

NEW APPLICATION  
ORIGINAL

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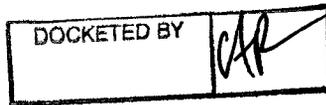
November 3, 2004

*Via Overnight Delivery*

Docket Control Center  
Arizona Corporation Commission  
Utilities Division  
1200 W. Washington St.  
Phoenix, Arizona 85007-2927

Arizona Corporation Commission  
**DOCKETED**

NOV - 4 2004



AZ CORP COMMISSION  
DOCUMENT CONTROL

2004 NOV - 4 P 2:50

RECEIVED

RE: TELRITE CORPORATION

T-04288A-04-0796

Dear Sirs:

Enclosed herewith for filing please an original and thirteen (13) copies of the Application and Petition for a Certificate of Public Convenience and Necessity To Provide Competitive Intrastate Telecommunications Services as a Reseller, submitted on behalf of Telrite Corporation.

Please acknowledge receipt of this filing by date stamping and returning the additional copy of this cover letter in the self-addressed envelope provided.

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

Sincerely,

Monica Borne Haab

Enclosures  
cc: Darryl Davis, Telrite  
(cover only)

**ARIZONA CORPORATION COMMISSION**

**Application and Petition for Certificate of Convenience and Necessity to Provide  
Intrastate Telecommunications Services**

Mail original plus 13 copies of completed application to:

For Docket Control Only:  
(Please Stamp Here)

Docket Control Center  
Arizona Corporation Commission  
1200 West Washington Street  
Phoenix, Arizona 85007-2927

Please indicate if you have current applications pending  
in Arizona as an Interexchange reseller, AOS provider,  
or as the provider of other telecommunication services.

Type of Service: \_\_\_\_\_

Docket No.: \_\_\_\_\_ Date: \_\_\_\_\_ Date Docketed: \_\_\_\_\_

Type of Service: \_\_\_\_\_

Docket No.: \_\_\_\_\_ Date: \_\_\_\_\_ Date Docketed: \_\_\_\_\_

**A. COMPANY AND TELECOMMUNICATION SERVICE INFORMATION**

(A-1) Please indicate the type of telecommunications services that you want to provide in Arizona and answer the appropriate numbered items:

- Resold Long Distance Telecommunications Services (Answer Sections A, B).
- Resold Local Exchange Telecommunications Services (Answer Sections A, B, C).
- Facilities-Based Long Distance Telecommunications Services (Answer Sections A, B, D).
- Facilities-Based Local Exchange Telecommunications Services (Answer Sections A, B, C, D, E)
- Alternative Operator Services Telecommunications Services (Answer Sections A, B)

(A-2) The name, address, telephone number (including area code), facsimile number (including area code), e-mail address, and World Wide Web address (if one is available for consumer access) of the Applicant:

**Telrite Corporation**  
**1115 Church Street**  
**Covington, GA 30014**  
**Ph. 904-725-7483**  
**Fx. 904-725-7838**  
**E-Mail: [darryl@telrite.com](mailto:darryl@telrite.com)**  
**[www.telrite.com](http://www.telrite.com)**

(A-3) The d/b/a ("Doing Business As") name if the Applicant is doing business under a name different from that listed in Item (A-2):

None.

(A-4) The name, address, telephone number (including area code), facsimile number (including area code), and E-mail address of the Applicant's Management Contact:

**Darryl E. Davis, CEO**  
**Telrite Corporation**  
**1115 Church Street**  
**Covington, GA 30014**  
**Ph. 904-725-7483; Ext. 123**  
**Fx. 904-725-7838**  
**E-Mail: [darryl@telrite.com](mailto:darryl@telrite.com)**

(A-5) The name, address, telephone number (including area code), facsimile number (including area code), and E-mail address of the Applicant's Attorney and/or Consultant:

**Monica Borne Haab**  
**Nowalsky, Bronston & Gothard**  
**3500 N. Causeway Blvd., Suite 1442**  
**Metairie, LA 70005**  
**Ph. (504) 832-1984**  
**Fx. (504) 831-0892**  
**E-Mail: [mhaab@nbgalw.com](mailto:mhaab@nbgalw.com)**

(A-6) The name, address, telephone number (including area code), facsimile number (including area code), E-mail address of the Applicant's Complaint Contact Person:

**Randy Poulson, Customer Service Manager**  
**1115 Church Street**  
**Covington, GA 30014**  
**Ph. 480-460-2930**  
**Fx. 904-725-7838**  
**E-Mail: [jas3@cox.net](mailto:jas3@cox.net)**

(A-7) What type of legal entity is the Applicant?

Sole proprietorship

Partnership: \_\_\_ Limited, \_\_\_ General, \_\_\_ Arizona, \_\_\_ Foreign

Limited Liability Company: \_\_\_ Arizona, \_\_\_ Foreign

Corporation: \_\_\_ "S",  "C", \_\_\_ Non-profit

Domicile: \_\_\_ Arizona,  Foreign

Other, specify: \_\_\_\_\_

(A-8) Please include "Attachment A":

Attachment "A" must include the following information:

1. A copy of the Applicant's Certificate of Good Standing as a domestic or foreign corporation, LLC, or other entity in the State of Arizona.
2. A list of the names of all owners, partners, limited liability company managers (or if a member managed LLC, all members), or corporation officers and directors (specify).
3. Indicate percentages of ownership of each person listed in A-8.2.

**All items included as Attachment A.**

(A-9) Include your Tariff as "Attachment B". **Tariff included as Attachment B.**

Your Tariff must include the following information:

1. Proposed Rates and Charges for each service offered (reference by Tariff page number).

**Current Price List**

2. Tariff Maximum Rate and Prices to be charged (reference by Tariff page number).

**Pages 22-23**

3. Terms and Conditions Applicable to provision of Service (reference by Tariff page number).

**Pages 9-16**

4. Deposits, Advances, and/or Prepayments Applicable to provision of Service (reference by Tariff page number).

**Page 13**

5. The proposed fee that will be charged for returned checks (reference by Tariff page number).

**Page 14 and current Price List**

(A-10) Indicate the geographic market to be served:

Statewide. (Applicant adopts statewide map of Arizona provided with this application).

Other. Describe and provide a detailed map depicting the area.

(A-11) Indicate if the Applicant or any of its officers, directors, partners, or managers has been or are currently involved in any formal or informal complaint proceedings pending before any state or federal regulatory commission, administrative agency, or law enforcement agency. **No.**

Describe in detail any such involvement. Please make sure you provide the following information:

1. States in which the Applicant has been or is involved in proceedings. *N/A*
2. Detailed explanations of the Substance of the Complaints. *N/A*
3. Commission Orders that resolved any and all Complaints. *N/A*
4. Actions taken by the Applicant to remedy and/or prevent the Complaints from re-occurring. *N/A*

(A-12) Indicate if the Applicant or any of its officers, directors, partners, or managers has been or are currently involved in any civil or criminal investigation, or had judgments entered in any civil matter, judgments levied by any administrative or regulatory agency, or been convicted of any criminal acts within the last ten (10) years. *No.*

Describe in detail any such judgments or convictions. Please make sure you provide the following information:

1. States involved in the judgments and/or convictions. *N/A*
2. Reasons for the investigation and/or judgment. *N/A*
3. Copy of the Court order, if applicable. *N/A*

(A-13) Indicate if the Applicant's customers will be able to access alternative toll service providers or resellers via 1+101XXXX access.

Yes

No

(A-14) Is applicant willing to post a Performance Bond? Please check appropriate box(s).

For Long Distance Resellers, a \$10,000 bond will be recommended for those resellers who collect advances, prepayments or deposits.

Yes

No

If "No", continue to question (A-15).

For Local Exchange Resellers, a \$25,000 bond will be recommended.

Yes

No

If "No", continue to question (A-15).

For Facilities-Based Providers of Long Distance, a \$100,000 bond will be recommended.

Yes

No

If "No", continue to question (A-15).

For Facilities-Based Providers of Local Exchange, a \$100,000 bond will be recommended.

Yes

No

If "No", continue to question (A-15).

Note: Amounts are cumulative if the Applicant is applying for more than one type of service.

(A-15) If No to any of the above, provide the following information. Clarify and explain the Applicant's deposit policy (reference by tariff page number). Provide a detailed explanation of why the applicant's superior financial position limits any risk to Arizona consumers.

**The Company will not collect deposits, prepayments or advanced payments from Arizona customers. (See tariff page 13)**

(A-16) Submit copies of affidavits of publication that the Applicant has, as required, published legal notice of the Application in all counties where the applicant is requesting authority to provide service.

Note: For Resellers, the Applicant must complete and submit an Affidavit of Publication Form as Attachment "C" before Staff prepares and issues its report. Refer to the Commission's website for Legal Notice Material (Newspaper Information, Sample Legal Notice and Affidavit of Publication). For Facilities-Based Service Providers, the Hearing Division will advise the Applicant of the date of the hearing and the publication of legal notice. Do not publish legal notice or file affidavits of publication until your are advised to do so by the Hearing Division.

(A-17) Indicate if the Applicant is a switchless reseller of the type of telecommunications services that the Applicant will or intends to resell in the State of Arizona:

Yes

No

If "Yes", provide the name of the company or companies whose telecommunications services the Applicant resells.

**The Applicant will resell the services of Qwest and/or Global Crossing.**

(A-18) List the States in which the Applicant has had an application approved or denied to offer telecommunications services similar to those that the Applicant will or intends to offer in the State of Arizona:

Note: If the Applicant is currently approved to provide telecommunications services that the Applicant intends to provide in Arizona in less than six states, excluding Arizona, list the Public Utility Commission ("PUC") of each state that granted the authorization. For each PUC listed provide the name of the contact person, their phone number, mailing address including zip code, and e-mail address.

**The Applicant has had an application approved and is certified to offer similar telecommunications services in Alabama, Arkansas, California, Colorado, Florida, Georgia, Idaho, Illinois, Indiana, Iowa, Kansas, Kentucky, Maine, Massachusetts, Michigan, Minnesota, Mississippi, Missouri, Montana, Nevada, New Hampshire, New Mexico, New York, North Carolina, North Dakota, Ohio, Oklahoma, Oregon, Pennsylvania, Rhode Island, South Carolina, South Dakota, Texas, Vermont, Washington, West Virginia, Wisconsin and Wyoming. The Applicant has not had any applications to offer telecommunications services denied.**

(A-19) List the States in which the Applicant currently offers telecommunications services similar to those that the Applicant will or intends to offer in the State of Arizona.

Note: If the Applicant currently provides telecommunication services that the Applicant intends to provide in Arizona in six or more states, excluding Arizona, list the states. If the Applicant does not currently provide telecommunications services that the Applicant intends to provide in Arizona in five or less states, list the key personnel employed by the Applicant. Indicate each employee's name, title, position, description of their work experience, and years of service in the telecommunications services industry.

**The Applicant currently offers similar telecommunications services to those it intends to offer in Arizona in the following states: Alabama, Arkansas, California, Colorado, Florida, Georgia, Idaho, Illinois, Indiana, Iowa, Kansas, Kentucky, Maine, Massachusetts, Michigan, Minnesota, Mississippi, Missouri, Montana, Nevada, New Hampshire, New Jersey, New Mexico, New York, North Carolina, North Dakota, Ohio, Oklahoma, Oregon, Pennsylvania, Rhode Island, South Carolina, South Dakota, Texas, Utah, Vermont, Virginia, Washington, West Virginia, Wisconsin and Wyoming.**

(A-20) List the names and addresses of any alternative providers of the service that are also affiliates of the telecommunications company, as defined in R14-2-801.

**None.**

**B. FINANCIAL INFORMATION**

(B-1) Indicate if the Applicant has financial statements for the two (2) most recent years.

Yes

No

If "No," explain why and give the date on which the Applicant began operations.

(B-2) Include "Attachment D".

Provide the Applicant's financial information for the two (2) most recent years.

1. A copy of the Applicant's balance sheet. **Attached.**
2. A copy of the Applicant's income statement. **Attached.**
3. A copy of the Applicant's audit report. **None.**
4. A copy of the Applicant's retained earnings balance. **Attached.**
5. A copy of all related notes to the financial statements and information. **None.**

Note: Make sure "most recent years" includes current calendar year or current year reporting period.

(B-3) Indicate if the Applicant will rely on the financial resources of its Parent Company, if applicable.

**Not applicable.**

(B-4) The Applicant must provide the following information. **Attachment E.**

1. Provide the projected total revenue expected to be generated by the provision of telecommunications services to Arizona customers for the first twelve months following certification, adjusted to reflect the maximum rates for which the Applicant requested approval. Adjusted revenues may be calculated as the number of units sold times the maximum charge per unit.
2. Provide the operating expenses expected to be incurred during the first twelve months of providing telecommunications services to Arizona customers following certification.
3. Provide the net book value (original cost less accumulated depreciation) of all Arizona jurisdictional assets expected to be used in the provision of telecommunications service to Arizona customers at the end of the first twelve months of operation. Assets are not limited to plant and equipment. Items such as office equipment and office supplies should be included in this list.
4. If the projected value of all assets is zero, please specifically state this in your response.
5. If the projected fair value of the assets is different than the projected net book value, also provide the corresponding projected fair value amounts.

**C. RESOLD AND/OR FACILITIES-BASED LOCAL EXCHANGE TELECOMMUNICATIONS SERVICES**

(C-1) Indicate if the Applicant has a resale agreement in operation,

Yes

No

If "Yes", please reference the resale agreement by Commission Docket Number or Commission Decision Number.

**D. FACILITIES-BASED LONG DISTANCE AND/OR FACILITIES BASED LOCAL EXCHANGE TELECOMMUNICATIONS SERVICES**

(D-1) Indicate if the Applicant is currently selling facilities-based long distance telecommunications services AND/OR facilities-based local exchange telecommunications services in the State of Arizona. This item applies to an Applicant requesting a geographic expansion of their CC&N:

Yes

No

If "Yes," provide the following information:

1. The date or approximate date that the Applicant began selling facilities-based long distance telecommunications services AND/OR facilities-based local exchange telecommunications services for the State of Arizona.
2. Identify the types of facilities-based long distance telecommunications services AND/OR facilities-based local exchange telecommunications services that the Applicant sells in the State of Arizona.

If "No," indicate the date when the Applicant will begin to sell facilities-based long distance telecommunications AND/OR facilities-based local exchange telecommunications services in the State of Arizona:

(D-2) Check here if you wish to adopt as your petition a statement that the service has already been classified as competitive by Commission Decision:

- Decision # 64178 Resold Long Distance
- Decision # 64178 Resold LEC
- Decision # 64178 Facilities Based Long Distance
- Decision # 64178 Facilities Based LEC

**E. FACILITIES-BASED LOCAL EXCHANGE TELECOMMUNICATIONS SERVICES**

(E-1) Indicate whether the Applicant will abide by the quality of service standards that were approved by the Commission in Commission Decision Number 59241:

- Yes
- No

(E-2) Indicate whether the Applicant will provide all customers with 911 and E911 service, where available, and will coordinate with incumbent local exchange carriers ("ILECs") and emergency service providers to provide this service:

- Yes
- No

(E-3) Indicate that the Applicant's switch is "fully equal access capable" (i.e., would provide equal access to facilities-based long distance companies) pursuant to A.A.C. R14-2-1111 (A):

- Yes
- No

I certify that if the applicant is an Arizona corporation, a current copy of the Articles of Incorporation is on file with the Arizona Corporation Commission and the applicant holds a Certificate of Good Standing from the Commission. If the company is a foreign corporation or partnership, I certify that the company has authority to transact business in Arizona. I certify that all appropriate city, county, and/or State agency approvals have been obtained. Upon signing of this application, I attest that I have read the Commission's rules and regulations relating to the regulations of telecommunications services (A.A.C. Title 14, Chapter 2, Article 11) and that the company will abide by Arizona state law including the Arizona Corporation Commission Rules. I agree that the Commission's rules apply in the event there is a conflict between those rules and the company's tariff, unless otherwise ordered by the Commission. I certify that to the best of my knowledge the information provided in this Application and Petition is true and correct.



\_\_\_\_\_  
(Signature of Authorized Representative)

10/15/04

\_\_\_\_\_  
(Date)

Darryl E. Davis

\_\_\_\_\_  
(Print Name of Authorized Representative)

CEO

\_\_\_\_\_  
(Title)

SUBSCRIBED AND SWORN to before me this 15<sup>th</sup> day of October, 2004.



\_\_\_\_\_  
NOTARY PUBLIC

My Commission Expires \_\_\_\_\_

**MONICA BORNE HAAB**  
**Notary Public, State of Louisiana**  
**My Commission is issued for life.**  
**Notary Number: 25407**

# ATTACHMENT A

1. A copy of the Applicant's Certificate of Good Standing as a foreign corporation in the State of Arizona is attached.
2. A list of the names of all officers and directors is attached.
3. Percentage ownership also attached.

# STATE OF ARIZONA



Office of the  
**CORPORATION COMMISSION**

**CERTIFICATE OF GOOD STANDING**

To all to whom these presents shall come, greeting:

I, Brian C. McNeil, Executive Secretary of the Arizona Corporation Commission, do hereby certify that

**\*\*\*TELRITE CORPORATION\*\*\***

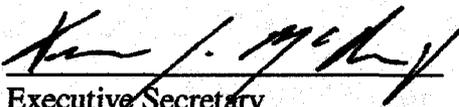
a foreign corporation organized under the laws of Georgia did obtain authority to transact business in the State of Arizona on the 21st day of October 2003.

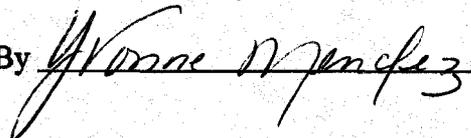
I further certify that according to the records of the Arizona Corporation Commission, as of the date set forth hereunder, the said corporation has not had its authority revoked for failure to comply with the provisions of the Arizona Business Corporation Act; that its most recent Annual Report, subject to the provisions of A.R.S. sections 10-122, 10-123, 10-125 & 10-1622, has been delivered to the Arizona Corporation Commission for filing; and that the said corporation has not filed an Application for Withdrawal as of the date of this certificate.

This certificate relates only to the legal authority of the above named entity as of the date issued. This certificate is not to be construed as an endorsement, recommendation, or notice of approval of the entity's condition or business activities and practices.

IN WITNESS WHEREOF, I have hereunto set my hand and affixed the official seal of the Arizona Corporation Commission. Done at Phoenix, the Capital, this 1st Day of November, 2004, A. D.



  
Executive Secretary

By 

**Telrite Corporation**  
**List of Officers and Directors**

Darryl E. Davis  
CEO/Director  
1115 Church Street  
Covington, GA 30014  
Ph. (678) 625-7720

**Telrite Corporation**  
**List of 5% or Greater Shareholders**

<u>Shareholder Name</u>	<u>% Held</u>
Darryl E. Davis	100%

# **ATTACHMENT B**

**PROPOSED TARIFF<sup>8</sup>**

**TITLE SHEET**

**TELRITE CORPORATION**

**TARIFF NO. 1**

This tariff contains the description, regulations, and rates applicable to the furnishing of telecommunications services provided by Telrite Corporation with principal offices located at 1115 Church Street, Covington, Georgia 30014. This tariff is on file with the Arizona Corporation Commission ("Commission"), and copies may be inspected during normal business hours at the Company's principal place of business.

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**ISSUED:** November 3, 2004

**EFFECTIVE:**

**ISSUED BY:** Darryl E. Davis, President  
Telrite Corporation  
1115 Church Street  
Covington, GA 30014

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**CHECK SHEET**

All sheets of this tariff are effective as of the date shown at the bottom of the respective sheet(s). 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		
7	Original		
8	Original		
9	Original		
10	Original		
11	Original		
12	Original		
13	Original		
14	Original		
15	Original		
16	Original		
17	Original		
18	Original		
19	Original		
20	Original		

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**ISSUED BY:** Darryl E. Davis, President  
Telrite Corporation  
1115 Church Street  
Covington, GA 30014

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Telrite Corporation  
1115 Church Street  
Covington, GA 30014

**SYMBOLS**

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

- D - To Signify Discontinued Rate or Regulation
- I - To Signify Rate Increase
- M - To Signify Text Moved From Another Tariff Location
- N - To Signify New Rate or Regulation
- R - To Signify Rate Reduction
- T - To Signify Change In Text, But No Change In Rate or Regulation

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Telrite Corporation  
1115 Church Street  
Covington, GA 30014

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**TARIFF FORMAT**

- A. Sheet Numbering - Sheet numbers appear in the upper-right corner of the sheet. Sheets are numbered sequentially. However, new sheets are occasionally added to the tariff. When a new sheet is added between existing sheets with whole numbers, 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 - This tariff contains various levels of paragraph coding. Each level of coding is subservient to its next higher level of coding. For example,
- 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 sheet on file with the Commission.

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**ISSUED:** November 3, 2004**EFFECTIVE:**

**ISSUED BY:** Darryl E. Davis, President  
Telrite Corporation  
1115 Church Street  
Covington, GA 30014

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**SECTION 1 - 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 required.

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

Cancellation of Order - A customer-initiated request to discontinue processing a service order, either in part or in its entirety, prior to its completion.

Carrier - Telrite Corporation, unless specifically stated otherwise.

Company - Telrite Corporation, also referred to as Carrier.

Completed Calls - Completed calls are calls answered on the distance end. In the event a customer is charged for an incomplete call, the Company will issue a credit to the customer upon request.

Customer - 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.

Day Rate Period - 8:00 a.m. through 4:59 p.m., Monday through Friday.

Due Date - The last day for payment without unpaid amounts being subject to a late payment charge.

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Telrite Corporation  
1115 Church Street  
Covington, GA 30014

1.1 Definitions: (continued)

Evening Rate Period - 5:00 p.m. through 10:59 p.m., Sunday through Friday.

Holidays - Carrier's recognized holidays are New Year's Day, Memorial Day, Independence Day, Labor Day, Thanksgiving Day and Christmas Day.

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

Night/Weekend Rate Period - 11:00 p.m. through 7:59 a.m., every day; 8:00 a.m. through 10:59 p.m. Saturday; and 8:00 a.m. through 4:59 p.m. Sunday.

Normal Business Hours - 8:00 a.m. to 5:00 p.m., Monday through Friday, excluding holidays.

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.

Terminal Equipment - All telephone instruments, including pay telephone equipment, the common 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.

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Covington, GA 30014

1.2 Abbreviations:

LATA - Local Access Transport Area

LEC - Local Exchange Carrier

MTS - Message Toll Service

NSF - Non-Sufficient Funds

PBX - Private Branch Exchange

SAL - Special Access Line

V&H - Vertical and Horizontal

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1115 Church Street  
Covington, GA 30014

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**SECTION 2 - TERMS AND CONDITIONS**

2.1 Carrier Undertaking

Carrier provides long distance interexchange telephone service to customers for their direct transmission of voice, data, and other types of telecommunications.

Communications originate when the customer accesses Carrier directly or through the facilities of the local service carrier via one or more access lines, equal access or on a dial-up basis. Carrier 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 due for such service arrangements.

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 availability of the necessary facilities and/or equipment and subject to the provisions of this tariff.

2.2.2 Carrier reserves the right to discontinue furnishing service upon written notice, when necessitated by conditions beyond its control or when the customer is using the service in violation of the provisions of this tariff or in violation of the law.

2.2.3 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. All regulations and conditions contained in this tariff shall apply to any such assignee or transferee.

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**ISSUED:** November 3, 2004

**EFFECTIVE:**

**ISSUED BY:** Darryl E. Davis, President  
Telrite Corporation  
1115 Church Street  
Covington, GA 30014

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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 customer's service agreement.

2.4 Limitation of Liability

2.4.1 Carrier shall not be liable to any person, firm or entity for damages, either direct, indirect, consequential, special, incidental, actual, punitive, or for any other damages or for any lost profits arising out of mistakes, accidents, errors, omissions, interruptions, delays or defects in transmissions arising out of or relating to this tariff or the obligations of Carrier pursuant to this tariff, and not caused by the negligence of the carrier, commencing upon activation of service and in no event exceeding an amount equivalent to the proportionate charge to the customer for the period of service during which mistakes, accidents, errors, omissions, interruptions, delays or defects in transmission occur. Carrier makes no warranty, whether express, implied or statutory, as to the description, quality, merchantability, completeness or fitness of the service or local access, or as to any other matter, all of which warranties by Carrier are hereby excluded and disclaimed.

2.4.2 Carrier will indemnify the customer and hold it harmless for 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 of any testing or other activities on the customer's premises pursuant to this tariff. Carrier's obligations under the preceding sentence shall be subject to the customer's full performance of this tariff and the customer's duty to take reasonable precautions in the location, construction, maintenance and operation of all activities, facilities and equipment for protection against hazard or injury and interference with the services provided by Carrier.

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2.4 Limitation of Liability (continued)

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

- A. Claims for libel, slander, infringement of patent or 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
- B. All other claims arising out of any act or omission by the customer in connection with any service provided by Carrier.

2.4.4 Carrier shall not be liable for, and the customer indemnifies and holds Carrier harmless from, any and all loss, claims, demands, suits, or other actions, or any liability whatsoever, whether suffered, made, instituted, or asserted by the customer or by any party or persons, for a personal injury to, or death of, any person or persons, and for any loss, damage, defacement, or destruction of the premises of the customer or any other property, whether owned by the customer or others, caused or claimed to have been caused directly or indirectly by the installation, operation, failure to operate, maintenance, condition, location, or use that is not the direct result of the carrier's negligence. No agents or employees or other carriers shall be deemed to be agents or employees of Carrier.

2.5 Interruption of Service

A credit allowance for interruptions of service which are not due to Carrier's testing or adjusting, to the negligence of the customer, or to the failure of the channels, equipment, and/or communications systems provided by the customer, are subject to the general liability provisions set forth herein. It shall be the obligation of the customer to notify Carrier of any interruption in service. Before giving such notice, the customer shall ascertain that the trouble is not being caused by any action or omission by or within the customer's control and is not in wiring or equipment connected to the Carrier terminal.

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2.6 Restoration of Service

The use and restoration of service in emergencies shall be in accordance with the Part 64, Subpart D of the Federal Communications Commission's Rules and Regulations which specifies the priority system for such activities.

2.7 Customer Responsibility

2.7.1 All customers assume general responsibilities in connection with the provisions and use of Carrier's service. 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 of Carrier's 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).
- C. The customer must pay Carrier for the replacement or repair of Carrier's equipment when the damage results from:
  - 1. The negligence or willful act of the customer or user.
  - 2. Improper use of service.
  - 3. Any use of equipment or service provided by others.
- D. After receipt of payment for the damages, Carrier will cooperate with the customer in prosecuting a claim against any third party causing damage.

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2.7.2 Maintenance, Testing, and Adjustment

Upon reasonable notice, any 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. No interruption allowance will be granted for the time during which such tests and adjustments are made.

2.7.3 Deposits and Advance Payments

The company will not collect deposits or advanced payments from Arizona customers.

2.7 Customer Responsibility

2.7.4 Credit Allowance

Credit for failure of service or equipment will be allowed only when failure is caused by or occurs in equipment owned, provided and billed for, by Carrier.

- A. Credit allowances for failure of service or equipment starts when the customer notifies Carrier of the failure or when Carrier becomes aware of the failure and ceases when the operation has been restored and an attempt has been made to notify the customer.
- B. The customer shall notify Carrier of failures of service or equipment and make reasonable attempts to ascertain that the failure is not caused by customer provided facilities, any act, or omission of the customer or in wiring or equipment connected to the terminal.
- C. Only those portions of the service or equipment operation disabled will be credited. No credit allowances will be made for:
  - 1. Interruptions of service resulting from Carrier performing routine maintenance;
  - 2. Interruptions of service for implementation of a customer order for a change in the service;
  - 3. Interruption caused by the negligence of the customer or his authorized user;
  - 4. Interruptions of service resulting from the failure of service or equipment due to customer-provided facilities.
  - 5. No credit shall be allowed for an interruptions of less than two hours.

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2.7 Customer Responsibility

2.7.5 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, 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.

2.7.6 Payment and Charges for Services

- A. Service is provided and billed on a monthly basis.
- B. Payment is due upon receipt. Payment will be considered timely if paid within 20 days after the bill is rendered. The bill shall be considered rendered when deposited in the U.S. mail with postage prepaid.
- 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.
- D. The customer is responsible for payment of all charges for service furnished to the customer under this tariff.
- E. Customer is responsible for payment of any state and local taxes (i.e. gross receipts tax, sales tax, municipal utilities tax) which will be listed as separate line items and which are not included in the quoted rates.
- F. Customers will be charged a late payment penalty on past-due amounts.
- G. Customers will be charged a fee for each return check issued by a customer.

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2.7.7 Application of Charges

The charges for service are those charges in effect during the period in service was furnished.

2.7.8 Customer Complaint Procedure

Carrier will resolve any disputes brought to its attention as promptly and effectively as possible. Customer Service Representatives can be reach via the following toll free telephone number: 1-866-890-4135.

Any unresolved disputes may be directed to the attention of the Commission.

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 and notify the Company of the disputed portion.

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2.8 Carrier Responsibility

2.8.1 Cancellation Credit

Where Carrier cancels a service or the provision of equipment and the final service period is less than the monthly billing period, a credit will be issued for any amounts billed in advance, prorated at 1/30th of the monthly recurring charge for each day the service was rendered or the equipment was provided. This credit will be issued to the customer or applied against the balance remaining on the customer's account.

2.8.2 Disconnection of Service by Carrier

Carrier, upon 5 days written notice to the customer, may discontinue service or cancel an application for service without incurring any liability for any of the following reasons:

- A. Non-payment of any sum due to Carrier for service for more than twenty days beyond the date of rendition of the bill for such service;
- B. A violation of any regulation governing the service under this tariff;
- C. A violation of any law, rule, or regulation of any government authority having jurisdiction over the service; or
- D. Carrier is prohibited from furnishing services by order of a court or other government authority having jurisdiction.

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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."

There are no charges incurred if a call is not completed.

3.2 Start of Billing

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

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 of Carrier and other participating carriers 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 other carriers' tariffs. 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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3.8 Service Offerings

The Carrier provides the following services:

3.8.1 Message Toll Service (MTS)

Outgoing long distance service whereby the customer accesses the Company's underlying carrier's network on an equal access or dial-up basis.

In non-equal access areas, the customer will gain access to the Carrier's network by dialing a 101XXXX access code which will be provided by the Company.

3.8.2 Inbound Service (8XX)

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.

The Company will accept a prospective inbound service customer's request for up to ten (10) toll free 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 number(s) requested, if available, will be reserved for and furnished to the eligible customer.

If a customer who has received a number does not subscribe to inbound service within 90 days, the company reserves the right to make the assigned number(s) available for use by another customer.

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3.8.3 Travel Card Service

Allows subscribers who are away from home or office 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

The Company will provide requesting customers with listed telephone numbers at a per call charge.

3.8.5 Operator Service

Operator Assisted Services are provided by and billed by the Company's underlying carrier.

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**SECTION 4 - RATES AND CHARGES**

4.1. Usage Charges and Billing Increments

4.1.1 Usage Charges

Usage charges are either flat rated or 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

Billing increments are specifically stated in the product rate sections below.

4.1.3 Rounding

All partial usage will be rounded up to the next highest billing increment set forth for the applicable product. Any partial cents will be rounded up to the next highest whole cent.

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4.2 Maximum Outbound Rates

- A. Maximum Rate: \$0.30 per minute.
- B. Billed in 6 second increments with an 18 second minimum..

4.4 Maximum Inbound Rates

- A. Maximum Rate: \$0.30 per minute.
- B. Billed in 6 second increments with an 18 second minimum.

4.5 Maximum Travel Card Rates

- A. Maximum Rate: \$0.35 per minute.
- B. Billed in 6 second increments with a 30 second minimum.
- C. Maximum Set-Up Fee: \$3.00

4.6 Maximum Dishonored Check Charge

All customers issuing dishonored check(s) will be charged a fee for each dishonored check issued to the company in an amount not to exceed \$20.00.

The charge will be applied to the customer's monthly billing, in addition to any other charges which may apply under this tariff.

Payment rendered by check, which is subsequently dishonored, shall not constitute payment until such time as repayment is made by valid means.

4.7 Directory Assistance Charge

Maximum per call charge \$1.50.

4.8 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.

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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 maximum \$0.75 surcharge shall be assessed for each call made from a pay telephone to an 8XX number or using a travel card and dialing the carrier prefix in the form 101XXXX.

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Interexchange Services Price List

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**CURRENT PRICE LIST**

**SCHEDULE #1: Outbound 1+ Service**

\$0.0750 per minute.

Billed in 6 second increments with an 18 second minimum.

**SCHEDULE #2: Inbound 8XX Service**

Service subject to a \$2.95 service charge for monthly usage less than \$20.00.

Per minute rate: \$0.0750

Billed in 6 second increments with an 18 second minimum.

Monthly Service Charge: \$1.00 per toll free number.

**SCHEDULE #3: Travel Card Service**

Cards are established with a \$50.00 monthly limit, and international calling is not allowed. However, arrangements can be made to accommodate the need for a higher monthly limit or international calling on a case by case basis.

Rate Per Minute: \$0.0990

Billed in 6 second increments with a 30 second minimum.

Set up fee of \$1.00 per card.

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Interexchange Services Price List

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**CURRENT PRICE LIST**

**SCHEDULE #4: Directory Assistance**

\$0.89 per call.

**SCHEDULE #5: Late Payment Penalty**

1.5% of any amounts owed to the Company beyond the due date.

**SCHEDULE #6: Dishonored Check Charge**

\$15.00 per dishonored check.

**SCHEDULE #7: Pay Telephone (Payphone) Surcharge**

\$0.50 per call.

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# **ATTACHMENT C**

## **SERVICE AREA MAPS**



# **ATTACHMENT D**

## **FINANCIAL INFORMATION**

Telrite Corporation  
 Balance Sheet  
 Period Ending June 30, 2004  
 (Unaudited)

	<u>Amount</u>	<u>Percent of Assets</u>
Cash Available	\$ 143,802	6.4%
Accounts Receivable	\$ 512,925	22.7%
Prepaid Expenses	\$ 16,389	0.7%
Notes Receivable	\$ -	0.0%
<b>TOTAL CURRENT ASSETS</b>	<b>\$ 673,116</b>	<b>29.8%</b>
Property, Plant & Equipment	\$ 1,726,431	76.5%
Less: Accumulated Depreciation	\$ 148,126	6.6%
<b>NET P, P &amp; E</b>	<b>\$ 1,578,306</b>	<b>69.9%</b>
Deposits	\$ 5,000	0.2%
Intangible Assets, Net	\$ -	0.0%
Non-Current Notes Receivable	\$ -	0.0%
<b>TOTAL ASSETS</b>	<b>\$ 2,256,422</b>	<b>100.0%</b>
Accounts Payable \$ Accrued Liabilities	\$ 316,661	14.0%
Unearned Revenue	\$ 18,125	0.8%
Current Portion Long term Debt		
Notes Payable	\$ -	0.0%
<b>TOTAL CURRENT LIABILITIES</b>	<b>\$ 334,786</b>	<b>14.8%</b>
Long Term Debt	\$ -	0.0%
Stock Incl Additional P-I-C	\$ 1,389,985	61.6%
Current Year Earnings	\$ 408,526	18.1%
Retained Earnings	\$ 123,126	5.5%
<b>TOTAL EQUITY</b>	<b>\$ 1,921,636</b>	<b>85.2%</b>
<b>TOTAL LIABILITIES and EQUITY</b>	<b>\$ 2,256,422</b>	<b>100.0%</b>

**Telrite Corporation**  
**Income Statement**  
**For the Period Ending June 30, 2004**  
*(Continued)*

	<u>Amount</u>	<u>Percent of Revenue</u>
<b>REVENUES</b>	\$ 2,240,044.00	100.0%
<b>COST of SALES</b>	\$ 1,130,497.08	50.4%
<b>GROSS PROFIT</b>	\$ 1,110,347.78	49.6%
<b>EXPENSES:</b>		
Supplies & Office Expense	\$ 22,205.04	1.0%
Office Maintenance	\$ 9,281.64	0.4%
Billing & Collection	\$ 70,280.07	3.1%
Advertising	\$ 3,618.30	0.2%
Commissions	\$ 164,780.98	7.4%
Rent - Office Space	\$ 12,722.25	0.6%
Rent - Copier & Telephone Equipment	\$ -	0.0%
Legal & Accounting fees	\$ 37,785.00	1.7%
Salaries & Benefits	\$ 189,828.50	8.2%
Independent Contractors and Contract Labor	\$ 96,537.00	4.3%
Telephone & Utilities	\$ 3,560.48	0.2%
Postage & Shipping	\$ 1,689.48	0.1%
Tariffs and taxes	\$ 9,889.34	0.4%
Other expenses	\$ 5,885.38	0.3%
TOTAL SG&A	\$ 822,073.42	27.8%
<b>EBITDA</b>	\$ 488,274.36	21.8%
Depreciation	\$ 79,748.50	3.6%
Amortization	\$ -	0.0%
	\$ 79,748.50	
<b>EBIT</b>	\$ 408,525.86	18.2%
Interest expense	\$ -	0.0%
Interest & other income	\$ -	0.0%
<b>INCOME BEFORE TAXES</b>	\$ 408,525.86	18.2%
Income Tax Expense (Benefit)	\$ -	0.0%
<b>NET INCOME</b>	\$ 408,525.86	18.2%

Telrite Corporation  
Balance Sheet  
Period Ending June 30, 2003  
(Unaudited)

	<u>Amount</u>	<u>Percent of Assets</u>
Cash Available	\$ 178,021	7.4%
Accounts Receivable	\$ 536,174	22.3%
Prepaid Expenses	\$ 39,843	1.7%
Notes Payable	\$ 74,192	<u>3.1%</u>
<b>TOTAL CURRENT ASSETS</b>	<b>\$ 828,230</b>	<b>34.5%</b>
Property, Plant & Equipment	\$ 1,789,452	74.6%
Less: Accumulated Depreciation	\$ (222,867)	<u>-9.3%</u>
<b>NET P, P &amp; E</b>	<b>\$ 1,566,585</b>	<b>65.3%</b>
Deposits	\$ 5,000	0.2%
Intangible Assets, Net	\$ -	0.0%
Non-Current Notes Receivable	\$ -	<u>0.0%</u>
<b>TOTAL ASSETS</b>	<b>\$ 2,399,815</b>	<b>100.0%</b>
Accounts Payable \$ Accrued Liabilities	\$ 263,451	11.0%
Unearned Revenue	\$ 19,165	0.8%
Current Portion Long term Debt	\$ -	0.0%
Notes Payable	\$ -	<u>0.0%</u>
<b>TOTAL CURRENT LIABILITIES</b>	<b>\$ 282,616</b>	<b>11.8%</b>
Long Term Debt	\$ -	0.0%
Stock Incl Additional P-I-C	\$ 1,821,914	75.9%
Current Year Earnings	\$ 204,633	8.5%
Retained Earnings	\$ 90,652	<u>3.8%</u>
<b>TOTAL EQUITY</b>	<b>\$ 2,117,199</b>	<b>88.2%</b>
<b>TOTAL LIABILITIES and EQUITY</b>	<b>\$ 2,399,815</b>	<b>100.0%</b>

**Telrite Corporation**  
**Income Statement**  
**For the Six Months Ending June 30, 2003**  
**(Unaudited)**

	Amount	Percent of Revenue
<b>REVENUES</b>	\$ 2,732,344.00	100.0%
<b>COST of SALES</b>	\$ 1,753,586.00	64.2%
<b>GROSS PROFIT</b>	\$ 978,758.00	35.8%
<b><u>EXPENSES:</u></b>		
Supplies & Office Expense	\$ 18,034.08	0.7%
Office Maintenance	\$ 7,325.33	0.3%
Advertising	\$ 13,293.70	0.5%
Commissions	\$ 227,023.51	8.3%
Rent - Office Space	\$ 16,734.02	0.6%
Rent - Copier & Telephone Equipment	\$ 8,727.38	0.3%
NOC & Colocation Rent & Utilities	\$ 18,491.71	0.7%
Legal & Accounting fees	\$ 19,388.99	0.7%
Salaries & Benefits	\$ 248,291.44	9.1%
Independent Contractors and Contract Labor	\$ 35,259.00	1.3%
Travel expense	\$ 2,389.62	0.1%
Insurance (P&C, Liab)	\$ 36,291.28	1.3%
Telephone & Utilities	\$ 22,193.92	0.8%
Postage	\$ 2,671.63	0.1%
License fees, franchise & other taxes	\$ 5,936.78	0.2%
Training	\$ 3,102.17	0.1%
Other expenses	\$ 1,530.48	0.1%
TOTAL SG&A	\$ 686,685.04	25.1%
<b>EBITDA</b>	<b>\$ 292,072.96</b>	<b>10.7%</b>
Depreciation	\$ 87,439.83	3.2%
Amortization	\$ -	0.0%
<b>EBIT</b>	<b>\$ 204,633.13</b>	<b>7.5%</b>
Interest expense	\$ -	0.0%
Interest & other Income	\$ -	0.0%
<b>INCOME BEFORE TAXES</b>	<b>\$ 204,633.13</b>	<b>7.5%</b>
Income Tax Expense (Benefit)	\$ -	0.0%
<b>NET INCOME</b>	<b>\$ 204,633.13</b>	<b>7.5%</b>

# ATTACHMENT E

## RESPONSE TO SECTION B-4

1. Provide the projected total revenue expected to be generated by the provision of telecommunications services to Arizona customers for the first twelve months following certification, adjusted to reflect the maximum rates for which the Applicant requested approval. Adjusted revenues may be calculated as the number of units sold times the maximum charge per unit.

*\$25,000 over the first 12 months*

2. Provide the operating expenses expected to be incurred during the first twelve months of providing telecommunications services to Arizona customers following certification.

*\$15,000 of operating expenses, including line costs and underlying network costs..*

3. Provide the net book value (original cost less accumulated depreciation) of all Arizona jurisdictional assets expected to be used in the provision of telecommunications service to Arizona customers at the end of the first twelve months of operation. Assets are not limited to plant and equipment. Items such as office equipment and office supplies should be included in this list.

*The projected net book value of all Arizona assets after the first twelve months is zero.*

4. If the projected value of all assets is zero, please specifically state this in your response.

*The projected value of all Arizona assets after the first twelve months is zero.*

5. If the projected fair value of the assets is different than the projected net book value, also provide the corresponding projected fair value amounts.

*The projected fair value of all Arizona assets after the first twelve months is zero.*