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August 23, 2001

VIA FEDERAL EXPRESS

Docket Control Center
Arizona Corporation Commission
1200 W. Washington Street
Phoenix, Arizona 85007

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2002 AUG 27 P 1:23
AZ CORP COMMISSION
DOCUMENT CONTROL

Re: Docket No. T-3299A-96-0618 - In the Matter of the Application of Buehner-Fry, Inc. d/b/a DirectDial USA for a Certificate of Convenience and Necessity to Provide Competitive Intrastate Telecommunications Services as a Reseller Except Local Exchange Services

Dear Docket Control Center:

Enclosed for filing are the original and ten (10) copies of Buehner-Fry, Inc. d/b/a DirectDial USA's Fair Value Rate Base Information.

Please acknowledge receipt of this transmittal by returning a date-stamped copy of the enclosed cover letter duplicate in the return envelope provided for that purpose.

Please contact me if you have any questions. Thank you for your assistance in this matter.

Sincerely,


Charles J. Pellegrini

CJP:plk
Enclosures
cc: Mr. Pat Williams, Compliance

Arizona Corporation Commission
DOCKETED
AUG 27 2001

DOCKETED BY	
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BEFORE THE ARIZONA CORPORATION COMMISSION

IN THE MATTER OF THE
APPLICATION OF BUEHNER-FRY,
INC. D/B/A DIRECTDIAL USA FOR A
CERTIFICATE OF CONVENIENCE
AND NECESSITY TO PROVIDE
COMPETITIVE INTRASTATE
TELECOMMUNICATIONS SERVICES
AS A RESELLER EXCEPT LOCAL
EXCHANGE SERVICES

DOCKET NO. T-03299A-96-0618

FAIR VALUE RATE BASE INFORMATION

COMES NOW Buehner-Fry, Inc. d/b/a DirectDial USA ("Buehner-Fry"), through counsel, and, pursuant to order, files its Fair Value Rate Base Information, stating in support thereof the following.

1. On December 18, 1996, Buehner-Fry filed an Application for a Certificate of Convenience and Necessity ("Application") to provide competitive resold intrastate telecommunications services within the State of Arizona.
2. On August 29, 2000, the Court of Appeals, Division One, issued its Opinion in Cause No. 1 CA-CV 98-0672, in which it determined that pursuant to the Arizona constitution the Commission must determine the fair value rate base ("FVRB") of all public service corporations in Arizona prior to setting their rates and charges.
3. On September 12, 2000, Staff, Utilities Division, filed a Staff Report in this proceeding over the signature of Deborah R. Scott, Director. The Staff Report recommended that the Application be approved without a hearing pursuant to A.R.S. § 40-281 and that Buehner-Fry be required to file its tariff within 30 days of an order in this matter.
4. On October 2, 2000, the Commission issued a Procedural Order in this proceeding, in which it ordered Buehner-Fry to file its proposed FVRB and other related information by November 1, 2000.

5. On October 23, 2000, Buehner-Fry filed a Motion for Extension of Time until February 5, 2001, to file its proposed FVRB. The Commission granted Buehner-Fry an extension until February 7, 2001, in a Procedural Order, issued October 27, 2000.
6. On February 2, 2001, Buehner-Fry filed its revised tariff and price list, together with a Petition to Classify Tariffed Rates as Interim Rates. On March 6, 2001, Staff filed Staff's Fair Value Rate Base Comments ("Staff's Comments") in this matter, over the signature of Robert J. Metli, in which it recommended that Buehner-Fry's proposed tariffs be approved on an interim basis and that Buehner-Fry be required to submit FVRB information within eighteen months of first providing service, consisting of, at minimum, total revenue for the first twelve months reflecting maximum rates, actual operating expenses for the same period, and the value of all assets used in the same period for providing telecommunications services to Arizona customers.
7. On August 6, 2001, the Commission issued Decision No. 63909, in which it granted Buehner-Fry's Application, while requiring Buehner-Fry to file FVRB information as recommended in the Staff's Comments and to file its tariffs within 30 days of the order.
8. Buehner-Fry represents that for purposes of filing FVRB information, Buehner-Fry's service in Arizona as DirecDial USA should be deemed to have started on April 1, 2000.¹
9. On August 14, 2001, Buehner-Fry, pursuant to order, filed its tariff and price list.
10. Buehner-Fry hereby submits that the "dollar amount representing the total revenue for the first twelve months of telecommunications service provided to Arizona customers by Buehner-Fry Inc. d/b/a DirectDial USA following certification, adjusted to

¹ On May 15, 2001, in Docket No. T-92764A-94-0140, Buehner Fry, pursuant to order, advised the Commission that it is currently providing telecommunications services in Arizona as Resort Operator Services and on May 16, 2001, Buehner-Fry concurred with Compliance Staff, Pat Williams, that for purposes of filing FVRB information, Buehner-Fry's service in Arizona as Resort Operator Services would be deemed to have started on February 10, 2000.

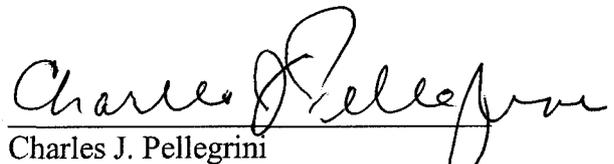
reflect the maximum rates Buehner-Fry Inc. d/b/a DirectDial USA requests in its tariff' is \$8,095.52.

11. Buehner-Fry hereby submits that the "total actual operating expenses for the first twelve months of telecommunications service provided to Arizona customers by Buehner-Fry Inc. d/b/a DirectDial USA following certification" are \$4,811.24.

12. Buehner-Fry hereby submits that, since it has no plant, equipment, office supplies, or any other property physically in Arizona, it has derived by imputation that "a description and value of all assets, including plant, equipment, and office supplies, to be used to provide telecommunications service provided to Arizona customers for the first twelve months following Buehner-Fry Inc. d/b/a DirectDial USA's certification" is \$953.65.

WHEREFORE, Buehner-Fry, Inc. d/b/a as DirectDial USA respectfully submits the foregoing FVRB information in accordance with the Third Ordering Paragraph of Commission Decision No. 63909.

Submitted this 23rd day of August, 2001.



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as DirectDial USA