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ORIGINAL



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August 17, 2001
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2001 AUG 20 A 11: 28

210 N. Park Ave.
Winter Park, FL
32789

Docket Control Center
Arizona Corporation Commission
1200 West Washington Street
Phoenix, Arizona 85007

AZ CORP COMMISSION
DOCUMENT CONTROL

P.O. Drawer 200
Winter Park, FL
32790-0200

**Re: Response of StormTel, Inc.
Docket No. T-03405A-97-0392**

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

Dear Sir/Madam:

Enclosed for filing are the original and ten (10) copies of the information request response of StormTel, Inc. in response to a letter received from Ms. Marta Kelleberg on May 4, 2001.

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.

Questions regarding this filing may be directed to my attention at (407) 740-8575.

Yours truly,

Thomas M. Forte
Consultant to StormTel, Inc.

Arizona Corporation Commission
DOCKETED

AUG 20 2001

Enclosures

DOCKETED BY	
-------------	--

cc: D. Freeman - StormTel
file: StormTel - AZ IXC
tms: AZi0100a

StormTel, Inc.

Docket No. T-03405A-97-0392

- A. Include a copy of your Company's most recent balance sheet, income statement and audit report (if audited), and all related notes to these financial statements.

Attachment A contains the most recent financial statements for StormTel, Inc.

- B. If the balance sheets you submit do not have retained earnings accounts, please provide this account information on a separate sheet.

- C. 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 re-payment of customers' advances, prepayments or deposits held by your Company if, for some reason, your Company cannot provide service or repay the deposits.

StormTel will not be collecting any deposits, advances or prepayments from Arizona customers.

- D. 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.)*

See response to Item C above.

- E. Provide a customer service number.

StormTel's Customer Service number is 800-860-6148.

- F. Please submit a proposed tariff with both maximum rates, along with the proposed initial rate to be charged for each proposed services to be offered. Only one set of rates is listed in your proposed tariff. Please send us your current price list and your maximum rates. If no maximum is sent, the current prices on files will be considered current and maximum rates.

Attachment B contains the proposed tariff for StormTel.

G. Is your company currently reselling telecommunications services in Arizona?

Yes, StormTel is providing service in Arizona on a limited basis.

H. List the states in which you currently resell services similar to those you intend to resell in Arizona.

StormTel is currently focusing its efforts on the Florida market. The company does provide service on a nationwide basis.

I. Please submit a letter specifically regarding the name change of the company. Please submit this letter separate from the above requests so that it will be readily noticed by Docket Control Staff.

A letter explaining the name change will be filed under separate cover.



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Docket Control Center
Arizona Corporation Commission
1200 West Washington Street
Phoenix, Arizona 85007

**Re: Response of StormTel, Inc.
Docket No. T-03405A-97-0392**

COPY

Dear Sir/Madam:

Recently, the company responded to a data request issued by Ms. Marta Kelleberg on May 4, 2001. Item I of her request stated:

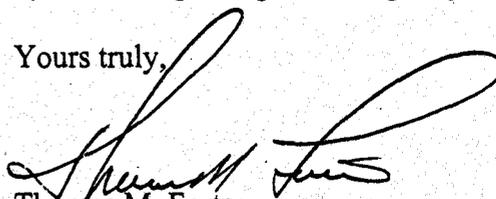
"Please submit a letter specifically regarding the name change of the company. Please submit this letter separate from the above requests so that it will be readily noticed by Docket Control Staff."

The company changed its name from Z-Tel, Inc. to StormTel, Inc. due to a naming conflict with another telecommunications provider, Z-Tel, headquartered in Tampa, Florida. These two companies are not related in any fashion. StormTel choose to change its name so that there would be no confusion between the two companies.

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.

Questions regarding this filing may be directed to my attention at (407) 740-8575.

Yours truly,


Thomas M. Forte
Consultant to StormTel, Inc.

COPY

Enclosures

cc: D. Freeman - StormTel
file: StormTel - AZ IXC
tns: AZi0100a

ATTACHMENT A

StormTel, Inc. Financial Statements

Jun 20, 2001

STORMTEL, INC.

Balance Sheet

Page 1

6:50 pm

December 31, 2000

ASSETS

Current Assets:

CASH & BANKS

SOUTHTRUST WIRELESS ACCT	\$27.57
SOUTHTRUST ECLECTIC ACCOUNT	10.00
SUNTRUST 0267020385115	21,197.07
ACCOUNT "C" 28282	12,673.56
CCNB LOCKBOX 35048	49.89
CCNB TRUST 35030	35.43
SALES TAX ACCT 2090002285695	872.15
ESCROW ACCOUNT	720.77
PETTY CASII	400.00

TOTAL CASII & BANKS

\$35,986.44

ACCTS RECEIVABLE-LESS RESERVE

ACCOUNTS RECEIVABLE-TRADE	549,479.04
ACCTS RECEIVABLE-HARDWARE	2,560.23
ACCTS RECEIVABLE-INTERNET	454.64
ACCTS RECEIVABLE-CELLULAR	31,007.07
ACCTS RECEIVABLE-OPUS	18,097.36
ALLOWANCE FOR BAD DEBTS	(322,577.69)
ACCTS RECEIVABLE-OTHER	27,409.00
ACCTS RECEIVABLE-MILLENICOM	(3,949.86)
INTERCOMPANY-PROGRESSIVE	(1,439.52)
INTERCOMPANY-FORCEDMATRIX	(111,574.88)
INTERCOMPANY-A1N	1,180.78
ACCTS RECEIVABLE-EMPLOYEE	46,901.99

TOTAL ACCOUNTS RECEIVABLE

237,548.16

INVENTORY

INVENTORY-TELCOM DIVISION	711.00
INVENTORY-CELLULAR DIVISION	5,326.30

TOTAL INVENTORY

6,037.30

OTHER CURRENT ASSETS

MISC. SECURITY DEPOSITS	34,129.78
MISC. SECURITY DEPOSITS-MOL	500.00
PREPAID ITEMS	25,000.00
DEFERRED CHARGES	50,567.10
DEFERRED CHG-JAMAICA PROJECT	73,724.95

TOTAL OTHER CURRENT ASSETS

183,921.83

INVESTMENTS

INVESTMENTS	39,238.36
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TOTAL INVESTMENTS

39,238.36

TOTAL Current Assets

\$502,732.09

Fixed Assets:

OFFICE EQUIPMENT	14,892.39
OFFICE EQUIPMENT-MOL	2,750.00
PHONE EQUIPMENT	8,626.14
COMPUTER HARDWARE	98,529.96

Jun 20, 2001

STORMTEL, INC.

Page 2

6:50 pm

Balance Sheet

December 31, 2000

BILLING SYSTEM	54,869.38
COMPUTER SOFTWARE	51,516.85
COMPUTER SOFTWARE-MOL	5,520.30
LEASEHOLD IMPROVEMENTS	3,566.11
SWITCH IN PROGRESS-1	890,997.00
TELCOM DIVISION EQUIPMENT	530.00
ALLOWANCE FOR DEPRECIATION	(415,305.00)

TOTAL Fixed Assets

716,493.13

Other Assets:

NOTE RECEIVABLE-WIRELESS	12,711.54
ORGANIZATION COSTS	135,436.77
AMORTIZATION-ORGANIZATION COST	(52,740.66)
CUSTOMER BASE	88,365.79
COVENANT - NON-COMPETE	55,000.00
AMORTIZATION-INTANGIBLES	(100,222.06)

TOTAL Other Assets

138,551.38

TOTAL ASSETS

\$1,357,776.60**LIABILITIES**

Current Liabilities:

ACCOUNTS PAYABLE	
ACCOUNTS PAYABLE-CCC	\$853,925.17
ACCOUNTS PAYABLE-HARDWARE	56.92
ACCOUNTS PAYABLE-MOL	16,583.68
ACCOUNTS PAYABLE-WIRELESS	2,307.87
ACCOUNTS PAYABLE-GE	2,399.55
ACCOUNTS PAYABLE-ALLSTAR	134,604.47
ACCOUNTS PAYABLE-IXC/BROAD	122,588.16
ACCOUNTS PAYABLE-OTHER	3,835.00
ACCOUNTS PAYABLE-OTHER-MOL	1,150.00
INTEREST PAYABLE	7,007.59
CUSTOMER DEPOSITS HELD	(10,000.00)
SECURITY DEPOSITS HELD-MOL	2,952.85
FED/STATE/LOCAL SALES TAX	112,105.94
FED/STATE/LOCAL SALES TAX-HD	163.13
FED/STATE/LOCAL SALES TAX-MO	45.40
AGENT COMMISSIONS PAYABLE	25,720.92

TOTAL ACCOUNTS PAYABLE

\$1,275,446.65

PAYROLL PAYABLE

PAYROLL PAYABLE-ACCRUED	128,603.71
FED PAYROLL TAXES PAYABLE	4,690.38
FICA	(474.68)
MED	(111.03)
FUTA	(1,775.02)
EFICA	(474.68)
EMED	(111.03)
SUI	4,133.08

TOTAL PAYROLL PAYABLE

134,480.73

ACCRUALS

ACCRUALS	51,150.00
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Jun 20, 2001

STORMTEL, INC.

Balance Sheet

Page 3

6:50 pm

December 31, 2000

TOTAL ACCRUALS		51,150.00
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TOTAL Current Liabilities		<u>51,150.00</u>	\$1,461,077.38
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Long-Term Liabilities:

NOTES PAYABLE

NOTES PAYABLE-WIRELESS	31,376.88
NOTES PAYABLE-CALL LEASE #117	42,341.17
NOTE PAYABLE-CALL LEASE #118	52,242.10
NOTE PAYABLE-RALL LEASING	62,500.00
NOTE PAYABLE-CRAMER	23,376.09
NOTE PAYABLE-STINE	11,141.50
CONVERTIBLE DEBENTURE NOTES	87,500.00
NOTE PAYABLE CALL LEASE # C12	52,159.93

TOTAL NOTES PAYABLE	<u>362,637.67</u>
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TOTAL Long-Term Liabilities		<u>362,637.67</u>
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TOTAL LIABILITIES		<u>1,823,715.05</u>
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CAPITAL

INVESTMENT FROM PARENT	1,465,060.32
INVESTMENT FROM PARENT-STOCK	132,125.74
COMMON SHARES	21,177.50
PAID-IN CAPITAL	674,888.74
PAID-IN CAPITAL-WIRELESS	(4,837.44)
STOCK WARRANTS	2,000.00
RETAINED EARNINGS-PRIOR	(1,755,111.31)
Year-to-Date Earnings	(1,001,242.00)

TOTAL CAPITAL	<u>(465,938.45)</u>
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TOTAL LIABILITIES & CAPITAL	<u>\$1,357,776.60</u>
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Jun 20, 2001

Page 1

6:51 pm

STORMTEL, INC.

Income Statement

	1 Month Ended December 31, 2000		12 Months Ended December 31, 2000	
Income				
TELECOM SALES-PROGRAM 2	\$0.00	0.0%	\$397.82	0.0%
TELECOM SALES-PROGRAM 4	81,751.97	40.4%	892,345.24	26.4%
TELECOM SALES-PROGRAM 5	45,974.02	22.7%	1,393,550.51	41.2%
BILLED TAXES	10,050.07	5.0%	244,994.39	7.2%
BILLED TAXES - CELLULAR	0.00	0.0%	1,796.66	0.1%
MONTHLY CHGS AND OTHER REVE	62,538.86	30.9%	700,064.14	20.7%
OTHER REVENUE-TELCOM DIV	0.00	0.0%	15,763.18	0.5%
MONTHLY CHGS & OTHER REVENU	0.00	0.0%	3,188.28	0.1%
OTHER REVENUE-OPUS	0.00	0.0%	18,128.25	0.5%
SALES - CELLULAR - MOL	1,957.14	1.0%	74,627.83	2.2%
SALES - WIRELESS	0.00	0.0%	24,577.87	0.7%
CARD REVENUE	0.00	0.0%	7,943.32	0.2%
COMMISSION REVENUE	0.00	0.0%	6,149.69	0.2%
MISCELLANEOUS REVENUE	0.00	0.0%	250.00	0.0%
TOTAL Income	202,272.06	100.0%	3,383,777.18	100.0%
Cost of Goods Sold				
PROGRAM 4 COSTS-WORLDCOM	108,702.31	53.7%	1,149,414.93	34.0%
PROGRAM 5 COSTS-IXC	0.00	0.0%	756,678.58	22.4%
OTHER NETWORK & PROGRAM COS	71,178.03	35.2%	354,513.43	10.5%
INTERNET EXPENSES	0.00	0.0%	3,124.00	0.1%
FED/STATE/LOCAL TAXES	10,050.07	5.0%	245,176.56	7.2%
TAX PAYMENT SERVICE	1,241.35	0.6%	18,876.35	0.6%
AGENT COMMISSIONS	23,974.86	11.9%	151,257.28	4.5%
CALLING CARD EXPENSES	0.00	0.0%	5,009.80	0.1%
BILL PROCESSING AND MAILING	(465.53)	-0.2%	25,240.35	0.7%
MATERIALS-TELECOM DIV	0.00	0.0%	2,580.58	0.1%
COS-CELLULAR/PAGING	1,432.26	0.7%	39,455.99	1.2%
COS-WIRELESS	0.00	0.0%	13,284.75	0.4%
DIRECT LABOR-TELECOM DIV	0.00	0.0%	32,601.37	1.0%
OVERHEAD-TELECOM DIV	0.00	0.0%	1,624.68	0.0%
BAD DEBT EXPENSE	4,285.81	2.1%	(109,436.44)	-3.2%
TOTAL Cost of Goods Sold	220,399.16	109.0%	2,689,402.21	79.5%
GROSS PROFIT	(18,127.10)	-9.0%	694,374.97	20.5%
Expenses				
SALARIES & WAGES				
STAFF SALARIES	28,430.16	14.1%	546,141.03	16.1%
STAFF SALARIES	0.00	0.0%	5,000.00	0.1%
STAFF SALARIES	337.50	0.2%	61,490.25	1.8%
STAFF SALARIES	0.00	0.0%	4,491.66	0.1%
TEMPORARY HELP	0.00	0.0%	200.00	0.0%

Jun 20, 2001

Page 2

6:51 pm

STORMTEL, INC.

Income Statement

	1 Month Ended December 31, 2000		12 Months Ended December 31, 2000	
TOTAL SALARIES & WAGES	28,767.66	14.2%	617,322.94	18.2%
PAYROLL COSTS				
STATUTORY CHARGES-FEDERAL	2,251.39	1.1%	48,584.71	1.4%
STATUTORY CHARGES-FEDERAL,	0.00	0.0%	2,829.51	0.1%
STATUTORY CHARGES-FEDERAL	0.00	0.0%	573.75	0.0%
STATUTORY CHARGES-FEDERAL	25.82	0.0%	5,219.79	0.2%
STATUTORY CHARGES-FEDERAL,	0.00	0.0%	527.34	0.0%
STATUTORY CHARGES-STATE	140.00	0.1%	3,007.52	0.1%
STATUTORY CHARGES-STATE, WI	0.00	0.0%	307.62	0.0%
WORKERS COMPENSATION	0.00	0.0%	3,391.27	0.1%
HOLIDAY AND VACATION PAY	0.00	0.0%	9,951.00	0.3%
HOLIDAY AND VACATION PAY, H	0.00	0.0%	1,460.71	0.0%
HOLIDAY AND VACATION PAY, M	0.00	0.0%	1,315.38	0.0%
SICK PAY	0.00	0.0%	3,293.08	0.1%
SICK PAY, HARDWARE	0.00	0.0%	149.94	0.0%
SICK PAY, MOL	0.00	0.0%	1,476.92	0.0%
GROUP INSURANCE	(1,078.20)	-0.5%	23,420.51	0.7%
MISC. STAFF EXPENSE	400.00	0.2%	378.00	0.0%
TOTAL PAYROLL COSTS	1,739.01	0.9%	105,887.05	3.1%
FACILITIES				
REPAIRS & MAINTENANCE	55.12	0.0%	1,826.90	0.1%
INSURANCE EXPENSE	(860.50)	-0.4%	15,468.58	0.5%
OFFICE SPACE RENTAL	4,396.00	2.2%	56,976.08	1.7%
OFFICE SPACE RENTAL	0.00	0.0%	2,444.00	0.1%
OFFICE SPACE RENTAL, WIRELES	0.00	0.0%	1,298.04	0.0%
ELECTRICITY	800.13	0.4%	11,810.57	0.3%
ELECTRICITY, WIRELESS	0.00	0.0%	670.70	0.0%
GAS	0.00	0.0%	806.63	0.0%
SECURITY	0.00	0.0%	158.88	0.0%
REFUSE SERVICES	26.58	0.0%	161.97	0.0%
EQUIPMENT RENTALS	0.00	0.0%	1,022.33	0.0%
MISC. OFFICE SERVICES	10,073.37	5.0%	13,249.52	0.4%
MISC. OFFICE SERVICES	0.00	0.0%	56.00	0.0%
DEPRECIATION EXPENSE	0.00	0.0%	11,416.26	0.3%
DEPRECIATION EXPENSE	16,689.00	8.3%	195,877.74	5.8%
TOTAL FACILITIES	31,179.70	15.4%	313,244.20	9.3%
OUTSIDE SERVICES				
LEGAL FEES	2,500.00	1.2%	179,651.14	5.3%
ACCOUNTING FEES	0.00	0.0%	500.00	0.0%
CONSULTING FEES	920.00	0.5%	15,495.21	0.5%
OTHER PROFESSIONAL FEES	100.00	0.0%	10,746.05	0.3%

Jun 20, 2001

Page 3

6:51 pm

STORMTEL, INC.

Income Statement

	1 Month Ended December 31, 2000		12 Months Ended December 31, 2000	
TOTAL OUTSIDE SERVICES	3,520.00	1.7%	206,392.40	6.1%
OFFICE EXPENSE				
MATERIALS & SUPPLIES	405.57	0.2%	10,652.03	0.3%
MATERIALS & SUPPLIES, WIRELE	0.00	0.0%	30.00	0.0%
PRINTING & REPRODUCTION	0.00	0.0%	899.05	0.0%
MAILING & SHIPPING	965.70	0.5%	9,448.84	0.3%
MAILING & SHIPPING , WIRELESS	0.00	0.0%	(40.00)	-0.0%
DATA PROCESSING	0.00	0.0%	14,962.31	0.4%
TELEPHONE & FAX	2,792.58	1.4%	33,228.28	1.0%
TELEPHONE & FAX, MOBILE OFFI	17.73	0.0%	587.66	0.0%
ADVERTISING	1,129.77	0.6%	34,656.86	1.0%
ADVERTISING-HARDWARE	0.00	0.0%	224.50	0.0%
ADVERTISING , WIRELESS	0.00	0.0%	274.73	0.0%
ADVERTISING-TRADE SHOW	1,450.00	0.7%	219,838.05	6.5%
TOTAL OFFICE EXPENSE	6,761.35	3.3%	324,762.31	9.6%
TRAVEL				
TRAVEL	1,853.14	0.9%	47,782.98	1.4%
TRAVEL-MEALS & ENTERTAINME	48.13	0.0%	7,806.31	0.2%
TRAVEL-TRADE SHOWS	0.00	0.0%	895.00	0.0%
TOTAL TRAVEL	1,901.27	0.9%	56,484.29	1.7%
ADMINISTRATIVE				
DUES & FEES	0.00	0.0%	185.00	0.0%
REGULATORY FEES	3,344.76	1.7%	15,758.62	0.5%
BANK INTEREST & CHARGES	225.40	0.1%	5,978.20	0.2%
BANK INTEREST & CHARGES, WI	0.00	0.0%	235.51	0.0%
OTHER INTEREST/LATE FEES	0.00	0.0%	99.56	0.0%
OTHER INTEREST/LATE CHG-MOL	0.00	0.0%	10.29	0.0%
LOAN INTEREST	0.00	0.0%	30,514.95	0.9%
AMORTIZATION	4,363.19	2.2%	47,097.71	1.4%
BAD DEBT EXPENSE	0.00	0.0%	(680.83)	-0.0%
TOTAL ADMINISTRATIVE	7,933.35	3.9%	99,199.01	2.9%
TOTAL Expenses	81,802.34	40.4%	1,723,292.20	50.9%
OPERATING PROFIT	(99,929.44)	-49.4%	(1,028,917.23)	-30.4%
Other Income & Expenses				
OTHER INCOME & EXPENSES				
OTHER EXPENSE	0.00	0.0%	3,267.59	0.1%

Jun 20, 2001

STORMTEL, INC.

Page 4

6:51 pm

Income Statement

	1 Month Ended December 31, 2000		12 Months Ended December 31, 2000	
EXTRAORDINARY EXP-OFFICE M	0.00	0.0%	(892.70)	-0.0%
OTHER INCOME	0.00	0.0%	21,589.00	0.6%
OTHER INCOME	1,244.97	0.6%	3,711.34	0.1%
TOTAL OTHER INCOME & EXPENSE	1,244.97	0.6%	27,675.23	0.8%
TOTAL Other Income & Expenses	1,244.97	0.6%	27,675.23	0.8%
PROFIT BEFORE TAXES	(98,684.47)	-48.8%	(1,001,242.00)	-29.6%
NET PROFIT	(\$98,684.47)	-48.8%	(1,001,242.00)	-29.6%

ATTACHMENT B

StormTel, Inc. Arizona Proposed Tariff

TITLE SHEET

ARIZONA TELECOMMUNICATIONS TARIFF

This tariff contains the descriptions, regulations, and rates applicable to the resale of telecommunications services provided by StormTel, Inc., hereinafter in the text of this tariff referred to as "StormTel" or "the Company", with principal offices at 4417 SE 16th Place, Suite 11, Cape Coral, Florida 33904. StormTel, Inc. toll free customer service number is (800) 860 - 6148. This tariff applies for services furnished within the State of Arizona. This tariff applies for services furnished within the State of Arizona. This tariff is on file with the Arizona Corporation Commission, and copies may be inspected, during normal business hours, at the Company's principal place of business.

Issued:

Effective:

Issued by:

Jim Becker, Regulatory Contact
StormTel, Inc.
4417 SE 16th Place, Suite 11
Cape Coral, Florida 33904

AZi0100

TABLE OF CONTENTS

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Tariff Format 5

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Section 2 - Rules and Regulations 8

Section 3 - Description of Service & Rates 14

Section 4 - Miscellaneous Services 19

Section 5 - Promotions 20

Section 6 - Rates 21

Issued:

Effective:

Issued by:

Jim Becker, Regulatory Contact
StormTel, Inc.
4417 SE 16th Place, Suite 11
Cape Coral, Florida 33904

AZi0100

CHECK SHEET

Pages of this tariff, as indicated below, are effective as of the date shown at the bottom of the respective pages. Original and revised pages, as named below, comprise all changes from the original tariff and are currently in effect as of the date on the bottom of this page.

PAGE	REVISION	PAGE	REVISION
1	Original *	16	Original *
2	Original *	17	Original *
3	Original *	18	Original *
4	Original *	19	Original *
5	Original *	20	Original *
6	Original *	21	Original *
7	Original *		
8	Original *		
9	Original *		
10	Original *		
11	Original *		
12	Original *		
13	Original *		
14	Original *		
15	Original *		

* - Pages included with this filing.

Issued:

Effective:

Issued by:

Jim Becker, Regulatory Contact
StormTel, Inc.
4417 SE 16th Place, Suite 11
Cape Coral, Florida 33904

AZi0100

SYMBOLS

The following are the only symbols used for the purposes indicated below:

- (C) - To Signify Changed Regulation
- (D) - Delete or Discontinue
- (I) - Change Resulting in an Increase to a Customer's Bill
- (M) - Moved From Another Tariff Location
- (N) - New
- (R) - Change Resulting in a Reduction to a Customer's Bill
- (T) - Change in Text or Regulation But No Change in Rate or Charge

Issued:

Effective:

Issued by:

Jim Becker, Regulatory Contact
StormTel, Inc.
4417 SE 16th Place, Suite 11
Cape Coral, Florida 33904

AZi0100

TARIFF FORMAT

Sheet Numbering - Sheet numbers appear in the upper right corner of the page. Sheets are numbered sequentially. However, new sheets are occasionally added to the tariff. When a new sheet is added between sheets already in effect, a decimal is added. For example, a new sheet added between sheets 14 and 15 would be 14.1.

Sheet Revision Numbers - Revision numbers also appear in the upper right corner of each page. These numbers are used to determine the most current sheet version on file with the AZ C.C.. For example, the 4th revised Sheet 14 cancels the 3rd revised Sheet 14.

Paragraph Numbering Sequence - There are seven levels of paragraph coding. Each level of coding is subservient to its next higher level:

- 2.
- 2.1.
- 2.1.1.
- 2.1.1(A)
- 2.1.1(A)(1)
- 2.1.1(A)(1)(a)
- 2.1.1(A)(1)(a)(1)

Check Sheets - When a tariff filing is made with the AZ C.C., an updated check sheet accompanies the tariff filing. The check sheet lists the sheet contained in the tariff, with a cross reference to the current revision number. When new pages are added, the check sheet is changed to reflect the revision. All revisions made in a given filing are designated by an asterisk (*). There will be no other symbols used on this page if these are the only changes made to it (i.e., the format, etc. remains the same, just revised revision levels on some pages).

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StormTel, Inc.
4417 SE 16th Place, Suite 11
Cape Coral, Florida 33904

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SECTION 1.0 - TECHNICAL TERMS AND ABBREVIATIONS

Access Line - An arrangement which connects the Customer's telephone to a StormTel designated switching center or point of presence.

Authorized User - A person, firm, corporation, or any other entity authorized by the Customer to utilize the Carrier's service.

Authorization Code - A pre-defined series of numbers to be dialed by the Customer or Authorized User upon access to the Carrier's Travel Card Service network to identify the caller and validate the caller's authorization to use the services provided.

AZ C.C. - Arizona Corporation Commission.

StormTel - Used throughout this tariff to refer to StormTel, Inc.

Company or Carrier - StormTel, Inc. unless otherwise clearly indicated by the context.

Customer - The person, firm, corporation or other entity which orders, cancels, amends or uses service and is responsible for payment of charges and compliance with the Company's tariff.

Dedicated Access Origination/Termination - Where access between the customer and the interexchange carrier is provided on dedicated circuits. The cost of these dedicated circuits is billed by the access provider directly to the Customer.

Equal Access - Where the local exchange company central office provides interconnection to interexchange carriers with Feature Group D circuits. In such end offices, customers presubscribe their telephone line(s) to their preferred interLATA carrier.

LEC - Local Exchange Company.

Serving Wire Center - A specified geographic point from which the vertical and horizontal coordinate is used in calculation of airline mileage.

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StormTel, Inc.
4417 SE 16th Place, Suite 11
Cape Coral, Florida 33904

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SECTION 1.0 - TECHNICAL TERMS AND ABBREVIATIONS (CONT'D.)

Switched Access Origination/Termination - Where access between the customer and the interexchange carrier is provided on local exchange company Feature Group circuits and the connection to the customer is a LEC provided business or residential access line. The cost of switched Feature Group access is billed to the interexchange carrier.

Travel Card - A service whereby the Customer or Authorized User dials all of the digits necessary to route and bill a call placed from a location other than his/her residence or normal place of business. Service is accessed via a "1-800" or other access code dialing sequence.

V & H Coordinates - Geographic points which define the originating and terminating points of a call in mathematical terms so that the airline mileage of the call may be determined. Call mileage may be used for the purposed of rating calls.

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StormTel, Inc.
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SECTION 2.0 - RULES AND REGULATIONS

2.1 Undertaking of StormTel

StormTel provides resold intrastate long distance telephone service available within the State of Arizona under the terms of this tariff.

StormTel maintains the communication services provided hereinunder in accordance with the terms and conditions set forth under this tariff. The customer shall be responsible for all charges due for such service arrangement.

The Company's services are provided on a monthly basis unless ordered on a longer term basis, and are available twenty-four hours per day, seven days per week.

2.2 Limitations

2.2.1 Service is offered subject to the provisions of this tariff.

2.2.2 StormTel reserves the right to discontinue furnishing service, or limit the use of service necessitated by conditions beyond its control; or when the customer is using service in violation of the law or the provisions of this tariff.

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SECTION 2.0 - RULES AND REGULATIONS, (CONT'D.)

2.3 Liabilities of The Company

2.3.1 StormTel's liability for damages arising out of mistakes, interruptions, omissions, delays, errors, or defects in the transmission occurring in the course of furnishing service, and not caused by the negligence of its employees or its agents, in no event shall exceed an amount equivalent to the proportionate charge to the customer for the period during which the aforementioned faults in transmission occur.

2.3.2 StormTel shall be indemnified and held harmless by the customer against:

- (A) Claims for libel, slander, or infringement of copyright arising out of the material, data, information, or other content transmitted by means of the Company's services.
- (B) All other claims arising out of any act or omission of the customer in connection with any service provided by StormTel.

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SECTION 2.0 - RULES AND REGULATIONS, (CONT'D.)

2.4 Credit Allowances for Interruption of Service

Credit allowances for interruption of service are limited to the initial period minimum charges incurred for re-establishing the interrupted call.

2.5 Restoration of Service

The use and restoration of service shall be in accordance with the priority system specified in part 64, Subpart D of the Rules and Regulations of the Federal Communications Commission.

2.6 Deposits and Credit Checks

The company may check the credit history of prospective customers using standard credit-check methods. The Company does not require deposits from Customers.

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SECTION 2.0 - RULES AND REGULATIONS, (CONT'D.)

2.7 Advance Payments

StormTel does not require advance payments from its Customers.

2.8 Taxes

All state and local taxes (i.e., gross receipts tax, sales tax, municipal utilities tax) are listed as separate line items and are not included in the quoted rates. Customer shall be responsible for any applicable taxes.

2.9 Customer Complaints and/or Billing Disputes

Customers have the right to refer billing disputes and any other complaints to StormTel, Inc. at 5566 Southwyck Boulevard, Toledo, Ohio 43614. Our Customer Service department can be reached by dialing 1-888-213-4237.

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SECTION 2.0 - RULES AND REGULATIONS, (CONT'D.)

2.10 Cancellation of Service by Carrier

Without incurring liability, the Carrier may immediately discontinue or cancel service:

2.10.1 Service may be disconnected without advance written notice under the following conditions:

- (A) the existence of an obvious hazard to the safety or health of the consumer of the general population or the Company's personnel or facilities;
- (B) the Company has evidence of tampering or the evidence of fraud.

2.10.2 Service may be disconnected provided that the Company has provided five days' written notice as established by the AZ C.C. under the following conditions:

- (A) Customer violation of any of the utility's tariffs filed with the Commission and/or violation of the Commission's rules and regulations.
- (B) Failure of the Customer to pay a bill for service.
- (C) Failure to meet or maintain the Company's credit and deposit requirements (if any).
- (D) Failure of the Customer to provide the utility reasonable access to its equipment and property.
- (E) Customer breach of contract for service between the Company and Customer
- (F) When necessary for the Company to comply with an order of any governmental agency having such jurisdiction.

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SECTION 2.0 - RULES AND REGULATIONS, (CONT'D.)

2.11 Billing for Service

Itemized bills will be distributed to the customers on a monthly cycle.

Bills include the date of billing. The "date rendered" shall be the mailing date. Bills for service are considered delinquent 15 days after the bill is rendered. Failure to receive bills or notices which have been properly placed in the U.S. Mail shall not prevent such bills from becoming delinquent nor relieve the Customer of his or her payment obligations.

A late payment charge of 1.5% of the delinquent charges per month applies.

2.12 Installations and Connections

There are no installation or connection charges required to initiate service with the Company.

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Section 3.0 - DESCRIPTION OF SERVICE & RATES

3.1 General

StormTel provides Direct Dial MTS (1+) Switched Outbound Service, Switched Toll Free "8XX" Service and Travel Card. The customer's total monthly use of Carrier's service is charged at the applicable rates per minute set forth herein, for communications services originating and terminating within the State of Arizona under terms of this tariff.

3.2 Timing and Rounding of Calls

Billing for calls placed over the network is based in part on the duration of the call.

3.2.1 Timing for all calls begins when the called party answers the call (i.e. when two way communications are established.) Answer detection is based on standard industry answer detection methods, including hardware and software answer detection.

3.2.2 Chargeable time for all calls ends when one of the parties disconnects from the call.

3.2.3 Call durations and minimum calling periods are provided with each specific product as described in this tariff.

3.2.4 There is no billing applied for incomplete calls.

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StormTel, Inc.
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Section 3.0 - DESCRIPTION OF SERVICE & RATES, (CONT'D.)**3.3 Rate Periods and Holidays**

Unless otherwise indicated elsewhere in this tariff, all usage-based rates are subject to the following time-of-day and day-of-week periods:

- 3.3.1** Day Rate Period - Applies to that portion of a call occurring from 8:00 AM to, but not including, 5:00 PM Monday through Friday.
- 3.3.2** Evening Rate Period - Applies to that portion of a call occurring from 5:00 PM to, but not including, 11:00 PM Sunday through Friday.
- 3.3.3** Night/Weekend Rate Period - Applies to that portion of a call occurring from 11:00 PM to, but not including 8:00 AM all days, 8:00 AM to, but not including, 11:00 PM Saturday; 8:00 AM to, but not including, 5:00 PM Sunday.
- 3.3.4** When a call is established in one rate period and ends in another rate period, the rate in effect at the calling station applies to the portion of the call occurring within that rate period. When a unit of time is split between two rate periods, the rate applicable to that unit of time is based on the rate period in which it began.

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StormTel, Inc.
4417 SE 16th Place, Suite 11
Cape Coral, Florida 33904

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Section 3.0 - DESCRIPTION OF SERVICE & RATES, (CONT'D.)
3.4 Calculation of Distance

Usage charges for mileage sensitive services vary based on the type of service subscribed to by the Customer. For services utilizing switched access, mileage measurements for rate schedules are based on the distance in airline miles between rate centers associated with the originating and terminating stations. For services utilizing dedicated access, mileage measurements for rate schedules are based on the distance in airline miles between the StormTel network access point associated with the station utilizing Dedicated Access Origination/Termination and the rate center associated with the called/calling station.

The distance between the originating and terminating points is calculated by using the "V" and "H" coordinates of the serving wire centers as defined by BellCore (Bell Communications Research), in the following manner:

- Step 1: Obtain the "V" and "H" coordinates for the serving wire center or network access point serving the Customer's location and the called/calling station.
- Step 2: Obtain the difference between the "V" coordinates. Obtain the difference between the "H" coordinates.
- Step 3: Square the differences obtained in Step 2.
- Step 4: Add the squares of the "V" difference and "H" difference obtained in Step 3.
- Step 5: Divide the sum of the square obtained in Step 4 by ten (10). Round to the next higher whole number if any fraction results from the division.
- Step 6: Obtain the square root of the whole number obtained in Step 5. Round to the next higher whole number if any fraction is obtained. This is the distance between the originating and terminating locations of the call.

Formula:
$$\sqrt{\frac{(V_1 - V_2)^2 + (H_1 - H_2)^2}{10}}$$

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StormTel, Inc.
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SECTION 3.0 - DESCRIPTION OF SERVICE & RATES, (CONT'D.)**3.5 StormTel Switched Service Plan 1****3.5.1 Description**

StormTel's Switched Service Plan 1 is a combined outbound and toll-free inbound services offering is a pre-subscribed flat rate service.

Rates are charged in one (1) minute increments. The minimum charge for each call is one (1) minute. The Company policy is not to charge for emergency type services.

3.5.2 Per Period Rates Usage Charges - Month to Month

	Minimum	Maximum
Per Minute Rate	\$0.0050	\$0.3000

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StormTel, Inc.
4417 SE 16th Place, Suite 11
Cape Coral, Florida 33904

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SECTION 3.0 - DESCRIPTION OF SERVICE & RATES, (CONT'D.)**3.6 StormTel Switched Service Plan 2****3.6.1 Description**

StormTel's Switched Service Plan 2 is a combined outbound and toll-free inbound services offering is a pre-subscribed flat rate service.

Rates are charged in six (6) second increments. The minimum charge for each call is thirty (30) seconds. The Company policy is not to charge for emergency type services.

3.6.2 Per Period Rates Usage Charges - Month to Month

Per Period Rates	Minimum	Maximum
Initial Period	\$0.0010	\$0.1595
Each Additional Period	\$0.0001	\$0.1119

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StormTel, Inc.
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Cape Coral, Florida 33904

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SECTION 4.0 - MISCELLANEOUS SERVICES**4.1 Directory Assistance**

Directory Assistance is available to Customers of StormTel. A Directory Assistance charge applies to each call to the Directory Assistance Bureau. Up to two (2) requests may be made on each call to Directory Assistance. The Directory Assistance charge applies to each call regardless of whether the Directory Assistance Bureau is able to furnish the requested telephone number.

	<u>Minimum</u>	<u>Maximum</u>
Directory Assistance, Per Call	\$0.25	\$1.00

4.2 Late Payment and Return Check Charge

Late Payment and Returned Check Charges may apply based upon the billing and tariff requirements of the specific LEC and/or billing agent.

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StormTel, Inc.
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Cape Coral, Florida 33904

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SECTION 5.0 - PROMOTIONS

5.1 Promotional Offerings

The Company from time to time may engage in special promotional trial service offerings of limited duration, not to exceed ninety (90) days, designed to attract new subscribers or to increase subscriber awareness of a particular service offering. Such promotional offerings will be limited to specific dates, times, and locations. Except for the rates charged under such promotions, all other terms and conditions of service contained in this tariff will apply to StormTel's promotional service offerings. The AZ C.C. will be notified thirty (30) days prior to the start of any promotional offering.

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Jim Becker, Regulatory Contact
StormTel, Inc.
4417 SE 16th Place, Suite 11
Cape Coral, Florida 33904

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SECTION 6.0 - CURRENT RATES

6.1 StormTel Switched Service Plan 1

Per Minute Rate \$0.1090

6.2 StormTel Switched Service Plan 2

Per Period Rate
Initial Period \$0.0595
Each Additional Period \$0.0119

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StormTel, Inc.
4417 SE 16th Place, Suite 11
Cape Coral, Florida 33904

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