

VCI Company
P.O. Box 98907
Lakewood, Washington 98496-8907
(253) 830-0056
Sender's E-mail: staceyk@vcicompany.com

Via 2 Day Delivery

October 20, 2006

Ms. Patricia Van Gerpen
Executive Director
South Dakota Public Utilities Commission
Capital Building, 1st Floor, 500 East Capitol Avenue
Pierre, SD 57501-5070

RECEIVED

OCT 23 2006

SOUTH DAKOTA PUBLIC
UTILITIES COMMISSION

Re: Indemnity Bond for Prepaid Services


Dear Ms. Van Gerpen:

Enclosed please find the original of VCI Company's Indemnity Bond for prepaid local exchange services introduced in our tariff revisions filed on September 29, 2006.

Please acknowledge receipt of this filing by date stamping and returning the additional copy of this transmittal letter in the self-addressed, postage paid envelope provided for this purpose.

Questions regarding this filing may be directed to me at the telephone and facsimile numbers listed above or via electronic mail at staceyk@vcicompany.com.

Sincerely,
VCI Company


Stacey A. Klinzman
Regulatory Attorney

Enclosure

**INDEMNITY BOND
TO THE
PEOPLE OF THE STATE OF SOUTH DAKOTA**

RECEIVED

OCT 23 2006

SOUTH DAKOTA PUBLIC
Bond No. 41089923 UTILITIES COMMISSION

We, VCI Company the principal and applicant for a CERTIFICATE OF AUTHORITY, prepaid telecommunications services within the State of South Dakota, and Platte River Insurance Company, San Francisco, California as an admitted surety insurer, bind ourselves unto the Public Utilities Commission of the State of South Dakota and the consumers of South Dakota as Obligees, in the sum of \$25,000.00.

The conditions of the obligations are such that the principal, having been granted such CERTIFICATE OF AUTHORITY subject to the provision that said principal purchase this Indemnity Bond, and if said principal shall in all respects fully and faithfully comply with all applicable provisions of South Dakota State Law, and reimburse customers of VCI Company for any prepayment or deposits they have made which may be unable or unwilling to return to said customers as a result of insolvency or other business failure, then this obligation shall be void, discharged and forever exonerated, otherwise to remain in full force and effect.

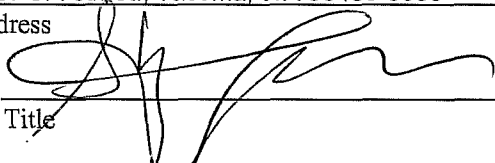
This bond shall take effect as of the date hereon and shall remain in force and effect until the surety is released from liability by the written order of the Public Utilities Commission, provided that the surety may cancel this Bond and be relieved of further liability hereunder by delivering thirty (30) days written notice to the Public Utilities Commission. Such cancellation shall not affect any liability incurred or accrued hereunder prior to the termination of said thirty (30) day period.

Dated this 18th day of October, 2006.

To be effective this 18th day of October, 2006.

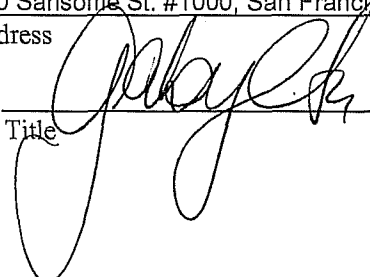
VCI Company
Principal

2228 S. 78th St., Tacoma, WA 98409-9050
Address

By 
Title

Platte River Insurance Company
Surety

350 Sansome St. #1000, San Francisco, CA 94104
Address

By  Gabby Acosta
Title

PLATTE RIVER INSURANCE COMPANY
POWER OF ATTORNEY

41082642

KNOW ALL MEN BY THESE PRESENTS, That the PLATTE RIVER INSURANCE COMPANY, a corporation of the State of Nebraska, having its principal offices in the City of Middleton, Wisconsin, does make, constitute and appoint

JAMES R. OLSEN, R. CICCOLINI, ABEL ACOSTA, GABBY ACOSTA, HOPE E. OLSEN

its true and lawful Attorney(s)-in-fact, to make, execute, seal and deliver for and on its behalf, as surety, and as its act and deed, any and all bonds, undertakings and contracts of suretyship, provided that no bond or undertaking or contract of suretyship executed under this authority shall exceed in amount the sum of

ALL WRITTEN INSTRUMENTS IN AN AMOUNT: \$2,500,000.00

This Power of Attorney is granted and is signed and sealed by facsimile under and by the authority of the following Resolution adopted by the Board of Directors of PLATTE RIVER INSURANCE COMPANY at a meeting duly called and held on the 8th day of January, 2002.

“RESOLVED, that the President, and Vice-President, the Secretary or Treasurer, acting individually or otherwise, be and they hereby are granted the power and authorization to appoint by a Power of Attorney for the purposes only of executing and attesting bonds and undertakings and other writings obligatory in the nature thereof, one or more vice-presidents, assistant secretaries and attorney(s)-in-fact, each appointee to have the powers and duties usual to such offices to the business of the Corporation; the signature of such officers and the seal of the Corporation may be affixed to such power of attorney or to any certificate relating thereto by facsimile, and any such power of attorney or certificate bearing such facsimile signatures or facsimile seal shall be valid and binding upon the Corporation in the future with respect to any bond or undertaking or other writing obligatory in the nature thereof to which it is attached. Any such appointment may be revoked, for cause, or without cause, by any of said officers, at any time.”

IN WITNESS WHEREOF, the PLATTE RIVER INSURANCE COMPANY has caused these presents to be signed by its officer undersigned and its corporate seal to be hereto affixed duly attested, this 1st day of June, 2006.

Attest:

Alan S. Ogilvie
Alan S. Ogilvie
Secretary



PLATTE RIVER INSURANCE COMPANY

James J. McIntyre
James J. McIntyre
President

STATE OF WISCONSIN } s.s.:
COUNTY OF DANE

On the 1st day of June, 2006 before me personally came James J. McIntyre, to me known, who being by me duly sworn, did depose and say: that he resides in the County of Dane, State of Wisconsin; that he is President of PLATTE RIVER INSURANCE COMPANY, the corporation described in and which executed the above instrument; that he knows the seal of the said corporation; that the seal affixed to said instrument is such corporate seal; that it was so affixed by order of the Board of Directors of said corporation and that he signed his name thereto by like order.



Kathleen A. Paulson

Kathleen A. Paulson
Notary Public, Dane Co., WI
My Commission Expires 10-15-2006

STATE OF WISCONSIN } s.s.:
COUNTY OF DANE

CERTIFICATE

I, the undersigned, duly elected to the office stated below, now the incumbent in PLATTE RIVER INSURANCE COMPANY, a Nebraska Corporation, authorized to make this certificate, DO HEREBY CERTIFY that the foregoing attached Power of Attorney remains in full force and has not been revoked; and furthermore, that the Resolution of the Board of Directors, set forth in the Power of Attorney is now in force.

Signed and sealed at the City of Middleton, State of Wisconsin this 18th day of October, 2006



Alan S. Ogilvie
Alan S. Ogilvie
Secretary

THIS DOCUMENT IS NOT VALID UNLESS PRINTED ON GREEN SHADED BACKGROUND WITH A RED SERIAL NUMBER IN THE UPPER RIGHT HAND CORNER. IF YOU HAVE ANY QUESTIONS CONCERNING THE AUTHENTICITY OF THIS DOCUMENT CALL 800-475-4450.

CALIFORNIA ALL-PURPOSE ACKNOWLEDGMENT

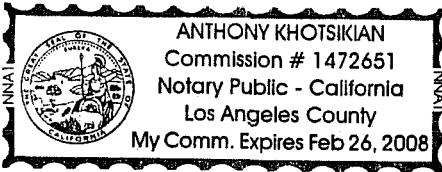
State of CALIFORNIA } ss.

County of LOS ANGELES } ss.

On 10/18/2006, before me, Anthony Khotsikian - NOTARY PUBLIC,
Date Name and Title of Officer (e.g., "Jane Doe, NOTARY PUBLIC")

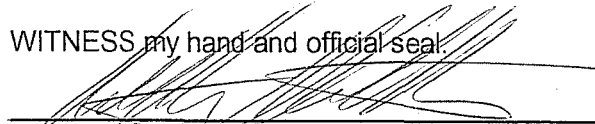
personally appeared Gabby Acosta - ATTORNEY-IN-FACT,

- personally known to me
 proved to me on the basis of satisfactory evidence



to be the person(s) whose name(s) is/are subscribed to the within instrument and acknowledged to me that he/she/they executed the same in his/her/their authorized capacity(ies), and that by his/her/their signature(s) on the instrument the person(s), or the entity upon behalf of which the person(s) acted, executed the instrument.

WITNESS my hand and official seal.


Signature of Notary Public

Place Notary Seal Above

OPTIONAL

Though the information below is not required by law, it may prove valuable to persons relying on the document and could prevent fraudulent removal and reattachment of this form to another document.

Description of Attached Document

Title or Type of Document: _____

Document Date: _____ Number of Pages: _____

Signer(s) Other Than Named Above: _____

Capacity(ies) Claimed by Signer

Signer's Name: _____

- Individual
 Corporate Officer – Title(s): _____
 Partner – Limited General
 Attorney in fact
 Trustee
 Guardian or Conservator
 Other: _____

Signer is Representing: _____

RIGHT THUMBPRINT
OF SIGNER

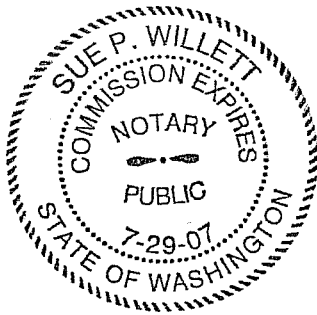
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ACKNOWLEDGEMENT OF PRINCIPAL

State of Washington)
) ss: Tacoma
County of Pierce)

Before me, Sue P. Willett, a Notary Public, personally appeared Stanley Johnson, with whom I am personally acquainted and who, upon oath, acknowledged himself to be the individual who executed the foregoing bond on behalf of VCI Company, doing business in South Dakota as VCI Company, and he acknowledged to me that he executed the same.

WITNESS my hand and seal this 20th day of October, 2006.



Sue P. Willett

Sue P. Willett, Notary Public in and for the
State of Washington.

My Commission expires: July 29, 2007