

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

<b>IN THE MATTER OF THE APPLICATION OF )</b>	<b>ORDER GRANTING</b>
<b>LATTICE INCORPORATED FOR A )</b>	<b>AMENDED CERTIFICATE OF</b>
<b>CERTIFICATE OF AUTHORITY TO PROVIDE )</b>	<b>AUTHORITY</b>
<b>INTEREXCHANGE TELECOMMUNICATIONS )</b>	
<b>SERVICES AND ALTERNATIVE OPERATOR )</b>	<b>TC09-089</b>
<b>SERVICES IN SOUTH DAKOTA )</b>	

On September 21, 2009, the Public Utilities Commission (Commission), in accordance with SDCL 49-31-3 and ARSD 20:10:24:02, received an application for a certificate of authority to provide interexchange telecommunications services and alternative operator services from Lattice Incorporated (Lattice). The Commission has classified long distance service as fully competitive.

On September 24, 2009, the Commission electronically transmitted notice of the filing and the intervention deadline of October 9, 2009, to interested individuals and entities. No petitions to intervene or comments were filed and at its October 20, 2009, meeting, the Commission considered Lattice's request for a certificate of authority. Commission Staff recommended granting a certificate of authority, subject to the condition that Lattice 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 20:10:24:05(3), (5) and (6).

At its October 20, 2009, meeting the Commission granted Lattice a certificate of authority, subject to the condition that Lattice 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 granted waivers of ARSD 20:10:24:05(3), (5) and (6).

On November 17, 2009, Lattice requested to amend its of certificate of authority to offer prepaid services and filed a Letter of Credit with the Commission.

At its January 5, 2010, regular meeting the Commission approved the application of Lattice to remove prepaid restrictions from its prior granted Certificate of Authority subject to a continuous \$25,000 surety bond or other security acceptable to the commission and to the condition that the issuer's notice to the Commission of its non-extension of the irrevocable letter of credit (ILOC) provided by Lattice to secure its obligations to customers for pre-paid services, including pre-paid calling cards, shall constitute a reasonable basis for the Commission to believe that Lattice is insolvent or has defaulted or is threatening to default on one or more obligations to South Dakota customers for which Lattice has been pre-paid and to draw on the full amount of the ILOC, unless Lattice, at least ten days prior to the termination date, either (i) provides a replacement bond or other security in equal amount in form satisfactory to the Commission or (ii) certifies to the Commission that it has ceased collecting pre-payments and satisfactorily demonstrates that it has no outstanding pre-paid service or refund obligations to South Dakota customers and will not incur such

pre-paid obligations without the approval of the Commission.

It is therefore

ORDERED, that Lattice's application for an amended certificate of authority to provide interexchange telecommunications services and alternative operator services to offer prepaid services is hereby granted subject to a continuous \$25,000 surety bond or other security acceptable to the commission and to the condition that the issuer's notice to the Commission of its non-extension of the irrevocable letter of credit (ILOC) provided by Lattice to secure its obligations to customers for pre-paid services, including pre-paid calling cards, shall constitute a reasonable basis for the Commission to believe that Lattice is insolvent or has defaulted or is threatening to default on one or more obligations to South Dakota customers for which Lattice has been pre-paid and to draw on the full amount of the ILOC, unless Lattice, at least ten days prior to the termination date, either (i) provides a replacement bond or other security in equal amount in form satisfactory to the Commission or (ii) certifies to the Commission that it has ceased collecting pre-payments and satisfactorily demonstrates that it has no outstanding pre-paid service or refund obligations to South Dakota customers and will not incur such pre-paid obligations without the approval of the Commission.

Dated at Pierre, South Dakota, this 15<sup>th</sup> day of January, 2010.

<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, electronically.
By: <u><i>Demario Atkelson</i></u>
Date: <u>1-15-10</u>
(OFFICIAL SEAL)

BY ORDER OF THE COMMISSION:

*Dustin M. Johnson*  
DUSTIN M. JOHNSON, Chairman *DA*

*Steve Kolbeck*  
STEVE KOLBECK, Commissioner

*Gary Hanson*  
GARY HANSON, Commissioner