

ORIGINAL



0000023533

BEFORE THE ARIZONA CORPORATION COMMISSION

RECEIVED

2005 JUL 19 P 4:57

COMMISSIONERS

JEFF HATCH-MILLER, Chairman
MARC SPITZER
WILLIAM A. MUNDELL
MIKE GLEASON
KRISTIN K. MAYES

AZ CORP COMMISSION
DOCUMENT CONTROL

| | |
|----------------------------------------------------------------------------------------------------------------------------------------------------|---------------------------------------------------------|
| <p>IN THE MATTER OF THE APPLICATION OF COPPER VALLEY TELEPHONE, INC., TO EXTEND ITS CERTIFICATE OF CONVENIENCE AND NECESSITY IN COCHISE COUNTY</p> | <p>DOCKET T-02727A-03-0161 NOTICE OF COMPLIANCE</p> |
|----------------------------------------------------------------------------------------------------------------------------------------------------|---------------------------------------------------------|

At the hearing on July 5, 2005, in the above-captioned docket, Utilities Division Staff ("Staff") raised questions regarding the status of Copper Valley Telephone's compliance with certain requirements contained in Decisions 64570, 65221, 58763 and 63982. Staff also noted that it had no record that Copper Valley Telephone had made the required filings of its annual statement of diversification activities and plans required by Arizona Administrative Code R14-2-805 ("805 Filing"). Subsequent to the hearing, Staff confirmed that certain of the referenced compliance items had, in fact, been satisfied while others remained outstanding. The purpose of this filing is to notify the Commission that Copper Valley Telephone has fully complied with the above-referenced decisions and Rule R14-2-805.

DECISION 64570

In Decision 64570 (Consolidated Dockets T-01847A-01-0800 and T-02727A-01-0801), the Commission approved Copper Valley Telephone's application for authorization to borrow up to \$28,233,450 from the U.S. Department of Agriculture (Rural Utilities Service) and the Rural Telephone Bank. Pursuant to Decision 64570, Copper Valley Telephone is required to provide to

Snell & Wilmer

LLP
LAW OFFICES
One Arizona Center, 400 E. Van Buren
Phoenix, Arizona 85004-2202
(602) 382-6000

1
2
3
4
5
6
7
8
9
10
11
12
13
14
15
16
17
18
19
20
21
22
23
24
25
26

1 the Utilities Division Director an annual status report (due each January 31 beginning in 2003 for
2 the prior calendar year) summarizing the amount of loan drawn each year for each project under
3 construction and/or completed during the year. At the hearing, Staff was uncertain as to whether
4 or not Copper Valley Telephone had made the annual filings required in Decision 64570.
5 However, since the hearing the Commission's Compliance Manager has confirmed to counsel
6 undersigned that the required annual reports have been submitted to the Commission. Thus,
7 Copper Valley has fully complied with Decision 64570.

8 **DECISIONS 58763 AND 65221**

9 Pursuant to Decisions 58763 and 65221 (T-02727A-93-0189), Copper Valley Telephone
10 was required to submit written proof that the company had obtained franchises from the Town of
11 Clifton, the Town of Duncan, Cochise County and Greenlee County. Copper Valley Telephone
12 obtained franchises from the Town of Duncan on December 10, 2002 (Resolution No. 02-11-13),
13 from the Town of Clifton on March 10, 2005 (Resolution No. 2005-01, from Cochise County on
14 June 4, 2002 (Resolution No. 02-53), and from Greenlee County on October 1, 2002 (Resolution
15 No. 02-10-01. Evidence of these franchises was previously provided to the Commission in a
16 Notice of Compliance and Status Report filed April 15, 2005 in Docket T-02727A-93-0189, and
17 in prior filings. A copy of the Notice of Compliance and Status Report is attached hereto as
18 Attachment "A" and copies of the franchises from the Town of Duncan, the Town of Clifton,
19 Cochise County and Greenlee County are attached hereto as Attachment "B." Copper Valley has
20 fully complied with Decisions 58763 and 65221.

21 **DECISION 63982**

22 Decision 63982 (Docket T-00000A-01-0076) was the culmination of the Commission's
23 generic investigation into number resource optimization and number pooling. Pursuant to
24 Decision 63982, Copper Valley Telephone was required to submit a report identifying the rate
25 centers to be consolidated and the scheduled effective date. On December 21, 2001, Copper
26 Valley Telephone filed comments in Docket T-00000A-01-0076 in accordance with Decision

1 63982 recommending that the Commission not require consolidation of rate centers in Copper
2 Valley Telephone's serving areas. A copy of Copper Valley Telephone's filing is attached hereto
3 as Attachment "C." Since the hearing, the Commission's Compliance Manager has confirmed to
4 counsel undersigned that the compliance item associated with Decision 63982 has been satisfied.
5 Thus, Copper Valley Telephone has fully complied with Decision 63982.

6 **RULE 805 FILING**

7 Contemporaneous with the filing of this Notice of Compliance, Copper Valley Telephone
8 has submitted to the Commission's Utilities Division Director its 805 Filings for the years 2000
9 through 2004. Pursuant to Arizona Administrative Code ("A.A.C.") R14-2-802, "information
10 furnished to the Commission in compliance with these rules will not be open to public
11 inspection." Thus, Copper Valley Telephone has not attached copies of its 805 Filing to this
12 Notice of Compliance. However, attached hereto as Attachment "D" is a copy of the July 19,
13 2005 transmittal letter to the Commission's Utilities Division Director.

14 **CONCLUSION**

15 With this filing, Copper Valley Telephone believes that it has addressed each of the
16 compliance questions raised by Staff at the July 15, 2005, hearing in this docket. Further, Copper
17 Valley Telephone believes that it has complied with Decisions 64570, 65221, 58763 and 63982,
18 and the requirements of A.A.C. R14-2-805.

19 RESPECTFULLY SUBMITTED this 19th day of July, 2005.

20 

21 Jeffrey W. Crockett, Esq.
22 Deborah R. Scott, Esq.
23 SNELL & WILMER
24 One Arizona Center
25 Phoenix, Arizona 85004
26 Phone: (602) 382-6234
Attorneys for Copper Valley Telephone, Inc.

- 1 ORIGINAL and thirteen (13) copies
- 2 of the foregoing filed this 19th day
- 3 of July, 2005, with:
- 4 Docket Control
- 5 ARIZONA CORPORATION COMMISSION
- 6 1200 West Washington Street
- 7 Phoenix, Arizona 85007
- 8 A COPY of the foregoing hand-delivered
- 9 this 19th day of July, 2005, to:
- 10 Christopher C. Kempley, Chief Counsel
- 11 Legal Division
- 12 ARIZONA CORPORATION COMMISSION
- 13 1200 West Washington Street
- 14 Phoenix, Arizona 85007
- 15 Ernest G. Johnson, Director
- 16 Utilities Division
- 17 ARIZONA CORPORATION COMMISSION
- 18 1200 West Washington Street
- 19 Phoenix, Arizona 85007
- 20 Del Smith, Utilities Engineer Supervisor
- 21 Utilities Division
- 22 ARIZONA CORPORATION COMMISSION
- 23 1200 West Washington Street
- 24 Phoenix, Arizona 85007
- 25 Richard Boyles, Utilities Engineer
- 26 Utilities Division
- ARIZONA CORPORATION COMMISSION
- 1200 West Washington Street
- Phoenix, Arizona 85007
- Brian Bozzo, Compliance Manager
- Utilities Division
- ARIZONA CORPORATION COMMISSION
- 1200 West Washington Street
- Phoenix, Arizona 85007
- Yvette Kinsey, Administrative Law Judge
- ARIZONA CORPORATION COMMISSION
- 1200 West Washington Street
- Phoenix, Arizona 85007

1
2
3
4
5
6
7
8
9
10
11
12
13
14
15
16
17
18
19
20
21
22
23
24
25
26

A COPY of the foregoing mailed
this 19th day of July, 2005, to:

Norm Curtright, Staff Attorney-Policy and Law
QWEST CORPORATION
4041 North Central, 11th Floor
Phoenix, Arizona 85012

Timothy Berg, Esq.
FENNEMORE CRAIG PC
3003 North Central Avenue
Suite 2600
Phoenix, Arizona 85012-2913

Denna M. Thompson

1701337

ATTACHMENT A

D. Smith
RICHARD
AT

RECEIVED

2005 APR 15 11:07

AZ CORP COMMISSION
DOCUMENT CONTROL

APR 15 2005

1 DECONCINI MCDONALD
YETWIN & LACY, P.C.
2 2525 E. BROADWAY BLVD., SUITE 200
TUCSON, AZ 85716-5300
3 (520) 322-5000

4 Lisa Anne Smith, Esq.
State Bar No. 016762
5 John C. Lacy, Esq.
State Bar No. 002084
6 Attorneys for Applicant

7
8
9 BEFORE THE ARIZONA CORPORATION COMMISSION

9 IN THE MATTER OF THE APPLICATION)
OF COPPER VALLEY TELEPHONE, INC.) DOCKET NO. T-02727A-93-0189
10 FOR AN ORDER DESIGNATING IT A)
PUBLIC SERVICE CORPORATION;) NOTICE OF COMPLIANCE AND STATUS
11 AUTHORIZING THE ACQUISITION OF) REPORT
CERTAIN TELEPHONE EXCHANGES,) ASSIGNED TO:
12 ASSETS AND OPERATING AUTHORITY OF) Jane Rodda, ALJ
U.S. WEST COMMUNICATIONS; AND)
13 AUTHORIZING IT TO CHARGE THE)
RATES CURRENTLY CHARGED BY U.S.)
14 WEST IN THE EXCHANGES TO BE)
ACQUIRED.)

15
16 Copper Valley Telephone, Inc. (hereinafter "Copper Valley"), by
17 and through counsel undersigned and pursuant to Decision No. 65221,
18 hereby submits to the Corporation a copy of the Resolution of
19 the Town of Clifton granting Copper Valley a license, as required
20 by Decision No. 65221.

21 As was set forth in Copper Valley's prior filing, Copper Valley
22 has obtained franchises from Cochise and Greenlee Counties and from
23 the Town of Duncan. At the time of the last filing, the only
24 outstanding franchise was one from the Town of Clifton. The prior
25 filing set forth Copper Valley's efforts to obtain a franchise or
26 license from the Town of Clifton.

1 Copper Valley has now obtained a license from the Town of
 2 Clifton, and it has now fulfilled all of its obligations to obtain
 3 local permission to operate, and to report the same to the
 4 Commission.

5 DATED this 13th day of April, 2005.

6 DeCONCINI McDONALD
 7 YETWIN & LACY, P.C.

8
 9 By 
 10 Lisa Anne Smith
 11 2525 E. Broadway Blvd., #200
 12 Tucson, AZ 85716-5300
 13 Attorneys for Copper Valley

14 Copy of the foregoing
 15 mailed this 13th day of
 16 April, 2005, to:

16 Mr. Tim Sabo
 17 Legal Division
 18 Arizona Corporation Commission
 1200 West Washington Street
 Phoenix, Arizona 85007

19 Director of the Utilities Division
 20 Arizona Corporation Commission
 1200 W. Washington
 Phoenix, Arizona 85007

21 
 22

23 I:\files\docs\VALL03\990747\PLDG\EC4895.WPD

24
 25
 26

ATTACHMENT B

**TOWN OF DUNCAN
RESOLUTION GRANTING FRANCHISE
NO. 02-11-13**

TOWN OF DUNCAN

RESOLUTION GRANTING FRANCHISE

No. 02-11-13

WHEREAS, COPPER VALLEY TELEPHONE, INC, a Nevada corporation, with its offices at Willcox, Arizona, has duly and regularly applied, pursuant to A.R.S § 9-502, to the TOWN OF DUNCAN, Arizona, a municipal corporation (hereinafter the "Town"), for the right, privilege, license, and franchise to construct, install, operate, and maintain along, over, under and across the public rights-of-way within the Town, facilities for the purpose of maintaining and operating telecommunications lines and all other facilities pertinent to the transmission, deliver and sale of telecommunication services for domestic and commercial use; and

WHEREAS, said Application came on regularly to be heard on the 10th day of September, 2002, before the Town Council of the Town, and the Town Council considered the Application for the franchise, and found it to be in the public interest, and passed a resolution to that effect; and

WHEREAS, public notice was given in the manner provided by A.R.S § 9-502, of the filing of said Application and of the vote of the Council in favor of such application, and the election regarding the application; and

WHEREAS, it appears from the affidavit of publication of the Copper Era that due and regular notice of said application has been published for thirty (30) consecutive days prior to the said date of the election, to-wit: in the issues from the 2nd day of October, 2002 until the 23rd day of October, 2002, of said newspaper, and the matter being brought before the public by an election on the 5th day of November, 2002, and a majority of the voters in said election having approved the granting of the franchise;

NOW, THEREFORE, it is being determined by the Town that the grant of this franchise is regular, proper, authorized by law and in the best interest of the Town, and the inhabitants thereof, and the franchise having been approved by a majority of the voters in the Town;

NOW, THEREFORE, IT IS HEREBY ORDAINED:

1 That the Town does hereby grant unto Copper Valley Telephone, Inc (hereinafter called "Grantee") the right, privilege, and franchise to erect, construct, operate and maintain its facilities for the

purposes of transmitting, distributing and maintaining and operating telecommunications lines and all other facilities pertinent to the transmission, delivery and sale of telecommunications services for domestic and commercial use, along, upon, under, over and across the public rights-of-way including highways, roads, streets, alleys, bridges, and public utility easements of the Town exclusive of State highways. This grant is subject to the terms, conditions, and limitations expressed below or incorporated herein by reference

2. The rights of the Town in and to the use of the public rights-of-way shall be forever paramount and superior to the rights of Grantee. The Town reserves the right to impose future restrictions and limitations upon the exercise of the rights granted herein as it deems best for the public safety and welfare. The Grantee is further required to comply with all lawful applicable ordinances of the Town regulating the conduct of work within the public rights-of-way, as such ordinances are now enacted or may be amended or adopted from time to time

3. The franchise granted hereby shall not be exclusive, and nothing herein shall be construed to prevent the Town from granting other like or similar franchises to any other person, firm, or corporation.

4. Grantee warrants that it has no existing agreement with any other entity that would permit such other entity to use the facilities of Grantee. Grantee shall not enter into any agreement with any other entity to use the facilities of Grantee without the prior written approval of the Town. The Town shall not require Grantee to permit any other entity to use the facilities of the Grantee

5. Grantee shall provide and maintain accurate maps showing the location of all the facilities it will use in the public right-of-way within the Town, and shall comply with such other mapping requirements as the Town may establish from time to time. Grantee shall permit the Town to inspect its maps during normal office hours.

6. In the construction, maintenance, repair and operation of its facilities, Grantee shall not alter the direction, surface, grade or alignment of the Town roadway, and shall use all necessary care to avoid any damage to or disturbance of the vegetation in the public right-of-way. The Grantee shall bear all expenses, including damages and compensation for the alteration of the direction, surface, grade, or alignment of a public roadway, which may arise in connection with its exercise of the rights granted herein. All facilities of Grantee shall be located so as to cause minimum interference with the proper use of the

public right-of-way, and to cause minimum interference with the rights and reasonable convenience of property owners who adjoin the public right-of-way.

7 The Grantee shall erect, construct, and maintain all facilities authorized herein in a good and workmanlike manner and in compliance with all valid laws, ordinances, and regulations which may be in force from time to time. All work by Grantee shall comply with applicable industry standards then in effect. All such work shall be performed within a reasonable time and in such a manner as may be necessary to avoid any unreasonable damage, disturbance, or modification to existing public rights-of-ways, including roads, streets, highways, bridges, borrow ditches or shoulders thereon.

8. Whenever Grantee proposes to install new underground facilities or replace underground facilities within the public right-of-way in the Town, it shall notify the Town as soon as possible prior to such construction, and allow the Town, at Town expense and without charge to Grantee, to share the trench of Grantee to lay its own facilities. The Town's access may not unreasonably interfere with Grantee's facilities, facilities of other utilities lawfully permitted in the public right-of-way, or delay the accomplishment of the project.

9. Any opening or obstruction in the public right-of-way made by Grantee in the course of construction, maintenance, operation, repair, replacement or removal of facilities shall be guarded and protected at all times by the placement of adequate barriers, the bounds of which during periods of dusk and darkness shall be clearly designated by warning lights. Any work performed by Grantee along a public highway open for travel shall be properly signed and marked with warning and directional devices in accordance with A.R.S. § 28-659 and the "Traffic Control Manual for Highway Construction and Maintenance," Arizona Department of Transportation, August 1981, as amended now and in the future.

10. During construction or excavation in the public right-of-way, Grantee shall provide proper drainage so that the public right-of-way shall be free from standing surface water, and properly and adequately drained so as not to cause flood or erosion damage to the facilities of the Town or surrounding property.

11. Grantee shall provide prior written or actual notice to the owners or residents of adjoining property of any any activity of Grantee which may temporarily interfere with access to or use of said

adjoining property. If an emergency precludes the provision of prior notice, Grantee shall use its best efforts to provide timely actual notice to the owners or residents of the adjoining property

12. The Grantee shall, immediately upon erecting, constructing, replacing or repairing its facilities, or any part thereof, at its own cost and expense, and in a manner approved by the Town and to the satisfaction of the Town, restore any affected public right-of-way, including any road, street, highway, bridge, borrow ditch, shoulder or vegetation thereon, to not less than the same condition which existed prior to the Grantee's action.

13. The Town does not waive or relinquish any rights it may have to the full and complete present and future use of the public rights-of-way subject to this franchise, whether for road purposes or otherwise. The location of the facilities of Grantee shall not be a vested interest. If the location of the Grantee's facilities may interfere or conflict with the Town's use, expanded use, improvement, or maintenance of the Town's rights-of-way, the Town may require the Grantee to relocate, at the Grantee's expense, all facilities which give rise to such interference or conflict. The Town will provide the Grantee with reasonable notice of any relocation requirement and will provide a reasonable period of time for the Grantee to perform such relocation. If the facilities of Grantee are not relocated within a reasonable time as specified by the Town, the Town may, at its discretion, relocate the facilities using a qualified contractor, and Grantee shall be liable for all costs to the Town of relocation, including overhead and maintenance.

14. The Town shall not be liable to Grantee for (a) any costs of relocation, replacement, repair or abandonment of Grantee's facilities, or (b) lost revenues, sustained by Grantee because of damage, modification or alteration to or destruction of its facilities in the public right-of-way, when such costs or lost revenues result from construction, operation and maintenance of facilities of the Town in the public right-of-way. Grantee shall have no recourse against the Town for monetary damages as a result of any damage that may result from the Town's lawful exercise of its rights under this franchise or applicable provisions of law.

15. The Town reserves the right and power to purchase and condemn the facilities of Grantee within the corporate limits of the Town, or any additions thereto, as provided by law.

16. The Grantee assumes the sole responsibility for all liability for any injury or damage to any

person or property, or to the road and right-of-way itself, caused by or arising out of the exercise of the rights granted herein and attributable to any act or omission of the Grantee. The Grantee shall indemnify, defend and hold harmless the Town, its officers, departments, employees, agents, boards and commissions from and against any and all suits, actions, legal or administrative proceedings, claims, demands or damages of any kind or nature, including all costs of legal defense, arising out of the exercise of these rights which are attributed to any act or omission of the Grantee, its agents, employees, or anyone acting under its direction, control or on its behalf

17. Nothing in this franchise relieves Grantee from its obligation to obtain all applicable permits for right-of-way use from the Town or other applicable governmental entities. Town review or approval of plans or specifications, issuance of a permit, or failure to direct Grantee to take any precautions or to make any changes or to refrain from doing anything, shall not be construed to (a) be an authorization for or approval of any violation of an industry standard, (b) relieve Grantee from its obligations under this franchise, or (c) excuse Grantee from its responsibilities hereunder to the Town or others for injury to persons or damage to property

18. Grantee shall obtain and at all times maintain insurance, and provide proof of insurance, as required by the Town. Grantee shall post performance bonds and security funds as required by the Town.

19. This franchise is granted for a term of five (5) years from the date of its authorization by the Town and may be renewed thereafter pursuant to A.R.S. § 9-583 without further application by Grantee. This franchise may not be sold, leased, assigned, or conveyed without the express prior written consent of the Town, which consent shall not be unreasonably withheld.

20. As a consideration for the franchise hereby granted, Grantee will pay to the Town a franchise fee equal to 2% of the gross local service revenues of the Grantee resulting from the sale of telecommunications services for residential and commercial purposes within the corporate limits of the Town, as shown by Grantee's billing records, such payments to be due and payable quarterly. This franchise fee shall be in lieu of all other franchise, license, occupation, privilege, instrument, excise, administrative, revenue, profit, excavation, construction and inspection fees and taxes, and all other

exactions, except general ad valorem property taxes, sales taxes, transaction privilege taxes and special assessments for local improvements. Notwithstanding any provision to the contrary, Grantee shall, in addition to the payment provided in this Section, pay any occupation tax established by the Town, provided the tax is a flat fee per year and that the annual amount of such fee does not exceed the amount of similar fees paid by any other business operated within the Town.

21. The Town shall have the right, with reasonable notice and during normal office hours, to inspect the books, billing records and other records of Grantee to determine compliance with the provisions of this franchise.

22. This franchise may be terminated by the Town if the Grantee fails to comply with the terms and conditions of this franchise or applicable law. The Town, or its designee, shall provide the Grantee with written notice of noncompliance and allow the Grantee a period of not less than thirty (30) days to remedy any breach, except where the Town finds that the defect in performance is due to intentional misconduct, is a violation of criminal law, or is part of a pattern of violations where the Grantee has already had notice and opportunity to cure. If the Grantee continues to fail to comply with the terms of this franchise after this notice and remedy period, the Town may revoke all rights granted herein and render this franchise null and void. A hearing shall be held before this franchise is revoked if the Grantee requests a hearing.

23. Upon termination of the franchise, whether by expiration of its term, or for cause, or by voluntary abandonment, and after written notice from the Town, the Grantee shall remove all of its facilities installed pursuant to the rights granted herein within one year of such termination, and shall repair any damages caused thereby. All such facilities which are not removed within this period shall be deemed to be abandoned and shall become the property of the Town.

24. The Town shall have the right at all times to take part in any suit, action or proceeding instituted by or against Grantee (a) in which any judgment or decree can be rendered foreclosing any lien on any of Grantee's property situated within the public right-of-way, (b) seeking to enjoin, restrain, or in any manner interfere with Grantee in the performance or observance by it of any of the terms or conditions of this franchise, or any regulation, notice, or direction of the Town in such connection, (c) affecting the

rights, powers or duties of Grantee to do or not to do anything which by this franchise it may be required to do or not to do, or (d) which involves or might involve the constitutionality, validity or enforcement of this franchise. The Town may take such steps relating to the suit, action or proceeding as the Town may deem necessary or advisable to protect the interest of the Town or the public interest.

25. Grantee shall not make against the Town any claim or take any position that the provisions of this franchise or any Town ordinance or regulation now lawfully in force is unreasonable, arbitrary or void.

26. This franchise will not be effective for any purpose until the Grantee has indicated its acceptance in writing below

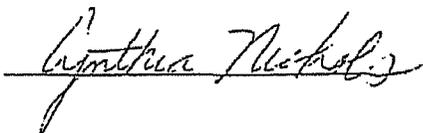
27. The rights, privileges, and franchise granted herein are made pursuant to the laws of Arizona, including A.R.S. § 9-502, which are incorporated herein by reference.

IN WITNESS WHEREOF, the Town of Duncan, State of Arizona, has caused these presents to be executed and signed by the Town Manager on this 10th day of December, 2002

TOWN OF DUNCAN:



ATTEST:



**RESOLUTION NO. 2005-01
GRANTING A LICENSE TO
COPPER VALLEY TELEPHONE, INC.
TO LOCATE, CONSTRUCT, MAINTAIN AND OPERATE
TELECOMMUNICATIONS AND CABLE SERVICES IN THE TOWN OF
CLIFTON, ARIZONA**

RESOLUTION NO. 2005-01

A RESOLUTION GRANTING A LICENSE TO COPPER VALLEY TELEPHONE, INC., AN ARIZONA CORPORATION, TO LOCATE, CONSTRUCT, MAINTAIN AND OPERATE A TELECOMMUNICATIONS AND CABLE SERVICES IN THE TOWN OF CLIFTON, ARIZONA: AUTHORIZING THE USE, RIGHT, PRIVILEGE, POWER AND AUTHORITY TO CONSTRUCT, MAINTAIN, AND OPERATE IN, OVER, ACROSS, UNDER, AND UPON THE PUBLIC STREETS, AVENUES, PARKWAYS, ALLEYS, EASEMENTS, SIDEWALKS AND PUBLIC GROUNDS, THE NECESSARY EQUIPMENT FOR THE OPERATION OF TELECOMMUNICATIONS AND CABLE SYSTEMS IN THE TOWN OF CLIFTON, ARIZONA; PROVIDING THAT THE PROVISIONS OF THIS RESOLUTION ARE SEVERABLE; AND RECITING THE EFFECTIVE DATE.

BE IT RESOLVED BY THE TOWN COUNCIL OF THE TOWN OF CLIFTON, ARIZONA, AS FOLLOWS:

SECTION 1: For the purpose of this License, the following terms, phrases, words and their derivations shall have the meaning given herein. When not inconsistent with the context, words used in the present tense include the future, words in the plural number include the singular number, and words used in the singular number include the plural number. The provisions of this License shall be construed in accordance with the laws of the State of Arizona:

- (a) "CABLE SERVICES": Means the offering of services under a Cable System.
- (b) "CABLE SYSTEM": Means any facility that, in whole or in part, receives directly or indirectly over the air, and amplifies or otherwise modifies the signals transmitting programs broadcast by one or more television or radio stations and distributes such signals together with such other signals as authorized by the federal communications commission and the licensing authority, by wire or cable to subscribing members of the public who pay for such service, but the term shall not include: (a) any such facility that serves fewer than 50 subscribers and (b) any such facility that serves only the residents of one or more apartment dwellings under common ownership, and commercial establishments located on the premises of such apartment dwellings.
- (c) "TOWN": Town of Clifton, a municipal corporation of the State of Arizona, in its present incorporated form or in any later reorganized, consolidated, enlarged or reincorporated form.
- (d) "COUNCIL": Means the present governing body of the Town or any future board constituting the legislative body of the Town.

- (e) "FCC": Means the Federal Communications Commission.
- (f) "LICENSE PROPERTY": Means all property owned, installed or used under authority of this License.
- (g) "LICENSEE": Means Copper Valley Telephone, Inc., and its lawful heirs, legal representatives, successors and assigns of the Licensee.
- (h) "PUBLIC HIGHWAY": Means all roads, streets and alleys and all other dedicated public rights-of-way and public utility easements of the Town.
- (i) "SUBSCRIBERS": Includes any person or entity legally receiving service from the Licensee under this License.
- (j) "TELECOMMUNICATIONS": Means the transmission, between or among points specified by the users, of information of the user's choosing, without change in the form or content of the information as sent or received. The form does not include commercial mobile radio services, pay phone services, interstate services or cable services.
- (k) "TELECOMMUNICATIONS SERVICES": Means the offering of Telecommunications for a fee directly to the public, or to such users as to be effectively available directly to the public, regardless of the facilities used.
- (l) "TELECOMMUNICATIONS SYSTEM": Means the Licensee's facilities necessary to provide Telecommunications Services.

SECTION 2: That, after due public proceedings, the Council has approved and does hereby approve the legal, character, financial and technical qualifications of the Licensee, and, subject to the further terms of this License, approves the providing of Telecommunications and Cable Services to all areas within the municipal limits of the Town.

SECTION 3: That a License is hereby granted to Licensee (i) under the authority of Arizona Revised Statutes § 9-501.B to locate, construct, maintain and operate a Telecommunications System in the Town and (ii) under the authority of Arizona Revised Statutes § 9-505 *et seq.*, to locate, construct, maintain and operate a Cable System in the Town. This License shall include the authority, right, privilege, and power to construct, maintain and operate in, over, under, across and upon Public Highways, the necessary equipment for the operation of Telecommunication System and Cable System in the Town.

SECTION 4: This License shall be effective thirty (30) days after its passage by the Town council and approval by the Town mayor and shall continue for a period of five (5) years and shall be renewed for additional terms of five (5) years each, provided that at the expiration date of either the initial or any renewal term, Licensee shall not be in default under (i) the terms and conditions hereof, or (ii) the applicable provisions of any federal agency having regulatory control over Cable Systems. The renewal is further conditioned upon an equitable review of the

License by both parties. If either of the parties determines in good faith that adjustments are required to any provision of this License, due to changes in the law or market, and the parties agree as to the changes, the License may be renewed for the additional time period above. If the parties cannot reach an agreement as to the required changes, then the License shall not be renewed. The Council may terminate this License if the Council shall find, after proper notice and hearing, that Licensee has failed to comply with any material provisions hereof and Licensee has failed to correct any such failure within sixty (60) days after receiving written notice of the Council's finding; provided, however, that if the default is not reasonably curable within the said sixty (60) day period, and if Licensee initiates the curing of the default within the said sixty (60) day period and continues thereafter to make a good faith effort to complete the curing of the default, this License shall not be terminated.

SECTION 5: Licensee agrees to indemnify, defend, save and hold harmless, the Town, any jurisdiction or agency issuing licenses for any work included within this revocable license, and its elected or appointed officials, agents, boards, commission, employees and volunteers (hereinafter referred to as "Indemnitee") from and against any and all suits, claims, demands, actions, liabilities, damages, losses, or expenses of any nature or kind whatsoever, including court costs, attorneys' fees, and costs of claim processing, investigation and litigation (hereinafter collectively referred to as "Claims") for personal injury (including death) or property damage caused, or alleged to be caused in or in part, by the negligence or willful acts or omissions of Licensee or any of Licensee's directors, officers, agents, employees, or volunteers. This indemnity includes any claims or amount arising or recovered under the Worker's Compensation Laws or arising out of the failure of Licensee to conform to any federal, state or Town law, statute, ordinance, rule, regulation, or court decree. It is the specific intention of the Licensee and the Town that the Indemnitee shall, in all instances, except for Claims arising from the sole negligence of the Indemnitee, be indemnified by Licensee from and against any and all Claims. It is agreed that Licensee will be responsible for primary loss, investigation, defense, and judgment costs where this indemnification is applicable.

SECTION 6: All facilities installed by Licensee shall be in compliance with the National Electrical Safety Code so as not to interfere with the travel and use of public places by the public.

SECTION 7: The Licensee shall have the right to operate a Telecommunication System or Cable System during the existence of this License and shall have the right to extend the Telecommunication System or Cable System upon, over, and /or under the Public Highways of any addition or additions hereafter made to the Town's corporate territory and to use the Public Highways to continue to points beyond the corporate limits of said Town. Licensee shall maintain current maps and other records of the location of all facilities installed under this License and shall permit authorized representatives of the Town to inspect such records during Licensee's business hours and upon reasonable notice to Licensee.

SECTION 8: The Licensee shall have the right to assign this License to its parent company, a subsidiary, an affiliated company or any corporation in which Licensee has a controlling interest, with any other assignment being subject to the approval of the Town, which approval shall not be unreasonably withheld.

SECTION 9: In the exercise of this License, the Licensee may use the poles and other equipment of public utilities holding franchises from the Town upon first obtaining the consent of the owner.

SECTION 10: No privilege or exemption is granted or conferred by this License except those specifically prescribed herein. Any privilege claimed under this License by the Licensee in any Public Highway, shall be subordinate to any lawful occupancy of the Public Highway, or other public property, or which in the future may interfere with public safety or necessary public improvements as determined by the Council.

SECTION 11:

(a) There is hereby reserved to the Town every right and power which is required to be herein reserved or provided by a Resolution of the Town, and the Licensee, by its acceptance of this License, agrees to be bound thereby, and to comply with any legal action or requirement of the Town in its exercise of any such right or power, heretofore or hereafter enacted or established.

(b) Neither the granting of this License nor any of the provisions contained herein shall be construed to prevent the Town from granting any identical, or similar License to any person or corporation other than the Licensee.

(c) This License shall not be construed to be a "franchise" within the meaning of the laws of the State of Arizona and shall be non-exclusive.

SECTION 12: The provisions of this Resolution and License shall be construed to be severable and the holding of any provision hereof invalid or unconstitutional shall in no way affect the remaining portions of this Resolution or License.

SECTION 13: The Licensee shall, at Licensee's expense, promptly repair any and all Public Highways, or other public and/or private property damaged or destroyed by Licensee, it's agents, servants or employees in exercising the privileges herein granted.

SECTION 14:

(a) If (i) the use of the License Property is discontinued for any reason for a continuous period of twenty-four (24) months, (ii) License Property has been installed in any Public Highway without complying with the requirements of this License, or (iii) the License has been terminated, canceled or has expired, the Licensee shall promptly remove from the Public Highway all such property other than any such the Town may allow Licensee to be abandoned in place. In any case, if Licensee abandons or discontinues the use of any portion of underground conduit installed under the authority of this License, any conduit placed under Public Highways shall be left in place, but nothing shall prevent Licensee from removing the fiber or electronics associated with its Telecommunications System or Cable System. Where such removal is required, the

Licensee shall promptly restore the Public Highway or other areas from which such property has been removed to a condition reasonably satisfactory to the Town.

(b) License Property to be abandoned in place shall be abandoned in such a manner as the Town shall prescribe. Upon permanent abandonment of any License Property in place, the Licensee shall submit to the Town an instrument, satisfactory to the Town Attorney, transferring to the Town the ownership of such property.

SECTION 15: The Licensee shall, at its expense, protect, support, temporarily disconnect, relocate in the same Public Highway or remove from any Public Highway, any License Property when required by the Town, after reasonable advance notice, by reason of traffic conditions, public safety, Public Highway construction, change or establishment of street grade, installation of sewers, drains, water pipes, signal lines, and any other type of structures or improvements by governmental agencies when acting in a governmental or proprietary capacity, or any other structures or public improvements; provided, however, that Licensee shall in all such cases have the privileges and be subject to the obligations to abandon License Property in place, as provided in Section 16 above.

SECTION 16: Upon failure of the Licensee to complete any work required by law or by the provisions of this License to be done in any Public Highway, within the time prescribed and to the satisfaction of the Town, the Town may cause such work to be done and the Licensee shall pay to the Town the cost thereof, in the itemized amounts reported by the Town to the Licensee, within thirty (30) days after receipt of such itemized report.

SECTION 17: Except for those rates fixed by tariff by the Arizona Corporation Commission, Licensee shall have the right to establish all rates for any services provided under this License, and may charge a late fee for subscriber bills paid after the due date.

SECTION 18: Licensee shall have full responsibility for maintenance, ownership and operation of the Cable and Telecommunications System and the License Property. Licensee shall maintain a performance bond or other security in an amount satisfactory to the Town, to guarantee performance of Licensee's obligation to maintain the property of the Town as provided under Sections 13, 14 and 16 of this License.

SECTION 19: Licensee shall maintain a local business office or agent. Licensee shall take reasonable steps to keep its Telecommunication System and Cable System in good operating condition. Licensee shall cause all subscriber complaints lodged with it, either orally or in writing, regarding the quality of service, equipment malfunction and similar complaints to be duly investigated, and where the circumstances warrant, corrected within a reasonable period of time.

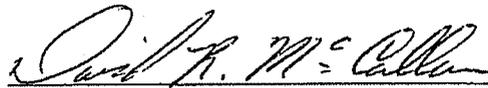
SECTION 20: Licensee shall secure and maintain throughout the term of the License, General Liability Insurance, with insurers acceptable to the Town, that includes the following insurance coverages: Product Liability, Hazard of Premises/Operations (including explosion, collapse and underground coverages); Independent Contractors; Products and Completed Operations (extending for two years after termination of the License); Blanket Contractual

Liability; Personal Injury; Bodily Injury (including death); and Broad Form Property Damage in a policy or policies of insurance such that the total available limits to all insured (including the Town) will not be less than \$2,000,000 combined single limit for each occurrence and \$2,000,000 aggregate for each annual period. Such insurance may be provided in one or more policies, primary and excess, including Umbrella Coverage; provided that the Town is a named insured and that the coverages referenced herein are included. The Town and Licensee shall look initially to insurance for loss due to any peril that is covered and neither party's insurance company shall be subrogated to a claim against the other party.

SECTION 21: This License shall take effect upon the date set forth in Section 4 above, as executed by the Mayor and the appointed representative of the Licensee.

PASSED, APPROVED AND ADOPTED this 10 day of March, 2005.

TOWN OF CLIFTON



David McCullar, Mayor

ATTEST:



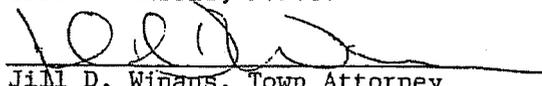
Esperanza Castañeda, Town Clerk

COPPER VALLEY TELEPHONE, INC.

Judy Bruns, General Manager/CEO

APPROVED AS TO FORM:

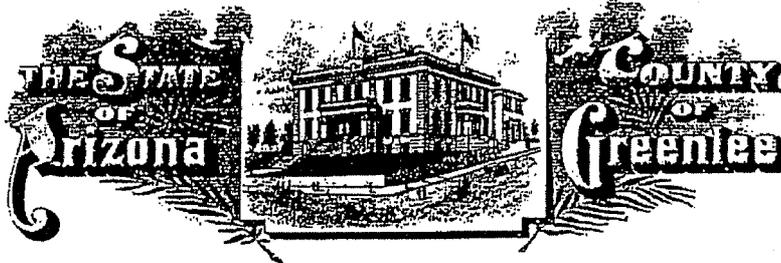
Gust Rosenfeld, P.L.C.



Jill D. Winans, Town Attorney



2002-00916
Page 1 of 14
Requested By: GREENLEE CO BOARD OF SUPERV
Berta Manuz Recorder, Greenlee County, AZ
11/08/2002 10:52 AM Recording Fee \$0.00



GREENLEE COUNTY RECORDER
P.O. Box 1625 - Clifton, Arizona 85533

EMILY L. TUSSON
02 NOV 15 6:11:02

FRANCHISE
CAPTION

COVER SHEET

DO NOT REMOVE

This is part of an official document.

COCHISE COUNTY

RESOLUTION NO. 02-53

**GRANTING A TELECOMMUNICATIONS SERVICES FRANCHISE
TO COPPER VALLEY TELEPHONE, INC.**

Board of Supervisors

Patrick Call
Chairman,
District 1

Paul Newman
District 2

Leslie E. Thompson
District 3



Jody N. Klein
County Administrator

Nadine Parkhurst
Clerk

RESOLUTION NO. 02 - 53

GRANTING A TELECOMMUNICATIONS SERVICES FRANCHISE TO COPPER VALLEY TELEPHONE, INC.

KNOW ALL MEN BY THESE PRESENTS, THAT,

WHEREAS, COPPER VALLEY TELEPHONE, INC. has applied and petitioned, pursuant to A.R.S. §§ 40-283 and 9-583, to the Board of Supervisors of Cochise County, Arizona, for the right, privilege, license, and franchise to construct, install, operate, and maintain along, over, under and across the streets, alleys, and highways, within the County, facilities for the purpose of maintaining and operating a telecommunication system, and all other facilities and improvements necessary for local network and intrastate telecommunications services; and

WHEREAS, reasonable public notice of this Application has been provided in the manner required by A.R.S. §§ 40-283 of the filing of said Application and of the public hearing on this matter set for TUESDAY, JUNE 4, 2002, at 02:00 P.M. at the regular meeting place of the Board in the City of Bisbee, Arizona, as the time and place for the consideration of the matter; and

WHEREAS, it appears from the affidavit of publication of the Bisbee Observer that due and regular notice of said date, time, and place set for the consideration of such action has been published once a week for three (3) consecutive weeks prior to the said date of the hearing, to-wit: in the issues of the 16th day of May 2002; the 23rd day of May 2002; and the 30th day of May 2002, of said newspaper, and the matter being called at 02:00 o'clock P.M., and it appearing that the Board of Supervisors has not received a petition signed by more than 50% of the qualified electors of said County asking the Board to deny said Application on or before the date set for consideration thereof; and

- 1 -

WHEREAS, said Application came on regularly to be heard on the 4th day of June 2002, before the Board of Supervisors of Cochise County, and the Board considered the Application for the franchise, and there being good cause to grant this Application,

NOW, THEREFORE, it being determined by the Board of Supervisors of Cochise County that the grant of this franchise is regular, proper, authorized by law and in the best interest of Cochise County, and the inhabitants thereof;

NOW, THEREFORE, IT IS HEREBY ORDAINED:

1. That this Board of Supervisors of Cochise County, Arizona, acting for and on behalf of said County (the "County"), does hereby grant unto COPPER VALLEY TELEPHONE, INC., (hereinafter called "Grantee") a nonexclusive right, privilege, license, and franchise (hereinafter "the franchise") to construct, install, operate, and maintain along, over, under and across the streets, alleys, and highways under the jurisdiction of the County, facilities for the purpose of maintaining and operating a telecommunications system, and all other facilities and improvements necessary for telecommunications. This grant does not include the authorization to use State highways and those areas within the corporate boundaries of any city or town. This grant is subject to the terms, conditions, and limitations expressed below or incorporated herein by reference.
2. The County reserves the right to impose future restrictions, limitations and conditions upon the exercise of the rights granted herein as it deems best for the public safety and welfare. The Grantee is further required to comply with all lawful, applicable ordinances of Cochise County regulating the conduct of work within the public rights-of-way; as such ordinances are now enacted or may be amended or adopted from time to time. The Grantee is required to obtain a separate Right-of-Way Use Permit from the County prior to initiating any construction in the right-of-way and to pay the applicable fees for the associated inspections.
3. The franchise granted hereby shall not be exclusive, and nothing herein shall be construed to prevent the County from granting other like or similar franchises to any other person, firm, or corporation.
4. The Grantee shall bear all expenses and costs, including damages and compensation for the alteration of the direction, surface, grade, or alignment of a public roadway or for revenues lost by the Grantee, which may arise in connection with its exercise of the rights granted herein.
5. The Grantee shall erect, construct, and maintain all facilities authorized herein in a

good and workmanlike manner and in compliance with all valid laws, ordinances, and regulations, which may be in, force from time to time. All such work shall be performed in such a manner as may be necessary to avoid any unreasonable damage, disturbance, or modification to existing public rights-of-ways, including roads, streets, highways, bridges, borrow ditches or shoulders thereon.

6. The Grantee shall, immediately upon erecting, constructing, replacing or repairing its facilities, or any part thereof, at its own cost and expense, restore any effected public right-of-way, including any road, street, highway, bridge, borrow ditch or shoulder thereon, to not less than the same condition which existed prior to the Grantee's action.
7. The County does not waive or relinquish any rights it may have to the full and complete use of the public rights-of-way subject to this franchise, whether for road purposes or otherwise. The rights of the County in and to the use of the right-of-way are, and shall be, paramount and superior to the rights of the Grantee. In the event that the location of the Grantee's facilities may interfere or conflict with the County's use, expanded use, alteration, improvement, or maintenance of the County's rights-of-way, the County may require the Grantee to relocate, at the Grantee's expense, all facilities which give rise to such interference or conflict. The County will provide the Grantee with reasonable notice of any relocation requirement and will provide a reasonable period of time for the Grantee to perform such relocation.
8. The Grantee assumes the sole responsibility for all liability for any injury or damage to any person or property, or to the road and right-of-way itself, caused by or arising out of the exercise of the rights granted herein and attributable to any act or commission of the Grantee. The Grantee shall indemnify, defend and hold harmless Cochise County, its officers, departments, employees and agents from and against any and all suits, actions, legal or administrative proceedings, claims, demands or damages of any kind or nature, including all costs of legal defense, arising out of the exercise of these rights which are attributed to any act or omission of the Grantee, its agents, employees, or anyone acting under its direction, control or on its behalf.
9. The County grants this franchise for a term of five (5) years from the date of its authorization. This franchise may not be sold, leased, assigned, conveyed or transferred in any manner, in whole or in part, including pursuant to the sale or merger of the Grantee corporation itself, without the express written consent of the County, which consent shall not be unreasonably withheld.
10. The County reserves the right to alter or amend the terms of this franchise in any manner necessary to protect the safety or welfare of the public or the public interest.

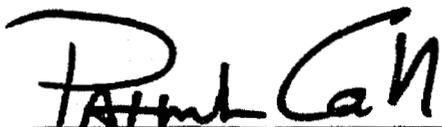
This reservation includes, but is not limited to, the authority to impose such amended franchise fees, rentals or use payments, or other form of compensation or assessment as the County may be authorized, now or in the future, to impose under the laws of the State of Arizona and the United States.

11. The County may terminate this franchise in the event that the Grantee fails to comply with the terms and conditions of this franchise. The Board of Supervisors, or its designee, shall provide the Grantee with written notice of noncompliance and allow the Grantee a period of not less than sixty (60) days to remedy any breach. If the Grantee continues to fail to comply with the terms of this franchise after this notice and remedy period, the Board of Supervisors may, following a public hearing, revoke all rights granted herein and render this franchise null and void.
12. Upon termination of the franchise, whether by expiration of its term, or for cause, or by voluntary abandonment, and after written notice from the County, the Grantee shall remove all of its facilities installed pursuant to the rights granted herein within one hundred eighty (180) days of such termination, and shall repair any damages caused thereby. All such facilities which are not removed within this period shall be deemed to be abandoned and shall become the property of the County.
13. This franchise will not be effective for any purpose until the Grantee has indicated its acceptance in writing below.
14. The rights, privileges, and franchise granted herein are made pursuant to the laws of Arizona, including A.R.S. §§ 40-283 and 9-582, et seq., which are incorporated herein by reference.

IN WITNESS WHEREOF, the Board of Supervisors of the County of Cochise, State of Arizona, has caused these presents to be executed and signed by the Chairman of the Board of Supervisors on this 4th day of June 2002.

BOARD OF SUPERVISORS

COUNTY OF COCHISE:



Chairman

ATTEST:



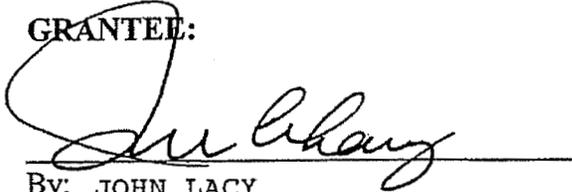
Clerk, Board of Supervisors

ACCEPTANCE OF FRANCHISE

This is to certify that the Grantee, COPPER VALLEY TELEPHONE, INC., has on the 31st day of May, 2002, accepted the foregoing franchise. Grantee agrees that it will be bound by, observe, and carry out the terms and conditions of such franchise.

Dated: May 31, 2002

GRANTEE:

A handwritten signature in cursive script, appearing to read "John Lacy", is written over a horizontal line.

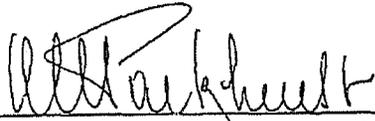
By: JOHN LACY

Title: Attorney for Copper Valley Telephone, Inc.

CERTIFICATE OF CLERK

I, NADINE M. PARKHURST, Clerk of the Board of Supervisors of Cochise County, Arizona, do hereby certify that the foregoing excerpt from the minutes of the meeting of the Board of Supervisors of Cochise County, Arizona, held on June 4, 2002 constitutes a true and correct copy of the said minutes insofar as they relate to the Application of COPPER VALLEY TELEPHONE, INC., for a telecommunications services franchise in the County and to the granting of said telecommunications services franchise pursuant to the resolution hereinabove set out, all as appears in the official records of the Board of Supervisors.

IN WITNESS WHEREOF, I have set my hand and official seal of the Board of Supervisors of Cochise County, Arizona, this 4 day of June, 2002.



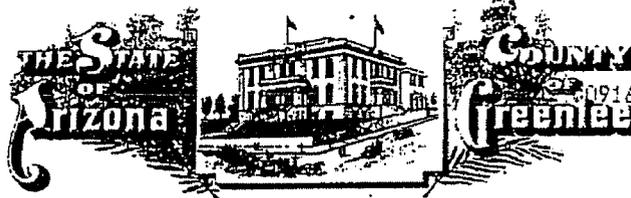
CLERK, BOARD OF SUPERVISORS
COCHISE COUNTY, ARIZONA

**GREENLEE COUNTY
RESOLUTION NO. 02-10-01
GRANTING A TELECOMMUNICATIONS SERVICES FRANCHISE TO
COPPER VALLEY TELEPHONE, INC.**

2002-00716 11/08/2002 Page 2 of 14

DEBORAH K. GALE
County Administrator *(928) 865-2310
Clerk of the Board *(928) 865-2072

FACSIMILE # (928) 865-4417



BOARD OF SUPERVISORS
P.O. BOX 908
CLIFTON, ARIZONA 85533

0916 11/08/2002 Page 2 DONALD R. STACEY District 1

HECTOR RUEDAS District 2

DIXIE L. ZUMWALT District 3

RESOLUTION NO. 02 - 10 - 01

GRANTING A TELECOMMUNICATIONS SERVICES FRANCHISE TO
COPPER VALLEY TELEPHONE, INC.

KNOW ALL MEN BY THESE PRESENTS, THAT,

WHEREAS, COPPER VALLEY TELEPHONE, INC., has applied and petitioned, pursuant to A.R.S. §§ 40-283 and 9-583, to the Board of Supervisors of Greenlee County, Arizona, for the right, privilege, license, and franchise to construct, install, operate, and maintain along over, under and across the streets, alleys, and highways, within the County, facilities for the purpose of maintaining and operating a telecommunication system, and all other facilities and improvements necessary for local network and intrastate telecommunications services; and

WHEREAS, reasonable public notice of this Application has been provided in the manner required by A.R.S. §§ 40-283 of the filing of said Application and of the public hearing on this matter set for October 1, 2002, at 4:00 P.M. at the regular meeting place of the Board in the Town of Clifton, Arizona, as the time and place for the consideration of the matter; and

WHEREAS, it appears from the affidavit of publication of the Copper Era that due and regular notice of said date, time, and place set for the consideration of such action has been published once a week for three (3) consecutive weeks prior to the said date of the hearing, to-wit: in the issues of the 11th day of Sept. 2002; the 18th day of Sept. 2002; and the 25th day of Sept. 2002, of said newspaper, and the matter being called at 4:00 o'clock P.M., and it appearing that the Board of Supervisors has not received a petition signed by more than 50% of the qualified electors of said County asking the Board to deny said Application on or before the date set for consideration thereof; and

WHEREAS, said Application came on regularly to be heard on the 1st day of October 2002, before the Board of Supervisors of Greenlee County, and the Board considered the Application for the franchise, and there being good cause to grant this Application,

NOW, THEREFORE, it being determined by the Board of Supervisors of Greenlee County that the grant of this franchise is regular, proper, authorized by law and in the best interest of Greenlee County, and the inhabitants thereof;

NOW, THEREFORE, IT IS HEREBY ORDAINED:

1. That this Board of Supervisors of Greenlee County, Arizona, acting for and on behalf of said County (the "County"), does hereby grant unto COPPER VALLEY TELEPHONE, INC. (hereinafter called "Grantee") a nonexclusive right, privilege, license, and franchise (hereinafter "the franchise") to construct, install, operate, and maintain along, over, under and across the streets, alleys, and highways under the jurisdiction of the County, facilities for the purpose of maintaining and operating a telecommunications system, and all other facilities and improvements necessary for telecommunications. This grant does not include the authorization to use State highways and those areas within the corporate boundaries of any city or town. This grant is subject to the terms, conditions, and limitations expressed below or incorporated herein by reference.
2. The County reserves the right to impose future restrictions, limitations and conditions upon the exercise of the rights granted herein as it deems best for the public safety and welfare. The Grantee is further required to comply with all lawful, applicable ordinances of Greenlee County regulating the conduct of work within the public rights-of-way; as such ordinances are now enacted or may be amended or adopted from time to time. The Grantee is required to obtain a separate Right-of-Way Use Permit from the County prior to initiating any construction in the right-of-way and to pay the applicable fees for the associated inspections.
3. The franchise granted hereby shall not be exclusive, and nothing herein shall be construed to prevent the County from granting other like or similar franchises to any other person, firm, or corporation.
4. The Grantee shall bear all expenses and costs, including damages and compensation for the alteration of the direction, surface, grade, or alignment of a public roadway or for revenues lost by the Grantee, which may arise in connection with its exercise of the rights granted herein.
5. The Grantee shall erect, construct, and maintain all facilities authorized herein in a good and workmanlike manner and in compliance with all valid laws, ordinances, and regulations, which may be in force from time to time. All such work shall be performed in such a manner as may be necessary to avoid any unreasonable damage, disturbance, or modification to existing public rights-of-ways, including roads, streets, highways, bridges, borrow ditches or shoulders thereon.
6. The Grantee shall, immediately upon erecting, constructing, replacing or repairing its facilities, or any part thereof, at its own cost and expense, restore any effected public right-of-way, including any road, street, highway, bridge, borrow ditch or shoulder thereon, to not less than the same condition which existed prior to the Grantee's action.

7. The County does not waive or relinquish any rights it may have to the full and complete use of the public rights-of-way subject to this franchise, whether for road purposes or otherwise. The rights of the County in and to the use of the right-of-way are, and shall be, paramount and superior to the rights of the Grantee. In the event that the location of the Grantee's facilities may interfere or conflict with the County's use, expanded use, alteration, improvement, or maintenance of the County's rights-of-way, the County may require the Grantee to relocate, at the Grantee's expense, all facilities which give rise to such interference or conflict. The County will provide the Grantee with reasonable notice of any relocation requirement and will provide a reasonable period of time for the Grantee to perform such relocation.
8. The Grantee assumes the sole responsibility for all liability for any injury or damage to any person or property, or to the road and right-of-way itself, caused by or arising out of the exercise of the rights granted herein and attributable to any act or omission of the Grantee. The Grantee shall indemnify, defend and hold harmless Greenlee County, its officers, departments, employees and agents from and against any and all suits, actions, legal or administrative proceedings, claims, demands or damages of any kind or nature, including all costs of legal defense, arising out of the exercise of these rights which are attributed to any act or omission of the Grantee, its agents, employees, or anyone acting under its direction, control or on its behalf.
9. The County grants this franchise for a term of five (5) years from the date of its authorization. This franchise may not be sold, leased, assigned, conveyed or transferred in any manner, in whole or in part, including pursuant to the sale or merger of the Grantee corporation itself, without the express written consent of the County, which consent shall not be unreasonably withheld.
10. The County reserves the right to alter or amend the terms of this franchise in any manner necessary to protect the safety or welfare of the public or the public interest. This reservation includes, but is not limited to, the authority to impose such amended franchise fees, rentals or use payments, or other form of compensation or assessment as the County may be authorized, now or in the future, to impose under the laws of the State of Arizona and the United States.
11. The County may terminate this franchise in the event that the Grantee fails to comply with the terms and conditions of this franchise. The Board of Supervisors, or its designee, shall provide the Grantee with written notice of noncompliance and allow the Grantee a period of not less than sixty (60) days to remedy any breach. If the Grantee continues to fail to comply with the terms of this franchise after this notice and remedy period, the Board of Supervisors may, following a public hearing, revoke all rights granted herein and render this franchise null and void.
12. Upon termination of the franchise, whether by expiration or its term, or for cause, or by voluntary abandonment, and after written notice from the County, the Grantee may remove all of its facilities, installed pursuant to the rights granted herein within

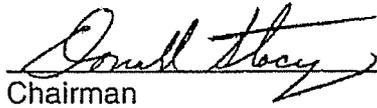
one hundred eighty (180) days of such termination, and shall repair any damages caused thereby. All such facilities which are not removed within this period shall be deemed to be abandoned and shall become the property of the County.

13. This franchise will not be effective for any purpose until the Grantee has indicated its acceptance in writing below.
14. The rights, privileges, and franchise granted herein are made pursuant to the laws of Arizona, including A.R.S. §§ 40-283 and 9-582, et seq., which are incorporated herein by reference.

IN WITNESS WHEREOF, the Board of Supervisors of the County of Greenlee, State of Arizona, has caused these presents to be executed and signed by the Chairman of the Board of Supervisors on this 1st day of October 2002.

BOARD OF SUPERVISORS

COUNTY OF GREENLEE:


Chairman

ATTEST:

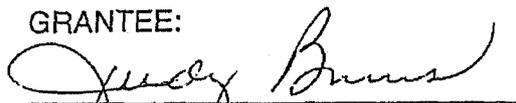

Clerk, Board of Supervisors

ACCEPTANCE OF FRANCHISE

This is to certify that the Grantee, Copper Valley Telephone, Inc., has on the 4th day of November, 2002, accepted the foregoing franchise. Grantee agrees that it will be bound by, observe, and carry out the terms and conditions of such franchise.

Dated: November 4, 2002

GRANTEE:



By: Judy Bruns

Title: CEO/GM

GREENLEE COUNTY BOARD OF SUPERVISORS
CLIFTON, ARIZONA

OCTOBER 1, 2002

The Greenlee County Board of Supervisors met on this date in regular session in the 2nd floor Conference Room, Courthouse Annex, Clifton, Arizona with the following members present: Donald R. Stacey, Chairman; and Hector Ruedas, Member. Also present were Deborah K. Gale, County Administrator/Clerk of the Board and Yvonne Pearson, Assistant Clerk of the Board. Supervisor Dixie Zumwalt was absent from this meeting.

Chairman Stacey called the meeting to order at 4:10 p.m. and led those present in the Pledge of Allegiance.

Supervisor Ruedas requested more information from Jerry Noland in consideration of the request for rezoning parcel #300-04-020 from RU36 to General Business and RU4. He stated that he would consider a zoning change of approximately two acres of the parcel and then consideration would be given at a later date on the rezoning of the remaining portion of the parcel pending the progress and success of this business. He requested a new survey of the two acres in question for the Trading Post to be presented at the next Board meeting. Chairman Stacey agreed with the request for more information and apologized that a decision could not be made due to the absence of Supervisor Zumwalt who was ill. Upon motion by Supervisor Ruedas, seconded by Chairman Stacey, and carried unanimously, the Board tabled the request.

Upon motion by Supervisor Ruedas, seconded by Chairman Stacey, and carried unanimously, the Board denied the request by Deborah Balfour for donation to attend the All Star Cheerleading Squad in London, England. The Board expressed their regret at having to turn down these donation requests, as they have been doing, due to budget constraints. Both Supervisor Ruedas and Stacey will donate individually.

Upon motion by Supervisor Ruedas, seconded by Chairman Stacey, and carried unanimously, the Board granted franchise to Copper Valley Telephone to construct, install, operate, and maintain along, over, under and across the streets, alleys, and highways under the jurisdiction of the County, facilities for the purpose of maintaining and operating a telecommunications system, and all other facilities and improvements necessary for telecommunications. This grant does not include the authorization to use State highways and those areas within the corporate boundaries of any city or town. The public notice of intent to grant franchise was published for three weeks in the Copper Era newspaper and there were no petitions submitted in opposition of granting the franchise.

RESOLUTION #02-10-01

**GRANTING A TELECOMMUNICATIONS SERVICES FRANCHISE TO
COPPER VALLEY TELEPHONE, INC.**

KNOW ALL MEN BY THESE PRESENTS, THAT,

BOARD OF SUPERVISORS
OCTOBER 1, 2002
PAGE 2

WHEREAS, COPPER VALLEY TELEPHONE, INC., has applied and petitioned, pursuant to A.R.S. §§40-283 and 9-583, to the Board of Supervisors of Greenlee County, Arizona, for the right, privilege, license, and franchise to construct, install, operate, and maintain along, over, under and across the streets, alleys, and highways, within the County, facilities for the purpose of maintaining and operating a telecommunication system, and all other facilities and improvements necessary for local network and intrastate telecommunications services; and

WHEREAS, reasonable public notice of this Application has been provided in the manner required by A.R.S. §§40-283 of the filing of said Application and of the public hearing on this matter set for October 1, 2002, at 4:00 P.M. at the regular meeting place of the Board in the Town of Clifton, Arizona, as the time and place for the consideration of the matter; and

WHEREAS, it appears from the affidavit of publication of the Copper Era that due and regular notice of said date, time, and place set for the consideration of such action has been published once a week for three (3) consecutive weeks prior to the said date of the hearing, to-wit: in the issues of the 11th day of September 2002; the 18th day of September 2002; and the 25th day of September 2002, of said newspaper, and the matter being called at 4:00 P.M., and it appearing that the Board of Supervisors has not received a petition signed by more than 50% of the qualified electors of said County asking the Board to deny said Application on or before the date set for consideration thereof; and

WHEREAS, said Application came on regularly to be heard on the 1st day of October 2002, before the Board of Supervisors of Greenlee County, and the Board considered the Application for the franchise, and there being good cause to grant this Application,

NOW, THEREFORE, it being determined by the Board of Supervisors of Greenlee County that the grant of this franchise is regular, proper, authorized by law and in the best interest of Greenlee County, and the inhabitants thereof;

NOW, THEREFORE, IT IS HEREBY ORDAINED:

1. That this Board of Supervisors of Greenlee County, Arizona, acting for and on behalf of said County (the "County"), does hereby grant unto COPPER VALLEY TELEPHONE, INC. (hereinafter called "Grantee") a nonexclusive right, privilege, license, and franchise (hereinafter "the franchise") to construct, install, operate, and maintain along, over, under and across the streets, alleys, and highways under the jurisdiction of the County, facilities for the purpose of maintaining and operating a telecommunications system, and all other facilities and improvements necessary for telecommunications. This grant does not include the authorization to use State highways and those areas within the corporate boundaries of any city or town. This grant is subject to the terms, conditions, and limitations expressed below or incorporated herein by reference.
2. The County reserves the right to impose future restrictions, limitations and conditions upon the exercise of the rights granted herein as it deems best for the public safety and welfare. The Grantee is further required to comply with all lawful, applicable ordinances of Greenlee County regulating the conduct of work within the public rights-of-way; as such ordinances are now enacted or may be amended or adopted from time to time. The Grantee is required to obtain a separate Right-of-Way Use Permit from the County prior to initiating any construction in the right-of-way and to pay the applicable fees for the associated

BOARD OF SUPERVISORS
OCTOBER 1, 2002
PAGE 3

inspections.

3. The franchise granted hereby shall not be exclusive, and nothing herein shall be construed to prevent the County from granting other like or similar franchises to any other person, firm, or corporation.
4. The Grantee shall bear all expenses and costs, including damages and compensation for the alteration of the direction, surface, grade, or alignment of a public roadway or for revenues lost by the Grantee, which may arise in connection with its exercise of the rights granted herein.
5. The Grantee shall erect, construct, and maintain all facilities authorized herein in a good and workmanlike manner and in compliance with all valid laws, ordinances, and regulations, which may be in force from time to time. All such work shall be performed in such a manner as may be necessary to avoid any unreasonable damage, disturbance, or modification to existing public rights-of-ways, including roads, streets, highways, bridges, borrow ditches or shoulders thereon.
6. The Grantee shall, immediately upon erecting, constructing, replacing or repairing its facilities, or any part thereof, at its own cost and expense, restore any effected public right-of-way, including any road, street, highway, bridge, borrow ditch or shoulder thereon, to not less than the same condition which existed prior to the Grantee's action.
7. The County does not waive or relinquish any rights its may have to the full and complete use of the public rights-of-way subject to this franchise, whether for road purposes or otherwise. The rights of the County in and to the use of the right-of-way are, and shall be, paramount and superior to the rights of the Grantee. In the event that the location of the Grantee's facilities may interfere or conflict with the County's use, expanded use, alteration, improvement, or maintenance of the County's rights-of-way, the County may require the Grantee to relocated, at the Grantee's expense, all facilities which give rise to such interference or conflict. The County will provide the Grantee with reasonable notice of any relocation requirements and will provide a reasonable period of time for the Grantee to perform such relocation.
8. The Grantee assumes the sole responsibility for all liability for any injury or damage to any person or property, or to the road and right-of-way itself, caused by or arising out of the exercise of the rights granted herein and attributable to any act or omission of the Grantee. The Grantee shall indemnify, defend and hold harmless Greenlee County, its officers, departments, employees and agents from and against any and all suits, actions, legal or administrative proceedings, claims, demands or damages of any kind or nature, including all costs of legal defense, arising out of the exercise of these rights which are attributed to any act or omission of the Grantee, its agents, employees, or anyone acting under its direction, control or on its behalf.
9. The County grants this franchise for a term of five (5) years from the date of its authorization. This franchise may not be sold, leased, assigned, conveyed or transferred in any manner, in whole or part, including pursuant to the sale or merger of the Grantee corporation itself, without the express written consent of the County, which consent shall not be unreasonably withheld.

BOARD OF SUPERVISORS
OCTOBER 1, 2002
PAGE 4

10. The County reserves the right to alter or amend the terms of this franchise in any manner necessary to protect the safety or welfare of the public or the public interest. This reservation includes, but is not limited to, the authority to impose such amended franchise fees, rentals or use payments, or other form of compensation or assessment as the County may be authorized, now or in the future, to impose under the laws of the State of Arizona and the United States.
11. The County may terminate this franchise in the event that the Grantee fails to comply with the terms and conditions of this franchise. The Board of Supervisors, or its designee, shall provide the Grantee with written notice of noncompliance and allow the Grantee a period of not less than sixty (60) days to remedy any breach. If the Grantee continues to fail to comply with the terms of this franchise after this notice and remedy period, the Board of Supervisors may, following a public hearing, revoke all rights granted herein and render this franchise null and void.
12. Upon termination of the franchise, whether by expiration or its term, or for cause, or by voluntary abandonment, and after written notice from the County, the Grantee may remove all of its facilities, installed pursuant to the rights granted herein within one hundred eighty (180) days of such termination, and shall repair any damages caused thereby. All such facilities which are not removed within this period shall be deemed to be abandoned and shall become the property of the County.
13. This franchise will not be effective for any purpose until the Grantee has indicated its acceptance in writing below.
14. The rights, privileges, and franchise granted herein are made pursuant to the laws of Arizona, including A.R.S. §§40-283 and 9-582, et seq., which are incorporated herein by reference.

IN WITNESS WHEREOF, the Board of Supervisors of the County of Greenlee, State of Arizona, has caused these presents to be executed and signed by the Chairman of the Board of Supervisors on this 1st day of October 2002.

BOARD OF SUPERVISORS

COUNTY OF GREENLEE:

/s/ Donald R. Stacey, Chairman

ATTEST:

/s/ Yvonne Pearson, Asst. Clerk of the Board

Upon motion by Supervisor Ruedas, seconded by Chairman Stacey, and carried unanimously, the Board awarded the bid for the 4 X 4 utility vehicle for the Bioterrorism Department to the low bidder Bill McGlocklin Ford.

BOARD OF SUPERVISORS MINUTES
OCTOBER 1, 2002
PAGE 5

BID OPENING

BID: 4 X 4 Utility Vehicle (Bioterrorism Office)
DATE: Monday, September 23, 2002
PLACE: Board of Supervisors Meeting Room
Courthouse Annex, Clifton, Arizona
PRESENT: Yvonne Pearson, Asst. Clerk of the Board
Evelyn Carbajal, Admin. Assistant

BIDDERS: Bill McGlocklin Ford, Inc
Butch Crum
310 E. Hiway 70
Safford, AZ 85546
Total Bid: \$27,315.85

Kempton Chevrolet
Box 960
Safford, AZ 85548
Total Bid: \$35,469.00 (including 7.1% tax-Safford)
Total Bid: \$35,784.00 (including 8.1% tax-Greenlee)

Johnson Motors Corp.
804 1st Avenue
Safford, AZ 85546
Bid received late - 09/23/02

Upon motion by Supervisor Ruedas, seconded by Chairman Stacey, and carried unanimously, the Board approved the Consent Agenda as follows:

- Approval of minutes to previous meetings
- Approval of demands in excess of \$500
- Approval of payroll change notice - T. Powell
- Approval to authorize Treasurer to utilize credit line
- Appointment of Aida Lopez, Cynthia Sanders and Felipa Sublaskey to the Workforce Investment Board
- Approval of Airport Master Plan progress payment #16 to Stantec in the amount of \$1,970.12 subject to receipt of FAA and ADOT Aeronautics reimbursements
- Adoption of Resolution #02-10-01 for adoption of Greenlee County Airport Master plan
- Approval to authorize Greenlee County Engineer to sign Airport Master Plan and Airport Layout Plan
- Approval of Skyline View Road easement from the Bureau of Land Management

BOARD OF SUPERVISORS MINUTES
OCTOBER 1, 2002
PAGE 6

There being no further business to come before the Board of Supervisors, upon motion by Supervisor Ruedas, seconded by Chairman Stacey, and carried unanimously, the meeting adjourned at 4:50 p.m.

APPROVED: /s/ Donald R. Stacey, Chairman

ATTEST: /s/ Yvonne Pearson
Asst. Clerk of the Board

PUBLIC NOTICE OF INTENT
TO GRANT FRANCHISE

PUBLIC NOTICE IS HEREBY GIVEN by the Board of Supervisors of Greenlee County, Arizona, that COPPER VALLEY TELEPHONE, INC., an Arizona corporation, has made application to this Board for the right, privilege, license and franchise to construct, install, operate and maintain along, over, under and across the streets, alleys, and highways, within the County, as defined in the Application on file in the Clerk of the Board of Supervisors Office, facilities for the purpose of maintaining and operating a telecommunication system, and all other facilities and improvements necessary for local network and intrastate telecommunications services; and that this Board has received and filed said Application and has on the 3rd day of September, 2002, by resolution duly resolved that notice be given by this Board in the manner provided by law of the filing of said Application and of the intention of this Board to grant such franchise as applied for.

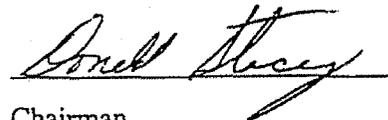
NOTICE IS HEREBY GIVEN that Tuesday, the 1st day of October, 2002, at 4:00 o'clock p.m. at the regular meeting place of said Board at the Courthouse Annex, Town of Clifton, Arizona, has been fixed as the time and place when said matter will be taken up for consideration and for the granting of said franchise.

This notice is given pursuant to Section 40-283, Arizona Revised Statutes, reference to which, and to other pertinent sections of said Statutes, is hereby given.

Dated this 3rd day of September, 2002.

BOARD OF SUPERVISORS
GREENLEE COUNTY, ARIZONA

By: /s/



Chairman

PUBLISHED: September 11, September 18, and September 25, 2002.

ATTACHMENT C

COPY

RECEIVED

BEFORE THE ARIZONA CORPORATION COMMISSION

December 21 2001 P 4:40

1
2
3 WILLIAM A. MUNDELL
Chairman

Arizona Corporation Commission

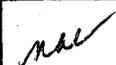
DOCKETED

AZ CORP COMMISSION
DOCUMENT CONTROL

4 JIM IRVIN
Commissioner

DEC 21 2001

5
6 MARC SPITZER
Commissioner

DOCKETED BY 

7
8 IN THE MATTER OF THE GENERIC
INVESTIGATION INTO NUMBER RESOURCE
9 OPTIMIZATION AND IMPLEMENTATION
10 OF NUMBER POOLING IN ARIZONA.

) DOCKET NO. T-00000A-01-0076
)
) COPPER VALLEY TELEPHONE'S
) WRITTEN COMMENTS ON
) ARIZONA RATE CENTER
) CONSOLIDATION

11
12 Copper Valley Telephone, Inc. ("CVT" or the "Company"), hereby submits its comments
13 in response to the Arizona Corporation Commission's Decision No. 63982 (August 30, 2001).
14 This decision requires incumbent local exchange carriers ("ILECs") to file a report with the
15 Utilities Division's Compliance Section identifying rate centers for consolidation and the
16 scheduled effective date of consolidation.

17 EXTENDED AREA SERVICE AREAS

18
19 The only CVT exchanges with common Extended Area Service ("EAS") calling areas are
20 Clifton, Duncan and York Valley, Arizona, and Virden, New Mexico. In addition, the
21 Company's Elfrida, Arizona, Exchange has an additional cost EAS calling area which includes
22 several southern Cochise County exchanges owned by Qwest Corporation. CVT recommends
23 against consolidating any of these EAS areas since the Company would likely experience adverse
24 financial impacts and service-quality could suffer. In the event the Commission does require rate
25 center consolidation in any of these areas, CVT requests that the Commission tailor the
26

Snell & Wilmer
LLP
LAW OFFICES
One Arizona Center, 400 E. Van Buren
Phoenix, Arizona 85004-2702
(602) 382-6000

1 consolidation to fit the unique circumstances in these service areas (including addressing any loss
2 of revenues to CVT) or delay consolidation until potentially harmful consequences may be
3 considered in a rulemaking docket addressing EAS. CVT's specific concerns are set forth below.

4 **1. LOCAL NUMBER PORTABILITY.**

5 Pursuant to the 1996 Telecommunications Act, CVT is not required to deploy Local
6 Number Portability ("LNP") until the Company receives a *bona fide* request, which has not
7 occurred. In the event that CVT does receive such a request, then there are specified procedures
8 for determining whether LNP is in the public interest. CVT does not have LNP software, and has
9 no plans to implement LNP at this time.
10

11 In addition, Decision 63982 appears to contemplate that, once rate center consolidation
12 has been accomplished, number pooling by thousand blocks will be implemented to further
13 conserve numbering resources. However, since CVT does not have LNP, no number pooling
14 could be implemented in its EAS areas, thus virtually eliminating the benefits of any rate center
15 consolidation.
16

17 **2. MULTIPLE ILEC'S IN A SINGLE RATE CENTER.**

18 Customers of CVT in the Elfrida Exchange pay an additional charge of \$0.78 per month
19 for EAS to Qwest Corporation calling areas. CVT is concerned that the consolidation of rate
20 centers including the Elfrida Exchange would result in the elimination of this EAS charge, and
21 the associated loss of revenues from that charge. Thus, rate center consolidation that includes the
22 Elfrida Exchange would likely have a negative financial impact on CVT. In addition, CVT and
23 Qwest Corporation are governed by radically different rules under the 1996 Telecommunications
24
25
26

1 Act. The differing obligations of the respective companies under the Act could make rate center
2 consolidation problematic.

3 **3. CROSSING STATE LINES.**

4 CVT's Clifton, Duncan and York Valley Exchanges currently have EAS calling to the
5 Company's Virden, New Mexico, Exchange, and vice versa. Any rate center consolidation that
6 crosses state lines would significantly impact access revenue by recharacterizing intrastate as
7 interstate and interstate as intrastate. For example, a call from the Virden Exchange to Willcox is
8 an interstate call today, and a call from the Virden Exchange to Albuquerque is an intrastate call
9 today. If rate center consolidation occurs, the call from the Virden Exchange to Willcox would
10 be an intrastate call, and the call from the Virden Exchange to Albuquerque would be an interstate
11 call. CVT has not looked at calling patterns or done any analysis to determine the extent of the
12 financial impact that would result from such a recharacterization of intrastate and interstate
13 revenues.
14

15 **4. COMPETITIVE IMPACTS.**

16 In addition to the negative financial impacts previously discussed, rate center
17 consolidations could produce financial losses for CVT in its Clifton, Duncan and York Valley
18 exchanges by allowing a competitive local exchange carrier ("CLEC") to establish a presence in
19 one exchange and then terminate calls in adjoining EAS exchanges without incurring exchange
20 access charges for interoffice transport and local switching. In addition, such a situation would
21 impose the CLEC's associated costs of exchange access on the ILEC. This is inequitable, and
22 should not be permitted.
23
24
25
26

RECOMMENDATIONS

In light of the potential negative financial impacts upon ILECs associated with rate center consolidation as set forth herein, CVT submits the following recommendations:

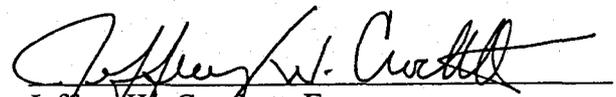
- Rate center consolidations should not include EAS areas which extend across state boundaries, such as the EAS area comprised of the Clifton, Duncan and York Valley, Arizona, Exchanges and the Virden, New Mexico Exchange.

- Rate center consolidations should not include EAS arrangements which involve multiple ILECs in a single EAS area, such as the Elfrida Exchange.

- To preclude unfairly impacting ILECs in the competitive telecommunications market, rate center consolidations should be implemented in a way which requires that CLECs and other interconnectors pay their fair share of exchange access costs for traffic transported between exchanges within EAS areas.

RESPECTFULLY submitted this 21st day of December, 2001.

SNELL & WILMER



Jeffrey W. Crockett, Esq.
One Arizona Center
Phoenix, Arizona 85004-2202
Attorney for Copper Valley Telephone, Inc.

**ORIGINAL and 10 copies filed this
21st day of December, 2001, with:**

Docket Control
ARIZONA CORPORATION COMMISSION
1200 West Washington
Phoenix, Arizona 85007

ATTACHMENT D

Snell & Wilmer

L.L.P.
LAW OFFICES

One Arizona Center
Phoenix, Arizona 85004-2202
(602) 382-6000
Fax: (602) 382-6070
www.swlaw.com

Jeffrey W. Crockett (602) 382-6234
jcrockett@swlaw.com

PHOENIX, ARIZONA

TUCSON, ARIZONA

IRVINE, CALIFORNIA

SALT LAKE CITY, UTAH

DENVER, COLORADO

LAS VEGAS, NEVADA

July 19, 2005

CONFIDENTIAL PURSUANT TO A.A.C. R14-2-802(B)

Ernest G. Johnson, Director
Utilities Division
ARIZONA CORPORATION COMMISSION
1200 West Washington Street
Phoenix, Arizona 85007

Re: *Copper Valley Telephone, Inc.--Annual Filing of Diversification Activities and Plans Pursuant to A.A.C. R14-2-805*

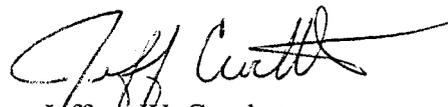
Dear Mr. Johnson:

In connection with a recent compliance audit conducted by Staff as part of its review of an application to extend the certificate of convenience and necessity of Copper Valley Telephone in Cochise County, we discovered that Copper Valley Telephone had not been filing its annual reports regarding diversification activities and plans in accordance with A.A.C. R14-2-805. Thus, the company has prepared the required report, a copy of which is attached, which covers the years 2000 through 2004. Future reports will be filed on time in accordance with the Commission's rules. Copper Valley Telephone requests that the report and accompanying attachments not be made public in accordance with A.A.C. R14-2-802(B).

Please call me if you have questions regarding the submission, or if I can provide any additional information.

Very truly yours,

SNELL & WILMER



Jeffrey W. Crockett

JWC:gb

Attachments

cc: Brian Bozzo, Compliance Manager

1701745