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Arizona Corporation Commission
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Winter Park, FL
32790-0200

Re: Docket No. T-02580A-05-0383
Amended Resold and Facilities-Based Local Exchange Telecommunications
Application for National Brands, Inc. d/b/a Sharenet Communications Company

Tel: 407-740-8575
Fax: 407-740-0613
tmi@tminc.com

Dear Sir/Madam:

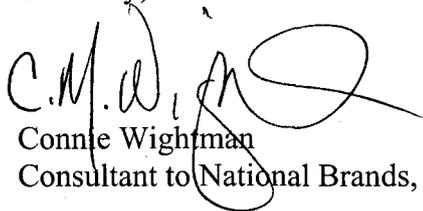
Enclosed for filing are the original and thirteen (13) copies of the responses of National Brands, Inc. d/b/a Sharenet Communications Company to the Staff's Second Set of Data Requests in the above-referenced docket.

Any questions you may have regarding this filing may be directed to my attention at (407) 740-8575 or via e-mail at cwightman@tminc.com.

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

Thank you for your assistance.

Sincerely,



Connie Wightman
Consultant to National Brands, Inc.

CW/im.

cc: Gary Joseph, National Brands
File: National Brands - AZ Local
TMS: AZF0501c

National Brands, Inc. d/b/a Sharenet Communications Company

Responses to Staff's Second Set of Data Requests

1. In response to Staff's question No. 5 in Data Request No. 1, Sharenet indicated that the value of its Arizona jurisdictional assets is \$7,975,928 while the balance sheet submitted, ending December 31, 2004 indicates that Sharenet's total assets are valued at \$5,961,179 [sic: actual \$5,963,179]. Please explain why the value of Sharenet's assets in Arizona is greater than the value of all of Sharenet's assets.

Response: Sharenet's only switch is in Arizona. Its only operating facilities, including headquarters functions, are in Arizona. Its only planned CLEC territory is Arizona. Therefore, Arizona assets do equal company assets for the most part, but Sharenet's assets in Arizona do not exceed its total assets. Question 5 in the first data request asked for the value of all assets in Arizona. Since you had the book value in the financial statements, the company assumed that you were inquiring about fair market value, and thus responded: "net book value of Arizona assets used to provide service in Arizona is \$1,978,949.00. The projected fair value of assets is \$7,975,928. (Based on total assets of \$4,975,928.00 [as of April 2005, including real estate], plus \$3,000,000.00 additional to bring the value of the building up to current market value.)" In other words, the company adjusted the fair value of its assets by the current market value of its property. If this is not what the Commission is seeking in this question, please refer to the financial statements of the Company which have been submitted. These financial statements, which accurately state the book value of its assets. These assets are located entirely within the state of Arizona.

2. Please indicate Sharenet's net income for the calendar year ending December 31, 2004.

Response: From the Income Statement submitted with the original Application, the net income for year end 2004 was \$131,086, if net income means all income, net of all expenses.

3. Please provide a detailed explanation of the informal complaint and settlement that occurred in the State of Ohio. Also, please indicate any/all safeguards Sharenet plans to implement so that this complaint does not repeat itself in the State of Arizona.

Response: As stated in Attachment C of the original Application:

"From January 2001 through June 2003, National Brands, Inc. d/b/a Sharenet Communications assessed a \$2.50 nonsubscriber surcharge that was in Sharenet's valid OH tariff at the time these calls were made. OH staff advised Sharenet and other carriers in 2003 that even though they had previously approved the tariff filing, they had since determined that the nonsubscriber surcharge is not lawful under the Ohio cap, that fact was not apparent during the time of the above referenced calls. AT&T and other carriers tariffed and applied the nonsubscriber surcharge in the same manner as Sharenet during this same time period. Sharenet's tariff filing mirroring the AT&T nonsubscriber surcharge was not challenged nor questioned at the time of filing. Therefore, Sharenet relied on AT&T's example and its own accepted tariff in assessing the surcharge. Sharenet ceased to bill the surcharge after Staff indicated that the surcharge was not sustainable under the cap. Sharenet has removed the surcharge from its tariff. Sharenet negotiated a settlement with OH which is attached."

This situation arose because the PUC of Ohio changed the way it implemented its rules. This was a highly unusual circumstance which is unlikely to arise in any other state unless that state approves a rate for AT&T and others and then, without further rulemaking or orders, determines that those rates are no longer lawfully charged. Therefore additional safeguards are not necessary. Sharenet has not encountered similar issues in any other jurisdiction to date.