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February 16, 2005

Brian McNeil, Executive Secretary  
Arizona Corporation Commission  
Telecommunications Division  
1200 West Washington  
Phoenix, AZ 85007

Arizona Corporation Commission  
**DOCKETED**

FEB 18 2005

DOCKETED BY	<i>KN</i>
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RE: NEUTRAL TANDEM-ARIZONA, LLC  
Docket No. T-04298A-04-0930

Dear Mr. McNeil:

In accordance with the request of Adam Lebrecht, enclosed please find an original and thirteen (13) copies of Staff's First Set of Data Requests for the above-referenced company.

Also enclosed is a duplicate copy of this letter. Please date-stamp the duplicate and return it to me in the enclosed postage-paid envelope.

Should you have any questions concerning this filing, please contact my assistant, Beth Ronfeldt, or me.

Very truly yours,

EARLY, LENNON, CROCKER & BARTOSIEWICZ, P.L.C.

Patrick D. Crocker

PDC/bmr

enc

AZ CORP COMMISSION  
DOCUMENT CONTROL

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RECEIVED

STAFF'S FIRST SET OF DATA REQUESTS TO  
NEUTRAL TANDEM-ARIZONA, LLC  
DOCKET NO. T-04298A-04-0930

1. Please submit a non-PDF file of your responses to this data request to [alebrecht@cc.state.az.us](mailto:alebrecht@cc.state.az.us).

**An electronic copy of the response to this data request was filed with Mr. Lebrecht on February 16, 2005.**

2. Please indicate how your company calculated the actual maximum and actual minimum rates that will be contained in your tariffs for each of your services.

**The rates for services were calculated using general market analysis based on experience.**

3. Please indicate why you believe that your proposed range of rates is just and reasonable using a competitive market analysis. Your analysis may contain publicly available examples of rates charged by the incumbent or other carriers for similar services or any other information that you believe demonstrates that your proposed rates are just and reasonable. Please include any supporting materials.

**Attached hereto as Exhibit A.**

4. Please indicate why you believe that your proposed range of rates is just and reasonable using a fair value or cost basis. Please include economic justification or cost support data. Please include any supporting materials.

**Attached hereto as Exhibit A.**

RESPONSE BY: Patrick Crocker  
Early, Lennon, Crocker & Bartosiewicz, P.L.C.  
900 Comerica Building  
Kalamazoo, MI 49007  
Its: Attorneys

5. Please identify any other jurisdiction in which your company or an affiliate is applying to provide similar services. Please specify the rates that your company and/or affiliate will charge for these similar services in these other jurisdictions. If there is a difference between the rates that your company is proposing for its Arizona operations and the rates that your company and/or affiliate is proposing to charge in other jurisdictions for similar services, please identify and indicate the amount of the difference and explain why you are proposing different rates in Arizona.

Jurisdiction	Status	DS1 Service			Amount of Difference (+ / -)		
		Charge	Per Mile	NRC	Charge	Per Mile	NRC
<b>AZ</b>	<b>Pending</b>	<b>\$94.38</b>	<b>\$19.14</b>	<b>\$181.00</b>			
<b>CA</b>	Authorized*						
<b>FL</b>	Authorized*						
<b>IL</b>	Operating	\$210.00 first 5 miles	\$15.00	\$150.00	N/A	-\$4.14	-\$31.00
<b>MI</b>	Operating	\$210.00 first 5 miles	\$15.00	\$150.00	N/A	-\$4.14	-\$31.00
<b>MN</b>	Pending	\$94.38	\$19.14	\$181.00	N/D	N/D	N/D
<b>NJ</b>	Authorized*						
<b>NY</b>	Operating	\$210.00 first 5 miles	\$15.00	\$150.00	N/A	-\$4.14	-\$31.00
<b>OH</b>	Authorized*						
<b>TX</b>	Authorized*						
<b>WI</b>	Authorized*						

- \* = The Company is Authorized but not yet providing service in "Authorized" states. Neutral Tandem anticipates the rates for similar services in these states to be comparable to Arizona rates.
- + = Rate is higher than Arizona rate
- = Rate is lower than Arizona rate
- N/D = No Difference
- N/A = Not Applicable

The range of rates between jurisdictions is due to the geographical distance from the various switches and ISP points of presence. The rate for each service within a jurisdiction is available to all customers regardless of location.

The states currently providing service do not have DS3 or Long Distance service comparable to that being offered in Arizona.

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## **EXHIBIT A**

According to www.T1Price.Net, DS-1 connections typically range in price from \$400 to \$1,000. This information clearly identifies a very wide range of costs available for DS1 service.

The Company's product falls into the middle range of these available costs. As Customers voluntarily agree to the Company's price structure on application for service and are free to discontinue service at any time, the Company's product price is consistent with a fair market value, or Customers would simply select another provider. Although we have a certain percentage of Customer turnovers, it is not inconsistent with industry norms.

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