



VarTec Telecom, Inc.

This Public document has been edited by ☐
Suzie Mankin 05-23-05 so as to comply with ☐
Rules governing data submitted under seal.

April 14, 2005

VIA OVERNIGHT DELIVERY

Missouri Public Service Commission
Budget & Fiscal Services Department
P.O. Box 360
Jefferson City, Missouri 65102

FILED²
APR 15 2005
Missouri Public
Service Commission

Re: Annual Report – December 31, 2004
VarTec Telecom, Inc.

Dear Sir or Madam:

Transmitted herewith on behalf of VarTec Telecom, Inc. d/b/a VarTec Telecom[®] and Clear Choice Communications[®] ("VarTec"), please find the Company's Annual Report for the year ending December 31, 2004. Also, please note that revenue for Clear Choice Communications[®] has been included on the Statement of Revenue for VarTec Telecom, Inc. VarTec respectfully requests that the revenue information included with this filing be protected from public disclosure. As a privately held corporation, the Company does not wish to make this proprietary revenue information available to the general public.

VarTec sincerely appreciates your time and consideration involved in this filing. Any questions regarding this filing should be directed to the undersigned at (972) 478-3363 or at the Company's principal address.

Respectfully submitted,

Erin L. Curry
Senior Regulatory Analyst

Enclosures:

cc: Kevin Allen
Senior Manager, Regulatory Affairs

(Please note that the Company's address has changed to: 2440 Marsh Lane, Carrollton, Texas 75006.)

**VarTec Telecom, Inc. d/b/a VarTec Telecom and Clear
Choice Communications**

Full Company Name (Do not abbreviate, yet include any Commission approved
AKA/DBA/Fictitious Name, if applicable.)

COMPETITIVE LOCAL EXCHANGE CARRIER

and / or

INTEREXCHANGE TELECOMMUNICATIONS CARRIER

ANNUAL REPORT

TO THE

MISSOURI PUBLIC SERVICE COMMISSION

For The Year Ending December 31, 2004

FILED²
APR 15 2005
Missouri Public
Service Commission

Annual Report of VarTec Telecom, Inc. d/b/a VarTec Telecom and Clear Choice Communications
for the year ending December 31, 2004

1. State in full the exact 'certificated' name of the

Competitive Local Exchange Carrier/Interexchange Telecommunications Carrier:
(Do not abbreviate; yet include any Commission approved AKA/DBA/Fictitious Name, if applicable.)

VarTec Telecom, Inc. d/b/a VarTec Telecom and Clear Choice Communications

2. Is utility certificated as a Competitive Local Exchange Carrier (CLEC)? If yes, state effective date
a. of certification by the MO Public Service Commission and associated case number:

Date (e.g. 00/00/0000): 03/16/01 Case No: TA-2001-363

- b. Is utility certificated as a Interexchange Telecommunications Carrier (IXC)? If yes, state effective date of certification by the MO Public Service Commission and associated case number:

Date (e.g. 00/00/0000): 03/17/92 Case No: TA-92-117

3. Was the company certificated in Missouri under any other name(s)? If yes, please provide all names and time periods involved since the original certification:

Not applicable.

4. This Competitive Local Exchange/Interexchange Telecommunications Carrier is a (Check box with an X) and if different than certificated name listed above (e.g. parent corporation name) or if 'Other' is identified, explain:

| | | | |
|-------------------------------------|---------------------|--------------------------|---------------------|
| <input checked="" type="checkbox"/> | Corporation | <input type="checkbox"/> | LLC |
| <input type="checkbox"/> | Partnership | <input type="checkbox"/> | LP |
| <input type="checkbox"/> | Sole Proprietorship | <input type="checkbox"/> | Other - Explanation |

5. Date of incorporation or other original organization (e.g. 00/00/0000):

02/27/89

6. Under the laws of what state is the Competitive Local Exchange/Interexchange Telecommunications Carrier organized:

Texas

7. State in full the name, street address, telephone number, and e-mail address* of the individual completing/verifying this Annual Report:

Erin L. Curry

2440 Marsh Lane

Carrollton, Texas 75006

(972) 478-3363

elcurry@vartec.net

(*) To facilitate electronic sending of the Annual Report form next year.

CLEC-IXCAnnual Report of VarTec Telecom, Inc. d/b/a VarTec Telecom and Clear Choice Communicationsfor the year ending December 31, 2004

8. Whether a corporation or not, give the particulars called for below concerning the principal general officers of the Competitive Local Exchange/Interexchange Telecommunications Carrier at the end of the year:

| <u>Date Office Assumed</u> | <u>Title of General Officer</u> | <u>Name of Person Holding Office</u> |
|--------------------------------|---|--------------------------------------|
| <u>11/01/04</u> | <u>President, Chief Executive Officer & Chief Legal Officer</u> | <u>Michael G. Hoffman</u> |
| <u>12/17/04</u> | <u>Chief Operating Officer and Chief Restructuring Officer</u> | <u>Joe D'Angelo</u> |
| <u>09/30/04</u> | <u>Treasurer and Chief Financial Officer</u> | <u>KJ Alzamora</u> |
| <u>11/01/04</u> | <u>Secretary</u> | <u>Timothy A. Biggio</u> |
| <u>01/02/02</u> | <u>Assistant Secretary</u> | <u>Melissa A. Drennan</u> |
| <u>09/30/04</u> | <u>Assistant Treasurer</u> | <u>Robert J. Healea</u> |
| <u> </u> | <u> </u> | <u> </u> |
| <u> </u> | <u> </u> | <u> </u> |

9. Please provide a listing of all mergers, consolidations, and reorganizations, completed during the last year.

On November 1, 2004, VarTec Telecom, Inc. filed a voluntary petition under Chapter 11 of the
Bankruptcy Code and is currently a debtor-in-possession in Case No. 04-81694-SAF-11
pending in the United States Bankruptcy Court for the Northern District of Texas, Dallas
Division.

10. Please provide the following information concerning Total Company and gross intrastate operating revenues (i.e., Missouri Specific) Revenues for this Calendar Year: 2004

Revenues:**Total Company MO Specific**

Operating Revenues* from Telecommunication Services

| | |
|--|--|
| | |
|--|--|

Access Fee Revenues

| | |
|--|--|
| | |
|--|--|

Federal USF Subsidies

| | |
|--|--|
| | |
|--|--|

State USF Subsidies

| | |
|--|--|
| | |
|--|--|

Other Revenues

| | |
|--|--|
| | |
|--|--|

TOTAL REVENUES

| | |
|--|--|
| | |
|--|--|

MO Specific should match Statement of Revenue
(MoPSC Assessment)

* Missouri Revised Statutes §386.020(53)

(53) "Telecommunications service", the transmission of information by wire, radio, optical cable, electronic impulses, or other similar means. As used in this definition, "information" means knowledge or intelligence represented by any form of writing, signs, signals, pictures, sounds, or any other symbols. Telecommunications service does not include:

(a) The rent, sale, lease, or exchange for other value received of customer premises equipment except for customer premises equipment owned by a telephone company certificated or otherwise authorized to provide telephone service prior to September 28, 1987, and provided under tariff or in inventory on January 1, 1983, which must be detariffed no later than December 31, 1987, and thereafter the provision of which shall not be a telecommunications service, and except for customer premises equipment owned or provided by a telecommunications company and used for answering 911 or emergency calls;

(b) Answering services and paging services;

(c) The offering of radio communication services and facilities when such services and facilities are provided under a license granted by the Federal Communications Commission under the commercial mobile radio services rules and regulations;

(d) Services provided by a hospital, hotel, motel, or other similar business whose principal service is the provision of temporary lodging through the owning or operating of message switching or billing equipment solely for the purpose of providing at a charge telecommunications services to its temporary patients or guests;

(e) Services provided by a private telecommunications system;

(f) Cable television service;

(g) The installation and maintenance of inside wire within a customer's premises;

(h) Electronic publishing services; or

(i) Services provided pursuant to a broadcast radio or television license issued by the Federal Communications Commission;

CLEC-IXC Annual Report of VarTec Telecom, Inc. d/b/a VarTec Telecom and Clear Choice Communications
for the year ending December 31, 2004

11. Local Exchange Carriers Federal/State Low-Income/Disabled Universal Service Fund Subscribers

Background and Purpose: To ascertain on a monthly basis the number of subscribers being provided federal and/or Missouri low-income/disabled support as being reported to USAC (federal support, Form 497) and the fund administrator of the Missouri programs (Missouri support).

| | Calendar Year 2004 | Calendar Year 2005 | |
|---------------|---|---|---|
| Month | Number of Federal Low Income subscribers | Number of Missouri Low Income subscribers* | Number of Missouri Disabled subscribers* |
| January | 0 | | |
| February | 0 | | |
| March | 0 | | |
| April | 0 | | |
| May | 0 | | |
| June | 0 | | |
| July | 0 | | |
| August | 0 | | |
| September | 0 | | |
| October | 0 | | |
| November | 0 | | |
| December | 0 | | |
| TOTAL: | 0 | 0 | 0 |

* Effective for 2005 calendar year
Annual Report.

12. CLEC-IXC Annual Report of VarTec Telecom, Inc. d/b/a VarTec Telecom and Clear Choice Communications
for the year ending December 31, 2004

COMPETITIVE LOCAL EXCHANGE CARRIER ACCESS LINE REPORT

| Residential Voice Grade Equivalent Lines | | | | | Business Voice Grade Equivalent Lines | | | | Public Access Lines | |
|---|----------------|-------|-------|---------------------------|--|-------|-------|---------------------------|---------------------|--|
| Exchange (Use name in the tariff) | Pure Resale | UNE-L | UNE-P | Full Facility Based | Pure Resale | UNE-L | UNE-P | Full Facility Based | Public | Customer Owned Coin Telephone |
| BELTON | | | 86 | | | | | | | |
| BLUE SPG | | | 97 | | | | | | | |
| BONNETERRE | | | 21 | | | | | | | |
| BOONVILLE | | | 13 | | | | | | | |
| BRIDGETON | | | 68 | | | | | | | |
| CAMDENTON | | | 55 | | | | | | | |
| CAPEGIRARD | | | 76 | | | | | | | |
| CARTHAGE | | | 34 | | | | | | | |
| CEDAR HILL | | | 5 | | | | | | | |
| CHESTERFLD | | | 1 | | | | | | | |
| CHILLICOTH | | | 29 | | | | | | | |
| CREVECOEUR | | | 65 | | | | | | | |
| DE SOTO | | | 24 | | | | | | | |
| DEXTER | | | 31 | | | | | | | |
| EINDEPNDNC | | | 38 | | | | | | | |
| ELDON | | | 52 | | | | | | | |
| EUREKA | | | 1 | | | | | | | |
| EXCELSRSPG | | | 2 | | | | | | | |
| FAIR GROVE | | | 17 | | | | | | | |
| FARMINGTON | | | 53 | | | | | | | |
| FENTON | | | 3 | | | | | | | |

| | | | | | | | | | | | |
|------------|--|--|-----|--|--|--|--|--|--|--|--|
| FERGUSON | | | 70 | | | | | | | | |
| FLAT RIVER | | | 43 | | | | | | | | |
| FLORISSANT | | | 159 | | | | | | | | |
| FREDERCKTN | | | 36 | | | | | | | | |
| FSSCRSTLCY | | | 31 | | | | | | | | |
| FULTON | | | 34 | | | | | | | | |
| GLADSTONE | | | 138 | | | | | | | | |
| GRAVOIS ML | | | 60 | | | | | | | | |
| GREENWOOD | | | 1 | | | | | | | | |
| HANNIBAL | | | 64 | | | | | | | | |
| HARVESTER | | | 14 | | | | | | | | |
| HAZELWOOD | | | 10 | | | | | | | | |
| HIGH RIDGE | | | 3 | | | | | | | | |
| HOUSE SPG | | | 3 | | | | | | | | |
| IMPERIAL | | | 3 | | | | | | | | |
| INDEPNDNCE | | | 238 | | | | | | | | |
| JACKSON | | | 65 | | | | | | | | |
| JOPLIN | | | 137 | | | | | | | | |
| KANSASCITY | | | 320 | | | | | | | | |
| KENNETT | | | 25 | | | | | | | | |
| KIRKSVILLE | | | 37 | | | | | | | | |
| KIRKWOOD | | | 71 | | | | | | | | |
| KNOBNOSTER | | | 1 | | | | | | | | |
| LADUE | | | 49 | | | | | | | | |
| LEESSUMMIT | | | 93 | | | | | | | | |
| LIBERTY | | | 61 | | | | | | | | |
| LKOZKOSBCH | | | 42 | | | | | | | | |
| MANCHESTER | | | 9 | | | | | | | | |
| MARSHALL | | | 35 | | | | | | | | |
| MAXVILLE | | | 2 | | | | | | | | |
| MEHLVILLE | | | 98 | | | | | | | | |
| MEXICO | | | 35 | | | | | | | | |
| MOBERLY | | | 36 | | | | | | | | |
| MONETT | | | 21 | | | | | | | | |
| NASHUA | | | 26 | | | | | | | | |
| NEOSHO | | | 33 | | | | | | | | |
| NEVADA | | | 25 | | | | | | | | |
| NIXA | | | 126 | | | | | | | | |
| OAKVILLE | | | 40 | | | | | | | | |
| ORAN | | | 1 | | | | | | | | |
| OVERLAND | | | 125 | | | | | | | | |
| PACIFIC | | | 6 | | | | | | | | |
| PARKVILLE | | | 62 | | | | | | | | |
| PERRYVILLE | | | 53 | | | | | | | | |

| | | | | | | | | | | |
|------------|--|--|-------|--|--|--|--|--|--|--|
| POND | | | 3 | | | | | | | |
| POPLAR BLF | | | 95 | | | | | | | |
| PUXICO | | | 2 | | | | | | | |
| RAYTOWN | | | 103 | | | | | | | |
| REPUBLIC | | | 45 | | | | | | | |
| RICHMOND | | | 6 | | | | | | | |
| RIVERVIEW | | | 146 | | | | | | | |
| ROGERSVL | | | 23 | | | | | | | |
| SAPPINGTON | | | 80 | | | | | | | |
| SEDALIA | | | 41 | | | | | | | |
| SIKESTON | | | 40 | | | | | | | |
| SOKANSASCY | | | 119 | | | | | | | |
| SPANISH LK | | | 65 | | | | | | | |
| SPRINGFLD | | | 478 | | | | | | | |
| ST CHARLES | | | 9 | | | | | | | |
| ST CLAIR | | | 9 | | | | | | | |
| ST JOSEPH | | | 122 | | | | | | | |
| ST LOUIS | | | 648 | | | | | | | |
| STEGNVIEVE | | | 12 | | | | | | | |
| STRAFFORD | | | 17 | | | | | | | |
| TIFFANYSPG | | | 6 | | | | | | | |
| UNION | | | 15 | | | | | | | |
| VALLEYPARK | | | 2 | | | | | | | |
| WASHINGTON | | | 18 | | | | | | | |
| WEBB CITY | | | 25 | | | | | | | |
| WEBSTRGRVS | | | 49 | | | | | | | |
| WILLARD | | | 36 | | | | | | | |
| TOTAL | | | 5,526 | | | | | | | |

Submitting this Annual Report is an "option" through EFIS

A registered official company representative is authorized to utilize this option, type in all necessary information below, including the Notary's information (pursuant to Sections 432.200 and 432.295). After submitting the Annual Report through EFIS, you will receive a BMAR (confirmation) number. Indicate that BMAR number on the original and retain for your records.

CLEC-IXC

Annual Report of VarTec Telecom, Inc. d/b/a VarTec Telecom and Clear Choice Communications

for the year ending December 31, 2004

VERIFICATION

The foregoing report must be verified by the oath of the President, Treasurer, General Manager or Receiver 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 Dallas

} ss:

KJ Alzamora

makes oath and says that

(Insert here the name of the affiant)

s/he is

Treasurer and Chief Financial Officer

(Insert here the official title of the affiant)

of

VarTec Telecom, Inc.

(Insert here the exact legal title or name of the respondent)

that s/he has examined the foregoing report; that to the best of his or her 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.

01-Jan

, 2004

, to and including

31-Dec

, 2004



(Signature of affiant)

Subscribed and sworn before me, a

Notary Public

in and for the

State and county above named, ms

14th

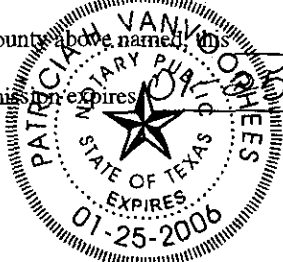
day of

April

, 2005

My Commission expires

2006




(Signature of officer authorized to administer oaths)

Missouri Revised Statutes § 392.210

Original in its entirety must be mailed (if not utilizing EFIS) to:

Manager of the Data Center

MoPSC, 200 Madison Street, Suite 100

Jefferson City, MO 65101 (P.O. Box 360, 65102-0360)