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Arizona Corporation Commission
BEFORE THE ARIZONA CORPORATION COMMISSION
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COMMISSIONER

OCT 03 2000

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AZ CORP COMMISSION
DOCUMENT CONTROL

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

PROCEDURAL ORDER

9 **BY THE COMMISSION:**

10 On August 22, 2000, Actel Integrated Communications, Inc. ("Applicant" or "Actel") filed
11 with Docket Control of the Arizona Corporation Commission ("Commission") an application for a
12 Certificate of Convenience and Necessity ("Certificate") to provide competitive resold intrastate
13 telecommunications services within the State of Arizona.

14 On September 12, 2000, Actel filed Affidavits of Publication indicating compliance with the
15 Commission's notice requirements.

16 On September 18, 2000, the Commission's Utilities Division Staff ("Staff") filed its Staff
17 Report in this matter.

18 Pursuant to A.R.S. § 40-282, the Commission may act on an application for a Certificate to
19 provide resold telecommunications services without a hearing, or with a hearing if one is requested
20 by any party.

21 On August 29, 2000, the Court of Appeals, Division One, ("Court") issued its Opinion in
22 Cause No. 1 CA-CV 98-0672 ("Opinion"). The Court determined that Article XV, Section 14 of the
23 Arizona Constitution requires the Commission to "determine fair value rate base ("FVRB") for all
24 public service corporations in Arizona prior to setting their rates and charges." Although that
25 Opinion will more than likely be appealed to the Arizona Supreme Court, we are going to request
26 FVRB information at this time to insure compliance with the Constitution should the ultimate
27 decision of the Supreme Court affirm the Court's interpretation of Section 14. We also are concerned
28 that the cost and complexity of FVRB determinations must not offend the Telecommunications Act

1 of 1996.

2 Pursuant to Commission rules, the Commission now issues this Procedural Order to govern
3 the preparation and conduct of this proceeding.

4 IT IS THEREFORE ORDERED that Actel shall mail Qwest Corporation, formerly U S
5 WEST Communications, Inc. notice of its pending application by October 13, 2000.

6 IT IS FURTHER ORDERED that intervention shall be in accordance with A.A.C. R14-3-105,
7 except that all motions to intervene must be filed on or before **12 noon** on October 24, 2000.

8 IT IS FURTHER ORDERED that Actel shall file its proposed FVRB as soon as possible but
9 no later than **12 noon** on November 3, 2000 (pursuant to A.A.C. R14-2-103(B), this may be the same
10 as original cost rate base). The FVRB shall include the value of all plant and equipment currently
11 held by the Company and intended to be used to provide telecommunications services to Arizona
12 customers. In doing so, Actel may use any reasonable means of asset allocation, direct assignment or
13 combination thereof.

14 IT IS FURTHER ORDERED that Actel shall file a description of all plant and equipment
15 currently held by the Company and intended to be used to provide telecommunications services to
16 Arizona customers, including their cost and location, as soon as possible, but no later than **12 noon**
17 on November 3, 2000.

18 IT IS FURTHER ORDERED that Actel shall file information demonstrating how the value of
19 its plant and equipment (both current and projected) is related to its total service long-run incremental
20 costs as soon as possible, but no later than **12 noon** on November 3, 2000 (such demonstration must
21 include the amount of depreciation expense and capital carrying costs related to the FVRB which has
22 been incorporated into the long-run incremental costs).

23 IT IS FURTHER ORDERED that for all maximum rates and charges of Actel which are
24 higher than those of the incumbent local exchange carrier ("ILEC") for the same regulated services,
25 Actel must demonstrate that such rates and charges are not unreasonable, and constitute a fair rate of
26 return on FVRB (if there is more than one ILEC in your proposed service area, use Qwest
27 Corporation as a surrogate ILEC for the entire state).

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1 IT IS FURTHER ORDERED that Staff shall review the FVRB information filed and ascertain
2 that Actel is utilizing the appropriate amount of depreciation and capital carrying costs in determining
3 its total service long-run incremental costs.

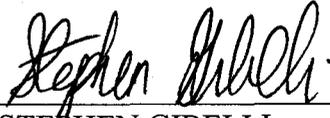
4 IT IS FURTHER ORDERED that Staff or Intervenors shall file disagreements with the
5 proposed FVRB and/or rates and charges by **12 noon** on December 6, 2000.

6 IT IS FURTHER ORDERED that Applicant shall file written exceptions, if any, to the Staff
7 Report, Staff's comments on Arrival's proposed FVRB, or Intervenors comments on Arrival's
8 proposed FVRB, or request that a hearing be set by **12 noon** on December 13, 2000.

9 IT IS FURTHER ORDERED that the time periods specified herein shall not be extended
10 pursuant to Rule 6(a) or (e) of the Arizona Rules of Civil Procedure.

11 IT IS FURTHER ORDERED that the Presiding Officer may rescind, alter, amend or waive
12 any portion of this Procedural Order by subsequent Procedural Order or by ruling at hearing.

13 DATED this 3rd day of October, 2000.

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17 _____
STEPHEN GIBELLI
ADMINISTRATIVE LAW JUDGE

18
19 Copies of the foregoing mailed/delivered
This 3rd day of October, 2000 to:

20 Robin Norton
21 Technologies and Management, Inc.
22 210 North Park Avenue
Winter Park, Florida 32789

23 Leigh Ann Wooten, Tariff Manager
24 Actel Integrated Communications, Inc.
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26 Legal Division
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28

1 Deborah Scott, Director
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By: 
Brenda Sanchez
Secretary for Stephen Gibelli