

BEFORE THE NEBRASKA PUBLIC SERVICE COMMISSION

In the Matter of the Application of) Application No. C-1155
Tel-Save, Inc., d/b/a Group Network)
Service, Inc., who seeks authority to) GRANTED
operate as a resale carrier of intra-) state interLATA and intraLATA tele-)
communication services in Nebraska.) Entered: May 16, 1995

APPEARANCES:

For the Applicant

Mary Kennon
22 Village Square
New Hope, Pennsylvania 18938

For the Communications Department

Deonne Niemack, Staff Counsel
300 The Atrium, 1200 N Street
P.O. Box 94927
Lincoln, Nebraska 68509

PRELIMINARY MATTERS

Tel-Save, Inc., d/b/a Group Network Services, Inc., (hereinafter referred to as Tel-Save) of New Hope, Pennsylvania, filed an application with the Commission on February 8, 1995. The company seeks authority to conduct business as an intrastate telecommunications common carrier offering resold intraLATA and interLATA long distance service. The applicant's business address is noted above. Notice of the application appeared in the Omaha Daily Record, February 9, 1995. Tel-Save appeared before the Commission for a hearing, chaired by Commissioner Urwiller, April 4, 1995 in the Commission Hearing Room, Lincoln, Nebraska.

BY THE COMMISSION

O P I N I O N A N D F I N D I N G S

Upon consideration of the application, the governing statutes and rules¹, the evidence adduced at the hearing, and being fully informed, the Commission is of the opinion and finds:

Nebraska was divided into three Local Access Transport Areas ("LATAs") as a result of the terms of the Modification of

¹Interexchange resellers applications are governed by Neb. Rev. Stats. 75-604 and 86-805 (1990 and 1987 Reissues, respectively) and Title 291 Neb. Admin. Regs. Ch. 5, Rule 003.12.

Application No. C-1155

PAGE TWO

Final Judgement (the "MFJ") issued in the AT&T divestiture case. United States v. American Telephone & Telegraph Co., F.Supp. 131 (D.D.C. 1982), aff'd sub nom., California v. United States, 460 U.S. 1001 (1983) and United States v. American Telephone & Telegraph Co., 569 F.Supp. 990 (D.D.C. 1983) aff'd sub nom., California v. United States, 460 U.S. 1001 (1983).

While Neb. Rev. Stat. 75-604, by its language, refers to local exchange service, the Nebraska Supreme Court in Northwestern Bell Telephone v. Consolidated Telephone Co., 180 Neb. 268, 142 N.W.2d 324 (1966) held that long distance service is also subject to the provisions of the statute. This was recognized by the Legislature in LB 835 (LAWS 1986) because interexchange services (which include resellers) in Sec. 86-805 (part of LB 835) are referenced to in Sec. 75-604. For this reason, the Commission distinguishes between intraLATA and interLATA resale when deciding reseller applications.

Mary Kennon, Vice-President of Tel-Save, testified. Ms. Kennon is new to the company; but, has been involved in the telecommunications industry for approximately 17 years. Ms. Kennon testified, and the pleadings reflect, that the applicant seeks interLATA and intraLATA authority. The filed application does not seek authority to provide AOS.

Tel-Save is a privately owned company with the major stockholder being Daniel Borislow. Tel-Save intends to offer intrastate services throughout Nebraska. Specifically, the applicant proposes to provide 1+ and 800 services using facilities leased from other carriers. Calling cards will also be offered.

The applicant does not actively market services to the public. It targets wholesale customers who turn and offer services to residential and commercial subscribers. Tel-Save has some retail clients; therefore, it is seeking a Certificate of Public Convenience and Necessity. At this time, Tel-Save has approximately 31 retail customers in Nebraska.

The retail customers will be billed through ACUS, the AT&T bill manager service. For billing inquiries, an 800 number will be provided on the bill that allows customers to access ACUS.

For questions regarding customer service, the company provides a toll-free 800 number. Tel-Save also provides additional customer service for some of its wholesale customers.

Application No. C-1155

PAGE THREE

The applicant is seeking to become certified nationwide. Tel-Save has not been denied a certificate of authority in any state. However, its authority was revoked in Nebraska due to a departmental complaint filed August 12, 1994. The complaint alleged the company failed to file its annual report on a timely basis, failed to promptly respond to customers complaints, failed to respond to the Commission's questions regarding "slamming" complaints and failed to submit an operating tariff to the Nebraska PSC for nearly two (2) years. Tel-Save did not appear at the scheduled hearing on this matter and all allegations were sustained.

Since the company's Certificate was revoked, Tel-Save has made earnest efforts to resolve its previous problems and to become properly certified. The company has hired additional personnel to work on regulatory issues and the company has made assurances that it will improve its customer service and regulatory relations in the future. The annual report due April 30, 1995 has been timely received. Therefore, due to drastic improvements that have been made within the company since November, 1994, the Commission is of the opinion and finds the company is able to offer telecommunications services in the public's interest.

Financial information was provided to the Commission in the application. The statements reflect the company is adequately financed.

The proposed tariff, which is part of the application, is in accordance with the Commission's Rules and Regulations. A late-filed exhibit reflects the company does not normally request deposits; however, if due to poor credit history, deposits may be requested. The tariff, including the late-filed exhibit, appears reasonable in light of the proposed service.

In conclusion, Ms. Kennon testified that Tel-Save will strive to further improve its telecommunications services, as well as its customer and regulatory affairs. She stated Tel-Save would promptly respond to any of the Commission's requests in the future.

Based on the testimony, the exhibits, and the proposed tariff, the applicant has provided the requisite information, possesses adequate financial resources, and is technically competent to provide services. The application is fair and reasonable, is in the public interest, and should be granted.

Application No. C-1155

PAGE FOUR

O R D E R

IT IS THEREFORE ORDERED by the Nebraska Public Service Commission that Application No. C-1155 be, and it is hereby, granted and Tel-Save Inc., d/b/a Group Network Services, Inc., of New Hope, Pennsylvania is hereby authorized to operate as a resale carrier of intrastate interexchange interLATA and intraLATA telecommunications services within the state of Nebraska.

IT IS FURTHER ORDERED that the applicant shall file, in accordance with the applicable statutes, an annual report with this Commission consisting of (a) a copy of any report filed with the Federal Communications Commission, (b) the annual report to stockholders, and (c) for the State of Nebraska on a combined interstate-intrastate basis, the investment in telephone plant and equipment located within the state, accumulated depreciation thereon, operating revenues, operating expenses, and taxes.

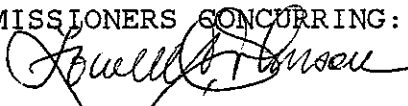
IT IS FURTHER ORDERED that applicant file an updated tariff prior to offering service pursuant to the certificate granted in this order.


IT IS FINALLY ORDERED that this order be, and it is hereby made the Commission's official certificate of authority to furnish the service authorized herein as a common carrier.

MADE AND ENTERED at Lincoln, Nebraska this 16th day of May, 1995.

NEBRASKA PUBLIC SERVICE COMMISSION

COMMISSIONERS CONCURRING:


//s//Rod Johnson
//s//Frank E. Landis
//s//James F. Munnelly
//s//Daniel G. Urwiller


Chairman

ATTEST:


Executive Director