

BEFORE THE NEBRASKA PUBLIC SERVICE COMMISSION

In the Matter of the Application of ) Application No. C-1612  
Z-Tel, Inc., of Cape Coral, Florida,) )  
seeking authority to operate as a )  
resale carrier of intrastate inter- ) GRANTED  
LATA and intraLATA interexchange )  
telecommunications services within )  
the state of Nebraska. ) Entered: September 30, 1997

BY THE COMMISSION:

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

By application filed August 18, 1997, Z-Tel, Inc. of Cape Coral, Florida seeks authority to provide intraLATA and interLATA interexchange telecommunications services in Nebraska. Notice of the application appeared in The Daily Record on August 19, 1997. No protests were filed; therefore, this application was administered pursuant to the Commission's Rules of Modified Procedure.

Z-Tel was organized in the state of Nevada as a corporation on February 18, 1997. Applicant has authority to operate in 11 states and plans to become certificated in 37 additional states. No state has denied applicant a certificate of authority.

Z-Tel's communications network in Nebraska will utilize the telecommunications facilities of SPRINT or other facilities-based networks. The company's name and customer service number are printed on all its bills. In addition, Z-Tel has a toll-free 800 number for customer service.

Z-Tel will offer a full range of 1+ interexchange telecommunications including MTS, in-WATS and out-WATS, and calling card services statewide to both residential and business customers.

Due to the time frame of incorporation, annual financial statements for the previous three years of operations were not available. Staff made additional inquiries of the company to ascertain financial fitness. The applicant presented a five year operating cash flow summary and a business plan summary for its operations.

Application No. C-1612

PAGE 2

The staff review of the applicant's operating cash flow summary and business plan indicates profitability will be achieved during the latter half of 1997. The underlying assumptions and strategies presented in the business plan for profitability appear reasonable.

Interexchange reseller applications are subject to Commission jurisdiction under Neb. Rev. Stat. Sections 75-604 and 86-805 and Title 291 of the Commission's Rules and Regulations, Chapter 5, Rule 003.12. From examination of the application filed herein, the Commission finds: 1) Applicant has provided all the information required by the Commission; 2) Applicant has adequate financial resources to provide the proposed service; 3) Applicant possesses adequate technical competency to provide the proposed service; and 4) The application should be granted.

O R D E R

IT IS THEREFORE ORDERED by the Nebraska Public Service Commission that Application No. C-1612 be, and it is hereby, granted and Z-Tel, Inc., 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 within thirty days.

Application No. C-1612

PAGE 3

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 30th day of September, 1997.

COMMISSIONERS CONCURRING:

*Anne C. Boyle*

//s//Lowell C. Johnson  
//s//Frank E. Landis

Vice Chairman

NEBRASKA PUBLIC SERVICE COMMISSION

ATTEST:

*Robert B. Logsdon*  
Executive Director

SECRETARY'S RECORD, NEBRASKA PUBLIC SERVICE COMMISSION

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