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October 27, 2006

AZ CORP COMMISSION  
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Arizona Corporation Commission

**DOCKETED**

OCT 27 2006

Kristopher E. Twomey  
Law Office of Kristopher Twomey  
1425 Leimert Blvd., Suite 404  
Oakland, California 94602



RE: STAFF'S LETTER OF INSUFFICIENCY AND SECOND SET OF DATA REQUESTS TO IELEMENT TELEPHONE OF ARIZONA, INC. (DOCKET NO. T-20481A-06-0617)

Dear Mr. Twomey:

On September 26, 2006, IElement Telephone of Arizona, Inc. ("IElement") filed an application for a Certificate of Convenience and Necessity ("CC&N") to provide facilities-based long distance and facilities-based local exchange 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 IEElement in the above-referenced matter.

For purpose of this data request set, the words "IEElement", the "Company", "you", and "your" refer to IEElement Telephone of Arizona, Inc. and any representative, including every person and/or entity acting with, under the control of, or on behalf of IEElement Telephone of Arizona, Inc. 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.

Kristopher E. Twomey  
Docket no. T-20481A-06-0617  
Page 2

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  
IELEMENT TELEPHONE OF ARIZONA, INC.  
DOCKET NO. T-20481A-06-0617

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. Please explain how your company calculated the actual maximum and actual minimum that will be contained in your tariffs for each of your services.
- 1-2. 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).
- 1-3. 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.
- 1-4. Please submit IElement, Inc.'s, the parent corporation of IElement Telephone of Arizona, Inc., financial information for the two (2) most recent years including IElement Inc.'s income statement, audit report, retained earnings balance, and any/all related notes. Refer to question (B-2) of the application.
- 1-5. Please provide 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) of your parent corporation, IElement, Inc.
- 1-6. Please indicate whether IElement Telephone of Arizona, Inc. will rely upon its parent corporation, IElement, Inc. for financial resources.