

SECRETARY'S RECORD, NEBRASKA PUBLIC SERVICE COMMISSION

BEFORE THE NEBRASKA PUBLIC SERVICE COMMISSION

In the Matter of the) Application No. C-3457
Application of TON Services,)
Inc., Ogden, Utah, seeking)
authority to operate as) GRANTED
resale carrier of intrastate)
interLATA and intraLATA)
telecommunications services)
within the state of Nebraska.) Entered: December 6, 2005

BY THE COMMISSION:

By application filed July 29, 2005, TON Services, Inc. (Applicant or TON), Ogden, Utah, seeks authority to operate as a resale carrier of interLATA and intraLATA interexchange telecommunications services within the state of Nebraska. Notice of the application was published in The Daily Record, Omaha, Nebraska, on August 3, 2005. A Petition of Formal Intervention was filed by the following: Arapahoe Telephone Company dba ATC Communications; Benkelman Telephone Company, Inc.; Cozad Telephone Company; Curtis Telephone Company; Diller Telephone Company; Glenwood Telephone Membership Corporation; Hartman Telephone Exchanges, Inc.; WesTel Systems fka Hooper Telephone Company; Mainstay Communications; Plainview Telephone Company and Wauneta Telephone Company (collectively referred to as the Rural Telephone Coalition of Nebraska) through undersigned counsel. On September 19, 2005, the RTCN companies withdrew their petitions of formal intervention, therefore this application is processed pursuant to the Commission's Rule of Modified Procedure.

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

Applicant is a Utah corporation with its headquarters in Ogden, Utah. Applicant is authorized by the Secretary of State to operate in Nebraska as a foreign corporation. In addition, Applicant states no officer, director or shareholder having five percent or more of the Applicant's voting securities has been involved in a formal complaint or other investigatory or enforcement proceeding.

Applicant intends to provide prepaid card service only in Nebraska. Applicant does not own or lease facilities. Expenses from the underlying carrier related to transmission costs will be incurred on an incremental basis as service is provided. All services will be provided over

the networks of underlying carriers; therefore, Applicant's technical capabilities are equivalent to that of the underlying carriers.

Applicant intends to offer prepaid card services on a retail basis. Customers can use the service by dialing the Company's toll free number, followed by the account code, which the customer purchased. The computer equipment informs the customer of the amount of available balance remaining each time the customer uses the particular amount. Customers can enter any destination telephone number and use the service until such available balance is fully depleted or the card expires. Applicant will not collect advance payments or deposits from Nebraska customers.

Applicant provided evidence of its managerial, technical and financial competency. Applicant's service would benefit the public by providing greater consumer choice created through the broadening of innovative telecommunications service. Applicant described how a grant of the application would serve public interest.

Interexchange reseller applications are subject to Commission jurisdiction under Neb. Rev. Stat. §§ 86-128 and 86-129 and Title 291 of the Commission's Rules and Regulations, Chapter 5, Rule 003.12. From examination of the application filed herein and the additional financial information, the Commission finds that Applicant provided all the information required by the Commission, possesses adequate financial resources to provide the proposed service and adequate technical competency to provide the proposed service. Based on the information submitted by TON, the Commission finds a grant of the application would serve public interest. Accordingly, the application should be granted.

O R D E R

IT IS THEREFORE ORDERED by the Nebraska Public Service Commission that Application C-3457 be, and it is hereby, granted and TON Services, Inc. is authorized to operate as resale carrier of intrastate interLATA and intraLATA interexchange telecommunications services within the state of Nebraska.

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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; and (c) a copy of the latest Form 10-K filed with the Securities and Exchange Commission. If these are not available, Applicant shall submit a balance sheet and income statement for the previous year of operation, as well as the investment made in telephone plant and equipment located within the state, accumulated depreciation thereon, operating revenues and expenses and taxes.

IT IS FURTHER ORDERED that, to the extent applicable, the Applicant shall comply with all laws pertaining to, and all rules and regulations promulgated under, the Telecommunications Relay System Act (Neb. Rev. Stat. §§ 86-301 to 86-315) and the Nebraska Telecommunications Universal Service Fund Act (Neb. Rev. Stat. §§ 86-316 to 86-329).

IT IS FURTHER ORDERED that Applicant file its current tariff, along with the appropriate fee, 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 6th day of December, 2005.

NEBRASKA PUBLIC SERVICE COMMISSION

COMMISSIONERS CONCURRING:

Lowell Johnson

Chairman

James W. Up

Ann E. Boyle

ATTEST:

John J. ...

Ad S. Pollak

Executive Director

//s// Frank E. Landis
//s// Gerald L. Vap