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ORIGINAL

MEMORANDUM

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AZ CORP COMMISSION
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THRU: Matthew Rowell
Chief, Telecommunications & Energy
Utilities Division *MR*

FROM: Ernest G. Johnson
Director
Utilities Division

EA for EGJ

Arizona Corporation Commission
DOCKETED

JUN 18 2003

DATE: *6-18-03*

DOCKETED BY *[Signature]*

RE: **COMPLIANCE TO DECISION NO. 63546 - REQUEST FOR EXTENSION OF TIME. (DOCKET NOS. T-03258A-00-0236, T-03258A-97-0568, T-03258A-97-0545, AND T-03258A-96-0492)**

On April 15, 2003, Verizon Select Services, Inc. ("VSSI" or "the Company") submitted correspondence requesting an extension of time to comply with one condition in the decision granting VSSI authority to provide facilities-based and resold local exchange and interexchange telecommunications services (April 4, 2001; Decision No. 63546). Verizon's CC&N was conditioned on the Company filing fair value rate base information within 18 months of the date VSSI first provides service following certification. Since VSSI was providing resold interexchange service before certification, VSSI was required to meet this condition within 18 months of the date of the decision. On October 8, 2002, VSSI was sent a notice of non-compliance with this condition and was requested to respond in 30 days if it did not want its certificate to be revoked. VSSI did not meet this deadline. Over six months after receiving the notice of non-compliance VSSI filed its request for an extension to comply with the decision until April 15, 2003, the date of its filing. Attachment A of the filing requesting an extension included the fair value rate base information.

Since VSSI's request for an extension was not filed in a timely manner, Staff recommends that VSSI's request for an extension of time be denied. VSSI's certification, for all services, is void. Since Verizon was determined to have sufficient financial capability, it was not ordered to acquire a bond. VSSI should immediately desist from providing telecommunications service in Arizona until it files a new application to provide service and that application is approved. Staff recommends that Verizon notify all of its customers of its discontinuance of service and provide a list to its customers of alternative providers of resold interexchange service.

Originator: Marta Kalleberg

Enc.

Service List for: Verizon Select Services, Inc.
Docket Nos. T-03258A-00-0236, T-03258A-97-0568, T-03258A-97-0545, and
T-03258A-96-0492

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BEFORE THE ARIZONA CORPORATION COMMISSION

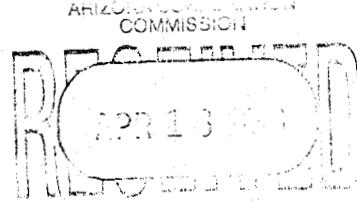
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COMMISSIONERS

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MIKE GLEASON

IN THE MATTER OF THE APPLICATION)
OF VERIZON SELECT SERVICES INC.)
F/K/A/ GTE COMMUNICATIONS)
CORPORATION FOR A COMPETITIVE)
CERTIFICATE OF CONVENIENCE AND)
NECESSITY TO PROVIDE FACILITIES-)
BASED INTEREXCHANGE)
TELECOMMUNICATIONS SERVICES IN)
ARIZONA)

DOCKET NO. T-03258A-00-0236



IN THE MATTER OF THE APPLICATION)
OF VERIZON SELECT SERVICES INC.)
F/K/A/ GTE COMMUNICATIONS)
CORPORATION FOR AUTHORITY TO)
OPERATE AS A PROVIDER OF)
ALTERNATIVE OPERATOR SERVICES)
IN ARIZONA)

DOCKET NO. T-03258A-97-0568

IN THE MATTER OF THE APPLICATION)
OF VERIZON SELECT SERVICES INC.)
F/K/A/ GTE COMMUNICATIONS)
CORPORATION FOR A CERTIFICATE)
OF CONVENIENCE AND NECESSITY TO)
PROVIDE COMPETITIVE FACILITIES-)
BASED AND RESOLD LOCAL)
EXCHANGE TELECOMMUNICATIONS)
SERVICES IN ARIZONA THROUGHOUT)
THE LOCAL EXCHANGE OPERATING)
AREAS OF U S WEST)

DOCKET NO. T-03258A-97-0545

IN THE MATTER OF THE APPLICATION)
OF VERIZON SELECT SERVICES INC.)
F/K/A/ GTE COMMUNICATIONS)
CORPORATION FOR AUTHORITY TO)
OPERATE AS A PROVIDER OF)
ALTERNATIVE OPERATOR SERVICES)
IN ARIZONA)

DOCKET NO. T-03258A-96-0492

**COMPLIANCE FILING AND
REQUEST FOR RETROACTIVE
EXTENSION OF COMPLIANCE
DEADLINE**

Snell & Wilmer

L.P.
LAW OFFICES
One Arizona Center, 400 E. Van Buren
Phoenix, Arizona 85004-2202
(602) 382-6000

1 In Decision No. 63546 (April 4, 2004), Verizon Select Services, Inc., ("VSSI") ✓
2 received a certificate of convenience and necessity (the "CC&N") to provide competitive
3 facilities-based and resold intrastate telecommunications services and AOS services in
4 Arizona. The CC&N was condition upon, among other things, the requirement that VSSI
5 file certain fair value rate base ("FVRB") information within 18 months of the date VSSI
6 first provides service following certification as set forth in Finding of Fact 18(b) of
7 Decision No. 63546. VSSI inadvertently failed to file the required FVRB information,
8 and in a letter from the Commission's manager of compliance and enforcement, was
9 informed that its CC&N was void. VSSI is currently providing telecommunications
10 service to customers in Arizona.

11 Attached hereto as Exhibit "A" is the FVRB information required of VSSI in
12 Decision 63546. VSSI hereby requests a retroactive extension of the 18-month
13 compliance deadline in Decision 63546 through and including April 15, 2003, the date of
14 this filing. VSSI also requests that the Commission confirm that VSSI's CC&N remains
15 in effect.

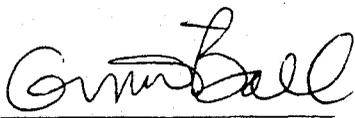
16 Contemporaneous with this filing, VSSI is also submitting its annual utility report
17 for 2002.

18 RESPECTFULLY SUBMITTED this 15th day of April, 2003.

19 SNELL & WILMER

20
21 By 
22 Jeffrey W. Crockett
23 One Arizona Center
24 400 E. Van Buren
25 Phoenix, AZ 85004-2202
26 (602) 382-6234
Attorneys for Verizon Select Services, Inc.

1 ORIGINAL AND NINETEEN copies
2 filed this 15th day of April, 2003,
3 with:
4 Docket Control
5 ARIZONA CORPORATION COMMISSION
6 1200 West Washington Street
7 Phoenix, Arizona 85007
8
9 COPIES mailed this 15th day of April, 2003, to:
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1338556.1

EXHIBIT A

**FAIR VALUE RATE BASE INFORMATION
OF VERIZON SELECT SERVICES, INC.**

Pursuant to Finding of Fact 18(b) of Decision 63546 issued April 4, 2001, by the Arizona Corporation Commission in the Docket Nos. T-03258A-00-0236, T-03258A-97-0568, T-03258A-97-0545 and T-03258A-96-0492 (consolidated), Verizon Select Services, Inc., ("VSSI") submits the following fair value rate base information regarding its jurisdictional telecommunications operations Arizona:

Dollar amount representing the total revenue for the first twelve months of telecommunications service provided to Arizona customers by VSSI following certification, adjusted to reflect the maximum rates that VSSI has requested in its tariff.	\$265, 812.00
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Total actual operating expenses of the first twelve months of telecommunications service provided to Arizona customers by VSSI following certification.	\$167,353.00
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The value of all assets, listed by major category, used for the first twelve months of telecommunications services provided to Arizona customers by VSSI following certification.	\$ 2,830.00
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