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Arizona Corporation Commission
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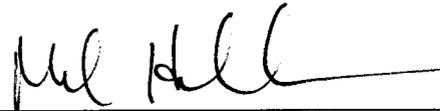
9 IN THE MATTER OF THE APPLICATION OF)
TELEQUALITY COMMUNICATIONS, INC.)
10 FOR APPROVAL OF A CERTIFICATE OF)
CONVENIENCE AND NECESSITY TO)
11 PROVIDE PRIVATE LINE DATA SERVICES)

DOCKET NO. T-20626A-08-0484
NOTICE OF FILING DATA
RESPONSES

12
13 Pursuant to the July 26, 2010 Procedural Order issued by Administrative Law
14 Judge Sarah Harpring, TeleQuality Communications, Inc., (the "Applicant") files its
15 responses to Arizona Corporation Commission Staff's first and second sets of data
16 requests. The Applicant has redacted competitively sensitive financial information
17 contained in the attachments to the responses to the first set of data requests. Total figures
18 for assets, equity, and net income are contained in the Staff Report filed on July 23, 2010.

19 RESPECTFULLY submitted this 23rd day of August, 2010.

20
21 LEWIS AND ROCA LLP

22 

23 Michael T. Hallam
24 40 North Central Avenue
Phoenix, AZ 85004

25 Attorneys for TeleQuality Communications, Inc.
26

1 ORIGINAL and thirteen (13) copies
2 of the foregoing filed this 23rd day
of August, 2010, with:

3 Arizona Corporation Commission
4 Hearing Division – Docket Control
5 1200 W. Washington Street
Phoenix, Arizona 85007

6 COPY of the foregoing hand-delivered
7 this 23rd day of August, 2010, to:

8 Honorable Sarah N. Harpring
9 Hearing Division
10 Arizona Corporation Commission
11 1200 W. Washington Street
12 Phoenix, Arizona 85007

13 Janice Alward, Chief Counsel
14 Legal Division
15 Arizona Corporation Commission
16 1200 W. Washington Street
17 Phoenix, Arizona 85007

18 Steven M. Olea, Director
19 Utilities Division
20 Arizona Corporation Commission
21 1200 W. Washington Street
22 Phoenix, Arizona 85007

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24
25
26
A handwritten signature in cursive script, reading "Jayne Williams", is written over a horizontal line.

**TeleQuality Communciations, Inc.
Responses to Staff's First Set
of Data Requests**

TELEQUALITY COMMUNICATIONS, INC.'S
RESPONSE TO ARIZONA CORPORATION COMMISSION
STAFF'S FIRST SET FO DATA REQUESTS

Docket T-20626A-09-0484

Telequality Communications, Inc. ("TQC") hereby submits the following responses to the First Set of Data Requests submitted by the Arizona Corporation Commission Staff ("Staff").

CA-1.1. Does TQC intend to provide non-switched, dedicated point-to-point data transport telecommunications services to residential or business end-users in Arizona?

Response: TQC intends to provide service on to business end-users (primarily non-profit businesses). No residential service will be offered.

TELEQUALITY COMMUNICATIONS, INC.'S
RESPONSE TO ARIZONA CORPORATION COMMISSION
STAFF'S FIRST SET FO DATA REQUESTS

Docket T-20626A-09-0484

CA-1.2. Please provide a detailed description of TQC's services.

Response: TeleQuality will, through collocations, UNE-loop assembled circuits, and/or resold purchased circuits provide point to point, high speed data service primarily to non-profit rural healthcare providers. TeleQuality may also provide the same services to urban affiliates of these rural healthcare providers when necessary in order to provide integrated solutions for the customer.

TELEQUALITY COMMUNICATIONS, INC.'S
RESPONSE TO ARIZONA CORPORATION COMMISSION
STAFF'S FIRST SET FO DATA REQUESTS

Docket T-20626A-09-0484

CA-1.3. Does TQC intend to provide local exchange and/or long distance telecommunications services in Arizona (reference page 29 section 3.0, page 30 section 4.0, and page 32 sections 6.1 and 6.2 of TQC's proposed tariff)?

Response: TeleQuality does not intend to provide local exchange or long distance switched voice service.

TELEQUALITY COMMUNICATIONS, INC.'S
RESPONSE TO ARIZONA CORPORATION COMMISSION
STAFF'S FIRST SET FO DATA REQUESTS

Docket T-20626A-09-0484

CA-1.4. If TQC's response to CA-1.3 is in the affirmative, please submit a revised application, as a separate filing, including 13 copies, with Docket Control, amending the company's response to (A-1) of the Application.

Response: See response to CA-1.3.

TELEQUALITY COMMUNICATIONS, INC.'S
RESPONSE TO ARIZONA CORPORATION COMMISSION
STAFF'S FIRST SET FO DATA REQUESTS

Docket T-20626A-09-0484

CA-1.5. If TQC's response to CA-1.3 is in the negative, please submit revised pages 29, 30 and 32, as a separate filing, including 13 copies, with Docket Control, removing the reference to local exchange service and long distance service offerings.

Response: TQC will submit revised tariffs as part of a separate filing.

TELEQUALITY COMMUNICATIONS, INC.'S
RESPONSE TO ARIZONA CORPORATION COMMISSION
STAFF'S FIRST SET FO DATA REQUESTS

Docket T-20626A-09-0484

CA-1.6. In its response to (A-1) of the application, TQC indicates that it is applying for authority to provide resold and facilities-based, non-switched, dedicated point-to-point data transport services. Please describe in detail the facilities TQC intends to have in Arizona.

Response: See Response to CA-1.2. In certain cases, TQC will only have collocation equipment in existing carrier facilities.

TELEQUALITY COMMUNICATIONS, INC.'S
RESPONSE TO ARIZONA CORPORATION COMMISSION
STAFF'S FIRST SET FO DATA REQUESTS

Docket T-20626A-09-0484

CA-1.7. Staff clarifies the language in section (A-11) of the application by explaining that “formal or informal complaint proceedings” is intended to cover all complaints filed, whether proven or dismissed. Please confirm TQC’s understanding of this clarification by affirming the information submitted in section (A-11) of the application or by submitting revised information, as a separate filing, including 13 copies, with Docket Control, amending the company’s response to (A-11) of the application.

Response: TQC confirms the original language in the Application.

TELEQUALITY COMMUNICATIONS, INC.'S
RESPONSE TO ARIZONA CORPORATION COMMISSION
STAFF'S FIRST SET FO DATA REQUESTS

Docket T-20626A-09-0484

CA-1.8. Does TQC intend to offer any of the services listed in its proposed tariff on an individual case basis ("ICB")?

Response: Yes.

TELEQUALITY COMMUNICATIONS, INC.'S
RESPONSE TO ARIZONA CORPORATION COMMISSION
STAFF'S FIRST SET FO DATA REQUESTS

Docket T-20626A-09-0484

CA-1.9. If TQC's response to CA-1.9 is in the affirmative, please submit revised pages, as a separate filing, including 13 copies, with Docket Control, including reference to ICB pricing for services.

Response: TQC will revise its tariff to include this language and will file as a separate filing.

TELEQUALITY COMMUNICATIONS, INC.'S
RESPONSE TO ARIZONA CORPORATION COMMISSION
STAFF'S FIRST SET FO DATA REQUESTS

Docket T-20626A-09-0484

CA-1.10. Please explain how TQC calculated the maximums and actual rates that will be contained in TQC's proposed tariff for each of its services.

Response: TQC will, through collocations, UNE-loop assembled circuits, and/or resold purchased circuits provide point to point, high speed data service primarily to non-profit rural healthcare providers. TQC may also provide the same services to urban affiliates of these rural healthcare providers when necessary in order to provide integrated solutions for the customer.

In most cases, TQC provides custom solutions for its customers. As such, the nonrecurring connection costs and recurring monthly network costs vary substantially from customer to customer, and from site to site. The vast majority of its customers, therefore, negotiate individual case basis ("ICB") contracts with TQC.

Nevertheless, the CC&N application requests applicants to provide maximum service rates. With the initial filing of its Application, TQC filed a tariff providing maximum nonrecurring and maximum monthly recurring charges, and intends to include provisions governing ICB arrangements.

For the customer that chooses not to negotiate an ICB contract, such customer will be required under the terms of the tariff to purchase segments at the tariffed rate and will be charged those tariffed non-recurring and recurring charges.

The nonrecurring charges was calculated by taking into account costs that the company incurs for: obtaining permits; construction; installing necessary fiber; and administrative costs associated with the opening of and maintaining a new customer account. The monthly recurring charge was calculated by taking into account network and administrative costs that TQC incurs in providing service to a customer.

TELEQUALITY COMMUNICATIONS, INC.'S
RESPONSE TO ARIZONA CORPORATION COMMISSION
STAFF'S FIRST SET FO DATA REQUESTS

Docket T-20626A-09-0484

CA-1.11. Please provide financial statements for the period from December 6, 2006 through October 31, 2008.

Response: See Attachment A and information attached as Exhibit D to the Application.

TELEQUALITY COMMUNICATIONS, INC.'S
RESPONSE TO ARIZONA CORPORATION COMMISSION
STAFF'S FIRST SET FO DATA REQUESTS

Docket T-20626A-09-0484

CA-1.12. Please provide projected financial statements for the next three years beginning January 1, 2009.

Response: See Attachment A.

TELEQUALITY COMMUNICATIONS, INC.'S
RESPONSE TO ARIZONA CORPORATION COMMISSION
STAFF'S FIRST SET FO DATA REQUESTS

Docket T-20626A-09-0484

CA-1.13. Page 32, section 6.3.1 of TQC's proposed tariff states a current NRC of \$1,800.00. However, page 31, section 5.1 states a maximum NRC of \$1,800.00. Is it TQC's intention to have the current NRC listed equivalent to the Maximum NRC listed?

Response: No. TQC will provide a revised tariff that will include a maximum NRC of \$2500.

TELEQUALITY COMMUNICATIONS, INC.'S
RESPONSE TO ARIZONA CORPORATION COMMISSION
STAFF'S FIRST SET FO DATA REQUESTS

Docket T-20626A-09-0484

CA-1.14. If TQC's response to question CA-1.8 is negative, please file a separate revision, including 13 copies with Docket Control indicating the revised current NRC on page 32, section 6.3.1.

Response: See response to CA-1.13. TQC will provide a revised tariff.

TELEQUALITY COMMUNICATIONS, INC.'S
RESPONSE TO ARIZONA CORPORATION COMMISSION
STAFF'S FIRST SET FO DATA REQUESTS

Docket T-20626A-09-0484

CA-1.15. Please explain why you believe that your range of rates is just and reasonable using a fair value or cost basis. Please include economic justification or cost support data. Please include any supporting materials.

Response: TQC proposes to offer, through collocations, UNE-loop assembled circuits, and/or resold purchased circuits point to point, high speed data service primarily to non-profit rural healthcare providers. TQC may also provide the same services to urban affiliates of these rural healthcare providers when necessary in order to provide integrated solutions for the customer.

TQC provides custom solutions for its customers, on a site-by-site basis. As such, the nonrecurring connection costs and recurring monthly network costs vary substantially from customer to customer, and from site to site. The vast majority of its customers, therefore, negotiate individual case basis ("ICB") contracts with TQC.

TQC believes that its rates are just and reasonable because they are set by a competitive market. The market for its services is competitive for several reasons:

- i. Most TQC customer contracts are ICB arrangements in order to meet the unique and specific needs of TQC's customers. Typically, TQC begins the process of acquiring a new customer by participating in a competitive bidding process, such as responding to a request for proposals, wherein TQC competes against other firms that provide similar services. Numerous providers in Arizona provide similar services to those provided by TQC and such services have been found by the Commission to be competitive. *In Re Application of OnFiber Carrier Services, Inc.* (Decision No. 67062); *In Re Application of Tower Cloud, Inc.* (Decision No. 70385).
- ii. TQC's customers are sophisticated customers experienced in negotiating charges and other contract terms for point-to-point data services. Its customers also have adequate resources to protect their business interests and negotiate for the best market prices for services such as TQC's service.
- iii. Given that TQC competes against other similar providers, participates in competitive bidding processes to win new customers and negotiates each ICB contract with sophisticated and experienced industry participants, TQC believes that the prices, terms and conditions of its service are competitive, and just and reasonable.

TELEQUALITY COMMUNICATIONS, INC.'S
RESPONSE TO ARIZONA CORPORATION COMMISSION
STAFF'S FIRST SET FO DATA REQUESTS

Docket T-20626A-09-0484

CA-1.16. Please indicate why you believe that your range of rates is just and reasonable using a competitive market analysis. Your analysis should contain publicly available examples of tariff rates and charges charged by the incumbent and other carriers for similar services. Include supporting material and any other information that you believe demonstrates that your proposed tariff rates and charges are just and reasonable.

Use a matrix format to list the company's proposed services, rates and charges. Based on the company's tariff, list all of the telecommunications services the company will provide in Arizona. For each of the telecommunications services listed, provide the company's tariff page numbers that support each of the company's services, rates, and charges. Also, provide the same information requested of the company for Qwest and two other Arizona competitors using the same matrix format. List each competitor's services, rates, and charges for the same or comparable services and include copies of the tariff page of each service, rate and charge of each competitor. For a list of telecommunications carriers certified in Arizona, go to www.azcc.gov/divisions/utilites/utilitylist.asp. For a list of Commission-approved telecommunications rates and tariffs, go to <http://www.azcc.gov/Divisions/Utilities/Tariff/util-tarifs-telecom.asp>. (Please Note: Refer to Attachments A, B, C, and D for the prescribed format to submit the company's telecommunications services, rates, and charges and the telecommunications services, rates, and charges of its competitors. Please make sure to include all supporting tariff pages for each of the company's competitors.)

Response: Given the limited types of services offered by Telequality (and the differences in those services from those in the matrix), Telequality has not used the matrix but has made the comparisons below:

Telequality:

NSF Check Charge: Original Sheet 12, Section 2.6.1.C.: "maximum lawful rate"—Telequality will revise tariff to include a rate of \$25.00.

T-1 Services: Original Sheet 31, Section 5:

[see attached tariff sheets for prices in Arizona which vary based on location]

TELEQUALITY COMMUNICATIONS, INC.'S
RESPONSE TO ARIZONA CORPORATION COMMISSION
STAFF'S FIRST SET FO DATA REQUESTS

Docket T-20626A-09-0484

With regard to services provided in other states, the NSF charge does not vary in any other states (\$25.00) and the installation charge (NRC) is the same in each state (except in special cases). The recurring charge in each state varies on the distances between the locations served.

Qwest and Other Competitors:

Qwest

NSF Check Charge: Original Page 36, Section 2.3.2 (Exchange and Network Services Price Cap Tariff): \$10.00

T-1 Services

Qwest provides these services using a different pricing model (see Qwest Private Line Tariff). However, given that much of these services are provided on an ICB basis, the ultimate prices for these services are competitive.

Baldwin County Internet; DSSI Service LLC

NSF Check Charge: Original Page 23, Section 3.11.5: \$25.00

DS1/T1: Original Page 32, Section 5.2.2:

- \$2,500 non-recurring charge
- \$3500 per mile per month recurring charge

[see attached tariff pages]

Tower Cloud, Inc.

NSF Check Charge: Page 43, Section 4.1.6: \$25.00

T-1 Services: Page 42, Section 4.1.:

- \$25,000 Service Connection Charge (per T-1)
- \$2500 Recurring Monthly Charge (per T-1)

[see attached tariff pages]

Dec 31, 08

Dec 31, 09

Dec 31, 10

Dec 31, 11

ASSETS

Current Assets

Checking/Savings
 Broadway Bank
 Chase
 Chase - OLD
 Total Checking/Savings
 Accounts Receivable
 Accounts Receivable
 Total Accounts Receivable
 Other Current Assets
 AR KCI
 Undeposited Funds
 Total Other Current Assets

Total Current Assets

Fixed Assets

Accumulated Depreciation
 Autos, Trucks & Trailers
 Computer Equipment
 Furniture and Equipment

Total Fixed Assets

TOTAL ASSETS

LIABILITIES & EQUITY

Liabilities

Current Liabilities

Accounts Payable
 Accounts Pay
 Total Accounts Payable
 Credit Cards
 American Exp
 Chase Credit
 Total Credit Cards
 Other Current Liabilities

Loan From O
 Sales Tax Pa

Total Other Current Liabilitie

Total Current Liabilities

Long Term Liabilities

Chase Truck Loan
 Toyota

Total Long Term Liabilities

Total Liabilities

Equity

Capital Stock
 Owners Draws
 Retained Earnings
 Shareholder Distributions
 Net Income

Total Equity

TOTAL LIABILITIES & EQUITY

REDACTED

REDACTED

Jan - Dec 08

Proj 2009

Proj 2010

Proj 2011

REDACTED

Ordinary Income/Expense

Income

Consulting Income
Finance Charge Income
Installation Charges
Network Services

Income From Transf. Accounts
Internet Port
Private Line T1
Network Services - Other

Total Network Services

Total Income
Cost of Goods Sold

Leased Employees
Outside Services
Telecom Network Expense

Total COGS

Gross Profit

Expense

Advertising and Promotion
Automobile Expense
Bank Service Charges
Bill Pay Charges
Business Licenses and Permits
Charitable Contributions
Computer and Internet Expenses
Dues and Subscriptions
Insurance Expense
Interest Expense
Knoxian Commission Expense-1024
Late Charge Penalty
Meals and Entertainment
ODP transfer fee
Office Supplies
Postage and Delivery
Professional Fees
Reconciliation Discrepancies
Rent Expense
Sales Tax Expense
State Annual Report Fees
State Income Tax Expense
Telephone Expense
Travel Expense
Universal Service Contribution

Total Expense

Net Ordinary Income
Net Income

5.0 TeleQuality Private Line Data Services

5.1 Freedonia T-1

Dedicated service between certain locations including Freedonia and Page

MAXIMUM MRC:	MAXIMUM NRC
\$2,800.00	\$1,800.00

5.2 Quartzsite T-1

Dedicated service between certain locations including Quartzsite and Parker

MAXIMUM MRC:	MAXIMUM NRC
\$4,800.00	\$1,800.00

5.3 Internet Port and Internet T-1 - Parker

Internet Port Service and Internet T-1 Service to Parker

	MAXIMUM MRC:	MAXIMUM NRC
Internet Port	\$500.00	\$1,000.00
Internet T-1	\$2,300.00	\$1,800.00

5.4 Salome T-1

Dedicated service between certain locations including Salome and Parker

MAXIMUM MRC:	MAXIMUM NRC
\$4,800.00	\$1,800.00

Issued: February 1, 2008

Effective: March 1, 2008

Issued by:

Jeff Reynolds, President
TeleQuality Communications, Inc.
16601 Blanco Road
San Antonio, TX 78232
(210) 481-5499

- 6.0 TeleQuality Price List
- 6.1 TeleQuality Price List – Local Service Offerings
- 6.2 TeleQuality Price List – Long Distance Services
- 6.3 TeleQuality Price List – Private Line Data Services

6.3.1 Freedonia T-1

Dedicated service between certain locations including Freedonia and Page

CURRENT MRC:	CURRENT NRC
\$1,750.00	\$1,800.00

6.3.2 Quartzsite T-1

Dedicated service between certain locations including Quartzsite and Parker

CURRENT MRC:	CURRENT NRC
\$2,200.00	\$1,000.00

6.3.3 Internet Port and Internet T-1 - Parker

Internet Port Service and Internet T-1 Service to Parker

	CURRENT MRC:	CURRENT NRC
Internet Port	\$250.00	\$500.00
Internet T-1	\$1,150.00	\$1,000.00

6.3.4 Salome T-1

Dedicated service between certain locations including Salome and Parker

CURRENT MRC:	CURRENT NRC
\$2,200.00	\$1,000.00

Issued: February 1, 2008

Effective: March 1, 2008

Issued by:

Jeff Reynolds, President
TeleQuality Communications, Inc.
16601 Blanco Road
San Antonio, TX 78232
(210) 481-5499

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

Issued: **June 4, 2008**

Effective Date: **July 3, 2008**

Issued By: Ron Mudry

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

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.

Issued: June 4, 2008Effective Date: July 3, 2008

Issued By: Ron Mudry

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

SPECIALIZED COMMON CARRIER AND LOCAL EXCHANGE SERVICE

SECTION 3 – RULES AND REGULATIONS (Cont)

3 Rules and Regulations, Terms and Conditions (Cont)

3.11 Payments and Billing

3.11.1 General

Charges for service are applied on a recurring basis. Service is provided and billed on a monthly (30 day) basis. The billing date is dependent on the billing cycle assigned to the customer. Service continues to be provided until cancelled by the customer, which must be done on not less than thirty (30) days' notice.

3.11.2 Billing in Advance or Arrears

The Customer is responsible for the payment of all charges for services furnished to the customer. Recurring monthly charges are billed in advance of the month of service and usage charges (if any) are based on actual usage, and are billed monthly in arrears.

3.11.3 Due Date

Billing is payable upon receipt and past due thirty (30) days after issuance and posting of invoice. Bills not paid within thirty-one (31) days after the date of posting are subject to a late payment charge for the unpaid balance.

3.11.4 Late Payment Charge

A Late Payment Charge of 1.50 percent (1 1/2%) will apply to each customer bill when the previous month's bill has not been paid in full, leaving an unpaid balance carried forward. The late payment charge is applied to the total unpaid amount carried forward and is included in the total amount due on the current month's bill. The amount of the late payment penalty shall be indicated on the customer's bill.

3.11.5 Returned Check Charge

A \$25.00 service charge shall be imposed for any payment for which a draft is returned for insufficient funds.

SPECIALIZED COMMON CARRIER AND LOCAL EXCHANGE SERVICE

SECTION 5 – RATES AND CHARGES

5 Rates and Charges

5.1 Due to the complex and variable nature of the services it provides, all products and services are priced based upon standard installations. Any unusual installations or circumstances not contemplated in the rates below would result in Special Construction charges or ICB rates which would be established with mutual agreement from the customer, based on the cost to provide the service.

5.2 Rates for Specific Services. Note: all services are highly competitive.

	<u>Description</u>	<u>NRC (Non-recurring Charge)</u>	<u>Maximum Monthly Rate</u>
5.2.1	DS0	Not Currently Available	----
5.2.2	Metro-Ethernet Transport, DS1/T1 and DS3	\$2,500	\$3,500 per mile
5.2.3	OC-3	Not Currently Available	----
5.2.4	OC-12	Not Currently Available	----
5.2.5	OC-48	Not Currently Available	----

5.3 Individual Case Basis ("ICB") Pricing

At the option of the company, service may be offered on an Individual Case Basis ("ICB") to meet the specialized needs of a customer. Arrangements will be developed on an ICB in response to a special request from a customer or prospective customer for a service not generally offered under this tariff. Rates quoted in response to such a request may be different than those specified in this tariff. ICB rates will be offered to the customer in writing and on a nondiscriminatory basis.

5.4 Other Services

Other services may be provided, depending on technical, financial, and logistical availability, based on the cost to provide the service in a competitive environment. The Company will work with its customers to provide the service requested at a mutually agreeable rate.

**TeleQuality Communciations, Inc.
Responses to Staff's Second Set
of Data Requests**

TELEQUALITY COMMUNICATIONS, INC.'S
RESPONSE TO ARIZONA CORPORATION COMMISSION
STAFF'S SECOND SET OF DATA REQUESTS

Docket No. T-20626A-08-0484

July 8, 2009

CA-2.1 Does TQC anticipate having employees in Arizona?

RESPONSE:

No. TQC does not plan on having employees in Arizona. TQC's employees are located in the company's offices in San Antonio Texas.

CA-2.2 If the response to CA-2.1 is in the affirmative, please indicate the following;

- A) The anticipated number of employees;**
- B) The capacity in which the individuals will be employed; and**
- C) The status of the employees (i.e. full-time, part-time, etc.)**

RESPONSE:

Not applicable. See response to CA-2.1.

CA-2.3 Please indicate the number of employees currently employed by TQC and in what capacity the individuals are employed.

RESPONSE:

TQC has a total of 10 employees.

<u>Role/Capacity</u>	<u>Number of Employees</u>
Company Officers	2
Customer Sales & Support	4
Network Operations/Engineering	2
IT and website	1
Pricing	1

TELEQUALITY COMMUNICATIONS, INC.'S
RESPONSE TO ARIZONA CORPORATION COMMISSION
STAFF'S SECOND SET OF DATA REQUESTS

Docket No. T-20626A-08-0484

CA-2.4 For each person listed as a Director in Attachment A of the application, please indicate the number of years of experience each individual has had in the telecommunications industry and in what capacity each person listed has been employed in the telecommunications industry.

RESPONSE:

Tim Koxlien

Tim Koxlien is the founder and CEO of TCQ. He began his 22 year telecommunications career with US West as an Account Manager in the Large Business Service division located in Minneapolis, Minnesota. Tim was responsible for sales of voice, data and video hardware and network services to companies such as; IBM, Mayo Clinic, Blue Cross Blue Shield and Lutheran Brotherhood Insurance. In 1991, The Koxlien Group was formed as a telecommunications sales and marketing company for US West and Ameritech headquartered in the Minneapolis/St. Paul area. Throughout the 1990s the company included the sales of AT&T and Qwest network services and placed offices in Cleveland and Toledo, OH, Detroit, MI and Eau Claire, WI. Tim formed Koxlien Communications Inc. (KCI) in 1999. In 2000, KCI expanded to include the SBC regions of the legacy Southwestern Bell and Pacific Bell areas. Wireless products and services by AT&T, T-Mobile, Verizon, Nextel and Sprint were added to the sales portfolio of Koxlien Communications, Inc. Tim also started a Centrex resale firm in 1995 that was sold to a firm that subsequently became part of McLeod, USA. TCQ was launched in 2006 with an emphasis on providing high quality and secure data network products and services to the healthcare industry.

Jeffery E. Reynolds

Jeff Reynolds is retired from Alcoa Inc. where he spent 33 years in various operating capacities both in the U.S. and overseas. Jeff has been Fabricating Manager at Alcoa s facility in Evansville Ind. (400 employees), Smelting Manager in Alcoa, Tennessee (600 employees), and Plant Manager of Alcoa s Fusina, Italy smelter and rolling mill (overseeing 1200 employees). Upon finishing the Italian assignment, Jeff returned to the U.S. as San Antonio Works Manager where he restarted the continuous caster and produced aluminum rolled products. He finished his career as Vice President Alcoa Ghana where he facilitated the restart of Ghana s aluminum smelter and worked with the Ghanaian government on determining the feasibility of constructing a bauxite mine and alumina refinery. Jeff has extensive experience in process control, organizational leadership and development, business startup and dealing with foreign

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governments. Jeff joined TCQ in February of 2007 after retiring from Alcoa to guide the startup of the entity.

James W. Harff

James W. Harff (Jim) is a co-founder and the Chairman and CEO of Global Communicators. Jim is also Chairman of Global Communicators's parent company, Harff Communications Inc. Previously, as President of the Global Public Affairs division of Ruder Finn for eight years, Jim directed a team of international public relations and communications professionals from Ruder Finn's headquarters in Washington, D.C. Jim's professional work has specialized in government relations, lobbying, public policy issues management, foreign government representation, international economic development, media relations, crisis communications, and travel and tourism promotion. Additionally, for eight years he was a Chief of Staff to three Members of the U.S. House of Representatives.

CA-2.5 Please indicate if TQC intends to establish a customer service center in Arizona.

RESPONSE:

TQC presently does not intend to establish a customer service center in Arizona. TQC's customer service personnel will be located primarily in Texas. TQC has established a toll free number for customer service, complaints, and inquiries. That number is 1-877-835-3761. TQC's toll free number will be staffed twenty-four hours a day, seven days a week for technical support or customer complaints and inquiries. To the extent that a consumer complaint cannot be resolved by the customer service staff, the complaint will be elevated to a supervisor level. A managerial level employee will supervise the resolution of such elevated complaints. At that time the consumer will be informed of his/her right to seek assistance from the Commission.

CA-2.6 Please explain how TQC is notified of and monitors problems with its network.

RESPONSE:

TCQ is notified of problems with its network by calling TCQ's customer service number. See Response to CA-2.5. TCQ monitors problems within its network through underlying carrier diagnostics.