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MEMORANDUM

Arizona Corporation Commission

DOCKETED

APR - 1 2005

DOCKETED BY	<i>MR</i>
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TO: Docket Control

FROM: Ernest G. Johnson *EGJ*
Director
Utilities Division

THRU: Wilfred Shand Jr. *WSJ*
Manager, Telecommunications & Energy Section
Utilities Division

Matthew Rowell *MR*
Chief, Telecommunications & Energy Section
Utilities Division

DATE: April 1, 2005

RE: IN THE MATTER OF THE APPLICATION OF RED RIVER NETWORKS, LLC
FOR A CERTIFICATE OF CONVENIENCE AND NECESSITY TO PROVIDE
RESOLD LONG DISTANCE TELECOMMUNICATIONS SERVICES
(DOCKET NO. T-04296A-04-0897)

AZ CORP COMMISSION
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On December 14, 2004, Red River Networks, LLC ("Applicant") filed an application for a Certificate of Convenience and Necessity ("CC&N") to provide resold interexchange telecommunications services within the State of Arizona.

On February 28, 2005, a Staff Report was issued recommending approval of the application subject to certain conditions including, but not limited to the procurement of a performance bond in the amount of \$10,000. Staff believed this recommendation was necessary because the Applicant indicated in its tariff that it would require advances, deposits and/or prepayment from its resold interexchange customers.

On March 11, 2005, the Applicant filed a revision to its Arizona tariff. This revision indicated that it would not require advances, deposits and/or prepayments from its resold interexchange customers. Because the Applicant would no longer be collecting advances, deposits and/or prepayments, the Applicant also requested a waiver of the performance bond recommended by Staff in its February 28, 2005 Staff Report.

On March 21, 2005, the Hearing Division issued a Procedural Order in this matter. Staff was ordered to file a response to the Applicant's March 11, 2005 filing which indicates whether the waiver should be approved given the Applicant's tariff revision.

Since the Applicant has now indicated that it will not be collecting advances, deposits and/or prepayments from its customers, Staff does not believe there is any risk of the Applicant holding a customer's money before the service is rendered. Therefore, Staff does not believe that a performance bond is necessary. If at some future date, the Applicant wants to collect advances, deposits and/or prepayments from its resold interexchange customers, Staff recommends that the Applicant be required to file an application with the Commission for Commission approval. Such application must reference the decision in this docket and must explain the applicant's plans for procuring its performance bond.

Originator: Adam Lebrecht

Attachment: Original and Sixteen Copies

SERVICE LIST FOR: RED RIVER NETWORKS, LLC

DOCKET NO. T-04296A-04-0897

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