

# DIVIDER

STATE OF NORTH DAKOTA  
INFORMATION TECHNOLOGY DEPARTMENT  
SFN 2053 (4-2002)

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## DESCRIPTION

**PU-04-637**  
Budget Phone, Inc  
Local/Interexchange  
Public Convenience & Nece  
Filed 12/6/2004      Closed 4/7/2005

04



Public Service Commission  
Receipt of Payment

Receipt# 6282

Received 6/20/2005 Check# 55070 for \$311 11  
Subject Utility Valuation

**Docket # PU-04-637**

Budget Phone, Inc.  
6901 W 70th Street  
Shreveport LA 71129-2309

47 **PU-04-637**

Pages 1

Receipt# 6,282 \$311 11

by Budget Phone, Inc

06/20/2005

**APPROVED**

DATE: 5-24-05  
KME

MOTION

May 24, 2005

*Admin*  
*AI.*

Budget Phone, Inc  
Local/Interexchange  
Public Convenience and Necessity

Case No PU-04-637

I move the Commission bill Budget Phone, Inc. for costs incurred to date  
in Case No PU-04-637, Budget Phone, Inc , Local/Interexchange, Public  
Convenience and Necessity.



# Public Service Commission

## State of North Dakota

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### COMMISSIONERS

Tony Clark, President  
Susan E Wefald  
Kevin Cramer

Executive Secretary  
Illona A Jeffcoat-Sacco

600 E Boulevard Ave Dept 408  
Bismarck, North Dakota 58505-0480  
web www.psc.state.nd.us  
e-mail ndpsc@state.nd.us  
TDD 800-366-6888  
Fax 701-328-2410  
Phone 701-328-2400

May 24, 2005

Lance J M Steinhart  
1720 Windward Concourse Ste 250  
Alpharetta GA 30005

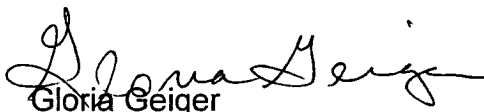
RE: Case No. PU-04-637  
Budget Phone, Inc.  
Local/Interexchange  
Public Convenience and Necessity

Enclosed is a copy of the statement approved at the May 24, 2005 Public Service Commission meeting for the expenses incurred to date in Case No. PU-04-637.

Under N.D.C.C. 49-21-01.7, these expenses are billed through the Valuation Fund and must be paid for by the telecommunications company involved.

Please make your check payable to the *Public Service Commission*.

Sincerely,

  
Gloria Geiger  
Admin Staff Officer  
701-328-2401

Enc

# Billing Statement

May 24, 2005

Budget Phone, Inc.  
Local/Interexchange  
Public Convenience and Necessity

Case No. PU-04-637

## Bill To:

Budget Phone, Inc.....\$311.11

## Expenses Incurred to Date:

Advertising Costs \$311.11

## Send Payment and a Copy of this Statement To:

Public Service Commission  
600 E Boulevard Ave Dept 408  
Bismarck ND 58505-0480

**Federal Tax ID 45-0309764**

STATE OF NORTH DAKOTA  
PUBLIC SERVICE COMMISSION

Budget Phone, Inc.  
Local/Interexchange  
Public Convenience and Necessity

Case No. PU-04-637

AFFIDAVIT OF SERVICE BY CERTIFIED MAIL

STATE OF NORTH DAKOTA  
COUNTY OF BURLEIGH

Sharon Helbling deposes and says that.

she is over the age of 18 years and not a party to this action and, on the **7th day of April, 2005**, she deposited in the United States Mail, Bismarck, North Dakota, **one** envelope with certified postage, return receipt requested, fully prepaid, securely sealed and each containing a photocopy of.

**Order**

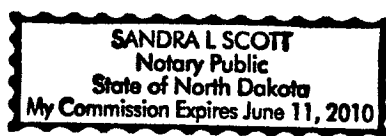
The envelope was addressed as follows.

Lance J M Steinhart  
1720 Windward Concourse Ste 250  
Alpharetta GA 30005  
Cert. No. 7003 2260 0001 3517 9770

Each address shown is the respective addressee's last reasonably ascertainable post office address

Subscribed and sworn to before me  
this **7th day of April, 2005**

SEAL



*Sharon Helbling*  
\_\_\_\_\_  
*Sandra L. Scott*  
\_\_\_\_\_  
Notary Public



# Public Service Commission

## State of North Dakota

---

### COMMISSIONERS

Tony Clark, President  
Susan E. Wefald  
Kevin Cramer

Executive Secretary  
Illona A. Jeffcoat-Sacco

600 E Boulevard Ave Dept 408  
Bismarck, North Dakota 58505-0480  
web www.psc.state.nd.us  
e-mail ndpsc@state.nd.us  
TDD 800-366-6888  
Fax 701-328-2410  
Phone 701-328-2400

April 7, 2005

Lance J M Steinhart  
1720 Windward Concourse Ste 250  
Alpharetta GA 30005

Dear Mr. Steinhart:

On April 6, 2005, the Commission issued Certificate of Public Convenience and Necessity No. 5211 to Budget Phone, Inc. to provide interexchange telecommunications services, with facilities, throughout North Dakota, and Public Convenience and Necessity Nos. 5312 through 5237 to provide local exchange telecommunications services, with facilities, in exchanges currently served by Qwest Corporation, Case No. PU-04-637.

The original certificates are enclosed for your files.

If you have any questions, please call me at 701-328-4076.

Sincerely,

  
Sharon Helbling  
Public Utilities Division

sdh

Enclosures

44 PU-04-637

Pages 1

Letter re approval

by Public Service Commission

04/07/2005

CC Comm Legal Illona Jerry Mike

**APPROVED**

DATE. 4-6-05  
KMF

**MOTION**

**April 6, 2005**

**Budget Phone, Inc.  
Local/Interexchange  
Public Convenience and Necessity**

**Case No. PU-04-637**

I move the Commission adopt the Order granting the application of Budget Phone, Inc. for certificates of public convenience and necessity to provide telecommunication services in North Dakota, Case No. PU-04-637.

JRL/sdh

**STATE OF NORTH DAKOTA  
PUBLIC SERVICE COMMISSION**

**Budget Phone, Inc.  
Local/Interexchange  
Public Convenience and Necessity**

**Case No. PU-04-637**

**ORDER**

**April 6, 2005**

On December 6, 2004, Budget Phone, Inc. (Budget) of Shreveport, LA filed an application for certificates of public convenience and necessity to provide facilities-based competitive local exchange telecommunication services in all North Dakota exchanges served by Qwest Corporation and facilities-based interexchange telecommunications throughout North Dakota.

On December 30, 2004 Budget filed revised financial information with a request that financial information previously filed under seal be disregarded. On January 6, 2005 the information filed under seal was returned to Budget Phone.

On January 12, 2005 the Commission issued a Notice of Opportunity for Hearing that provided until February 15, 2005 for receiving comments or hearing requests. In accordance with North Dakota Century Code chapter 49-03.1 and North Dakota Administrative Code section 69-09-05-11(3), the Commission's notice identified the following issues to be considered in this matter:

1. Fitness and ability of the applicant to provide service.
2. Adequacy of the proposed service.
3. Technical, financial and managerial ability of the applicant to provide service.

On January 3, 2005, the Rural Telephone Company Group (RTCG) filed comments requesting limitations to preserve the rural exemption under 47 U.S.C. 251 (f). RTCG stated it did not oppose the application and was not requesting a hearing.

On March 16, 2005, the Public Service Commission's Director of Accounting filed a memorandum indicating that TNCI has the financial ability to provide service.

On March 23, 2005, the Commission discussed the issues in this matter with the applicant and Commission staff at an informal hearing.

Budget is a Louisiana Corporation reporting authorization to provide facilities-based and resold local exchange service in 36 states plus Washington DC. Budget states it actually provides service in all of these jurisdictions except Colorado. Budget has been registered to resell local and interexchange services in North Dakota since January 12, 2005.

Budget intends to provide a full range of interexchange and local exchange services using resell and unbundled network elements from Qwest. Budget states it has no current plans to install facilities in North Dakota.

Exhibit 6 to the application provides biographical information indicating that Budget's key personnel have the technical and managerial ability to provide service.

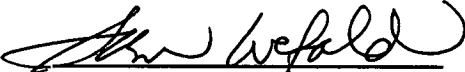
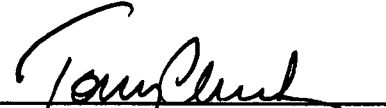
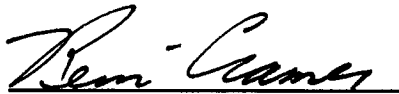
The Commission finds Budget's proposed service adequate.

The Commission finds Budget is fit, able, and has the technical, financial and managerial ability to provide service.

### Order

The Commission Orders the application of Budget Phone, Inc. for certificates of public convenience and necessity to provide facilities-based competitive local exchange telecommunications services in all North Dakota exchanges currently served by Qwest Corporation and facilities-based interexchange telecommunications throughout North Dakota is GRANTED.

### PUBLIC SERVICE COMMISSION

		
Susan E. Wefald Commissioner	Tony Clark President	Kevin Cramer Commissioner

**Public Service Commission  
STATE OF NORTH DAKOTA**

**Certificate of Public Convenience and Necessity**

**Certificate Number 5211**

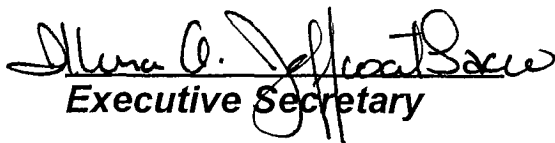
*This is to certify that public convenience and necessity require, and permission is granted for Budget Phone, Inc., a telecommunications public utility, to provide statewide interexchange (toll) telecommunications services, with facilities, in North Dakota.*

*This certificate is issued in Case No. PU-04-637 and is conditioned upon Budget Phone, Inc. securing the franchise or other authority of the proper municipal or other authority for the exercise of these rights and privileges.*

*Bismarck, North Dakota, April 6, 2005.*

**ATTEST:**

**PUBLIC SERVICE COMMISSION**

  
**Executive Secretary**

  
**Commissioner**

**Public Service Commission  
STATE OF NORTH DAKOTA**

**Certificate of Public Convenience and Necessity**

**Certificate Number 5212**

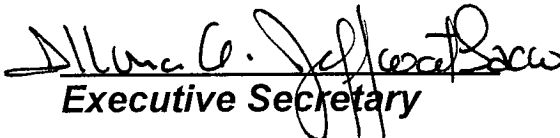
*This is to certify that public convenience and necessity require, and permission is granted for Budget Phone, Inc., a telecommunications public utility, to provide local exchange telecommunications services inside the Belfield, North Dakota local exchange area.*

*This certificate is issued in Case No. PU-04-637 and is conditioned upon Budget Phone, Inc. securing the franchise or other authority of the proper municipal or other authority for the exercise of these rights and privileges and other conditions and limitations noted in the Order dated April 6, 2005.*

*Bismarck, North Dakota, April 6, 2005.*

**ATTEST:**

**PUBLIC SERVICE COMMISSION**

  
**Executive Secretary**

  
**Commissioner**

**Public Service Commission**  
**STATE OF NORTH DAKOTA**

**Certificate of Public Convenience and Necessity**

**Certificate Number 5213**

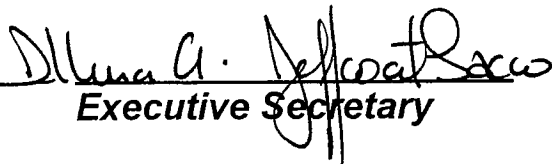
*This is to certify that public convenience and necessity require, and permission is granted for Budget Phone, Inc., a telecommunications public utility, to provide local exchange telecommunications services inside the Bismarck, North Dakota local exchange area.*

*This certificate is issued in Case No. PU-04-637 and is conditioned upon Budget Phone, Inc. securing the franchise or other authority of the proper municipal or other authority for the exercise of these rights and privileges.*

*Bismarck, North Dakota, April 6, 2005.*

**ATTEST:**

**PUBLIC SERVICE COMMISSION**

  
Executive Secretary

  
Commissioner

**Public Service Commission  
STATE OF NORTH DAKOTA**

**Certificate of Public Convenience and Necessity**

**Certificate Number 5214**

*This is to certify that public convenience and necessity require, and permission is granted for Budget Phone, Inc., a telecommunications public utility, to provide local exchange telecommunications services inside the Casselton, North Dakota local exchange area.*

*This certificate is issued in Case No. PU-04-637 and is conditioned upon Budget Phone, Inc. securing the franchise or other authority of the proper municipal or other authority for the exercise of these rights and privileges.*

*Bismarck, North Dakota, April 6, 2005.*

**ATTEST:**

**PUBLIC SERVICE COMMISSION**

  
**Executive Secretary**

  
**Commissioner**

**Public Service Commission**  
**STATE OF NORTH DAKOTA**

**Certificate of Public Convenience and Necessity**

**Certificate Number 5215**

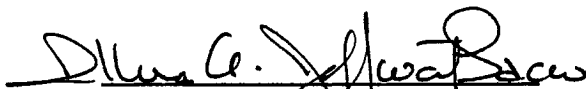
*This is to certify that public convenience and necessity require, and permission is granted for Budget Phone, Inc., a telecommunications public utility, to provide local exchange telecommunications services inside the Dickinson, North Dakota local exchange area.*

*This certificate is issued in Case No. PU-04-637 and is conditioned upon Budget Phone, Inc. securing the franchise or other authority of the proper municipal or other authority for the exercise of these rights and privileges.*

*Bismarck, North Dakota, April 6, 2005.*

**ATTEST:**

**PUBLIC SERVICE COMMISSION**

  
**Executive Secretary**

  
**Commissioner**

**Public Service Commission  
STATE OF NORTH DAKOTA**

**Certificate of Public Convenience and Necessity**

**Certificate Number 5216**

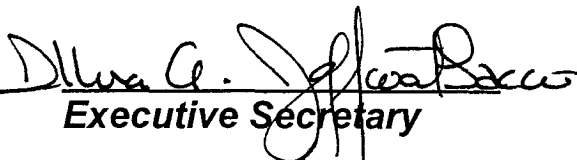
*This is to certify that public convenience and necessity require, and permission is granted for Budget Phone, Inc., a telecommunications public utility, to provide local exchange telecommunications services inside the Emerado, North Dakota local exchange area.*

*This certificate is issued in Case No. PU-04-637 and is conditioned upon Budget Phone, Inc. securing the franchise or other authority of the proper municipal or other authority for the exercise of these rights and privileges.*

*Bismarck, North Dakota, April 6, 2005.*

**ATTEST:**

**PUBLIC SERVICE COMMISSION**

  
**Executive Secretary**

  
**Commissioner**

**Public Service Commission**  
**STATE OF NORTH DAKOTA**

**Certificate of Public Convenience and Necessity**

**Certificate Number 5217**


*This is to certify that public convenience and necessity require, and permission is granted for Budget Phone, Inc., a telecommunications public utility, to provide local exchange telecommunications services inside the Fargo, North Dakota local exchange area.*

*This certificate is issued in Case No. PU-04-637 and is conditioned upon Budget Phone, Inc. securing the franchise or other authority of the proper municipal or other authority for the exercise of these rights and privileges.*

*Bismarck, North Dakota, April 6, 2005.*

**ATTEST:**

**PUBLIC SERVICE COMMISSION**

  
**Executive Secretary**

  
**Commissioner**

**Public Service Commission  
STATE OF NORTH DAKOTA**

**Certificate of Public Convenience and Necessity**

**Certificate Number 5218**

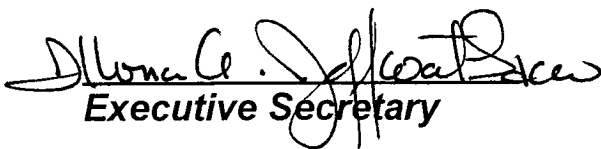
*This is to certify that public convenience and necessity require, and permission is granted for Budget Phone, Inc., a telecommunications public utility, to provide local exchange telecommunications services inside the Gardner, North Dakota local exchange area.*

*This certificate is issued in Case No. PU-04-637 and is conditioned upon Budget Phone, Inc. securing the franchise or other authority of the proper municipal or other authority for the exercise of these rights and privileges.*

*Bismarck, North Dakota, April 6, 2005.*

**ATTEST:**

**PUBLIC SERVICE COMMISSION**

  
Executive Secretary

  
Commissioner

**Public Service Commission  
STATE OF NORTH DAKOTA**

**Certificate of Public Convenience and Necessity**

**Certificate Number 5219**

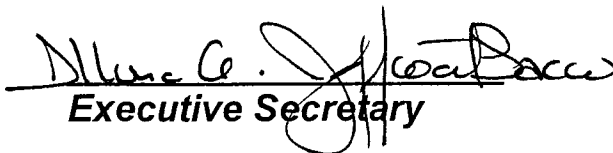
*This is to certify that public convenience and necessity require, and permission is granted for Budget Phone, Inc., a telecommunications public utility, to provide local exchange telecommunications services inside the Grafton, North Dakota local exchange area.*

*This certificate is issued in Case No. PU-04-637 and is conditioned upon Budget Phone, Inc. securing the franchise or other authority of the proper municipal or other authority for the exercise of these rights and privileges.*

*Bismarck, North Dakota, April 6, 2005.*

**ATTEST:**

**PUBLIC SERVICE COMMISSION**

  
**Executive Secretary**

  
**Commissioner**

**Public Service Commission**  
**STATE OF NORTH DAKOTA**

**Certificate of Public Convenience and Necessity**

**Certificate Number 5220**

*This is to certify that public convenience and necessity require, and permission is granted for Budget Phone, Inc., a telecommunications public utility, to provide local exchange telecommunications services inside the Grand Forks, North Dakota local exchange area.*

*This certificate is issued in Case No. PU-04-637 and is conditioned upon Budget Phone, Inc. securing the franchise or other authority of the proper municipal or other authority for the exercise of these rights and privileges.*

*Bismarck, North Dakota, April 6, 2005.*

**ATTEST:**

**PUBLIC SERVICE COMMISSION**

  
**Executive Secretary**

  
**Commissioner**

**Public Service Commission**  
**STATE OF NORTH DAKOTA**

**Certificate of Public Convenience and Necessity**

**Certificate Number 5221**

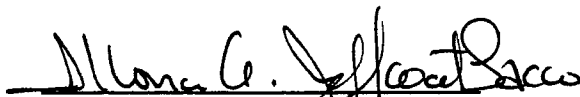
*This is to certify that public convenience and necessity require, and permission is granted for Budget Phone, Inc., a telecommunications public utility, to provide local exchange telecommunications services inside the Hatton, North Dakota local exchange area.*

*This certificate is issued in Case No. PU-04-637 and is conditioned upon Budget Phone, Inc. securing the franchise or other authority of the proper municipal or other authority for the exercise of these rights and privileges.*

*Bismarck, North Dakota, April 6, 2005.*

**ATTEST:**

**PUBLIC SERVICE COMMISSION**

  
**Executive Secretary**

  
**Commissioner**

**Public Service Commission  
STATE OF NORTH DAKOTA**

**Certificate of Public Convenience and Necessity**

**Certificate Number 5222**

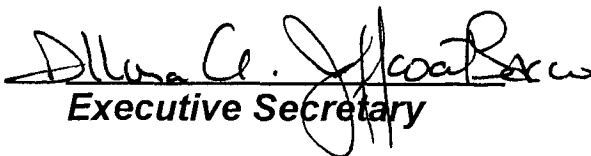
*This is to certify that public convenience and necessity require, and permission is granted for Budget Phone, Inc., a telecommunications public utility, to provide local exchange telecommunications services inside the Hillsboro, North Dakota local exchange area.*

*This certificate is issued in Case No. PU-04-637 and is conditioned upon Budget Phone, Inc. securing the franchise or other authority of the proper municipal or other authority for the exercise of these rights and privileges.*

*Bismarck, North Dakota, April 6, 2005.*

**ATTEST:**

**PUBLIC SERVICE COMMISSION**

  
**Executive Secretary**

  
**Commissioner**

**Public Service Commission**  
**STATE OF NORTH DAKOTA**

**Certificate of Public Convenience and Necessity**

**Certificate Number 5223**

*This is to certify that public convenience and necessity require, and permission is granted for Budget Phone, Inc., a telecommunications public utility, to provide local exchange telecommunications services inside the Jamestown, North Dakota local exchange area.*

*This certificate is issued in Case No. PU-04-637 and is conditioned upon Budget Phone, Inc. securing the franchise or other authority of the proper municipal or other authority for the exercise of these rights and privileges.*

*Bismarck, North Dakota, April 6, 2005.*

**ATTEST:**

**PUBLIC SERVICE COMMISSION**

  
**Executive Secretary**

  
**Commissioner**

**Public Service Commission**  
**STATE OF NORTH DAKOTA**

**Certificate of Public Convenience and Necessity**

**Certificate Number 5224**

*This is to certify that public convenience and necessity require, and permission is granted for Budget Phone, Inc., a telecommunications public utility, to provide local exchange telecommunications services inside the Kindred, North Dakota local exchange area.*

*This certificate is issued in Case No. PU-04-637 and is conditioned upon Budget Phone, Inc. securing the franchise or other authority of the proper municipal or other authority for the exercise of these rights and privileges.*

*Bismarck, North Dakota, April 6, 2005.*

**ATTEST:**

**PUBLIC SERVICE COMMISSION**

  
**Executive Secretary**

  
**Commissioner**

**Public Service Commission**  
**STATE OF NORTH DAKOTA**

**Certificate of Public Convenience and Necessity**

**Certificate Number 5225**

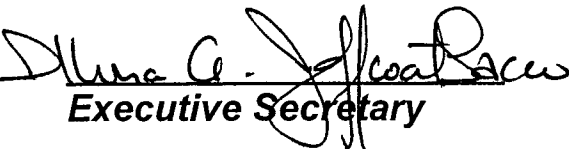
*This is to certify that public convenience and necessity require, and permission is granted for Budget Phone, Inc., a telecommunications public utility, to provide local exchange telecommunications services inside the Larimore, North Dakota local exchange area.*

*This certificate is issued in Case No. PU-04-637 and is conditioned upon Budget Phone, Inc. securing the franchise or other authority of the proper municipal or other authority for the exercise of these rights and privileges.*

*Bismarck, North Dakota, April 6, 2005.*

**ATTEST:**

**PUBLIC SERVICE COMMISSION**

  
**Executive Secretary**

  
**Commissioner**

**Public Service Commission**  
**STATE OF NORTH DAKOTA**

**Certificate of Public Convenience and Necessity**

**Certificate Number 5226**

*This is to certify that public convenience and necessity require, and permission is granted for Budget Phone, Inc., a telecommunications public utility, to provide local exchange telecommunications services inside the Leonard, North Dakota local exchange area.*

*This certificate is issued in Case No. PU-04-637 and is conditioned upon Budget Phone, Inc. securing the franchise or other authority of the proper municipal or other authority for the exercise of these rights and privileges.*

*Bismarck, North Dakota, April 6, 2005.*

**ATTEST:**

**PUBLIC SERVICE COMMISSION**

  
**Executive Secretary**

  
**Commissioner**

**Public Service Commission**  
**STATE OF NORTH DAKOTA**

**Certificate of Public Convenience and Necessity**

**Certificate Number 5227**

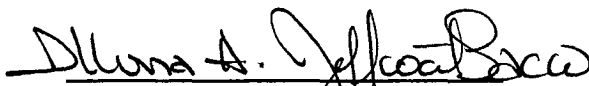
*This is to certify that public convenience and necessity require, and permission is granted for Budget Phone, Inc., a telecommunications public utility, to provide local exchange telecommunications services inside the Mandan, North Dakota local exchange area.*

*This certificate is issued in Case No. PU-04-637 and is conditioned upon Budget Phone, Inc. securing the franchise or other authority of the proper municipal or other authority for the exercise of these rights and privileges.*

*Bismarck, North Dakota, April 6, 2005.*

**ATTEST:**

**PUBLIC SERVICE COMMISSION**

  
**Executive Secretary**

  
**Commissioner**

**Public Service Commission**  
**STATE OF NORTH DAKOTA**

**Certificate of Public Convenience and Necessity**

**Certificate Number 5228**


*This is to certify that public convenience and necessity require, and permission is granted for Budget Phone, Inc., a telecommunications public utility, to provide local exchange telecommunications services inside the Manvel, North Dakota local exchange area.*

*This certificate is issued in Case No. PU-04-637 and is conditioned upon Budget Phone, Inc. securing the franchise or other authority of the proper municipal or other authority for the exercise of these rights and privileges.*

*Bismarck, North Dakota, April 6, 2005.*

**ATTEST:**

**PUBLIC SERVICE COMMISSION**

  
**Executive Secretary**

  
**Commissioner**

**Public Service Commission  
STATE OF NORTH DAKOTA**

**Certificate of Public Convenience and Necessity**

**Certificate Number 5229**

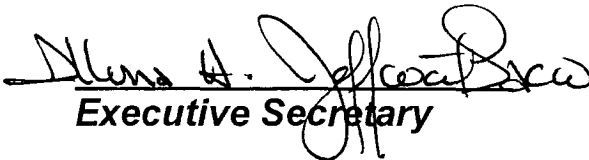
*This is to certify that public convenience and necessity require, and permission is granted for Budget Phone, Inc., a telecommunications public utility, to provide local exchange telecommunications services inside the Mayville, North Dakota local exchange area.*

*This certificate is issued in Case No. PU-04-637 and is conditioned upon Budget Phone, Inc. securing the franchise or other authority of the proper municipal or other authority for the exercise of these rights and privileges.*

*Bismarck, North Dakota, April 6, 2005.*

**ATTEST:**

**PUBLIC SERVICE COMMISSION**

  
**Executive Secretary**

  
**Commissioner**

**Public Service Commission**  
**STATE OF NORTH DAKOTA**

**Certificate of Public Convenience and Necessity**

**Certificate Number 5230**

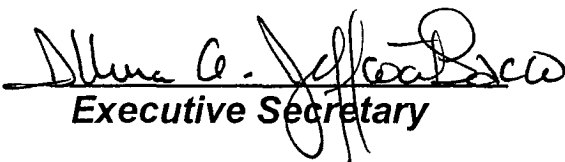
*This is to certify that public convenience and necessity require, and permission is granted for Budget Phone, Inc., a telecommunications public utility, to provide local exchange telecommunications services inside the Minto, North Dakota local exchange area.*

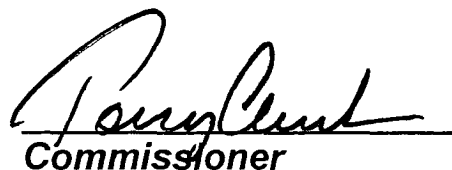
*This certificate is issued in Case No. PU-04-637 and is conditioned upon Budget Phone, Inc. securing the franchise or other authority of the proper municipal or other authority for the exercise of these rights and privileges.*

*Bismarck, North Dakota, April 6, 2005.*

**ATTEST:**

**PUBLIC SERVICE COMMISSION**

  
**Executive Secretary**

  
**Commissioner**

**Public Service Commission**  
**STATE OF NORTH DAKOTA**

**Certificate of Public Convenience and Necessity**

**Certificate Number 5231**

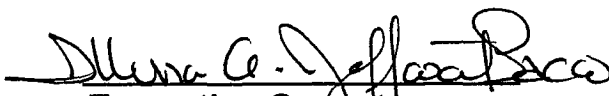
*This is to certify that public convenience and necessity require, and permission is granted for Budget Phone, Inc., a telecommunications public utility, to provide local exchange telecommunications services inside the Northwood, North Dakota local exchange area.*

*This certificate is issued in Case No. PU-04-637 and is conditioned upon Budget Phone, Inc. securing the franchise or other authority of the proper municipal or other authority for the exercise of these rights and privileges.*

*Bismarck, North Dakota, April 6, 2005.*

**ATTEST:**

**PUBLIC SERVICE COMMISSION**

  
**Executive Secretary**

  
**Commissioner**

**Public Service Commission**  
**STATE OF NORTH DAKOTA**

**Certificate of Public Convenience and Necessity**

**Certificate Number 5232**

*This is to certify that public convenience and necessity require, and permission is granted for Budget Phone, Inc., a telecommunications public utility, to provide local exchange telecommunications services inside the Reynolds, North Dakota local exchange area.*

*This certificate is issued in Case No. PU-04-637 and is conditioned upon Budget Phone, Inc. securing the franchise or other authority of the proper municipal or other authority for the exercise of these rights and privileges.*

*Bismarck, North Dakota, April 6, 2005.*

**ATTEST:**

**PUBLIC SERVICE COMMISSION**

  
**Executive Secretary**

  
**Commissioner**

**Public Service Commission**  
**STATE OF NORTH DAKOTA**

**Certificate of Public Convenience and Necessity**

**Certificate Number 5233**

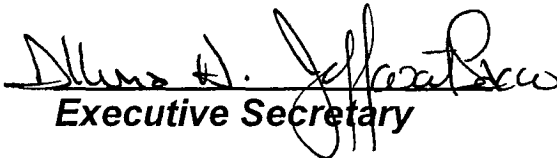
*This is to certify that public convenience and necessity require, and permission is granted for Budget Phone, Inc., a telecommunications public utility, to provide local exchange telecommunications services inside the Thompson, North Dakota local exchange area.*

*This certificate is issued in Case No. PU-04-637 and is conditioned upon Budget Phone, Inc. securing the franchise or other authority of the proper municipal or other authority for the exercise of these rights and privileges.*

*Bismarck, North Dakota, April 6, 2005.*

**ATTEST:**

**PUBLIC SERVICE COMMISSION**

  
**Executive Secretary**

  
**Commissioner**

**Public Service Commission**  
**STATE OF NORTH DAKOTA**

**Certificate of Public Convenience and Necessity**

**Certificate Number 5234**

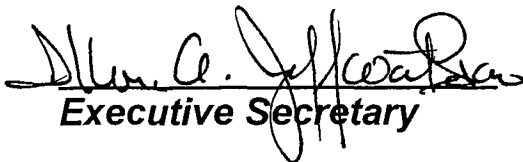
*This is to certify that public convenience and necessity require, and permission is granted for Budget Phone, Inc., a telecommunications public utility, to provide local exchange telecommunications services inside the Valley City, North Dakota local exchange area.*

*This certificate is issued in Case No. PU-04-637 and is conditioned upon Budget Phone, Inc. securing the franchise or other authority of the proper municipal or other authority for the exercise of these rights and privileges.*

*Bismarck, North Dakota, April 6, 2005.*

**ATTEST:**

**PUBLIC SERVICE COMMISSION**

  
**Executive Secretary**

  
**Commissioner**

**Public Service Commission**  
**STATE OF NORTH DAKOTA**

**Certificate of Public Convenience and Necessity**

**Certificate Number 5235**

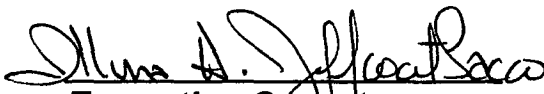
*This is to certify that public convenience and necessity require, and permission is granted for Budget Phone, Inc., a telecommunications public utility, to provide local exchange telecommunications services inside the Wahpeton, North Dakota local exchange area.*

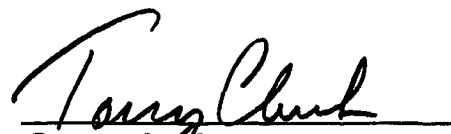
*This certificate is issued in Case No. PU-04-637 and is conditioned upon Budget Phone, Inc. securing the franchise or other authority of the proper municipal or other authority for the exercise of these rights and privileges.*

*Bismarck, North Dakota, April 6, 2005.*

**ATTEST:**

**PUBLIC SERVICE COMMISSION**

  
**Executive Secretary**

  
**Commissioner**

**Public Service Commission**  
**STATE OF NORTH DAKOTA**

**Certificate of Public Convenience and Necessity**

**Certificate Number 5236**

*This is to certify that public convenience and necessity require, and permission is granted for Budget Phone, Inc., a telecommunications public utility, to provide local exchange telecommunications services inside the suburban territory near Fairview, Montana, part of the Fairview local exchange area, but located in North Dakota and served from the Fairview, Montana local central office.*

*This certificate is issued in Case No. PU-04-637 and is conditioned upon Budget Phone, Inc. securing the franchise or other authority of the proper municipal or other authority for the exercise of these rights and privileges.*

*Bismarck, North Dakota, April 6, 2005.*

**ATTEST:**

**PUBLIC SERVICE COMMISSION**

  
**Executive Secretary**

  
**Commissioner**

**Public Service Commission**  
**STATE OF NORTH DAKOTA**

**Certificate of Public Convenience and Necessity**

**Certificate Number 5237**

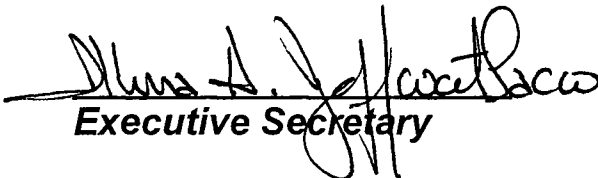
*This is to certify that public convenience and necessity require, and permission is granted for Budget Phone, Inc., a telecommunications public utility, to provide local exchange telecommunications services inside the rural territory near Sidney, Montana, part of the Sidney local exchange area, but located in North Dakota and served from the Sidney, Montana local central office.*

*This certificate is issued in Case No. PU-04-637 and is conditioned upon Budget Phone, Inc. securing the franchise or other authority of the proper municipal or other authority for the exercise of these rights and privileges.*

*Bismarck, North Dakota, April 6, 2005.*

**ATTEST:**

**PUBLIC SERVICE COMMISSION**

  
**Executive Secretary**

  
**Commissioner**

**North Dakota Public Service Commission**  
**INFORMAL HEARING**  
**March 23, 2005**

**Budget Phone, Inc.**  
**Local Exchange / Interexchange**  
**Public Convenience & Necessity**

**PU-04-637**  
**Filed: 12/6/04**

**Summary of Proposal:** Budget Phone, Inc. of Shreveport, LA, WA has filed an application for certificates of public convenience and necessity to provide facilities-based competitive local exchange telecommunications services in all North Dakota exchanges served by Qwest Corporation and facilities-based interexchange telecommunications services throughout North Dakota.

**Procedural History:** On December 30, 2004 Budget Phone filed revised financial information with a request that financial information previously filed under seal be disregarded. On January 6, 2005 the information filed under seal was returned to Budget Phone. On January 12, 2005 the Commission issued a Notice of Opportunity for Hearing that provided until February 15, 2005 for receiving comments or hearing requests. One response was received on January 18<sup>th</sup> from the Rural Telephone Company Group requesting limitations to preserve the rural exemption under 47 U.S.C. 251(f).

**Discussion:** Budget Phone is a Louisiana Corporation authorized to provide facilities-based(UNE-P) and resold local exchange service in 36 states plus Washington DC. Budget Phone states it actually provides service in all of these jurisdictions except Colorado. Budget Phone further notes it has applications pending in four other states including North Dakota, where Budget Phone became registered to resell local and interexchange services on January 12, 2005. A wholly-owned subsidiary, Budget Phone of Virginia, Inc , also provides local and interexchange service in Virginia.

Budget Phone intends to provide a range of services including interexchange services, ancillary services, and local exchange services using unbundled network elements from Qwest. Budget Phone states it has no current plans to install facilities in North Dakota.

Exhibit 6 to the application provides biographical information indicating that Budget Phone's key personnel have the technical and managerial ability to provide service.

A limited staff financial review (see staff memo dated March 16<sup>th</sup>) indicated that Budget Phone has the financial ability to provide service.

**Recommendation:** I recommend approval.

**Prepared by:** Jerry Lein

STATE OF NORTH DAKOTA  
PUBLIC SERVICE COMMISSION

Budget Phone, Inc.  
Local/Interexchange  
Public Convenience and Necessity

Case No. PU-04-637

AFFIDAVIT OF SERVICE BY CERTIFIED MAIL

STATE OF NORTH DAKOTA  
COUNTY OF BURLEIGH

Sharon Helbling deposes and says that:

she is over the age of 18 years and not a party to this action and, on the **16th day of March, 2005**, she deposited in the United States Mail, Bismarck, North Dakota, **one** envelope with certified postage, return receipt requested, fully prepaid, securely sealed and each containing a photocopy of:

**Staff Memorandum on Financial Ability**

The envelope was addressed as follows:

Lance J M Steinhart  
1720 Windward Concourse Ste 250  
Alpharetta GA 30005

Each address shown is the respective addressee's last reasonably ascertainable post office address.

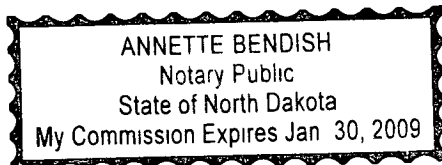


Subscribed and sworn to before me  
this **16th day of March, 2005**.



Notary Public

SEAL





# Public Service Commission

## State of North Dakota

---

### COMMISSIONERS

Tony Clark, President  
Susan E Wefald  
Kevin Cramer

Executive Secretary  
Illona A Jeffcoat-Sacco

600 E Boulevard Ave Dept 408  
Bismarck, North Dakota 58505-0480  
web www.psc.state.nd.us  
e-mail: ndpsc@state.nd.us  
TDD 800-366-6888  
Fax 701-328-2410  
Phone 701-328-2400

## Memorandum

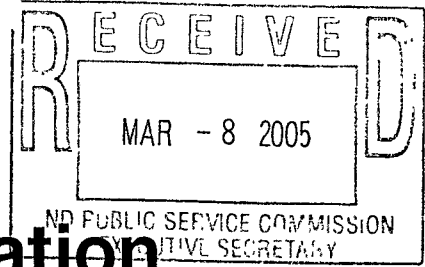
**To:** Illona Jeffcoat-Sacco, Executive Secretary  
**From:** Mike Diller, Director of Accounting *MD*  
**Date:** March 16, 2005  
**Re:** **Budget Phone, Inc.**  
**Local/Interexchange PC&N**  
**Case No. PU-04-637**

The following is written to provide the commission with a very limited review of the applicant's financial ability to provide service.

Staff reviewed the financial information filed by the applicant for the period ending December 31, 2003, noting stockholder equity of \$8.5 million.

Based on its review, staff concludes that the applicant has access to sufficient capital to provide service in North Dakota.

Staff sees no reason to deny this application and will provide this document to the applicant.



# Affidavit of Publication

Colleen Park, being duly sworn, state as follows:

1. I am the designated agent, under the provisions and for the purposes of, Section 31-04-06, NDCC, for the newspapers listed on the attached exhibits.
2. The newspapers listed on the exhibits published the advertisement of:  
PSC, Budget Phone Inc, 1 time(s)  
as required by law or ordinance.
3. All of the listed newspapers are legal newspapers in the State of North Dakota and, under the provisions of Section 46-05-01, NDCC, are qualified to publish any public notice or any matter required by law or ordinance to be printed or published in a newspaper in North Dakota.

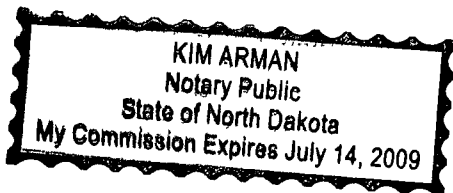
Signed: Colleen Park

State of ND

County of Burleigh

Subscribed and sworn to before me this 3 day of March 20 05.

Kim Arman





# North Dakota Newspaper Association

1435 Interstate Loop  
Bismarck, ND 58503-0567  
Ph (701) 223-6397 • Fax (701) 223-8185

## INVOICE

March 4, 2005

Order **20105-05013PP0**

Invoice # **51960**

March 4, 2005

Advertiser: **Public Utilities Division**

P O # **PU-04-637**

Attn: **ILLONAA. JEFFCOAT-SACCO**  
**PUBLIC SERVICE COMMISSION**  
**600 E. BOULEVARD AVE.**  
**STATE CAPITOL**  
**BISMARCK, ND 58505**  
Voice 701-328-4076

Amount Due **\$311.11**

Amount Paid

*Please detach and return this portion with your payment*

Public Utilities Division Invoice # 20105-05013PP0-51960 PO# PU-04-637

Ad Size	Rate Type	Rate	Total	Discount (%)	Caption	Page	Run Date
<b>DAILY</b>							
<b>Bismarck Tribune (Bismarck ND)</b>							
46 00	SPR2	0 64	29 44	0 00	Budget Phone Inc		01/18/05
<b>Devils Lake Daily Journal (Devils Lake ND)</b>							
47 00	SPR2	0 63	29 61	0 00	Budget Phone Inc		01/18/05
<b>Dickinson Press (Dickinson ND)</b>							
50 00	SPR2	0 57	28 50	0 00	Budget Phone Inc		01/18/05
<b>Fargo, The Forum (Fargo ND)</b>							
42 00	SPR2	0 71	29 82	0 00	Budget Phone Inc		01/24/05
<b>Grand Forks Herald (Grand Forks ND)</b>							
43 00	SPR2	0 69	29 67	0 00	Budget Phone Inc		01/18/05
<b>Jamestown Sun (Jamestown ND)</b>							
53 00	SPR2	0 54	28 62	0 00	Budget Phone Inc		01/18/05
<b>Minot Daily News (Minot ND)</b>							
54 00	SPR2	0 54	29 16	0 00	Budget Phone Inc		01/18/05
<b>Valley City Times-Record (Valley City ND)</b>							
53 00	SPR2	0 61	32 33	0 00	Budget Phone Inc		01/18/05
<b>Wahpeton Daily News (Wahpeton ND)</b>							
90 00	SPR2	0 51	45 90	0 00	Budget Phone Inc		01/18/05
<b>Williston Herald (Williston ND)</b>							
46 00	SPR2	0 61	28 06	0 00	Budget Phone Inc		01/18/05

Gross Advertising	311.11	Total Misc	0 00	Amount Paid	0 00
Agency Discount		Tax	0 00	Adjustments	0 00
Other Discount	0 00	Total Billed	311 11	Payment Date	
Service Charge	0.00	Unbilled	0 00	Balance Due	311 11

**11 PU-04-637**

Pages 1

Affidavit of Publication

by North Dakota Advertising Service Inc

03/08/2005

CC Comm Legal Illona Jerry Mike

State Of North Dakota  
Public Service Commission  
Notice Of Opportunity For Hearing  
January 12, 2005  
Case No. PU-04-637

Bismarck	1-18
Devils Lake	1-
Dickinson	1-18
Jamestown	1-18
Minot	1-18
Fargo	1-24
Grand Forks	1-18
Valley City	1-18
Walton	1-19
Williston	1-18

DONALD A NEGAARD  
JAMES E NOSTDAHL  
CAROL K LARSON  
DAVID J HOGUE  
REED A SODERSTROM  
BRENT M OLSON  
DEBRA L HOFFARTH  
SCOTT M KNUDSVIG  
ERIKA L SLEGER  
RYAN D SANDBERG

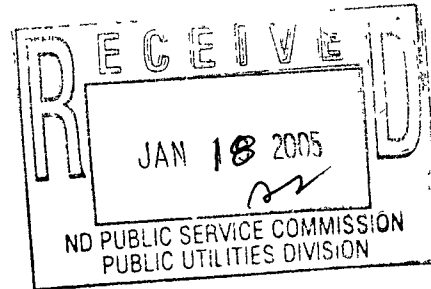
**PH**  
LAW OFFICES OF  
**PRINGLE & HERIGSTAD, P.C.**  
2525 ELK DRIVE  
POST OFFICE BOX 1000  
MINOT, NORTH DAKOTA 58702  
(701) 852-0381  
FAX (701) 857-1361  
E-mail pringle@srt.com

OF COUNSEL  
HERBERT L MESCHKE

RETIRED  
THOMAS A WENTZ  
MARK F PURDY  
JAN M SEBBY

KENNETH G PRINGLE  
(1914-1983)  
ROGER O HERIGSTAD  
(1919-2003)

January 18, 2005



Ms Illona Jeffcoat-Sacco  
Executive Secretary  
PUBLIC SERVICE COMMISSION  
600 East Boulevard Avenue  
Bismarck, ND 58505-0480

**BUDGET PHONE, INC.  
LOCAL/INTEREXCHANGE PUBLIC CONVENIENCE AND NECESSITY  
CASE NO. PU-04-637**

Enclosed herewith for filing in the above matter are an original and seven copies of the Comments of the Rural Telephone Company Group on the Application for Certificates of Public Convenience and Necessity of BudgetPhone, Inc , Case No PU-04-637

A handwritten signature in black ink, appearing to be "Don Negaard".

Don Negaard

jt

Enclosures

**STATE OF NORTH DAKOTA**  
**PUBLIC SERVICE COMMISSION**

**Budget Phone, Inc.**  
**Local/Interexchange**  
**Public Convenience and Necessity**

**Case No. PU-04-637**

**COMMENTS OF THE RURAL TELEPHONE COMPANY GROUP ("RTCG")  
ON THE APPLICATION FOR CERTIFICATES OF  
PUBLIC CONVENIENCE AND NECESSITY  
OF BUDGETPHONE, INC.**

The Rural Telephone Company Group (RTCG) is a group of telecommunications carriers, each of which is an "incumbent local exchange carrier" and a "rural telephone company" under the federal Telecommunications Act of 1996 (the Act) and each has legal interests in this case under the Act

The RTCG includes

BEK Communications Cooperative  
Consolidated Telcom  
Dakota Central Telecommunications Cooperative and Dakota Central Telecom I  
Dickey Rural Telephone Cooperative, Dickey Rural Communications, Inc , and  
Dickey Rural Access, Inc  
Griggs County Telephone Company and Moore & Liberty Telephone Company  
Inter-Community Telephone Company, L L C  
Midstate Telephone Company and Midstate Communications, Inc  
Nemont Telephone Company and Missouri Valley Communications, Inc  
North Dakota Telephone Company  
Northwest Communications Cooperative  
Polar Communications Mutual Aid Corporation and Polar Telecommunications, Inc  
Red River Rural Telephone Association and Red River Telecom, Inc  
Reservation Telephone Cooperative  
SRT Communications, Inc  
United Telephone Mutual Aid Corporation and Turtle Mountain Communications  
West River Telecommunications Cooperative

The description of service area requested by BudgetPhone is somewhat ambiguous. If it is strictly limited only to local exchange services in areas now served by Qwest, RTCG has no objection. If it is construed otherwise, RTCG offers the following

In PSC Case No PU-453-96-83, AT&T applied for and was granted a Certificate of Public Convenience and Necessity to provide local telecommunications service throughout the state of North Dakota, subject to limitations in the Commission's Order

"8 Public convenience and necessity requires the granting of a statewide certificate to AT&T to provide local service. However, the Commission's determination of the public interest with regard to the service territories of rural telephone companies is subject to any future proceedings under §251(f)(1) or (2) of the Act

9 Granting AT&T's application for a statewide certificate is not a ruling that affects the rights of specific rural telephone company pursuant to 47 U S C §251(f) "

In PSC Case No PU-987-96-390, Sprint applied for and was granted a Certificate of Public Convenience and Necessity to provide local telecommunications service throughout the state of North Dakota, subject to limitations based on the precedent established in the AT&T case

"One issue which has been addressed in other Certificate of Public Convenience and Necessity cases was raised by the intervener, NDATEC. This issue concerns rural telephone companies and what effect the grant of a certificate would have on them. NDATEC identified its interest in this proceeding, and the interests of its members, as a concern that the grant of a certificate of public convenience and necessity not defeat the rural protections provided by the Telecommunications Act of 1996

The Commission agrees with NDATEC that the question is important and must be addressed. This issue will apply to all certificate requests affecting any service area of any rural telephone company in North Dakota. It is the opinion of the Commission that in all such cases, any determination of public interest is subject to future proceedings regarding rural protections or exemptions

In the instant case the Commission will adhere to the precedent established in the AT&T certificate case, Docket No PU-453-96-83, on this issue. In AT&T, the Commission held that its determination of the public interest with regard to the service territories of rural telephone companies is subject to any future proceedings under Section 251(f)(1) or (2) of the Telecommunications Act of 1996 (47 U S C §251(f)(1) or (2)). The Commission also held that granting the certificate on a statewide basis is not a ruling that affects the rights of specific rural telephone companies under 47 U S C §251(f). Both Sprint and NDATEC agree that the qualifications

expressed in the AT&T case appropriately apply to Sprint's request for a statewide certificate of public convenience and necessity. The inclusion of these conditions satisfies NDATC's concerns, and is not objectionable to Sprint."

The AT&T precedent has been cited at least one time following the Sprint case, in Case No. PU-1693-97-269, where a statewide certificate was granted to Eclipse Communications Corp (a subsidiary of Western Wireless Corporation), subject to the rights of rural telephone companies under 47 U.S.C. 251(f).

In reliance on the precedent established by the Commission in the AT&T, Sprint, and Eclipse/Western Wireless cases, the RTCG does not request intervention and does not request a hearing on the pending application. The RTCG does request that any order issued to grant the pending application should include limitations substantially the same as those in the AT&T, Sprint, and Eclipse/Western Wireless cases, to preserve the "rural safeguard" rights of rural telephone companies under 47 U.S.C. 251(f).

By the comments contained herein, none of the above-named companies shall be deemed to have waived its rights to claim that BudgetPhone, Inc., is prohibited from competing with the RTCG or their subsidiaries.

Dated at Minot, North Dakota, this 18th day of January, 2005

  
PRINGLE & HERIGSTAD, P.C.

---

By Don Negaard, ND Bar ID #03598  
Attorneys for RTCG  
2525 Elk Drive  
P.O. Box 1000  
Minot, ND 58702-1000  
(701) 852-3081

STATE OF NORTH DAKOTA  
PUBLIC SERVICE COMMISSION

Budget Phone, Inc.  
Local/Interexchange  
Public Convenience and Necessity

Case No. PU-04-637

AFFIDAVIT OF SERVICE BY CERTIFIED MAIL

STATE OF NORTH DAKOTA  
COUNTY OF BURLEIGH

**Sharon Helbling** deposes and says that.

she is over the age of 18 years and not a party to this action and, on the **13th day of January, 2005**, she deposited in the United States Mail, Bismarck, North Dakota, **one** envelope with certified postage, return receipt requested, fully prepaid, securely sealed and each containing a photocopy of:

**Notice of Opportunity for Hearing**

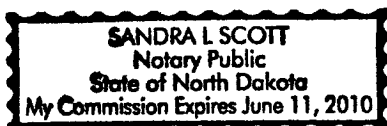
The envelope was addressed as follows.

Lance J M Steinhart  
1720 Windward Concourse Ste 250  
Alpharetta GA 30005  
**Cert. No. 7003 2260 0001 3517 9350**

Each address shown is the respective addressee's last reasonably ascertainable post office address.

Subscribed and sworn to before me  
this **13th day of January, 2005**

SEAL



*Sharon Helbling*  
\_\_\_\_\_  
*Sandra L. Scott*  
\_\_\_\_\_  
Notary Public

STATE OF NORTH DAKOTA  
PUBLIC SERVICE COMMISSION

Budget Phone, Inc.  
Local/Interexchange  
Public Convenience and Necessity

Case No. PU-04-637

AFFIDAVIT OF SERVICE BY ORDINARY MAIL OR E-MAIL

STATE OF NORTH DAKOTA  
COUNTY OF BURLEIGH

**Sharon Helbling** deposes and says that.

she is over the age of 18 years and not a party to this action and, on the **13th day of January, 2005**, she deposited in the United States Mail, Bismarck, North Dakota, envelopes by first class mail, fully prepaid, securely sealed, and e-mailed, each containing a photocopy of:

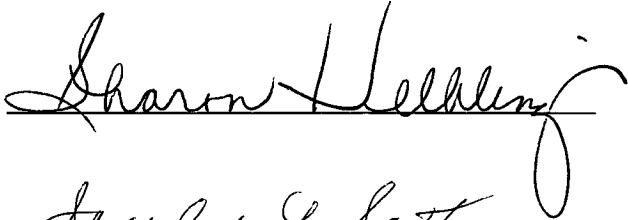

**Notice of Opportunity for Hearing**

The envelopes were addressed as follows:

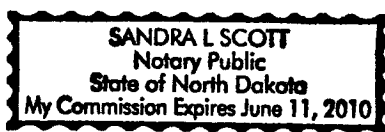
***See Attached List***

Each address shown is the respective addressee's last reasonably ascertainable post office address.

Subscribed and sworn to before me  
this **13th day of January, 2005**

  
\_\_\_\_\_  
  
\_\_\_\_\_  
Notary Public

SEAL



mariep@telcogroupinc.com  
Marie Pierre-Paul

wbrudvik@ohnstadlaw.com  
William Brudvik

dennis.kelley@reconex.com  
Dennis Kelley  
1-800-Reconex Inc  
2500 Industrial Ave  
Hubbard OR 97032

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Jerry Chapman  
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Janet Browne  
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Bantz Gosh & Cremer LLC  
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Aberdeen SD 57402-0970

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Sheryl Massey  
Basin Electric Power Coop  
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PO Box 230  
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Jerome Tishmack  
BEK Communications I Inc  
PO Box 230  
Steele ND 58482-0230

dan.meldazis@broadwing.com  
Dan Meldazis  
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Chicago IL 60601

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Compuwiz  
1012 Industrial Blvd  
South Lake Tahoe CA 96150

sheba.chacko@bttna.com  
Sheba Chacko  
Concert Communications Sales LLC  
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Consolidated Telcom

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Mark Scallon  
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Denver CO 80202

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Glenn Richards  
ShawPittman  
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Ray Brown  
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Orlando FL 32825

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Computer Integrated Communications Inc  
8502 Bells Mill Rd  
Potomac MD 20854-4071

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507 S Main  
Dickinson ND 58601

Consolidated Telcom  
PO Box 1077  
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Easton Telecom Services Inc  
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WTC Competitive Services Inc  
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XO Communications Services Inc  
11111 Sunset Hills Rd  
Reston VA 20190

## Helbling, Sharon D.

---

**From:** Helbling, Sharon D  
**Sent:** Thursday, January 13, 2005 7 14 AM  
**To:** ndna  
**Subject:** Attached Notice of Opportunity for Hearing, Case No PU-04-637

Colleen Park  
North Dakota Newspaper Association

Colleen

Please have the attached Notice of Opportunity for Hearing published as a legal publication in the next issue of the ten North Dakota daily newspapers, and run it as a "News Item Only" article as well.

Send the bill to the Public Service Commission, along with a tear sheet for billing purposes

If you have any questions, let me know

Thank you.

Sharon Helbling  
Public Utilities Division



**1.doc (37  
KB)**

**MOTION**

APC  
DATE 1-12-05  
KMF

**January 12, 2005**

**Budget Phone, Inc.  
Local/Interexchange  
Public Convenience and Necessity**

**Case No. PU-04-637**

I move the Commission issue a Notice of Opportunity for Hearing in the application of Budget Phone, Inc. for certificates of public convenience and necessity to provide telecommunication services in North Dakota.

JRL/sdh

**STATE OF NORTH DAKOTA  
PUBLIC SERVICE COMMISSION**

**Budget Phone, Inc.  
Local/Interexchange  
Public Convenience and Necessity**

**Case No. PU-04-637**

**NOTICE OF OPPORTUNITY FOR HEARING**

**January 12, 2005**

On December 6, 2004, Budget Phone, Inc. of Shreveport, LA filed an application for certificates of public convenience and necessity to provide facilities-based competitive local exchange telecommunication services in all North Dakota exchanges served by Qwest Corporation and facilities-based interexchange telecommunications throughout North Dakota

The issues to be considered in these matters are

- 1 Fitness and ability of the applicant to provide service
- 2 Adequacy of the proposed service.
- 3 Technical, financial and managerial ability of the applicant to provide service

Those interested are invited to comment on the application in writing. Persons desiring a hearing must file a written request identifying their interest in the proceeding and the reasons for requesting a hearing. Comments and requests for hearings must be received by **February 15, 2005**. If deemed appropriate, the Commission can determine the matter without a hearing.

For more information contact the Public Service Commission, State Capitol, Bismarck, North Dakota 58505, 701-328-2400, or Relay North Dakota 1-800-366-6888 TTY. If you require any auxiliary aids or services, such as readers, signers, or Braille materials please notify Illona Jeffcoat-Sacco, Executive Secretary

**PUBLIC SERVICE COMMISSION**

  
\_\_\_\_\_  
**Susan E. Wefald  
Commissioner**

  
\_\_\_\_\_  
**Tony Clark  
President**

  
\_\_\_\_\_  
**Kevin Cramer  
Commissioner**



# Public Service Commission State of North Dakota

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## COMMISSIONERS

Tony Clark, President  
Susan E Wefald  
Kevin Cramer

Executive Secretary  
Illona A Jeffcoat-Sacco

600 E Boulevard Ave Dept 408  
Bismarck, North Dakota 58505-0480  
web www.psc.state.nd.us  
e-mail ndpsc@state.nd.us  
TDD 800-366-6888  
Fax 701-328-2410  
Phone 701-328-2400

January 6, 2005

Lance J. M. Steinhart, P.C.  
1720 Windward Concourse, Suite 250  
Alpharetta, GA 30005

Re: Budget Phone, Inc.  
Local/Interexchange  
Public Convenience and Necessity  
Case No. PU-04-637

Dear Mr. Steinhart:

As you requested, we are returning the confidential material that was filed with Budget Phone Inc.'s application for a Certificate of Public Convenience and Necessity in the above referenced case.

If you have any questions, please contact us.

Sincerely,

Sandi Scott  
Legal Division

**Lance J.M. Steinhart, P.C.**

Attorney At Law  
1720 Windward Concourse  
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Alpharetta, Georgia 30005

Also Admitted in New York  
and Maryland

Telephone: (770) 232-9200  
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Email: lsteinhart@telecomcounsel.com

December 29, 2004

**VIA FEDERAL EXPRESS**

Mr. Jon Mielke  
Executive Secretary  
Public Service Commission  
State Capitol  
600 E. Boulevard  
Bismarck, ND 58505-0480



Re: Budget Phone, Inc.  
Docket No. PU-04-637

Dear Mr. Mielke:

Enclosed please find for filing an original and seven (7) copies of Budget Phone, Inc's Financial Statements.

The original Application for a Certificate of Public Convenience and Necessity to Provide Telecommunications Services was received by the Commission on December 6, 2004. Please disregard the previously filed financial information under which the Company requested confidential treatment.

I have enclosed an extra copy of this letter to be date stamped and returned to me in the enclosed preaddressed-postage-prepaid envelope. If you have any questions or if I may provide you with any additional information, please do not hesitate to contact me. Thank you.

Respectfully submitted,

Lance J.M. Steinhart  
Attorney for Budget Phone, Inc.

Enclosures

cc: Leigh Woodruff

BUDGET PHONE, INC.

BALANCE SHEETS

DECEMBER 31, 2003 AND 2002

<u>ASSETS</u>	<u>2003</u>	<u>2002</u>
<u>Current assets:</u>		
Cash and cash equivalents	5,727,715	4,364,862
Accounts receivable	4,112,197	4,113,395
Due from officers	81,751	58,230
Accounts receivable-other	55,693	-
Inventories	143,486	512,914
Prepaid line costs-Note 2	2,195,562	1,921,681
Other prepaid expenses	<u>136,651</u>	<u>24,591</u>
Total current assets	12,453,055	10,995,673
<u>Property and equipment</u> , less accumulated depreciation and amortization of \$1,330,255 and \$971,865 for 2003 and 2002-Note 3	1,271,046	1,255,310
<u>Other assets:</u>		
Deposits	12,838	12,838
Goodwill-Note 5	<u>534,917</u>	<u>534,917</u>
Total other assets	<u>547,755</u>	<u>547,755</u>
Total assets	<u>14,271,856</u>	<u>12,798,738</u>
<u>LIABILITIES AND STOCKHOLDERS' EQUITY</u>		
<u>Current liabilities:</u>		
Accounts payable	1,549,552	2,157,410
Deferred revenue-Note 2	3,559,156	3,468,737
Sales and excise taxes payable	690,485	598,560
Payroll taxes payable	<u>6,769</u>	<u>3,546</u>
Total current liabilities	5,805,962	6,228,253
<u>Stockholders' equity:</u>		
Common stock, no par value; 10,000 shares authorized, 1,000 issued and outstanding	1,000	1,000
Retained earnings	<u>8,464,894</u>	<u>6,569,485</u>
Total stockholders' equity	<u>8,465,894</u>	<u>6,570,485</u>
Total liabilities and stockholders' equity	<u>14,271,856</u>	<u>12,798,738</u>

BUDGET PHONE, INC.  
STATEMENTS OF INCOME FOR THE YEARS ENDED  
DECEMBER 31, 2003 AND 2002

	<u>2003</u>	<u>2002</u>
<u>Sales</u>	60,203,934	52,946,395
<u>Cost of sales</u>	<u>37,400,325</u>	<u>29,980,839</u>
<u>Gross profit</u>	22,803,609	22,965,556
<u>General and administrative expenses</u>	<u>18,769,865</u>	<u>17,373,017</u>
<u>Income from operations</u>	4,033,744	5,592,539
<u>Other income (expense).</u>		
Interest income	61,663	77,031
Miscellaneous income	-	793
Bad debt expense	-	<u>(152,759)</u>
	<u>61,663</u>	<u>(74,935)</u>
<u>Net income</u>	<u>4,095,407</u>	<u>5,517,604</u>

BUDGET PHONE, INC.

STATEMENTS OF RETAINED EARNINGS FOR THE YEARS ENDED

DECEMBER 31, 2003 AND 2002

	<u>2003</u>	<u>2002</u>
<u>Balance-beginning of year</u>	6,569,485	4,780,207
Net income	4,095,407	5,517,604
Stockholder distributions	<u>(2,199,998)</u>	<u>(3,728,326)</u>
<u>Balance-end of year</u>	<u>8,464,894</u>	<u>6,569,485</u>

BUDGET PHONE, INC.

STATEMENTS OF CASH FLOWS FOR THE YEARS ENDED

DECEMBER 31, 2003 AND 2002

	<u>2003</u>	<u>2002</u>
<u>Cash flows from operating activities:</u>		
Net income	4,095,407	5,517,604
Adjustments to reconcile net income to net cash provided by operating activities:		
Amortization	3,466	3,439
Depreciation	354,924	316,213
<i>(Increase) decrease in:</i>		
Accounts receivable	(54,495)	(555,896)
Inventory	369,428	(512,914)
Prepaid expenses	(385,941)	(415,591)
Due from officers	(23,521)	-
<i>Increase (decrease) in:</i>		
Accounts payable	(607,858)	154,015
Deferred revenue	90,419	717,781
Sales and excise tax payable	91,925	254,873
Payroll taxes payable	3,223	(513)
Total adjustments	<u>(158,430)</u>	<u>(38,593)</u>
Net cash provided by operating activities	3,936,977	5,479,011
<u>Cash flows from investing activities:</u>		
Acquisition of fixed assets	<u>(374,126)</u>	<u>(593,974)</u>
Net cash (used) by investing activities	(374,126)	(593,974)
<u>Cash flows from financing activities:</u>		
Stockholder distributions	<u>(2,199,998)</u>	<u>(3,728,326)</u>
Net cash (used) by financing activities	<u>(2,199,998)</u>	<u>(3,728,326)</u>
<u>Net increase in cash and cash equivalents</u>	1,362,853	1,156,711
<u>Cash and cash equivalents at beginning of year</u>	<u>4,364,862</u>	<u>3,208,151</u>
<u>Cash and cash equivalents at end of year</u>	<u>5,727,715</u>	<u>4,364,862</u>

**Lance J.M. Steinhart, P.C.**

Attorney At Law  
1720 Windward Concourse  
Suite 250  
Alpharetta, Georgia 30005

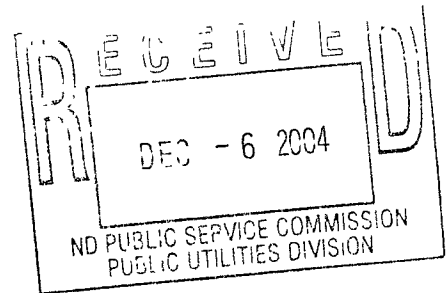
Also Admitted in New York  
and Maryland

Telephone: (770) 232-9200  
Facsimile: (770) 232-9208  
Email: lsteinhart@telecomcounsel.com

December 3, 2004

**VIA FEDERAL EXPRESS**

Mr. Jon Mielke  
Executive Secretary  
Public Service Commission  
State Capitol  
600 E. Boulevard  
Bismarck, ND 58505-0480



Re: Budget Phone, Inc.

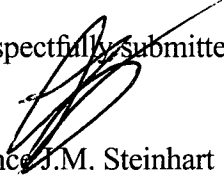
Dear Mr. Mielke:

Enclosed please find for filing an original and seven (7) copies of Budget Phone, Inc.'s Application for a Certificate of Public Convenience and Necessity to Provide Telecommunications Services.

**APPLICANT HAS ALSO ENCLOSED ONE COPY OF FINANCIAL STATEMENTS IN A SEPARATE ENVELOPE MARKED "CONFIDENTIAL AND PROPRIETARY" AND RESPECTFULLY REQUESTS CONFIDENTIAL TREATMENT OF THE ENCLOSED FINANCIAL INFORMATION. APPLICANT EXPECTS THAT THIS INFORMATION WILL BE RESTRICTED TO COUNSEL, AGENTS AND EMPLOYEES WHO ARE SPECIFICALLY ASSIGNED TO THIS APPLICATION BY THE COMMISSION.**

I have enclosed an extra copy of this letter to be date stamped and returned to me in the enclosed preaddressed-postage-prepaid envelope. If you have any questions or if I may provide you with any additional information, please do not hesitate to contact me. Thank you.

Respectfully submitted,

  
Lance J.M. Steinhart  
Attorney for Budget Phone, Inc.

**Enclosures**

1 **PU-04-637**

Pages 9

Trade Secret Information

by Budget Phone, Inc.

12/06/2004 CC Comm Legal/Blondert, Mike

2 **PU-04-637**

Pages 20

Application of Certificate of PC&N

by Budget Phone, Inc.

12/06/2004 CC Comm Legal/Blondert, Mike

PUBLIC SERVICE COMMISSION  
STATE OF NORTH DAKOTA

In the matter of the Application of )  
Budget Phone, Inc. )  
for a Certificate of )  
Public Convenience and Necessity to )  
provide Telecommunications Services )

Docket No. \_\_\_\_\_

The applicant, Budget Phone, Inc. ("Budget Phone") a Corporation organized and existing under the laws of the State of Louisiana with its principal place of business of 6901 W. 70th Street, Shreveport, Louisiana 71129, does hereby represent and show the Commission as follows:

1. On December 1, 2004, the North Dakota Secretary of State issued to Budget Phone a Certificate of Authority under the provisions of North Dakota law governing foreign corporations, giving it authority to do business in the State of North Dakota and a copy of such certificate is submitted with this application.

2. Budget Phone was organized as a Louisiana Corporation to engage in the business of offering telecommunications services, including local exchange and toll telephone service, and intends to offer these services throughout the United States. By this application, Budget Phone requests a Certificate of Public Convenience and Necessity to provide local exchange along with other telecommunications services at all locations throughout the State of North Dakota that are currently served by Qwest Communications, Inc., and to provide interexchange services statewide.

3. Budget Phone has applied for a Certificate of Registration to resell interexchange services in North Dakota, and to resell local exchange services in North Dakota.

The following exhibits are attached to this application and incorporated herein by this reference:

Exhibit 1: A copy of the Certificate of Authority of Budget Phone issued by the State of North Dakota;

Exhibit 2: A certificate of Good Standing from the State of North Dakota;

Exhibit 3: Service Area Map

Exhibit 4: A copy of Budget Phone's Balance Sheets as of December 31, 2002 and December 31, 2003; Statement of Income, Retained Earnings, and Cash Flows for the years ending December 31, 2002 and December 31, 2003

Exhibit 5: Affidavit of Art Magee

Exhibit 6: Biographical Information

3. All correspondence and notices regarding this application should be directed to Lance J.M. Steinhart, of the Law Office of Lance J.M. Steinhart, PC, 1720 Windward Concourse, Suite 250, Alpharetta, Georgia 30005, whose telephone and fax numbers are 770-232-9200 and 770-232-9208 respectively.

4. The rate structure for providing local exchange and toll services is intended to be Competitive with the rates charged by the incumbent provider(s).

5. Budget Phone is fit and has the experience and ability to provide the local exchange and toll services for which authority is sought herein. Budget Phone intends to provide all forms of intrastate service including:

- A. Local Exchange Services that will enable customers to originate and terminate local calls in the local calling area served by other LECs.
- B. Switched local exchange services; vertical services, Direct Inward and Outward Dialed trunks, carrier access, and any other switched local services that currently exist or will exist in the future.
- C. Non-switched local services (e.g., private line) that currently exist or will exist in the future.
- D. Centrex and/or Centrex-like services that currently exist or will exist in the future.
- E. Digital subscriber line, ISDN, frame-relay, and other high capacity line services.
- F. Ancillary Services (911, directory listing, directory assistance, etc.).
- G. Interexchange (switched and dedicated services): 1+ and 101XXXX outbound dialing; 800/888 toll-free inbound dialing; calling cards; and data services.

6. Budget Phone has the technical, financial and managerial ability to provide the indicated services.

7. By enacting the Telecommunications Act of 1996, Congress has established a national public policy of opening the local exchange to competition and increasing the level of competition in all other areas of telecommunications services. Congress perceived a need for such competition, and Budget Phone hopes to meet this need to the ultimate benefit of North Dakota consumers.

8 Budget Phone intends to provide local exchange telecommunications services in those geographic areas in North Dakota currently served by Qwest as illustrated in the exchange area maps attached hereto as Exhibit 3.

9. The Public Service Commission ("Commission") for the State of North Dakota has Authority to grant this application under the provision of Chapter 49-03.1 of the North Dakota Century Code and the Commission's Rules of Practice and Procedure.

WHEREFORE, Budget Phone respectfully requests that a Certificate of Public Convenience and Necessity be issued for the services sought herein following appropriate notice; and further, Budget Phone respectfully requests that the Certificate of Public Convenience and Necessity be issued without hearing, if appropriate, according to the applicable statutes and the rules and regulations of the Commission.

Dated this 3<sup>rd</sup> of December, 2004.

Budget Phone, Inc.

By:  \_\_\_\_\_

Lance J.M. Steinhart

Lance J.M. Steinhart, PC

1720 Windward Concourse, Suite 250

Alpharetta, Georgia 30005

Telephone No.: 770-232-9200

Facsimile No.: 770-232-9208

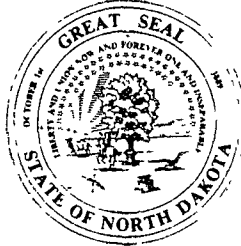
Email: [lsteinhart@telecomcounsel.com](mailto:lsteinhart@telecomcounsel.com)

Attorney for Applicant

Exhibit 1: A copy of the Certificate of Authority of Budget Phone issued by the State of North Dakota

# *State of North Dakota*

## SECRETARY OF STATE



### CERTIFICATE OF AUTHORITY OF

BUDGET PHONE, INC.  
Secretary of State ID#: 20,413,600

The undersigned, as Secretary of State of the State of North Dakota, hereby certifies that an application of

BUDGET PHONE, INC.

for a Certificate of Authority to transact business in this State, duly signed and verified pursuant to the provisions of the North Dakota Century Code, have been received in this office and are found to conform to law.

**ACCORDINGLY** the undersigned, as such Secretary of State, and by virtue of the authority vested in him by law, hereby issues this Certificate of Authority to

BUDGET PHONE, INC.

to transact business in this State under the name of

BUDGET PHONE, INC.

Issued: December 1, 2004

A handwritten signature in cursive script, reading "Alvin A. Jaeger".

Alvin A. Jaeger  
Secretary of State



**CERTIFICATE OF AUTHORITY  
FOREIGN CORPORATION  
APPLICATION**  
SECRETARY OF STATE  
SFN 13100 (8-97)

**RECEIVED**

DEC 01 2004

SEC OF STATE

FOR OFFICE USE ONLY

ID # 20413600  
WO # 174583  
Filed 12-1-04 By JS

SEE REVERSE SIDE FOR FEES, FILING AND MAILING INSTRUCTIONS

1.A. The application **MUST** be accompanied by **ALL** of the following:

- Filing fee of \$125 if a **Foreign Business or Professional Corporation**
- Filing fee of \$40 if a **Foreign Nonprofit Corporation**
- Signed Consent of Registered Agent and fee of \$10
- Current, **ORIGINAL CERTIFICATE OF GOOD STANDING OR CERTIFICATE OF EXISTENCE** verifying corporate existence certified by the incorporating officer of the state or country of incorporation.

B. The following **MAY** be required:

- Certification of professional license from the North Dakota licensing board for the profession
- Signed consent to use of name and fee of \$10
- Trade Name Registration and fee of \$25

TYPE OR PRINT LEGIBLY

For reference, see North Dakota Century Code, Section 10-19.1-135 or 10-33-125.

2. Type of corporation applying for Certificate of Authority: (check one)

- Foreign Business     Foreign Professional     Foreign Nonprofit

3.A. Name of corporation **EXACTLY** as it appears on Certificate of Good Standing from state of origin

**BUDGET PHONE, INC.**

B. Federal ID #

**72-1335380**

C. If the corporation chooses to use a name other than its corporate name, that name is a trade name and must be registered with the North Dakota Secretary of State. (SEE INSTRUCTION 3.C.) If applicable, provide the trade name below and complete the Trade Name Registration form if the selected trade name is not already registered in North Dakota.

D. If the corporation has been notified by the North Dakota Secretary of State that its corporate name is the same as, or deceptively similar to a name already registered, this application for Certificate of Authority must be accompanied by one of the following: (check one)

- Consent to use of name from the conflicting name holder(s)  
 An application for registration of a trade name for use in transacting business in North Dakota. The trade name adopted is:

Certified copy of a final decree of a court of competent jurisdiction establishing prior right of this corporation to use of the name in North Dakota

4. Complete mailing address of principal executive office which may not only be a post office box (Street/RR, and PO Box if applicable, city, state, zip + 4) **6901 W. 70th St., Shreveport, LA 71129**

6.A. STATE or country where incorporated

Louisiana

B. EXACT date incorporated (Month, day, AND year)

May 1, 1996

C. Duration of corporation

- Perpetual  
 Other (Specify)

D. Telephone #

**(318) 671-5000**

E. Toll-free telephone #

**(888) 424-5588**

6.A. Name of required registered agent in **NORTH DAKOTA** (SEE INSTRUCTION 6.A.)

**TCS Corporate Services, Inc.**

B. Federal ID/social security # of registered agent

C. Address of registered agent in **NORTH DAKOTA** which may not only be a post office box number (Street/RR, and PO Box if applicable, city, state, zip + 4) **400 East Broadway, Ste. 102, Bismarck, ND 58501**

7. Nature of business or activities the corporation intends to conduct in the State of North Dakota

**Provide Telecommunication Services**

8. OFFICE	Check box if officer also serves as director	9. OFFICERS AND DIRECTORS OF THE CORPORATION					
		NAME	Street/RR	PO Box	COMPLETE MAILING ADDRESS		
					City	State	Zip + 4
PRESIDENT	<input type="checkbox"/>	See Attached					
VICE PRESIDENT	<input type="checkbox"/>						
SECRETARY	<input type="checkbox"/>						
TREASURER	<input type="checkbox"/>						
DIRECTOR							
DIRECTOR							

9. The undersigned, a person authorized by the corporation to sign this application, knows the contents thereof, and believes the statements made to be true.

Original signature

Date

11-10-04

10. Name of person to contact about this application

**Angela Janssen**

Daytime telephone #

**(770) 232-9200**



**REGISTERED AGENT  
CONSENT TO SERVE  
SECRETARY OF STATE  
SFN 7874 (8-87)**

**RECEIVED**

DEC 01 2004

SEC. OF STATE

FOR OFFICE USE ONLY

ID #	20,413,600
File #	
WO #	174583
Filed	12-1-04
By	MS

SEE REVERSE SIDE FOR FILING AND MAILING INSTRUCTIONS

**1. FILING FEE: \$10.00**

TYPE OR PRINT LEGIBLY

2. Name of the organization for which the registered agent is to serve (corporation, limited liability company, limited liability partnership or real estate investment trust)

**BUDGET PHONE, INC.**

3.A. Name of the registered agent

**TCS Corporate Services, Inc.**

B. Registered agent is (check one)

- An individual North Dakota resident
- A corporation
- A limited liability company
- A limited liability partnership

C. Federal ID # or social security # of registered agent

4. The undersigned, as registered agent, or as authorized to sign on behalf of the registered agent, consents to act in the capacity of registered agent until removed or until a resignation is submitted to the Secretary of State in accordance with North Dakota laws.

Lance J.M. Steinhart

Original signature of registered agent

11/30/04

Date

**LIST OF OFFICERS & DIRECTORS OF**  
**Budget Phone, Inc.**

**Officers**

<b>R. Daniel Hyde, Jr.</b>	<b>President</b>
<b>Tony Cason</b>	<b>Manager of Operations</b>
<b>R. Daniel Hyde, III</b>	<b>Secretary</b>
<b>Stephen Hyde</b>	<b>Regional Sales Manager</b>

**Directors**

**R. Daniel Hyde, Jr.**  
**Tony Cason**  
**R. Daniel Hyde, III**  
**Stephen Hyde**

**All the above referenced Officers & Directors can be reached at:**  
**6901 W. 70<sup>th</sup> Street, Shreveport, Louisiana 71129-2309**

Exhibit 2: A certificate of Good Standing from the State of North Dakota

# *State of North Dakota*

## SECRETARY OF STATE



### CERTIFICATE OF GOOD STANDING OF

BUDGET PHONE, INC.

The undersigned, as Secretary of State of the State of North Dakota, hereby certifies that BUDGET PHONE, INC. , a Louisiana corporation, authorized to transact business in the State of North Dakota on December 1, 2004, and according to the records of this office as of this date, has paid all fees due this office as required by North Dakota statutes governing foreign corporations.

**ACCORDINGLY** the undersigned, as such Secretary of State, and by virtue of the authority vested in him by law, hereby issues this Certificate of Good Standing to

BUDGET PHONE, INC.

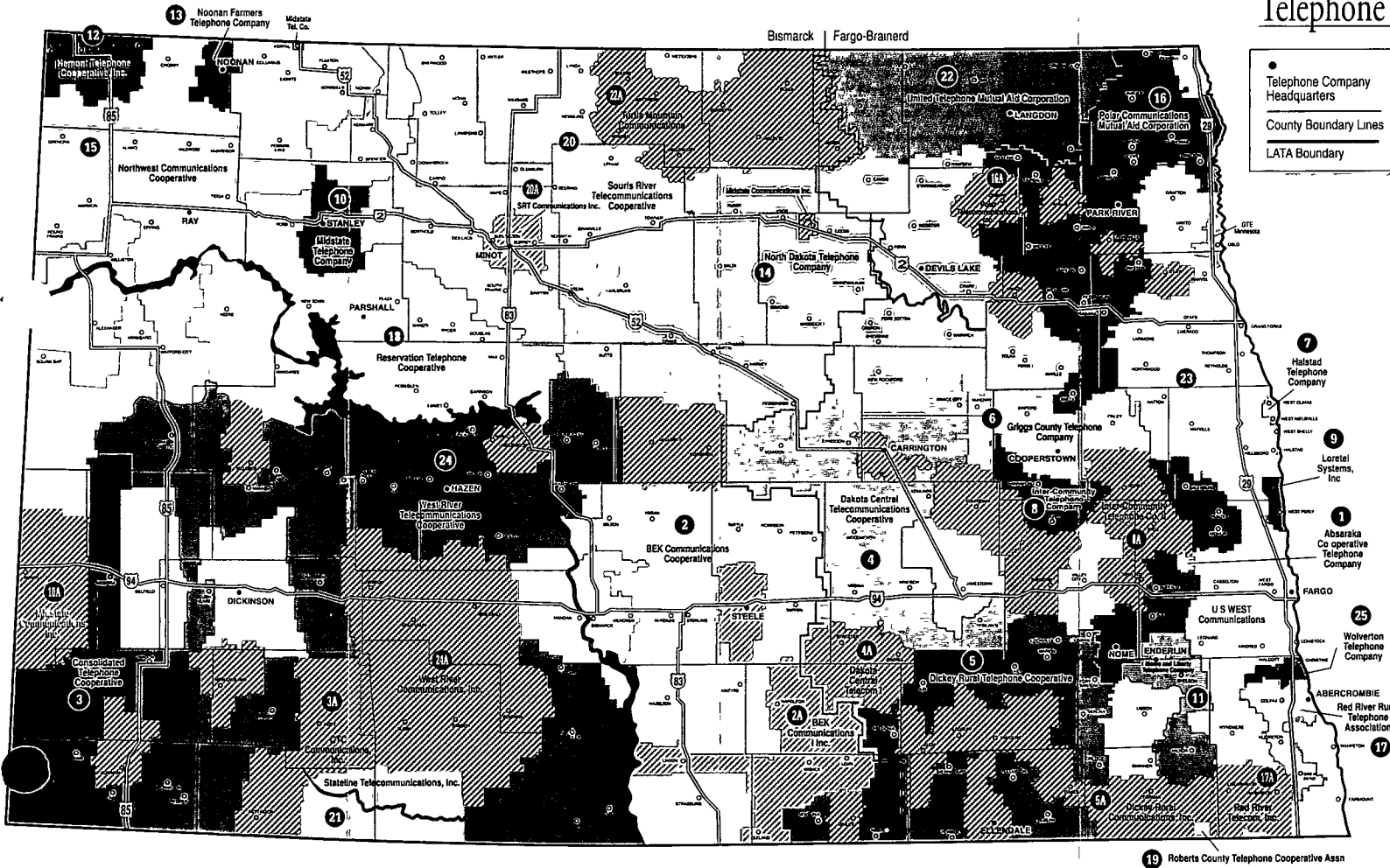
Issued: December 1, 2004

A handwritten signature in cursive script, reading "Alvin A. Jaeger".

Alvin A. Jaeger  
Secretary of State

**Exhibit 3: Service Area Map**

# Telephone Companies Service Area



Local Exchange Companies		
1	Absaraka Co-operative Telephone Company	(701) 896 3404
2	BEK Communications Cooperative	(701) 475 2361
2A	BEK Communications I Inc	
3	Consolidated Telephone Cooperative	(701) 225-6061
3A	CTC Communications, Inc	
4	Dakota Central Telecommunications Cooperative	(701) 652 3184
4A	Dakota Central Telecom I	
5	Dickey Rural Telephone Cooperative	(701) 349-3687
5A	Dickey Rural Communications, Inc	
6	Griggs County Telephone Company	(701) 797 3301
7	Halstad Telephone Company	(218) 456 2125
8	Inter Community Telephone Company	(701) 924 8815
8A	Inter-Community Telephone Co II	
9	Lorel Systems, Inc	(218) 784 7171
10	Midstate Telephone Company	(701) 628 2522
10A	Midstate Communications Inc	
11	Moore and Liberty Telephone Company	(701) 437 3300
12	Nemont Telephone Cooperative, Inc	(406) 783 5654
13	Noonan Farmers Telephone Company	(701) 925-5717
14	North Dakota Telephone Company	(701) 662 1700
15	Northwest Communications Cooperative	(701) 568 3331
16	Polar Communications Mutual Aid Corporation	(701) 284 7221
16A	Polar Telecommunications, Inc	
17	Red River Rural Telephone Association	(701) 553-8309
17A	Red River Telecom, Inc	
18	Reservation Telephone Cooperative	(701) 862 3115
19	Roberts County Telephone Cooperative Assn	(605) 637 5211
20	Sours River Telecommunications Cooperative	(701) 858-1200
20A	SRT Communications Inc	
21	Stateine Telecommunications, Inc	(605) 244 5236
22	United Telephone Mutual Aid Corporation	(701) 256-5156
22A	Turtle Mountain Communications	
23	U S WEST Communications	(701) 241 3491
24	West River Telecommunications Cooperative	(701) 748 2211
24A	West River Communications, Inc	
25	Wolverton Telephone Company	(218) 995 2900

Exhibit 4: A copy of Budget Phone's Balance Sheets as of December 31, 2002 and December 31, 2003; Statement of Income, Retained Earnings, and Cash Flows for the years ending December 31, 2002 and December 31, 2003

Exhibit 5: Affidavit of Art Magee

PUBLIC SERVICE COMMISSION  
STATE OF NORTH DAKOTA

In the matter of the Application of )  
Budget Phone, Inc. )  
for a Certificate of )  
Public Convenience and Necessity to )  
provide Telecommunications Services )

Docket No. \_\_\_\_\_

AFFIDAVIT OF ART MAGEE

INTRODUCTION

My name is Art Magee. My business address is 6901 W. 70th Street, Shreveport, Louisiana 71129. I am the Comptroller of Budget Phone, Inc. ("Budget Phone"). I am responsible for all regulatory matters.

The purpose of my affidavit is to demonstrate the fitness of the applicant Budget Phone to operate as a facilities-based CLEC in the areas of North Dakota currently served by Qwest Communications, Inc. ("Qwest"). As described in Budget Phone's Application, Budget Phone's proposes to provide a range of facilities-based, basic and high capacity local exchange services, including but not limited to: local dial tone, calling features such as call waiting, data services, switched and dedicated trunks, digital subscriber line, and exchange access services. Budget Phone may also offer local services by utilizing the switching and transport capacity of other existing telecommunications providers pursuant to negotiated or tariffed arrangements.

Budget Phone will provide services by purchasing unbundled network elements, utilizing ILEC facilities. The company has no current plans to install facilities in the State of North Dakota. Budget Phone will be engaged in interconnection negotiations with Qwest in the future, and will obtain Commission approval of any agreement negotiated.

## DESCRIPTION AND QUALIFICATIONS OF Budget Phone

Budget Phone is a Corporation organized under the laws of the State of Louisiana. Budget Phone is qualified to conduct business within the State of North Dakota as a foreign business entity. Applicant is currently authorized to provide Resold and facilities-based (UNE-P) local exchange and interexchange service in Alabama, Arizona, Arkansas, California, Colorado, Connecticut, Delaware, District of Columbia, Florida, Georgia, Illinois, Indiana, Kansas, Kentucky, Louisiana, Maryland, Massachusetts, Michigan, Mississippi, Missouri, Nebraska, Nevada, New Jersey, New Mexico, New York, North Carolina, Ohio, Oklahoma, Oregon, Pennsylvania, South Carolina, Tennessee, Texas, Washington, West Virginia, Wisconsin and Wyoming. The company's wholly-owned subsidiary, Budget Phone of Virginia, Inc., is currently authorized to provide resold and facilities-based (UNE-P) local exchange and interexchange service in Virginia.

Applicant is in the process of applying for authorization to provide competitive local exchange and interexchange services in Minnesota, North Dakota, Rhode Island and South Dakota. Applicant has not been denied authority for any of the services for which it seeks authority in this Application. Applicant is currently providing local exchange service in Alabama, Arizona, Arkansas, California, District of Columbia, Delaware, Georgia, Florida, Iowa, Illinois, Indiana, Kentucky, Kansas, Louisiana, Massachusetts, Maryland, Michigan, Mississippi, Missouri, Nebraska, New Jersey, New Mexico, Nevada, New York, Ohio, Oklahoma, Oregon, Pennsylvania, South Carolina, North Carolina, Tennessee, Texas, Virginia, Washington, Wisconsin and West Virginia.

The senior management of Budget Phone has great depth in the telecommunications industry and offer extensive telecommunications business technical and managerial expertise. Biographical information on key members of Budget Phone's management team is attached to the application as Exhibit 6.

Budget Phone has sufficient financial capability to provide the requested telecommunications services in North Dakota and the financial capability to maintain those services. Applicant's proposed competitive local exchange service is economically feasible and in the public interest.

Budget Phone's management team will adhere to a strict and high standard of service policies and procedures which will ensure continued quality service. As a new entrant in the North Dakota telecommunications market, Budget Phone will be able to win over and keep customers only through consistent application of those policies and procedures. Additionally, Budget Phone will maintain a customer service department. Customer service representatives will be trained in all areas of customer complaints and services and will be held to the highest standards of accountability and ethics. Customers will be able to reach Budget Phone customer service via a local or toll-free number 24 hours a day, seven days a week.

#### PUBLIC CONVENIENCE AND NECESSITY

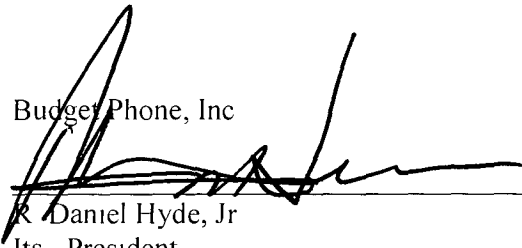
A decision by the Commission to grant Budget Phone authority to provide competitive local exchange telecommunications services is in the public interest. Budget Phone is well qualified to operate as such a service provider in North Dakota. Consumers of telecommunications services in North Dakota will receive the benefits of downward pressure on prices, increased choice, improved quality of service and customer responsiveness, innovative service offerings, and access to increasingly advanced telecommunications technology. The market incentives for new and existing providers of telecommunications services will be improved through an increase in the diversity of suppliers and competition within the local exchange telecommunications market. Granting Budget Phone's Application would enhance this development of competition in the local exchange market and provide the consumers of North Dakota with all of the benefits described above.

The grant of Budget Phone's application will preserve and advance universal service, safeguard the rights of consumers, protect the public health, safety and welfare, and promote the public interest. Budget Phone is an alternative, competitive carrier which intends to provide telecommunications services targeted toward small and medium size businesses. Budget Phone will thus give these customers in North Dakota a real choice for their telecommunications needs.

#### CONCLUSION

Budget Phone's Application and my Affidavit in support thereof demonstrate that Budget Phone possesses all the requisite qualifications to be a competitive local exchange service provider in North Dakota, and that the grant of this request is in the public interest.

Budget Phone, Inc



R. Daniel Hyde, Jr.  
Its President



Exhibit 6: Biographical Information

## Resumes of Key Personnel

### R. Daniel (Smokey) Hyde, Jr., Chairman of the Board

R. Daniel Hyde, Jr. is a native of El Paso, Texas and a graduate of Texas A&M University. He became a resident of Louisiana in December of 1971 when he purchased KRMD AM/FM Radio in Shreveport. He operated these stations for 15 years and developed the No. 1 billing and No. 1 rated radio stations in the area for 15 years. When the stations were sold in 1985, it was the largest radio transaction in the history of the state at \$5.5 million dollars. Hyde divested himself of radio stations in Flagstaff, Arizona, Reno, Nevada, and Shreveport, Louisiana and entered the paging business in 1988. He started with zero subscribers and in 10 years developed a subscriber base of 40,000. The company grew to a total of nine retail outlets where prepaid paging, prepaid cellular, prepaid home phone, and prepaid long distance were marketed. The system grew from three towers and transmitters to 26 towers and transmitters, serving all of Louisiana north of Opelousas with statewide coverage. The paging company was sold on May 1, 1998 and Mr. Hyde now devotes full time effort to Budget Phone, Inc. and Snappy Phone of Texas, Inc.

### Jerry W. Black, President

Jerry W. Black is a native of El Paso, Texas and attended Tarleton State University in Stephenville, Texas. He became a resident of Louisiana in December 1971 when he and Mr. Hyde purchased KRMD Radio in Shreveport. As a partner in this company, his primary job was General Sales Manager. This included the supervision of five sales representatives, the tracking of all commercials, and the production of those commercials in addition to overseeing the day-to-day operations of the station. After the station was sold in 1985, Mr. Black was offered and accepted a position with the CBS television affiliate in Shreveport to manage their sales department. He remained there for five years. In 1991, he moved to an independent cable-advertising firm, J.B. CableAds where he became familiar with a subscriber-based industry. He served as president and responsibilities included the supervision of all sales and production of the commercials. J.B. CableAds operated in North Carolina, South Carolina, Indiana, Kansas, Arkansas, and Louisiana. From 1997 to 2001, he owned a successful prepaid cellular phone, paging, and home phone-based business in Marshall, Texas. At the same time, Mr. Black was the retail manager for two successful retail stores that sold telecommunication products and services in Longview and Tyler, Texas for Budget Phone, Inc.

Tony M. Cason, Operations Manager

Tony M. Cason has extensive expertise in telecommunications, system design, and a managerial background. In 1989, Mr. Cason entered in to the cellular wireless industry where he owned and operated a successful cellular retail store. Within eight years, Mr. Cason's subscriber base had grown to over 10,000. In November 1996, Mr. Cason joined Budget Phone Inc. as Operations Manager where he designed, organized, staffed, and successfully developed a prepaid cellular switching system in East and Central Texas and in South Louisiana.

Experience of:

Gary L. Honeycutt  
405 N. Jodie St.  
Shreveport, LA 71107

I have 34 years experience in the computer industry. I have a major in Computer Science from Louisiana State University and Vendors schools ranging from IBM 360 Computer mainframe, to Seimens Four Wire Telephone Switching center. Novel and Windows NT training are the most recent schools I have attended.

I have installed a frame relay circuit from Snappy Phone's headquarters in Shreveport, to Ameritech's main computer center in Chicago for the sole purpose of LEX access. I have also installed a frame relay circuit to Southwestern Bell's Computer center in Dallas to access Lex and Toolbar applications from SBC. Both of these circuits flow through one of our Cisco Routers into a single cloud for final routing to the Ameritech and SBC destinations. A similar circuit handles communications with Bell South.

I have been instrumental in the design and implementation of an automated system for processing telephone applications electronically using interconnected computers with Bell South, Verizon, Sprint, Southwestern Bell and Ameritech. Present capacity of the system is sufficient to handle upwards of 200,000 subscribers. The system consists of 150 workstations and 10 servers.

# Ronald Munn Jr.

---

## Responsibilities

Interact with various ILEC's in order to implement policies and procedures used by Budget Phone in the day-to-day operation of the Provisioning and Customer Service Departments while forging a "partnership" between Budget Phone and the Incumbent Carriers. Measure and report performance standards to the Public Service Commissions of each state.

## Experience

1996- Present                      Budget Phone, Inc.                      Shreveport, LA

### **Manager, Carrier Relations and Procedures**

- 1996 thru 1998 - Managed Budget Phone's retail operation in Texas including Budget Phone's cellular interconnection switching system.
- 1998 - Received CLEC Certification from BellSouth specializing in ordering implementation guidelines, maintenance and repair.
- 1998 - Developed, staffed and trained Budget Phone's Order Provisioning and Customer Service Department's.
- 1999 - Received Certification necessary to allowing Budget Phone to develop software designed to interface with BellSouth's OSS Telecommunications Access Gateway (TAG).
- 1999 - Certified in BellSouth's Trouble Analysis Facilitation Interface (TAFI) allowing Budget Phone to become licensed to use the trouble reporting and bonding program in house.
- 1999 - Developed provisioning guidelines to allow ordering in all 9 BellSouth states.
- 1999 - Certified by Southwestern Bell in all areas of CLEC operation including ordering and provisioning, electronic trouble analysis and reporting, and maintenance and repair. Incorporated existing procedures to allow provisioning in all 5 SWBT States.
- 2000 - Implemented performance measurement standards and reporting procedures for the commissions in the various states of operation.
- 2001 - Received certification from Sprint in all areas of CLEC operation. Worked with Sprint to successfully incorporate existing policies with Budget Phones ordering and customer service.
- 2001 - Certified by Verizon in all areas of resale operation as a Competitive Local Exchange Carrier.
- 2001 - Ameritech Certification received allowing development of ordering and customer service guidelines for all of the Ameritech states.

## Education

1975-1977                      Northeast Louisiana University                      Monroe, LA  
1994-1996                      Bossier Parish Comm. College                      Bossier LA  
Earned 75 hours in Business Administration and related studies.

Germaine Bell  
Director of Training  
Budget Phone, Inc  
[germaineb@budgetphone.com](mailto:germaineb@budgetphone.com)

As Director of Training my goal is to provide a trained employee to work proficiently and effectively in provisioning orders. All new hires are informed on company policies and department procedures in a classroom setting. I lecture, demonstrate and test on materials covered. The training class introduces the new hires with hands-on experience to provision orders in LEX, BellSouth, Verizon, Southwestern Bell and Sprint systems. I have attended several classes to assist me in learning to use the LEX application to process orders.

11-64-131

SENDER: COMPLETE THIS SECTION	COMPLETE THIS SECTION ON DELIVERY	
<ul style="list-style-type: none"> <li>Complete items 2, and 3 Also complete item 4 if Restricted Delivery is desired</li> <li>Print your name and address on the reverse so that we can return the card to you</li> <li>Attach this card to the back of the mailpiece, or on the front if space permits</li> </ul>	A Signature <input checked="" type="checkbox"/> <i>Charlotte Lacy</i> <input type="checkbox"/> Agent <input type="checkbox"/> Addressee	
1 Article Addressed to <i>Home Depot            1720 S. ...            ...</i>	B Received by ( <i>Printed Name</i> )	C Date of Delivery
	D Is delivery address different from item 1? <input type="checkbox"/> Yes If YES, enter delivery address below <input type="checkbox"/> No	
2 Article Number (Transfer from service label)	3 Service Type <input checked="" type="checkbox"/> Certified Mail <input type="checkbox"/> Express Mail <input type="checkbox"/> Registered <input type="checkbox"/> Return Receipt for Merchandise <input type="checkbox"/> Insured Mail <input type="checkbox"/> C O D	
	4 Restricted Delivery? ( <i>Extra Fee</i> ) <input type="checkbox"/> Yes	
	7003 2260 0001 3517 9350	

SENDER: COMPLETE THIS SECTION	COMPLETE THIS SECTION ON DELIVERY	
<ul style="list-style-type: none"> <li>Complete items 1, 2, and 3 Also complete item 4 if Restricted Delivery is desired</li> <li>Print your name and address on the reverse so that we can return the card to you</li> <li>Attach this card to the back of the mailpiece, or on the front if space permits</li> </ul>	A Signature <input checked="" type="checkbox"/> <i>Steve B...</i> <input type="checkbox"/> Agent <input type="checkbox"/> Addressee	
1 Article Addressed to <i>[Faint handwriting]</i>	B Received by ( <i>Printed Name</i> )	C Date of Delivery
	D Is delivery address different from item 1? <input type="checkbox"/> Yes If YES, enter delivery address below <input type="checkbox"/> No	
2 Article Number (Transfer from service label)	3 Service Type <input type="checkbox"/> Certified Mail <input type="checkbox"/> Express Mail <input type="checkbox"/> Registered <input type="checkbox"/> Return Receipt for Merchandise <input type="checkbox"/> Insured Mail <input type="checkbox"/> C O D	
	4 Restricted Delivery? ( <i>Extra Fee</i> ) <input type="checkbox"/> Yes	
	7003 2260 0001 3517 9770	