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SOUTH DAKOTA PUBLIC
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May 26, 2006

Overnight Delivery

Ms. Patricia Van Gerpen
Executive Director
South Dakota Public Utilities Commission
Capitol Building, 1st Floor
500 East Capitol Ave.
Pierre, SD 57501-5070

Tel: 407-740-8575

Fax: 407-740-0613

tmi@tminc.com

RE: Petition of Comtel Telcom Assets LP for Exemption from Certain Administrative Rules and for Approval of its Access Services Tariff

Dear Ms. Van Gerpen:

Enclosed for filing on behalf of Comtel Telcom Assets LP d/b/a VarTec Telcom and d/b/a Excel Telecommunications ("the Company") are the original and ten (10) copies of the Petition for exemption from certain administrative rules and for approval of its access tariff and one original plus two (2) copies the Company's proposed access tariff.

The proposed tariff replaces the proposed access tariffs of Comtel Telcom Assets LP d/b/a VarTec Telecom (Tariff No. 3) and Comtel Telcom Assets LP d/b/a Excel Telecommunications (Tariff No. 5) that were filed with the Commission on May 9, 2006.

Please acknowledge receipt of this filing by date stamping the extra copy of this cover letter and returning it to me in the self-addressed stamped envelope.

Any questions you may have regarding this filing may be directed to me at (407) 740-3031 or vial email at sthomas@tminc.com.

Thank you for your assistance.

Sincerely,

Sharon Thomas
Consultant to Comtel Telcom Assets LP

cc: B. Gipson, VarTec
file: VarTec - SD Access
tms: SDa0601

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

Petition of

Comtel Telcom Assets LP d/b/a)
VarTec Telecom and d/b/a)
Excel Telecommunications)
for exemption from certain)
administrative rules and for)
approval of its access services tariff.)

Docket No. _____

PETITION

Comtel Telcom Assets LP d/b/a VarTec Telecom and d/b/a Excel Telecommunications ("Comtel" or "Petitioner"), pursuant to ARSD 20:10:27:11 and ARSD 20:10:27:02, hereby petitions the South Dakota Public Utilities Commission ("Commission") for exemptions or waivers from 1) developing company-specific cost-based switched access rates; 2) use of the formula in ARSD 20:10:27:12, so that Comtel may mirror the Qwest Corporation tariffed access rates; 3) calculation of billing and collection costs as set forth in ARSD 20:10:27:13; and 4) the requirement, set forth in ARSD 20:10:27:07, that Comtel file cost data in support of its switched access service tariff no less than once every three years. Comtel also petitions the Commission for approval of its access services tariff attached as Exhibit A.

I. PETITIONER

Petitioner is a Texas Limited Partnership corporation that was granted authority to provide facilities-based local exchange service in South Dakota pursuant to the Certificate of Authority issued May 3, 2006, in Docket TC05-221. The Petitioner is acquiring substantially all of the assets, including the customer base, of VarTec Telecom, Inc. and Excel Telecommunications, Inc., both of whom have operated as certificated local exchange carriers

and access service providers in South Dakota. The Petitioner will provide its access services using the d/b/a's of VarTec Telecom and Excel Telecommunications.

II. CONTACT INFORMATION

Correspondence or communications pertaining to this petition should be directed to:

Becky Gipson
Comtel Telcom Assets LP
2440 Marsh Lane
Carrollton, Texas 75006
email: bgipson@vartec.net
tel: 972-478-3309

and to:

Sharon Thomas
Consultant to Comtel Telcom Assets LP
Technologies Management, Inc.
210 N Park Avenue
Winter Park, FL 34789
email: stthomas@tminc.com
tel: 407-740-3031

III. DESCRIPTION OF PETITION

As a facilities-based local exchange service provider, Petitioner also provides switched access services to non-facilities based carriers. Pursuant to Administrative Rule 20:10:27:11, a telecommunications company may petition the Commission to be exempted from the requirements of developing intrastate switched access rates based on company-specific costs. Pursuant to ARSD 20:10:27:02, the Commission may grant, for good cause, a waiver or suspension of any rule in chapters 20:10:27 to 20:10:29, inclusive.

In this petition, the Company demonstrates that it lacks the necessary financial, technical and managerial resources needed to determine company-specific cost-based intrastate switched access rates and that the additional costs associated with developing company-specific cost-

based intrastate switched access rates outweigh any benefit to the consumer or customer. In addition, the Company requests, for good cause, waiver or suspension of 1) ARSD 20:10:27:12 so that Comtel may mirror the Qwest Corporation tariffed access rates, 2) ARSD 20:10:27:13, so that Comtel will not be required to calculate billing and collection costs based on telecommunications companies with less than 100,000 access lines; and 3) ARSD 20:10:27:07, so that Comtel is not required to file cost data in support of its switched access service tariff once every three years.

IV. REQUESTS FOR EXEMPTION

A. Request for Exemption from the Requirements of Developing Intrastate Switched Access Rates Based on Company-Specific Costs

1. Cost Studies are Applicable to Rate of Return Regulated Companies

Pursuant to ARSD 20:10:27:06, each carrier's carrier or association shall file a tariff that is designed to recover no more than its intrastate switched access costs as determined by the Commission and developed pursuant to chapters 20:10:28 and 20:10:29, including a commission-approved return on investment. The evaluation of costs described in the Commission's Administrative Rules involves a cumbersome and complicated process of cost separations and allocation ("fully allocated" cost studies), which historically has been relevant only to rate of return companies which use the Uniform System of Accounts ("USOA"). An integral part of the ratemaking process for these companies also has included a determination of a company-specific rate of return. Comtel does not utilize USOA but instead keeps its books according to Generally Accepted Accounting Principles ("GAAP").

2. Comtel Does Not Have the Managerial or Technical Resources to Conduct Cost Studies

Comtel is a small competitive local exchange company. Unlike rate of return regulated local exchange companies, Comtel does not have entire departments dedicated

to the task of preparing fully allocated cost studies on a year-round basis. Consequently, Comtel does not have the personnel or expertise to prepare the cost studies that are contemplated under chapters 20:10:28 and 20:10:29. Furthermore, as Comtel is not a rate of return regulated company, it has never had any reason to evaluate its costs in the same manner as a rate of return regulated company. Finally, the results of such a cost study would be practically meaningless for a new market entrant that is not regulated on a rate of return basis.

3. The Costs Associated With Developing Company-Specific Cost-Based Intrastate Switched Access Rates Outweigh Potential Benefits to the Consumer or Customer

Requiring companies like Comtel to prepare cost studies would diminish the potential benefits of competition in the telecommunications market by making entry into the market prohibitively expensive.

B. Request for Waiver or Suspension of ARSD 20:10:27:12

ARSD 20:10:27:12 specifies that the intrastate switched access rates and the calculation thereof for a telecommunications company that is granted its petition for exemption pursuant to ARSD 20:10:27:11 are based on a formula utilizing the costs and number of access lines of the telecommunications companies with less than 100,000 access lines that determine switched access costs pursuant to chapters 20:10:28 and 20:10:29. Comtel respectfully requests a waiver or suspension of ARSD 20:10:27:12 so that it may mirror the Qwest Corporation tariffed access rates. As Qwest's switched access rates are lower than those charged by the companies identified in ARSD 20:10:27:12, good cause is shown for the Commission's grant of a waiver of this rule.

C. Request for Waiver or Suspension of the Billing and Collection Requirements of ARSD 20:10:27:13

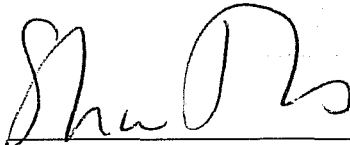
Assuming the Commission's grant of waiver from ARSD 20:10:27:12, Comtel requests a waiver from the requirement that it determine billing and collection costs based on the average of such costs for all telecommunications companies with less than 100,000 access lines.

D. Request for Waiver or Suspension of ARSD 20:10:27:07

Comtel respectfully requests a waiver or suspension of the requirement that it file cost studies in support of its access tariff no less than once every three years.

WHEREFORE, for the reasons state above, Comtel petitions the Commission for an exemption from developing company-specific cost-based switched access rates and for such other relief as requested herein.

Respectfully submitted this 26th day of May, 2006.



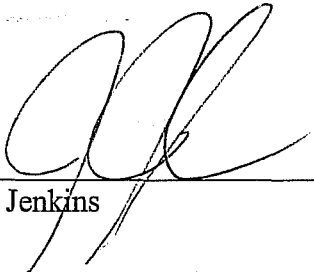
Sharon Thomas

Consultant to Comtel Telecom Assets LP

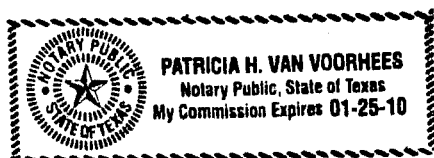
Technologies Management, Inc.
210 North Park Avenue
Winter Park, FL 32789
407-740-300531
email: sthomas@tminc.com

VERIFICATION


I, John Jenkins, declare under penalty of perjury, that I am Chief Administrative Offices for Comtel Assets Inc., General Partner for Comtel Telcom Assets LP, Petitioner in this proceeding; that I am authorized to make this verification on the Petitioner's behalf; that I have read the foregoing petition; and that the facts states therein are true and correct to the best of my knowledge, information and belief.



John Jenkins



Sworn to and subscribed before me this 25th day of May, 2006.



Notary Public

My Commission expires: 01-25-2010