

**BEFORE THE PUBLIC UTILITIES COMMISSION  
OF THE STATE OF SOUTH DAKOTA**

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| <b>IN THE MATTER OF THE APPLICATION OF )</b> | <b>ORDER GRANTING</b> |
| <b>VANCO DIRECT USA, LLC FOR A )</b>         | <b>CERTIFICATE OF</b> |
| <b>CERTIFICATE OF AUTHORITY TO PROVIDE )</b> | <b>AUTHORITY</b>      |
| <b>INTEREXCHANGE TELECOMMUNICATIONS )</b>    |                       |
| <b>SERVICES AND LOCAL EXCHANGE )</b>         | <b>TC05-157</b>       |
| <b>SERVICES IN SOUTH DAKOTA )</b>            |                       |

On August 12, 2005, the Public Utilities Commission (Commission) received an application for a certificate of authority from Vanco Direct USA, LLC (Vanco Direct).

On August 18, 2005, the Commission electronically transmitted notice of the filing and the intervention deadline of September 2, 2005, to interested individuals and entities. No petitions to intervene or comments were filed and at its regularly scheduled September 26, 2006, meeting, the Commission considered Vanco Direct's request for a certificate of authority. Commission Staff recommended granting a certificate of authority, subject to rural safeguards, and subject to the condition that Vanco Direct not offer any prepaid services (including prepaid calling cards) and not accept or require any deposits or advance payments without prior approval of the Commission. Commission Staff further recommended a waiver of ARSD 20:10:24:02(8) and ARSD 20:10:32:03(11).

The Commission finds that it has jurisdiction over this matter pursuant to SDCL Chapter 49-31, specifically 49-31-3 and 49-31-69 and ARSD 20:10:24:02, 20:10:24:03 and 20:10:32:03. The Commission finds that Vanco Direct has met the legal requirements established for the granting of a certificate of authority. Vanco Direct has, in accordance with SDCL 49-31-3 and 49-31-71, demonstrated sufficient technical, financial and managerial capabilities to offer telecommunications services in South Dakota. Further, the Commission finds that there is good cause to waive subparagraph (8) of ARSD 20:10:24:02 and subparagraph (11) of ARSD 20:10:32:03.

The Commission approves Vanco Direct's application for a certificate of authority, subject to rural safeguards, and subject to the condition that Vanco Direct not offer any prepaid services (including prepaid calling cards) and not accept or require any deposits or advance payments without prior approval of the Commission. The certificate of authority for Vanco Direct shall authorize it to offer local exchange services in South Dakota, except in those areas served by a rural telephone company. In the future, should Vanco Direct choose to provide local exchange services statewide, with respect to rural telephone companies, Vanco Direct will have to come before the Commission in another proceeding before being able to provide local service in that rural service area pursuant to 47 U.S.C. § 253(f) which allows the Commission to require a company that seeks to provide service in a rural service area to meet the requirements in 47 U.S.C. § 214(e)(1) for designation as an eligible telecommunications carrier. In addition, the granting of statewide certification

will not affect the exemptions, suspensions, and modifications for rural telephone companies found in 47 U.S.C. § 251(f). It is therefore

ORDERED, that Vanco Direct's application for a certificate of authority to provide interexchange telecommunications services and local exchange services is granted, subject to the condition that Vanco Direct not offer any prepaid services (including prepaid calling cards) and not accept or require any deposits or advance payments without prior approval of the Commission; and it is

FURTHER ORDERED, that Vanco Direct shall file informational copies of tariff changes with the Commission as the changes occur; and it is

FURTHER ORDERED, that the Commission shall authorize Vanco Direct to offer its local exchange services in South Dakota, except in those areas served by a rural telephone company; and it is

FURTHER ORDERED, that the Commission waives subparagraph (8) of ARSD 20:10:24:02 and subparagraph (11) of ARSD 20:10:32:03.

Dated at Pierre, South Dakota, this 3<sup>rd</sup> day of October, 2006.

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| <b>CERTIFICATE OF SERVICE</b>  |
| The undersigned hereby certifies that this document has been served today upon all parties of record in this docket, as listed on the docket service list, by facsimile or by first class mail, in properly addressed envelopes, with charges prepaid thereon. |
| By: <u>Rebecca Kaelo</u>   |
| Date: <u>10/4/06</u>   |
| (OFFICIAL SEAL)  |

BY ORDER OF THE COMMISSION:

Robert K. Sahr  
ROBERT K. SAHR, Chairman

Dustin M. Johnson  
DUSTIN M. JOHNSON, Commissioner

Gary Hanson  
GARY HANSON, Commissioner