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August 15, 2001

BY OVERNIGHT DELIVERY (602-542-4251)

Docket Control Center
Arizona Corporation Commission
1200 W. Washington Street
Phoenix, AZ 85007-2927

Arizona Corporation Commission
DOCKETED

AUG 15 2001



Re: Optical Telephone Corporation;
Docket No. T-04041A-01-0599; Responses to Staff's First Set of Data Requests

Per the request of John Bostwick, the following are responses to the Arizona Corporation Commission's First Set of Data Requests, answered on behalf of Optical Telephone Corporation ("OTC"). Please acknowledge receipt of this filing by file-stamping and returning the extra copy of this filing in the self addressed, stamped envelope provided for this purpose.

1. *Q: Per your copy of your proposed tariffs as Attachment "B". Please indicate by reference to page number(s) the terms and conditions that will apply to provision of the service(s) by your Company in Attachment "B".*

A: The terms and conditions that apply to the provision of OTC's services are described on pages 12-27 of its initial tariff.

Q: Please indicate by reference to page number(s) the deposits, advances, and/or prepayments that will apply to provision of the service(s) by your Company in Attachment "B". (Note: Price list rate changes that result in rates that are lower than the tariff rate are effective upon concurrent notice to the Commission (see Rule R14-2-1109 (B) (2)). See Rule R14-2-1110 for procedures to make price list changes that result in rates that are higher than the tariff rate.)

A: OTC does not require deposits, advances and/or prepayments from customers, as set forth on page 26 of its initial tariff.

2. *Q: Please provide retained earnings account information on the balance sheet or on a separate sheet in Attachment "D".*

A: OTC's retained earnings information is incorporated into its balance sheet, a copy of which is attached to its initial application as Attachment "D".

3. *Q: Please list the states in which you have applied for authority to offer telecommunications services.*

A: OTC has applied for authority to operate as a reseller in the following states (asterisks indicate granted authority): Alabama, Arizona, Arkansas*, California, Colorado*, Florida, Georgia, Hawaii, Idaho*, Illinois, Indiana*, Iowa*, Kansas, Kentucky*, Louisiana, Maine*, Massachusetts*, Michigan*, Montana*, Nevada, New Jersey*, New Mexico*, New York*, North Carolina*, North Dakota, Ohio, Oregon*, Pennsylvania, Rhode Island*, South Carolina, Texas*, Vermont, Virginia*, Wisconsin*, Wyoming, Utah*, and West Virginia.

Q: Please indicate the services you applied for in each state.

A: OTC has applied for authority to operate as a reseller of telecommunications services.

4. *Q: Please list and give a detailed explanation of complaints you have received (if any) regarding telecommunications services offered in other states.*

A: OTC has never received a complaint regarding telecommunications services offered in any state.

Q: Please state what actions were taken to remedy these complaints and to prevent them from occurring again.

A: N/A - OTC has never received a complaint regarding telecommunications services offered in any state.

5. *Q: Please state the proposed fee that will be charged for returned checks.*

A: As listed on page 33 of OTC's initial tariff, OTC proposes to charge a fee of \$20.00 for each returned check.

6. *Q: Please clarify and indicate or reference by page number(s) your Company's deposit policy. (Note: Pursuant to A.A.C. R14-2-503 (B), the amount of a deposit required by the utility shall not exceed 2 times that residential customer's estimated average monthly bill or the average monthly bill for the customer class for that customer which ever is greater. Nonresidential customer deposits shall not exceed 2 ½ times that customer's estimated maximum monthly bill. The term "deposit" refers to all deposits, advance payments, and prepayments).*

A: OTC does not require deposits, advances and/or prepayments from customers, as set forth on page 26 of its initial tariff.

7. *Q: Please submit copies of affidavits of publications that the Company has, as required, published legal notice of the application in all counties where services will be provided. Make sure you complete and submit the "Sample Proof of Publication" form as instructed in the "Sample Legal Notice" documentation.*

A: OTC is currently in the process of publishing notice in the Arizona Republic and will provide proof of publication when it is available.

8. *Q: Based on the review of the financial information submitted, Staff has determined that the Applicant lacks sufficient financial resources. Therefore, the applicant must do one of the following:*

1. Staff recommends that the Applicant procure a performance bond equal to \$10,000. The minimum bond amount of \$10,000 should be increased if at any time it would be insufficient to cover prepayments or deposits collected from the Applicant's customers. Staff further recommends that proof of the above mentioned performance bond be docketed within 90 days of the effective date of an order in this matter or 30 days prior to the provision of the service, whichever comes first. If Applicant is currently providing service, then please docket the performance bond within 71 days of the date of this letter.

OR

2. The Applicant must file a letter stating that it does not currently, and will not in the future, charge its customers for any prepayments, advances, or deposits. If the Applicant is currently collecting prepayments, advances, or deposits, the Applicant must refund those charges to customers to avoid maintaining the above mentioned performance bond. If in the future, the Applicant desires to charge prepayments, advances, or deposits, it must file information with the Commission that demonstrates the Applicant's financial viability. Staff will review the information and forward its recommendation to the Commission for a decision.

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A: Please see Attachment E of OTC's initial application.

Please direct any further questions or requests for information to the undersigned.

Respectfully submitted,



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Counsel for Optical Telephone
Corporation