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BEFORE THE ARIZONA CORPORATIO

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COMMISSIONERS

- BOB STUMP - Chairman
- GARY PIERCE
- BRENDA BURNS
- BOB BURNS
- SUSAN BITTER SMITH

2013 SEP 23 P 2:11

AZ CORP COMMISSION
DOCKET CONTROL

ORIGINAL

IN THE MATTER OF THE APPLICATION OF
TNCI OPERATING COMPANY LLC FOR
APPROVAL OF A CERTIFICATE OF
CONVENIENCE AND NECESSITY TO
PROVIDE RESOLD LONG DISTANCE,
LOCAL EXCHANGE AND FACILITIES-
BASED LONG DISTANCE AND LOCAL
EXCHANGE TELECOMMUNICATIONS
SERVICES.

DOCKET NO. T-20882A-13-0108

STAFF'S NOTICE OF FILING

During the evidentiary hearing held in the above-captioned matter, it was discovered that the Staff Report referenced an exhibit that was inadvertently not included with the Staff Report. The attachment was indicated on page 3 of the Staff Report in the footnote as Attachment A. Attachment A is a public pro forma Balance Sheet and Income Statement from TNCI. Staff hereby provides notice of filing the attached Attachment A that was referenced by the Staff Report.

RESPECTFULLY SUBMITTED this 23rd day of September, 2013.

Matthew Laudone
Attorney, Legal Division
Arizona Corporation Commission
1200 West Washington Street
Phoenix, Arizona 85007
(602) 542-3402

Original and thirteen (13) copies
of the foregoing filed this
23rd day of September, 2013 with:

Docket Control
Arizona Corporation Commission
1200 West Washington Street
Phoenix, Arizona 85007

Arizona Corporation Commission
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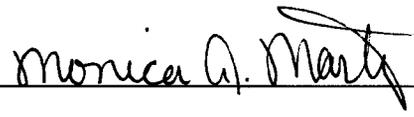
1 Copy of the foregoing mailed this
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TNCI Operating Company LLC

April 30, 2013 - Proforma

TNCI - Balance Sheet

(\$ in 000's)

Assets:

Current Assets

Cash and Cash Equivalents	\$8,774
Restricted Cash	548
Accounts Receivable, Net	6,893
Prepaid Expenses & Other Assets	1,178

Total Current Assets **\$17,393**

Other Assets

Fixed Assets, Net	\$2,950
Prepaid Agent Bonuses, Net	0
Local Service / Access	506

Total Assets **\$20,849**

Liabilities:

Current Liabilities

Capital Lease - Current	\$536
Accounts Payables & Accrued Expenses	1,858
Liabilities Subject to Compromise	6,632
Intercompany Payable	0
Citizens Loan Payable	0
Customer Deposits	0

Total Current Liabilities **\$9,026**

Long-term Liabilities

Capital Lease - Long Term	\$512
Subordinate Debt	0

Total Long-term Liabilities **\$512**

Total Liabilities **\$9,538**

Equity:

Common Stock & APIC	\$11,311
Retained Earnings (Deficit)	0

Total Equity **\$11,311**

Total Liabilities & Equity **\$20,849**

TNCI Operating Company LLC
2013
Income Statement

(\$ in 000's)	Year 1	Year 2	Year 3	Year 4	Year 5
Revenue:					
Usage	\$24,329	\$21,718	\$21,718	\$21,718	\$21,718
Fees	37,929	33,858	33,858	33,858	33,858
Channel Revenue	420	420	420	420	420
Total Revenue	\$62,678	\$55,996	\$55,996	\$55,996	\$55,996
Direct Costs:					
Usage	\$14,361	\$12,820	\$12,820	\$12,820	\$12,820
Fees	26,457	23,617	23,617	23,617	23,617
Network	956	853	853	853	853
Billing Fees	156	139	139	139	139
Agent Commissions	0	0	0	0	0
Bad Debt	94	83	83	83	83
Customer Credits	675	603	603	603	603
Total Direct Costs	\$42,698	\$38,115	\$38,115	\$38,115	\$38,115
Contribution (Gross Profit)	\$19,980	\$17,881	\$17,881	\$17,881	\$17,881
G&A Expenses:					
Billing Ops Rent	\$60	\$60	\$60	\$60	\$60
Billing Ops Overhead	24	24	24	24	24
Employee Salaries	1,290	750	600	600	600
Customer Service	192	192	192	192	192
Collections	19	17	17	17	17
IT Contract Labor	120	120	120	120	120
Commissions	50	50	50	50	50
Postage	483	379	298	233	183
Total G&A Expenses	\$2,238	\$1,592	\$1,361	\$1,297	\$1,246
EBITDA	\$17,742	\$16,288	\$16,520	\$16,584	\$16,634
Interest Expense	\$0	\$0	\$0	\$0	\$0
Other Income / (Expense)					
Depreciation	167	167	167	0	0
Amortization	0	0	0	0	0
Pre-Sub Debt & Pre-Tax Income / (Loss)	\$17,908	\$16,455	\$16,686	\$16,584	\$16,634
Sub Debt Interest	\$0	\$0	\$0	\$0	\$0
Sub Debt Cancellation	0	0	0	0	0
Pre-Tax Income / (Loss)	\$17,908	\$16,455	\$16,686	\$16,584	\$16,634
Reorganization Inc/(exp) - Services	\$0	\$0	\$0	\$0	\$0
Reorganization - Settled Unsecured & Secured	0	0	0	0	0
Adjusted Pre-Tax Income / (Loss)	\$17,908	\$16,455	\$16,686	\$16,584	\$16,634
Taxes	\$0	\$0	\$0	\$0	\$0
Net Income	\$17,908	\$16,455	\$16,686	\$16,584	\$16,634