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2003 FEB 13 P 1:32

AZ CORP COMMISSION  
DOCUMENT CONTROL

February 12, 2003

ORIGINAL

**VIA OVERNIGHT MAIL**

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

**Re: FirstMile Technologies  
Arizona Corporation Commission Data Request &  
Amended Application  
Docket No. T-04144A-02-0762**

Dear Sir or Madam:

Pursuant to John Bostwick's letter dated January 30, 2003, enclosed for your review are the documents and supplemental information you requested from FirstMile Services, LLC d/b/a FirstMile (FirstMile) regarding the above-referenced docketed proceeding. Since FirstMile filed its application for Certificate of Convenience and Necessity (CC&N) on October 2, 2002, several answers to the questions in FirstMile's application have changed. In order to provide the Arizona Corporation Commission (ACC) with the most recent and accurate information, FirstMile has amended its original application and has provided the ACC with supplemental information.

If you need additional information regarding this matter, please contact us.

Sincerely,

  
Rebecca Murphy

Arizona Corporation Commission  
**DOCKETED**

FEB 13 2003

Enclosures

cc: Mike Farmer

DOCKETED BY	
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**ARIZONA CORPORATION COMMISSION**

**Application and Petition for Certificate of Convenience and Necessity to Provide  
Intrastate Telecommunications Services**

Mail original plus 10 copies of completed application to:

For Docket Control Only:  
(Please Stamp Here)

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

Please indicate if you have current applications pending in Arizona as an Interexchange reseller, AOS provider, or as the provider of other telecommunication services.

Type of Service: \_\_\_\_\_

Docket No.: \_\_\_\_\_ Date: \_\_\_\_\_ Date Docketed: \_\_\_\_\_

Type of Service: \_\_\_\_\_

Docket No.: \_\_\_\_\_ Date: \_\_\_\_\_ Date Docketed: \_\_\_\_\_

**A. COMPANY AND TELECOMMUNICATION SERVICE INFORMATION**

(A-1) Please indicate the type of telecommunications services that you want to provide in Arizona and answer the appropriate numbered items:

- Resold Long Distance Telecommunications Services (Answer Sections A, B, C).
- Resold Local Exchange Telecommunications Services (Answer Sections A, B, C).
- Facilities-Based Long Distance Telecommunications Services (Answer Sections A, B, D).
- Facilities-Based Local Exchange Telecommunications Services (Answer Sections A, B, D, E)
- Alternative Operator Services Telecommunications Services (Answer Sections A, B)

(A-2) The name, address, telephone number (including area code), facsimile number (including area code), e-mail address, and World Wide Web address (if one is available for consumer access) of the Applicant:

FirstMile Services, LLC            O: 317-569-2800  
750 Liberty Drive                F: 317-569-2805  
Westfield, IN 46074              [www.firstmileusa.com](http://www.firstmileusa.com)  
E-Mail: [info@firstmileusa.com](mailto:info@firstmileusa.com)

(A-3) The d/b/a ("Doing Business As") name if the Applicant is doing business under a name different from that listed in Item (A-2):

d/b/a FirstMile Technologies

(A-4) The name, address, telephone number (including area code), facsimile number (including area code), and E-mail address of the Applicant's Management Contact:

Michael J. Farmer                      O: 317-569-2808  
750 Liberty Drive                      F: 317-569-2805  
Westfield, IN 46074                      E-Mail: mfarmer@gotown.net

(A-5) The name, address, telephone number (including area code), facsimile number (including area code), and E-mail address of the Applicant's Attorney and/or Consultant:

Ken Johnson                              O: 202-371-1500  
Bennet & Bennet                        F: 202-371-1558  
1000 Vermont Ave., N.W.  
10th Floor  
Washington, D.C. 20005

E-Mail: kjohnson@bennetlaw.com

(A-6) The name, address, telephone number (including area code), facsimile number (including area code), E-mail address of the Applicant's Complaint Contact Person:

Irene Snyder                              O: 317-569-2800  
750 Liberty Drive                        F: 317-569-2805  
Westfield, IN 46074                      E-Mail: isnyder@gotown.net

(A-7) What type of legal entity is the Applicant?

- Sole proprietorship
- Partnership:    \_\_\_ Limited, \_\_\_ General, \_\_\_ Arizona, \_\_\_ Foreign
- Limited Liability Company:    \_\_\_ Arizona,  x  Foreign
- Corporation:    \_\_\_ "S", \_\_\_ "C", \_\_\_ Non-profit, \_\_\_ Arizona, \_\_\_ Foreign
- Other, specify: \_\_\_\_\_

(A-8) Please include "Attachment A":

Attachment "A" must include the following information:

1. A copy of the Applicant's Certificate of Good Standing as a domestic or foreign corporation, LLC, or other entity in the State of Arizona.
2. A list of the names of all owners, partners, limited liability company managers (or if a member managed LLC, all members), or corporation officers and directors (specify).
3. Indicate percentages of ownership.

(A-9) Include your Tariff as "Attachment B".

Your Tariff must include the following information:

1. Proposed Rates and Charges for each service offered (reference by Tariff page number).
2. Tariff Maximum Rate and Prices to be Charged (reference by Tariff page number).
3. Terms and Conditions Applicable to provision of Service (reference by Tariff page number).
4. Deposits, Advances, and/or Prepayments Applicable to provision of Service (reference by Tariff page number).
5. The proposed fee that will be charged for returned checks (reference by Tariff page number).

(A-10) Indicate the geographic market to be served:

Statewide. (Applicant adopts statewide map of Arizona provided with this application).

Other. Describe and provide a detailed map depicting the area.

(A-11) Indicate if the Applicant has been or if the Applicant is currently involved in any formal or informal complaint proceedings pending before any State or federal Regulatory Commission:

Yes

No

If "Yes", please provide the following information:

1. States in which the Applicant has been or is involved in proceedings.

Indiana

2. Detailed explanations of the Substance of the Complaints.

On March 20, 2002, the Indiana Utility Regulatory Commission (IURC) issued an order instituting an investigation into compliance with its' orders and administrative rules. A public hearing was held on August 23, 2002 to complete the investigation. E.Com Technologies, LLC is doing business in the state of Indiana under the name FirstMile Technologies.

3. Commission Orders that resolved any and all Complaints.

A proposed order is pending. At the IURC's request, FirstMile plans to file a draft order by September 30, 2002.

4. Actions taken by the Applicant to remedy and/or prevent the Complaints from re-occurring.

The IURC requested clarification regarding current and future affiliate agreements because the majority shareholder of FirstMile, Paul Estridge Jr., is also an Indianapolis developer/builder and falls under the IURC's definition of an affiliate. One of the three residential developments FirstMile currently serves in Indianapolis is an Estridge development. FirstMile disclosed all affiliate agreements at the August 23, 2002 hearing, demonstrating that the terms of these agreements are similar to competitive agreements between non-affiliated companies in this market. To assist the IURC with future questions or concerns, FirstMile offered to disclose to the Commission all affiliate agreements. FirstMile has also offered to disclose to potential homeowners of any Estridge development served solely by FirstMile that both companies are affiliates.

The IURC further inquired about three monthly reports that were not filed on time. FirstMile voluntarily provided the IURC monthly quality of service reports for 13 months, in addition to the standard annual reports. FirstMile filed three of these monthly reports approximately 45 days after their due dates. As demonstrated in the August 23, 2002 hearing, the untimely filing of these monthly reports was the result of an administrative oversight and back-up administrative procedures

have been put in place to ensure compliance in the future. FirstMile further demonstrated that its service performance met the Commission's acceptable standards. FirstMile has offered to continue filing monthly quality of service reports on a timely basis for the remainder of 2002.

(A-12) Indicate if the Applicant has been or is currently involved in any civil or criminal investigations AND/OR had judgment entered against it in any civil matter or been convicted of any criminal acts related to the delivery of telecommunications services within the last five (5) years:

Yes  No

If "Yes", please provide the following information.

1. States involved in the judgments and/or convictions.
2. Reasons for the investigation and/or judgment.
3. Copy of the Court order, if applicable.

(A-13) Indicate if the Applicant's customers will be able to access alternative toll service providers or resellers via 1+101XXXX access.

Yes  No

(A-14) Is applicant willing to post a Performance Bond? Please check appropriate box(s).

For Long Distance Resellers, a \$10,000 bond will be recommended for those resellers who collect advances, prepayments or deposits.

Yes  No

If "No", continue to question (A-15).

For Local Exchange Resellers, a \$25,000 bond will be recommended.

Yes  No

If "No", continue to question (A-15).

For Facilities-Based Providers of Long Distance, a \$100,000 bond will be recommended.

Yes  No

If "No", continue to question (A-15).

For Facilities-Based Providers of Local Exchange, a \$100,000 bond will be recommended.

Yes  No

If "No", continue to question (A-15).

*Note: Amounts are cumulative if the Applicant is applying for more than one type of service.*

(A-15) If No to any of the above, provide the following information. Clarify and explain the Applicant's deposit policy (reference by tariff page number). Provide a detailed explanation of why the applicant's superior financial position limits any risk to Arizona consumers.

(A-16) Submit copies of affidavits of publication that the Applicant has, as required, published legal notice of the Application in all counties where the services will be provided.

Prior to issuance of the CC&N, the Applicant must complete and submit an Affidavit of Publication Form. Refer to Attachment C - Legal Notice Material (Newspaper Information, Sample Legal Notice and Affidavit of Publication).

(A-17) Indicate if the Applicant is a switchless reseller of the type of telecommunications services that the Applicant will or intends to resell in the State of Arizona:

Yes  No

If "Yes", provide the name of the company or companies whose telecommunications services the Applicant resells.

(A-18) List the States in which the Applicant has had an application approved or denied to offer telecommunications services similar to those that the Applicant will or intends to offer in the State of Arizona:

Applicant has received certification approval in Indiana, Colorado, Florida, and Texas under the name E.Com Technologies, LLC d/b/a First Mile Technologies. Pursuant to Arizona corporate law, a company may not possess the same or substantially similar name as another Arizona company. After searching the availability of E.Com Technologies and finding another company with the same name, applicant will provide service under the name FirstMile Services, LLC d/b/a FirstMile Technologies.

(A-19) List the States in which the Applicant currently offers telecommunications services similar to those that the Applicant will or intends to offer in the State of Arizona.

Applicant is currently providing telecommunication services in Indiana, which are similar to those intended for Arizona.

(A-20) List the names and addresses of any alternative providers of the service that are also affiliates of the telecommunications company, as defined in R14-2-801.

There are none. See A-18.

#### B. FINANCIAL INFORMATION

(B-1) Indicate if the Applicant has financial statements for the two (2) most recent years.

Yes  No

If "No," explain why and give the date on which the Applicant began operations.

(B-2) Include "Attachment D".

Provide the Applicant's financial information for the two (2) most recent years.

1. A copy of the Applicant's balance sheet.
2. A copy of the Applicant's income statement.
3. A copy of the Applicant's audit report.
4. A copy of the Applicant's retained earnings balance.
5. A copy of all related notes to the financial statements and information.

FirstMile has provided complete and audited financial statements for its two (2) most recent years: 2000 and 2001. FirstMile's 2002 financial statements have not yet been prepared or audited. See Attachment D.

(B-3) Indicate if the Applicant will rely on the financial resources of its Parent Company, if applicable.

NA

(B-4) The Applicant must provide the following information.

1. Provide the projected total revenue expected to be generated by the provision of telecommunications services to Arizona customers for the first twelve months following certification, adjusted to reflect the maximum rates for which the Applicant requested approval. Adjusted revenues may be calculated as the number of units sold times the maximum charge per unit.

Total projected telecommunications revenue during the first twelve months following certification is expected to be \$40,000.

2. Provide the operating expenses expected to be incurred during the first twelve months of providing telecommunications services to Arizona customers following certification.

Total telecommunications related operating expenses during the first twelve months following certification are expected to be \$1,200,000.

3. Provide the net book value (original cost less accumulated depreciation) of all Arizona jurisdictional assets expected to be used in the provision of telecommunications service to Arizona customers at the end of the first twelve months of operation. Assets are not limited to plant and equipment. Items such as office equipment and office supplies should be included in this list.

Total telecommunications related assets during the first twelve months following certification are expected to be \$900,000.

4. If the projected value of all assets is zero, please specifically state this in your response.

5. If the projected fair value of the assets is different than the projected net book value, also provide

the corresponding projected fair value amounts.

**C. RESOLD LONG DISTANCE AND/OR LOCAL EXCHANGE TELECOMMUNICATIONS SERVICES**

(C-1) Indicate if the Applicant has a resale agreement in operation

Yes  No

If "Yes", please reference the resale agreement by Commission Docket Number or Commission Decision Number.

Decision # 64178. The applicant is currently reselling MCI long distance.

**D. FACILITIES-BASED LONG DISTANCE AND/OR FACILITIES BASED LOCAL EXCHANGE TELECOMMUNICATIONS SERVICES**

(D-1) Indicate if the Applicant is currently selling facilities-based long distance telecommunications services AND/OR facilities-based local exchange telecommunications services in the State of Arizona. This item applies to an Applicant requesting a geographic expansion of their CC&N:

Yes  No

If "Yes," provide the following information:

1. The date or approximate date that the Applicant began selling facilities-based long distance telecommunications services AND/OR facilities-based local exchange telecommunications services for the State of Arizona.
2. Identify the types of facilities-based long distance telecommunications services AND/OR facilities-based local exchange telecommunications services that the Applicant sells in the State of Arizona.

If "No," indicate the date when the Applicant will begin to sell facilities-based long distance telecommunications AND/OR facilities-based local exchange telecommunications services in the State of Arizona:

The applicant expects to begin selling facilities based local exchange telecommunications services in Arizona by September 2003.

(D-2) Check here if you wish to adopt as your petition a statement that the service has already been classified as competitive by Commission Decision:

Decision # 64178 Resold Long Distance

Decision # 64178 Resold LEC

Decision # 64178 Facilities Based Long Distance

Decision # 64178 Facilities Based LEC

**E. FACILITIES-BASED LOCAL EXCHANGE TELECOMMUNICATIONS SERVICES**

(E-1) Indicate whether the Applicant will abide by the quality of service standards that were approved by the Commission in Commission Decision Number 59241:

Yes  No

(E-2) Indicate whether the Applicant will provide all customers with 911 and E911 service, where available, and will coordinate with incumbent local exchange carriers ("ILECs") and emergency service providers to provide this service:

Yes  No

(E-3) Indicate that the Applicant's switch is "fully equal access capable" (i.e., would provide equal access to facilities-based long distance companies) pursuant to A.A.C. R14-2-1111 (A):

Yes  No

I certify that if the applicant is an Arizona corporation, a current copy of the Articles of Incorporation is on file with the Arizona Corporation Commission and the applicant holds a Certificate of Good Standing from the Commission. If the company is a foreign corporation or partnership, I certify that the company has authority to transact business in Arizona. I certify that all appropriate city, county, and/or State agency approvals have been obtained. Upon signing of this application, I attest that I have read the Commission's rules and regulations relating to the regulations of telecommunications services (A.A.C. Title 14, Chapter 2, Article 11) and that the company will abide by Arizona state law including the Arizona Corporation Commission Rules. I agree that the Commission's rules apply in the event there is a conflict between those rules and the company's tariff, unless otherwise ordered by the Commission. I certify that to the best of my knowledge the information provided in this Application and Petition is true and correct.

Michael J. Farmer  
(Signature of Authorized Representative)

2/11/03  
(Date)

Michael J. Farmer  
(Print Name of Authorized Representative)

Chief Operating Officer  
(Title)

SUBSCRIBED AND SWORN to before me this 11 day of February, 2003

Amanda J. Rustail  
NOTARY PUBLIC

My Commission Expires Nov 7, 2010

**Indiana**

Ronald L. Keen  
Telecommunications Director  
Indiana Utility Commission  
100 North Senate  
Room N501  
Indianapolis, In 46204  
317-232-2751  
[rkeen@ucclan.state.in.us](mailto:rkeen@ucclan.state.in.us)

**Colorado**

Denise Covan  
Colorado Public Utilities Commission  
1580 Logan Street  
Office Level 2  
Denver, CO 80203  
303-894-2000  
[ouc@dora.state.co.us](mailto:ouc@dora.state.co.us)

**Florida**

Blanca Bayo, Director  
Division of the Commission Clerk and Admin. Service  
State of Florida  
Public Service Commission  
2540 Shumard Oak Boulevard  
Tallahassee, FL 32399-0850  
850-413-6480  
[www.floridapsc.com](http://www.floridapsc.com)

**Texas**

Melene R. Dodson  
Administrative Law Judge  
Public Utility Commission of Texas  
1701 N. Congress Avenue  
P.O. Box 13326  
Austin, Texas 78711-3326  
512-936-7000  
[www.puc.state.tx.us](http://www.puc.state.tx.us)

**E.Com Technologies  
Officer/Director Resume Summary**

**CEO and Chairman of the Board - Paul Estridge, Jr.**

Paul Estridge, Jr. has been in the home building business his entire life, having come from a family of homebuilders. In 1983 he started his own home building company, The Estridge Group. Today, his company includes the Paul E. Estridge Corporation, Estridge Custom Homes, The Estridge Group, Estridge Development Company, Estridge Real Estate, and E.Com Technologies, a residential voice service provider.

Paul is an active member of the Indianapolis community. He served on the Board of Directors of Pleasant Run Children's Foundation and is a Godparent at the St. Mary's Child Center. He served on the St. Vincent's Hospital Advisory Board and contributed to the efforts of Habitat for Humanity. He is an active member of the Young President's Organization as well as the Promise Keepers. He is also a member of the Builders' Association of Greater Indianapolis (which voted him "Builder of the Year" in 1989). In 1994, *Inc. Magazine* awarded him "Entrepreneur of the Year Award - State Winner". The *Indianapolis Business Journal* selected him for the "Who's Who Under 40" designation. In 1998, The Estridge Companies was selected as the winner of the National Housing Quality Award, as sponsored by the National Association of Homebuilders' NAHB Research Council and *Professional Builder* magazine.

He graduated from the University of Evansville in 1980, where he played football on scholarship for the Purple Aces.

**Chief Operating Officer - Michael J. Farmer**

In his current capacity, Mr. Farmer is responsible for implementation of the E.Com Technologies business plan. Functional responsibilities include network engineering/procurement, new services development and technology assessment, as well as advertising and marketing. Among direct reports are those responsible for individual division and market P&L, where network operations, local project management, and customer care responsibility has been placed.

Prior to serving in his E.Com capacity, Mike was President of Shape Energy Resources, a Dow Chemical/Mid-America Capital joint venture start-up, involved in the development of technologies to manage thermal energy.

Mr. Farmer came to Shape Energy Resources following a 25-year career with Ameritech, where he was most recently President and General Manager of Ameritech Advanced Data Services, an unregulated subsidiary formed in 1992 to sell, design, install, and maintain LAN, WAN, and high-speed data & video networking services. The Chicago based company was launched as an unregulated start-up within Ameritech. Beyond sales, operations, engineering, and marketing experience, he was also responsible for

**E.Com Technologies**  
**Officer/Director Resume Summary**

deregulated rate case strategy development for four states, including testimony preparation and witnessing. During this period he was also assigned to development of Ameritech's multimedia entry strategy.

Ahead of his Ameritech assignment to Chicago, Mr. Farmer was General Manager of Indiana Bell's construction, installation and maintenance organization from 1991-93. This statewide organization employed some 1800 personnel.

Mike graduated from Indiana State University in 1970 with a BS in Business Administration. He received his MBA from Indiana University in 1977, and completed the University of Chicago Executive Development Program in 1990.

**Director of Network Engineering – Kevin Kernel**

Assuring high quality delivery of networked services is Kevin's top priority as E.Com's Director of Network Engineering. His responsibilities include providing for Internet access, Intranet website management, router operations, cable modem performance, and component outage notification. Other responsibilities include reviewing and expanding the service-offering suite and service levels, as well as scaling the Centennial 'launch model' to other sites.

In addition to his petroleum production background, Kevin has extensive experience in the data systems and networking area, including design and installation of local area networks (LANs) for many companies. He has held positions in California with Chevron, Exxon, and 20<sup>th</sup> Century Insurance. Prior to joining E.Com Kevin worked as a Senior Infrastructure Specialist at Electronic Data Systems. For 11 years he designed, installed, managed, and upgraded local- and wide-area networks for various customers throughout the world. Kevin has also designed, implemented, and supported large-scale Microsoft Windows NT domain systems encompassing server as well as network and client issues.

Kevin holds a Bachelors degree in Chemical Engineering from Purdue University. He is a Microsoft Certified Systems Engineer (MCSE+I) and a Registered Professional Engineer (PE).

**First Mile Technologies, Inc.  
Balance Sheets**

Attachment D

	Dec 31, '00	Dec 31, '01
<b>ASSETS</b>		
<b>Current Assets</b>		
Cash and Cash Equivalents	\$ 4,386,866.71	\$ 90,672.98
Accounts Receivable	176,203.13	36,495.08
Uninstalled Materials	463,435.00	-
Undeposited Funds	1,405.00	-
<b>Total Current Assets</b>	5,027,909.84	127,168.06
<b>Fixed Assets -- At Cost</b>		
NOC Building	239,218.00	256,438.06
Office Furniture/Equipment	28,080.86	83,089.57
NOC Equipment	200,980.50	242,076.94
ISP/Intranet Equipment	334,814.44	429,707.49
Telephony Equipment	77,432.40	380,705.83
CATV/Video Equipment	104,329.71	546,069.99
Combining Infrastructures	67,929.37	441,679.69
Market Transport Infrastructure	-	157,176.88
Outside Plant Costs	158,449.48	1,032,643.21
RF Engineering & Design Costs	351.00	18,333.90
Home Technology Costs	139,969.30	269,122.41
<b>Total Fixed Assets -- At Cost</b>	1,351,555.06	3,857,043.97
Less Accumulated Depreciation	(145,288.62)	(492,147.32)
<b>Net Fixed Assets</b>	1,206,266.44	3,364,896.65
<b>TOTAL ASSETS</b>	\$ 6,234,176.28	\$ 3,492,064.71
<b>LIABILITIES &amp; EQUITY</b>		
<b>Current Liabilities</b>		
Accounts Payable	\$ 812,776.77	\$ 1,035,168.95
Accrued Payroll	-	2,500.02
Taxes and Fees	1,182.10	10,971.05
Accrued Interest	-	8,411.00
<b>Total Current Liabilities</b>	813,958.87	1,057,051.02
<b>Long Term Liabilities</b>		
Notes Payable to Shareholder	-	762,700.00
<b>Total Long Term Liabilities</b>	-	762,700.00
<b>Total Liabilities</b>	813,958.87	1,819,751.02
<b>Preferred Stock -- Series A and B</b>		
	7,400,000.00	7,400,000.00
<b>Shareholders' Equity</b>		
Common Stock	833,000.00	833,000.00
Retained Earnings (Deficit)	(2,812,782.59)	(6,560,686.31)
<b>Total Shareholders' Equity</b>	(1,979,782.59)	(5,727,686.31)
<b>TOTAL LIABILITIES &amp; EQUITY</b>	\$ 6,234,176.28	\$ 3,492,064.71