

ORIGINAL



0000017786

BEFORE THE ARIZONA CORPORATION COMMISSION
RECEIVED

MARC SPITZER
Chairman
WILLIAM A. MUNDELL
Commissioner
JEFF HATCH-MILLER
Commissioner
MIKE GLEASON
Commissioner
KRISTEN K. MAYES
Commissioner

2005 APR 28 P 2:09

AZ CORP COMMISSION
DOCUMENT CONTROL

Arizona Corporation Commission
DOCKETED

APR 28 2005

DOCKETED BY 

AT&T COMMUNICATIONS OF THE
MOUNTAIN STATES, INC. REVISIONS
TO ITS TELECOMMUNICATIONS
SERVICES TARIFF

)
) DOCKET NO. T-02428A-05-0226
) AT&T'S RESPONSES TO STAFF'S
) FIRST SET OF DATA REQUESTS
)

INFORMATION REQUEST

Information requested by Staff to be submitted in order to increase the maximum tariffed rate for a competitive telecommunications service:

1. A statement setting forth the reasons for which a rate increase is required;

Response to 1.

See Section I. of the March 31, 2005 application.

2. Is there a cost based justification for the rate increase (i.e., is the rate increase necessary to account for a change in your costs)? If yes, please describe the change in your costs. Provide calculations and data to support your cost justification;

Response to 2.

The request to increase the calling card surcharge, a competitive service, is not specifically cost related.

3. A schedule of current rates and proposed rates and the additional revenues to be derived from the proposed rates:

Response to 3.

See Section II. of the March 31, 2005 Application for a chart showing the schedule of current and proposed rates. As discussed in Section II. of the Application, the actual additional revenues derived from the proposed rates are difficult to predict as calling cards are a casually-used service. See AT&T's Response to Data Request No. 5.

4. An affidavit verifying that appropriate notice of the proposed rate increase has been provided to customers of the service; and

Response to 4.

See Exhibit 1, the page directly behind the customer notice, for the affidavit verifying that the notice of proposed rate increase had been provided to customers of the service.

5. A copy of the customer notification you sent your customers.

Response to 5.

See Exhibit 1 for the notice that was mailed to customers on March 15, 2005.

RESPONSES

- Q1. Please explain why the maximum rate for the AT&T All In One, Advantage Plan/Advantage Term Plan is being raised from \$1.20 to \$3.00 when the current rate increase from \$0.60 to \$1.10 remains below the current maximum rate of \$1.20.

Response to Q1.

AT&T recognizes that the proposed surcharge rate increases for the AT&T All In One Advantage and Advantage Term Plans are below the current maximum rate for those plans. However, the Advantage and Advantage Term Plans are closely linked to the other plans included in this application. Therefore, AT&T decided it was more expedient to include these two plans in this application to provide flexibility for future rate increases.

- Q2. Please explain why the March 15, 2005 letter to AT&T customer indicates the current maximum rate for the AT&T All In One, Advantage/Advantage Term Plan as "n/a" when the current maximum rate is \$1.20. Does AT&T believe a revised notice should be issued?

Response to Q2.

The March 15, 2005 letter to AT&T's customers should have listed the current maximum rate for the AT&T All In One Advantage and Advantage Term plans as \$1.20 rather than the "N/A" that appeared on the notice. Although AT&T erred in showing the current maximum rate for those two plans as "N/A", AT&T does not believe this negatively impacts the conveyance of the critical information to impacted customers regarding the proposed new maximum rate and the prices for the surcharges.

Q3. Please explain how the Company believes its proposed rates compare to those of similar services offered by its competitors?

Response to Q3.

The surcharge prices proposed by AT&T (ranging from \$1.10 to \$1.50) are in the range of the \$1.25 surcharge charged by Qwest to its Small Business customers. Furthermore, AT&T's per minute rates (not part of this application) range from \$0.108 to \$0.408 per minute. AT&T's per-minute rates are much lower than the \$0.69/per minute charged by Qwest. Accordingly, the overall cost of an average call for most of the affected AT&T customers would be lower than if Qwest carried the call.

See information from Qwest's website below. A link to the information on Qwest's website is also provided for your convenience.

SMALL BUSINESS

Calling Card

When your boss is in New York, your supplier is in Bangkok and your client calls from Des Moines, you can make all the calls on one card, with one simple pricing plan:

- Call anytime, anywhere with local, national, or international calls
 - When placing a call using 800-487-9378 you have the rate flexibility to accommodate the way you call with two rate options:
 - Option 1. Connect your domestic interstate long distance calls for just 69¢ per minute, with a \$1.25 charge per call**.
- OR**
- Option 2. Connect your domestic interstate long distance calls for just 79¢ per minute with no surcharge per call**.
 - No card activation or annual fee

Call from your home phone, office, pay phone, or hotel with Qwest, the telecommunications experts. Qwest One Card Calling takes calling cards to the next level:

- Program your favorite numbers in custom speed dial
- Record a message to be delivered later
- Conference additional parties onto your call

Long distance calling card calls originating in the states of AZ, CO, IA, ID, MN, MT, ND, NE, NM, OR, SD, UT, WA and WY will be carried by a separate Interexchange Carrier.

<http://pcat.qwest.com/pcat/productDetail.do?salesChannel=SmallBusiness&offerId=6414>

- Q4. For each of the services impacted by maximum rates increases please provide:
- the number customers impacted (if the number varies, please provide a reasonable range or estimate)
 - the total annualized revenue associated with all customers under the existing current and maximum rates (if the number varies, please provide a reasonable range or estimate)
 - the total annualized revenue associated with all customers under the proposed current and maximum rates (if the number varies, please provide a reasonable range or estimate)

Response to Q4.

AT&T respectfully submits that the number of customers, a confidential matter, is sufficiently small that disclose actual customer numbers would be precariously close to divulging actual customer proprietary network information. The actual customer numbers for these plans are stable or declining as AT&T has been grandfathering some of the plans and is not actively marketing the rest of the plans.

- Q5. Please explain if the expected effect of this filing on the Company's Arizona revenues is less than 1 percent, from 1 to 5 percent, etc.

Response to Q5.

The expected effect of this filing is considerably less than 1 percent of AT&T's Arizona revenues.