

GARY H. HORTON

ATTORNEY AT LAW

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PHONE: (928) 649-6113

FAX: (928) 649-2711

Ghorton_57@msn.com



0000088004

989 SOUTH MAIN STREET, SUITE A
PMB 447
COTTONWOOD, ARIZONA 86326-4602

August 20, 2008

ORIGINAL

Arizona Corporation Commission
Attn: Docket Control
1200 West Washington St.
Phoenix, Arizona 85007

**Re: Midvale Telephone Exchange, Inc.
Docket #T-02532A-07-0586
Responses to Staff's Fourth Set of Data Requests**

To Whom It May Concern:

Enclosed are the original and 14 copies of Midvale Telephone Exchange, Inc.'s Responses to Staff's Fourth Set of Data Requests for filing.

Please return a conformed copy in the enclosed envelope.

Thank you,

Gary H. Horton
Attorney for Midvale Telephone Exchange, Inc.

GHH/gh

Encls.

Arizona Corporation Commission
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In addition to this paper response, all information responses are provided in searchable word format by email to Richard Boyles.

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

STF 4.1 In Paragraph 4 of Table Top Telephone Company, Inc.'s (Table Top") Motion to Intervene, Table Top states "that it can serve these sections sooner, and provide better, more cost-effective service". What is Midvale's position in regards Table Top's assertion?

Response Midvale disagrees. Midvale timeline to provide service is far ahead of Table Top's from both an administrative and technical prospective.

Midvale's search of the ACC E-Docket reveals that as of August 20, 2008, Midvale is the **only** company with an application pending with the Arizona Corporation Commission to provide service to this area. With the filing of these responses, With these responses, Midvale will have provided responses to four sets of Staff Data Requests. Staff has had the opportunity to follow up and clarify all of Midvale's responses to date. In other words, Midvale is the only company that has demonstrated its ability to serve. Table Top has done nothing to demonstrate its ability to serve. It will take Table Top many more months to move its yet to be filed application (if Table Top actually intends to file an application) through the process to approval or disapproval.

From a technical prospective, Midvale Telephone Exchange already has electronics in place to serve the area. Midvale has fibers allocated to extend service into the development. Midvale has fiber in place to the developments main gate. Midvale is working with the developer to pound out the details to plow 6 miles of conduit from the developers main gate to the development and plans to start that process the end of July 2008. If Midvale is granted the CC&N to serve, we will blow the fiber though that conduit and have service available to customers who want it within two months of the application being granted.

Dennis Farrington
Arizona Operations Manager
dennis@midvaletelephone.com
520-591-2863
1152 Morris Lane
Benson, Arizona 85602

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STF 4.2 In Paragraph 6 of Table Top's Motion to Intervene, Table Top identifies three fiber construction projects "that run directly through the major developable areas of the Williamson Valley Extension Area." What is Midvale's position in regards to Table Top's assertion?

Response Please refer to Midvale response to 4.1 above. Midvale already has a fiber network in some of those major developing and developable areas. Midvale is in a superior position to serve Las Vegas Ranch as compared to Table Top. Further, Midvale has fibers allocated to go north of Las Vegas and Crossroads ranch as service is required.

Importantly, it must be noted that Table Top does not have fiber in the area yet. Table Top is working on a plan to plow fiber from Siligman down Williamson Valley and across Camp Wood Road to Bagdad. Staff should ask how Table Top's future plans put Table Top in a superior position to serve to Midvale's when Midvale already has fiber to the Las Vegas developments gate, and has all the facilities necessary to provide service allocated.

Further, as Staff knows, it is not unusual for one company to have fiber or other utility lines running through the territory of a competing provider's territory. This says very little about the "non-territorial" company's ability to serve the area through which its infrastructure passes. If Table Top wished to serve the area, it could have, and should have, requested the authority to and accepted the responsibility of providing service when it installed its line through the territory, or even at the time it filed its application to intervene in Midvale's application. To make the assertion now that it is in position to serve the area does nothing but to delay service to the area.

Dennis Farrington
Arizona Operations Manager
dennis@midvaletelephone.com
520-591-2863
1152 Morris Lane
Benson, Arizona 85602

STF 4.3 It is Staff's understanding that Midvale Telephone Exchange, Inc. ("Midvale") currently has fiber facilities located near the south entrance to Phase 1 of Las Vegas Ranch Estates. In Paragraphs 8 and 9 of Table Top's Motion to Intervene, Table Top specifies varies construction start and completion dates for its fiber projects. Given these facts, please explain with specificity why the Company believes it is better positioned to provide service to Las Vegas Estates and the

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balance of the area Table Top identifies as the Williamson Valley Expansion Area.

Response Midvale will have service available to both gate locations and to any customer in unit 1 who requests service **within two months** after the approval of its application to serve. Because Midvale already has the electronics in the field and is ready to go to provide service, the estimated cost of providing this service is **only \$80,000**.

Midvale Telephone Exchange has been in conversation with the developer of Las Vegas Ranch Estates regarding this project for the past year. We are currently working out the details to plow conduit from the main gate to the development. The developer has requested service at their gate locations at the Fair Oaks and Camp Woods location. MTE has facilities located at the Fair Oaks main entrance in the Qwest service area, although Qwest does not have facilities near there. Midvale Telephone Exchange has filed a request with Qwest for MTE to serve that location.

Midvale is also positioned to extend fibers north of Crossroads Ranch to provide service if we have requests for service.

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Arizona Operations Manager
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Benson, Arizona 85602

STF 4.4 In Paragraph 10 of Table Top's Motion to Intervene, Table Top states "The public interest will not be served by Midvale's construction of duplicate facilities." What is Midvale's position in regards to Table Top's assertion?

Response Midvale disagrees. **Midvale already has facilities in place**, allocated for the Las Vegas Ranch project. The public interest will be better served with Midvale providing the service sooner, rather than Table Top providing service later.

Further, with Midvale providing service the public interest will be better served by consumers having the advantage of full **EAS calling in the Prescott area**. The same is not true if Table Top serves the area. The fact is Midvale's facilities are in place and Table Top's would be duplication. This fact is not lost on Table Top as Table Top has inquired about leasing Midvale's fiber to serve their customers in Long Meadow Ranch. We have provided them a detailed map of our fiber infrastructure and have offered to assist them in any way that we can.

Table Top has approval to put fiber through a currently unserved area. Table Top did not seek to include that area within its territory. Table Top now argues that it is in a better position to serve the area because it has approval to pass fiber through the area. Acceptance of that argument is to say that if a company A gains approval to put infrastructure through an area, it is by default in a better position to serve the area and therefore any other company which willing to provide necessary services at a reasonable price is excluded from doing so. *Even though Company A has never filed an application or shown it has worked with a developer to serve the area.* Such a conclusion amounts to the gaining the exclusive right to serve a territory without ever being awarded a certificate of convenience and necessity to serve the area and is contrary to the public interest. Such a conclusion is particularly nonsensical where Midvale is already in position to serve.

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Arizona Operations Manager
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STF 4.5 Please compare the Company's potential provision of service to that of Table Top for the area Table Top identifies as the Williamson Valley Expansion Area and the customer benefits where differences between the two companies exist. Please be specific. Possible comparisons might include 1) type of facilities extended to the customer, 2) retail pricing, 3) local calling scope, 4) broadband offerings (both speeds and price), bundled offerings, 5) variety of service offerings, 6) reliability and etc.

Response As Table Top has not filed an application to serve the area, any comparisons would be pure speculation. Midvale is being asked why it is in a better position to serve than a company that has provided no information to Staff showing its ability to serve and what its service would look like. That said, Midvale will address how Midvale would provide the consumer benefits outlined.

Midvale provides service via a Giga Bit Passive Optical Network (GPON) to the home. What this means is high bandwidth potential. We are working with Qwest on an upgrade of our interconnecting facilities to an OC12 Sonet system. The upgrade will be complete by first quarter of 2009. This will then enable us to provide several megs of download potential to the customers. At the present time, we are providing 1 meg down and up.

Midvale Telephone Exchange, Inc.
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Docket No. T-02532A-07-0586

Our existing transport to the Williamson Valley area is a DS3 radio. This allows for a potential throughput the equivalent of 28 T-1's – This is plenty of throughput potential for the existing customer base and will support significant growth. However to further improve service, Midvale is working on a plan to extend fiber to Williamson Valley from Chino Valley so that if build out of the developments we service does happen, we will have the capacity to handle whatever the voice and bandwidth demands become.

Midvale offers all of the class and vertical services :

- Caller ID
- Last Call Return
- Call Forwarding
- Call Waiting
- Voice Mail
- Distinctive Ring
- Speed Calling
- Call Trace
- Selective Call Rejection
- Selective Call Acceptance
- Selective Call Forwarding

Our service record is impeccable. We have a commitment to respond to any trouble call within 24 hours. The FTTH technology enables techs to know when and where there is a problem before the customer does.

Our Mill Site Exchange allows for local calling both ways to the Prescott EAS area. Table Top currently has one way EAS.

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Arizona Operations Manager
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Benson, Arizona 85602

STF 4.6 To the extent not addressed by the Company's response to the preceding data request questions, are there other factors which the Company believes makes it better situated than Table Top to served the Williamson Valley Expansion Area?

Response **Midvale is the only company that has filed an application to serve the area.** Midvale has a commitment to serve residences in Williamson Valley who were not previously being served. Midvale provides more technologically advance service to its customers than does Table Top. Midvale brought Fiber to the Home service to the Long Meadow Ranch residences who reside within our exchange boundaries. To date, Table Top has not provided service to their customers in Long Meadow Ranch.

The Las Vegas Ranch Estates are contiguous to our exchange. Our Williamson Valley fiber network was designed with serving that development as part of the plan.

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STF 4.7 Has the Company engaged in any discussions with Table Top regarding a way to equitably resolve the desire of both companies to provide service to the Williamson Valley Expansion Area? If yes, please describe.

Response We have not. We have approached Table Top about serving their customers in Long Meadow Ranch at the request of the residences there. Table Top declined our offer and then countered with a trade for an area we are serving. As we were providing service in that area, it was not a good option for us. Since then Table Top has approached us about leasing fibers in Williamson Valley to serve their part of the Long Meadow Ranch development. Midvale Telephone provided Table Top with maps of our infrastructure and offered to work with them to make that possible.

Table Top has not approached us regarding our application to serve the upper Williamson Valley area nor Las Vegas Ranch Estates. Midvale Telephone Exchange has not discussed Table Top's intervention to serve.

Our main interest is providing service to Las Vegas Ranch Estates. As mentioned we will be able to build out service at a relatively low cost and in a short time. The electronics are in place to extend service to them with out the additional cost of switching and carrier equipment.

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