



NORTHWEST NEVADA TELCO, INC.

May 2, 1997

Florida Public Service Commission
Division of Administration
2540 Shumard Oak Boulevard
Gunter Building
Tallahassee, FL 32399-0850

920528-TI

To Whom It May Concern:

Please find enclosed one original and six copies of our Application Form For Authority To Provide Interexchange Telecommunication Service Within The State of Florida and the related Florida Telecommunications Tariff. In addition, we have enclosed a check for \$250.00 to cover the application fee.

If you have any questions, please contact the undersigned.

Sincerely yours,

Alex P. Jitloff
Vice President of Finance

Check enclosed and
forwarded to
Florida Public Service
Commission, 2540 Shumard
Oak Boulevard, Gunter
Building, Tallahassee,
FL 32399-0850.
Initials of person who forwarded check

DOCUMENT NUMBER-DATE

2910 MILL STREET • RENO, NV 89502
PHONE (702) 335-3600 • FAX (702) 348-9477

04431 MAY-56

FPSC-RECORDS/REPORTING

Original



APPLICATION FORM
FOR AUTHORITY TO
PROVIDE
INTEREXCHANGE
TELECOMMUNICATION
SERVICE WITHIN THE
STATE OF FLORIDA

DOCUMENT NUMBER - DATE

04431 MAY-56

FDPC - RECORDS (REPORTING)

**** FLORIDA PUBLIC SERVICE COMMISSION ***

DIVISION OF COMMUNICATIONS
BUREAU OF SERVICE EVALUATION

APPLICATION FORM
for
AUTHORITY TO PROVIDE INTEREXCHANGE TELECOMMUNICATIONS SERVICE
WITHIN THE STATE OF FLORIDA

Instructions

- A. This form is used for an original application for a certificate and for approval of sale, assignment or transfer of an existing certificate. In case of a sale, assignment or transfer, the information provided shall be for the purchaser, assignee or transferee (See Appendix A).
- B. Respond to each item requested in the application and appendices. If an item is not applicable, please explain why.
- C. Use a separate sheet for each answer which will not fit the allotted space.
- D. If you have questions about completing the form, contact:
- E. Once completed, submit the original and six (6) copies of this form along with a non-refundable application fee of \$250.00 to:

Florida Public Service Commission
Division of Communications
Bureau of Service Evaluation
2540 Shumard Oak Blvd.
Gunter Building
Tallahassee, Florida 32399-0850
(904) 413-6600

Florida Public Service Commission
Division of Administration
2540 Shumard Oak Blvd.
Gunter Building
Tallahassee, Florida 32399-0850
(904) 413-6251

1. Select what type of business your company will be conducting (check all that apply):

- () Facilities based carrier - company owns and operates or plans to own and operate telecommunications switches and transmission facilities in Florida.
- () Operator Service Provider - company provides or plans to provide alternative operator services for IXCs; or toll operator services to call aggregator locations; or clearinghouse services to bill such calls.
- () Reseller - company has or plans to have one or more switches but primarily leases the transmission facilities of other carriers. Bills its own customer base for services used.
- () Switchless Rebiller - company has no switch or transmission facilities but may have a billing computer. Aggregates traffic to obtain bulk discounts from underlying carrier. Rebills end users at a rate above its discount but generally below the rate end users would pay for unaggregated traffic.
- () Multi-Location Discount Aggregator - company contracts with unaffiliated entities to obtain bulk/volume discounts under multi-location discount plans from certain underlying carriers. Then offers the resold service by enrolling unaffiliated customers.
- () Prepaid Debit Card Provider - any person or entity that purchases 800 access from an underlying carrier or unaffiliated entity for use with prepaid debit card service and/or encodes the cards with personal identification numbers.

2. This is an application for (check one):
- Original Authority (New company).
 - Approval of Transfer (To another certificated company).
 - Approval of Assignment of existing certificate (To an uncertificated company).
 - Approval for transfer of control (To another certificated company).
3. Name of corporation, partnership, cooperative, joint venture or sole proprietorship:
NORTHWEST NEVADA TELCO, INC.
4. Name under which the applicant will do business (fictitious name, etc.): NNT
5. National address (including street name & number, post office box, city, state and zip code).
2910 Mill Street
Reno, NV 89502
6. Florida address (including street name & number, post office box, city, state and zip code):
NO FLORIDA LOCATION
7. Structure of organization;
- Individual
 - Corporation
 - Foreign Corporation
 - Foreign Partnership
 - General Partnership
 - Limited Partnership
 - Other, _____
8. If applicant is an individual or partnership, please give name, title and address of sole proprietor or partners. N/A - CORPORATION
- (a) Provide proof of compliance with the foreign limited partnership statute (Chapter 620.169 FS), if applicable.
 - (b) Indicate if the individual or any of the partners have previously been:

(1) adjudged bankrupt, mentally incompetent, or found guilty of any felony or of any crime, or whether such actions may result from pending proceedings.

(2) officer, director, partner or stockholder in any other Florida certificated telephone company. If yes, give name of company and relationship. If no longer associated with company, give reason why not.

9. If incorporated, please give: INCORPORATED IN THE STATE

(a) Proof from the Florida Secretary of State OF NEVADA that the applicant has authority to operate in Florida.

Corporate charter number: NV 60-91

(b) Name and address of the company's Florida registered agent. NONE

(c) Provide proof of compliance with the fictitious name statute (Chapter 865.09 FS), if applicable. N/A

Fictitious name registration number: _____

(c) Indicate if any of the officers, directors, or any of the ten largest stockholders have previously been:

(1) adjudged bankrupt, mentally incompetent, or found guilty of any felony or of any crime, or whether such actions may result from pending proceedings. NO

(2) officer, director, partner or stockholder in any other Florida certificated telephone company. If yes, give name of company and relationship. If no longer associated with company, give reason why not. NO

10. Who will serve as liaison with the Commission in regard to (please give name, title, address and telephone number):

(a) The application; ALEX P. JITLOFF, Vice President
2910 Mill Street
Reno, NV 89502

(b) Official Point of Contact for the ongoing operations of the company;

ALEX P. JITLOFF (As Above)

(c) Tariff; ALEX P. JITLOFF (As Above)

(d) Complaints/Inquiries from customers;

ALEX P. JITLOFF (As Above)

11. List the states in which the applicant:

(a) Has operated as an interexchange carrier.

ALL STATES
Under FCC 214 License

(b) Has applications pending to be certificated as an interexchange carrier.

Certified as Interstate carrier under FCC 214 license.

(c) Is certificated to operate as an interexchange carrier.

NEVADA

(d) Has been denied authority to operate as an interexchange carrier and the circumstances involved.

NONE

(e) Has had regulatory penalties imposed for violations of telecommunications statutes and the circumstances involved.

NONE

(f) Has been involved in civil court proceedings with an interexchange carrier, local exchange company or other telecommunications entity, and the circumstances involved.

NONE

12. What services will the applicant offer to other certificated telephone companies: NONE

- () Facilities. () Operators.
() Billing and Collection. () Sales.
() Maintenance.
() Other: _____

13. Do you have a marketing program? YES

14. Will your marketing program:

- (x) Pay commissions?
() Offer sales franchises?
() Offer multi-level sales incentives?
() Offer other sales incentives?

15. Explain any of the offers checked in question 14 (To whom, what amount, type of franchise, etc.).
Commissions will be paid to distributors of prepaid phone cards at a rate of 20% - 25% of recharge dollars.

16. Who will receive the bills for your service (Check all that apply)?

- () Residential customers. () Business customers.
() PATS providers. () PATS station end-users.
() Hotels & motels. () Hotel & motel guests.
() Universities. () Univ. dormitory residents.
(x) Other: (specify) Individuals activating
prepaid phone cards. Cards will be activated by either credit card or check.

17. Please provide the following (if applicable):

- (a) Will the name of your company appear on the bill for your services, and if not who will the billed party contact to ask questions about the bill (provide name and phone number) and how is this information provided? Yes, along with a toll free customer service number.
- (b) Name and address of the firm who will bill for your service. For credit card charges:
SierraWest Bank or First USA Merchant
Electronic Banking Division Services, Inc.
P.O. Box 61000 A Northeastern Blvd.
Truckee, CA 96160 Salem, New Hampshire
03079-1952

FORM PSC/CMU 31 (11/95)

Required by Commission Rule Nos. 25-24.471, 25-24.473, and 25-24.480(2).

18. Please provide all available documentation demonstrating that the applicant has the following capabilities to provide interexchange telecommunications service in Florida.

A. Financial capability.

Regarding the showing of financial capability, the following applies:

The application should contain the applicant's financial statements for the most recent 3 years, including:

SEE ATTACHMENT 1

1. the balance sheet
2. income statement
3. statement of retained earnings.

Further, a written explanation, which can include supporting documentation, regarding the following should be provided to show financial capability.

1. Please provide documentation that the applicant has sufficient financial capability to provide the requested service in the geographic area proposed to be served.

2. Please provide documentation that the applicant has sufficient financial capability to maintain the requested service.

3. Please provide documentation that the applicant has sufficient financial capability to meet its lease or ownership obligations.

NOTE: This documentation may include, but is not limited to, financial statements, a projected profit and loss statement, credit references, credit bureau reports, and descriptions of business relationships with financial institutions.

If available, the financial statements should be audited financial statements.

If the applicant does not have audited financial statements, it shall be so stated. The unaudited financial statements should then be signed by the applicant's chief executive officer and chief financial officer. The signatures should affirm that the financial statements are true and correct.

B. Managerial capability.

See attachment 2

C. Technical capability.

See attachment 3

19. Please submit the proposed tariff under which the company plans to begin operation. Use the format required by Commission Rule 25-24.485 (example enclosed).

20. The applicant will provide the following interexchange carrier services (Check all that apply):

MTS with distance sensitive per minute rates

Method of access is FGA

Method of access is FGB

Method of access is FGD

Method of access is 800

MTS with route specific rates per minute

Method of access is FGA

Method of access is FGB

Method of access is FGD

Method of access is 800

MTS with statewide flat rates per minute (i.e. not distance sensitive)

Method of access is FGA

Method of access is FGB

Method of access is FGD

Method of access is 800

MTS for pay telephone service providers

Block-of-time calling plan (Reach out Florida, Ring America, etc.).

800 Service (Toll free)

WATS type service (Bulk or volume discount)
 Method of access is via dedicated facilities
 Method of access is via switched facilities

Private Line services (Channel Services)
(For ex. 1.544 mbs., DS-3, etc.)

Travel Service
 Method of access is 950
 Method of access is 800

900 service

Operator Services
 Available to presubscribed customers
 Available to non presubscribed customers (for example to patrons of hotels, students in universities, patients in hospitals.
 Available to inmates

Services included are:

Station assistance
 Person to Person assistance
 Directory assistance
 Operator verify and interrupt
 Conference Calling

21. What does the end user dial for each of the interexchange carrier services that were checked in services included (above). 800 numbers

22. Other:

**** APPLICANT ACKNOWLEDGEMENT STATEMENT ****

1. **REGULATORY ASSESSMENT FEE:** I understand that all telephone companies must pay a regulatory assessment fee in the amount of .15 of one percent of its gross operating revenue derived from intrastate business. Regardless of the gross operating revenue of a company, a minimum annual assessment fee of \$50 is required.
2. **GROSS RECEIPTS TAX:** I understand that all telephone companies must pay a gross receipts tax of two and one-half percent on all intra and interstate business.
3. **SALES TAX:** I understand that a seven percent sales tax must be paid on intra and interstate revenues.
4. **APPLICATION FEE:** A non-refundable application fee of \$250.00 must be submitted with the application.
5. **RECEIPT AND UNDERSTANDING OF RULES:** I acknowledge receipt and understanding of the Florida Public Service Commission's Rules and Orders relating to my provision of interexchange telephone service in Florida. I also understand that it is my responsibility to comply with all current and future Commission requirements regarding interexchange service.
6. **ACCURACY OF APPLICATION:** By my signature below, I the undersigned owner or officer of the named utility in the application, attest to the accuracy of the information contained in this application and associated attachments. I have read the foregoing and declare that to the best of my knowledge and belief, the information is a true and correct statement.

Further, I am aware that pursuant to Chapter 837.06, Florida Statutes, "Whoever knowingly makes a false statement in writing with the intent to mislead a public servant in the performance of his official duty shall be guilty of a misdemeanor of the second degree, punishable as provided in s. 775.082 and s. 775.083".

UTILITY OFFICIAL:

John P. Lawless
Signature

5/2/97
Date

JOHN P. LAWLESS

PRESIDENT

Title

(702) 313-3600

Telephone No.

FORM PSC/CMU 31 (11/95)

Required by Commission Rule Nos. 25-24.471, 25-24.473, and 25-24.480(2).

**** APPENDIX A ****

CERTIFICATE TRANSFER STATEMENT

N/A

I, (TYPE NAME) _____,
(TITLE) _____, of (NAME OF COMPANY)
_____, and current
holder of certificate number _____, have reviewed
this application and join in the petitioner's request for a
transfer of the above-mention certificate.

UTILITY OFFICIAL:

_____	_____
Signature	Date
_____	_____
_____	_____
Title	Telephone No.

**** APPENDIX B ****

CUSTOMER DEPOSITS AND ADVANCE PAYMENTS

A statement of how the Commission can be assured of the security of the customer's deposits and advance payments may be responded to in one of the following ways (applicant please check one):

- (X) The applicant will not collect deposits nor will it collect payments for service more than one month in advance.
- () The applicant will file with the Commission and maintain a surety bond in an amount equal to the current balance of deposits and advance payments in excess of one month. (Bond must accompany application.)

UTILITY OFFICIAL:

John F. Lawless
Signature

5/2/97
Date

JOHN P. LAWLESS

PRESIDENT

Title

(702) 333-3600

Telephone No.

**** APPENDIX C ****

INTRASTATE NETWORK

1. **POP:** Addresses where located, and indicate if owned or leased.
N/A

1) 2)

3) 4)

2. **SWITCHES:** Address where located, by type of switch, and indicate if owned or leased.
N/A

1) 2)

3) 4)

3. **TRANSMISSION FACILITIES:** Pop-to-Pop facilities by type of facilities (microwave, fiber, copper, satellite, etc.) and indicate if owned or leased.
N/A

1) POP-to-POP TYPE OWNERSHIP

2)

4. **ORIGINATING SERVICE:** Please provide the list of exchanges where you are proposing to provide originating service within thirty (30) days after the effective date of the certificate (Appendix D).

Statewide

FORM PSC/CMU 31 (11/95)

Required by Commission Rule Nos. 25-24.471, 25-24.473, and 25-24.480(2).

5. **TRAFFIC RESTRICTIONS:** Please explain how the applicant will comply with the EAEA requirements contained in Commission Rule 25-24.471 (4) (a) (copy enclosed).

End user dials 0 + local or 0 calls are not an option of the prepaid debit cards being offered by Northwest Nevada Telco.

6. **CURRENT FLORIDA INTRASTATE SERVICES:** Applicant has () or has not (x) previously provided intrastate telecommunications in Florida. If the answer is has, fully describe the following:

a) What services have been provided and when did these services begin?

b) If the services are not currently offered, when were they discontinued?

UTILITY OFFICIAL:

John P. Lawless
Signature

5/2/97
Date

JOHN P. LAWLESS

PRESIDENT

Title

(702) 333-4410
Telephone No.

**** APPENDIX D ****

FLORIDA TELEPHONE EXCHANGES

AND

EAS ROUTES

Describe the service area in which you hold yourself out to provide service by telephone company exchange. If all services listed in your tariff are not offered at all locations, so indicate.

In an effort to assist you, attached is a list of major exchanges in Florida showing the small exchanges with which each has extended area service (EAS).

**** FLORIDA EAS FOR MAJOR EXCHANGES ****

<u>Extended Service Area</u>	<u>with</u>	<u>These Exchanges</u>
PENSACOLA:		Cantonment, Gulf Breeze Pace, Milton Holley-Navarro.
PANAMA CITY:		Lynn Haven, Panama City Beach, Youngstown-Fountain and Tyndall AFB.
TALLAHASSEE:		Crawfordville, Havana, Monticello, Panacea, Sopchoppy and St. Marks.
JACKSONVILLE:		Baldwin, Ft. George, Jacksonville Beach, Callahan, Maxville, Middleburg Orange Park, Ponte Vedra and Julington.
GAINESVILLE:		Alachua, Archer, Brooker, Hawthorne, High Springs, Melrose, Micanopy, Newberry and Waldo.
OCALA:		Belleview, Citra, Dunnellon,

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Required by Commission Rule Nos. 25-24.471, 25-24.473, and 25-24.480(2).

Forest Lady Lake (B21),
McIntosh, Oklawaha,
Orange Springs, Salt Springs and
Silver Springs Shores.

DAYTONA BEACH:

New Smyrna Beach.

TAMPA:

Central	None
East	Plant City
North	Zephyrhills
South	Palmetto
West	Clearwater

CLEARWATER:

St. Petersburg, Tampa-West and
Tarpon Springs.

ST. PETERSBURG:

Clearwater.

LAKELAND:

Bartow, Mulberry, Plant City,
Polk City and Winter Haven.

ORLANDO:

Apopka, East Orange, Lake Buena
Vista, Oviedo, Windermere,
Winter Garden,
Winter Park, Montverde, Reedy
Creek, and Oviedo-Winter
Springs.

WINTER PARK:

Apopka, East Orange, Lake Buena Vista,
Orlando, Oviedo, Sanford, Windermere,
Winter Garden, Oviedo-Winter Springs
Reedy Creek, Geneva and Montverde.

TITUSVILLE:

Cocoa and Cocoa Beach.

COCOA:

Cocoa Beach, Eau Gallie,
Melbourne and Titusville.

MELBOURNE:

Cocoa, Cocoa Beach, Eau Gallie
and Sebastian.

SARASOTA:

Bradenton, Myakka and Venice.

FT. MYERS:

Cape Coral, Ft. Myers Beach, North Cape
Coral, North Ft. Myers, Pine Island, Lehigh
Acres and Sanibel-Captiva Islands.

NAPLES:

Marco Island and North Naples.

WEST PALM BEACH:

Boynton Beach and Jupiter.

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Required by Commission Rule Nos. 25-24.471, 25-24.473, and 25-
24.480(2).

POMPANO BEACH:

Boca Raton, Coral Springs,
Deerfield Beach and Ft.
Lauderdale.

FT. LAUDERDALE:

Coral Springs, Deerfield Beach,
Hollywood and Pompano Beach.

HOLLYWOOD:

Ft. Lauderdale and North Dade.

NORTH DADE:

Hollywood, Miami and Perrine.

MIAMI:

Homestead, North Dade and
Perrine

**** APPENDIX E ****

**** GLOSSARY ****

ACCESS CODE: The term denotes a uniform four or seven digit code assigned to an individual IXC. The five digit code has the form 10XXX and the seven digit code has the form 950-XXXX.

BYPASS: Transmission facilities that go direct from the local exchange end user to an IXC point of presence, thus bypassing the local exchange company.

CARRIERS CARRIER: An IXC that provides telecommunications service, mainly bulk transmission service, to other IXC only.

CENTRAL OFFICE: A local operating unit by means of which connections are established between subscribers' lines and trunk or toll lines to other central offices within the same exchange or other exchanges. Each three (3) digit central office code (NXX) used shall be considered a separate central office unit.

CENTRAL OFFICE CODE: The term denotes the first three digits (NXX) of the seven (7) digit telephone number assigned to a customer's telephone exchange service.

COMMISSION: The Florida Public Service Commission.

COMPANY, TELEPHONE COMPANY, UTILITY: These terms may be used interchangeably herein and shall mean any person, firm, partnership or corporation engaged in the business of furnishing communication service to the public under the jurisdiction of the Commission.

DEDICATED FACILITY: The term denotes a transmission circuit which is permanently for the exclusive use of a customer or a pair of customers.

END USER: The term denotes any individual, partnership, association, corporation, governmental agency or any other entity which (A) obtains a common line, uses a pay telephone or obtains interstate service arrangements in the operating territory of the company or (B) subscribes to interstate services provided by an IXC or uses the services of the IXC when the IXC provides interstate service for its own use.

EQUAL ACCESS EXCHANGE AREAS: EAEA means a geographic area, configured based on 1987 planned toll center/access tandem areas, in which local exchange companies are responsible for providing equal access to both carriers and customers of carriers in the most economically efficient manner.

EXCHANGE: The entire telephone plant and facilities used in providing telephone service to subscribers located in an exchange area. An exchange may include more than one central office unit.

EXCHANGE (SERVICE) AREA: The territory, including the base rate suburban and rural areas served by an exchange, within which local telephone service is furnished at the exchange rates applicable within that area.

EXTENDED AREA SERVICE: A type of telephone service furnished under tariff provision whereby subscribers of a given exchange or area may complete calls to, and receive messages from, one or more other contiguous exchanges without toll charges, or complete calls to one or more other exchanges without toll message charges.

FACILITIES BASED: An IXC that has its own transmission and/or switching equipment or other elements of equipment and does not rely on others to provide this service.

FOREIGN EXCHANGE SERVICES: A classification of exchange service furnished under tariff provisions whereby a subscriber may be provided telephone service from an exchange other than the one from which he would normally be served.

FEATURE GROUPS: General categories of unbundled tariffs to stipulate related services.

Feature Group A: Line side connections presently serving specialized common carriers.

Feature Group B: Trunk side connections without equal digit or code dialing.

Feature Group C: Trunk side connections presently serving AT&T-C.

Feature Group D: Equal trunk access with subscription.

INTEREXCHANGE COMPANY: means any telephone company, as defined in Section 364.02(4), F.S. (excluding Payphone Providers), which provides telecommunication service between exchange areas as those areas are described in the approved tariffs of individual local exchange companies.

INTER-OFFICE CALL: A telephone call originating in one central office unit or entity but terminating in another central office unit or entity both of which are in the same designated exchange area.

INTRA-OFFICE CALL: A telephone call originating and terminating within the same central office unit or entity.

INTRASTATE COMMUNICATIONS: The term denotes any communications in Florida subject to oversight by the Florida Public Service Commission as provided by the laws of the State.

INTRA-STATE TOLL MESSAGE: Those toll messages which originate and terminate within the same state.

LOCAL ACCESS AND TRANSPORT AREA: LATA means the geographic area established for the administration of communications service. It encompasses designated exchanges, which are grouped to serve common social, economic and other purposes

LOCAL EXCHANGE COMPANY (LEC): Means any telephone company, as defined in Section 364.02(4), F.S., which, in addition to any other telephonic communication service, provides telecommunication service within exchange areas as those areas are described in the approved tariffs of the telephone company.

OPTIONAL CALLING PLAN: An optional service furnished under tariff provisions which recognizes a need of some subscribers for extended area calling without imposing the cost on the entire body of subscribers.

900 SERVICE: A service similar to 800 service, except this service is charged back to the customer based on first minute plus additional minute usage.

PIN NUMBER: A group of numbers used by a company to identify their customers.

PAY TELEPHONE SERVICE COMPANY: Means any telephone company, other than a Local Exchange Company, which provides pay telephone service as defined in Section 364.335(4), F.S.

POINT OF PRESENCE (POP): Bell-coined term which designates the

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Required by Commission Rule Nos. 25-24.471, 25-24.473, and 25-24.480(2).

actual (physical) location of an IXC's facility. Replaces some applications of the term "demarcation point."

PRIMARY SERVICE: Individual line service or party line service.

RESELLER: An IXC that does not have certain facilities but purchases telecommunications service from an IXC and then resells that service to others.

STATION: A telephone instrument consisting of a transmitter, receiver, and associated apparatus so connected as to permit sending and/or receiving telephone messages.

SUBSCRIBER, CUSTOMER: These terms may be used interchangeably herein and shall mean any person, firm, partnership, corporation, municipality, cooperative organization, or governmental agency supplied with communication service by a telephone company.

SUBSCRIBER LINE: The circuit or channel used to connect the subscriber station with the central office equipment.

SWITCHING CENTER: Location at which telephone traffic, either local or toll, is switched or connected from one circuit or line to another. A local switching center may be comprised of several central office units.

TRUNK: A communication channel between central office units or entities, or private branch exchanges.

ATTACHMENTS:

- A - CERTIFICATE TRANSFER STATEMENT**
- B - CUSTOMER DEPOSITS AND ADVANCE PAYMENTS**
- C - INTRASTATE NETWORK**
- D - FLORIDA TELEPHONE EXCHANGES and EAS ROUTES**
- E - GLOSSARY**

FORM PSC/CMU 31 (11/95)

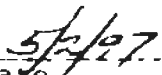
Required by Commission Rule Nos. 25-24.471, 25-24.473, and 25-24.480(2).

**Financial Statements and
Accountants' Compilation Report
NORTHWEST NEVADA TELCO, INC.
December 31, 1996 and 1995**

We, the undersigned, hereby affirm that this financial statement is true and correct.



John P. Lawless, President



Date




Alex P. Dittloff, CFO



Date

Suite 600
Liberty Center
350 S. Center Street
P.O. Box 30
Reno, NV 89501
702 786-1520
FAX 702 786-7091

Grant Thornton 
GRANT THORNTON LLP Accountants and
Management Consultants
The U.S. Member Firm of
Grant Thornton International

Accountants' Compilation Report

**Board of Directors
Northwest Nevada Telco, Inc.**

We have compiled the accompanying balance sheets of Northwest Nevada Telco, Inc. (a Nevada Corporation) as of December 31, 1996 and 1995, and the related statements of operations, stockholders' equity, and cash flows for the years then ended, in accordance with Statements on Standards for Accounting and Review Services issued by the American Institute of Certified Public Accountants.

A compilation is limited to presenting in the form of financial statements information that is the representation of management. We have not audited or reviewed the accompanying financial statements and, accordingly, do not express an opinion or any other form of assurance on them.

Grant Thornton LLP

Reno, Nevada
February 4, 1997

Northwest Nevada Telco, Inc.

BALANCE SHEETS

December 31,

ASSETS

	<u>1996</u>	<u>1995</u>
CURRENT ASSETS		
Cash	\$ 106,023	\$ 28,811
Trade accounts receivable	974,451	1,423,140
Inventory	3,794	-
Prepaid expenses	238,809	118,410
Total current assets	<u>1,323,077</u>	<u>1,570,361</u>
 PROPERTY AND EQUIPMENT, at cost		
Leasehold improvements	45,173	23,700
Equipment, furniture and fixtures	644,138	455,725
	<u>689,311</u>	<u>489,425</u>
Accumulated depreciation	(286,312)	(162,892)
	<u>402,999</u>	<u>326,533</u>
 OTHER ASSETS		
	<u>26,059</u>	<u>36,209</u>
	<u><u>\$1,752,135</u></u>	<u><u>\$1,933,103</u></u>

LIABILITIES AND STOCKHOLDERS' EQUITY

CURRENT LIABILITIES		
Revolving line of credit	\$ 170,000	\$ 115,000
Notes payable to stockholders	572,598	590,000
Accounts payable	195,768	496,567
Accrued liabilities	358,267	160,383
Other	-	5,000
Total current liabilities	<u>1,296,633</u>	<u>1,366,950</u>
 STOCKHOLDERS' EQUITY		
	<u>455,502</u>	<u>566,153</u>
	<u><u>\$1,752,135</u></u>	<u><u>\$1,933,103</u></u>

The accompanying notes are an integral part of these statements.

Northwest Nevada Telco, Inc.

STATEMENTS OF OPERATIONS

Years ended December 31,

	<u>1996</u>	<u>1995</u>
Net sales	\$7,632,173	\$8,558,445
Cost of sales	<u>(5,375,133)</u>	<u>(6,259,130)</u>
Gross profit	<u>2,257,040</u>	<u>2,299,315</u>
Costs and expenses		
Selling	664,213	633,786
General and administrative	1,528,064	1,387,409
Depreciation	123,420	92,449
	<u>2,315,697</u>	<u>2,113,644</u>
Operating income (loss)	<u>(58,657)</u>	<u>185,671</u>
Other income (expense)		
Interest income	12,525	1,679
Interest expense	(62,855)	(53,992)
Other income		25,100
Other expense	(1,604)	(8,502)
	<u>(51,994)</u>	<u>(35,715)</u>
NET INCOME (LOSS)	<u>\$ (110,651)</u>	<u>\$ 149,956</u>

The accompanying notes are an integral part of these statements.

Northwest Nevada Telco, Inc.

STATEMENTS OF STOCKHOLDERS' EQUITY

Years ended December 31,

	<u>1996</u>	<u>1995</u>
Common stock, \$.01 par value		
Authorized shares - 2,000,000		
Issued and outstanding shares - 1,000	<u>\$ 10</u>	<u>\$ 10</u>
Additional paid-in capital	<u>19,990</u>	<u>19,990</u>
Retained earnings		
Balance at January 1,	546,153	396,197
Net income (loss)	(110,651)	149,956
Balance at December 31,	<u>435,502</u>	<u>546,153</u>
Balance at December 31,	<u>\$ 455,502</u>	<u>\$ 566,153</u>

The accompanying notes are an integral part of these statements.

Northwest Nevada Telco, Inc.

STATEMENTS OF CASH FLOWS

Years ended December 31,

	<u>1996</u>	<u>1995</u>
Cash flows from operating activities:		
Net income (loss)	\$ (110,651)	\$ 149,956
Adjustments to reconcile net income (loss) to net cash provided by (used in) operating activities:		
Depreciation	123,420	92,449
Loss on sale of assets	-	6,773
(Increase) decrease in trade accounts receivable	448,689	(336,438)
Increase in prepaid expenses	(120,399)	(37,148)
Increase in inventory	(3,794)	-
Decrease in other assets	10,150	3,712
Decrease in accounts payable	(300,799)	(304,471)
Increase in accrued liabilities	197,884	89,507
Increase (decrease) in other liabilities	(5,000)	5,000
Total adjustments	<u>350,151</u>	<u>(480,616)</u>
Net cash provided by (used in) operating activities	<u>239,500</u>	<u>(330,660)</u>
Cash flows from investing activities:		
Capital expenditures	(199,886)	(65,071)
Net cash used in investing activities	<u>(199,886)</u>	<u>(65,071)</u>
Cash flows from financing activities:		
Proceeds from revolving line of credit	170,000	235,000
Proceeds from notes payable to stockholders	-	260,000
Payments on revolving line of credit	(115,000)	(180,000)
Payments on notes payable to stockholders	(17,402)	-
Net cash provided by financing activities	<u>37,598</u>	<u>315,000</u>
NET INCREASE (DECREASE) IN CASH	77,212	(80,731)
Cash at beginning of year	<u>28,811</u>	<u>109,542</u>
Cash at end of year	<u>\$ 106,023</u>	<u>\$ 28,811</u>
Supplemental disclosure of cash flow information:		
Cash paid for interest	<u>\$ 838</u>	<u>\$ 119</u>

The accompanying notes are an integral part of these statements.

Northwest Nevada Telco, Inc.

NOTES TO FINANCIAL STATEMENTS

December 31, 1996 and 1995

NOTE A - SUMMARY OF ACCOUNTING POLICIES

Northwest Nevada Telco, Inc. purchases, develops and markets telecommunications services including pay-per-call "900" telephone numbers, long distance phone lines and prepaid phone cards primarily in the domestic United States. The Company's revenue is generated from charges for service fees associated with live operators and recorded messages, line fees and technical support. A summary of the Company's significant accounting policies consistently applied in the preparation of the accompanying financial statements follows.

1. Receivables

The Company considers receivables to be collectible. An allowance for doubtful accounts has been established for those balances sent to collections totaling \$13,639 and \$-0- in 1996 and 1995, respectively.

2. Inventory

Inventory is carried at lower of cost or market. Cost is determined using the first-in, first-out method.

3. Depreciation and Amortization

Depreciation is computed using the straight-line method over the estimated useful lives of the related assets. Leasehold improvements are amortized over the lives of the respective lease or the service lives of the improvements, whichever is shorter. Accelerated methods are used for tax purposes.

4. Income Tax

Income tax effects resulting from the Company's operations insure to the stockholders individually pursuant to an election under Subchapter S of the Internal Revenue Code not to have the Company taxed as a corporation, and accordingly, no provision for Federal income taxes is included in the financial statements.

Northwest Nevada Telco, Inc.

NOTES TO FINANCIAL STATEMENTS - CONTINUED

December 31, 1996 and 1995

NOTE A - SUMMARY OF ACCOUNTING POLICIES - Continued

5. Accounting Estimates

In preparing financial statements in conformity with Generally Accepted Accounting Principles, management is required to make estimates and assumptions that affect the reported amounts of assets and liabilities and the disclosure of contingent assets and liabilities at the date of the financial statements and revenues and expenses during the reporting period. Actual results could differ from those estimates.

6. Concentrations of Credit Risks

Substantially all of the receivables are from long distance carriers or telephone industry service management companies who remit to the Company amounts that are net of uncollectible reserves and billing and collection fees. Non-performance by these parties would result in losses up to the recorded amount of the related receivable. Management does not anticipate significant non-performance.

7. Advertising

The Company periodically places advertisements in newspapers and magazines. All costs are deferred and amortized over the period for which the advertisement is run. Total advertising costs for the year ended December 31, 1996 and 1995 were \$506,415 and \$539,862, respectively.

8. Reclassifications

The 1995 financial statements reflect certain reclassifications, which have no effect on net income (loss), to conform to classifications in the current year.

Northwest Nevada Telco, Inc.

NOTES TO FINANCIAL STATEMENTS - CONTINUED

December 31, 1996 and 1995

NOTE B - REVOLVING LINE OF CREDIT

The Company has a revolving line of credit with SierraWest Bank for \$250,000, of which \$170,000 was outstanding at December 31, 1996. Borrowings under this credit facility bear interest at the prime rate plus 1.75% (10.0% at December 31, 1996). Interest is payable monthly on the outstanding balance, and all outstanding principal and interest is due and payable in November 1997.

Borrowings under the revolving line of credit are secured by all accounts, contract rights and equipment of the Company. The debt is also guaranteed by the Company's stockholders. This agreement places certain business and financial restrictions on the Company which they were in compliance with at December 31, 1996.

NOTE C - NOTES PAYABLE TO STOCKHOLDERS


The Company has unsecured demand notes payable with its stockholders totaling \$572,598 at December 31, 1996. The notes require annual interest payments at rates of 10% to 12%. Total interest incurred to related parties during 1996 and 1995 was \$62,016 and \$53,873, respectively. As of December 31, 1996 and 1995, interest outstanding on these notes was \$104,578 and \$42,742, respectively.

NOTE D - SUBSEQUENT EVENT

In January 1997, the Company repaid the outstanding balance on the revolving line of credit plus accrued interest.

Balance Sheet & Statement of
Earnings
Northwest Nevada Telco, Inc.
December 31, 1994

We, the undersigned, hereby affirm that this balance sheet
and statement of earnings is true and correct.



John P. Lawless, President

5/2/97

Date



Alex P. Jitloff, CFO

5/2/97

Date

Northwest Nevada Telco, Inc.

Balance Sheet

December 31, 1994

Contents

Report of Independent Auditors	1
Audited Balance Sheet	2
Notes to Balance Sheet	3

Report of Independent Auditors

The Board of Directors and Stockholders
Northwest Nevada Telco, Inc.

We have audited the accompanying balance sheet of Northwest Nevada Telco, Inc. (the "Company") as of December 31, 1994. This balance sheet is the responsibility of the Company's management. Our responsibility is to express an opinion on this balance sheet based on our audit.

We conducted our audit in accordance with generally accepted auditing standards. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the balance sheet is free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the balance sheet. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall balance sheet presentation. We believe that our audit of the balance sheet provides a reasonable basis for our opinion.

In our opinion, the balance sheet referred to above presents fairly, in all material respects, the financial position of Northwest Nevada Telco, Inc. at December 31, 1994, in conformity with generally accepted accounting principles.

Ernst + Young LLP

February 23, 1995

Northwest Nevada Telco, Inc.

Balance Sheet

December 31, 1994

Assets

Current assets:

Cash	\$ 109,542
Trade accounts receivable	1,086,702
Prepaid expenses	81,262
Total current assets	<u>1,277,506</u>

Property and equipment, at cost, less accumulated depreciation (*Note 3*) 360,684

Other assets 39,921

Total assets \$1,678,111

Liabilities and stockholders' equity

Current liabilities:

Revolving lines of credit (<i>Note 4</i>)	\$ 60,000
Notes payable to stockholders (<i>Note 2</i>)	330,000
Accounts payable	801,038
Accrued liabilities	70,876
Total current liabilities	<u>1,261,914</u>

Commitments (*Note 5*)

Stockholders' equity

Common stock, \$.01 par value:	
Authorized shares - 2,000,000	
Issued and outstanding shares - 1,000	10
Additional paid in capital	19,990
Retained earnings	396,197
Total stockholders' equity	<u>416,197</u>
Total liabilities and stockholders' equity	<u>\$1,678,111</u>

See accompanying notes.

Northwest Nevada Telco, Inc.

Notes to Balance Sheet

December 31, 1994

1. Accounting Policies

Description of Business

Northwest Nevada Telco, Inc., ("the Company"), a Nevada corporation, purchases, develops and markets telecommunications services including pay-per-call, "900" telephone numbers, long distance phone lines, and prepaid phone cards. The Company's revenue is generated from charges for service fees associated with live operators and recorded messages, line fees, and technical support.

Credit Concentration and Risk

Substantially all of the receivables are from long distance carriers or telephone industry service management companies who remit to the Company amounts that are net of uncollectible reserves and billing and collection fees. Non-performance by these parties would result in losses up to the recorded amount of the related receivable. Management does not anticipate significant non-performance.

Depreciation

Depreciation is computed using the straight-line method over four or five years, the estimated useful lives of the related assets.

Income Taxes

The Company has elected to be treated as an S-Corporation under the provisions of the Internal Revenue Code. Accordingly, income taxes on net earnings and tax benefits from net operating losses are payable or deductible by the stockholders and income tax payables, assets, and deferred taxes are not reflected on the balance sheet.

2. Related Party Transactions

The Company has unsecured demand notes payable with its stockholders totaling \$330,000 at December 31, 1994. The notes require annual interest payments at rates of 10% or 12%.

The Company leases office space from a company which is 67% owned by the Company's stockholders. This lease is more fully described in Note 5.

Northwest Nevada Telco, Inc.

Notes to Balance Sheet (continued)

3. Property and Equipment

Property and equipment consists of the following at December 31, 1994:

Furniture and fixtures	\$ 51,336
Leasehold improvements	27,342
Equipment	<u>353,066</u>
	431,744
Less accumulated depreciation	<u>(71,060)</u>
	<u>\$360,684</u>

4. Financing

The Company has a revolving line of credit with a bank of \$125,000 of which \$60,000 was outstanding at December 31, 1994. Borrowings under this credit facility bear interest at the prime rate plus 2.0% (aggregating 10.5% at December 31, 1994). Interest is payable monthly on the outstanding balance, and all outstanding principal and interest is due and payable in August 1995.

Borrowings under the revolving line of credit are secured by all accounts, contract rights and equipment of the Company. The debt is also guaranteed by the Company's stockholders. This agreement places certain business and financial restrictions on the Company including, among other things, the incurrence of additional indebtedness and the maintenance of certain financial ratios.

5. Commitments

Operating Leases

The Company leases their facilities under an operating lease with a company which is 67% owned by the Company's stockholders. Future annual minimum rental payments under this lease at December 31, 1994 are as follows:

1995	\$ 78,710
1996	80,460
1997	<u>60,345</u>
Future minimum lease payments	<u>\$219,515</u>

Northwest Nevada Telco, Inc.

Notes to Balance Sheet (continued)

5. Commitments (continued)

Total rental expense was approximately \$71,000 during the year ended December 31, 1994, of which approximately \$20,000 was paid to the related party discussed above.

6. Subsequent Events

On January 3, 1995 the Company repaid the December 31, 1994 outstanding balance on the bank line of credit plus accrued interest.

On February 10, 1995 the Company executed an unsecured demand note payable with a stockholder for \$100,000. The agreement requires annual interest payments at a 10% interest rate.

NORTHWEST NEVADA TELCO, INC.

STATEMENT OF EARNINGS

FOR THE TWELVE MONTH'S ENDED DECEMBER 31, 1984

(\$ in 000's, Unaudited)

Net Sales	\$5,244.3
Costs and Expenses	4,659.4
Depreciation	<u>77.4</u>
	4,736.8
Operating Profit	507.5
Other Income (Expense)	
Loss on Disposal of Fixed Assets	(86.3)
Interest Expense	(17.0)
Net Earnings	\$404.2

**NORTHWEST NEVADA TELCO, INC.
FLORIDA PUBLIC SERVICE COMMISSION
APPLICATION FORM for AUTHORITY TO PROVIDE
INTEREXCHANGE TELECOMMUNICATIONS SERVICE**

**ATTACHMENT 1
ITEM 18., A. - FINANCIAL CAPABILITY**

Northwest Nevada Telco, Inc., hereinafter referred to as the "Company or NNT", has been in business since January 1991. The Company markets and sells various telecommunications products and services including Prepaid Debit Cards (PDC)

For the year ended December 31, 1996, the Company had sales in excess of \$7.6m, assets in excess of \$1.7m, net worth approaching \$500,000, and cash flow from operations of \$239,500. Detailed financial information for the most recent three years can be found in the enclosed Financial Statements. The statements are unaudited. Therefore, as required, the statements have been signed by the chief executive officer and chief financial officer.

NNT maintains excellent relationships with all of it's suppliers and, in particular, it's telecommunications suppliers. The following businesses are current providers of telecommunications services to NNT and can be contacted as credit references:

<u>Supplier</u>	<u>Account Number</u>	<u>Phone Number</u>
1. LCI International Telecom Corp 4650 Lakehurst Court Dublin, OH 43017	30295335	614-798-6000
2. Sprint Telemedia PO Box 410261 Kansas City, MO 64141-0261	3241	800-366-0707
3. Telemedia Network, Inc. 1355 Terrill Mill Road Building 1460 Marietta, GA 30067	99450480	770-612-8073

**NORTHWEST NEVADA TELCO, INC.
FLORIDA PUBLIC SERVICE COMMISSION
APPLICATION FORM for AUTHORITY TO PROVIDE
INTEREXCHANGE TELECOMMUNICATIONS SERVICE**

**ATTACHMENT 1
ITEM 18., A. - FINANCIAL CAPABILITY, cont.**

NNT has a services agreement with LCI International. The Company uses LCI as it's primary transport carrier for the Prepaid Debit Cards. LCI is one of the major long-distance providers in the U.S. LCI's coverage is world-wide. Management believes that the interexchange services to be provided in the State of Florida will be adequately met and supported by the LCI telecommunications network.

NNT has maintained a business relationship with SierraWest Bank since 1994. The Company has several accounts with SierraWest as well as a revolving line of credit. The current credit facility that the Company has is \$250,000. As of the date of this application the full \$250,000 was available to the Company.

The Company leases approximately 13,400 square feet from Three L's Building Co., LLC. The lease originated in September 1994 with a lease period of three years. Thereafter, the lease provides for option periods in one year increments. Since inception of the lease the Company has made it's lease payments on time. The Company has no other lease commitments.

Based on the financial condition of the Company at December 31, 1996, management believes that the existing cash balances, cash generated from operations, and available line of credit, will be sufficient to provide and maintain the telecommunications services in the geographic area to be served. If the Company requires additional capital, it anticipates that such capital will be provided by the bank or other borrowings.

**NORTHWEST NEVADA TELCO, INC
FLORIDA PUBLIC SERVICE COMMISSION
APPLICATION FORM for AUTHORITY TO PROVIDE
INTEREXCHANGE TELECOMMUNICATIONS SERVICE**

**ATTACHMENT 2
ITEM 18., B. - MANAGERIAL CAPABILITY**

The following is a listing of officers/senior management of Northwest Nevada Telco along with a description of their management background:

John P. Lawless

1/91 - present

President & CEO, Director and 50% stockholder of Northwest Nevada Telco, Inc
9/88 - 6/90

Vice President & General Manager - Sprint Gateways, a division of United Telecom/US Sprint providing 900 services and SprintFax products.

7/85 - 9/88

General Manager - Information Line, a joint venture of United Telecom and Volt Information Sciences providing electronic yellow pages services.

10/81 - 7/85

Director of Marketing Services - United Telephone Systems

2/76 - 10/81

AT&T - Held various management positions including National Account Manager and WATS Product Manager

Education

BSEE - University of Nebraska, 1974

MBA - New York University, 1976

Nicholas W. Loader

1/91 - present

Secretary, Director and 50% stockholder of Northwest Nevada Telco, Inc

1/84 - present

President & CEO and owner of LO/AD Communications, an audiotext service bureau.

Education

Four years-California State University-Northridge 1982

**NORTHWEST NEVADA TELCO, INC.
FLORIDA PUBLIC SERVICE COMMISSION
APPLICATION FORM for AUTHORITY TO PROVIDE
INTEREXCHANGE TELECOMMUNICATIONS SERVICE**

**ATTACHMENT 2
ITEM 18., B. - MANAGERIAL CAPABILITY, cont.**

Alex P. Jitloff

11/94 - present

Vice President & CFO, Northwest Nevada Telco. Inc.

1/91 - 11/94

Director of Finance & Administration - BEI Electronics, Inc. - Systron Donner
Inertial Division, a manufacturer of accelerometers and rate sensors

7/88 - 1/91

Principal - Alpine Consulting Ltd., a business consulting firm providing finance
and management services.

8/78 - 7/88

Xidex Corporation - Held various financial and operational management positions
including Financial Director & Secretary/Xidex U.K. Ltd. and Controller &
C.A.O./ Xidex Magnetics.

Education

BS / Business Administration/Accounting - San Jose State University, 1977

**NORTHWEST NEVADA TELCO, INC.
FLORIDA PUBLIC SERVICE COMMISSION
APPLICATION FORM for AUTHORITY TO PROVIDE
INTEREXCHANGE TELECOMMUNICATIONS SERVICE**

**ATTACHMENT 3
ITEM 18., C. - TECHNICAL CAPABILITY**

Northwest Nevada Telco, Inc. owns and operates it's own telephone switching equipment. The Company has invested in excess of \$600,000 in state-of-the-art equipment including a Magellan Network Systems switch. The system currently has 20+ T-1's and over 300 ports of Dialogic Voice Recognition Units. Additional capacity can be added quickly if volumes deem necessary. All lines into the switch are fiber optic lines providing high-quality and reliability.

The Company's communications operation center is located in Reno, Nevada and is staffed with six programmers and technicians. The President and CEO, John P. Lawless, personally oversees and reviews all major technical decisions. As noted in Attachment 2, Item 18., B, Mr. Lawless has an engineering degree. In addition to his six years with Northwest Nevada Telco, he has fourteen years of telecommunications experience with Sprint and AT&T.

Reporting to Mr. Lawless is the Technical Manager, Frank Ecsedy. Mr. Ecsedy has an undergraduate degree from Bowling Green University in Computer Sciences and Chemistry. Additionally, Mr. Ecsedy has sixteen years of programming, systems analysis and telecommunications management experience.

TITLE SHEET

FLORIDA TELECOMMUNICATIONS TARIFF

This tariff contains the descriptions, regulations, and rates applicable to the furnishing of service and facilities for telecommunications services provided by Northwest Nevada Telco, Inc., with principal offices at 2910 Mill Street, Reno, Nevada, 89502. This tariff applies for services furnished within the State of Florida. This tariff is on file with the Florida Public Service Commission, and copies may be inspected, during normal business hours, at the Company's principal place of business.



Issued May 1, 1997

EFFECTIVE

by

John P. Lawless, President
2910 Mill Street
Reno, NV 89502

CHECK SHEET

The sheets listed below, which are inclusive of this tariff, are effective as of the date shown at the bottom of the respective sheet(s). Original and revised sheets as named below comprise all changes from the original tariff and are currently in effect as of the date on the bottom of this page.

<u>SHEET</u>	<u>REVISION</u>
1	Original
2	Original
3	Original
4	Original
5	Original
6	Original
7	Original
8	Original
9	Original
10	Original
11	Original
12	Original
13	Original
14	Original
15	Original
16	Original
17	Original
18	Original
19	Original
20	Original
21	Original
22	Original
23	Original

Issued May 1, 1997

EFFECTIVE

by

John P. Lawless, President
2910 Mill Street
Reno, NV 89502

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Section 2 - Rules and Regulations 8

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Issued May 1, 1997

EFFECTIVE

by

John P. Lawless, President
2910 Mill Street
Reno, NV 89502

SYMBOLS SHEET

The following are the only symbols used for the purposes indicated below:

D - Delete Or Discontinue

I - Change Resulting In An Increase To A Customer's Bill

M - Moved From Another Tariff Location

N - New

R - Change Resulting In A Reduction To A Customer's Bill

T - Change In Text Or Regulation But No Change In Rate Or Charge

Issued May 1, 1997

EFFECTIVE:

by

John P. Lawless, President
2910 Mill Street
Reno, NV 89502

TARIFF FORMAT SHEETS

A. Sheet Numbering - Sheet numbers appear in the upper right corner of the page. Sheets are numbered sequentially. However, new sheets are occasionally added to the tariff. When a new sheet is added between sheets already in effect, a decimal is added. For example, a new sheet added between sheets 14 and 15 would be 14.1.

B. Sheet Revision Numbers - Revision numbers also appear in the upper right corner of each page. These numbers are used to determine the most current sheet version on file with the FPSC. For example, the 4th revised Sheet 14 cancels the 3rd revised sheet 14. Because of various suspension periods, deferrals, etc., the FPSC follows in their tariff approval process, the most current sheet number on file with the Commission is not always the tariff page in effect. Consult the Check Sheet for the sheet currently in effect.

C. Paragraph Numbering Sequence - There are nine levels of paragraph coding. Each level of coding is subservient to its next higher level:

- 2.
- 2.1.
- 2.1.1.
- 2.1.1.A.
- 2.1.1.A.1.
- 2.1.1.A.1.(a)
- 2.1.1.A.1.(a).1
- 2.1.1.A.1.(a).1.(i).
- 2.1.1.A.1.(a).1.(i).(1).

Issued May 1, 1997

EFFECTIVE

by

John P. Lawless, President
2910 Mill Street
Reno, NV 89502

TARIFF FORMAT SHEETS

D. **Check Sheets** - When a tariff filing is made with the FPSC, an updated check sheet accompanies the tariff filing. The check sheet lists the sheets contained in the tariff, with a cross reference to the current revision number. When new pages are added, the check sheet is changed to reflect the revision. All revisions made in a given filing are designated by an asterisk (*). There will be no other symbols used on this page if these are the only changes made to it (i.e., the format, etc. remains the same, just revised revision levels on some pages). The tariff user should refer to the latest check sheet to find out if a particular sheet is the most current on file with the FPSC.

Issued May 1, 1997

EFFECTIVE

by

John P. Lawless, President
2910 Mill Street
Reno, NV 89502

SECTION 1 - TECHNICAL TERMS AND ABBREVIATIONS

Access Line - An arrangement which connects the customer's location to a Northwest Nevada Telco, Inc. network switching center.

Authorization Code - A numerical code, one or more of which are available to a customer to enable him/her to access the carrier, and which are used by the carrier both to prevent unauthorized access to its facilities and to identify the customer for billing purposes.

Company or Carrier - Northwest Nevada Telco, Inc.

Customer - the person, firm, corporation or other entity which orders service and is responsible for payment of charges due and compliance with the Company's tariff regulations

Day - From 8:00 AM up to but not including 5:00PM local time Monday through Sunday.

Evening - From 5:00 PM up to but not including 11:00PM' local time Monday through Sunday.

Holidays - Northwest Nevada Telco, Inc.'s recognized holidays are New Year's Day, President's Day, Memorial Day, July 4th, Labor Day, Thanksgiving Day and Day After, Christmas Day.

Night/Weekend - From 11:00 PM up to but not including 8:00 AM Monday through Sunday, and 8:00 AM Saturday up to but not including 5:00 PM Sunday

Issued May 1, 1997

EFFECTIVE

by

John P. Lawless, President
2910 Mill Street
Reno, NV 89502

SECTION 2 - RULES AND REGULATIONS

2.1 Undertaking of Northwest Nevada Telco, Inc

Northwest Nevada Telco, Inc. services and facilities are furnished for communications originating within the State of Florida under terms of the Tariff

Northwest Nevada Telco, Inc. installs, operates, and maintains the communications services provided herein in accordance with the terms and conditions set forth under this Tariff.

The Company's services are provided on an ongoing 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 facilities and provisions of this Tariff.

2.2.2 Northwest Nevada Telco, Inc. reserves the right to discontinue furnishing service, or limit the use of service necessitated by conditions beyond its control or when the customer is using service in violation of the law or the provisions of this Tariff.

2.2.3 All facilities provided under this Tariff are directly controlled by Northwest Nevada, Inc. and the customer may not transfer or assign the use of service or facilities, except with the express written consent of The Company. Such transfer or assignment shall only apply where there is no interruption of the use or location of the service or facilities

Issued May 1, 1997

EFFECTIVE

by

John P. Lawless, President
2910 Mill Street
Reno, NV 89502

SECTION 2 - RULES AND REGULATIONS

2.2 Limitations (cont.)

2.2.4 Prior written permission from The Company is required before any assignment or transfer. All regulations and conditions contained in this Tariff shall apply to all such permitted assignees or transferees, as well as all conditions for service.

2.3 Liabilities of The Company

2.3.1. Northwest Nevada Telco, Inc.'s liability for damages arising out of mistakes, interruptions, omissions, delays, errors, or defects in the transmission occurring in the course of furnishing service or facilities, and not caused by the negligence of its employees or its agents, in no event shall exceed an amount equivalent to the proportionate charge to the customer for the period during which the aforementioned faults in transmission occur

2.3.2. Northwest Nevada Telco, Inc. shall be indemnified and held harmless by the customer against:

- (A) Claims for libel, slander, or infringement of copyright arising out of the material, data, information, or other content transmitted over The Company's facilities.
- (B) All other claims arising out of any act or omission of the customer in connection with any service or facility provided by Northwest Nevada Telco, Inc.

Issued May 1, 1997

EFFECTIVE

by

John P. Lawless, President
2910 Mill Street
Reno, NV 89502

SECTION 2 - RULES AND REGULATIONS

2.4 Interruption of Service

2.4.1 Credit allowance for the interruption of service which is not due to The Company's testing or adjusting, negligence or the customer, or to the failure of channels or equipment provided by the customer, are subject to the general liability provisions set forth in 2.3 1. herein. It shall be the obligation of the customer to notify The Company immediately of any interruption in service for which a credit allowance is desired. Before giving such notice, the customer shall ascertain that the trouble is not being caused by any action or omission by the customer within his control, if any, furnished by the customer and connected to The Company's facilities.

2.4.2 The customer shall be credited for actual minutes of interruption at rates provided in this Tariff.

2.5 Deposits

The Company does not require a deposit from the customer.

SECTION 2 - RULES AND REGULATIONS

2.6 **Advance Payments**

Prior to the customer using The Company's Prepaid Debit Phone Card, said card must be activated. Activation can occur by calling the toll free number on the back of the Prepaid Debit Phone Card and charging the prepaid usage to the customer's credit card. Alternatively, the customer can send a check to The Company's facility, along with the PIN number preprinted on the back of the card. The Company will apply such payment to the customer's card, thereby activating it.

PDC's may also be purchased pre-activated with a pre-determined dollar value. Pre-activated cards are not sold directly by the Company to end-user customers only to distributors. Distributors resell these cards at face value.

Amounts paid by customers to activate the Company's Prepaid Debit Phone Card are considered by The Company to be no more than one month's estimated charges/usage.

2.7 **Taxes**

All quoted rates include applicable state and federal taxes.

SECTION 3 - DESCRIPTION OF SERVICE

3.1 Timing of Calls

3.1.1 When Billing Charges Begin and Terminate For Phone Calls

The customer's usage charged against the Prepaid Debit Card is based on the actual usage of Northwest Nevada Telco, Inc.'s network. Usage begins when the called party picks up the receiver, (i.e. when two way communication, often referred to as "conversation time" is possible). When the called party picks up is determined by hardware answer supervision in which the local telephone company sends a signal to the switch or the software utilizing audio tone detection. A call is terminated when the calling or called party hangs up.

3.1.2 Billing Increments

Unless otherwise specified in this Tariff, the minimum call duration for billing purposes is one (1) minute for a connected call. Calls beyond one (1) minute are billed in one (1) minute increments.

3.1.3 Uncompleted Calls

There shall be no charges for uncompleted calls.

3.2 Billing of Calls and Reduction of Advance Payments

All charges incurred by the customer are automatically deducted from the Prepaid Debit Card as usage is incurred. The Company's switch measures usage and continually updates the remaining available minutes and dollars for each individual Prepaid Debit Card.

Issued May 1, 1997

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SECTION 2 - RULES AND REGULATIONS

3.3 **Payment of Calls**

Refer to Section 2.6, Advance Payment.

3.4 **Calculation of Distance**

The Company's Prepaid Debit Card is not mileage sensitive. Per minute rates are based on country of destination.

3.5 **Minimum Call Completion Rate**

A customer can expect a call completion rate of not less than 95% for the Prepaid Debit Card.

3.6 **Service Offerings**

3.6.1 **Prepaid Debit Card**

Prepaid Debit Card is a phone card service which provides a flat rate inter/intrastate phone service anywhere in the U.S. Calls made to other countries are also at a flat rate in accordance with rate in Section 4 of this Tariff.

SECTION 4 - RATES4.1 Prepaid Debit Card

<u>Destination Country</u>	<u>Rate Per Minute</u>
USA	0.19
EGYPT	6.00
MOROCCO	4.00
ALGERIA	3.00
TUNISIA	12.00
LIBYA	4.80
GAMBIA	2.20
SENEGAL	4.40
MAURITANIA	3.00
MALI REPUBLIC	3.00
GUINEA	2.80
IVORY COAST	4.50
BURKINA FASO	2.60
NIGER	3.00
BENIN	2.20
MAURITIUS	3.00
LIBERIA	2.20
SIERRA LEONE	3.00
GHANA	2.50
NIGERIA	3.00
CHAD	7.00
CENTRAL AFRICA	10.00
CAMEROON	3.60
CAPE VERDE IS	2.50
SAO TOME	4.20
EQUATORIAL GUYANA	10.20
GABON	2.20
CONGO	2.20

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SECTION 4 - RATES4.1 Prepaid Debit Card, cont.

<u>Destination Country</u>	<u>Rate Per Minute</u>
ZAIRE	2.60
ANGOLA	3.40
GUINEA BISSAU	4.20
ASCENSION ISL.	4.60
DIEGO GARCIA	7.60
SUDAN	3.00
RWANDA	3.00
ETHIOPIA	3.00
SOMALIA	8.50
DJIBOUTI	3.00
KENYA	3.00
TANZANIA	3.00
UGANDA	3.00
BURUNDI	6.00
MOZAMBIQUE	3.00
ZAMBIA	3.00
MADAGASCAR	2.50
REUNION	6.50
ZIMBABWE	3.00
NAMIBIA	4.50
MALAWI	2.20
LESOTHO	4.80
BOTSWANA	3.00
SWAZILAND	4.20
COMMOROS	12.50
SOUTH AFRICA	2.50
ST. HELENA	8.20
FAEROE ISL	2.80
GREENLAND	2.80
GREECE	2.60
NETHERLANDS	1.50

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SECTION 4 - RATES4.1 Prepaid Debit Card, cont.

<u>Destination Country</u>	<u>Rate Per Minute</u>
BELGIUM	0.94
FRANCE	1.22
MONACO	0.62
SPAIN	1.42
GIBRALTAR	1.30
PORTUGAL	1.40
LUXEMBOURG	0.96
IRELAND	1.11
ICELAND	1.30
ALBANIA	1.66
MALTA	1.27
CYPRUS	1.42
FINLAND	1.40
BULGARIA	1.38
HUNGARY	1.30
CROATIA	1.42
GERMANY	1.40
LATVIA	1.89
ESTONIA	1.89
MOLDOVA	3.50
ANDORRA	1.28
YUGOSLAVIA	1.99
SLOVENIA	6.00
BOSNIA	1.42
MACEDONIA	2.20
ITALY	1.64
ROMANIA	1.63
SWITZERLAND	1.08
CZECH REPUBLIC	1.20
AUSTRIA	2.00
UNITED KINGDOM	1.06

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SECTION 4 - RATES4.1 Prepaid Debit Card, cont.

<u>Destination Country</u>	<u>Rate Per Minute</u>
DENMARK	0.70
SWEDEN	0.49
NORWAY	0.61
POLAND	1.23
BELIZE	1.48
FALKLAND ISL	4.06
GUATEMALA	2.53
EL SALVADOR	2.64
HONDURAS	2.84
NICARAGUA	1.42
COSTA RICA	2.60
PANAMA	2.70
ST. PIERRE/NI	1.17
HAITI	1.29
PERU	2.70
MEX/DEFAULT	1.39
MEX/LAPAZ	0.90
MEX/ENSENAD	0.90
MEX/TAMPICO	0.90
MEX/CIUDAD,M	0.90
MEX/CIUDAD VI	0.90
MEX/VILLAGRA	0.90
MEX/HILDALGO	0.90
MEX/TAMAZUC	0.90
MEX/CHIHUAHU	0.90
MEX/JIMENEZ	0.90
MEX/CIUDAD,G	0.90
MEX/CIUDAD JU	0.90
MEX/BUENAVE	0.90
MEX/TORREON	0.90
MEX/MATAMOR	0.90

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SECTION 4 - RATES4.1 Prepaid Debit Card, cont.

<u>Destination Country</u>	<u>Rate Per Minute</u>
MEX/DURANGO	0.90
MEX/TEPEHUA	0.90
MEX/PUEBLA	1.39
MEX/ATLIXCO	1.39
MEX/TLAZCALS	1.39
MEX/ORIZOBA	1.39
MEX/HALPA	1.39
MEX/VERACRU	1.39
MEX/GUADALAJ	1.39
MEX/ALTATA	0.90
MEX/ANTLAN	1.39
MEX/TEPIC	1.39
MEX/PUERTO V	1.39
MEX/ACAPONE	1.39
MEX/COLIMA	1.3
MEX/MANZANIL	1.39
MEX/CIUDAD,G	1.39
MEX/JILQUILPA	1.39
MEX/QUARETA	0.90
MEX/MORELIA	1.39
MEX/UROSPAN	1.39
MEX/CELEYE	0.90
MEX/LEON	0.90
MEX/SILAO	0.90
MEX/MATHEHUA	0.90
MEX/AGUASCA	0.90
MEX/ZACATECA	0.90
MEX/FRESNIL	0.90
MEX/JALPA ZAC	0.90
MEX/JUAN ALD	0.90
MEXICO CITY	1.39

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SECTION 4 - RATES4.1 Prepaid Debit Card, cont.

<u>Destination Country</u>	<u>Rate Per Minute</u>
MEX/HERMOSIL	0.90
MEX/BAHA KIN	0.90
MEX/NOGALS S	0.90
MEX/PUERTO	0.90
MEX/CIUDAD O	0.90
MEX/MEXICALI	0.90
MEX/SONOITA	0.90
MEX/TIJUANA	0.90
MEX/COLIACAN	0.90
MEX/PETIGUITO	0.90
MEX/LOS MOCH	0.90
MEX/CHOIX	0.90
MEX/MAZATLAN	1.39
MEX/TOLUCA	1.39
MEX/ZITACNAS	1.39
MEXIGUALA	1.39
MEX/ACAPULC	1.39
MEX/CHILPANC	1.39
MEX/ZIHUATAN	1.39
MEX/TAXCO GE	1.39
MEX/PACMICA	1.39
MEX/POZA RICA	0.90
MEX/TUXPAN, V	0.90
MEX/MONTE RR	0.90
MEX/LINARES N	0.90
MEX/NUEVARO	0.90
MEX/MONCLOV	0.90
MEX/NUEVO LA	0.90
MEX/PIEDRAS N	0.90
MEX/PANAS	1.39
MEX/COATZAC	1.39
MEX/ACAYUCA	1.39

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SECTION 4 - RATES4.1 Prepaid Debit Card, cont.

<u>Destination Country</u>	<u>Rate Per Minute</u>
MEX/VILLAHERO	1.39
MEX/CIUDAD C	1.39
MEX/OXACA	1.39
MEX/HUAJAPAN	1.39
MEX/PUERTO E	1.39
MEX/ARRIAGAC	1.39
MEX/TEHUANTE	1.39
MEX/CANCUN	1.39
MEX/CAMPECH	1.39
MEX/MERIDA	1.39
CUBA	3.15
ARGENTINA	3.00
BRAZIL	1.11
CHILE	1.20
COLOMBIA	2.60
VENEZUELA	2.10
GUADELOUPE	1.17
BOLIVIA	1.57
GUYANA	3.20
ECUADOR	1.36
FRENCH GUYANA	1.17
PARAGUAY	1.74
FRENCH ANTILL	1.17
SURINAME	1.98
URUGUAY	1.68
NETHERLAND ANTILLES	0.91
MALAYSIA	1.15
AUSTRALIA	0.55
INDONESIA	1.65
PHILLIPINES	4.00
NEW ZEALAND	0.69
SINGAPORE	0.60

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SECTION 4 - RATES4.1 Prepaid Debit Card, cont.

<u>Destination Country</u>	<u>Rate Per Minute</u>
THAILAND	1.48
SAIPAN	1.23
GUAM	2.00
ANTARCTICA	2.31
BRUNEI	1.87
NAURU	1.87
PAPUA NEW GUINEA	1.47
TOGO (TONGA)	2.20
SOLOMON ISL.	1.87
VANUATO	6.51
FIJI ISL.	2.23
PALAU	2.62
WALLIS FUTUM	5.02
COOK ISL.	1.83
NIUE ISL.	10.00
AMERICA SAMOA	1.38
WESTERN SAMOA	1.48
KIRIBATI	3.37
NEW CALEDONIA	2.23
TUVALU	6.79
FR. POLYNESIA	1.95
MICRONESIA	1.47
MARSHALL ISL.	1.87
RUSSIA	4.76
JAPAN	1.60
S. KOREA	5.00
VIETNAM	2.09
HONG KONG	1.98
MACAO	1.57
CAMBODIA	2.83
LAOS	3.40
CHINA	2.14

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SECTION 4 - RATES4.1 Prepaid Debit Card, cont.

<u>Destination Country</u>	<u>Rate Per Minute</u>
IMMARSAT ATL	14.59
IMMARSAT PAC	14.59
IMMARSAT IND	14.59
IMMARSAT ATL E	14.59
BANGLADESH	2.05
TAIWAN	2.00
TURKEY	1.48
INDIA	1.66
PAKISTAN	4.20
AFGANISTAN	2.30
SRI LANKA	1.87
MYANMAR(BURMA)	4.10
MALDIVES	2.23
LEBANON	2.84
JORDAN	1.48
SYRIA	1.87
IRAQ	1.87
KUWAIT	1.57
SAUDI ARABIA	3.40
YEMEN	1.48
OMAN	1.87
YEMEM	1.48
UNITED ARAB EMERITS	1.52
ISRAEL	4.00
BAHRAIN	1.54
MONGOLIA	4.00
NEPAI	2.00
GEORGIA REPUBLIC	2.38
CANADA	0.45
BAHAMAS	2.00
BARBADOS	2.00
ANTIGUA	2.00

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SECTION 4 - RATES4.1 Prepaid Debit Card. cont.

<u>Destination Country</u>	<u>Rate Per Minute</u>
CAYMEN ISL	2.00
NEW BURMUDA	2.00
GRENADA	2.00
MONTSEERRAT	2.25
ST. LUCIA	2.00
DOMINICA	2.00
ST. VINCENT/GRD	2.00
PUERTO RICO	2.00
KOREA	5.00
TRINIDAD/TOBAGO	2.00
ST. KITTS/NEVIS	2.00
JAMAICA	2.00
IRAN	2.50

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NORTHWEST NEVADA TELCO, INC.

May 2, 1997

DEPOSIT

DATE

D517 .

MAY 05 1997

Florida Public Service Commission
Division of Administration
2540 Shumard Oak Boulevard
Gunter Building
Tallahassee, FL 32399-0850

To Whom It May Concern:

Please find enclosed one original and six copies of our Application Form For Authority To Provide Interexchange Telecommunication Service Within The State of Florida and the related Florida Telecommunications Tariff. In addition, we have enclosed a check for \$250.00 to cover the application fee.

If you have any questions, please contact the undersigned.

Sincerely yours,

Alex P. Jitloff
Vice President of Finance

Check received with funds and
for deposit to the account.
Please return the copy of check
to NWNT with proof of deposit.
Initial of person who forwarded check:



NORTHWEST NEVADA TELCO, INC

May 2, 1997

DEPOSIT

DATE

D517

MAY 05 1997

Florida Public Service Commission
Division of Administration
2540 Shumard Oak Boulevard
Gunter Building
Tallahassee, FL 32399-0850

970528-TI

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If you have any questions, please contact the undersigned.

Sincerely yours,

Alex P. Jitloff

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NORTHWEST NEVADA TELCO, INC.

GENERAL ACCOUNT
2810 MILL STREET
RENO, NEVADA 89502
TELEPHONE (702) 333-3600



Post Office Box 10925
Reno Nevada 89510

94 173/1212

32074

032074

*TWO HUNDRED FIFTY DOLLARS AND NO CENTS

DATE

AMOUNT

05/01/97

*****250.00*

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TO THE
ORDER
OF

Florida Public Service Commiss

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