



## NOWALSKY, BRONSTON &amp; GOTHARD

A Professional Limited Liability Company

Attorneys at Law

Leon L. Nowalsky  
Benjamin W. Bronston  
Edward P. Gothard

3500 North Causeway Boulevard  
Suite 1442  
Metairie, Louisiana 70002  
Telephone: (504) 832-1984  
Facsimile: (504) 831-0892

Monica Borne Haab  
Ellen Ann C. Smith  
Bruce C. Hetzer

March 20, 2001

*Via Overnight Delivery*

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

**RE: Comtel Network, LLC**

Dear Sir:

Enclosed herewith for filing please find an original and ten (10) copies of the Application of Comtel Network, LLC for authority to provide resold interexchange telecommunications services throughout the State of South Dakota. The requisite \$250.00 filing fee is enclosed.

Please date stamp and return the attached copy of this letter as acknowledgment of your receipt of these documents. A self-addressed, stamped envelope has been provided for this purpose.

If you should have any questions regarding this filing, please do not hesitate to call.

Sincerely,

  
Monica Borne Haab

Enclosure

RECEIVED

MAY 21 2001

SOUTH DAKOTA PUBLIC  
UTILITIES COMMISSION

BEFORE THE  
SOUTH DAKOTA PUBLIC UTILITIES COMMISSION

IN RE:

APPLICATION OF COMTEL NETWORK, LLC )  
FOR AUTHORITY TO PROVIDE INTEREXCHANGE )  
TELECOMMUNICATIONS SERVICES WITHIN THE )  
STATE OF SOUTH DAKOTA )

Docket No. \_\_\_\_\_

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APPLICATION

COMTEL NETWORK, LLC ("Applicant") hereby submits this application for certificate of public convenience and necessity to provide resold intrastate telecommunications service within the State of South Dakota.

In support of its application, Applicant provides the following information:

1. The legal name, principal address and telephone number of the applicant corporation are:

Comtel Network, LLC  
670 E. Bullard, Suite 103  
Fresno, CA 93710  
Phone: (559) 261-0125  
Fax: (559) 261-2830

2. Applicant is a corporation organized under the laws of the State of California on September 17, 1998. The Company is authorized to transact business within South Dakota as evidenced by the Certificate of Authority attached hereto as Exhibit A. The Company has no parent company, subsidiaries or other affiliates.

3. The Applicant's representative to whom all correspondence regarding this application should be addressed is:

Monica Borne Haab, Attorney  
Nowalsky, Bronston & Gothard  
3500 N. Causeway Blvd., Suite 1442  
Metairie, Louisiana 70002  
Phone: (504) 832-1984  
Fax: (504) 831-0892  
E-Mail: mborne@nbglaw.com

4. Applicant possesses the management personnel necessary to provide the proposed services as indicated in the Management Profiles attached as Exhibit B. Applicant's officers and directors are as follows:

N. Patrick Martin  
Manager/Member  
670 E. Bullard, Suite 103  
Fresno, CA 93710  
Phone: (559) 261-0125  
Fax: (559) 261-2830

5. Applicant proposes to offer resold intrastate long distance services to the public on a statewide basis in the State of South Dakota. The services to be provided are Message Toll Service, Incoming 800/888 and Travel Card services. The Applicant resells the services of underlying carriers and does not own any facilities, including switches. Applicant will initially resell the services of WorldCom

6. The Company is currently authorized to provide service in Colorado, Florida, Georgia, Iowa, Idaho, Kentucky, Massachusetts, Michigan, Montana, North Carolina, Oregon, Pennsylvania, Rhode Island, Texas, Utah, Virginia, Washington, Wisconsin, and Wyoming. A list of states where applications for authority are pending is contained in the Initial Data Request attached as **Exhibit F**. The Company has not been denied authorization to provide service in any state, and is in good standing with the appropriate regulatory agency in all states where it is authorized to provide services.
7. The Applicant's proposed initial tariff containing the rules, regulations, terms and conditions of service is attached hereto as **Exhibit C**.
8. The Applicant has adequate and sufficient financial resources to provide the proposed public telecommunications service properly and continuously. A copy of the Company's financial statements are attached hereto as **Exhibit D**.
9. Granting of this application will further the public interest. The resale of telecommunications services expands the availability of telecommunications services to more members of the public at more competitive prices. In addition, by lowering the costs of telecommunications, small and medium sized businesses are able to maintain their communications costs at levels that are closer to those available to larger users. The more competitively equal companies are, the more the public should benefit through products and services made and/or delivered more efficiently and more responsively to consumer needs and desires.

10. The Applicant is willing and able to conform to the Constitution and laws of the State of South Dakota and the Rules and Regulations of the Commission, now in effect or hereinafter enacted.
11. A list of shareholders owning more than a twenty percent (20%) share is attached hereto as Exhibit E.
12. The Company's Federal Employer Identification Number is 86-0862532.
13. The Company has not had any complaints filed against it with any state or federal regulatory commission regarding the unauthorized switching of a customer's telecommunications provider and the act of charging customers for services that have not been ordered.
14. The Company's contact person for future regulatory matters is:

N. Patrick Martin  
Manager/Member  
670 E. Bullard, Suite 103  
Fresno, CA 93710  
Phone: (559) 261-0125  
Fax: (559) 261-2830

WHEREFORE, Comtel Network, LLC respectfully requests that the Commission Grant Applicant a Certificate of Public Convenience and Necessity, giving Applicant authority to provide public telecommunications service, effective upon approval of this Application.

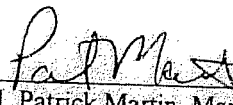
Respectfully submitted this 16<sup>th</sup> day of March, 2001.

By:



Monica Borne Haab  
Nowalsky, Bronston & Gothard  
3500 N. Causeway Blvd.  
Suite 1442  
Metairie, LA 70002  
Ph. (504) 832-1984  
E-Mail: mborne@nbglaw.com

AND



N. Patrick Martin, Manager/Member  
Comtel Network, LLC  
670 E. Bullard, Suite 103  
Fresno, CA 93710

# EXHIBIT A

CERTIFICATE OF AUTHORITY



# State of South Dakota



OFFICE OF THE SECRETARY OF STATE

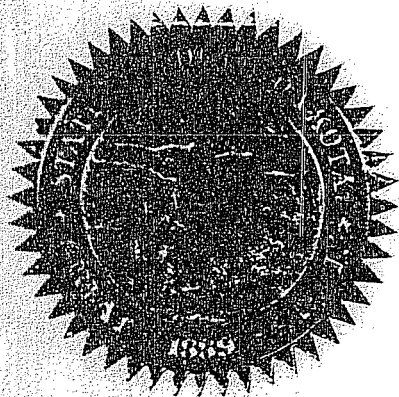
Certificate of Authority

Limited Liability Company

I, **JOYCE HAZELTINE**, Secretary of State of the State of South Dakota, hereby certify that duplicate of the Application for a Certificate of Authority of **COMTEL NETWORK, LLC (CA)** to transact business in this state duly signed and verified pursuant to the provisions of the South Dakota Limited Liability Company Act, have been received in this office and are found to conform to law.

**ACCORDINGLY** and by virtue of the authority vested in me by law, I hereby issue this Certificate of Authority and attach hereto a duplicate of the application for certificate of authority.

**IN TESTIMONY WHEREOF**, I have hereunto set my hand and affixed the Great Seal of the State of South Dakota, at Pierre, the Capital, this March 12, 2001.



Joyce Hazeltine  
Secretary of State

SECRETARY OF STATE  
STATE CAPITOL  
500 E. CAPITOL AVE.  
PIERRE, S.D. 57501  
(605)773-4445  
FAX (605)773-4558

# CERTIFICATE OF AUTHORITY APPLICATION OF A FOREIGN LIMITED LIABILITY COMPANY

RECEIVED  
SEP 25 2000  
S.D. SEC. OF STATE  
PIERRE

1. The name of the Foreign Limited Liability Company is: COMTEL NETWORK, LLC

2. The name of the state or country under whose law it is organized is: California

3. The street address of its principal office is: 670 East Bullard, Suite 103, Fresno, CA 93710

4. The address of its initial designated office in South Dakota is: 300 South Phillips Avenue, Suite 300,  
Sioux Falls, SD 57102

5. The name and street address of its initial agent for service of process in South Dakota is: National Registered Agents, Inc.  
300 South Phillips Avenue, Suite 300, Sioux Falls, SD 57102

6. The date of organization is: September 17, 1998, and the period of duration is: perpetual

7. If the company is manager-managed, rather than member-managed, the name and address of each initial manager:  
N. Patrick Martin, 670 E. Bullard, Suite 103, Fresno, CA 93710

8. Whether one or more of the members of the company are to be liable for its debts and obligations under a provision similar to SDCL 47-34A-303 (c).

The application must be signed by a member if the company is a member-managed company or by a manager if its a manager-managed company.

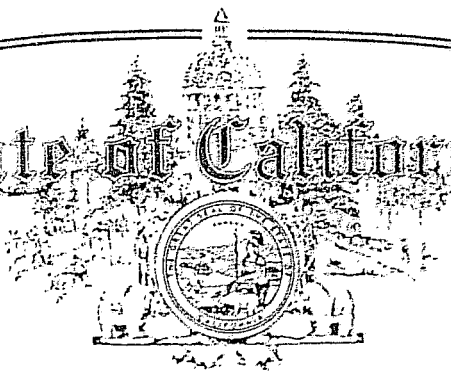
Date 9/20/00

N. Patrick Martin  
(Signature and Title)

### FILING INSTRUCTIONS:

- The application for authority must be accompanied by the first Annual Report.
- One original and one exact or conformed copy must be submitted.
- The application must be accompanied by an original, currently dated *Certificate of Good Standing or Existence* from the Secretary of State in the state where it is organized.

# State of California



SECRETARY OF STATE

RECEIVED

MAR 12 '01

S.D. SEC. OF STATE

## CERTIFICATE OF GOOD STANDING CALIFORNIA LIMITED LIABILITY COMPANY

I, **BILL JONES**, Secretary of State of the State of California, hereby certify:

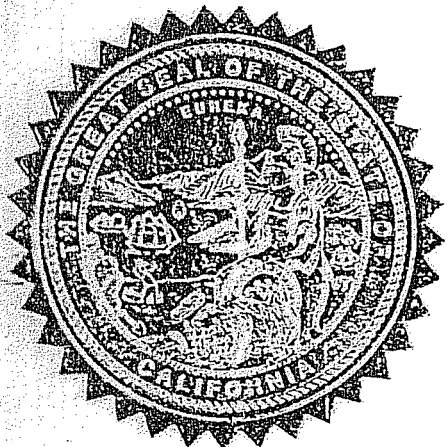
That on the 17th day of September, 1998, COMTEL NETWORK, LLC, became recognized under the laws of the State of California by filing its Articles of Organization in this office; and

That no record exists in this office of a certificate of cancellation of said limited liability company nor of a court declaring cancellation thereof; and

That according to the records of this office, the said limited liability company is authorized to exercise all its powers, rights and privileges and is in good legal standing in the State of California; and

That no information is available in this office on the financial condition of this limited liability company.

IN WITNESS WHEREOF, I execute this certificate and affix the Great Seal of the State of California this 20th day of September, 2000.



*Bill Jones*

BILL JONES  
Secretary of State

# **EXHIBIT B**

MANAGEMENT PROFILES

# PAT MARTIN

## Summary of qualifications

1990 - Present                      Call And Save Communications/"CAS" Fresno, CA  
**PRESIDENT**

- Switch-less reseller for Long Distance service
- Responsible for over 30 Agents that networks our product around the U.S.
- Extensive experience in needs analysis and research, effectively applying findings to specific projects.
- Skill in handling sensitive issues with diplomacy and objectivity.
- Clear and effective writer and speaker.
- Committed to researching community needs and funding
- Reputation for substantial cost savings to several carriers.
- Established clientele of over 5,000 customers set up through our service.
- Solid History with long terms Customers and Agents who have been with CAS since 1990.

## Education

1956 - 1960                      Arroyo Grande High School    Arroyo Grande, CA  
**DIPLOMA**

- Student Government
- Public Speaker
- Excellent Communications skills

## Professional experience

1984 - 1990                      TMC COMMUNICATIONS    Santa Barbara, CA  
**SENIOR SALES REPRESENTATIVE**

- Developed and established a successful employee training program.
- Responsible for implementing and training aggressive sales agents.
- Top Sales Representative in 1985 through 1989.
- Voted "Man of the Year".
- Responsible for networking throughout California, and setting up new offices.
- The Major accounts included Home Savings of America, which consisted of 26 stores.
- Established buying plans and negotiated prices saving the companies thousands of dollars annually. This included telephone equipment and long distance service.



**PROFESSIONAL  
EXPERIENCE**

1965-1984 Metropolitan Life, Farmers Ins. Fresno, CA  
**Insurance Field Agent**

- Became Independent and ran company for 19 years.
- Was elected to Million-Dollar Round Table 4 years in a row.
- Excellent communications skills.
- Marketed through California established clientele.

**MILITARY**

1959-1963 U.S. AIR-FORCE  
**TELECOMMUNICATIONS FIELD**

**OBJECTIVE**

To work for a company with high standards such as Com Tel. The company that has given us the opportunity to use our skills and years of experience in the Sales and Comminations field. This is an opportunity of a lifetime, and impossible to pass up a partnership that will only grow stronger through the years.

# EXHIBIT C

PROPOSED INITIAL TARIFF

Comtel Network, LLC

SD P.U.C. Tariff No. 1  
Original Sheet No. 1

TELECOMMUNICATIONS SERVICES TARIFF

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**TITLE SHEET**

**COMTEL NETWORK, LLC**

TARIFF NO. 1

This tariff contains the description, regulations, and rates applicable to the furnishing of service and facilities for telecommunications services provided by **Comtel Network, LLC** with principal offices at 670 E. Bullard, Suite 103, Fresno, California 93710. This tariff is on file with the South Dakota Public Utilities Commission, and copies may be inspected during normal business hours at the Company's principal place of business.

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**ISSUED:**

**EFFECTIVE:**

**ISSUED BY:** N. Patrick Martin, Manager  
Comtel Network, LLC  
670 E. Bullard, Suite 103  
Fresno, California 93710



## TELECOMMUNICATIONS SERVICES TARIFF

CHECK SHEET

All sheets of this tariff are effective as of the date shown at the bottom of the respective pages. Original and revised sheets as named below comprise all changes from the original tariff and are currently in effect as of the date on the bottom of this page.

<u>Sheet</u>	<u>Revision</u>	<u>Sheet</u>	<u>Revision</u>
1	Original	21	Original
2	Original	22	Original
3	Original	23	Original
4	Original	24	Original
5	Original	25	Original
6	Original	26	Original
7	Original	27	Original
8	Original		
9	Original		
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13	Original		
14	Original		
15	Original		
16	Original		
17	Original		
18	Original		
19	Original		
20	Original		

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**ISSUED:****EFFECTIVE:**

**ISSUED BY:** N. Patrick Martin, Manager  
Comtel Network, LLC  
670 E. Bullard, Suite 103  
Fresno, California 93710

TELECOMMUNICATIONS SERVICES TARIFF

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**ISSUED:**

**EFFECTIVE:**

**ISSUED BY:** N. Patrick Martin, Manager  
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TELECOMMUNICATIONS SERVICES TARIFF

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**SYMBOLS**

The following are the only symbols used for the purposes indicated below:

- D - Deleted or Discontinued Material
- I - Change Resulting in a Rate Increase
- N - New Regulation, Term, Condition or Rate
- R - Change Resulting in a Rate Reduction
- T - Change In Text or Regulation, but no Change in Rates

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**ISSUED:**

**EFFECTIVE:**

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Fresno, California 93710

## TELECOMMUNICATIONS SERVICES TARIFF

**TARIFF FORMAT**

- A. Sheet Numbering** - Sheet numbers appear in the upper-right corner of the page. Sheets are numbered sequentially. However, new sheets are occasionally added to the tariff. When a new sheet is added between sheets already in effect, a decimal is added. For example, a new sheet added between sheets 14 and 15 would be Sheet 14.1.
- B. Sheet Revision Numbers** - Revision numbers also appear in the upper-right corner of the sheet. These numbers are used to determine the most current sheet version on file with the Commission. For example, 4th Revised Sheet 14 cancels 3rd Revised Sheet 14.
- C. Paragraph Numbering Sequence** - There are various levels of alphanumeric paragraph coding. Each level of coding is subservient to its next higher level of coding.

2  
2.1  
2.1.1  
2.1.1.A  
2.1.1.A.1  
2.1.1.A.1.(a)

- D. Check Sheets** - When a tariff filing is made with the Commission, an updated check sheet accompanies the tariff filing. The check sheet lists the sheets contained in the tariff, with a cross reference to the current revision number. When new sheets are added, the check sheet is changed to reflect the revision. All revisions made in a given filing are designated by an asterisk (\*). There will be no other symbols used on this sheet if these are the only changes made to it (i.e., the format, etc., remains the same, just revised revision levels on some sheets). The tariff user should refer to the latest check sheet to find out if a particular sheet is the most current on file with the Commission.

**ISSUED:****EFFECTIVE:**

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Fresno, California 93710

TELECOMMUNICATIONS SERVICES TARIFF

**SECTION I - DEFINITIONS AND ABBREVIATIONS**

**1.1 Definitions**

**Application for Service** - A standard order form which includes all pertinent billing, technical, and other descriptive information which will enable the carrier to provide the communication service as requested.

**Authorized User** - A person, firm, corporation, or other entity authorized by the customer to receive or send communications.

**Carrier** - Comtel Network, LLC, unless stated otherwise.

**Class of Service** - Various categories of telephone service generally available to customers, such as business or residential.

**Commission** - South Dakota Public Utilities Commission.

**Company** - Comtel Network, LLC

**Completed Calls** - Completed calls are calls answered on the distance end.

**Customer or Subscriber** - The person, firm, corporation, or other entity which orders or uses service and is responsible by law for payment for communication service from the telephone utility.

**Customer Provided Equipment** - Terminal equipment provided by a customer.

**Delinquent Account** - An account for which a bill or payment agreement for regulated services or equipment has not been paid in full on or before the last day for timely payment.

**Direct Distance Dialing (DDD)** - Customer dialing over the nationwide intertoll telephone network of calls to which toll charges are applicable. No operator assistance is required for DDD calls.

**ISSUED:**

**EFFECTIVE:**

**ISSUED BY:** N. Patrick Martin, Manager  
Comtel Network, LLC  
670 E. Bullard, Suite 103  
Fresno, California 93710

TELECOMMUNICATIONS SERVICES TARIFF

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**1.1 Definitions (continued)**

**Due Date** - The last day for payment without unpaid amounts being subject to a late payment charge or additional collection efforts.

**Holidays** - Carrier's recognized holidays are New Year's Day, Memorial Day, July 4th, Labor Day, Thanksgiving Day and Christmas Day.

**Measured Line Service** - The provision of long distance measured time communications telephone service to customers who access the carrier's services at its switching and call processing equipment by means of access facilities obtained from another carrier by the customer or otherwise provided at its own expense (the customer is responsible for arranging for the access line).

**Message** - A completed telephone call by a customer or user.

**Premises** - The space occupied by an individual customer in a building, in adjoining buildings occupied entirely by that customer, or on contiguous property occupied by the customer separated only by a public thoroughfare, a railroad right of way or a natural barrier.

**Rates** - Recurring amounts billed to customers for regulated services and/or equipment.

**Terminal Equipment** - All telephone instruments, including pay telephone equipment, the customer equipment of large and small key and PBX systems and other devices and apparatus, and associated wiring, which are intended to be connected electrically, acoustically or inductively to the telecommunication system of the telephone utility.

**Underlying Carrier** - The telecommunications carrier whose network facilities provides the technical capability and capacity necessary for the transmission and reception of customer telecommunications traffic.

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**ISSUED:**

**EFFECTIVE:**

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Comnet Network, LLC  
670 E. Bullard, Suite 103  
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TELECOMMUNICATIONS SERVICES TARIFF

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Abbreviations

LATA - Local Access Transport Area

LEC - Local Exchange Carrier

MIS - Message Toll Service

PBX - Private Branch Exchange

SAL - Special Access Line

V&H - Vertical and Horizontal

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ISSUED:

EFFECTIVE:

ISSUED BY: N. Patrick Martin, Manager  
Comnet Network, LLC  
670 E. Bullard, Suite 103  
Fresno, California 93710

## TELECOMMUNICATIONS SERVICES TARIFF

SECTION 2 - RULES AND REGULATIONS2.1 Undertaking of Company

The Company undertakes to provide only those services as are furnished under the terms and subject to the conditions and customer payment of the applicable rates of this tariff for communications originating and terminating within the State. The Company's services are provided on a statewide basis and are not intended to be limited geographically.

Communications originate when the customer accesses network directly or through the facilities of the local service carrier via one or more access lines, equal access or on a dial-up basis. The company may act as the customer's agent for ordering access connection facilities provided by other carriers or entities when authorized by the customer, to allow connection of a customer's location to the Carrier network. The customer shall be responsible for all charges stated in this tariff.

The Company's services are provided on a monthly basis unless otherwise stated in this tariff, and are available twenty-four (24) hours per day, seven (7) days per week.

2.2 Limitations on Service

2.2.1 Service is offered subject to the provisions of this tariff.

2.2.2 Carrier reserves the right to provide services only to and from locations where the necessary facilities or equipment are available.

2.2.4 Title to any equipment provided by Carrier under these regulations remains with Carrier. Prior written permission from the company is required before any assignment or transfer. In the event an assignment or transfer is allowed, all regulations and conditions contained in this tariff shall apply to the assignee or transferee.

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**ISSUED:****EFFECTIVE:**

**ISSUED BY:** N. Patrick Martin, Manager  
Comtel Network, LLC  
670 E. Bullard, Suite 103  
Fresno, California 93710



TELECOMMUNICATIONS SERVICES TARIFF

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**2.3 Use of Service**

Service may not be used for any unlawful purposes.

The minimum period for service is one month (30 days) unless otherwise noted in the service description.

**2.4 Liability of Carrier**

The provisions of this section are not intended to restrict or limit a customer's rights under SDCL 49-13-1 and 49-13-1.1. If any provisions of this section conflict with SDCL 49-13-1 or 49-13-1.1, then the applicable South Dakota law shall prevail.

2.4.1 Reserved for Future Use.

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**ISSUED:**

**EFFECTIVE:**

**ISSUED BY:** N. Patrick Martin, Manager  
Comtel Network, LLC  
670 E. Bullard, Suite 103  
Fresno, California 93710

TELECOMMUNICATIONS SERVICES TARIFF

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**24 Liability of Carrier**

**242** Carrier, at its own expense, will indemnify the customer and hold it harmless in respect to any and all loss, damage, liability or expense asserted against the customer by a third party on account of any property damage or personal injury caused by any negligence or willful misconduct of Carrier or its agents or representatives arising out of performance by Carrier of any testing or other activities on the customer's premises pursuant to this tariff. Carrier's obligations under the immediately preceding sentence shall be subject to the customer's full performance of this tariff and subject further to the customer's duty to take reasonable precautions in the location, construction, maintenance and operation of all activities, facilities and equipment for the protection against hazard or injury and so as to not interfere with the services provided by Carrier.

**243** Carrier shall be indemnified and held harmless by the customer against:

- A Claims for libel, slander, infringement of copyright or unauthorized use of any trademark, trade name, or service mark arising out of the material, data information, or other content transmitted over the carrier's facilities; and

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ISSUED:

EFFECTIVE:

ISSUED BY: N. Patrick Martin, Manager  
Comtel Network, LLC  
670 E. Bullard, Suite 103  
Fresno, California 93710

TELECOMMUNICATIONS SERVICES TARIFF

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2.4 Liability of Carrier

2.4.1 (continued)

- B. Claims for patent infringement of copyright or unauthorized use of any trademark, trade name, or service mark arising out of the material, data information, or other content transmitted over the carriers facilities; and
- C. All other claims arising out of any act or omission by the customer in connection with any service provided by Carrier.

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ISSUED:

EFFECTIVE:

ISSUED BY: N. Patrick Martin, Manager  
Comtel Network, LLC  
670 E. Bullard, Suite 103  
Fresno, California 93710

TELECOMMUNICATIONS SERVICES TARIFF

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**2.5** Interruption of Service

**2.5.1** Carrier shall make all reasonable efforts to prevent interruptions of service. When interruptions are reported or found by Carrier to occur, Carrier shall reestablish service as quickly as possible.

**2.5.2** When a customer's service access line is reported to be out of order and remains out of order in excess of two (2) consecutive hours, the company shall, upon request, make appropriate adjustments to the subscriber's account. This rule does not apply if the outage occurs as a result of:

- (1) A negligent or willful act on the part of the subscriber;
- (2) A malfunction of subscriber-owned telephone equipment;
- (3) Disasters or acts of God; or
- (4) The inability of the company to gain access to the subscriber's premises after Carrier has requested that customer provide access to the premises.
- (5) Carrier's provision of routine maintenance, testing or adjustments.

**2.5.3** The customer shall be credited for an interruption of two (2) hours or more at the rate of 1/720th of the monthly charge for the service affected for each hour or major fraction thereof that the interruption continues. Credit for an interruption shall commence with the hour of the report or discovery of the interruption and will cease upon restoration of service. Any adjustments not in dispute shall be rendered within two billing periods after the billing period during which the interruption occurred.

**2.5.4** Customers shall notify Carrier of interruptions in service. Before giving notice of interruption, the customer should ascertain whether the trouble is being caused by any action or omission by or within his control or in any wiring or equipment connected to the Carrier's terminal.

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**ISSUED:**

**EFFECTIVE:**

**ISSUED BY:** N. Patrick Martin, Manager  
Comtel Network, LLC  
670 E. Bullard, Suite 103  
Fresno, California 93710

TELECOMMUNICATIONS SERVICES TARIFF

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2.6 Responsibility of the Customer

2.6.1 All customers assume general responsibilities in connection with the provisions and use of services stated in this tariff. All customers are responsible for the following:

- A. The customer is responsible for placing orders for service, paying all charges for service rendered by Carrier and complying with all regulations governing the service. The customer is also responsible for assuring that its users comply with regulations.
- B. When placing an order for service, the customer must provide:
  - 1. The name(s) and address(es) of the person(s) responsible for the payment of service charges.
  - 2. The name(s), telephone number(s), and address(es) of the customer contact person(s).

2.6.2 Maintenance, Testing, and Adjustment

If a customer's service must be interrupted due to maintenance, Carrier shall notify the affected customer, in advance, if possible and will perform the work in such a manner as to minimize inconvenience.

Equipment provided by Carrier shall be made available to Carrier for such tests and adjustments as may be necessary to maintain them in satisfactory condition.

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ISSUED:

EFFECTIVE:

ISSUED BY: N. Patrick Martin, Manager  
Comtel Network, LLC  
670 E. Bullard, Suite 103  
Fresno, California 93710

TELECOMMUNICATIONS SERVICES TARIFF

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**263 Deposits and Advance Payments**

The Company will not require a deposit or advance payment for service.

**264 Cancellation by Customer**

If a customer orders services requiring special equipment and/or facilities dedicated to the customer's use and then cancels his order before the service begins, before a completion of the minimum period mutually agreed upon by the customer and Carrier, a charge will be made to the customer for the non-recoverable portions of expenditures or liabilities incurred expressly on behalf of the customer by Carrier and not fully reimbursed by installation and monthly charges. If, based on such an order, any construction has either begun or been completed, but not such services provided, the non-recoverable cost of such construction shall be borne by the customer.

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**ISSUED:**

**EFFECTIVE:**

**ISSUED BY:** N. Patrick Martin, Manager  
Comtel Network, LLC  
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Fresno, California 93710

TELECOMMUNICATIONS SERVICES TARIFF

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2.6.5 Payment of Charges

- A. Service is provided and billed on a monthly (30 day) basis. Charges based on actual usage during a month will be billed monthly in arrears.
- B. Bills are payable upon receipt of invoice. Customers will be charged a late payment penalty in the amount of one and one-half percent (1.5%) per month on delinquent amounts and will be responsible for any charges associated with disconnection and reconnection of service. A bill will be considered delinquent after thirty (30) days from rendition of the invoice.
- C. In the event of a dispute concerning a bill, Customer must pay a sum equal to the amount of the undisputed portion of the bill and proceed with complaint procedures set forth in this tariff. If notice of a dispute as to charges is not received in writing within 180 days after a bill has been rendered, the billing will be considered correct and binding.
- D. Customer is responsible for payment of all state and local taxes (i.e. gross receipts tax, sales tax, municipal utilities tax) which shall be listed as separate line items and which are not included in Carrier's quoted rates.
- E. Customers will be charged a fee on all checks issued to Carrier which are returned due to non-sufficient funds.

2.6.6 Application of Charges

The charges for service are those in effect for the period that service is furnished.

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**ISSUED:**

**EFFECTIVE:**

**ISSUED BY:** N. Patrick Martin, Manager  
Comtel Network, LLC  
670 E. Bullard, Suite 103  
Fresno, California 93710

TELECOMMUNICATIONS SERVICES TARIFF

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2.6.7 Customer Complaint Procedure

Carrier will resolve any disputes brought to its attention as promptly and effectively as possible.

Customer inquiries, complaints or notices may be made in writing to the Company at the address stated in this tariff or via the Customer Services toll free number: 1-800-370-1213.

Any unresolved disputes may be directed to the attention of the South Dakota Public Utilities Commission at:

500 East Capitol Avenue  
Pierre, South Dakota 57501-5070  
(605) 773-3201 or  
1-800-332-1782  
1-800-877-113 (TTY through Relay South Dakota)

In the event of a dispute concerning an invoice, the customer must pay a sum equal to the amount of the undisputed portion of the bill. Service shall not be disconnected for nonpayment of the disputed portion of the bill for 30 days after rendition of the disputed bill.

2.7.1 Credit Upon Cancellation

Where Carrier cancels a service and the final service period is less than the monthly billing period, a credit will be issued for any amounts paid in advance, prorated at 1/30th of the monthly recurring charge for each day the service was not rendered. This credit will be issued to the customer or applied against the balance remaining on the customer's account.

---

ISSUED:

EFFECTIVE:

ISSUED BY: N. Patrick Martin, Manager  
Comtel Network, LLC  
670 E. Bullard, Suite 103  
Fresno, California 93710



TELECOMMUNICATIONS SERVICES TARIFF

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**2.7.2** Disconnection of Service by Carrier

- A. Five (5) days prior notice of pending disconnection shall be rendered to customers setting forth the reason(s) for the notice and the final date by which the account is to be settled or specific action taken. Such notice shall be forwarded to the customer via U.S. mail and will be considered rendered when delivered to the last known address of the responsible party.
- B. Transmission service will be refused or disconnected, after notice as set forth below, for any of the following reasons:
1. Without notice in the event of a condition on the customer's premises determined by the Carrier to be hazardous.
  2. Without notice in the event of customer's use in a manner which may adversely affect the Carrier's equipment or service to others.
  3. Without notice in the event of tampering with equipment furnished and owned by the Carrier.
  4. Without notice in the event of unauthorized use.
  5. After five (5) days written notice, for violation of or noncompliance with the Carrier's rules on file with the Commission, the requirements of municipal ordinances or law pertaining to the services.
  6. After five (5) days written notice for failure of the customer to permit Carrier reasonable access to its equipment.
  7. Upon five (5) days prior written notice for nonpayment of any regulated sum due to Carrier.

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**ISSUED:****EFFECTIVE:**

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Comtel Network, LLC  
670 E. Bullard, Suite 103  
Fresno, California 93710

TELECOMMUNICATIONS SERVICES TARIFF

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2.7.2 Disconnection of Service by Carrier (contd.)

8. After five (5) days written notice, for failure of the customer or prospective customer to furnish any service equipment, permits, certificates or rights of way specified by Carrier to be furnished as a condition for obtaining service, or for the withdrawal of that same equipment or the termination of those permissions or rights, or for the failure of the customer or prospective customer to fulfill the contractual obligations imposed upon the customer as conditions of obtaining service.

2.7.3 Fractional Credits for Monthly Billed Services

Credits for a fractional part of a month are calculated by counting the number of days remaining in the billing period after service was discontinued. The number of days remaining in the billing period is divided by thirty and the resultant fraction is then multiplied by the monthly charge to arrive at the credit amount.

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**ISSUED:**

**EFFECTIVE:**

**ISSUED BY:** N. Patrick Martin, Manager  
Comtel Network, LLC  
670 E. Bullard, Suite 103  
Fresno, California 93710

## TELECOMMUNICATIONS SERVICES TARIFF

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**SECTION 3 - DESCRIPTION OF SERVICE AND RATES****3.1 Timing of Calls**

The customer's monthly usage charges for Carrier service are based upon the total number of minutes the customer uses and service options subscribed to. Chargeable time begins when the connection is established between the calling station and the called station or PBX. Chargeable time ends when either party "hangs up."

**3.2 Service Period**

For billing purposes, the start of service is the first day on which service is available for use by the customer. The end of service date is the last day or any portion of the last day for which service was provided by Carrier.

**3.3 Interconnection**

Service furnished by Carrier may be interconnected with services or facilities of other authorized communications common carriers and with private systems, subject to the technical limitations established by Carrier. Service furnished by Carrier is not part of a joint undertaking with such other carriers. Any special interface equipment shall be provided at the customer's expense.

Interconnection with the facilities or services of other carriers shall be under the applicable terms and conditions of this tariff. The customer is responsible for taking all necessary legal steps for interconnecting his customer-provided terminal equipment or communications systems with Carrier's. The customer shall secure all licenses, permits, right-of-ways, and other arrangements necessary for such interconnection.

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**ISSUED:****EFFECTIVE:**

**ISSUED BY:** N. Patrick Martin, Manager  
Comtel Network, LLC  
670 E. Bullard, Suite 103  
Fresno, California 93710

## TELECOMMUNICATIONS SERVICES TARIFF

3.4 Terminal Equipment

3.4.1 Carrier's service may be used with or terminated in customer provided terminal equipment or customer provided communication systems, such as teleprinters, handsets, or data sets. Such terminal equipment shall be furnished and maintained at the expense of the customer. The customer is responsible for all costs at his premises, including customer personnel, wiring, electrical power, and the like incurred in his use of Carrier's service.

3.4.2 When terminal equipment is used, the equipment shall not interfere with service furnished to other customers. Additional protective equipment, if needed, shall be employed at the customer's expense.

3.5 Calculation of Distance

Usage charges for any mileage sensitive products are based on the airline distance between rate centers associated with the originating and terminating points of the call.

The airline mileage between rate centers is determined by applying the formula below to the vertical and horizontal coordinates associated with the rate centers involved. The company uses the rate centers and associated vertical and horizontal coordinates generally used within the industry.

Formula: 
$$\frac{\sqrt{(V1 - V2)^2 + (H1 - H2)^2}}{10}$$

3.6 Minimum Call Completion Rate

The customer can expect a call completion rate of 99% of calls attempted during peak use periods for Feature Group D (1+) services.

3.7 Promotional Offerings

The Company may, from time to time, make promotional offerings to enhance marketing of services. These promotional offerings will be subject to Commission approval prior to implementation.

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**ISSUED:****EFFECTIVE:**

**ISSUED BY:** N. Patrick Martin, Manager  
Comtel Network, LLC  
670 E. Bullard, Suite 103  
Fresno, California 93710

TELECOMMUNICATIONS SERVICES TARIFF

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3.8 Services Offerings

The company will provide the following services:

3.8.1 Message Toll Service (MTS)

"1+" Dialing is achieved by customer's telephone lines being programmed by the local telephone company (LEC) to automatically route 1+ calls to the Company's network.

3.8.2 Inbound Service (800/888)

Inbound Service is virtual banded inbound toll service which permits calls to be completed at the subscriber's location without charge to the calling party. Access to the service is gained by dialing a ten digit telephone number which terminates at the customer's location. Inbound services originate via normal shared use facilities and are terminated via the customers' local exchange service access line.

Carrier will accept a prospective inbound service customer's request for up to ten (10) telephone numbers and will reserve such number(s) on a first come first serve basis. All requests for number reservations must be made in writing, dated and signed by a responsible representative of the customer. Carrier does not guarantee the availability of number(s) until assigned. The telephone number(s) so requested, if found to be available, will be reserved for and furnished to the eligible customer.

If a customer who has received an 800/888 number does not subscribe to the Company's inbound service within 90 days, the Company reserves the right to make the assigned number available for use by another customer.

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**ISSUED:**

**EFFECTIVE:**

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Comtel Network, LLC  
670 E. Bullard, Suite 103  
Fresno, California 93710

TELECOMMUNICATIONS SERVICES TARIFF

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3.8.3 Travel Card Service

Allows subscribers to place calls by gaining access to the network via a toll free number and personal identification number (PIN) issued by the Company.

3.8.4 Directory Assistance

Directory Assistance will be provided by the Carrier at the per call charge as set forth in Section 4 of this tariff.

3.8.5 Operator Services

The Company does not provide operator services. Operator assisted calls are defaulted to and billed directly by the underlying carrier.

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**ISSUED:**

**EFFECTIVE:**

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Comtel Network, LLC  
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Fresno, California 93710

TELECOMMUNICATIONS SERVICES TARIFF

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**SECTION 4 - RATES AND CHARGES**

4.1. Usage Charges and Billing Increments

4.1.1 Usage Charges

Usage charges are generally flat rated. However, if any usage charges are determined by the time of day rate periods and minutes of use within each rate period, the rate period is determined by the time and day of call origination at the customer's location.

4.1.2 Billing Increments

Usage is billed in accordance with the billing increments set forth in the individual product rate sections of this tariff. All partial usage will be rounded up to the next highest applicable billing increment.

4.1.3 Rounding

All calls are rounded to the next highest billing interval. Any partial cents per call will be rounded up to the next highest whole cent.

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**ISSUED:**

**EFFECTIVE:**

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Comtel Network, LLC  
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Fresno, California 93710

## TELECOMMUNICATIONS SERVICES TARIFF

4.2 Current Outbound and Inbound Service Rates

Rate Plan	1+ Outbound & U.S. Domestic Inbound		Inbound 800 Per Minute Rates From			
	Rate per minute	Alaska	Canada	Hawaii	Puerto Rico	US Virgin Isls.
701:	\$0.0647	\$0.1575	\$0.2600	\$0.0950	\$0.1080	\$0.1375
702:	\$0.0691	\$0.1675	\$0.2800	\$0.1000	\$0.1170	\$0.1475
703:	\$0.0741	\$0.1800	\$0.3000	\$0.1095	\$0.1250	\$0.1575
704:	\$0.0798	\$0.1950	\$0.3200	\$0.1175	\$0.1350	\$0.1675
705:	\$0.0866	\$0.2100	\$0.3500	\$0.1225	\$0.1450	\$0.1850
706:	N/A	\$0.1675	\$0.2800	\$0.1000	\$0.1170	\$0.1475
712:	\$0.0647	\$0.1575	\$0.2600	\$0.0950	\$0.1080	\$0.1375
713:	\$0.0647	\$0.1575	\$0.2600	\$0.0950	\$0.1080	\$0.1375
714:	\$0.0647	\$0.1575	\$0.2600	\$0.0950	\$0.1080	\$0.1375
715:	\$0.0647	\$0.1575	\$0.2600	\$0.0950	\$0.1080	\$0.1375
721:	\$0.0691	\$0.1675	\$0.2800	\$0.1000	\$0.1170	\$0.1475
723:	\$0.0691	\$0.1675	\$0.2800	\$0.1000	\$0.1170	\$0.1475
724:	\$0.0691	\$0.1675	\$0.2800	\$0.1000	\$0.1170	\$0.1475
725:	\$0.0691	\$0.1675	\$0.2800	\$0.1000	\$0.1170	\$0.1475
731:	\$0.0741	\$0.1800	\$0.3000	\$0.1095	\$0.1250	\$0.1575
732:	\$0.0741	\$0.1800	\$0.3000	\$0.1095	\$0.1250	\$0.1575
734:	\$0.0741	\$0.1800	\$0.3000	\$0.1095	\$0.1250	\$0.1575
735:	\$0.0741	\$0.1800	\$0.3000	\$0.1095	\$0.1250	\$0.1575
741:	\$0.0798	\$0.1950	\$0.3200	\$0.1175	\$0.1350	\$0.1675
742:	\$0.0798	\$0.1950	\$0.3200	\$0.1175	\$0.1350	\$0.1675
743:	\$0.0798	\$0.1950	\$0.3200	\$0.1175	\$0.1350	\$0.1675
745:	\$0.0798	\$0.1950	\$0.3200	\$0.1175	\$0.1350	\$0.1675
751:	\$0.0866	\$0.2100	\$0.3500	\$0.1225	\$0.1450	\$0.1850
752:	\$0.0866	\$0.2100	\$0.3500	\$0.1225	\$0.1450	\$0.1850
753:	\$0.0866	\$0.2100	\$0.3500	\$0.1225	\$0.1450	\$0.1850
754:	\$0.0866	\$0.2100	\$0.3500	\$0.1225	\$0.1450	\$0.1850
771:	\$0.0647	\$0.1575	\$0.2600	\$0.0950	\$0.1080	\$0.1375
772:	\$0.0691	\$0.1675	\$0.2800	\$0.1000	\$0.1170	\$0.1475
773:	\$0.0741	\$0.1800	\$0.3000	\$0.1095	\$0.1250	\$0.1575
774:	\$0.0798	\$0.1950	\$0.3200	\$0.1175	\$0.1350	\$0.1675
775:	\$0.0866	\$0.2100	\$0.3500	\$0.1225	\$0.1450	\$0.1850
794:	\$0.0798	\$0.1950	\$0.3200	\$0.1175	\$0.1350	\$0.1675

All of the above Rate Plans are billed in six (6) second increments with an eighteen (18) second minimum.

ISSUED:

EFFECTIVE:

ISSUED BY: N. Patrick Martin, Manager  
Comtel Network, LLC  
670 E. Bullard, Suite 103  
Fresno, California 93710



TELECOMMUNICATIONS SERVICES TARIFF

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4.3 Calling Card Rates

Rate per minute: \$0.17  
Billed in six (6) second increments with a one (1) minute minimum.  
Per call surcharge: None.

4.4 Directory Assistance

Directory assistance will be provided at a charge of \$0.85 per call.

4.5 Late Payment Penalty

Customers will be charged 1.5% of any amounts owed to the Company beyond the due date as set forth within this tariff.

4.6 Dishonored Check Charge

All customers issuing dishonored check(s) will be charged a fee of \$20.00 per check.

4.7 Promotional Offerings

The Company may, from time to time, make promotional offerings to enhance marketing of services. These promotional offerings will be subject to Commission approval prior to implementation.

---

ISSUED:

EFFECTIVE:

ISSUED BY: N. Patrick Martin, Manager  
Comtel Network, LLC  
670 E. Bullard, Suite 103  
Fresno, California 93710

## TELECOMMUNICATIONS SERVICES TARIFF

4.8 Presubscribed Interexchange Carrier Charge (PICC)

A monthly Federal PICC shall be charged to each telephone number that is presubscribed to carrier per the following:

Primary residential line	\$1.04/line
Additional or secondary residential line	\$2.53/line
Single line business line	\$1.04/line
Multi-line business line	\$4.31/line

4.9 Universal Service Fund Charge

A monthly Federal Universal Service Fund tax shall be added to each bill based upon the total billed revenues.

4.10 Pay Telephone (Payphone) Surcharge

A surcharge shall be assessed for each call made from a pay telephone to an 800 number or using a travel card and dialing the carrier prefix in the form 101XXXX. Although collected on the customer's bill, this charge is reimbursed to pay telephone service provider.

---

**ISSUED:****EFFECTIVE:**

**ISSUED BY:** N. Patrick Martin, Manager  
Comtel Network, LLC  
670 E. Bullard, Suite 103  
Fresno, California 93710

# **EXHIBIT D**

FINANCIAL STATEMENTS

COMTEL NETWORK, LLC

FINANCIAL STATEMENTS

December 31, 2000

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**R. DOUGLAS VOGL**  
CERTIFIED PUBLIC ACCOUNTANT

MEMBER  
CALIFORNIA SOCIETY OF CERTIFIED PUBLIC ACCOUNTANTS

5271 NORTH FIRST STREET FRESNO, CALIFORNIA 93710-7007 PHONE (559) 261-9713

To the Board of Members  
**Comtel Network, LLC**  
Fresno, California


I have compiled the accompanying balance sheet of **COMTEL NETWORK, LLC** as of December 31, 2000 and the related statement of operations and member's equity for the year then ended, in accordance with Statements on Standards for Accounting and Review Services issued by the American Institute of Certified Public Accountants.

A compilation is limited to presenting in the form of financial statements information that is the representation of the members. I have not audited or reviewed the accompanying financial statements and, accordingly, do not express an opinion or any other form of assurance on them.

The members have elected to omit substantially all of the disclosures required by generally accepted accounting principles, including a statement of cash flows. Generally accepted accounting principles require that a statement of cash flows be presented when the financial statements purport to present financial position and results of operations. If the omitted disclosures were included in the financial statements, they might influence the user's conclusions about the Company's financial position, results of operations, and cash flows. Accordingly, these financial statements are not designed for those who are not informed about such matters.

The accompanying financial statements do not include a provision or liability for federal income taxes because the members are taxed individually on their share of company earnings.

I am not independent with regard to Comtel Network, LLC

  
R. DOUGLAS VOGL  
CERTIFIED PUBLIC ACCOUNTANT

February 18, 2001

**Comtel Network, LLC**  
**Balance Sheet**  
As of December 31, 2000

	Dec 31, '00
<b>ASSETS</b>	
<b>Current Assets</b>	
Checking/Savings	
100 · Cash	
107 · CalFed (NEW)	26,831
109 · CalFedPasadena	1,132
Total 100 · Cash	27,963
Total Checking/Savings	27,963
Accounts Receivable	
120 · Accounts receivable	916,750
Total Accounts Receivable	916,750
Total Current Assets	944,713
<b>Fixed Assets</b>	
160 · Property & equipment	
163 · Computers, Fax & copiers	9,943
178 · Accum. depreciation	(2,791)
Total 160 · Property & equipment	7,152
Total Fixed Assets	7,152
<b>TOTAL ASSETS</b>	<b>951,864</b>
<b>LIABILITIES &amp; EQUITY</b>	
<b>Liabilities</b>	
<b>Current Liabilities</b>	
Accounts Payable	
201 · Accounts payable	404,520
Total Accounts Payable	404,520
<b>Credit Cards</b>	
203 · Credit cards payable	
2032 · Citibank AAdvantage World	1,513
2033 · ADVANTA Business Cards	1,118
Total 203 · Credit cards payable	2,631
Total Credit Cards	2,631
<b>Other Current Liabilities</b>	
205 · Withholdings payable	
206 · Payroll tax withholdings	940
Total 205 · Withholdings payable	940
260 · Other accrued payables	364,000
272 · Franchise tax payable	12,100
280 · Loans payable, Call and Save	123,070
282 · Notes payable NetVoice Comm.	37,191
285 · Note Payable Alliance Group Svc	247,200
Total Other Current Liabilities	784,501
Total Current Liabilities	1,191,651
<b>Long Term Liabilities</b>	
389 · Less current portion of LT debt	0
Total Long Term Liabilities	0
Total Liabilities	1,191,651
<b>Equity</b>	
401 · Capital	100
406 · Members' distributions	(5,933)
440 · Retained earnings	(299,077)
Net income	65,123

Unaudited - See accountant's accompanying report

Comtel Network, LLC  
Balance Sheet  
As of December 31, 2000

	Dec 31, '00
Total Equity	<u>(239,767)</u>
TOTAL LIABILITIES & EQUITY	<u>951,854</u>

Unaudited - See accountant's accompanying report

**Comtel Network, LLC**  
**Statement of Operations**  
 January through December 2000

Ordinary Income/Expense	Jan - Dec '00	% of Income
<b>Income</b>		
500 - Revenues earned		
505 - Telephone Svc. Revenue	3,097,483.69	103.9%
560 - Rerate refunds	0.00	0.0%
580 - Credits, adjustments	0.00	0.0%
581 - Refunds, re-rates, credits	(114,875.32)	(3.5)%
<b>Total 500 - Revenues earned</b>	<b>2,982,608.37</b>	<b>100.0%</b>
<b>Total Income</b>	<b>2,982,608.37</b>	<b>100.0%</b>
<b>Cost of Goods Sold</b>		
600 - Cost of sales		
639 - Carrier costs		
640 - UC Hub carrier costs	600,130.29	20.1%
646 - WorldLink/CommonWealth Telecom	517,604.60	17.4%
646 - Alliance Group Svcs., Inc.	490,402.75	16.4%
647 - FiberTel, Inc.	16,576.18	0.5%
648 - T-CAST Communications, Inc.	8,264.16	0.3%
651 - TeleHub Network Systems, Inc.	25,524.35	0.9%
<b>Total 639 - Carrier costs</b>	<b>1,658,592.33</b>	<b>55.6%</b>
<b>Total 600 - Cost of sales</b>	<b>1,658,592.33</b>	<b>55.6%</b>
601 - Commission expense		
602 - Commission expense	101,213.82	3.4%
603 - Commission expense -CAS	101,068.03	3.4%
<b>Total 601 - Commission expense</b>	<b>202,281.85</b>	<b>6.8%</b>
<b>Total COGS</b>	<b>1,860,874.18</b>	<b>62.4%</b>
<b>Gross Profit</b>	<b>1,121,734.19</b>	<b>37.6%</b>
<b>Expense</b>		
700 - General & administ. expense		
712 - Advertising & promotion	2,076.50	0.1%
715 - Accounting, bookkeeping	27,729.56	0.9%
720 - Assoc. fees, memberships	133.70	0.0%
722 - Bad Debt Expense	209,629.43	7.0%
724 - Bank charges, svc. fees	12,193.90	0.4%
726 - Billing Svcs	173,292.17	5.8%
726 - Billing supplies	142.87	0.0%
734 - Collections expense	1,676.63	0.1%
736 - Computer software exp.	2,280.14	0.1%
739 - Contract labor	19,538.02	0.7%
780 - Interest expense	14,753.95	0.5%
790 - Professional fees		
791 - Consultants fees	80,840.73	2.7%
792 - Legal exp.	25,920.70	0.9%
<b>Total 790 - Professional fees</b>	<b>106,761.43</b>	<b>3.6%</b>
794 - Licenses, fees & tariffs	10,106.33	0.3%
804 - Miscellaneous exp.	(3,169.13)	(0.1)%
806 - Office expense	5,801.20	0.2%
820 - Postage, shipping, airfreight	34,917.18	1.2%
831 - Repairs & maintenance	717.92	0.0%
834 - Meals & entertainment (100%)	3,437.53	0.1%
835 - Rent expense		
837 - Equipment leases, rentals	1,337.92	0.0%
838 - Office rent	14,145.00	0.5%
<b>Total 835 - Rent expense</b>	<b>15,482.92</b>	<b>0.5%</b>
839 - Salaries-Guaranteed PymntMember	10,444.01	0.4%
840 - Salaries & wages	116,674.03	3.9%
843 - Supplies		
844 - Misc.supplies	2,068.26	0.1%



**Comtel Network, LLC**  
**Statement of Operations**  
 January through December 2000

	Jan - Dec '00	% of Income
Total 843 - Supplies	2,068.26	0.3%
851 - Taxes, except income tax		
852 - Communication taxes	273,000.00	9.2%
857 - Payroll taxes	22,819.49	0.8%
Total 851 - Taxes, except income tax	295,819.49	9.9%
850 - Telephone, paging, cellular	5,030.00	0.2%
861 - Travel & lodging exp.		
862 - Travel exp., except lodging	17,275.77	0.6%
863 - Lodging expense	2,446.05	0.1%
861 - Travel & lodging exp. - Other	4,004.50	0.1%
Total 861 - Travel & lodging exp.	23,726.32	0.8%
880 - Utilities exp.		
881 - Gas & electricity	939.11	0.0%
Total 880 - Utilities exp.	939.11	0.0%
895 - Depreciation exp.	1,145.00	0.0%
Total 700 - General & administ. expense	1,093,338.47	36.7%
Total Expense	1,093,338.47	36.7%
Net Ordinary Income	28,355.72	1.0%
Other Income/Expense		
Other Income		
903 - Other income	40,513.28	1.4%
904 - U.S. Treasury interest income	14.09	0.0%
Total Other Income	40,527.37	1.4%
Other Expense		
910 - California Franchise Tax	3,800.00	0.1%
Total Other Expense	3,800.00	0.1%
Net Other Income	36,727.37	1.2%
Net Income	65,123.09	2.2%

**COMTEL NETWORK, LLC**  
**NOTES TO FINANCIAL STATEMENTS**  
**December 31, 2000**

**NOTE #1- CORPORATE HISTORY**

Organization **COMTEL NETWORK, LLC** was incorporated under the laws of the State of California as of July 1, 1998 and has elected to be treated as a partnership for income tax purposes. The Company was formed for the purpose of acquiring contractual agreements with agents for the reselling of all modes of telecommunication services, with emphasis upon domestic long-distance telephone services to commercial enterprises and residences, but inclusive of prepaid telephone cards, voicemail, and other services. The Company's primary business, therefore, is coordinating enrollment of customers switching from other long-distance carriers, collection of monies for use of long-distance services, payment of telephone bills, and remittance of contractual fees and commissions to the independent contracting sales agents, who are generally selected based upon their success in achieving high sales levels, and who bring substantial clientele and traffic volume to be marketed through Comtel Network, LLC.

**COMTEL NETWORK, LLC**  
**NOTES TO FINANCIAL STATEMENTS**  
**December 31, 2000**

**NOTE #2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

Basis of Accounting

The Company reports for financial purposes using the accrual method of accounting, thus revenues and directly related expenses are recognized in the period when the services are provided to the customer.

Use of Estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and the disclosure of contingent assets and liabilities at the date of the financial statements and the reported amount of income and expenses during the reporting period. Actual results could differ from those estimates.

Depreciation

Property and equipment are stated at cost. Expenditures for maintenance and repairs are charged against operations. Renewals and betterments that materially extend the life of the assets are capitalized. Depreciation will be computed for financial statement purposes on a straight-line basis over the estimated useful lives of the related assets.

Income Taxes

The Company is treated as a partnership for federal income tax purposes. Consequently, federal income taxes are not payable by, nor provided for, the Company. Members are taxed individually on their shares of the Company's earnings. The Company's net income or loss is allocated among the members in accordance with the regulations of the Company. California levies a minimum tax on Limited Liability Companies, as well as a franchise tax fee based upon gross revenues and cost of goods sold, rather than levying a tax based upon earnings.

COMTEL NETWORK, LLC  
NOTES TO FINANCIAL STATEMENTS  
December 31, 2000

NOTE #3 - CONCENTRATIONS OF CREDIT RISKS

Financial instruments that subject the Company to potential concentrations of credit risk consist principally of temporary cash investments. The Company places its temporary cash investments with financial institutions and limits the amount of credit exposure to any one financial institution

NOTE #4- RELATED PARTY TRANSACTIONS

A member of the Company is the controlling shareholder of an affiliated corporation. Call and Save Communications, Inc. has contracted with Comtel Network, LLC as a general agent, both referring traffic to Comtel Network, LLC, and earning commissions payable from Comtel Network, LLC. Additionally, from inception, the related corporation has provided contract labor services, general offices and administrative services.

## **EXHIBIT E**

### LIST OF 20% OR GREATER SHAREHOLDERS

The sole owner of Comtel is currently N. Patrick Martin.

# EXHIBIT F

INITIAL DATA REQUESTS

State of South Dakota  
Public Utilities Commission

INITIAL STAFF DATA REQUEST

REGARDING APPLICATION OF  
Comtel Network, LLC

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- Q. 1. Has the company received a certificate of authority to do business in South Dakota from the Secretary of State? If so, please provide a copy. If not, has the company made application to the Secretary of State for authority?
- A. 1. The Company's certificate of authority to do business in South Dakota is attached to its application as **Exhibit A**.

**State of South Dakota  
Public Utilities Commission**

INITIAL STAFF DATA REQUEST

REGARDING APPLICATION OF  
**Comtel Network, LLC**

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- Q 2. Has the company retained a registered agent for service of process in the State of South Dakota? If so, provide the name, address, and telephone number of the registered agent. If not, is the company in the process of retaining a registered agent?
- A 2. The Company has retained as its registered agent within the State of South Dakota, National Registered Agents, Inc., 300 South Phillips Avenue, Suite 300, Sioux Falls, SD 57102.



**State of South Dakota  
Public Utilities Commission**

INITIAL STAFF DATA REQUEST

REGARDING APPLICATION OF  
**Comtel Network, LLC**

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Q 3 List the states in which the company is presently doing intrastate business. Also provide the date service was started in each state.

A 3

<u>State</u>	<u>Date</u>
Arkansas	Certified 03/08/01. Service being initiated
California	Certified 02/20/01 - began operations 03/01
Colorado	Registered 1/31/00 - began operations 2/00
Delaware	Certified 01/09/01 - began operations 02/01
Florida	Certified 7/99 - began operations in 1999
Georgia	Certified 4/18/00 - began operations 6/00
Idaho	Authorized 10/22/00 - began operations 11/00
Illinois	Certified 01/31/01 - began operations 02/01
Indiana	Certified 02/21/01 - began operations 03/01
Iowa	Registered 10/6/00 - began operations 10/00
Kentucky	Certified 11/5/00 - began operations 12/00
Maine	Certified 01/09/01 - began operations 02/01
Massachusetts	Certified 11/6/00 - began operations in 12/00
Michigan	Registered 1/15/00 - began operations 2/00
Minnesota	Certified 01/17/01 - began operations 02/01
Montana	Registered 9/8/99 - began operations 10/99
Nevada	Certified 03/05/01 - operations being initiated
New Mexico	Certified 02/07/01 - began operations 03/01
North Carolina	Certified 10/12/00 - began operations 1/01
Ohio	Certified 01/10/01 - began operations 02/01
Oregon	Certified 11/6/00 - began operations 12/00
Pennsylvania	Certified 10/25/00 - began operations 12/00
Rhode Island	Certified 11/30/00 - began operations 12/00
Texas	Registered 7/6/00 - began operations 7/00
Utah	1+ resale is not regulated - began operations 1/00
Virginia	1+ resale is not regulated - began operations 1/00
Vermont	Certified 01/18/01 - operations being initiated
Washington	Certified 3/22/00 - began operations 4/00
Wisconsin	Certified 10/20/00 - began operations 11/00
Wyoming	Certified 11/1/00 - began operations 11/00

**State of South Dakota  
Public Utilities Commission**

INITIAL STAFF DATA REQUEST

REGARDING APPLICATION OF  
**Comtel Network, LLC**

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Q 4. List the states in which the company is registered or certified to do business by the respective state public utility commission.

A 4. The company has registered with or obtained certification from the following public utility commission(s) or comparable agencies:

<u>State</u>	<u>Date</u>
Arkansas	Certified 03/08/01
California	Certified 02/20/01
Colorado	Registered 1/31/00
Delaware	Certified 01/09/01
Florida	Certified //99
Georgia	Certified 4/18/00
Idaho	Authorized 10/22/00
Illinois	Certified 01/31/01
Indiana	Certified 02/21/01
Iowa	Registered 10/6/00
Kentucky	Certified 11/5/00
Maine	Certified 01/09/01
Massachusetts	Certified 11/6/00
Michigan	Registered 1/15/00
Minnesota	Certified 01/17/01
Montana	Registered 9/8/99
Nevada	Certified 03/05/01
New Mexico	Certified 02/07/01
North Carolina	Certified 10/12/00
Ohio	Certified 01/10/01
Oregon	Certified 11/6/00
Pennsylvania	Certified 10/25/00
Rhode Island	Certified 11/30/00
Texas	Registered 7/6/00
Vermont	Certified 01/18/01
Washington	Certified 3/22/00
Wisconsin	Certified 10/20/00
Wyoming	Certified 11/1/00

State of South Dakota  
Public Utilities Commission

INITIAL STAFF DATA REQUEST

REGARDING APPLICATION OF  
Comtel Network, LLC

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Q.5. Does the company have any registrations or certifications pending before other state public utility commissions? If yes, list the states.

A.5. The company has certifications or registrations pending in the following states:

Arizona  
Louisiana  
Maryland  
Missouri  
Nebraska  
Oklahoma

South Carolina  
Tennessee  
West Virginia

The Company is in the process of applying for authority/certification in the remaining states.

State of South Dakota  
Public Utilities Commission

INITIAL STAFF DATA REQUEST

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Comtel Network, LLC

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Q.6. Has the company been denied registration or certification by public utility commissions in any state? If so, provide the state, docket number, date of denial and reason for denial.

A.6. No.

**State of South Dakota  
Public Utilities Commission**

INITIAL STAFF DATA REQUEST

REGARDING APPLICATION OF  
**Comtel Network, LLC**

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Q.7. What are the reasons for the company seeking authority to conduct business in South Dakota?

A.7. The Company intends to provide services on a nationwide basis.

**State of South Dakota  
Public Utilities Commission**

INITIAL STAFF DATA REQUEST

REGARDING APPLICATION OF  
**Comtel Network, LLC**

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- Q. 8. Is this registration part of a nationwide or regionwide application process before public utility commissions? If yes, state why South Dakota is included.
- A. 8. Yes. The Company does intend to provide service in all of the contiguous United States. South Dakota is included since many customers from other states will also have needs within the state of South Dakota.

**State of South Dakota  
Public Utilities Commission**

INITIAL STAFF DATA REQUEST

REGARDING APPLICATION OF  
**Comtel Network, LLC**

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- Q.9: When does the company intend to provide intrastate service to South Dakota subscribers?
- A.9: The company intends to begin providing service in South Dakota as soon as is practical after its certification.

**State of South Dakota  
Public Utilities Commission**

INITIAL STAFF DATA REQUEST

REGARDING APPLICATION OF  
**Comtel Network, LLC**

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Q 10. If the company is providing intrastate service in South Dakota, when was it started?

A 10. The company has not and is not currently providing intrastate service in South Dakota.



State of South Dakota  
Public Utilities Commission

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REGARDING APPLICATION OF  
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Q 11. How does the company handle customer billings?

A 11. The Company's customers are billed directly on a monthly basis.

State of South Dakota  
Public Utilities Commission

INITIAL STAFF DATA REQUEST

REGARDING APPLICATION OF  
Comtel Network, LLC

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Q 12. How does the company handle customer service matters?

A 12. The Company has Customer Service personnel available via a toll free number which is set forth on all bills.

State of South Dakota  
Public Utilities Commission

INITIAL STAFF DATA REQUEST

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Comtel Network, LLC

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Q. 13. Does the company have a toll-free telephone number for customer service? If so, what is it and is it included in the company's tariffs.

A. 13. 1-888-305-3765. This toll free number is set forth in the Company's tariff.

**State of South Dakota  
Public Utilities Commission**

INITIAL STAFF DATA REQUEST

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**Comtel Network, LLC**

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Q.14. Where is the customer service department located?

A.14. The Company's customer service department is located in Fresno, California.

**State of South Dakota  
Public Utilities Commission**

INITIAL STAFF DATA REQUEST

REGARDING APPLICATION OF  
**Comtel Network, LLC**

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Q. 15. How many customer service personnel are available to answer customer concerns?

A. 15. The Company currently has approximately 8 customer service personnel.

**State of South Dakota  
Public Utilities Commission**

INITIAL STAFF DATA REQUEST

REGARDING APPLICATION OF  
**Comtel Network, LLC**

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Q 16. Does the company contract with other companies for customer services? If yes, provide their name, address and telephone number.

A 16. No.

**State of South Dakota  
Public Utilities Commission**

INITIAL STAFF DATA REQUEST

REGARDING APPLICATION OF  
**Comtel Network, LLC**

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Q 17. Does the company own any telecommunications facilities? If so, where and what.

A 17. No. The company does not own any telecommunications facilities.

State of South Dakota  
Public Utilities Commission

INITIAL STAFF DATA REQUEST

REGARDING APPLICATION OF  
Comtel Network, LLC

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Q 18. Does the company have in-house service technicians to maintain the facilities? If not, who does the service?

A 18. No. The company does not have any facilities and, therefore, does not have any in-house service technicians.



**State of South Dakota  
Public Utilities Commission**

INITIAL STAFF DATA REQUEST

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**Comtel Network, LLC**

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- Q 19. What types of intrastate telecommunication services will the company provide in South Dakota?
- A 19. The company will provide resold MTS, Inbound 800/888 service, and Travel Card service.

**State of South Dakota  
Public Utilities Commission**

**INITIAL STAFF DATA REQUEST**

**REGARDING APPLICATION OF  
Comtel Network, LLC**

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Q 19. If the above services are resold services of another carrier, identify the carrier and the type of services purchased from that carrier.

A 20. The Company resells the services of WorldCom.

State of South Dakota  
Public Utilities Commission

INITIAL STAFF DATA REQUEST

REGARDING APPLICATION OF  
Comtel Network, LLC

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Q 21. How does the company intend to market its services in South Dakota?

A 21. The company will market its services using mainly print advertising.

State of South Dakota  
Public Utilities Commission

INITIAL STAFF DATA REQUEST

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Comtel Network, LLC

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Q.22: How will potential customers be contacted?

A.22: Potential customers will be contacted via general print or other forms of media campaigns.

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Public Utilities Commission

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Comtel Network, LLC



Will independent contractors and/or company sales people be selling the company services in South Dakota?

Will the Company use company sales personnel and independent sales agents in South Dakota and how many at this time?

State of South Dakota  
Public Utilities Commission

INITIAL STAFF DATA REQUEST

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Q 24. If independent contractors are used, how does the company recruit such individuals?

A 24. The Company will recruit agents which are experienced in telecommunications sales.

**State of South Dakota  
Public Utilities Commission**

INITIAL STAFF DATA REQUEST

REGARDING APPLICATION OF  
**Comtel Network, LLC**

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Q 25. Describe the training method undertaken by the company for independent contractors and company sale persons. Provide any materials used in the training process.

A 25. The Company would use only experienced telecommunications agents.

**State of South Dakota  
Public Utilities Commission**

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Q 26. If sales are made through independent contractors, is there a written contract or agreement between the company and the independent contractor? If so, please provide a copy of the agreement.

A 26. The Company has no agents at this time.



**State of South Dakota  
Public Utilities Commission**

INITIAL STAFF DATA REQUEST

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**Comtel Network, LLC**

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Q 27. How are the sales individuals compensated, i.e. commission, salary, etc.?

A 27. Commissions paid based on volume of sales.

**State of South Dakota  
Public Utilities Commission**

INITIAL STAFF DATA REQUEST

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Q 28 Does the company engage in any multi-level marketing? If yes, provide a detailed explanation of the marketing procedure.

A 28 No.

State of South Dakota  
Public Utilities Commission

INITIAL STAFF DATA REQUEST

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Comtel Network, LLC

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Q 29 Does the company have a target market?

A 29 The company markets its services to both residential and small business customers.

State of South Dakota  
Public Utilities Commission

INITIAL STAFF DATA REQUEST

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Comtel Network, LLC

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Q.30. Does the company market through nonprofit corporations or organizations? If so, please explain the methods used. How is the organization compensated? What types of organizations does the company or its agents solicit for assistance in sales?

A.30. No.

**State of South Dakota  
Public Utilities Commission**

INITIAL STAFF DATA REQUEST

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**Comtel Network, LLC**

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Q 31. Provide copies of any company brochures used to assist in the sale of services.

A 31. No brochures are available.

**State of South Dakota  
Public Utilities Commission**

INITIAL STAFF DATA REQUEST

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**Comtel Network, LLC**

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- Q 32. Please indicate whether the company will provide intraLATA and/or interLATA services.
- A 32. The company will provide both interLATA and intraLATA services to the extent authorized by the Commission.

**State of South Dakota  
Public Utilities Commission**

**INITIAL STAFF DATA REQUEST**

**REGARDING APPLICATION OF  
Comtel Network, LLC**

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Q.33. Does the company have a volume discount plan? If so, does it combine intrastate and interstate usage?

A.33. No.

**State of South Dakota  
Public Utilities Commission**

INITIAL STAFF DATA REQUEST

REGARDING APPLICATION OF  
**Comtel Network, LLC**

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- Q 34. Provide cost support for all rates shown in the company's tariff.
- A.34. The Company's rates are based on the rate at which the company purchases the service with an adjustment for market considerations.



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McBee 1 800 662-2331  
LTV4134-1

**COMTEL NETWORK LLC**  
670 E. BULLARD AVE. SUITE 103  
FRESNO, CA 93710-5455  
(559) 261-0714

**CAL FED-CALIFORNIA FEDERAL BANK**  
6025 N. FIRST STREET  
FRESNO, CA 93710-5444  
1-800-669-6700  
11-7000/3210

8016

01/17/2001

**PAY TO THE ORDER OF** South Dakota Public Utilities Comm.

\$ \*\*250.00

Two Hundred Fifty and 00/100\*\*\*\*\*

DOLLARS

South Dakota Public Utilities Comm.  
% Nowalsky, Bronston & Gotghard  
3500 N. Causeway Blvd  
Ste 1442

**MEMO:** Metairie, Louisiana 70002  
application for tariff

*Pat M...*

⑈008016⑈ ⑆321070007⑆ ⑈972 4066999⑈

AMERICAN BANK NOTE COMPANY, NEW YORK, N.Y. 10038-1000. MADE IN U.S.A. WATERMARK: CALIFORNIA FEDERAL BANK. MICR LINE: ⑈008016⑈ ⑆321070007⑆ ⑈972 4066999⑈

**South Dakota Public Utilities Commission**  
**WEEKLY FILINGS**  
For the Period of March 15, 2001 through March 21 , 2001

If you need a complete copy of a filing faxed, overnight expressed, or mailed to you, please contact Delaine Kolbo within five business days of this filing. Phone: 605-773-3705 Fax: 605-773-3809

**CONSUMER COMPLAINTS**

**CT01-012** In the Matter of the Complaint filed by Richard and Nancie Haggar, Sioux Falls, South Dakota, against WebNet Communications, Inc. Regarding Misrepresenting Rates.

The Complainants claim that they were promised seven cents per minute everyday plus a \$100 check for signing up. The Complaints claim they did not get the check or the promised rates. The Complainants are requesting \$100, rerating of their billings, plus all hearing expenses paid.

Date Filed: 03-15-01  
Staff Analyst: Leni Healy  
Staff Attorney: Karen Cremer  
Intervention Deadline: NA

**NATURAL GAS**

**NG01-004** In the Matter of the Filing by Floyd Nightingale for a Master Metering Variance Request for Five Apartment Buildings in Huron, South Dakota.

Mr. Nightingale has requested a master metering variance for five apartment buildings in Huron, South Dakota in accordance with ARSD 20:10:26:04(3) and 20:10:26:04(6). Currently each unit has four gas meters which supply gas to four furnaces, two water heaters, and one gas dryer and one electric meter serving all four apartments. Mr. Nightingale has requested a hearing on the master metering variance request.

Staff Analyst: Michele Farris  
Staff Attorney: Karen Cremer  
Date Docketed: 03/19/01  
Intervention Deadline: 04/06/01

**TELECOMMUNICATIONS**

**TC01-024** In the Matter of the Filing for Approval of an Adoption Wireline Interconnection Agreement between Qwest Corporation and Avera Communication, L.L.C.

services throughout South Dakota. CSD intends to sell prepaid calling cards to the general public.

Staff Analyst: Heather Forney  
Staff Attorney: Kelly Frazier  
Date Docketed: 03/19/01  
Intervention Deadline: 04/06/01

**TC01-027 In the Matter of the Application of West End Communications Inc. for a Certificate of Authority to Provide Interexchange Telecommunications Services in South Dakota.**

West End Communications Inc. is seeking a Certificate of Authority to provide interexchange telecommunication services in South Dakota. The applicant is a reseller which intends to offer interexchange services, including 1+ and 101XXXX outbound dialing, toll-free inbound dialing, directory assistance, data services, travel card services and prepaid calling card services.

Staff Analyst: Keith Senger  
Staff Attorney: Karen Cremer  
Date Docketed: 3/21/01  
Intervention Deadline: 4/06/01

**TC01-028 In the Matter of the Application of Comtel Network, LLC for a Certificate of Authority to Provide Interexchange Telecommunications Services in South Dakota.**

Comtel Network, LLC (Comtel) is seeking a Certificate of Authority to provide resold intrastate telecommunications services within the state of South Dakota. Comtel intends to provide message toll service, incoming 800/888 and travel card services.

Staff Analyst: Heather Forney  
Staff Attorney: Kelly Frazier  
Date Docketed: 03/21/01  
Intervention Deadline: 04/06/01

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

IN THE MATTER OF THE APPLICATION OF )	ORDER GRANTING
COMTEL NETWORK, LLC FOR A )	CERTIFICATE OF
CERTIFICATE OF AUTHORITY TO PROVIDE )	AUTHORITY
INTEREXCHANGE TELECOMMUNICATIONS )	
SERVICES IN SOUTH DAKOTA )	TC01-028

On March 21, 2001, 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 from Comtel Network, LLC (Comtel).

Comtel proposes to offer message toll service, incoming 800/888 and travel card services. A proposed tariff was filed by Comtel. The Commission has classified long distance service as fully competitive.

On March 22, 2001, the Commission electronically transmitted notice of the filing and the intervention deadline of April 6, 2001, to interested individuals and entities. No petitions to intervene or comments were filed and at its July 10, 2001, meeting, the Commission considered Comtel's request for a certificate of authority. Commission Staff recommended granting a certificate of authority, subject to the condition that Comtel not offer a prepaid calling card or require deposits or advance payments without prior approval of the Commission. Commission Staff further recommended a waiver of ARSD 20:10:24:02(8).

The Commission finds that it has jurisdiction over this matter pursuant to SDCL Chapter 49-31, specifically 49-31-3 and ARSD 20:10:24:02 and 20:10:24:03. The Commission finds that Comtel has met the legal requirements established for the granting of a certificate of authority. Comtel has, in accordance with SDCL 49-31-3, 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 ARSD 20:10:24:02(8). The Commission approves Comtel's application for a certificate of authority, subject to the condition that Comtel not offer a prepaid calling card or require deposits or advance payments without prior approval of the Commission. As the Commission's final decision in this matter, it is therefore

ORDERED, that Comtel's application for a certificate of authority is hereby granted, subject to the condition that Comtel not offer a prepaid calling card or require deposits or advance payments without prior approval of the Commission. It is

FURTHER ORDERED, that the Commission finds good cause to waive ARSD 20:10:24:02(8). It is

# SOUTH DAKOTA PUBLIC UTILITIES COMMISSION

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## *CERTIFICATE OF AUTHORITY*

To Conduct Business As A Telecommunications Company  
Within The State of South Dakota

Authority was Granted as of the date of the  
Order Granting Certificate of Authority  
Docket No. TC01-028

*This is to certify that*

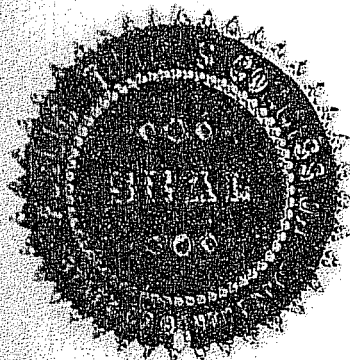
**COMTEL NETWORK, LLC**

is authorized to provide interexchange telecommunications services in  
South Dakota, subject to the condition that it not offer a prepaid calling  
card or require deposits or advance payments without prior approval of the  
Commission.

This certificate is issued in accordance with SDCL 49-31-3 and ARSD  
20:10:24.02, and is subject to all of the conditions and limitations contained in the  
rules and statutes governing its conduct of offering telecommunications services.

Dated at Pierre, South Dakota, this 12<sup>th</sup> day of July, 2001.

**SOUTH DAKOTA PUBLIC  
UTILITIES COMMISSION:**



*James A. Burg*  
\_\_\_\_\_  
JAMES A. BURG, Chairman

*Pam Nelson*  
\_\_\_\_\_  
PAM NELSON, Commissioner