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BEFORE THE ARIZONA CORPORATION COMMISSION

COMMISSIONERS

Arizona Corporation Commission

DOCKETED

JUN 23 2005

JEFF HATCH-MILLER, Chairman  
WILLIAM A. MUNDELL  
MARC SPITZER  
MIKE GLEASON  
KRISTIN K. MAYES

DOCKETED BY [Signature]

IN THE MATTER OF THE APPLICATION OF  
QWEST COMMUNICATIONS  
CORPORATION D/B/A QWEST LONG  
DISTANCE FOR EXTENSION OF ITS  
EXISTING CERTIFICATE OF  
CONVENIENCE AND NECESSITY TO  
INCLUDE AUTHORITY TO PROVIDE  
RESOLD AND FACILITIES-BASED LOCAL  
EXCHANGE AND RESOLD LONG  
DISTANCE SERVICES IN ADDITION TO ITS  
CURRENT AUTHORITY TO PROVIDE  
FACILITIES-BASED LONG DISTANCE  
SERVICES, AND PETITION FOR  
COMPETITIVE CLASSIFICATION OF  
PROPOSED SERVICES WITHIN THE STATE  
OF ARIZONA.

DOCKET NO. T-02811B-04-0313

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PROCEDURAL ORDER

BY THE COMMISSION:

On April 23, 2004, Qwest Communications Corporation d/b/a Qwest Long Distance<sup>1</sup> ("QCC") filed an Application and Petition with the Arizona Corporation Commission ("Commission") requesting that its existing Certificate of Convenience and Necessity ("CC&N") be extended to include the authority to provide resold long distance service, resold local exchange service and facilities-based local exchange service in addition to the facilities based long distance authority previously granted.<sup>2</sup>

On December 17, 2004, QCC filed a Supplement to Application and Petition.

On February 1, 2005, a Procedural Order was issued setting the hearing in this matter to commence on March 23, 2005, and setting associated procedural deadlines. The Procedural Order directed the Commission's Utilities Division Staff ("Staff") to address in its Staff Report the issue of

<sup>1</sup> The application states that the applicant does business under the d/b/a Qwest Long Distance for its interexchange business.

<sup>2</sup> See Decision No. 66612 (December 10, 2003).

1 whether the reaffirmation of the limited waiver of the Commission's Affiliated Interests Rules  
2 granted in Decision No. 64654 (March 27, 2002) should be revisited, in light of the fact that QCC is  
3 requesting authority to provide services in competition with services provided by its affiliate Qwest  
4 Corporation.

5 On February 23, 2005, the Staff filed a Staff Report on the application. This Initial Staff  
6 Report recommended that QCC be allowed to provide the requested services outside of Qwest  
7 Corporation's current service area. The Initial Staff Report also stated that based on Staff's  
8 recommendation that QCC not be granted authority to provide service inside Qwest Corporation's  
9 service territory, Staff did not believe that the limited waiver of the Commission's Affiliated Interests  
10 Rules granted in Decision No. 64654 (March 25, 2002) needed to be revisited.

11 On February 24, 2005, QCC filed certification of public notice of the hearing on its  
12 application.

13 On March 16, 2005, QCC filed its Response to the Staff Report.

14 Continuances of the hearing were jointly requested by QCC and Staff on March 22, April 1,  
15 and April 29, and were granted by Procedural Orders.

16 On May 13, 2005 Staff filed a supplement to its February 23, 2005 Staff Report on the  
17 application. This Supplemental Staff Report stated that Staff was presenting an alternative  
18 recommendation which would allow QCC to provide resold and facilities-based local service to large  
19 business customers ("Enterprise Customers") within Qwest Corporation's service territory. The  
20 Supplemental Staff Report also included several conditions which did not appear in the Initial Staff  
21 Report.

22 On May 16, 2005, QCC filed a Second Supplement to Application and Petition.

23 The hearing on QCC's application commenced on May 17, 2005.<sup>3</sup> During the hearing on that  
24 date, Staff's witness stated that in light of Staff's new recommendation in the Supplemental Staff  
25 Report, Staff would recommend that the limited waiver of the Commission's Affiliated Interests  
26 Rules granted in Decision No. 64654 be revisited. However, Staff did not have a more specific

27 <sup>3</sup> On March 23, 2005, at 10:00 a.m., the publicly noticed time and date of the hearing on the application, the hearing was  
28 convened as scheduled for the purpose of receiving public comment. No members of the public appeared to provide  
public comment on the application on that date.

1 recommendation at that time.

2 QCC indicated at the hearing that it wished to have an opportunity to respond to Staff's  
3 additional recommendations. QCC and Staff stated that they would confer regarding the procedural  
4 schedule in this matter on a going-forward basis, and would then request a procedural conference.

5 On May 27, 2005, QCC filed a Post-Hearing Submission that included 7 exhibits addressing  
6 issues raised during the hearing.

7 By Procedural Order issued June 9, 2005, a Procedural Conference was scheduled for the  
8 purpose of discussing the continuing conduct of this matter, including the date by which Staff can file  
9 its specific written recommendations regarding the limited waiver of the Commission's Affiliated  
10 Interests Rules granted in Decision No. 64654, as well as any other Staff recommendations, and a  
11 date for QCC's written response hereto. The June 9, 2005 Procedural Order stated that the  
12 continuance of the hearing necessitates the suspension of the timeclock for a final Commission  
13 Decision in this matter.

14 On June 10, 2005, QCC filed a Notice of Filing Supplemental Authority.

15 On June 16, 2005, Staff filed a Notice of Filing Staff's Position on Continuation of the Partial  
16 Waiver of A.A.C. R14-2-803 granted in Decision No. 64654.

17 A Procedural Conference was held as scheduled on June 16, 2005. The parties were informed  
18 of several issues related to the application that should be addressed in pre-filed testimony to inform  
19 the Commission in its Decision on the application.

20 On June 21, 2005, QCC filed a Supplemental Filing and Motion to Amend Order Suspending  
21 Timeclock. QCC requested that the timeclock be reinstated, that the Affiliated Interests Rules waiver  
22 issue be severed from this proceeding, and that a Procedural Order be issued setting a schedule for a  
23 single round of post-hearing briefs.

24 IT IS THEREFORE ORDERED that the Commission's Utilities Division Staff shall file a  
25 response to Qwest Communications Corporation d/b/a Qwest Long Distance's June 21, 2005 filing  
26 no later than June 30, 2005.

27 IT IS FURTHER ORDERED that a **Procedural Conference** shall be held on **July 7, 2005, at**  
28 **2:00 p.m.** for the purpose of allowing oral argument on Qwest Communications Corporation d/b/a

1 Qwest Long Distance's June 21, 2005 Motion and Staff's June 30, 2005 response thereto.

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

4 IT IS FURTHER ORDERED that the Ex Parte Rule (A.A.C. R14-3-113 - Unauthorized  
5 Communications) continues to apply to this proceeding.

6 DATED this 23 day of June, 2005.

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9   
10 TEENA WOLFE  
ADMINISTRATIVE LAW JUDGE

11 The foregoing was mailed/delivered  
12 this 23 day of June, 2005 to:

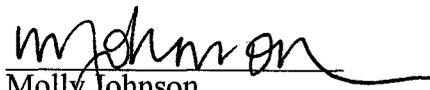
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