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316x

Transcript Exhibit(s)

Docket #(s): T-20563A-07-0627

Exhibit #: A, S1

Arizona Corporation Commission
DOCKETED

APR 29 2008

DOCKETED BY	<i>MM</i>
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AZ CORP COMMISSION
DOCKET CONTROL

2008 APR 29 P 4: 01

RECEIVED

ORIGINAL



NEW APPLICATION

October 31, 2007

Arizona Corporation Commission
DOCKETED

Via UPS

NOV 01 2007

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

DOCKETED BY 

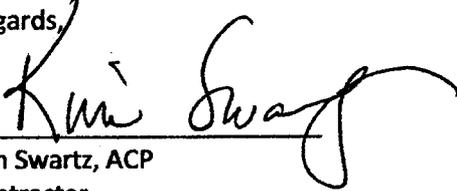
Re: **Tower Cloud, Inc. Application and Petition for Certificate of Convenience and Necessity to Provide Intrastate Telecommunications Services**

Dear Sir or Madam:

T-20563A-07-0627

Please find enclosed one (1) original and thirteen (13) copies of the referenced application. Kindly contact if you require any additional information regarding the application.

Regards,



Kim Swartz, ACP
Contractor
Tower Cloud, Inc.
727.471.5691
kswartz@towercloud.com

AZ CORP COMMISSION
DOCKET CONTROL

2007 NOV -1 P 12:35

RECEIVED
9501 International Court N.
St. Petersburg, Florida 33716
(727) 471-5600

EXHIBIT
A-1

ADMITTED

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: None

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 Special Access Only (Please attach complete description) Attachment A-1

(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:

Tower Cloud, Inc.
9501 International Court N.
St. Petersburg, FL 33716
727.471.5600 (telephone)
727.471.5601 (facsimile)
mbuda@towercloud.com
<http://www.towercloud.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:

Jon Yount
Tower Cloud, Inc.
9501 International Court N.
St. Petersburg, FL 33716
727.471.5670 (telephone)
727.471.5601 (facsimile)
jyount@towercloud.com

Melissa Buda
Tower Cloud, Inc.
9501 International Court N.
St. Petersburg, FL 33716
727.471.5620 (telephone)
727.471.5601 (facsimile)
mbuda@towercloud.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:

Melissa Buda
Tower Cloud, Inc.
9501 International Court N.
St. Petersburg, FL 33716
727.471.5620 (telephone)
727.471.5601 (facsimile)
mbuda@towercloud.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:

Patricia Morrison
Tower Cloud, Inc.
9501 International Court N.
St. Petersburg, FL 33716
727.471.5639 (telephone)
727.471.5601 (facsimile)
pmorrison@towercloud.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, ___ Foreign
 Corporation: ___ "S", X "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. Attachment A – 8.1
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). Attachment A – 8.2
3. Indicate percentages of ownership of each person listed in A-8.2.

(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:

- X 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.

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.

None

(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.

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.

None

(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 does not believe it is required to post a bond because although its Tariff permits it to require a deposit, Applicant's practice is not to require deposits. Furthermore, Applicant only provides special access services to major wireless carriers (i.e. Sprint) and not 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 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.

Facilities-Based Service Provider

(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.

(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.

Florida

Florida Public Service Commission
Blanca S. Bayo, Commission Clerk
2540 Shunard Oak Blvd.
Tallahassee, FL 32399-0850
1-850-413-6100
www.floridapsc.com

North Carolina

Gail Mount, Deputy Clerk
North Carolina Utilities Commission
430 North Salisbury Street
Dobbs Building
Raleigh, NC 27603-5918
919-733-7328
hoover@ncuc.net

Oregon

Public Utility Commission
Cheryl Walker
550 Capitol St NE #215
PO Box 2148
Salem OR 97308-2148
503-378-2849
Cheryl.Walker@state.or.us

(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.

Florida

North Carolina

Oregon

Attachment A-19

(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.

None

(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.

Applicant began operations in April 2006 and, therefore, does not have financial statements for that year.

(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. Attachment D - 1
2. A copy of the Applicant's income statement. Attachment D - 2
3. A copy of the Applicant's audit report. None
4. A copy of the Applicant's retained earnings balance. Attachment D-2
5. A copy of all related notes to the financial statements and information. None

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

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

N/A

(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.

Attachment B-4

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.

June 2008

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

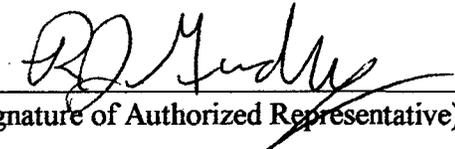
(E-3) Indicate that the Applicant's switch is "fully equal access capable" (i.e., would provide equal access to facilities-based long distance companies) pursuant to A.A.C. R14-2-1111 (A):

Yes

No

Applicant provides non-switched services.

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.


(Signature of Authorized Representative)

10/31/07
(Date)

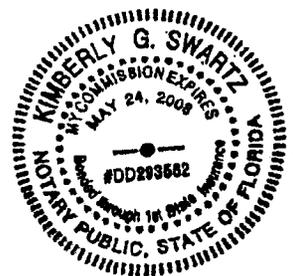
Ronald Mudry
(Print Name of Authorized Representative)

President and CEO
(Title)

SUBSCRIBED AND SWORN to before me this 31st day of October, 2007

Kimberly G Swartz
NOTARY PUBLIC

My Commission Expires 5/2+108



ATTACHMENT A-1

Tower Cloud provides facilities-based backhaul communications services to wireless communication carriers. Backhaul is the transport of voice, video and data traffic from a carrier's mobile base station or cell site, to their mobile switching center ("MSC").

Tower Cloud provides backhaul via fiber optics and wireless microwave in the form of T-1's and Ethernet. Tower Cloud only serves major wireless communication carriers and does not offer any services to end users.

STATE OF ARIZONA



Office of the
CORPORATION COMMISSION
CERTIFICATE OF GOOD STANDING

To all to whom these presents shall come, greeting: I, Brian C. McNeil, Executive Director of the Arizona Corporation Commission, do hereby certify that

*****TOWER CLOUD, INC.*****

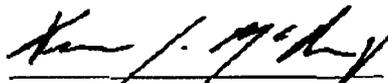
a foreign corporation organized under the laws of Delaware did obtain authority to transact business in the State of Arizona on the 24th day of July 2007.

I further certify that according to the records of the Arizona Corporation Commission, as of the date set forth hereunder, the said corporation has not had its authority revoked for failure to comply with the provisions of the Arizona Business Corporation Act; and that its most recent Annual Report, subject to the provisions of A.R.S. sections 10-122, 10-123, 10-125 & 10-1622, has been delivered to the Arizona Corporation Commission for filing; and that the said corporation has not filed an Application for Withdrawal as of the date of this certificate.

This certificate relates only to the legal authority of the above named entity as of the date issued. This certificate is not to be construed as an endorsement, recommendation, or notice of approval of the entity's condition or business activities and practices.

IN WITNESS WHEREOF, I have hereunto set my hand and affixed the official seal of the Arizona Corporation Commission. Done at Phoenix, the Capital, this 9th Day of October, 2007, A. D.




Executive Director

Order Number: 180153

Attachment A-19
Key Personnel

Ronald Mudry
President and CEO

Ron Mudry has over 22 years of experience in the telecommunications industry, most recently as President and CEO of Progress Telecom, LLC, prior to the Level 3 acquisition. As the founding CEO for Progress Telecom, formed in 1998, Ron successfully created an industry-leading provider of fiber and backhaul services. Prior to launching Progress Telecom, Ron gained cross-functional experience in the telecom industry with over 15 years at GTE Corporation (now Verizon). He held key management positions in finance, sales and marketing, international operations, treasury, strategic planning, and mergers and acquisitions. Ron has also served on the executive committee of the CEO Council of CompTel (the primary industry association for the competitive telecom industry). Ron holds an MBA from the University of Tampa and a Bachelor's degree from the University of Michigan.

Thomas Guard
Chief Financial Officer

Thomas Guard was named CFO in September 2007 and is responsible for all financial aspects of the business. Tom has over 20 years of experience in Finance and Business Administration. Prior to joining Tower Cloud, Tom served as Senior Vice President and Treasurer of Global Signal, which was acquired by Crown Castle in January 2007. Tom was an essential member of the turn-around executive team that brought Global Signal from bankruptcy to one of the largest independent wireless tower companies in North America, operating over 11,000 wireless communication towers with a \$3.9 billion market value. Tom has significant experience in raising capital. He was a member of IPO team that successfully raised \$145 million in conjunction with listing on the NYSE. Tom was a lead financial executive that negotiated and closed over \$2.5 billion in debt through three securitizations and various bank credit agreements. Tom also has experience in corporate finance, accounting operations, financial corporate management and mergers and acquisitions. Before joining Global Signal, Tom was Vice President of Finance at TMP Worldwide, a publicly traded international on-line recruitment and human capital management firm and parent company of Monster.com. Tom also worked as a consultant to businesses assisting in taxation, accounting and raising capital. He is a Certified Public Accountant. Tom earned his Bachelor of Science in Business Administration at University of Missouri and his Masters Degree in Business Administration from the University of Florida.

Jonathan "Jon" Yount
Senior VP of Network Operations

Jon Yount serves as Senior Vice President of Network Operations, bringing over 18 years of industry leadership experience in the wireless and wireline telecommunication business. Jon is responsible for network services planning, engineering, field operations, NOC and directs technology strategy development and deployment, and joined Tower Cloud in August 2007. Previously he served as Senior Vice President of Operations for American Fiber Systems (AFS). At AFS, Jon was responsible for field operations, provisioning, NOC center, and supplier management. Jon also worked as an independent consultant facilitating various mergers and acquisitions and held senior positions with Cable & Wireless, Level 3 Communications, XO Communications, MFS and Newhouse Cable.

Patricia Morrison
Vice President Finance and Controller

Tricia Morrison joined Tower Cloud in July 2006 and was named Vice President of Finance and Controller. Tricia Morrison has 30 years of business experience in financial administration. Prior to joining the company, Tricia served as Vice President of Finance for Progress Telecom where she was responsible for all financial functions of the business including financial reporting, long range planning, budgeting, cash management, procurement, taxation and regulatory compliance. Tricia led a number of successful business initiatives at Progress Telecom, including the negotiation of significant property tax savings for the company. Tricia also led the financial integration when Progress Telecom's broadband transport business was acquired by Level 3. Tricia's experience includes an 18 year career with Florida Progress, a diversified electric utility acquired by Progress Energy in 2000. As director of tax administration, she was responsible for the tax affairs of an affiliated group of 49 companies in diverse industries. Tricia has several years of experience of public accounting experience providing a range of financial services to small and medium-sized businesses. She is a Certified Public Accountant and Certified Internal Auditor (inactive). Tricia received an MBA from the Florida Institute of Technology and a Bachelor of Science degree in Accounting from the University of South Alabama.

Richard A. Saffir
General Counsel

Rich has served as General Counsel for Odyssey Telecorp, Inc. over the past four years, and, since December of 2003, as Special Counsel/Secretary for Progress Telecom, LLC (which was sold to Level 3 Communications in March of 2006). Prior to working for Odyssey/Progress Telecom, Rich served as Special Counsel to Handspring, working on the development of the first Treo PDA. Before Handspring, Rich served as the Associate General Counsel of Imagine Media, Inc. (now FutureNetworksUSA), a publisher of business and technology related magazines such as Mac Addict and Business 2.0. Prior to that, Rich was a General Partner at Bronson, Bronson & McKinnon, LLP (a San Francisco based full service law firm with over 150 attorneys), where he was the head of Bronson's Business/Tax Department, and the California representative to the U.S. Law Firm Group's State and Local Tax Committee. In his private practice, Rich represented closely held technology and emerging growth companies, with an emphasis on M&A, private placements, executive compensation, and the ownership, licensing and the protection of intellectual property. With respect to his tax practice, Rich handled a diverse mix of federal, state, and local tax planning, compliance and controversy matters. Prior to Bronson, Rich received Bachelor's degrees in International Relations and Theatrical Stage Lighting and Design from Harpur College/SUNY Binghamton, a Juris Doctor degree from Albany Law School, and a Master of Laws degree (in taxation) from New York University.

Melissa Buda
Vice President, Legal & Regulatory

Melissa Buda joined Tower Cloud in June of 2006 as Vice President of Legal and Regulatory, and was appointed Corporate Secretary in February 2007. Melissa has over 13 years of legal experience with specific expertise in real estate, telecommunications, debt financing and merger and acquisitions. Previously, she was the Assistant General Counsel of Real Estate at Global Signal, a company acquired by Crown Castle. Melissa worked on the acquisition, development, construction, leasing, financing and securitizing of 11,000 communication cell towers throughout the U.S., Canada and Puerto Rico. Prior to joining Global Signal, Melissa practiced with several esteemed law firms providing legal counsel to large retailers and developers on real estate and finance issues. Melissa obtained her JD degree from New York Law School and a Bachelor of Arts from the University of Massachusetts. Melissa is admitted to The Florida Bar, the U.S. District Court for the Middle District of Florida and the Supreme Court of the United States.

George Townsend
Vice President, Business Development

George Townsend joined Tower Cloud in July 2006 with the responsibilities of business development, sales and marketing. George has over 30 years business experience in the telecommunications and utility industries. Prior to Tower Cloud, George served as Vice President and General Manager of Progress Telecom's wireless division, a group he founded in 1995. Under George's leadership the business became a very profitable segment with strong revenue growth and a portfolio of over 400 tower lease attachments. George personally negotiated Master Tower Land Lease Agreements and MSA's with 4 Tier 1 and 3 regional wireless carriers. In May 2005, George assumed additional responsibility to facilitate a launch of PT Wireless, a start-up subsidiary focused on distributed antenna systems. During his 7 years with Progress Telecom, George held senior executive positions within the Sales department. Before joining Progress Telecom, George's 25 year history with Florida Power Corporation gave him diverse experience in Business Development, Finance and Real Estate. George earned his Bachelor of Arts in Business Administration from the University of South Florida.

John Verghese
Vice President, Network Planning and Engineering

John Verghese joined Tower Cloud in July 2006, where he heads national engineering and technology initiatives. John Verghese has over 18 years of experience focusing on engineering and design in the telecommunication industry. Before joining Tower Cloud, John was Director of Sales Engineering for Progress Telecom, where he worked personally with customers to develop creative leading edge solutions. During his 7 years with Progress Telecom, John was instrumental in launching several strategic products including FlexBand and Metro and LH Ethernet. He also led the targeted network expansion of the fiber footprint when Progress Telecom merged with Epik Communications. John held other management positions with Progress Telecom and was responsible for technology selection, planning, and facility acquisition. John received his Bachelor of Science in Electrical Engineering from Bangalore University and his Masters Degree in Electrical Engineering from the Florida Institute of Technology.

ATTACHMENT B - TARIFF

Tower Cloud, Inc.

A.C.C. Tariff No. 1
Original Title Sheet

ARIZONA CORPORATION COMMISSION TELECOMMUNICATIONS TARIFF

OF

Tower Cloud, Inc.

9501 International Court N.
St. Petersburg, FL 33716

INTEREXCHANGE TELECOMMUNICATIONS SERVICES

This tariff contains the descriptions, regulations, and rates applicable to the furnishing of interexchange telecommunications services provided by Tower Cloud, Inc. within the State of Arizona. This tariff is on file with the Arizona Corporation Commission ("Commission"). Copies may be inspected during normal business hours at Company's principal place of business, 9501 International Court N., St. Petersburg, FL 33716.

Issued: _____
Issued By: _____

Effective Date: _____

Ron Mudry
Chief Executive Officer
Tower Cloud, Inc.
9501 International Court N.
St. Petersburg, FL 33716

CHECK SHEET

The Title Sheet and Sheets 1 through 44 inclusive of this Tariff are effective as of the date shown at the bottom of the respective sheet(s). Revised sheets as named below contain all changes from the original filing that are in effect on the date listed.

<u>SHEET</u>	<u>REVISION</u>	<u>SHEET</u>	<u>REVISION</u>
Title	Original	23	Original
1	Original	24	Original
2	Original	25	Original
3	Original	26	Original
4	Original	27	Original
5	Original	28	Original
6	Original	29	Original
7	Original	30	Original
8	Original	31	Original
9	Original	32	Original
10	Original	33	Original
11	Original	34	Original
12	Original	35	Original
13	Original	36	Original
14	Original	37	Original
15	Original	38	Original
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20	Original	43	Original
21	Original	44	Original
22	Original		

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Issued: _____
Issued By: _____

Effective Date: _____

Ron Mudry
Chief Executive Officer
Tower Cloud, Inc.
9501 International Court N.
St. Petersburg, FL 33716

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Issued: _____
Issued By: _____

Effective Date: _____

Ron Mudry
Chief Executive Officer
Tower Cloud, Inc.
9501 International Court N.
St. Petersburg, FL 33716

CONCURRING CARRIERS

None

CONNECTING CARRIERS

None

OTHER PARTICIPATING CARRIERS

None

EXPLANATION OF SYMBOLS

- (C) To signify **changed** condition or regulation.
- (D) To signify **deleted or discontinued** rate, regulation or condition.
- (I) To signify a change resulting in an **increase** to a Customer's bill.
- (M) To signify that material has been **moved from** another tariff location.
- (N) To signify a **new** rate, regulation, condition or Page.
- (R) To signify a change resulting in a **reduction** to a Customer's bill.
- (T) To signify a change in text, but no change to rate or charge.

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TARIFF FORMAT

- A. **Sheet Numbering** - Sheet numbers appear in the upper right corner of the Sheet. Sheets are numbered sequentially. However, occasionally, when a new Sheet is added between Sheets already in effect, a decimal is added. For example, a new Sheet added between Sheets 14 and 15 would be 14.1.
- B. **Sheet Revision Numbers** - Revision numbers also appear in the upper right corner of each Sheet. These numbers are used to determine the most current Sheet version on file with the Commission. For example, the 4th revised Sheet 14 cancels the 3rd Revised Sheet 14. Because of various suspension periods, deferrals, etc. the Commission follows in its tariff approval process, the most current Sheet number on file with the Commission is not always the Sheet in effect. Consult the Check Sheet for the Sheet currently in effect.
- C. **Paragraph Numbering Sequence** - There are nine levels of paragraph coding. Each level of code is subservient to its next higher level:
- 2.
 - 2.1.1
 - 2.1.1.A.
 - 2.1.1.A.1.
 - 2.1.1.A.1.(a)
 - 2.1.1.A.1.(a).I.(i).
 - 2.1.1.A.1.(a).I.(i).(1)
- D. **Check Sheets** - When a tariff filing is made with the Commission, an updated Check Sheet accompanies the tariff filing. The Check Sheet lists the Sheets contained in the tariff with a cross-reference to the current revision number. When new Sheets are added, the Check Sheet is changed to reflect the revision. All revisions made in a given filing are designated by an asterisk (*). There will be no other symbols used on this Sheet if these are the only changes made to it (i.e., the format, etc., remains the same, just revised revision levels on some Sheets). The tariff user should refer to the latest Check Sheet to find if a particular Sheet is the most current on file with the Commission.

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APPLICATION OF TARIFF

- A. This tariff schedule sets forth the Service offerings, rates, terms and conditions applicable to the furnishing of interexchange telecommunications Services offered by Tower Cloud, Inc. ("Company") to Customers located within the State of Arizona.
- B. The rates and regulations contained in this Tariff apply only to the intrastate telecommunications Services furnished by Company and do not apply, unless otherwise specified, to the lines, facilities, or the services provided by a Local Exchange Carrier or other common Carrier for use in accessing the Services of Company. This Tariff does not cover any information service or other unregulated service offered by Company. Company will offer any information or other unregulated service in accordance with Company's current price list or contract, whichever applies to the particular customer.
- C. Company may not be deemed to have waived or impaired any right, power, requirement or option reserved by this Tariff (including, but not limited to, the right to demand exact compliance with every term and condition herein), by virtue of any custom or practice of Company at variance with the terms hereof, or any failure, refusal or neglect of Company to exercise any right under this Tariff or to insist upon exact compliance with its terms, or any waiver, forbearance, delay, failure or omission by Company to exercise any right, power or option hereunder.
- D. The rates, rules, terms and conditions contained herein are subject to change pursuant to the rules and regulations of the Commission.
- E. This tariff will be maintained and made available for inspection by any Customer at Company's principal business office at Tower Cloud, Inc., 9501 International Court N., St. Petersburg, FL 33716.

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SECTION 1 - TECHNICAL TERMS AND ABBREVIATIONS

Certain terms used generally throughout this Tariff for Services of Company are defined below.

Authorized User:

A person, firm, corporation or other entity that either is authorized by the Customer to use Service or is placed in a position by the Customer, either through acts or omissions, to use Service.

Carrier:

A company authorized by the Arizona Corporation Commission to provide telecommunications services.

Channel:

A communications path between two or more points of termination.

Commission:

Arizona Corporation Commission

Company:

Tower Cloud, Inc.

Customer:

The person, firm, corporation or other entity which orders or uses Service and is responsible for payment of charges and compliance with tariff regulation.

Customer Premises:

A location(s) designated by the Customer for the purposes of connecting to Company's Services.

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SECTION 1 - TECHNICAL TERMS AND ABBREVIATIONS, Continued

Customer Premises Equipment (CPE):

Equipment located at the Customer's Premises for use with Company's Service.

Facility:

Includes, in the aggregate or otherwise, but is not limited to, the following:

channels	lines
apparatus	devices
equipment	accessories
communications paths	systems

which are provided by Company and utilized by it in the furnishing of telecommunications Services or which are provided by a Customer and used for telecommunications purposes.

Force Majeure:

Causes beyond Company's control, including but not limited to: acts of God, fire, flood explosion, hurricane, or other catastrophes; any law, order, regulation, direction, action or request of the United States Government, or of any other government, including state and local governments having or claiming jurisdiction over Company, or of any department, agency, commission, bureau, corporation, or other instrumentality of any one or more of these federal, state, or local governments, or of any civil or military authority; national emergencies; insurrection, riots, wars, unavailability of rights-of-way or materials; or strikes, lock-outs, work stoppages, cable or fiber cut, acts of a third party or other labor difficulties.

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SECTION 1 - TECHNICAL TERMS AND ABBREVIATIONS, Continued

Local Exchange Carrier:

A company that furnishes local exchange telecommunications service.

Premises:

A building or buildings or contiguous property, not separated by a public highway or right-of-way.

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SECTION 2 - RULES AND REGULATIONS

2.1. UNDERTAKING OF COMPANY

- 2.1.1. Company undertakes to provide Services subject to the terms and conditions of this Tariff.
- 2.1.2. Company's Services are furnished for telecommunications originating and terminating in any area within the Florida.
- 2.1.3. Company offers Services to Customers for the transmission and reception of voice, data, and other types of communications.
- 2.1.4. Company does not transmit messages pursuant to this Tariff but its Services may be used for that purpose.
- 2.1.5. Company's Services are provided on a monthly basis unless otherwise provided, and are available twenty-four (24) hours per day, seven (7) days per week.
- 2.1.6. Company may, at Company's sole discretion, elect to employ third parties to perform any of its obligations under this tariff.

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SECTION 2 - RULES AND REGULATIONS, Continued

2.2. CUSTOMER'S USE OF SERVICE

- 2.2.1. Service may be used for any lawful purpose consistent with this Tariff and with the transmission and switching parameters of the telecommunications facilities utilized in the provision of Services.
- 2.2.2. Service may not be used or for any purpose for which any payment or other compensation is received by the Customer, except when the Customer is a duly authorized and regulated common carrier. This provision does not prohibit an arrangement between the Customer, authorized user or joint user to share the cost of service.
- 2.2.3. Equipment Company provides or installs at the Customer's premises for use in connection with the Services Company offers may not be used for any other purpose other than for which Company provided it. Customer may not, and may not permit others to, rearrange, disconnect, remove, attempt to repair, or otherwise interfere with any of the Services or equipment installed by Company or Company's agent, except upon the consent of Company.
- 2.2.4. The Services Company offers may not be used for any unlawful purpose or for any use as to which the Customer has not obtained all governmental approvals, authorizations, licenses, consents and permits required to be obtained by Customer with respect thereto.
- 2.2.5. Resellers and rebillers of Company's service must be certified as Local Exchange Carriers and must be approved by Company in writing for the provision of such service.
- 2.2.6. Service may not be used in any manner, which interferes with other persons in the use of their Service, prevents other persons from using their Service, otherwise impairs the quality of Service to other Customers, or impairs the privacy of any communications over any Service provided by Company. Company may require a Customer to shut down its transmission of signals if said transmission is causing interference to others.
- 2.2.7. Service may not be used in any manner so as to annoy, abuse, threaten, or harass other persons.

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SECTION 2 - RULES AND REGULATIONS, Continued

2.2. CUSTOMER'S USE OF SERVICE, Continued

- 2.2.8. The use of Company's Services either without payment for Service or attempting to avoid payment for Service by fraudulent means or devices, schemes, false or invalid numbers, or false calling or credit cards is prohibited.
- 2.2.9. The Customer obtains no property right or interest in the use of any specific type of facility, Service, equipment, telephone number, process or code. All rights, titles and interests remain, at all times, solely with Company.
- 2.2.10. The Company reserves the right to refuse an application for service made by a present or former Customer who is indebted to the Company for service previously rendered pursuant to this Tariff until the indebtedness is satisfied.
- 2.2.11. Prior written permission from the Company is required before any assignment or transfer. All regulations and conditions contained in this Tariff shall apply to all such permitted assignees or transferees, as well as all conditions of service.

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SECTION 2 - RULES AND REGULATIONS, Continued

2.3. APPLICATION FOR SERVICE

- 2.3.1. A Customer desiring to obtain Service must complete the appropriate service order form and submit the service order in compliance with Company subscription requirements as may be established from time to time.
- 2.3.2. The name(s) of the Customer(s) desiring to use the Service must be set forth in the application for Service.
- 2.3.3. Company may refuse an application when, in Company's sole discretion, provision of Service is precluded under Section 2.6.1. below.
- 2.3.4. Request for Service under this Tariff will authorize Company to conduct a credit search on the Customer. Company reserves the right to refuse Service on the basis of credit history and to refuse further Service due to late payment or nonpayment by the Customer.
- 2.3.5. Where the Customer cancels an application for Service, a cancellation charge will apply as specified in the Cancellation or Modification of Service by Customer Section of this Tariff.
- 2.3.6. Minimum quantity requirements - Service can only be ordered under this tariff in minimum quantities established from time to time by Company.

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SECTION 2 - RULES AND REGULATIONS, Continued

2.4. DEPOSITS/PRE-PAYMENTS

- 2.4.1. To safeguard its interests, Carrier may require an applicant or Customer to make a deposit to be held as a guarantee for the payment of charges or a pre-payment.
- 2.4.2. Company may require a deposit from an existing business Customer as a condition to the further provision of Service if according to Company's assessment, the Customer has become a credit risk.
- 2.4.3. The deposit or pre-payment will not exceed an amount equal to two and one-half months' estimated charges for such service(s).
- 2.4.4. The fact that a deposit has been made shall in no way relieve the applicant or Customer from complying with the Tariff regulations for the prompt payment of bills on presentation.
- 2.4.5. Each applicant or Customer from whom a deposit is collected will be given a receipt in accordance with the rules and regulations of the Commission pertaining to customer deposits.

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SECTION 2 - RULES AND REGULATIONS, Continued

2.4. DEPOSITS/PRE-PAYMENTS, Continued

- 2.4.6. Simple interest will be credited or paid to the Customer at the rate of one and a half percent (1.5%) per annum while Carrier holds the deposit. Interest shall be paid annually to the Customer or, at the option of the Customer, shall be applied to the Customer's bill.
- 2.4.7. A deposit may be required in addition to a pre-payment. The sum of any deposit and any pre-payment shall not exceed an amount equal to two and one-half months' estimated charges for such service(s).
- 2.4.8. When a service or facility is discontinued, the amount of a deposit, if any, relating to such service or facility will be applied to the Customer's account and any credit balance remaining will be refunded. Before the service or facility is discontinued, Carrier will return the deposit or credit it to the Customer's account.

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SECTION 2 - RULES AND REGULATIONS, Continued

2.5. CREDIT

2.5.1. Company, in order to ensure payment of its charges for Service or for loss of or damage to Company property, will require Applicants and Customers to establish and maintain credit. The establishment or re-establishment of credit as provided in this Section does not relieve an applicant or Customer from compliance with other provisions of this Tariff as to the payment of bills and in no way modifies the Sections regarding disconnection and termination of Service for failure to pay bills due for Service furnished.

2.5.2. Company may require any applicant or Customer to establish and maintain credit in one or more of the following ways:

- A. Demonstrating credit satisfactory to Company by providing information pertinent to the applicant's or Customer's credit standing;
- B. Providing a suitable guarantee in writing, in a form prescribed by Company; or
- C. Paying a cash deposit and/or a pre-payment pursuant to Section 2.4.

Company may determine, in its sole discretion, whether or not a particular reference or guarantee in writing would be acceptable as a substitute for demonstrating satisfactory credit.

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SECTION 2 - RULES AND REGULATIONS, Continued

2.6. PROVISION AND MAINTENANCE OF SERVICE

- 2.6.1. Company will use reasonable efforts to make Service available to Customers on or before a particular date, subject to the provisions and compliance by the Customer within the provisions of this Tariff. The lack of facilities or other operational impediments, including regulatory approvals, may preclude or delay provision of Service (a) in a particular location or to a particular Customer and/or (b) at any promised performance level. Actual transmission speeds and service characteristics of a Service may vary from those expected by the Customer due to such factors as the length and gauge of the line and other operational characteristics of the equipment and facilities used.
- 2.6.2. Company will have control over the installation, rearrangement, repair, maintenance, and disconnection of all network elements owned or otherwise obtained to ensure the required level of Service. Company may substitute, change or rearrange any equipment or facility at any time and from time to time, but will not thereby alter the technical parameters of the Service provided to the Customer.
- 2.6.3. Company will use reasonable efforts to maintain the Service that it furnishes to the Customer. Company may make such tests, adjustments and inspections as may be necessary to maintain Company's Services and equipment in satisfactory operating condition. When possible, Company may, in its sole discretion, provide the Customer with reasonable notice of Service-affecting activities that may occur in the normal operation of Company business.

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SECTION 2 - RULES AND REGULATIONS, Continued

2.7. INTERCONNECTION

- 2.7.1. The Customer shall secure all licenses, permits, rights-of-way and other arrangements necessary for interconnection with the Company. In addition, the Customer shall ensure that its equipment and/or system or that of its agent is properly interfaced with the Company's service and the signals emitted into the Company's network are of the proper mode, bandwidth, power, data speed and signal level for the intended use of the Customer. If the Customer or its agent fails to properly maintain and operate its equipment and/or system of that of its agent, the Company may, upon written request, require the use of protective equipment at the Customer's expense.
- 2.7.2. Service furnished by Company may be interconnected with services or facilities of other authorized communications common carriers and with private systems, subject to the technical limitations established by Company. Any special interface of equipment or facilities necessary to achieve compatibility between the facilities of Company and other participating carriers shall be provided at the Customer's expense.
- 2.7.3. Interconnection between the facilities or services of other carriers shall be under the applicable terms and conditions of the other carriers' tariffs. The Customer is responsible for taking all necessary legal steps for interconnecting Customer-provided terminal equipment or communications equipment with Company's facilities. The Customer shall secure all licenses, permits, rights-of-way, and other such arrangements necessary for interconnection.

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SECTION 2 - RULES AND REGULATIONS, Continued

2.8. MINIMUM SERVICE PERIOD

- 2.8.1. The minimum Service period is one month (30 days). The Customer must pay the regular tariffed rate for Service for the minimum period of Service. If a Customer disconnects Service before the end of the minimum Service period, that Customer must pay the regular rates for the remainder of the minimum Service period. When the Service is moved within the same building, to another building on the same Premises, or to a different Premises entirely, the period of Service at each location is accumulated to calculate if the Customer has met the minimum Service period obligation.
- 2.8.2. If Service is terminated before the end of the minimum period of Service as a result of condemnation of property, damage to property requiring the Premises to be abandoned, or by the death of the Customer, the Customer is not obligated to pay for Service for the remainder of the minimum period.

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SECTION 2 - RULES AND REGULATIONS, Continued

2.9. CUSTOMER RESPONSIBILITIES

- 2.9.1. The Customer is responsible for the payment of all charges for Service furnished to the Customer.
- 2.9.2. The Customer is responsible for compliance with applicable regulations set forth in this Tariff.
- 2.9.3. The Customer must make arrangements or obtain permission for safe, reasonable and continuous access and right-of-way for Company employees or agents of Company to enter the Premises of the Customer or any Authorized User of the Customer at any reasonable hour for the purpose of performing Company's obligations under this Tariff.
- 2.9.4. The Customer is responsible for the payment of (a) Service charges as set forth herein and (b) charges for visits by Company's agents or employees to the Premises of the Customer or Authorized User when the Service difficulty or trouble report results from the use of Services and equipment by the Customer or Authorized User.
- 2.9.5. Customer will, at Customer's expense, provide reasonable space, power, and level of heating and air conditioning, and otherwise maintain the proper environment to operate Company's Service at Customer's or Authorized User's premises.
- 2.9.6. The Customer may not, without prior written consent of Company, which consent shall not be unreasonably withheld, assign, transfer, or in any other manner dispose of any of its rights, privileges, or obligations under this Tariff and any attempt to make such an assignment, transfer, disposition without consent will be null and void.
- 2.9.7. A Customer or Authorized User may not represent in any way that the relationship between Customer or Authorized User and Company is anything other than one of customer and supplier, respectively. Nothing in this Tariff gives Customer or Authorized Users any authority to bind or otherwise incur liability on behalf of Company. Nothing in this Tariff constitutes an endorsement by Company of any activity, service or product of Customer or Authorized Users.

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SECTION 2 - RULES AND REGULATIONS, Continued

2.9 CUSTOMER RESPONSIBILITIES

- 2.9.8. The Customer is responsible for any damages, including usage charges that the Customer may incur as a result of the unauthorized use of its communications equipment. The unauthorized use of the Customer's communications equipment includes, but is not limited to, the placement of calls from the Customer's Premises and the placement of calls through Customer-controlled or Customer-provisioned equipment that are transmitted or carried over Company's network without the authorization of the Customer.

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SECTION 2 - RULES AND REGULATIONS, Continued

2.10. PAYMENTS AND BILLING

- 2.10.1. Service is provided and recurring Service charges billed on a monthly (30 day) basis. The billing date is dependent on the billing cycle assigned to the Customer.
- 2.10.2. Billing is payable upon receipt and past due thirty (30) days after issuance and posting of invoice. Invoices of \$20.00 or more that are not paid within thirty-one (31) days after the date of posting are subject to a 1.5 percent late payment charge for the unpaid balance.
- 2.10.3. A Customer will not be liable for any late payment charge applicable to a disputed portion of that Customer's bill, so long as the Customer pays the undisputed portion of the bill and enters into bona fide negotiations to resolve the dispute on a timely basis, pursuant to Section 2.9.8, provided if disputed bill is correct, late payment charges shall apply retroactive to the original due date.
- 2.10.4. Checks presented in payment for Services and subsequently returned to Company by the Customer's financial institution for "Non-Sufficient Funds" or other reasons will incur a nonrecurring charge.
- 2.10.5. Billing disputes should be addressed to Company's Billing organization at the following address: 9501 International Court N., St. Petersburg, FL 33716.

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SECTION 2 - RULES AND REGULATIONS, Continued

2.10. PAYMENTS AND BILLING, Continued

2.10.6. In case of a billing dispute between Customer and Company as to the correct amount of a bill, which cannot be adjusted with mutual satisfaction, Customer may enter the following arrangement:

- A. First, Customer requests, and Company will comply with the request, an investigation and review of the disputed amount.
- B. The Customer pays the undisputed portion of the bill by the Due By Date shown on the bill or the Service will be subject to disconnection if Company has notified Customer by written notice of such delinquency and impending termination.
- C. If there is still disagreement after the investigation and review by a manager of Company, Customer may appeal to Commission for its investigation and decision.
- D. Company will not disconnect Customer's Service for nonpayment as long as Customer complies with this arrangement.
- E. Company will respond to the Commission's requests for information within ten (10) business days.
- F. The Commission will review the claim regarding the disputed amount, communicate the results of its review to Customer and Company, and require disbursement according to those results.

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SECTION 2 - RULES AND REGULATIONS, Continued

2.10. PAYMENTS AND BILLING, Continued

2.10.6. Disputed Bills, continued

- G. After the investigation and review are completed by Company as noted in subsection A., such amount becomes due and payable at once. In order to avoid disconnection of Service, such amount must be paid within seven (7) calendar days after the date Company notifies Customer that the investigation and review are completed and that such payment must be made or Service will be interrupted. However, the Service will not be disconnected prior to the Due By Date shown on the bill. In no event will service be discontinued on the day preceding any day on which Carrier is not prepared to accept payment of the amount due and to reconnect service, and service will not be disconnected for non-payment of any disputed amount during the Commission's review of the dispute.
- H. If there is still disagreement over the disputed amount after the investigation and review by a manager of the Company, the Customer may appeal to the Arizona Corporation Commission. The Commission's address is:

Utilities Division
1200 W. Washington
Phoenix, AZ 85007-2996

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SECTION 2 - RULES AND REGULATIONS, Continued**2.11. TAXES**

Customer must pay, without limitation, all sales, use, gross receipts, excise, access, bypass, and other local, state and federal taxes, charges, fees, and surcharges, however designated, imposed on or based upon the provision, sale or use of the Services (excluding taxes on Company's net income). Such taxes may be separately stated on the applicable invoice. Applicable taxes, charges, fees and surcharges shall include any new taxes, charges, fees or surcharges imposed after the effective date of this tariff and shall also include all interest, penalties, fees and other charges for late payment.

2.12. ALLOWANCES FOR INTERRUPTION OF SERVICE

2.12.1. For the purpose of applying this provision, the word "interruption" means the inability to access Service due to equipment malfunction or human errors. "Interruption" does not include, and no allowance will be given for, Service difficulties such as slow access, circuits busy or other network and/or switching capacity shortages.

2.12.2. Credit allowances will be given in accordance to this Section 2.12. for interruptions of Service which are not due to an event of Force Majeure, Company's testing or adjusting, to the negligence of the Customer, or to the failure of channels, equipment and/or communications equipment provided by the Customer or another Carrier, and are subject to the general limitation of liability provisions set forth in Section 2.16. herein. Customer must notify Company of any interruptions of Service. Before giving such notice, the Customer must ascertain that the trouble is not caused by any action or omission of the Customer, and not otherwise within the Customer's control.

2.12.3. For purposes of computing a credit under Section 2.12. every month is considered to have 720 hours. No credit will be allowed for an interruption of a continuous duration of less than two hours. Company will credit the Customer for an interruption of two (2) hours or more at the rate of 1/720th of the monthly charge for the Service affected for each hour or major fraction thereof that the interruption continues beyond two hours after the Company's receipt of notice of the interruption from the Customer.

Credit formula: $\text{Credit} = (A/720) \times B$

A - outage time in hours

B - total monthly charge for affected Service

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SECTION 2 - RULES AND REGULATIONS, Continued

2.13. CANCELLATION OR MODIFICATION OF SERVICE BY CUSTOMER

- 2.13.1. Customers may cancel Service by providing written notice to Company at least thirty (30) days prior to cancellation. The notice must specify the date on which Service is to be discontinued.
- 2.13.2. The Customer remains responsible for all Service charges until the day and time on which Service is actually disconnected.
- 2.13.3. If Customer cancels Service before Company completes installation of the Service the Customer will pay an early termination charge.
- 2.13.4. In the case of a Customer-initiated modification of Service, charges for the subsequent order are in addition to the costs incurred and any other applicable charges before the Customer changed the original order.
- 2.13.5. Any non-recoverable cost of Company expenditures shall be borne by the Customer if:
 - A. The Customer orders service requiring special facilities dedicated to the Customer's use and then cancels the order before such service begins, before completion of the minimum period or before completion of some the period mutually agreed with the Customer for the non-recoverable portions of expenditures; or
 - B. Liabilities are incurred expressly on behalf of the Customer by Company and not fully reimbursed by installation and monthly charges; and
 - C. If based on an order for service and construction has either begun or has been completed, but no service provided.

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SECTION 2 - RULES AND REGULATIONS, Continued

2.14. CANCELLATION BY COMPANY

2.14.1. Company may immediately discontinue furnishing the Service to a Customer without incurring liability:

- A. If there is a condition determined in Company's sole discretion to be hazardous to the Customer, to other Customers of Company, to Company's equipment, to the public or to employees or agents of Company; or
- B. If Company deems refusal or disconnection necessary to protect itself or third parties against fraud or to otherwise protect its personnel, agents, facilities or Services; or
- C. For non-compliance with and/or violation of any State or municipal law, ordinance or regulation pertaining to Service; or
- D. For use of Company's Services for any purpose other than that described in the application; or
- E. In the event of Customer use of equipment in such a manner as to adversely affect Company's equipment or the Service to others; or
- F. In the event of tampering with the equipment furnished and owned by Company; or
- G. When necessary for Company to comply with any order or request of any governmental authority having jurisdiction; or
- H. In the event of unauthorized or fraudulent use of Service.

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Issued By: _____

Effective Date: _____

Ron Mudry
Chief Executive Officer
Tower Cloud, Inc.
9501 International Court N.
St. Petersburg, FL 33716

SECTION 2 - RULES AND REGULATIONS, Continued

2.14. CANCELLATION BY COMPANY, Continued

2.14.2. Company may discontinue Service without liability upon ten (10) days written notice to the Customer via first-class mail prior to discontinuance of Service:

- A. For violation of this Tariff except as provided in Section 2.14.1., including without limitation, non-payment of bills for Service, refusal to provide Company with either a deposit or advance payment, or failure to meet Company's credit requirements; or
- B. For failure of the Customer to make proper application for Service including, without limitation, the provision of false information.

2.14.3. The discontinuance of Service(s) by Company pursuant to this section does not relieve the Customer of any obligations to pay Company for charges due and owing for Service(s) furnished up to the time of discontinuance. The remedies set forth herein are not exclusive, and Company is at all times entitled to all the rights available to it under law or equity.

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SECTION 2 - RULES AND REGULATIONS, Continued

2.15. RESTORATION OF SERVICE

- 2.15.1. The use and restoration of Service in emergencies may be in accordance with part 64, Subpart D of the Federal Communications Commission's Rules and Regulations which specifies the priority system for such activities.
- 2.15.2. When a Customer's Service has been disconnected in accordance with this Tariff and the Service has been terminated through the completion of a Company service order, Service will be restored only upon the basis of application for new Service.
- 2.15.3. A Customer whose Service has been discontinued for failure to establish credit or for nonpayment of bills will be required to pay the unpaid balance due Company before Service is restored.
- 2.15.4. Whenever Service has been discontinued for fraudulent or other unlawful use, Company may, before restoring Service, require the Customer to make, at its own expense, all changes in facilities or equipment necessary to eliminate such fraudulent or otherwise unlawful uses and to pay an amount reasonably estimated as the loss in revenues resulting from such fraudulent use.
- 2.15.5. Any Customer whose Service has been disconnected may be required to pay Service reconnection charges equal to the initial Service Connection Charge before Service is restored.

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SECTION 2 - RULES AND REGULATIONS, Continued

2.16. LIMITATION OF LIABILITY

- 2.16.1. Company will not be liable to the Customer or any user of the Company's Services for, and the Customer and any Authorized User, jointly and severally, will indemnify, defend and hold harmless Company from any allegation, claim, loss, damage, liability, defect, cost or expense resulting from or involving:
- A. Libel, slander, or invasion of privacy from material, data, information or other content transmitted over Company's facilities; or
 - B. Patent or trademark infringement or other infringement of intellectual property rights including, but not limited to, copyrights, trademarks, and trade secrets, arising from (1) combining (or using in connection with) Company-provided Services and equipment with any facilities, services functions, or products provided by the Customer or Authorized User or (2) use of Services, functions, or products which Company furnished in a manner Company did not contemplate and over which Company exercises no control. In the event that any such infringing use is enjoined, the Customer or Authorized User at its expense, will obtain immediately a dismissal or stay of such injunction, obtain a license or other agreement so as to extinguish the claim in infringement, terminate the claimed infringing use, or modify such combination so as to avoid any such infringement; or
 - C. A breach in the privacy or security of communications transmitted over Company's facilities; or
 - D. Acts, mistakes, omission, interruptions delays, errors or defects in transmission over Company's facilities or equipment; or
 - E. Injuries to persons or property from voltages or currents transmitted over Company-provided facilities caused by Customer-provided equipment or Premises wire; or
 - F. The disconnection of Service for failure to pay the charges billed to Customer, including but not limited to, any direct, indirect, incidental, special consequential, exemplary or punitive damages, so long as such disconnection of Service complied with the applicable rules and regulations; or

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SECTION 2- RULES AND REGULATIONS, Continued

2.16. LIMITATION OF LIABILITY, Continued

2.16.1. Continued

- G. Violations of the obligations of the Customer under this Tariff' or
- H. Defacement of or damage to Customer Premises, facilities or equipment resulting from the furnishing of Service or equipment on such Premises or the installation, maintenance, repair or removal thereof' unless such defacement or damage is caused by willful misconduct of Company's agents or employees; or
- I. Any loss, destruction or damage to property of the Customer, the Customer's agent, distributors, or any third party, or the death of or injury to persons, including, but not limited to, employees or invitees of either Company or the Customer, to the extent caused by or resulting from the negligent or intentional act or omission of Company, Customer, Authorized User or their employees, agents representatives or invitees; or
- J. Any delay or failure of performance or equipment due to a Force Majeure condition or any unlawful acts of Company's agents and employees if committed beyond the scope of their agency or employment.
- K. Changes in any of the facilities, operations or procedures of the Company that: (1) render any equipment, facilities or services provided or utilized by the User obsolete; (2) require modification or alteration of such equipment, facilities or services; or (3) otherwise affect use or performance of such equipment, facilities or services except where reasonable notice is required by the Company and is not provided to the Customer.
- L. The Company shall not be liable for injury to property or death to persons, including claims for payments made under Workers' Compensation law or under any plan for employee disability or death benefits, arising out of, or caused by, any act or omission of the Customer, or the construction, installation, maintenance, presence, use or removal of the Customer's facilities or equipment connected, or to be connected to the Company's facilities.

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SECTION 2 - RULES AND REGULATIONS, Continued

2.16. LIMITATION OF LIABILITY, Continued

2.16.1. Continued

K. Any act, mistake, omission, fraudulent act of a third party, interruption, delay, error, or defect caused by or contributed to by:

- 1. Another company or Carrier, or its agents or employees, when the facilities or equipment of the other company of Carrier are used for or with the Service Company offers.**
- 2. The Customer, or any third party acting as its agent, in connection with Company-provided or Customer-provided facilities or equipment, including, but not limited to, the Customer's failure to take all necessary steps to obtain, install and maintain all necessary equipment, materials and supplies for interconnecting the terminal equipment or communications system of the Customer to Company's network; or**
- 3. A third party.**

L. Any unauthorized use of the Service provided to Customer.

2.16.2. The liability of Company for damages arising out of the furnishing of, or failing to furnish, its Services, including but not limited to mistakes, omission, disconnections, interruptions, delays, acts of a third party, errors, defects, or representations, whether caused by acts or omissions is limited to the extension of allowances for interruption as set forth in this Tariff. Such allowances for interruptions are the sole remedy of the Customer and the sole liability of Company. Company will not be liable for any direct, indirect, incidental, special, consequential, exemplary or punitive damages to Customer as a result of any Company Service, equipment or facilities, or the acts or omissions, acts of a third party, or the acts or omissions or negligence of Company, its employees or agents.

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Chief Executive Officer
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SECTION 2 - RULES AND REGULATIONS, Continued

2.16. LIMITATION OF LIABILITY, Continued

- 2.16.3. The liability of Company's suppliers and vendors for damages arising out of the furnishing of or failing to furnish, their services, including but not limited to mistakes, omissions, interruptions, delays, errors, defects, or representations, whether caused by acts or omissions of such suppliers and vendors shall be limited to the extension of allowances for interruptions as set forth in this Tariff. The extension of such allowances for interruptions will be the sole remedy of the Customer and the sole liability of Company's supplier and vendors. Company's suppliers and vendors will not be liable for any direct, indirect, incidental, special, consequential, exemplary or punitive damages to Customer, as a result of any service, equipment or facilities, or the act of omissions, or negligence of Company's suppliers and vendors, its employees or agents.
- 2.16.4. The entire liability of Company for any claim, loss, damage or expense from any cause whatsoever will in no event exceed sums actually paid to Company by the Customer for the specific Services giving rise to the claim, and no action or proceeding against Company may be commenced more than one (1) year after the Service is rendered.
- 2.16.5. THE SERVICES ARE PROVIDED ON AN "AS IS" AND "AS AVAILABLE" BASIS. COMPANY EXPRESSLY DISCLAIMS ALL WARRANTIES OF ANY KIND, WHETHER EXPRESS OR IMPLIED, INCLUDING BUT NOT LIMITED TO THE IMPLIED WARRANTIES OF MERCHANTABILITY, ACCURACY, FITNESS FOR A PARTICULAR PURPOSE AND NONINFRINGEMENT. COMPANY MAKES NO WARRANTY THAT SERVICE WILL BE UNINTERRUPTED, TIMELY, SECURE OR ERROR FREE OR MEET ANY PARTICULAR PERFORMANCE LEVEL. NOR DOES COMPANY MAKE ANY WARRANTY AS TO THE RESULTS THAT MAY BE OBTAINED THROUGH THE SERVICES OR THAT ANY DEFECT IN THE SERVICE WILL BE CORRECTED. THE COMPANY DOES NOT AUTHORIZE ANYONE TO MAKE A WARRANTY OF ANY KIND ON ITS BEHALF AND THE CUSTOMER SHOULD NOT RELY ON ANY SUCH STATEMENTS.
- 2.16.6. The liability of Company for errors in billing that result in overpayment by the Customer will be limited to a credit equal to the dollar amount erroneously billed or, in the event that payment has been made and Service has been discontinued, to a refund of the amount erroneously billed.

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SECTION 2 - RULES AND REGULATIONS, Continued

2.16. LIMITATION OF LIABILITY, Continued

- 2.16.8. Company makes no warranty or representation of any kind whatsoever with respect to installations it provides for use in an explosive atmosphere. The Customer indemnifies and holds Company harmless from any and all loss, claims, demands, suits, or other action, or any liability whatsoever, whether suffered, made, instituted, or asserted by any entity or person(s), and for any loss, damage, or destruction of any property, whether owned by the Customer or others, caused or claimed to have been caused directly or indirectly by the installation, operation, failure to operate, maintenance, removal, presence, condition, location, or use of any installation so provided. Company reserves the right to require each Customer to sign an agreement acknowledging acceptance of the provisions of this Section as a condition precedent to such installations.

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SECTION 2 - RULES AND REGULATIONS, Continued

2.17. NOTICES

Any notice Company may give to a Customer will be deemed properly given when delivered, if delivered in person, or three (3) days after deposit with the U.S. Postal Service, registered or certified, postage prepaid, addressed to the Customer's billing address. Any notice the Customer may give Company will be deemed properly given when delivered, if delivered in person, or three (3) days after deposit with the U.S. Postal Service, postage prepaid, addressed to Company at the address provided in the most recently revised tariff pages.

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SECTION 2 - RULES AND REGULATIONS, Continued

2.18. CUSTOMER PROVIDED EQUIPMENT

- 2.18.1. Customer-provided equipment on the Premises of Customer or Authorized User, the operating personnel there, and the electric power consumed by such equipment must be provided by and maintained at the expense of the Customer or Authorized User. Conformance of Customer-provided equipment with Part 68 of the FCC Rules is the responsibility of Customer.
- 2.18.2. Customer or Authorized User must ensure that Customer-provided equipment connected to Company equipment and facilities is compatible with such equipment and facilities. The magnitude and character of the voltages and currents impressed on Company-provided equipment and wiring by the connection, operation, or maintenance of such equipment and wiring must be such as not to cause damage to Company-provided equipment and wiring or injury to Company's employees or to other persons. Any additional protective equipment required to prevent such damage or injury may be provided by Company at Customer's expense.
- 2.18.3. Company will not be responsible for the installation, operation or maintenance of any Customer-provided communications equipment. Where Customer-provided equipment is connected to the facilities and equipment furnished under this Tariff, the responsibility of Company will be limited to the furnishing of Service, facilities and equipment offered pursuant to this Tariff. Beyond this responsibility, Company will not be responsible for:
- A. the transmission of signals by Customer-provided equipment or for the quality of or defects in, such transmission; or
 - B. the reception of signals by Customer-provided equipment; or
 - C. network control signaling when performed by Customer-provided network control signaling equipment.

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SECTION 2 - RULES AND REGULATIONS, Continued

2.18. CUSTOMER PROVIDED EQUIPMENT, Continued

- 2.18.4. The Customer must secure all licenses, permits, rights-of-way and other arrangements necessary for interconnection with Company. In addition, the Customer must ensure that its equipment and/or system or that of its Authorized User or agent(s) is properly interfaced with Company's Service and the signals emitted into Company's network are of the proper mode, bandwidth, power, data speed and signal level for the intended use of the Customer. If the Customer or its Authorized User or agent(s) fails to properly maintain and operate its equipment and/or system, Company may, upon written request, require the use of protective equipment at the Customer's expense.
- 2.18.5. Interconnection between the facilities or services of other carriers is governed by the applicable terms and conditions of the other carriers' tariffs.
- 2.18.6. Service furnished by Company may be interconnected with services or facilities of other authorized carriers and with private systems, subject to the technical limitations established by Company. Any special interface of equipment or facilities necessary to achieve compatibility between the facilities of Company and other participating carriers must be provided at the Customer's expense.

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SECTION 2 - RULES AND REGULATIONS, Continued

2.19. PROMOTIONAL OFFERINGS

Company may make promotional offerings of its tariffed services which may include reducing or waiving applicable charges for the promoted Service. No individual promotional offering will exceed six (6) months in duration, and any promotional offering will be extended on a non-discriminatory basis to any customer similarly classified who requests the specific offer. At the Company's option, a letter outlining the promotion may be filed with the Commission in lieu of filing tariff language.

2.20. INDIVIDUAL CASE BASIS (ICB) ARRANGEMENTS

Arrangements will be developed on a case-by-case basis in response to a bona fide special request from a Customer or prospective Customer to develop a competitive bid for a service not generally available under this Tariff. ICB rates will be offered to the Customer in writing and on a non-discriminatory basis. All ICB arrangements will be made available to the Commission upon request.

However, unless otherwise specified, the terms, conditions, obligations and regulations set forth in this tariff shall be incorporated into, and become a part of, said contract, and shall be binding on Carrier and Customer. Specialized rates or charges will be made available to similarly situated Customers, on the same terms and conditions, on a non-discriminatory basis.

2.21. FULL FORCE AND EFFECT

Should any provision or portion of this Tariff be held by a court or administrative agency of competent jurisdiction to be illegal, invalid or unenforceable, the remaining provisions of this Tariff will remain in full force and effect.

2.22. CREDIT LIMIT

The Company may, at any time and at its sole discretion, set a credit limit for any Customer's consumption of services for any monthly period.

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SECTION 3 - DESCRIPTION OF SERVICE

3.1. APPLICATION OF RATES

3.1.1. The following sections set forth the rules and regulations governing the application of rates for Company Services, including the following general rate categories:

- A. Nonrecurring Charges for installation of facilities and Services;
- B. Monthly Rates for availability and use of facilities and Services; and
- C. Usage or Transaction Charges (where applicable).

3.1.2. SERVICE AREAS

- A. Unless otherwise specified in this tariff Company's local exchange Service area is statewide.
- B. Unless otherwise specified in this tariff Company's interexchange Service area is statewide.
- C. Company's description of service area in no way compels Company to provide any Service in an area where facilities or other extenuating factors limit Company's ability to provide Service.
- D. Services are offered by the Carrier via its own facilities and/or the facilities of other carriers. Services are offered as one-way or two-way communications services, as specified. Special construction charges may apply in each case. Services may not be available to all Customers. In addition to the charges specified for each service, additional charges may apply for transfers of data per month or at certain times in excess of certain thresholds.

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SECTION 3 - DESCRIPTION OF SERVICE, Continued

3.1. APPLICATION OF RATES, Continued

3.1.4. Service Connection Charges

- A. Service Connection Charges are nonrecurring charges for establishing or modifying Services. Service Connection Charges are incurred by Customer-initiated requests only.
- B. Unless specifically exempted in this or other Sections of this Tariff Service Connection Charges apply to all Customer-initiated requests, and are in addition to all other scheduled rates and charges.
- C. The charges specified herein reflect Service provided during regularly scheduled work hours, at current installation intervals and without work interruptions by the Customer.
- D. Customer requests for expedited Services that require installations on a date that is less than the normal offered interval may result in an increase in applicable Service Connection Charges.
- E. Customer requests performed on an out-of-hours basis shall also incur an add-on to applicable Service Connection Charges (excluding the Service Ordering Charge), along with any additional costs that may be involved.
- F. Service Connection Charges for the initial establishment of Service are payable with the first bill rendered for Service

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SECTION 3 - DESCRIPTION OF SERVICE, Continued

3.2. GENERAL DESCRIPTION OF SERVICE

- 3.2.1. Service is offered to customers on a full-time monthly basis.
- 3.2.2. All Dedicated Telecommunications Services shall remain in effect for a minimum period of thirty (30) days.
- 3.2.3. Service furnished by the Company will be furnished at the rates contained in this tariff. The Company offers its services subject to the availability of the necessary facilities and/or equipment.
- 3.2.4. The Company reserves the right to refuse to provide service to or from any location where the necessary facilities and/or equipment are not available.

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SECTION 3 - DESCRIPTION OF SERVICE, Continued**3.3. DEDICATED TELECOMMUNICATIONS SERVICE**

3.3.1. Dedicated Telecommunications Service is offered in the form of intrastate communications facilities which are dedicated to the use of a specific customer and are billed at the pre-determined fixed monthly rates.

3.3.2. T-1 Service is a point to point dedicated circuit between customer premises that is used for simultaneous two-way transmission of serial bipolar isochronous digital signals that meet the following requirements:

Transmission Speed:	1.544 Mbps
Line Code:	Bipolar Alternate Mark Inversion (AMI) or Bipolar 8 zero substitution (B8ZS)
Framing:	Super Frame (SF) or Extended Super Frame (E SF)
Line Impedance:	110 ohms balanced

3.3.3. Service in digital transmission formats other than those listed above may be provided at the Company's option on an Individual Case Basis (ICB).

3.3.4. A Customer must provide Company with 30 days written notice to disconnect a circuit. All charges for telecommunications service and service components ordered under this tariff and provided by Company, or by Company as agent acting in the customer's behalf will apply for 30 days from the time notice is received or until the requested disconnection date, whichever is later. The charges will apply whether or not the customer uses the circuit.

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SECTION 4 - RATES AND CHARGES

4.1. RATES

Where this Tariff provides for a Standard Rate or Charge for a service, such Standard Rate or Charge shall apply to Customer's use of such service regardless of the terms of Customer's Customer Service Agreement, if any, unless the service is provided as part of an Individual Case Basis arrangement in which case the rate or charge applicable to Customer's use of such service shall be the rate or charge specified in such ICB arrangement.

4.1.1. The charge for basic Dedicated Telecommunications Service is a flat rate per channel charge. One-time installation charges will also be billed when a customer establishes service. Optional features and services encompass additional services or service options available to customers for additional charges.

4.1.2. T-1 Channel Rates and Charges

A.	Recurring Monthly Charges (per T-1)	\$2,500.00
B.	Service Connection Charges (per T-1)	\$25,000.00

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SECTION 4 - RATES AND CHARGES, Continued,**4.1. RATES, Continued**4.1.6. Returned Check Charge \$25.00**4.2 REGULAR WORKING HOURS, EXCEPTIONAL WORKING HOURS, AND HOLIDAY HOURS**

For purposes of exceptional working hours and holidays the rates and charges specified in this Tariff contemplate that all work in connection with furnishing (not repairing) or rearranging service will be performed during regular working hours. Whenever a customer requests that such work be performed outside the Company's regular working hours or that work once begun be interrupted, so that the Company incurs costs that would not otherwise have been incurred, the customer may be required to pay, in addition to the other rates and charges specified in this Tariff, the amount of additional cost incurred by the Company as a result of the customer's special requirements. A customer may also be required to pay the amount of additional cost incurred by the Company resulting from the customer's special requirements. The customer will be informed of such estimated cost prior to its occurrence by the Company.

Business Day: 8:00 a.m. - 5:00 p.m. - Monday - Friday
 Evening: 5:00 - 11:00 p.m. Sunday - Friday and all Holidays *
 Night/Weekend: 11:00 p.m. - 8:00 Weeknights;
 8:00 a.m. - 11:00 p.m. - Saturday; 8:00a.m. - 5:00p.m. - Sunday

The hours listed above do not have any application to the services contained in this tariff other than to differentiate regular and exceptional work hours.

- Holidays include New Year's Day, Good Friday, Memorial Day, July 4th, Labor Day, Thanksgiving Day and the day after, Christmas Eve and Christmas Day.

The Company normally observes holidays falling on a Sunday on the following Monday and holidays falling on a Saturday on the preceding Friday.

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 Chief Executive Officer
 Tower Cloud, Inc.
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ATTACHMENT D - 1

Tower Cloud, Inc.
Balance Sheet

By Month for the Period Ending August 31, 2007

	Jan 31, 07	Feb 28, 07	Mar 31, 07	Apr 30, 07	May 31, 07	Jun 30, 07	Jul 31, 07	Aug 31, 07
ASSETS								
Current Assets								
Total Checking/Savings	11,008,276	10,529,839	9,594,806	9,151,375	6,516,833	7,687,222	6,927,012	6,479,838
Total Accounts Receivable	-	-	12,917	13,424	35,316	3,906	7,760	-
Total Other Current Assets	74,589	88,558	105,548	100,103	124,804	110,158	132,374	107,790
Total Current Assets	11,082,865	10,618,406	9,703,071	9,264,903	6,777,153	7,801,287	7,067,146	6,587,628
Total Fixed Assets	682,271	1,094,922	1,239,167	1,498,871	1,627,314	2,090,763	2,755,863	3,017,500
Total Other Assets	14,240	91,350	90,950	90,950	164,178	747,078	211,352	212,420
TOTAL ASSETS	\$ 11,787,376	\$ 11,802,758	\$ 11,033,177	\$ 10,822,724	\$ 8,568,644	\$ 10,639,118	\$ 10,034,361	\$ 9,817,548
LIABILITIES & EQUITY								
Liabilities								
Current Liabilities								
Total Accounts Payable	14,546	96,145	48,505	48,478	180,822	362,832	72,789	107,239
Total Other Current Liabilities	563,807	724,880	235,290	228,794	144,290	172,940	140,573	188,284
Total Current Liabilities	578,353	821,025	283,795	277,272	325,112	535,772	213,362	275,524
Total Liabilities	578,353	821,025	283,795	277,272	325,112	535,772	213,362	275,524
Equity								
3100 - Preferred Stock	10,620,006	10,620,006	10,620,006	10,620,006	10,620,006	10,620,006	10,620,006	10,620,006
3200 - Common Stock	2,270,005	2,270,005	2,270,005	2,308,405	2,308,405	2,328,405	2,328,405	2,344,405
32000 - Retained Earnings	(1,551,782)	(1,551,782)	(1,551,782)	(1,361,781)	(1,551,782)	(1,551,782)	(1,551,782)	(1,551,782)
3300 - Additional Paid in Capital	2,250	2,250	11,063	15,712	19,780	17,808	19,858	19,408
Net Income	(161,257)	(268,747)	(598,509)	(844,887)	(1,108,867)	(1,317,985)	(1,598,488)	(1,980,013)
Total Equity	11,179,223	10,361,733	10,781,383	10,546,464	10,283,633	10,284,444	9,818,019	9,542,025
TOTAL LIABILITIES & EQUITY	\$ 11,787,376	\$ 11,802,758	\$ 11,033,177	\$ 10,822,724	\$ 8,568,644	\$ 10,639,118	\$ 10,034,361	\$ 9,817,548

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ATTACHMENT D - 2

Tower Cloud, Inc.
Statement of Income (Loss) Before Income Taxes
By Month and Year to Date August 31, 2007

	Jan 07	Feb 07	Mar 07	Apr 07	May 07	Jun 07	Jul 07	Aug 07	TOTAL
Total Revenue	-	-	-	-	1,879	4,180	9,299	20,515	35,813
Total Cost of Sales	1,049	2,916	2,399	9,304	12,204	34,410	36,614	34,562	135,458
Gross Profit	(1,049)	(2,916)	(2,399)	(9,304)	(10,325)	(30,230)	(29,354)	(14,047)	(99,645)
Total SG&A Expenses	181,335	209,745	251,898	250,751	289,352	185,061	251,478	275,145	1,874,565
Net Ordinary Income	(182,384)	(212,661)	(254,097)	(260,054)	(279,677)	(215,311)	(290,833)	(289,192)	(1,874,210)
Interest Income	23,056	18,670	17,973	17,358	16,487	14,434	13,834	12,172	133,986
Total Other Income	23,056	18,670	17,973	17,358	16,487	14,434	13,834	12,172	133,986
Depreciation and Amortization	1,829	3,409	3,639	3,681	790	8,281	11,475	16,525	49,799
Total Other Expenses	1,829	3,409	3,639	3,681	790	8,281	11,475	16,525	49,799
Net Other Income	21,127	15,171	14,334	13,677	15,707	6,173	2,369	(4,353)	84,197
Net Income (Loss) Before Income Taxes	\$ (181,257)	\$ (197,490)	\$ (239,763)	\$ (246,378)	\$ (263,970)	\$ (209,138)	\$ (278,473)	\$ (283,545)	\$ (1,890,013)

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ATTACHMENT B - 4
Book Value

Tower Cloud, Inc.

Book value of all AZ jurisdictional assets expected to be used in the provision of telecommunications service to AZ customers at the end of the first twelve months of operation.

100 sites x \$56k per site	5,600,000
Office equipment	<u>50,000</u>
Book value - FMV	<u>5,650,000</u>

ORIGINAL


TOWER CLOUD RECEIVED

2007 NOV -9 P 12:49

AZ CORP COMMISSION
DOCKET CONTROL

November 8, 2007

Via UPS

Docket Control Center
Arizona Corporation Commission
1200 West Washington Street
Phoenix, AZ 85007-2927
602.542.3477

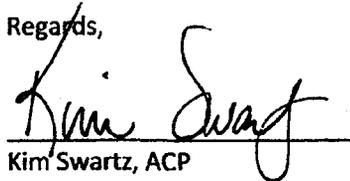
Re: Tower Cloud, Inc. Application and Petition for Certificate of Convenience and Necessity to Provide Intrastate Telecommunications Services Memo of Clarification

Docket Number: T-20563A-07-0627

Dear Sir or Madam:

Please find enclosed one (1) original and thirteen (13) copies of the referenced clarification memo. Kindly contact if you require any additional information regarding the application.

Regards,



Kim Swartz, ACP
Contractor
Tower Cloud, Inc.
727.471.5691
kswartz@towercloud.com

Arizona Corporation Commission
DOCKETED

NOV 09 2007

DOCKETED BY 



Memo

To: Arizona Corporation Commission

From: Melissa Buda

Date: November 8, 2007

Re: Tower Cloud 07-0652

Docket Number - T - 20563A - 07 - 0627

Following a discussion with a staff analyst with the Arizona Corporation Commission, Tower Cloud, Inc. is providing this Memo to clarify its application. Tower Cloud, Inc. is not seeking Local Exchange CC&N authority to provide services to end-users. It is only seeking CC&N authority to provide Special Access services to carriers, as further explained in Attachment A-1 of the referenced application.



Melissa Buda
VP Legal and Regulatory
727.471.5620
mbuda@towercloud.com

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2007 NOV 14 P 2:34

ARIZONA CORPORATION COMMISSION
DOCUMENT CONTROL

November 9, 2007

Via UPS

Docket Control Center
Arizona Corporation Commission
1200 West Washington Street
Phoenix, AZ 85007-2927
602.542.3477

Re: Tower Cloud, Inc.'s Response to Staff's Letter of Insufficiency and First Set of Data Requests

Docket Number: T-20563A-07-0627

Dear Sir or Madam:

Please find enclosed one (1) original and thirteen (13) copies of the referenced response. Kindly contact me if you require any additional information regarding the application.

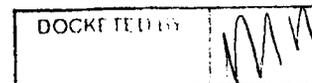
Regards,

A handwritten signature in cursive script that reads 'Kim Swartz'.

Kim Swartz, ACP
Contractor
Tower Cloud, Inc.
727.471.5691
kswartz@towercloud.com

Arizona Corporation Commission
DOCKETED

NOV 14 2007



9501 International Court N.
St. Petersburg, Florida 33716
(727) 471-5600

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 NOV 11 10 23 34
 STATE COMMISSION
 PUBLIC CONTROL

Tower Cloud, Inc. Response to Arizona Corporation Commission
 Staff's First Set of Data Requests to
 Tower Cloud, Inc. ("TCI")
 Docket T-20563A-07-0627

STF 1.1	Searchable copy of tariff via email to afimbres@azcc.gov	Sent by Kim Swartz 11/9/07
STF 1.2	Attachment D in excel file format via email to afimbres@azcc.gov	Sent by Kim Swartz 11/9/07
STF 1.3	Attachment B-4 in excel file format via email to afimbres@azcc.gov	Sent by Kim Swartz 11/9/07
STF 1.4	Provide Requested in A-8.3 of the CC&N	Attached
STF 1.5	Confirm or correct TCI deposit and prepayment policy is stated in tariff section 2.4	TCI confirms its deposit and pre-payment policy as stated in tariff section 2.4. It should be noted that as of this date, TCI has not required pre-payment or deposit from any customer.
STF 1.6	Does TCI understand that rates in tariff will be considered Maximum Rates	TCI understands that the rates specified in the Tariff are Maximum Rates.
STF 1.7	Discuss how TCI rates compare to those of key competitors	Rates charged by TCI and its competitors are confidential proprietary information. Therefore, TCI does not know what its competitors charge for similar services. TCI and its competitors have been involved in many RFPs for the same customers. Some contracts have been awarded to TCI and some to its key competitors. Therefore, TCI believes its rates are probably comparable to those of its key competitors.
STF 1.8	Clarify meaning of tariff section 2.4.3. Under what conditions might TCI ask for a deposit or prepayment amount less than two and one-half months' estimated charges?	Section 2.4.3 means the deposit or pre-payment amount is a not to exceed number. TCI can, based on its assessment of its customer, charge anywhere from 0 up to a maximum of two and one-half months estimated charges. Perhaps TCI would charge less than two and on-half months' estimated charges to a customer that, while not high risk, was on the borderline of no risk and somewhat risk.
STF 1.9	Clarify 2.4.7 in a similar manner as 2.4.3	Section 2.4.7 was meant to indicate that both a pre-payment and deposit may be required. The same clarification from 2.4.3 applies to 2.4.7. It should be noted that as of this date, TCI has not required pre-payment or deposit from any customer.
STF 1.10	Explain why 2.10.4 does not explicitly refer to	Section 2.10.4 does not explicitly refer to the returned check charge of \$25

	the returned check charge of \$25 in tariff section 4.1.6	because section 2 addresses the rules and regulations that apply while section 4 provides the specific rates and charges that apply to the rules and regulations.
STF 1.11	If tariff section 2.10.4 should not be interpreted to refer to the \$25 charge in section 4.1.6, please clarify the "non-recurring charge" referenced in section 2.10.4	Section 2.10.4 should be interpreted to refer to the \$25 referenced in section 4.1.6.
STF 1.12	Has TCI been denied authority to offer telecommunications services in any state jurisdictions?	TCI has not been denied authority to offer telecommunications services in any state jurisdictions.
STF 1.13	Explain when TCI began providing telecommunication services in FL, NC and OR and TCI customer complaint history in those states	<ol style="list-style-type: none"> 1) TCI began providing telecommunication services in Florida in June 2007. TCI currently only provides telecommunication services in Florida despite its having authorization in North Carolina and Oregon. 2) TCI has had no customer complaints in Florida.

Attachment A

A- 8.2

A- 8.3

Tower Cloud, Inc.	Percentage of Ownership
Corporate Officers	
9/24/2007	
Ronald J. Mudry President and CEO	9.54
Thomas W. Guard CFO	1.2
Jonathan E. Yount SVP, Network Services	0
Richard A. Saffir General Counsel	7.05
Melissa J. Buda VP, Legal and Regulatory Corporate Secretary	1.08
George N. Townsend VP, Business Development	0.05
John Verghese VP, Network Planning and Engineering	0.05
Patricia T. Morrison VP, Finance	1.08
Directors	
Ronald J. Mudry	9.54
Scott Irwin	0
Tench Coxe	0.97
Joseph Stockwell	8.04
David Grain	0

ORIGINAL

MEMORANDUM

30

TO: Docket Control
FROM: Ernest G. Johnson
Director
Utilities Division

EA for EGJ

DATE: January 31, 2008

RE: IN THE MATTER OF THE APPLICATION OF TOWER CLOUD, INC. FOR APPROVAL OF A CERTIFICATE OF CONVENIENCE AND NECESSITY TO PROVIDE INTRASTATE TELECOMMUNICATIONS SERVICES SUCH AS FACILITIES BASED LOCAL EXCHANGE TELECOMMUNICATIONS SERVICES (DOCKET NO. T-20563A-07-0627)

Attached is the Staff Report for the above referenced application. The Applicant is applying for approval to provide the following services:

- Special Access Services

Staff is recommending approval of the application.

EGJ:AFF:kdh

Originator: Armando Fimbres

Attachment: Original and Thirteen Copies

RECEIVED
2008 JAN 31 P 10:10
AZ CORP COMMISSION
DOCKET CONTROL

Arizona Corporation Commission
DOCKETED
JAN 31 2008

DOCKETED BY NR

EXHIBIT
51

ADMITTED

SERVICE LIST FOR: Tower Cloud, Inc.
DOCKET NO. T-20563A-07-0627

Ms. Kim Swartz, ACP
Contractor
Tower Cloud, Inc.
9501 International Court North
St. Petersburg, Florida 33716

Ms. Melissa Buda
Tower Cloud, Inc.
9501 International Court North
St. Petersburg, Florida 33716

Mr. Christopher C. Kempley
Chief, Legal Division
Arizona Corporation Commission
1200 West Washington
Phoenix, Arizona 85007

Mr. Ernest G. Johnson
Director, Utilities Division
Arizona Corporation Commission
1200 West Washington
Phoenix, Arizona 85007

Ms. Lyn Farmer
Chief, Hearing Division
Arizona Corporation Commission
1200 West Washington
Phoenix, Arizona 85007

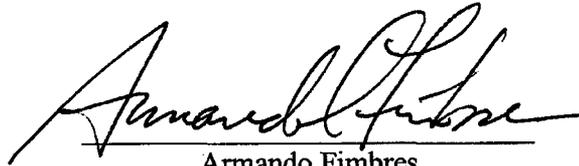
STAFF REPORT
UTILITIES DIVISION
ARIZONA CORPORATION COMMISSION

IN THE MATTER OF THE APPLICATION OF TOWER CLOUD, INC.
FOR APPROVAL OF A CERTIFICATE OF CONVENIENCE AND NECESSITY
TO PROVIDE INTRASTATE TELECOMMUNICATIONS SERVICES
SUCH AS FACILITIES BASED
LOCAL EXCHANGE TELECOMMUNICATIONS SERVICES.
(DOCKET NO. T-20563A-07-0627)

January 31, 2008

STAFF ACKNOWLEDGMENT

The Staff Report for the application of Tower Cloud, Inc., Docket No. T-20563A-07-0627, for approval of a Certificate of Convenience and Necessity to provide intrastate telecommunications services, was the responsibility of the staff member listed below.

A handwritten signature in black ink, appearing to read "Armando Fimbres", written over a horizontal line.

Armando Fimbres
Public Utility Analyst V

TABLE OF CONTENTS

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1 INTRODUCTION	1
2 TECHNICAL CAPABILITY TO PROVIDE THE REQUESTED SERVICES.....	1
3 FINANCIAL CAPABILITY TO PROVIDE THE REQUESTED SERVICES	2
4 ESTABLISHING RATES AND CHARGES	2
5 REVIEW OF COMPLAINT INFORMATION	3
6 COMPETITIVE SERVICES ANALYSIS FOR SPECIAL ACCESS SERVICES.....	3
7 RECOMMENDATIONS	4
7.1 <i>RECOMMENDATION ON THE APPLICANT'S PETITION TO HAVE ITS PROPOSED SERVICES CLASSIFIED AS COMPETITIVE</i>	5

1 INTRODUCTION

On November 1, 2007 Tower Cloud, Inc. ("TCI" or "Applicant") filed an application for a Certificate of Convenience and Necessity ("CC&N") to provide intrastate telecommunications services such as Facilities Based Telecommunications Services. The Applicant petitioned the Arizona Corporation Commission ("Commission") for a determination that its proposed services should be classified as competitive.

A Certificate of Good Standing from the State of Arizona was attached to TCI's application. The certificate indicates that TCI is in good standing with the Arizona Corporation Commission and is qualified to do business as a ~~domestic limited liability~~ corporation organized under the laws of the state of ^{Delaware} ~~Arizona~~.

On November 9, 2007, TCI filed a memo clarifying its CC&N application in response to a discussion with Staff. TCI clarified that it only seeks to provide Special Access services.

On November 14, 2007, TCI filed its response to Staff's First Set of Data Requests issued by Staff on November 8, 2007. TCI also provided three electronic files by email to Staff. On November 14 and 15, 2007, TCI responded with clarifications via email to informal requests from Staff.

Staff's review of this application addresses the overall fitness of the Applicant to receive a CC&N. Staff's analysis also considers whether the Applicant's services should be classified as competitive and if the Applicant's initial rates are just and reasonable.

2 TECHNICAL CAPABILITY TO PROVIDE THE REQUESTED SERVICES

TCI proposes to offer facilities-based backhaul communications services to wireless communication carriers. Backhaul is the transport of voice, video and data traffic from a carrier's mobile base station or cell site, to their mobile switching center ("MSC"). TCI provides backhaul via fiber optics and wireless microwave in the form of T1s and Ethernet. TCI only serves major wireless communication carriers and does not offer any services to retail end users.

TCI has authority to operate in Florida, North Carolina and Oregon but operations have only been launched in Florida. The Applicant began providing telecommunications services in Florida in June 2007 and expects to launch service in Arizona by June 2008.

TCI indicates that it does not have applications pending in any states nor has it been denied approval in any states. The Applicant also does not have any affiliates within the state of Arizona.

The telecommunications experience of TCI's top 8 executives exceeds a combined total of 90 years.

3 FINANCIAL CAPABILITY TO PROVIDE THE REQUESTED SERVICES

TCI was founded in April 2006 by Ron Mudry and is based in St. Petersburg, Florida. TCI investors include El Dorado Ventures, a Menlo Park, CA-based early-stage venture capital firm and Palo Alto, CA-based Sutter Hill Ventures.

Since TCI began operations less than two years ago, it was unable to provide two years of financial statements as requested in section (B-1) of the CC&N application. TCI did provide financial statements for the period January 1, 2007 through August 31, 2007. The financial statements provided by TCI list total assets of \$9,817,548; total equity of \$9,542,024; and net income of (\$1,890,012). The Applicant did not provide notes related to the 2007 financial statements.

4 ESTABLISHING RATES AND CHARGES

The Applicant would be providing service in areas where an incumbent local exchange carrier ("ILEC"), along with various competitive local exchange carriers ("CLECs") and interexchange carriers ("IXCs") are providing telecommunications services. Therefore, the Applicant would have to compete with those providers in order to obtain subscribers to its services. The Applicant would be a new entrant and would face competition from both an incumbent provider and other competitive providers in offering service to its potential customers. Therefore, the Applicant would generally not be able to exert market power. Thus, the competitive process should result in rates that are just and reasonable.

The rates proposed for this filing are for competitive services. In general, rates for competitive services are not set according to rate of return regulation. Currently, TCI has a zero value rate base but its fair value rate base is projected to exceed \$5 Million within 12 months of operation. The rate to be ultimately charged by the company will be heavily influenced by the market.

Upon receiving Commission authority, TCI will provide only intrastate access services. The rates proposed by this filing are for competitive services, however, the vast majority of TCI's customers are expected to purchase transport services under individual case basis ("ICB") arrangements and pricing. Non-ICB customers will be allowed to purchase services in accordance with rates established in the tariff proposed by TCI, however, the preferred practice of TCI will be to operate with the use of ICBs.

Staff has reviewed the maximum rates to be charged by the Applicant and believes they are just and reasonable as they are set with an understanding of the competitive situation in Arizona. Since the services are for highly competitive services and targeted for sophisticated carriers and communications companies experienced in negotiating charges and other contract terms for point-to-point voice and data services,

Staff believes the rates are just and reasonable. TCI's proposed tariffed rates for AZ are similar to those authorized for TCI in other jurisdictions. Therefore, while Staff considered the fair value rate base information submitted by the company, it did not accord that information substantial weight in its analysis.

Although both an actual rate and a maximum rate may be listed for each competitive service offered, TCI's proposed tariff only contains maximum rates at this time. The rate charged for a service may not be less than the Company's total service long-run incremental cost of providing the service pursuant to A.A.C. R14-2-1109.

5 REVIEW OF COMPLAINT INFORMATION

As a relatively new service provider, Staff was able to locate little information on TCI's service history. Staff research did not disclose any complaints in Florida, North Carolina or Oregon nor at the Federal Communications Commission ("FCC"). Staff did confirm with the Florida, North Carolina and Oregon commission sites that TCI is authorized to provide telecommunications services in the respective states.

In its application, TCI explained that none of its officers, directors or partners has been involved in any civil or criminal investigations, formal or informal complaints. The Applicant also indicated that none of its officers, directors or partners has been convicted of any criminal acts in the past ten (10) years.

Staff did not identify any facts in dispute.

6 COMPETITIVE SERVICES ANALYSIS FOR SPECIAL ACCESS SERVICES

6.1.1 Special Access Services

Special Access Service is a Private Line Service in which a direct circuit or channel specifically dedicated to the use of an end user organization for the purpose of directly connecting two or more sites in a multi-site enterprise. Private line service provides a means by which customers may transmit and receive messages and data among various customer locations over facilities operated and provided by the Applicant. The Applicant is therefore engaged in providing telecommunications service for hire to the public, which fits the definition of a common carrier and a public service corporation. Staff believes the Commission has jurisdiction over the services to be provided by TCI. Staff also believes a hearing is necessary.

6.1.2 Description of Requested Services

TCI proposes to provide special access service. Special access service is a direct circuit or channel specifically dedicated to the use of an organization for the purpose of directly connecting two or more sites in a multi-site enterprise. TCI will not be providing retail services to end-users.

6.1.3 A description of the general economic conditions that make the relevant market for the service one that is competitive.

IXCs hold a substantial share of the special access service market. Also, a number of ILECs and CLECs have been authorized to provide special access service. The Applicant will be entering the market as an alternative provider of special access and, as such, the Applicant will have to compete with several existing companies in order to obtain customers.

6.1.4 The number of alternative providers of the service.

IXCs, ILECs and CLECs are known to provide special access service.

6.1.5 The estimated market share held by each alternative provider of the service.

The exact market share information corresponding to IXCs, ILECs, and CLECs is unknown.

6.1.6 The names and addresses of any alternative providers of the service that are also affiliates of the telecommunications Applicant, as defined in A.A.C. R14-2-801.

None

6.1.7 The ability of alternative providers to make functionally equivalent or substitute services readily available at competitive rates, terms and conditions.

IXCs have the ability to offer the same services that the Applicant has requested in their respective service territories. Similarly, many of the ILECs and CLECs offer substantially similar services.

7 RECOMMENDATIONS

Staff recommends that Applicant's application for a CC&N to provide intrastate telecommunications services, as listed in this Report, be granted. Staff further recommends:

1. That the Applicant comply with all Commission Rules, Orders and other requirements relevant to the provision of intrastate telecommunications services;
2. That the Applicant abides by the quality of service standards that were approved by the Commission for Qwest in Docket No. T-01051B-93-0183;
3. That the Applicant be required to notify the Commission immediately upon changes to the Applicant's name, address or telephone number;

4. That the Applicant cooperate with Commission investigations including, but not limited to customer complaints;
5. The rates proposed by this filing are for competitive services. In general, rates for competitive services are not set according to rate of return regulation. Staff obtained information from the company that indicates its fair value rate base is projected to exceed \$5 Million within 12 months of operation. Staff has reviewed the rates to be charged by the Applicant and believes they are just and reasonable as they are comparable to other competitive local carriers offering service in Arizona and comparable to the rates the Applicant charges in other jurisdictions. The rate to be ultimately charged by the company will be heavily influenced by the market. Therefore, while Staff considered the fair value rate base information submitted by the company, the fair value information provided was not given substantial weight in this analysis;
6. Staff further recommends that the Commission authorize the Applicant to discount its rates and service charges to the marginal cost of providing the services.

Staff further recommends that the Applicant be ordered to comply with the following. If it does not do so, the Applicant's CC&N shall be null and void after due process.

1. The Applicant shall docket 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. The tariffs submitted shall coincide with the application.

7.1 RECOMMENDATION ON THE APPLICANT'S PETITION TO HAVE ITS PROPOSED SERVICES CLASSIFIED AS COMPETITIVE

Staff believes that the Applicant's proposed services should be classified as competitive. There are alternatives to the Applicant's services. The Applicant will have to convince customers to purchase its services, and the Applicant has no ability to adversely affect the local exchange or intrastate access service markets. Therefore, the Applicant currently has no market power in the local exchange where alternative providers of telecommunications services exist. Staff therefore recommends that the Applicant's proposed services be classified as competitive.