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June 19, 2006

BY OVERNIGHT DELIVERY

Docket Control Center
Arizona Corporation Commission
1200 West Washington Street
Phoenix, Arizona 85007-2927

Re: Sunesys, Inc.-T-20456A-06-0266

Response to First Set of Data Requests Dated May 17, 2006

Dear Sir/Madam:

Transmitted herewith on behalf of Sunesys, Inc. is an original and thirteen (13) paper copies of Sunesys' responses to the staff's "First Set of Data Requests" dated May 17, 2006.

Should any questions arise with respect to this matter, please communicate directly with this office.

Very truly yours,

Jeffrey E. Rummel
Attorney for Sunesys, Inc.
Enclosures

**RESPONSE OF SUNESYS, INC. TO
THE STAFF'S FIRST SET OF DATA REQUESTS DATED MAY 17, 2006
DOCKET NO. T-20456A-06-0266**

STF 1.1 - Please explain how your company calculated the maximum and minimum rates that will be contained in your tariffs for each of your services.

Response of Sunesys:

The maximum and minimum rates identified in Sunesys' tariff were set at levels to provide Sunesys with sufficient upward and downward flexibility to ensure that it could revise its rates to cover potential increases/decreases to its wholesale costs, increased/decreased efficiencies based on the size of the company's customer base, and to respond to competitive market conditions. As there is considerable uncertainty regarding what cost changes may be imminent and/or how other competitive prices may change, there is no established formula for "calculating" maximum or minimum rates; rather, such rates were established based primarily on judgment. As a new competitive entrant into the Arizona market, Sunesys has no market power and therefore lacks any ability to "set" the price for its services; rather, it must set its prices in response to competitive market conditions. There is no certainty that Sunesys will be able to recover its costs at market-based prices and, thus, it is unlikely that Sunesys would be able to increase its rates to the maximum levels included in its tariffs. However, Sunesys wants to retain the flexibility to raise rates without extended delay, to the extent market conditions permit, in the event its costs increase in the future.

STF 1.2 - Please specify the rates that Sunesys will charge or currently charges for similar services in the other states/jurisdictions in which Sunesys has been approved to provide service. If there is a difference between the rates that your company will charge in Arizona and the rates that your company will charge or currently charges in other states/jurisdictions for similar services, please identify and indicate the amount of the difference and explain why you are charging different rates in Arizona.

Response of Sunesys:

Sunesys currently provides fiber services in New Jersey, Pennsylvania and Maryland comparable to the "Private Line Services" for which authority is sought in the instant Application. The current rates charged by Sunesys for comparable fiber services in New Jersey, Pennsylvania and Maryland are assessed on an individual contract basis ("ICB"), As a result, the rates charged by Sunesys in those States for fiber service vary based on a variety of case-specific factors such as the size of the project and customer, construction efficiencies and costs and market/competitive conditions. Because Arizona does not permit the identification of rates as "ICB", but rather requires the specification of specific

rates and ranges, and because the provision of service in each State is characterized by different factors impacting the rates ultimately charged to customers, a comparison of the rates charged by Sunesys in other jurisdiction in "similar" situations is not really possible. As explained above, as a competitive service provider, Sunesys' ability to set prices in any given jurisdiction is dictated by that particular market. Therefore, to the extent that its proposed Arizona rates may differ slightly from the rates actually charged in other jurisdictions, such variance is expected based on the peculiarities of each State's market conditions and customer requirements. Finally, Sunesys notes that it does not currently provide Direct Dialed, Calling Card, Debit Card and In-Bound Toll-Free Number Services in other States. Accordingly, for such services, the question posed in Item STF 1.2 is inapplicable to such services.

STF 1.3 - Please indicate why you believe that your range of rates is just and reasonable using a competitive market analysis. Your analysis may contain publicly available examples of rates charged by the incumbent or other carriers for similar services or any other information that you believe demonstrates that your actual rates are just and reasonable. Please include any supporting materials.

Response of Sunesys:

To the best of Sunesys' understanding and belief, Sunesys' proposed range of rates, and proposed current rates for Direct Dialed, Calling Card, Debit Card and In-Bound Toll-Free Number Services are comparable to the rates charged by other competitive carriers for similar services. For example, the rates proposed by Sunesys are the same as those approved by the Commission for Adelpia Telecommunications, Inc. in its "Tariff No. 1" Effective August 24, 2000 (See Decision # 62847) (See attached copy of relevant pages of Adelpia's Tariff). Sunesys is not aware of any certified Arizona carrier that has been approved for comparable "Private Line Services" being proposed by Sunesys, and as such a market comparison is not available. In any event, as explained in Sunesys' response to Item STF 1.2, as a competitive service provider, Sunesys' ability to set prices at levels that will be attractive to consumers is dictated by the market; therefore, to the extent that its proposed prices may exceed some other competitors for comparable levels of service, consumers will not purchase service from Sunesys. Accordingly, Sunesys' proposed rates should be considered just and reasonable.

STF 1.4 – In response to question A-13 of the Application for a CC&N, Sunesys indicated that its customers will not be able to access alternative toll service providers or resellers via 1+101XXXX access.

- A. Is it the applicant's intend to block a customer's access to other toll services providers when customers dial a 101XXXX access code?**
- B. If your response to "A." is in the affirmative, please provide your rationale for denying customers access to other toll service providers.**

Response of Sunesys:

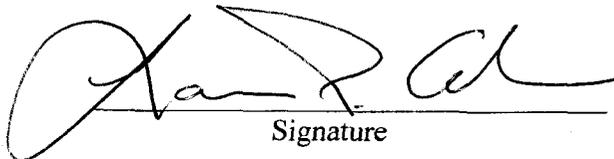
Sunesys notes that it has amended its response to Item A-13 of the Application to specify "Yes". Attached is a copy of the amended response to this Item, with the accompanying Supplemental Statement. Accordingly, Sunesys assumes that the questions posed in STF 1.4 have been rendered moot.

STF 1.5 - Please verify that Sunesys will file conforming tariffs for each service within its CC&N within 365 days from the date of an Order in this matter or 30 days prior to providing service, whichever comes first.

Sunesys verifies that it will file applicable conforming tariffs within the specified periods.

CERTIFICATION

I certify that to the best of my knowledge the information provided in this Response is true and correct.


Signature

June 15, 2006
Date

Lawrence P. Coleman
Printed Name

SUBSCRIBED AND SWORN to before me this 15th day of June, 2006.


NOTARY PUBLIC

My Commission Expires 4/10/10

