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January 16, 2007

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Arizona Corporation Commission  
**DOCKETED**

JAN 17 2007

Mr. Michael Patten  
Roshka DeWulf and Patten, PLC  
One Arizona Center  
400 East Van Buren Street, Suite 800  
Phoenix, Arizona 85004

DOCKETED BY 

RE: STAFF'S LETTER OF INSUFFICIENCY AND FIRST SET OF DATA REQUESTS TO CBeyond COMMUNICATIONS, LLC. DOCKET NO. T-20497A-06-0802

Dear Mr. Patten:

On December 28, 2006, Cbeyond Communications, LLC ("Cbeyond") filed an application for a Certificate of Convenience and Necessity ("CC&N") to provide telecommunications services in the State of Arizona. The application is not yet sufficient. This data request lists the information Staff needs to complete its analysis of your application. Please consider this as Staff's first set of data requests to Cbeyond in the above-referenced matter.

For purpose of this data request set, the words "Cbeyond", the "Company", "you", and "your" refer to Cbeyond Communications, LLC and any representative, including every person and/or entity acting with, under the control of, or on behalf of Cbeyond Communications, LLC. For each answer, please identify by name, title, and address each person providing information that forms the basis for the response provided.

These data requests are continuing, and your answers or any documents supplied in response to these data requests should be supplemented with any additional information or documents that come to your attention after you have provided your initial responses.

Please provide Docket Control with the information being requested within 10 days of the date of this letter. Please mail an original plus 13 copies to: Docket Control, Arizona Corporation Commission, 1200 W. Washington Street, Phoenix, Arizona 85007. If no response is received or all deficiencies are not remedied within 30 days, Staff will recommend that the application be terminated pursuant to A.A.C. R14-2-1103(B)3 and A.A.C. R14-2-510(E)3. If the application is terminated, the Applicant cannot provide the same telecommunication services in Arizona for which it is currently applying, until such time as a new application is filed with and approved by the Commission.

Remember that information submitted for a CC&N will be made a part of the public record (including financial statements). Any information designated as confidential will not be accepted by Docket Control. If you have any questions, please contact me at (602) 364-0235. Thank you for your prompt response to this request.

Respectfully,

A handwritten signature in black ink, appearing to read 'Candrea Allen', written in a cursive style.

Candrea Allen  
Executive Consultant I  
Utilities Division

Enclosure(s)

cc: Docket Control Center

STAFF'S FIRST SET OF DATA REQUESTS TO  
CBEYOND COMMUNICATIONS, LLC  
DOCKET NO. T-20497A-06-0802

Please make certain that each numbered item and each part of the item is answered completely. In order for Staff to continue with its review of this application, the following information must be submitted:

- 1-1. The response to question (A-1) of the application for a CC&N indicates that Cbeyond is currently applying for approval to provide resold long distance and facilities-based local exchange telecommunications services. However, responses to questions (A-14) and (A-21) indicate that Cbeyond is applying for resold long distance and facilities-based long distance telecommunications services. Please clarify the type(s) of service(s) for which Cbeyond is applying for a CC&N.
- 1-2. In its response to question (A-18) of the application, the Applicant provided a list of the states in which it has applied for authority to provide telecommunications services. Please supplement this data by specifying the rates that the Company proposes to charge for the services that it intends to offer in the other jurisdictions. If there is a difference between the rates that the Company Proposes to charge in other jurisdictions for similar services, please identify and indicate the amount of the difference and provide an explanation for the difference in the rates in Arizona.
- 1-3. Please explain how your company calculated the actual maximum and actual minimum that will be contained in your tariffs for each of your services.
- 1-4. Please complete and submit an Affidavit of Publication Form. Refer to question (A-16) of the application.
- 1-5. Please submit the financial information for Cbeyond, Inc., Cbeyond's parent company, for the two (2) most recent years including the income statement, audit report, retained earnings balance, and any/all related notes. Refer to question (B-2) of the application.
- 1-6. 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. For a list of telecommunications carriers certified in Arizona, go to [www.cc.state.az.us/utility/telecom](http://www.cc.state.az.us/utility/telecom) for a list of Commission-approved telecommunications rates and tariffs, go to [www.cc.state.az.us/utility/tariffs](http://www.cc.state.az.us/utility/tariffs).

1-7. Please indicate why you believe that your range of rates is just and reasonable using a fair value or cost basis. Please include economic justification or cost support data. Please include any supporting materials.