

ORIGINAL

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2007 AUG 13 A 11: 53

AZ CORP COMMISSION
DOCKET CONTROL

August 10, 2007

Via Overnight Mail

Docket Control
Arizona Corporation Commission
Utilities Division
1200 W. Washington St.
Phoenix, AZ 85007

RE: Docket Nos. T-20404A-05-0599 and T-20404A-07-0261
Vanco Direct USA,LLC

Dear Sir or Madam:

Please find enclosed an original and fifteen (15) copies of the revised Application and Attachment D in the above matter.

An additional copy of this letter has been enclosed to be date stamped and returned in the envelope provided as evidence of the filing.

Should you require any additional information, please do not hesitate to contact me.

Sincerely,

Becky Heggelund

Arizona Corporation Commission

DOCKETED

AUG 13 2007

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ARIZONA CORPORATION COMMISSION

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

Mail original plus 13 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 mark the appropriate box(s).

- Resold Long Distance Telecommunications Services (Answer Sections A, B).
- 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, C, D, E)
- Alternative Operator Services Telecommunications Services (Answer Sections A, B)
- Other _____ (Please attach complete description)
Resold Private Line Data

(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:

Vanco Direct USA, LLC
200 South Wacker Drive, 16th Floor
Chicago, IL 60606
Ph. 312-660-5000 Fax 312-660-5050 Website: www.vanco.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):

N/A

(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:

Ted Raffetto, CEO/Manager

Vanco Direct USA, LLC

200 South Wacker Drive, 16th Floor

Chicago, IL 60606

Ph. 312-660-5000 Fax 312-660-5050

Email: ted.raffetto@vanco-us.com

(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:

Monica Borne Haab

Nowalsky, Bronston & Gothard, APLLC

3500 N. Causeway Blvd., Suite 1442

Metairie, LA 70005

Ph. (504) 832-1984

Fax (504) 831-0892

E-Mail: mhaab@nbglaw.com

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

Brian Registe

Vanco Direct USA, LLC

200 South Wacker Drive, 16th Floor

Chicago, IL 60606

Ph. 312-660-5000 Fax 312-660-5050

Email: brian.registe@vanco-us.com

(A-7) What type of legal entity is the Applicant? Mark the appropriate box(s) and category.

- Sole proprietorship
- Partnership: _____ Limited, _____ General, _____ Arizona, _____ Foreign
- Limited Liability Company: _____ Arizona, X Foreign
- Corporation: _____ "S", _____ "C", _____ Non-profit
- 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 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 of each person listed in A-8.2.

All items included as Attachment A.

(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).

Current Price List

2. Tariff Maximum Rate and Prices to be charged (reference by Tariff page number).

Pages 23-25

3. Terms and Conditions Applicable to provision of Service (reference by Tariff page number).

Pages 9-16

4. Deposits, Advances, and/or Prepayments Applicable to provision of Service (reference by Tariff page number).

Page 13

5. The proposed fee that will be charged for returned checks (reference by Tariff page number).

Page 14 and Current Price List

(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 or any of its officers, directors, partners, or managers has been or are currently involved in any formal or informal complaint proceedings pending before any state or federal regulatory commission, administrative agency, or law enforcement agency. **No**

Describe in detail any such involvement. Please make sure you provide the following information:

1. States in which the Applicant has been or is involved in proceedings.
2. Detailed explanations of the Substance of the Complaints.
3. Commission Orders that resolved any and all Complaints.
4. Actions taken by the Applicant to remedy and/or prevent the Complaints from re-occurring.

(A-12) Indicate if the Applicant or any of its officers, directors, partners, or managers has been or are currently involved in any civil or criminal investigation, or had judgments entered in any civil matter, judgments levied by any administrative or regulatory agency, or been convicted of any criminal acts within the last ten (10) years. **No**

Describe in detail any such judgments or convictions. Please make sure you 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 any box in (A-14) is marked "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 any box in (A-14) is marked "No", 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.

Applicant will not collect deposits or advanced payments from any customers. Customer will offer only resold private line data services.

(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 Applicant is requesting authority to provide service.

Note: For Resellers, the Applicant must complete and submit an Affidavit of Publication Form as Attachment "C" before Staff prepares and issues its report. Refer to the Commission's website for Legal Notice Material (Newspaper Information, Sample Legal Notice and Affidavit of Publication). For Facilities-Based Service Providers, the Hearing Division will advise the Applicant of the date of the hearing and the publication of legal notice. Do not publish legal notice or file affidavits of publication until you are advised to do so by the Hearing Division.

(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 Arizona:

Yes No

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

Qwest/US West

(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 Arizona:

Note: If the Applicant is currently approved to provide telecommunications services that the Applicant intends to provide in Arizona in less than six states, excluding Arizona, list the Public Utility Commission ("PUC") of each state that granted the authorization. For each PUC listed provide the name of the contact person, their phone number, mailing address including zip code, and e-mail address.

The Applicant has had interexchange applications approved in AL, CA, CT, DE, GA, IL, IN, KY, LA, ME, MD,MA, MS, MT, NE, NV, NH, NJ, NM, NY, NC, OH, PA, RI, SC, SD, TN, VA, WA VT & WY.

(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 Arizona.

Note: If the Applicant currently provides telecommunication services that the Applicant intends to provide in Arizona in six or more states, excluding Arizona, list the states. If the Applicant does not currently provide telecommunications services that the Applicant intends to provide in Arizona in five or less states, list the key personnel employed by the Applicant. Indicate each employee's name, title, position, description of their work experience, and years of service in the telecommunications services industry.

AL, CA, CT, DE, GA, IL, IN, KY, LA, ME, MD,MA, MS, MT, NE, NV, NH, NJ, NM, NY, NC, OH, PA, RI, SC, SD, TN, VA, WA VT & WY.

(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.

Remains unchanged as previously filed.

(A-21) 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

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.

Note: Make sure "most recent years" includes current calendar year or current year reporting period.

*Financials provided as Attachment D. Complete annual report filed with Staff under separate cover.

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

Applicant will rely on the financial resources of its affiliate Vanco UK Limited.

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

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.
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.

Projected revenues remain unchanged as previously filed in Attachment E.

C. RESOLD AND/OR FACILITIES-BASED 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.

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 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 in 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 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 Arizona.

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 59421:

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

Attachment D

CONSOLIDATED INCOME STATEMENT

Year ended 31 January 2007

	Note	2007 (£)	2006 (£)	Pro forma Note 3 2007 (Euro)	Pro forma Note 3 2006 (Euro)
Revenue	4,5	183,173,636	146,591,447	276,592,190	221,353,085
Cost of sales		(117,564,609)	(96,262,309)	(177,522,560)	(145,356,087)
Gross profit		65,609,027	50,329,138	99,069,630	75,996,998
Administrative expenses		(46,610,754)	(36,345,582)	(70,382,239)	(54,881,829)
Operating profit		18,998,273	13,983,556	28,687,391	21,115,169
Interest receivable and similar income	8	120,113	253,461	181,371	382,726
Interest payable and similar costs	9	(4,424,236)	(3,204,181)	(6,680,596)	(4,838,313)
Profit before taxation	6	14,694,150	11,032,836	22,188,166	16,659,582
Taxation	10	(4,628,657)	(3,525,892)	(6,989,272)	(5,324,097)
Profit for the year		10,065,493	7,506,944	15,198,894	11,335,485
Basic earnings per ordinary share (pence) (Euro cent)	11	16.3	13.3	24.6	20.1
Diluted earnings per ordinary share (pence) (Euro cent)	11	15.6	12.9	23.6	19.5

All amounts derive from continuing operations.

CONSOLIDATED BALANCE SHEET

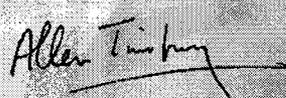
31 January 2007

	Note	2007 (£)	2006 (£)	Pro forma Note 3 2007 (Euro)	Pro forma Note 3 2006 (Euro)
Non-current assets					
Intangible assets	12	32,215,012	28,352,071	48,644,668	42,811,627
Property, plant and equipment	13	10,498,661	11,539,226	15,852,978	17,424,231
Deferred tax asset	10	1,854,333	1,656,113	2,800,043	2,500,731
		44,568,006	41,547,410	67,297,689	62,736,589
Current assets					
Inventories		15,412	14,386	23,272	21,724
Trade and other receivables					
– due within one year	14	77,295,538	62,032,061	116,716,262	93,668,412
– due after more than one year	14	63,823,633	36,803,803	96,373,686	55,573,742
Cash and cash equivalents		19,578,729	10,598,045	29,563,881	16,003,048
		160,713,312	109,448,295	242,677,101	165,266,926
Total assets		205,281,318	150,995,705	309,974,790	228,003,515
Current liabilities					
Trade payables	16	(36,589,846)	(30,741,009)	(55,250,668)	(46,418,924)
Other payables	17	(65,625,841)	(44,508,764)	(99,095,018)	(67,208,234)
		(102,215,687)	(75,249,773)	(154,345,686)	(113,627,158)
Net current assets		58,497,625	34,198,522	88,331,415	51,639,768
Non-current liabilities					
Other payables	19	(38,174,589)	(23,863,392)	(57,643,629)	(36,033,722)
Deferred tax liabilities	10	(1,349,999)	(990,132)	(2,038,499)	(1,495,099)
		(39,524,588)	(24,853,524)	(59,682,128)	(37,528,821)
Total liabilities		(141,740,275)	(100,103,297)	(214,027,814)	(151,155,979)
Net assets		63,541,043	50,892,408	95,946,976	76,847,536
Equity shareholders' funds					
Share capital	21	3,136,067	2,988,172	4,735,461	4,512,140
Share premium account	22	9,240,611	7,163,972	13,953,323	10,817,597
Other reserves	23	25,424,335	23,753,453	38,390,746	35,867,714
Retained earnings	24	27,160,344	17,094,851	41,012,119	25,813,225
Foreign exchange translation reserve	25	(1,420,314)	(108,040)	(2,144,673)	(163,140)
Equity shareholders' funds		63,541,043	50,892,408	95,946,976	76,847,536

These financial statements were approved by the Board of Directors on 31 May 2007.

Signed on behalf of the Board of Directors.


Simon Hargreaves
Group Finance Director


Allen Timpany
Chief Executive