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Arizona Corporation Commission  
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BEFORE THE ARIZONA CORPORATION COMMISSION

CARL J. KUNASEK  
Chairman

JIM IRVIN  
Commissioner

WILLIAM A. MUNDELL  
Commissioner

DOCKETED  
CF

2000 DEC 29 P 2:43

ARIZONA CORPORATION COMMISSION  
DOCUMENT CONTROL

IN THE MATTER OF THE APPLICATION OF )  
CONCERT COMMUNICATION SALES, LLC )  
FOR A CERTIFICATE OF CONVENIENCE )  
AND NECESSITY TO PROVIDE COMPETITIVE )  
LOCAL EXCHANGE TELECOMMUNICATIONS )  
SERVICES AS A RESELLER. )

DOCKET NO. T-03731A-99-0234

**STAFF'S FAIR VALUE RATE  
BASE COMMENTS**

Concert Communication Sales, LLC ("Applicant") did not file a response to the November 30, 2000 Procedural Order's requirement that the Applicant file Fair Value Rate Base ("FVRB") information in support of its application for a Certificate of Convenience and Necessity ("CC&N). The Applicant is not currently providing service in Arizona. The November 30, 2000 Procedural Order ordered the Utilities Division Staff ("Staff") to file disagreements with the proposed FVRB and/or rates and charges by December 29, 2000.<sup>1</sup> Staff hereby files its comments as required by the November 30, 2000 Procedural Order.

Because the Applicant did not file FVRB comments, Staff has insufficient information for analysis and recommendation for a fair value finding in this case.

Staff recommends that the Applicant should be required to file in this Docket, within 18 months of the date it first provides service following certification, sufficient information for Staff analysis and recommendation for a fair value finding, as well as for an analysis and recommendation for permanent tariff approval. Staff believes that this information must include, at a minimum, the following:

1. A dollar amount representing the total revenue for the first twelve months of telecommunications service provided to Arizona customers by the Applicant following certification, adjusted to reflect the **maximum rates** that the Applicant has requested in its tariff. This adjusted total revenue figure could be calculated as the number of units sold for all services offered times the maximum charge per unit;

<sup>1</sup> The November 30, 2000 Procedural Order also ordered Staff to review the FVRB information filed and ascertain that the Applicant is utilizing the appropriate amount of depreciation and capital carrying costs in determining its total service long-run incremental costs.

1           2. The total actual operating expenses for the first twelve months of  
2 telecommunications service provided to Arizona customers by the Applicant following  
3 certification; and

4           3. The value of **all assets**, listed by major category, used for the first twelve  
5 months of telecommunications service provided to Arizona customers by the Applicant  
6 following certification. Assets are not limited to plant and equipment. Items such as  
7 office equipment and office supplies should be included in this list.

8           Staff recommends that the Applicant's proposed tariffs be approved on an interim basis  
9 pending its timely provision of the above-described data to the Commission, and that the Applicant's  
10 failure to timely file sufficient information for Staff analysis and recommendation for a fair value  
11 finding and permanent tariffs should result in the expiration of the Applicant's CC&N and interim  
12 tariffs. In addition, if there are any disagreements with any FVRB information that the Applicant  
13 files, the Order granting the Applicant's CC&N should be stayed pending resolution of those  
14 disagreements.

15           RESPECTFULLY SUBMITTED this 29<sup>th</sup> day of December, 2000.

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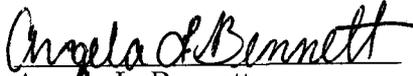
20 The original and fifteen copies  
21 of the foregoing filed this 29<sup>th</sup> day  
of December, 2000, with:

22 Docket Control  
23 Arizona Corporation Commission  
1200 West Washington Street  
24 Phoenix, Arizona 85007

25 Copy of the foregoing was mailed  
this 29<sup>th</sup> day of December, 2000 to:

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