

#### 8505 FREEPORT PARKWAY NORTH SUITE 380 IRVING, TEXAS 75063

Mrs. Blanca Vayo Director Florida Public Service Commission Division of Records and Reporting 2540 Shumard Oak Blvd. Tallahassee, Florida 32399-0850 RECEIVED-FPSC PH 3: 49

RE:

Application for a Certificate of Authority to Provide Alternative Local Exchange Service

Within the State of Florida.

Dear Mrs. Vayo:

New Connects, Inc. hereby submits the enclosed Application, seeking authority to operate as a Alternative Local Exchange Service Provider within the State of Florida. An original and seven (7) copies are provided. Please date stamp one copy and return it in the postage-paid envelope provided to the undersigned.

Should there be any questions or additional information required, please do not hesitate to contact me at (877) 929-4344. Thank You!

Sincerely,

Gregary D. Carr

President

HALL WASH

Enclosure

DOCUMENT NUMBER-DATE

01891 FEB-85

FPSC-RECORDS/REPORTING

## BEFORE THE PUBLIC SERVICE COMMISSION OF THE STATE OF FLORIDA

IN THE MATTER OF THE INFORMATIONAL, FILING OF NEW CONNECTS, INC. FOR A CERTIFICATEAUTHORITY TO OPERATE AS A RESELLEROF INTEREXCHANGE AND LOCAL EXCHANGE TELEPHONE SERVICE WITHIN THE STATE OF FLORIDA

Application No.

010188-7x

# APPLICATION OF NEW CONNECTS, INC., FOR A CERTIFICATE OF AUTHORITY TO PROVIDE ALTERNATIVE LOCAL EXCHANGE SERVICE WITHIN THE STATE OF FLORIDA

Gregary D. Carr 8505 Freeport Parkway North Suite 380 Irving, Texas 75063 v. (877) 929-4344 f. (972) 929-4324

President of New Connects, Inc.

February 7, 2001

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FPSC-RECORDS/REPORTING

Pursuant to the Florida Public Service Commission's Division of Telecommunications and its decisions authorizing competition in Florida's telecommunications markets, New Connects, Inc., ("New Connects") hereby requests resale authority to provide local exchange and access services and to provide telecommunications services to residential customers in the State of Florida. New Connects submits this Application in order to be certified as an Alternative Local Exchange Carrier ("ALEC").

New Connects requests authority to operate as a resale ALEC in the territories currently served by Southwestern Bell, Sprint, GTE/Verizon, BellSouth and all other eligible local exchange carriers in the State of Florida. New Connects specifically requests resale authority only. New Connects also requests authority to serve only residential customers at this time, although New Connects expects that it will seek authority to serve business endusers at some time in the future. In support of its Application, New Connects submits the following information:

#### 1. Nature of Application

New Connects requests an original certificate as granted to a new company and not a request for approval of the assignment or transfer of an existing certificate.

#### 2. Name of Applicant

Applicant's legal name is New Connects, Inc. Applicant is a Texas corporation with its principal place of business at 8505 Freeport Parkway North Suite 380, Irving, Texas 75063.

#### 3. Name under which Applicant will Conduct Business

Applicant will conduct business in the State of Florida under the name of "New Connects."

#### 4. Applicant's Official Mailing Address

Applicant's official mailing address is 8505 Freeport Parkway North Suite 380, Irving, Texas 75063.

#### 5. Applicant's Florida Address

Applicant does not anticipate maintaining a location is the State of Florida, however, it has retained the services of Corporate Access, Inc. to serve as a resident agent whose principal address is 263 East 6<sup>th</sup> Avenue, Tallahassee, Florida 32303.

#### 6. Structure of Organization

Applicant is a Texas corporation, Charter Number 01564786 formed on January 5, 2000 pursuant to article 3.02 of the Texas Business Corporation Act (Volume 3A, Vernon's Texas Civil Statutes). Attached hereto as Exhibit 1 are Applicant's articles of incorporation.

#### 7. Applicant as a Florida Corporation

Attached hereto as Exhibit 2 is the Florida Certificate of Authority to transact business in the State of Florida, pursuant to the provisions of KRS Chapter 271B.

#### 8. Applicant's F.E.I. Information

Applicant's assigned F.E.I. Number is 75-285-7909.

#### 9. Statement of Conduct of Officers, Directors, and Stockholders of Applicant

Neither the Applicant, nor any of its officers, directors or ten largest shareholders has been under the protection of federal bankruptcy laws, been declared mentally incompetent, nor has any member been convicted of a felony.

Applicant has no officers, directors, partners, or stockholders that are involved with any other Florida certified telephone company.

#### 10. <u>Liaison to the Commission Regarding Application</u>

All inquiries regarding New Connects Application for authority to provide ALEC services are to be directed to Gregary D. Carr. Mr. Carr is the President of New Connects whose principle office address is 8505 Freeport Parkway North Suite 380, Irving, Texas 75063. Mr. Carr can be reached by telephone at 877-929-4344, by fax at 972-929-4324, or by e-mail at rmgt@aol.com.

All inquiries regarding the ongoing operations of the company are to be directed to Mr. Robert H. Shields, Sr. Mr. Shields is the General Manager of New Connects whose principle office address is 8505 Freeport Parkway North Suite 380, Irving, Texas 75063. Mr. Shields can be reached by telephone at 877-929-4344, by fax at 972-929-4324, or by e-mail at bobhshields@aol.com

All complaints and inquiries from customers are to be directed to Mrs. Toni Liversage. Mrs. Liversage is the Vice President of Customer Relations for New Connects whose principle office address is 8505 Freeport Parkway North Suite 380, Irving, Texas 75063. Mrs. Liversage can be reached by telephone at 877-929-4344, by fax at 972-929-4324, or by e-mail at hctl55@aol.com.

Applicant has reserved an Internet website address. The Internet domain name for the corporation is www.newconnects.tv.

#### 11. States in which the Applicant has an Alternative Local Exchange Company

New Connects is not currently providing services as a ALEC in any state at this time. Applicant wishes to establish certification in a minimum of five (5) states prior to the provision of ALEC services.

#### 12. States in which the Applicant has Applications Pending

New Connects has filed and has applications pending in the following states:

Oklahoma, Kentucky, and California. Applicant is preparing applications to be filed in Georgia, Louisiana, Mississippi, and Alabama.

#### 13. States in which the Applicant has been Granted Certification as a ALEC

Attached as Exhibit 3 to this Application is the Final Order entered on May 31, 2000 by the Public Service Commission of Texas, Docket number 22380, granting New Connects a Service Provider Certificate of Operating Authority (SPCOA) allowing the Company to provide ALEC services in the State of Texas.

Attached as Exhibit 4 to this Application is the Final Order and Certificate entered on September 29, 2000, Docket number 01-NCIT-115-COC, granting New Connects a

Certificate of Convenience and Authority allowing the Company to provide ALEC services in the State of Kansas.

#### 14. States in which the Applicant has been Denied Authority to Operate

New Connects has not been denied authority to operate as an ALEC in any state.

## 15. <u>States in which the Applicant has had Regulatory Penalties Imposed for Violations of Telecommunications Statutes</u>

New Connects has had no regulatory penalties imposed for violations of telecommunications statutes in any state.

## 16. States in which the Applicant has been Involved in Civil Court Proceedings with an Interexchange Carrier or other Telecommunications Entity

New Connects has not been involved in civil court proceedings with any telecommunications entity.

#### 17. Financial Capability and the Ability to Finance

New Connects, Inc. was incorporated on January 5, 2000 and is not currently providing service in any state. Therefore, New Connects, Inc. cannot provide Comparative Income Statements for the immediately preceding three (3) year period. Likewise, it cannot provide Balance Sheets for the immediately preceding three (3) year period. As a substitute, attached hereto as Exhibit 5 are true and correct copies of bank statements, which confirm that the applicant has a minimum of \$25,000, which is reasonably liquid and available. Additionally, the investors in New Connects, Inc. have agreed to commit the resources necessary to procure loans and financing as may be required for the operation of this project.

New Connects, Inc. does not currently owe deposits to local exchange or interexchange carries, but is prepared to demonstrate that it has the additional financial resources to cover any such deposits once they become due.

The information provided demonstrates that New Connects, Inc. is financially qualified to provide and maintain the requested service in the proposed geographic area to be served.

#### 18. Managerial and Technical Competence

New Connects, Inc has the managerial and technical qualifications necessary to provide the proposed services in its service territory. The managerial staff at New Connects, Inc. possesses extensive experience in the telecommunications industry. New Connects, Inc. has been certified in several states to provide telecommunications services. Attached hereto as Exhibit 6 are the biographies of some of the officers and principals of New Connects, Inc. These biographies demonstrate that New Connects, Inc. possesses significant management and technical expertise for operating a telecommunications corporation, as requested by the Commission.

#### 19. Facts Showing Public Convenience and Necessity

Granting of New Connects' Application by the Commission will serve the public interest. The Commission has determined that competition in the provision of local exchange service is in the public interest. Competition in telecommunications markets previously served by a single provider will bring great benefits to the people of the state of Florida because it will ensure efficient pricing, improved service quality, expanded product and service capabilities, greater reliability and increased consumer choice.

Authorizing New Connects to operate as a local exchange carrier will result in an increase in the diversity of the supply of existing and future telecommunications services and products within the telecommunications market. Increased choices among providers will promote Alternatively driven cost-based rates for telecommunication services.

In sum, granting the Application is in the public interest because it will enhance competition, generating the benefits that result from competition, such as customer choice, and a more efficient, innovative, technologically advanced, and diversified telecommunications industry in Florida.

WHEREFORE, New Connects respectfully requests that the Commission enter an Order granting this Application, thereby conferring on New Connects authority to provide local exchange services to residential customers in the State of Florida.

Respectfully submitted,

Gregary D. Carr

8505 Freeport Parkway North

Suite 380

Irving, Texas 75063

v. (877) 929-4344

f. (972) 929-4324

President of New Connects, Inc.

Dated: February 7, 2001

#### **CERTIFICATE OF SERVICE**

I, Tarsha L. Grimes, certify under penalty of perjury under the laws of the State of Florida that the following is true and correct:

I am a citizen of the United States, State of Texas, am over eighteen years of age, and am not a party to the within cause.

On February 7, 2001, I served the attached Application of New Connects, Inc., For a Certificate of Authority to Provide Alternative Local Exchange Service Within the State of Florida, by placing copies of said document in envelopes addressed to each of the parties as reflected on the attached Service List, with postage thereon fully prepaid. I then sealed and deposited the envelopes in a drop box regularly maintained by Federal Express in the City of Irving and County of Dallas, State of Texas.

Executed this 7<sup>th</sup> day of Februry, 2001, at Irving, Texas.

Tarsha L. Grimes

## APPLICATION OF NEW CONNECTS, INC., FOR A CERTIFICATE OF AUTHORITY TO PROVIDE ALTERNATIVE LOCAL EXCHANGE SERVICE WITHIN THE STATE OF FLORIDA

**Application Service List** 

Ms. Blanca Vayo Director Florida Public Service Commission Division of Records and Reporting 2540 Shumard Oak Blvd. Tallahassee, Florida 32399-0850

#### **EXHIBIT 1**

ARTICLES OF INCORPORATION





CERTIFICATE OF INCORPORATION

0F

NEW CONNECTS, INC. CHARTER NUMBER 01564786

THE UNDERSIGNED, AS SECRETARY OF STATE OF THE STATE OF TEXAS, HEREBY CERTIFIES THAT THE ATTACHED ARTICLES OF INCURPORATION FOR THE ABOVE NAMED CORPORATION HAVE BEEN RECEIVED IN THIS OFFICE AND ARE FOUND TO CONFORM TO LAW.

ACCORDINGLY, THE UNDERSIGNED, AS SECRETARY OF STATE, AND BY VIRTUE OF THE AUTHORITY VESTED IN THE SECRETARY BY LAW, HEREBY ISSUES THIS CERTIFICATE OF INCORPORATION.

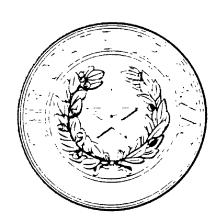
THE USE OF THIS CERTIFICATE OF INCORPORATION DOES NOT AUTHORIZE

THE USE OF A CORPORATO MAME IN THIS STATE IN VIOLATION OF THE RIGHTS OF

ANOTHER UNDER THE PEDERAL TRADEMARK ACT OF 1946, THE TEXAS TRADEMARK LAW,

THE ASSUMED BUSINESS OR PROFESSIONAL NAME ACT OR THE COMMON LAW.

DATED JAM. 5, 2000 EFFECTIVE JAM. 5, 2000



Filton Borner, Secretary of State

#### ARTICLES OF INCORPORATION

JAN 0 5 2000

**OF** 

#### NEW CONNECTS, INC.

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The undersigned natural person of the age of eighteen (18) years or more acting as incorporator of a corporation under the Texas Business Corporation Act, hereby adopts the following Articles of Incorporation:

#### ARTICLE ONE

The name of the corporation is New Connects, Inc..

#### ARTICLE TWO

The period of duration is perpetual.

#### ARTICLE THREE

The purpose for which the corporation is organized is for public utility and the transaction of any and all lawful business for which corporations may be incorporated under the Texas Business Corporation Act.

#### ARTICLE FOUR

The aggregate number of shares which the corporation shall have authority to issue is Ten Million (10,000,000) shares with no par value.

#### ARTICLE FIVE

The corporation will not commence business until it has received for the issuance of shares consideration of the value of One Thousand Dollar (\$1,000.00).

#### ARTICLE SIX

The street address of its initial registered office is 903 East 18th Street #210, Plano, Texas 75074, and the name of the initial registered agent at such address is Andrew Farkas, Esq..

#### ARTICLE SEVEN

The number of directors constituting the initial board of directors is One (1), and the name and address of the person who is to serve as director until the first annual meeting of the shareholders or his successors are elected and qualified is:

Gregary D. Carr 400 B Harwood Road Bedford, Texas 76021

#### ARTICLE EIGHT

The name and address of the incorporator is:

Jennifer Kilibarda

BlumbergExcelsior Corporate Services, Inc.
814 San Jacinto Boulevard, Suite 409

Austin, Texas 78701

Signed this 5th day of January, 2000.

Jennifer Kilibarda, Incorporator

#### DISCLAIMER

The undersigned, being the incorporator of New Connects, Inc., a corporation filed with the Secretary of State of the State of Texas, does hereby disclaim any and all interest in said corporation.

Signed this 5th day of January, 2000.

Jennifer Kilibarda

Incorporator

#### **EXHIBIT 2**

CERTIFICATE OF FOREIGN CORPORATION





I certify from the records of this office that NEW CONNECTS, INC., is a corporation organized under the laws of Texas, authorized to transact business in the State of Florida, qualified on February 6, 2001.

The document number of this corporation is F01000000696.

I further certify that said corporation has paid all fees due this office through December 31, 2001, and its status is active.

I further certify that said corporation has not filed a Certificate of Withdrawal.

Given under my hand and the Great Seal of the State of Florida at Tallahassee, the Capitol, this the Sixth day of February, 2001

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CR2EO22 (1-99)

K**atherine Harris** Katherine Harris Secretary of State

#### **EXHIBIT 3**

SERVICE PROVIDER CERTIFICATE OF OPERATING AUTHORITY STATE OF TEXAS



### CONSOLIDATED ORDER PAGE 2

The Commission adopts the attached findings of fact and conclusions of law and issues the orders set out therein.

BRETT A. PERLÍMAN, COMMISSIONER q:\share\docket\openmtgs\cofinal.doc

#### **DOCKET NO. 22380**

APPLICATION OF NEW CONNECTS, INC. § PUBLIC UTILITY COMMISSION FOR A SERVICE PROVIDER CERTIFICATE ş OF OPERATING AUTHORITY

Ş OF TEXAS

#### ORDER

This Order grants New Connects, Inc. a service provider certificate of operating authority (SPCOA) restricted to resold-only telecommunications services for the geographic area served by all incumbent local exchange companies (ILECs) throughout the state of Texas. This docket was processed in accordance with applicable statutes and Commission rules. The Commission provided notice of the application to interested parties. No protests, motions to intervene, or requests for hearing were filed. The Applicant and the Commission's Office of Regulatory Affairs (ORA) are the only parties to the proceeding. ORA recommends approval of the application. The application is hereby approved.

#### I. Findings of Fact

#### Procedural History

- On April 7, 2000, New Connects, Inc. (the Applicant) filed with the Public Utility Commission of Texas (Commission) an application to obtain an SPCOA.
- On April 11, 2000, the Commission issued an Order establishing a procedural schedule, entering a 2. protective order, determining filing and service procedures, and indefinitely extending the jurisdictional deadline to accommodate the requisites of administrative review.
- On April 20, 2000, consistent with ORA's recommendation, the Commission found that the Applicant, 3. together with affiliates, had less than six percent of the total intrastate switched access minutes of use, as measured by the most recent 12-month period for which data is available preceding the filing of the application; and certified the Applicant eligible to obtain an SPCOA. ORA checked with the Secretary of State and found that the name New Connects, Inc. has been registered as of January 5, 2000. ORA also checked the certificate of operating authority (COA), SPCOA and incumbent local exchange company official lists and found no similar names. ORA also checked the Interexchange Carriers list and found no similar names.
- 4. On April 20, 2000, the Commission's Office of Customer Protection (OCP) filed its complaint history memorandum.

- 5. On April 21, 2000, the Commission provided adequate notice of this proceeding in the *Texas Register* and through a posting on the Internet.
- 6. On May 9, 2000, ORA filed a recommendation stating that the Applicant is financially and technically qualified to receive the SPCOA requested, and recommending that the application be approved.
- 7. By Order dated May 11, 2000, documents relied upon in this Order were admitted into evidence.

#### Applicant's Request

- 8. The Applicant is a Texas corporation formed on January 5, 2000, with authority to transact business in the state of Texas.
- 9. The Applicant has no parent company or affiliated companies that are public utilities or that are providing telecommunications services.
- 10. The Applicant proposes to serve the geographic area served by all ILECs throughout the state of Texas (proposed service area).
- 11. The Applicant does not propose to act as a facilities-based provider of telecommunications services, but intends to be a resale provider only.
- 12. The Applicant proposes to offer resold local switched services, including, but not limited to, monthly recurring, flat-rate local exchange service, extended area service, extended metro service, foreign exchange service, foreign business office service, toll restriction, call control options, tone dialing, custom calling services, Caller ID, and any other services which are available for resale from the underlying incumbent local exchange carrier or other carriers authorized to do business (proposed services).
- 13. The Applicant has not applied for any municipal consent, franchise or permit in connection with the services and facilities for which it is applying.
- 14. The Applicant proposes to provide service to customers other than itself.

- 15. The Applicant is not a municipality, nor will the Applicant enable a municipality or municipal electric system to offer for sale to the public, directly or indirectly, local exchange telephone service, basic local telecommunications service, switched access service, or any non-switched telecommunications service used to provide connections between customers' premises within an exchange or between a customer's premises and a long-distance provider serving the exchange.
- 16. The Applicant does not currently hold a local telecommunications COA or certificate of convenience and necessity for any part of the proposed service area.
- 17. The Applicant has never applied for a permit, license or certificate to provide telecommunications services in any state other than Texas.
- 18. The Applicant has never had a permit, license, or certificate to provide telecommunications services granted, denied or revoked by any state.
- 19. The Applicant has never provided telecommunications services in Texas or any other state.
- 20. OCP and the Office of the Texas Attorney General reported no complaints registered against the Applicant.
- 21. The Texas Comptroller's Office stated that the Applicant is in compliance with its statutes and rules. The Applicant indicated through its responses to the Commission's Service Quality Questionnaire that it will meet the quality of service standards.
- 22. The Applicant has the requisite technical qualifications to provide the proposed services within the proposed service area.
- 23. The Applicant has the requisite financial qualifications to provide the proposed services within the proposed service area.

#### Informal Disposition

- 24. More than 30 days have passed since completion of the notice provided in this docket.
- 25. No requests for hearing have been filed. No issues of fact or law are disputed by any party. No hearing is necessary.

#### **II.** Conclusions of Law

- 1. The Applicant is a telecommunications provider as defined in § 51.002(10) of the Public Utility Regulatory Act, Tex. Util. Code Ann. (Vernon 1998 & Supp. 2000) (PURA).
- 2. The Commission has jurisdiction and authority over the application pursuant to §§ 54.154(a) and 54.155 of PURA.
- 3. The application complies with § 54.154(b) of PURA.
- 4. The Commission provided notice of the application in compliance with § 54.005(a) of PURA.
- 5. The Applicant is eligible to obtain an SPCOA under the criterion established by PURA § 54.153.
- 6. The Applicant is not precluded from providing service under an SPCOA by §§ 54.201 or 54.152 of PURA.
- 7. The name under which the Applicant has requested that the SPCOA be issued does not duplicate a name already being used by an existing SPCOA holder nor is it so similar to a name currently being used as to create confusion.
- 8. The Applicant is entitled to approval of this application, having demonstrated the financial and technical qualifications to provide the proposed services, and the ability to provide the necessary quality of service to its customers, as required by §§ 54.154(b) and 54.155(b) of PURA.
- 9. The Commission does not, as a result of the entry of an order granting the application, impose any additional or different service quality obligations on the incumbent local service companies that provide service to resellers.
- 10. The Commission lacks the jurisdiction or authority to determine the necessity of a franchise between a municipality and the holder of an SPCOA.
- 11. This application does not constitute a major rate proceeding as defined by P.U.C. PROC. R. 22.2.
- 12. The requirements for informal disposition under P.U.C. PROC. R. 22.35 have been met in this proceeding.

13. Good cause exists to indefinitely extend the 60-day deadline as specified in § 54.155(a) of PURA.

#### III. Ordering Paragraphs

In accordance with these findings of fact and conclusions of law, the Commission issues the following Order:

- The application of New Connects, Inc. for a resale-only service provider certificate of operating authority (SPCOA) is approved consistent with the restriction specified in this Order. New Connects, Inc. is granted SPCOA No. 60366 for the geographic area served by all incumbent local exchange companies (ILECs) throughout the state of Texas.
- 2. As a condition of this SPCOA, local exchange service may be provided only by resale and not through New Connects, Inc.'s facilities. This, however, shall not prejudice New Connects, Inc. from later requesting an expansion of the certificate to allow for a combination of resale and use of New Connects, Inc.'s facilities.
- 3. The Applicant shall provide a copy of its application and/or a copy of the Commission's Final Order, in accordance with the individual entities requirements, to all affected 9-1-1 entities prior to providing service to those entities.
- 4. The Applicant shall be bound by requirements of P.U.C. SUBST. R. 26.111. Service under this certificate shall be provided exclusively in the name under which the certificate was granted by the Commission.
- 5. The Applicant shall file any future changes in address, contact representative and/or telephone numbers in Project No. 19421, Notification of Changes in Address, Contact Representative, and/or Telephone Numbers, Pursuant to P.U.C. SUBST. R. 26.107.

DOCKET NO. 22380 ORDER PAGE 6 OF 6

- 6. The Applicant's provision of local telephone service to end-users, whether by its own facilities, flat-rate resale, or usage sensitive loop, must also include "9-1-1" emergency telephone service at a level required by the applicable regional plan followed by local telephone service providers under Chapters 771 and 772 of the Texas Health and Safety Code, TEX. HEALTH & SAFETY CODE ANN. § 771.001 et seq. (Vernon 1998) (the Code) or other applicable law, and any applicable rules and regulations implementing those chapters. The Applicant shall diligently work with the Advisory Commission on State Emergency Communications, local "9-1-1" entities, and any other agencies or entities authorized by Chapters 771 and 772 of the Code to ensure that all "9-1-1" emergency services, whether provided through the certificate holder's own facilities, flat-rate resale. or usage sensitive loop, are provided in a manner consistent with the applicable regional plan followed by local telephone service providers under Chapters 771 or 772 of the Code or other applicable law and any applicable rules and regulations implementing those chapters. The Applicant shall diligently work with the "9-1-1" entities to pursue, in good faith, the mutually agreed goal that the local "9-1-1" entities and emergency service providers experience no increase in their current level of rates and, to the extent technically feasible, no degradation in services as a result of the certification granted herein and the involvement of the certificate holder in the provision of "9-1-1" emergency service.
- 7. The Applicant has committed to and is bound by the quality of service requirements set forth in the Quality of Service Questionnaire. The underlying incumbent local exchange companies (ILECs) continue to be bound by the quality of service requirements contained in P.U.C. SUBST. R. 23.61(e). Approval of the SPCOA application does not expand the scope of the underlying ILEC's obligation to its own customers.
- 8. All other motions, requests for entry of specific findings of fact and conclusions of law, and any other requests for general or specific relief, if not expressly granted herein, are hereby denied for want of merit.

#### **EXHIBIT 4**

SERVICE PROVIDER CERTIFICATE OF CONVENIENCE AND OPERATING AUTHORITY STATE OF KANSAS



### THE STATE CORPORATION COMMISSION OF THE STATE OF KANSAS

Before Commissioners:

John Wine, Chair

Cynthia L. Claus Brian J. Moline

In the Matter of the Application of New Connects, )
Inc. For a Certificate of Convenience and Authority )
to Provide Switched Local Exchange and Exchange )
Access Service Within the State of Kansas.

Docket No. 01-NCIT-115-COC

#### **ORDER AND CERTIFICATE**

NOW, the above-captioned matter comes before the State Corporation Commission of the State of Kansas ("Commission"). Having examined its files and records, and being duly advised in the premises, the Commission finds and concludes as follows:

#### I. Background

- 1. On August 11, 2000, New Connects, Inc. ("New Connects") filed an application for a Certificate of Convenience and Authority to provide switched local exchange telecommunications service and exchange access service throughout the State of Kansas.
- 2. On September 5, 2000, the Commission staff ("Staff") submitted a memorandum recommending the Commission approve New Connects' application for a Certificate of Convenience and Authority to provide switched local exchange telecommunications service and exchange access service. New Connects requested statewide authority so it may expand its service territory as market circumstances warrant. However, initial authority will be limited to the local exchanges of Southwestern Bell Telephone Company ("SWBT") and United Telephone Company ("Sprint/United") in Kansas, due to existing rural exemption guidelines.

3. New Connects did not include a Tariff with its application. New Connects must have an approved tariff, including rates, rules, and regulations and an approved interconnection agreement on file with the Commission prior to offering services to Kansas customers. New Connects will direct bill its customers. New Connects will not accept personal checks nor assess a late-payment charge at this time. Should New Connects decide to charge a late-payment fee or a returned check charge greater than \$10.00, a revised copy of the customer bill containing the appropriate notice must be submitted for Commission approval.

#### II. Findings and Conclusions

4. The Commission has jurisdiction to supervise and control telecommunications public utilities doing business in Kansas. (K.S.A. 66-1,188). New Connects is a telecommunications public utility pursuant to K.S.A. 66-1,187 and is subject to the jurisdiction of the Commission.

#### A. <u>Technical</u>, <u>Managerial</u> and <u>Financial Capabilities</u>

- 5. New Connects has demonstrated sufficient managerial, technical, and financial capabilities to operate as a telecommunications public utility. New Connects is requesting authorization from the Commission to construct, control, manage, operate and maintain facilities necessary for the provision of switched local exchange services. A review of the application and other information demonstrates that New Connects possesses the expertise and ability to provide efficient and sufficient switched local exchange and exchange access services.
- 6. New Connects does not yet have an approved resale agreement with SWBT or Sprint.

  New Connects must have Commission approved resale and/or interconnection agreements before it can commence operations in Kansas.

#### B. <u>Public Convenience and Necessity</u>

7. The Public Utilities Act, K.S.A. 66-101 et seq, does not define the term public convenience. However, the term has been discussed by the Kansas Supreme Court. In Central Kansas Power Co. v. State Corporation Commission, 206 Kan. 670, 676, 482 P. 2d 1 (1971), the Court stated:

Public convenience means the convenience of the public, not the convenience of particular individuals. [citations omitted] Public necessity does not necessarily mean there must be a showing of absolute need. As used, the word 'necessity' means a public need without which the public is inconvenienced to the extent of being handicapped.

See also, General Communications Systems, Inc. v. State Corporation Commission, 216 Kan 410, 418, 532 P.2d 1341 (1975); Atchison, Topeka & Santa Fe Railway Co. v. Public Service Commission, 130 Kan. 777, 288 P. 755 (1930). Public convenience is a relative term, established by proof of the conditions existing in the territory to be served. Atchison at 781.

8. In <u>Central Kansas Power Co</u>. at 677, citing <u>Kansas Gas & Electric Co. v. Public Service Com.</u>, 122 Kan. 462, 251 Pac. 1097, the Court stated as follows:

[i]n determining whether such certificate of convenience should be granted [1] the public convenience ought to be the commission's primary concern, [2] the interest of public utility companies already serving the territory secondary; and [3] the desires and solicitations of the applicant a relatively minor consideration.

The Commission has considered the public convenience to be the primary factor in granting this certificate, as well as a consideration of the additional criteria cited above in <u>Central Kansas Power</u> <u>Co.</u>, *supra*, and in the May 5, 1995 Order in Docket No. 190,492–U.

9. Anytime a competitor enters a previously non-competitive market, customers stand to benefit from increased options, lower prices, better services, etc. These benefits may come from the incumbent as well as the competitive local exchange carrier. The telecommunications

infrastructure will grow and the benefits of competition should assist the economic development. The Commission has taken all these competitive matters into consideration in reviewing this application. The Commission finds that approving this application will benefit the public in the area to be served by New Connects.

#### C. <u>The Effect on: Universal Service, Economic Development and</u> Infrastructure, and Incumbents' Revenues

10. New Connects is obligated to aid in attaining the goal of universal local service. No evidence has been presented in this docket indicating that granting New Connects's application will be detrimental to universal service, economic development and infrastructure, or the incumbents' revenues.

#### D. Local Franchises

The Kansas Supreme Court determined that "the power of a city to grant franchises does not confer upon that city any power to decide whether a telephone company should be granted a certificate of convenience and necessity (K.S.A. 12-2002)." <u>United Tel. Co. of Kansas v. City of Hill City</u>, 258 Kan. 208, 221, (1995). Conversely, the Commission may not determine which company shall be granted a franchise to operate within a city. (December 8, 1995 Order in Docket No. 192,521-U at 13).

#### 12. The Supreme Court also stated:

[T]he KCC is granted the authority to issue certificates of convenience and necessity allowing telephone companies to do business in certain areas of the state so that the statewide telecommunications system will not be impeded. K.S.A. 66-131. While a telephone company with a certificate of convenience and necessity to serve an area may construct lines through a city, it may not serve that city without a franchise. While a city may grant a franchise to a telephone company, that company must obtain a certificate of convenience and necessity from the KCC. Finally, while the KCC may grant or deny certificates of convenience and necessity based on its powers

to regulate the statewide telecommunications system, it may not force a city to grant a franchise to a telephone company. <u>Id</u> at 223.

By granting this certificate to New Connects, the Commission is in no way compelling the cities to grant a franchise to New Connects. The lack of a franchise agreement may prevent New Connects from serving a specified area if the pertinent governing body refuses to grant a franchise. However, this does not prevent New Connects from being certificated.

#### E. Service in Rural Areas

13. New Connects may be subject to the requirements of Section 251(f) of the Telecommunications Act of 1996 should it desire to provide local exchange service in a rural area. Section 251(f) exempts rural local exchange companies from certain competitive entry requirements and establishes an explicit procedure for lifting the exemption. Certification in a rural telephone company's service area is also governed by K.S.A. 1997 Supp. 66-2004.

#### F. Issuance of Certificate

- 14. New Connects should be issued a Certificate of Convenience and Authority in accordance with the provisions of K.S.A. 66-131 to transact the business of a telephone public utility to provide switched local exchange and exchange access services throughout SWBT and Sprint/United territories. New Connects may be subject to the requirements of Section 251(f) of the Telecommunications Act of 1996 should it desire to provide local exchange service in a rural area.
- 15. New Connects is required to file an annual report with the Commission and to notify the Commission of any changes in its structure or operation. New Connects shall also report its

revenues, using the KUSF Carrier Remittance Worksheet, and any changes in its name or corporate structure, to the KUSF Administrator for Kansas Universal Service purposes.

#### THE COMMISSION THEREFORE ORDERS AND CERTIFIES THAT:

- A. The application filed by New Connects, Inc. is hereby granted and a Certificate of Convenience and Authority is hereby issued in accordance with the provisions of K.S.A. 66-131 for New Connects, Inc. to transact the business of a telephone public utility to provide switched local exchange and exchange access services, in Southwestern Bell Telephone Company's and Sprint/United's territories, as set forth above.
- B. New Connects, Inc. shall not commence operations in Kansas without an approved resale/interconnection agreement with SWBT and/or Sprint/United. Additionally, New Connects, Inc. must have an approved tariff on file with the Commission prior to providing service in Kansas.
- C. New Connects, Inc. is granted authority to assess a late-payment fee provided it files a revised copy of its customer bill containing the appropriate notice for Commission approval. New Connects, Inc. shall not assess a returned check charge greater than \$10.00 without first submitting, for Commission approval, a revised copy of the customer bill containing the appropriate notice.
- D. Any future Commission decisions regarding competitive local exchange companies may be applicable to New Connects, Inc.'s local exchange operation.
- E. A party may file a petition for reconsideration of this Order within fifteen (15) days of the service of this Order. If this Order is mailed, service is complete upon mailing, and three (3) days may be added to the above time limit.
- F. The Commission retains jurisdiction of the subject matter and the parties hereto for the purpose of entering such further order or orders as it may deem necessary and proper.

#### BY THE COMMISSION IT IS SO ORDERED AND CERTIFIED.

Wine, Chr.; Claus, Com.; Moline, Com.

Dated: SEP 2 9 2000

**ORDER MAILED** 

OCT 0 2 2000

Jeffrey S. Wagaman

**Executive Director** 

BL:mr

#### **EXHIBIT 5**

FINANCIAL SHOWING



Bonk of America, N.A. P.O. Box 831547 Dallas, TX 75283-1547 Account Reference Information
Account Number: (
Tax ID Number: 75-2/59680
E 0 0 A Enclosures 0 46
Statement Period 0168280
01/07/00 through 01/31/00

NEW CONNECTS 400 B HARWOOD RD BEDFORD, TX 76021-4150

Customer Service:
Bank of America, N.A.
P.O. Box 831547
Dallas, TX 75283-1547
1-800-462-6289

Page 1 of 3

#### **Business Economy Checking**

#### Account Summary Information

Statement Period 01/07/00 throug	th 01/31/00	Statement Beginning Balance	0.00
Number of Deposits/Credits	1	Amount of Deposits/Credits	12,500.00
Number of Withdrawals/Debits	32	Amount of Withdrawals/Debits	11,844.94
Number of Deposited Items	0	Statement Ending Balance	655.06
Number of Enclosures	0	Average Ledger Balance	3,921.36
Number of Days in Cycle	25	Service Charge	0.00

#### **Deposits and Credits**

	Date Posted	Amount	Description	Bank Reference
1	01/07	12,500.00	Deposit	813009330149683

#### Withdrawals and Debits

#### Checks

Check Number	Amount	Date Posted	Bank Reference	Check Number	Amount	Date Posted	Bank Reference
991	2,000.00	01/10	813009230700271	1002	400.00	01/21	813009030741593
992	1,000.00	01/07	813008230740293	1003	180.00	01/25	813009130902529
993	1,200.00	01/10	813009230708111	1004	20.00	01/31	813008330898961

Preceding check (or checks) is outstanding, is included in summary listing, or has been included in a previous statement.

### REDACTED

Ban't of America, N.A. P.O. Box 831547 Dallas, TX 75283-1547 Account Reference Information
Account Number: 1

Tax ID Number: 75-Zi59680

E 0 0 A Enclosures 0 46
Statement Period 0196311
02/01/00 through 02/29/00

NEW CONNECTS 400 B HARWOOD RD BEDFORD, TX 76021-4150

Customer Service:
Bank of America, N.A.
P.O. Box 831547
Dallas, TX 75283-1547
1.800.462.6289

Page 1 of 4

#### **Business Economy Checking**

#### Account Summary Information

Statement Period 02/01/00 thro	ugh 02/29/00	Statement Beginning Balance	655.06
Number of Deposits/Credits	6	Amount of Deposits/Credits	23,062.83
Number of Withdrawals/Debits	52	Amount of Withdrawals/Debits	17,974.34
Number of Deposited Items	1	Statement Ending Balance	5,743.55
Number of Enclosures	0	Average Ledger Balance	8,914.86
Number of Days in Cycle	<b>29</b>	Service Charge	15.00

#### Deposits and Credits

Date Posted	Amount	Description	Bank Reference
02/01	1,000.00	Deposit	813009030237589
02/03	325.00	Return Of Posted Check / Item (Received On 02-02) Check #000001005	934802020002810
02/03	800.00	Deposit	813009230621714
02/03	887.83	ATM/Check Card Misc. Credit Adjustment Claim 05272-03FEB2000 Fdes Nmo 0006576 NBK497C	945002035761054
02/04	50.00	Fee Reversal Misc. Credit Misc Credit Claim # 5272-03FEB00 Fdes Nmo 0006576 NBK51U4	945002045760712
02/07	20,000.00	Deposit	813008130251297



Bank of America, N.A. PO. Box 831547 Dallas, TX 75283-1547 Account Reference Information
Account Number: (
Tax ID Number: 75-2857909
E 0 0 A Enclosures 0 46
Statement Period 03/31/00

NEW CONNECTS 400 B HARWOOD RD BEDFORD, TX 76021-4150

Customer Service:
Bank of America, N.A.
P.O. Box 831547
Dallas, TX 75283-1547
1.800.462.6289

Page 1 of 4

#### **Business Economy Checking**

#### Account Summary Information

Statement Period 03/01/00 throw	agh 03/31/00	Statement Beginning Balance	5,743.55
Number of Deposits/Credits	6	Amount of Deposits/Credits	42,124.00
Number of Withdrawals/Debits	44	Amount of Withdrawals/Debits	13,946.65
Number of Deposited Items	2	Statement Ending Balance	33,920.90
Number of Enclosures	0	Average Ledger Balance	11,407.87
Number of Days in Cycle	31	Service Charge	<b>1</b> 5.00

#### Deposits and Credits

Date Posted	Amount	Description	Bank Reference
03/15	96.00	CheckCard 0313 Mesquite Devil Bow Mesquite TX 1000000190240632	905703130481265
03/21	1,660.00	Return Of Posted Check / Item (Received On 03-20) Check #000001050	934803200003252
03/23	700.00	Return Of Posted Check / Item (Received On 03-22) Check #000001048	934803220003399
03/23	37,500.00	Deposit	81300923022551
03/29	1,660.00	Return Of Posted Check / Item (Received On 03-28) Check #000001050	93480328000378
03/29	508.00	Return Of Posted Check / Item (Received On 03-28) Check #000001054	93480328000377

#### Withdrawals and Debits

#### Checks

Check Number	Amount	Date Posted	Bank Reference	Check Number	Amount	Date Posted	Bank Reference
1045	686.00	03/07	813009230758243	1046	1,000.00	03/03	813009130475219

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Bank of America, N.A. P.O. Box 831547 Dallas, TX 75283-1547 Account Reference Information
Account Number:
Tax 1D Number: (3-285/909
E 0 0 A Enclosures 0 46
Statement Period 0181761
04/01/00 through 04/30/00

NEW CONNECTS 8505 FREEPORT PKWY STE 380 IRVING, TX 75063-2506

Customer Service:
Bank of America, N.A.
P.O. Box 831547
Dallas, TX 75283-1547
1.800.462.6289

Page 1 of 4

### **Business Economy Checking**

#### Account Summary Information

Statement Period 04/01/00 through	h 04/30/00	Statement Beginning Balance	33,920.90
Number of Deposits/Credits	0	Amount of Deposits/Credits	0.00
Number of Withdrawals/Debits	55	Amount of Withdrawals/Debits	32,722.41
Number of Deposited Items	0	Statement Ending Balance	1,198.49
Number of Enclosures	0	Average Ledger Balance	9,693.76
Number of Days in Cycle	30	Service Charge	0.00

#### Withdrawals and Debits

#### Checks

Check Number	Amount	Date Posted	Bank Reference	Check Number	Amount	Date Posted	Bank Reference
1039	1,645.82	04/12	813008130268947	1061	55.00	04/10	813009230595023
1042 * 1051 *	6,874.00 500.00	04/05 04/04	813009030873816 813008130367065	1063 * 1064	969.58 110.00	04/11 04/07	813009030464655 813009030618860
1054 * 1055	508.00	04/06	813006240029079	1065	350.00	04/14	813009030679402
1055	1,821.85 1.000.00	04/18 04/04	813106130691310 813009130612533	1066	500.00	04/11 04/12	813009330117888 813009130018114
1056 1057	200.00	04/06	813008230818702	1067 1068	110.35 3,280.00	04/14	81300823057746
1058	200.00	04/07	813009130705691	1070 *	500.00	04/13	81300923088937
1059 1060	2,879.45 1.000.00	04/04 04/04	813008130295730 813008130367165	1071 1072	110.00 350.00	04/14 04/25	81300903069314 81300813082232

Preceding check (or checks) is outstanding, is included in summary listing, or has been included in a previous statement.

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Bank of America, N.A. P.O. Box 831547 Dailas, TX 75283-1547 Account Reference Information
Account Number: (
Tax ID Number: 70-2857909
E 0 0 A Enclosures 0 46
Statement Period 0196636
05/01/00 through 05/31/00

NEW CONNECTS 8505 FREEPORT PKWY STE 380 IRVING, TX 75063-2506

Customer Service:
Bank of America, N.A.
P.O. Box 831547
Dallas, TX 75283-1547
1.800.462.6289

Page 1 of 3

## **Business Economy Checking**

#### Account Summary Information

Statement Period 05/01/00 throu	ngh 05/31/00	Statement Beginning Balance	1,198.49
Number of Deposits/Credits	2	Amount of Deposits/Credits	5,016.00
Number of Withdrawals/Debits	19	Amount of Withdrawals/Debits	6,494.34
Number of Deposited Items	0	Statement Ending Balance	279.85 -
Number of Enclosures	0	Average Ledger Balance	128.45 -
Number of Days in Cycle	31	Service Charge	15.00

#### Deposits and Credits

Date Posted	Amount	Description	Bank Reference
05/19	2,508.00	Return Of Posted Check / Item (Received On 05-18) Check #000001077	934805180002264
05/24	2,508.00	Return Of Posted Check / Item (Received On 05-23) Check #0000001077	934805230003088

#### Withdrawals and Debits

#### Checks

	Check Number	Amount	Date Posted	Bank Reference	Check Number	Amount	Date Posted	Bank Reference
-	1073 1075 * 1076	500.00 350.00 151.52	05/01 05/01 05/08	813009030778161 813009030905972 813009030649399	1077 1077	2,508.00 2,508.00	05/18 05/23	813008730484570 813106130493394

<sup>\*</sup> Preceding check (or checks) is outstanding, is included in summary listing, or has been included in a previous statement.

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Bank of America, N.A. P.O. Box 831547 Dallas, TX 75283-1547 Account Reference Information Account Number: 75-2857909 E 0 0 A Enclosures 0 46 Statement Period 0196013 06/01/00 through 06/30/00

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NEW CONNECTS 8505 FREEPORT PKWY STE 380 IRVING TX 75063-2506

Customer Service:
Bank of America, N.A.
P.O. Box 831547
Dallas, TX 75283-1547
1.800.462.6289

Page 1 of 4

### **Business Economy Checking**

#### Account Summary Information

Statement Period 06/01/00 throug	h 06/30/00	Statement Beginning Balance	279.85 -
Number of Deposits/Credits	6	Amount of Deposits/Credits	5,681.57
Number of Withdrawals/Debits	21	Amount of Withdrawals/Debits	5,289.48
Number of Deposited Items	1	Statement Ending Balance	112.24
Number of Enclosures	0	Average Ledger Balance	30.80 -
Number of Days in Cycle	30	Service Charge	0.00

#### **Deposits and Credits**

Date Posted	Amount	Description	Bank Reference
06/05	871.47	Return Of Posted Check / Item (Received On 06-02) Check #000001081	934806020002159
06/06	1,472.10	Return Of Posted Check / Item (Received On 06-05) Check #000001082	934806050002885
06/12	510.00	Return Of Posted Check / Item (Received On 06-09) Check #000001079	934806090001678
06/16	518.00	Return Of Posted Check / Item (Received On 06-15) Check #000001080	934806150002271
06/23 06/23	2,035.00 275.00	Deposit Overdraft Fee Refund Fdes Nnc 1060014 Nbksqdp	813009030209214 945006230140779

#### Withdrawals and Debits

#### Checks

Check Number	Amount	Date Posted	Bank Reference	Check Number	Amount	Date Posted	Bank Reference
1079	510.00	06/09	813009230477851	1080	518.00	06/15	813008730337383



Bank of America, N.A. P O. Box 831547 Dallas, TX 75283-1547 Account Reference Information
Account Number:

Tax ID Number: 10-20-1909
E 0 0 A Enclosures 0 46
Statement Period 0171679
07/01/00 through 07/31/00

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NEW CONNECTS 8505 FREEPORT PKWY IRVING TX 75063-2581

Customer Service:
Bank of America, N.A.
P.O. Box 831547
Dallas, TX 75283-1547
Toll Free 1.888.BUSINESS(1.888.287.4637)

Page 1 of 4

### **Business Economy Checking**

#### Account Summary Information

Statement Period 07/01/00 thro	ugh 07/31/00	Statement Beginning Balance	112.24
Number of Deposits/Credits	12	Amount of Deposits/Credits	24,656.33
Number of Withdrawals/Debits	42	Amount of Withdrawals/Debits	12,739.57
Number of Deposited Items	2	Statement Ending Balance	12,029.00
Number of Enclosures	0	Average Ledger Balance	1,261.96
Number of Days in Cycle	31	Service Charge	0.00

#### **Deposits and Credits**

Date Posted	Amount	Description	Bank Reference
07/06	6,000.00	Wire Type:Fed IN Date:000706 Time:1036 Fed Ref:000002 Seq:000706005814 Orig:D1020145 William E. Pmt Det:New Connects Inc. Ac-004770977045 Sending Bank:Tbon	904007069005814
07/12	200.00	Return Of Posted Check / Item (Received On 07-11) Check #000001088	934807110003259
07/12	100.00	Return Of Posted Check / Item (Received On 07-11) Check #0000001089	934807110003261
07/12	100.00	Return Of Posted Check / Item (Received On 07-11) Check #000001090	934807110003260
07/13	506.33	ATM/Check Card Adjustment Claim# 03787-13JUL2000 Fdes Nmo 0006576 NBK5BI8	945007135760549
07/17	200.00	Return Of Posted Check / Item (Received On 07-14) Check #000001088	934807140001762
07/19	2,000.00	Deposit	813009330291254
07/25	75.00	Return Of Posted Check / Item (Received On 07-24) Check #000001095	934807240002663
07/26	200.00	Return Of Posted Check / Item (Received On 07-25) Check #000001088	934807250003165



Bank of America, N.A. P.O. Box 831547 Dallas, TX 75283-1547 Account Reference V Account Number:

Tax ID Number: 75-2857909
E 0 0 A Enclosures 0 46
Statement Period 0178446
08/01/00 through 08/31/00

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NEW CONNECTS 8505 FREEPORT PKWY IRVING TX 75063-2581

Customer Service:
Bank of America, N.A.
P.O. Box 831547
Dallas, TX 75283-1547
Toll Free 1.888.BUSINESS(1.888.287.4637)

Page 1 of 4

## **Business Economy Checking**

#### Account Summary Information

Statement Period 08/01/00 thr	ough 08/31/00	Statement Beginning Balance	12,029.00
Number of Deposits/Credits	6	Amount of Deposits/Credits	127,006.33
Number of Withdrawals/Debits	100	Amount of Withdrawals/Debits	99,698.56
Number of Deposited Items	2	Statement Ending Balance	39,336.77
Number of Enclosures	0	Average Ledger Balance	47,468.90
Number of Days in Cycle	31	Service Charge	2.80

#### **Deposits and Credits**

Date Posted	Amount	Description	Bank Reference
08/08	1,000.00	Return Of Posted Check / Item (Received On 08-07) Check #0000001163	934808070002733
08/08 08/08	50,000.00 22,500.00	Deposit Wire Type:Fed IN Date:000808 Time:1555 Fed Ref:005744 Seq:000808015948 Orig:Ge Capital Ogb= gene Pmt Det:New Connects Inc 8505 Freeport Parkway Ste 380 Irving TX Ac-0047709 77045 RFB= A000080801092 I Sending Bank:Bankers Nyc	813008130846816 904008089015948
08/10 08/18	25,000.00 28,000.00	Deposit Wire Type:Fed IN Date:000818 Time:1557 Fed Ref:006787 Seq:000818017936 Orig:Ge Capital Ogb= gene Pmt Det:New Concepts Inc 8505 Freeport Parkway Ste 380 Irving TX Ac-0047709 77045 RFB= A000081801105 I Sending Bank:Bankers Nyc	813008130318337 904008189017936
08/21	50 <del>6</del> .33	ATM/Check Card Adjustment Regarding Claim # 03787-13JUL2000 Fdes Nmo 0006576 NBK7EP4	945008215760824



Bank of America, N.A. P O. Box 831547 Dallas, TX 75283-1547 Account Reference Information
Account Number:

Tax ID Number: 75-2857909
E 0 0 A Enclosures 0 46
Statement Period 0178781
09/01/00 through 09/30/00

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NEW CONNECTS 8505 FREEPORT PKWY IRVING TX 75063-2581

Customer Service:
Bank of America, N.A.
P.O. Box 831547
Dallas, TX 75283-1547
Toll Free 1.888.BUSINESS(1.888.287.4637)

Page 1 of 5

### **Business Economy Checking**

#### Account Summary Information

Statement Period 09/01/00 throu	ugh 09/30/00	Statement Beginning Balance	39,336.77
Number of Deposits/Credits	7	Amount of Deposits/Credits	13,891.26
Number of Withdrawals/Debits	64	Amount of Withdrawals/Debits	49,720.02
Number of Deposited Items	3	Statement Ending Balance	3,508.01
Number of Enclosures	0	Average Ledger Balance	8,012.80
Number of Days in Cycle	30	Service Charge	0.00

#### Deposits and Credits

Date Posted	Amount	Description	Bank Reference
09/01	2,035.00	Counter Credit	813008730012962
09/15	841.23	Return Of Posted Check / Item (Received On 09-14) Electronic Transaction	934809140002245
09/18	841.23	Return Of Posted Check / Item (Received On 09-15) Electronic Transaction	934809150002081
09/21	773.80	Return Of Posted Check / Item (Received On 09-20) Check #0000001257	934809200002371
09/22	2,800.00	Deposit	813009230234561
09/26 09/28	6,000.00 600.00	Deposit Reversal Of Posted Transaction Fdes Ntx 0003470 NBKS9Q6 Effective Date 09/27/00	813009030209661 945009284700008

#### Withdrawals and Debits

#### Checks

Check Number	Amount	Date Posted	Bank Reference	Check Number	Amount	Date Posted	Bank Reference
	600.00	09/27	813008730093915	1176	6.874.00	09/07	813008730667787





Bank of America, N.A P.O. Box 831547 Dallas, TX 75283-1547 Account Reference Information
Account Number:
Tax ID Number: 75-285/909
E 0 0 A Enclosures 0 46
Statement Period 0002210
10/01/00 through 10/31/00

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NEW CONNECTS 8505 FREEPORT PKWY IRVING TX 75063-2581

Customer Service:
Bank of America, N.A.
P.O. Box 831547
Dallas, TX 75283-1547
Toll Free 1.888.BUSINESS(1.888.287.4637)

Page 1 of 4

# Business Economy Checking

#### Account Summary Information

Statement Period 10/01/00 through 10/	/31/00	Statement Beginning Balance	3,508.01
Number of Deposits/Credits	14	Amount of Deposits/Credits	58,511.86
Number of Withdrawals/Debits	74	Amount of Withdrawals/Debits	62,252.30
Number of Deposited Items -	6	Statement Ending Balance	232.43 -
Number of Enclosures	0	Average Ledger Balance	4,209.12
Number of Days in Cycle	31	Service Charge	0.00

#### Deposits and Credits

Date Posted	Amount	Description	Bank Reference
10/04	20,000.00	Deposit	813009030853056
10/04	35.00	Non-Cash Deposit Correction	813009030853057
10/06	3.000.00	Counter Credit	813009030612946
10/10	400.00	Reversal Of Posted Transaction	945010104700004
		Fdes Ntx 0003470 NBKS9Q6 Effective Date 10/06/00	
10/11	400.00	Reversal Of Posted Transaction	945010114700002
	200.00	Fdes Ntx 0003470 NBKS9Q6 Effective Date 10/06/00	
10/11	5,000.00	Deposit	813008730317720
10/13	600.00	Reversal Of Posted Transaction	945010134700003
24, 10	000.00	Fdes Ntx 0003470 NBKW1Y8 Effective Date 10/12/00	0 10010101010
10/16	6,000.00	Deposit Deposit	813009230106359
10/19	674.21	Return Of Posted Check / Item (Received On 10-18)	934810180002534
10/13	0/4.21	Check #0000001290	301010100002001
10/24	522.00	Return Of Posted Check / Item (Received On 10-23)	934810230003050
10/24	024.00	Check #0000001298	50151020000000
10/24	80.00	Return Of Posted Check / Item (Received On 10-23)	934810230003049
10/44	00.00	Check #0000001293	204010100000013
10/25	518.00	Return Of Posted Check / Item (Received On 10-24)	934810240003530
10/20	318.00	Check #0000001299	334010240003880
10/95	97.00	Return Of Posted Check / Item (Received On 10-24)	934810240003529
10/25	37.00		304010240000023
10/05	61 105 65	Check #0000001288	813008130625409
10/25	21,185.65	Deposit	013000130020403



Bank of America, N.A P.O. Box 798 Wichita, KS 67201 Account Reference Transcription

Account Number: 1.

Tax ID Number: 75-2857909

E 0 0 A Enclosures 0 46

Statement Period 0002191

11/01/00 through 11/30/00

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NEW CONNECTS 8505 FREEPORT PKWY IRVING TX 75063-2581

Customer Service:
Bank of America, N.A.
P.O. Box 798
Wichita, KS 67201
Toll Free 1.888.BUSINESS(1.888.287.4637)

Page 1 of 1

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Boshless Economy Checking	 · · · · · · Business Econo	omy Checking	 ٠	•	

#### **Account Summary Information**

Statement Period 11/01/00 throug	th 11/30/00	Statement Beginning Balance	232.43 -
Number of Deposits/Credits	8	Amount of Deposits/Credits	67,289.79
Number of Withdrawals/Debits	64	Amount of Withdrawals/Debits	46.086.58
Number of Deposited Items	3	Statement Ending Balance	20,970.78
Number of Enclosures	0	Average Ledger Balance	5,612.30
Number of Days in Cycle	30	Service Charge	15.00

#### Deposits and Credits

Date Posted	Amount	Description	Bank Reference
11/02	32,000.00	VRU Xfer From TX 00004771122077 Confirmation # 7711060906	950111020015123
11/06	1.785.00	Deposit	813009230566386
11/10	4,300.00	Deposit	813003130687790
11/15	108.24	ATM/Check Card Temporary Cr Adj On 11/06/00 Card # 4635720000538551 Claim #5137-15NOV00	965411150000000
11/20	953.53	Return Of Posted Check / Item (Received On 11-17) Check #0000001352	934811170001676
11/22	3,065.00	Return Of Posted Check / Item (Received On 11-21) Check #000001335	934811210003315
11/27	78.02	Return Of Posted Check / Item (Received On 11-24) Check #000000000	934811240002250
11/29	25,000.00	Deposit	813008730448968

#### Withdrawals and Debits

#### Checks

Check Number	Amount	Date Posted	Bank Reference	Check Number	Amount	Date Posted	Bank Reference
. , , , , , , , , , , , , , , , , , , ,	78.02	11/24	813009130775689	1256	268.30	11/01	813009230176827





Bank of America, N.A. P.O. Box 798 Wichita, KS 67201 Account Reference Information
Account Number:
Tax ID Number: 10-200/909
E 0 0 A Enclosures 0 46
Statement Period 0002191
12/01/00 through 12/31/00

02099 001 SCH999 I 2 0

NEW CONNECTS 8505 FREEPORT PKWY IRVING TX 75063-2581

Customer Service:
Bank of America, N.A.
P.O. Box 798
Wichita, KS 67201
Toll Free 1.888.BUSINESS(1.888.287.4637)

Page 1 of 4

## Business Economy Checking

#### **Account Summary Information**

Statement Period 12/01/00 throu	gh 12/31/00	Statement Beginning Balance	20,970.78
Number of Deposits/Credits	15	Amount of Deposits/Credits	11,670.81
Number of Withdrawals/Debits	32	Amount of Withdrawals/Debits	31,762.95
Number of Deposited Items	7	Statement Ending Balance	878.64
Number of Enclosures	0	Average Ledger Balance	4,821.80
Number of Days in Cycle	31	Service Charge	15.00

#### Deposits and Credits

Date Posted	Amount	Description	. Bank Reference
12/05	8,000.00	VRU Xfer From TX 00004771122077 Confirmation # 7717350676	950112050017179
12/11	148.38	Merchant Bnkcd ;Des=bc Deposit;ID=267242616881 Eff Date: 001211;Indn:New Connects Inc.	902503463434489
12/14	102.53	Merchant Bnkcd; Des = bc Deposit; ID = 267242616881 Eff Date: 001214; Indn: New Connects Inc.	902503496755031
12/14	51.50	Deposit	813008230262480
12/14	42.00	Deposit	813008230262482
12/15	42.00	Deposit	813008130712855
12/18	291.98	Merchant Bnkcd ;Des=bc Deposit;ID=267242616881 Eff Date: 001218;Indn:New Connects Inc.	902503530590386
12/19	85.00	Deposit	813008230165709
12/21	145.28	Merchant Bnkcd ;Des=bc Deposit;ID=267242616881 Eff Date: 001221;Indn:New Connects Inc.	902503563970913
12/22	180.43	Merchant Bnkcd ;Des = bc Deposit;ID = 267242616881 Eff Date: 001222:Indn:New Connects Inc.	902503574804357
12/22	56.50	Deposit	813008230088843
12/26	341.09	Merchant Bnkcd ;Des=bc Deposit;ID=267242616881 Eff Date: 001226;Indn:New Connects Inc.	902503615484780
12/26	55.17	Merchant Bnkcd ;Des=bc Deposit;ID=267242616881 Eff Date: 001226;Indn:New Connects Inc.	902503615450850



### **EXHIBIT 6**

**BIOGRAPHIES OF MANAGEMENT** 



#### Technical Maintenance

New Connects, Inc. has retained the telecommunications consulting firm, Comm Reg Group, Inc., (CRG) a Texas based operation to assist them in the technical areas. CRG's principal, Mr. Larry E. Matteson and his staff have been in the communications business since 1989. CRG and its employees have provided technical direction and leadership in other long distance resale programs and business building efforts such as customer support, provisioning of customers and billing and collections. Mr. Matteson is closely schooled in the matters of regulatory needs as well as how to build and improve relationships with the underlying carriers. New Connects will build a customer support crew that utilizes a 36 station network to provide on-line information about their customers and the status of their accounts. These staff members will handle approximately 1,000 calls each week and work closely with Southwestern Bell and other Local Exchange Carriers.

#### Larry E. Matteson - Telecommunications Consultant - Technical Support

Since 1985, Mr. Matteson has provided the technical support and design of computer systems, both hardware and software, to provide the billing and collections to various companies, the majority of whom have been telecommunications companies. He has also been the president of a long distance resale firm that acquired, billed and collected over a million dollars monthly within its first year of operation. Mr. Matteson was president of an interconnect (IXC) company in Texas from 1993 to 1995 and has directed and closely supervised the procurement, installation and operation of large and complex telephone systems for businesses in the Dallas area. He has also developed and ran telemarketing operations. He has formed and refined customer service departments for five different companies. Mr. Matteson's technical and managerial background, add much to this new company's ability to excel early in the growth process.

Comm Reg Group. Inc. (CRG) has a 10-year commitment with New Connects to provide the necessary consulting services to support New Connects operations as a local exchange reseller. CRG has a staff of four, including Mr. Larry Matteson, who is Comm Reg Group's president. CRG will be physically located onsite with New Connects for a minimum of 90 days for hiring, training, and advising on policies and procedures for both technical and managerial responsibilities. Thereafter, CRG will be available to New Connects on an as-needed basis for the duration of the commitment, which will be easily facilitated, as the two companies are located within 30 miles of each other.

#### Gregary D. Carr - President

Mr. Carr holds a degree from the University of North Texas and has been involved in the re-sell industry since the deregulation in 1996. Mr. Carr has over three years experience serving as Vice President of Operations for a CLEC in the Dallas/Fort Worth area. Mr. Carr is well versed in the management skills needed to run a profitable telecommunications business, as well as the procedures for gaining certification in additional states, and for securing interconnect agreements with Incumbent Local Exchange Carriers. Mr. Carr has also demonstrated his leadership and coordinating skills over the years by showing his ability to attract the customers that are available in re-sale business by facilitating the growth of the customer base to more than 15,000 customers in 5 states in less than eighteen months. He is able to attract the kind of people that will serve the Texas public as a reseller of Local Exchange Services.

#### Robert H. Shields Jr. - Vice President

Mr. Shields has also been involved in the re-sell industry since the deregulation in 1996. Serving as the President of a CLEC that was recently sold to a larger company and relocated to South Texas, Mr. Shields has displayed the ability to successfully manage and control the daily operations required within the telecommunications industry. As a further effort to increase the productivity of New Connects, Mr. Shields has been certified through the Bell Labs as well as GTE to facilitate our online operations and processing requirements. Mr. Shields has successfully negotiated the Interconnect agreement with Southwestern Bell, and will continue negotiations as New Connects obtains certification in other states.

#### Erica S. Carr – Corporate Secretary

Mrs. Carr has 5 years experience in the telecommunications industry, specifically the billing and processing functions of the business. Mrs. Carr's responsibilities included the collection of payments, posting of payments, and preparing all payment types such as money orders, checks, credit cards and cash for deposit. Mrs. Carr supervised eight employees in the billing department and four employees in the processing department while handling over \$400,000 per month in transactions. Her experience will prove valuable as New Connects, Inc. begins to hire more employees resulting from the growing customer base.

### Robert H. Shields Sr. - General Manager

Mr. Shields has over 28 years of management experience running companies of fifty to two hundred employees. Mr. Shields is well versed in finance, sales, marketing, production, and he has an extensive legal background. Most of Mr. Shields' experience was gained in the oil and gas industry where he remained for fifteen years. Mr. Shields was also involved in the brokerage industry for thirteen years where he held several financial principal licenses including series 39, 22, and 63. Following the de-regulation in 1996 Mr. Shields also became involved in the telephone re-sell industry where his company grew to over 18,000 customers in 1997 and was later sold to another telephone company in 1999.

#### Michael J. Kiselak - Marketing Director

Mr. Kiselak holds a degree from the University of Maryland and has been playing professional football since 1990 spending his last 2 seasons with the Dallas Cowboys. Since 1987 Mr. Kiselak has been an entrepreneur and public speaker. He has an extensive background in networking, advertising and promotion.

### Alexander Ayanru - Director of Finance

Mr. Ayanru holds a masters degree in business and finance and has worked for both Bear Stearnes and G.E. Capital where he specialized in venture capital and investment banking specifically, in small to medium size IPO's within the technological arena. Mr. Ayanru has an uncanny ability to attract investors to small privately held companies such as New Connects, Inc. and furthermore, has the experience and qualifications to help them make the transition from a privately held company to a company that is publicly traded on the U.S. exchanges.

## **EXHIBIT 7**

NOTARIZED STATEMENT



### **AFFIDAVIT**

I Gregary D. Carr, President of New Connects, Inc. do hereby certify that the Company has not provided or collected for intrastate service in Florida prior to the filing of this application and tariff.

New Connects, Inc.

Sworn to and subscribed before me This 10 day of January,

My commission Expires: July 8, 2002

**TONI LIVERSAGE** MY COMMISSION EXPIRES
July 8, 2002

## **EXHIBIT 8**

PROPOSED INTEREXCHANGE TARIFF



#### TITLE PAGE

OF

#### FLORIDA LOCAL EXCHANGE SERVICES TARIFF

OF

NEW CONNECTS, INC.

This proposed tariff, filed with the Florida Public Service Commission, contains the rates, terms, and conditions applicable to Local Exchange Telephone Services within the State of Florida offered by New Connects, Inc.

Issued: January 10, 2001

**EFFECTIVE** 

Issued BY: Gregary D. Carr, President New Connects, Inc.

8505 Freeport Parkway North, Suite 380 Irving, Texas 75063

Telephone: (972) 929-4344

## Local Exchange Telephone Service

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Issued: January 10, 2001

**EFFECTIVE** 

Issued BY: Gregary D. Carr, President New Connects, Inc.

8505 Freeport Parkway North, Suite 380

### **APPLICATION OF TARIFF**

This tariff contains the regulations and rates applicable to the provision of local exchange service by New Connects, Inc. within the State of Florida and subject to the jurisdiction of the Florida Public Service Commission.

Issued: January 10, 2001

**EFFECTIVE** 

Issued BY: Gregary D. Carr, President

New Connects, Inc.

8505 Freeport Parkway North, Suite 380

#### SECTION 1 – TECHNICAL TERMS AND ABBREVIATIONS

Access Line – An arrangement which connects the customer's location to a switching center or point of presence.

**Authorized User** – A person, firm, corporation, or any other entity authorized by the Customer to communicate utilizing the Company's service.

Carrier or Company – Whenever used in this tariff, "Carrier" or "Company" refers to New Connects, Inc., unless otherwise specified or clearly indicated by the context.

Commission - Florida Public Service Commission.

**Customer** – The person, firm, corporation, or other entity which orders, cancels, amends, or uses service and is responsible for payment of charges and compliance with the Company's tariff.

**ILEC** – The incumbent Local Exchange Carrier

LEC - Local Exchange Company

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### SECTION 1 - TECHNICAL TERMS AND ABBREVIATIONS, CONT.

**Local Exchange Services** – Telecommunications services furnished for use by end-users in placing and receiving calls within local calling areas.

**Resold Local Exchange Service** – A service composed of the resale of exchange access lines and local calling provided by other authorized Local Exchange Carriers, in combination with Company-provided usage services, miscellaneous services or interstate/international services.

Station-to-Station Calling – A service whereby the originating End User requests the assistance of a Company operator to place or bill the call. Calls billed Collect or to a telephone companyissued Calling Card or to an authorized Credit Card are Operator-Station calls unless the call is placed on a Person-to-person basis. Automated Calling Card calls are not Operator-station calls. Calls may be dialed with or without the assistance of a Company operator. Collect calls to coin telephones and transfers of charges to third telephones which are coin telephones will not be accepted.

**Person-to-Person Calling** – An operator-assisted service whereby the person originating the call specifies a particular person to be reached, or a particular station, room number, department, or office to be reached through a PBX attendant. Charges may be billed to the called party, a third number, a credit card, a calling card or designated third party station.

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#### 2.1 Responsibilities of the Company

The Company services offered pursuant to this Tariff are provided for Local Exchange Service among specified points within a Local Calling Area. The Company offers these services on a resell basis.

The Company's services and facilities are provided on a monthly basis, and are available twenty-four hours per day, seven days per week.

#### 2.2 Limitations

- 2.2.1 Service is offered subject to the availability of the necessary facilities and equipment, and subject to the provisions of this tariff.
- 2.2.2 The Company reserves the right to discontinue or limit service when necessitated by conditions beyond its control, or when the Customer is using the service in a way which violates the provisions of this tariff, or in a way which violates the law.
- 2.2.3 The Company does not undertake to transmit messages, but offers the use of its facilities when available, and will not be liable for errors in transmission or for failure to establish connections.
- 2.2.4 All facilities provided under this tariff are directly controlled by the Company and the Customer may not transfer or assign the use of service or facilities without first receiving written consent of the Company. Such transfer or assignment shall only app0ly where there is no interruption of the use or location of the service or facilities.

#### 2.3 Use of Service

Services provided under this tariff may be used for any lawful purpose for which the service is technically suited.

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#### 2.4 Liabilities of the Company

- 2.4.1 The Company's liability for damages arising out of mistakes, interruptions, omissions, delays, errors, or defects in transmission which occur in the course of furnishing service or facilities, in no event shall exceed an amount equivalent to the proportionate charge to the Customer for the period during which the faults in transmission occur.
- 2.4.2 The Company shall not be liable for claim or loss, expense or damage (including indirect, special or consequential damage), for any interruption, delay, error, omission, or defect in any service, facility, or transmission provided under this tariff, if caused by any person or entity other than the Company, by any malfunction of any service or facility provided by any other carrier, by an act of God, fire, war, civil disturbance, or act of government, or by any other cause beyond the Company's direct control.
- 2.4.3 No agent or employee of any other carrier shall be deemed to be an agent or employee of the Company.
- 2.4.4 The Company shall not be liable for any defacement of or damages to the premises of a Customer resulting from the furnishing of service which is not the direct result of the Company's negligence.

#### 2.5 Deposits

The Company does not require customer deposits.

#### 2.6 Advance Payments

The Company offers prepaid local exchange service, and, therefore, all payments for service are made in advance. Customers are allowed a seven (7) day grace period for payment.

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#### 2.7 Taxes

All state and local taxes (including but not limited to franchise fees, excise tax, sales tax, municipal utilities tax) are listed as separate line items and are not included in the quoted rates.

#### 2.8 Installation

Service is installed upon mutual agreement between the Customer and the Company. The service agreement does not alter rates specified in this tariff.

### 2.9 Payment for Service

The Customer is responsible for payment of all charges for services furnished to the Customer or to an Authorized User of the Customer by the Company. All charges due by the Customer are payable to the Company or to an agency duly authorized to receive such payments. Terms of payment shall be according to the rules and regulations of the agency and subject to the rules of regulatory agencies, such as the Florida Public Service Commission.

The Company's billing invoices will be considered correct and binding upon the Customer if no notice is received from the Customer within thirty (30) days of the date of the invoice. (Billing inquiries may be made in writing, in person, or via telephone.) Adjustments to Customer's bills shall be made to the extent circumstances exist which reasonably indicate that such changes are appropriate. Upon receipt of a billing inquiry, charges involved in the disputed element(s) of the invoice will be temporarily suspended pending resolution of the dispute. The Customer, however, remains responsible for the timely payment of the non-disputed elements of the invoice. If a Customer is not satisfied with the Company's response to an inquiry or request for credit, he or she may appeal to the Florida Public Service Commission for final resolution.

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#### 2.10 Late Payment Charge

The Company will assess a \$5.00 charge for late payment. A payment is considered late after the seven (7) day grace period. A late payment penalty may be assessed only once on any bill for rendered services.

#### 2.11 Cancellation by the Customer

Customer may cancel service by providing written or oral notice to the Company.

#### 2.12 Interconnection

Service furnished by the Company may be connected with the services or facilities of other carriers or enhanced service providers. The Customer is responsible for all charges billed by these entities for use in connection with the Company's service. Any special interface equipment or facilities necessary to achieve compatibility between these entities is the responsibility of the Customer. Neither the Company nor any connecting carrier participating in a service shall be liable for any act or omission of any other company or companies furnishing a portion of such service.

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#### 2.13 Refusal or Discontinuance by the Company

The Company may refuse or discontinue service under the following conditions provided that, unless otherwise stated, the Customer shall be given proper notification set forth by the Commission.

- 2.13.1 For non-compliance with or violation of any State, municipal, or Federal law, ordinance or regulation pertaining to telephone service.
- 2.13.2 For use of telephone service for any other property or purpose than that described in the application.
- 2.13.3 For neglect or refusal to provide reasonable access to the Company or its agents for the purpose of inspection and maintenance or equipment owned by the Company or its agents.
- 2.13.4 For noncompliance with or violation of Commission regulation or the Company's rules and regulations on file with the Commission, provided ten days written notice is given before termination.
- 2.13.5 For nonpayment of bills, including bills for any of the Company's other communication services, provided that suspension or termination of service shall not be made without seven days written notice to the Customer, except in extreme cases.
- 2.13.6 Without notice in the event of Customer or Authorized User use of equipment in such a manner as to adversely affect the Company's service to others. Within twenty-four (24) hours after such termination, the utility shall send written notification to the customer of the reasons for termination or refusal of service upon which the utility relies, and of the customer's right to challenge the termination by filing a formal complaint with the Commission.

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- 2.13.7 Without notice in the event of tampering with the equipment or services owned by the Company or its agents. Within twenty-four (24) hours after such termination, the utility shall send written notification to the customer of the reasons for termination or refusal of service upon which the utility relies, and of the customer's right to challenge the termination by filing a formal complaint with the Commission.
- 2.13.8 Without notice in the event of unauthorized or fraudulent use of service.

  Whenever service is discontinued for fraudulent use of service, the Company may, before restoring service, require the Customer to make, at his or her own expense, all changes in facilities or equipment necessary to eliminate illegal use and to pay an amount reasonably estimated as the loss in revenues resulting from such fraudulent use. Within twenty-four (24) hours after such terminations, the utility shall send written notification to the customer of the reasons for termination or refusal of service upon which the utility relies, and of the customer's right to challenge their termination by filing a formal complaint with the Commission.
- 2.13.9 Without notice by reason of any order or decision of a court or other government authority having jurisdiction which prohibits the Company from furnishing such services.

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### 2.14 Tests, Pilots, Promotional Campaigns and Contests

The Company may conduct special tests or pilot programs and promotions at its discretion to demonstrate the ease of use, quality of service and to promote the sale of its services. The Company may also waive a portion or all processing fees or installation fees for winners of contests and other occasional promotional events sponsored or endorsed by the Company. From time to time, the Company may waive all processing fees for a Customer. The Company will notify the Commission regarding specific promotions and contests.

### 2.15 Interruption of Service

Credit allowances for interruptions of service which are not due to the Company's testing or adjusting, to the negligence of the Customer, or to the failure of channels, equipment or communications Systems provided by the Customer, are subject to the general liability provisions set forth in Section 2.4 herein. It shall be the obligation of the Customer to notify Company immediately of any interruption in service for which a credit allowance is desired by Customer. Before giving such notice, Customer shall ascertain that the trouble is not within his or her control, or is not in wiring or equipment, if any, furnished by Customer and connected to Company's terminal. Interruptions caused by Customer-provided or Company-provided automatic dialing equipment are not deemed an interruption of service as defined herein since the Customer has the option of using the long distance network via local exchange company access.

#### 2.16 Cost of Collection and Repair

The Customer is responsible for any and all costs incurred in the collection of monies due the Carrier including legal and accounting expenses. Customer is also responsible for recovery costs of Carrier-provided equipment and any expenses required for repair or replacement of damaged equipment.

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#### 2.17 Returned Check Charges

A fee of \$20.00, or five percent of the amount of the check, which ever is greater, may be charged for each check returned for insufficient funds.

### 2.18 Service Implementation

Absent a promotional offering, service implementation charges of \$38.00 per service order will apply to new service orders or to orders to change existing service after initial installation.

### 2.19 Reconnection Charge

The Company will charge a reconnection fee as set forth in this tariff.

### 2.20 Operator Service Rules

The Company will enforce the operator service rules specified by the Commission and by the FCC.

### 2.21 Access to Telephone Relay Services

Where required by the Commission, the Company will participate in telephone relay services for handicapped and/or hearing impaired end users, and will comply with all regulations and requirements. The Company shall impose any monthly surcharge or any other related charge upon its local exchange telecommunications subscribers as may be required by state law.

#### 2.22 Access to Carrier of Choice

End users of the Company's local service shall have the right to select the interexchange telecommunications service provider (IC) of their choice. The IC should request confirmations/verifications of choice from its customers no later than the date of submission of its first bill to the customer. The Company should maintain signed letters of agency or confirmations of choice on file for use in dispute resolution.

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#### 2.23 Directory Listings

- 2.23.1 The Company does not publish a directory of subscriber listings. The Company, however, does arrange for the Customer's main billing number to be placed in the directory or directories of the dominant local exchange carrier.
- 2.23.2 The rates and regulations specified herein for directory listings apply only to the alphabetical section of the directory. Listings are intended solely for the purpose of identifying subscriber's telephone number and as an aid to the use of telephone service.
- 2.23.3 The listings of subscribers, either without charge or at the rate specified within this tariff for other listings are arranged alphabetically and are not intended for special prominence of arrangement. In accepting listings as requested by subscribers or prospective subscribers, the Company will not be a party to controversies between subscribers as a result of the publication of such listings in the directories.
- 2.23.4 Listings must conform to the Company's specifications with respect to the directories. The Company reserves the right to reject listings when in, its sole judgment, such listings would violate the integrity of company records and the directories, confuse individuals using the directory, or when the customer cannot provide satisfactory evidence that he is authorized to do business as requested.
- 2.23.5 The Company reserves the right to limit the length of any listing to one line in the directory by use of abbreviations when, in its sole judgment, the clearness of the listing and the identification of the subscriber is not impaired.
- 2.23.6 Generally, the listed address is the location of the subscriber's residence.

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### 2.24 Universal Emergency Telephone Number Service (911, E911)

- 2.24.1 This tariff does not provide for the inspection r constant monitoring of facilities to discover errors, defects, or malfunctions in the service, nor does the Company undertake such responsibility.
- 2.24.2 911 information consisting of the names, addresses and telephone numbers of all telephone customers is confidential. The Company will release such information via the Data Management System only after a 911 call has been received, on a call by call basis, only for the purpose of responding to an emergency call in progress.
- 2.24.3 The 911 calling party, by dialing 911, waives the privacy afforded by non-listed and non-published service to the extent that the telephone number, name, and address associated with the originating station location are furnished to the Public Safety Answering Point.
- 2.24.4 After the establishment of service, it is the Public Safety Agency's responsibility to continue to verify the accuracy of and to advise the Company of any changes as they occur in street names, establishment of new streets, changes in address numbers used on existing streets, closing and abandonment of streets, changes in police, tire, ambulance or other appropriate agencies' jurisdiction over any address, annexations and other changes in municipal and county boundaries, incorporation of new cities or any other similar matter that may affect the routing of 911 calls to the proper Public Safety Answering Point.

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### 2.24 Universal Emergency Telephone Number Service (911, E911) (continued)

2.24.5 The Company assumes no liability for any infringement, or invasion of any right of privacy of any person or persons caused, or claimed to be caused, directly or indirectly by the use of 911 Service. Under the terms of this tariff, the Public Safety Agency must agree, (except where the events, incidents, or eventualities set forth in this sentence are the result of the Company's gross negligence or willful misconduct), to release, indemnify, defend and hold harmless the Company from any and all losses or claims whatsoever, whether suffered, made, instituted, or asserted by the Public Safety Agency or by any other party or person, for any personal injury to or death of any person or persons, or for any loss, damage, or destruction of any property, whether owned by the customer or others. Under the terms of this tariff, the Public Safety Agency must also agree to release, indemnify, defend and hold harmless the Company for any infringement of invasion of the right of privacy of any person or persons, caused or claimed to have been caused, directly or indirectly, by the installation, operation, failure to operate, maintenance, removal, presence, condition, occasion, or use of 911 Service features and the equipment associated therewith, or by any services furnished by the Company in connection therewith, including, but not limited to. the identification of the telephone number, address, or name associated with the telephone used by the party or parties accessing 911 Service hereunder, and which arise out of the negligence or other wrongful act of the Public Safety Agency, its user, agencies or municipalities, or the employees or agents of any one of them, or which arise out of the negligence, other than gross negligence or willful misconduct, of the Company, its employees or agents.

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### **SECTION 3 – DESCRIPTION OF SERVICE**

#### 3.1 Local Service Areas

The Company will provide residential prepaid local exchange service throughout the entire state of Florida.

#### 3.2 Product Descriptions

### 3.2 Residential Prepaid Local Exchange Service

Installation, monthly recurring and per minute usage charges will apply to the Company's local exchange services and will be prepaid by the customer. An addition per-call operator service charge will apply for operator-assisted calling.

- 3.2.1.1 The Company's prepaid Local Telephone Service provides a Customer with the ability to:
  - place or receive calls to any calling Station in the local calling area, as defined herein;
  - access basic 911 Emergency Service;
  - access the interexchange carrier selected by the Customer for interLATA, intraLATA, interstate or international calling;
  - access Operator Services;
  - access Directory Assistance for the local calling area;
  - place or receive calls to 800/888/877 telephone numbers;
  - access Telecommunications Relay Service
- 3.2.1.2 The Company's service can not be used to originate calls to other telephone companies caller-paid information services 9E.g., 900, 976). Calls to those numbers and other numbers and other numbers used for caller-paid information blocked by the Company's switch.

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#### **SECTION 3 – DESCRIPTION OF SERVICE, CONT.**

#### 3.3 Product Descriptions, cont.

- 3.2.1.3 Local Line provides the Customer with a single, voice-grade communications channel. Each Local Line will include a telephone number.
- 3.2.1.4 Standard Features: Each Local Line Customer is provided with the following standard features:

Touch Tone
Direct Inward Dialing
Direct Outward Dialing

- 3.2.1.5 Optional Features: A Customer may order optional features, at the rates specified in this tariff.
- 3.2.1.6.1 Local Line Rates and Charges: A Local Line Customer will be charged applicable Non-Recurring Charges, monthly Recurring Charges and usage charges as specified herein.

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### **SECTION 3 – DESCRITPTION OF SERVICE, CONT.**

#### 3.2 Product Descriptions, cont.

### 3.2.3 Directory Listings

For each Customer of Exchange Access Service(s), the Company shall arrange for the listing of the Customer's main billing telephone number in the director9ies) published by the dominant Local Exchange Carrier in the area at no additional charge. At a Customer's option, the Company will arrange for additional listings at an additional charge

#### 3.2.4 Directory Assistance

Customers and users of the Company's services may obtain directory assistance in determining telephone numbers within the state by calling the Directory Assistance operator.

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#### **SECTION 4 – RATES**

#### 4.1 Prepaid Local Residential Services Rates

#### 4.1.1 Monthly Charges \*

1<sup>st</sup> Line:

\$40.00 per month (plus applicable taxes)

2<sup>nd</sup> Line:

\$40.00 per month (plus applicable taxes)

\* Monthly charges include local exchange phone service only. Should additional features be added to service after installation, a \$10.00 service charge will be incurred by the customer in addition to the recurring monthly cost of the new feature(s).

### 4.1.2 Optional Features Offered

	Metro Service	\$40.00 per line
	Activation	\$40.00 per line
$\triangleright$	Caller ID	\$10.00 per line
$\triangleright$	Call Waiting	\$ 5.00 per line
$\triangleright$	3-Way Calling	\$ 5.00 per line
$\triangleright$	Call Forwarding	\$ 5.00 per line
$\triangleright$	Call Return	\$ 5.00 per line
	Unlisted Number	\$ 5.00 per line

### 4.2 Returned Check Charge

\$25.00 per check

#### 4.3 Reconnection Charge

\$20.00 per occurrence

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#### **SECTION 5 – BILILNG CONTENTS**

### 5.1 Billing Contents

The Company's customer bills contain the following information:

- 1. Name and address of Company
  - Address for Correspondence

Address for Remittance

- 2. Customer Service /Billing Inquiry toll-free telephone number
- 3. Name and Address of Customer
- 4. Bill Date
- 5. All Account Numbers
- 6. Invoice Number
- 7. Summary of Charges
- 8. Detail of Charges

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#### SECTION 6- SPECIAL SERVICE ARRANGEMENTS

### 6.1 Individual Case Basis 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. The Company's rates will be offered to the Customer in writing and on a non-discriminatory basis All such rates will be submitted to the Commission for approval.

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