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May 9, 2003

VIA OVERNIGHT DELIVERY
& FAX NO. (602) 542-5560

Arizona Corporation Commission
DOCKETED

MAY 12 2003

Docket Control
Arizona Corporation Commission
1200 W. Washington Street
Phoenix, Arizona 85007
(602) 542-2237

DOCKETED BY *CHL*

Re: Gates Communications, Inc.
Docket No. T-03993A-01-0128 **Decision No. 64068**

Dear Sir/Madam,

In response to Letter of Non-Compliance dated April 10, 2003 and on behalf of Gates Communications, Inc. ("Gates"), we hereby respectfully request that the Arizona Corporation Commission grant an extension of time to Gates in order to file its response to the Revised Compliance Notice dated November 15, 2001.

The original Compliance Notice dated October 9, 2001 requested that Gates file with Docket Control the Fair Value Rate Base ("FVRB") information for the first twelve months of telecommunications service provided to Arizona customers following the certification date of October 4, 2001. A response was filed with Docket Control containing FVRB information from March 1, 2001, the date Gates commenced providing service to Arizona Customers. This response was filed prior to Gates providing twelve months of service to Arizona customers.

Law firm staff had several telephone conversations with the Commission requesting clarification of the FVRB information, and based upon such discussions, determined that filing the information available at the time, even if twelve months had not yet completed, was the correct action to take. Upon receipt of the Revised Compliance Notice dated November 15, 2001, law firm staff was of the opinion that the compliance action had been satisfied. Law office staff made a good faith effort to comply with the Commission request. Even though technically the response may have been deficient, the information filed had no material adverse effect on the Commission. Gates has provided continuous service to its customers in Arizona, and has had no complaints filed with the Commission.

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Based upon the foregoing, we respectfully request that the Certificate of Convenience and Necessity issued to Gates Communications, Inc. be reinstated with no lapse in such authority.

In addition, in order to satisfy the Commission's request, enclosed please find for filing, an original and fifteen (15) copies of Gates Communications, Inc.'s responses to the Commission's Revised Compliance Notice Dated November 15, 2001.

Enclosed is an extra copy of this letter to be date stamped and returned to me in the enclosed, self-addressed, postage prepaid envelope.

Please contact me at 770-232-7805 or e-mail me at cfallin@telecomcounsel.com if I can provide any additional information. Your assistance with this matter is sincerely appreciated.

Respectfully submitted,



Christa L. Fallin
Legal Assistant to
Lance J. M. Steinhart
Attorney for Gates Communications, Inc.

c: Patrick C. Williams via Fax No. (602) 542-5560

REVISED COMPLIANCE NOTICE DATED November 15, 2001

COMPANY: Gates Communications, Inc.

DOCKET NO. T-03993A-01-0128

DECISION NO. 64068

COMPLIANCE ACTION:

Certificate subject to the Company filing in Docket Control the following FVRB information within 18 months of the date it first provides service following certification:

1) The FVRB shall include a dollar amount representing the total revenue for the first twelve months of telecommunications service provided to Arizona customers following certification.

For the period of October 1, 2001 through October 31, 2002, the total revenue for the State of Arizona is \$1,442.58

2) The FVRB information shall detail the total actual operating expenses for the first twelve months of telecommunications service provided to Arizona Customers following certification.

For the period of October 1, 2001 through October 31, 2002, the total actual operating expenses for the State of Arizona is \$1,009.81

3) The FVRB information shall also include a description and value of all assets, including plant, equipment, and office supplies used to provide telecommunications service to Arizona customers for the first twelve months following certification.

The Company is a reseller which has zero assets, except for customers, in the State of Arizona.

NOTE: THE CERTIFICATE OF CONVENIENCE AND NECESSITY TO PROVIDE COMPETITIVE RESOLD INTEREXCHANGE TELECOMMUNICATIONS SERVICES, EXCEPT LOCAL EXCHANGE SERVICES BECAME EFFECTIVE OCTOBER 4, 2001