



# NEW APPLICATION

Arizona Corporation Commission

DOCKETED

DEC 02 1996

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0000013364

November 29, 1996  
Overnight

210 N. Park Ave.  
P.O. Drawer 200  
Winter Park, FL  
32790-0200

Transmittal AZ96000  
Docket Control Center  
Arizona Corporation Commission  
1200 West Washington Street  
Phoenix, Arizona 85007

DOCKET NO. U 29496-590

RECEIVED  
AZ CORP COMMISSION  
DEC 2 3 22 PM '96  
DOCUMENT CONTROL

Tel: 407-740-8575  
Fax: 407-740-0613

Re: Application for Certificate of Convenience and  
Necessity to Provide Competitive Intrastate  
Telecommunications Services as a Reseller - DanCris  
Telecom, L.L.C.

Dear Sir/Madam:

Enclosed for filing are the original and ten (10) copies of  
the initial application and proposed tariff of DanCris  
Telecom, L.L.C.

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

Questions regarding this filing may be directed to me at  
(407) 740-8575.

Yours truly,

Carey Roesel  
Consultant to  
DanCris Telecom, L.L.C.

cc: Mickey Rao

File: DAN-AZ

TMS AZ96000

ARIZONA CORPORATION COMMISSION

Application for Certificate of Convenience and Necessity to Provide  
Competitive Intrastate Telecommunications Services as a Reseller

RECEIVED  
AZ CORP COMMISSION  
DEC 2 3 22 PM '96

Mail Original plus 10 copies of completed application to:

Docket Control Center  
Arizona Corporation Commission  
1200 W. Washington Street  
Phoenix, Arizona 85007

If you have current applications pending in Arizona for  
provision of reseller, AOS or other telecommunications  
services, please identify:

Type of Service:  
Docket No:

Type of Service:  
Docket No:

Arizona Corporation Commission  
DOCKETED

DEC 02 1996

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Docket No. \_\_\_\_\_

DOCKET NO. U - 3296 - 96 - 590

Date Docketed \_\_\_\_\_

**A - COMPANY AND TELECOMMUNICATIONS SERVICE INFORMATION**

A-1 The name, address, and telephone number of the applicant (company).

DanCris Telecom, L.L.C.  
6900 East Camelback Road  
Suite 1003  
Scottsdale, Arizona 82251  
Telephone: (602) 874-2700

A-2 If doing business (dba) under a name other than the applicant (company) name listed  
above, specify:

Not applicable.

A-3 The name, address, telephone number, and facsimile number of the management contact:

Contact: Mr. Mickey Rao  
Telephone: (602) 874-2700  
Facsimile: (602) 874-0555

A-4 The name, address, and telephone of the attorney, if any, representing the applicant:

Not applicable.

A-5 What type of legal entity is the applicant?

Sole proprietorship

Partnership: \_\_\_ limited, \_\_\_ general, \_\_\_ Arizona, \_\_\_ Foreign

Limited liability company

Corporation: \_\_\_ "S", \_\_\_ "C", \_\_\_ non-profit, \_\_\_ Arizona, \_\_\_ Foreign

Other, specify:

A-6 Include "Attachment A." Attachment A must list names of all owners, partners, limited liability company managers, or corporation officers and directors (specify), and indicate percentages of ownership.

A-7 1. Is your company currently providing telecommunication service in Arizona? Yes.

2. If "yes", identify the types of telecommunications services provided; whether operator services are provided and whether they are provided to traffic aggregators (as defined in A.A.C. R14-2-1001(3)); the number of customers in Arizona for each type of service; and the total number of intrastate minutes resold in the latest 12 month period for which data are available.

1+ Resale. No Operator Services.

Number of Arizona Customers: 238

Intrastate Minutes for latest 12 months: 96,943

3. If "no", when does your company plan to begin providing service in Arizona?

Not applicable.

A-8 Include "Attachment B." Attachment B must include copies of all proposed rates and tariffs for each service to be provided that state the maximum rate as well as the price to be charged, and that also state other terms and conditions, including deposits, that will apply to provision of the service(s) by the telecommunication company. The Commission provides pricing flexibility by allowing competitive telecommunications service companies to price their services at levels equal to or below the maximum rates contained in their tariffs.

A-9 The geographic market to be served is:

statewide.

other, describe and provide a map depicting the area.

A-10 List the states in which you currently provide the services similar to those you intend to provide in Arizona.

None.

A-11 Describe your complaint processing procedures.

Local service and equipment troubles will be directed to the appropriate service providers. Long distance troubles will be reported by the customer to DanCris via its toll free customer service number - 888-326-2747. DanCris' Customer service agents are available Monday through Friday from 8:00 AM until 9:00 PM. After hours calls are routed to an answering service with paging to customer service and/or technical support.

Billing inquiries will be handled by the company. The billing inquiry number is 888-326-2747. The bill inquiry number will be staffed by the customer service department which is open Monday through Friday from 8:00 AM until 9:00 PM.

A-12 Provide a list of states in which you have sought to offer telecommunications services, but in which the state regulatory commission granted your application with major changes and conditions, or did not grant your application for those services. For each state listed, provide a copy of the commission's decision modifying or denying your application for authority to provide telecommunications services.

DanCris has certification pending in California. DanCris is not presently certificated in any other states.

A-13 Has the company been granted authority to provide telecommunications services in any state where subsequently the authority was revoked? If "yes", provide copies of the state regulatory commission's decision revoking its authority.

No.

A-14 Has the company been or is the company currently involved in any formal complaint proceeding before any state or federal regulatory commission? If "yes", in which states is the company involved in proceedings, and what is the substance of these complaints. Also, provide copies of commission orders that have resolved any of these complaints.

No.

A-15 Has the applicant been involved in any civil or criminal investigations related to the delivery of telecommunications services within the last five years? If "yes", in which states has the applicant been involved in investigations, and why is the applicant being investigated?

No.

A-16 Has the applicant been convicted of any civil or criminal acts related to the delivery of telecommunications services within the last five years? If "yes", list the states where convictions occurred, and provide a copy of the court order of the convictions.

No.

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## B - TECHNICAL INFORMATION

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B-1 Resellers should include "Attachment C." Attachment C should provide the following information:

1. A diagram of the applicant's basic call network used to complete Arizona intrastate telecommunications traffic. This diagram should show how a typical call is routed in both its originating and terminating ends (i.e. show the access network and call completion network). Also include on the diagram the underlying carrier(s) for each major network component and indicate if the carrier is facilities-based or not.
2. Indicate who owns the facilities (within the State of Arizona) that are used to originate and terminate the applicant's intrastate telecommunications traffic (i.e. provide a list of the Arizona facilities-based long distance carriers whose facilities are used to complete the applicant's intrastate traffic).

B-2 Describe those actions that your customers will have to take to make a telephone call if your system goes down.

In the event that DanCris Telecom, L.L.C.'s underlying interexchange carrier is unable to complete a call, customers may place calls using another interexchange carrier by dialing an access code (i.e. 10XXX, 950 or 800 access number) to reach that carrier.

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## C - FINANCIAL INFORMATION

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C-1 Include "Attachment D." Attachment D should provide copies of the following audited financial information for the most recent two years for all Arizona operations. Check boxes indicating items attached.

- current intrastate balance sheet
- current intrastate income statement
- current intrastate cash flow statement
- other financial information evidencing financial resources.

\* The financials are unaudited, but have been certified by a DanCris officer. Financials are for DanCris' total state and interstate operations.

I certify that the applicant is an Arizona Corporation, a current copy of the Articles of Incorporation is on file with the Arizona Secretary of State, and the applicant holds a Certificate of Good Standing. 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 related to the regulation of telecommunications services and that the company will abide by Arizona State law including the Arizona Corporation Commission Rules and Regulations. I certify that to the best of my knowledge the information provided in this application is true and correct.

Mickey Rao  
(Signature of Authorized Representative)

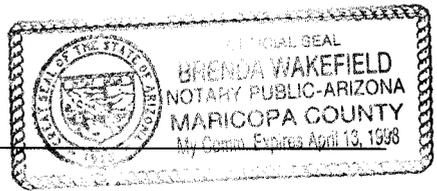
11/26/96  
(Date)

Mickey Rao  
(Printed Name of Authorized Representative)

CEO  
(Title)

SUBSCRIBED AND SWORN to before me this 26 day of November, 1996.

Brenda Wakefield  
NOTARY PUBLIC



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

**ATTACHMENT A**

DanCris Telecom, L.L.C.

**OFFICERS AND DIRECTORS**

<u>NAME</u>	<u>TITLE</u>
Mickey Rao	CEO

Mickey Rao may be contacted through the headquarters location at 6900 East Camelback Road, Suite 1003, Scottsdale, Arizona 82251

**OWNERS & PERCENTAGE OWNERSHIP**

Lawrence A. Cahill	35%
Donald J. Gass	12%
Charles J. Rao	53%

**ATTACHMENT B**

**DanCris Telecom, L.L.C.**

**PROPOSED TARIFF**

**DANCRIS TELECOM, L.L.C.**

TEL: 602-874-2700

TEL: 888-326-2747

AZ.C.C. Tariff No. 1

Original Title Page

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**Specialized Common Carrier Service**

**Regulations and Rates**

of

**DANCRIS TELECOM, L.L.C.**

This tariff contains the descriptions, regulations, and rates applicable to the resale of telecommunications services provided by DanCris Telecom, L.L.C., with principal offices at 6900 East Camelback Road, Suite 1003, Scottsdale, Arizona 82251, telephone number (602) 874-2700. This tariff applies to services furnished within the State of Arizona. This tariff is on file with the Arizona Corporation Commission and copies may be inspected during normal business hours at the Company's principal place of business.

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Issued:

Effective:

Issued By: Mickey Rao, CEO  
DanCris Telecom, L.L.C.  
6900 East Camelback Road  
Suite 1003  
Scottsdale, Arizona 82251

Docket No. \_\_\_\_\_

CHECK SHEET

The pages of this tariff, as listed below, are effective as of the date shown. Revised sheets contain all changes from the original tariff that are in effect as of the date indicated.

<u>Page</u>	<u>Revision</u>	<u>Page</u>	<u>Revision</u>
Title	Original	33	Original
1	Original	34	Original
2	Original	35	Original
3	Original	36	Original
4	Original	37	Original
5	Original		
6	Original		
7	Original		
8	Original	Price List	
9	Original	1	Original
10	Original	2	Original
11	Original		
12	Original		
13	Original		
14	Original		
15	Original		
16	Original		
17	Original		
18	Original		
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29	Original		
30	Original		
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Scottsdale, Arizona 82251

Docket No. \_\_\_\_\_

**DANCRIS TELECOM, L.L.C.**

TEL: 602-874-2700

TEL: 888-326-2747

AZ.C.C. Tariff No. 1

Original Page 2

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**OTHER CARRIERS**

None

**CONCURRING CARRIERS**

None

**CONNECTING CARRIERS**

None

**OTHER PARTICIPATING CARRIERS**

None

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**EXPLANATION OF SYMBOLS AND ABBREVIATIONS**

**SYMBOLS**

- (C) To signify changed listing, rule, or condition which may affect rates or charges.
- (D) To signify discontinued material, including listing, rate, rule, or condition.
- (I) To signify an increase.
- (M) To signify material relocated from or to another part of tariff schedule with no change in text, rate, rule or condition.
- (N) To signify new material including listing, rate, rule or condition.
- (R) To signify reduction.
- (S) To signify reissued material.
- (T) To signify change in wording of text but not change in rate, rule, or condition.

**ABBREVIATIONS**

LEC - Local Exchange Company

PBX - Private Branch Exchange

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**SECTION 1 - DEFINITIONS**

**The following definitions are applicable to this tariff:**

**Access Line** - A local channel for voice, data, or video communications which connects the Customer location to a location of the Company or its underlying carrier.

**Account** - The Customer who has agreed, orally or in writing, to honor the terms of service established by the Company. An Account may have more than one service billed to the same Customer address. An Account may include multiple locations for the same Customer.

**Authorization Code** - A pre-defined series of numbers to be dialed by the Customer upon access to the Company's system to identify the caller and validate the caller's authorization to use the services provided. The Customer is responsible for charges incurred through the use of his or her assigned Authorization Code.

**Business Customer** - For the purpose of this tariff, a Business Customer is a Customer of the Company whose primary use of the Company's service is for business purposes. A Business Customer is also a Customer who accesses the Company's service using an access line that has been assigned a business class of service by the local service provider.

**Collect Call** - A billing arrangement by which the charges for a call may be billed to the called party, provided the called party agrees to accept the charges.

**Commission** - The Arizona Corporation Commission.

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**SECTION 1 - DEFINITIONS, (Cont'd.)**

**Company** - DanCris TeleCom, L.L.C., unless stated otherwise.

**Company's Point of Presence** - Location of the serving central office associated with access to the Company's or its underlying carrier's network.

**Consumer** - A person who is not a Customer who initiates any telephone calls using operator services.

**Customer** - Any person, firm, partnership, corporation or other entity which subscribes to or uses service under the terms and conditions of this tariff. The Customer is responsible for the payment of charges for service offered by the Company which are subscribed to or used by the Customer. The Customer is also responsible for payment of charges for a third person's use of service to which the Customer subscribes.

**Equal Access** - The ability of the Company to serve Customers on a presubscribed basis rather than through the use of dial access codes.

**Initial And Additional Period** - The Initial Period denotes the interval of time allowed at the rate specified for a connection between given service points. The Additional Period denotes the interval of time used for measuring and charging for time in excess of the Initial Period.

**LATA** - Local access and transport area. A geographic area established by the US District Court for the District of Columbia in Civil Action No. 82-0192.

**LEC** - Local Exchange Company

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**SECTION 1 - DEFINITIONS, (Cont'd.)**

**Premises** - The physical space designated by the Customer for the termination of the Company's service.

**Residential Customer** - For the purpose of this tariff, a Residential Customer is a Customer of the Company whose primary use of the Company's service is for personal use in a house, apartment or other residential dwelling unit. A Residential Customer is also a Customer who accesses the Company's service using an access line that has not been assigned a business class of service by the local service provider.

**Switched Access** - A method for reaching the Company through the local service provider's switched network whereby the Customer uses standard business or residential local lines.

**Terminal Equipment** - Telecommunications devices, apparatus and associated wiring on the Premises of the Customer.

**Third Party Billing** - A billing arrangement by which the charges for a call may be billed to a telephone number that is different from the calling number and the called number.

**Travel Card** - A proprietary calling card offered by DanCris Telecom, L.L.C., which is accessed by dialing a Company-provided access number.

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**SECTION 2 - TERMS AND CONDITIONS**

**2.1 Undertaking of DanCris and Locations of Service**

The Company's service is furnished to Customers for communications originating and terminating within the State of Arizona under the terms of this tariff. The Company's service is available twenty-four hours per day, seven days per week.

Travel Card services will be provided within other states, between this state and other states, and between other states only where the Company has all necessary authorizations from the Federal Communications Commission and the applicable state commission. Interstate Travel Card services will be provided under tariffs filed with the FCC. Travel Card services furnished within other states will be provided under tariffs filed with such other states or prevailing terms where tariffs are not required by applicable law.

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**SECTION 2 - TERMS AND CONDITIONS, (Cont'd.)**

**2.2 Use of Service**

**2.2.1** Service may be used for any lawful purpose for which it is technically suited.

**2.2.2** The Customer obtains no property right or interest in the use of any specific type of facility, service, equipment, number, process, or code. All right, title and interest to such items remain, at all times, solely with the Company or its underlying carrier, as appropriate.

**2.2.3** Recording of telephone conversations transmitted over service provided by the Company under this tariff is prohibited except as authorized by applicable federal, state and local laws.

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**SECTION 2 - TERMS AND CONDITIONS, (Cont'd.)**

**2.3 Limitations of Service**

- 2.3.1** Service is offered subject to the availability of the necessary facilities and/or equipment and subject to the provisions of this tariff. The Company may decline applications for service to or from a location where the necessary facilities or equipment are not available. The Company may discontinue furnishing service in accordance with the terms of this tariff.
- 2.3.2** The Company reserves the right to discontinue or limit service when necessitated by conditions beyond its control (examples of these conditions are more fully set forth elsewhere in this tariff), or when service is used in violation of provisions of this tariff or the law.
- 2.3.3** The Company does not undertake to transmit messages, but offers the use of its service when available, and, as more fully set forth elsewhere in this tariff, shall not be liable for errors in transmission or for failure to establish connections.
- 2.3.4** The Company reserves the right to refuse to process Third Party Billed calls when the billed party and/or standard validation techniques do not confirm acceptance, or based on characteristics of the originating location.
- 2.3.5** The Company reserves the right to refuse to process Travel Card billed calls when authorization for use of the card cannot be validated or to prevent the unlawful use of service.
- 2.3.6** The Company reserves the right to discontinue service, limit service, or to impose requirements as required to meet changing regulatory or statutory rules and standards, or when such rules and standards have an adverse material affect on the business or economic feasibility of providing service, as determined by the Company in its reasonable judgment.
- 2.3.7** Service is offered subject to restrictions imposed upon the Company by any authority having authority over the Company's provision of service.

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**SECTION 2 - TERMS AND CONDITIONS, (Cont'd.)**

**2.4 Assignment or Transfer**

The Customer may not transfer or assign the use of service offered by the Company without the express prior written consent of the Company. Such transfer or assignment shall only apply where there is no interruption of the use or location of service. All terms and conditions contained in this tariff shall apply to all such permitted transferees or assignees, as well as all conditions of service.

**2.5 Liabilities of Company**

- 2.5.1** The liability of the Company for damages of any nature arising from errors, mistakes, omissions, interruptions, or delays of the Company, its agents, servants, or employees, in the course of establishing, furnishing, rearranging, moving, terminating, or changing the service or facilities or equipment shall not exceed an amount equal to the charges applicable under this tariff (calculated on a proportionate basis where appropriate) to the period during which such error, mistake, omission, interruption or delay occurs.
- 2.5.2** In no event shall the Company be liable for any incidental, indirect, special, or consequential damages (including, but not limited to, lost revenue or profits) of any kind whatsoever regardless of the cause or foreseeability thereof.
- 2.5.3** When the services or facilities of other common carriers are used separately or in conjunction with the Company's facilities or equipment in establishing connection to points not reached by the Company's facilities or equipment, the Company shall not be liable for any act or omission of such other common carriers or their agents, servants or employees.

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**SECTION 2 - TERMS AND CONDITIONS, (Cont'd.)**

**2.5 Liabilities of Company, (cont'd.)**

**2.5.4** The Company shall not be liable for any failure of performance hereunder if such failure is due to any cause or causes beyond the reasonable control of the Company. Such causes shall include, without limitation, acts of God, fire, explosion, vandalism, cable cut, storm or other similar occurrence, any law, order, regulation, direction, action or request of the United States government or of any other government or of any civil or military authority, national emergencies, insurrections, riots, wars, strikes, lockouts or work stoppages or other labor difficulties, supplier failures, shortages, breaches or delays, or preemption of existing service to restore service in compliance with state and federal laws.

**2.5.5** The Company shall not be liable for interruptions, delays, errors, or defects in transmission, or for any injury whatsoever, caused by the Customer, or the Customer's agents, servants, employees, or customers, or by facilities or equipment provided by the Customer.

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**SECTION 2 - TERMS AND CONDITIONS, (Cont'd.)**

**2.6 Liability of the Customer**

The Customer shall indemnify, defend and hold harmless the Company (including the costs of litigation and reasonable attorney's fees) against:

- (i) Claims for libel, slander, infringement of 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 Company's facilities or equipment; and
- (ii) Claims for patent infringement arising from combining or connecting the Company's facilities or equipment with facilities, equipment, apparatus or systems of the Customer; and
- (iii) All other claims (including, without limitation, claims for damage to any business or property, or injury to, or death of, any person) arising out of any act or omission of the Customer, or the Customer's agents, servants, employees, or customers, in connection with any service or facilities or equipment provided by the Company.

**2.7 Taxes**

All state and local taxes (i.e., gross receipts tax, sales tax, municipal utilities tax) are listed as separate line items and are not included in the quoted rates.

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**SECTION 2 - TERMS AND CONDITIONS, (Cont'd.)**

**2.8 Terminal Equipment**

The Company's facilities and service may be used with or terminated in Customer-provided terminal equipment or Customer-provided communications systems, such as a telephone set, PBX or key system. Such terminal equipment shall be furnished and maintained at the expense of the Customer, except as otherwise provided. The Customer is responsible for all costs at his or her premises, including personnel, wiring, electrical power, and the like, incurred in the use of the Company's service. When such terminal equipment is used, the equipment shall comply with applicable rules and regulations of the Federal Communications Commission, including, but not limited to, Part 68. In addition, equipment must comply with generally accepted minimum protective criteria standards and engineering requirements of the telecommunications industry which are not barred by the Federal Communications Commission.

**2.9 Installation**

No installation at the Customer's Premises is required to use the Company's service. Service is initiated by request of the Customer. The Company may refuse to provision service when the Company cannot verify that the party requesting the Company's service is authorized to request or to change service.

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**SECTION 2 - TERMS AND CONDITIONS, (Cont'd.)**

**2.10 Payment for Service**

- 2.10.1** Service is provided and billed on a monthly basis. Bills are due and payable upon receipt. A late fee of 1.5% per month (or the maximum amount allowed by law, whichever is lower) applies to any unpaid and past due balance. The late fee begins to accrue on the 30th day after the billing date. In the event that the Company incurs fees or expenses, including attorney's fees, collecting, or attempting to collect, any charges owed to the Company, the Company may charge the Customer, and the Customer will pay, all such fees and expenses reasonably incurred. Collection fees on overdue charges apply in addition to all applicable late payment charges and shall begin to accrue when the Account is assigned to an outside collection agency.
- 2.10.2** The Customer is responsible for payment of all charges for service furnished to or used by the Customer, or the Customer's agents, servants, employees or customers. The Customer is also responsible for payment of charges for a third person's use of service to which the Customer subscribes. All charges due from the Customer are payable to the Company or to the Company's authorized billing agent. Any objections to billed charges must be reported to the Company or its billing agent within six months after receipt of bill. Adjustments to the Customer's bill shall be made to the extent that circumstances exist which reasonably indicate that such changes are appropriate.
- 2.10.3** The security of the Customer's Authorization Codes is the responsibility of the Customer. All calls placed using such Authorization Codes shall be billed to and shall be the obligation of the Customer. The Customer is responsible for all calls placed via their Authorization Code, whether such use is as a result of the Customer's intentional or negligent disclosure of the Authorization Code or otherwise. However, the Customer shall not be responsible for charges in connection with the unauthorized use of Authorization Codes arising after the Customer notifies the Company of the loss, theft, or other breach of security of such Authorization Codes.
- 2.10.4** The Company reserves the right to assess a charge of \$20.00, or the maximum amount allowed by law, whenever a check or draft presented for payment of service is not accepted by the institution upon which it is written.

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**SECTION 2 - TERMS AND CONDITIONS, (Cont'd.)**

**2.10 Payment for Service, (cont'd.)**

**2.10.5** The Customer shall be responsible for all calls placed by or through Customer's equipment by any person. In particular and without limitation to the foregoing, the Customer is responsible for any calls placed by or through the Customer's equipment via any remote access features.

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Issued:

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**SECTION 2 - TERMS AND CONDITIONS, (Cont'd.)**

**2.11 Deposits**

**2.11.1** The Company reserves the right to examine the credit record of the Customer, using any lawful sources for determining credit standing. If the Customer's financial condition is unknown or unacceptable to the Company, the Customer may be required to provide the Company with a security deposit which the Company may apply against overdue charges. The amount of the security deposit shall be equal to two months' estimated usage but may vary with the Customer's credit history and projected usage. The Customer shall be apprised that after one year of service the Account shall be reviewed, and in the event that all amounts due have been paid within the terms and conditions of this tariff, the deposit shall be refunded in full. If subsequent payment or usage patterns change, the Company may request an increase in or resubmission of the security deposit as appropriate. The Company may also require a security deposit before service is restored (along with the payment of overdue charges) from the Customer whose service has been discontinued for nonpayment of overdue charges. Such security deposit may be based on a new credit history (taking into account the discontinuance of service) and estimates of usage.

**2.11.2** The fact that a security deposit has been made in no way relieves the Customer from the prompt payment of bills upon presentation.

**2.12 Advance Payments**

The Company reserves the right to require an advance payment from the Customer instead of or in addition to a security deposit. The advance payment shall be in an amount equal to or less than estimated installation charges plus two months' estimated billing.

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**SECTION 2 - TERMS AND CONDITIONS, (Cont'd.)**

**2.13 Interruption of Service**

Credit allowances for interruptions of service which are not due to the Company's testing or adjusting, to the negligence or other wrongful act or omission of the Customer, or to the failure of channels, equipment and/or communications systems provided by the Customer, are subject to the general liability provisions set forth in this tariff. It shall be the obligation of the Customer to notify the Company immediately of any interruption in service for which a credit allowance is desired by the Customer. Before giving such notice, the Customer shall ascertain that the trouble is not within his or her control, or is not in wiring or equipment, if any, furnished by the Customer. Interruptions caused by Customer-provided, or Company-provided automatic dialing equipment are not deemed an interruption of service as defined herein since the Customer has the option of using the long distance network via LEC access. For purposes of credit computation, every month shall be considered to have 30 days. For services with a monthly recurring charge, no credit shall be allowed for an interruption of continuous duration of less than twenty-four hours. For message rated toll services, credits will be limited to, at maximum, the price of the initial period of the individual call that was interrupted.

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**SECTION 2 - TERMS AND CONDITIONS, (Cont'd.)**

**2.14 Cancellation and Restoration of Service**

Service continues to be provided until canceled by the Customer or until canceled by the Company as set forth below. The Company may render bills subsequent to the termination of service for charges incurred before termination. The Customer shall pay such bills in full in accordance with the payment terms of this tariff.

**2.14.1** Service may be suspended by the Company, without notice to the Customer, by blocking traffic to certain cities or NXX exchanges, or by blocking calls using certain Customer Travel Cards when the Company deems it necessary to take such action to prevent unlawful use of its service. DanCris will restore services as soon as it can be provided without undue risk, and will upon request by the Customer, assign new Travel Card codes to replace ones that have been deactivated.

**2.14.2 Cancellation by the Customer**

The Customer may have service discontinued upon written or verbal notice to the Company. The Customer shall pay the Company for service furnished until the cancellation date specified by the Customer or until the date that the written cancellation notice is received, whichever is later.

**2.14.3 Refusal, Suspension or Cancellation by the Company**

- (i) For nonpayment: The Company, by written notice to the Customer and in accordance with applicable law, may refuse, suspend or cancel service without incurring any liability when there is an unpaid balance for service that is more than 60 days overdue.
- (ii) For returned checks: The Customer whose check or draft is returned unpaid for any reason, after two attempts at collection, shall be subject to refusal, suspension or cancellation of service in the same manner as provided for nonpayment of overdue charges.

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**SECTION 2 - TERMS AND CONDITIONS, (Cont'd.)**

**2.14 Cancellation and Restoration of Service, (cont'd.)**

**2.14.3 Refusal, Suspension or Cancellation by the Company, (cont'd.)**

- (iii) For lack of use: The Company, by written notice to the Customer, may refuse, suspend or cancel service in the same manner as provided for nonpayment of overdue charges if after three full billing cycles the service has not been used.
- (iv) For violation of law or this tariff: Except as provided elsewhere in this tariff, the Company may refuse, suspend or cancel service, without notice, for any violation of terms of this tariff, for any violation of any law, rule, regulation, order, decree or policy of any government authority of competent jurisdiction, or by reason of any order or decision of a court or other government authority having jurisdiction which prohibits the Company from furnishing such service or prohibits Customer from subscribing to, using, or paying for such service.
- (v) For the Company to comply with any order or request of any governmental authority having jurisdiction: The Company may refuse, suspend or cancel service, without notice, in order to permit the Company to comply with any order or request of any governmental authority having jurisdiction.
- (vi) For unauthorized or unlawful use of Travel Card numbers and Authorization Codes: Travel Card Numbers and Authorization Codes are issued by the Company only to the Customer and may not be sold or otherwise distributed without the written consent of the Company. Any unauthorized or unlawful use of such numbers or Authorization Codes shall result in the immediate refusal, suspension or cancellation of service without notice.

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**SECTION 2 - TERMS AND CONDITIONS, (Cont'd.)**

**2.14 Cancellation and Restoration of Service, (cont'd.)**

**2.14.4 Notice of Discontinuance**

DanCris may refuse or discontinue service under the following conditions provided that, unless otherwise stated in this tariff, the Customer shall be given 15 days notice to comply with any rule or remedy any deficiency:

- (A) For use of telephone service for any purpose other than that described in the application.
- (B) For neglect or refusal to provide reasonable access to DanCris or its agents for the purpose of inspection and maintenance of equipment owned by DanCris or its agents.
- (C) Without notice in the event of Customer or Authorized User use of equipment in such a manner as to adversely affect DanCris' equipment or service to others.
- (D) Without notice in the event of tampering with the equipment or services owned by DanCris or its agents.
- (E) Without notice in the event of unauthorized or fraudulent use of service. Whenever service is discontinued for fraudulent use of service, DanCris may, before restoring service, require the Customer to make, at his or her own expense, all changes in facilities or equipment necessary to eliminate illegal use and to pay an amount reasonably estimated as the loss in revenues resulting from such fraudulent use.

**2.14.5 Restoration of Service**

If service has been discontinued for nonpayment or as otherwise provided herein and the Customer wishes it continued, service shall, at the Company's discretion, be restored when all past due amounts are paid or the event giving rise to the discontinuance (if other than nonpayment) is corrected.

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**SECTION 2 - TERMS AND CONDITIONS, (Cont'd.)**

**2.15 Application for Service**

The Company reserves the right to require Customers to make application(s) for service in writing using forms provided by the Company. Upon acceptance of an application for service by the Company, all applicable provisions in the Company's tariffs, as amended from time-to-time which are lawfully on file, become the agreement for service between the Company and the Customer. Requests for additional service and changes to service, upon acceptance by the Company, become a part of the agreement for service, provided that each item of additional service shall be subject to the applicable minimum term of service. Acceptance or use of service offered by the Company shall be deemed an application for such service and an agreement by the Customer to subscribe to, use, and pay for such service in accordance with the applicable tariffs of the Company, as amended from time to time, which are lawfully on file. Any change in rates or other tariff provisions which are lawfully made shall be deemed to modify all agreements for service affected by such changes without further notice by Company to the Customer.

**2.16 Interconnection**

**2.16.1** Service furnished by the Company may be interconnected with services or facilities of other authorized communications common carriers and with private systems, subject to technical limitations established by the Company. Service furnished by the Company is not part of a joint undertaking with such other common carriers or systems. The Company does not undertake to provide any special facilities, equipment, or services to enable the Customer to interconnect the facilities or the equipment of the Company with services or facilities of other common carriers or with private systems.

**2.16.2** Interconnection with the services or facilities of other common carriers shall be under the applicable terms and conditions of this tariff and the other common carrier's tariffs.

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**SECTION 2 - TERMS AND CONDITIONS, (Cont'd.)**

**2.16 Interconnection, (cont'd.)**

**2.16.3** The Customer shall ensure that the facilities or equipment provided by the Customer are properly interconnected with the facilities or equipment of the Company. If the Customer maintains or operates the interconnected facilities or equipment in a manner which results or may result in harm to the Company's facilities, equipment, personnel, or the quality of service, the Company may, upon written notice, require the use of protective equipment at the Customer's expense. If this written notice fails to eliminate the actual or potential harm, the Company may, upon written notice, terminate the existing service of the Customer.

**2.17 Inspection, Testing and Adjustment**

Upon reasonable notice, the facilities provided by the Company shall be made available to the Company for such tests and adjustments as may be deemed necessary for maintenance in a condition satisfactory to the Company. No interruption allowance will be granted for the time during which such tests and adjustments are made.

**2.18 Minimum Service Period**

The minimum service period is one month (30 days), unless otherwise specified by tariff or contract.

**2.19 Local Charges and Cellular Air Time Charges**

In certain instances, the Customer may be subject to local exchange company charges or message unit charges or to cellular company air time charges to access the Company's network or to terminate intrastate calls. The Company shall not be responsible for any such charges incurred by the Customer in gaining access to the Company's network.

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**SECTION 2 - TERMS AND CONDITIONS, (Cont'd.)**

**2.20 Other Rules**

**2.20.1** DanCris reserves the right to validate the credit worthiness of Customers through available verification procedures. Where a Travel Card code cannot be validated, the Customer may be required to provide an acceptable alternate billing method or the Company may refuse to place the call.

**2.20.2** The Company reserves the right to discontinue service, limit service, or to impose requirements on Customers as required to meet changing regulations, rules or standards of the Commission.

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**SECTION 3 - DESCRIPTION OF SERVICE AND RATES**

**3.1 General**

- 3.1.1** The Company provides telecommunications services between locations within the State of Arizona. The Company's service charges may depend upon call duration, time of day rate period, mileage, and/or call type.
- 3.1.2** Presubscribed service is offered from locations served with equal access end offices.
- 3.1.3** The Company's service is available twenty-four hours per day, seven days a week.
- 3.1.4** Unless otherwise specified in the product description in this tariff, services offered include interLATA and intraLATA long distance service where presubscription is available. Where intraLATA presubscription to the Company is not available, the Company will offer intraLATA toll service to Customers who presubscribe to the Company's interLATA long distance services provided that the Customers dial 10 and the Company's identification code.

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**SECTION 3 - DESCRIPTION OF SERVICE AND RATES, (Cont'd.)**

**3.2 Calculation of Distance**

Usage charges for all mileage sensitive services are based on the airline distance between the rate center locations associated with the originating and terminating points of the call.

The distance between the originating and terminating points is calculated by using the "V" and "H" coordinates of the applicable rate centers as defined by BellCore (Bell Communications Research) and on file with the FCC in AT&T FCC Tariff No. 10, in the following manner:

Step 1 - Obtain the "V" and "H" coordinates for the rate center of the originating and the destination points.

Step 2 - Obtain the difference between the "V" coordinates of each of the rate centers. Obtain the difference between the "H" coordinates.

Step 3 - Square the differences obtained in Step 2.

Step 4 - Add the squares of the "V" difference and "H" difference obtained in Step 3.

Step 5 - Divide the sum of the square obtained in Step 4 by ten (10). Round to the next higher whole number if any fraction results from the division.

Step 6 - Obtain the square root of the whole number obtained in Step 5. Round to the next higher whole number if any fraction is obtained. This is the distance between the originating and terminating rate centers of the call.

Formula:

$$\sqrt{\frac{(V_1 - V_2)^2 + (H_1 - H_2)^2}{10}}$$

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**SECTION 3 - DESCRIPTION OF SERVICE AND RATES, (Cont'd.)**

**3.3 Timing of Calls**

Billing for calls placed over the network is based in part on the duration of the call.

**3.3.1** Timing for all calls begins when the called party answers the call (i.e. when two way communications are established). Answer detection is based on standard industry answer detection methods, including hardware and software answer detection.

**3.3.2** Chargeable time for all calls ends when one of the parties disconnects from the call.

**3.3.3** Minimum call duration for billing purposes is thirty seconds unless otherwise specified in the individual rate schedules of this tariff.

**3.3.4** Calls are measured and billed in six second increments (after the initial thirty seconds) unless otherwise indicated in this tariff. Any partial six second increment is rounded up to a full increment.

**3.3.5** No charges apply to incomplete calls.

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**SECTION 3 - DESCRIPTION OF SERVICE AND RATES, (Cont'd.)**

**3.4 Time-Of-Day Rate Periods**

Unless otherwise specified in the product description in this tariff, the following time-of-day and day-of-week rate periods are applicable to all calls. Evening rates shall apply to all calls placed on the Company's recognized Holidays except when a lower rate would normally apply.

DAY RATE PERIOD 8:00 AM to 5:00\* PM Monday through Friday

EVENING RATE PERIOD 5:00 PM to 11:00\* PM Sunday through Friday

NIGHT/WEEKEND RATE PERIOD 11:00 PM to 8:00\* AM Sunday through Friday,  
all day Saturday and Sunday until 5:00\* PM

\* to, but not including

Calls are billed based on the rate in effect for the actual time-of-day rate period(s) during which the call occurs. Calls that cross rate period boundaries are billed the rate in effect in that boundary for each portion of the call.

**Other Rate Periods**

Peak: Daytime Rate Period, per above.

Off Peak: All other days and hours, including Holidays, which are not included in Daytime Rate Period above.

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**SECTION 3 - DESCRIPTION OF SERVICE AND RATES, (Cont'd.)**

**3.4 Time-Of-Day Rate Periods, (cont'd.)**

**Holiday Rates**

Calls on the following Company-recognized Holidays are rated at the Evening Rate Period or Off-Peak Rate Period rate unless a lower rate would normally apply.

New Year's Day**	Labor Day	Christmas Day**
Independence Day**	Thanksgiving Day	Martin Luther King Day*
Presidents' Day*	Memorial Day*	Columbus Day*
Veterans' Day**		

\* - Applies to Federally observed day only.

\*\* - When this holiday falls on Sunday, the Holiday rate applies on the following Monday. When this holiday falls on a Saturday, the Holiday rate applies to calls placed on the preceding Friday.

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**SECTION 3 - DESCRIPTION OF SERVICE AND RATES, (Cont'd.)**

**3.5 Switched Outbound Service**

**3.5.1 General Description**

Switched Outbound Service is offered to Residential and Business Subscribers for outbound calling. This service utilizes Customer-provided switched access lines.

**3.5.2 Maximum Usage Rates Per Minute**

The Customer is charged for actual usage for each call.

Maximum rate per minute    \$ .40

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**SECTION 3 - DESCRIPTION OF SERVICE AND RATES, (Cont'd.)**

**3.6 Dedicated Outbound Service**

**3.6.1 General Description**

Deciated Outbound Service is offered to Residential and Business Subscribers for outbound calling. This service utilizes Customer-provided dedicated access lines.

**3.6.2 Maximum Usage Rates Per Minute**

The Customer is charged for actual usage for each call.

Maximum rate per minute    \$.40

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**SECTION 3 - DESCRIPTION OF SERVICE AND RATES, (Cont'd.)**

**3.7 Switched Inbound Toll-Free Number Service**

**3.7.1 General Description**

Inbound Toll-Free Number Service is an 800/888 number service available for Customer use twenty-four (24) hours a day, seven (7) days a week. Service is terminated over standard Customer-provided switched access lines. Intrastate service is offered in conjunction with Interstate service.

**3.7.2 Reservation of Toll-Free (i.e., 800/888) Numbers**

The Company will make every effort to reserve toll-free vanity numbers on behalf of Customers, but makes no guarantee or warranty that the requested toll-free number(s) will be available or assigned to the Customer requesting the number.

**3.7.3 Toll-Free (i.e., 800/888) Number Portability**

If a Customer accumulates undisputed delinquent charges, the Company reserves the right not to honor that Customer's request for a change in service, including a request for Resp. Org. change, until such charges are paid in full.

The Customer does not retain rights in toll-free numbers which are shared with other Customers of the Company. Shared toll-free numbers are not portable.

**3.7.4 Usage Rates**

Maximum per minute rate: \$0.40

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**SECTION 3 - DESCRIPTION OF SERVICE AND RATES, (Cont'd.)**

**3.8 Dedicated Inbound Toll-Free Number Service**

**3.8.1 General Description**

Inbound Toll-Free Number Service is an 800/888 number service available for Customer use twenty-four (24) hours a day, seven (7) days a week. Service is terminated over Customer-provided dedicated access lines. Intrastate service is offered in conjunction with Interstate service.

**3.8.2 Reservation of Toll-Free (i.e., 800/888) Numbers**

The Company will make every effort to reserve toll-free vanity numbers on behalf of Customers, but makes no guarantee or warranty that the requested toll-free number(s) will be available or assigned to the Customer requesting the number.

**3.8.3 Toll-Free (i.e., 800/888) Number Portability**

If a Customer accumulates undisputed delinquent charges, the Company reserves the right not to honor that Customer's request for a change in service, including a request for Resp. Org. change, until such charges are paid in full.

The Customer does not retain rights in toll-free numbers which are shared with other Customers of the Company. Shared toll-free numbers are not portable.

**3.8.4 Usage Rates**

Maximum per minute rate:     \$0.30

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**SECTION 3 - DESCRIPTION OF SERVICE AND RATES, (Cont'd.)**

**3.9 Travel Card Service - Basic and Premium**

Travel Card Service is available to Subscribers for originating telephone calls while away from home. Service is accessed by dialing the Company-designated toll free access number, followed by 0 + the destination number, the Travel Card number, and the personal identification (PIN) number. Calls are billed in six second increments. The minimum call duration for billing purposes is one (1) minute. Partial increments are rounded up to the next increment. A surcharge applies for each travel card call.

Maximum usage rate per minute: \$ .50

Maximum surcharge per call: \$1.00

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**SECTION 3 - DESCRIPTION OF SERVICE AND RATES, (Cont'd.)**

**3.10 Prepaid Calling Card Service**

**3.10.1 General Description**

Prepaid Calling Card Service can be accessed by dialing a specified toll-free network access number. Upon access to the Company's network, the card holder must dial a valid Access Code and the number of the party to be called. Usage charges begin when the calling and called stations are connected. Calls are billed in one minute increments.

Customers may purchase Prepaid Calling Cards in varying unit amounts directly from the Company or its agents. Prepaid Calling Cards are available in replenishable and/or disposable (non-replenishable) varieties.

**3.10.2 Usage Rates**

Maximum usage rate per minute:   \$ .75

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**SECTION 3 - DESCRIPTION OF SERVICE AND RATES, (Cont'd.)**

**3.11 Term Discounts**

A customer who commits to a term contract of two (2) years or more is entitled to a 5% discount on all services billed.

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**SECTION 4 - PROMOTIONS**

**4.1 Promotions - General**

From time to time the Company shall, at its option, promote subscription or stimulate network usage by offering to waive some or all of the nonrecurring, recurring or usage charges for the Customer (if eligible) of target services for a limited duration. Promotions may also be offered to attract or retain Customers who indicate that they would otherwise intend to accept a legitimate competitive offer made by a tariffed carrier. Such promotions shall be made available to all similarly situated Customers. In all such cases, the rates charged will not exceed those specified herein.

**4.2 Demonstration of Calls**

From time to time the Company shall demonstrate service by providing free test calls of up to four minutes duration over its network.

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**Current Rates**

**Switched Outbound Service**

<u>Initial</u> <u>30 Seconds</u>	<u>Add'l</u> <u>6 Seconds</u>	<u>Monthly</u> <u>Requirement</u>	<u>Fee if Req.</u> <u>Not Met</u>
\$0.0495	\$0.0099	\$5,000.00	\$500.00
\$0.0545	\$0.0109	\$3,000.00	\$300.00
\$0.0595	\$0.0119	\$1,000.00	\$100.00
\$0.0645	\$0.0129	\$ 100.00	\$ 10.00
\$0.0695	\$0.0139	\$ 50.00	\$ 5.00
\$0.0745	\$0.0149	\$ 40.00	\$ 4.00
\$0.0795	\$0.0159	\$ 30.00	\$ 3.00
\$0.0845	\$0.0169	\$ 20.00	\$ 2.00
\$0.0895	\$0.0179	\$ 10.00	\$ 1.00
\$0.0945	\$0.0189	\$ 0.00	\$ 0.00

**Dedicated Outbound Service**

<u>Initial</u> <u>30 Seconds</u>	<u>Add'l</u> <u>6 Seconds</u>	<u>Monthly</u> <u>Requirement</u>	<u>Fee if Req.</u> <u>Not Met</u>
\$0.0310	\$0.0062	\$10,000.00	\$1000.00
\$0.0325	\$0.0065	\$ 8,500.00	\$ 850.00
\$0.0345	\$0.0069	\$ 8,000.00	\$ 800.00
\$0.0395	\$0.0079	\$ 7,000.00	\$ 700.00
\$0.0445	\$0.0089	\$ 6,000.00	\$ 600.00
\$0.0495	\$0.0099	\$ 5,000.00	\$ 500.00
\$0.0545	\$0.0109	\$ 3,000.00	\$ 300.00
\$0.0595	\$0.0119	\$ 1,000.00	\$ 100.00

**Switched Inbound Toll-Free (800/888) Service**

<u>Initial</u> <u>30 Seconds</u>	<u>Add'l</u> <u>6 Seconds</u>	<u>Monthly</u> <u>Requirement</u>	<u>Fee if Req.</u> <u>Not Met</u>
\$0.0545	\$0.0109	\$5,000.00	\$500.00
\$0.0595	\$0.0119	\$3,000.00	\$300.00
\$0.0645	\$0.0129	\$1,000.00	\$100.00
\$0.0695	\$0.0139	\$ 100.00	\$ 10.00
\$0.0745	\$0.0149	\$ 50.00	\$ 5.00
\$0.0795	\$0.0159	\$ 40.00	\$ 4.00
\$0.0845	\$0.0169	\$ 30.00	\$ 3.00
\$0.0895	\$0.0179	\$ 20.00	\$ 2.00
\$0.0945	\$0.0189	\$ 10.00	\$ 1.00
\$0.0995	\$0.0199	\$ 0.00	\$ 0.00

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**Current Rates, (Cont'd.)**

**Dedicated Inbound Toll-Free (800/888) Service**

<u>Initial</u> <u>30 Seconds</u>	<u>Add'l</u> <u>6 Seconds</u>	<u>Monthly</u> <u>Requirement</u>	<u>Fee if Req.</u> <u>Not Met</u>
\$0.0310	\$0.0062	\$10,000.00	\$1000.00
\$0.0325	\$0.0065	\$ 8,500.00	\$ 850.00
\$0.0345	\$0.0069	\$ 8,000.00	\$ 800.00
\$0.0395	\$0.0079	\$ 7,000.00	\$ 700.00
\$0.0445	\$0.0089	\$ 6,000.00	\$ 600.00
\$0.0495	\$0.0099	\$ 5,000.00	\$ 500.00
\$0.0545	\$0.0109	\$ 3,000.00	\$ 300.00
\$0.0595	\$0.0119	\$ 1,000.00	\$ 100.00

**Calling Card Service -- Basic**

<u>Initial Minute</u>	<u>Add'l 6 Seconds</u>	<u>Surcharge</u>
\$0.25	\$0.025	\$0.50

**Calling Card Service -- Premium\***

<u>Initial Minute</u>	<u>Add'l 6 Seconds</u>	<u>Surcharge</u>
\$0.25	\$0.025	\$0.25

\* Calling Card -- Premium is available to customers whose total monthly billing exceeds \$1,000.00.

**Prepaid Calling Card Service**

<u>Rate Per Minute</u>
\$0.39

Issued:

Effective:

Issued By: Mickey Rao, CEO  
 DanCris Telecom, L.L.C.  
 6900 East Camelback Road  
 Suite 1003  
 Scottsdale, Arizona 82251

Docket No. \_\_\_\_\_

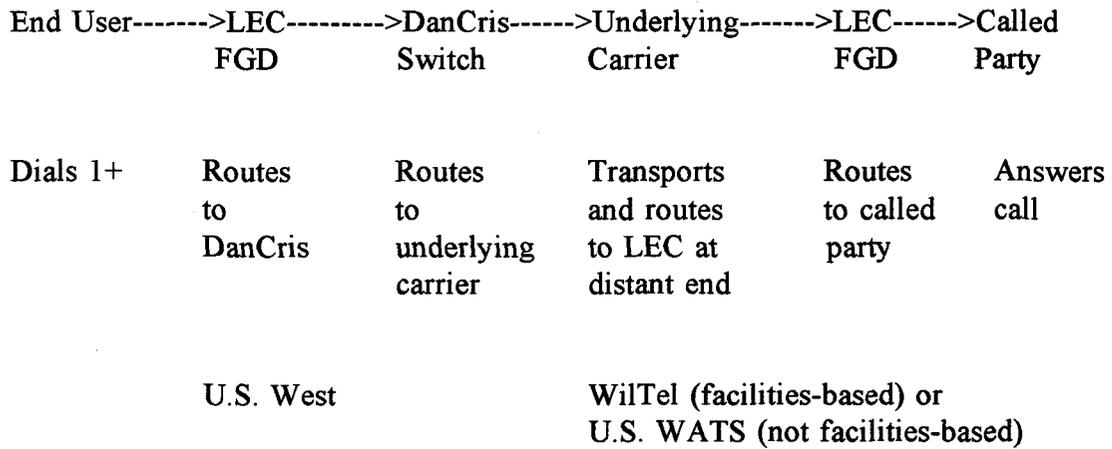
ATTACHMENT C

DanCris Telecom, L.L.C.

**TECHNICAL INFORMATION AND  
NETWORK DIAGRAM**

**DanCris Telecom, L.L.C.  
Network Diagram**

DanCris Telecom, L.L.C. intends to utilize the services of incumbent local exchange carriers and long distance carriers who have obtained the necessary authorization to provide service in Arizona. DanCris Telecom, L.L.C. plans to use the services of U.S. WATS and WilTel as its underlying long distance carriers.



**ATTACHMENT D**

**DanCris Telecom, L.L.C.**

**FINANCIAL INFORMATION**

# DANCRIS TELECOM

Balance Sheet  
As of August 31, 1996

Aug 31, '96

## ASSETS

### Current Assets

#### Checking/Savings

Checking	53,203.59
Money Market	2,853.79
Prudential Securities	<u>73,004.77</u>

Total Checking/Savings 129,062.15

#### Accounts Receivable

Accounts Receivable	50,138.34
Advanced Commissions	<u>2,418.65</u>

Total Accounts Receivable 52,556.99

#### Other Current Assets

Inventory	<u>4,761.04</u>
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Total Other Current Assets 4,761.04

Total Current Assets 186,380.18

### Fixed Assets

Fixed Assets	<u>401,187.05</u>
--------------	-------------------

Total Fixed Assets 401,187.05

**TOTAL ASSETS** **587,567.23**

## LIABILITIES & EQUITY

### Liabilities

#### Current Liabilities

Accounts Payable	
Accounts Payable	<u>216.58</u>

Total Accounts Payable 216.58

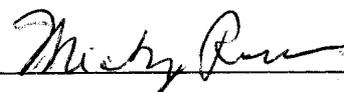
#### Other Current Liabilities

Accrued Payroll	14,140.17
Payroll Liabilities	17,572.92
Sales Tax Payable	<u>2,535.62</u>

Total Other Current Liabilities 34,248.71

Total Current Liabilities 34,465.29

#### Long Term Liabilities



# DANCRIS TELECOM

Balance Sheet  
As of August 31, 1996

	<u>Aug 31, '96</u>
Charles J. Rao	265,004.77
Larry Cahill	150,000.00
Taylor, Arthur	17,000.00
Telefuture	<u>21,490.40</u>
<b>Total Long Term Liabilities</b>	<b>453,495.17</b>
<b>Total Liabilities</b>	<b>487,960.46</b>
<b>Equity</b>	
Investment--Charles Rao	150,000.00
Investment--Donald Gass Jr.	100,000.00
Investment--Larry Cahill	250,000.00
Retained Earnings	-150,925.64
Net Income	<u>-249,467.59</u>
<b>Total Equity</b>	<b>99,606.77</b>
<b>TOTAL LIABILITIES &amp; EQUITY</b>	<b><u>587,567.23</u></b>



# DANCRIS TELECOM

## Profit and Loss

August 1996

	<u>Aug '96</u>
<b>Ordinary Income/Expense</b>	
<b>Income</b>	
Calling Card Income	4,924.00
Internet Income	27,017.65
Long Distance Income	28,205.20
Set-up Fees	4,436.60
<b>Total Income</b>	<u>64,583.45</u>
<b>Cost of Goods Sold</b>	
Cost of Goods Sold	7,468.29
DID Trunks	2,331.39
Entrance Facility	267.62
Feature Group D	2,244.60
Internet Lines	6,579.92
UUNET	1,900.00
<b>Total COGS</b>	<u>20,791.82</u>
<b>Gross Profit</b>	43,791.63
<b>Expense</b>	
Advertising	5,711.68
Automobile Expense	162.58
Cellular Time	-347.45
Co-location	553.40
Commisions	734.43
Consulting expense	2,500.00
Dues and Subscriptions	276.67
Equipment Expense	131.65
Equipment Lease	547.50
Equipment Lease-Internet	547.50
Insurance	1,000.00
Internet Expense	115.00
Licenses and Permits	267.00
Miscellaneous	152.95
Office Supplies	828.25
Outside Services	279.80
Outside Services-Internet	1,359.95
Paging	8.74
Payroll Expenses	35,013.40
Payroll Taxes	3,000.50
Postage and Delivery	218.00

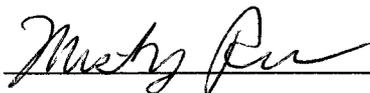


# DANCRIS TELECOM

## Profit and Loss

August 1996

	<u>Aug '96</u>
Printing and Reproduction	717.91
Professional Fees	380.24
Provisioning Expense	306.63
Rent	3,115.13
Telephone	2,879.63
Training Expense	314.00
Travel & Ent	<u>111.10</u>
Total Expense	60,886.19
Net Ordinary Income	-17,094.56
Other Income/Expense	
Other Income	
Other Income	<u>-714.52</u>
Total Other Income	-714.52
Other Expense	
Other Expenses	<u>351.03</u>
Total Other Expense	<u>351.03</u>
Net Other Income	-1,065.55
Net Income	<u><u>-18,160.11</u></u>

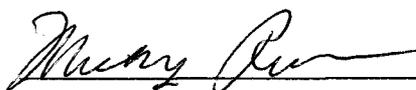


# DANCRIS TELECOM

Profit and Loss  
January through August 1996

Jan - Aug '96

Ordinary Income/Expense	
Income	
Calling Card Income	28,380.01
Cellular Income	609.34
Commission Income	152.41
Discount Income	-107.64
Internet Income	90,161.82
Long Distance Income	76,807.92
Set-up Fees	34,016.60
<b>Total Income</b>	<b>230,020.46</b>
Cost of Goods Sold	
Cost of Goods Sold	24,855.40
DID Trunks	33,261.77
Entrance Facility	1,193.93
Feature Group D	8,807.43
Internet Lines	16,594.41
UUNET	14,893.54
<b>Total COGS</b>	<b>99,606.48</b>
<b>Gross Profit</b>	<b>130,413.98</b>
Expense	
Advertising	27,929.44
Automobile Expense	770.17
Bad Debts Expense	2,322.04
Bank Service Charges	847.05
Cellular Expense	426.81
Cellular Time	-128.87
Co-location	12,053.20
Commisions	1,235.12
Consulting expense	35,310.00
Copy Machine Maintence	379.69
Customer Refund Expense	105.00
Dues and Subscriptions	1,099.26
Equipment Expense	1,604.87
Equipment Lease	1,095.00
Equipment Lease-Internet	1,095.00
Equipment Rental	642.30
Improvements Expense	366.85
Insurance	1,057.00



# DANCRIS TELECOM

Profit and Loss  
January through August 1996

	<u>Jan - Aug '96</u>
Interest Expense	46.47
Internet Expense	115.00
Licenses and Permits	519.00
Miscellaneous	152.95
Office Expense	175.38
Office Supplies	6,849.35
Outside Services	1,920.51
Outside Services-Internet	8,690.88
Paging	538.92
Payroll Expenses	200,388.79
Payroll Taxes	18,277.53
Postage and Delivery	2,299.50
Printing and Reproduction	2,452.55
Professional Fees	6,677.24
Provisioning Expense	928.30
Rent	21,211.24
Repairs	100.00
Telephone	15,066.05
Training Expense	2,414.94
Travel & Ent	111.10
<b>Total Expense</b>	<u>377,145.63</u>
<b>Net Ordinary Income</b>	-246,731.65
<b>Other Income/Expense</b>	
<b>Other Income</b>	
Interest Income	295.04
Other Income	-699.52
<b>Total Other Income</b>	<u>-404.48</u>
<b>Other Expense</b>	
Other Expenses	2,331.46
<b>Total Other Expense</b>	<u>2,331.46</u>
<b>Net Other Income</b>	<u>-2,735.94</u>
<b>Net Income</b>	<u><u>-249,467.59</u></u>

