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Arizona Corporation Commission
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October 16, 2000

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VIA FEDERAL EXPRESS

Docket Control
Arizona Corporation Commission
1200 West Washington Street
Phoenix, AZ 85007

Re: Docket No. T-03462A-97-0619, New Century Telecom, Inc. Response to Arizona Corporation Commission Request for Additional Information to determine Fair Value Rate Base (FVRB)

Ladies and Gentlemen:

On behalf of New Century Telecom, Inc., ("New Century") herewith is filed the original and ten (10) copies of New Century's response to the Corporation Commission's request for additional information.

- A. **New Century Telecom, Inc. shall file proposed FVRB within 30 days of the date of this Order (pursuant to A.A.C. R14-2-103(B), this may be the same as original cost rate base.)** Applicant is a non-facilities based reseller and therefore this requirement does not apply.
- B. **New Century Telecom, Inc. shall file a description of all plant and equipment currently held by Company and intended to be used to provide telecommunications services to Arizona customers, including their cost and location, within 30 days of the date of this Order.** Applicant is a non-facilities based reseller and therefore this requirement does not apply.
- C. **New Century Telecom, Inc. shall file information demonstrating how the value of the Company's plant and equipment (both current and**

projected) is related to its total service long-run incremental costs within 30 days of the date of this Order (such demonstration must include the amount of depreciation expense and capital carrying costs related to the FVRB which has been incorporated into the long-run incremental costs). Applicant is a non-facilities based reseller and therefore this requirement does not apply.

- D. All maximum rates and charges of New Century Telecom, Inc. which are higher than those of the incumbent local exchange carrier ("ILEC") for the same regulated services, Applicant must demonstrate that such rates and charges are not unreasonable, and constitute a fair rate of return on FVRB (if there is more than one ILEC in your proposed service area, use Qwest Corporation as a surrogate ILEC for the entire state). All maximum rates and charges of Applicant are equal to or below those of the Incumbent Local Exchange Carrier and therefore this requirement does not apply.

An additional copy of this letter and filing is also enclosed. Please date-stamp the extra copy and return it to the undersigned in the enclosed postage prepaid envelope. Please direct all inquiries and correspondence with respect to this filing to the undersigned.

Respectfully submitted,

A handwritten signature in black ink that reads "Paul A. D" followed by a horizontal line extending to the right.

Paul A. Dean

Enclosures