

BEFORE THE NEBRASKA PUBLIC SERVICE COMMISSION

In the Matter of the Application) Application No. C-1225
of IntelliCom Solutions, Inc. of)
Exton, Pennsylvania for authority) GRANTED
to operate as a resale common car-)
rier of telecommunications services)
within the state of Nebraska.) Entered: December 5, 1995

APPEARANCES:

For the Applicant

Patrice Johnson
411 Eagleview Blvd.
Exton, Pennsylvania 19341

For the Communications Department

Deonne L. Bruning
300 The Atrium, 1200 N Street
P.O. Box 94927
Lincoln, Nebraska 68508

PRELIMINARY MATTERS

IntelliCom Solutions, Inc. (hereinafter referred to as IntelliCom) of Exton, Pennsylvania filed an application with the Commission on August 17, 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, August 21, 1995. IntelliCom appeared before the Commission for a video-conference hearing, October 31, 1995 in the Commission Library, 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 October 31, 1995 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 Final Judgement (the "MFJ") issued in the AT&T divestiture

¹Interexchange reseller application are governed by Neb. Rev. Stats. 75-604 and 86-805 (Cum. Supp. 1994 and 1994 Reissue, respectively) and Title 291 Neb. Admin. Regs. Ch. 5, Rule 003.12.

Application No. C-1225

PAGE TWO

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.

Ms. Patrice Johnson, Chief Operating Officer of IntelliCom, testified. Ms. Johnson stated, and the pleadings reflect, the applicant seeks both intraLATA and interLATA authority. The application does not seek authority to provide Alternate Operator Services (AOS).

IntelliCom is a wholly-owned subsidiary of Intelligent Electronics, Inc., a publicly held Pennsylvania corporation. The officers and directors, as well as the management policies of the companies are identical. The applicant was incorporated in 1994, in Pennsylvania.

The applicant will operate as a non-facilities based reseller using underlying carriers, such as MCI. Specifically, IntelliCom proposes to offer 1+ services suitable for voice and data applications. The following services will be offered: voice, ISDN, frame relay, SMDS, ATM Transport Services and network support.

The applicant intends to receive authority to operate in roughly thirty states. No state has denied IntelliCom a certificate of authority and no formal complaints have been filed against the company.

IntelliCom provides a toll-free 800 number for customer service. Billing will be provided internally or through local exchange carriers. The applicant will contact potential customers through telemarketing and direct mailings. Target customers will be medium-sized businesses that spend approximately \$5,000 to \$50,000 in long distance per month.

Pro-forma financial statements were provided to the Commission in the application. The statements project that the

Application No. C-1225

PAGE THREE

company will realize a positive net income for 1995. The company anticipates to earn gross revenues of approximately 10 million for the year 1995.

The proposed tariff, which is part of the application, is in accordance with the Commission's Rules and Regulations. The tariff indicates the company will not collect deposits or advance payments.

In conclusion, Ms. Johnson testified that IntelliCom will be able to provide quality services to customers at competitive rates. Further, she stated that customers will receive excellent service from the company.

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

O R D E R

IT IS THEREFORE ORDERED by the Nebraska Public Service Commission that Application No. C-1225 be, and it is hereby, granted and IntelliCom Solutions, Inc. of Exton, Pennsylvania is hereby authorized to operate as a **resale carrier of intrastate interexchange intraLATA and interLATA telecommunications services within the state of Nebraska.**

IT IS FURTHER ORDERED that the applicant shall file, in accordance with the applicable statutes on or before April 30th of each year, an annual report with this Commission consisting of (a) a copy of any report filed with the Federal Communications Commission, (b) a copy of any annual report to stockholders, (c) a copy of the latest Form 10-K filed with the Securities and Exchange Commission, (d) balance sheet and income statement for the previous year of operation and (e) 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.

Application No. C-1225

PAGE FOUR

MADE AND ENTERED at Lincoln, Nebraska this 5th day of
December, 1995.

COMMISSIONERS CONCURRING:

//s//Lowell Johnson

//s//Rod Johnson

//s//Frank E. Landis

//s//James F. Munnelly

NEBRASKA PUBLIC SERVICE COMMISSION



Vice Chairman

ATTEST:



Executive Director