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September 11, 2006

Via Overnight Delivery

Executive Secretary
South Dakota Public Utilities Commission
500 E. Capitol Avenue
Pierre, SD 57501-5070

RECEIVED
SEP 12 2006
SOUTH DAKOTA PUBLIC
UTILITIES COMMISSION

RE: Vanco Direct USA, LLC, Docket TC05-157

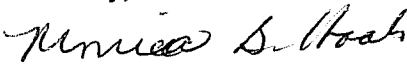
Dear Sir or Madam:

Set forth below are responses to Staff's Data Request dated July 20, 2006 and additional changes requested by Staff on August 17, 2006.

- 1.) Attached are recent financials of the Applicant. The Applicant hereby requests a waiver of ARSD 20:10:24:02(8): Current Cash Flow Statement. The Applicant has not had any Cash Flow statements prepared to date.
- 2.) Attached is the revised tariff reflecting the addition of local exchange rates and additional changes suggested by Staff.

If you should have any questions regarding these responses, please do not hesitate to contact me. Thank you.

Sincerely,


Monica Borne Haab *jb*

Enclosures



Vanco Direct USA, LLC - USD
Period: JAN-06 currency USD
Submitted: 07-FEB-06 20:48:52

CO=020 (Vanco Direct USA, LLC)

	<i>YTD</i>

Total Revenue	22,481,704.00
Cost of Sales	15,023,233.00
Total Margin (\$)	7,458,471.00
Total Margin (%)	
Operating Expenses	
Operations & Administration	5,216,411.00
Amortization	430,000.00
Total Operating Expenses	5,646,411.00
Operating Income/(Loss)	1,812,059.00
Total Other (Income)/Expense	(46,845.00)
Net Income/(Loss)	1,858,904.00



Balance Sheet - Detail

Vanco Direct USA, LLC - USD

Period: JAN-06 currency USD

Submitted: 09-FEB-06 09:23:28

CO=020 (Vanco Direct USA, LLC)

	<i>Current Month</i>	<i>Prior Month</i>	<i>Incr/(Decr)</i>
ASSETS			
Current Assets			
Cash & Equivalents	1,001,207.00	2,647,355.00	(1,646,148.00)
Accounts Receivable	575,698.00	3,157,512.00	(2,581,813.00)
Intercompany Receivable	19,975,038.00	5,969,583.00	14,005,455.00
Prepaid Rent	46,738.00	47,092.00	(354.00)
Prepaid Insurance	47,355.00	44,070.00	3,285.00
Prepaid Services	550,371.00	221,260.00	329,111.00
Total Current Assets	22,196,408.00	12,086,872.00	10,109,536.00
Long Term Assets			
Restricted Cash	229,000.00	229,000.00	0.00
Leasehold Improvements	12,231.00	0.00	12,231.00
Other Property, Plant & Equipment	104,526.00	89,552.00	14,974.00
Security Deposits	104,240.00	104,240.00	0.00
Goodwill	17,747,981.00	17,747,981.00	0.00
Other Long-Term Assets	3,870,000.00	3,941,667.00	(71,667.00)
Total Long-Term Assets	22,067,978.00	22,112,440.00	(44,462.00)
Total Assets	44,264,386.00	34,199,312.00	10,065,074.00
LIABILITIES & STOCKHOLDER'S EQUITY			
Current Liabilities			
Accounts Payable	4,085,889.00	192,164.00	3,893,725.00
Intercompany Payable	21,538,087.00	21,866,284.00	(328,197.00)
Accrued Bonus	210,826.00	173,065.00	37,761.00
Other Accrued Expenses	2,296,946.00	4,016,419.00	(1,719,473.00)
Taxes Payable	1,099,893.00	608,298.00	491,594.00
Unearned Circuit & UTX Revenue	10,097,101.00	3,468,430.00	6,628,671.00
Unearned TQE Revenue	919,661.00	881,470.00	38,191.00
Other Current Liabilities	156,079.00	0.00	156,079.00
Total Current Liabilities	40,404,482.00	31,206,130.00	9,198,352.00
Long-Term Liabilities			
Stockholder's Equity			
Retained Earnings	1,858,905.00	992,182.00	866,722.00
Other Equity	2,001,000.00	2,001,000.00	0.00
Total Stockholder's Equity	3,859,905.00	2,993,182.00	866,722.00
Total Liabilities & Stockholder's Equity	44,264,386.00	34,199,312.00	10,065,074.00

Schedule of Rates, Rules and Regulations
Governing Resale of Local Exchange and Interexchange Services
Provided in the State of South Dakota

OFFERED BY

Vanco Direct USA, LLC

Business Office:
1420 Kensington Road, Suite 103
Oak Brook, Illinois 60523

Phone: 1-866-578-2626

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SYMBOLS

Whenever tariff sheets are revised, changes will be identified by the following symbols:

- (C) To signify a change in regulation.
- (D) To signify deleted or discontinued rate, regulation or condition.
- (I) To signify a change resulting in an increase to a customer's bill.
- (M) To signify material moved from or to another part of tariff with no change in text, rate rule or condition.
- (N) To signify new rate, regulation, condition or sheet.
- (R) To signify a change resulting in a reduction to a customer's bill.
- (T) To signify change in text but no change in rate, rule or condition.

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TARIFF FORMAT SHEET

A. Page Numbering. Page numbers appear in the upper right corner of the page. Pages are numbered sequentially. However, new pages are occasionally added to the tariff. When a new page is added, the page appears as a decimal. For example, a new page added between pages 34 and 35 would be 34.1.

B. Page Revisions Numbers. Revision numbers also appear in the upper-right corner of the page. These numbers are used to determine the most current page version on file with the Commission. For example, the 4th revised Page 34 cancels the 3rd revised Page 34. Because of deferrals, notice periods, etc., the most current page number on file with the Commission is not always the tariff page in effect. Subscriber should consult the check page for the page currently in effect.

C. Paragraph Numbering Sequence. There are various levels of paragraph coding. Each level of coding is subservient to its next higher level of coding. For example:

- 2.
- 2.1.
- 2.1.1.
- 2.1.1.A.
- 2.1.1.A.1.
- 2.1.1.A.1.(a)
- 2.1.1.A.1.(a).I.
- 2.1.1.A.1.(a).I.(i)
- 2.1.1.A.1.(a).I.(i)(1)

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1 **TECHNICAL TERMS AND ABBREVIATIONS**

Certain terms used throughout this Tariff are defined below.

Access Code

“Access Code” means a sequence of numbers that, when dialed, connects a Customer to the Carrier associated with that sequence.

Authorized User

“Authorized User” means a person, firm, company, corporation, or other entity who is authorized by the Customer to take Service under this Tariff.

Automatic Number Identification (ANI)

“Automatic Number Identification” or “ANI” refers to the calling telephone number identification which will be forwarded to the Carrier’s network by the Local Exchange Company (“LEC”) as a call is placed. Feature Group D interconnections are used to gain access to a Carrier’s switched telecommunications service.

Carrier

“Carrier” means a communications common carrier authorized by the Commission or the FCC to provide communications service to the public.

Commission

“Commission” refers to the Public Utilities Commission of South Dakota.

Connection Fee

“Connection fee”, also “Processing Fee”, means the fee charged to the Company by the Underlying Carrier and the fee charged by the Company to the Customer to connect the Customer to the local switched network.

Credit(s)

“Credit(s)” has the meaning set forth in Section 2.24 hereof.

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1 Technical Terms and Abbreviations (cont.)**Credit Allowances**

“Credit Allowances” has the meaning set forth in Section 2.24 hereof.

Customer

“Customer” means the person, firm, company, corporation, or other entity who, pursuant to a Service Order orders Service(s) under this Tariff. Customer shall include both residential and business customers.

FCC

“FCC” means the Federal Communications Commission.

Governmental Authority

“Governmental Authority” means any judicial, administrative, or other federal, state or municipal governmental authority (including without limitation the Commission and the FCC) having jurisdiction over the Company or the provision of Services hereunder.

Holidays

“Holidays” means all Company-specified holidays: New Year’s Day (January 1), Independence Day (July 4), Labor Day, Thanksgiving Day and Christmas Day (December 25).

Interruption

“Interruption” means the disruption of, or removal of a circuit from, Service such that the Service becomes unusable by subscriber for a continuous period of thirty (30) minutes or more.

Local Calling

“Local calling” means a completed call or telephone communication between a calling station and any other station within the local service area of the calling station.

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1 Technical Terms and Abbreviations (cont.)**Local Access and Transport Area ("LATA")**

"Local Access and Transport Area" ("LATA") means a geographical area established by the U.S. District Court for the District of Columbia in Civil Action No. 82-0192, within which an LEC provides communications service.

Local Exchange Carrier ("LEC")

"LEC" means any person that is engaged in the provision of local exchange service or exchange access service. However, such term does not include any person insofar as such person is engaged in the provision of commercial mobile radio service.

Local Service Area

"Local service area" means that area within which a customer to exchange service can make telephone calls at exchange rates. A local service area may consist of one or more central office or exchange areas.

Minimum Service Period

"Minimum Service Period" (or "MSP") means the minimum period of time during which Customer takes local service under this Tariff, which is 30 days.

Monthly Recurring Charge

Monthly Recurring Charge (or "MRC") means a charge which reoccurs each month.

Non-recurring Charges

"Non-recurring Charges" means the one-time initial charges for service or facilities, including but not limited to charges for processing and installation, for which the Customer becomes liable at the time the application for service is executed and paid.

Other Providers

"Other Providers" means any carriers or other service providers, whose services or facilities are connected to the Services.

Performance Failure

"Performance Failure" means any disruption, degradation, or failure of Service, including without limitation any Interruption (but excluding Scheduled Interruptions), any installation failure or delay, or any mistake, delay, omission, error or other defect in the Service or in the provision thereof.

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1 Technical Terms and Abbreviations (cont.)**Processing Fee**

“Processing Fee” means a fee charged by the Company at the time service is ordered to process the customer’s application for local service, also called a Service Order. It includes the connection fee.

Recurring Charge

“Recurring charge” means the monthly charges to the Customer for services, facilities, and/or equipment, which continue for the agreed upon duration of service.

Regulation(s)

“Regulation(s)” means any and all law(s), rule(s), regulation(s), (including without limitation those set forth in this Tariff), order(s), policy or policies, ruling(s), judgment(s), decree(s) or other determination(s) which are made by the Commission or any other Governmental Authority or which arise under any federal, state or local statute, utility code, or ordinance, and which are applicable to the Services or to any provision of this Tariff.

Resale Tariff(s)

“Resale Tariff(s)” means the tariff(s) of one or more Underlying Carriers.

Scheduled Interruption

“Scheduled Interruption” means an Interruption which has been scheduled by the Company in advance for maintenance, testing, or other administrative purposes.

Service(s)

“Service(s)” means the Company’s regulated, communications common carrier service(s) provided under this Tariff.

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1 **Technical Terms and Abbreviations (cont.)**

Service Commencement Date

“Service Commencement Date” means either (i) the first day following the date on which the Company notifies the Customer that the requested Service is available for use, (ii) in the event Customer lawfully refuses to accept such Service, the date of Customer’s acceptance of such Service, or (iii) another, mutually agreed upon date.

Service Order

“Service Order” means (i) an agreement between the Company and Customer, or (ii) a Company designated form used from time to time by Customer for purposes of ordering Services hereunder.

Sign Up Fee

Same as “Processing Fee”.

Subscriber

“Subscriber” means a person, firm, company, corporation, or other entity who is authorized by the Customer to use Service under this Tariff.

Termination (Terminate)

“Termination” (or “Terminate”) means discontinuance of (to discontinue) Services, either at Customer’s request, or by the Company in accordance with Regulations.

Underlying Carrier(s)

“Underlying Carrier(s)” means the LEC(s) or other Carrier(s) whose services are resold by the Company pursuant to this Tariff.

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2 RULES AND REGULATIONS

The Company is a reseller of regulated local and interexchange services. The Services described in Section 3 of this Tariff are provided to Customers by the Company pursuant to one or more applicable resale agreements which are on file with, and have been approved by, the Commission.

2.1 Undertaking of the Company

2.1.1 Obligation to Provide Service. The Company shall exercise its best efforts to provide Services to Subscribers pursuant to the terms and conditions of this Tariff. The Company shall exercise reasonable efforts to make such Services available for Subscribers' use on either the installation date set for in a Service Order (or, if no date is specified) as soon as practicable after execution of a Service Order, subject to Customer's compliance with Regulations. In addition to the Service Order, Customer shall also execute such other documents as the Company may reasonably require. In the event of a conflict or inconsistency between (i) the terms of a Service Order (or of any other document executed by the Customer) and (ii) those of this Tariff, the latter shall govern. The Service Order becomes a contract upon the establishment of service or provision of any ordered facilities.

2.1.2 Conditions to Company's Obligations. The obligations of the Company to provide Services are subject to the following: (i) availability, procurement, construction, and maintenance of facilities required to meet the Service Order; (ii) the provision of Services to the Company for Resale by the Underlying Carrier; (iii) interconnection to Other Providers' services or facilities as required; and (iv) any applicable Credit Limit.

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2.2 Responsibility and Use

2.2.1 Services may be used by Customer or Subscriber for any lawful purpose, twenty-four (24) hours per day, seven (7) days per week, subject to the terms and conditions set forth herein and in any applicable Service Order. Customer is solely responsible for (i) prevention of unauthorized, unlawful or fraudulent, use of or access to Services, which use or access is expressly prohibited.

2.2.2 The Customer has no property right in the telephone number or any other call number designation associated with the Company's Services. The Company may change such numbers, or the central office code designation associated with such numbers, or both, assigned to the Customer, whenever the Company, in its sole discretion, deems it necessary to do so in the conduct of its business.

2.3 Transmission

The Services are suitable for the transmission of voice, data, or other communications.

2.4 Interconnection

2.4.1 Services or facilities furnished by the Company may be connected with services or facilities of Other Providers subject to any technical limitations set forth in said Other Providers' tariffs (if any); provided, however, such service furnished by the Company is not part of a joint undertaking with any Other Provider.

2.4.2 Interconnection with the facilities or services of Other Providers is subject to (i) the availability of said Other Providers' facilities; and (ii) the applicable terms and conditions of the Other Providers' tariffs (if any). Customer shall be solely responsible for satisfying all legal requirements for interconnecting Customer-provided terminal equipment or communications systems with Other Providers' facilities, including, without limitation, application for all licenses, permits, rights-of-way, and other arrangements necessary for such interconnection. Satisfaction of all legal requirements, any interface equipment or any other facilities necessary to interconnect the facilities of the Company and Other Providers must be provided at the Customer's sole expense.

2.5 Equipment

2.5.1 The Company's facilities or Services may be used with or terminated to Customer Premises Equipment ("CPE"), such as a private branch exchange, key system or pay telephone. CPE is the sole responsibility of the Customer and the Company has no responsibility whatsoever for the installation, operation, and maintenance of such CPE. The Customer is solely responsible for all costs of installing, maintaining or repairing CPE, including without limitation personnel charges, wiring costs, and costs associated with routing of electrical power, incurred in the attachment to and use of the Company's facilities or Services.

2.5.2 The Customer is responsible for ensuring that all attached CPE conforms to the Federal Communications Commission's registration requirements set forth in Part 68 of the Code of Federal Regulation (as amended), and the Company may discontinue the provision of Services to any location where CPE fails to conform to such Regulations.

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2.5.3 The Customer will be responsible for payment of service charges at the Company's standard, hourly rates in effect from time to time for visits by Company personnel to the Customer's premises in response to any Service difficulty or trouble report determined to be caused, in whole or in part, by the use of any CPE, Services, facilities, or other equipment which is not provided by the Company.

2.6 Title

Title to any and all equipment or facilities provided by Company under this Tariff will remain in the Company.

2.7 Customer Premises

Customer shall provide, without cost to Company, all equipment, space, conduit, and electric power required to terminate the Services at the Subscriber's premises. The Customer shall arrange for the Company, or other Carriers as required, to have access to the Subscriber's premises at all reasonable times for purposes of Service installation, Termination, inspection and repair. Customer shall be solely responsible for any damage to or loss of Company equipment while in the premises of Subscriber, unless such damage is caused by the negligence or willful misconduct of the Company, its employees, subcontractors or agents.

2.8 Non-Routine Maintenance and Installation

At the Customer's request, the Company may perform installation or maintenance on weekends or times other than during normal business hours: provided, however, Customer may be assessed reasonable, additional charges based on the Company's actually incurred labor, material or other costs for such non-routine installation or maintenance.

2.9 Interruption

The Company, without incurring any liability whatsoever, may make Scheduled Interruptions at any time (i) to ensure compliance by the Customer or Subscriber with Regulation (including without limitation the provisions of this Tariff), (ii) to ensure proper installation and operation of the Customer's and the Company's equipment and facilities, (iii) to prevent fraudulent use of or access to the Services, or (iv) to perform any other maintenance, testing or inspection reasonably required for the provision of Services hereunder.

2.10 Service Commencement

Billing for Services will commence as of the Service Commencement Date. The Company shall notify the Customer when Services ordered pursuant to an accepted Service Order are ready for use.

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2.11 Reserved for Future Use.

2.12 Service Order Cancellation and Refund of Processing Fee and MSP Recurring Charges

If a Customer cancels the Service Order, the Processing Fee and the recurring charges for the MSP are subject to refund at any time before Service is commenced pursuant to the Customer's Service Order.

2.13 Billing and Payments

2.13.1 Except as otherwise limited by Regulation, Customer shall be responsible for payment of all charges, whether authorized or not, for any and all use of or access to Services provided to Subscribers, including without limitation any unauthorized, unlawful or fraudulent use or access.

2.13.2 All amounts stated on each local service monthly bill are due and payable as set out in Paragraph 2.13.4

2.13.3 Customers may pay for any service by credit card, money order, or cash at a Company authorized Agent or payment center location. Payments for service mailed to the Company must be in the form of a Money Order or Certified Check. Credit card payments are accepted by the Company by telephone.

2.13.4 The Customer will pay each month for the service beginning 30 days after service is connected.

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2.13 Billing and Payment (cont.)

2.13.5 The Company mails monthly invoices to Customers, which indicate the Customer's service and charges, plus applicable federal, state and local charges and taxes, for local service.

2.13.6 The Company will not alter the billing cycle for local service unless affected customers are sent a bill insert or other written notice explaining the alteration not less than 30 days prior to the effective date of the alteration. Such notification is not required with a Customer requests a number or billing change or when the Customer disconnects and reconnects service or transfers service from one premises to another.

2.13.7 The Company allows customers at least 14 days to pay bill charges.

The Company may set forth the following on monthly local service invoices:

- A. the number of access lines for which charges are stated;
- B. the beginning or ending dates of the billing period;
- C. the date the bill becomes delinquent if not paid on time;
- D. the unpaid balance (if any);
- E. the amount for basic service and an itemization for the amount due for toll service, if applicable, including the date and duration of each toll call;
- F. an itemization of the amount due for taxes, franchise fees, 911 surcharges (if applicable) and other surcharges as may be necessary and appropriate;
- G. the total amount due; and
- H. a telephone number where inquires may be made.

2.14 Customer Cancellation of Service

The Company shall have 10 days to disconnect service before a refund will be considered.

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2.15 Deposits

The Company does not require a deposit.

2.16 Taxes

The Customer is responsible for payment of any applicable federal, state, municipal taxes or surcharges, including without limitation franchise fees, excise taxes, sales taxes, or municipal utilities taxes.

2.17 Denial of Service without Notice

The Company may discontinue service without notice for any of the following reasons: hazardous conditions on customer's premises; where customer's use of the equipment adversely affects the Company's equipment or service to others; if customer tampers with equipment furnished and owned by the Company; if the customer engages in the unauthorized use of the service by any method which causes hazardous signals over the Company's network; and/or if the customer engages in a use of the service or equipment that violates the law.

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2.18 Denial of Service with Notice

- 2.18.1 Service may be discontinued upon 14 days notice for any of the following reasons:
- 2.18.1.A nonpayment of an undisputed delinquent charge;
 - 2.18.1.B failure to substantially comply with terms of regulations or a settlement agreement;
 - 2.18.1.C refusal after reasonable notice to permit inspection, maintenance or replacement of telephone utility equipment;
 - 2.18.1.D failure to comply with municipal ordinances, and/or as approved by federal or state law.
- 2.18.2 Service may not be discontinued by the Company for failure to pay charges not subject to Commission's jurisdiction unless specifically authorized in this tariff.
- 2.18.3 Residential service may be discontinued during normal business hours on or after the date specified in the notice of discontinuance. Service shall not be discontinued on a day when the office of the Company are not available to facilitate reconnection of service or on a day immediately preceding such day.
- 2.18.4 Customers shall have at least 14 days from the rendition of a bill to pay the charges stated. The Company will provide at least 10 days written notice to Customer prior to disconnection for nonpayment.

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2.19 Restoration of Local Services

The customer's telephone service is subject to suspension and disconnection for any of the reasons listed in Section 2.18. If the customer does not resolve the reason for suspension or disconnection, the customer's service will first be suspended. If service is suspended, the customer's telephone number is reserved for 21 days, and if the customer is reconnected within that time, the customer will be charged a \$20.00 restoration fee as set out in Section 4.2. If the reason for suspension has not been resolved within the 21day period of suspension, the customer's service will be disconnected. If service is disconnected, a new telephone number will be assigned and the customer will be again required to pay the applicable Connection Fee. Prior to any reconnection the customer must pay any unpaid charges that are undisputed.

2.20 Limitation of Liability

- 2.20.1 Except if caused by the Company's willful misconduct or negligence, the Company's liability with respect to any claim, damages, or expense (i) brought by a Customer, Subscriber, or any other party regarding the installation, provision, preemption, termination, maintenance, repair or restoration of Service (including without limitation 911 Service and Directory Listing Service) or (ii) arising from any Performance Failure shall be determined in accordance with SDCL 49-13-1, 49-13-1.1, and any other applicable law.
- 2.20.2 To the extent permitted by an applicable Regulation, the Company's liability for negligence will also be limited to the amount described in Section hereof.
- 2.20.3 Reserved for future use.
- 2.20.4 Except as caused by the Company's willful misconduct or negligence, the Company will not be liable for defacement of or damages to Subscribers' premises or for any personal injury or death arising, directly or indirectly, from the furnishing of Services (including 911 Service and Directory Listing Service), including without limitation the installation or removal of any facilities, equipment or wiring associated therewith. Customer is solely responsible for connecting any and all apparatus, equipment and associated wiring on Subscribers' premises to the Services, and no other Carrier or third party engaged in such activity is to be deemed to be an agent or employee of the company.
- 2.20.5 Any action or claim against the Company arising from any of its alleged acts or omission in connection with this Tariff will be deemed waived if not brought or made in writing within 180 days from the date that the alleged act or omission occurred.

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Oak Brook, IL 60523

2.21 Disclaimer

The Company will have no liability whatsoever to Customer, its employees, agents, subcontractors, or assignees, or to any other person for (i) damages arising out of any Underlying Carriers' or Other Providers' Performance Failure, (ii) any act or omission of any third party furnishing equipment, facilities or service to any Subscriber in connection with this Tariff or with the Services, or (iii) any other act or omission of any Other Provider, Subscriber or third party related to the use or provision of Services hereunder.

2.22 Complaints

Customer complaints will be handled in accordance with applicable South Dakota law and Commission rules.

Complaints regarding billings should be made to the Company either in writing to Vanco Direct USA, LLC, 1420 Kensington Rd., Suite 103, Oak Brook, Illinois 60523, via the Company's toll-free number at (866) 578-2626, or via e-mail at info@vanco-us.com.

Complaints may also be directed to the South Dakota Public Utilities Commission, State Capitol Building, 500 E. Capitol Avenue, Pierre, SD 57501-5070, or via the Commission's toll-free number at (800) 332-1782. TTY Through Relay South Dakota: (800) 877-1113.

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2.23 Indemnification by Customer

Customer shall defend, indemnify and hold the Company (together with its officers, directors, employees, and agents) harmless from any and all actions, claims, judgments, damages, demands, liabilities, and expenses, arising from or in connection with:

- 2.23.1 libel or slander resulting from Subscriber's use of the Services;
- 2.23.2 any loss damage, or destruction of any property or any personal injury (including death) not due to the Company's negligence or willful misconduct and caused, directly or indirectly, from the installation, operation, or other use (or failure to use) of the Services or any Company supplied facilities (i) in combination with the service or equipment supplied by the Subscriber or any third party, or (ii) in an explosive or otherwise hazardous environment;
- 2.23.3 infringement of any patent, copyright, trademark, trade name, service mark or trade secret arising from: (i) the transmission of any material transmitted (a) by and Subscriber or (b) by any other person using the Services provided to any Subscriber, Subscriber location, or Authorization Code; or (ii) from the combination of Subscriber's use of Services with CPE or with other Subscriber-provided facilities or services; and
- 2.23.4 except as otherwise provided by applicable Regulation, any unauthorized, unlawful, or fraudulent use of or access to the Services provided to Subscribers.

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2.24 Credits and Credit Allowances

- 2.24.1 Credit ("Credit(s)") to the Customer's fixed charges, if any, for Interruptions (other than Scheduled Interruptions or Interruptions caused by Other Providers for which a Credit Allowance is due the company as described in Section 2.24 hereof) which (i) exceed in the aggregate twenty-four (24) hours per month, (ii) are directly caused by the Company, and (iii) are not due to the negligence or willful misconduct of the Subscriber, its employees, subcontractors, agents, or assignees, will be applied to Customer's account with the Company. Such credits are to be calculated by multiplying the monthly recurring rate for the affected Service by the ratio that the number of hours the Interruption bears to 720 hours. (For the purpose of this computation, each month is deemed to have 720 hours). An Interruption is measured from the time the Company detects, or the Customer notifies the Company of, its occurrence until such time as the Interruption is cured. Each Interruption is to be considered separately for the purposes of this calculation and is being rounded to the nearest hour.
- 2.24.2 In the event of an Interruption caused by Other Providers for which a credit or allowance ("Credit Allowance") becomes due to the Company, the Company shall apply such Credit Allowance to Customer's account, less an administration fee, subject to the Company's collection of such Credit Allowance from the Underlying Carrier obligated to provide same. In no event will the Company be obligated to credit Customer any amounts in excess of any Credit Allowance allocable to Customer's Interruption(s) which Company receives from the Underlying Carrier. Any other provision of this Section 2.24 notwithstanding, Company will have no obligation to apply any credit to Customer's account for Interruptions caused by an Underlying Carrier for which no Credit Allowance is due to the Company.
- 2.24.3 Except as otherwise set forth herein, Customer's sole and exclusive remedy for any and all Performance Failures which consist of or give rise to Interruptions are Credits or Credit Allowances to the extent available under this Section 2.24; for any other Performance Failures or in the event Credits or Credit Allowances are unavailable (due to the facts, for example, that the Customer does not incur any fixed month charges), Customer's sole and exclusive remedy in lieu of said Credits or Credit Allowances will be an immediate right to Terminate Services prior to the expiration of the Minimum Service Period.

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2.25 Local Calling Area

The Company will provide Services from all exchanges of its Underlying Carrier, in conformance with that Underlying Carrier's existing local exchange boundary maps as approved by the Commission. Local exchange areas are listed in Section 5.

2.26 Access to Telephone Relay Service

Where required by the Commission, the Company will participate in telephone relay services for handicapped or hearing impaired Customers, and will comply with all regulations and requirement related thereto.

2.27 Compliance

The Company and Customer shall (and Customer shall cause Subscriber to) comply with all Regulations.

2.28 Force Majeure

The Company is excused from any Performance Failure due to causes beyond its reasonable control, including but not limited to acts of God, fire, floods, other catastrophes, insurrections, national emergencies, wars, strikes, work stoppages or other labor disputes, unavailability of rights-of-way, disconnection or unavailability (through no fault of the Company) of any Underlying Carriers' facilities or services, or any Regulation or other directive, action or request of any Governmental Authority.

2.29 Full Force and Effect

Should any provision or portion of this Tariff be held by a court or administrative agency of competent jurisdiction to be illegal, invalid, or unenforceable, the remaining provision of this Tariff will remain in full force and effect.

2.30 Cooperation

Customer shall cooperate with the Company to the extent necessary for the Company to discharge its obligations hereunder and as reasonably requested by the Company.

2.31 Governing Law

This Tariff is to be governed by and construed in accordance with the rules and orders of the Commission and the laws of the State of South Dakota.

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2.32 Assignment

- 2.32.1 By Customer. The Customer may not transfer or assign its rights or obligations associated with any Service Order without the Company's prior written consent. The Company will permit a Customer to transfer its Service to another party only upon payment of all Charges due through the date of transfer. Such a transfer will be treated as a discontinuation, followed by an installation of new Services, subject to any applicable installation or other non-recurring Charges.
- 2.32.2 By Company. The Company may, in accordance with Regulations, assign its rights or delegate its obligations under this Tariff to any affiliate or successor in interest.

2.33 Operator Services

Operator services are available through the underlying service provider.

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3 DESCRIPTION OF SERVICES**3.1 Private Line Data Services**

Private Line service is an interLATA high-speed digital communications service using a physical fiber optic connection between two intrastate locations. Private Lines are non-switchable connections that can provide a constant and committed availability of capacity (for a single Customer) on a transmission path only between fixed, customer-specified locations. Private Line transmission speeds range from the DS-0 level up to and including OC-n speeds. Provision of Private Line circuits are subject to facilities and capacity availability.

DS1 Service: is a dedicated, high capacity, full duplex channel with a line speed of 1.544 Mbps isochronous serial data having a line signal format of either Alternate Mark Inversion (AMI) or Binary 8 Zero Substitution (B8ZS) and either Superframe (D4) or Extended Superframe formats. DS1 Service has the equivalent capacity of 24 Voice Grade (VG) services or 24 DS0 Services. AMI can support 24 each 56 Kbps channels and B8ZS can support 24 each 64 Kbps channels.

DS3 Service: is a dedicated, high capacity, full duplex channel with a line speed of 44.736 Mbps isochronous serial data having a line code of bipolar with three zero substitution (B8ZS). DS3 Service has the equivalent capacity of 28 DS1 Services at 1.544 Mbps or 672 Voice Grade (VG) services or 672 DS0 Services at 56/64 Kbps.

OC3 Service: is a SONET level of transmission speed. It is capable of transporting three DS3 signals, which is equal to 155.520 Mbps.

OC12 Service: is a SONET level of transmission speed. It is capable of transporting twelve DS3 signals, which is equal to 622.08 Mbps.

OC48 Service: is a SONET level of transmission speed capable of transporting forty-eight DS3 signals, which is equal to 2.488 Gbps.

The Company shall invoice the Customer on a monthly basis at the Customer's designated location in accordance with the following schedule: in the month preceding the applicable usage (i.e. month of contract execution) for all NRC charges. Failure of the Company to timely invoice the Customer for any amounts due hereunder shall not be deemed a waiver by the Company of its rights to payment for such charges.

Rates set forth herein for services requiring dedicated access do not include access and access-related charges (including, without limitation, installation charges, inside wiring charges assessed by the local exchange carrier ("LEC"), construction charges assessed by the LEC and distance and termination charges assessed by the LEC). Therefore access and access related charges are additional charges.

Private Line Rates and Charges described in this tariff are based on the commitment of the Customer to utilize the Private Line circuits or facility for a specified minimum period of time. Therefore, notwithstanding anything in this tariff to the contrary and in addition to other charges set forth in the tariff, the Customer will be billed and required to pay all rates, fees and charges which accrue for each circuit and for all associated local access during the entire Circuit Minimum Service Term applicable to each circuit plus all NRC charges applicable to such circuit that were previously waived, regardless of whether or not Customer utilizes all or any part of such circuit during all or any part of the Circuit Minimum Service Term applicable to the circuit.

The Circuit Minimum Service Term shall be a minimum period of one (1) year, beginning from the date of service order fulfillment.

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3 DESCRIPTION OF SERVICES (CONTD.)**3.2 Local Exchange Services**

3.2.1 The Company's local exchange service provides the customer with the ability to connect to the Company's switching network which enables the Customer to:

- access 911 or E911 (where available);
- access other telecommunication Carriers;
- place or receive operator service calls;
- place calls to Directory Assistance;
- place calls to toll free 8XX telephone numbers;
- access TRS; (using 711, where available);
- access 900/976 numbers;
- obtain a copy of the local White Pages directory; and
- include a listing in the local White Pages directory.

3.2.2 The following capabilities are also provided with the Company's local exchange service:

- Caller ID Blocking, per call (using *67 at no charge)
- Caller ID Blocking, per line (available to qualified Customers where required, e.g. abuse hotline);
- 900/976 Blocking, per line (upon customer request at no charge on initial order)
- Touch Tone capability
- Call Trace
- International Call Blocking (upon request at no charge on initial order).

3.2.3 Telecommunications Relay Service

Telecommunications Relay Service enables deaf, hard-of-hearing or speech-impaired persons who use a Text Telephone ("TT") or similar devices to communicate freely with the hearing population not using TT and vice versa.

A customer will be able to access the state provider to complete such calls by either dialing the applicable telephone number directly or by dialing the number 711, where available.

3.2.4 Business Service Offerings

- A. Basic Business Line: Provides the customer with a single, voice-grade, DTMF communications channel. Each local channel will include a telephone number and unlimited usage. This line has the capabilities listed in 3.2.1 preceding.
- B. Business Local Usage: Provides the ability to place and receive locally dialed calls over the public switched network. It is provided on an unlimited, flat rate basis.

3.2.5 Residence Service Offerings

- A. Basic Residence Line: Provides the customer with a single, voice-grade, DTMF communications channel. Each local exchange Channel will include a telephone number and the features listed in 3.2.1 preceding.
- B. Residence Local Usage: Provides the ability to place and receive locally dialed calls over the public switched network. It is provided on an unlimited, flat rate basis. Any of the available optional features offered may be ordered and associated with this line at local rates and charges stated in Section 4.

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3DESCRIPTION OF SERVICES (CONTD.)**3.2 Local Exchange Services (contd.)****3.2.6 Features**

Call Trace – initiates a trace on the last call received. The number from which threatening or obscene calls are made will be provided to the local law enforcement authorities should the user wish to file a complaint. Call Trace is available on a pay per use basis.

Caller ID Blocking – blocks the Customer's name and number from being transmitted on all outgoing calls from a particular line. Per call blocking is achieved by pressing *67 prior to each call, while per line blocking blocks the name and number of every outgoing call. Dialing a special code prior to dialing the number of the person being called can unblock the number and name. Caller ID Blocking is provided at no charge.

International Call Blocking – blocks the Customer from being able to place an outgoing call from a particular line to an international number.

Toll Restriction – a Central Office feature that blocks all calls preceded by a 0 or 1 and denies access to Operator Services. However, calls to Inward WATS Services and 1+ calls to the Company business offices, repair services and 911 are not blocked.

900/976 Blocking – blocks the Customer from being able to place an outgoing call from a particular line to a number with a 900/976 prefix.

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4. RATES**4.1 Return Check Charge**

If the Company accepts a personal check from the Customer, the Customer will be charged \$15 dollars or the applicable statutory return check charge (if any), whichever is greater, whenever a check or draft presented for payment of Service is dishonored by the institution upon which it is drawn. The Company will not seek attorneys fees from customer for collection of nonpayment.

4.2 Reconnection Fee

A customer will be charged a fee of \$20.00 for restoration after suspension of service. If the Customer is reconnected after disconnection of service the Customer shall be assigned a new telephone number and shall pay the applicable connection fee prior to reconnection. Prior to any reconnection allowed under this Tariff the customer must pay any unpaid charges that are undisputed.

4.3 Promotions

Company may from time to time engage in special promotional service offerings designed to attract new customers or to promote existing services. Such promotional service offerings shall be subject to specific dates, time (not to exceed one year), and/or locations, and shall be subject to prior notification to and approval by the Commission.

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4. RATES (contd.)**4.4 Rates for Local Exchange Services****4.4.1 Business Rates**

	<u>Monthly Rate</u>	<u>Nonrecurring</u>
A. Basic Business Line, per line	\$46.00	\$56.00
B. Business Local Usage, per line	\$0.00	\$0.00
C. Optional Features, per line		
Touch Tone	\$0.00	\$0.00
900/976 Blocking	\$0.00	\$15.00
International Blocking	\$0.00	\$15.00
Call Trace (Per Occurrence)	\$0.00	\$8.00
Toll Restriction	\$15.00	\$10.00
Per Line Caller ID Blocking	\$0.00	\$0.00

4.4.2 Residence Rates

	<u>Monthly Rate</u>	<u>Nonrecurring</u>
A. Basic Residence Line, per line	\$22.00	\$30.00
B. Residence Local Usage, per line	\$0.00	\$0.00
C. Optional Features, per line		
Touch Tone	\$0.00	\$0.00
900/976 Blocking	\$0.00	\$15.00
International Blocking	\$0.00	\$15.00
Call Trace (Per Occurrence)	\$0.00	\$8.00
Toll Restriction	\$4.00	\$10.00
Per Line Caller ID Blocking	\$0.00	\$0.00

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4.5 Lifeline Services

Applicants are eligible if they receive assistance from at least one of the following programs: Old Age Pension, Aid to the Blind, Aid to the Needy Disabled or are low income disabled persons who qualify to receive supplemental security income under the Federal Social Security Act, as amended.

The discount is available only to the qualifying customer's principle residence line.

A qualifying customer shall receive a reduction to their monthly tariffed residential local exchange access line rate and federal subscriber line charge of up to \$10.50.

4.6 Directory Assistance

Customers will have access to directory assistance only within the limitations imposed by the presence of the ILEC's toll restriction and billed number screening services.

A credit will be given for calls to Directory Assistance as follows:

- The Customer experiences poor transmission or is cut-off during the call; or
- The Customer is given an incorrect telephone number.

To obtain such a credit, the Customer must notify its Customer Service representative within 24 hours of occurrence.

Local Directory Assistance: \$0.30 per call.

National Directory Assistance: \$0.90 per call.

4.7 Rates for Hearing or Speech Impaired

For properly certified hearing or speech impaired Subscribers who communicate via a TDD, the Company will issue upon request a credit for certain intrastate toll charges for calls made between TDDs. The credit will appear on the Customer's subsequent bill and will be equal to applying the Evening Rate during business day hours and Night/Weekend rate during the Evening rate period. Subscribers using TDDs with the assistance of the relay center will receive a credit equal to fifty percent (50%) of the rate for the applicable rate period. If either the Subscriber or the called party indicates that either party is both hearing and visually impaired, the call shall be discounted by twenty-five percent (25%) of the applicable rate. Such credit does not apply to surcharges on per call add-on charges for operator services when the call is placed by a method that would normally incur the surcharge.

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4.8 Rates for Private Line Data Services

4.8.1 Type 1 Rates (standard provisioning time frame)

(i) DS-1 Service

	<u>MRC</u>
Zero Mile	\$177.60
Each Additional Mile	\$33.84

\$500.00 non-recurring charge.

1 year Minimum Service Term commitment required.

(ii) DS-3 Service

	<u>MRC</u>
Zero Mile	\$1,703.52
Each Additional Mile	\$354.24

\$750.00 non-recurring charge.

1 year Minimum Service Term commitment required.

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4. **RATES (contd.)**4.8 Rates for Private Line Data Services (contd.)

4.8.1 Type 1 Rates (contd.)

(iii) OC-3 Service

	<u>MRC</u>
Zero Mile	\$3,049.92
Each Additional Mile	\$275.76

\$1,500.00 non-recurring charge.

1 year Minimum Service Term commitment required.

(iv) OC-12 Service

	<u>MRC</u>
Zero Mile	\$5,582.16
Each Additional Mile	\$537.84

\$2,000.00 non-recurring charge.

1 year Minimum Service Term commitment required.

(v) OC-48 Service

	<u>MRC</u>
Zero Mile	\$28,800.00
Each Additional Mile	\$551.52

\$3,000.00 non-recurring charge.

1 year Minimum Service Term commitment required.

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4. RATES (contd.)**4.8 Rates for Private Line Data Services (contd.)****4.8.2 Type II Rates (expedited provisioning time frame)****(i) DS-1 Service**

	<u>MRC</u>
Zero Mile	\$170.80
Each Additional Mile	\$39.36

\$1,503.90 non-recurring charge.

1 year Minimum Service Term commitment required.

(ii) DS-3 Service

	<u>MRC</u>
Zero Mile	\$1,977.60
Each Additional Mile	\$411.84

\$1,150.20 non-recurring charge.

1 year Minimum Service Term commitment required.

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4.9 IntraLATA Toll Dialing Parity

After a Customer's initial selection for a presubscribed toll carrier or for any change thereafter, a Presubscription Change Charge, as set for the below, will apply. Customers who request a change in intraLATA and interLATA carriers with the same order will be assessed a single charge per line.

Per business or residence line: \$5.00

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5 LOCAL EXCHANGE SERVICE AREAS

The Company provides resold local service in every area in which Qwest is authorized to provide such service. Qwest has filed maps of its operating areas with the Commission. The Company concurs in those operating areas and maps and incorporates them herein by reference.

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