



November 19, 2010  
*Via Electronic Delivery*

Ms. Patricia Van Gerpen  
Executive Director  
South Dakota Public Utilities Commission  
Capitol Building, 1<sup>st</sup> Floor  
500 East Capitol  
Pierre, SD 57501

**Re: Entelegent Solutions, Inc. – Petition for Exemption from Certain Administrative Rules  
Docket No. TC10-094**

Dear Ms. Van Gerpen:

Enclosed for filing please find a Petition for Exemption from Certain Administrative Rules filed on behalf of Entelegent Solutions, Inc. As requested by Kara Semmler of SD Staff, this filing requests waivers for approval of the Company's access tariff.

Questions regarding this filing may be directed to my attention at (407) 740-3006 or via e-mail to [croesel@tminc.com](mailto:croesel@tminc.com).

Thank you for your assistance.

Sincerely,

Carey Roesel  
Consultant to Entelegent Solutions, Inc.

*CR/gs*  
*Attachments*

cc: Dave Gibson - Entelegent  
file: Entelegent - SD Access  
tms: SDx1001



## **II. CONTACT INFORMATION**

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

Carey Roesel  
Consultant to Entelegent Solutions, Inc.  
Technologies Management, Inc.  
2600 Maitland Center Parkway, Suite 300  
Maitland, FL 32751  
email: [croesel@tminc.com](mailto:croesel@tminc.com)  
tel: 407-740-3006

## **III. DESCRIPTION OF PETITION**

As a local exchange service provider, Petitioner also provides switched access services to interexchange 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 Entelegent may mirror the Qwest Corporation tariffed access rates, 2) ARSD 20:10:27:13, so that Entelegent 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 Entelegent 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 that 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. Entelegrit does not utilize USOA but instead keeps its books according to Generally Accepted Accounting Principles ("GAAP").

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

Entelegrit is a small competitive local exchange company. Unlike rate of return regulated local exchange companies, Entelegrit does not have entire departments dedicated to the task of preparing fully allocated cost studies on a year-round basis. Consequently, Entelegrit 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 Entelegrit 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 Entelegent 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. Entelegent 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, Entelegent 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

Entelegent 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, Entelegent 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 19<sup>th</sup> day of November, 2010.



---

Carey Roesel  
Consultant to Entelegent Solutions, Inc.  
Technologies Management, Inc.  
2600 Maitland Center Parkway, Suite 300  
Maitland, FL 32751  
407-740-3006  
email: [croesel@tminc.com](mailto:croesel@tminc.com)