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Decision folder

Arizona Corporation Commission
BEFORE THE ARIZONA CORPORATION COMMISSION

DOCKETED

2 WILLIAM A. MUNDELL
CHAIRMAN
3 JIM IRVIN
COMMISSIONER
4 MARC SPITZER
COMMISSIONER
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JAN 11 2001

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6 IN THE MATTER OF THE APPLICATION OF
ACTEL INTEGRATED COMMUNICATIONS,
7 INC. FOR A CERTIFICATE OF CONVENIENCE
AND NECESSITY TO PROVIDE COMPETITIVE
8 RESOLD INTRASTATE
TELECOMMUNICATIONS SERVICES

DOCKET NO. T-03916A-00-0613

DECISION NO. 63300

ORDER

9 Open Meeting
10 January 9 and 10, 2001
Phoenix, Arizona

11 **BY THE COMMISSION:**

12 **DISCUSSION**

13 On August 29, 2000, the Arizona Court of Appeals, Division One ("Court") issued its
14 Opinion in Cause No. 1 CA-CV 98-0672 ("Opinion"). The Court determined that Article XV,
15 Section 14 of the Arizona Constitution requires the Arizona Corporation Commission
16 ("Commission") to "determine fair value rate base for all public service corporations in Arizona prior
17 to setting their rates and charges." Although the Commission has filed a Petition for Review to the
18 Arizona Supreme Court, we are concerned that the Opinion might create uncertainty in the
19 competitive telecommunications industry during the review period.

20 On September 12, 2000, the Commission ordered the Hearing Division to open a new generic
21 docket to obtain comments on procedures to insure compliance with the Constitution should the
22 ultimate decision of the Supreme Court affirm the Court's interpretation of Section 14. The
23 Commission also expressed concerns that the cost and complexity of fair value rate base ("FVRB")
24 determinations must not offend the Telecommunications Act of 1996.

25 Based on the above, we will approve the application of Actel Integrated Communications,
26 Inc. ("Actel" or "Applicant") at this time with the understanding that it may subsequently have to be
27 amended to comply with the law after the exhaustion of all appeals.
28

1 based provider to switch to another company.

2 8. The Staff Report stated that Applicant has no market power and the reasonableness of
3 its rates would be evaluated in a market with numerous competitors.

4 9. Staff recommended approval of the application subject to the following conditions:

5 (a) The Applicant should be ordered to comply with all Commission rules, orders,
6 and other requirements relevant to the provision of intrastate telecommunications
7 service;

8 (b) The Applicant should be ordered to maintain its accounts and records as
9 required by the Commission;

10 (c) The Applicant should be ordered to file with the Commission all financial and
11 other reports that the Commission may require, and in a form and at such times as the
12 Commission may designate;

13 (d) The Applicant should be ordered to maintain on file with the Commission all
14 current tariffs and rates, and any service standards that the Commission may require;

15 (e) The Applicant should be ordered to comply with the Commission's rules and
16 modify its tariffs to conform to these rules if it is determined that there is a conflict
17 between the Applicant's tariffs and the Commission's rules;

18 (f) The Applicant should be ordered to cooperate with Commission investigations
19 of customers complaints;

20 (g) The Applicant should be ordered to participate in and contribute to a universal
21 service fund, as required by the Commission;

22 (h) The Applicant should be ordered to notify the Commission immediately upon
23 changes to the Applicant's address or telephone number;

24 (i) The Applicant's intrastate interexchange service offerings should be classified
25 as competitive;

26 (j) The Applicant's competitive services should be priced at the rates proposed by
27 the Applicant in its most recently filed tariffs. The maximum rates for these services
28 should be the maximum rates proposed by the Applicant in its proposed tariffs. The
minimum rates for the Applicant's competitive services should be the Applicant's total
service long run incremental costs of providing those services;

(k) In the event that the Applicant states only one rate in its proposed tariff for a
competitive service, the rate stated should be the effective (actual) price to be charged
for the service as well as the service's maximum rate.

1 customers any prepayments, advances, or deposits. In the future, if Actel Integrated
2 Communications, Inc. desires to initiate such charges, it must file information with the Commission
3 that demonstrates the Applicant's financial viability. Staff shall review the information provided and
4 file its recommendation concerning financial viability within thirty (30) days of receipt of the
5 financial information, for Commission approval.

6 IT IS FURTHER ORDERED that Actel Integrated Communications, Inc. shall file the
7 following FVRB information within 18 months of the date that it first provides service. The FVRB
8 shall include a dollar amount representing the total revenue for the first twelve months of
9 telecommunications service provided to Arizona customers by Actel Integrated Communications,
10 Inc. following certification, adjusted to reflect the maximum rates that Actel Integrated
11 Communications, Inc. requests in its tariff. This adjusted total revenue figure could be calculated as
12 the number of units sold for all services offered times the maximum charge per unit. Actel Integrated
13 Communications, Inc. shall also file FVRB information detailing the total actual operating expenses
14 for the first twelve months of telecommunications service provided to Arizona customers by Actel
15 Integrated Communications, Inc. following certification. Actel Integrated Communications, Inc.
16 shall also file FVRB information which includes a description and value of all assets, including plant,
17 equipment, and office supplies, to be used to provide telecommunications service to Arizona
18 customers for the first twelve months following Actel Integrated Communications, Inc.'s
19 certification.

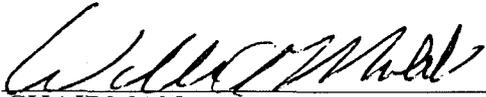
20 IT IS FURTHER ORDERED that Actel Integrated Communications, Inc. shall file its tariffs
21 within 30 days of an Order in this matter.

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1 IT IS FURTHER ORDERED that Actel Integrated Communications, Inc. shall comply with
2 Staff's recommendations as set forth in Findings of Fact No. 7, 9, and 10.

3 IT IS FURTHER ORDERED that this Decision shall become effective immediately.

4 BY ORDER OF THE ARIZONA CORPORATION COMMISSION.

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6 
7 CHAIRMAN

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9 COMMISSIONER

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11 COMMISSIONER

12 IN WITNESS WHEREOF, I, BRIAN C. McNEIL, Executive
13 Secretary of the Arizona Corporation Commission, have
14 hereunto set my hand and caused the official seal of the
15 Commission to be affixed at the Capitol, in the City of Phoenix,
16 this 11th day of January, 2001.

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18 BRIAN C. McNEIL
19 EXECUTIVE SECRETARY

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DOCKET NO.: T-03916A-00-0613

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