



October 14, 2003

State of Missouri  
Public Service Commission  
Attn: Phil Garcia  
P.O. Box 360  
Jefferson City, MO 65102-0360

Re: Annual Reports

Dear Phil,

It has been brought to my attention that the MO. Public Utility Commission has no records for EZ Talk's 2000 and 2002 Annual Report. Please find enclosed copies of these reports, which were previously filed with the state.

If I can be of any further assistance, please do not hesitate to contact me.

Sincerely,

Eileen Singleton  
Compliance Officer

RECEIVED

OCT 20 2003

UTILITY OPERATIONS  
DIVISION

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OCT 20 2003

Records  
Public Service Commission

FILED

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Missouri Public  
Service Commission

EZ Talk Communications, L.L.C.  
4727 South Main  
Stafford, Texas 77477  
Phone: (281) 274-7785  
Fax: (281) 274-7710  
Email: esingleton@ezt.net

# Header Inputs

## CLEC Annual Report

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OCT 20 2003

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Public Service Commission*

Please complete the following questions. Your responses will be inserted in the appropriate places on each page.

Company Name

EZ Talk Communications, LLC

Year of Report

2002

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**OCT 20 2003**

*Records  
Public Service Commission*

**EZ Talk Communications, LLC**

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(Full Company Name)

**COMPETITIVE  
LOCAL EXCHANGE CARRIER  
ANNUAL REPORT  
TO THE  
MISSOURI PUBLIC SERVICE COMMISSION**

**For Period Ending December 31, 2002**







**11** Please Provide the following information concerning Total Company **and** Missouri Specific Revenue

Revenues:	Total Company	MO Specific
Operating Revenues* from Telecommunication Services	\$11,624,878	\$957,432
Access Fee Revenues		
Federal USF Subsidies		
State USF Subsidies		
Other Revenues		
<b>TOTAL REVENUES</b>	<b>\$11,624,878</b>	<b>\$957,432</b>

**12** Type of tax return filed (i.e. 1120C, 1120S, Partnership, ect.):Partnership**13** Taxpayer ID:76-052062

\* Missouri Revised Statutes §386.020(53)









## **Instructions for completing the Competitive Local Exchange Carrier Access Line Report**

### **I. BACKGROUND**

In opening local telephone markets to competition, the Missouri Public Service Commission (MoPSC) is interested in determining and tracking the amount of actual competition occurring throughout the state. For a variety of reasons including but not limited to statutory reasons, the MoPSC finds it necessary to track the level of competition in local telephone markets.

### **II. PURPOSE**

The purpose of this portion of the Annual Report is to ascertain, on an exchange specific basis, the number of voice-grade equivalent access lines in service being provided by your company in each exchange (as identified in your tariff) in Missouri. Information is sought for residential and business voice-grade equivalent access lines on an exchange-by-exchange basis. **Please use the common exchange name as shown in your tariffs.** Further, information is sought on the following ways of provisioning each access line: (A) pure resale lines; (B) unbundled network element lines (UNE); (C) unbundled network element platform lines (UNE-P); and , (D) pure facility based lines. **Please report on a separate line the number of company used lines.**

### **III. WHAT IS MEANT BY "VOICE TELEPHONE SERVICE"?**

Voice telephone service means local exchange or exchange access services that allow end users to originate and terminate local telephone calls on the public switched telephone network, whether used by the end user for telephone calls or for other types of calls carried over the public switched network (for example, lines used for facsimile equipment and "dial-up" internet lines).

### **IV. WHAT IS MEANT BY "VOICE-GRADE" EQUIVALENT LINES?**

You are to report voice-grade equivalent lines. Count as one voice-grade equivalent line: traditional analog POTS lines, Centrex-CO extensions, and Centrex-CU trunks. Count lines based on how they are charged to the customer rather than how they are physically provisioned. For example, count Basic Rate Integrated (BRI) and Digital Network (ISDN) Services lines as two voice-grade equivalent lines. Report 8 voice-grade equivalent lines if a customer buys 8 trunks that happen to be provisioned over a DS1 circuit. If a customer buys a DS1 circuit that is provided as channelized service, report 24 voice-grade equivalent lines, even if there is some indication that the customer is only using 8 of the derived lines. Thus, a voice-grade equivalent line is a line that directly connects an end user to a carrier and allows the end user to originate and terminate local telephone calls on the public switched network.

Voice-grade equivalent lines include high capacity (DS1, DS-3, etc.) lines that are channelized to provide voice-grade service. In such instances, it is the number of channels available for voice traffic to/from the public switched network that should be counted as voice-grade equivalent access lines. **Note for competitive LEC's providing local exchange service over hybrid fiber-coaxial cable television systems:** Count your records and report how many voice-grade equivalent lines are being billed.

**Instructions for completing the  
Competitive Local Exchange Carrier Access Line Report Con't.**

**V. WHAT IS MEANT BY PURE RESALE VOICE GRADE EQUIVALENT LINES?**

Pure resold lines are those lines provided pursuant to § 251 (c)(4) of the Communications Act of 1934, as amended. Pure resold lines are those lines not owned or controlled by the telephone company billing the end user for the service. Pure resold lines are typically leased from an underlying carrier at a wholesale discount off the tariffed rate. The use of resold lines exclusively provides a means to offer service without owning or controlling any equipment. Pure resold lines are those lines provided under a general or local exchange tariff, but without benefit of an accompanying switched access tariff.

**VI. WHAT IS MEANT BY UNBUNDLED NETWORK ELEMENT (UNE) LINES?**

UNE lines are those lines where the carrier provides some portion of the equipment required to provide telephone service. The most common example is a competitive LEC who provides the switching but leases a loop (or extended loop) from the incumbent LEC. UNE loops are obtained on a stand alone basis and service is provided to the end user without combining other UNEs. Service provisioned over UNE loops requires the carrier to lease a loop from another LEC in order to connect the customer to the carrier's own switch. UNE lines are provided under a general or local exchange tariff in combination with a switched

**VII. WHAT IS MEANT BY UNE-P VOICE GRADE EQUIVALENT LINES?**

UNE Platform (UNE-P) lines are those lines utilizing a combination of UNEs so that service provisioned over UNE-P lines does not require the carrier to use its own switch, port, or loop. UNE-P lines are commonly used by competitive LECs. UNE-P lines are provided under a general or local exchange tariff in combination with a switched access tariff.

**VIII. WHAT IS MEANT BY FULL FACILITY BASED VOICE GRADE EQUIVALENT LINES?**

Full facility based lines are those lines owned or controlled exclusively by a local exchange carrier and used to connect to an end user's premises. Count as your own such facilities, those facilities that you actually owned as well as facilities such as dark fiber that you obtained the right to use from other entities. Do not include, as full facilities based lines, lines provided over UNE loops that you obtained from another carrier. Full facility based lines are provided under a general or local exchange tariff in

**IX. WHAT IS MEANT BY PUBLIC ACCESS LINES?**

Some carriers (particularly incumbent carriers) still separate pay telephone lines from business lines. Use this column to report pay telephone lines if your company tariffs reflect pay telephone lines distinct from business lines.

Annual Report of EZ Talk Communications, LLC for the year ended December 31, 2002

VERIFICATION

The foregoing report must be verified by the oath of the President or chief officer of the company. The oath required may be taken before any person authorized to administer an oath by the laws of the State in which the same is taken.

OATH

State Of Texas  
County Of Fort Bend } ss:

James C. Brown makes oath and says that  
(Insert here the name of the affiant)

he is President  
(Insert here the official title of the affiant)

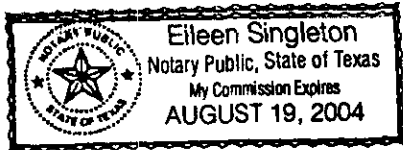
of EZ Talk Communications, LLC  
(Insert here the exact legal title or name of the respondent)

that he has examined the foregoing report; that to the best of his knowledge, information, and belief, all statements of fact contained in the said report are true and the said report is a correct statement of the business and affairs of the above-named respondent.

January 1, \_\_\_\_\_, 2002, to and including December 31, \_\_\_\_\_, 2002

James C. Brown  
(Signature of affiant.)

Subscribed and sworn before me, a Notary in and for the  
State and county above named, this 31<sup>ST</sup> day of March, 2003  
My Commission expires 8/19/2004, 20



Eileen Singleton  
(Signature of officer authorized to administer oaths)

6:17 pm

## Income Statement

(Department Number 280: Missouri)

	1 Month Ended December 31, 2002		12 Months Ended December 31, 2002	
<b>Income</b>				
Local Telephone Hookup	\$3,718.00	6.9%	\$100,274.20	8.5%
Basic Monthly Charge	41,047.00	76.1%	857,157.52	72.6%
Unearned Revenue	571.00	1.1%	41,257.97	3.5%
Taxes	8,617.00	16.0%	181,719.00	15.4%
<b>TOTAL Income</b>	<b>53,953.00</b>	<b>100.0%</b>	<b>1,180,408.69</b>	<b>100.0%</b>
<b>Cost of Goods Sold</b>				
<b>Provider Costs</b>				
Local Telephone Hookup	3,105.94	5.8%	73,485.77	6.2%
Basic Monthly Charge	5,816.10	10.8%	142,985.14	12.1%
Set Up Fees	1,053.63	2.0%	21,759.86	1.8%
Call Forwarding	0.00	0.0%	41.81	0.0%
Three Way Calling	1.92	0.0%	149.98	0.0%
Unpublished Number	42.98	0.1%	414.96	0.0%
Call Return	0.00	0.0%	9.84	0.0%
Caller I.D.	979.36	1.8%	13,660.97	1.2%
Call Waiting	1,124.90	2.1%	19,022.29	1.6%
Local Plus Calls	51.98	0.1%	1,854.59	0.2%
Repairs / Trip Charges	111.00	0.2%	1,467.00	0.1%
Metro Line Additional Charge	1,119.58	2.1%	20,934.81	1.8%
Auto Redial	0.00	0.0%	5.85	0.0%
Call Blocker	0.00	0.0%	16.38	0.0%
Miscellaneous Options	9.49	0.0%	1,686.48	0.1%
Call Notes	0.79	0.0%	56.56	0.0%
Itemized Calls	54.02	0.1%	590.77	0.1%
Customer Refunds	0.00	0.0%	47.49	0.0%
Customer Repairs	(0.83)	0.0%	(17.33)	0.0%
Various Fee Cost	0.00	0.0%	1.90	0.0%
FCC Approved Customer Line Chg	0.00	0.0%	64.88	0.0%
Toll Restriction Charge	1,813.84	3.4%	43,262.31	3.7%
Reconnect Fee	0.00	0.0%	2.56	0.0%
Conversions	0.00	0.0%	175.00	0.0%
Prepaid Provider	(13,134.00)	-24.3%	(1,125.52)	-0.1%
Taxes-States Sales Tax	8,617.00	16.0%	132,260.98	11.2%
Taxes - 911 Taxes	0.00	0.0%	5,035.00	0.4%
Taxes - Federal Excise Tax	0.00	0.0%	17,529.62	1.5%
Taxes - Universal Service Fund	0.92	0.0%	0.92	0.0%
Taxes - County Tax	0.04	0.0%	0.04	0.0%
Taxes - Other Taxes	5.50	0.0%	75.31	0.0%
Taxes-FCC Charge-1st	3,598.29	6.7%	5,619.16	0.5%
Taxes-FCC Charge - Add	13.66	0.0%	109.28	0.0%
Telecomm Relay Surcharge	3.42	0.0%	17.73	0.0%
State Deaf & Disabled	0.00	0.0%	457.00	0.0%
State License Tax	0.00	0.0%	21,702.00	1.8%
Federal USF High Cost & School	0.00	0.0%	1,796.00	0.2%

6:20 pm

## Income Statement

(Department Number 280: Missouri)

	1 Month Ended		12 Months Ended	
	December 31, 2002		December 31, 2002	
Federal Relay	0.00	0.0%	3.00	0.0%
<b>TOTAL Provider Costs</b>	<b>14,389.53</b>	<b>26.7%</b>	<b>525,160.39</b>	<b>44.5%</b>
<b>Other Provider Costs</b>				
CD Costs	6.94	0.0%	20.82	0.0%
Late Fees	725.42	1.3%	14,401.83	1.2%
<b>TOTAL Other Provider Costs</b>	<b>732.36</b>	<b>1.4%</b>	<b>14,422.65</b>	<b>1.2%</b>
<b>Bond Fees</b>	<b>0.00</b>	<b>0.0%</b>	<b>41.00</b>	<b>0.0%</b>
<b>Maintenance / Stores</b>				
Maintenance-Lodging	0.00	0.0%	414.01	0.0%
Maintenance-Meals & Ent	0.00	0.0%	121.88	0.0%
Maintenance-Other	0.00	0.0%	44.39	0.0%
<b>TOTAL Maintenance Expenses</b>	<b>0.00</b>	<b>0.0%</b>	<b>580.28</b>	<b>0.0%</b>
<b>Advertising</b>				
Advertising - Delivery	0.00	0.0%	16.77	0.0%
<b>TOTAL Advertising</b>	<b>0.00</b>	<b>0.0%</b>	<b>16.77</b>	<b>0.0%</b>
<b>TOTAL Cost of Goods Sold</b>	<b>15,121.89</b>	<b>28.0%</b>	<b>540,221.09</b>	<b>45.8%</b>
<b>GROSS PROFIT</b>	<b>38,831.11</b>	<b>72.0%</b>	<b>640,187.60</b>	<b>54.2%</b>
<b>OPERATING PROFIT</b>	<b>38,831.11</b>	<b>72.0%</b>	<b>640,187.60</b>	<b>54.2%</b>
<b>PROFIT BEFORE TAXES</b>	<b>38,831.11</b>	<b>72.0%</b>	<b>640,187.60</b>	<b>54.2%</b>
<b>NET PROFIT</b>	<b>\$38,831.11</b>	<b>72.0%</b>	<b>\$640,187.60</b>	<b>54.2%</b>