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AZ CORP COMMISSION
DOCUMENT CONTROL

December 14, 2000



Bobbie Cowan
P.O. Box 220
Pengram, Tennessee 37143

Subject: Sufficiency Review - Docket No. T-03439A-97-0505

Dear Ms. Cowan:

In the matter of the Application of United Services Telephone, L.L.C. for a Certificate of Convenience and Necessity to Provide Competitive Intrastate Telecommunication Service:

This application is sufficient.

The application is insufficient and lacks the following items:

1. Financial information including at a minimum a current balance sheet.
2. You mentioned the states in which you are authorized to offer services. Please elaborate on what services (facilities-based or resold and interexchange or local) you currently offer or are approved to offer in each state.
3. Include a copy of your Company's most recent balance sheet, income statement, audit report (if audited), and all related notes to these financial statements.
4. If the balance sheets you submit do not have retained earnings accounts, please provide this account information on a separate sheet.
5. If your Company intends to rely on the financial resources of its Parent Company, please provide your Parent Company's financial statements. Also, please provide a written statement from your Parent Company attesting that it will provide complete financial backing if your Company experiences a net loss or a business failure and that it will guarantee repayment of customers' advances, prepayments or deposits held by your Company if, for some reason, your Company cannot provide service or repay the deposits.
6. Will your customers be required to (or have the option to) pay advances, prepayments, or deposits for any of your products or services? *(Please note that prepaid calling cards are considered de facto prepayments by the Commission.)*
7. Provide a customer service number.

8. Will your customers be able to access alternative toll service providers or resellers via 1+ or 101XXXX access, if your system becomes non-operational?
9. Provide the name of the company or companies whose services you resell.
10. Is your company currently reselling telecommunications service in Arizona?
11. List the names of all owners, partners, limited liability company managers, or corporation officers and directors (specify), and indicate percentages of ownership.
12. List the states in which you have applied for authority to offer telecommunications services, and indicate the services you applied for in each state.
13. List the number and types of interconnection agreements you have entered into, along with the companies with which you have agreements.
14. List the states in which you currently offer any telecommunications services, and indicate the services you offer in each state.
15. List and give a detailed explanation of complaints you have received (if any) regarding telecommunications services offered in other states. State what actions were taken to remedy these complaints and to prevent them from occurring again.
16. List the states in which you currently resell services similar to those you intend to resell in Arizona.
17. Please state the proposed fee that will be charged for returned checks.

If this information is not received within 30 **days** of the date of this letter, Staff may terminate this application. Please mail an original plus 10 copies to: Docket Control, Arizona Corporation Commission, 1200 W. Washington Street, Phoenix, AZ 85007-2927.

Additionally, due to a recent Arizona Superior Court ruling, Staff requests additional information necessary to process the Certificate of Convenience and Necessity application.

- A. Please provide the projected total revenue for the first twelve months of service in Arizona (or next 12 months of service if doing business already). This calculation must assume the Company is charging the **maximum rate** requested in its tariff. Total revenue could be calculated as the number of units sold for all services offered times the maximum charge per unit.
- B. Please provide the projected value of total operating expenses for the first twelve months of service in Arizona (or next 12 months of service if doing business already).
- C. Please provide the projected value of **all assets** to be used to provide telecommunications service to Arizona customers for the first twelve months of service (or next 12 months of service if doing business already). Please be aware that assets are not limited to plant and

December 13, 2000

Page 3

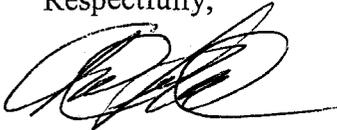
equipment. Items such as office equipment and office supplies should be included in this figure.

This fair value information must be received by Docket Control within **30 days** of the date of this letter. Please mail an original plus 10 copies to: Docket Control, Arizona Corporation Commission, 1200 W. Washington Street, Phoenix, AZ 85007-2927. If no response is received, Staff may recommend that the application be terminated. If the application is terminated, the Applicant cannot provide telecommunications service until such time as a new application is filed with and approved by the Commission.

Applicant is required to publish legal notice of the application in all counties where services will be provided.

Remember that information submitted for a CC&N will be made a part of the public record (including financial statements). Any information designated as confidential will not be accepted by Docket Control. If you have any questions, please contact me at (602) 542-0833. Thank you for your prompt response to this request.

Respectfully,

A handwritten signature in black ink, appearing to read 'Anthony Gatto', with a stylized flourish at the end.

Anthony Gatto