward residential customers.

14. By this application, Applicant, NeTeL, Inc. d.b.a. TEL3, hereby asserts its willingness and ability to comply with all the terms and conditions that the Commission may lawfully impose through its rules, regulations and orders.

15. Commission approval of this Application will bring the following long-term benefits to Applicant's subscribers:

- (i) greater value to subscribers through lower priced, better quality services;
- (ii) innovative telecommunications services;
- (iii) increased consumer choice in telecommunications service and alternative billing options;

- (iv) efficient use of existing telecommunications resources as well as increased diversification and reliability in the supply of telecommunications services; and
- (v) an additional tax revenue source for the State of South Dakota.

16. By this Application and Exhibits attached, NeTeL, Inc. d.b.a. TEL3 demonstrates that it has the technical and managerial ability, and the financial resources to conduct this business.

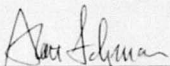
17. Applicant hereby requests that the Commission consider its application on an ex-parte basis.

18. Upon commission request, Applicant is prepared to answer questions or present additional testimony or other evidence about its services to telephone users within the state.

WHEREFORE, NeTeL, Inc. d.b.a. TEL3 respectfully requests the South Dakota Public Service Commission grant it a Certificate of Public Convenience and Necessity to provide competitive interexchange telecommunication resale services within the State of South Dakota.

Respectfully submitted this 15th day of May, 1998, at Fort Lauderdale, Florida.

NeTeL, Inc. d.b.a. TEL3

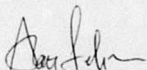
By: 

Scott D. Lehman
President

VERIFICATION OF APPLICANT

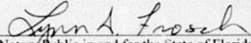
STATE OF FLORIDA)
) ss.
COUNTY OF BROWARD)

I, Scott Lehman, being first duly sworn and deposed, state I am President of NeTel., Inc.
d.b.a. TEL3, the Applicant in the proceeding entitled above, that I have read the
foregoing application and know the contents thereof, as to matters that are therein stated
on information or belief, I believe them to be true.



Scott Lehman

Subscribed and sworn to before me this 1st day of MAY, 1998.



Notary Public in and for the State of Florida
My Commission Expires: 9-1-2001

Residing at: 4451 W. McNAB RD - 37
POMPANO BEACH, FL 33069



BEFORE THE PUBLIC SERVICE COMMISSION OF
THE STATE OF SOUTH DAKOTA

In the Matter of the Application)	
of NeTeL, Inc. d.b.a. TEL3 for a Certificate)	
of Public Convenience and Necessity)	Application No: 98-
To Provide Resold Interexchange)	
Telecommunications Services)	
within the State of South Dakota)	

LIST OF EXHIBITS

Exhibit A	Articles of Incorporation;
Exhibit B	Certificate of Authority;
Exhibit C	Management Information;
Exhibit D	Financial Statements;
Exhibit E	Proposed Tariff;
Exhibit F	List of Officers and Directors;
Exhibit G	List of Stockholders; and
Exhibit H	List of States NeTeL, Inc. d.b.a. TEL3 is Registered or Certified To Do Business

0014424400

EXHIBIT A
ARTICLES OF INCORPORATION

014994009

NEXT

DOCUMENT (S)

BEST IMAGE

POSSIBLE

044-041-0

CERTIFICATE OF INCORPORATION

OF

NeTeL, Inc.

1. The name of the corporation is as follows:

NeTeL, Inc.

2. This corporation shall have a perpetual existence.

3. This corporation is organized for the purpose of transacting any or all lawful business for which corporations may be organized under the Delaware General Corporation Law.

4. The corporation shall have three (3) directors initially. The number of directors may be either increased or decreased from time to time by the By-Laws but shall never be less than one (1). The names and addresses of the initial directors of this corporation are:

Nelson H. Puich Address: c/o 350 SW 12th Avenue
Deerfield Beach, FL 33432

Menderes Akdag Address: c/o 350 SW 12th Avenue
Deerfield Beach, FL 33432

Stephen Dewhurst Address: c/o 350 SW 12th Avenue
Deerfield Beach, FL 33432

5. The street address of the initial registered office of this corporation is 1013 Centre Road, County of New Castle, City of Wilmington, Delaware 19805, and the name of the initial registered agent of this corporation at that address is Corporation Service Company.
6. The total number of shares of stock which the corporation shall have authority to issue is One Hundred (100) shares of common stock with the par value of each such share being \$.01.
7. The Board of Directors is authorized to make, alter, amend or repeal the By-Laws of the Corporation, but the stockholders of the corporation, by at least a two-thirds affirmative

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vote of the shares of the corporation entitled to vote thereon, may adopt, alter, amend or repeal the By-laws adopted by either the stockholders or the Board of Directors.

8. Election of directors need not be by ballot.


9. This corporation shall, to the fullest extent permitted by Section 145 of the Delaware General Corporation Law, as amended from time to time, indemnify any and all persons whom it shall have power to indemnify. Provided the person proposed to be indemnified satisfies the requisite standard of conduct for permissive indemnification by a corporation as set forth in the applicable provisions of the General Corporation Law of Delaware, currently 8 Del.C. §145, as the same may be amended from time to time, the Corporation shall indemnify its officers and directors, and may indemnify its employees and agents, to the fullest extent permitted by the provisions of such Law, as the same may be amended and supplemented, from and against any and all of the expenses or liabilities incurred in defending a civil, criminal, administrative or investigative action, suit or proceeding, other than in an action, suit or proceeding brought by the Corporation upon authorization of the Board of Directors or other matters referred to in or covered by said provisions, including advancement of expenses prior to the final disposition of such proceedings and amounts paid in settlement of such proceedings. Expenses (including attorneys' fees) incurred by an officer or director in defending any civil, criminal, administrative or investigative action, suit or proceeding shall be paid by the Corporation in advance of the final disposition of such action, suit or proceeding upon receipt of an undertaking by or on behalf of such director or officer to repay such amount if it shall ultimately be determined that he or she is not entitled to be indemnified by the Corporation as authorized in this Section 9. Such expenses (including attorneys' fees) incurred by other employees and agents shall also be so paid upon such terms and conditions, if any, as the Board of Directors deems appropriate. The indemnification and advancement of expenses provided for herein shall not be deemed exclusive of any other rights to which those indemnified may be entitled under any bylaw, agreement, vote of stockholders or disinterested directors or otherwise, both as to action in his or her official capacity and as to action in another capacity while holding such office. Such indemnification shall continue as to a person who has ceased to be a director, officer, employee or agent, and shall inure to the benefit of the heirs and personal representatives of such a person. An adjudication of liability shall not affect the right to indemnification for those indemnified.

10. The Corporation eliminates the personal liability of each member of its Board of Directors to the Corporation or its stockholders for monetary damages for breach of fiduciary duty as a director, provided that the foregoing shall not eliminate the liability of a director (i) for any breach of such director's duty of loyalty to the Corporation or its stockholders, (ii) for acts or omissions not in good faith or which involve intentional misconduct or a knowing violation of law, (iii) under Section 174 of Title 8 of the Delaware Code, or (iv) for any transaction from which such director derived an improper personal benefit.

11. The name and mailing address of the incorporator is:

Soot O'Brien, Esq.
c/o Gunster, Yoakley & Stewart, P.A.
300 E. Broward Blvd., Ste. 1600
Fort Lauderdale, FL 33394

I, the undersigned, being the incorporator hereinafter named, for the purpose of forming a corporation pursuant to the General Corporation Law of Delaware, do make this certificate hereby declaring and certifying that this is my act and deed and the facts herein stated are true, and accordingly have hereunto set my hand this 3rd day of November, 1994.

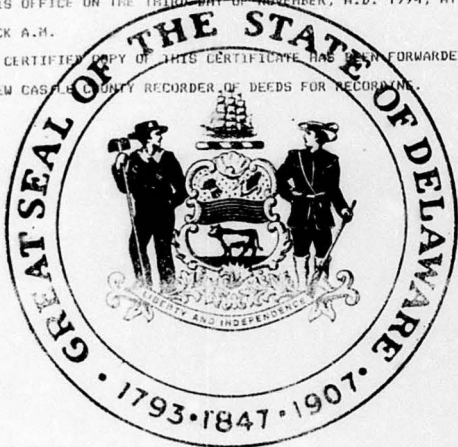

Scott O'Brien

14718

State of Delaware
Office of the Secretary of State

I, EDWARD J. FREEL, SECRETARY OF STATE OF THE STATE OF DELAWARE, DO HEREBY CERTIFY THE ATTACHED IS A TRUE AND CORRECT COPY OF THE CERTIFICATE OF INCORPORATION OF "METEL, INC.", FILED IN THIS OFFICE ON THE THIRD DAY OF NOVEMBER, A.D. 1994, AT 9 O'CLOCK A.M.

A CERTIFIED COPY OF THIS CERTIFICATE HAS BEEN FORWARDED TO THE NEW CASTLE COUNTY RECORDER OF DEEDS FOR RECORDING.



Edward J. Freel

Edward J. Freel, Secretary of State

2450018 B100

244211682

AUTHENTICATION: 7291956

DATE: 11-04-94.

0149.40.14

EXHIBIT B
CERTIFICATE OF AUTHORITY

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 NETEL, INC. (DE) 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 under the name of NETEL, INC.



IN TESTIMONY WHEREOF, I have . .
hereunto set my hand and
affixed the Great Seal of the
State of South Dakota, at
Pierre, the Capital, this
October 14, 1997.

JOYCE HAZELTINE
Secretary of State

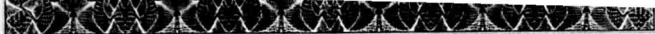


EXHIBIT C
MANAGEMENT INFORMATION

0149.40.16

NeTeL, Inc. d.b.a. TEL3 Management Biographies

Scott D. Lehman President, Board of Directors

Mr. Lehman has been the President of TEL3 since November, 1996. Mr. Lehman joined TEL3 in 1996 and has held positions as Director of Operations and Business Development Manager.

Prior to joining TEL3, Mr. Lehman practiced law within the communication industry after graduating from the University of Florida with Accounting, Masters of Accounting and Law degrees in 1993. Prior to entering law school, Mr. Lehman was a staff auditor with KPMG Peat Marwick in South Florida. Mr. Lehman is a member in good standing with the Florida Bar and is an inactive member of the Florida Institute of Certified Public Accountants.

Nelson Futch Secretary/Treasurer, Board of Directors

Mr. Futch has been operating his own Marketing and Promotion Consulting Company, Words For Hire, Inc. since 1988. He has extensive executive level expertise in creating marketing and advertising plans, assessing and dealing with important public relations concerns.

Mr. Futch's previous experience includes six years as Vice President and Marketing Director of the largest Florida based Mexican fast food chain, Taco Viva, Inc., and seventeen years as Vice President - Marketing Manager of Playboy Enterprises, Inc. Mr. Futch has a B.A. degree in Journalism from Temple University.

Mr. Futch's accomplishments includes holding office of Chairman of the National Restaurant Association Marketing Executives Group, developing "REACTS" the first effective computerized reader to advertiser response service in the magazine industry, responsible for exploitation of unique DC-9 Playboy corporate aircraft utilized by Hugh Hefner.

Ragip Devres
Vice President

Mr. Devres has been the Vice president of Devres Real Estate Development and Management, Inc. for the last four years. The company with its roots dating back to 1920, owns and manages residential and commercial real estate valued over \$70 million. Mr. Devres reactivated the development branch of this company by investing in Southern Coast of Turkey where there is an explosion in tourism.

Mr. Devres has a M.A. in Marketing and Finance from Boston College, School of Management. Previous experience includes feasibility analysis for new real estate projects in Southern Florida for Olympia and York.

Menderes Akdag
Chairman, Board of Directors

Mr. Akdag has been the Chief Executive Officer and Director of Lens Express, Inc., for the last three years. Lens Express is the largest distributor of contact lenses and accessories to retail consumers in the United States. Mr. Akdag has overall responsibility for the operation of Lens Express. In addition, he also acts as the Chief Financial Officer and has the responsibility of coordinating marketing and sales activities including advertising and media buying agencies.

Mr. Akdag has a B.S. in Business Administration with a major in finance from the University of Florida where he graduated with high honors. Previous experience includes five years as business manager/controller with Remco Truck Sales, Inc., and two years as finance manager with Beksa Steel Cord Manufacturing and Trading, Inc.

EXHIBIT D
FINANCIAL STATEMENTS

01499.40.19

NeTeL, Inc.
Balance Sheet
Period: 12-95 As of: 12/31/1995

01-98-136
 Date 02/13/98 05:56pm

Page 1

ASSETS

CURRENT ASSETS

00000	Barnett Bank - Operating	12,251.48
00000	Barnett Bank - Payroll	1,416.97
00000	Barnett Bank - Commissions	(107.15)
00000	Menill Lynch - Operating	19,248.44
00000	Accounts Receivable	167,184.84

TOTAL CURRENT ASSETS 199,994.58

FIXED ASSETS

00000	Furniture & Fixtures	58,082.07
00000	Computer Hardware	274,290.60
00000	Computer Software	52,299.46
00000	Leasehold Improvements	15,775.00

TOTAL FIXED ASSETS 400,447.13

OTHER ASSETS

00000	Security Deposits	82,080.14
00000	Long Term Investments	6,000.00

TOTAL ASSETS 688,521.85

LIABILITIES & OWNERS EQUITY

LIABILITIES

CURRENT LIABILITIES

00000	Accounts Payable	135,753.00
00000	Accrued Commissions Payable	51,484.30
00000	LD Phone Taxes Payable	1,615.63
00000	Customer Deposits	250.00
00000	Short Term Loans	621,500.00

TOTAL CURRENT LIABILITIES 850,602.93

LONG TERM LIABILITIES

00000	Long Term Loans	67,447.27
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TOTAL LONG TERM LIABILITIES 67,447.27

TOTAL LIABILITIES 918,050.20

SHAREHOLDERS EQUITY

00000	Common Stock	10.00
00000	Additional Paid in Capital	450,000.00
00000	Retained Earnings	(14,997.01)
00000	YTD Net Income	(643,462.15)

01-06-136
Date 02/13/98 05:58pm

Page 2

30000 YTD Net Income

(21,079.19)

TOTAL SHAREHOLDERS EQUITY

(229,528.35)

TOTAL LIABILITIES & EQUITY

688,521.85
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NeTel, Inc.
Income Statement
For the Period 12/01/1995 Through 12/31/1995

01-98-138
 Date 12/13/98 05:56pm

Page 1

		Current Period		Year-to-Date	
		Amount	%	Amount	%
SALES					
00000	Long Distance Revenue-LEC	183,027.82	94.44	329,131.29	96.08
30000	Long Distance Revenue-LEC	9,952.97	5.14	12,792.97	3.73
00000	Promo Materials Revenue	825.00	0.43	630.00	0.18
GROSS OPERATING INCOME		193,805.79	100.00	342,554.26	100.00
COST OF SALES					
00000	Carrier Charges	230,297.84	118.83	334,345.36	97.60
00000	Dedicated Minutes Cost	2,395.60	1.24	2,395.60	0.70
00000	Commission Expense-L/D	3,973.00	2.05	22,869.70	6.68
00000	Collection Charges	45,500.29	23.48	48,794.29	14.24
COST OF SALES		282,166.73	145.59	408,404.95	119.22
GROSS PROFIT		(88,360.94)	-45.59	(65,850.69)	-19.22
OPERATING EXPENSES					
00000	Payroll - Sales L/D	10,415.58	5.37	63,373.70	18.50
30000	Payroll - Sales L/D	8,520.50	4.40	29,590.32	8.64
00000	Payroll - Customer Service	6,269.25	3.23	30,326.90	8.85
30000	Advertising-Mailing List Purch	0.00	0.00	3,000.00	0.88
00000	Advertising-Internet	0.00	0.00	14,924.23	4.36
00000	Advertising-TV	0.00	0.00	2,941.00	0.86
00000	Advertising-Calling Cards	0.00	0.00	65.00	0.02
00000	Advertising-Promo Merchandise	11,948.15	6.17	74,015.79	21.61
00000	Advertising-Promotional Merch	0.00	0.00	5,152.17	1.50
00000	Graphic Arts Consultant Exp	0.00	0.00	2,708.45	0.79
00000	Telephone Expense - Sales	345.45	0.18	11,971.49	3.49
30000	Telephone Expense - Sales	115.05	0.06	257.34	0.08
00000	Payroll - Officers	2,200.00	1.14	12,100.00	3.53
00000	Payroll - Administrative	1,966.49	1.01	13,134.44	3.83
00000	Payroll Tax Expense	2,539.39	1.31	14,373.69	4.20
00000	Employee Benefits	1,046.22	0.54	1,796.02	0.52
00000	Payroll Processing Fees	144.00	0.07	1,015.00	0.30
00000	Rent Expense	9,865.07	5.09	115,883.32	33.83
00000	Building Maintenance/Security	0.00	0.00	546.89	0.16
00000	Utilities Expense	0.00	0.00	11,501.77	3.36
00000	Equipment Expense	4,232.58	2.18	10,772.59	3.14
00000	Telephone Expense - Admin	917.02	0.47	9,208.44	2.69
30000	Telephone Expense - Admin	0.00	0.00	10.00	0.00
00000	Office Supplies & Expenses	228.51	0.12	15,178.88	4.43
00000	Advertising - Classified	0.00	0.00	1,225.00	0.36
00000	Auto Expenses	11,707.98	6.04	11,707.98	3.42
00000	Entertainment Expenses	(5,886.80)	-3.04	15,465.89	4.51
30000	Entertainment Expenses	1,000.00	0.52	1,000.00	0.29
00000	Business License/Certificates	3,000.00	1.55	79,507.67	23.21
00000	Compliance Fees & Assessments	0.00	0.00	858.41	0.25
00000	Insurance - Business	299.40	0.15	5,964.55	1.74
00000	Insurance - Employee Medical	463.88	0.24	3,717.10	1.09
00000	Insurance - Workers Comp	0.00	0.00	1,495.00	0.44
00000	Professional Fees - Legal	0.00	0.00	18,312.93	5.35

00000

Professional Fees - Legal

0.00 0.00
0.00 0.001,495.00 0.44
18,312.93 5.3501-98-136
Date 02/13/98 05:56pm

Page 2

		Current Period		Year-to-Date	
		Amount	%	Amount	%
30000	Professional Fees - Legal	14.50	0.01	14.50	0.00
00000	Professional Fees - Accounting	0.00	0.00	250.00	0.07
00000	Professional Fees - Consulting	250.00	0.13	3,350.00	0.98
00000	Dues, Subscriptions, Publications	33.93	0.02	2,055.18	0.60
00000	Interest Exp-Capital Leases	0.00	0.00	10,515.15	3.07
00000	Bank Charges	620.29	0.32	2,475.54	0.72
TOTAL OPERATING EXPENSES		72,256.44	37.28	601,762.13	175.87
NET OPERATING INCOME		(160,617.38)	-82.88	(667,612.82)	-194.89
<u>OTHER INCOME</u>					
00000	Interest Income	75.72	0.04	3,071.48	0.90
TOTAL OTHER INCOME		75.72	0.04	3,071.48	0.90
NET INCOME BEFORE TAXES		(160,541.66)	-82.84	(664,541.34)	-194.00
NET INCOME AFTER TAX		(160,541.66)	-82.84	(664,541.34)	-194.00
		=====	=====	=====	=====

NeTeL, Inc.
Balance Sheet
Period: 12-96 As of: 12/31/1996

01-98-136
 Date 02/13/98 07:20pm

Page 1

ASSETS

CURRENT ASSETS

00000	Barnett Bank - Operating	11,700.15
00000	Barnett Bank - Payroll	338.36
00000	Barnett Bank - Commissions	991.06
00000	Merrill Lynch - Operating	5,152.21
00000	Accounts Receivable	23,968.40
00000	Accounts Receivable-Other	152,678.00
00000	Prepaid Expenses	17,115.91
00000	Prepaid Media	29,649.65

TOTAL CURRENT ASSETS

241,593.76

FIXED ASSETS

00000	Furniture & Fixtures	71,169.57
00000	Computer Hardware	457,048.44
00000	Computer Software	57,066.53
00000	Leasehold Improvements	15,775.00
00000	Accum.Dep-Furniture&Fixtures	(8,297.00)
00000	Accum.Dep-Computer Hardware	(49,510.16)
00000	Accum.Dep-Computer Software	(10,460.00)
00000	Accum.Dep-Leaseholds	(181.00)

TOTAL FIXED ASSETS

532,611.38

OTHER ASSETS

00000	Security Deposits	88,537.54
00000	Long Term Investments	7,500.00

TOTAL ASSETS

870,242.68

LIABILITIES & OWNERS EQUITY

LIABILITIES

CURRENT LIABILITIES

00000	Accounts Payable	390,410.92
00000	Accrued Commissions Payable	11,500.00
00000	L/D Phone Taxes Payable	10,224.86
00000	Customer Deposits	250.00

TOTAL CURRENT LIABILITIES

412,385.78

LONG TERM LIABILITIES

00000	Long Term Loan-EIS Equipment	44,241.98
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TOTAL LONG TERM LIABILITIES

44,241.98

TOTAL LIABILITIES

456,627.76

SHAREHOLDERS EQUITY

00000	Common Stock	10.00
00000	Additional Paid in Capital	1,884,212.25
00000	Retained Earnings	(1,271,925.46)
30000	Retained Earnings	(21,079.19)
00000	YTD Net Income	(13,565.43)
30000	YTD Net Income	35,982.78

TOTAL SHAREHOLDERS EQUITY 413,614.92

TOTAL LIABILITIES & EQUITY 870,242.68

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NeTeL, Inc.
Income Statement
For the Period 12/01/1996 Through 12/31/1996

01-96-136
 Date 02/13/98 07:21pm

Page 1

		Current Period		Year-to-Date	
		Amount	%	Amount	%
SALES					
00000	Long Distance Revenue-LEC	340,396.24	88.86	3,154,655.34	89.18
00000	Long Distance Revenue-LEC	4,373.80	1.14	49,770.97	1.41
00000	Service Charge Revenue	26,124.21	6.82	241,457.56	6.83
00000	Pager Revenue	691.44	0.18	1,419.15	0.04
00000	Promo Materials Revenue	6,473.16	1.69	70,408.37	1.99
00000	Calling Card Revenue	3,090.88	0.81	12,144.08	0.34
00000	Set-Up Charge Revenue	347.10	0.09	860.99	0.02
00000	Downline Report Revenue	628.00	0.16	2,687.00	0.08
00000	Newsletter Revenue	225.00	0.06	548.50	0.02
00000	Miscellaneous Revenue	280.00	0.07	2,485.40	0.07
00000	Postage & Shipping Revenue	245.08	0.06	615.33	0.02
00000	Sponsor Fee Revenue	210.85	0.06	210.85	0.01
GROSS OPERATING INCOME		383,085.76	100.00	3,537,261.54	100.00
COST OF SALES					
00000	Carrier Charges	180,961.66	47.24	1,731,738.42	48.96
00000	Dedicated Minutes Cost	6,998.66	1.83	91,331.25	2.58
00000	Pager Charges	268.50	0.07	268.50	0.01
00000	Commission Expense-L/D	26,810.86	7.00	216,416.62	6.12
00000	Commission Expense-L/D	594.32	0.16	9,337.34	0.26
00000	Collection Charges	48,678.91	12.71	445,195.43	12.59
00000	Credit Card Processing Charges	569.31	0.15	6,369.08	0.18
COST OF SALES		264,882.22	69.14	2,500,656.64	70.69
GROSS PROFIT		118,203.54	30.86	1,036,604.90	29.31
OPERATING EXPENSES					
00000	Payroll - Sales L/D	7,988.93	2.09	80,225.08	2.27
00000	Payroll - Sales L/D	0.00	0.00	4,377.68	0.12
00000	Payroll - Graphics/Mktg	4,507.68	1.18	22,495.36	0.64
00000	Payroll - Customer Service	5,888.25	1.54	77,184.00	2.18
00000	Payroll - Sponsor Relations	3,022.78	0.79	15,713.53	0.44
00000	Advertising-Print Media	250.00	0.07	250.00	0.01
00000	Advertising-Mailing List Purch	0.00	0.00	4,590.00	0.13
00000	Advertising-Internet	0.00	0.00	872.50	0.02
00000	Advertising-TV	0.00	0.00	2,141.00	0.06
00000	Advertising-Newsletters	3,500.00	0.91	6,123.00	0.17
00000	Advertising-Calling Cards	0.00	0.00	19,332.70	0.55
00000	Advertising-Promo Merchandise	2,615.00	0.68	62,270.20	1.76
00000	Advertising-Promotional Merch	477.13	0.12	2,548.99	0.07
00000	Graphic Arts Consultant Exp	0.00	0.00	6,416.80	0.18
00000	Postage & Shipping Costs	5,952.89	1.55	69,975.31	1.98
00000	Postage & Shipping Costs	0.00	0.00	25.00	0.00
00000	Telephone Expense - Sales	5,493.77	1.43	62,457.98	1.77
00000	Telephone Expense - Sales	0.00	0.00	68.17	0.00
00000	Payroll - Officers	2,550.00	0.67	55,908.90	1.58
00000	Payroll - Administrative	1,450.94	0.38	40,071.80	1.13
00000	Payroll - Accounting	3,000.00	0.78	18,108.53	0.51
00000	Payroll - MIS	9,787.92	2.56	56,640.56	1.60

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		Current Period		Year-to-Date	
		Amount	%	Amount	%
00000	Payroll Tax Expense	3,351.66	0.87	35,437.70	1.00
00000	Employee Benefits	598.26	0.16	2,320.17	0.07
00000	Payroll Processing Fees	95.55	0.02	1,608.46	0.05
00000	Rent Expense	15,172.47	3.96	121,826.93	3.44
00000	Building Maintenance/Security	41.61	0.01	1,557.35	0.04
00000	Utilities Expense	1,332.12	0.35	16,027.98	0.45
00000	Equipment Maintenance & Repair	0.00	0.00	6,408.20	0.18
00000	Equipment Expense	1,071.01	0.28	4,150.34	0.12
00000	Printing Expenses- Admin	0.00	0.00	515.95	0.01
00000	Telephone Expense - Admin	1,810.52	0.47	17,187.91	0.49
00000	Office Supplies & Expenses	716.60	0.19	14,372.78	0.41
00000	Computer Supplies & Expenses	(138.21)	-0.04	4,104.34	0.12
00000	Advertising - Classified	878.20	0.23	2,441.81	0.07
00000	Auto Expenses	3,302.16	0.86	37,092.51	1.05
00000	Entertainment Expenses	1,508.74	0.39	10,454.93	0.30
00000	Travel Expenses	(948.00)	-0.25	5,722.34	0.16
00000	Business License/Certificates	0.00	0.00	1,085.00	0.03
00000	Regulatory Fees & Assessments	0.00	0.00	1,698.76	0.05
00000	Compliance Fees & Assessments	500.00	0.13	2,459.75	0.07
00000	Sales Tax Expense-Capital Ls.	0.00	0.00	1,852.23	0.05
00000	Insurance - Business	0.00	0.00	3,555.28	0.10
00000	Insurance - Auto	273.80	0.07	2,236.20	0.06
00000	Insurance - Employee Medical	(214.25)	-0.06	9,556.01	0.27
00000	Insurance - Workers Comp	0.00	0.00	2,991.00	0.08
00000	Professional Fees - Legal	0.00	0.00	21,723.51	0.61
00000	Professional Fees - Accounting	0.00	0.00	1,500.00	0.04
00000	Professional Fees - Consulting	0.00	0.00	5,577.50	0.16
00000	Professional Fees - Regulatory	0.00	0.00	7,599.00	0.21
00000	Professional Fees - Searches	0.00	0.00	7,680.00	0.22
00000	Dues, Subscriptions, Publications	390.00	0.10	2,040.43	0.06
00000	Interest Exp-Fundings	6,815.05	1.78	54,448.71	1.54
00000	Interest Exp-Capital Leases	0.00	0.00	3,740.41	0.11
00000	Interest Expense - Other	0.00	0.00	54.57	0.00
00000	Bank Charges	328.24	0.09	920.81	0.03
TOTAL OPERATING EXPENSES		93,371.00	24.37	1,019,746.96	28.83
NET OPERATING INCOME		24,832.54	6.48	16,857.94	0.48
<u>OTHER INCOME</u>					
00000	Other Revenue	0.00	0.00	5,012.93	0.14
00000	Interest Income	39.43	0.01	526.48	0.01
TOTAL OTHER INCOME		39.43	0.01	5,539.41	0.16
NET INCOME BEFORE TAXES		24,871.97	6.49	22,397.35	0.63
NET INCOME AFTER TAX		24,871.97	6.49	22,397.35	0.63

NeTeL, Inc.
Balance Sheet
Period: 12-97 As of: 12/31/1997

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 Date 03/02/98 12:33pm

Page 1

ASSETS

CURRENT ASSETS

00000	Cash in Bank - All Accounts	311,303.36
00000	Accounts Receivable	686,187.51
00000	Loans Receivable - Other	480,152.05
00000	Prepaid Expenses	23,288.52
00000	Prepaid Media	16,814.60

TOTAL CURRENT ASSETS

1,517,756.04

FIXED ASSETS

00000	Furniture & Fixtures	289,557.83
00000	Computer Hardware	763,872.59
00000	Computer Software	59,533.22
00000	Video & Audio Assets	84,538.24
00000	Leasehold Improvements	22,171.87
00000	Warehouse Equipment	14,403.19
00000	Accum.Dep-Warehouse Equipment	(980.21)
00000	Accum.Dep-Furniture&Fixtures	(38,008.86)
00000	Accum.Dep-Computer Hardware	(232,620.18)
00000	Accum.Dep-Computer Software	(32,787.13)
00000	Accum.Dep-Leaseholds	(9,554.87)
00000	Accum.Dep-Video & Audio Assets	(21,134.08)

TOTAL FIXED ASSETS

879,019.84

OTHER ASSETS

00000	Security Deposits	120,738.12
00000	Reserve on Accounts Receivable	85,011.08
00000	Certificate of Deposit	50,000.00
00000	Long Term Investments	7,500.00

TOTAL ASSETS

2,680,025.06

LIABILITIES & OWNERS EQUITY

LIABILITIES

CURRENT LIABILITIES

00000	Accounts Payable	2,124,314.50
00000	Accrued Commissions Payable	75,988.74
00000	L/D Phone Taxes Payable	4,311.82
00000	Customer Deposits	15,000.00

TOTAL CURRENT LIABILITIES

2,219,613.16

LONG TERM LIABILITIES

00000	Long Term Loan-EIS Equipment	44,241.98
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TOTAL LONG TERM LIABILITIES

44,241.98

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Date 03/02/98 12:33pm

Page 2

TOTAL LIABILITIES

2,263,655.14

SHAREHOLDERS EQUITY

00000	Common Stock	10.00
00000	Additional Paid in Capital	2,239,634.25
00000	Retained Earnings	(1,270,607.33)
00000	YTD Net Income	(572,873.47)
30000	YTD Net Income	6.49

TOTAL SHAREHOLDERS EQUITY

396,189.94

TOTAL LIABILITIES & EQUITY

2,660,025.08
=====

NeTel, Inc.
Income Statement

For the Period 12/01/1997 Through 12/31/1997

01-98-140
Date 03/02/98 12:34pm

Page 1

		Current Period		Year-to-Date	
		Amount	%	Amount	%
SALES					
00000	Long Distance Revenue-LEC	904,081.91	53.13	6,122,348.54	53.04
00000	Long Distance Revenue-Direct	8,595.91	0.51	232,511.19	2.01
00000	Payphone Revenue	1,364.40	0.08	19,530.46	0.17
00000	Service Charge Revenue	112,506.45	6.61	857,247.14	7.43
00000	Promo Materials Revenue	236,790.09	13.92	1,707,532.08	14.79
00000	Calling Card Revenue	157,100.00	9.23	1,550,850.00	13.44
00000	Calling Card Recharge Revenue	156,175.00	9.18	927,159.89	8.03
00000	Proprietary Software Revenue	125,000.00	7.35	125,000.00	1.08
GROSS OPERATING INCOME		1,701,613.76	100.00	11,542,179.30	100.00
COST OF SALES					
00000	Carrier Charges	701,488.70	41.22	4,958,471.36	42.96
00000	Access Charges	13,586.07	0.80	13,586.07	0.12
00000	L/D Verification Charges	4,876.90	0.29	10,156.00	0.09
00000	Internet Charges	1,405.00	0.08	17,738.31	0.15
00000	Promo Materials Charges	30,516.04	1.79	402,093.01	3.48
00000	Shipping Charges	12,664.00	0.74	239,730.58	2.08
00000	Commission Expense-L/D	64,177.85	3.77	475,689.64	4.12
00000	Credit Expense-ZPDI	5,292.70	0.31	36,297.19	0.31
00000	Credit Card Credit/Chargebacks	81,731.85	4.80	499,649.55	4.33
00000	Unbillable Carrier Charges	11,150.20	0.66	296,077.05	2.57
00000	Collection Charges	124,284.74	7.30	729,049.95	6.32
00000	Credit Card Processing Charges	27,534.21	1.62	123,363.66	1.07
00000	Bad Debt Expense - LEC	36,073.29	2.12	247,439.91	2.14
00000	Bad Debt Expense - Direct	0.00	0.00	98,525.00	0.85
COST OF SALES		1,114,781.35	65.51	6,147,865.28	70.59
GROSS PROFIT		586,832.41	34.49	3,394,314.02	29.41
OPERATING EXPENSES					
00000	Payroll - Sales L/D	22,247.51	1.31	347,751.42	3.01
00000	Payroll - Sales Calling Cards	33,256.17	1.95	114,340.24	0.99
00000	Contract Labor-Sales	740.25	0.04	42,889.71	0.37
00000	Payroll - Graphics/Mktg	2,818.71	0.17	32,531.64	0.28
00000	Payroll - Shipping	8,831.26	0.52	49,491.76	0.43
00000	Payroll - Customer Service	32,969.04	1.94	220,299.90	1.91
00000	Contract Labor-Cust Service	3,525.00	0.21	18,221.54	0.16
00000	Payroll - Sponsor Relations	33,981.69	2.00	222,124.20	1.92
00000	Contract Labor-Sponsor Rel	0.00	0.00	4,063.50	0.04
00000	Advertising-Print Media	155,809.40	9.16	998,406.20	8.65
00000	Advertising-TV	0.00	0.00	59,048.70	0.51
00000	Advertising-Promo Merchandise	0.00	0.00	6,000.00	0.05
00000	Graphic Arts Consultant Exp	0.00	0.00	1,512.50	0.01
00000	Postage & Shipping Costs	0.00	0.00	(354.04)	0.00
00000	Telephone Expense - Sales	41,460.69	2.44	390,562.54	3.44
00000	Telephone Expense - Sales	0.00	0.00	(8.49)	0.00
00000	Payroll - Officers	7,260.00	0.43	72,780.00	0.63
00000	Payroll - Administrative	10,042.75	0.59	59,784.96	0.52
00000	Payroll - Accounting	6,682.68	0.39	58,609.16	0.51
00000	Payroll - MIS	12,043.08	0.71	130,748.42	1.13

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Date 03/02/98 12:34pm

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		Current Period		Year-to-Date	
		Amount	%	Amount	%
00000	Payroll Tax Expense	16,274.93	0.96	129,338.03	1.12
00000	Employee Benefits	232.14	0.01	3,181.94	0.03
00000	Payroll Processing Fees	369.40	0.02	2,672.73	0.02
00000	Rent Expense	17,586.45	1.03	197,044.09	1.71
00000	Show & Display Expenses	0.00	0.00	5,186.08	0.04
00000	Building Maintenance/Security	40.00	0.00	3,606.18	0.03
00000	Utilities Expense	2,714.30	0.16	26,226.85	0.23
00000	Equipment Maintenance & Repair	789.43	0.05	789.43	0.01
00000	Equipment Expense	1,554.73	0.09	30,484.21	0.26
00000	Printing Expenses- Admin	327.00	0.02	22,272.87	0.19
00000	Telephone Expense - Admin	1,078.63	0.06	23,976.56	0.21
00000	Office Supplies & Expenses	3,233.18	0.19	33,139.55	0.29
00000	Computer Supplies & Expenses	0.00	0.00	11,322.03	0.10
00000	Advertising - Classified	1,482.15	0.09	26,155.57	0.23
00000	Warehouse Supplies & Expenses	424.00	0.02	1,569.28	0.01
00000	Auto Expenses	6,334.93	0.37	55,027.22	0.48
00000	Entertainment Expenses	10,982.84	0.65	31,723.76	0.27
00000	Travel Expenses	2,776.49	0.16	25,262.39	0.22
00000	Business License/Certificates	3,322.15	0.20	9,880.73	0.09
00000	Business Taxes	0.00	0.00	19,364.09	0.17
00000	Compliance Fees & Assessments	50.00	0.00	10,100.61	0.09
00000	Insurance - Business	0.00	0.00	15,453.11	0.13
00000	Insurance - Auto	562.50	0.03	7,201.44	0.06
00000	Insurance - Employee Medical	3,148.15	0.19	25,956.07	0.22
00000	Insurance - Workers Comp	140.00	0.01	140.00	0.00
00000	Professional Fees - Legal	4,250.00	0.25	16,466.91	0.14
00000	Professional Fees - Accounting	0.00	0.00	18,749.97	0.16
00000	Professional Fees - Consulting	0.00	0.00	5,380.00	0.05
00000	Professional Fees - Regulatory	0.00	0.00	500.00	0.00
00000	Dues, Subscriptions, Publications	0.00	0.00	7,160.92	0.06
00000	Depreciation-Furniture&Fixture	3,209.02	0.19	29,711.85	0.26
00000	Depreciation-Computer Hardware	13,869.04	0.82	183,110.02	1.59
00000	Depreciation-Computer Software	992.05	0.06	22,307.13	0.19
00000	Depreciation-Leaseholds	0.00	0.00	9,373.67	0.08
00000	Depreciation-Audio/Video	2,348.23	0.14	21,134.06	0.18
00000	Depreciation-Whse. Equipment	240.05	0.01	960.21	0.01
00000	Interest Exp-Fundings	12,757.63	0.75	87,461.64	0.76
00000	Interest Expense - Other	4,542.96	0.27	6,166.29	0.05
00000	Bank Charges	259.68	0.02	9,053.44	0.08
TOTAL OPERATING EXPENSES		487,560.49	28.65	3,969,396.89	34.39
NET OPERATING INCOME		99,271.92	5.83	(575,082.87)	-4.98
<u>OTHER INCOME</u>					
00000	Interest Income	424.48	0.02	2,215.89	0.02
TOTAL OTHER INCOME		424.48	0.02	2,215.89	0.02
NET INCOME BEFORE TAXES		99,696.40	5.86	(572,866.98)	-4.96
NET INCOME AFTER TAX		99,696.40	5.86	(572,866.98)	-4.96

EXHIBIT E
PROPOSED TARIFF

SOUTH DAKOTA TELECOMMUNICATIONS TARIFF

OF

Netel, Inc. d/b/a TEL3

6300 N.E. First Avenue, 3rd Floor, Fort Lauderdale, Florida 33334

RESALE INTEREXCHANGE TELECOMMUNICATIONS SERVICE

This tariff contains the descriptions, regulations, and rates applicable to the furnishing of telecommunications services provided by Netel, Inc. d/b/a TEL3 within the State of South Dakota. This tariff is on file with the South Dakota Public Utilities Commission ("Commission"). Copies may be inspected during normal business hours at the Company's principal place of business, 6300 N.E. First Avenue, 3rd Floor, Fort Lauderdale, Florida 33334.

Netel, Inc. d/b/a TEL3 is a provider of interexchange telecommunications services on a 24-hour basis. Service is provided for the direct transmission and reception of voice and data communications between points within the State of South Dakota as an adjunct to Netel, Inc. d/b/a TEL3's interstate service.

Issued: May 1, 1998
Issued By:

Scott Lehman, President
Netel, Inc. d/b/a TEL3
6300 N.E. First Avenue, 3rd Floor
Fort Lauderdale, Florida 33334
(954) 776-9100

Effective Date:

Netel, Inc. d/b/a TEL3

South Dakota P.U.C. Tariff No. 1
Original Sheet No. 1

CHECK SHEET

The Title Sheet and Sheets 1 through 20 inclusive of this tariff are effective as of the date shown at the bottom of the respective sheet(s).

SHEET

REVISION

Title	Original
1	Original
2	Original
3	Original
4	Original
5	Original
6	Original
7	Original
8	Original
9	Original
10	Original
11	Original
12	Original
13	Original
14	Original
15	Original
16	Original
17	Original
18	Original
19	Original
20	Original

Issued: May 1, 1998
Issued By:

Scott Lehman, President
Netel, Inc. d/b/a TEL3
6300 N.E. First Avenue, 3rd Floor
Fort Lauderdale, Florida 33334
(954) 776-9100

Effective Date:

Netel, Inc. d/b/a TEL3

South Dakota P.U.C. Tariff No. 1
Original Sheet No. 2

TABLE OF CONTENTS

Title Sheet.....	Title
Check Sheet.....	1
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Explanation of Symbols.....	3
Tariff Format.....	4
Application of Tariff.....	5
Section 1 - Technical Terms and Abbreviations.....	6
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Section 3 - Description of Service.....	18
Section 4 - Rates.....	20

Issued: May 1, 1998
Issued By:Scott Lehman, President
Netel, Inc. d/b/a TEL3
6300 N.E. First Avenue, 3rd Floor
Fort Lauderdale, Florida 33334
(954) 776-9100

Effective Date:

Netel, Inc. d/b/a TEL3

South Dakota P.U.C. Tariff No. 1
Original Sheet No. 3

CONCURRING CARRIERS

None

CONNECTING CARRIERS

None

OTHER PARTICIPATING CARRIERS

None

EXPLANATION OF SYMBOLS

- (C) To signify **changed** condition or regulation.
- (D) To signify **deleted or discontinued** rate, regulation or condition.
- (I) To signify a change resulting in an **increase** to a Customer's bill.
- (M) To signify that material has been **moved from** another tariff location.
- (N) To signify a **new** rate, regulation condition or sheet.
- (R) To signify a change resulting in a **reduction** to a Customer's bill.
- (T) To signify a change in **text** but no change to rate or charge.

Issued: May 1, 1998
Issued By:

Scott Lehman, President
Netel, Inc. d/b/a TEL3
6300 N.E. First Avenue, 3rd Floor
Fort Lauderdale, Florida 33334
(954) 776-9100

Effective Date:

Netel, Inc. d/b/a TEL3

South Dakota P.U.C. Tariff No. 1
Original Sheet No. 4**TARIFF FORMAT**

- A. **Sheet Numbering** - Sheet numbers appear in the upper right corner of the sheet. Sheets are numbered sequentially. However, occasionally, when a new sheet is added between sheets already in effect, a decimal is added. For example, a new sheet added between sheets 14 and 15 would be 14.1.
- B. **Sheet Revision Numbers** - Revision numbers also appear in the upper right corner of each sheet. These numbers are used to determine the most current sheet version on file with the Commission. For example, the 4th revised Sheet 14 cancels the 3rd Revised Sheet 14. Because of various suspension periods, deferrals, etc. the Commission follows in their tariff approval process, the most current sheet number on file with the Commission is not always the sheet in effect. Consult the Check Sheet for the sheet currently in effect.
- C. **Paragraph Numbering Sequence** - There are four levels of paragraph coding. Each level of code is subservient to its next higher level:
- 2.
 - 2.1.
 - 2.1.1.
 - 2.1.1.1.
- D. **Check Sheets** - When a tariff filing is made with the Commission, an updated Check Sheet accompanies the tariff filing. The Check Sheet lists the sheets contained in the tariff with a cross reference to the current revision number. When new sheets are added, the Check Sheet is changed to reflect the revision. All revisions made in a given filing are designated by and asterisk (*). There will be no other symbols used on this sheet if these are the only changes made to it (i.e., the format, etc., remains the same, just revised revision levels on some sheets). The tariff user should refer to the latest Check Sheet to find if a particular sheet is the most current on file with the Commission.

Issued: May 1, 1998
 Issued By:

Scott Lehman, President
 Netel, Inc. d/b/a TEL3
 6300 N.E. First Avenue, 3rd Floor
 Fort Lauderdale, Florida 33334
 (954) 776-9100

Effective Date:

Netel, Inc. d/b/a TEL3

South Dakota P.U.C. Tariff No. 1
Original Sheet No. 5

APPLICATION OF TARIFF

This tariff contains the rates applicable to the provision of specialized intrastate resale common carrier telecommunications services by Netel, Inc. d/b/a TEL3 between various locations within the State of South Dakota. All services are interstate offerings. Intrastate service is an add on service available only if the Customer subscribes to the Company's interstate offerings.

Issued: May 1, 1998
Issued By:

Scott Lehman, President
Netel, Inc. d/b/a TEL3
6300 N.E. First Avenue, 3rd Floor
Fort Lauderdale, Florida 33334
(954) 776-9100

Effective Date:

Netel, Inc. d/b/a TEL3

South Dakota P.U.C. Tariff No. 1
Original Sheet No. 6

SECTION 1 - TECHNICAL TERMS AND ABBREVIATIONS

Account Code:

A numerical code, one or more of which are available to a Customer to enable identification of individual users or groups of users on an account and to allocate costs of service accordingly.

Called Station:

The terminating point of a call (i.e., the called number).

Calling Card:

A card issued by Company containing such account numbers assigned to its Customer which enables the charges for calls made to be properly billed on a pre-arranged basis.

Company:

Netel, Inc. d/b/a TEL3 ("TEL3")

Commission:

The South Dakota Public Utilities Commission

Customer:

The person, firm, corporation or other entity which orders or uses service and is responsible for payment of charges and compliance with tariff regulation.

Disconnect or Disconnection:

The termination of a circuit connection between the Originating Station and the Called Station or the Company's operator.

Issued: May 1, 1998
Issued By:

Scott Lehman, President
Netel, Inc. d/b/a TEL3
6300 N.E. First Avenue, 3rd Floor
Fort Lauderdale, Florida 33334
(954) 776-9100

Effective Date:

Netel, Inc. d/b/a TEL3

South Dakota P.U.C. Tariff No. 1
Original Sheet No. 7

SECTION 1 - TECHNICAL TERMS AND ABBREVIATIONS. Continued

Measured Service:

The provision of long distance measured time communications telephone service to Customers who access the Company's service at its contracted interexchange carriers' switching and call processing equipment by means of access facilities obtained from local exchange common carrier(s). Company contacted interexchange carrier is responsible for arranging the access lines.

Point of Presence:

The point of physical interconnection between the local exchange company's local network and the interexchange carrier's network ("POP").

Postpaid Service:

Presubscribed service where subscribers are billed for and remit payment subsequent to the provision of service.

Prepaid Service:

A discretionary prepaid calling card service for which subscribers pay prior to accessing the service.

Subscriber:

See "Customer" definition.

Travel Card:

See "Calling Card" definition.

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Effective Date:

Netel, Inc. d/b/a TEL3

South Dakota P.U.C. Tariff No. 1
Original Sheet No. 8

SECTION 2 - RULES AND REGULATIONS

2.1. UNDERTAKING OF COMPANY

- 2.1.1. Company's services are furnished for telecommunications originating and/or terminating in any area within the State of South Dakota.
- 2.1.2. Company is a provider of interexchange telecommunications to Customers for direct transmission and reception of voice, data, and other types of communications.
- 2.1.3. Company resells access, switching, transport and termination services provided by interexchange carriers.
- 2.1.4. Customer's monthly charges for Company's service are based on the total time Customer actually uses the service. For billing purposes, the duration of each call will be rounded up in one (1) minute increments unless otherwise specified.
- 2.1.5. Subject to availability, the Customer may use authorization codes to identify the users or user groups on an account. The numerical composition of the codes shall be set by Company to assure compatibility with the Company's accounting and billing systems and to avoid the duplication of codes.
- 2.1.6. The Company's services are provided on a monthly basis and are available twenty-four (24) hours per day, seven (7) days per week.

2.2. LIMITATIONS

- 2.2.1. Service is offered subject to availability of the necessary facilities and/or equipment and subject to the provisions of this tariff.
- 2.2.2. Company may immediately disconnect service when necessitated by conditions beyond the company's control or when the Customer is using the service in violation of either the provisions of this tariff or the Commission rules.

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Effective Date:

Netel, Inc. d/b/a TEL3

South Dakota P.U.C. Tariff No. 1
Original Sheet No. 9

SECTION 2 - RULES AND REGULATIONS, Continued

2.2. LIMITATIONS, Continued

- 2.2.3. The Company does not undertake to transmit messages, but offers the use of its facilities when available.
- 2.2.4. Title to all facilities provided by Company under these regulations remains in Company's name.
- 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

- 2.3.1. Service may be used for the transmission of communications by the Customer.
- 2.3.2. Service may not be used for any unlawful purpose or for any purpose for which any payment or other compensation is received by the Customer, except when the Customer is a duly authorized and regulated common carrier. This provision does not prohibit an arrangement between the Customer, authorized user or joint user to share the cost of service.
- 2.3.3. The Company strictly prohibits use of the Company's services without payment or an avoidance of payment by the Customer by fraudulent means or devices including providing falsified calling card numbers or invalid calling card numbers to the Company, providing falsified or invalid credit card numbers to the Company or in any way misrepresenting the identity of the Customer.

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Effective Date:

Netel, Inc. d/b/a TEL3

South Dakota P.U.C. Tariff No. 1
Original Sheet No. 10

SECTION 2 - RULES AND REGULATIONS, Continued

2.4. LIABILITIES OF THE COMPANY

- 2.4.1. The liability of the Company for damages arising out of mistakes, omissions, interruptions, delays, errors or defects in transmission occurring in the course of furnishing service or other facilities and not caused by the negligence of the Customer, commences upon activation of service and in no event exceeds an amount equivalent to the proportionate charge to the Customer for the period of service during which such mistakes, omissions, interruptions, delays, errors, or defects in transmission occur. In no event will the Company be responsible for consequential damages for lost profits suffered by a Customer or end user as the result of interrupted or unsatisfactory service. For the purpose of computing such amount a month is considered to have 30 days.
- 2.4.2. Company shall be indemnified and held harmless by the Customer against:
- A. Claims for libel, slander, infringement of copyright or unauthorized use of any trademark, trade name or service mark arising out of the material, data, information or other content transmitted over company's facilities; and
 - B. Claims for patent infringement arising from combining or connecting company's facilities with apparatus and systems of the Customer; and
 - C. All other claims arising out of any act or omission of the Customer in connection with any service provided by Company.
- 2.4.3. The Company is not liable for any defacement of, or damage to, the equipment or premises of a Customer resulting from the furnishing of services when such defacement or damage is not the result of the Company's negligence.

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Effective Date:

Netel, Inc. d/b/a TEL3

South Dakota P.U.C. Tariff No. 1
Original Sheet No. 11

SECTION 2 - RULES AND REGULATIONS, Continued

2.4. LIABILITIES OF THE COMPANY, Continued

- 2.4.4. Company shall not be liable for and the Customer indemnifies and holds harmless from any and all loss claims, demands, suits, or other actions or liabilities whatsoever, whether suffered, made, instituted or asserted by the Customer or by any other party or person, for any personal injury to, death of any person or persons, and for any loss, damage, defacement or destruction of the premises of the Customer or any other property, whether owned by the Customer or by others, caused or claimed to have been caused directly or indirectly by the installation, operation, failure to operate, maintenance, removal, presence, condition, location or use of equipment or wiring provided by company where such installation, operation, failure to operate, maintenance, condition, location or use is not the direct result of the Company's negligence.
- 2.4.5. The Company is not liable for any failure of performance hereunder due to causes beyond its control, including, but not limited to, unavoidable interruption in the working of its circuits or those of another common carrier; acts of God, storms, fire, floods, or other catastrophes; any law, order, regulation, direction, action, or request of the United States Government, or any other governmental entity having jurisdiction over the company or of any department, agency, commission, bureau, corporation, or other instrumentality or any one or more of such instrumentality or any one or more of such governmental entities, or of any civil or military authority; national emergencies, insurrections, riots, rebellions, wars, strikes, lockouts, work stoppages, or other labor difficulties; or notwithstanding anything in this tariff to the contrary, the unlawful acts of the Company's agents and employees, if committed beyond the scope of their employment.

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Effective Date:

Netel, Inc. d/b/a TEL3

South Dakota P.U.C. Tariff No. 1
Original Sheet No. 12

SECTION 2 - RULES AND REGULATIONS, Continued

2.4. LIABILITIES OF THE COMPANY, Continued

- 2.4.6. The Company shall not be liable for damages or adjustments, refunds, or cancellation of charges unless the Customer has notified the Company, in writing, of any dispute concerning charges, or the basis of any claim for damages, after the invoice is rendered by the company for the call giving rise to such dispute or claim, unless ordered by the Commission pursuant to South Dakota law. Any such notice must set forth sufficient facts to provide the Company with a reasonable basis upon which to evaluate the Customer's claims or demands.
- 2.4.7. The Company shall not be liable for any damages, including usage charges, that the Customer may incur as a result of the unauthorized use of its communications equipment. The unauthorized use of the Customer's communications equipment includes, but is not limited to, the placement of calls from the Customer's premises and the placement of calls through Customer-controlled or Customer-provisioned equipment that are transmitted or carried over the Company's network services without the authorization of the Customer. The Customer shall be fully liable for all such charges.

2.5. PREPAID SUBSCRIBER RESPONSIBILITIES

- 2.5.1. The Customer is responsible for the payment of all charges for services furnished to the Customer. Charges are based on actual usage.
- 2.5.2. The Customer is responsible for compliance with applicable regulations set forth in this tariff.
- 2.5.3. The Customer is responsible for establishing identity as often as necessary during the course of the call or when seeking credits from the Company.

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Effective Date:

Netel, Inc. d/b/a TEL3

South Dakota P.U.C. Tariff No. 1
Original Sheet No. 13

SECTION 2 - RULES AND REGULATIONS, Continued

2.6. INTERRUPTION OF SERVICE

- 2.6.1. Credit allowance for the interruption of service which is not due to the Company's testing or adjusting, negligence of the Customer, or to the failure of channels or equipment provided by the Customer, shall not exceed an amount equivalent to the proportionate charge to the Customer for the period during which the aforementioned faults in transmission occur. It shall be the obligation of the Customer to notify the Company immediately of any interruption in service for which a credit allowance is desired. Before giving such notice, the Customer shall ascertain that the trouble is not being caused by any action or omission by the Customer with his control, or is not in wiring or equipment, if any, furnished by the Customer and connected to the Company's facilities. The Company's service and facilities are provided on a monthly basis, unless ordered on a longer basis and are provided twenty-four (24) hours per day, seven (7) days per week.
- 2.6.2. For purposes of credit computation, every month shall be considered to have 720 hours.
- 2.6.3. No credit shall be allowed for an interruption of a continuous duration of less than two (2) hours.
- 2.6.4. The Customer shall be credited for an interruption of two (2) hours or more at the rate of 1/720th of the monthly charge for the facilities affected for each hour or major fraction thereof that the interruption continues.

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

"A" - outage time in hours.

"B" - total monthly charge for affected facility.

2.7. RESTORATION OF SERVICE

The use and restoration of service in emergencies shall be in accordance with part 64, Subpart D of the Federal Communications Commission's Rules and Regulations which specifies the priority system for such activities.

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Effective Date:

Netel, Inc. d/b/a TEL3

South Dakota P.U.C. Tariff No. 1
Original Sheet No. 14

SECTION 2 - RULES AND REGULATIONS, Continued

2.8. MINIMUM SERVICE PERIOD

The minimum service period is one month (30 days).

2.9. PAYMENTS AND BILLING FOR POSTPAID SERVICES

- 2.9.1. Charges for service are applied on a recurring and nonrecurring basis. Service is provided and billed on a monthly (30 day) basis. The billing date is dependent on the billing cycle assigned to the subscriber. Service continues to be provided until canceled by the Customer with no less than thirty (30) days notice.
- 2.9.2. The Customer is responsible for the payment of all charges for services furnished to the Customer. Charges are based on actual usage and are billed monthly in arrears.
- 2.9.3. Billing will be payable upon receipt and deemed past due thirty (30) days after issuance and posting of invoice. Bills not paid within thirty-one (31) days after the date of posting are subject to a 1.5% late payment charge for the unpaid balance, or the maximum allowable under state law. Each account shall be granted not less than one complete forgiveness of late payment charge, pursuant to Commission rules. Customers shall be notified by letter when eligibility for forgiveness of late payment charge has been utilized.

2.10. BILLING DISPUTES

- 2.10.1. Billing disputes should be addressed to Company's customer service organization via telephone to (800) 962-2181. Customer service representatives are available from 9:00 am to 9:00 pm Eastern Time. Messages may be left for customer service representatives from 9:01 pm to 8:59 am Eastern Time.
- 2.10.2. In the case of a dispute between the Customer and the Company for service furnished to the Customer, which cannot be settled with mutual satisfaction, the Customer can take the following course of action:
- 2.10.2.1. First, the Customer may request the Company perform an in-depth review of the disputed amount. (The undisputed portion and subsequent bills must be paid on a timely basis or the service may be subject to disconnection).

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Effective Date:

Netel, Inc. d/b/a TEL3

South Dakota P.U.C. Tariff No. 1
Original Sheet No. 15**SECTION 2 - RULES AND REGULATIONS, Continued****2.10. BILLING DISPUTES, Continued**

- 2.10.2.2. Second, if there is still a disagreement about the disputed amount after the investigation and review by a manager of the Company, the Customer may appeal to the Commission for its investigation and decision. The address of the Commission is:

South Dakota Public Utilities Commission
500 East Capitol Avenue
Pierre, South Dakota 57501-5070

2.11. CANCELLATION BY CUSTOMER FOR POSTPAID SERVICES

- 2.11.1. Customer may cancel service by providing written notice to Company thirty (30) days prior to cancellation.
- 2.11.2. Customer is responsible for usage charges while still connected to the Company's service and the payment of associated local exchange company charges, if any, for service charges.
- 2.11.3. Any non-recoverable cost of company expenditures shall be borne by the Customer if:
- A. The Customer orders service requiring special facilities dedicated to the Customer's use and then cancels the order before such service begins, before completion of the minimum period or before completion of some period mutually agreed with the Customer for the non-recoverable portions of expenditures; or
 - B. Liabilities are incurred expressly on behalf of the Customer by Company and not fully reimbursed by installation and monthly charges; and
 - C. Based on an order for service and construction has either begun or has been completed, but no service provided.

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Effective Date:

Netel, Inc. d/b/a TEL3

South Dakota P.U.C. Tariff No. 1
Original Sheet No. 16**SECTION 2 - RULES AND REGULATIONS, Continued****2.12. CANCELLATION BY COMPANY**

2.12.1. Company may immediately discontinue furnishing the service to Customers:

- A. In the event of a condition determined to be hazardous to the Customer, to other Customers of the utility, to the utilities equipment, to the public or to employees of the utility; or
- B. By reason of any order or decision of a court or any other governmental authority which prohibits the Company from furnishing such service; or
- C. If the Company deems such refusal necessary to protect itself or third parties against fraud or to otherwise protect its personnel, agents, facilities or services without notice; or
- D. For unlawful use of the service or use of the service for unlawful purposes; or
- E. If the Customer provides false information to the Company regarding the Customer's identity, address, credit-worthiness, past, current or planned use of Company's services.

2.12.2. Company may discontinue service according to the following conditions upon ten (10) days written notice:

- A. For violation of Company's filed tariff.
- B. For the non-payment of any proper charge as provided by Company's tariff.
- C. For Customer's breach of the contract for service between the utility and Customer.
- D. When necessary for the Company to comply with any order or request of any governmental authority having jurisdiction.

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Issued By:Scott Lehman, President
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Effective Date:

Netel, Inc. d/b/a TEL3

South Dakota P.U.C. Tariff No. 1
Original Sheet No. 17

SECTION 2 - RULES AND REGULATIONS, Continued

2.12. CANCELLATION BY COMPANY, Continued

- 2.12.3. The discontinuance of service(s) by the Company pursuant to this section does not relieve the Customer of any obligations to pay the Company for charges due and owing for service(s) furnished up to the time of discontinuance. The remedies set forth herein shall not be exclusive and the company shall at all times be entitled to all the rights available to it under law or equity.
- 2.12.4. The Company may refuse to permit collect calling, calling card, third number billing which it determines to be fraudulent and/or may limit the use of these billing options or services.

2.13. INTERCONNECTION

- 2.13.1. Service furnished by Company may be interconnected with services or facilities of other authorized communications common carriers and with private systems, subject to the technical limitations established by Company. Any special interface of facilities necessary to achieve compatibility between the facilities of Company and other participating carriers shall be provided at the Customer's expense.
- 2.13.2. Interconnection between the facilities or services of other carriers shall be under the applicable terms and conditions of the other carriers' tariffs. The Customer is responsible for taking all necessary legal steps for interconnecting Customer provided terminal equipment or communications equipment with Company's facilities. The Customer shall secure all licenses, permits, rights-of-way, and other such arrangements necessary for interconnection.

2.14. DEPOSITS

The Company does not require a deposit from the Customer.

2.15. TAXES

All state and local taxes (i.e. gross receipts tax, sales tax, etc.) are listed as separate line items on monthly bills and are not included in the tariffed rates.

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Effective Date:

Netel, Inc. d/b/a TEL3

South Dakota P.U.C. Tariff No. 1
Original Sheet No. 18

SECTION 3 - DESCRIPTION OF SERVICE

3.1. TIMING OF CALLS

- 3.1.1. The subscriber's long distance usage charge is based on the actual usage of Company's service. Usage begins when the receiver of the called number is answered. The moment of the called party's answer is determined by hardware supervision in which the local telephone company sends a signal to the underlying carrier's switch or the software utilizing audio tone detection. The timing of the call occurs when called party answers and terminates when either party hangs up.
- 3.1.2. Unless otherwise specified in this tariff, the minimum call duration for billing purposes is one (1) minute with one (1) minute billing increments thereafter.
- 3.1.3. Any portion of an applicable increment, after the appropriate minimum time for the call, will be rounded upward to the next increment. Calls less than the minimum length will be rounded to the minimum length.
- 3.1.4. There is no billing for incomplete calls.

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Issued By:

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Effective Date:

Netel, Inc. d/b/a TEL3

South Dakota P.U.C. Tariff No. 1
Original Sheet No. 19

SECTION 3 - DESCRIPTION OF SERVICE, Continued

3.2. Netel, Inc. d/b/a TEL3 TELECOMMUNICATIONS SERVICES

- 3.2.1. Netel, Inc. d/b/a TEL3 provides switched and dedicated access telecommunications services which allow Customers to establish a communications path between two stations by using uniform dialing plans.
- 3.2.2. Netel, Inc. d/b/a TEL3 Outbound/Inbound Switched Services are switched access services offering users outbound "1 plus" long distance telecommunications services from points originating and terminating within the State of South Dakota. Customers may subscribe to the optional toll free (800/888) service for an additional monthly service charge.
- 3.2.3. Netel, Inc. d/b/a TEL3 Travel Card Services are switched access services offering users the ability to place calls from points originating and terminating within the State of South Dakota while away from their subscribed calling locations. Prepaid and postpaid billing options are also available.

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Issued By:

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Effective Date:

Netel, Inc. d/b/a TEL3

South Dakota P.U.C. Tariff No. 1
Original Sheet No. 20

SECTION 4 - RATES

4.1. SERVICE CHARGES

4.1.1. Netel, Inc. d/b/a TEL3 Outbound/Inbound Switched Services

<u>Rate Plan</u>	<u>Rate Per Minute</u>	<u>Billing Increments</u>
S-1	\$0.1200	1 min./1 min.
S1-2	\$0.1200	2 min./1 min.
S1-3	\$0.1200	3 min./1 min.
SB5	\$0.2100	1 min./1 min.

4.1.4. Netel, Inc. d/b/a TEL3 Travel Card Services

<u>Rate Plan</u>	<u>Rate Per Minute</u>	<u>Set-Up Charge</u>	<u>Enhanced Service</u>	<u>Surcharge Per Call</u>	<u>Payment Method</u>
PPD33	\$0.3300	\$0.00	No	\$0.2900	Prepaid
PPD185	\$0.1850	\$0.00	No	\$0.2900	Prepaid
C2	\$0.1900	\$2.95	No	\$0.2500	Postpaid
RCC25	\$0.2500	\$0.00	Yes	\$0.2500	Prepaid
RCC50	\$0.2100	\$0.00	Yes	\$0.2500	Prepaid
RCC100	\$0.1900	\$0.00	Yes	\$0.2500	Prepaid
RCC250	\$0.1700	\$0.00	Yes	\$0.2500	Prepaid
RCC25A	\$0.1950	\$0.00	Yes	\$0.2500	Prepaid
RCC100A	\$0.1550	\$0.00	Yes	\$0.2500	Prepaid
XP	\$0.2500	\$10.00	No	\$0.2500	Prepaid
XP2A	\$0.1550	\$0.00	Yes	\$0.2500	Prepaid
XP2B*	\$0.1670	\$0.00	Yes	\$0.2500	Prepaid
XP3*	\$0.1190	\$0.00	Yes	\$0.2500	Prepaid

All travel card services are billed in one minute billing increments.

A payphone surcharge per call of \$0.35 applies to all travel card services.

* Monthly service charge of \$10.00 applies.

Issued: May 1, 1998

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6300 N.E. First Avenue, 3rd Floor
Fort Lauderdale, Florida 33334
(954) 776-9100

Effective Date:

01449404

EXHIBIT F
LIST OF OFFICERS AND DIRECTORS

01494056

EXHIBIT G
LIST OF STOCKHOLDERS

LIST OF PRINCIPAL STOCKHOLDERS

Creslin Limited 85%
1509 Northview Avenue
Miami, FL 33140

Menderes Akdag 5%
298 NE 6th Street
Boca Raton, FL 33432

Sedat Ozgur 5%
6300 NE First Avenue
Fort Lauderdale, FL 33334

EXHIBIT H

LIST OF STATES NETEL, INC. D.B.A. TEL3
IS REGISTERED OR CERTIFIED TO DO BUSINESS

NEBRASKA
NEVADA
NEW HAMPSHIRE
NEW MEXICO
NEW YORK
NORTH CAROLINA
NORTH DAKOTA
OREGON
PENNSYLVANIA
VERMONT
VIRGINIA
WASHINGTON
WASHINGTON D.C.
WEST VIRGINIA
WISCONSIN
WYOMING

NETEL, INC.

5392

INVOICE NUMBER	INVOICE DATE	INVOICE AMOUNT	AMOUNT PAID	DISCOUNT TAKEN	NET CHECK AMOUNT
004488	FEE FOR CCN 4/29/98	250.00	250.00	9.00	250.00

TC 98-095

NETEL, INC.
(954) 776-9100
6300 N.E. FIRST AVE.
FT. LAUDERDALE, FL 33334

FIRST UNION NATIONAL BANK
OF FLORIDA
FORT LAUDERDALE, FL 33301
60464370 879

5392

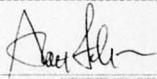
CHECK DATE	COUNTER NUMBER	AMOUNT
04/30/98	005394	\$*****250.00

PAY

Two Hundred Fifty and 00/100

TO THE
ORDER
OF

SO DAKOTA PUBLIC UTILITIES COM



AUTHORIZED SIGNATURE

SECURITY FEATURES INCLUDED: DETAILS ON BACK

⑈005392⑈ ⑆067006432⑆ 209000256102⑆

South Dakota
Public Utilities Commission
State Capitol 500 E. Capitol
Pierre, SD 57501-5070
Phone: (605) 773-3705
Fax: (605) 773-3809

TELECOMMUNICATIONS SERVICE FILINGS

These are the telecommunications service filings that the Commission has received for the period of

05/01/98 through 05/07/98

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

DOCKET NUMBER	TITLE/STAFF/SYNOPSIS	DATE FILED	INTERVENTION DEADLINE
NONCOMPETITIVE TELECOMMUNICATIONS FILINGS			
TC98-094	In The Matter Of The Establishment Of Switched Access Revenue Requirement For Mobridge Telecommunications Company. (Staff: HB/KC) Mobridge Telecommunications 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 (LECA). Mobridge Telecommunications Company requests that the Commission allow the use of GVNW's cost study model as opposed to the Commission model for revenue requirement and rate development.	05/01/98	05/22/98
REQUEST FOR CERTIFICATE OF AUTHORITY			
TC98-095	Application by NeTel, Inc. d/b/a TEL3 for a Certificate of Authority to operate as a telecommunications company within the state of South Dakota. (Staff: CB/CH) NeTel, Inc. d/b/a TEL3's intrastate service is an add on service available only if the customer subscribes to the Company's interstate offerings. NeTel, Inc. d/b/a TEL3 proposes to offer outbound/inbound switched services and travel card services.	05/01/98	05/22/98

Important Notice: The Commission is compiling a list of internet addresses. If you have an internet address please notify the Commission by E-mailing it to Terry Norum at: terryn@pub.state.sd.us. Filing the address to the Commission at: 605-773-3809.

BEFORE THE PUBLIC UTILITIES COMMISSION
OF THE STATE OF SOUTH DAKOTA

IN THE MATTER OF THE APPLICATION OF)	ORDER GRANTING
NETEL, INC. D.B.A TEL3 FOR A CERTIFICATE)	CERTIFICATE OF
OF AUTHORITY TO PROVIDE)	AUTHORITY
TELECOMMUNICATIONS SERVICES IN)	
SOUTH DAKOTA)	TC98-095

On May 1, 1998, the Public Utilities Commission (Commission), in accordance with SDCL 49-31-3 and ARSD 20:10:24.02, received an application for a certificate of authority from NeTel, Inc. d.b.a. TEL3 (NeTel).

NeTel proposes to offer intrastate interexchange service to customers through resale of such services. Those services will include outbound/inbound switched services and travel card services to and from all points within South Dakota. A proposed tariff was filed by NeTel. The Commission has classified long distance service as fully competitive.

On May 7, 1998, the Commission electronically transmitted notice of the filing and the intervention deadline of May 22, 1998, to interested individuals and entities. No petitions to intervene or comments were filed and at its regularly scheduled June 11, 1998, meeting, the Commission considered NeTel's request for a certificate of authority. Commission Staff recommended granting a certificate of authority.

The Commission finds that it has jurisdiction over this matter pursuant to Chapter 49-31, specifically 49-31-3 and ARSD 20:10:24.02 and 20:10:24.03. The Commission finds that NeTel has met the legal requirements established for the granting of a certificate of authority. NeTel 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 NeTel's application for a certificate of authority. As the Commission's final decision in this matter, it is therefore

ORDERED, that NeTel's application for a certificate of authority is hereby granted, effective July 1, 1998. It is

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

Dated at Pierre, South Dakota, this 19th day of June, 1998

CERTIFICATE OF SERVICE

The undersigned hereby certifies that this document has been served today upon all parties of record in this docket, as listed on the docket service list, by first class mail, in properly addressed envelopes, with charges prepaid thereon.

By Debra Kado

Date 6/19/98

(OFFICIAL SEAL)

BY ORDER OF THE COMMISSION:

James A. Burg
JAMES A. BURG, Chairman

Pam Nelson
PAM NELSON, Commissioner

Laska Schoenfelder
LASKA SCHOENFELDER, Commissioner

SOUTH DAKOTA PUBLIC UTILITIES COMMISSION

CERTIFICATE OF AUTHORITY

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

Authority was Granted June 11, 1998, effective July 1, 1998
Docket No. TC98-095

This is to certify that

NETEL, INC. D.B.A. TEL3

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 19th day of June, 1998

SOUTH DAKOTA PUBLIC
UTILITIES COMMISSION:




JAMES A. BURG, Chairman


PAM NELSON, Commissioner


LASKA SCHOENFELDER, Commissioner