

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

IN THE MATTER OF THE APPLICATION OF	)	AMENDED ORDER
STERLING INTERNATIONAL FUNDING, INC.	)	GRANTING CERTIFICATE
D/B/A RECONEX FOR A CERTIFICATE OF	)	OF AUTHORITY
AUTHORITY TO PROVIDE	)	
TELECOMMUNICATIONS SERVICES,	)	TC97-160
INCLUDING LOCAL EXCHANGE SERVICES, IN	)	
SOUTH DAKOTA	)	

On September 24, 1997, 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 Sterling International Funding, Inc. d/b/a Reconex (Reconex).

Reconex proposes to offer service in the areas and exchanges currently being served by U S WEST. Reconex is an alternative telephone company primarily furnishing prepaid local dial tone service to individuals who have had their telephone disconnected, have voluntarily left their local exchange provider, or for money management reasons, prefer to address their local calling needs in a prepaid fashion at a set fee. A proposed tariff was filed by Reconex. The Commission has classified long distance service as fully competitive.

On September 25, 1997, the Commission electronically transmitted notice of the filing and the intervention deadline of October 10, 1997, to interested individuals and entities. No petitions to intervene or comments were filed. At its regularly scheduled May 28, 1998, meeting, the Commission considered Reconex's request for a certificate of authority. The Commission found that Reconex had not met the legal requirements established for the granting of a certificate of authority and denied the application. On July 1, 1998, Reconex filed a Motion for Application of Rehearing for a Certificate of Authority which the Commission granted on July 23, 1998.

Commission Staff submitted a data request to Reconex which the company responded to in a timely manner. At its regularly scheduled October 27, 1998, meeting, the Commission considered Reconex's request for a certificate of authority. Commission Staff recommended granting a certificate of authority, subject to rural safeguards. Commission Staff further recommended a waiver of 20:10:24:02(8).

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 Reconex has met the legal requirements established for the granting of a certificate of authority. Reconex has, in accordance with SDCL 49-31-1, demonstrated sufficient technical, financial and managerial capabilities to offer telecommunications services in South Dakota. Further, the Commission finds that there is good cause to waive subparagraph (8) of ARSD 20:10:24:02.

The Commission approves Reconex's application for a certificate of authority, subject to rural safeguards. The certificate of authority for Reconex shall authorize it to offer local exchange services in those areas in South Dakota where U S WEST Communications, Inc. is the incumbent local exchange carrier. In the future, should Reconex choose to provide local exchange services statewide, with respect to rural telephone companies, Reconex will have to come before the Commission in another proceeding before being able to provide local service in that rural service area pursuant to 47 U.S.C. § 253(f) which allows the Commission to require a company that seeks to provide service in a rural service area to meet the requirements in 47 U.S.C. § 214(e)(1) for designation as an eligible telecommunications carrier. In addition, the granting of statewide certification will not affect the exemptions, suspensions, and modifications for rural telephone companies found in 47 U.S.C. § 251(f). It is therefore

ORDERED, that Reconex's application for a Certificate of Authority to provide telecommunications services, including local exchange services, is granted; and it is

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

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

FURTHER ORDERED, that the Commission finds good cause to waive subparagraph (8) of ARSD 20:10:24:02.

Dated at Pierre, South Dakota, this 4th day of December, 1998.

CERTIFICATE OF SERVICE The undersigned hereby certifies that this document has been served today upon all parties of record in this docket, as listed on the docket service list, by facsimile or by first class mail, in properly addressed envelopes, with charges prepaid thereon. By: <u><i>William Koebel</i></u> Date: <u>12/8/98</u> (OFFICIAL SEAL)

BY ORDER OF THE COMMISSION:

James A. Burg
JAMES A. BURG, Chairman

Pam Nelson
PAM NELSON, Commissioner

Laska Schoenfelder
LASKA SCHOENFELDER, Commissioner