

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

IN THE MATTER OF THE APPLICATION OF)	ORDER GRANTING
VCI COMPANY FOR A CERTIFICATE OF)	CERTIFICATE OF
AUTHORITY TO PROVIDE LOCAL EXCHANGE)	AUTHORITY
SERVICES IN SOUTH DAKOTA)	TC04-181

On August 10, 2004, the Public Utilities Commission (Commission) received an application for a certificate of authority from VCI Company (VCI).

VCI proposes to offer competitive facilities-based and non-facility based local exchange and intraLATA toll services primarily to residential customers. A proposed tariff was filed by VCI.

On August 12, 2004, the Commission electronically transmitted notice of the filing and the intervention deadline of August 27, 2004, to interested individuals and entities. No petitions to intervene or comments were filed and at its regularly scheduled October 12, 2004, meeting, the Commission considered VCI'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 VCI 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 20:10:32:03(11).

The Commission finds that it has jurisdiction over this matter pursuant to SDCL Chapter 49-31, specifically 49-31-69 and ARSD 20:10:32:03. The Commission finds that VCI has met the legal requirements established for the granting of a certificate of authority. VCI has, in accordance with SDCL 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 (11) of ARSD 20:10:32:03.

The Commission approves VCI's application for a certificate of authority, subject to rural safeguards, and subject to the condition that VCI 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 VCI 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 VCI choose to provide local exchange services statewide, with respect to rural telephone companies, VCI 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 VCI's application for a certificate of authority to provide local exchange services is granted, subject to the condition that VCI 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 VCI shall file informational copies of tariff changes with the Commission as the changes occur; and it is

FURTHER ORDERED, that the Commission shall authorize VCI 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 (11) of ARSD 20:10:32:03.

Dated at Pierre, South Dakota, this 20th day of October, 2004.

<p style="text-align: center;">CERTIFICATE OF SERVICE</p> <p>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.</p> <p>By: _____</p> <p>Date: _____</p> <p style="text-align: center;">(OFFICIAL SEAL)</p>

BY ORDER OF THE COMMISSION:

ROBERT K. SAHR, Chairman

GARY HANSON, Commissioner

JAMES A. BURG, Commissioner