



ORIGINAL

LoTel, Inc.

d/b/a Coordinated Billing Services

4946 Devonshire Circle
P.O. Box 9
Excelsior, MN 55331
Telephone: 952-470-2023
Facsimile: 952-881-9302
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Arizona Corporation Commission
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AZ CORP COMMISSION
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November 1, 2000

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

RE: Docket No. T-03846A-00-0143
Application of LoTel, Inc. d/b/a Coordinated Billing Services for a
Certificate of Convenience and Necessity to provide competitive
intrastate telecommunications services as a reseller except local
exchange services

Dear Sir or Madam:

Please find enclosed an original and ten copies of LoTel, Inc. d/b/a Coordinated Billing Services' response to the Commission's Procedural Order dated October 3, 2000.

In addition, please direct any further communications for LoTel, Inc. d/b/a Coordinated Billing Services to Sarah Oistad at the following address: 4946 Devonshire Circle, Excelsior, Minnesota 55331. I may also be reached via email at sarahoistad@uswest.net.

Sincerely,

Sarah L. Oistad
Corporate Counsel

BEFORE THE ARIZONA CORPORATION COMMISSION

IN THE MATTER OF THE APPLICATION OF) DOCKET NO. T-03846A-00-0143
LOTEL, INC. D/B/A COORDINATED BILLING)
SERVICE FOR A CERTIFICATE OF)
CONVENIENCE AND NECESSITY TO)
PROVIDE COMPETITIVE INTRASTATE) **RESPONSE TO COMMISSION'S**
TELECOMMUNICATIONS SERVICES AS A) **PROCEDURAL ORDER**
RESELLER EXCEPT LOCAL EXCHANGE) **FOR PROPOSED "FVRB"**
SERVICES)

Lotel, Inc., d/b/a Coordinated Billing Services ("Coordinated Billing Services") provides the following proposed fair value rate base ("FVRB")

A. Value of all plant and equipment currently held by the Company and intended to be used to provide telecommunications services to Arizona customers.

Coordinated Billing Services will provide resold, non-facilities based long distance telecommunications services within the existing Arizona service territories of US West Communications (now Qwest). As a non-facilities based reseller of long distance services, Coordinated Billing services will rely exclusively on the facilities of its underlying carrier, Sprint, to provide service to its customers. Accordingly, there is no plant and equipment, currently held by Coordinated Billing Services, to be used to provide telecommunications service to Arizona customers for which any value can be provided.

B. Description of all plant and equipment currently held by the Company and intended to be used to provide telecommunications services to Arizona customers, including their cost and location.

Coordinated Billing Services will provide resold, non-facilities based long distance telecommunications services within the existing Arizona service territories of Qwest Communications. Coordinated Billing Services will rely exclusively on the facilities of its underlying carrier, Sprint, to provide service to its customers. Accordingly, there is no plant equipment currently held by Coordinated Billing Services to be used to provide telecommunications service to Arizona customers for which a description, cost or location can be provided.

C. 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.

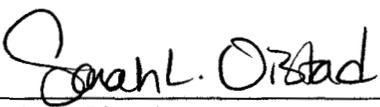
Not applicable. Please see response to above request.

D. Demonstration that all maximum rates and charges of LoTel, Inc. d/b/a Coordinated Billing Services which are higher than those of the incumbent local exchange carrier for the same regulated services are not unreasonable, and constitute a fair rate of return on fair value rate base.

The maximum rate and charges for all long distance telecommunication services offered by Coordinated Billing Services will be equal to or less than the rates and charges of Sprint, the underlying long distance carrier whose services Coordinated Billing Services will be reselling.

Please direct any questions to the undersigned.

Lotel, Inc.
d/b/a Coordinated Billing Services

By 

Sarah L. Oistad
Corporate Counsel
4946 Devonshire Circle
Excelsior, MN 55331
952-470-2023 (telephone and fax)